

**Ventura County Medi-Cal Managed Care Commission (VCMMCC)  
dba Gold Coast Health Plan (GCHP)**

**Executive Finance Committee  
AGENDA**

**Regular Meeting**

**Thursday, October 24, 2024 – 3:00 p.m.**

**Members of the public can participate using the Conference Call Number below.**

**Conference Call Number: 805-324-7279**

**Conference ID Number: 265 844 453# #**

Additional Telephonic Location:

Community Memorial Hospital  
147 N. Brent Street  
Ventura, CA 93003

**AGENDA**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENT**

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMMCC) doing business as Gold Coast Health Plan (GCHP) on the agenda.

Persons wishing to address VCMMCC are limited to three (3) minutes unless the Chair of the Commission extends time for good cause shown. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Commission.

Members of the public may attend the meeting in person, call in, using the numbers above, or can submit public comments to the Committee via email by sending an email to [ask@goldchp.org](mailto:ask@goldchp.org). If members of the public want to speak on a particular agenda item, please identify the agenda item number. Public comments submitted by email should be under 300 words.

## **CONSENT**

### **1. Approval of Executive Finance Committee regular meeting minutes of August 15, 2024**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented.

### **2. Approval of the 2025 Executive Finance Meeting Calendar**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the 2025 meeting calendar as presented.

## **PRESENTATIONS**

### **3. Proposed Improvements to Consultant / Vendor Contract Reporting**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Receive and file the presentation.

## **FORMAL ACTION**

### **4. Moss Adams Audit Results**

Staff: Sara Dersch, Chief Financial Officer  
Moss Adams Representatives – Stelian Damu & Kimberly Sokoloff

RECOMMENDATION: Receive and file the Moss Adams audit results as presented.

### **5. Fiscal Year 2024-2025 Year-To-Date Financial Results**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests the Executive Finance Committee approval of the August 2024 Year-To-Date results as presented.

## **6. D-SNP Pharmacy Benefit Manager (PBM) Contract Approval**

Staff: James Cruz, M.D., Acting Chief Medical Officer  
Sara Dersch, Chief Financial Officer  
Eve Gelb, Chief Innovation Officer

RECOMMENDATION: It is the Plan's recommendation that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission authorize the CEO to execute a 50-month agreement with Prime Therapeutics

## **7. Grant Administrator – Contract Approval**

Staff: Erik Cho, Chief Policy & Programs Officer  
David Tovar, Incentive Strategy Manager

RECOMMENDATION: The Plan recommends that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission authorize the CEO to execute a 44-month agreement with Institute for Healthcare Improvement, a non-profit organization for an amount not to exceed \$1.2M.

## **8. Operations of the Future Remediation Timeline and Cost Projections**

- OOTF Remediation Timeline
- OOTF Change Orders and Cost Projections

Staff: Alan Torres, Chief Information & Systems Modernization Officer  
Anna Sproule, Executive Director of Operations  
Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission to approve the execution of additional contract authorizations with the vendors listed above and approve the revised amount of \$21.6M (adding \$11.7M which includes contingency of 10%) to the Operations of the Future budget.

## **CLOSED SESSION**

## **9. CONFERENCE WITH LABOR NEGOTIATORS**

Agency designated representatives: Commission &  
Chief of Human Resources & Organization Performance Officer  
Unrepresented employee: Chief Executive Officer

## **10. PUBLIC EMPLOYEE APPOINTMENT**

Title: Chief Executive Officer

## **ADJOURNMENT**

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Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on <http://goldcoasthealthplan.org>. Materials related to an agenda item submitted to the Committee after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Board.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Tuesday prior to the meeting by 3 p.m. will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.

## **AGENDA ITEM NO. 1**

**TO:** Executive Finance Committee  
**FROM:** Maddie Gutierrez, MMC – Sr. Clerk of the Board  
**DATE:** October 24, 2024  
**SUBJECT:** Meeting Minutes for regular Exec. Finance meeting of August 15, 2024

### **RECOMMENDATION:**

Approve the minutes.

### **ATTACHMENTS:**

Copies of the Executive Finance Committee regular meeting minutes of August 15, 2024.

**Ventura County Medi-Cal Managed Care Commission (VCMGCC)  
Executive/Finance Committee  
Regular Meeting via Teleconference**

**August 15, 2024**

**CALL TO ORDER**

Committee Vice Chair Dee Pupa called the meeting to order at 3:04 p.m. The meeting was held virtually. The Clerk was in the Community Room, 711 E. Daily Drive, Suite 110 Camarillo, California.

**ROLL CALL**

Present: Commissioners Anwar Abbas, James Corwin, Anna Monroy, and Dee Pupa

Absent: Commissioner Laura Espinosa

GCHP Executive Team in attendance: CEO Nick Liguori, CHR Paul Aguilar, CIO Eve Gelb, CCO Robert Franco, CFO Sara Dersch, CMO Felix Nunez, M.D., CDO Ted Bagley, Exec. Director of Strategy & External Affairs, Marlen Torres, Alan Torres, CIO, and Leeann Habte of BBK Law.

GCHP Staff In attendance: Kim Timmerman, Kimberly Marquez-Johnson, Josephine Gallella, Lupe Gonzalez, Lupe Harrion, Chris Beeson, TJ Piwowarski, Anna Sproule, Lucy Marrero, Yoonhee Kim, David Kirkpatrick, Victoria Warner, Michelle Espinosa, Susana Enriquez-Euyoque, Paula Cabral, Sandi Walker, Jan Schmitt, and Consultants Amit Jain, and Don Harbart.

**PUBLIC COMMENT**

None.

**CONSENT**

- 1. Approval of Executive Finance Committee regular meeting minutes of June 20, 2024**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

**RECOMMENDATION:** Approve the minutes as presented.

Commissioner Monroy motioned to approve the minutes as presented. Commissioner Abbas seconded the motion.

Roll Call Vote:

AYES: Commissioners Anwar Abbas, James Corwin, Anna Monroy, and Dee Pupa

NOES: None.

ABSENT: Commissioner Laura Espinosa

The clerk declared the motion carried.

Commission Chair Laura Espinosa arrived at the meeting at 3:09 p.m.

## **UPDATES**

### **2. Operations of the Future – Focus on Claims/Provider Functions**

Staff: Nick Liguori, Chief Executive Officer  
Alan Torres, Chief Information & Systems Modernization Officer  
Anna Sproule, Executive Director of Operations

**RECOMMENDATION:** Receive and file the update.

Chief Executive Officer, Nick Liguori stated he would be giving a verbal report rather than materials. He thanked the committee for their support in the efforts to build, improve, and advance the health plan. He also noted the appreciation for the advances and improvements in financial reporting and analysis.

CEO Liguori stated that the Ops of the Future involves the implementation and optimization of a new claims and eligibility processing software. We also have a new care and medical management software, a new provider portal, a new print and fulfillment services partner, a new in-house call center, with call center software and telephone technology, reconfiguration of the mailroom, and claims intake services. This involves integrating all the new software and services through a new electronic data interchange system with circuitry connecting everything. This array of software and data integration is now operating on top of a modern data warehouse. He noted that we went live on July 1 with Operations of the Future. The functions that were performed before by Conduent were now almost entirely performed on new software.

First, EO Liguori wanted to present information on Authorizations because it best represents what we are here to do, which is to enable our members to connect with

care. The turnaround time of 72 hours for expediated authorizations, 5 business days for standard authorizations, and 30 calendar days per retroactive authorizations. DHCS does not take these requirements and apply them in a set of thresholds like some of our other performance. Claims that take more than 45 days to process and pay require interest. We have set our own high standard which has historically been 90% turnaround times. For the past four weeks for expediated authorizations we are at 92%, historically we have been at 97. We need to be better as our operations optimized and progress in that optimization. For standard authorizations we are currently at 95% within the turnaround time. For retroactive we are now at 100%. We are fulfilling provider notices for all types of authorizations.

Commissioner Abbas asked if expediated referrals included emergency referrals or was there a different category. Chief Medical Office Felix Nunez, M.D. stated they are the same. We consider processing them the same way. Commissioner Abbas asked if 72 hours meets the DHCS criteria for emergencies. CEO Liguori replied yes, that is the standard they require of us. CMO Nunez stated that if there is something extraordinarily urgent, our advice has always been don't wait for authorization to get the care provided to the member, we will figure it out. When we have had those calls, we can turn it around relatively quickly. We can turn those around within a day. We want the care given, whatever that care needs to be, they need to move forward and get those resources done. For in-network services that are covered benefits, no authorization is required. The authorizations that we typically see are those that are falling outside of those parameters.

CEO Liguori moved on to discuss the call center. He noted that this is the first time where the telephonic interaction between the member and the health plan is directly with us, our staff. This is a great opportunity to advance the experience of the member. We also see it as a way to effectuate our Model of care, which the core design is to connect members with care and to retain them in the care that they need. Our call center is currently managing over 1700 calls on a weekly basis. He noted that on the average it is taking less than 30 seconds for a member to speak with a live person from the moment that their call connects. We still want to improve, but for a first time call center, working with new technologies which allows them to give the members a wide array of information and also allows them to record information so there is a record of the call or if further work is required, and then post the call to complete satisfaction of the member.

Commissioner Monroy asked if members have an option to request a call back. CEO Liguori stated they do have that option. Commissioner Abbas asked about languages offered besides English and Spanish. CEO Liguori stated that all of the first wave of call center representatives are fluent in English and Spanish. Dr. Lupe Gonzalez stated that if we have a member that speaks another language other than English or Spanish, they will be connected to an interpreter right away.



CEO Liguori stated the other aspect is the quality of the call. Members need to get their care need met. He noted that at the September commission meeting a quality assessment, which will include management will be presented. He noted that call center training took approximately one week, and this staff has a huddle meeting every morning to answer questions, to support training in addition to the initial training they received. Marlen Torres, Executive Director of Strategy & External Affairs is leading an effort to do outreach calls to members who have called into the call center so we can assess the quality of the calls from the member perspective. Members of the Health Services team are also available to support any escalation to care management or utilization management.

CEO Liguori stated he will review claims processing and payment and the timely standards for the process. This involves membership information that we provide to our providers for the purposes of knowing who is on the PCP panel, who are the members and also to process and pay capitation payments for some of our providers who have sub-capitated arrangements who are paid through those arrangements rather than through claims. It is in the scope of work that we are experiencing challenges. It comes down to claims processing and payment. Historically GCHP averages turnaround time for clean claims being processed and paid was 15 days and is the expectation that has been set for our provider partners. Currently our claims are averaging 30 days. This is a result of a number of issues. Clean claims are currently being paid after 45 days are accruing interest. We are also getting duplicate billing, because providers are not receiving payment within 30 days, they tend to re-bill.

Commissioner Espinosa asked how many claims are within that category. CEO Liguori stated that claims over 45 days are in the 10,000s. Commissioner Pupa stated that CEO Liguori had mentioned that half the claims, the average was 30 days. She stated that she was interested to know the high end of that average, along with the ones that are at 40, and over 45 days. She noted that we could potentially be out of compliance with some of the claims payments and why interest is being added. CEO Liguori stated that DHCS requires that 99% of standard clean claims be paid by 90 days. CEO Liguori stated that we started Go-Live clean, we swept through the claims that were existing within the Conduent system and that gave our providers rapid funds. He also noted that we have not missed a pay run for our providers. We have a pay run every week, even though there have been manual interventions in the first week. There have been issues that have popped up, but it will be resolved by September. In addition to claims payment issues, our providers expect payment remittance that tells them what has been paid and for what, which is important to their financial reconciliations in their systems. The 835 electronic fil process did not work initially for us. It had some errors and providers were not seeing all the information that they wanted in the way that they expected. He noted that one important field of information was not being mapped properly to the 835 and cannot ingest the data and use it the automated way that they do. We are working on that now. CEO Liguori stated there is

an entire team involved in this day to day. He stated that no system can be configured to take in all of the claims and claims information and operate perfectly from the beginning, - this was expected. We are finding a variety of content such as the provider information on the claims cannot be matched properly with the provider file information. Further work involves us reconciling that matching information to the contract that we have with a specific provider for proper contract-based adjudication of the claim. There are several other pending errors that include the way our system takes in diagnosis codes or modifying modifiers. It is ultimately rooted in configuration problems in health rules payer. CEO Liguori stated there are two types of solutioning that is happening now, one most fundamentally health rules. Payer needs to be configured to audit in an automated way, process the claims that are being pended today. This will happen at Netmark. Prior to go-live the configuration as done by HealthEdge, the developer of the health rules payer system. We believe the problems will be solved through September because Netmark has deployed health people with health rules/payer expertise to reconfigure and improve the system. We are also on the crest of the problems now and we will be on the other side of this through manual processing efforts. Although manual processing is not the kind of processing we want, it is not efficient, nor timely, and there are risks for greater errors, but right now Netmark is working with our in-house claims team to get the claims processed.

Alan Torres, Chief Information & System Modernization Officer stated that it starts with configuration right from a claims processing perspective. We want to get our auto-adjudication rate up as high as possible. The higher the auto-adjudication rate, the less manual changes. The primary focus is the auto-adjudication rate accuracy and timely claims processing will be the result. He noted that we are on the path to have all remediated by no later than the end of September.

Commissioner Corwin asked what our current auto-adjudication rate was and was it a current mix of the old platform and the new system. Anna Sproule, Executive Director of Operations stated is approximately 38% and 100% of claims effective July 1 are being processed on the new platform. CEO Liguori stated that through the combination of higher auto-adjudication rate and more streamlined manual processing the commitment is that we are performing to our standard by the end of September. Commissioner Espinosa stated that we are up and running as of July 1<sup>st</sup>, it is just that our claims adjudication is not at the level that we want it to be. Commissioner Corwin asked when we will be at optimal performance. CEO Liguori responded by the end of September.

Ms. Sproule stated that our over 45-day claims inventory is currently 56,788 in that category. CEO Liguori stated we will follow up on this meeting report on the details of the number of claims that have not been paid or are pending in our inventory by standard aging categories.

Commissioner Espinosa stated this is not productive, the commission did not get this report on time, they should have been received within a week prior to the meeting. She noted that she sees that staff is working hard on this issue. Her concern is the re-thinking, re-wording, and re-thinking, because the CEO is a bit of a perfectionist. She wondered if this is slowing things down rather than helping. The verbal information is good, but she would like to be prepared when she comes to the meeting. She stated she wants to see the data ahead of time, and understands there might be delays, but she did not expect to not receive anything at all. She noted that it is not acceptable in order for the Commission to do the work they need to do. Commissioner Pupa recommended a dashboard be put together in the next few days; she did not want to wait until September. She requested the dashboard include typical claims, KPI, and turnaround time. She also asked that the dashboard include what is left to be paid, the number of claims, the volumes and what was paid past 45 days. This will serve as two purposes: it will inform the Commission, as well as fully inform the team where the gaps are. Additionally, what could happen depending on provider grievances, and member complaints. It will help from a regulatory standpoint. It always good to have it documented so that everyone knows where we are at. She noted that DMHC and DHCS are very understanding, they just need to be aware. Commissioner Pupa noted that no implementation is perfect. Commissioner Espinosa stated that all are in support and appreciate the work the team is doing.

CEO Liguori stated there is a Commission meeting in the next ten days and will present the requested information at that time. Commissioner Abbas asked CEO Liguori to take his time to prepare the best data that will be comprehensive.

## **PRESENTATIONS**

### **3. Proposed Improvements to Consultant / Vendor Contract Reporting**

Staff: Sara Dersch, Chief Financial Officer  
Eve Gelb, Chief Innovation Officer

**RECOMMENDATION:** Receive and file the presentation.

Chief Financial Officer, Sara Dersch, stated this agenda item came up during the June budget commission meeting where a list of vendors and consultants was presented. CFO Dersch noted that Commissioner Espinosa had stated that she wanted to see additional data to support the list. CFO Dersch stated that the team was committed to ensuring that the Commission has the data, the reporting that they need to be effective. She noted that the team had reviewed the data and will be taking steps to increase transparency to the data. She also noted that the procurement system will be improving and there will be implementation of a new system over time. In the next few months, we will begin providing the Commission with the new enhancements in

the next few months. Chief Innovation Officer Gelb stated the team looked at best practice in terms of reporting on vendor contracting. Between looking at best practices and thinking through the work and the expectations of the Commission in terms of transparency and appropriate management and oversight of procurement she will review some of the recommendation about how we make changes. CIO Gelb stated that what is really important is to understand in terms of running our community health plan is the implementation of the Model of Care, procuring the systems and the tools to do third party vendor contracts that are a vital core part of what we do. She noted that we are good stewards of the funds that the state, and in the future, that the federal government will be providing directly to us. CFO Dersch stated that Chief Diversity Officer, Ted Bagley, is also included to review vendors for the DEI component. We look to see if they are DEI, local, are they woman owned, and what are they providing for the pricing. We don't always go with the lowest price, because sometimes it is not the highest quality provider.

CIO Gelb stated we have identified ways where we can improve the reporting to the Commission to improve transparency. We will also follow up with review of the procurement policy. We are requesting that the Commission give us feedback on what they would like to hear in terms of information. We know that some data has been missing, and we want to be more efficient and transparent.

Commissioner Pupa started that she had asked for more clarification on contracted positions that are filling the roles that maybe should be full time employees. CFO Dersch stated that in the budget there is a line item for contingent labor in terms of dollar amounts, but that does not explain how many people, and their roles, therefore we will present a new report at the next meeting. We will add who is being hired for what department. We will review by department, budgeted positions, what are open positions, who is being hired, etc. We will also provide summary levels statistics to be able to provide what portion of labor is contingent, contracted vendors, women and minority owned businesses both by number and by dollar.

Commissioner Abbas asked who does the manually adjudicated claims, are they all in the US or out of the US, and how long is this going to last. It would be good to know whether it is budgeted or if there needs to be reprioritizing of the budget. We need to be aware of how the Committee can help in the process. CEO Liguori stated that the financial terms that we have for the contract was approved and the budget does account for this level of manual claims processing resource.

## **FORMAL ACTION**

### **4. May 2024 and June Preliminary Fiscal Year End**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests the Executive Finance Committee approval of the May 2024 financial results and preliminary fiscal year end results.

Commission Chair Espinosa stated an overview would be good since the Committee is just seeing this information for the first time. The Committee will have to look at this more thoroughly.

CFO Dersch stated that we did not have a Commission meeting in July, and normally we are a month behind, and would be presenting May, but we have now closed June. CFO Dersch stated she will present preliminary year-end results because we are still undergoing our audit. She noted that Moss Adams suggested that we make any adjusting entries all the way up until the audit is done and approved by the commission in October. Therefore, we will not officially have final least fiscal year's numbers until then. There might be some modifications, and small adjustments. Our preliminary year-end results do demonstrate effective fiscal management. There have been some items that impacted our ability to reach our reforecast. She noted there was a take-back that occurred in December and last January that impacted our results for the year. That take-back was a surprise, no one was expecting that level of a take back.

We also had a Prop 56 reconciliation, but we knew that was coming. We did not have sufficient data at the time to estimate what the impact would be. We did report this as part of our May results, which influenced unfavorable results. We also had a Covid risk corridor take-back going all the way back to 2019 and 2020 which had to do with testing expenses. We ended the year with a positive net income of \$4.8 million, so we are adding back to our TNE. That does not meet the \$33 million we were expecting at reforecast.

CFO Dersch stated that there is another way to look at our results called the For the Year in The Year where we look at those results that are just related to premiums earned in our last fiscal year, administrative cost only for our last fiscal year and medical costs only related to our last fiscal year. We actually exceeded our reforecast.

CFO Dersch stated that we did experience a planned loss in May, it was greater than we had anticipated. We also had some opportunity to perform amortization on some of our Ops of the Future labor costs, and we now have better information on expenses of our QIPP, and we had some adjustments for that as well.

CFO Dersch also reviewed our member mix. She noted that we received more the unsatisfactory immigration status members than we had expected. There are different rates for the satisfactory immigration status versus the Unsatisfactory Status. We also have a higher number of children than expected. The state decided to shift all 19- and 20-year-olds from the adult category – which has a higher premium to the child category, which receives a lower category. We do have an opportunity for rate advocacy because when looking at the medical cost of children utilization versus the 19- and 20-year-olds, it is clear that the 19- and 20-year-olds have a higher expense, because that is when you are starting to see specialists. You have adult onset /health issues that you normally don't see in a growing healthy child. We are continuing to analyze our medical cost data.

CFO Dersch stated we cannot control what the state does with revenue, or with moving members around. We cannot control the utilization of our members, but we can implement programs to help bend the cost curve down, but those take time. We can control our administrative expenses, and our results show that we have. She noted that this is our management team being committed to doing what is right for the members. We have been able to manage the dollars that we are given to continue to ensure that members are getting the care they need, the providers are getting the payments that they need.

Commissioner Abbas noted the June PL shows a variance of \$28.8 million, which is a huge variance. He asked if we expected anything to happen in the future and how do we control that. CFO Dersch stated there are a couple of different approaches. The first approach is the state always reserves the right to do a revenue take-back to do a reconciliation on something that might have occurred. They look for money they can take back and it will include some retroactivity. We do respond as an industry. She noted that there are terms of the authority which are quite specific. CEO Liguori stated the state can not take back monies because they need to fill a budgetary gap, it has to be specific as to components in the rate development that need appropriate actuarial adjustment. There is always uncertainty. When the state does take-backs they point to particular programs, to acuity levels. We can respectfully disagree and provide data to the state.

CFO Dersch pointed out some items that we are closely monitoring and could potentially impact our remaining year-end numbers. She stated we are expecting an initial acuity rate adjustment that might be around \$1million to \$1.5 million. She stated that the 2024 acuity rate adjustment are projected to increase and that would be a slight increase in revenue for us, but that analysis is not done yet. We are watching for that utilization analysis, and we will continue to watch trends in our high dollar claims, we continue to go through provider rate renegotiations, which will also impact our reforecast. We also have several medical costs initiatives that we have recently



kicked off. One is specifically around long-term care and skilled nursing facility utilization which can help bend the cost curve down.

CFO Dersch noted that we did an analysis that compared inpatient days of the UIS versus SSIS relations. We look at two specific populations and are working at understanding the drivers. We are also looking at a new population of 26- to 49-year-olds, and we must provide high quality care for them as well.

CEO Liguori stated that we see more stability in how the state will be operative in the near future. Everything we see right now points to a more responsible partner in DHCS. We are now in a different place; our patients are going to see their doctor and we are not seeing any spikes.

Covid is here to stay, it is not going away. We are building our immunity system against infection, and we are better able to treat it as an outpatient. People are not experiencing severe symptoms. We are not seeing Covid driven increases in utilization. We are seeing utilization increase, primary care, specialty care and behavioral care but not related to Covid.

Commissioner Pupa motioned to receive and file the May 2024 and June Preliminary Fiscal Year End as presented. Commissioner Abbas seconded the motion.

Roll Call Vote:

AYES: Commissioners Anwar Abbas, James Corwin, Laura Espinosa, Anna Monroy, and Dee Pupa

NOES: None.

ABSENT: None

The clerk declared the motion carried.

The Committee went into Closed session at 4:49 p.m.

## **CLOSED SESSION**

### **5. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9.: One case.

### **6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Chief Executive Officer

**7. CONFERENCE WITH LABOR NEGOTIATORS**

Agency designated representatives: Executive Finance Committee

Unrepresented employee: Chief Executive Officer

**ADJOURNMENT**

There was no reportable action. The meeting adjourned at 6:32 p.m.

Approved:

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Maddie Gutierrez, MMC  
Clerk to the Commission



## **AGENDA ITEM NO. 2**

TO: Executive Finance Committee  
FROM: Maddie Gutierrez, MMC - Clerk to the Commission  
DATE: October 24, 2024  
SUBJECT: Approval of the 2025 Executive Finance Committee Meeting Calendar.

### **SUMMARY:**

To establish the Executive Finance Committee meeting dates for the 2025 calendar year.

### **RECOMMENDATION:**

Approve the 2025 Executive Finance Committee calendar as presented.

### **ATTACHMENTS:**

Copy of the 2025 Executive Finance Committee meeting dates.



Gold Coast  
Health Plan<sup>SM</sup>  
A Public Entity

2025

## Exec. Finance Committee Meetings

Please Note: March & July are dark.

Exec. Finance Meeting  
Thursdays 3PM - 5PM

January						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	
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February						
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30	31					

April						
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27	28	29	30			

May						
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June						
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29	30					

July						
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27	28	29	30	31		

August						
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31						

September						
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28	29	30				

October						
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26	27	28	29	30	31	

November						
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### **AGENDA ITEM NO. 3**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer

DATE: October 24, 2024

SUBJECT: August 2024 Vendor Spend Report

#### **SUMMARY:**

Staff is presenting the attached Vendor Spend Report. Please note that this is draft version. We will be continually enhancing this report and making it available on a quarterly basis.

