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AGENDA
SANTA CRUZ – MONTEREY – MERCED
MANAGED MEDICAL CARE COMMISSION

Teleconference Meeting
(Pursuant to Governor Newsom's Executive Order N-29-20)

DATE: **Wednesday, May 26, 2021**

TIME: **1:30 – 2:45 p.m.**

Important notice regarding COVID-19: Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, Alliance offices will be closed for this meeting. The following alternatives are available to members of the public to view this meeting and to provide comment to the Board.

1. Members of the public wishing to join the meeting may do so as follows:
    a. Via computer, tablet or smartphone at: https://global.gotomeeting.com/join/255206629
    b. Or by telephone at:
       United States: +1 (646) 749-3122
       Access Code: 255-206-629
       New to GoToMeeting? Get the app now and be ready when your first meeting starts: https://global.gotomeeting.com/install/255206629

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, May 25, 2021 to the Clerk of the Board at kstagnaro@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. Public comment 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.

3. Mute your phone during presentations to eliminate background noise.
    a. State your name prior to speaking during comment periods.
    b. Limit background noise when unmuted (i.e. paper shuffling, cell phone calls, etc.).

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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 March 24, 2021 meeting of the Finance Committee. 1:40 p.m.

4. YTD March 2021 Financials. 1:45 p.m.

5. Forecast based on Q1 Results. 2:00 p.m.

The next meeting of the Commission, after this May 26, 2021 meeting will be held via teleconference unless otherwise noticed:

- Santa Cruz – Monterey – Merced Managed Medical Care Commission Finance Committee
  Wednesday, September 22, 2021, 1:30 – 2:45 p.m.

Members of the public interested in attending should call the Alliance at (831) 430-5523 to verify meeting dates and locations prior to the meetings.

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The complete agenda packet is available for review at Alliance offices, and on the Alliance website at *www.ccah-alliance.org/boardmeeting.html. 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, March 24, 2021

Teleconference Meeting
(Pursuant to Governor Newsom's Executive Order N-29-20)

Members Present:

Ms. Mimi Hall	County Health Services Agency Director
Ms. Elsa Jiménez	County Health Director
Mr. Michael Molesky	Public Representative
Allen Radner, MD	Provider Representative
Mr. Tony Weber	Provider Representative

Members Absent:
None

Staff Present:

Ms. Lisa Ba	Chief Financial Officer
Ms. Stephanie Sonnenshine	Chief Executive Officer
Ms. Dulcie San Paolo	Finance Administrative Specialist

1. Call to Order by Chairperson Molesky. (1:34 p.m.)

Chairperson Molesky called the meeting to order at 1:34 p.m. Roll call was taken. A quorum was present.

2. Oral Communications. (1:35 – 1:36 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.

Consent Agenda Items:

3. Approve minutes of December 2, 2020 meeting of the Finance Committee. (1:36 – 1:37 p.m.)

FINANCE COMMITTEE ACTION: Chairperson Molesky opened the floor for approval of the minutes of the December 2, 2020 meeting.

MOTION:	Commissioner Weber moved to approve the minutes, seconded by Commissioner Radner
ACTION:	The motion passed with the following vote:
Ayes:	Commissioners Hall, Molesky, Radner, Weber
Noes:	None
Absent:	None
Abstain:	Commissioner Jiménez

Regular Agenda Items:

4. Preliminary CY 2020 Financial Results. (1:37 – 1:59 p.m.)

Ms. Lisa Ba, Chief Financial Officer (CFO), updated the commissioners on the 2020 financial performance and provided a view of the Alliance's trended financial performance since 2017. Ms. Ba explained that, when the Affordable Care Act (ACA) began in 2014, the State overestimated costs and rates were relatively high. During this period, the Alliance was able to accumulate reserves and those reserves, with the Board's approval, were used to fund reimbursement increases to providers. Subsequently, due to these provider payment increases, the Plan began to experience financial losses starting in the fourth quarter of 2017 and has now experienced losses for 13 consecutive quarters.

Ms. Ba informed the Committee that $13.4M additional revenue was recognized in 2020 as a settlement for the 2017-2018 Medi-Cal Expansion (MCE) Medical Loss Ratio (MLR) rule. With this prior year adjustment, the unaudited 2020 loss is $11.7M. Ms. Ba informed the commissioners that the 2020 financials are currently still open until the audit is finalized. The final report will be presented in May, 2021 to the Board by our auditor.

