

**SANTA CRUZ – MONTEREY – MERCED
MANAGED MEDICAL CARE COMMISSION**
Finance Committee



Meeting Agenda

Wednesday, August 23, 2023

1:30 p.m. – 2:45 p.m.

- Location:**
- In Santa Cruz County:**
Central California Alliance for Health Board Room
1600 Green Hills Road, Suite 101, Scotts Valley, CA
 - In Monterey County:**
Central California Alliance for Health Board Room
950 East Blanco Road, Suite 101, Salinas, CA
 - In Merced County:**
Central California Alliance for Health Board Room
530 West 16th Street, Suite B, Merced, CA

Alliance offices are open to attend Finance Committee meetings in each county.

1. Members of the public wishing to observe the meeting remotely via online livestreaming may do so as follows. Note: Livestreaming for the public is listening/viewing only.
 - a. Computer, tablet, or smartphone via Microsoft Teams:
[Click here to join the meeting](#)
 - b. Or by telephone at:
United States: +1 (323) 705-3950
Phone Conference ID: 937 942 360#

2. Members of the public wishing to provide public comment on items not listed on the agenda that are within jurisdiction of the commission or to address an item that is listed on the agenda may do so in one of the following ways.
 - a. Email comments by 5:00 p.m. on Tuesday, August 22, 2023, to Dulcie San Paolo, Finance Administrative Specialist, at dsanpaolo@ccah-alliance.org.
 - i. Indicate in the subject line "Public Comment". Include your name, organization, agenda item number, and title of the item in the body of the e-mail along with your comments.
 - ii. Comments will be read during the meeting and are limited to five minutes.
 - b. In person, during the meeting, when that item is announced.
 - i. State your name and organization prior to providing comment.
 - ii. Comments are limited to five minutes.



- 1. Call to Order by Chairperson Molesky. 1:30 p.m.**
 - A. Roll call; establish quorum.
- 2. Oral Communications. 1:35 p.m.**
 - A. Members of the public may address the Commission on items not listed on today's agenda that are within the jurisdiction of the Commission. Presentations must not exceed five minutes in length, and any individuals may speak only once during Oral Communications.
 - B. If any member of the public wishes to address the Commission on any item that is listed on today's agenda, they may do so when that item is called. Speakers are limited to five minutes per item.
- 3. Approve minutes of June 28, 2023 meeting of the Finance Committee. 1:40 p.m.**
- 4. June YTD financial results. 1:50 p.m.**
- 5. 2024 Hospital Quality Incentive Program (HQIP). 2:00 p.m.**
- 6. Q2 2023 Investment Update. 2:20 p.m.**

The complete agenda packet is available for review on the Alliance website at www.thealliance.health/about-the-alliance/public-meetings/. The Commission complies with the Americans with Disabilities Act (ADA). Individuals who need special assistance or a disability-related accommodation to participate in this meeting should contact the Clerk of the Board at least 72 hours prior to the meeting at (831) 430-5523. Board meeting locations in Salinas and Merced are directly accessible by bus. As a courtesy to persons affected, please attend the meeting smoke and scent free.

**FINANCE COMMITTEE
SANTA CRUZ – MONTEREY – MERCED
MANAGED MEDICAL CARE COMMISSION**



Meeting Minutes

Wednesday, June 28, 2023

Members Present:

Ms. Elsa Jiménez	County Health Director
Mr. Michael Molesky	Public Representative
Allen Radner, MD	Provider Representative
Supervisor Josh Pedrozo	County Board of Supervisors

Members Absent:

Ms. Shebreh Kalantari-Johnson	Public Representative
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Staff Present:

Ms. Lisa Ba	Chief Financial Officer
Mr. Michael Schrader	Chief Executive Officer
Ms. Dulcie San Paolo	Finance Administrative Specialist

1. Call to Order. (1:30 p.m.)

The meeting was called to order at 1:30 p.m. Roll call was taken. A quorum was present.

2. Oral Communications. (1:32 – 1:33 p.m.)

Chairperson Molesky opened the floor for any members of the public to address the Committee on items not listed on the agenda.

No members of the public addressed the Committee.

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Consent Agenda Items:**3. Approve minutes of the March 22, 2023 meeting of the Finance Committee. (1:33–1:34 p.m.)**

FINANCE COMMITTEE ACTION: Chairperson Molesky opened the floor for approval of the minutes of the March 22, 2023 meeting.

