



AGENDA
Santa Clara County Health Authority
Executive Committee

Thursday, March 14th, 2013
8:30 AM -10:00 AM
Santa Clara Family Health Plan
210 E. Hacienda Avenue
Campbell CA 95008

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- | | |
|-------------------|-------------------|
| 1. Roll call | Christopher Dawes |
| 2. Public comment | Christopher Dawes |

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

- | | |
|--|-------------------|
| 3. Action item: Approve minutes of Executive Committee dated January 17 th , 2013. | Christopher Dawes |
| 4. Action item: Accept report from Chief Financial Officer on January 2013 financial statements. | Dave Cameron |
| 5. Action item: Review RFP for external audit firm and approve inclusion of Moss Adams. | Dave Cameron |
| 6. Discussion item: CEO Update | Elizabeth Darrow |

The CEO will update the Executive Committee on Health Plan activities and initiatives.

Executive Session

- | | |
|------------------------------|-------------------|
| 7. Adjourn to closed session | Christopher Dawes |
|------------------------------|-------------------|

a. Personnel (Government Code 54957)

It is the intention of the Committee to meet in closed session to discuss personnel issues.

b. Real Property Negotiations (Government Code Section 54956.8)

It is the intention of the Executive Committee of the Santa Clara County Health Authority Governing Board to meet in Closed Session to confer with its Real Property Negotiators concerning:

The price and terms for the possible acquisition of real property located at 210 E. Hacienda Avenue, Campbell, CA 95008, APN 424-33-121. The negotiator for the Health Authority is Dave Cameron, Chief Financial Officer. The other negotiating party is the owner of the 210 E. Hacienda Avenue property.

8. Report from closed session

Christopher Dawes

9. Adjournment

Notice to the Public—Meeting Procedures

- Persons wishing to address the 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.
- In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Shannon McNally 24 hours prior to the meeting at 408-874-1842.
- To obtain a copy of any supporting document that is available, contact Shannon McNally at 408-874-1842. Agenda materials distributed less than 72 hours before a meeting can be inspected at the Santa Clara Family Health Plan offices at 210 E. Hacienda Avenue, Campbell.

MINUTES
Santa Clara County Health Authority
Executive Committee

Thursday, January 17th, 2013
8:30-10:00 AM
Santa Clara Family Health Plan
210 E. Hacienda Avenue
Campbell CA 95008

Members present:

Mr. Bob Brownstein
Ms. Michele Lew
Mr. Chris Dawes
Dr. Wally Wenner
Dr. Dale Rai

Members absent:

None

Staff present:

Ms. Elizabeth Darrow, Chief Executive Officer
Mr. Dave Cameron, Chief Financial Officer
Ms. Shannon McNally, Executive Assistant
Mr. Rayne Johnson, Chief Information Officer
Mr. Matt Woodruff, Chief Operations Officer
Mr. Jeff Robertson, Chief Medical Officer

Others present:

Mr. Dan Peddycord, SCCHA Governing Board Member
Ms. Emily Harrison, SCCHA Governing Board Member

1. Roll call

The meeting was called to order at 8:41 a.m. by Mr. Dawes. Roll call was taken, and a quorum was established.

2. Public comment

There was no public comment.

3. Action item: Approve minutes of Executive Committee dated December 13th, 2012.

It was moved, seconded, and approved to approve the minutes as presented

4. Action item: Accept report from Chief Financial Officer on November 2012 financial statements
 - Operating surplus of \$94k for the month and a loss of \$274k year to date. This compares to a budgeted surplus of \$555k for the month and a loss of \$972k year to date.
 - Revenue is \$694k, or 3.1%, above budget for the month and \$1.5m, or 1.4% above budget year to date.
 - November enrollment is at 140,800, or 0.3%, above budget. Year to date the Plan is under budget by 0.2%. All lines of business are close to or on budget except Healthy Workers which is 10.3% below budget year to date.
 - Health Care costs were over budget by \$1.2m, or 5.9%, for the month and \$1.2m over budget, or 1.2%, year to date. The increase was primarily due to the catch up of Medi-Cal Maternity Kick payments, and increased Global Provider capitation payments based on membership volume.
 - Administrative expenses are \$42k, or 2.6%, favorable to budget for the month and \$329k, or 4.0%, favorable year to date. Administrative expenses were 6.8% and 7.0% of revenues for the month and year to date.
 - Tangible net equity (TNE) is \$23.9m or 3.7 time the minimum TNE required by the Department of Managed Health Care (DMHC). The Plan's reserves are roughly \$15.7m below the reserves targeted by the Board of two months capitation revenue.

Mr. Cameron commented that the primary reason for the revenue increase is a higher than average Medi-Cal rate than budgeted both for the month and year to date. We are continuing to reserve for the provider rate cuts (AB-97); on December 13th the court ruled that DHCS does have the authority to reduce Medi-Cal rates. The Plan is currently absorbing all rate cuts and not passing any reductions to network providers.

It was moved, seconded, and approved to approve the November 2012 financial statements as presented.

5. Action item: Approve Duals Proposed Budget FY 12/13

Mr. Cameron approached the committee asking for approval to spend unbudgeted monies in order to prepare for the Duals project. The Health Plan's current IT system cannot support the Duals Demonstration project and the Plan will need to spend additional dollars for implementation of a new, more sophisticated, platform. Ms. Darrow commented that the new IT platform would initially be utilized to support the Duals project and with time all lines of business would be moved over and supported on this platform as well if we are satisfied and the budget can support.

It was moved, seconded, and approved to approve the Duals Proposed Budget FY 12/13 as presented.

6. Discussion item: CEO Update

Ms. Darrow updated the Executive Committee on the Health Plan activities and initiatives. Ms. Darrow stated that she expected to have an agreement by the end of the week to start work helping VHP. Planning meetings are being set up to start looking that the relationship between the Health Plan and VHP and delegation. Ms. Darrow also stated that she has recommended a consultant to VHP who could help assist with an evaluation.

Executive Session

7. Adjourn to closed session

a. Real Property Negotiations (Government Code Section 54956.8)

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The price and terms for the possible acquisition of real property located at 210 E. Hacienda Avenue, Campbell, CA 95008, APN 424-33-121. The negotiator for the Health Authority is Dave Cameron, Chief Financial

Officer. The other negotiating party is the owner of the 210 E. Hacienda Avenue property.

b. Personnel (Government Code 54957)

It is the intention of the Committee to meet in closed session to consider the performance evaluation of the Chief Executive Officer.

8. Report from closed session

The Executive Committee discussed property negotiations. No action was taken.

The Executive Committee discussed personnel issues. No action was taken.

It was moved, seconded, and approved to adjourn the meeting at 10:17 a.m.

