



Santa Clara
Family Health Plan
The Spirit of Care

AGENDA
Santa Clara County Health Authority
Executive Committee Regular Meeting

Thursday, July 23, 2015
8:30 AM-9:30 AM
210 E. Hacienda Avenue
Campbell CA 95008

- | | |
|--|---------|
| 1. Roll Call | Ms. Lew |
| 2. Minute's approval. Review and approve minutes of the June 12, 2014 Executive Committee Regular Meeting. | Ms. Lew |
| 3. Public comment | Ms. Lew |

Members of the public may speak to any item not on the agenda; 2 minutes per speaker. The Executive Committee reserves the right to limit the duration or public comment period to 30 minutes.

Announcement Prior to Recessing into Closed Session

Announcement that the Executive Committee will recess into closed session to discuss Item Nos. 4a , and will identify its Designated Representatives for Item No. 4a.

- | | |
|------------------------------|---------|
| 4. Adjourn to closed Session | Ms. Lew |
|------------------------------|---------|

4a. Conference with Labor Negotiators (Government Code Section 54957.6): It is the intention of the Executive Committee to meet in Closed Session to confer with its Designated Representatives:

Designated Representatives' Names: Dave Cameron, Sharon Valdez, and Richard Noack

Employee organization: Local 521, SEIU

5. Report from closed session

6. May 2015 Financial Statements

Mr. Cameron

Consider recommendations relating to the May 2015 Financial Statements.

Possible Action:

Approve May 2015 Financial Statements.

7. Adjournment

Ms. Lew

Notice to the Public – Meeting Procedures

- Persons wishing to address the Executive Committee on any item on the agenda are requested to advise the Recorder so that the Chairperson can call on them when the item comes up for discussion.
- The Executive Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the possible action.
- In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Rita Zambrano prior to the meeting at 408-874-1842.
- To obtain a copy of any supporting document that is available, contact Rita Zambrano at 408-874-1842. Agenda materials distributed less than 24 hours before a meeting can be inspected at the Santa Clara Family Health Plan offices at 210 E. Hacienda Avenue, Campbell.
- This agenda and meeting documents are available at www.scfhp.com.



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Financial Statements
For Eleven Months Ended May 2015
(Unaudited)

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**Santa Clara Family Health Plan
CFO Finance Report
For the Month and Year to Date Ended May 31, 2015**

Summary of Financial Results

For the month of May 2015, SCFHP recorded a net surplus of \$1.2 million compared to a budgeted net loss of \$1.9 million resulting in a favorable variance from budget of \$3.1 million. For year to date May 2015, SCFHP recorded a net surplus of \$16.9 million compared to a budgeted net surplus of \$12.8 million resulting in a favorable variance from budget of \$4.1 million. The table below summarizes the components of the overall variance from budget.

**Summary Operating Results – Actual vs. Revised Budget
For the Current Month & Fiscal Year to Date – May 2015
Favorable/ (Unfavorable)**

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 73,255,234	\$ 66,264,058	\$ 6,991,176	10.6%	Revenue	\$ 703,154,362	\$ 624,401,281	\$ 78,753,081	12.6%
69,040,257	65,766,776	(3,273,481)	-5.0%	Medical Expense	656,950,287	585,852,080	(71,098,207)	-12.1%
4,214,977	497,282	3,717,696	747.6%	Gross Margin	46,204,075	38,549,201	7,654,874	19.9%
2,543,120	2,270,407	(272,713)	-12.0%	Administrative Expense	24,002,839	24,759,360	756,520	3.1%
1,671,857	(1,773,125)	3,444,982	194.3%	Net Operating Income	22,201,236	13,789,841	8,411,394	61.0%
(484,664)	(90,000)	(394,664)	-438.5%	Non-Operating Income/Exp	(5,270,366)	(990,000)	(4,280,366)	-432.4%
\$ 1,187,192	\$ (1,863,125)	\$ 3,050,318	163.7%	Net Surplus/ (Loss)	\$ 16,930,870	\$ 12,799,841	\$ 4,131,029	32.3%

Revenue

The Health Plan recorded net revenue of \$73.3 million for the month of May 2015, compared to budgeted revenue of \$66.3 million, resulting in a favorable variance from budget of \$7.0 million, or 10.6%. For year to date May 2015, the Plan recorded net revenue of \$703.2 million compared to budgeted revenue of \$624.4 million, resulting in a favorable variance from budget of \$78.8 million, or 12.6%. The primary driver for the positive variance in revenue is the continued rapid growth of the Medi-Cal Expansion membership. However, our expansion rates have been decreasing and DHCS has informed us that this rate will reduce by an additional 20% starting July 1, 2015. These decreases have and will continue to have a significant impact on the positive revenue variance experienced throughout FY15. In January, we started receiving revenue for the Medicare portion of the Dual Demonstration, also known as Cal MediConnect.

A statistical and financial summary for all lines of business is included on page 9 of this report.

Member months

For the month of May 2015, overall member months were higher than budget by 42,859 members (+21.4%). For May 2015 year to date, overall member months were higher than budget by 297,345 (13.9%).

In the eleven months since the end of the prior fiscal year, 6/30/2014, membership in Medi-Cal increased by 23.6%. The increase in Medi-Cal includes 67,658 new Medi-Cal Expansion members added in the 17 months between January 2014 and May 2015. Membership in the Healthy Kids program declined by 13.3%, since 6/30/2014. Member months, and changes from prior year, are summarized on Page 11.

In January, we started enrolling members for the Medicare LOB. For the month of May 2015, overall member months were lower than the budget by 469 (-6.4%). For May 2015 year to date, overall members months were lower than budget by 816 (2.5%).

Medical Expenses

For the month of May 2015, medical expense was \$69.0 million compared to budget of \$65.8 million, resulting in an unfavorable budget variance of \$3.3 million, or -5.0%. For year to date May 2015, medical expense was \$657.0 million compared to budget of \$585.9 million, resulting in an unfavorable budget variance of \$71.1 million, or -12.1%. The increased medical expenses for the month, and year to date, compared to budget are primarily attributable to the Medi-Cal Expansion (MCE) population that commenced in January 2014. Approximately 77% of these members are delegated to the safety net and other Global providers and therefore they receive a substantial amount of the state capitation to care for these members. Additionally, the MCE line of business has a 85% Medical Loss Ratio (MLR) requirement. If the plan falls below the 85% corridor we will have to pay the difference back to the State. In September 2014, we began reserving for the difference between actual expenses and the 85% MLR. The medical expenses for the Cal MediConnect (CMC) line of business, especially the Medi-Cal CMC, are running higher than the budget; therefore, we are accruing significant incurred but not paid expenses based on the very minimal claim experience to date.

