Gold Coast Health Plan[SM]
A Public Entity

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

Executive Finance Committee

Regular Meeting
Thursday, April 18, 2024 – 2:00 p.m.
711 E. Daily Drive, Suite110 Camarillo CA.
Community Room
Members of the public can participate using the Conference Call Number below.
Conference Call Number: 805-324-7279
Conference ID Number: 935 045 756 #

Clinicas del Camino Real Inc.
1040 Flynn Rd.
Camarillo, CA 93012

233 Corte Linda
Santa Paula, CA 93060

2220 E. Gonzales Road, Suite 210B
Oxnard, CA 93036

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. 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 special meeting minutes of February 22, 2024

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented.

FORMAL ACTION

2. Quality Based Funding and Financial Impact

Staff: Erik Cho, Chief Policy & Programs Officer
Felix Nunez, M.D., Chief Medical Officer
Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests the Committee review information and provide feedback to staff for budgeting and planning purposes.

3. Fiscal Year 2024/2025 Budget Framework and Principles

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests the Executive Finance Committee review information and provide feedback to staff for budgeting and planning purposes.

4. February Year to Date Financial Results

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests the Executive Finance Committee approval of the February year-to-date financial results.

CLOSED SESSION

5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

6. CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Executive Finance Committee
Unrepresented employee: Chief Executive Officer

ADJOURNMENT

A special meeting is scheduled to be on held on May 16, 2024, at 3:00 p.m., in the Community Room located at GCHP 711 E. Daily Dr. Suite 110, Camarillo, CA 93010

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 - Clerk of the Board

DATE: April 18, 2024

SUBJECT: Meeting Minutes for special meeting minutes of February 22, 2024

RECOMMENDATION:

Approve the minutes.

ATTACHMENTS:

Copies of the Executive Finance Committee special Executive Finance Committee meeting minutes of February 22, 2024.

Ventura County Medi-Cal Managed Care Commission (VCMMCC)
Executive/Finance Committee
Special Meeting via Teleconference/In Person

February 22, 2024

CALL TO ORDER

Committee Chair Dee Pupa called the meeting to order at 3:03 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, Laura Espinosa, and Dee Pupa

Absent: Commissioners James Corwin, and Jennifer Swenson.

GCHP Executive Team in attendance: CEO Nick Liguori, CHR Paul Aguilar, CPPO Erik Cho, CIO Eve Gelb, CCO Robert Franco, CFO Sara Dersch, CIO Alan Torres, CMO Felix Nunez, M.D., CDO Ted Bagley, and General Counsel, Scott Campbell.

GCHP Staff In attendance: Susana Enriquez-Euyoque, Bob Bushey, Lupe Gonzalez, Kim Timmerman, Kim Marquez-Johnson, Lucy Marrero, Kevin Ortloff, Josephine Gallella, Lily Yip, Michael Mitchell, Vicki Wrighster, Michelle Espinosa, and Consultant Amit Jain.

PUBLIC COMMENT

None.

CONSENT

1. Approval of Executive Finance Committee special meeting minutes of November 16, 2023.

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Approve the minutes as presented.

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

AYES: Commissioners Anwar Abbas, Laura Espinosa, and Dee Pupa

NOES: None.

ABSENT: Commissioners James Corwin, and Jennifer Swenson.

The clerk declared the motion carried.

FORMAL ACTION

2. Notice of Non-Award, Lot 2 Request for Proposal Number GCHP05012023, Lot 2, Mailroom Services

Staff: Alan Torres, Chief Information & System Modernization Officer
Paul Aguilar, Chief of Human Resources & Organization Performance Officer

RECOMMENDATION: It is the Plan's recommendation that the Executive Finance Committee recommend that the Ventura County Medi-Cal Managed Care Commission approve continuing these services with Conduent for six, (6) months for an amount not to exceed $650,000 and reject all bids and notify the bidders of a non-award of this contract.

Chief Information & System Modernization Officer, Alan Torres noted that this was the ninth and final RFP for the Operations of the Future Program. He stated that in this recommendation, we reject all bids that were received and approve continuing the mailroom services with Conduent for an extension of a six-month period which would start on July 1, 2024, carrying us through, and getting us into position to take the services on beginning January 1, 2025. The cost of the six-month extension is approximately $650,000 and entails transitioning our current outsourced mailroom functions to an in-house setup. This will enable us to get better control of our functions and improve processing turn-around time, optimizing our resource allocations.

CIO Torres stated that as part of the mail room service strategy there will be a small RFP that we will conduct in the following months to procure our technology capabilities that support the mailroom function such as imaging and scanning documents.

The intent was to integrate this with our core admin capability, which is identified under RFP #2.

CIO Torres reviewed a timeline of when we want to evaluate the technology. He noted that we do want to go out to bid for that technology component. We want to follow the activities to get ready to be able to support the in-house by the end of this year, if not sooner. CIO Torres reviewed the fiscal impact which is projected not to exceed

$650,00. He also reviewed the vendors that bid on the work, and he noted that insourcing these services will result in a lower annual reoccurring cost.

Committee Chair, Dee Pupa stated documents are key to compliance and she appreciated how we move forward with this item.

Commissioner Abbas motioned to approve agenda item 2, noting all bids were rejected. Commissioner Espinosa seconded the motion.

AYES: Commissioners Anwar Abbas, Laura Espinosa, and Dee Pupa

NOES: None.

ABSENT: Commissioners James Corwin, and Jennifer Swenson.

The clerk declared the motion carried.

Commissioner James Corwin joined the meeting at 3:13 p.m.

3. Contract Approval - Edifecs Change Order - Encounter Management & Smart Trading Cloud Software

Staff: Alan Torres, Chief Information & System Modernization 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 contract with Edifecs Inc., to include the additional work associated with the licensing and implementation of Edifecs Encounter Management and Smart Trading Cloud software. The term of the change order/contract will be 4-6 months of implementation and 5 years of production commencing March 1, 2024, and expiring on February 28, 2029, for an amount not to exceed $4.7M.

Chief Information & System Modernization Officer, Alan Torres stated one of the RFPs presented to Commission in June 2023 was for Electronic Data Interchange (EDI) capabilities.

EDI supports all of our electronic transactions, such as enrollment, processing claims, processing electronic authorizations, etc. We would like to add the encounter management module, and the Smart trading cloud software for a total amount of $4.7 million. This will cover both the implementation and a five-year annual license cost.

CIO Torres stated that when this RFP was presented to Commission last year, we identified the transactions that we need to support. The encounters solution still needed to be evaluated, and with this solution, the encounter management module does support our ability to successfully process encounters from our trading partners as well as submit critical information reports and data feeds to DHCS, as well as supply GCHP with encounter information.

CIO Torres stated the initial contract total was $8.3 million which was presented June 2023. This last step is procuring the technology support for encounter data processing. He noted that the core function of the EDI ‘s ability is to manage data files. This goes back to the manage file transfer or the smart trading capabilities to manage the files and the storage of that information. During implementation, we determined that Edifecs identified a change in the managed file capability into a separate product and it was not part of the original contract. CIO Torres noted that Edifecs has a strong relationship with DHCS to support the regulatory changes that come with encounter processing. We expect high performance and quality in our encounter data processing. We want to make sure that we are getting the best-in-class capability.

CIO Torres stated for a four to six-month implementation and a period of five years of licensed use adding these two components will not exceed $4.7 million for a total of $13 million for these two RFPs: one RFP, one change order.

We are asking for approval to execute a contract with Edifecs to include the additional work associated with licensing and implementation of Edifecs encounter management and smart trading cloud software. The terms of the change order will be four to six months for implementation and five years of production beginning March 1, 2024, and ending February 28, 2029, for an amount not to exceed $4.7 million.

Commissioner Abbas asked if the $4.7 million was not anticipated originally with the $8.3 million that was budgeted for this project. CIO Torres stated he was correct. We knew in June of 2023 that we had to address encounters processing, but we did not do it at that time. Once we got further in implementation with Edifecs, we got more insight into their enrollment module capability, and we looked at the right solution for GCHP.

Commissioner Jennifer Swenson joined the meeting at 3:22 p.m.