Shannon McNally, Secretary to the Board



Financial Statement Highlights for the 7 months ending 1-31-13

- Operating Surplus of \$329k for the month and a loss of \$102k year to date. This compares to a budgeted surplus of \$527k for the month and \$190k surplus year to date.
- Revenue is \$1.1m, or 4.7%, above budget for the month and \$2.6m, or 1.7%, above budget year to date. The primary reasons for the increase is a higher average Medi-Cal capitation rate than budgeted both for the month and year to date and additional unbudgeted CBAS revenue. We are continuing to reserve for the provider rate cuts (AB-97); on December 13th the court ruled that DHCS does have the authority to reduce Medi-Cal rates. The Plan is currently absorbing all rate cuts and not passing any reductions to our network providers.
- January enrollment is at 143,266, or 1.1%, above budget. Year to date the plan is under budget by .08%. Medi-Cal membership increased by 16,500 in January, approximately 15,000 members transitioned from Healthy Families.
- Health Care costs were over budget by \$1.3m, or 6.3%, for the month and \$3.3m over budget, or 2.3%, year to date. The increase was primarily due to the increased Global Provider capitation payments based on membership volume and higher inpatient utilization.
- Administrative Expenses are \$9k, or .5%, favorable to budget for the month and \$289k, or 2.5%, favorable year to date. Administrative expenses were 7.0% and 7.1% of revenues for the month and year to date respectively.
- Tangible net equity (TNE) is \$24.1m or 3.7 times the minimum TNE required by the Department of Managed Health Care (DMHC). The Plan's reserves are roughly \$16.3m below the reserves targeted by the Board of two months capitation revenue.

Santa Clara Family Health Plan Enrollment Summary

	For the Month of January 2013			For Seven Months Ending January 2013				
	<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 FY13 vs FY12</u>
Medi-Cal	135,443	117,998	14.78%	834,308	815,225	2.34%	770,920	8.22%
Healthy Families	<u>1,427</u>	16,964	(91.59%)	101,169	118,748	(14.80%)	120,761	(16.22%)
Healthy Kids	5,697	5,906	(3.54%)	41,205	41,393	(0.45%)	46,364	(11.13%)
Agnews	125	133	(6.02%)	895	931	(3.87%)	913	(1.97%)
Healthy Workers	<u>574</u>	<u>691</u>	<u>(16.93%)</u>	<u>3,792</u>	<u>4,312</u>	<u>(12.06%)</u>	<u>2,487</u>	<u>52.47%</u>
Total	<u><u>143,266</u></u>	<u><u>141,692</u></u>	<u><u>1.11%</u></u>	<u><u>981,369</u></u>	<u><u>980,609</u></u>	<u><u>0.08%</u></u>	<u><u>941,445</u></u>	<u><u>4.24%</u></u>

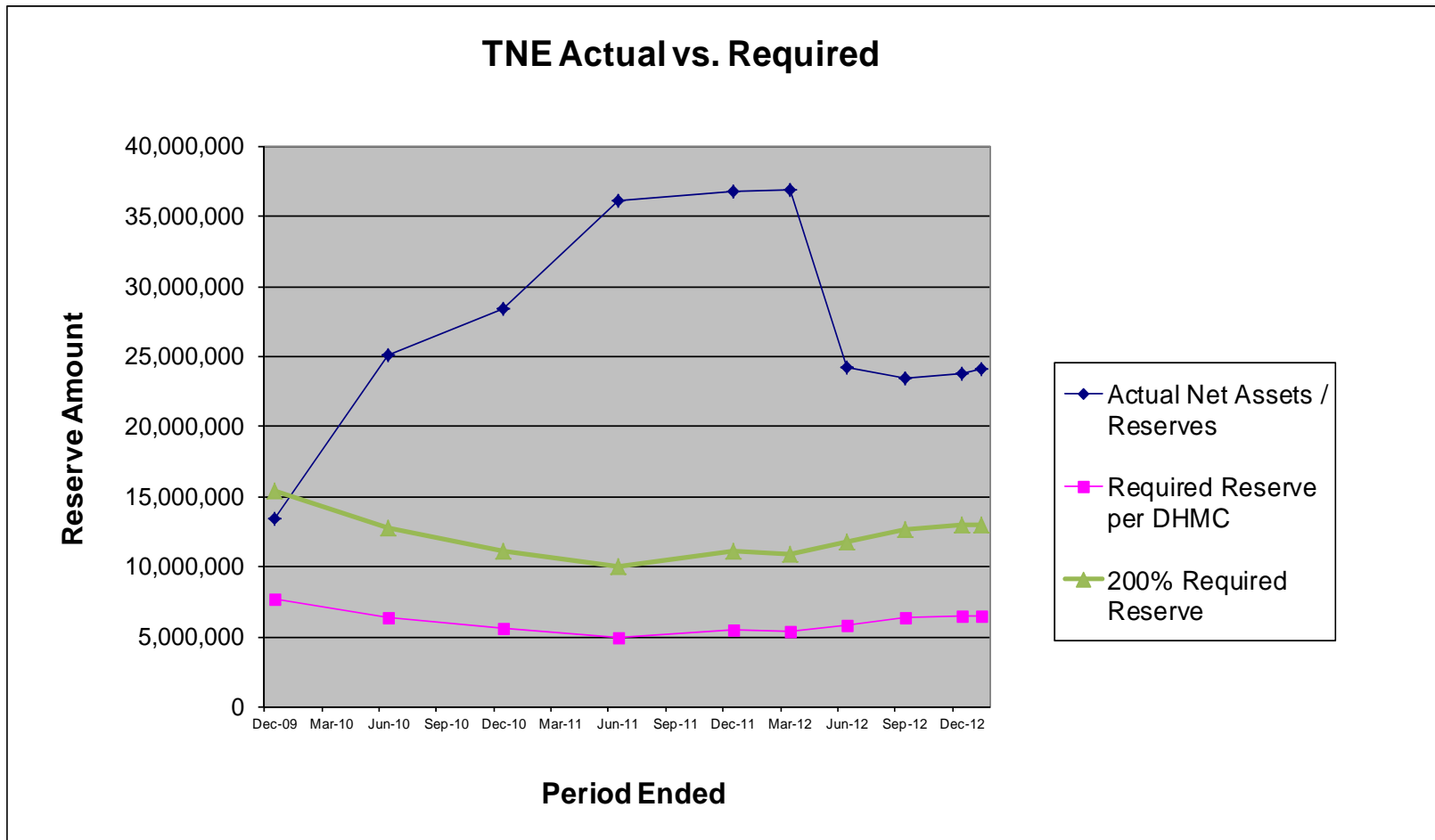
Approximately 15,000 members Transitioned to Medi-Cal in January