#### **ATTACHMENT:**

Draft August Vendor Spend Report

										Cash Basis				
Service Type	Contract ID	Vendor Name	Ownership	Bid Type	Services Provided	Approved Contract Amount	Contract-to-Date Spend 8/31/24	Amount left on Contract	Spend through 6/30/24	Jul 2024 Spend	Aug 2024 Spend	FYTD Spend		
Totals	216 Contracts		41 WMBE			\$ 348,901,192	\$ 211,531,458	\$ 137,369,735	\$ 201,281,987	\$ 8,435,900	\$ 1,813,570	\$ 10,249,470		
	Contract_2024_00945	The Mihalik Group, LLC		RFP	NCQA Consulting to achieve HPA and HEA for Medicaid	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -		
	Contract_2024_00944	Coffey Communications Inc.		Sole Source	Hosting and Maintenance of GCHP Website	\$ 236,016	\$ 44,844	\$ 191,172	\$ 43,633	\$ 1,212		\$ 1,212	\$ 1,212	
	Contract_2024_00943	IMA, Inc. dba LTC Performance		Sole Source	Employee base compensation assistance/consulting	\$ 22,875	\$ 675	\$ 22,200			\$ 675	\$ 675	\$ 675	
IT Service	Contract_2024_00942	Pan-American Benefits Solutions, Inc.		Sole Source	Translation Services	\$ 13,167	\$ 2,335	\$ 10,833			\$ 2,335	\$ 2,335	\$ 2,335	
Business Service	Contract_2024_00941	Bamboo Health		Sole Source	Member Provider Network Data-Sharing infrastructure	\$ 190,510	\$ -	\$ 190,510	\$ -	\$ -	\$ -	\$ -	\$ -	
Business Service	Contract_2024_00940	Netmark Business Services	Women-Owned	RFP	Claims processing services	\$ 30,644,103	\$ 3,589,418	\$ 27,054,685	\$ 2,070,324	\$ 1,519,094		\$ 1,519,094	\$ 1,519,094	
Business Service	Contract_2024_00939	Netmark Business Services	Women-Owned	RFP	PCP Automation	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Business Service	Contract_2024_00938	Netmark Business Services	Women-Owned	RFP	OOTF Training	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	
	Contract_2024_00937	Netmark Business Services	Women-Owned	RFP	OOTF UAT	\$ 730,000	\$ -	\$ 730,000	\$ -	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00936	CCS MRR Operations-Inovalon		RFP	HEDIS services	\$ 253,798	\$ 28,959	\$ 224,839	\$ 1,565	\$ 27,394	\$ -	\$ 27,394	\$ 27,394	
	Contract_2024_00933	Conduent Health Administration, Inc.	Other	Sole Source	Transition services	\$ 4,922,000	\$ -	\$ 4,922,000	\$ -	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00932	West Publishing Corp dba Thomson Reuters Enterprise		Sole Source	Government Sacation Monitoring	\$ 38,592	\$ 6,144	\$ 32,448	\$ 4,959		\$ 1,185	\$ 1,185	\$ 1,185	
IT Service	Contract_2024_00931	Insight Direct USA		Sole Source	Text Editor and Coding software	\$ 3,034	\$ 3,034	\$ -	\$ 3,034	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00930	Bay Alarm Company		Sole Source	Security services	\$ 25,940	\$ 13,628	\$ 12,313	\$ 12,553		\$ 1,075	\$ 1,075	\$ 1,075	
IT Service	Contract_2024_00929	Bay Alarm Company		Sole Source	Security services	\$ 38,738	\$ 17,570	\$ 21,168	\$ 9,749		\$ 7,821	\$ 7,821	\$ 7,821	
IT Service	Contract_2024_00928	EPIC Holdgs dba Pharmaceutical Strategies Group			Consulting for D-SNP PBM RFP	\$ 159,600	\$ 35,000	\$ 124,600	\$ 35,000			\$ -	\$ -	
IT Service	Contract_2024_00926	Conduent Health Administration, Inc.	Other	Sole Source	Transition services	\$ 155,000	\$ -	\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00925	Navex Global, Inc.		Sole Source	Learning Mgm, Ethics and Code of Conduct licenses	\$ 17,283	\$ 3,258	\$ 14,025	\$ 3,258	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00924	Multiview Corporation		Sole Source	Finance ERP	\$ 2,508	\$ -	\$ 2,508	\$ -	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00923	Insight Direct USA		Sole Source	Ethernet Connectivity	\$ 8,536	\$ 8,536	\$ -	\$ -	\$ 8,536	\$ -	\$ 8,536	\$ 8,536	
IT Service	Contract_2024_00922	Gannett Media Grp da Gannett California LocalIQ			Advertising	\$ 10,000	\$ 2,900	\$ 7,100	\$ 2,900	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00920	TTEC Government Solutions, LLC		RFP	OOTF call center phase 2 implementation	\$ 120,038	\$ 55,019	\$ 65,019	\$ 55,019	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00919	Moss Adams		Sole Source	Adaptive Planning assistance	\$ 21,000	\$ 8,143	\$ 12,857	\$ 5,024	\$ 2,252	\$ 866	\$ 3,119	\$ 3,119	
IT Service	Contract_2024_00918	The Mihalik Group, LLC		RFP	Data validation and supplemental data collection - Claims	\$ 47,250	\$ 36,068	\$ 11,183	\$ 33,555	\$ 2,513	\$ -	\$ 2,513	\$ 2,513	
IT Service	Contract_2024_00917	Vendor Credentialing Svcs LLC dba Symplr		RFP	Credentialing software change order	\$ 6,630	\$ 878	\$ 5,753	\$ 195	\$ 439	\$ 244	\$ 683	\$ 683	
IT Service	Contract_2024_00916	Vendor Credentialing Svcs LLC dba Symplr		RFP	Credentialing software change order	\$ 18,900	\$ 2,175	\$ 16,725	\$ -	\$ -	\$ 2,175	\$ 2,175	\$ 2,175	
IT Service	Contract_2024_00915	Bamboo Health		Sole Source	Unique Paiets per Static Roster	\$ 96,050	\$ -	\$ 96,050	\$ -	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00910	Ash Wellnes, Inc.		Sole Source	Provide self-collection testing program for members Chiarnydia and HbA1c	\$ 90,150	\$ 89,250	\$ 900	\$ 89,250	\$ -	\$ -	\$ -	\$ -	
IT Service	Contract_2024_00907	ABMS Solutions, LLC		Sole Source	IT software	\$ 34,475	\$ 34,475	\$ -	\$ 34,475	\$ -	\$ -	\$ -	\$ -	

Service Type	Contract ID	Vendor Name	Ownership	Bid Type	Services Provided	Approved Contract Amount	Contract-to-Date Spend 8/31/24	Amount left on Contract	Spend through 6/30/24	Jul 2024 Spend	Aug 2024 Spend	FYTD Spend
IT Service	Contract_2024_00906	Ramona [Mona] Keeton	Women-Owned	Sole Source	Register Nurse consulting - GCHP staff, policies, education, and medical review	\$ 13,950	\$ -	\$ 13,950	\$ -	\$ -	\$ -	\$ -
IT Service	Contract_2024_00903	Pan-American Benefits Solutions, Inc.		Sole Source	Lanugages, including sign, interpretaton and translation	\$ 118,761	\$ 80,271	\$ 38,490	\$ 60,535	\$ 9,355	\$ 10,381	\$ 19,735
IT Service	Contract_2024_00902	Insight Direct USA		Sole Source	networking products, including routers, switches, network management software, network security products, and software-defined networking technology	\$ 23,743	\$ 23,743	\$ -	\$ 23,743	\$ -	\$ -	\$ -
IT Service	Contract_2024_00901	AArete, LLC		Sole Source	Procurement training services	\$ 26,000	\$ 26,000	\$ -	\$ 26,000	\$ -	\$ -	\$ -
IT Service	Contract_2024_00900	Edifecs, Inc.	Asian Pacific	RFP	OOTF EDI services	\$ 757,980	\$ 757,980	\$ -	\$ 413,849	\$ 234,085	\$ 110,045	\$ 344,131
IT Service	Contract_2024_00899	Edifecs, Inc.	Asian Pacific	RFP	OOTF EDI services	\$ 5,897,261	\$ 621,207	\$ 5,276,054	\$ 320,250	\$ 146,750	\$ 154,207	\$ 300,957
IT Service	Contract_2024_00898	Edifecs, Inc.	Asian Pacific	RFP	OOTF EDI services		\$ -	\$ -				\$ -
IT Service	Contract_2024_00893	OmniData Insights, Inc.		Sole Source	Transition GCHP key OOFt contractors to OminiData.	\$ 409,464	\$ -	\$ 409,464	\$ -	\$ -	\$ -	\$ -
IT Service	Contract_2024_00891	Moss Adams		Sole Source	Finance audit services	\$ 821,000	\$ 655,550	\$ 165,450	\$ 589,550	\$ 66,000	\$ -	\$ 66,000
IT Service	Contract_2024_00890	Xcape, Inc.	Black	Sole Source	Pen Testing	\$ 45,000	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -	\$ -
IT Service	Contract_2024_00888	Concur Technologies, Inc.		Sole Source	Software for Expense Reports	\$ 44,160	\$ -	\$ 44,160	\$ -	\$ -	\$ -	\$ -
IT Service	Contract_2024_00886	The Mihalik Group, LLC		RFP	Consulting for PBM's RFP	\$ 75,000	\$ 8,700	\$ 66,300	\$ 8,700	\$ -	\$ -	\$ -
IT Service	Contract_2024_00883	Ellit Group LLC	Women-Owned	Sole Source	Contractor services-Analytics Coordinator for on going projects.	\$ 190,944	\$ 101,946	\$ 88,998	\$ 81,861	\$ 20,085	\$ -	\$ 20,085
IT Service	Contract_2024_00882	Health Management Associates Inc.		Sole Source	Finance consulting services	\$ 1,800,000	\$ 408,853	\$ 1,391,148	\$ 228,750	\$ 77,965	\$ 102,138	\$ 180,103
IT Service	Contract_2024_00881	CBRE, Inc.		Sole Source	Office space consulting services	\$ 86,100	\$ 13,014	\$ 73,086	\$ 13,014	\$ -	\$ -	\$ -
IT Service	Contract_2024_00879	Ellit Group LLC	Women-Owned	Sole Source	OOTF consulting services	\$ 99,900	\$ 94,401	\$ 5,499	\$ 94,401	\$ -	\$ -	\$ -
IT Service	Contract_2024_00878	Milliman		Sole Source	Provide feasibility analysis for starting Medicare Advantage D-SNP and support filings DMHC	\$ 130,000	\$ 75,000	\$ 55,000	\$ 50,000	\$ -	\$ 25,000	\$ 25,000
IT Service	Contract_2023_00877	Emagined Security, Inc.		Sole Source	IT security software and services	\$ 254,584	\$ 188,667	\$ 65,917	\$ 188,667	\$ -	\$ -	\$ -
IT Service	Contract_2023_00876	Salesforce Inc.	Other	RFP	OOTF CRM software	\$ 2,699,199	\$ 542,240	\$ 2,156,959	\$ 542,240	\$ -	\$ -	\$ -
IT Service	Contract_2023_00875	Salesforce Inc.	Other	RFP	OOTF CRM software		\$ -	\$ -				\$ -
IT Service	Contract_2023_00873	Infomedica Group dba Carenet Healthcare Services		RFP	Engagement Services	\$ 303,003	\$ -	\$ 303,003	\$ -	\$ -	\$ -	\$ -
IT Service	Contract_2023_00872	TTEC Government Solutions, LLC		RFP	Call center software	\$ 610,880	\$ 137,165	\$ 473,715	\$ 136,067	\$ 1,098	\$ -	\$ 1,098
IT Service	Contract_2023_00869	KP LLC	Other	RFP	Operational Print and Collateral Print	\$ 1,235,964	\$ 354,305	\$ 881,659	\$ 291,900	\$ 7,579	\$ 54,826	\$ 62,405
IT Service	Contract_2023_00868	KP LLC	Other	RFP	Operational Print and Collateral Print	\$ 4,897,974	\$ 582,573	\$ 4,315,401	\$ 278,878	\$ 157,829	\$ 145,865	\$ 303,694
IT Service	Contract_2023_00867	Pitney Bowes Global Financial Services LLC		Sole Source	Postage/mailling machine	\$ 18,820	\$ 13,384	\$ 5,436	\$ 12,807		\$ 577	\$ 577
IT Service	Contract_2023_00866	Ellit Group LLC	Women-Owned	Sole Source	OOTF consulting services	\$ 356,840	\$ 246,574	\$ 110,266	\$ 180,189	\$ 43,648	\$ 22,738	\$ 66,385
IT Service	Contract_2023_00865	Insight Direct USA		Sole Source	Sharegate Subscriptions licenses	\$ 14,065	\$ 14,065	\$ -	\$ 14,065	\$ -	\$ -	\$ -
IT Service	Contract_2023_00864	Moss Adams		Sole Source	Finance lease software	\$ 2,000	\$ 1,346	\$ 654	\$ 1,346	\$ -	\$ -	\$ -
IT Service	Contract_2023_00863	Navex Global, Inc.		Sole Source	Training and Compliance Services	\$ 92,000	\$ 50,000	\$ 42,000	\$ 50,000	\$ -	\$ -	\$ -
IT Service	Contract_2023_00862	Simpledatalabs inc dba Prophecy Inc.		Sole Source	Data Transformation CoPilot. Used for analytics and data pipelines.	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -
IT Service	Contract_2023_00860	Netmark Business Services	Women-Owned	RFP	Claims processing services	\$ 30,644,103	\$ 3,589,418	\$ 27,054,685	\$ 2,070,324	\$ 1,519,094	\$ -	\$ 1,519,094



Service Type	Contract ID	Vendor Name	Ownership	Bid Type	Services Provided	Approved Contract Amount	Contract-to-Date Spend 8/31/24	Amount left on Contract	Spend through 6/30/24	Jul 2024 Spend	Aug 2024 Spend	FYTD Spend
IT Service	Contract_2023_00857	Infomedia Group dba Carenet Healthcare Services		RFP	Outbound calls and texts	\$ 1,379,194	\$ 771,609	\$ 607,586	\$ 648,873	\$ 29,958	\$ 92,778	\$ 122,736
IT Service	Contract_2023_00856	Stacy Miller Public Affairs Inc.	Women-Owned	RFP	Marketing Services	\$ 393,319	\$ 209,213	\$ 184,106	\$ 177,489	\$ 15,862	\$ 15,862	\$ 31,724
IT Service	Contract_2023_00855	Packet Fusion, Inc.		Sole Source	Phone systems	\$ 32,795	\$ 32,795	\$ -	\$ 32,795	\$ -	\$ -	\$ -
IT Service	Contract_2023_00854	Transaction Applications Group, Inc._NTT Data		RFP	Provider and Member Portal-implementation and licenses fees.	\$ 7,926,848	\$ 1,258,842	\$ 6,668,006	\$ 1,016,920	\$ 127,115	\$ 114,807	\$ 241,922
IT Service	Contract_2023_00852	Litmos USLP		RFP	Employee training	\$ 17,233	\$ 17,233	\$ -	\$ 8,489		\$ 8,744	\$ 8,744
IT Service	Contract_2023_00851	Ellit Group LLC	Women-Owned	Sole Source	OOTF consulting services	\$ 228,320	\$ 180,372	\$ 47,948	\$ 180,372	\$ -	\$ -	\$ -
IT Service	Contract_2023_00848	NCQA		Sole Source	Compliance for NCQA	\$ 7,496	\$ -	\$ 7,496				\$ -
IT Service	Contract_2023_00847	Meskin Consulting Inc.	Women-Owned	RFP	Provide HR consulting services, coaching, and organization development. - Rache Lambert	\$ 11,280	\$ 6,830	\$ 4,450	\$ 6,830	\$ -	\$ -	\$ -
IT Service	Contract_2023_00844	UpToDate, Inc.		Sole Source	MediSpan license that supports MTM (medication therapy management) capability that is part of our Zyfer/TruCare medical management solution.	\$ 205,437	\$ 125,455	\$ 79,982	\$ 16,958	\$ 88,887	\$ 19,610	\$ 108,497
IT Service	Contract_2023_00842	Delinea Inc. (formerly Thycotic Sftw)		Sole Source	discover, control, protect, and monitor privileged account access, and behavior, while minimizing privileged credential risk, limiting user privileges, and controlling applications on endpoints and servers.	\$ 18,959	\$ 18,959	\$ 0	\$ 18,959	\$ -	\$ -	\$ -
IT Service	Contract_2023_00841	OmniData Insights, Inc.		Sole Source	Support Operations of the Future goal by building new Modern Data Warehouse and supporting Conduent data migration.	\$ 3,693,648	\$ 3,692,980	\$ 668	\$ 3,692,980	\$ -	\$ -	\$ -
IT Service	Contract_2023_00839	Insight Direct USA		Sole Source	Secure Access to work Remotely	\$ 60,125	\$ 60,125	\$ -	\$ 29,200	\$ 6,540	\$ 24,385	\$ 30,925
IT Service	Contract_2023_00834	County of Ventura		Sole Source	Licenses for rHMIS and assist in HHP.	\$ 7,280	\$ 7,280	\$ -	\$ 7,280	\$ -	\$ -	\$ -
IT Service	Contract_2023_00833	Politico LLC		Sole Source	Enable policy area push content, including newsletters, news content, breaking news alerts.	\$ 20,000	\$ 20,000	\$ -	\$ 10,000		\$ 10,000	\$ 10,000
IT Service	Contract_2023_00830	Motor Vehicle Network		Sole Source	Outreach-advertising	\$ 90,635	\$ 40,635	\$ 50,000	\$ 40,635	\$ -	\$ -	\$ -
IT Service	Contract_2023_00825	Edifecs, Inc.	Asian Pacific	RFP	OOTF EDI services	\$ 5,718,099	\$ 2,084,221	\$ 3,633,878	\$ 1,270,138	\$ 814,083		\$ 814,083
IT Service	Contract_2023_00824	Fortra, LLC		Sole Source	SFTP Server Application/Maint/Sup	\$ 1,759	\$ 1,759	\$ -	\$ 1,759	\$ -	\$ -	\$ -
IT Service	Contract_2023_00823	Akkodis Inc.		RFP	OOTF off shore temp labor	\$ 6,041,654	\$ 3,983,129	\$ 2,058,525	\$ 3,627,524	\$ 355,604	\$ -	\$ 355,604
IT Service	Contract_2023_00820	Glenys Wilbur	Women-Owned	Sole Source	Nursing Consulting (Former Employee)	\$ 49,613	\$ 44,440	\$ 5,172	\$ 34,341	\$ 8,229	\$ 1,870	\$ 10,100
IT Service	Contract_2023_00816	Central Coast Audio Visual Inc.		Sole Source	Cameras and Microphones for meeting rooms	\$ 18,170	\$ 18,170	\$ -	\$ 18,170	\$ -	\$ -	\$ -
IT Service	Contract_2023_00815	Sherlock Company		Sole Source	Benchmarking licenses-Expense Evaluation Reports	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -

Service Type	Contract ID	Vendor Name	Ownership	Bid Type	Services Provided	Approved Contract Amount	Contract-to-Date Spend 8/31/24	Amount left on Contract	Spend through 6/30/24	Jul 2024 Spend	Aug 2024 Spend	FYTD Spend
IT Service	Contract_2023_00814	Infomedica Group dba Carenet Healthcare Services		RFP	IVR Campaign services calls	\$ 35,000	\$ 2,134	\$ 32,866	\$ 271		\$ 1,863	\$ 1,863
IT Service	Contract_2023_00812	Marcella Young RN		Sole Source	Oversight/facility auditing-meet DHCS compliance	\$ 33,500	\$ 7,995	\$ 25,505	\$ 4,735	\$ 3,260		\$ 3,260
IT Service	Contract_2023_00809	Patch My PC LLC		Sole Source	Auto publish 3rd Party updates & create base initial applications	\$ 4,498	\$ 4,498	\$ -	\$ 4,498	\$ -	\$ -	\$ -
IT Service	Contract_2023_00808	Salary.com		Sole Source		\$ 27,238	\$ 17,280	\$ 9,958	\$ 17,280	\$ -	\$ -	\$ -
IT Service	Contract_2023_00807	Insight Direct USA		Sole Source	Data Security and Management	\$ 122,697	\$ 122,697	\$ -	\$ 122,697	\$ -	\$ -	\$ -
IT Service	Contract_2023_00806	Carol Hsu		Sole Source	Medical Records Review and Overflow (MD Consultant)	\$ 579,502	\$ 460,133	\$ 119,369	\$ 442,487	\$ 8,319	\$ 9,328	\$ 17,646
IT Service	Contract_2023_00805	Madhavi Gutta	Women-Owned	Sole Source	Medical Records Review and Overflow (MD Consultant)	\$ 450,745	\$ 304,454	\$ 146,291	\$ 291,090	\$ 6,425	\$ 6,939	\$ 13,364
IT Service	Contract_2023_00804	HealthEdge Software Inc.		RFP	OOTF Claims processing software	\$ 25,799,945	\$ 222,606	\$ 25,577,339	\$ 222,606	\$ -	\$ -	\$ -
IT Service	Contract_2023_00799	Jonathan Baker		Sole Source	Medical Records Review and Overflow (MD Consultant)	\$ 146,050	\$ 67,850	\$ 78,200	\$ 67,850	\$ -	\$ -	\$ -
IT Service	Contract_2023_00793	Inner Harbour Software		Sole Source		\$ 3,580	\$ 3,580	\$ -	\$ 3,580	\$ -	\$ -	\$ -
IT Service	Contract_2023_00792	Consentia Health LLC		Sole Source	CEO Consultant	\$ 1,050,000	\$ 900,200	\$ 149,800	\$ 860,300	\$ 39,900	\$ -	\$ 39,900
IT Service	Contract_2023_00791	Consentia Health LLC		Sole Source	CEO Consultant	\$ 189,200	\$ 92,000	\$ 97,200	\$ 92,000	\$ -	\$ -	\$ -
IT Service	Contract_2023_00784	Insight Direct USA		Sole Source	Software tool for create database blueprints	\$ 56,803	\$ 56,803	\$ -	\$ 56,803	\$ -	\$ -	\$ -
IT Service	Contract_2023_00782	Health Management Associates Inc.		Sole Source		\$ 227,500	\$ 167,568	\$ 59,932	\$ 166,273	\$ 1,295		\$ 1,295
IT Service	Contract_2023_00780	Navex Global, Inc.		Sole Source	Risk Management software and compliance toolkit	\$ 53,017	\$ 53,017	\$ -	\$ 53,017	\$ -	\$ -	\$ -
IT Service	Contract_2023_00779	Navex Global, Inc.		Sole Source	Risk Management software and compliance toolkit	\$ 72,008	\$ 72,008	\$ -	\$ 72,008	\$ -	\$ -	\$ -
IT Service	Contract_2023_00776	Manta Software Inc.		Sole Source		\$ 365,820	\$ 365,820	\$ -	\$ 365,820	\$ -	\$ -	\$ -
IT Service	Contract_2023_00774	Healthwise, Incorporated		Sole Source		\$ 86,863	\$ 73,059	\$ 13,804	\$ 62,330	\$ 10,729	\$ -	\$ 10,729
IT Service	Contract_2023_00771	Eptura Inc._Condeco Software SA		Sole Source	Pre-Screening tool for minimizing risk infections.	\$ 31,590	\$ 31,590	\$ -	\$ 31,590	\$ -	\$ -	\$ -
IT Service	Contract_2023_00769	Emagined Security, Inc.		Sole Source	Cyber Security	\$ 254,584	\$ 188,667	\$ 65,917	\$ 188,667	\$ -	\$ -	\$ -
IT Service	Contract_2022_00765	BlueAlly echnology Solutions, LLC_formally Virtual Graffitti		Sole Source	Secure messaging portal that allows users who do not have email encryption capabilities to securely send and receive messages.	\$ 29,388	\$ 29,388	\$ -	\$ 29,388	\$ -	\$ -	\$ -
IT Service	Contract_2022_00761	Divurgent, LLC		Sole Source	OOTF consulting services	\$ 3,747,286	\$ 3,474,664	\$ 272,622	\$ 3,188,937	\$ 46,474	\$ 239,253	\$ 285,727
IT Service	Contract_2022_00759	New Level Resources	Women-Owned	Sole Source		\$ 99,900	\$ 44,579	\$ 55,321	\$ 43,878	\$ 621	\$ 80	\$ 701
IT Service	Contract_2022_00757	UpToDate, Inc.		Sole Source	Software system that is a point-of-care medical resource		\$ -	\$ -				\$ -
IT Service	Contract_2022_00756	FivThrive HealthCare, Inc.		Sole Source		\$ 24,700	\$ 20,900	\$ 3,800	\$ 19,000	\$ 1,900	\$ -	\$ 1,900
IT Service	Contract_2022_00751	Affiliated Monitors Inc. [AMI]		RFP		\$ 208,000	\$ 190,940	\$ 17,060	\$ 183,790	\$ 2,700	\$ 4,450	\$ 7,150
IT Service	Contract_2022_00748	Document Systems		RFP	Printers and Copiers.	\$ 42,123	\$ 23,517	\$ 18,606	\$ 23,088	\$ 429	\$ -	\$ 429
IT Service	Contract_2022_00747	Lorri Whiteside	Women-Owned	Sole Source	HR Consultant (former employee)	\$ 34,000	\$ 15,787	\$ 18,213	\$ 14,887	\$ 900	\$ -	\$ 900
IT Service	Contract_2022_00742	Pajaro Consulting LLC		Sole Source	HR consultant	\$ 651,430	\$ 572,668	\$ 78,762	\$ 501,165	\$ 35,243	\$ 36,260	\$ 71,503
IT Service	Contract_2022_00739	Vendor Credentialing Svcs LLC dba Symplr		RFP	Provider contracting and credentialing software maintenance	\$ 121,225	\$ 79,616	\$ 41,609	\$ 79,616	\$ -	\$ -	\$ -

Service Type	Contract ID	Vendor Name	Ownership	Bid Type	Services Provided	Approved Contract Amount	Contract-to-Date Spend 8/31/24	Amount left on Contract	Spend through 6/30/24	Jul 2024 Spend	Aug 2024 Spend	FYTD Spend
IT Service	Contract_2022_00738	Workday Inc.		Sole Source	Budgeting software	\$ 103,054	\$ 103,054	\$ -	\$ 103,054	\$ -	\$ -	\$ -
IT Service	Contract_2022_00735	Culture Amp		Sole Source		\$ 20,718	\$ 20,718	\$ -	\$ 20,718	\$ -	\$ -	\$ -
IT Service	Contract_2022_00728	Optum360 LLC		Sole Source		\$ 236,011	\$ 149,412	\$ 86,598	\$ 149,412	\$ -	\$ -	\$ -
IT Service	Contract_2022_00725	Inovalon, Inc.		Sole Source	IT Data Lake services	\$ 2,730,914	\$ 2,082,173	\$ 648,741	\$ 1,880,834	\$ 100,670	\$ 100,670	\$ 201,339
IT Service	Contract_2022_00709	ZOHO Corporation		Sole Source	CRM software to bring sales, marketing, and customer support activities together	\$ 33,602	\$ 33,602	\$ -	\$ 33,602	\$ -	\$ -	\$ -
IT Service	Contract_2022_00699	3M Health Information Systems		Sole Source	IT software used for claims	\$ 299,603	\$ 134,313	\$ 165,290	\$ 134,313	\$ -	\$ -	\$ -
IT Service	Contract_2022_00694	Zoom Video Communications		Sole Source	Zoom conference calls	\$ 7,359	\$ 7,359	\$ -	\$ 7,359	\$ -	\$ -	\$ -
IT Service	Contract_2022_00693	Insight Direct USA		Sole Source	Power Supplies - networking	\$ 24,450	\$ 24,450	\$ 0	\$ 24,450	\$ -	\$ -	\$ -
IT Service	Contract_2022_00691	Insight Direct USA		Sole Source	Power Supplies - networking	\$ 11,536	\$ 11,536	\$ -	\$ 11,536	\$ -	\$ -	\$ -
IT Service	Contract_2022_00689	Insight Direct USA		Sole Source	Power Supplies - networking	\$ 26,818	\$ -	\$ 26,818	\$ -	\$ -	\$ -	\$ -
IT Service	Contract_2022_00686	Insight Direct USA		Sole Source	Power Supplies - networking	\$ 4,949	\$ 4,949	\$ -	\$ 4,949	\$ -	\$ -	\$ -
IT Service	Contract_2022_00685	Spectrum Reach_Charter Communications		Sole Source		\$ 199,000	\$ 149,080	\$ 49,920	\$ 146,580	\$ 2,500	\$ -	\$ 2,500
IT Service	Contract_2022_00677	OptumInsight, Inc.		Sole Source	Coder software	\$ 92,714	\$ 92,714	\$ -	\$ 92,714	\$ -	\$ -	\$ -
IT Service	Contract_2022_00673	Insight Direct USA		Sole Source	Cloud backup and recovery solution	\$ 1,568	\$ 1,558	\$ 10	\$ 1,030	\$ 527	\$ -	\$ 527
IT Service	Contract_2021_00659	SAI360 Inc.		Sole Source		\$ 111,696	\$ 111,696	\$ -	\$ 111,696	\$ -	\$ -	\$ -
IT Service	Contract_2021_00645	Insight Direct USA		Sole Source	Cloud backup and recovery solution	\$ 868	\$ 868	\$ (0)	\$ 652	\$ 217	\$ -	\$ 217
IT Service	Contract_2021_00644	Enterprise Systems Solutions dba LA Networks		RFP	Consulting for Network Architect	\$ 73,500	\$ 19,410	\$ 54,090	\$ 19,410	\$ -	\$ -	\$ -
IT Service	Contract_2021_00642	TBJ Consulting	Black	Sole Source	Diversity Officer	\$ 1,166,940	\$ 1,065,429	\$ 101,511	\$ 1,010,429	\$ 55,000	\$ -	\$ 55,000
IT Service	Contract_2021_00639	The Finish Line	Women-Owned	Sole Source		\$ 549,000	\$ 103,046	\$ 445,954	\$ 96,818	\$ 6,227	\$ -	\$ 6,227
IT Service	Contract_2021_00630	Insight Direct USA		Sole Source	Data Management	\$ 20,391	\$ 20,391	\$ -	\$ 20,391	\$ -	\$ -	\$ -
IT Service	Contract_2021_00629	Insight Direct USA		Sole Source	Data Storage Management Systems	\$ 238,325	\$ 238,325	\$ -	\$ 238,325	\$ -	\$ -	\$ -
IT Service	Contract_2021_00624	Edifecs, Inc.	Asian Pacific	Sole Source	Interoperability services	\$ 547,697	\$ 313,930	\$ 233,767	\$ 313,930	\$ -	\$ -	\$ -
IT Service	Contract_2021_00623	CAQH		Sole Source	Credentialing services	\$ 60,000	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ -	\$ -
IT Service	Contract_2021_00622	Enterprise Systems Solutions dba LA Networks		RFP	Maintenance for Network hardware	\$ 250,664	\$ 250,664	\$ -	\$ 250,664	\$ -	\$ -	\$ -
	Contract_2021_00618	Allegis Grp Hold, Inc. dba Teksystems, Inc.		RFP	Temp labor Services	\$ 1,451,929	\$ 1,079,770	\$ 372,159	\$ 1,079,770	\$ -	\$ -	\$ -
IT Service	Contract_2021_00617	OmniData Insights, Inc.		Sole Source	OOTF data warehouse	\$ 793,061	\$ 790,793	\$ 2,268	\$ 731,663	\$ 53,116	\$ 5,994	\$ 59,110
	Contract-2021_00616	Crossroads Staffing Services	Women-Owned	RFP	Temp labor services	\$ 3,920,921	\$ 3,487,413	\$ 433,508	\$ 3,369,931	\$ 70,114	\$ 47,368	\$ 117,482
IT Service	Contract_2021_00614	Health Management Associates Inc.		Sole Source	Temp labor	\$ 819,000	\$ 595,291	\$ 223,709	\$ 595,291	\$ -	\$ -	\$ -
IT Service	Contract_2021_00607	OnSolve Intermediate Holding Company		Sole Source	Emergency Text System	\$ 34,598	\$ 24,709	\$ 9,889	\$ 24,709	\$ -	\$ -	\$ -
IT Service	Contract_2021_00606	Johnson Controls Security Solutions LLC		RFP	Badge access software	\$ 86,030	\$ 73,787	\$ 12,243	\$ 73,787	\$ -	\$ -	\$ -
IT Service	Contract_2021_00605	Johnson Controls Security Solutions LLC		RFP	Badge access software	\$ 31,287	\$ 21,117	\$ 10,170	\$ 21,117	\$ -	\$ -	\$ -
IT Service	Contract_2021_00602	Wells Fargo Financial Leasing Inc		RFP	Printer lease	\$ 101,202	\$ 101,202	\$ 0	\$ 93,204	\$ 7,998	\$ -	\$ 7,998
IT Service	Contract_2021_00598	Manifest Medex		Sole Source		\$ 1,610,027	\$ 625,282	\$ 984,745	\$ 625,282	\$ -	\$ -	\$ -
IT Service	Contract_2021_00597	Latino Media 24/7 LLC dba El Latino CC Newspaper	Hispanic	Sole Source		\$ 49,907	\$ 16,182	\$ 33,725	\$ 16,182	\$ -	\$ -	\$ -
IT Service	Contract_2021_00596	Edifecs, Inc.	Asian Pacific	Sole Source	Interoperability services	\$ 508,231	\$ 508,231	\$ -	\$ 508,231	\$ -	\$ -	\$ -
IT Service	Contract_2021_00593	Edelstein Gilbert Robson & Smith LLC		Sole Source		\$ 316,400	\$ 156,200	\$ 160,200	\$ 146,050	\$ 5,150	\$ 5,000	\$ 10,150
IT Service	Contract_2020_00581	TBJ Consulting	Black	Sole Source	Diversity Officer	\$ 1,166,940	\$ 1,065,429	\$ 101,511	\$ 1,034,629	\$ 30,800	\$ -	\$ 30,800
IT Service	Contract_2020_00580	FloQast, Inc.		Sole Source	Finance software	\$ 123,742	\$ 123,742	\$ -	\$ 123,742	\$ -	\$ -	\$ -
IT Service	Contract_2020_00579	Compuwave	Asian Pacific	RFP		\$ 12,786	\$ 12,786	\$ -	\$ 12,786	\$ -	\$ -	\$ -
IT Service	Contract_2020_00574	KnowBe4, Inc.		Sole Source	Security Training	\$ 36,755	\$ 36,755	\$ -	\$ 36,755	\$ -	\$ -	\$ -