General Counsel, Scott Campbell stated that in June it was indicated that CIO Torres did indicate that we would come back at a later date for this work. At the time we did not know because we needed to understand what the best solution was once we had all the vendors for the operation.

Commissioner Corwin stated this is not really an addition, it is $8.3 million for the work and $8.3 million for the toll that we are going to need.
CEO Nick Liguori stated it is included in our budget. It was not allocated to this function because we had not determined how much we would need. We actually estimated much more than $4.7 million. There is approximately $10 million in the budget for these types of developments.

Commissioner Pupa stated that she recalled that we knew there would be more, but we wanted to at least "nail down" what we knew we needed. Vice Chair Espinosa stated that she agreed, we anticipated there would be additional cost.

Commissioner Corwin motioned to approve agenda item 3. Commissioner Swenson seconded the motion.

AYES: Commissioners Anwar Abbas, James Corwin, Laura Espinosa, Dee Pupa Jennifer Swenson.

NOES: None.

ABSENT: None.

The clerk declared the motion carried.

4. FY 2023-24 Financial Update – December 2023 YTD

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests that the Commission approve the December 2023 financial packages.

Chief Financial Officer, Sara Dersch stated that as a reminder we are now comparing our actual results to our reforecast. We are no longer comparing to our original budget, but to our reforecast from a financial standpoint. December was a very stable month. There was not a lot of activity within the financial results.

CFO Dersch stated we were favorable from a membership perspective by approximately 9,800 members, which emphasizes that our redetermination work has been successful.

Due to our member mix/PMPM revenue is a bit less than we expected from a medical cost perspective, we are exactly aligned with where we should be. That is a good sign which shows that we are continuing to spend the dollars that we have allocated for not just access to care, but also for the quality programming. We have stayed consistent.

In general, and administrative expenses, we are only $35,000 off. This shows how mindful we have been in keeping those expenses under control because we know that the emphasis has to be on access to care and quality of care.

From a full asset perspective, we have a year-to-date net increase of $45.4 million in our assets.

CFO Dersh reviewed the financial summary. There is 9,868 members favorable from a revenue perspective our PMPM is $340.19 it is a bit less than what we expected. She reviewed the membership breakdown between categories or aid showing which of the categories of aid are favorable and which were not meeting where we thought we had been.

Our adult expansion, which is a healthier population, we have more that we thought. We do get less money for those than for our higher acuity population. There was an increase in medical costs, which is expected because we have an increase in members. Our PMPM is down a bit; it is at 84.4% which is in with the 85%.

We did have an overspend in the project portfolio. Our net income was $4.3 million compared to a reforecast amount of $3.9 million. We see from our reforecast that our projections were spot on.

CFO Dersch noted there is news: we have an ever-changing landscape. We are not sure what might happen from day to day in a government sponsored Medi-Cal plan. We received notification that DHCS would be doing a take back of revenue associated with calendar year 2023. They are taking back $16.1 million due to redetermination not starting in April. Combined with that is the acuity that DHCS is calling the leaving members. started in July. This means that we got two additional months of revenue and DHCS stated they want that money back. We had to give back two additional months, but we also had to give back more because the members that left were healthier. The $16.1 million take back has been booked for the month of February. This did affect every county across the state. We originally estimated this take back to be a .15%, the final percent is 1.95%, but we have sufficient TNE.

We do now have a minimum threshold of 700% maintenance, which means we will keep 700% of the required TNE. We have the assets to deal with this take back and ensure that there will be no impact to providers or community members.

CEO Liguori stated that the original number was not our estimate, but the state did report to all counties and health plan an original adjustment which is .5%, then later without notice they increased the adjustment. CFO Dersch confirmed that we did not expect to go from .5% to 1.95%.

CFO Dersch reviewed the actual to budget membership by category of aid. She noted that in the medical expense category long term care and in patient care with the reforecast is now in line with the actuals. The PMPM's are coming in where we

projected. Long term care SNF and inpatient continue to be the primary expense categories. We are seeing greater utilization in our adult expansion.

CFO Dersch noted that we have a healthy balance sheet, total assets of $682 million. We have a current investment in total monies held up of $524million, and we are running at approximately 4% of that.

Commissioner Pupa stated there is a need for flexibility when dealing with the state, as they change the game plan and playing field often. CFO Dersh stated that is correct, but we are in a fiscally strong position, and we will continue to do the good work that we need to do.

Commissioner Abbas motioned to approve agenda item 4. Commissioner Espinosa seconded the motion.

AYES: Commissioners Anwar Abbas, James Corwin, Laura Espinosa, Dee Pupa Jennifer Swenson.

NOES: None.

ABSENT: None.

The clerk declared the motion carried.

CLOSED SESSION

5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

6. CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Executive Finance Committee
Unrepresented employee: Chief Executive Officer

The Committee went into Closed session at 4:33 p.m.

ADJOURNMENT

There was no reportable action. The meeting adjourned at 5:42 p.m.
Approved:

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Maddie Gutierrez, MMC
Clerk to the Commission

AGENDA ITEM NO. 2 & 3

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer

Erik Cho, Chief Policy & Programs Officer

Felix Nunez, M.D., Chief Medical Officer

DATE: April 18, 2024

SUBJECT: Strategy & Budget Framework Principles

PowerPoint with
Verbal Presentation

ATTACHMENTS:

Strategy & Budget Framework Principles

Strategy and Budget Principles and Framework

Rates and Uncertainty
Regulations
Quality Imperatives
Population Acuity
FFS Reimbursement
CalAIM New Services
Competition

Reserves
Compliant and Ready Leadership
Investments in Quality and Providers
Growing Capabilities for Managing Care and Cost
Value Based Funding
CBOs and New Providers
Benchmark to Best Practices

Framework for Budget Fiscal Year 2024-25 and 3-Year Planning

Budgets bring our Mission, Vision, and Strategies to life. GCHP Management is developing a budget for the Fiscal Year (FY) 2024-25 and the 3-year period July 2024 – June 2027 that will accomplish the following in alignment with our **MISSION**:

1. **GCHP** | Ensure GCHP has the health plan capabilities necessary to meet our Mission of the best health possible, best access possible to quality healthcare, and superior experience for the members and communities we serve – for both Medi-Cal (low income vulnerable) and D-SNP (low income and/or disabled dually eligible) programs.

    - GCHP is now in the second annual budget of a multi-year transformation of health plan capabilities to meet its Mission, having historically performed low relative to other Medi-Cal local/community health plans in Mission-related measures (MCAS, CAHPS, health outcomes).

    - While always seeking to improve Quality and Satisfaction, we must also build (invest in) our capabilities to better manage medical costs to ensure long term financial viability.

2. **PROVIDERS** | Ensure we can make substantial, sustained, and transformational investments in Ventura County's delivery system of healthcare and healthcare-supportive services with the objective of increasing access to - *and provision of* - quality healthcare for the vulnerable members and communities enrolled in Medi-Cal, where and when they need the care and services.

3. **MEMBERS** | The primary purpose of our work and the fundamental principle that guides us in how we do that work is better health for our members and communities. Our members will be the main beneficiaries of all our many and major efforts to crate a more capable health plan and greater access to needed care across the healthcare system.

Return to Agenda

Budget FY 2024-25 | Commitments

- Management's objective with the budget is to optimize quality care for our members and to ensure the long-term viability and success of GCHP. We do this by ensuring the Ventura County Medi-Cal delivery system has funding to achieve high standards of access and quality care.
- Transparency is a paramount commitment by Management to Commission.
- Management's aim is to provide all information that supports the Commission in making budget decisions compliant with their fiduciary duty, legal requirements and accountability for the health plan's viability and success.
- GCHP continuous improvement: Per best practice, Management is engaging the Commission earlier (April) and more meaningfully in the budget process than ever before.

Management values feedback from Commissioners and we are available to answer questions and take in your feedback at any time.