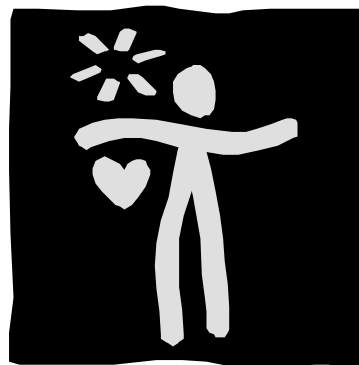
Santa Clara County Health Authority
Enrollment Summary by Network
January 2013

	Medi-Cal		Healthy Families		Healthy Kids		AG		Healthy Workers		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>	<u>Enrollment</u>	<u>% of Total</u>
Direct Contract Physicians	10,180	8%	76	5%	167	3%	125	100%	0	0%	10,548	7%
SCVHHS, Safety Net Clinics, FQHC	67,675	50%	581	41%	3,973	70%	0	0%	574	100%	72,803	51%
Palo Alto Medical Foundation	3,263	2%	70	5%	56	1%	0	0%	0	0%	3,389	2%
Physicians Medical Group	34,936	26%	573	40%	1,358	24%	0	0%	0	0%	36,867	26%
Premier Care	10,038	7%	127	9%	143	3%	0	0%	0	0%	10,308	7%
Kaiser	9,351	7%	0	0%	0	0%	0	0%	0	0%	9,351	7%
Total	<u>135,443</u>	<u>100%</u>	<u>1,427</u>	<u>100%</u>	<u>5,697</u>	<u>100%</u>	<u>125</u>	<u>100%</u>	<u>574</u>	<u>100%</u>	<u>143,266</u>	<u>100%</u>
Enrollment @ 6-30-12	<u>116,329</u>		<u>16,873</u>		<u>6,217</u>		<u>129</u>		<u>486</u>		<u>140,034</u>	
Net % Change from Beginning of FY	<u>16.43%</u>		<u>-91.54%</u>		<u>-8.36%</u>		<u>-3.10%</u>		<u>18.11%</u>		<u>2.31%</u>	

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

	12/31/2009	6/30/2010	12/31/2010	6/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	1/31/2013
Actual Net Assets / Reserves	13,501,652	25,103,011	28,445,504	36,093,769	36,803,460	36,899,994	24,208,576	23,502,086	23,776,902	24,106,237
Required Reserve per DHMC	7,737,000	6,388,000	5,591,000	4,996,000	5,558,000	5,444,000	5,901,000	6,363,000	6,525,000	6,525,000
200% of Required Reserve	15,474,000	12,776,000	11,182,000	9,992,000	11,116,000	10,888,000	11,802,000	12,726,000	13,050,000	13,050,000





Santa Clara
Family Health Plan

The Spirit of Care

Financial Statements

For Seven Months Ended

January 2013

(Unaudited)

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Santa Clara Family Health Plan CFO Finance Report

For the Month & Year to Date Ended January 31, 2013

Summary of Financial Results

For the month of January 2013, SCFHP recorded an operating surplus of \$329 thousand compared to a budgeted operating surplus of \$527 thousand, resulting in an unfavorable variance from budget of \$198 thousand. For year to date January 2013, SCFHP recorded an operating loss of \$102 thousand compared to a budgeted operating loss of \$190 thousand, resulting in an unfavorable variance from budget of \$293 thousand. The table below summarizes the components of the overall variance from budget.

Summary Operating Results - Actual vs. Budget

For the Current Month & Fiscal Year to Date
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 23,827,685	\$ 22,753,896	\$ 1,073,789	4.7%	Revenue	\$ 157,363,254	\$ 154,759,280	\$ 2,603,975	1.7%
21,828,285	20,534,175	(1,294,110)	-6.3%	Medical Expense	146,321,574	143,016,232	(3,305,342)	-2.3%
1,999,400	2,219,721	(220,321)	-10%	Gross Margin	11,041,680	11,743,048	(701,368)	-6%
1,660,364	1,669,047	8,683	0.5%	Administrative Expense	11,100,730	11,389,433	288,703	2.5%
339,036	550,674	(211,638)	38%	Net Operating Income	(59,050)	353,615	(412,665)	117%
(9,701)	(23,333)	13,632	58%	Non-Operating Income/Exp	(43,289)	(163,333)	120,044	73%
\$ 329,335	\$ 527,341	\$ (198,006)	38%	Operating Surplus/ (Loss)	\$ (102,339)	\$ 190,282	(292,621)	154%

Revenue

The Health Plan recorded net revenue of \$23.8 million for the month of January 2013, compared to budgeted revenue of \$22.7 million, resulting in an favorable variance from budget of \$1.1 million, or 4.7%. For January 2013 year to date net revenue was \$157.4 million, compared to budgeted revenue of \$154.8 million, resulting in a favorable variance from budget of \$2.6 million, or 1.7%.

On October 27, 2011, DHCS announced that CMS approved key elements of California state bill AB 97. AB 97 contains cost saving measures in the state's Medi-Cal program that would significantly impact the Plan's revenue rates retroactive to July 1, 2011. The State scored a major victory on December 13, 2012, when a three judge panel of the Ninth Circuit of Appeals upheld the Medi-Cal provider cuts contained in AB 97. SCFHP has reserved for all AB 97 cuts in case the State decides to recoup funding back to the AB 97 effective date of July 2011.

A Statistical and Financial Summary for all lines of business is included on page 9 of this report.

Member Months

For the month of January 2013, overall member months were higher than budget by 1,572 members, or +1.1%. For year to date January 2013, overall member months were higher than budget by 760 members, or +0.1%.

In the seven months since the end of the prior fiscal year, 6/30/2012, membership in Medi-Cal increased by 16.4%. Membership in the Healthy Families program declined by 91.5%, and membership in Healthy Kids program declined, by 8.4%, since 6/30/2012. Member months and changes from prior year are summarized on Page 10.

The large upward fluctuation in Medi-Cal membership and the large downward fluctuation in Healthy Families membership are due to a transfer of approximately 15,000 members from Healthy Families to Medi-Cal during the month of January. This transfer represents Phase 1 of the planned Medi-Cal Healthy Families Product Transition.

Medical Expenses

For the month of January 2013, medical expense was \$21.8 million compared to budget of \$20.5 million, resulting in an unfavorable budget variance of \$1.3 million, or 6.3%. For year to date January 2013, medical expense was \$146.3 million compared to budget of \$143.0 million, resulting in an unfavorable budget variance of \$3.3 million, or 2.3%. The increase for the month and year to date is primarily due to do an increase in In-Patient utilization and increased Global Provider capitation payments based on membership volume.