Administrative Expenses

Overall administrative costs were over budget by \$273 thousand (-12.0%) for the month of May 2015, and under budget by \$757 thousand (+3.1%) for year to date May 2015. Salaries/Benefits are under budget because of the slower than anticipated ramp up costs for Cal MediConnect; however, higher than budget Professional Fees/Consulting/Temporary Staffing costs offset some of this favorable variance. Additionally, translation and printing of plan materials in new languages contributed to higher than budgeted costs.

Overall administrative expenses were 3.4% of revenues for year to date May 2015.

Balance Sheet (Page 6)

Current assets at May 31, 2015 totaled \$190.3 million compared to current liabilities of \$136.8 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.4 as of May 31, 2015. Working capital increased by \$16.1 million for the eleven months year to date ended May 31, 2015.

Cash as of May 31, 2015, increased by \$73.4 million compared to the cash balance as of year-end June 30, 2014. Net receivables increased by \$11.8 million during the same eleven month period ended May 31, 2015. The cash position increased largely due to the overpayment of the Medi-Cal expansion revenue and a substantial increase in Medical cost reserves, including additional amounts for the CMC while the Medicare expenses work through the claims payment system.

Liabilities increased by a net amount of \$63.2 million during the eleven months ended May 2015. This was primarily due to the payable for the Intergovernmental Transfers (IGTs), overpayment of Medi-Cal expansion, and Medical cost reserves mentioned above. Additionally, the Health Plan recorded the unfunded Pension Liability of \$4.8 million as required by GASB 68.

As of the fiscal year ending June 30, 2013, the “Board Designated Reserve – Healthy Kids” totaled \$1,489,090. During fiscal year 2014, the plan made contributions totaling \$1,190,491, thus reducing the reserve balance to \$298,599 as of June 30, 2014. It is anticipated that the remaining balance of this reserve will be used this year. No changes to the Board Designated Reserve were made in Fiscal Year 2015.

Capital Expenses increased by \$1.5 million for the eleven months ended May 31, 2015.

Tangible Net Equity

Tangible Net Equity (TNE) was \$57.8 million at May 31, 2015 compared to the minimum TNE required by the Department of Managed Health Care (DMHC) of \$17.0 million (as per quarterly filing at 3-31-15). A chart showing TNE trends is shown on page 14 of this report.

At the December 2011 Board of Director's meeting, a policy was adopted for targeting the organization's capital reserves to equal two months of Medi-Cal capitation revenue.

As of May 31, 2015, the Plan's reserves are below this reserves target by about \$76.6 million (see calculation below).

(Note: Due to an additional ~67,700 members in the Medi-Cal Expansion program from January 2014 through May 2015, the monthly capitation amount for Medi-Cal has increased to approximately \$39.3 million more than the level at Dec 2013.)

Calculation of targeted reserves as of May 31, 2015

Estimate of two months' capitation (based on May 2015) (May-2015 Medi-Cal capitation of \$64,885,000 x 2 = \$129,770,000)	\$129,770,000
Less: Unrestricted Net Equity per balance sheet (rounded)	<u>\$ 53,154,000</u>
Approximate reserves below target	<u>\$ 76,616,000</u>

**Santa Clara County Health Authority
Balance Sheet**

	<u>5/31/2015</u>	<u>4/30/2015</u>	<u>3/31/2015</u>	<u>6/30/2014</u>
Assets				
Current Assets				
Cash and Marketable Securities	\$ 112,228,288	\$ 103,662,212	\$ 102,928,357	\$ 38,802,506
Premiums Receivable	77,019,816	79,451,034	78,113,316	65,246,586
Due from Santa Clara Family Health Foundation - net	3,612	3,612	3,612	70,697
Prepaid Expenses and Other Current Assets	<u>1,032,985</u>	<u>1,134,421</u>	<u>1,179,533</u>	<u>6,833,379</u>
Total Current Assets	190,284,701	184,251,279	182,224,818	110,953,168
Long Term Assets				
Equipment	11,606,837	11,594,495	11,414,484	10,097,538
Less: Accumulated Depreciation	<u>(7,263,493)</u>	<u>(7,155,323)</u>	<u>(6,857,829)</u>	<u>(6,553,597)</u>
Total Long Term Assets	<u>4,343,344</u>	<u>4,439,172</u>	<u>4,556,655</u>	<u>3,543,941</u>
Total Assets	\$ 194,628,045	\$ 188,690,451	\$ 186,781,473	\$ 114,497,109
Liabilities and Net Position				
Liabilities				
Trade Payables	\$ 3,516,562	\$ 2,630,936	\$ 3,359,153	\$ 4,969,182
Deferred Rent	167,160	167,186	167,213	167,447
Employee Benefits	1,021,801	1,020,534	1,005,858	949,180
Retirement Obligation per GASB 45	637,406	579,460	521,514	0
Unfunded Pension Liability GASB 68	4,812,271	4,374,792	3,937,313	0
Advance Premium - Healthy Kids	66,321	67,252	64,007	63,872
Liability for ACA 1202	31,428,818	31,568,068	35,110,290	30,689,658
Payable to Hospitals (SB208)	(35,535)	(35,535)	(35,535)	0
Payable to Hospitals (AB 85)	3,201,926	1,565,175	2,948,449	1,555,000
Due to Santa Clara County Valley Health Plan	8,736,388	8,387,608	7,295,911	4,664,956
MCO Tax Payable - State Board of Equalization	6,464,166	6,470,832	6,010,474	1,954,025
Due to DHCS	17,381,270	17,709,280	14,811,328	2,541,250
Medical Cost Reserves	<u>59,426,040</u>	<u>57,568,607</u>	<u>55,811,496</u>	<u>26,069,960</u>
Total Liabilities	136,824,595	132,074,194	131,007,470	73,624,529
Net Position / Reserves				
Invested in Capital Assets	4,343,344	4,439,172	4,556,655	3,543,941
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Board Designated Reserve - Healthy Kids	298,599	298,599	298,599	298,599
Unrestricted Net Equity	35,925,287	35,829,458	35,711,975	28,403,271
Current YTD Income (Loss)	<u>16,930,870</u>	<u>15,743,678</u>	<u>14,901,423</u>	<u>8,321,419</u>
Net Position / Reserves	<u>57,803,449</u>	<u>56,616,257</u>	<u>55,774,003</u>	<u>40,872,580</u>
Total Liabilities and Net Position	\$ 194,628,045	\$ 188,690,451	\$ 186,781,473	\$ 114,497,109
Solvency Ratios:				
Working Capital	\$ 53,460,106	\$ 52,177,085	\$ 51,217,348	\$ 37,328,639
Working Capital Ratio	1.4	1.4	1.4	1.5
Average Days Cash on Hand	55	51	52	34