Service Type	Contract ID	Vendor Name	Ownership	Bid Type	Services Provided	Approved Contract Amount	Contract-to-Date Spend 8/31/24	Amount left on Contract	Spend through 6/30/24	Jul 2024 Spend	Aug 2024 Spend	FYTD Spend
IT Service	Contract_2020_00558	Pacific Interpreters		RFP	Interpretation services	\$ 312,131	\$ 289,557	\$ 22,574	\$ 273,463	\$ 7,970	\$ 8,124	\$ 16,094
IT Service	Contract_2020_00555	Lourdes Campbell & Associates	Hispanic	RFP	Interpretation services	\$ 595,628	\$ 355,781	\$ 239,847	\$ 345,636	\$ 6,507	\$ 3,638	\$ 10,145
IT Service	Contract_2020_00542	Quest Analytics		Sole Source	Geocoder software for provider network	\$ 520,795	\$ 67,437	\$ 453,358	\$ 67,437	\$ -	\$ -	\$ -
IT Service	Contract_2020_00541	Compuwave	Asian Pacific	Sole Source	Server Racks	\$ 74,148	\$ 74,148	\$ (0)	\$ 74,148	\$ -	\$ -	\$ -
IT Service	Contract_2020_00538	Progress Software Corporation		Sole Source	Software for building business Apps	\$ 68,041	\$ 66,792	\$ 1,249	\$ 66,792	\$ -	\$ -	\$ -
IT Service	Contract_2020_00532	Nilesh H. Hingarh, MD, Inc.		Sole Source	Medical Records Review and Overflow (MD Consultant)	\$ 82,000	\$ 30,063	\$ 51,938	\$ 30,063	\$ -	\$ -	\$ -
IT Service	Contract_2020_00518	Ryan, LLC dba Ryan Tax Compliance Svs LLC		Sole Source	Financial services	\$ 217,581	\$ 89,901	\$ 127,680	\$ 89,901	\$ -	\$ -	\$ -
IT Service	Contract_2020_00517	DocuSign, Inc.		Sole Source	Electronic signature software	\$ 27,724	\$ 27,724	\$ 0	\$ 27,724	\$ -	\$ -	\$ -
IT Service	Contract_2020_00515	Insight Direct USA		Sole Source	Cloud Infrastructure and Virtual Machines (VM)	\$ 60,563	\$ 47,540	\$ 13,023	\$ 47,540	\$ -	\$ -	\$ -
IT Service	Contract_2020_00508	Infomedica Group dba Carenet Healthcare Services		RFP		\$ 568,785	\$ 424,087	\$ 144,698	\$ 391,944	\$ -	\$ 32,142	\$ 32,142
IT Service	Contract_2020_00505	J. J. Keller & Associates, Inc.		Sole Source		\$ 7,618	\$ 7,619	\$ (1)	\$ 7,619	\$ -	\$ -	\$ -
IT Service	Contract_2020_00500	Tevora Business Solutions, Inc.	Disabled Veteran	Sole Source	security software suite that consists of anti-malware, intrusion prevention and firewall features for server and desktop computers	\$ 62,071	\$ 62,072	\$ (1)	\$ 62,072	\$ -	\$ -	\$ -
IT Service	Contract_2020_00476	OpenText Inc.		Sole Source	enterprise information management software	\$ 424,102	\$ 316,097	\$ 108,005	\$ 296,933	\$ 11,990	\$ 7,174	\$ 19,164
IT Service	Contract_2020_00475	Vendor Credentialing Svs LLC dba Symplr		RFP	Hosting services for provider contracting and credentialing software	\$ 328,739	\$ 271,654	\$ 57,085	\$ 271,654	\$ -	\$ -	\$ -
IT Service	Contract_2020_00466	Valley Wide Air Corporation		Sole Source	HVAC services	\$ 17,168	\$ 13,775	\$ 3,393	\$ 12,945	\$ 830	\$ 830	\$ 830
IT Service	Contract_2020_00458	Tevora Business Solutions, Inc.	Disabled Veteran	Sole Source	secure user authentication into applications, and for developers to build identity controls into applications, website, web services, and devices	\$ 136,444	\$ 136,444	\$ 0	\$ 136,444	\$ -	\$ -	\$ -
IT Service	Contract_2020_00453	James Vincent Pezzullo II dba The JVP Group		Sole Source		\$ 354,680	\$ 282,971	\$ 71,709	\$ 272,947	\$ 3,119	\$ 6,905	\$ 10,024
IT Service	Contract_2020_00435	Sparkletts		Sole Source	Water services	\$ 59,718	\$ 51,062	\$ 8,656	\$ 50,643	\$ 418	\$ -	\$ 418
IT Service	Contract_2020_00433	Solera Health, Inc.		Sole Source		\$ 188,326	\$ 107,373	\$ 80,953	\$ 107,373	\$ -	\$ -	\$ -
IT Service	Contract_2020_00430	SMI Concepts, Inc.		Sole Source		\$ 49,212	\$ 39,465	\$ 9,747	\$ 27,691	\$ -	\$ 11,774	\$ 11,774
IT Service	Contract_2020_00416	Red Gate Software LTD		Sole Source		\$ 9,382	\$ 6,223	\$ 3,159	\$ 6,223	\$ -	\$ -	\$ -
IT Service	Contract_2020_00411	Pitney Bowes Global Financial Services LLC		Sole Source	Postage Meters	\$ 18,820	\$ 13,384	\$ 5,436	\$ 12,807	\$ -	\$ 577	\$ 577
IT Service	Contract_2020_00406	HireProHealth LLC		Sole Source	Temp labor services	\$ 1,050,829	\$ 601,399	\$ 449,430	\$ 601,399	\$ -	\$ -	\$ -
IT Service	Contract_2020_00399	Work Loss Data Institute, LLC dba ODG		Sole Source		\$ 17,996	\$ 17,996	\$ -	\$ 17,996	\$ -	\$ -	\$ -
IT Service	Contract_2020_00397	NetFile, Inc.		Sole Source		\$ 12,000	\$ 12,000	\$ -	\$ 12,000	\$ -	\$ -	\$ -
IT Service	Contract_2020_00387	Milliman		Sole Source		\$ 2,410,272	\$ 2,378,544	\$ 31,728	\$ 2,362,680	\$ 7,932	\$ 7,932	\$ 15,864
IT Service	Contract_2020_00383	MHK_MedHOK Inc.		Sole Source	Medical manangement software	\$ 5,870,084	\$ 5,063,765	\$ 806,319	\$ 4,942,448	\$ 121,317	\$ -	\$ 121,317
IT Service	Contract_2020_00379	MCG Health, LLC		Sole Source	Medical manangement software	\$ 5,492,199	\$ 2,591,798	\$ 2,900,401	\$ 2,591,798	\$ -	\$ -	\$ -
IT Service	Contract_2020_00366	LinkedIn Corporation		Sole Source		\$ 266,500	\$ 224,066	\$ 42,434	\$ 224,066	\$ -	\$ -	\$ -
IT Service	Contract_2020_00361	Lazer Broadcasting Corporation	Hispanic	Sole Source	Radio advertising	\$ 153,961	\$ 101,464	\$ 52,497	\$ 99,614	\$ 1,850	\$ -	\$ 1,850

Service Type	Contract ID	Vendor Name	Ownership	Bid Type	Services Provided	Approved Contract Amount	Contract-to-Date Spend 8/31/24	Amount left on Contract	Spend through 6/30/24	Jul 2024 Spend	Aug 2024 Spend	FYTD Spend
IT Service	Contract_2020_00359	Kelly Cleaning and Supplies, Inc.	Women-Owned	Sole Source	Cleaning services for Facilities	\$ 13,866	\$ 12,527	\$ 1,340	\$ 11,846	\$ 104	\$ 578	\$ 681
IT Service	Contract_2020_00348	Iron Mountain		Sole Source		\$ 121,365	\$ 123,023	\$ (1,658)	\$ 111,723	\$ 6,327	\$ 4,973	\$ 11,300
IT Service	Contract_2020_00339	Insight Direct USA		Sole Source	Backup solution for hardware failures	\$ 5,524	\$ 5,524	\$ -	\$ 5,524	\$ -	\$ -	\$ -
IT Service	Contract_2020_00337	Insight Direct USA		Sole Source	Network monitoring software	\$ 116,217	\$ 119,760	\$ (3,543)	\$ 119,760	\$ -	\$ -	\$ -
IT Service	Contract_2020_00330	Insight Direct USA		Sole Source	Remote scanning tool to scan PCs for threats	\$ 11,488	\$ 11,488	\$ 0	\$ 11,488	\$ -	\$ -	\$ -
IT Service	Contract_2020_00326	Insight Direct USA		Sole Source	Video recording software	\$ 12,162	\$ 11,681	\$ 481	\$ 11,681	\$ -	\$ -	\$ -
IT Service	Contract_2020_00323	Insight Direct USA		Sole Source		\$ 2,782	\$ 2,782	\$ 0	\$ 2,782	\$ -	\$ -	\$ -
IT Service	Contract_2020_00321	Insight Direct USA		Sole Source	Adobe Creative Cloud (Photoshop)	\$ 174,530	\$ 135,628	\$ 38,902	\$ 135,628	\$ -	\$ -	\$ -
IT Service	Contract_2020_00319	Inovalon, Inc.		RFP		\$ 1,727,766	\$ 1,393,922	\$ 333,844	\$ 1,345,837	\$ 48,085	\$ -	\$ 48,085
IT Service	Contract_2020_00318	Inovalon, Inc.		RFP		\$ 2,807,820	\$ 2,364,010	\$ 443,810	\$ 2,195,020	\$ 168,990	\$ -	\$ 168,990
IT Service	Contract_2020_00303	Healthcare Informatics LLC		Sole Source		\$ 59,650	\$ 45,900	\$ 13,750	\$ 44,900	\$ 500	\$ 500	\$ 1,000
IT Service	Contract_2020_00297	Health Literacy Innovations, LLC		Sole Source		\$ 14,535	\$ 14,553	\$ (18)	\$ 14,553	\$ -	\$ -	\$ -
IT Service	Contract_2020_00292	Gold Coast Radio LLC	Hispanic	Sole Source		\$ 46,850	\$ 5,084	\$ 41,766	\$ 5,084	\$ -	\$ -	\$ -
IT Service	Contract_2020_00290	Point Broadcasting LLC		Sole Source		\$ 75,410	\$ 25,250	\$ 50,160	\$ 25,250	\$ -	\$ -	\$ -
IT Service	Contract_2020_00286	Gemini Diversified Services, Inc.		Sole Source		\$ 310,523	\$ 264,814	\$ 45,709	\$ 257,596	\$ -	\$ 7,219	\$ 7,219
IT Service	Contract_2020_00262	Edifecs, Inc.	Asian Pacific	Sole Source	EDI services		\$ 757,980	\$ (757,980)	\$ 639,863	\$ -	\$ 118,117	\$ 118,117
IT Service	Contract_2020_00256	The Periscope Group_DME	Hispanic	Sole Source		\$ 280,351	\$ 270,900	\$ 9,451	\$ 270,050	\$ 425	\$ 425	\$ 850
IT Service	Contract_2020_00251	Cumulus Broadcasting LLC	Women-Owned	Sole Source		\$ 77,120	\$ 60,313	\$ 16,807	\$ 60,313	\$ -	\$ -	\$ -
IT Service	Contract_2020_00249	Crow Canyon Systems, Inc.		Sole Source	Procurement contract management software	\$ 12,425	\$ 12,425	\$ -	\$ 12,425	\$ -	\$ -	\$ -
IT Service	Contract_2020_00248	Crow Canyon Systems, Inc.		Sole Source	Facilities software	\$ 5,713	\$ 5,723	\$ (10)	\$ 4,884	\$ 839	\$ -	\$ 839
IT Service	Contract_2020_00246	Crossroads Staffing Services	Women-Owned	RFP	Temp labor services		\$ -	\$ -				\$ -
IT Service	Contract_2020_00245	Conduent Health Administration, Inc.	Other	Sole Source	Mailroom services	\$ 131,769,526	\$ 129,592,598	\$ 2,176,928	\$ 127,518,862	\$ 2,073,736	\$ -	\$ 2,073,736
IT Service	Contract_2020_00239	Coffey Communications Inc.		Sole Source	Member newsletters	\$ 1,458,775	\$ 1,370,320	\$ 88,455	\$ 1,370,320	\$ -	\$ -	\$ -
IT Service	Contract_2020_00238	Coffey Communications Inc.		Sole Source	Print and fulfillment	\$ 2,022,612	\$ 1,911,992	\$ 110,620	\$ 1,911,992	\$ -	\$ -	\$ -
IT Service	Contract_2020_00224	AFTS of CA, Inc. dba Check Processors, Inc.		Sole Source		\$ 17,284	\$ 16,890	\$ 394	\$ 16,615	\$ 275	\$ -	\$ 275
IT Service	Contract_2020_00221	Carol Hsu		Sole Source	Medical Records Review and Overflow (MD Consultant)	\$ 579,502	\$ 460,133	\$ 119,369	\$ 442,487	\$ 8,319	\$ 9,328	\$ 17,646
IT Service	Contract_2020_00218	CAQH		Sole Source		\$ 96,703	\$ 71,861	\$ 24,842	\$ 70,609	\$ 628	\$ 623	\$ 1,251
IT Service	Contract_2020_00217	Canteen of Coastal CA, Inc.		Sole Source		\$ 10,000	\$ 7,895	\$ 2,105	\$ 7,895	\$ -	\$ -	\$ -
IT Service	Contract_2020_00208	AvePoint, Inc.		Sole Source		\$ 92,213	\$ 45,532	\$ 46,681	\$ 45,532	\$ -	\$ -	\$ -
	Contract_2020_00206	AvePoint, Inc.		Sole Source		\$ 82,613	\$ -	\$ 82,613				\$ -
	Contract_2020_00200	Ephonamation.com/Ansafone Contact Ctr		Sole Source		\$ 60,586	\$ 57,279	\$ 3,307	\$ 56,433	\$ 452	\$ 394	\$ 846
	Contract_2020_00199	Shooting Star Communications	Hispanic	Sole Source		\$ 15,550	\$ 3,800	\$ 11,750	\$ 3,800	\$ -	\$ -	\$ -
	Contract_2020_00191	Advanced Medical Reviews		Sole Source		\$ 82,919	\$ 77,447	\$ 5,472	\$ 76,452	\$ -	\$ 996	\$ 996
	Contract_2020_00190	ADP Screening and Selection Services		Sole Source		\$ 39,043	\$ 35,898	\$ 3,206	\$ 35,731	\$ 106	\$ -	\$ 106
	Contract_2020_00188	Adecco USA Inc.		RFP	Temp labor services	\$ 18,466,119	\$ 11,653,250	\$ 6,812,868	\$ 11,265,048	\$ 184,291	\$ 203,911	\$ 388,203



**AGENDA ITEM NO. 4**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer  
Moss Adams Representatives

DATE: October 24, 2024

SUBJECT: Gold Coast Health Plan 2024 Audit Results

**PowerPoint with  
Verbal Presentation**

**ATTACHMENTS:**

*GCHP Fiscal Year 2024 Audit Results*

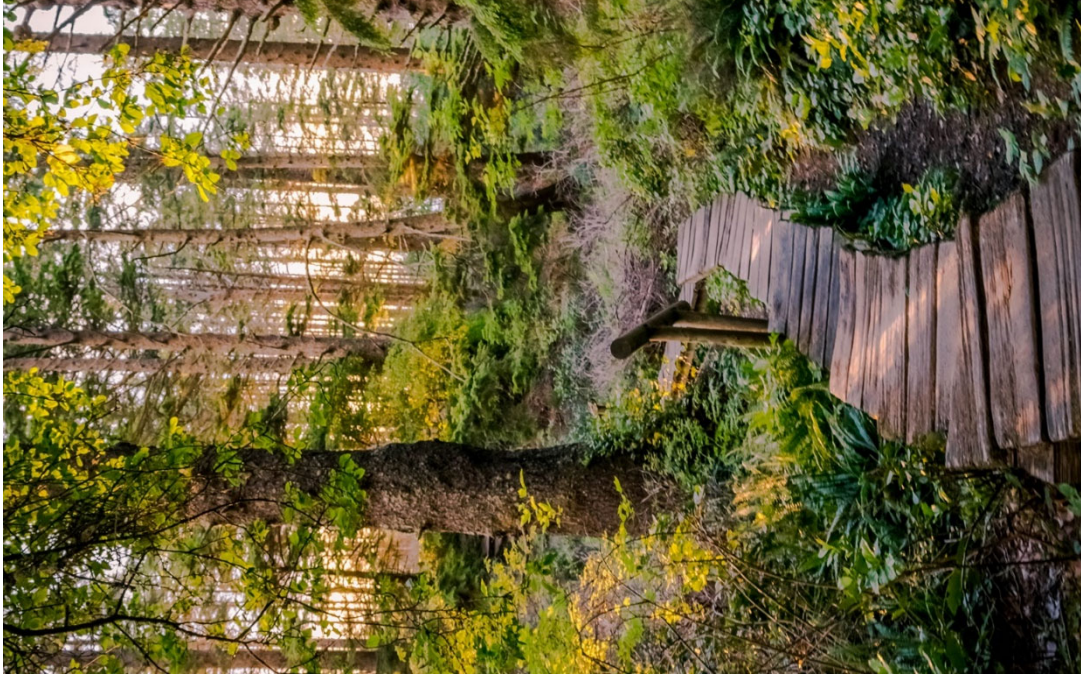
# Discussion with the Ventura County Medi-Cal Managed Care Commission



# Agenda

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1. Matters Required to be Communicated with Those Charged with Governance
2. New Accounting Standard
3. Your Service Team
4. About Moss Adams



# Scope of Services

We have performed the following services for Gold Coast Health Plan:

## Attest Services



- Annual financial statement audit as of and for the year ended June 30, 2024

## Nonattest Services



- Assisted management with drafting the financial statements for the year ended June 30, 2024, excluding management's discussion and analysis
- Consulting services associated with Adaptive Insights financial and budgeting solution
- Consulting services associated with the medical loss ratio calculation



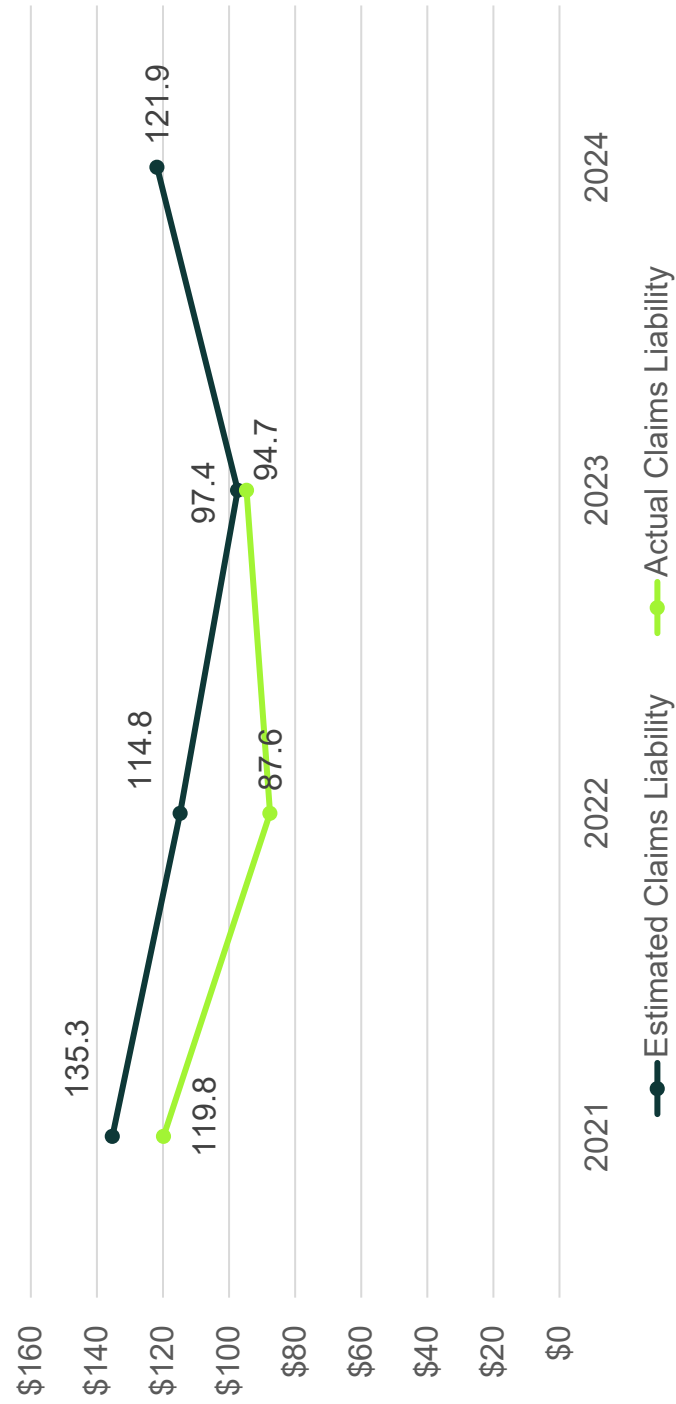
# Significant Risks Identified

During the audit, we identified the following:

Significant Risks	Procedures
Capitation Revenue Recognition	We tested internal controls around revenue recognition, vouched membership and rates to supporting documentation, and reconciled revenue recognized to monthly cash payments from the State of California.
Medical Claims Liability	We tested internal controls over the claims process (including IT controls), performed a lookback analysis on the prior year medical claims liability estimate, reviewed the actuarial specialist's model and report, and performed analytical procedures around the current year estimate.
Management Override of Controls	We performed inquiries of accounting and operational personnel, performed risk assessment procedures, and tested risk-based manual journal entry selections.



## Historic Estimated Medical Claims Liability (IBNP) and Historic Actual Medical Claims Liability (IBNP) (in millions)





# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Our audit of the financial statements included obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control or to identify deficiencies in the design or operation of internal control. Accordingly, we considered the entity's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.



# Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are also responsible for communicating significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Accounting Practices:

Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures

## MOSS ADAMS COMMENTS

The quality of the entity's accounting policies and underlying estimates are discussed throughout this presentation. There were no changes in the entity's approach to applying the critical accounting policies.



## Matters to Be Communicated to the Governing Body

### MATTERS TO BE COMMUNICATED

#### Significant Unusual Transactions

### MOSS ADAMS COMMENTS

No significant unusual transactions were identified during our audit of the entity's financial statements.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Significant Difficulties Encountered During the Audit

We are to inform those charged with governance of any significant difficulties encountered in performing the audit. Examples of difficulties may include significant delays by management, an unreasonable brief time to complete the audit, unreasonable management restrictions encountered by the auditor, or an unexpected extensive effort required to obtain sufficient appropriate audit evidence.

## MOSS ADAMS COMMENTS

No significant difficulties were encountered during our audit of the entity's financial statements. Additional audit procedures were performed during the FY 2024 audit, based upon the new claims system implementation in July 2024.



## Matters to Be Communicated to the Governing Body

### MATTERS TO BE COMMUNICATED

#### Disagreements With Management

Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the entity's financial statements, or the auditor's report.

### MOSS ADAMS COMMENTS

There were no disagreements with management.





## Matters to Be Communicated to the Governing Body

### MATTERS TO BE COMMUNICATED

Circumstances that affect the form and content of the auditor's report

### MOSS ADAMS COMMENTS

There were no circumstances that affected the form and content of the auditor's report.



## Matters to Be Communicated to the Governing Body

### MATTERS TO BE COMMUNICATED

Other findings or issues arising from the audit that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process

### MOSS ADAMS COMMENTS

There were no other findings or issues arising from the audit to report.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Uncorrected Misstatements

#### MOSS ADAMS COMMENTS

Uncorrected misstatements, or matters underlying those uncorrected misstatements, as of and for the year ended June 30, 2024, could potentially cause future-period financial statements to be materially misstated, even though we have concluded that the uncorrected misstatements are immaterial to the financial statements, including disclosures, under audit.

No uncorrected misstatements were identified as a result of our audit.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Representations requested of management

We requested certain representations from management that are included in the management representation letter expected to be dated October 29, 2024.

## MOSS ADAMS COMMENTS

A copy of the full management representation letter is available, upon request.

October 29, 2024

Moss Adams LLP  
101 Second Street, Suite 900  
San Francisco, CA 94105

We are providing this letter in connection with your audit of the financial statements of Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan ("GCHP" or the "Plan"), which comprise the statements of net position and the related statements of revenues, expenses, and changes in net position, and cash flows as of June 30, 2024 and 2023, and for the years then ended and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$1,435,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 29, 2024,

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 1, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



# Matters to Be Communicated to the Governing Body

## MATTERS TO BE COMMUNICATED

### Management's consultation with other accountants

When we are aware that management has consulted with other accountants about significant auditing or accounting matters, we discuss with those charged with governance our views about the matters that were the subject of such consultation.

## MOSS ADAMS COMMENTS

We are not aware of instances where management consulted with other accountants about significant auditing or accounting matters.



## Matters to Be Communicated to the Governing Body

### MATTERS TO BE COMMUNICATED

Significant issues arising from the audit that were discussed, or the subject of correspondence with management

### MOSS ADAMS COMMENTS

No significant issues arose during the audit that have not been addressed elsewhere in this presentation.