MOTION: Commissioner Jiménez moved to approve the minutes, seconded by Commissioner Radner.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Jiménez, Molesky, Radner

Noes: None

Absent: Commissioners Kalantari-Johnson, Pedrozo

Abstain: None

Regular Agenda Items:**4. Propose revising the Finance Committee meeting schedule to include a meeting in September 2023. (1:34 – 1:36 p.m.)**

Ms. Lisa Ba, Chief Financial Officer (CFO), recommended amending the 2023 Finance Committee meeting schedule to include an additional meeting on September 27, 2023. She explained that, due to the Board Retreat being rescheduled to October, time would not allow for a Finance Committee meeting to take place during that month as originally scheduled. Therefore, adding a meeting in September will allow this committee to review agenda items previously slated for review at the October Finance Committee meeting. As the commissioners voiced no objections regarding this recommendation, a proposal to amend the 2023 Finance Committee meeting schedule to include a meeting in September will go before the Board for approval at the August 2023 Board meeting.

5. April YTD financial results. (1:36 – 1:38 p.m.)

Ms. Ba updated the commissioners on the Alliance's most recent financial performance for the four months ending on April 30, 2023. Year-to-Date (YTD) Operating Income was \$28.7M, with a Medical Loss Ratio (MLR) of 89.3% and an Administrative Loss Ratio (ALR) of 5.4%.

6. Forecast #1 based on May YTD preliminary results. (1:38 – 2:15 p.m.)

Ms. Ba oriented the commissioners to the forecast based on May YTD preliminary results.

First, the CFO presented a summarized view of the medical forecast as it compares to actual financial results for 2020 through 2022 and the 2023 budget.

Next, Ms. Ba showed a more detailed view of the assumptions related to enrollment, revenue, and medical cost. She noted that enrollment is higher than was accounted for in the original budget due to the redetermination impact being shifted to begin in July 2023 rather than April 2023. Membership is anticipated to decrease gradually and reach the March 2020 levels by June 2024.

[Commissioner Josh Pedrozo arrived at this time: 1:41 p.m.]

As compared to the budget, revenue assumptions are favorable and include a 10% Long-Term Care (LTC) Add-On and a 2% earned Enhanced Care Management (ECM) revenue that was not included in the budget.

Regarding medical cost assumptions, Ms. Ba explained that medical expenses increased by \$55M due to higher-than-budgeted enrollment and costs from January 2023 to May 2023, combined with an anticipated 5% increase in utilization compared to 2019.

In summary, higher-than-expected enrollment and favorable rates resulted in a \$57M favorable revenue compared to the budget. The 2023 forecast expects the MLR at 89.8%, compared to 89.5% in the budget. Gross margin is expected to increase by \$2M compared to budget.

In a review of the administrative forecast, Ms. Ba reminded the commissioners that in December 2022, the Board approved an administrative budget of \$94.2M, or 6.1% ALR for existing Medi-Cal operations only. It was understood that staff would return to the Board with an additional proposed Dual Eligible Special Needs Plan (D-SNP) budget upon completing an operational gap analysis (OGA). She noted that staff will ask for Board approval of an additional \$1.5M D-SNP budget to begin execution of the multi-year work plan between July and December 2023. This added to the \$840,000 approved earlier this year, will bring the total D-SNP budget to \$2.3M in 2023. Therefore, with a \$2.3M D-SNP budget combined with the \$94.2M approved Medi-Cal budget, the resulting total administrative budget will be \$96.5M.

Ms. Ba opened the floor for questions.

The commissioners inquired about the breakdown of medical expenses. It was suggested that a more detailed view of categories of service be included in future forecasts to provide increased visibility into Emergency Department utilization as well as other medical cost trends.

Commissioner Radner asked for further clarification related to the enrollment assumptions. Mr. Michael Schrader, Chief Executive Officer, explained that the enrollment assumptions consider an expected 22% decrease in enrollment, with an additional 1% anticipated to be lost to Kaiser in Santa Cruz County only. Additionally, a gain of 5.4% is expected with the expansion into San Benito and Mariposa counties, and an additional increase of 6.6% is expected for the expanded coverage population of adults aged 26 through 49, regardless of immigration status. The CEO advised that these factors combined result in a 10% decrease in enrollment, as shown in the forecast.