Santa Clara County Health Authority
Income Statement for the Eleven Months Ending May 31, 2015

	For the Month of May 2015					For Eleven Months Ending of May 2015				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
REVENUES										
MEDI-CAL	\$ 65,387,195	89.3%	\$ 51,257,311	77.4%	\$ 14,129,883	\$ 664,165,145	94.5%	\$ 552,665,912	88.5%	\$ 111,499,233
HEALTHY KIDS	403,101	0.6%	476,856	0.7%	(73,755)	4,594,060	0.7%	5,245,416	0.8%	(651,356)
MEDICARE	7,325,183	10.0%	14,442,708	21.8%	(7,117,525)	33,428,994	4.8%	65,530,944	10.5%	(32,101,951)
AGNEWS	<u>139,756</u>	<u>0.2%</u>	<u>87,183</u>	<u>0.1%</u>	<u>52,573</u>	<u>966,163</u>	<u>0.1%</u>	<u>959,009</u>	<u>0.2%</u>	<u>7,154</u>
TOTAL REVENUE	73,255,234	100.0%	66,264,058	100.0%	6,991,176	703,154,362	100.0%	624,401,281	100.0%	78,753,081
MEDICAL EXPENSES										
MEDI-CAL	60,378,815	82.4%	51,529,663	77.8%	(8,849,152)	615,107,999	87.5%	518,085,681	83.0%	(97,022,318)
HEALTHY KIDS	434,544	0.6%	415,680	0.6%	(18,864)	4,376,026	0.6%	4,572,480	0.7%	196,454
MEDICARE	8,153,616	11.1%	13,747,863	20.7%	5,594,247	36,697,950	5.2%	62,378,225	10.0%	25,680,275
AGNEWS	<u>73,282</u>	<u>0.1%</u>	<u>73,570</u>	<u>0.1%</u>	<u>288</u>	<u>768,312</u>	<u>0.1%</u>	<u>815,695</u>	<u>0.1%</u>	<u>47,383</u>
TOTAL MEDICAL EXPENSES	<u>69,040,257</u>	<u>94.2%</u>	<u>65,766,776</u>	<u>99.2%</u>	<u>(3,273,481)</u>	<u>656,950,287</u>	<u>93.4%</u>	<u>585,852,080</u>	<u>93.8%</u>	<u>(71,098,207)</u>
MEDICAL OPERATING MARGIN	4,214,977	5.8%	497,282	0.8%	3,717,696	46,204,075	6.6%	38,549,201	6.2%	7,654,874
ADMINISTRATIVE EXPENSES										
SALARIES AND BENEFITS	1,371,447	1.9%	1,415,605	2.1%	44,158	13,326,353	1.9%	15,356,537	2.5%	2,030,184
RENTS AND UTILITIES	103,515	0.1%	86,851	0.1%	(16,663)	1,153,494	0.2%	955,364	0.2%	(198,130)
PRINTING AND ADVERTISING	16,385	0.0%	35,973	0.1%	19,588	461,897	0.1%	395,697	0.1%	(66,199)
INFORMATION SYSTEMS	106,944	0.1%	148,556	0.2%	41,612	1,185,788	0.2%	1,634,111	0.3%	448,323
PROF FEES / CONSULTING / TEMP STAFFING	659,711	0.9%	352,762	0.5%	(306,949)	5,594,055	0.8%	3,880,386	0.6%	(1,713,669)
DEPRECIATION / INSURANCE / EQUIPMENT	124,691	0.2%	93,430	0.1%	(31,261)	1,036,851	0.1%	1,027,735	0.2%	(9,115)
OFFICE SUPPLIES / POSTAGE / TELEPHONE	88,748	0.1%	60,333	0.1%	(28,415)	623,261	0.1%	663,667	0.1%	40,405
MEETINGS / TRAVEL / DUES	51,712	0.1%	69,422	0.1%	17,709	547,034	0.1%	763,638	0.1%	216,605
OTHER	<u>19,968</u>	<u>0.0%</u>	<u>7,475</u>	<u>0.0%</u>	<u>(12,493)</u>	<u>74,108</u>	<u>0.0%</u>	<u>82,225</u>	<u>0.0%</u>	<u>8,117</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>2,543,120</u>	<u>3.5%</u>	<u>2,270,407</u>	<u>3.4%</u>	<u>(272,713)</u>	<u>24,002,839</u>	<u>3.4%</u>	<u>24,759,360</u>	<u>4.0%</u>	<u>756,520</u>
OPERATING SURPLUS (LOSS)	1,671,857	2.3%	(1,773,125)	-2.7%	3,444,982	22,201,236	3.2%	13,789,841	2.2%	8,411,394
CONTRIBUTION EXPENSE	-	0.0%	(66,667)	-0.1%	66,667	-	0.0%	(733,333)	-0.1%	733,333
GASB 45-POST EMPLOYMENT BENEFITS EXPENSE	(57,946)	-0.1%	(33,333)	-0.1%	(24,613)	(637,406)	-0.1%	(366,667)	-0.1%	(270,739)
GASB 68 - UNFUNDED PENSION LIABILITY	(437,479)		0		(437,479)	(4,812,271)		0		(4,812,271)
INTEREST & OTHER INCOME	<u>10,761</u>	<u>0.0%</u>	<u>10,000</u>	<u>0.0%</u>	<u>761</u>	<u>179,311</u>	<u>0.0%</u>	<u>110,000</u>	<u>0.0%</u>	<u>69,311</u>
NET SURPLUS (LOSS) FINAL	\$ 1,187,192	2%	\$ (1,863,125)	-3%	\$ 3,050,318	\$ 16,930,870	2%	\$ 12,799,841	2%	\$ 4,131,029

Administrative Expense
Actual vs. Budget
For the Current Month & Fiscal Year to Date - May 2015
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 1,371,447	\$ 1,415,605	\$ 44,158	3.1%	Personnel	\$ 13,326,353	\$ 15,356,537	\$ 2,030,184	13.2%
1,171,674	854,802	(316,872)	-37.1%	Non-Personnel	10,676,486	9,402,823	\$ (1,273,663)	-13.5%
2,543,120	2,270,407	(272,713)	-12.0%	Total Administrative Expense	24,002,839	24,759,360	756,520	3.1%