Budget FY 2024-25 | Compliance and Legal Review

- ✓ GCHP Management desires to ensure the fullest funding possible to the Ventura County's Medi-Cal healthcare delivery system, and our funding programs since 2022 demonstrate this commitment.
- ✓ GCHP Management's funding programs are rooted in fundamental principles:
  - We are entrusted with the best use of taxpayer funds.
  - Funding for healthcare services must be adequate for safety net providers dealing with inflationary cost trends.
  - Funding must provide value (access, quality, outcomes) to the health plan and our membership as well as to our State and federal regulators who determine funding and its purpose.
  - Funding must always be compliant with state and federal laws/regulations that define permissible use of funds.
  - Funding must always be reasonable relative to value, services, market standards, industry practices, etc.
- ✓ Compliance is paramount under all circumstances. Compliance under the Corporate Integrity Agreement requires the highest standards of compliance.
- ✓ These slides describe GCHP's plans. BBK (Leeann Habte) on behalf of GCHP is performing a comprehensive legal review of all provider funding, including Quality Incentives, Reimbursement Arrangements, and Grants for compliance with federal and State laws and GCHP's Corporate Integrity Agreement with the Office of the Inspector General. This expert-based review includes consultation with an outside consultant with specialized expertise in value-based funding programs.

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Budget FY 2024-25 | Process and Timeline

April 2024 Key Dates and Deliverables

- April 18th – Executive Finance Committee presentation on background, context, concepts, and process for Budget FY 2024-25 and 3-Year Plan. Staff request: questions and feedback.
- April 22nd – Commission presentation on the same. Staff request: questions and feedback.

May 2024 Key Dates and Deliverables

- May 16th – Executive Finance Committee presentation on preliminary Budget FY 2024-25 and 3-Year Plan. Staff request: questions and feedback.
- May 20th – Commission presentation on the same. Staff request: questions and feedback.

May 17th to June 14th – 1:1s with Executive Finance Committee

June 2024 Key Dates and Deliverables

- June 20th—Executive Finance Committee presentation on proposed final Budget FY 2024-25. Staff request: recommendation.
- June 24th—Commission presentation on the same. Staff request: approval.
- June 25th—Management begins new budget implementation.

April 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6
8	9	10	11	12	13
15	16	17	18 Executive Finance Committee	19	20
22 Commission	23	24	25	26	27
29	30				

May 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4
6	7	8	9	10	11
13	14	15	16 Executive Finance Committee	17	18
20 Commission	21	22	23	24	25
27 Executive Finance 1:1's	28 Executive Finance 1:1's	29 Executive Finance 1:1's	30 Executive Finance 1:1's	31 Executive Finance 1:1's	

June 2024

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1
3 Executive Finance 1:1's	4 Executive Finance 1:1's	5 Executive Finance 1:1's	6 Executive Finance 1:1's	7 Executive Finance 1:1's	8
10 Executive Finance 1:1's	11 Executive Finance 1:1's	12 Executive Finance 1:1's	13 Executive Finance 1:1's	14 Executive Finance 1:1's	15
17	18	19	20 Executive Finance Committee	21	22
24 Commission	25	26	27	28	29

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Budget FY 2024-25 | TNE Industry Perspective

GCHP Management desires to invest some reserves in value-based financing of the Ventura County healthcare delivery system. The Plan is outlined in the following slides. Here is an updated view of TNE across the Medi-Cal industry.

Industry Perspective | Tangible Net Equity by Medi-Cal Managed Care Plan (as % of required TNE)

Source: "Financial Summary of Medi-Cal Managed Care Plans (Quarters Ending June 30, 2023 and September 30, 2023); GCHP source is internal financial reporting.
Non-Governmental Medi-Cal Plans not included - reserves are generally kept at parent

	June 2022	December 2022	June 2023	September 2023
Kaiser Foundation Health Plan		2154%	2209%	2252%
CalOptima	1340%	1482%	1556%	1577%
Health Plan of San Joaquin	988%	1220%	1447%	1381%
Scan Health Plan	1352%	1332%	1306%	1318%
Health Plan of San Mateo	977%	1268%	1275%	1241%
Central California Alliance for Health	1092%	1156%	1180%	1211%
Gold Coast Health Plan	482%	750%	1094%	1025%
L.A. Care Health Plan	716%	690%	789%	954%
CalViva Health	789%	838%	853%	866%
CenCal Health	563%	666%	811%	820%
Inland Empire Health Plan	725%	712%	794%	796%
Kern Health Systems	545%	623%	729%	741%
Alameda Alliance	605%	677%	758%	737%
Partnership HealthPlan	784%	829%	771%	729%
San Francisco Health Plan	1024%	1413%	784%	710%
Santa Clara Family Health Plan	585%	640%	716%	654%
Contra Costa Health Plan	554%	585%	617%	604%

Kaiser and SCAN are shown for additional perspective. Kaiser is included as it is now a fully licensed Medi-Cal Managed Care Plan. SCAN is a standard bearer for managing D-SNP. GCHP will be responsible for fiscally managing D-SNP and its reserves in the next budget year (FY ‘25-’26).

GCHP ranks near the middle as compared to other Medi-Cal Plans. GCHP TNE declined slightly due to changes in total assets and liabilities.

Preliminary 2024 financial reports are that LA Care will exceed GCHP’s position in Year End rankings due to its pace of reserve growth.

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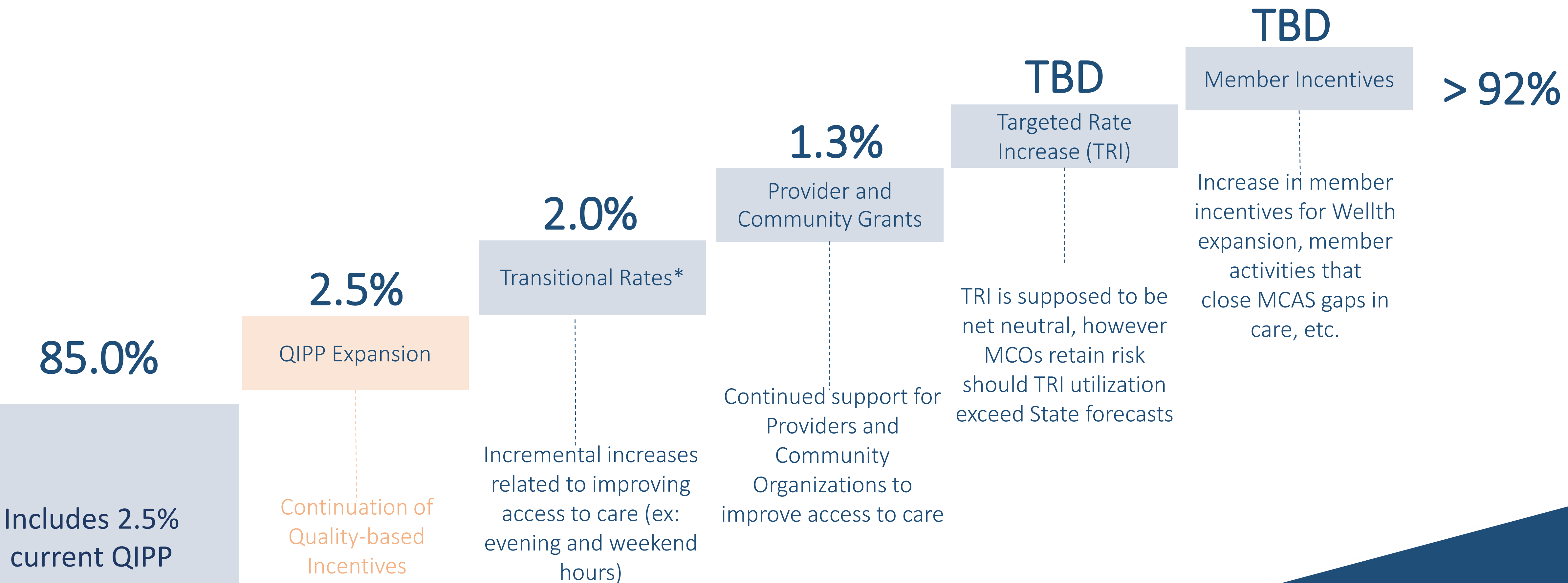
Budget FY 2024-25 | MBR Components