The commissioners expressed an interest in seeing a breakdown of enrollment information by county and asked for that to be made available for future meetings.

Commissioner Jiménez inquired about ECM and whether the full allotment is being spent or if there are savings. Ms. Ba clarified that DHCS has a 98% risk corridor requirement where the plan can only reimburse providers at a reasonable amount and return any revenue that is not spent. The Alliance can keep a marginal 2% of the revenue earned.

The Commission adjourned its meeting on June 28, 2023, at 2:15 p.m.

Respectfully submitted,

Ms. Dulcie San Paolo
Finance Administrative Specialist



DATE: August 23, 2023
TO: Santa Cruz-Monterey-Merced Managed Medical Care Commission
FROM: Lisa Ba, Chief Financial Officer
SUBJECT: Financial Highlights for the Sixth Month Ending June 30, 2023

For the month ending June 30, 2023, the Alliance reported an Operating Income of \$7.9M. The Year-to-Date (YTD) Operating Income is \$65.0M, with a Medical Loss Ratio (MLR) of 87.3% and an Administrative Loss Ratio (ALR) of 5.2%. The Net Income is \$74.0M after accounting for Non-Operating Income/Expenses.

The budget expected a \$62.0M Operating Income for YTD June. The actual result is favorable to budget by \$3.0M or 4.8%, driven primarily by membership favorability.

<u>Key Indicators</u>	Jun-23 (\$ In 000's)			
	Current Actual	Current Budget	Current Variance	% Variance to Budget
<i>Membership</i>	428,448	406,635	21,813	5.4%
Revenue	155,622	129,049	26,573	20.6%
Medical Expenses	139,552	122,046	(17,507)	-14.3%
Administrative Expenses	8,199	8,292	93	1.1%
Operating Income	7,871	(1,289)	9,160	100.0%
Net Income	4,998	(2,804)	7,803	100.0%
<i>MLR %</i>	89.7%	94.6%	4.9%	
<i>ALR %</i>	5.3%	6.4%	1.2%	
<i>Operating Income %</i>	5.1%	-1.0%	6.1%	
<i>Net Income %</i>	3.2%	-2.2%	5.4%	

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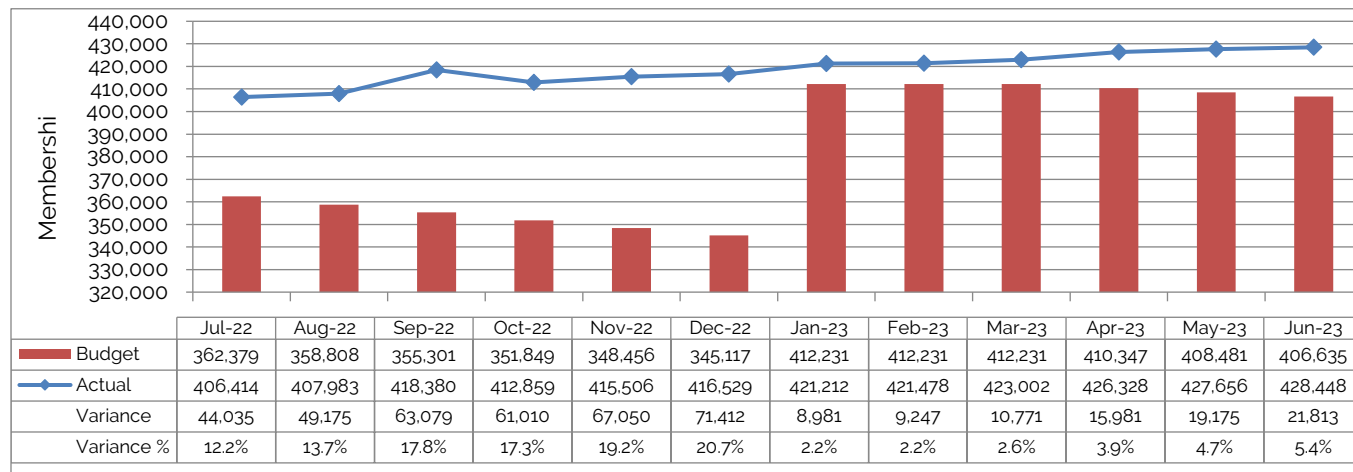
Jun-23 YTD (In \$000s)				
<u>Key Indicators</u>	YTD Actual	YTD Budget	YTD Variance	% Variance to Budget
<i>Member Months</i>	2,548,124	2,462,156	85,968	3.5%
Revenue	870,796	782,363	88,433	11.3%
Medical Expenses	760,484	672,602	(87,883)	-13.1%
Administrative Expenses	45,352	47,784	2,432	5.1%
Operating Income/(Loss)	64,960	61,977	2,983	4.8%
Net Income/(Loss)	73,966	49,378	24,588	49.8%
PMPM				
Revenue	341.74	317.76	23.98	7.5%
Medical Expenses	298.45	273.18	(25.27)	-9.3%
Administrative Expenses	17.80	19.41	1.61	8.3%
Operating Income/(Loss)	25.49	25.17	0.32	1.3%
<i>MLR %</i>	87.3%	86.0%	-1.4%	
<i>ALR %</i>	5.2%	6.1%	0.9%	
<i>Operating Income %</i>	7.5%	7.9%	-0.5%	
<i>Net Income %</i>	8.5%	6.3%	2.2%	