**Santa Clara County Health Authority
STATEMENT OF OPERATIONS
BY LINE OF BUSINESS (INCLUDING ALLOCATED EXPENSES)**

Eleven Months ENDED May 31, 2015

	Cal MediConnect (CMC)			Healthy Kids	Agnews	Grand Total
	Medi-Cal	Medi-Cal CMC	Medicare			
P&L (ALLOCATED BASIS)						
REVENUE	659,545,416	4,619,729	33,428,994	\$4,594,060	966,163	\$703,154,362
MEDICAL EXPENSES (MLR)	607,891,670 92.2%	7,216,329 156.2%	36,697,950 109.8%	4,376,026 95.3%	768,312 79.5%	\$656,950,287 93.4%
GROSS MARGIN	51,653,746	(2,596,600)	(3,268,956)	218,034	197,851	46,204,075
ADMINISTRATIVE EXPENSES (% MM allocation except CMC)	22,193,565	157,699	1,141,130	498,677	11,769	24,002,839
OPERATING INCOME/(LOSS)	29,460,181	(2,754,299)	(4,410,086)	(280,643)	186,083	22,201,236
OTHER INCOME/EXPENSE (% of Revenue Allocation)	(4,943,503)	(34,626)	(250,561)	(34,434)	(7,242)	(5,270,366)
NET INCOME/ (LOSS)	\$24,516,678	(\$2,788,925)	(\$4,660,647)	(\$315,077)	\$178,841	\$16,930,870
PMPM (ALLOCATED BASIS)						
REVENUE	\$280.69		\$1,034.02	\$87.01	\$775.41	\$288.64
MEDICAL EXPENSES	258.71		1,135.14	82.88	616.62	269.67
GROSS MARGIN	21.98		(101.12)	4.13	158.79	18.97
ADMINISTRATIVE EXPENSES	9.45		35.30	9.45	9.45	9.85
OPERATING INCOME/(LOSS)	12.54		(136.41)	(5.32)	149.34	9.11
OTHER INCOME / (EXPENSE)	(2.10)		(7.75)	(0.65)	(5.81)	(2.16)
NET INCOME / (LOSS)	\$10.43		(\$144.16)	(\$5.97)	\$143.53	\$6.95
ALLOCATION BASIS:						
MEMBER MONTHS - YTD	2,349,726		32,329	52,797	1,246	2,436,098
Non-CMC Member MONTHS by LOB	97.8%			2.2%	0.1%	100%
Revenue by LOB	93.8%	0.7%	4.8%	0.7%	0.1%	100%

**Santa Clara Family Health Plan
Statement of Cash Flows
For Eleven Months Ended May 31, 2015**

Cash flows from operating activities	
Premiums received	\$ 715,296,102
Medical expenses paid	\$ (619,522,775)
Administrative expenses paid	<u>\$ (21,017,558)</u>
Net cash from operating activities	\$ 74,755,770
 Cash flows from capital and related financing activities	
Purchases of capital assets	\$ (1,509,299)
 Cash flows from investing activities	
Interest income and other income, net	<u>\$ 179,311</u>
 Net (Decrease) increase in cash and cash equivalents	<u>\$ 73,425,782</u>
 Cash and cash equivalents, beginning of year	<u>\$ 38,802,506</u>
 Cash and cash equivalents at May 31, 2015	<u><u>\$ 112,228,288</u></u>
 Reconciliation of operating income to net cash from operating activities	
Operating income (loss)	\$ 16,751,559
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	\$ 709,896
Changes in operating assets and liabilities	
Premiums receivable	\$ (11,773,230)
Due from Santa Clara Family Health Foundation	\$ 67,085
Prepays and other assets	\$ 5,800,394
Accounts payable and accrued liabilities	\$ 1,852,047
Capitation payable	\$ 4,071,432
Employee benefit liabilities	\$ 72,622
Advance premium - Healthy Kids & CMC	\$ 2,450
Reserve for Rate Reductions	\$ 23,845,436
Incurred but not reported claims payable and risk share payments payable	<u>\$ 33,356,080</u>
Total adjustments	<u>\$ 58,004,211</u>
Net cash from operating activities	<u><u>\$ 74,755,770</u></u>

Santa Clara Family Health Plan Enrollment Summary

For the Month of May 2015

YTD Eleven Months Ending May 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Prior Year Actual</u>	<u>Change FY15 vs. FY14</u>
Medi-Cal	231,235	187,323	23.4%	2,349,726	2,047,176	14.8%	1,740,354	35.0%
Healthy Kids	4,615	5,196	(11.2%)	52,797	57,156	(7.6%)	58,568	(9.9%)
Medicare	6,836	7,305	(6.4%)	32,329	33,145	(2.5%)		
Agnews	113	116	0.0%	1,246	1,276	0.0%	1,311	(5.0%)
Total	242,799	199,940	21.4%	2,436,098	2,138,753	13.9%	1,803,840	35.1%

**Santa Clara County Health Authority
May 2015**

	Medi-Cal		Healthy Kids		CMC		AG		Total	
	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>
Direct Contract Physicians	17,035	7%	173	4%	6,836	100%	113	100%	24,157	10%
SCVHHS, Safety Net Clinics, FQHC Clinics	125,256	54%	3,133	68%	0	0%	0	0%	128,389	53%
Palo Alto Medical Foundation	6,139	3%	49	1%	0	0%	0	0%	6,188	3%
Physicians Medical Group	42,828	19%	1,100	24%	0	0%	0	0%	43,928	18%
Premier Care	15,325	7%	160	3%	0	0%	0	0%	15,485	6%
Kaiser	<u>24,652</u>	<u>11%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>24,652</u>	<u>10%</u>
Total	<u>231,235</u>	<u>100%</u>	<u>4,615</u>	<u>100%</u>	<u>6,836</u>	<u>100%</u>	<u>113</u>	<u>100%</u>	<u>242,799</u>	<u>100%</u>
Enrollment @ 6-30-14	<u>187,085</u>		<u>5,322</u>				<u>115</u>		<u>192,522</u>	
Net % Change from Beginning of FY	<u>23.6%</u>		<u>-13.3%</u>				<u>-1.7%</u>		<u>26.1%</u>	