Administrative Expenses

Overall administrative costs were under budget by \$9 thousand (+0.5%), and \$289 thousand under budget (+2.5%), for the month of January 2013 and year to date January 2013, respectively.

Administrative expenses were 7.0% and 7.1% of revenues, for the month of January 2013 and year to date January 2013, respectively.

Balance Sheet (Page 6)

Current assets at January 31, 2013 totaled \$66.5 million compared to current liabilities of \$43.0 million, yielding a current ratio (the ratio of current assets to current liabilities) of 1.5:1 as of January 31, 2013. Working capital increased by \$105.7 thousand for the seven-month year-to-date period ended January 31, 2013.

Cash as of January 31, 2013, increased by \$4.4 million from the cash balance as of year-end June 30, 2012. Net receivables increased by \$2.6 million during the same seven-month period.

Liabilities increased by a net amount of \$7.2 million during the seven months ended January 31, 2013. Increases include \$8.7 million for additions to the reserve for Medi-Cal revenue rate reductions, offset by net decreases in other categories of liabilities.

On February 25, 2010, the Board adopted a resolution to set aside excess funds generated from the Healthy Kids program, to be used for future Healthy Kids premium costs beginning with FY10. Based on this resolution, \$1.4 million, \$1.1 million, and \$710 thousand, for FY2010, FY2011, and FY2012, respectively, were designated by the Health Authority's Governing Board to be used for future Healthy Kids premiums. Designated funds remain under the control of the Governing Board which may, at its discretion, later use the funds for other purposes. As of May 2012, potential funding for Healthy Kids as designated with this resolution was redirected to be used toward the support of the County Safety net.

Capital Expenses increased by \$197 thousand for the seven months ended January 31, 2013.

Tangible Net Equity

Tangible net equity (TNE) was \$24.1 million at January 31, 2013, compared to the minimum TNE required by the Department of Managed Health Care (DMHC) of \$6.5 million (per last filing for quarter ended 12-30-12). A chart showing TNE trends is shown on page 12 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 January 31, 2013, the Plan's reserves are about \$16.3 million below this reserves target (see calculation below).

Calculation of targeted reserves as of January 31, 2013:

Estimate of two months' capitation (Jan-2013 Medi-Cal Capitation of \$19,767,500 X 2 = \$ 39,535,000)	\$ 39,535,000
Less: Unrestricted Net Equity per balance sheet (rounded up)	<u>\$ 23,257,000</u>
Approximate reserves below target	<u>\$ 16,278,000</u>

**Santa Clara County Health Authority
Balance Sheet**

	<u>1/31/2013</u>	<u>12/31/2012</u>	<u>11/30/2012</u>	<u>6/30/2012</u>
Assets				
Current Assets				
Cash and Marketable Securities	\$ 57,810,508	\$ 32,811,448	\$ 40,719,703	\$ 53,399,695
Premiums Receivable	7,686,813	29,470,508	28,195,255	5,105,903
Due from Santa Clara Family Health Foundation - net	79,127	41,347	83,838	34,629
Prepaid Expenses and Other Current Assets	<u>954,984</u>	<u>820,584</u>	<u>717,767</u>	<u>716,693</u>
Total Current Assets	66,531,431	63,143,887	69,716,564	59,256,920
Long Term Assets				
Equipment	6,518,046	6,517,201	6,512,201	6,320,782
Less: Accumulated Depreciation	<u>(5,973,804)</u>	<u>(5,917,045)</u>	<u>(5,860,310)</u>	<u>(5,568,491)</u>
Total Long Term Assets	<u>544,241</u>	<u>600,155</u>	<u>651,891</u>	<u>752,291</u>
Total Assets	<u>\$ 67,075,673</u>	<u>\$ 63,744,042</u>	<u>\$ 70,368,455</u>	<u>\$ 60,009,211</u>
Liabilities and Net Assets				
Liabilities				
Trade Payables	\$ 6,445,022	\$ 5,572,159	\$ 5,030,471	\$ 2,145,127
Employee Benefits	725,137	751,146	742,686	734,733
Retirement Obligation per GASB 45	233,335	200,001	166,668	-
Due to Santa Clara County Valley Health Plan	319,695	1,316,929	1,591,401	3,145,623
Advance Premium - Healthy Kids	59,326	62,109	57,948	61,520
AB 97 Provider Reductions	21,369,421	20,259,985	19,163,042	12,650,821
Medical Cost Reserves	<u>13,817,501</u>	<u>11,804,811</u>	<u>19,681,523</u>	<u>17,062,812</u>
Total Liabilities	42,969,436	39,967,140	46,433,738	35,800,635
Net Assets / Reserves				
Invested in Capital Assets	544,241	600,155	651,891	752,291
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Board Designated Reserve - Healthy Kids	710,588	710,588	710,588	710,588
Unrestricted Net Equity	22,648,397	22,592,482	22,540,747	34,325,540
Current YTD Income (Loss)	<u>(102,339)</u>	<u>(431,674)</u>	<u>(273,859)</u>	<u>(11,885,193)</u>
Net Assets / Reserves	<u>24,106,237</u>	<u>23,776,902</u>	<u>23,934,716</u>	<u>24,208,576</u>
Total Liabilities and Net Assets	<u>\$ 67,075,673</u>	<u>\$ 63,744,042</u>	<u>\$ 70,368,455</u>	<u>\$ 60,009,211</u>

Santa Clara County Health Authority
Income Statement for the Month Ending January 31, 2013