Per Member Per Month. Capitation revenue and medical expenses are variables based on enrollment fluctuations; therefore, the PMPM view offers more clarity than the total dollar amount. Conversely, administrative expenses do not usually correspond with enrollment and should be evaluated at the dollar amount.

At a PMPM level, YTD revenue is \$341.74, which is favorable to budget by \$23.98 or 7.5%. Medical cost PMPM is \$298.45, which is unfavorable by \$25.27 or 9.3%. The resulting operating income PMPM is \$25.49, which is favorable by \$0.32 compared to the budget due to the favorable admin spend.

Membership. June 2023 membership is favorable to budget by 5.4%. Please note that the 2023 budget assumed the Public Health Emergency (PHE) would end in January 2023, with membership beginning to decline in April 2023. The Health and Human Services Department announced that the PHE ended on May 11, 2023. The Department of Health Care Services (DHCS) states that the redetermination began in April 2023 for the June 2023 renewal month, with the actual enrollment loss expected to begin in July 2023.

Membership. Actual vs. Budget (based on actual enrollment trend for June-23 rolling 12 months)



Revenue. The 2023 revenue budget was based on the current (DHCS) 2022 draft rate package and included a 1.2% rate increase. Furthermore, the budget assumed breakeven for Enhanced Care Management (ECM) and Community Supports (CS), both were new programs in 2022. The prospective CY 2023 draft rates from DHCS (dated 12/8/2022, including Maternity) are favorable to the rates assumed in the CY 2023 budget by 0.7%.

June 2023 capitation revenue of \$144.4M is favorable to budget by \$15.7M or 12.2%, mainly attributed to higher enrollment of \$6.9M and rate variances of \$8.8M including \$1.6M of Behavioral Health Integration (BHI) Incentive Program.

The State Incentive Programs consist of the CalAim Incentive Payment Program (IPP) of \$10.9M and offsets the State Incentive Programs expense. These incentives are assumed to be budget neutral.

June 2023 YTD capitation revenue of \$839.9M is favorable to budget by \$59.6M or 7.6%. Of this amount, \$24.7M is from boosted enrollment, and \$34.8M is due to rate variance.

Jun-23 YTD Capitation Revenue Summary (In \$000s)					
County	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Santa Cruz	172,726	166,622	6,105	3,387	2,718
Monterey	360,037	334,794	25,243	12,464	12,780
Merced	307,107	278,883	28,225	8,878	19,347
Total	839,871	780,298	59,573	24,728	34,845

Note: Excludes Jun-23 YTD In-Home Supportive Services (IHSS) premiums revenue of \$2.2M and State Incentive Programs revenue of \$28.7M.

Medical Expenses. The 2023 budget assumed a 5% increase in utilization from 2019 and a 3% unit cost increase that included case mix and changes in fee schedules.

2023 incentives include a \$15M Care-Based Incentive (CBI), \$10M for the Hospital Quality Incentive Program (HQIP), and \$5M for the Specialist Care Incentive (SCI).