Budget FY 2024-25 | Actuarial Unit Cost Comparison

- This analysis of GCHP Unit Cost vs. those of other Southern California Medi-Cal regions (7 counties, 7 Medi-Cal Managed Care Plans) provides valuable insight for forecasting future premium rates. This analysis of unit cost closely approximates a comparison of reimbursement rates.
- Key to future rate development will be the maintenance of traditional FFS spending that is "in line" with spending across Medi-Cal plans. **Outlier FFS spending is at risk of not being fully reimbursed as DHCS looks to create greater regional cost parity.**
- Regional rate setting will replace individual plan rate setting in the near future. GCHP Management is actively preparing our reimbursement program to succeed in this new premium paradigm – **a focus on value/quality is one way to ensure long term success** (both financial success and Mission success).
- Key findings of the analysis strongly support Management's plan to focus spending increases for the greatest Quality (MCAS) impact:
    1. **MCAS improvements are principally achieved by greater use of outpatient primary care, specialty care, behavioral health care, and transportation to care.**
    2. **Physician Primary Care, Behavioral Healthcare, and Transportation unit costs are low relative to the industry.**

Category of Healthcare Service	GCHP Percentile (100% = Highest Rate in Region)
Inpatient Hospital	100.0%
Hospice	93.2%
Laboratory and Radiology	91.9%
CBAS	83.7%
BHT Services	76.6%
FQHC	76.6%
Physician Specialty	76.5%
Long-Term Care	75.4%
Emergency Room	61.5%
Other Medical Professional	56.6%
Outpatient Facility	55.2%
Mental Health - Outpatient	46.1%
All Other (small category $-wise)	37.6%
Physician Primary Care	37.2%
Home and Community Based Services	34.9%
Transportation	33.7%
Overall	71.6%

Costs are for the adult population and excludes the impact of population acuity and utilization. Counties include Kern, Los Angeles, Riverside, Santa Barbara, San Bernardino, San Luis Obispo, and Ventura.

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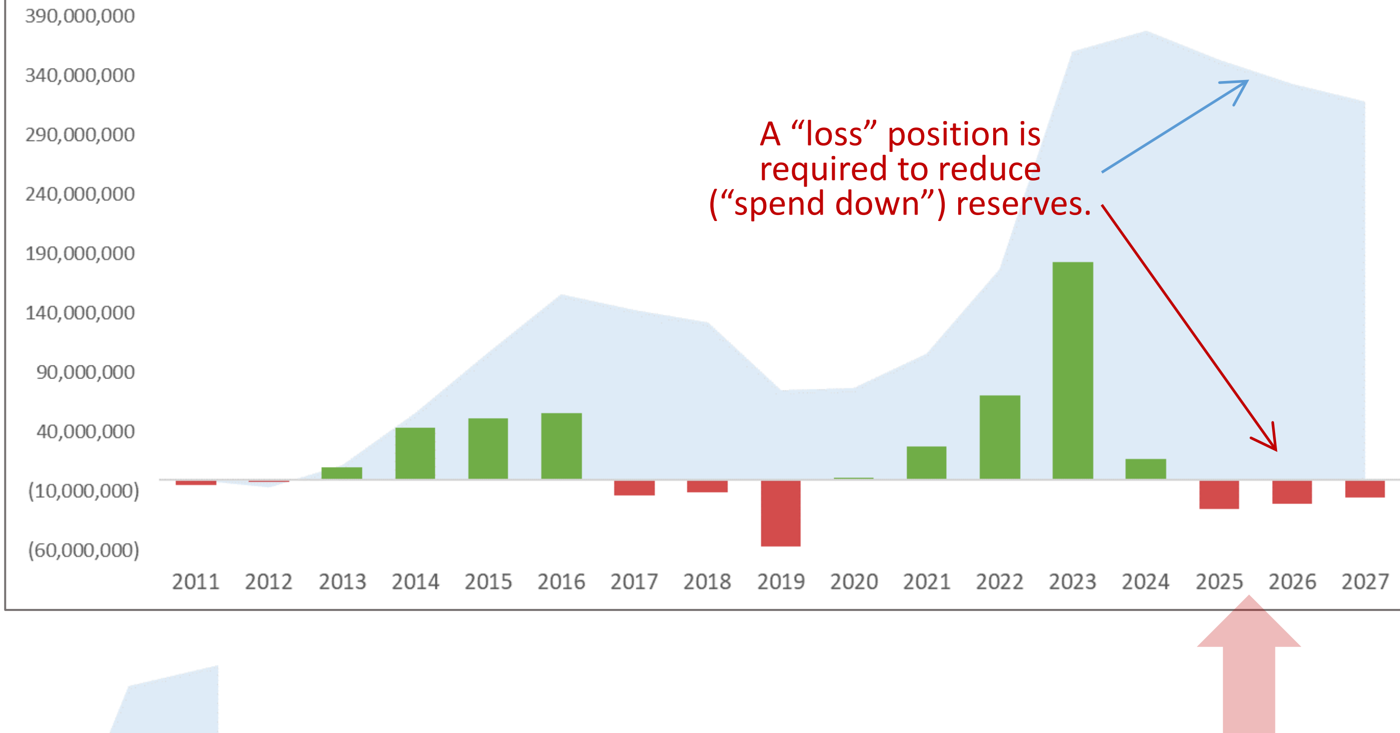
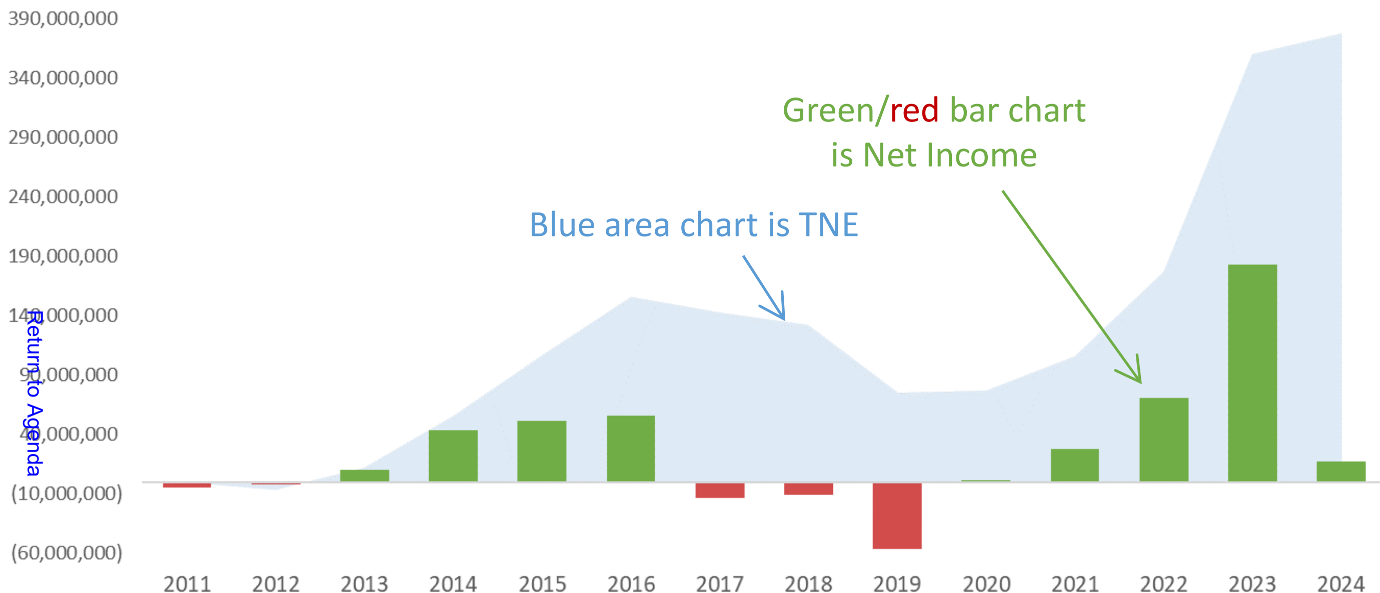
Income and TNE Position

- Net Income adds to or reduces health plan reserves – adds to if Net Income is positive, reduces if negative. You can see the historical relationship in the chart below – when Net Income is positive, reserves grow by that amount; conversely, "losses" reduce reserves.





- To achieve a spend down of some Unrestricted Reserves (i.e., not in the 700% of TNE Policy), GCHP must go into a negative Net Income ("loss") position.