Next, Ms. Ba provided an update on the Cost Containment Plan (CCP) which was approved by the Board in 2020. The purpose of the CCP is to bring costs in line with revenue, utilization trend and industry benchmarks. Although the significant decrease in utilization due to the pandemic resulted in reduced financial losses in 2020, Ms. Ba reminded the commissioners that the underlying rate issue still needs to be addressed as utilization will resume once the pandemic subsides. As part of the CCP, staff has been negotiating with all in-area hospitals since August 2020 with a goal to bring hospitals' rates in alignment with revenue and industry benchmark of Medi-Cal APR-DRG. Ms. Ba reported that some

progress has been made, but there have been challenges in executing the plan during the pandemic.

Next, Ms. Ba presented a high-level overview of factors that will impact the Plan's future financial performance. These include pandemic state, Public Health Emergency declaration, Pharmacy Carve-out timeline, the CCP execution, the funding for CalAIM and regional rate determination. The execution of the Cost Containment Plan is crucial to longer term financial sustainability as well as for preparation for regional rates. If we are not successful in containing our costs, then drastic reductions may need to be made in 2024. The regional rate could be the biggest risk to the Alliance's financials over the next five years.

In summary, due to the pandemic, financial performance in 2020 was very volatile and will continue to be difficult to predict for 2021. One known factor that will impact financial results is that costs continue to exceed revenue and industry benchmarks. The 2021 budget includes $17M savings from the Cost Containment Plan spreading from April to December. Unknown factors that will affect the financial outcomes for 2021 include the timing around when there will be a resumption of care and an increase in utilization levels which is difficult to forecast given the unpredictability of the pandemic. Additionally, we do not know how much savings from the Cost Containment Plan will be realized this year. As we are dealing with many uncertainties, the CFO indicated that staff will remain committed to providing frequent forecasts to keep this committee and the Board updated.

Ms. Ba opened the floor for questions and discussion.

Commissioner Elsa Jiménez asked for some clarification around the transition to Enhanced Care Management (ECM) and In Lieu of Services (ILOS) and the revenue rate implications there. Ms. Ba clarified that we expect to receive the ECM rate at the end of May, and that there will be no revenue rate for ILOS because the expectation is that savings will be gained from other areas when a service is provided. There will be an incentive payment for ILOS, but the details have not yet been determined. Ms. Ba further clarified with regards to ECM, that our concern is that, if rates are to be developed by a process of surveying current Health Home and Whole Person Care programs, then it is possible that our assigned rate may not be sufficient as not all counties have the same programs.

Commissioner Allen Radner inquired about the progress made so far with the hospital negotiations and asked if that progress could be quantified for the committee's information. Ms. Ba indicated that there has been some success with moving some hospital contracts to reduced rates and also to move to APR-DRG methodology. Ms. Stephanie Sonnenshine, Chief Executive Officer (CEO) added that, to provide any specific detailed information in this forum would not be appropriate as it could possibly influence other active negotiations.

5. 2021 Pharmacy Budget. (1:59-2:11 p.m.)

Ms. Ba provided the commissioners with some background information related to the Pharmacy Carve-Out that was originally slated to take effect on January 1, 2021. Therefore, the Board approved a 2021 budget that did not include pharmacy. In November 2020, the Department of Health Care Services (DHCS) informed Health Plans that the Carve-Out would be delayed until April 2021. More recent communications from DHCS have now indicated that the Pharmacy Carve-Out has been further delayed, and that additional information will be provided in May, 2021. Ms. Ba explained that, to ensure consistency and minimum

interruptions to operations, staff have prepared a full year budget for 2021 to include pharmacy.

Ms. Ba oriented the commissioners to the revised budget with pharmacy included. The estimated revenue is $215.6M and pharmacy cost is based on two years of claims data with a 2.5% inflation adjustment, resulting in a net impact of $3.5M operating income. With the revised budget, the operating loss is adjusted from $41.1M to $37.6M.

Ms. Ba opened the floor for questions and discussion.

Commissioner Molesky asked Ms. Ba to remind the committee of the scope of the pharmacy benefit and to explain if treatments other than prescription medications, such as chemotherapy treatments, are included. Ms. Ba responded that pharmacy includes only prescriptions that would be filled by a pharmacy and does not include physician administered injectables.