June 2023 Medical Expenses of \$139.6M are \$17.5M or 14.3% unfavorable to budget. June 2023 YTD Medical Expenses of \$760.5M are above budget by \$87.9M or 13.1%. Of this amount, \$64.4M is due to rate, and \$23.5M is due to higher enrollment.

Inpatient Services (Hospital) is unfavorable to budget YTD by \$30.6M or 12.1%. \$8.8M is attributed to enrollment and \$21.8M to increased IBNR and higher spending. We are seeing similar increases in spending occurring in Physician Services and Other Medical. Other Medical includes Allied Health, Lab, DME, Behavioral Health, and Transportation.

The State Incentive Programs of \$28.7M consist of \$6.2M for the SBHIP, \$11.7M for the HHIP, and \$10.9M for CalAim IPP. These are also included under Revenue and assumed to be budget neutral.

Jun-23 YTD Medical Expense Summary (In \$000s)					
Category	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Inpatient Services (Hospital)	282,102	251,547	(30,555)	(8,783)	(21,772)
Inpatient Services (LTC)	84,104	90,092	5,988	(3,146)	9,134
Physician Services	159,143	140,619	(18,524)	(4,910)	(13,615)
Outpatient Facility	91,493	93,139	1,646	(3,252)	4,898
Other Medical	114,934	97,204	(17,730)	(3,394)	(14,336)
State Incentive Programs	28,707	0	(28,707)	0	(28,707)
Total	760,484	672,602	(87,883)	(23,484)	(64,398)

Note: Other Medical Actual includes Allied Health, Non-Claims HC Cost, Transportation, Behavioral Health, and Lab.

At a PMPM level, YTD Medical Expenses are \$298.45, unfavorable by \$25.27 or 9.3% compared to the budget. Unfavorable trends in Inpatient Services (Hospitals) are driven by increased Incurred but Not Reported (IBNR) levels, which are primarily due to prior year high dollar claims in the first few months of the year. These are not expected to continue for the remainder of the year. Allied Health, Behavioral Health, Transportation, and Lab drive Other Medical cost unfavourability of 14.3%.

Jun-23 YTD Medical Expense by Category of Service (In PMPM)				
Category	Actual	Budget	Variance	Variance %
Inpatient Services (Hospital)	110.71	102.17	(8.54)	-8.4%
Inpatient Services (LTC)	33.01	36.59	3.58	9.8%
Physician Services	62.46	57.11	(5.34)	-9.4%
Outpatient Facility	35.91	37.83	1.92	5.1%
Other Medical	45.11	39.48	(5.63)	-14.3%
State Incentive Programs	11.27	0.00	(11.27)	0.0%
Total	298.45	273.18	(25.27)	-9.3%

Administrative Expenses. June YTD Administrative Expenses are favorable to budget by \$2.4M or 5.1% with a 5.2% ALR. Salaries are slightly favorable by \$29K driven by savings from vacant positions and benefits which offsets PTO, temporary services, and the staff bonus accrual. Non-Salary Administrative Expenses are favorable by \$2.4M or 16.2% due to the timing of expenses versus the budget.

Non-Operating Revenue/Expenses. June YTD Total Non-Operating Revenue is favorable to budget by \$18.9M, attributed to \$8.8M in unrealized gain on investments and \$10.1M in interest income. Non-Operating Expenses are favorable by \$2.7M due to the timing of grant expenses, resulting in a favorable Net Non-Operating income of \$21.6M compared to the budget.

Summary of Results. Overall, the Alliance generated a YTD Net Income of \$74.0M, with an MLR of 87.3% and an ALR of 5.2%.



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Balance Sheet
For The Sixth Month Ending June 30, 2023
(In \$000s)

Assets	
Cash	\$155,483
Restricted Cash	302
Short Term Investments	743,545
Receivables	165,034
Prepaid Expenses	4,018
Other Current Assets	3,369
Total Current Assets	\$1,071,751
Building, Land, Furniture & Equipment	
Capital Assets	\$82,343
Accumulated Depreciation	(46,096)
CIP	18
Lease Receivable	2,539
Total Non-Current Assets	38,805
Total Assets	\$1,110,556
Liabilities	
Accounts Payable	\$25,512
IBNR/Claims Payable	308,616
Accrued Expenses	-
Provider Incentives Payable	15,000
Other Current Liabilities	8,735
Due to State	9,562
Total Current Liabilities	\$367,425
Deferred Inflow of Resources	\$2,437
Total Long-Term Liabilities	\$2,437
Fund Balance	
Fund Balance - Prior	\$666,727
Retained Earnings - CY	73,966
Total Fund Balance	740,693
Total Liabilities & Fund Balance	\$1,110,556
Additional Information	
Total Fund Balance	\$740,693
Board Designated Reserves Target	408,320
Strategic Reserve (DSNP)	56,700
Medi-Cal Capacity Grant Program (MCGP)*	173,359
Value Based Payments	46,100
Total Reserves	684,479
Total Operating Reserve	\$56,214