## Your Service Team



**Kimberly Sokoloff**  
*Audit Engagement  
Partner*

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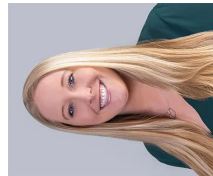
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## About Moss Adams



Better Together: Moss Adams & Gold Coast Health Plan



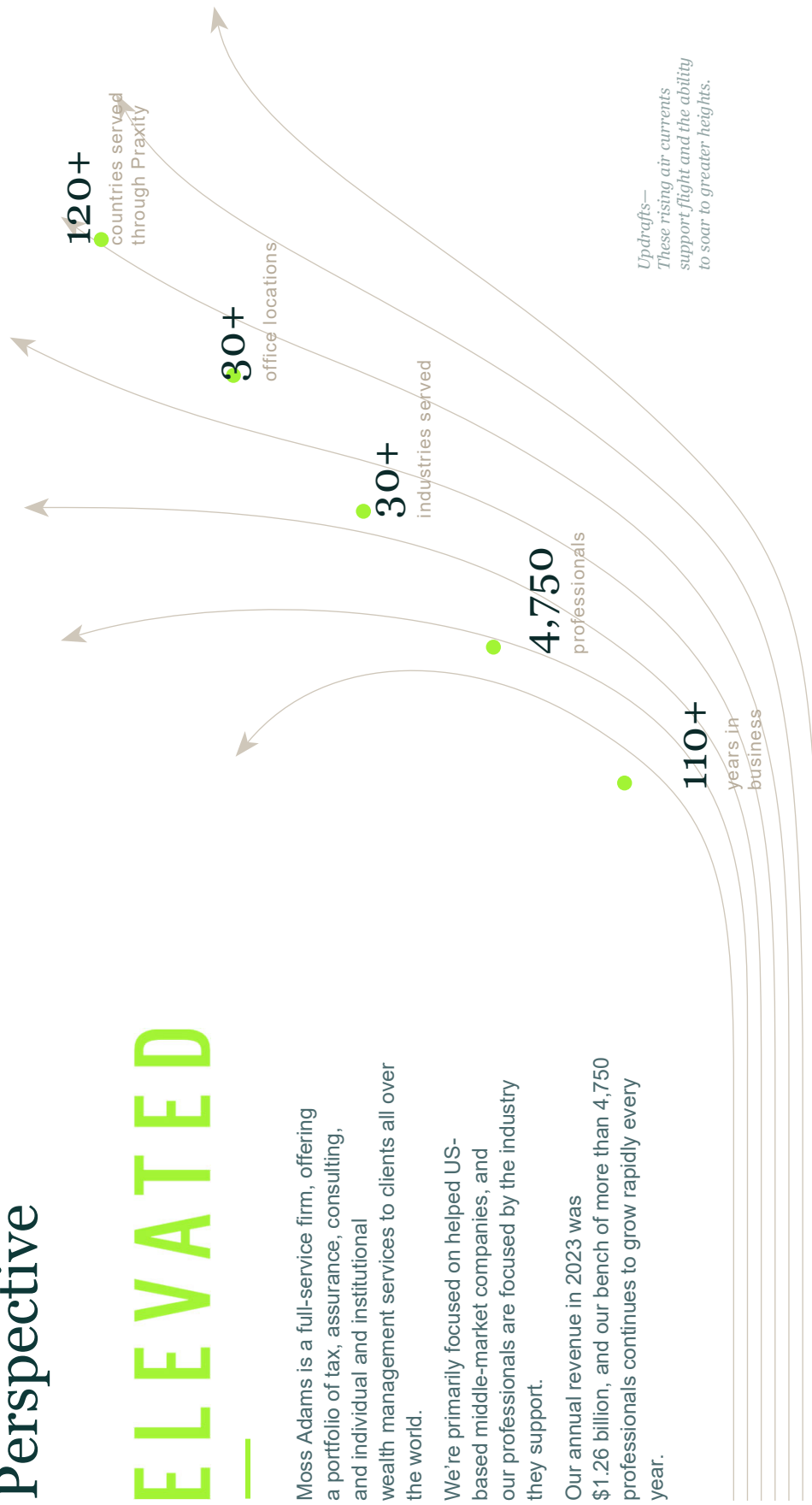
# Perspective

## ELEVATED

Moss Adams is a full-service firm, offering a portfolio of tax, assurance, consulting, and individual and institutional wealth management services to clients all over the world.

We're primarily focused on helping US-based middle-market companies, and our professionals are focused by the industry they support.

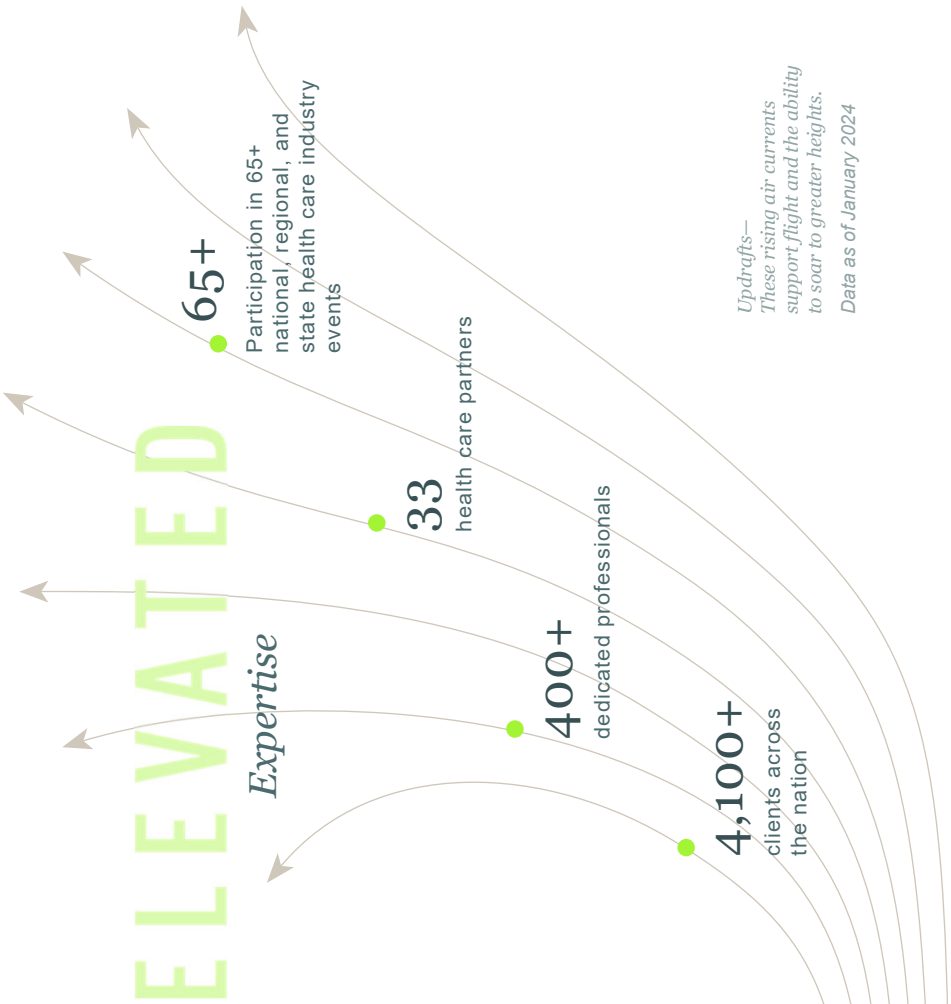
Our annual revenue in 2023 was \$1.26 billion, and our bench of more than 4,750 professionals continues to grow rapidly every year.



# Health Care Group

Health care is one of our firm's largest and most successful industry groups. For more than 45 years, we've recognized the value of having dedicated industry professionals. Unlike many of our competitors, our Health Care Group includes 100% industry-focused professionals who specialize in navigating the complexities of today's health care landscape.

Our team supports a wide range of clients from individual clinics to health systems, from surgery centers to long-term care facilities, and from ancillary health care providers to private equity firms investing in the health care sector.



# Health Plans, Insurance & Risk-Bearing Organizations

In today's health care landscape, managed care risk-bearing organizations (RBOs) come in many different forms including health plans, accountable care organizations, independent physician associations, and integrated delivery networks.

We serve the needs of over 260 clients ranging in size and structure from large, billion-dollar member insurers to small, captive insurers. In addition to tax and assurance services, we also focus on operational and systems infrastructure, and our services and knowledge of the insurance managed care market have been used for numerous litigation matters involving payers and providers. There's opportunity for fresh approaches due to mounting financial pressures affecting profitability, increased federal and state regulations, and shifting patient populations.

## WHO WE SERVE:

Self-funded medical professional liability insurance	Captive Insurers	Exclusive Provider Organizations
Risk Pools	Self-insured Pools	TPAs
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Better Together: Moss Adams & Gold Coast Health Plan



## Top Audit Firm

Best's Review "AM Best's Monthly Insurance Magazine" has repeatedly named Moss Adams among the top 25 insurance auditors in their rankings of top audit firms.



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Health Care Consulting			
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Medicare & Medicaid	Regulatory Compliance	Revenue Cycle Enhancement	
Provider-Based Licensure & Certification	Coding Validation	Claims Recovery	
Medical Education	Coding Department Redesign	Litigation Support	
Uncompensated Care	EHR Internal Controls	Employer Health Benefits	
Wage Index Reviews	Corporate Compliance	Lean Consulting	
Contract Compliance	INFORMATION TECHNOLOGY	Operational Assessments & Process Improvement	
STRATEGY & INTEGRATION	HIPAA Security & Privacy	Valuations	
Provider Risk Analysis, Contracting, & Operational Design	Network Security & Penetration Testing	Performance Improvement	
M&A Support	Disaster Recovery Planning		
Feasibility Studies	PCI DSS Audits		
Market Intelligence & Benchmarking	SOC Pre-Audit Gap Analysis & Readiness		
Strategic Planning & Implementation	SOC Audits		
Managed Care Assessment & Negotiation			
Service Line Enhancement & Analyses			





Point-Counterpoint Political Keynotes for 2024:



Val Demings

- U.S. Representative (D-FL, 2017-2023)
- First Female Police Chief for the City of Orlando, FL
- Served on House Committees on Judiciary, Intelligence, Homeland Security, and Oversight and Government Reform



Kevin McCarthy

- 55th Speaker of the House (R, CA)
- Fastest Rising Minority Leader in California State Assembly History
- Secured \$2T in Deficit Reduction
- Created the Select Committee on the Chinese Communist Party

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Red Rock Casino, Resort & Spa

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Better Together: Moss Adams & Gold Coast Health Plan



THANK  
YOU

**DRAFT**  
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upon for any purpose

Report of Independent Auditors  
and Financial Statements

**Ventura County Medi-Cal Managed Care Commission  
dba Gold Coast Health Plan**

June 30, 2024 and 2023

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## **Management's Discussion and Analysis**

# **Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis**

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The intent of the Management's Discussion and Analysis is to provide readers with an overview of the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's ("GCHP" or the "Plan") financial activities for the fiscal years ended June 30, 2024 and 2023. This overview is provided in conjunction with the Plan's fiscal year ended June 30, 2024, financial statements. Readers should review this overview in conjunction with GCHP's financial statements and accompanying notes to the financial statements to enhance their understanding of the financial performance.

## **Gold Coast Health Plan Overview**

On June 2, 2009, the Ventura County Board of Supervisors approved the implementation of a county-organized health system ("COHS") model to transition Ventura County Medi-Cal members from a fee-for-service model to a managed care model. Ordinance No. 4409 (April 2010) established the Ventura County Medi-Cal Managed Care Commission as an oversight entity. The Commission's 11 members oversee a single plan—Gold Coast Health Plan—to serve Ventura County Medi-Cal beneficiaries.

As a COHS, the Plan has an exclusive contract (the "Contract") with the State of California (the "State") Department of Health Care Services ("DHCS") to arrange for the provision of health care services to Ventura County's approximately 249,000 Medi-Cal beneficiaries at June 30, 2024. The Plan receives virtually 100% of its revenue in the form of capitation from the State of California.

## **Overview of the Financial Statements**

This annual report consists of financial statements and notes to those statements, which reflect GCHP's financial position and results of operations for the fiscal years ended June 30, 2024 and 2023. The financial statements of GCHP include the statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements.

- The statements of net position include all GCHP's assets and liabilities, using the accrual basis of accounting.
- The statements of revenues, expenses, and changes in net position present the results of operating activities during the fiscal year and the resulting change in net position.
- The statements of cash flows report the net cash provided by operating activities, as well as other sources, and uses of cash from investing, capital, and related financing activities.

The following discussion and analysis addresses GCHP's overall program activities.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

## Financial Highlights

The table below presents condensed statements of net position of the Plan as of June 30, 2024, 2023, and 2022:

**Table 1 – Condensed Statements of Net Position as of June 30**

(Dollars in Thousands)							
	2024	2023	2022	2024 - 2023 Change		2023 - 2022 Change	
		(as restated)		Amount	Percentage	Amount	Percentage
ASSETS							
Current assets and other assets	\$ 757,240	\$ 550,528	\$ 414,557	\$ 206,712	37.5 %	\$ 135,971	32.8 %
Capital assets, net	553	982	1,224	(429)	(43.7)%	(242)	(19.8)%
Total assets	<u>\$ 757,793</u>	<u>\$ 551,510</u>	<u>\$ 415,781</u>	<u>\$ 206,283</u>	37.4 %	<u>\$ 135,729</u>	32.6 %
LIABILITIES							
Current liabilities	\$ 388,427	\$ 185,470	\$ 231,008	\$ 202,957	109.4 %	\$ (45,538)	(19.7)%
Noncurrent liabilities	3,677	6,088	8,156	(2,411)	(39.6)%	(2,068)	(25.4)%
Total liabilities	<u>392,104</u>	<u>191,558</u>	<u>239,164</u>	<u>200,546</u>	104.7 %	<u>(47,606)</u>	(19.9)%
NET POSITION							
Invested in capital assets	553	982	1,224	(429)	(43.7)%	(242)	(19.8)%
Unrestricted net position	<u>365,136</u>	<u>358,970</u>	<u>175,393</u>	<u>6,166</u>	1.7 %	<u>183,577</u>	104.7 %
Total net position	<u>365,689</u>	<u>359,952</u>	<u>176,617</u>	<u>5,737</u>	1.6 %	<u>183,335</u>	103.8 %
Total liabilities and net position	<u>\$ 757,793</u>	<u>\$ 551,510</u>	<u>\$ 415,781</u>	<u>\$ 206,283</u>	37.4 %	<u>\$ 135,729</u>	32.6 %

## Fiscal Year 2024

- As of June 30, 2024 and 2023, total assets were \$757,793,000 and \$551,510,000, respectively, an increase of \$206,283,000 or 37.4% due to an increase in cash and cash equivalents as well as an increase in the Medi-Cal amount receivable from the State.
- Total liabilities as of June 30, 2024, were \$392,104,000 compared with \$191,558,000 as of June 30, 2023, a 104.7% increase. The increase was primarily driven by an increase in accrued Managed Care Organization ("MCO") tax and accrued medical expenses.
- The Plan's total net position increased by \$5,737,000, or 1.6%, during fiscal year 2024. This increase in net position was attributable to favorability in capitation rates from the State, which resulted in a net position at June 30, 2024, of \$365,689,000 compared to a net position of \$359,952,000 at June 30, 2023.
- Tangible Net Equity ("TNE") at June 30, 2024, was 988% of the DHCS required minimum of \$37,010,000.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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## Fiscal Year 2023

- As of June 30, 2023 and 2022, total assets were \$551,510,000 and \$415,781,000, respectively, an increase of \$135,971,000 or 32.8% due to an increase in cash and cash equivalents.
- Total liabilities as of June 30, 2023, were \$191,558,000 compared with \$239,164,000 as of June 30, 2022, a 19.9% decrease. The decrease was primarily driven by a decrease in accrued medical expenses.
- The Plan's total net position increased by \$183,335,000, or 103.8%, during fiscal year 2023. This increase in net position was attributable to favorability in capitation rates from the State and overall reduced utilization because of the COVID-19 pandemic, which resulted in a net position at June 30, 2023, of \$359,952,000 compared to a net position of \$176,617,000 at June 30, 2022.
- TNE at June 30, 2023, was 1094% of the DHCS required minimum of \$32,914,000.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

## Results of Operations

As mentioned above, GCHP's fiscal year 2024 operations and nonoperating revenues and expenses, net resulted in a \$5,737,000 increase in net position. As mentioned above, GCHP's fiscal year 2023 operations and nonoperating revenues and expenses, net resulted in a \$183,335,000 increase in net position. The following table shows the changes in revenues and expenses for 2024 compared to 2023 and 2023 compared to 2022:

**Table 2 – Revenues, Expenses, and Changes in Net Position for**

**Fiscal Years Ended June 30**

(Dollars in Thousands)

	2024	2023	2022	2024 to 2023 Change		2023 to 2022 Change	
				Amount	Percentage	Amount	Percentage
Capitation revenues	\$ 1,488,842	\$ 1,053,304	\$ 1,046,588	\$ 435,538	41.3 %	\$ 6,716	0.6 %
Total operating revenues	1,488,842	1,053,304	1,046,588	435,538	41.3 %	6,716	0.6 %
Provider capitation	101,503	101,667	89,283	(164)	(0.2)%	12,384	13.9 %
Claim payments to providers and facilities	805,271	639,652	646,212	165,619	25.9 %	(6,560)	(1.0)%
Prescription drugs	-	(454)	81,765	454	(100.0)%	(82,219)	(100.6)%
Other medical	44,720	23,136	23,964	21,584	93.3 %	(828)	(3.5)%
Reinsurance, net of recoveries	(6,615)	(2,932)	(8,375)	(3,683)	125.6 %	5,443	(65.0)%
Total health care expenses	944,879	761,069	832,849	183,810	24.2 %	(71,780)	(8.6)%
Salaries, benefits, and compensation	41,053	29,146	17,340	11,907	40.9 %	11,806	68.1 %
Professional fees	76,398	39,549	28,060	36,849	93.2 %	11,489	40.9 %
General administrative fees	9,588	3,682	2,662	5,906	160.4 %	1,020	38.3 %
Supplies, occupancy, insurance, and other	2,124	1,618	1,144	506	31.3 %	474	41.4 %
Premium tax	422,751	39,516	89,424	383,235	969.8 %	(49,908)	(55.8)%
Depreciation	4,114	4,036	3,599	78	1.9 %	437	12.1 %
Total administrative expenses	556,028	117,547	142,229	438,481	373.0 %	(24,682)	(17.4)%
Total operating expenses	1,500,907	878,616	975,078	622,291	70.8 %	(96,462)	(9.9)%
Operating income	(12,065)	174,688	71,510	(186,753)	(106.9)%	103,178	144.3 %
Interest income	19,155	9,385	215	9,771	104.0 %	9,170	4265.0 %
Interest expense	(1,354)	(738)	(569)	(616)	83.4 %	(169)	29.8 %
Total nonoperating revenues and expenses, net	17,802	8,647	(354)	9,156	105.7 %	9,001	(2542.5)%
Increase in net position	5,737	183,335	71,156	(177,597)	(96.9)%	112,179	157.7 %
Total net position, beginning of year	359,952	176,617	105,461	183,335	103.8 %	71,156	67.5 %
Total net position, end of year	\$ 365,689	\$ 359,952	\$ 176,617	\$ 5,737	1.6 %	\$ 183,335	103.8 %

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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## Enrollment, Capitation Revenue and Health Care Expenses

### Enrollment

Enrollment is divided into aid categories, which correspond to specific rates of capitation to be received by the Plan from the State. During fiscal year 2024, the Plan served an average of 249,944 members per month, compared to an average of 247,855 members per month in fiscal year 2023 and an average of 229,367 members per month in fiscal year 2022. The increase in enrollment is attributed to the moratorium on redeterminations because of the COVID-19 pandemic.

**Table 3 – Medi-Cal Enrollment by Aid Category**  
(Shown as Average Member Months)

Enrollment Category	2024	2023	2022
Child	92,023	94,297	92,327
Adult	40,260	38,421	32,471
Adult Expansion	82,524	80,891	71,794
Seniors and Persons with Disabilities ("SPD")	11,454	11,389	10,530
SPD - Dual	22,968	22,155	21,525
Long Term Care ("LTC")	54	46	46
LTC - Dual	661	656	674
	<hr/>	<hr/>	<hr/>
Total average monthly enrollment	249,944	247,855	229,367

Significant aid categories are defined as follows:

1. Child: Qualifying members under age 19.
2. Adult: Qualifying members between the ages of 19 and 64.
3. Adult Expansion ("AE"): Refers to members who became eligible for the Medi-Cal program effective January 1, 2014, as a result of the implementation of the Affordable Care Act ("ACA") and the expanded eligibility criteria for Medicaid.
4. Senior and Persons with Disabilities ("SPD")\*: Includes individuals who are 65 years of age and older who receive supplemental security income (SSI) checks, or are medically needy if their income and resources are within the Medi-Cal limits, and individuals who met the criteria for disability set by the Social Security Administration and the State Program-Disability and Audit Program Division.
5. Long-Term Care ("LTC")\*: Includes frail, elderly, nonelderly adults with disabilities and children with developmental disabilities, and other disabling conditions requiring long-term care services.

\* "Dual" coverage refers to enrollees who are eligible for both Medi-Cal and Medicare Parts A, B, and D.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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## Fiscal Year 2024

### Capitation Revenue

Premium revenue (capitation received by the Plan from the State) is determined by rates set by the State at the beginning of the plan year and generally are effective for the entire year. The State may, on occasion, provide updated rates during the fiscal year. Total revenue for fiscal year 2024 was \$1,489,000,000 a 41.3% increase from the prior year. The increase was primarily attributable to a significant increase in the MCO tax rate and the newly-eligible cohort of undocumented adults ("Unsatisfactory Immigration Status") aged 26-49.

### Health Care Expenses

Aggregate health care expenses were \$944,879,000 in fiscal year 2024, compared to \$761,069,000 in fiscal year 2023, which is an increase of 24.2%. The Plan's medical loss ratio, or health care expenses as a percent of operating revenues (net of Managed Care Organization ("MCO") taxes), was 88.6% in fiscal year 2024, compared to 75.1% in fiscal year 2023.

Note the following regarding the components of health care expenses:

1. Provider capitation represents monthly payments for members assigned to primary care providers who have agreed to accept risk to provide specific services (when needed) to their members. Rates are fixed by contract and are generally known at the beginning of the fiscal year. Capitation expense for fiscal year 2024 was \$101,503,000, or \$164,000 lower than in fiscal year 2023. The decrease was primarily due to lower capitated membership from prior year.
2. Other medical, including care management, expense was \$44,720,000 in fiscal year 2024, or \$21,564,000 and 93.3% higher than in fiscal year 2023. The increase was primarily due to the institution of Quality Incentive Pool and Program.
3. Total reinsurance, net of recoveries and provider refunds resulted in a \$6,615,000 reduction to health care expenses in fiscal year 2024, versus \$2,932,000 in fiscal year 2023.

### Administrative Expenses

Total administrative expenses were \$556,028,000 in fiscal year 2024, compared to \$117,547,000 in fiscal year 2023, for an increase of \$438,481,000. The increase was predominantly due to a State augmentation in the MCO Premium tax expense. This tax was \$422,751,000 in fiscal year 2024 compared to \$39,516,000 in fiscal year 2023, an increase of \$383,235,000.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

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Senate Bill ("SB") X2-2, which passed in March 2016, redefined the premium tax payment and calculation. Per SB X2-2, the tax rate was a pre-determined liability based on DHCS projected Medi-Cal membership and specified rates and was effective through June 30, 2019. Assembly Bill ("AB") 115 re-established a managed care enrollment tax, using a modified tiered taxing model. On April 3, 2020, the federal government approved the State's revised proposal to implement a tax on MCOs to help fund the Medi-Cal program. The AB115 MCO tax was effective from January 2020 through December 2022. On December 15, 2023, the federal Centers for Medicare and Medicaid Services ("CMS") approved the MCO tax authorized by Assembly Bill 119 (Chapter 13, Statutes of 2023) and submitted by DHCS on June 29, 2023. The MCO tax was approved with an effective date of April 1, 2023, as provided in AB 119 and requested by DHCS. The MCO tax model is based on enrollment in each applicable health plan using data for the January 1, 2022 through December 31, 2022 year, as modified by DHCS to account for the non-renewal of UnitedHealthcare Community Plan of California, Inc.'s contract as of January 1, 2023, and for known or anticipated changes that will affect Medi-Cal enrollment on or after January 1, 2024.

Other administrative expenses increased from the prior year due to increased expenses related to new enterprise projects as compared to prior years and increases in staffing.

## Fiscal Year 2023

### Capitation Revenue

Premium revenue (capitation received by the Plan from the State) is determined by rates set by the State at the beginning of the plan year and generally are effective for the entire year. The State may, on occasion, provide updated rates during the fiscal year. Total revenue for fiscal year 2023 was \$1,053,000,000 a 0.6% increase from the prior year. The increase was primarily attributable to favorability in capitation rates from the State.

### Health Care Expenses

Aggregate health care expenses were \$761,069,000 in fiscal year 2023, compared to \$832,849,000 in fiscal year 2022, which is a decrease of 8.6%. The Plan's medical loss ratio, or health care expenses as a percent of operating revenues (net of Managed Care Organization ("MCO") taxes), was 75.1% in fiscal year 2023, compared to 87.0% in fiscal year 2022.

Note the following regarding the components of health care expenses:

1. Provider capitation represents monthly payments for members assigned to primary care providers who have agreed to accept risk to provide specific services (when needed) to their members. Rates are fixed by contract and are generally known at the beginning of the fiscal year. Capitation expense for fiscal year 2023 was \$101,667,000, or \$12,384,000 higher than in fiscal year 2022. The increase was primarily due to higher capitated membership from prior year and the implementation of capitation for Enhanced Care Management ("ECM") services effective January 1, 2022.
2. Prescription drugs expenses were \$(454,000), or \$82,219,000 lower in fiscal year 2023 than in the prior year. The 100.6% decrease in costs was primarily due to the pharmacy benefit carve-out beginning January 1, 2022.



# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Management's Discussion and Analysis

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3. Other medical, including care management, expense was \$23,136,000 in fiscal year 2023, or \$828,000 and 3.5% lower than in fiscal year 2022. The decrease was primarily due to a reduction in utilization.
4. Total reinsurance, net of recoveries and provider refunds resulted in a \$2,932,000 reduction to health care expenses in fiscal year 2023, versus \$8,375,000 in fiscal year 2022.

#### Administrative Expenses

Total administrative expenses were \$117,547,000 in fiscal year 2023, compared to \$142,229,000 in fiscal year 2022, for a decrease of \$24,682,000. The decrease was predominantly due to premium tax expense, which was \$39,516,000 in fiscal year 2023 compared to \$89,424,000 in fiscal year 2022, a decrease of \$49,908,000.

Senate Bill ("SB") X2-2, which passed in March 2016, redefined the premium tax payment and calculation. Per SB X2-2, the tax rate was a pre-determined liability based on DHCS projected Medi-Cal membership and specified rates and was effective through June 30, 2019. Assembly Bill ("AB") 115 re-established a managed care enrollment tax, using a modified tiered taxing model. On April 3, 2020, the federal government approved the State's revised proposal to implement a tax on MCOs to help fund the Medi-Cal program. The new AB115 MCO tax is effective from January 2020 through December 2022.

Other administrative expenses increased from the prior year due to increased expenses related to new enterprise projects as compared to prior years and increases in staffing.

#### Tangible Net Equity

GCHP is required by DHCS to maintain certain levels of TNE. Regulatory TNE levels are determined by formula and are based on specified percentages of revenue and medical expenses. Driven by its operating performance, the Plan's TNE at June 30, 2024, was \$365,689,000, which exceeded the required TNE amount of \$37,010,000. The Plan's TNE at June 30, 2023, was \$359,952,000, which exceeded the required TNE amount of \$32,914,000.