	For the Month of January 2013					For Seven Months Ending January 2013				
	Actual	% of Revenue	Budget	% of Revenue	Variance	Actual	% of Revenue	Budget	% of Revenue	Variance
REVENUES										
MEDI-CAL	\$ 22,875,584	96.0%	\$ 20,742,982	91.2%	\$ 2,132,602	\$ 144,227,087	91.7%	\$ 140,807,191	91.0%	\$ 3,419,896
HEALTHY FAMILIES	107,570	0.5%	1,155,757	5.1%	(1,048,188)	7,027,764	4.5%	8,090,301	5.2%	(1,062,537)
HEALTHY KIDS	572,801	2.4%	594,750	2.6%	(21,949)	4,118,845	2.6%	4,157,061	2.7%	(38,216)
AGNEWS	146,306	1.6%	104,932	0.5%	41,374	1,180,508	1.3%	734,526	1.4%	445,982
HEALTHY WORKERS	<u>125,425</u>	<u>0.5%</u>	<u>155,475</u>	<u>0.7%</u>	<u>(30,050)</u>	<u>809,050</u>	<u>0.5%</u>	<u>970,200</u>	<u>0.6%</u>	<u>(161,150)</u>
TOTAL REVENUE	23,827,685	101.0%	22,753,896	100.0%	1,073,789	157,363,254	100.6%	154,759,280	100.9%	2,603,975
MEDICAL EXPENSES										
MEDI-CAL	21,169,269	88.8%	18,838,969	82.8%	(2,330,301)	135,776,157	86.3%	131,261,623	84.8%	(4,514,534)
HEALTHY FAMILIES	52,713	0.2%	975,685	4.3%	922,972	6,177,733	3.9%	6,829,795	4.4%	652,063
HEALTHY KIDS	431,513	1.8%	482,106	2.1%	50,593	3,246,667	2.1%	3,378,893	2.2%	132,226
AGNEWS	57,073	0.2%	84,753	0.4%	27,680	472,451	0.0%	593,271	0.0%	120,820
HEALTHY WORKERS	<u>117,718</u>	<u>0.5%</u>	<u>152,663</u>	<u>0.7%</u>	<u>34,945</u>	<u>648,566</u>	<u>0.0%</u>	<u>952,650</u>	<u>0.0%</u>	<u>304,084</u>
TOTAL MEDICAL EXPENSES	21,828,285	91.6%	20,534,175	90.2%	(1,294,110)	146,321,574	92.3%	143,016,232	91.4%	(3,305,342)
MEDICAL OPERATING MARGIN	1,999,400	8.4%	2,219,721	9.8%	(220,321)	11,041,680	7.0%	11,743,048	7.6%	(701,368)
ADMINISTRATIVE EXPENSES										
SALARIES AND BENEFITS	1,134,002	4.8%	1,117,271	4.9%	(16,731)	7,217,653	4.6%	7,527,000	4.9%	309,347
RENTS AND UTILITIES	101,182	0.4%	104,659	0.5%	3,478	707,854	0.4%	732,616	0.5%	24,762
PRINTING AND ADVERTISING	4,942	0.0%	14,258	0.1%	9,317	119,462	0.1%	99,808	0.1%	(19,654)
INFORMATION SYSTEMS	76,702	0.3%	80,159	0.4%	3,456	576,183	0.4%	561,110	0.4%	(15,073)
PROF FEES / CONSULTING / TEMP STAFFING	106,837	0.4%	159,283	0.7%	52,447	1,100,939	0.7%	1,114,983	0.7%	14,044
DEPRECIATION / INSURANCE / EQUIPMENT	97,765	0.4%	78,583	0.3%	(19,182)	594,287	0.4%	550,083	0.4%	(44,204)
OFFICE SUPPLIES / POSTAGE / TELEPHONE	79,965	0.3%	57,150	0.3%	(22,815)	405,332	0.3%	400,050	0.3%	(5,282)
MEETINGS / TRAVEL / DUES	50,311	0.2%	51,091	0.2%	781	339,725	0.2%	357,640	0.2%	17,916
OTHER	<u>8,660</u>	<u>0.0%</u>	<u>6,592</u>	<u>0.0%</u>	<u>(2,068)</u>	<u>39,295</u>	<u>0.0%</u>	<u>46,142</u>	<u>0.0%</u>	<u>6,847</u>
TOTAL ADMINISTRATIVE EXPENSES	1,660,364	7.0%	1,669,047	7.3%	8,683	11,100,730	7.1%	11,389,433	7.4%	288,703
OPERATING SURPLUS (LOSS)	339,036	1.4%	550,674	2.4%	(211,638)	(59,050)	0.0%	353,615	0.2%	(412,665)
GASB 45-POST EMPLOYMENT BENEFITS EXPENSE	(33,334)	-0.1%	(33,333)	-0.1%	(0)	(233,335)	0.0%	(233,333)	0.0%	(1)
INTEREST & OTHER INCOME	23,632	0.1%	10,000	0.0%	13,632	190,046	0.1%	70,000	0.0%	120,046
NET INCOME (LOSS) FINAL	\$ 329,335	1.4%	\$ 527,341	2.3%	\$ (198,006)	\$ (102,339)	-0.1%	\$ 190,282	0.1%	\$ (292,621)

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

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$ 1,134,002	\$ 1,117,271	\$ (16,731)	-1.5%	Personnel	\$ 7,217,653	\$ 7,527,000	\$ 309,347	4.1%
526,362	551,776	25,414	4.6%	Non-Personnel	3,883,077	3,862,433	\$ (20,644)	-0.5%
1,660,364	1,669,047	8,683	0.5%	Total Administrative Expense	11,100,730	11,389,433	288,703	2.5%

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

SEVEN MONTHS ENDED JANUARY 31, 2013

P&L (ALLOCATED BASIS)	Medi-Cal	Healthy Families	Healthy Kids	Agnews	Healthy Workers	Grand Total
REVENUE	\$144,227,087	\$7,027,764	\$4,118,845	\$1,180,508	809,050	\$157,363,254
MEDICAL EXPENSES	135,776,157	6,177,733	3,246,667	472,451	648,566	\$146,321,574
GROSS MARGIN	8,450,930	850,031	872,178	708,057	160,484	\$11,041,680
ADMINISTRATIVE EXPENSES (indirect costs subject to % MM allocation)	9,437,253	1,144,371	466,089	10,124	42,893	\$11,100,730
OPERATING INCOME/(LOSS)	(986,323)	(294,339)	406,089	697,933	117,591	(59,050)
OTHER INCOME/EXPENSE (% of mm Allocation)	(36,802)	(4,463)	(1,818)	(39)	(167)	(43,289)
NET INCOME / (LOSS)	<u>(\$1,023,125)</u>	<u>(\$298,802)</u>	<u>\$404,271</u>	<u>\$697,893</u>	<u>\$117,423</u>	<u>(\$102,339)</u>

PMPM ALLOCATED P&L:

REVENUE	\$172.87	\$69.47	\$99.96	\$1,319.00	\$213.36	\$160.35
MEDICAL EXPENSES	162.74	61.06	78.79	527.88	171.04	149.10
GROSS MARGIN	10.13	8.40	21.17	791.12	42.32	11.25
ADMINISTRATIVE EXPENSES	11.31	11.31	11.31	11.31	11.31	11.31
OPERATING INCOME/(LOSS)	(1.18)	(2.91)	9.86	779.81	31.01	(0.06)
OTHER INCOME / (EXPENSE)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
NET INCOME / (LOSS)	<u>(\$1.23)</u>	<u>(\$2.95)</u>	<u>\$9.81</u>	<u>\$779.77</u>	<u>\$30.97</u>	<u>(\$0.10)</u>

ALLOCATION BASIS:

MEMBER MONTHS - Month and YTD	834,308	101,169	41,205	895	3,792	981,369
% of Member Months	85.01%	10.31%	4.20%	0.09%	0.39%	100.00%