* MCGP includes Additional Contribution of \$48.6M



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Sixth Month Ending June 30, 2023
(In \$000s)

	<u>MTD Actual</u>	<u>MTD Budget</u>	<u>Variance</u>	<u>%</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>%</u>
<i>Member Months</i>	428,448	406,635	21,813	5.4%	2,548,124	2,462,156	85,968	3.5%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$144,393	\$128,705	\$15,689	12.2%	\$839,871	\$780,298	\$59,573	7.6%
State Incentive Programs	10,850	-	\$10,850	0.0%	28,707	-	\$28,707	0.0%
Premiums Commercial	379	344	35	10.1%	2,219	2,065	154	7.4%
Total Operating Revenue	\$155,622	\$129,049	\$26,573	20.6%	\$870,796	\$782,363	\$88,433	11.3%
Medical Expenses								
Inpatient Services (Hospital)	\$46,709	\$45,649	(\$1,060)	-2.3%	\$282,102	\$251,547	(\$30,555)	-12.1%
Inpatient Services (LTC)	14,985	16,351	1,365	8.3%	84,104	90,092	5,988	6.6%
Physician Services	28,250	25,513	(2,737)	-10.7%	159,143	140,619	(18,524)	-13.2%
Outpatient Facility	18,423	16,902	(1,522)	-9.0%	91,493	93,139	1,646	1.8%
Other Medical*	20,335	17,631	(2,704)	-15.3%	114,934	97,204	(17,730)	-18.2%
State Incentive Programs	10,850	-	(10,850)	0.0%	28,707	-	(28,707)	0.0%
Total Medical Expenses	\$139,552	\$122,046	(\$17,507)	-14.3%	\$760,484	\$672,602	(\$87,883)	-13.1%
Gross Margin	\$16,069	\$7,003	\$9,066	100.0%	\$110,312	\$109,761	\$551	0.5%
Administrative Expenses								
Salaries	\$5,776	\$5,590	(\$185)	-3.3%	\$32,888	\$32,917	\$29	0.1%
Professional Fees	194	422	228	54.0%	1,044	1,631	587	36.0%
Purchased Services	1,100	939	(160)	-17.1%	5,167	5,462	295	5.4%
Supplies & Other	792	949	157	16.5%	4,093	5,472	1,379	25.2%
Occupancy	79	117	37	32.0%	607	645	38	5.9%
Depreciation/Amortization	258	275	17	6.3%	1,552	1,657	105	6.3%
Total Administrative Expenses	\$8,199	\$8,292	\$93	1.1%	\$45,352	\$47,784	\$2,432	5.1%
Operating Income	\$7,871	(\$1,289)	\$9,160	100.0%	\$64,960	\$61,977	\$2,983	4.8%
Non-Op Income/(Expense)								
Interest	\$2,832	\$1,025	\$1,807	100.0%	\$16,251	\$6,148	\$10,103	100.0%
Gain/(Loss) on Investments	(3,410)	(1,195)	(2,215)	-100.0%	(1,877)	(10,679)	8,802	82.4%
Other Revenues	148	155	(7)	-4.6%	897	930	(33)	-3.5%
Grants	(2,442)	(1,500)	(943)	-62.9%	(6,264)	(8,998)	2,733	30.4%
Total Non-Op Income/(Expense)	(\$2,873)	(\$1,515)	(\$1,357)	-89.6%	\$9,006	(\$12,599)	\$21,605	100.0%
Net Income/(Loss)	\$4,998	(\$2,804)	\$7,803	100.0%	\$73,966	\$49,378	\$24,588	49.8%
<i>MLR</i>	89.7%	94.6%			87.3%	86.0%		
<i>ALR</i>	5.3%	6.4%			5.2%	6.1%		
<i>Operating Income</i>	5.1%	-1.0%			7.5%	7.9%		
<i>Net Income %</i>	3.2%	-2.2%			8.5%	6.3%		