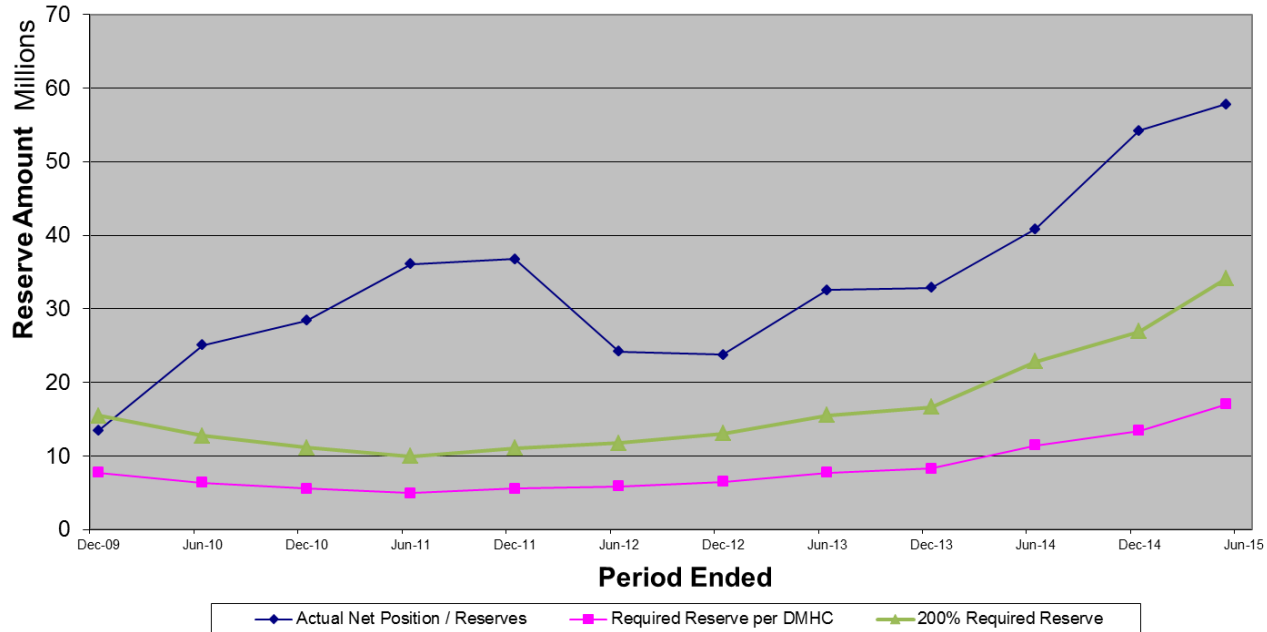
Santa Clara Family Health Plan Enrollment by Aid-Category

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Family	110,259	112,347	107,318	108,475	110,125	111,671	113,156	113,485	114,809	116,211	118,165
Aged - Medi-Cal Only	7,703	7,939	7,952	7,850	7,909	8,008	8,218	8,447	8,403	8,575	8,719
Disabled - Medi-Cal Only	11,859	11,907	11,869	11,849	11,857	11,827	11,697	11,662	11,643	11,551	11,571
Child (HF conversion)	25,605	25,394	21,545	20,433	20,062	18,952	17,185	16,318	15,363	13,947	12,309
Adult Expansion	31,806	36,460	43,067	48,176	52,507	55,866	59,059	59,636	61,345	63,699	66,836
Total Non-Duals	187,232	194,047	191,751	196,783	202,460	206,324	209,315	209,548	211,563	213,983	217,600
Aged -Duals	4,088	5,037	5,895	5,362	5,365	5,230	4,283	5,296	6,261	7,425	8,541
Disabled - Duals	3,031	3,416	3,780	3,521	3,506	3,465	2,459	2,882	3,256	3,654	4,027
Other Duals	647	712	749	793	834	886	804	885	951	1012	1067
Total Duals	7,766	9,165	10,424	9,676	9,705	9,581	7,546	9,063	10,468	12,091	13,635
Total Medi-Cal	194,998	203,212	202,175	206,459	212,165	215,905	216,861	218,611	222,031	226,074	231,235
Healthy Kids	5,081	4,983	4,910	4,858	4,762	4,820	4,822	4,682	4,648	4,616	4,615
Agnews	114	114	114	113	113	113	113	113	113	113	113
CMC	0	0	0	0	0	0	5,557	6,162	6,548	7,226	6,836
Total Enrollment	200,193	208,309	207,199	211,430	217,040	220,838	227,353	229,568	233,340	238,029	242,799

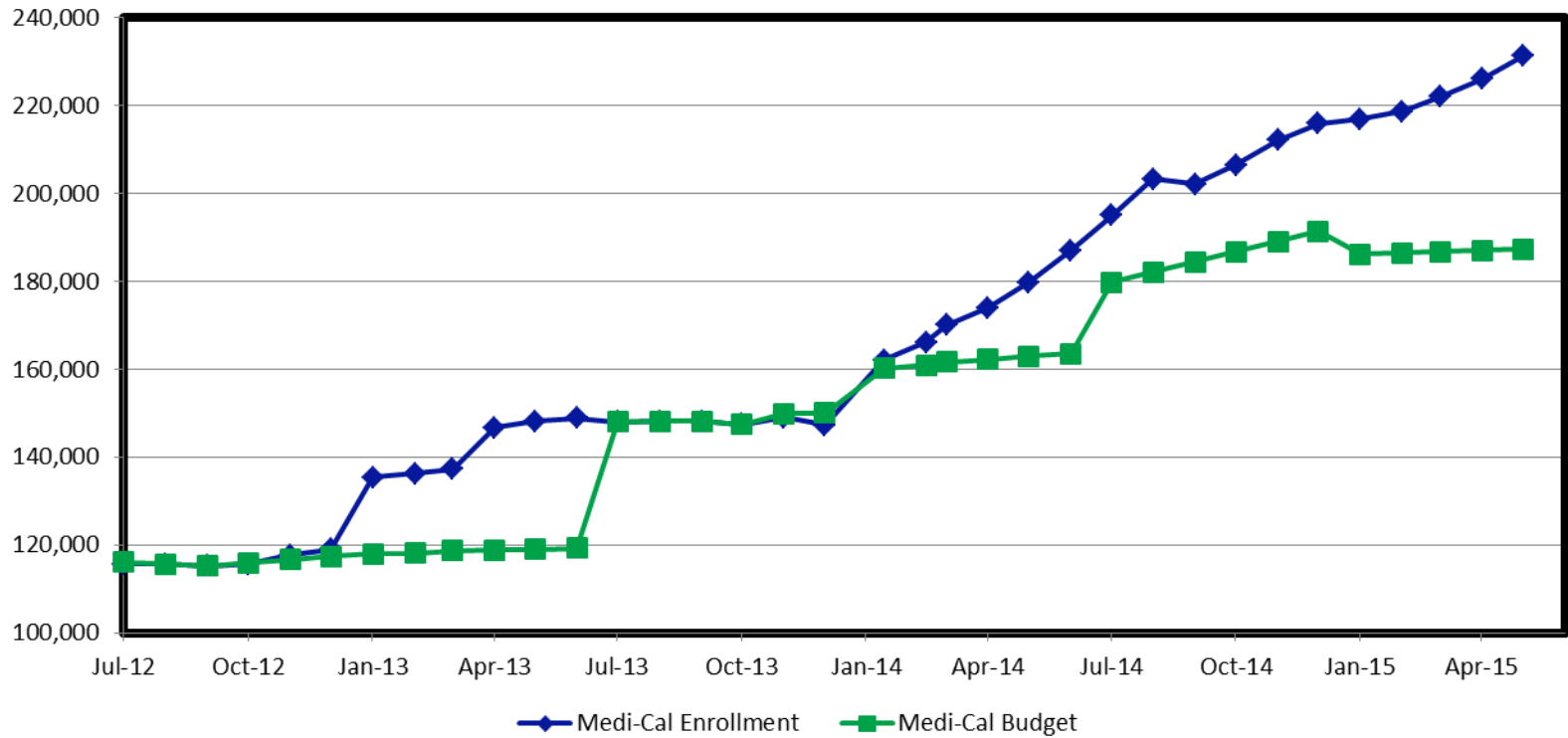
**Santa Clara County Health Authority
Tangible Net Equity - Actual vs. Required
As of Period Ended:**