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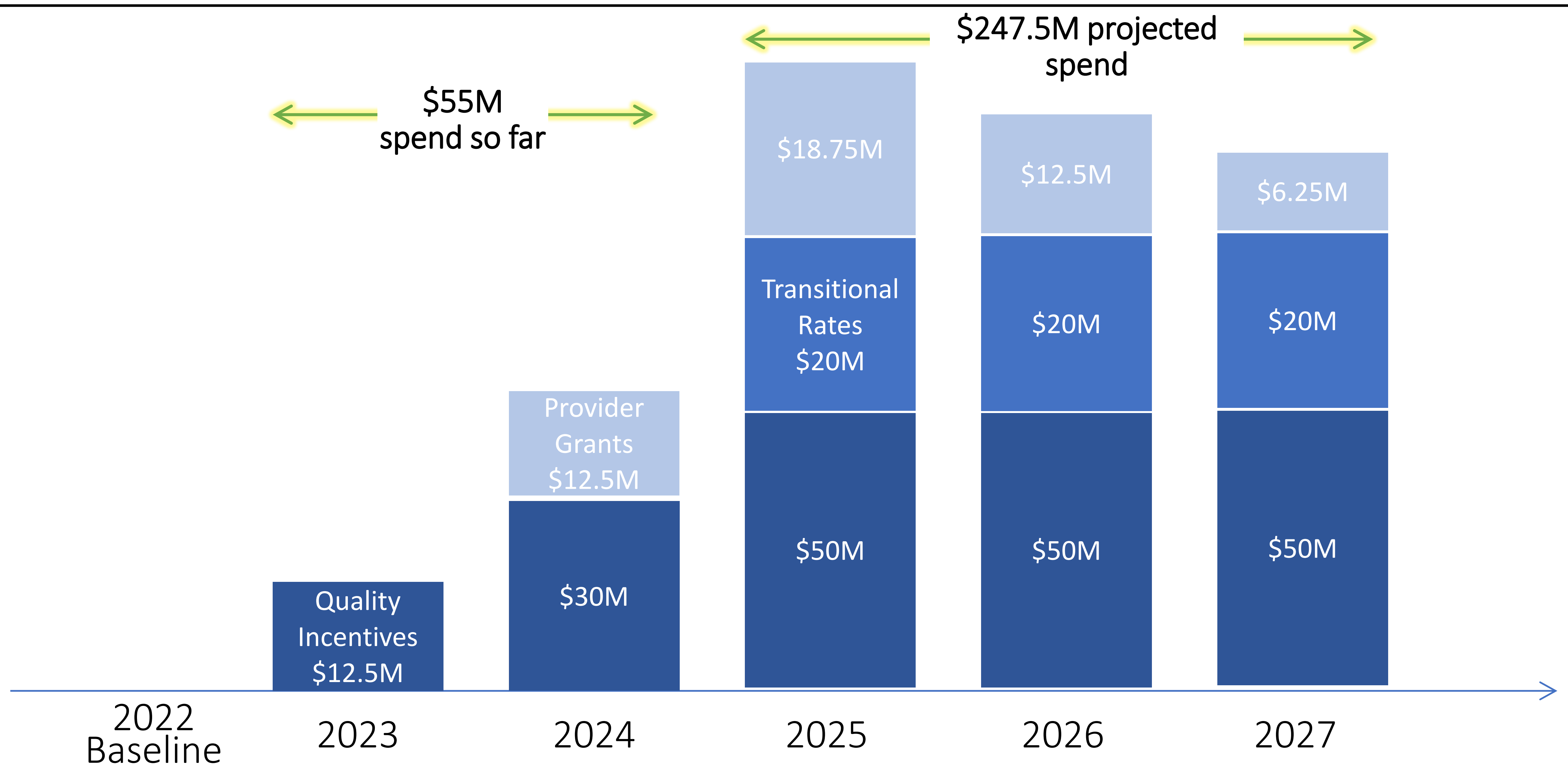
Budget FY 2024-25 | TNE Composition and Planning

		Today	Management Analysis
1025%	Unrestricted Reserves 325%	$60M	GCHP Management proposes to plan for a $60M reduction in reserves over the next 3 budgets (spanning July 2024 – June 2027) in the form of compliant and value-based funding for providers.
		$60M	D-SNP expenses (provider and administrative) are highly sensitive to minor changes in our modeling assumptions. Slightly adverse developments increase magnitude of losses. These are expected losses for D-SNP (actuarially developed) which has been filed with DMHC in its Knox Keene license application.
	Restricted Reserves 700%	$258M	These funds are restricted for maintenance of adequate reserves for long term viability of GCHP. These funds were established as GCHP TNE Reserve by Commission approval of the FY 2023-24 Budget (current year). For Medi-Cal alone, this provides for adequate long-term thinking and planning and investments to GCHP and providers. For Medi-Cal AND D-SNP combined, these reserve levels are inadequate. Management recommends adding to these reserves to meet satisfactory TNE for both programs.

GCHP Management Recommended Actions

- ✓ We seek to invest in providers through enhanced Quality-based funding. To do this, we must plan for 3 years of losses. We will course correct if rates and/or medical cost pressures trend adversely to forecast.
- ✓ GCHP Management and Actuaries recommend combining D-SNP TNE and Medi-Cal TNE to account for combined reserve needs.
- ✓ GCHP's actuarial model for D-SNP financial performance filed with the Knox Keene application expects $30M cumulative losses Years 1-3.
- ✓ An additional $30M reserves (on top of $30M expected losses) is prudent due to significant uncertainty in D-SNP performance/losses in 2026-2029.
- ✓ GCHP is entering a period of industry-wide anticipated premium pressures.

Budget FY 2024-25 | Quality-Focused Funding Increase 23-27



Return to Agenda

Budget FY 2024-25 | Quality-Focused TNE Investment

Program	FY 2024	FY 2025	FY 2026	FY 2027
PCP Quality Improvement Programs Up To:	$30M	$35M	$35M	$35M
Hospital and other incentives which may include Specialty, Long Term Care and Behavioral Health Integration Up To:		$15M	$15M	$15M
Transitional Rates Up To:		$20M	$20M	$20 M
Provider and Community Grants Up To:	$12.5M	$18.75M	$12.5M	$6.25 M

GCHP's financial targets will drive Quality and Access through provider investments aligned with Commission- Approved spend.

- **Quality Incentives:** $10 MQIPP Expansion to roll out this FY with incentive programs across other provider areas in development.
- **Transitional Rates:** These rates will be impacted, as much as possible, by quality, access to care, and transitions of care activities and improvements.
- **Provider and Community Grants:** We aim to deliver early on the $25M, 2–3-year commitment made starting in FY 23-24 and provide an additional $25M in funding through FY 2027.

D-SNP/Medicare Forecast Impact on TNE

Model Assumptions	Knox Keene Filed Scenario	Lower Stars Higher Reimbursement	Higher Membership, Lower Stars, Lower Savings Higher Reimbursement
Membership by Year 3	5,190	5,190	13,080
CMS Quality Star Rating	4	3.5	3.5
Managed Care Savings (from “unmanaged FFS”)	20%	20%	15%
Provider Reimbursement (% of Medicare Fee Schedule)	102.5%	105%	105%
3- Year Cumulative Losses	-$17M	-$39M	-$60M or more*

* Management is working with actuaries on additional scenario planning

Budget FY 2024-25 | Key Terms (1 of 2)

CMS Quality Star Rating: The Medicare equivalent of the DHCS Managed Care Accountability Set (MCAS). Ratings focus on health plan quality based on measurements of customer satisfaction and the quality of care a plan delivers. Plans are rated on a scale of one to five, with one star representing poor performance and five stars representing excellent performance.

D-SNP: A special needs plan (SNP) is a Medicare Advantage (MA) coordinated care plan specifically designed to provide targeted care and limit enrollment to special needs individuals. A Dual Eligible Special Needs Plans (D-SNPs) is a type of SNP that enrolls individuals who are entitled to both Medicare and Medicaid (Medi-Cal in California).

Medical Benefit Expense: Costs for medical, dental, vision, transportation, meals, and other covered supplemental benefits.

Medical Benefit Ratio (MBR): Ratio of Medical Benefits to Premium Revenue; the percentage of state revenue that is spent on medical care.