**Table 4 – Tangible Net Equity (TNE)**  
(Dollars in Thousands)

	June 30, 2024	June 30, 2023	June 30, 2022
Actual TNE, beginning balance	\$ 359,952	\$ 176,617	\$ 105,461
Change in net position	5,737	183,335	71,156
Actual TNE, ending balance	<u>\$ 365,689</u>	<u>\$ 359,952</u>	<u>\$ 176,617</u>
Required TNE	<u>\$ 37,010</u>	<u>\$ 32,914</u>	<u>\$ 36,610</u>

**Ventura County Medi-Cal Managed Care Commission  
dba Gold Coast Health Plan  
Management's Discussion and Analysis**

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**Requests for Information**

This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of GCHP's operations. If the reader has questions or would like additional information about GCHP, please direct the request to GCHP, 711 East Daily Drive, Suite 106, Camarillo, CA 93010 or call 805-437-5500.

**DRAFT**  
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## **Report of Independent Auditors**

**(Placeholder)**

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## **Financial Statements**

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 430,974,305	\$ 344,166,985
Short-term investments	99,718,245	95,269,796
Capitation receivable	173,911,167	96,222,357
Provider receivables	12,484,788	422,995
Reinsurance and other receivables	6,351,899	522,414
Prepaid expenses and other assets	29,265,636	5,681,145
Total current assets	752,706,040	542,285,692
CAPITAL ASSETS, net	552,659	982,367
INTANGIBLE RIGHT TO USE LEASE, net of accumulated amortization	3,494,070	4,661,876
INTANGIBLE RIGHT TO USE SUBSCRIPTION, net of accumulated amortization	1,040,200	3,580,350
Total assets	<u>\$ 757,792,969</u>	<u>\$ 551,510,285</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Medical claims liability	\$ 157,746,095	\$ 144,395,047
Capitation payable	11,012,947	11,256,966
Payable to the State of California	56,394,287	10,411,049
Accounts payable	4,671,951	1,455,088
Accrued payroll and employee benefits	4,240,566	3,189,633
Accrued premium tax	138,769,137	-
Accrued expenses and other	13,180,466	11,461,986
Current portion of lease and subscription liability	2,411,211	3,300,321
Total current liabilities	388,426,660	185,470,090
LEASE AND SUBSCRIPTION LIABILITY, net of current portion	3,677,360	6,088,557
Total liabilities	392,104,020	191,558,647
<b>NET POSITION</b>		
Net invested in capital assets	552,659	982,367
Unrestricted net position	365,136,290	358,969,271
Total net position	365,688,949	359,951,638
Total liabilities and net position	<u>\$ 757,792,969</u>	<u>\$ 551,510,285</u>

See accompanying notes.

**Ventura County Medi-Cal Managed Care Commission  
dba Gold Coast Health Plan  
Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended June 30, 2024 and 2023**

	2024	2023
<b>OPERATING REVENUES</b>		
Capitation revenues	\$ 1,488,841,733	\$ 1,053,304,059
Total operating revenues	1,488,841,733	1,053,304,059
<b>OPERATING EXPENSES</b>		
Health care expenses		
Provider capitation	101,503,100	101,666,937
Claim payments to providers and facilities	805,271,007	639,652,210
Prescription drugs	-	(454,456)
Other medical	44,720,048	23,136,023
Reinsurance, net of recoveries	(6,615,190)	(2,931,966)
Total health care expenses	944,878,965	761,068,748
<b>ADMINISTRATIVE EXPENSES</b>		
Salaries, benefits, and compensation	41,053,139	29,145,586
Professional fees	76,397,786	39,548,921
General administrative fees	9,587,624	3,682,438
Supplies, occupancy, insurance, and other	2,124,095	1,617,969
Premium tax	422,751,069	39,516,214
Depreciation and amortization	4,113,945	4,035,654
Total administrative expenses	556,027,658	117,546,782
Total operating expenses	1,500,906,623	878,615,530
Operating (loss) income	(12,064,890)	174,688,529
<b>NONOPERATING REVENUES AND EXPENSES, NET</b>		
Interest income	19,155,484	9,384,542
Interest expense	(1,353,283)	(738,472)
Total nonoperating revenues and expenses, net	17,802,201	8,646,070
Increase in net position	5,737,311	183,334,599
NET POSITION, beginning of year	359,951,638	176,617,039
NET POSITION, end of year	\$ 365,688,949	\$ 359,951,638

See accompanying notes.

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Capitation revenues received	\$ 1,457,136,161	\$ 1,038,862,010
Reinsurance premiums paid	(4,682,591)	(4,331,309)
Payments to providers and facilities	(944,671,069)	(769,017,963)
Payments of premium tax	(283,981,932)	(61,082,014)
Payments of administrative expenses	(146,760,840)	(70,094,220)
Net cash provided by operating activities	<u>77,039,729</u>	<u>134,336,504</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(36,243)	(275,716)
Interest payments	(1,353,237)	(666,883)
Payments on subscription liability	(1,927,018)	(2,479,964)
Payments on lease liability	(1,307,697)	(1,226,848)
Net cash used in capital and related financing activities	<u>(4,624,195)</u>	<u>(4,649,411)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>14,391,786</u>	<u>7,200,038</u>
Net cash provided by investing activities	<u>14,391,786</u>	<u>7,200,038</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>86,807,320</u>	<u>136,887,131</u>
Cash and cash equivalents, beginning of year	<u>344,166,985</u>	<u>207,279,854</u>
Cash and cash equivalents, end of year	<u><u>\$ 430,974,305</u></u>	<u><u>\$ 344,166,985</u></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating (loss) income	\$ (12,064,890)	\$ 174,688,529
Adjustments to reconcile operating (loss) income to net cash provided by operating activities		
Depreciation and amortization	4,113,945	4,035,654
Changes in assets and liabilities		
Receivables	(95,270,535)	4,573,997
Prepaid expenses and other assets	(23,584,491)	(3,398,062)
Medical claims liability	13,351,048	880,896
Capitation payable	(244,019)	(17,585,765)
Payable to the State of California	45,983,238	(14,591,700)
Accounts payable	3,216,863	(414,827)
Accrued premium tax	138,769,117	(21,565,800)
Accrued payroll and employee benefits	1,050,953	911,681
Accrued expenses and other	1,718,500	6,801,901
Net cash provided by operating activities	<u><u>\$ 77,039,729</u></u>	<u><u>\$ 134,336,504</u></u>

See accompanying notes.

# Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Notes to Financial Statements

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## Note 1 – Organization and Operations

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (“GCHP” or the “Plan”) is a county-organized health system (“COHS”) organized to serve Medi-Cal beneficiaries living in Ventura County, California. The formation of GCHP was approved by the Board of Supervisors of the County of Ventura in December 2009 through the adoption of Ordinance No. 4409.

As a COHS, GCHP maintains an exclusive contract (the “Contract”) with the State of California Department of Health Care Services (“DHCS”) to arrange for the provision of health care services to Ventura County’s approximately 238,000 Medi-Cal beneficiaries. All of GCHP’s revenues are earned from the State of California (the “State”) in the form of capitation payments. Revenue is primarily based on enrollment and capitation rates as provided for in the Contract. The Plan began providing services to Medi-Cal beneficiaries in July 2011. In August 2013, the State of California transferred the Healthy Families Program members in Ventura County into the Medi-Cal program, Targeted Low Income Program. In January 2014, the federal Affordable Care Act (“ACA”) expanded health coverage to certain adults age 19 or older and under 65 and resulted in new enrollment through Adult Expansion (“AE”) and other population groups. In January 2022, the DHCS launched a new program to improve the health and wellbeing of Medi-Cal members beyond traditional medical services, make services work together better, and improve the quality of services called California Advancing and Innovating Medi-Cal (“CalAIM”). Upon implementation of the program, the Plan began offering a new benefit, Enhanced Care Management (“ECM”), and new services called Community Supports.

## Note 2 – Compliance with the DHCS, Concentration Risk, and Restricted Net Position

GCHP’s contract with the DHCS includes several financial and nonfinancial requirements. As established by the contract, GCHP is required to meet and maintain a minimum level of tangible net equity (“TNE”). TNE is defined as the excess of total assets over total liabilities, excluding subordinated liabilities and intangible assets.

Required and actual TNE are as follows:

	June 30,	
	2024	2023
	(in thousands)	
Actual TNE, beginning balance	\$ 359,952	\$ 176,617
Change in net position	5,737	183,335
Reportable TNE	<u>\$ 365,689</u>	<u>\$ 359,952</u>
Required TNE	<u>\$ 37,010</u>	<u>\$ 32,914</u>

The ability of GCHP to continue as a going concern is dependent on its continued compliance with the DHCS requirements. The loss of this contract would have an adverse effect on GCHP’s future operations.



**Ventura County Medi-Cal Managed Care Commission  
dba Gold Coast Health Plan  
Notes to Financial Statements**

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**Note 3 – Summary of Significant Accounting Policies**

**Basis of presentation** – GCHP is a county-organized health system governed by an 11-member Ventura County Medi-Cal Managed Care Commission appointed by the Ventura County Board of Supervisors. Effective for the fiscal year ended June 30, 2011, GCHP began reporting as a discrete component unit of the County of Ventura, California. The County made this determination based on the County Board of Supervisors having the right to elect 100% of the GCHP Commissioners.

**Basis of accounting** – GCHP uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis, using the economic resources measurement focus. The accompanying financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board ("GASB").

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair value of financial instruments** – The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of these financial instruments. The carrying amounts reported in the statement of net position for capitation receivable, provider receivables, reinsurance and other receivables, prepaid expenses and other assets, medical claims liability, capitation payable, accounts payable, payable to the State of California, accrued payroll and employee benefits, accrued premium tax and other liabilities approximate their fair values as they are expected to be realized within the next fiscal year.

**Cash and cash equivalents** – Cash and cash equivalents include highly liquid instruments purchased with an original maturity of three months or less when purchased.

**Custodial credit risk-deposits** – Custodial credit risk is the risk that in the event of a bank failure, GCHP may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. As of June 30 2024 and 2023, all accounts were covered by posted collateral.

**Investments** – Investments are stated at fair value in accordance with GASB Codification Section 150. The fair value of investments is estimated based on quoted market prices, when available. For debt securities not actively traded, fair values are estimated using values obtained from external pricing services or are estimated by discounting the expected future cash flows, using current market rates applicable to the coupon rate, credit and maturity of the investments.

All investments with an original maturity of one year or less when purchased are recorded as current investments, unless designated or restricted for long-term purposes.

**Ventura County Medi-Cal Managed Care Commission**  
**dba Gold Coast Health Plan**  
**Notes to Financial Statements**

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**Capitation receivable** – Capitation receivable represents capitation revenue for the years ended June 30, 2024 and 2023, received subsequent to June 30, 2024 and 2023, respectively. Capitation receivable also includes final revenue rate adjustments based on communications from the DHCS. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering payment history, financial condition, and current economic conditions. Subsequent adjustments to the contracted rates or enrollments are recognized in the period the adjustment is determined.

**Provider receivables** – Provider receivables are recorded for all claim refunds due from providers. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering payment history, financial condition, and current economic conditions.

**Reinsurance** – In the normal course of business, the Plan seeks to reduce the loss that may arise from events that cause unfavorable medical claim results by reinsuring certain levels of risk in various areas of exposure with a reinsurer. Amounts recoverable from reinsurance are estimated in a manner consistent with the development of the medical claim liability.

Amounts recoverable from reinsurers that relate to paid claims are classified as assets and as a reduction to medical expenses incurred. Reinsurance premiums paid are included in medical expenses.

**Capital assets** – Capital assets are stated at cost at the date of acquisition. The costs of normal maintenance, repairs, and minor replacements are expensed when incurred. Capital assets acquired but not yet placed into service are reported as construction in progress. Construction-in-progress assets are not depreciated until they are placed into service.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Long-lived assets are periodically reviewed for impairment. The estimated useful lives of three to seven years are used for furniture, fixtures, computer equipment, and software. Leasehold improvements are depreciated over the life of the lease or estimated useful life, whichever is shorter. Depreciation expense for the years ended June 30, 2024 and 2023, was approximately \$466,000 and \$517,000, respectively.

**Medical claims liability, capitation payable, and medical expenses** – GCHP establishes a claims liability based on estimates of the ultimate cost of claims in process and a provision for claims incurred but not yet reported, which is actuarially determined based on historical claims payment experience and other operational changes. In cases where adequate historical claims payment experience does not yet exist for a new population, a book-to-budget methodology is used in which GCHP relies on state-developed medical rates or medical loss ratios to estimate claims liabilities.

Such reserves are continually monitored and reviewed, with any adjustments made as necessary in the period the adjustment is determined. Management believes that the claims liability is adequate and fairly stated; however, this liability is based on estimates, and the ultimate liability may differ from the amount provided.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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GCHP has provider services agreements with several health networks in Ventura County, whereby the health networks provide care directly to covered members or through subcontracts with other health care providers. Payment for the services provided by the health networks is on a fully capitated basis. The capitation amount is based on contractually agreed-upon terms with each health network. GCHP may withhold amounts from providers at an agreed-upon percentage of capitation payments made to ensure the financial solvency of each contract. The capitation expense is included in provider capitation in the statements of revenues, expenses, and changes in net position.

**Payable to the State of California** – The liability at June 30, 2024 and 2023, was approximately \$56,394,000 and \$10,411,000, respectively, due to State of California funding programs that have minimum Medical Loss Ratio (“MLR”) requirements and potential amounts due back to the State. The majority of the balance as of June 30, 2024 represents an estimate due back to the State of California for the ECM risk corridor for the period of January 1, 2022 through June 30, 2024 and an estimate for premium rate adjustments and overpayments. The majority of the balance as of June 30, 2023 represents an estimate due back to the State of California for the Proposition 56 programs in effect for State fiscal year 2021 and an estimate for the ECM risk corridor for the period of January 1, 2022 through June 30, 2023. During the year ended June 30, 2023, GCHP paid approximately \$16,400,000 based on the May 2023 determination letter received from the State of California for the Proposition 56 programs for the bridge period of July 1, 2019 to December 31, 2020. As of June 30, 2024 and 2023, the remaining Proposition 56 program accrual for the State fiscal year 2021 was approximately \$1,358,000 and \$3,172,000, respectively. As of June 30, 2024 and 2023, the estimated amount due related to the ECM risk corridor was approximately \$22,584,000 and \$7,239,000, respectively. The liability may vary depending on actual claims experience and final reconciliation and audit results. This liability is presented in the payable to the State of California in the accompanying statements of net position.

**Accounts payable and accrued expenses** – GCHP is required to estimate certain expenses, including accrued payroll, payroll taxes, and professional services fees, as of each statement of net position date and make appropriate accruals based on these estimates. Estimates are affected by the status and timing of services provided relative to the actual level of services performed by the service providers. The date on which certain services commence, the level of services performed on or before a given date, and the cost of services are often subject to judgment. These judgments are based upon the facts and circumstances known at the date of the financial statements. For the periods presented in the financial statements, there were no material adjustments to the estimates for accrued payroll, payroll taxes, and professional services fees.

**Premium deficiency reserves** – GCHP performed an analysis of its expected future health care and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. Should expected costs exceed anticipated revenues, a premium deficiency reserve would be accrued. A premium deficiency reserve was not required as of June 30, 2024 or 2023.

**Accrued compensated absences** – GCHP’s policy permits eligible employees to accrue vacation based on their individual employment agreements. Unused vacation may be carried over into subsequent years, up to limits indicated in their employment agreements. Accumulated vacation will be paid to the employee upon separation from service with GCHP. All compensated absences are accrued and recorded in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, and are included in accrued payroll and employee benefits in the accompanying statements of net position.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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**Premium taxes** – Senate Bill (“SB”) X2-2, which passed in March 2016, redefined the premium tax payment and calculation. Per SB X2-2, the tax rate was a pre-determined liability based on DHCS projected Medi-Cal membership, and specified rates and was effective through June 30, 2019. Assembly Bill (“AB”) 115, *Committee on Budget, Chapter 348, Statutes of 2019*, re-established a managed care enrollment tax, using a modified tiered taxing model and the implementation of the tax is projected to generate a net state benefit of approximately \$7 billion over the three-year duration of the tax. On April 3, 2020, the federal government approved the State’s revised proposal to implement a tax on Managed Care Organizations (“MCO”) to help fund the Medi-Cal program. This MCO tax is effective from January 2020 through December 2022. As this MCO tax expired on December 31, 2022, the Plan did not record a MCO tax liability or premium tax refund receivable as of June 30, 2023. On December 15, 2023, the Centers for Medicare and Medicaid Services (“CMS”) approved the MCO tax authorized by Assembly Bill 119 (Chapter 13, Statutes of 2023) and submitted by DHCS on June 29, 2023. The MCO tax was approved with an effective date of April 1, 2023, as provided in AB 119 and requested by DHCS. The MCO tax model is based on enrollment in each applicable health plan using data for the January 1, 2022 through December 31, 2022 year, as modified by DHCS, and for known or anticipated changes that will affect Medi-Cal enrollment on or after January 1, 2024. GCHP’s MCO tax liability for the year ended June 30, 2024 is approximately \$422,960,000, of which \$138,769,000 remains unpaid as of June 30, 2024.

**Net position** – Net position is broken down into three categories, defined as follows:

*Net invested in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable (if any) to the acquisition, construction, or improvement of those assets.

*Restricted* – This component of net position consists of external constraints placed on net asset used by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. There were no amounts classified as restricted net position as of June 30, 2024 or 2023.

*Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net invested in capital assets.”

**Revenue recognition** – Capitation revenue received under the Contract is recognized during the period in which GCHP is obligated to provide medical service to the beneficiaries. This revenue is based on estimated enrollment provided monthly by the DHCS and capitation rates as provided for in the DHCS Contract. Enrollment and the capitation rates are subject to retrospective changes by the DHCS. As such, capitation revenue includes an estimate for amounts receivable from or refundable to the DHCS for these retrospective changes in estimates. These estimates are continually monitored and reviewed, with any changes in estimates recognized in the period when determined.

During the years ended June 30, 2024 and 2023, GCHP received approximately \$31,741,000 and \$31,485,000, respectively, of supplemental fee revenue from the DHCS as a hospital quality assurance fee (“HQA”) as a result of SB 229 and SB 335, respectively.

# **Ventura County Medi-Cal Managed Care Commission**

## **dba Gold Coast Health Plan**

### **Notes to Financial Statements**

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DHCS implemented a managed care Designated Public Hospital (“DPH”) Quality Incentive Pool (“QIP”) that was expanded effective July 1, 2020, under which managed care plans were directed to make QIP payments tied to performance on designated performance metrics in four strategic categories: primary care, specialty care, inpatient care, and resource utilization. The QIP payments are linked to delivery of services under the managed care plan contracts and increase the amount of funding tied to quality outcomes. During the years ended June 30, 2024 and 2023, GCHP received approximately \$113,797,000 and \$117,294,000, respectively, in QIP payments.

DHCS also established a Directed Payments DPH Enhanced Payment Program (“EPP”) under which managed care providers were directed to reimburse California’s 21 DPHs for network contracted services delivered by DPH systems, enhanced by either a uniform percentage or dollar increment based on actual utilization of network contracted services. The State will evaluate the extent to which enhanced payments are achieving the goals identified. During the years ended June 30, 2024 and 2023, GCHP received approximately \$16,145,000 and \$41,396,000, respectively, through the EPP.

DHCS also established a Private Hospital Directed Payment Program (“PHDPP”) under which managed care providers were directed to reimburse private hospitals as defined in WIC 14169.51, based on actual utilization of contracted services. The enhanced payment is contingent upon hospitals providing adequate access to service, including primary, specialty, and inpatient (both tertiary and quaternary) care. During the years ended June 30, 2024 and 2023, GCHP received approximately \$34,572,000 and \$93,840,000, respectively, through the PHDPP.

GCHP passed these HQAF, QIP, EPP and PHDPP funds through to providers. These amounts were not reflected in the accompanying financial statements for the years ended June 30, 2024 and 2023, as the amounts passed through to the providers do not meet requirements for revenue recognition under accounting standards issued by the GASB.

GCHP has an agreement with the DHCS to receive an intergovernmental transfer (“IGT”) through a capitation rate increase of \$45,102,000 and \$38,968,000 recorded in years ended June 30, 2024 and 2023, respectively. Under the agreement, these funds that are distributed to providers are not reported on the statements of revenues, expenses and changes in net position, or the statements of net position, as these amounts do not meet requirements for revenue recognition under accounting standards issued by the GASB. GCHP did not retain any of this IGT during the years ended June 30, 2024 and 2023, for administrative costs.

DHCS has established the CalAIM Incentive Payment Program (“IPP”). Under the program, GCHP is eligible to receive incentive payments from DHCS based on the successful completion of DHCS-established development goals, objectives, and measures of the program’s priority areas. The Plan received approximately \$6,027,000 of the approximately \$12,054,000 for calendar year 2022 in April 2022. The amount was recognized as revenue during the year ended June 30, 2023. GCHP received the remaining \$6,027,000 in July 2023. The Plan received approximately \$5,870,000 in November 2023. The amounts were recognized as revenue during the year ended June 30, 2024.



# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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Effective January 1, 2022, DHCS implemented the Housing and Homelessness Incentive Program (“HHIP”). Under the program, GCHP is eligible to receive incentive payments from DHCS based on the successful completion and achievement of program measures as well as Local Homelessness Plan and Investment Plan submissions. The Plan received approximately \$4,954,000 for calendar year 2022 in May 2023 and approximately \$8,256,000 for calendar year 2023 in April 2024. The amounts were both recognized as revenue during the year ended June 30, 2024.

**Operating revenues and expenses** – GCHP’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with arranging for the provision of health care services. Operating expenses are all expenses incurred to arrange for the provision of health care services, as well as the costs of administration. Claims adjustment expenses are an estimate of the cost to process the claims and are included in operating expenses. Nonexchange revenues and expenses are reported as nonoperating revenues and expenses.

**Administrative expenses** – Administrative expenses are recognized as incurred and consist of administrative expenses that directly relate to the implementation and operation costs of the Plan. Capitation contract acquisition costs are expensed in the period incurred.

**Defined contribution plan** – GCHP has adopted, and its employees are participants in, the California Public Agencies Self-Directed Tax-Advantaged Retirement System (“CPA STARS”). CPA STARS is a California public trust organized under the laws of the State of California and includes the STARS 401(a) Retirement Plan (the “401 Plan”), which is a retirement plan under Section 401(a) of the Internal Revenue Code. GCHP participation in the 401 Plan is defined by the 401(a) Trust Agreement and the 401 Plan Agreement between GCHP and CPA STARS.

All regular employees participate in the CPA STARS 401 Plan. Employee contributions to the 401 Plan are not allowed. GCHP makes employer contributions to the 401 Plan in an amount annually determined under the 401 Plan Agreement. For the years ended June 30, 2024 and 2023, GCHP contributions to the 401 Plan were \$3,916,000 and \$3,075,000, respectively.

**Deferred compensation plan** – GCHP has adopted, and its employees are participants in, the CPA STARS 457(b) deferred compensation plan (the “457 Plan”). The 457 Plan was created in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their annual salary until future years. GCHP participation in the 457 Plan is defined by the 457 Trust Agreement between GCHP and CPA STARS. Employee participation in the 457 Plan is voluntary, and GCHP has not made any contributions. As such, there were no GCHP employer contributions for the years ended June 30, 2024 and 2023.

**Leases** – GCHP recognizes lease contracts or equivalents that have a term exceeding one year and the cumulative future payments on the contract exceed \$50,000 and that meet the definition of an other than short-term lease. GCHP uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using GCHP’s incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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**Income taxes** – GCHP operates under the purview of the Internal Revenue Code, Section 501(a) and corresponding California Revenue and Taxation Code provisions. As such, GCHP is not subject to federal or state taxes. Accordingly, no provision for income tax has been recorded in the accompanying financial statements.

**Risk management** – GCHP is exposed to various risks of loss from torts, business interruption, errors and omissions, and natural disasters. Commercial insurance coverage is purchased by GCHP for claims arising from such matters. No claims have exceeded commercial coverage.

**Recent accounting pronouncements** – In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (“GASB 101”). GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. GCHP is reviewing the impact of the adoption of GASB 101 for the fiscal year ending June 30, 2025.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (“GASB 102”). GASB 102 requires a government to assess whether a concentration or constraint makes it vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures may be required as a result of these assessments. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024. GCHP is reviewing the impact of the adoption of GASB 102 for the fiscal year ending June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* (“GASB 103”). GASB 103 requires additional presentation and disclosure changes in the areas of management discussion & analysis, unusual or infrequent items, proprietary fund statement of revenues, expenses, and changes in fund net position, major component units, and budgetary comparison information. The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025. GCHP is reviewing the impact of the adoption of GASB 103 for the fiscal year ending June 30, 2026.

#### Note 4 – Cash and Investments

**Investments** – The Plan invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, and money market funds.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

**Interest rate risk** – In accordance with its Annual Investment Policy (“investment policy”), GCHP manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with the Plan’s expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. The Plan maintains a low-weighted average maturity strategy, targeting a portfolio with maturities of three years or less, with the intent of reducing interest rate risk. Portfolios with low weighted average maturities are less volatile because they are less sensitive to interest rate changes. As of June 30, 2024, the weighted average maturity of GCHP’s investments, including cash equivalents was approximately 1 day.

The Plan’s investments as of June 30, 2024, are summarized as follows:

Investment Type	Fair Value	Maximum Maturity*	Weighted Average Maturity (Years)	Weighted Average Maturity (Days)
CalTrust Investment Fund	\$ 37,837,945	N/A	-	1
Local Agency Investment Fund	42,530,370	N/A	-	1
Ventura County Investment Pool	19,349,930	N/A	-	1
	<u>\$ 99,718,245</u>		<u>-</u>	<u>1</u>

\* Per investment policy (Gov’t code section 53601)

**Credit risk** – GCHP’s investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from two nationally recognized rating services: Standard and Poor’s Corporation (“S&P”) and Moody’s Investor Service (“Moody’s”). For an issuer of short-term debt, the rating must be no less than “A-1” (S&P) or “P-1” (Moody’s), while an issuer of long-term debt shall be rated no less than an “A.”

Credit ratings of investments and cash equivalents as of June 30, 2024, are summarized below:

Investment Type	Fair Value	Minimum Legal Rating*	Ratings as of Year-End (S&P / Moody’s)				
			Exempt From Rating	A-1 / P-1	A1 / AA+	A1 / A+	A2 / A
CalTrust Investment Fund	\$ 37,837,945	None	\$ 37,837,945	\$ -	\$ -	\$ -	\$ -
Local Agency Investment Fund	42,530,370	None	42,530,370	-	-	-	-
Ventura County Investment Pool	19,349,930	None	19,349,930	-	-	-	-
	<u>\$ 99,718,245</u>		<u>\$ 99,718,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Per investment policy (Gov’t code section 53601)



# Ventura County Medi-Cal Managed Care Commission

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Credit ratings of investment and cash equivalents as of June 30, 2023, are summarized below:

Investment Type	Fair Value	Minimum Legal Rating*	Ratings as of Year-End (S&P / Moody's)				
			Exempt from rating	A-1 / P-1	A1 / AA+	A1 / A+	A2 / A
CalTrust Investment Fund	\$ 35,924,706	None	\$ 35,924,706	\$ -	\$ -	\$ -	\$ -
Local Agency Investment Fund	40,693,940	None	40,693,940	-	-	-	-
Ventura County Investment Pool	18,651,150	None	18,651,150	-	-	-	-
	<u>\$ 95,269,796</u>		<u>\$ 95,269,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Per investment policy (Gov't code section 53601)

**Concentration of credit risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. GCHP's Policy does not contain any specific provisions to limit exposure to concentration of credit risk, but conforms to the California Government Code section 53601 to meet the percentage limits of investment holdings.