	<u>12/31/2009</u>	<u>6/30/2010</u>	<u>12/31/2010</u>	<u>6/30/2011</u>	<u>12/31/2011</u>	<u>6/30/2012</u>	<u>12/31/2012</u>	<u>6/30/2013</u>	<u>12/31/2013</u>	<u>6/30/2014</u>	<u>12/31/2014</u>	<u>5/31/2015</u>
Actual Net Position / Reserves	13,501,652	25,103,011	28,445,504	36,093,769	36,803,460	24,208,576	23,776,902	32,551,161	32,878,950	40,872,580	54,224,335	57,803,449
Required Reserve per DMHC	7,737,000	6,388,000	5,591,000	4,996,000	5,558,000	5,901,000	6,525,000	7,778,000	8,330,000	11,434,000	13,467,000	17,049,000
200% of Required Reserve	15,474,000	12,776,000	11,182,000	9,992,000	11,116,000	11,802,000	13,050,000	15,556,000	16,660,000	22,868,000	26,934,000	34,098,000

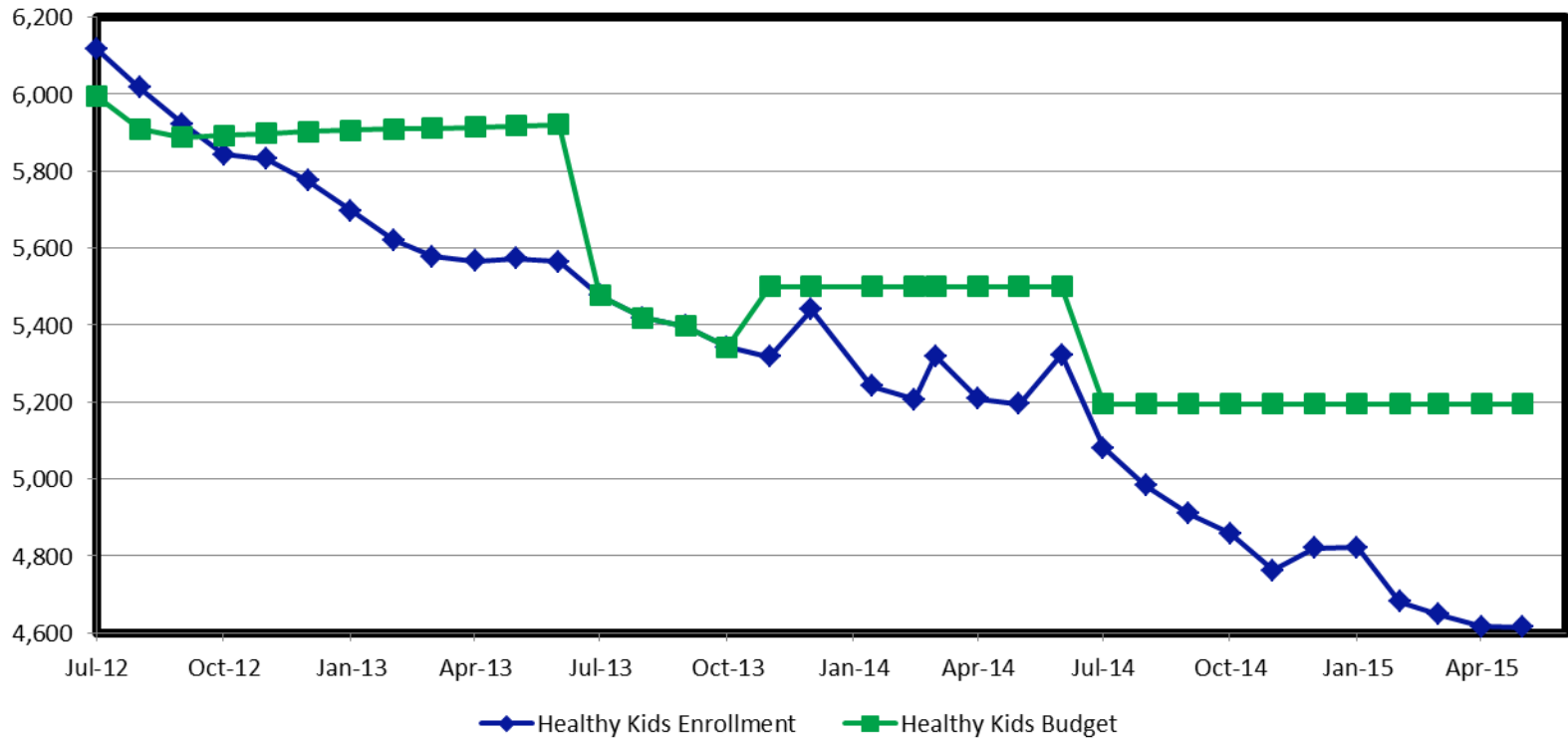
TNE Actual vs. Required



SCFHP Medi-Cal Enrollment as of May 2015



SCFHP Healthy Kids Enrollment as of May 2015





May 2015 Financial Summary

SCCHA Executive Committee Meeting
July 23, 2015



Fiscal Year 2014-15 Highlights

- **Net Surplus:**

- May \$1.2m and YTD \$16.9m (\$4.1m favorable to budget)
 - \$24.5m Medi-Cal surplus (largely due to Medi-Cal Expansion growth) YTD
 - Lower Administrative costs YTD (3.4 as % of revenue)