Santa Clara Family Health Plan
Statement of Cash Flows
For Seven Months Ended January 31, 2013

Cash flows from operating activities		\$
Premiums received		163,454,252
Medical expenses paid		(152,392,813)
Administrative expenses paid		<u>(6,643,409)</u>
Net cash from operating activities	\$	4,418,031
Cash flows from capital and related financing activities		\$
Purchases of capital assets		(197,264)
Cash flows from investing activities		
Interest income and other income, net	\$	<u>190,046</u>
Net (Decrease) increase in cash and cash equivalents	\$	<u>4,410,812</u>
Cash and cash equivalents, beginning of year		<u>53,399,695</u>
Cash and cash equivalents at January 31, 2013		<u>57,810,508</u>
Reconciliation of operating income to net cash from operating activities		\$
Operating income (loss)		(292,384)
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	\$	405,314
Changes in operating assets and liabilities		
Premiums receivable		(2,580,910)
Due from Santa Clara Family Health Foundation		(44,498)
Prepays and other assets		(238,291)
Accounts payable and accrued liabilities	\$	4,533,229
Capitation payable		(2,825,928)
Employee benefit liabilities		(9,596)
Advance premium - Healthy Kids		(2,194)
Reserve for Rate Reductions (AB 97)	\$	8,718,600
Incurred but not reported claims payable and risk share payments payable		<u>(3,245,311)</u>
Total adjustments	\$	<u>4,710,415</u>
Net cash from operating activities	\$	<u>4,418,031</u>

Santa Clara Family Health Plan Enrollment Summary

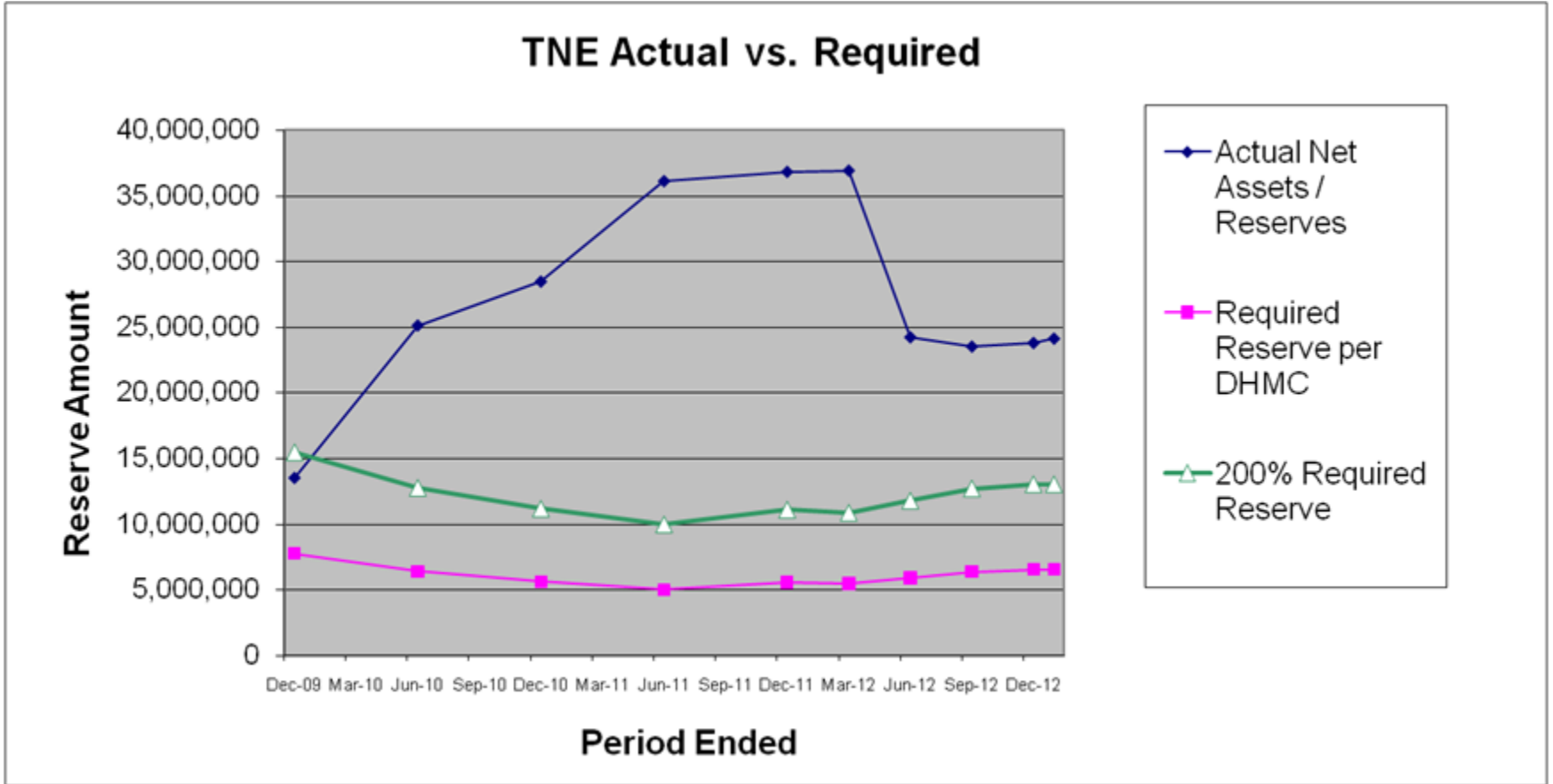
For the Month of January 2013

For Seven Months Ending January 2013

	For the Month of January 2013			For Seven Months Ending January 2013			<u>Prior Year</u>	<u>% Change FY13</u>
	<u>Actual</u>	<u>Budget</u>	<u>% Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>% Variance</u>	<u>Actual</u>	<u>vs FY12</u>
Medi-Cal	135,443	117,998	14.78%	834,308	815,225	2.34%	770,920	8.22%
Healthy Families	1,427	16,964	(91.59%)	101,169	118,748	(14.80%)	120,761	(16.22%)
Healthy Kids	5,697	5,906	(3.54%)	41,205	41,393	(0.45%)	46,364	(11.13%)
Agnews	125	133	(6.02%)	895	931	(3.87%)	913	(1.97%)
Healthy Workers	<u>574</u>	<u>691</u>	<u>(16.93%)</u>	<u>3,792</u>	<u>4,312</u>	<u>(12.06%)</u>	<u>2,487</u>	<u>52.47%</u>
Total	<u>143,266</u>	<u>141,692</u>	<u>1.11%</u>	<u>981,369</u>	<u>980,609</u>	<u>0.08%</u>	<u>941,445</u>	<u>4.24%</u>