Medicare Fee Schedule: A complete listing of fees used by Medicare to pay doctors or other providers/suppliers. This comprehensive listing of fees used to reimburse a physician and/or other providers on a fee-for-service basis.

Medical Management Savings: Savings generated from health plan activities related to the medical management of health services as compared to the Medicare Fee-For-Service costs.

Net Income: The remaining profit or loss after all expenses have been subtracted from all revenues. The Net Income increases reserves if positive or reduces reserves if negative.

Budget FY 2024-25 | Key Terms (2 of 2)

Premium Revenue: Amount received from the State to provide medical care and other covered services to GCHP members.

Quality Incentive Pool and Program (QIPP): A focused effort to direct funding to Providers for the achievement of Quality measures.

Restricted Reserves: The portion of Tangible Net Equity (TNE) that GCHP is required by policy to maintain (i.e. not be used). For GCHP's existing line of business (Medi-Cal), this amount is currently set at 700% of the Department of Health Care Services (DHCS) required minimum TNE.

Tangible Net Equity (TNE): GCHP total assets (cash, physical property, amounts we are owed) less total liabilities (both realized and incurred, such as amounts GCHP owes to pay current claims, vendors, personnel, etc). GCHP is required to maintain the DHCS formula-derived minimum TNE to ensure continuity of payments and services.

Targeted Rate Increase: To improve access to care, quality and equity, the California Department of Health Care Services (DHCS) is increasing rates to 87.5% of Medicare for certain Medi-Cal services.

Unrestricted Reserves: The portion of GHCP's TNE above and beyond the Commission-specified minimum. The unrestricted reserves will be used to cover expected losses in the first years of D-SNP as well as the quality-related funding for providers and other Commission-approved uses.

Value-Based Care: Care that ties the amount providers earn to the results they deliver for their patients, such as the quality, access and equity.

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AGENDA ITEM NO. 4

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer

DATE: April 18, 2024

SUBJECT: February Year-to-Date Financial Results Presentation

PowerPoint with Verbal Presentation

ATTACHMENTS:

February 2024 Financial Results

Gold Coast Health Plan[SM]
A Public Entity

February 2024 and Year to Date Financial Results

Executive Finance Committee
April 18, 2024
Sara Dersch, Chief Financial Officer

Integrity
Accountability
Collaboration
Trust
Respect

711 East Daily Drive, Suite 106, Camarillo, CA 93010 www.goldcoasthealthplan.org

February Year to Date (YTD) Financial Results Summary

- GCHP’s YTD results continue to reflect strength of the health plan’s financial performance, though margin is significantly diminished relative to the PHE era, as forecasted by Management and the Industry.
- Management continues to see – and forecast – significant uncertainty in Medi-Cal. This will manifest in many ways, including an impossible-to-predict revenue environment (driven by State budget shortfalls) which can frustrate our ability to accurately project financial performance.
- Indeed, uncertainty is being felt now through unplanned retroactive revenue “take backs.”
- Membership remains stronger than expected as Ventura County’s redetermination collaboration (Human Services Agency, GCHP, CBOs, and more) is producing better results than the state overall and nearly all other counties.
- The 2024 expansion of Medi-Cal eligibility provides full-scope benefits to adults ages 26 through 49 regardless of immigration status. GCHP has already seen 17,000 of these expansion individuals enroll (of the approximately 23,000 eligible), which is better than expected and a welcomed development in our service to the communities. That said, Medi-Cal pays lower premium rates for this newly eligible population than it does for other adults, which creates near-term and long-term rate adequacy questions – GCHP and the industry are advocating for better rates.

February Year to Date (YTD) Financial Results Summary

(continued)

- Quality improvement efforts are on track. Year-end Quality results (MCAS) are expected to be above high targets overall and the Quality Incentive Pool and Program (QIPP) is producing system-wide plan-provider collaboration that should have lasting impact.
- In fact, Management projects that all potential QIPP funds will be earned by providers – an outstanding outcome. Reflecting this, Management released more "upfront" funds to participating providers, thereby enhancing their wherewithal to reinvest in access and quality initiatives and to otherwise support their operational/financial needs.
- Management is tracking and analyzing the continued growth inpatient and long term care costs. Along with Quality investments, these are the key drivers of benefit spend. We do know that planned reimbursement rate increases ("unit cost") are contributing to this cost growth.
- There will always be economic events that we cannot fully foresee (ex: DHCS retroactive revenue "take backs") and Management will continue to diligently monitor all facets of our business, industry, and market. One focus at this time is on managing project portfolio expenses (Operations of the Future) back in line with budget/reforecast, which we expect to do.

February YTD P&L: Revenue

($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	250,314	241,072	9,242	2,019,967	1,995,876	24,090
Revenue	$ 94.0	$ 87.1	$ 6.9	$ 702.5	$ 696.6	$ 5.9
pmpm	*$ 375.49*	*$ 361.35*	*$ 14.14*	*$ 347.78*	*$ 349.00*	*$ (1.22)*
Non-Operating Revenue / (Expense)	$ 1.0	$ 0.9	$ 0.1	$ 11.3	$ 9.5	$ 1.8
pmpm	*$ 4.15*	*$ 3.74*	*$ 0.41*	*$ 5.61*	*$ 4.76*	*$ 0.84*
Medical Benefits	$ 94.2	$ 79.1	$ (15.1)	$ 608.3	$ 589.6	$ (18.7)
pmpm	*$ 376.23*	*$ 328.06*	*$ (48.2)*	*$ 301.16*	*$ 295.42*	*$ (5.7)*
% of Revenue	*100.2%*	*90.8%*		*86.6%*	*84.6%*	
Admin Exp	$ 7.0	$ 7.3	$ 0.3	$ 57.7	$ 57.6	$ (0.1)
pmpm	*$ 27.78*	*$ 30.22*	*$ 2.44*	*$ 28.57*	*$ 28.88*	*$ 0.31*
% of Revenue	*7.4%*	*8.4%*		*8.2%*	*8.3%*	
Project Portfolio	$ 3.2	$ 2.0	$ (1.2)	$ 16.7	$ 14.0	$ (2.7)
pmpm	*$ 12.96*	*$ 8.29*	*$ (4.67)*	*$ 8.27*	*$ 7.03*	*$ (1.24)*
% of Revenue	*3.5%*	*2.3%*		*2.4%*	*2.0%*	
Operating Gain/(Loss)	$ (10.4)	$ (1.3)	$ (9.1)	$ 19.8	$ 35.3	$ (15.5)
	$ (41.48)	*$ (5.22)*	*$ (36.26)*	*$ 9.78*	*$ 17.67*	*$ (7.89)*
Retro Revenue Adjustments	$ 0.3	$ -	$ 0.3	$ (13.5)	$ -	$ (13.5)
pmpm	*$ 1.14*	*$ -*	*$ 1.14*	*$ (6.70)*	*$ -*	*$ (6.70)*
Total Increase / (Decrease) in Unrestricted Net Assets	$ (9.1)	$ (0.4)	$ (8.7)	$ 17.6	$ 44.8	$ (27.2)
pmpm	*$ (36.19)*	*$ (1.48)*	*$ (34.70)*	*$ 8.69*	*$ 22.43*	*$ (13.74)*
% of Revenue	*-9.6%*	*-0.4%*		*2.5%*	*6.4%*	

- **Changing revenue** | While membership is greater than forecast, the membership "mix" (breakout of members by age and frailty categories) skews towards lower premium cohorts (healthier from an actuarial perspective).

- **Uncertainty** | DHCS' $16.1M Revenue "Take Back" in January was a result of a retroactive "acuity adjustment" to 2023 rates. This was partially offset by a favorable $2.6M membership-related retroactive premium development.