- **Revenue** – over budget by \$78.8m

- **Medical Expenses** – over budget by \$71.1m

- **Administrative Expenses** – under budget by \$0.8m

- **Other Expenses** – over budget by \$4.3m

- **Enrollment**

- May 2015 membership: 242,799 (21.4% favorable to budget)
- May YTD: 2,436,098 member months (13.9% favorable to budget and 35% higher than May YTD last year)
- Continued growth in Medi-Cal Expansion membership (103% favorable to budget)



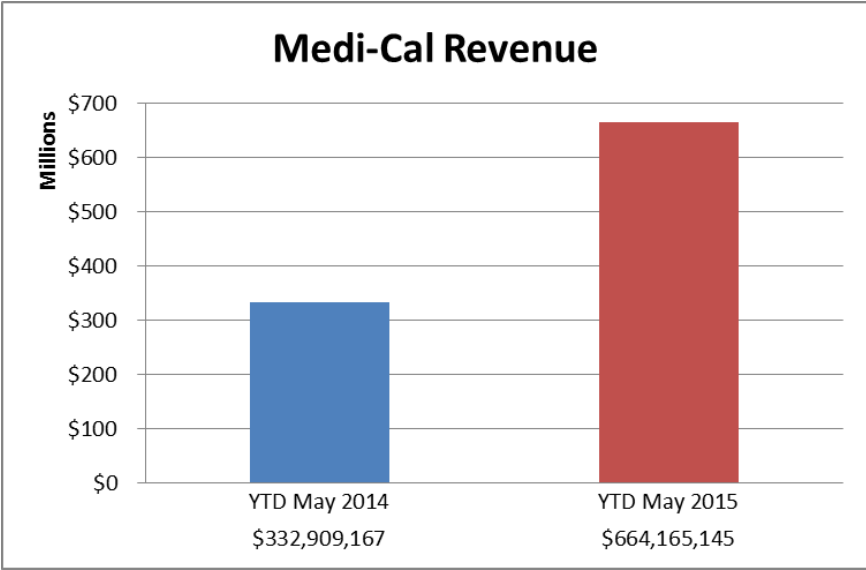
Consolidated Performance May 2015 and Year to Date

May					Year - To - Date			
Actual	Budget	Variance	Variance		Actual	Budget	Variance	Variance
242,799	199,940	42,859	21.4%	Member Months	2,436,098	2,138,753	297,345	13.9%
\$73,255,234	\$66,264,058	\$6,991,176	10.6%	Revenues	\$703,154,362	\$624,401,281	\$78,753,081	12.6%
\$69,040,257	\$65,766,776	(\$3,273,481)	-5.0%	Medical Expenses	\$656,950,287	\$585,852,080	(\$71,098,207)	-12.1%
\$ 2,543,120	\$ 2,270,407	\$ (272,713)	-12.0%	Administrative Expenses	\$ 24,002,839	\$ 24,759,360	\$ 756,520	3.1%
\$ (484,664)	\$ (90,000)	(\$394,664)	-438.5%	Non Operating	\$ (5,270,366)	\$ (990,000)	(\$4,280,366)	-432.4%
<u>\$ 1,187,192</u>	<u>\$ (1,863,125)</u>	<u>\$ 3,050,318</u>	<u>163.7%</u>	Net Surplus	<u>\$ 16,930,870</u>	<u>\$ 12,799,841</u>	<u>\$ 4,131,029</u>	<u>32.3%</u>
94.2%	99.2%	5.0%		Medical Loss Ratio	93.4%	93.8%	0.4%	
3.5%	3.4%	0.0%		Administrative Loss ratio	3.4%	4.0%	0.6%	

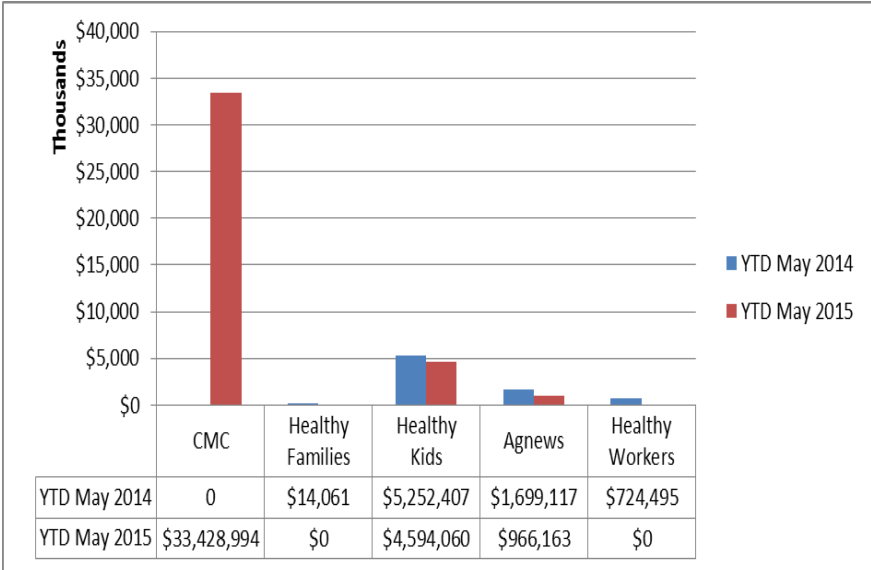


Revenue Trend

Graph 1: Portrays current YTD Medi-Cal revenue vs. previous year. Increase of 100%.