The Plan's percentage of portfolio as of June 30, 2024, is summarized below:

Investment Type	Issuer	Fair Value	Percentage of Portfolio
CalTrust Investment Fund	Wells Fargo	\$ 37,837,945	37.9%
Local Agency Investment Fund	State of California Treasurer	42,530,370	42.7%
Ventura County Investment Pool	County of Ventura Treasurer	19,349,930	19.4%
Total Funds Available for Investments		<u>\$ 99,718,245</u>	<u>100.0%</u>

The Plan's percentage of portfolio as of June 30, 2023, is summarized below:

Investment Type	Issuer	Fair Value	Percentage of Portfolio
CalTrust Investment Fund	Wells Fargo	\$ 35,924,706	37.7%
Local Agency Investment Fund	State of California Treasurer	40,693,940	42.7%
Ventura County Investment Pool	County of Ventura Treasurer	18,651,150	19.6%
Total Funds Available for Investments		<u>\$ 95,269,796</u>	<u>100.0%</u>

**Investments** – GCHP categorizes its fair value investments within the fair value hierarchy established by U.S. GAAP. The hierarchy for fair value measurements is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

**Level 3** – Significant unobservable inputs.

# Ventura County Medi-Cal Managed Care Commission

## dba Gold Coast Health Plan

### Notes to Financial Statements

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The following is a description of the valuation methodologies used for instruments at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

*External investment pools* – CalTrust is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A board of trustees supervises and administers the investment program of the trust. CalTrust has four pools: money market account, short-term, medium-term, and long-term. The Plan has deposits in the Short-Term Fund. Investments in CalTrust Short-Term Fund are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

The Plan is a voluntary participant in CalTrust. The Plan's investment in this pool is reported in the accompanying financial statements at fair value based on the Plan's pro rata share of the respective pool as reported by CalTrust. As of June 30, 2024 and 2023, the Plan held approximately \$37,838,000 and \$35,925,000 in CalTrust, respectively.

The California State Treasurer's Office makes available the Local Agency Investment Fund ("LAIF") through which local governments may pool investments. Each governmental entity may invest up to \$65 million in the fund. Investments in the LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The Plan is a voluntary participant in the LAIF. The fair value of the GCHP's investments in the LAIF is reported in the accompanying financial statements based on the GCHP's pro rata share of the fair value provided by the LAIF for the entire LAIF portfolio. As of June 30, 2024 and 2023, the Plan held approximately \$42,530,000 and \$40,694,000 in LAIF, respectively.

The Ventura County Investment Pool ("VCIP") is available to local public governments, agencies, and school districts within Ventura County (the "County"). Wells Fargo Bank NA serves as custodian for the pool's investments. The portfolio is typically comprised of U.S. agency securities and high-quality short-term instruments, resulting in a relatively short-weighted average maturity. Fair value calculations are based on market values provided by the County's investment custodian. Investments in the VCIP are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The Plan is a voluntary participant in the VCIP. The fair value of the GCHP's investments in the VCIP is reported in the accompanying financial statements based on the GCHP's pro rata share of the fair value provided by the VCIP for the entire VCIP portfolio. As of June 30, 2024 and 2023, the Plan held approximately \$19,350,000 and \$18,651,000, respectively in VCIP.

# Ventura County Medi-Cal Managed Care Commission

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### Notes to Financial Statements

The following tables present the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall.

The Plan had the following recurring fair value measurements as of June 30, 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments not subject to fair value hierarchy				
CalTrust Investment Fund	\$ 37,837,945			
Local Agency Investment Fund	42,530,370			
Ventura County Investment Pool	19,349,930			
	<u>\$ 99,718,245</u>			

The Plan had the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments not subject to fair value hierarchy				
CalTrust Investment Fund	\$ 35,924,706			
Local Agency Investment Fund	40,693,940			
Ventura County Investment Pool	18,651,150			
	<u>\$ 95,269,796</u>			

#### Note 5 – Administrative Services Agreements

**Conduent, Inc. (“Conduent”), formerly Affiliated Computer Services** – GCHP entered into an agreement with Conduent on June 28, 2017, to provide certain operational services, for a two-year term with 4 to 6 month extensions beginning July 1, 2017. On May 1, 2019, GCHP and Conduent entered into a new agreement extending service through June 30, 2024. Included in the extension is a project to replace the existing technology platform with a new system and realign business processes. Compensation for these services is based on a per-member, per-month cost at varying membership levels. These costs are recorded as expenses in the period incurred. Total expenses for services provided for the years ended June 30, 2024 and 2023, were approximately \$22,255,000 and \$21,888,000, respectively, and are reported in professional fees on the accompanying statements of revenues, expenses, and changes in net position.

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**Carelon Behavioral Health, LLC (“Carelon”)** – On April 14, 2014, GCHP entered into a two-year agreement with Carelon, previously known as Beacon Health Strategies, to provide administrative services to arrange for and support the administration of behavioral health services for GCHP. The agreement with Carelon has been extended through December 31, 2025. Total expenses for Carelon were approximately \$518,000 and \$2,641,000 for the years ended June 30, 2024 and 2023, respectively, and are included in professional fees on the accompanying statements of revenues, expenses, and changes in net position.

**Note 6 – Capital Assets**

Capital asset activity during the year ended June 30, 2024 consisted of the following:

	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
Capital assets					
Leasehold improvements	\$ 1,804,976	\$ -	\$ -	\$ -	\$ 1,804,976
Software and equipment	2,709,578	36,243	-	-	2,745,821
Furniture and fixtures	1,197,450	-	-	-	1,197,450
	<u>5,712,004</u>	<u>36,243</u>	<u>-</u>	<u>-</u>	<u>5,748,247</u>
Total capital assets					
Less accumulated depreciation and amortization for					
Leasehold improvements	1,401,200	185,691	-	-	1,586,891
Software and equipment	2,129,965	272,908	-	-	2,402,873
Furniture and fixtures	1,198,472	7,352	-	-	1,205,824
	<u>4,729,637</u>	<u>465,951</u>	<u>-</u>	<u>-</u>	<u>5,195,588</u>
Total accumulated depreciation					
Total capital assets, net	<u>\$ 982,367</u>	<u>\$ (429,708)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 552,659</u>

**Ventura County Medi-Cal Managed Care Commission  
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Notes to Financial Statements**

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Capital asset activity during the year ended June 30, 2023 consisted of the following:

	Balance June 30, 2022	Increases	Transfers	Decreases	Balance June 30, 2023
Capital assets					
Leasehold improvements	\$ 1,804,976	\$ -	\$ -	\$ -	\$ 1,804,976
Software and equipment	2,433,862	275,716	-	-	2,709,578
Furniture and fixtures	1,197,450	-	-	-	1,197,450
Total capital assets	5,436,288	275,716	-	-	5,712,004
Less accumulated depreciation and amortization for					
Leasehold improvements	1,209,872	191,328	-	-	1,401,200
Software and equipment	1,832,059	297,906	-	-	2,129,965
Furniture and fixtures	1,170,262	28,210	-	-	1,198,472
Total accumulated depreciation	4,212,193	517,444	-	-	4,729,637
Total capital assets, net	\$ 1,224,095	\$ (241,728)	\$ -	\$ -	\$ 982,367

**Note 7 – Medical Claims Liability**

Medical claims liability and capitation payable consists of the following:

	June 30, 2024	2023
Claims payable or pending approval	\$ 18,370,448	\$ 12,923,764
Capitation payable	11,012,947	11,256,966
Provisions for claims incurred but not yet reported and other	103,483,161	84,436,777
Directed payments to providers payable	35,892,486	47,034,506
	\$ 168,759,042	\$ 155,652,013

**Ventura County Medi-Cal Managed Care Commission**  
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The cost of health care services is recognized in the period in which care is provided and includes an estimate of the cost of services that has been incurred but not yet reported. GCHP estimates accrued claims payable based on historical claims payments and other relevant information. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of claims paid is dependent on future developments, management is of the opinion that the accrued medical claims payable is adequate.

The following is reconciliation of the medical claims liability and capitation payable activity for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Medical claims liability and capitation payable at beginning of year	\$ 155,652,013	\$ 172,356,882
Incurred		
Current	931,839,404	781,200,206
Prior	<u>(2,104,420)</u>	<u>(29,527,231)</u>
Total incurred	<u>929,734,984</u>	<u>751,672,975</u>
Paid		
Current	814,943,828	678,008,464
Prior	<u>101,694,822</u>	<u>94,631,221</u>
Total paid	<u>916,638,650</u>	<u>772,639,685</u>
Net balance at end of year	168,748,347	151,390,172
Provider and reinsurance receivable of paid claims, beginning	2,553,682	6,815,523
Provider and reinsurance receivable of paid claims, ending	<u>(2,542,987)</u>	<u>(2,553,682)</u>
Medical claims liability and capitation payable at end of year	<u>\$ 168,759,042</u>	<u>\$ 155,652,013</u>

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately adjudicated and paid. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claim payments becomes known. This information is compared to the originally established prior reporting period liability. Negative amounts reported for incurred, related to prior years, result from claims being adjudicated and paid for amounts less than originally estimated. Results for the years ended June 30, 2024 and 2023, included decreases of prior year incurred of approximately \$2,104,000 and \$29,527,000, respectively. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

**Ventura County Medi-Cal Managed Care Commission**  
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**Notes to Financial Statements**

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**Note 8 – Commitments and Contingencies**

**Lease commitments** – GCHP leases office space and equipment under long-term operating lease agreements. A summary of the principal and interest amounts for the remaining leases is as follows as of June 30, 2024:

<u>Years Ending June 30,</u>	<u>Minimum Lease Principal</u>	<u>Interest</u>
2025	\$ 1,423,797	\$ 209,806
2026	1,387,326	132,814
2027	1,013,209	71,943
2028	814,128	17,913
2029	-	-
	<u>\$ 4,638,460</u>	<u>\$ 432,476</u>

**Intangible right to use lease** – The Plan reported approximately \$1,164,000 and \$1,194,000 as amortization expense on the statements of revenues, expenses and changes in net position in the years ended June 30, 2024 and 2023, respectively. Accumulated amortization was approximately \$4,789,000 and \$3,620,000 as of June 30, 2024 and 2023, respectively.

**Subscription-Based Information Technology Arrangements** – The Plan has several subscription contracts that expire at various dates through 2027, some of which have renewal options. For those contracts where renewal options are reasonably certain to be exercised, the Plan recognizes renewal option periods in the determination of its intangible right to use subscription asset and liability balances. The Plan uses an average rate of 2.4% to determine the present value of its subscription liabilities. The Plan reported approximately \$2,484,000 and \$2,325,000 as amortization expense on the statements of revenues, expenses and changes in net position in the years ended June 30, 2024 and 2023, respectively. Accumulated amortization was approximately \$5,715,000 and \$4,130,000 as of June 30, 2024 and 2023, respectively.

**Ventura County Medi-Cal Managed Care Commission  
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A summary of the principal and interest amounts for the subscription payments is as follows as of June 30, 2024:

<u>Years Ending June 30,</u>	<u>Minimum Subscription Principal</u>	<u>Interest</u>
2025	\$ 987,414	\$ 35,188
2026	321,390	10,795
2027	141,307	3,429
2028	-	-
2029	-	-
	<u>\$ 1,450,111</u>	<u>\$ 49,412</u>

**Litigation** – Through the course of ordinary business, the Plan became party to various administrative proceedings, mediations, and was party to various legal actions and subject to various claims arising as a result. During the year ended June 30, 2024, the Plan has successfully resolved some matters, and other administrative and legal matters are still proceeding. As a result of pending administrative and legal matters, the Plan has recorded a liability for these contingencies. It is the opinion of management that the ultimate resolution of such claims will not have a material adverse effect on the financial statements.

**Regulatory matters** – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties. Management believes that GCHP is in compliance with fraud and abuse, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

**Patient Protection and Affordable Care Act (“PPACA”)** – The ACA allowed for the expansion of Medicaid members in the State of California. Any future federal or state changes in eligibility requirements or federal and state funding could have an impact on the Plan. With the changes in the executive branch, the future of PPACA and impact of future changes in Medicaid to the Plan are uncertain at this time.



## **AGENDA ITEM NO. 5**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer

DATE: October 24, 2024

SUBJECT: August 2024 Year to Date Financials

### **SUMMARY:**

Staff is presenting the attached August 2024 fiscal year-to-date (“FYTD”) unaudited financial statements of Gold Coast Health Plan (“GCHP”) for review and approval.

### **ATTACHMENT:**

August 2024 Financial Package

### **APPENDIX:**

- Income Statement FYTD
- Balance Sheet
- Statement of Cash Flow
- Statement of Investments and Cash Balances

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS					
FOR MONTH ENDED August 31, 2024					
	Aug2024	August 2024 Year-To-Date		Variance	Variance
	Actual	Actual	Budget	Fav / (Unfav)	%
<b>Membership (includes retro members)</b>	246,183	493,314	499,272	(5,958)	-1.2%
<b>Revenue</b>					
Premium	\$ 131,467,476	\$ 247,107,078	\$ 179,411,911	\$ 67,695,167	37.7%
Reserve for Cap Requirements	(196,065)	(411,411)	(427,500)	16,089	-3.8%
MCO Premium Tax	(43,667,500)	(68,945,000)	-	(68,945,000)	0.0%
<b>Total Net Premium</b>	<b>87,603,911</b>	<b>177,750,667</b>	<b>178,984,411</b>	<b>(1,233,744)</b>	<b>-0.7%</b>
<b>Other Revenue:</b>					
Miscellaneous Income	90	225	-	225	0.0%
<b>Total Other Revenue</b>	<b>90</b>	<b>225</b>	<b>-</b>	<b>225</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>87,604,001</b>	<b>177,750,892</b>	<b>178,984,411</b>	<b>(1,233,519)</b>	<b>-0.7%</b>
<b>Medical Benefits:</b>					
<u>Capitation:</u>					
PCP, Specialty, Kaiser, NEMT & Vision	\$ 7,767,262	\$ 15,140,407	\$ 12,792,805	\$ (2,347,601)	-18.4%
ECM	737,908	1,458,889	-	(1,458,889)	0.0%
<b>Total Capitation</b>	<b>8,505,170</b>	<b>16,599,296</b>	<b>12,792,805</b>	<b>(3,806,491)</b>	<b>-29.8%</b>
<u>FFS Claims:</u>					
Inpatient	20,472,195	41,886,363	39,993,266	(1,893,097)	-4.7%
LTC / SNF	14,360,890	30,435,277	30,416,059	(19,218)	-0.1%
Outpatient	7,186,451	14,698,256	15,794,527	1,096,271	6.9%
Laboratory and Radiology	545,234	1,290,289	1,616,771	326,482	20.2%
Directed Payments - Provider	1,090,647	3,757,869	1,593,916	(2,163,953)	-135.8%
Emergency Room	3,502,779	7,092,308	6,769,145	(323,163)	-4.8%
Physician Specialty	7,639,471	16,102,762	14,927,741	(1,175,020)	-7.9%
Primary Care Physician	3,816,522	7,817,509	3,994,432	(3,823,077)	-95.7%
Home & Community Based Services	3,572,630	5,443,998	6,646,035	1,202,037	18.1%
Applied Behavioral Analysis/Mental Health Services	2,707,771	8,032,178	7,303,703	(728,476)	-10.0%
Quality Incentives/Provider Reserves	72,641	145,382	3,333,333	3,187,951	0.0%
Quality Incentive Provider Program (QIPP)	3,245,286	6,490,571	8,333,333	1,842,762	55.3%
Other Medical Professional	199,624	447,770	-	(447,770)	-5.4%
Other Fee For Service	2,667,901	5,240,761	4,634,706	(606,055)	-13.1%
Transportation	376,402	376,402	931,677	555,275	59.6%
<b>Total Claims</b>	<b>71,456,444</b>	<b>149,264,331</b>	<b>146,288,647</b>	<b>(2,975,699)</b>	<b>-2.0%</b>
Provider Grant Program	200,000	400,000	2,083,333	1,683,333	80.8%
Medical & Care Management	2,712,052	4,852,649	5,770,076	917,427	15.9%
Reinsurance	275,748	661,862	316,667	(345,195)	-109.0%
Claims Recoveries	23,658	(721,346)	(200,000)	521,346	-260.7%
<b>Sub-total</b>	<b>3,211,458</b>	<b>5,193,165</b>	<b>7,970,076</b>	<b>2,776,911</b>	<b>34.8%</b>
<b>Total Medical Benefits</b>	<b>83,173,072</b>	<b>171,056,791</b>	<b>167,051,528</b>	<b>(4,005,278)</b>	<b>-2.4%</b>
<b>Contribution Margin</b>	<b>4,430,929</b>	<b>4,430,929</b>	<b>11,932,883</b>	<b>(7,501,954)</b>	<b>-62.9%</b>
<b>General &amp; Administrative Expenses:</b>					
Salaries, Wages & Employee Benefits	5,958,812	10,736,193	9,681,682	(1,054,511)	-10.9%
Training, Conference & Travel	35,400	101,637	217,607	115,970	53.3%
Outside Services	1,530,700	2,631,848	6,127,691	3,495,843	57.0%
Professional Services	1,104,545	1,813,394	1,097,565	(715,829)	-65.2%
Occupancy, Supplies, Insurance & Others	2,033,726	3,429,253	4,940,651	1,511,398	30.6%
Sponsorships	14,998	20,498	-	(20,498)	0.0%
Care Management Reclass to Medical	(2,712,052)	(4,852,649)	(5,770,076)	(917,427)	15.9%
<b>G&amp;A Expenses</b>	<b>7,966,130</b>	<b>13,880,173</b>	<b>16,295,120</b>	<b>2,414,947</b>	<b>14.8%</b>
Project Portfolio (OOTF)	1,929,199	2,284,118	2,666,667	382,549	14.3%
Strategic Initiatives (SI)	-	-	19,370	19,370	-
<b>Total G&amp;A Expenses</b>	<b>9,895,328</b>	<b>16,164,291</b>	<b>18,981,156</b>	<b>2,816,865</b>	<b>14.8%</b>
<b>Total Operating Gain / (Loss)</b>	<b>(5,464,399)</b>	<b>(9,470,190)</b>	<b>(7,048,273)</b>	<b>(2,421,917)</b>	<b>34.4%</b>
<b>Retro Premium Adj</b>	<b>(24,338)</b>	<b>(24,338)</b>	<b>-</b>	<b>(24,338)</b>	<b>0.0%</b>
<b>Non Operating</b>					
Revenues - Interest	1,850,250	3,620,387	2,666,667	953,720	35.8%
<b>Total Non-Operating</b>	<b>1,850,250</b>	<b>3,620,387</b>	<b>2,666,667</b>	<b>953,720</b>	<b>35.8%</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>\$ (3,638,488)</b>	<b>\$ (5,874,141)</b>	<b>\$ (4,381,606)</b>	<b>\$ (1,492,535)</b>	<b>34.1%</b>

STATEMENT OF FINANCIAL POSITION		
	08/31/24	06/30/24
<b>ASSETS</b>		
<b>Current Assets:</b>		
<b>Total Cash and Cash Equivalents</b>	\$ 467,950,527	\$ 430,974,305
<b>Total Short-Term Investments</b>	100,331,279	99,718,245
Medi-Cal Receivable	190,564,888	173,911,167
Interest Receivable	1,076,310	772,425
Provider Receivable	12,574,348	12,484,788
Other Receivables	7,481,904	5,579,474
<b>Total Accounts Receivable</b>	<b>211,697,450</b>	<b>192,747,856</b>
Total Prepaid Accounts	5,677,053	10,875,162
Total Other Current Assets	133,545	133,545
<b>Total Current Assets</b>	<b>785,789,854</b>	<b>734,449,113</b>
<b>Total Fixed Assets</b>	<b>48,590,758</b>	<b>23,343,857</b>
<b>Total Assets</b>	<b>\$ 834,380,612</b>	<b>\$ 757,792,970</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Current Liabilities:</b>		
Incurred But Not Reported	\$ 157,170,915	\$ 103,483,161
Claims Payable	25,078,012	18,370,448
Capitation Payable	8,407,661	8,201,415
Physician Payable	31,591,786	30,314,835
DHCS - Reserve for Capitation Recoup	56,546,924	55,107,254
Lease Payable- ROU	5,292,293	2,411,196
Accounts Payable	1,759,849	4,671,951
Accrued ACS	3,349,097	4,068,323
Accrued Provider Incentives/Reserve	8,476,138	8,389,182
Accrued Expenses	8,379,145	9,112,142
Accrued Premium Tax	139,608,331	138,769,137
Accrued Payroll Expense	3,309,340	4,240,566
Quality Withhold	1,698,444	1,287,033
<b>Total Current Liabilities</b>	<b>450,667,935</b>	<b>388,426,645</b>
<b>Long-Term Liabilities:</b>		
Lease Payable - NonCurrent - ROU	23,897,854	3,677,360
<b>Total Long-Term Liabilities</b>	<b>23,897,854</b>	<b>3,677,360</b>
<b>Total Liabilities</b>	<b>474,565,789</b>	<b>392,104,005</b>
<b>Net Assets:</b>		
Beginning Net Assets	363,453,312	359,951,657
Total Increase / (Decrease in Unrestricted Net Assets)	(3,638,488)	5,737,309
<b>Total Net Assets</b>	<b>359,814,824</b>	<b>365,688,966</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 834,380,612</b>	<b>\$ 757,792,970</b>

STATEMENT OF CASH FLOWS		
	Aug 2024	Aug 2024 YTD
<b>Cash Flows Provided By Operating Activities</b>		
Net Income (Loss)	\$ (3,638,488)	\$ (5,874,141)
<b>Adjustments to reconciled net income to net cash provided by</b>		
Depreciation on fixed assets	977,241	1,954,378
<b>Changes in Operating Assets and Liabilities</b>		
Accounts Receivable	(16,388,464)	(18,949,594)
Prepaid Expenses	2,783,642	5,198,109
Accrued Expense and Accounts Payable	1,411,972	19,974,358
Claims Payable	7,893,231	8,190,761
MCO Tax liability	43,667,500	839,194
IBNR	1,924,421	53,687,754
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>38,631,055</b>	<b>65,020,818</b>
<b>Cash Flow Provided By Investing Activities</b>		
Proceeds from Investments	(265,080)	(613,034)
Purchase of Property and Equipment	(154,207)	(27,201,279)
<b>Net Cash (Used In) Provided by Investing Activities</b>	<b>(419,287)</b>	<b>(27,814,313)</b>
<b>Cash Flow Provided By Financing Activities</b>		
Lease Payable - ROU	(115,393)	(230,282)
<b>Net Cash Used In Financing Activities</b>	<b>(115,393)</b>	<b>(230,282)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>38,096,376</b>	<b>36,976,222</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>429,854,151</b>	<b>430,974,305</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>467,950,527</b>	<b>\$ 467,950,527</b>

SCHEDULE OF INVESTMENTS AND CASH BALANCES		
	Market Value	Account Type
	August 31, 2024	
Local Agency Investment Fund (LAIF)	\$ 42,530,370	Investment
Ventura County Investment Pool	19,453,909	Investment
CalTrust	38,347,000	Short-term investment
Bank of West	437,906,906	Money market account
Pacific Premier Bank	30,043,120	Operating accounts
Petty Cash	500	Cash
<b>Investments and monies held by GCHP</b>	<b>\$ 568,281,806</b>	

# August 2024 Fiscal Year-to-Date Financial Results

## Executive Finance Committee

October 24, 2024

Sara Dersch, Chief Financial Officer

# Financial Results Summary: August

- August 2024 fiscal year-to-date (FYTD) (\$5.9M) Net Asset position represents a (\$1.5M) variance to Budget and is the result of the following:
  - Membership is 6K lower than budget primarily in the Child, Adult and Seniors and People with Disabilities (SPD) Categories of Aid. The variance is partially offset by Adult Expansion (AE).
  - The (\$1.2M) Revenue variance is primarily due to member mix. Note - Prop 56 revenue is included in Premiums but is offset as a passthrough in Medical Costs as Provider Directed Payments.
  - Medical Benefits variance of (\$4.0M) includes (\$2.1M) in Prop 56 payments, (\$3.8M) in Primary Care utilization, and (\$1.9M) in Inpatient utilization. Favorable Outpatient expense partially offset the variance.
  - Administrative Expense and Project Portfolio have an unexpected combined favorable variance of \$2.8M. We are investigating to ensure we are receiving invoices timely from all vendors and anticipate a true-up in September.

# August Financial Results

	MTD			YTD		
	Actual	Budget	Var Fav / (Unfav)	Actual	Budget	Var Fav / (Unfav)
(\$Ms except pmpms & mm)						
<b>Member Months</b>	246,183	249,705	(3,522)	493,314	499,272	(5,958)
<b>Revenue</b>	\$ 87.6	\$ 89.5	\$ (1.9)	\$ 177.8	\$ 179.0	\$ (1.2)
<i>pmpm</i>	\$ 355.85	\$ 358.54	\$ (2.69)	\$ 360.32	\$ 358.49	\$ 1.83
<b>Non-Operating Revenue / (Expense)</b>	\$ 1.9	\$ 1.3	\$ 0.5	\$ 3.6	\$ 2.7	\$ 1.0
<i>pmpm</i>	\$ 7.52	\$ 5.34	\$ 2.18	\$ 7.34	\$ 5.34	\$ 2.00
<b>Medical Benefits</b>	\$ 83.2	\$ 83.5	\$ 0.4	\$ 171.1	\$ 167.1	\$ (4.0)
<i>pmpm</i>	\$ 337.85	\$ 334.59	\$ (3.3)	\$ 346.75	\$ 334.59	\$ (12.2)
% of Revenue	94.9%	93.3%		96.2%	93.3%	
<b>Administrative Expense</b>	\$ 8.0	\$ 7.7	\$ (0.2)	\$ 13.9	\$ 16.3	\$ 2.4
<i>pmpm</i>	\$ 32.36	\$ 31.00	\$ (1.35)	\$ 28.14	\$ 32.64	\$ 4.50
% of Revenue	9.1%	8.6%		7.8%	9.1%	
<b>Project Portfolio</b>	\$ 1.9	\$ 1.3	\$ (0.6)	\$ 2.3	\$ 2.7	\$ 0.4
<i>pmpm</i>	\$ 7.84	\$ 5.38	\$ (2.46)	\$ 4.63	\$ 5.38	\$ 0.75
% of Revenue	2.2%	1.5%		1.3%	1.5%	
<b>Operating Gain/(Loss)</b>	\$ (5.5)	\$ (3.1)	\$ (2.4)	\$ (9.5)	\$ (7.0)	\$ (2.4)
	\$ (22.20)	\$ (12.43)	\$ (9.77)	\$ (19.20)	\$ (14.12)	\$ (5.08)
<b>Retro Revenue Adjustments</b>	\$ (0.0)	\$ -	\$ (0.0)	\$ (0.0)	\$ -	\$ (0.0)
<i>pmpm</i>	\$ (0.10)	\$ -	\$ (0.10)	\$ (0.05)	\$ -	\$ (0.05)
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	\$ (3.6)	\$ (1.8)	\$ (1.9)	\$ (5.9)	\$ (4.4)	\$ (1.5)
<i>pmpm</i>	\$ (14.78)	\$ (7.09)	\$ (7.69)	\$ (11.91)	\$ (8.78)	\$ (3.13)
% of Revenue	-4.2%	-2.0%		-3.3%	-2.4%	

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## Membership

Child, Adult, and SPD membership is driving the unfavorable variance, which is partially offset by Adult Expansion.

## Revenue

Member mix is driving the (\$1.2M) variance.

## Medical Benefits

Drivers of medical benefit unfavorability include (\$3.8M) in Primary Care utilization, (\$1.9M) in Inpatient utilization, and capitation mix. Favorable Outpatient expense of \$1.0M partially offset the variance.

## Administrative Expense

\$2.4M favorability is primarily driven by Outside Services and Software License invoice timing.

## Project Portfolio

\$0.4M favorability driven primarily by a \$1.1M Government Accounting Standards Board (GASB) 96 reclassified to fixed assets and Ops of the Future invoicing delays where there is no basis for accrual.

(In Millions except membership)  
**Membership (includes retro members)**  
**Medical Benefits:**

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# Looking Ahead....