February YTD P&L: Medical Benefit

($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	250,314	241,072	9,242	2,019,967	1,995,876	24,090
Revenue	$ 94.0	$ 87.1	$ 6.9	$ 702.5	$ 696.6	$ 5.9
pmpm	$ 375.49	$ 361.35	$ 14.14	$ 347.78	$ 349.00	$ (1.22)
Non-Operating Revenue / (Expense)	$ 1.0	$ 0.9	$ 0.1	$ 11.3	$ 9.5	$ 1.8
pmpm	$ 4.15	$ 3.74	$ 0.41	$ 5.61	$ 4.76	$ 0.84
Medical Benefits	$ 94.2	$ 79.1	$ (15.1)	$ 608.3	$ 589.6	$ (18.7)
pmpm	$ 376.23	$ 328.06	$ (48.2)	$ 301.16	$ 295.42	$ (5.7)
% of Revenue	100.2%	90.8%		86.6%	84.6%	
Admin Exp	$ 7.0	$ 7.3	$ 0.3	$ 57.7	$ 57.6	$ (0.1)
pmpm	$ 27.78	$ 30.22	$ 2.44	$ 28.57	$ 28.88	$ 0.31
% of Revenue	7.4%	8.4%		8.2%	8.3%	
Project Portfolio	$ 3.2	$ 2.0	$ (1.2)	$ 16.7	$ 14.0	$ (2.7)
pmpm	$ 12.96	$ 8.29	$ (4.67)	$ 8.27	$ 7.03	$ (1.24)
% of Revenue	3.5%	2.3%		2.4%	2.0%	
Operating Gain/(Loss)	$ (10.4)	$ (1.3)	$ (9.1)	$ 19.8	$ 35.3	$ (15.5)
	$ (41.48)	$ (5.22)	$ (36.26)	$ 9.78	$ 17.67	$ (7.89)
Retro Revenue Adjustments	$ 0.3	$ -	$ 0.3	$ (13.5)	$ -	$ (13.5)
pmpm	$ 1.14	$ -	$ 1.14	$ (6.70)	$ -	$ (6.70)
Total Increase / (Decrease) in Unrestricted Net Assets	$ (9.1)	$ (0.4)	$ (8.7)	$ 17.6	$ 44.8	$ (27.2)
pmpm	$ (36.19)	$ (1.48)	$ (34.70)	$ 8.69	$ 22.43	$ (13.74)
% of Revenue	-9.6%	-0.4%		2.5%	6.4%	

- The release of more "upfront" QIPP funds to providers resulted in $12.5M of MTD expense and a $(11.4M) variance to budget.
- Incurred but not Paid (IBNP) claims reserves involve the estimation of services that have been received but not yet paid for in adjudicated claims.
- IBNP increased by $6.7M due to trends seen in claims payments.
  - Inpatient reserves increased by $3.2M (primarily with the Adult Expansion population; $2.5M); and
  - $1.4M related to redetermination resumption.
- Management is working with our actuaries to ensure that IBNP is set at the right targets – not too low to expose the health plan to financial risks and not too conservative.

Return to Agenda

February YTD P&L: Administrative Costs

($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	250,314	241,072	9,242	2,019,967	1,995,876	24,090
Revenue	$ 94.0	$ 87.1	$ 6.9	$ 702.5	$ 696.6	$ 5.9
pmpm	*$ 375.49*	*$ 361.35*	*$ 14.14*	*$ 347.78*	*$ 349.00*	*$ (1.22)*
Non-Operating Revenue / (Expense)	$ 1.0	$ 0.9	$ 0.1	$ 11.3	$ 9.5	$ 1.8
pmpm	*$ 4.15*	*$ 3.74*	*$ 0.41*	*$ 5.61*	*$ 4.76*	*$ 0.84*
Medical Benefits	$ 94.2	$ 79.1	$ (15.1)	$ 608.3	$ 589.6	$ (18.7)
pmpm	*$ 376.23*	*$ 328.06*	*$ (48.2)*	*$ 301.16*	*$ 295.42*	*$ (5.7)*
% of Revenue	*100.2%*	*90.8%*		*86.6%*	*84.6%*	
Admin Exp	$ 7.0	$ 7.3	$ 0.3	$ 57.7	$ 57.6	$ (0.1)
pmpm	*$ 27.78*	*$ 30.22*	*$ 2.44*	*$ 28.57*	*$ 28.88*	*$ 0.31*
% of Revenue	*7.4%*	*8.4%*		*8.2%*	*8.3%*	
Project Portfolio	$ 3.2	$ 2.0	$ (1.2)	$ 16.7	$ 14.0	$ (2.7)
pmpm	*$ 12.96*	*$ 8.29*	*$ (4.67)*	*$ 8.27*	*$ 7.03*	*$ (1.24)*
% of Revenue	*3.5%*	*2.3%*		*2.4%*	*2.0%*	
Operating Gain/(Loss)	$ (10.4)	$ (1.3)	$ (9.1)	$ 19.8	$ 35.3	$ (15.5)
	$ (41.48)	*$ (5.22)*	*$ (36.26)*	*$ 9.78*	*$ 17.67*	*$ (7.89)*
Retro Revenue Adjustments	$ 0.3	$ -	$ 0.3	$ (13.5)	$ -	$ (13.5)
pmpm	*$ 1.14*	*$ -*	*$ 1.14*	*$ (6.70)*	*$ -*	*$ (6.70)*
Total Increase / (Decrease) in Unrestricted Net Assets	$ (9.1)	$ (0.4)	$ (8.7)	$ 17.6	$ 44.8	$ (27.2)
pmpm	*$ (36.19)*	*$ (1.48)*	*$ (34.70)*	*$ 8.69*	*$ 22.43*	*$ (13.74)*
% of Revenue	*-9.6%*	*-0.4%*		*2.5%*	*6.4%*	

- “Day-to-day” administrative costs approximate forecast due to:
  - Disciplined monitoring of resource optimization (right people in the right places at the right time) implemented in December; and
  - In-depth monthly reviews of current and projected non-personnel spend.
- Project Portfolio costs (primarily Operations of the Future) continue to run higher than expected due to the acceleration of implementation and readiness efforts. Management actions have been taken to align actual results with the reforecast over the coming months.