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

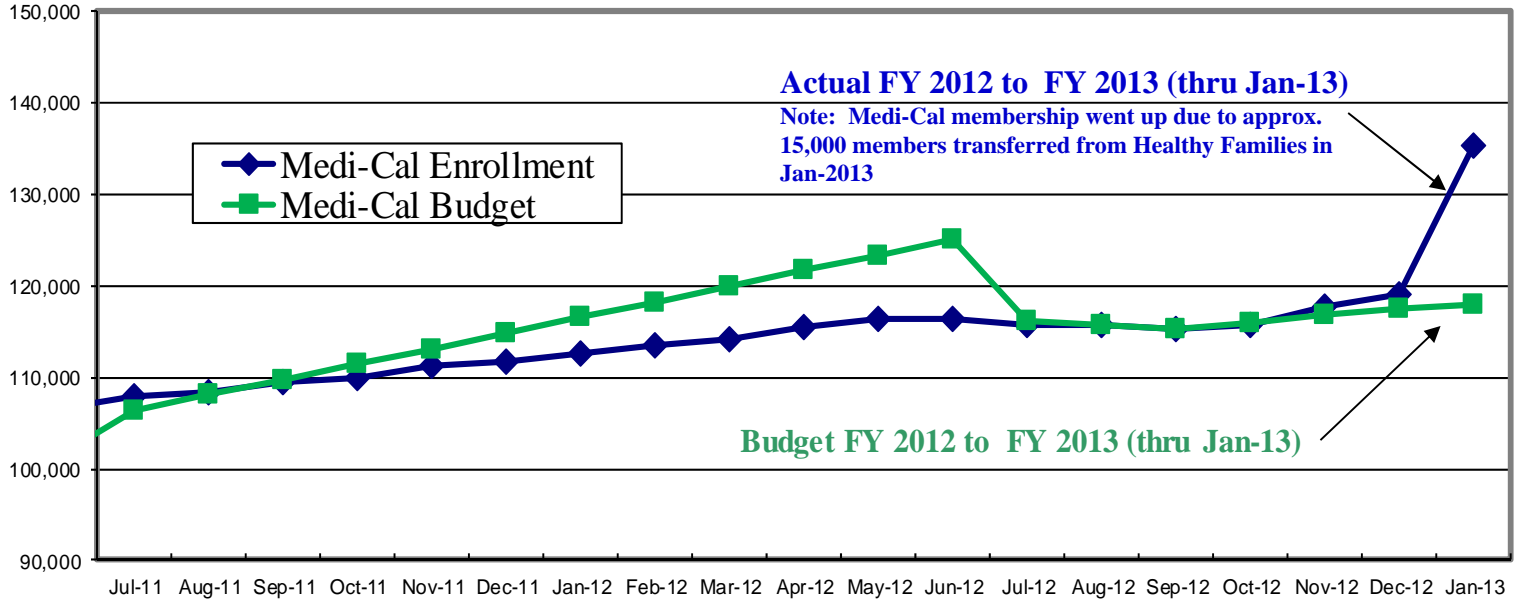
	<u>12/31/2009</u>	<u>6/30/2010</u>	<u>12/31/2010</u>	<u>6/30/2011</u>	<u>12/31/2011</u>	<u>3/31/2012</u>	<u>6/30/2012</u>	<u>9/30/2012</u>	<u>12/31/2012</u>	<u>1/31/2013</u>
Actual Net Assets / Reserves	13,501,652	25,103,011	28,445,504	36,093,769	36,803,460	36,899,994	24,208,576	23,502,086	23,776,902	24,106,237
Required Reserve per DHMC	7,737,000	6,388,000	5,591,000	4,996,000	5,558,000	5,444,000	5,901,000	6,363,000	6,525,000	6,525,000
200% of Required Reserve	15,474,000	12,776,000	11,182,000	9,992,000	11,116,000	10,888,000	11,802,000	12,726,000	13,050,000	13,050,000



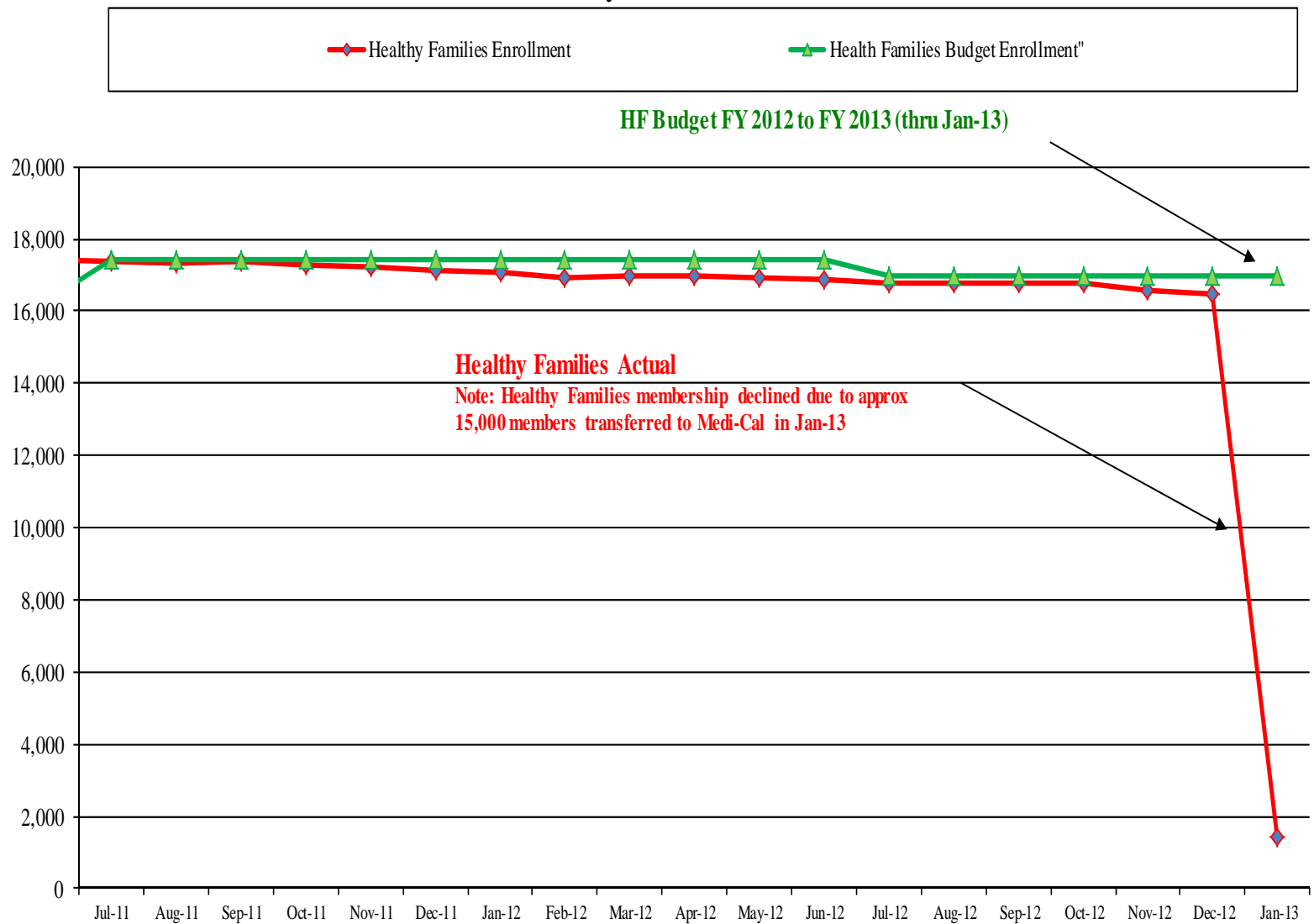
**Santa Clara County Health Authority
Enrollment Summary by Network
January 2013**