Commissioner Jiménez asked if any more information is known as to whether the State plans to proceed with the Pharmacy Carve-Out at a later date. Ms. Ba responded that, the delay is due to the merger between Magellan Health, the Pharmacy Benefit Manager (PBM) selected by DHCS, and Centene. This merger has raised the issue of the PBM being owned by a Health Plan and how that will affect the security of pharmacy data. Ms. Sonnenshine added that, the consistent message from the State throughout all communications on the carve-out, has been that it will move forward as it is an executive order and directive to carve these services out. Recent communications have indicated that work is currently being done to ensure that information is adequately protected given the merger of Magellan and Centene. She expressed that, from a Health Plan perspective, due to the current challenges in making it happen this year, it was decided that the conservative course of action to take would be to assume a full year of cost and revenue.

6. CY 2020 Investment Update. (2:11-2:28 p.m.)

Ms. Ba provided an overview of the Alliance's Investment Policy for the commissioners. The CFO explained that the policy conforms to the California Government Code section 56300 et seq. as well as to customary standards of prudent investment management. The four main objectives, in order of priority are: safety of principal, liquidity, social responsibility and total return.

As of December 2020, the Alliance holds $365M in investment funds. By holding category, the majority of funds, $216.9M or 61%, is in the Pooled Money Investment Account (PMIA), which includes CalTRUST and Local Agency Fund (LAIF).

In terms of the ratings and maturity, investments outside of PMIA include Comerica, Union Bank and Wells Fargo, all of which have A ratings and higher. The investment policy allows for a five-year maturity. However, due to the recent years' financial losses, we have been offsetting the operating loss with our fund balance and have favored shorter term investments of no more than three years maturity in order to meet the operating cash need. Total yield for 2020 is 1.6%, down from 2.0% in 2019. This is largely due the pandemic and extremely low interest rates.

Ms. Ba summarized that staff have managed the Alliance's investments in accordance with the policy. The fund balance has been used to offset accumulated financial losses since 2018. As a result, staff's focus has been on the safety and liquidity of our reserves. Staff has been utilizing the PMIA accounts because they are designed for public agencies and their objectives are aligned with those of the Alliance.

Ms. Ba opened the floor for questions and discussion.

Commissioner Molesky asked about Wells Fargo and their role in the management of the Alliance's investments. Ms. Ba explained that Wells Fargo was never an investment advisor for the Alliance, and in the past have only made recommendations with regards to any money the Alliance had invested with their institution. Additionally, Ms. Ba confirmed that, currently the Alliance only has some bonds with Wells Fargo. Once those bonds have matured, the intent is to close the Wells Fargo account and move the funds into PMIA.

Commissioner Molesky expressed agreement with this strategy and asked the CFO if there were any other options available to the Alliance that might offer a better return than the PMIA accounts. Ms. Ba indicated that, as we do not invest in the stock market, return will be limited and a 1 to 3 percent return will be the most we will likely see.

Commissioner Jiménez inquired as to the Alliance's policy review process and how frequently policies are revised. Ms. Ba responded that polices are reviewed every two years and that the investment policy will be up for review and revision this year.

Commissioner Radner asked to what extent the Alliance's investment policy is based on regulatory requirements versus internal decisions. Ms. Ba explained that there are strict guidelines that we need to adhere to as a public agency investing tax payers' money and that this is why our objectives are closely aligned with the PMIAs. Commissioner Radner commented on the extensive regulatory requirements that public district hospitals are bound by. However, 501(c) hospitals in the community who are not bound by the same restrictions as a public district hospital or public safety net hospital have been able to benefit from dramatically better returns on their investments.

Adjourn:

The Commission adjourned its meeting of March 24, 2021 at 2:28 p.m. to May 26, 2021 at 1:30 p.m. via teleconference from the Alliance office in Scotts Valley, Salinas, and Merced.

Respectfully submitted,

Ms. Dulcie San Paolo
Finance Administrative Specialist

DATE: May 26, 2021

TO: Santa Cruz-Monterey-Merced Managed Medical Care Commission

FROM: Lisa Ba, Chief Financial Officer

SUBJECT: Financial Highlights for the Third Month Ending March 31, 2021

For the month ending March 31, 2021, the Alliance reported a Medical Loss Ratio (MLR) of 86.0%, an Administrative Loss Ratio (ALR) of 5.5% and an Operating Income Ratio of 8.4%. The Year-to-Date (YTD) MLR is 88.5%, ALR is 5.5% and the Operating Income is 6.0%. Please note that the YTD medical cost reflected services for December through March. This income is primarily due to lower utilization from outpatient, transportation, and specialist services during the pandemic and stay-at-home orders between December 2020 and February 2021. Overall, utilization for this period was down 19% from the same period a year ago. As a result, YTD medical expenses are favorable to budget by $18.8M or 5.3%.