- Items impacting FY2024-25
  - Ops of the Future Remediation / Stabilization
  - Reprioritization of Strategic Initiatives
  - Rate Actions and Advocacy
  - Utilization Changes
  - DSNP Right-sizing
  - Revised Budget (by mid December)

# Exhibits

This section contains the following exhibits:

- Membership Breakdown
- Balance Sheet
- Cash and Short-Term Investment Portfolio
- Medical Benefits by Category of Service

# August - Membership Breakdown

## Membership and Premium Rates by Category of Aid

Catagories of Aid	Actual	Budget	Variance	Premium Rate
Child - SIS	84,797	87,350	(2,553)	\$109.05
Child - UIS	4,281	3,785	496	\$100.26
Adult - SIS	24,652	26,033	(1,381)	\$337.09
Adult - UIS	15,246	16,043	(797)	\$478.59
SPD - SIS	9,813	9,994	(181)	\$1,325.83
SPD - UIS	1,382	1,229	153	\$1,354.33
SPD Dual - SIS	23,485	24,583	(1,098)	\$658.94
SPD Dual - UIS	98	93	5	\$456.51
LTC Non-Dual - SIS	37	34	3	\$1,216.84
LTC Non-Dual - UIS	19	22	(3)	\$1,197.90
LTC Dual - SIS	655	679	(24)	\$2,071.09
LTC Dual - UIS	6	9	(3)	\$1,257.16
Adult Expansion - SIS	68,761	67,788	973	\$338.01
Adult Expansion - UIS	12,951	12,063	888	\$559.57
<b>Total</b>	<b>246,183</b>	<b>249,705</b>	<b>(3,522)</b>	<b>\$355.75</b>

# August Balance Sheet: Assets

	08/31/24	06/30/24
<b>ASSETS</b>		
<b>Current Assets:</b>		
<b>Total Cash and Cash Equivalents</b>	<b>\$ 467,950,527</b>	<b>\$ 430,974,305</b>
<b>Total Short-Term Investments</b>	<b>100,331,279</b>	<b>99,718,245</b>
Medi-Cal Receivable	190,564,888	173,911,167
Interest Receivable	1,076,310	772,425
Provider Receivable	12,574,348	12,484,788
Other Receivables	7,481,904	5,579,474
<b>Total Accounts Receivable</b>	<b>211,697,450</b>	<b>192,747,856</b>
Total Prepaid Accounts	5,677,053	10,875,162
Total Other Current Assets	133,545	133,545
<b>Total Current Assets</b>	<b>785,789,854</b>	<b>734,449,113</b>
<b>Total Fixed Assets</b>	<b>48,590,758</b>	<b>23,343,857</b>
<b>Total Assets</b>	<b>\$ 834,380,612</b>	<b>\$ 757,792,970</b>

- The \$76.6M increase in total Assets is attributed to the following:
  - Cash and Equivalents: Money Market Investment growth
  - Accounts Receivable: Med-Cal Receivable
  - Fixed Assets: includes GASB 96 reclassification of expense.

# August Balance Sheet: Liabilities

LIABILITIES & NET ASSETS		08/31/24	06/30/24
<b>Current Liabilities:</b>			
Incurred But Not Reported	\$	157,170,915	\$ 103,483,161
Claims Payable		25,078,012	18,370,448
Capitation Payable		8,407,661	8,201,415
Physician Payable		31,591,786	30,314,835
DHCS - Reserve for Capitation Recoup		56,546,924	55,107,254
Lease Payable- ROU		5,292,293	2,411,196
Accounts Payable		1,759,849	4,671,951
Accrued ACS		3,349,097	4,068,323
Accrued Provider Incentives/Reserve		8,476,138	8,389,182
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Accrued Payroll Expense		3,309,340	4,240,566
Quality Withhold		1,698,444	1,287,033
<b>Total Current Liabilities</b>		<b>450,667,935</b>	<b>388,426,645</b>
<b>Long-Term Liabilities:</b>			
Lease Payable - NonCurrent - ROU		23,897,854	3,677,360
<b>Total Long-Term Liabilities</b>		<b>23,897,854</b>	<b>3,677,360</b>
<b>Total Liabilities</b>		<b>474,565,789</b>	<b>392,104,005</b>
<b>Net Assets:</b>			
Beginning Net Assets		363,453,312	359,951,657
Total Increase / (Decrease in Unrestricted Net Assets)		(3,638,488)	5,737,309
<b>Total Net Assets</b>		<b>359,814,824</b>	<b>365,688,966</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$</b>	<b>834,380,612</b>	<b>\$ 757,792,970</b>

- The \$82.5M increase in Total Liabilities is primarily driven by Incurred But Not Paid (IBNP) (expenses for medical services provided but not yet submitted or paid).
- The increase in Lease Payable is the Ops of The Future (OOTF) assets that went live 7/1/24.

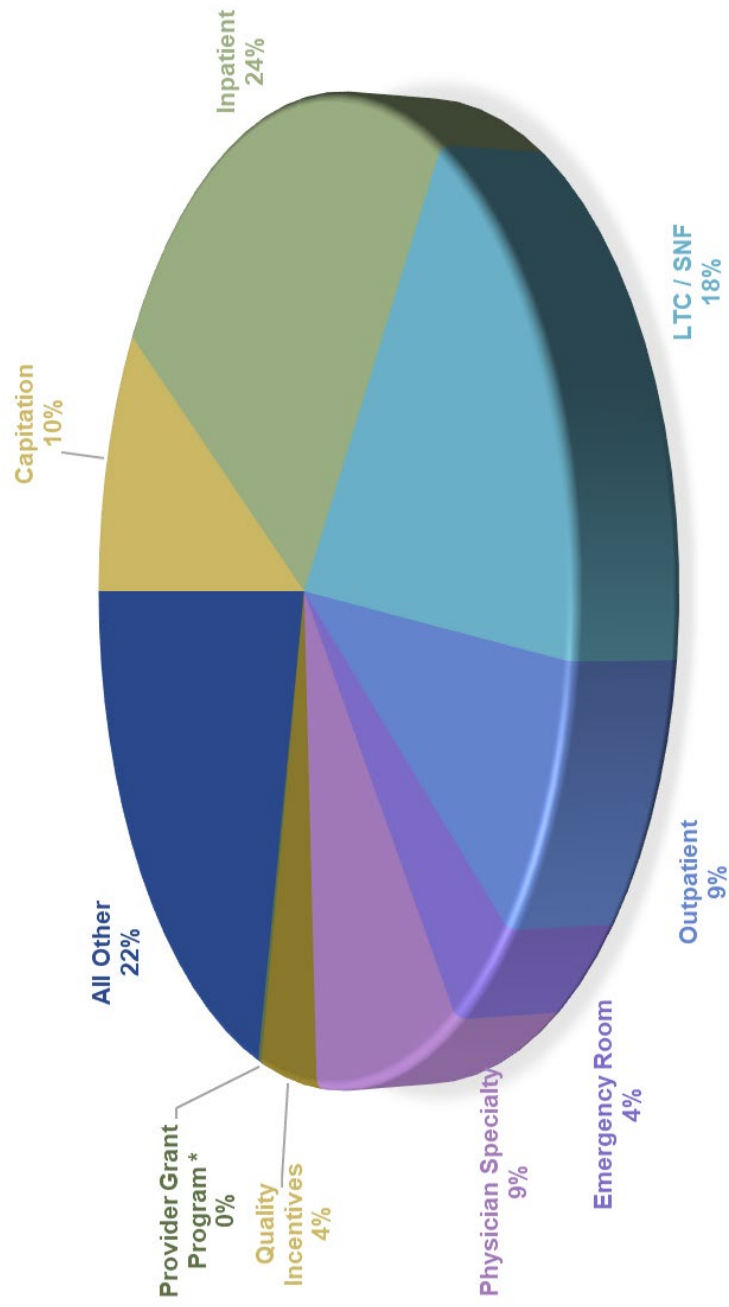
# Cash and Short-Term Investment Portfolio

SCHEDULE OF INVESTMENTS AND CASH BALANCES		
	Market Value August 31, 2024	Account Type
Local Agency Investment Fund (LAIF)	\$ 42,530,370	Investment
Ventura County Investment Pool	19,453,909	Investment
CalTrust	38,347,000	Short-term investment
Bank of West	437,906,906	Money market account
Pacific Premier Bank	30,043,120	Operating accounts
Petty Cash	500	Cash
<b>Investments and monies held by GCHP</b>	<b>\$ 568,281,806</b>	

- Cash and short-term investments balance sits at \$568.3M.
- The investment portfolio includes:
  - LAIF CA State \$42.5M
  - Ventura County Investment Pool \$19.5M
  - Cal Trust \$38.3M

# August Medical Benefits by Category of Service

% OF TOTAL MEDICAL BENEFITS FYTD 24/25



## AGENDA ITEM NO. 6

TO: Executive Finance Committee

FROM: Eve Gelb Chief Innovation Officer  
James Cruz, MD, Acting Chief Medical Officer  
Sara Dersch, Chief Financial Officer

DATE: October 24, 2024

SUBJECT: Contract Approval – Duals Special Needs Plan (D-SNP) Pharmacy Benefit Manager (PBM)

### BACKGROUND/DISCUSSION:

#### **Executive Summary**

Gold Coast Health Plan (“GCHP”) staff is seeking a recommendation of the Executive Finance Committee that the Ventura County Medi-Cal Managed Care Commission approve execution of a Medicare Part D Pharmacy Benefit Service Agreement with Prime Therapeutics (“Prime”).

#### **Project Background:**

The Department of Health Care Services (“DHCS”) requires that GCHP launch a Medicare Advantage Duals Special Needs Plan on January 1, 2026. To satisfy this requirement, GHCP requires a PBM to administer the Medicare drug benefit (Medicare Part D) for members of the plan. The selected PBM will provide implementation services from November 2024 through December 2025 with a go-live date of January 1, 2026 for the product offering and ongoing operations).

#### **Procurement Background**

Led by GCHP’s Executive team, on March 19, 2024, staff issued a Request For Proposal, (RFP) for a PBM, directly to the nine (9) vendors listed:

CVS Health – Caremark	Prime Therapeutics
EverNorth - Express Scripts	Navitus Health Solutions
OptumRx	Perform Rx
Carelon Rx	CenterWell
MedImpact	



Set forth below is the schedule utilized for the RFP.

Event	Date	Time (If applicable)
RFP Released	March 19, 2024	
Intent to Propose Notification Due By	April 1, 2024	5pm, PT
Questions Due	April 8, 2024	5pm, PT
Questions Answered	April 22, 2024	
Proposal Due Date	May 6, 2024	5pm, PT
Short List Established and Contractual Discussions Begin	June 7, 2024	

GCHP received two responsive proposals. A cross functional evaluation team was formed with representation from D-SNP Operations, (1 team member), Pharmacy, (1 team member) Operations, (1 team member), Medical Management, (1 team member), IT, (1 team member), Compliance, (1 team member), the Chief Innovation Officer, Legal, and Procurement team, to evaluate the proposals. Using predetermined evaluation criteria and weights, the team scored each proposal from the RFP's qualitative and quantitative requirements.

The scoring results from the evaluation team are as follows:

Overall Scores (High to Low):

Vendor	Qualitative Score	Quantitative Score	Overall Score
Prime Therapeutics	41.47	19.70	61.17
MedImpact	39.99	14.98	54.97

Pricing was estimated in two ways: (1) Using data from GCHP and (2) Using a proxy data set generated by our PBM consultant to approximate utilization.

Overall Pricing Estimates (Low to High):

Vendor	Scenario 1: Gold Coast Data			Scenario 2: Proxy Data		
	Projected Cost	Dollar Savings	Percent Savings	Projected Cost	Dollar Savings	Percent Savings
Prime Therapeutics	\$43,723,672			\$25,150,217		
MedImpact	\$48,651,455	\$4,927,784	11.3%	\$33,334,811	\$8,184,594	32.5%

### **Contracting Discussions**

The GCHP team determined that both responsive vendors warranted moving to the next phase of discussions.

Key takeaways during the contracting discussions:

- Both vendors were very professional and responsive
- Prime was always more favorable on contractual terms and lower in overall cost
- Prime was able to reach agreement with GCHP on contract terms with more favorable pricing and lower contractual risk faster than MedImpact

### **Selection and Justification**

Prime Therapeutics scored higher on both quantitative and qualitative scores, and both before and after negotiations, the proposal for Prime Therapeutics was lower cost. Additionally, Prime Therapeutics proved to be a good partner in defining general business terms around transparency, term/termination rights, and pricing change conditions, as well as implementation and operational considerations. The vendor was responsive, and their presentations instilled confidence in their ability to understand and support Gold Coast quality measures (5 Star measures) and demonstrated a high level of Medicare expertise and a cohesive ongoing support model.

The vendor reference check demonstrated the PBM's responsiveness to businesses of our size and overall strong partnership and performance.

### **FISCAL IMPACT:**

The PBM will perform administrative and program functions as well as pay claims for Medicare Part D. Below are the projected costs year by year. These projections are based on membership, utilization, and other factors. Actual costs will depend on D-SNP enrollment and will begin 1/1/2026 along with the start of Medicare revenue.

Expense Type	1/1/26 to 12/31/26	1/1/27 to 12/31/27	1/1/28 to 12/31/28
<b>Claims Costs</b>	\$7.0 M	\$14.3 M	\$22.8 M
<b>Administrative Fee</b>	\$51k	\$98k	\$146k
<b>Ancillary Fee*</b>	\$75k	\$145k	\$235k
<b>Projected Total</b>	\$7.1 M	\$14.5 M	\$23.2 M

\*Ancillary fees are fees not directly tied to claim administration but associated with the pharmacy program and include items like coverage determination/redeterminations, Medication Therapy Management Program, transition lettering, member services, clinical programs.

### **RECOMMENDATION:**

It is the Plan's recommendation that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission authorize the CEO to execute a 50-month agreement with Prime Therapeutics.

If the Executive Finance Committee desires to review this contract, it is available at Gold Coast Health Plan's Finance Department.

# Duals Special Needs Plan (D-SNP) Pharmacy Benefit Manager (PBM) Contract Approval

October 24, 2024

Eve Gelb, Chief Innovation Officer  
James Cruz, MD, Senior Medical Director  
Sara Dersch, Chief Financial Officer

Integrity

Accountability

Collaboration

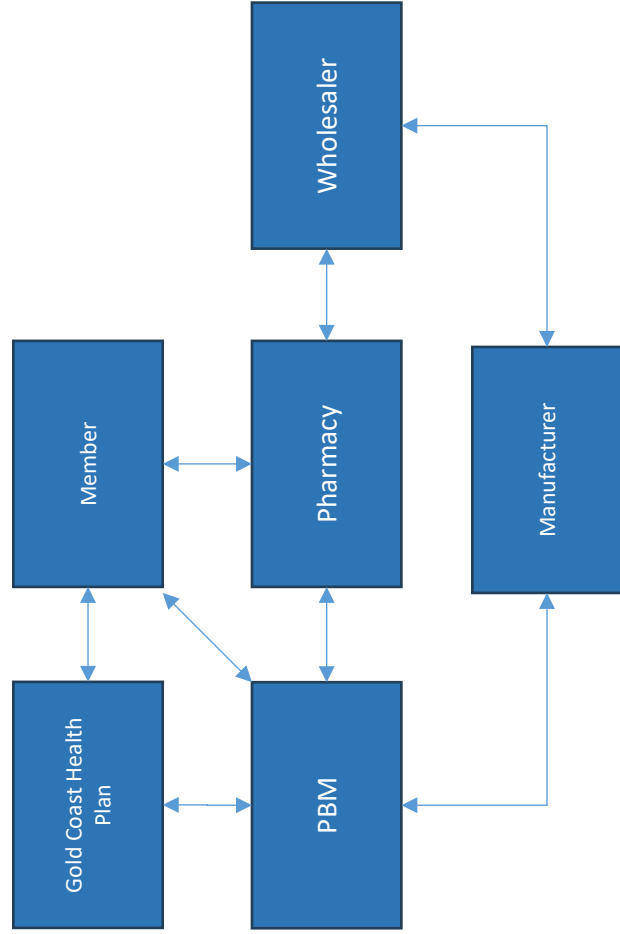
Trust

Respect

# Pharmacy Benefit Managers (PBM) Support the Member and the Plan through the Complexities of the Pharmaceutical Industry

GCHP Medi-Cal members get their drugs through Medi-Cal RX. GCHP D-SNP Members will get their drugs through Medicare Part D. GCHP must contract with a PBM to administer the Medicare Part D benefit.

## Complexity of the Pharmaceutical Industry

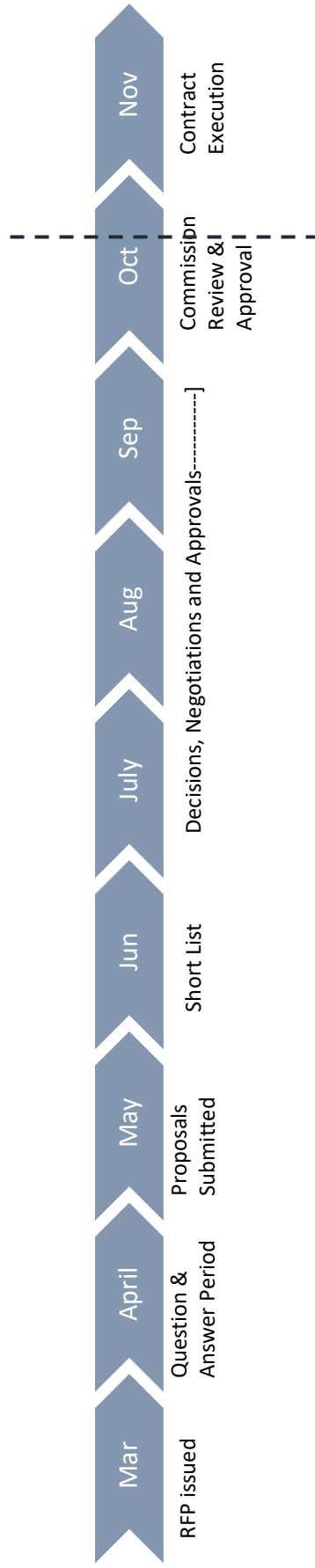


### PBM Role:

- Pharmacy network (contracting with large chains and independent pharmacies)
- Formulary design
- Drug cost negotiation and rebate
- Claims payment
- Utilization management
- Member services
- Quality programs
- Compliance

# PBM Procurement Process for Part D Medicare

- A cross-functional team approach with Procurement leading the team: Pharmacy, Legal, Compliance, Finance, Operations, IT, D-SNP, Pharmacy Consultant group (PSG)
- Team developed Request for Proposal (RFP) questions and Legal developed the contract which comprised the official Request for Proposal packet



# Process and Bidder Details

- GCHP received two proposals.
- A cross functional evaluation team with D-SNP Operations, Pharmacy, Operations, Medical Management, IT, Compliance, the Chief Innovation Officer, Legal, and Procurement, to evaluate the proposals.
- Using predetermined evaluation criteria and weights, the team scored each proposal from the RFP's qualitative and quantitative requirements.
- Pricing was estimated in 2 ways: (1) Using data from current GCHP members and (2) Using a proxy data set generated by our PBM consultant to approximate utilization.

Vendor	Qualitative Score	Quantitative Score	Overall Score
Prime Therapeutics	41.47	19.70	61.17
MedImpact	39.99	14.98	54.97

	Scenario 1: Gold Coast Data			Scenario 2: Proxy Data		
Vendor	Projected Cost*	Difference from Lead	Savings over Baseline %	Projected Cost*	Difference from Lead	Savings over Baseline %
Prime	\$43,723,672			\$25,150,217		
MedImpact	\$48,651,455	\$4,927,784	11.3%	\$33,334,811	\$8,184,594	32.5%



# Justification for Vendor Selection

Justification for selecting Prime Therapeutics:

- Scored higher on both quantitative and qualitative score and bid was lower cost.
- Good partner in defining general business terms around transparency, term/termination rights, and pricing change conditions.
- Responses and presentations instilled confidence in their ability to understand and support Gold Coast quality measures (5 Star measures).
- Demonstrated a high level of Medicare expertise and cohesive ongoing support model.
- Vendor reference check demonstrated the PBM's responsiveness to businesses of our size and overall strong partnership.

Specifics of the agreement:

- Term of the agreement is 14 months for implementation plus 50 months operations, 11/1/2024-12/31/2028.
- Projected costs below are based on membership and utilization assumptions and will vary based on a variety of other factors.

Expense Type	1/1/26 to 12/31/26	1/1/27 to 12/31/27	1/1/28 to 12/31/28
Claims Costs	\$7.0 M	\$14.3 M	\$22.8 M
Administrative Fee	\$51k	\$98k	\$146k
Ancillary Fee*	\$75k	\$145k	\$235k
Projected Total	\$7.1 M	\$14.5 M	\$23.2 M

\* Ancillary fees are fees not directly tied to claim administration but associated with the pharmacy program and include items like coverage determination/redeterminations, Medication Therapy Management Program, transition lettering, member services, clinical programs.

# Prime Therapeutics Background

- Founded in 1998 specifically to provide transparent, responsive support to health plan clients and to ensure that our client's needs and goals determine how we will support each account.
- Serves 92M members and manages \$60B in drug spend.
- Medicare Center of Excellence (COE), with quality efforts in place to deliver a comprehensive strategy that helps maintain or improve Star Ratings to support ongoing achievement of CMS quality bonus payments and tailor the formulary to members' needs.

**3 MILLION**  
MEDICARE LIVES

**25 PLANS**

25 of our plans earned a quality bonus payment this year.

**5 STARS** **6 CONSECUTIVE YEARS**

We have earned a 5-Star member satisfaction rating for 6 consecutive years, with 89% of our members saying they were "satisfied" or "very satisfied."

**56% OF MAPD CONTRACTS**

We outpace the industry, with 56% of our contracts at 4+ Stars.

**PERFECT SCORES**

FOR NEARLY 30 CMS AUDITS

Over the past 5+ years, Prime/Magellan Rx has received superior results with regulatory initiated audits, including CMS program audits, data validations and financial audits. This experience also includes perfect scores for nearly 30 CMS program audits in recent years.





# Recommendation

It is the Plan's recommendation that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission authorize the CEO to execute a 50-month agreement with Prime Therapeutics.

## **AGENDA ITEM NO. 7**

TO: Executive Finance Committee

FROM: Erik Cho Chief Policy and Program Officer  
Eve Gelb, Chief Innovation Officer

DATE: October 24, 2024

SUBJECT: Contract Approval – Grant Administrator

### **BACKGROUND/DISCUSSION:**

#### **Executive Summary**

GCHP staff is seeking the recommendation of the Executive Finance Committee that the Ventura County Medi-Cal Managed Care Commission approve execution of a Service Agreement with the Institute for Healthcare Improvement (“IHI”), in the amount not to exceed \$1.2M.

#### **Project Background:**

The Commission has authorized GCHP to undertake a monumental quality funding program authorized in the Fiscal Year 2024/2025 budget. The authorization of \$246.5 million towards quality funding initiatives over the next three fiscal years underscores GCHP’s commitment to improving our members’ lives while supporting our provider network and community to increase the quality of care and access to critically important health care services. The three-year plan includes \$37.5 million for grants.

GCHP, through a competitive RFP process has decided to recommend IHI, a leading, globally recognized not-for-profit health care improvement organization, to act as GCHP’s grant administrator. GCHP will work closely with IHI over the next three years to develop, launch, and administer grants to Ventura County’s health care system to support the Commission’s mandate to improve the health of our members and support the expansion of health care services for our provider network.

In Q1 of 2025, GCHP intends to launch the Resilience, Innovation, Sustainability, & Equity (RISE) Grant Program to advance initiatives and activities aimed at expanding access to care to better meet the health and behavioral health needs in Ventura County. The RISE Grant Program will provide grant funds to applicants who can demonstrably further GCHP’s goals to improve access and connection to health care services for GCHP’s membership in Ventura County. Specifically, the Program is intended to support initiatives and activities aimed at expanding

access to care to better meet the physical and behavioral health needs of the Medi-Cal population in Ventura County.

### **Procurement Background**

Led by GCHP's Executive team, on June 14, 2024, staff issued a Request For Proposal, (RFP) for a grant administrator service directly to the six, (6) vendors listed:

<b>Vendor Name</b>
Community Partners
Ventura County Community Foundation
AArete
Moss Adams
Institute for Healthcare Improvement
Public Health Institute

Set forth below is the schedule utilized for the RFP.

<b>Event</b>	<b>Date</b>	<b>Time (If applicable)</b>
RFP Released	6/14/24	
Intent to Propose Notification Due By	6/24/24	5pm, PT
Questions Due	6/28/24	5pm, PT
Questions Answered	7/12/24	5pm, PT
Proposal Due Date	7/22/24	5pm, PT
Short List Established and Contractual Discussions Begin	8/9/24	

GCHP received three (3) responsive proposals. A cross functional evaluation team was formed with representation from Policy and Programs, (2 team members), the Chief Medical Officer, the Chief Innovation Officer, Legal, and Procurement, to evaluate the proposals. Using predetermined evaluation criteria and weights, the team scored each proposal from the RFP's qualitative and quantitative requirements.

The scoring results from the evaluation team are as follows:

### **Overall Scores (High to Low):**

<b>Vendor</b>	<b>Qualitative Score</b>	<b>Quantitative Score</b>	<b>Overall Score</b>
Moss Adams	40.51	17.85	58.36
Community Partners	48.86	4.62	53.48
Institute for Healthcare Improvement	40.59	4.62	45.21

## Contracting Discussions

The GCHP team determined that all three responsive vendors warranted moving to the next phase of discussions.

Key takeaways during the contracting discussions:

- Moss Adams was unable to receive and disburse the grant money through a donor agreement, a key requirement of the services.
- Community Partners and Institute for Healthcare Improvement fees were both well above expectations.
  - Scoping discussions and clarity of the RFP requirements and expectations resulted in Institute for Healthcare Improvement reducing their proposed fees.

The projected cost for the remaining two responsive bidders was:

Vendor	Proposed Costs
Community Partners	\$6,750,000
Institute for Healthcare Improvement	\$1,163,400

Due to lower cost, the team prioritized time with IHI and finalized contractual negotiations.

## FISCAL IMPACT:

As noted above the total projected cost over the 44-month agreement (11/1/2024- 6/30/2028) is projected to not exceed \$1.2M.

The cost for this agreement will be part of the \$37.5 million approved overall amount for the grant program.

## RECOMMENDATION:

The Plan recommends that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission authorize the CEO to execute a 44-month agreement with Institute for Healthcare Improvement, a non-profit organization for an amount not to exceed \$1.2M.

If the Executive Finance Committee desires to review this contract, it is available at Gold Coast Health Plan's Finance Department.

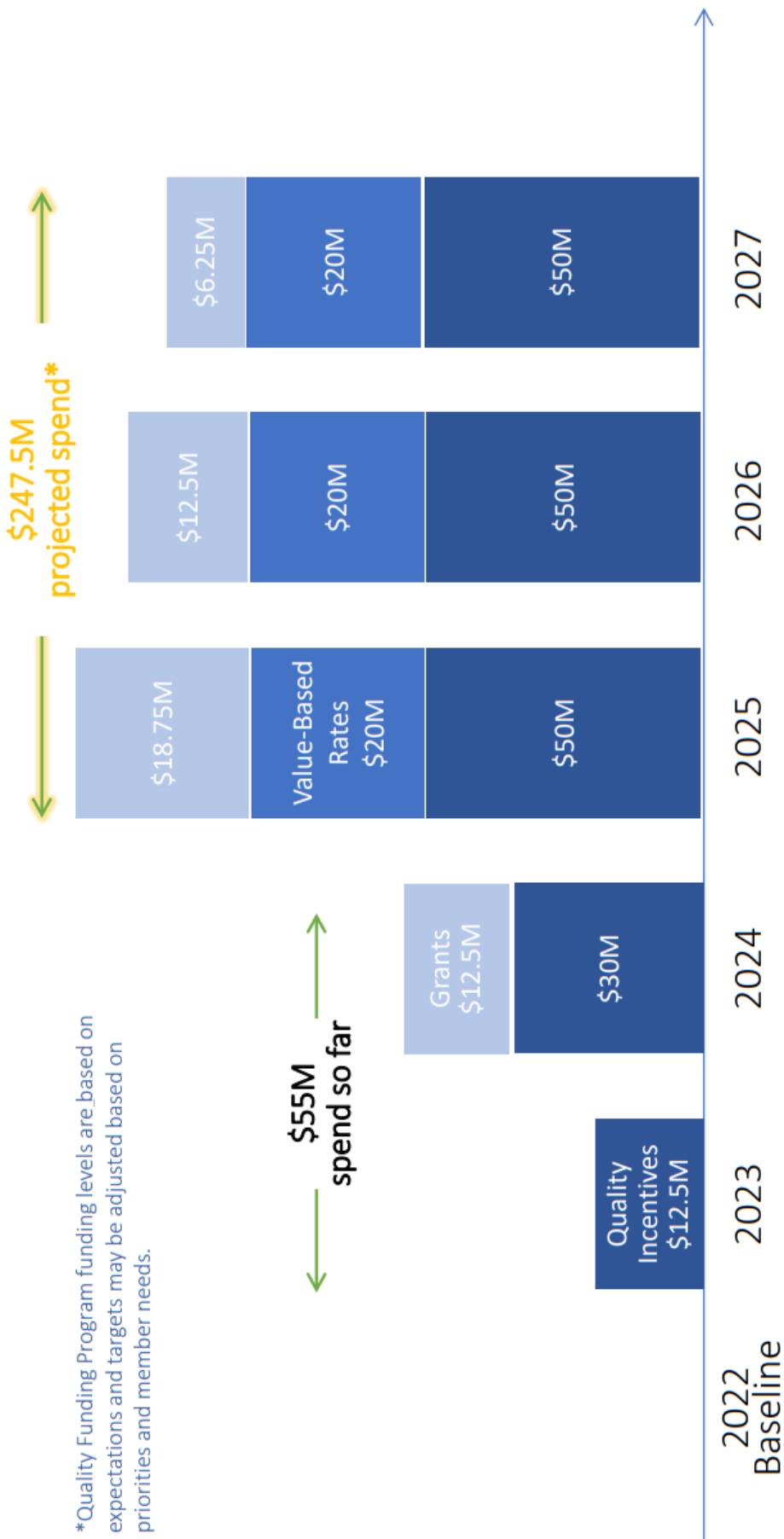
# Contract Approval Grant Administrator

October 24, 2024

Erik Cho, Chief Policy and Program Officer  
David Tovar, Incentive Strategy Manager

# Budget FY2024-25 | Quality Funding Program

(No Title)



# RFP Selection Process

Vendor	Qualitative Score	Quantitative Score	Overall Score
Moss Adams	40.51	17.85	58.36
Community Partners	48.86	4.62	53.48
Institute for Healthcare Improvement	40.59	4.62	45.21

## Key Issues within GCHP's Selection Process:

Moss Adams was unable to receive and disburse the grant money through a donor agreement, a key requirement of the services

Community Partners and Institute for Healthcare Improvement fees were both well above expectations.