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Sixth Month Ending June 30, 2023
(In PMPM)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	428,448	406,635	21,813	5.4%	2,548,124	2,462,156	85,968	3.5%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$337.01	\$316.51	\$20.50	6.5%	\$329.60	\$316.92	\$12.69	4.0%
State Incentive Programs	25.32	-	25.32	0.0%	11.27	-	11.27	0.0%
Premiums Commercial	0.88	0.85	0.04	4.5%	0.87	0.84	0.03	3.8%
Total Operating Revenue	\$363.22	\$317.36	\$45.86	14.5%	\$341.74	\$317.76	\$23.98	7.5%
Medical Expenses								
Inpatient Services (Hospital)	\$109.02	\$112.26	\$3.24	2.9%	\$110.71	\$102.17	(\$8.54)	-8.4%
Inpatient Services (LTC)	34.98	40.21	5.23	13.0%	33.01	36.59	3.58	9.8%
Physician Services	65.94	62.74	(3.19)	-5.1%	62.46	57.11	(5.34)	-9.4%
Outpatient Facility	43.00	41.56	(1.44)	-3.5%	35.91	37.83	1.92	5.1%
Other Medical*	47.46	43.36	(4.10)	-9.5%	45.11	39.48	(5.63)	-14.3%
State Incentive Programs	25.32	-	(25.32)	0.0%	11.27	-	(11.27)	0.0%
Total Medical Expenses	\$325.72	\$300.14	(\$25.58)	-8.5%	\$298.45	\$273.18	(\$25.27)	-9.3%
Gross Margin	\$37.51	\$17.22	\$20.28	100.0%	\$43.29	\$44.58	(\$1.29)	-2.9%
Administrative Expenses								
Salaries	\$13.48	\$13.75	\$0.27	1.9%	\$12.91	\$13.37	\$0.46	3.5%
Professional Fees	0.45	1.04	0.58	56.3%	0.41	0.66	0.25	38.1%
Purchased Services	2.57	2.31	(0.26)	-11.1%	2.03	2.22	0.19	8.6%
Supplies & Other	1.85	2.33	0.48	20.8%	1.61	2.22	0.62	27.7%
Occupancy	0.19	0.29	0.10	35.4%	0.24	0.26	0.02	9.0%
Depreciation/Amortization	0.60	0.68	0.07	11.0%	0.61	0.67	0.06	9.5%
Total Administrative Expenses	\$19.14	\$20.39	\$1.26	6.2%	\$17.80	\$19.41	\$1.61	8.3%
Operating Income	\$18.37	(\$3.17)	\$21.54	100.0%	\$25.49	\$25.17	\$0.32	1.3%



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Statement of Cash Flow
For The Sixth Month Ending June 30, 2023
(In \$000s)

	MTD	YTD
Net Income	\$4,998	\$73,966
Items not requiring the use of cash: Depreciation	258	1,514
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Restricted Cash	(2)	(1)
Receivables	(972)	5,746
Prepaid Expenses	2,142	32
Current Assets	23,688	10,046
Net Changes to Assets	\$24,858	\$15,824
Changes to Payables:		
Accounts Payable	(1,823)	(45,162)
Accrued Expenses	-	-
Other Current Liabilities	420	1,026
Incurred But Not Reported Claims/Claims Payable	(10,926)	26,248
Provider Incentives Payable	2,500	5,000
Due to State	588	4,516
Net Changes to Payables	(\$9,242)	(\$8,372)
Net Cash Provided by (Used in) Operating Activities	\$20,872	\$82,932
Change in Investments	1,541	(67,550)
Other Equipment Acquisitions	(14)	1,764
Net Cash Provided by (Used in) Investing Activities	\$1,526	(\$65,786)
Lease Interest Income	-	-
Net Cash Provided by (Used in) Financing Activities	\$0	\$0
Net Increase (Decrease) in Cash & Cash Equivalents	\$22,399	\$17,146
Cash & Cash Equivalents at Beginning of Period	\$133,086	\$138,338
Cash & Cash Equivalents at June 30, 2023	\$155,483	\$155,483