Return to Agenda

February YTD P&L: Net Assets

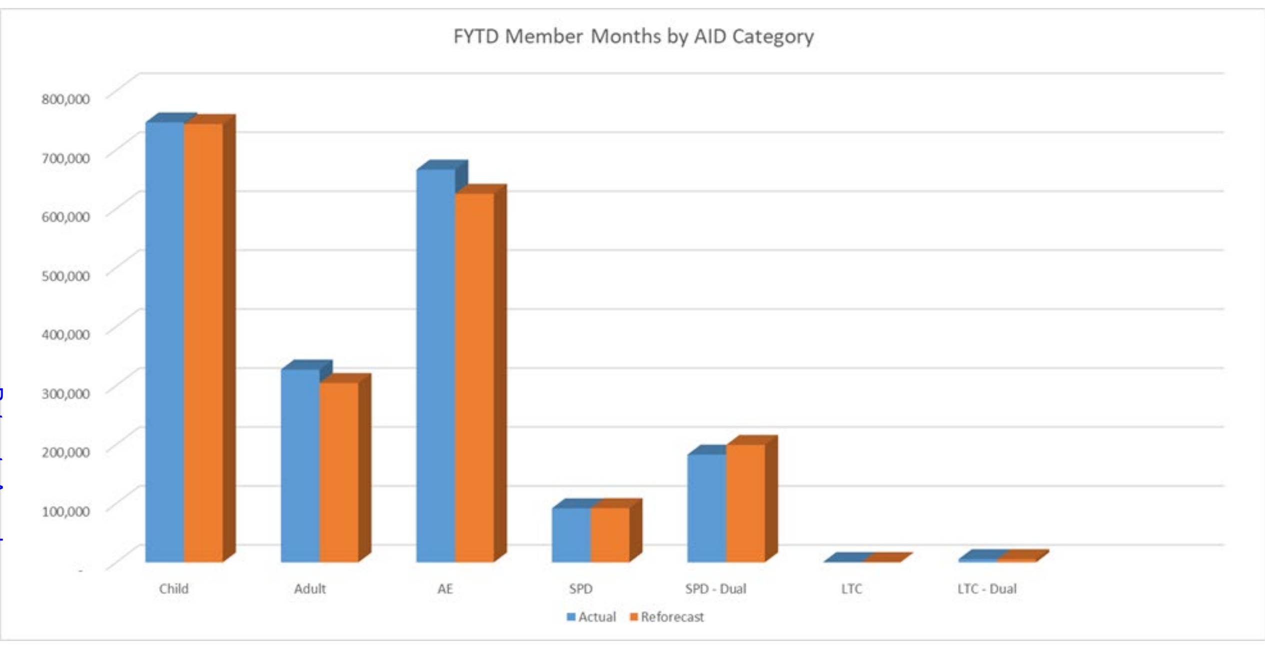
($Ms except pmpms & mm)	MTD Actual	MTD Reforecast	MTD Var Fav / (Unfav)	YTD Actual	YTD Reforecast	YTD Var Fav / (Unfav)
Member Months	250,314	241,072	9,242	2,019,967	1,995,876	24,090
Revenue	$ 94.0	$ 87.1	$ 6.9	$ 702.5	$ 696.6	$ 5.9
pmpm	*$ 375.49*	*$ 361.35*	*$ 14.14*	*$ 347.78*	*$ 349.00*	*$ (1.22)*
Non-Operating Revenue / (Expense)	$ 1.0	$ 0.9	$ 0.1	$ 11.3	$ 9.5	$ 1.8
pmpm	*$ 4.15*	*$ 3.74*	*$ 0.41*	*$ 5.61*	*$ 4.76*	*$ 0.84*
Medical Benefits	$ 94.2	$ 79.1	$ (15.1)	$ 608.3	$ 589.6	$ (18.7)
pmpm	*$ 376.23*	*$ 328.06*	*$ (48.2)*	*$ 301.16*	*$ 295.42*	*$ (5.7)*
% of Revenue	*100.2%*	*90.8%*		*86.6%*	*84.6%*	
Admin Exp	$ 7.0	$ 7.3	$ 0.3	$ 57.7	$ 57.6	$ (0.1)
pmpm	*$ 27.78*	*$ 30.22*	*$ 2.44*	*$ 28.57*	*$ 28.88*	*$ 0.31*
% of Revenue	*7.4%*	*8.4%*		*8.2%*	*8.3%*	
Project Portfolio	$ 3.2	$ 2.0	$ (1.2)	$ 16.7	$ 14.0	$ (2.7)
pmpm	*$ 12.96*	*$ 8.29*	*$ (4.67)*	*$ 8.27*	*$ 7.03*	*$ (1.24)*
% of Revenue	*3.5%*	*2.3%*		*2.4%*	*2.0%*	
Operating Gain/(Loss)	$ (10.4)	$ (1.3)	$ (9.1)	$ 19.8	$ 35.3	$ (15.5)
	$ (41.48)	*$ (5.22)*	*$ (36.26)*	*$ 9.78*	*$ 17.67*	*$ (7.89)*
Retro Revenue Adjustments	$ 0.3	$ -	$ 0.3	$ (13.5)	$ -	$ (13.5)
pmpm	*$ 1.14*	*$ -*	*$ 1.14*	*$ (6.70)*	*$ -*	*$ (6.70)*
Total Increase / (Decrease) in Unrestricted Net Assets	$ (9.1)	$ (0.4)	$ (8.7)	$ 17.6	$ 44.8	$ (27.2)
pmpm	*$ (36.19)*	*$ (1.48)*	*$ (34.70)*	*$ 8.69*	*$ 22.43*	*$ (13.74)*
% of Revenue	*-9.6%*	*-0.4%*		*2.5%*	*6.4%*	

- The main drivers of YTD variance between actual and forecasted increase in net assets:
  - DHCS's unexpected retroactive adjustment of 2023 premiums; and
  - Increase in the "upfront" QIPP payments to providers.
- GCHP continues to track to a positive net income.

Return to Agenda

Membership and Medical Benefit

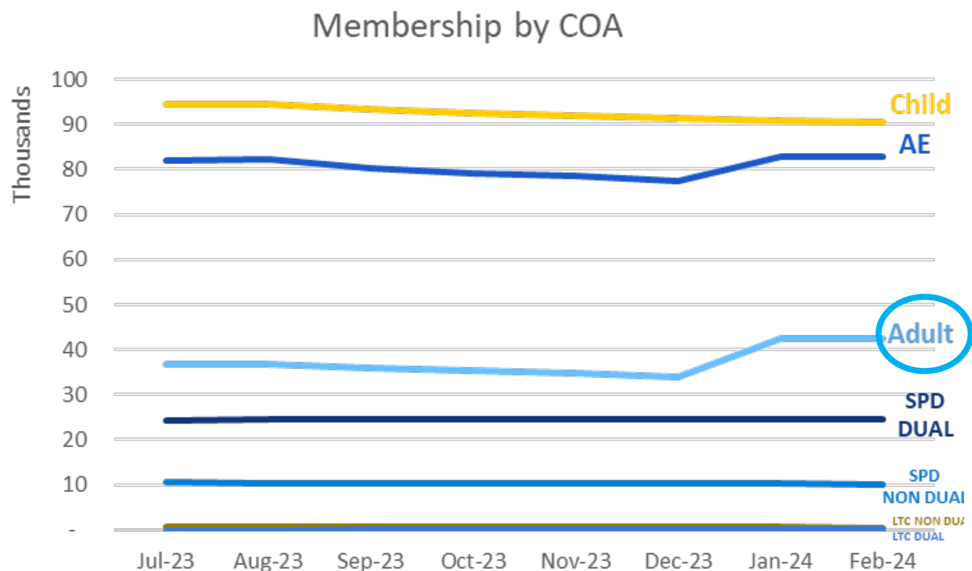
Inpatient and Long Term Care categories of service remain the largest components of medical benefits and the fastest growing. Management is performing deep analysis of the drivers of these trends and opportunities to get costs in greater control. This will be in focus in future financial reports to the Executive Finance Committee and Commission.



	FYTD 23/24 Reforecast	FYTD 23/24 Actual	FYTD 22/23 Actual	FYTD 21/22 Actual
Average Enrollment	249,485	252,496	247,854	229,367
PMPM Revenue	$ 349.00	$ 347.78	$ 340.86	$ 347.72
Medical Benefits				
Capitation	$ 33.99	$ 32.71	$ 34.18	$ 32.44
Inpatient	$ 66.32	$ 63.48	$ 54.64	$ 68.62
LTC / SNF	$ 65.65	$ 63.42	$ 54.86	$ 59.92
Outpatient	$ 26.27	$ 27.95	$ 23.88	$ 22.59
Emergency Room	$ 12.23	$ 12.82	$ 11.32	$ 10.80
Physician Specialty	$ 25.15	$ 25.52	$ 23.44	$ 22.49
Quality Incentives	$ 5.50	$ 12.17	$ 0.69	$ -
Provider Grant Program	$ 1.25	$ -	$ -	$ -
Pharmacy	$ -	$ -	$ (0.15)	$ 29.71
All Other	$ 59.06	$ 63.08	$ 53.03	$ 45.41
Total Per Member Per Month	$ 295.42	$ 301.16	$ 255.89	$ 291.97
Medical Benefit Ratio	84.6%	86.6%	75.1%	86.9%
Total Administrative Expenses	$ 71,675,679	$ 74,413,110	$ 78,852,534	$ 53,680,738
% of Revenue	10.3%	10.6%	7.8%	5.6%
TNE	$ 404,728,173	$ 377,505,859	$ 359,814,027	$ 176,562,922
Required TNE	$ 41,438,176	$ 36,842,063	$ 32,913,795	$ 36,609,789
% of Required	977%	1025%	1093%	482%

Membership Breakdown

- Child and Adult Expansion cohorts account for about 3/4 of GCHP's membership
- In the Adult Expansion cohort, roughly 13% are enrolled as part of Medi-Cal expansion to cover all regardless of immigration status. DHCS' premium rate category for this group is called "unsatisfactory immigration status or UIS."



UIS membership growth: 17,000 in January 2024

Looking Ahead....

- A QIPP accounting “true-up” will show $4.9M in additional expenses.
- There is potential for a reduction in IBNP in the last quarter of the fiscal year that will result in some reduction in medical benefit reserves (which would be favorable to net income).
- DHCS’ Final 2023 Acuity Change will be announced in April – the impact of any further retroactive rate impacts are unknown.
- Management will provide further analysis of the inpatient and long term care cost trends.