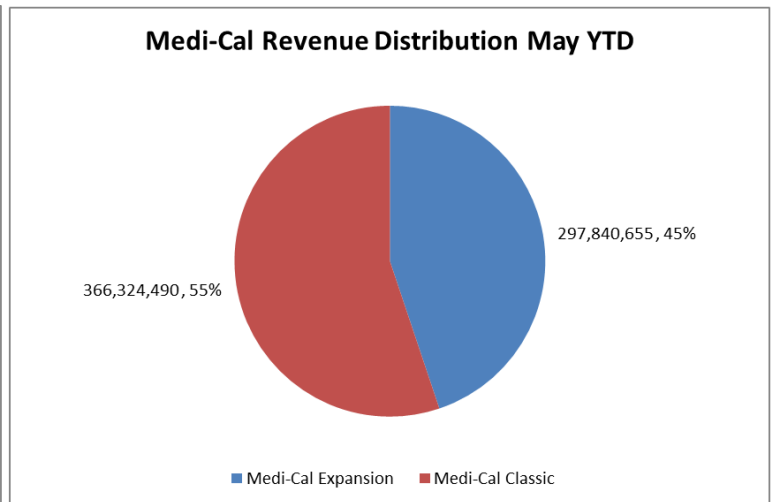
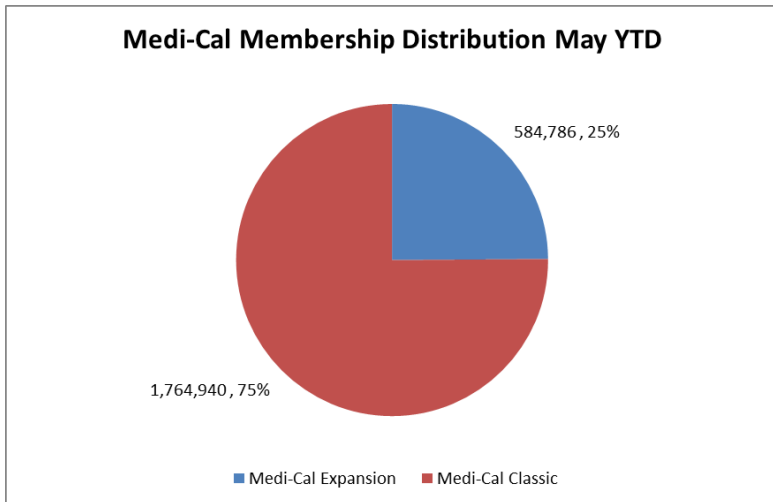
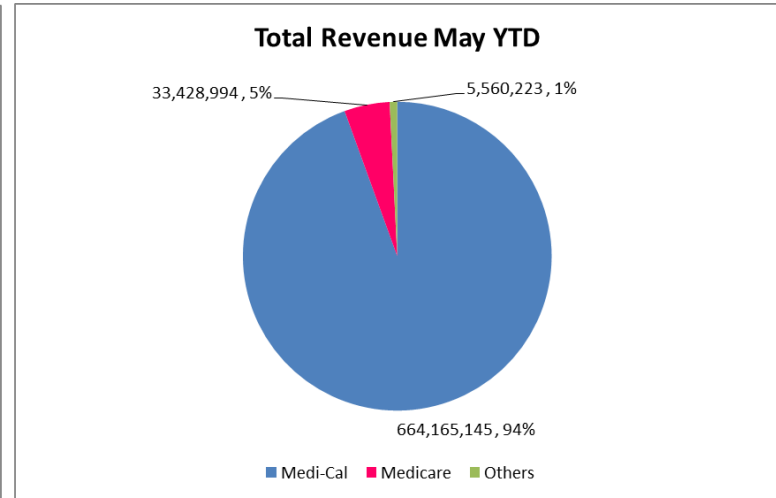
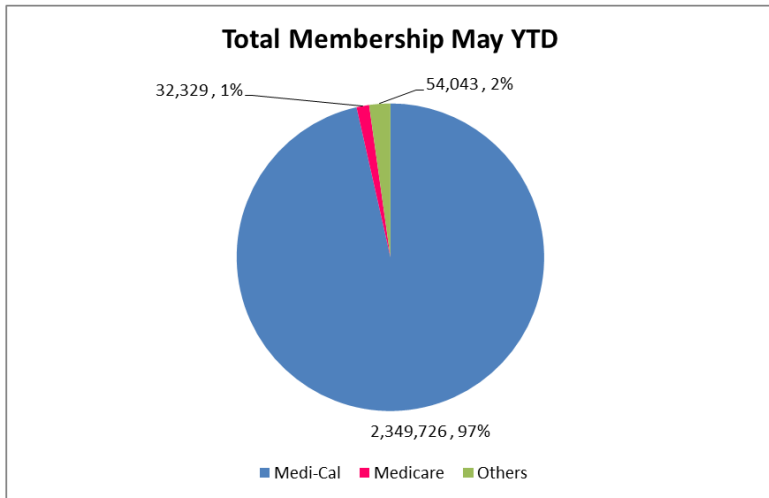


Graph 2: Represents all other operating revenue YTD compared to previous year. Increase of 407%.





Medi-Cal Expansion comprises 25% of the plan's Medi-Cal membership and 45% of the Medi-Cal Revenue for Year – To – Date May 2015





Enrollment Summary

May and YTD

Santa Clara Family Health Plan Enrollment Summary
--

For the Month of May 2015

YTD Eleven Months Ending May 2015

	For the Month of May 2015			YTD Eleven Months Ending May 2015			Prior Year	Change FY15
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>vs. FY14</u>
Medi-Cal	231,235	187,323	23.4%	2,349,726	2,047,176	14.8%	1,740,354	35.0%
Healthy Kids	4,615	5,196	(11.2%)	52,797	57,156	(7.6%)	58,568	(9.9%)
Medicare	6,836	7,305	(6.4%)	32,329	33,145	(2.5%)		
Agnews	113	116	0.0%	1,246	1,276	0.0%	1,311	(5.0%)
Total	242,799	199,940	21.4%	2,436,098	2,138,753	13.9%	1,803,840	35.1%



Enrollment by Network - YTD

Santa Clara County Health Authority
May 2015

	Medi-Cal		Healthy Kids		CMC		AG		Total	
	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>	<u>Enrollment</u>	<u>% of Total</u>
Direct Contract Physicians	17,035	7%	173	4%	6,836	100%	113	100%	24,157	10%
SCVHHS, Safety Net Clinics, FQHC Clinics	125,256	54%	3,133	68%	0	0%	0	0%	128,389	53%
Palo Alto Medical Foundation	6,139	3%	49	1%	0	0%	0	0%	6,188	3%
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Kaiser	<u>24,652</u>	<u>11%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>	<u>24,652</u>	<u>10%</u>
Total	<u>231,235</u>	<u>100%</u>	<u>4,615</u>	<u>100%</u>	<u>6,836</u>	<u>100%</u>	<u>113</u>	<u>100%</u>	<u>242,799</u>	<u>100%</u>
Enrollment @ 6-30-14	<u>187,085</u>		<u>5,322</u>				<u>115</u>		<u>192,522</u>	
Net % Change from Beginning of FY	<u>23.6%</u>		<u>-13.3%</u>				<u>-1.7%</u>		<u>26.1%</u>	

Membership has increased 23.6% since the beginning of the Fiscal Year, primarily as a result of Medi-Cal Expansion, which started January 1, 2014 and has grown to 67,658 members and the new Cal-MediConnect (CMC) membership.



Enrollment by Aid Category

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
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Total Enrollment	200,193	208,309	207,199	211,430	217,040	220,838	227,353	229,568	233,340	238,029	242,799



Tangible Net Equity at May 31, 2015

TNE is \$57.8 million or 3.39 times the minimum TNE required by the Department of Managed Health Care (DMHC). The Plans reserves are roughly \$76.6 million below the reserves targeted by the Authority Board of two months' Medi-Cal capitation revenue.

TNE Actual vs. Required