	Medi-Cal		Healthy Families		Healthy Kids		AG		Healthy Workers		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians SCVHHS, Safety Net Clinics, FQHC Clinics,	10,180	8%	76	5%	167	3%	125	100%	0	0%	10,548	7%
Palo Alto Medical Foundation Physicians Medical Group	67,675	50%	581	41%	3,973	70%	0	0%	574	100%	72,803	51%
Premier Care	3,263	2%	70	5%	56	1%	0	0%	0	0%	3,389	2%
Kaiser	34,936	26%	573	40%	1,358	24%	0	0%	0	0%	36,867	26%
Total	10,038	7%	127	9%	143	3%	0	0%	0	0%	10,308	7%
	9,351	7%	0	0%	0	0%	0	0%	0	0%	9,351	7%
	<u>135,443</u>	<u>100%</u>	<u>1,427</u>	<u>100%</u>	<u>5,697</u>	<u>100%</u>	<u>125</u>	<u>100%</u>	<u>574</u>	<u>100%</u>	<u>143,266</u>	<u>100%</u>
Enrollment @ 6-30-12	-	-	-	-	-	-	-	-	-	-	-	-
Net % Change from Beginning of FY	<u>116,329</u>		<u>16,873</u>		<u>6,217</u>		<u>129</u>		<u>486</u>		<u>140,034</u>	
	<u>16.43%</u>		<u>-91.54%</u>		<u>-8.36%</u>		<u>-3.10%</u>		<u>18.11%</u>		<u>2.31%</u>	

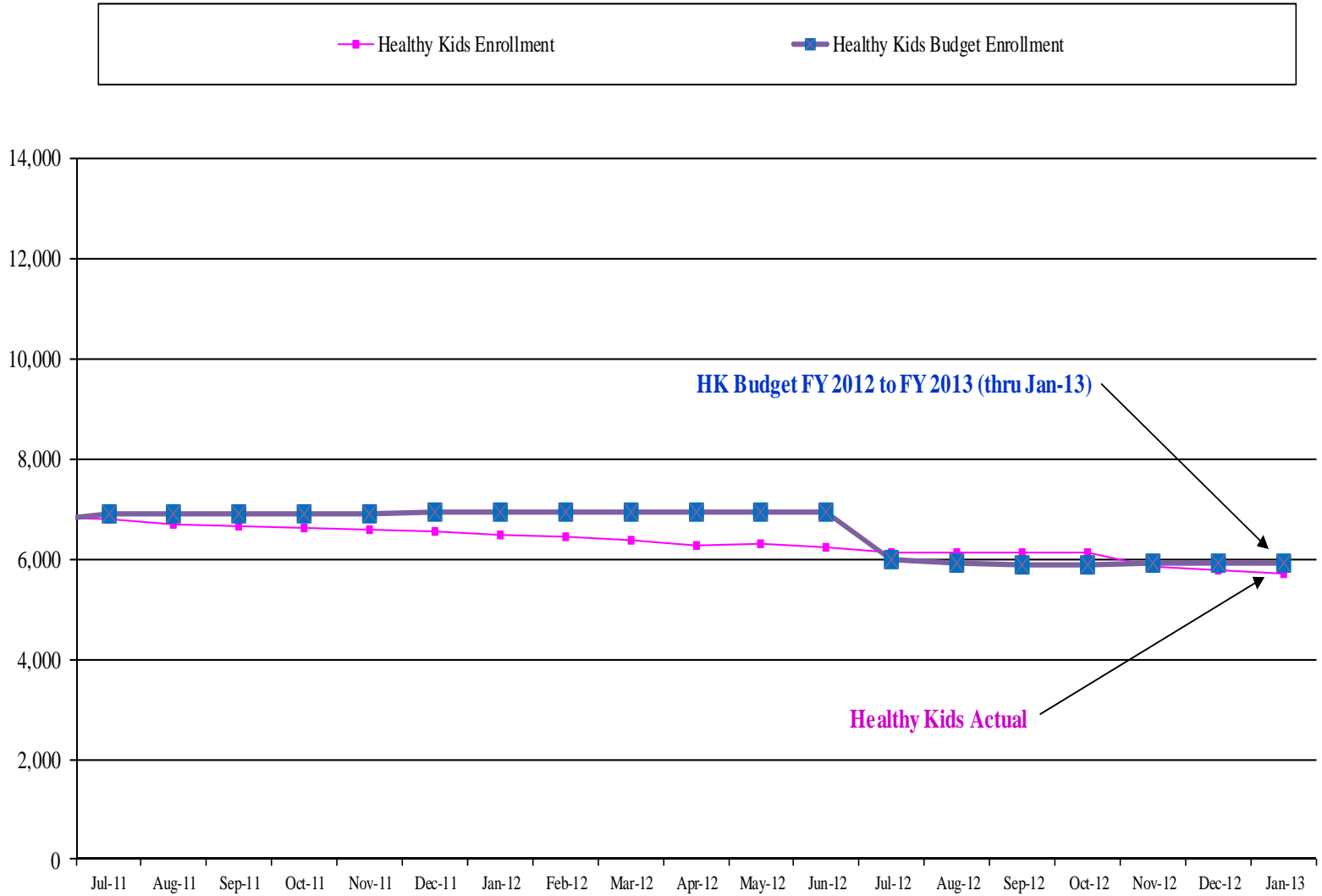
SCFHP Medi-Cal Enrollment



SCFHP Healthy Families Enrollment



SCFHP Healthy Kids Enrollment



Audit RFP

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