Discussions and clarity of the RFP requirements and expectations resulted in Institute for Healthcare Improvement reducing their proposed fees.

Vendor	Proposed Costs
Community Partners	\$6,750,000
Institute for Healthcare Improvement	\$1,163,400

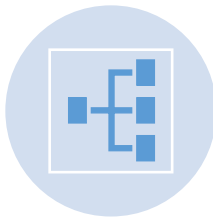
# GCHP's Partnership with IHI

GCHP, through a competitive RFP process has selected the IHI, a leading, globally recognized not-for-profit health care improvement organization, to act as GCHP's grant administrator.

GCHP will work closely with IHI over the next three years to develop, launch, and administer grants to Ventura County's health care system and community to support the Commission's mandate to improve the health of our members and support the expansion of health care services for our provider network.



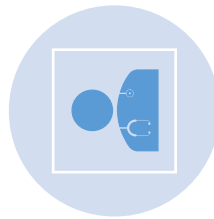
# Who is IHI



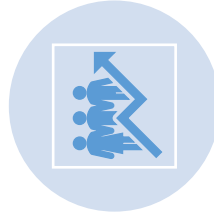
IHI is an independent, not-for-profit organization based in Boston, MA. For 30 years, IHI has used improvement science to advance and sustain better outcomes in health and health systems across the world.



IHI supports all components of an effective grantmaking program: from the development of grant objectives to application templates, scoring rubrics and grant committee stewardship, award disbursement, grant project and outcomes monitoring, and technical assistance for grantees.

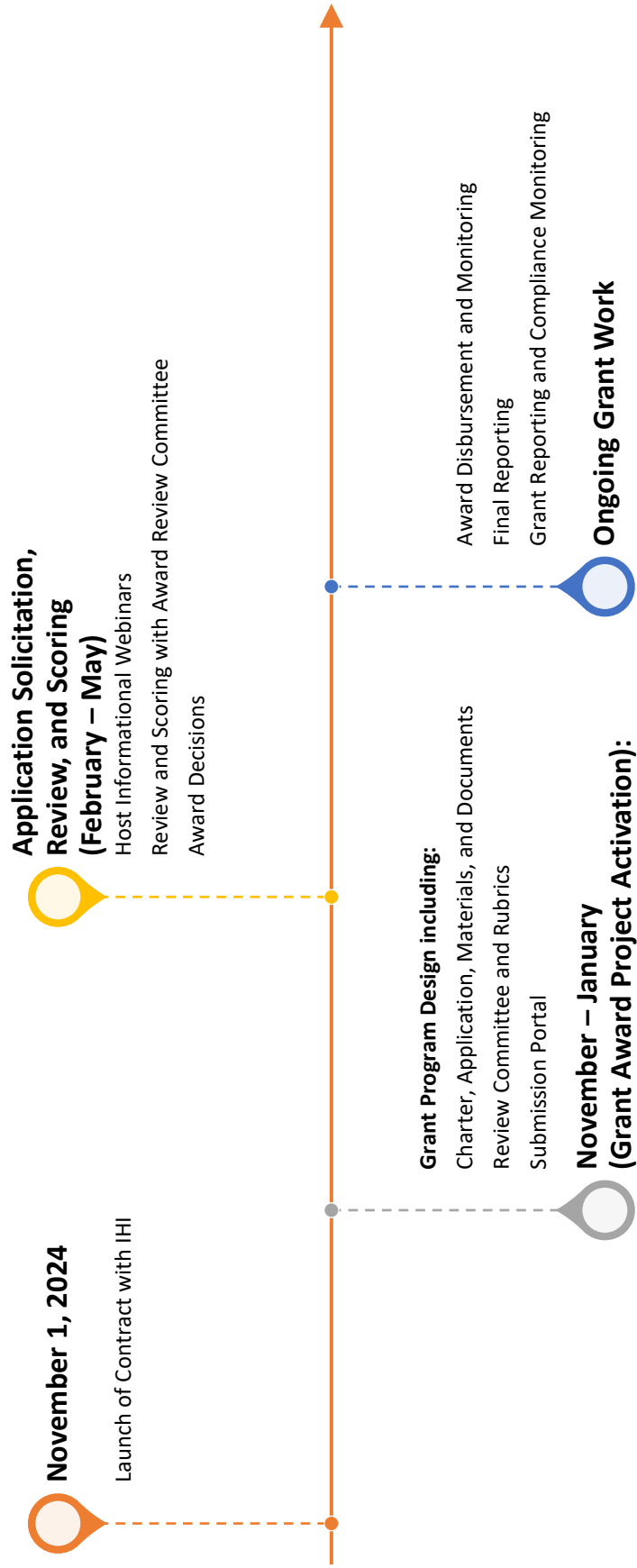


With decades of experience building quality improvement capability in health care organizations, IHI integrates capability building into our grant making processes to assist grantees to improve quality, system performance, and patient access to care.



IHI is intentional to structure grant awards with a strong focus on data and measurement for improvement and supports grantees beyond traditional grant stewardship responsibilities with an aim towards improving population health or reducing health inequities.

# Grant Administration Timeline



## **AGENDA ITEM NO. 8**

**TO:** Executive Finance Committee

**FROM:** Alan Torres, Chief Information and System Modernization Officer  
Anna Sproule, Executive Director of Operations  
Sara Dersch, Chief Financial Officer

**DATE:** October 24, 2024

**SUBJECT:** Operations of the Future Change Orders and Cost Projections

### **SUMMARY:**

GCHP staff is seeking the recommendation of the Executive Finance Committee that the Ventura County Medi-Cal Managed Care Commission approve execution of additional contract authorizations with the vendors listed in Table 2 for additional necessary work supporting multiple business functions and approve the revised amount of \$21.5M (adding \$11.5M) to the Operations of the Future budget.

### **BACKGROUND/DISCUSSION:**

GCHP has been implementing the multiple system conversions needed to realize its plans for its Operations of the Future (OOTF). We are requesting a revised budget for these projects based on a detailed current assessment of how best to achieve timely stabilization and sustainable success. These investments focus on steadying critical systems and expanding operational capabilities to better serve our members and providers. The need for a revised budget stems from a current OOTF budget that is now understood to be overly optimistic. We will conduct a fuller examination of issues leading to this after stabilization is achieved.

The GCHP Executive Team is committed to maintain transparency and alignment on the adjusted OOTF budget and will continue to prioritize the necessary work across the organization. We will provide the Executive Finance Committee and the Commission with consistent and detailed monthly updates on budget utilization and project milestones. We will also keep the commission fully informed about significant developments and insights.

#### **Key Factors Contributing to Cost Increase**

1. Operational Continuity and Vendor Extensions (Stabilization)
  - a) Conduent Extension Costs increased by \$3,265,354 to ensure uninterrupted services during the transition period.
  - b) MedHOK Extension Costs increased by \$460,000 to extend critical licensing for system operations.

2. Investment in Labor (Stabilization)
  - a) GCHP IT Labor increased by \$1,573,000 for Hypercare (A specialized team will be available around the clock to provide support and resolve any incidents or defects) and data support through 3/31/2025.
  - b) Operations (Labor) and Provider Call Center Operations (Labor) added a total of \$1,250,000 to meet operational needs and improve service delivery, referenced below in Table 1.
3. Vendor Change Orders (Stabilization)
  - a) New allocation of \$2,465,000 for necessary vendor change orders to stabilize systems and implement enhancements.
4. New Initiatives
  - a) EMIDS/Deloitte Support added with \$275,000 for additional consulting services.
5. Current Membership Adjustment
  - a) Additional Costs of \$2,000,000 to support an expanded member base across all vendors.

**Inclusion of 10% Contingency for Program Overrun:**

- Standard Practice in Project Management: Including a contingency budget is customary to account for unforeseen expenses and risks that may arise during project execution.
- Risk Mitigation: The 10% contingency allows us to address unexpected challenges without compromising project scope, quality, or timelines.
- Financial Stability: It ensures financial stability throughout the project, preventing delays and additional costs associated with funding shortfalls.
- Commitment to Fiscal Responsibility: By planning for potential overruns, we demonstrate prudent financial management and a proactive approach to project delivery.

Revised budget allocations are in Table 2 and summary of budget adjustments are referenced in Table 3.

**Table 1 - Provider Call Center & Mail Room Staffing**

<b>Fiscal Year 2024-2025 Budgeted Headcount</b>	<b>399</b>
Provider Call Center <ul style="list-style-type: none"> <li>• Local Provider Call Center Rep Roles (25)</li> <li>• Provider Call Center Managers (2)</li> </ul>	27
Mail Room <ul style="list-style-type: none"> <li>• Supervisor / Manager (1)</li> <li>• Mail Clerk (5)</li> <li>• Scanning / Indexing Roles (7)</li> </ul>	13
<b>Total New Resources</b>	<b>40</b>
<b>Revised Fiscal Year 2024-2025 Headcount</b>	<b>439</b>

**Table 2 – Revised Budget Allocation**

<b>Vendor or Initiative</b>	<b>New to Budget</b>	<b>Change Order</b>	<b>Contract Extension</b>
EMIDS	\$100,000	\$0	\$0
Deloitte	\$175,000	\$0	\$0
TTEC	\$0	\$185,000	\$0
Netmark	\$0	\$1,600,000	\$0
KP	\$0	\$250,000	\$0
NTT	\$0	\$200,000	\$0
Zyter	\$0	\$50,000	\$0
Salesforce	\$0	\$180,000	\$0
Conduent	\$0	\$0	\$8,015,354
MedHOK	\$0	\$0	\$960,000
Akkodis	\$0	\$0	\$2,550,000
Divurgent/Ellit	\$0	\$0	\$1,500,000
Current Membership Adjustment	\$2,000,000	\$0	\$0
Call Center and Mailroom FTE's	\$1,250,000	\$0	\$0
Mailroom Equipment and Software	\$550,000	\$0	\$0
<b>TOTAL</b>	<b>\$4,075,000</b>	<b>\$2,465,000</b>	<b>\$13,025,354</b>

**Table 3 - Summary of Budget Changes**

<b>Workstream Category</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Difference</b>
OOTF Go Live Support	\$1,200,000	\$0	(\$1,200,000)
Mailroom	\$1,300,000	\$800,000	(\$500,000)
Member Portal	\$1,100,000		(\$1,100,000)
CRM Day 2 / Voice of Member	\$170,000		(\$170,000)
MedHOK Extension Costs	\$500,000	\$960,000	\$460,000
Conduent Extension Costs	\$4,750,000	\$8,015,354	\$3,265,354
GCHP IT Labor: Hypercare & Day 1 Extracts & Reports	\$977,000	\$2,550,000	\$1,573,000
OPS (Labor)		\$1,500,000	\$1,500,000
Provider Call Center OPS (Labor)		\$1,000,000	\$1,000,000
Vendor Change Orders		\$2,465,000	\$2,465,000
EMIDS/Deloitte Support		\$275,000	\$275,000
Scaling for membership		\$2,000,000	\$2,000,000
Subtotal	\$9,997,000	\$19,565,354	\$9,568,354
10% Contingency		\$1,956,535	\$1,956,535
<b>Total Cost</b>	<b>\$9,997,000</b>	<b>\$21,521,889</b>	<b>\$11,524,889</b>

**FISCAL IMPACT:**

The revised FY2024/25 costs for OOTF reflect an increase of \$11.5M. We will be reevaluating and reprioritizing spend across the organization to offset a portion of this incremental cost. The initial fiscal impact will be presented as part of the Revised Budget Overview presentation at the Strategic Planning Session to be held in December 2024. The final fiscal impact will be detailed as part of the Revised Budget to be presented in January 2025.

**RECOMMENDATION:**

It is GCHP's recommendation that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission to approve the execution of additional contract authorizations with the vendors listed above and approve the revised amount of \$21.5M (adding \$11.5M which includes contingency of 10%) to the Operations of the Future budget.

Change order documents are available upon request.

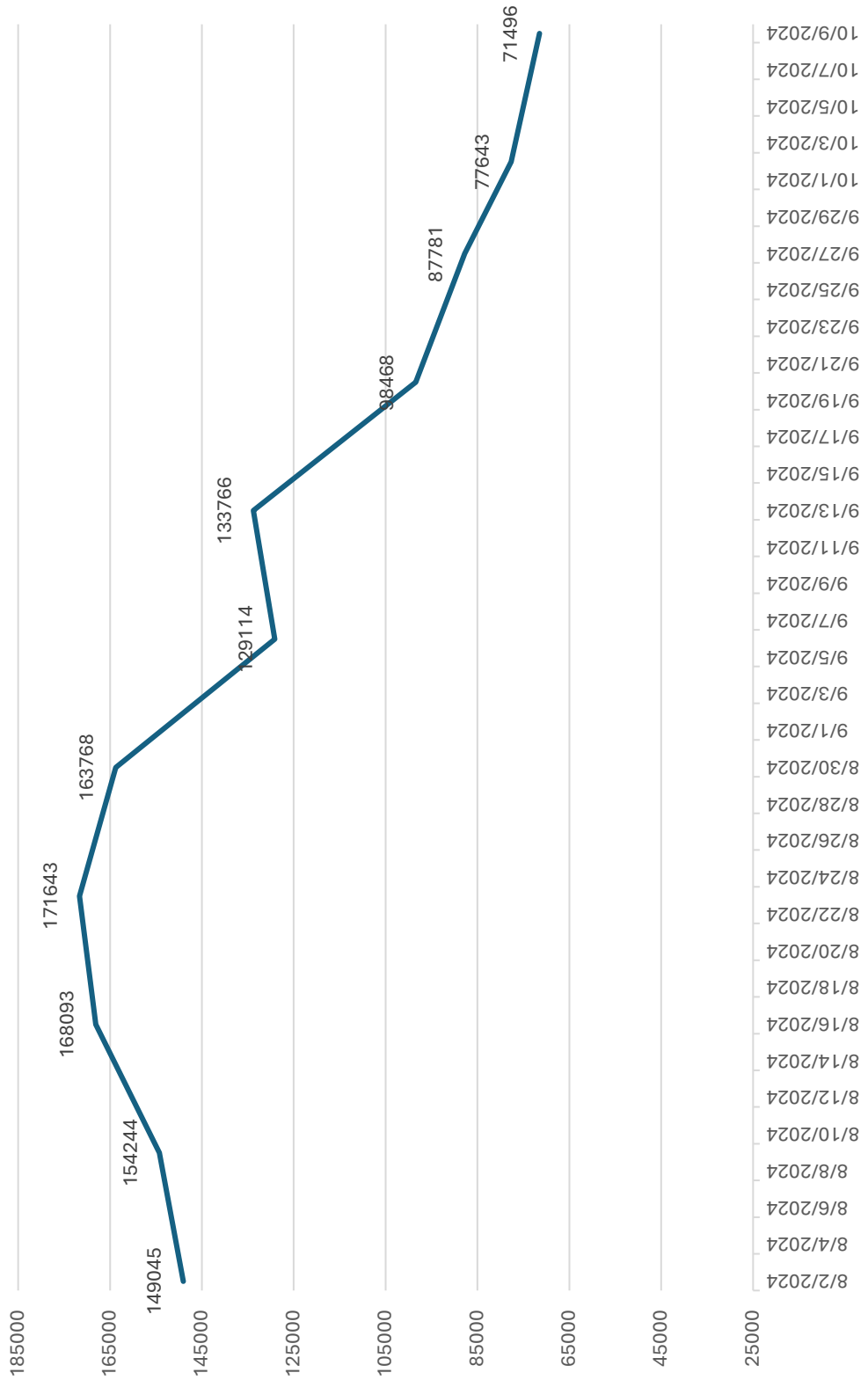
# **Operations of the Future Remediation Timeline**

## **Executive Finance Committee**

**Alan Torres, Chief Information and System Modernization Officer**  
**Anna Sproule, Executive Director, Operations**

# Inventory Trending

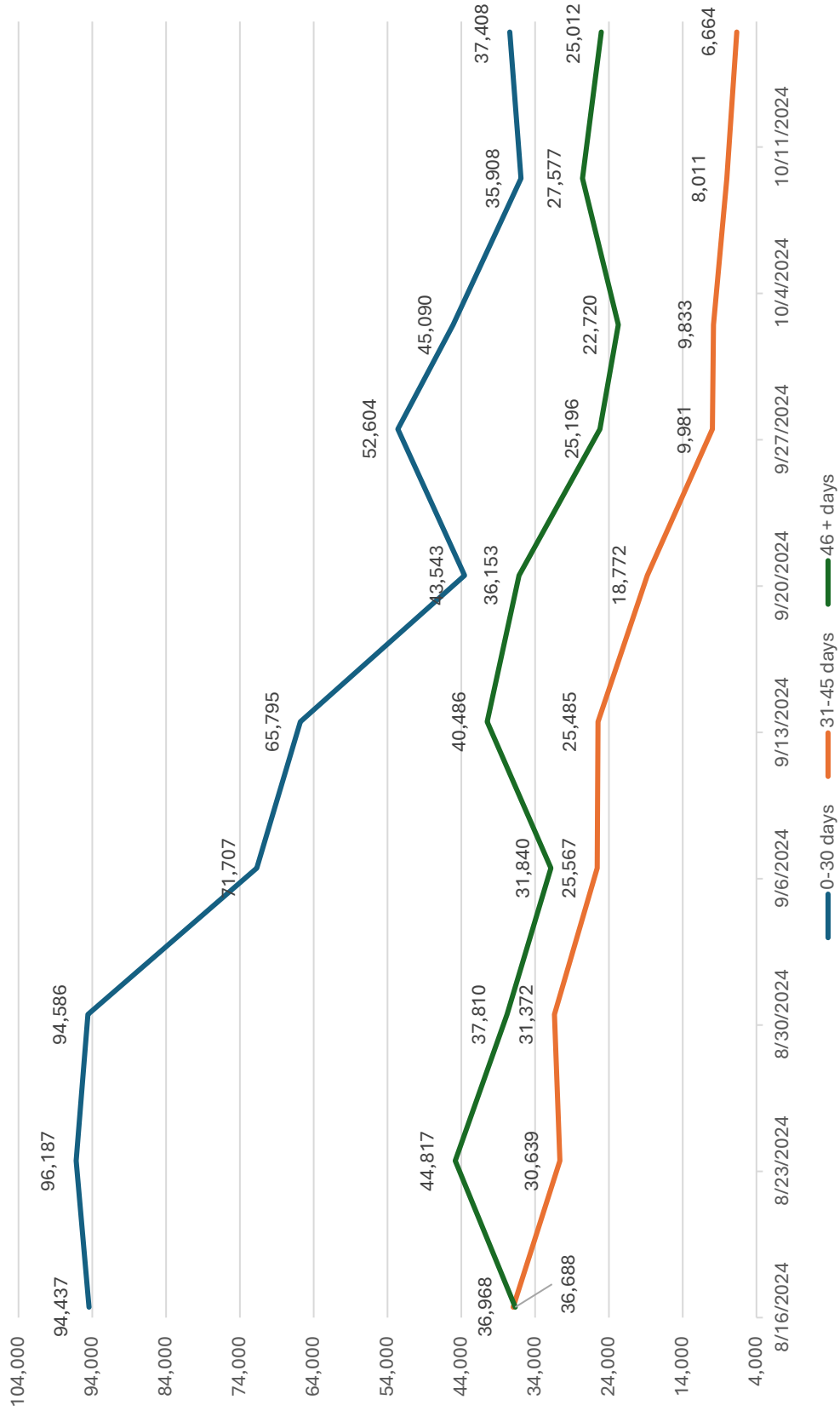
Pended Total Claims Inventory

































# Inventory Trending - Aging

Pended Claim Aging Trend


























# Stabilization Roadmap

	WE 9/28	WE 10/5	WE 10/12	WE 10/19	WE 10/26
 Collect data, establish access to key data sources and environments					
 Define Stability & Performance Goals					
 Leadership Alignment to Stabilization Plan					
 Claims Inventory Reduction Plan Implementation					
 Supplemental Staffing (Extending 6 months min)		 Onboarding	 IT/Operations (PDR Support)		
 Stabilization Plan and Immediate Action Initiated					
 Dashboards Analytics, Tools, Reports					
 Resource and System alignment					
 Operational Optimization Targets and Roadmap					

- By week 2 we have already experienced claims backlog growth leveling.
- Weeks 2-6, quick hit changes have begun to positively impact aging reduction.

# Functional Area Roadmap

Stabilization Activity		WE 10/4	WE 10/11	WE 10/18	WE 10/25	WE 11/1
	Supplemental Staffing	Analysis of Cost 	Onboarding 			
	Claims stabilization (50% auto under 30 days)		Continued Claims Stabilization 			
	Contract Configuration		Contract config for high submitters (Top 25) 			
	835-ERA	CARC 16/96 Fixes Execute EMIDS SOW 	Migrate CMH to Edifecs 	Migrate VCMC to Edifecs 	Issue Group 3 (See Slide 8) 	
	834-Enrollment	Approval of CRs/COs & Finalize history file - ENR 		Functional Testing/Edifecs Coding 		
	Capitation	Identify Current Process 		Develop HRP Process 	Test CAP Files 	

Go to Dashboard

# **Operations of the Future Change Orders and Cost Projections**

**Executive Finance Committee**

**Alan Torres  
Anna Sproule**

# Purpose of Presentation



To present the updated financial impact to the Operations of the Future (OOTF) budget resulting from a detailed current assessment to achieve timely stabilization and sustainable success.



To detail the associated cost increases and seek approval for the revised budget.

# Overview of Budget Changes

## Key Factors Contributing to Cost Increases

1. Operational Continuity and Vendor Extensions (Stabilization)
  - Conduent Extension Costs increased by \$3,265,354 to ensure uninterrupted services needed through 3/31/25.
  - MedHOK Extension Costs increased by \$460,000 to extend critical licensing for system operations through 6/30/25, as needed.
2. Investment in Labor (Stabilization)
  - GCHP IT Labor increased by \$1,573,000 for Hypercare support through 3/31/2025.
  - OPS (Labor) and Provider Call Center OPS (Labor) added a total of \$2,500,000 to expand operational capacity and improve service delivery.
3. Vendor Change Orders (Stabilization)
  - New allocation of \$2,465,000 for necessary vendor change orders to stabilize systems and implement enhancements.

# Overview of Budget Changes (continued)

## Key Factors Contributing to Cost Increases

1. New Initiatives
  - EMIDS & Deloitte Support added with \$275,000 for additional consulting services to rapidly advance data stabilization and validation.
2. Current Membership Adjustment
  - Additional Costs of \$2,000,000 to accommodate current membership for all Per Member/Per Month vendor agreements.
3. Day 2
  - Future optimization related costs are not included in these budget changes associated with stabilization and will be brought to the Commission's attention when needed.



# Overview of Budget Changes (continued)

## Key Factors Contributing to Cost Increases

1. New Initiatives
  - EMIDS & Deloitte Support added with \$275,000 for additional consulting services to rapidly advance data stabilization and validation.
2. Current Membership Adjustment
  - Additional Costs of \$2,000,000 to accommodate current membership for all Per Member/Per Month vendor agreements.
3. Day 2
  - Future optimization related costs are not included in these budget changes associated with stabilization and will be brought to the Commission's attention when needed.

# Contingency

## Inclusion of 10% Contingency for Program Overrun:

- **Standard Practice in Project Management:** Including a contingency budget is customary to account for unforeseen expenses and risks that may arise during project execution.
- **Risk Mitigation:** The 10% contingency allows us to address unexpected challenges without compromising project scope, quality, or timelines.
- **Financial Stability:** It ensures financial stability throughout the project, preventing delays and additional costs associated with funding shortfalls.
- **Commitment to Fiscal Responsibility:** By planning for potential overruns, we demonstrate prudent financial management and a proactive approach to project delivery.

# Summary of Budget Adjustments

Workstream Category	Original Budget	Revised Budget	Difference
OOTF Go Live Support	\$1,200,000	\$0	(\$1,200,000)
Mailroom	\$1,300,000	\$800,000	(\$500,000)
Member Portal	\$1,100,000	\$0	(\$1,100,000)
CRM Day 2 / Voice of Member	\$170,000	\$0	(\$170,000)
MedHOK Extension Costs	\$500,000	\$960,000	\$460,000
Conduent Extension Costs	\$4,750,000	\$8,015,354	\$3,265,354
GCHP IT Labor: Hypercare & Day 1 Extracts & Reports	\$977,000	\$2,550,000	\$1,573,000
OPS (Labor)	\$0	\$1,500,000	\$1,500,000
Provider Call Center OPS (Labor)	\$0	\$1,000,000	\$1,000,000
Vendor Change Orders	\$0	\$2,465,000	\$2,465,000
EMIDS/Deloitte Support	\$0	\$275,000	\$275,000
Scaling for membership	\$0	\$2,000,000	\$2,000,000
Subtotal	\$9,997,000	\$19,565,354	\$9,568,354
10% Contingency		\$1,956,535	\$1,956,535
<b>Total Cost</b>	<b>\$9,997,000</b>	<b>\$21,521,889</b>	<b>\$11,524,889</b>

# Overview of Staff for Mailroom and Provider Call Center



**Provider Call Center (27)**

- Local Provider Call Center Rep Roles (25)
- Provider Call Center Managers (2)



**Mailroom (13)**

- Supervisor / Manager (1)
- Mail Clerk (5)
- Scanning / Indexing Roles (7)



**439**  
Employees

Fiscal Year 2024-25 Budgeted Headcount	399
Provider Call Center	27
Mail Room	13
Total New Resources	40
Revised Fiscal Year 2024-25 Headcount	439

# Request for Approval

## **Our Commitment Going Forward - Transparency and Accountability**

- We will provide consistent and detailed monthly updates on budget utilization and project milestones.
- We will keep the commission fully informed about significant developments and insights.

## **Conclusion**

- After a thorough and realistic assessment, the GCHP management team believes the proposed investments are essential to stabilize our systems and elevate our ability to serve members and providers effectively.

## **Request for Approval: Revised Budget of \$21.6M (additional \$11.6M, including 10% Contingency)**

It is GCHP's recommendation that the Executive Finance Committee recommend the Ventura County Medi-Cal Managed Care Commission to approve the execution of additional contract authorizations with the vendors listed in the staff report and approve the revised amount of \$21.6M to the Operations of the Future budget.

Change order documents are available upon request.