Notably however, YTD Inpatient Services (Hospital), which is roughly a third of total medical cost, is unfavorable by $3.5M or 3.2%. This is due to an increased number of inpatient stays from COVID-19 cases and is further explained in the Medical Expenses section of this report. The inpatient budget for this period assumes cost and utilization trends based on historical experience and does not assume impact from cost containment efforts. The Inpatient unfavorable variance is offset by favorability across all other categories of service. This results in a net favorability of $14.84 per member per month (PMPM), or 4.7% favorable to budget.

It was expected that utilization in the outpatient setting may remain suppressed through Q1 2021. As restrictions are loosened and more people are vaccinated, it is expected (and desired) that outpatient utilization will resume in Q2 2021 and beyond. The 2021 financial performance is highly dependent on the timing and speed of resuming care. Staff is committed to inform the Board through quarterly forecasts.

Mar-21 MTD (In $000s)				
Key Indicators	Current Actual	Current Budget	Current Variance	% Variance to Budget
Membership	*371,584*	*374,390*	*(2,806)*	*-0.7%*
Revenue	131,708	124,077	7,632	6.2%
Medical Expenses	113,315	120,378	7,063	5.9%
Administrative Expenses	7,301	7,390	90	1.2%
Operating Income/(Loss)	11,093	(3,692)	14,785	100.0%
Net Income/(Loss)	11,011	(4,354)	15,365	100.0%
MLR %	*86.0%*	*97.0%*	*11.0%*	
ALR %	*5.5%*	*6.0%*	*0.4%*	
Operating Income %	*8.4%*	*-3.0%*	*11.4%*	
Net Income %	*8.4%*	*-3.5%*	*11.9%*	

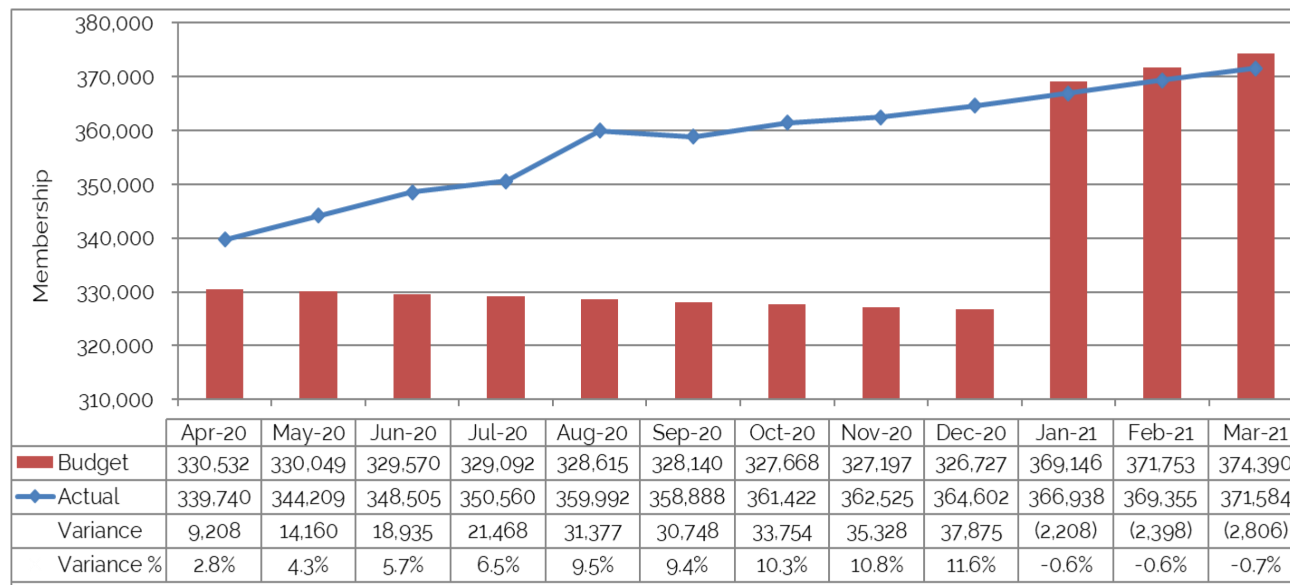
Mar-21 YTD (In $000s)				
Key Indicators	YTD Actual	YTD Budget	YTD Variance	% Variance to Budget
Membership	*1,107,877*	*1,115,289*	*(7,412)*	*-0.7%*
Revenue	379,098	369,940	9,158	2.5%
Medical Expenses	335,605	354,402	18,797	5.3%
Administrative Expenses	20,783	20,813	30	0.1%
Operating Income/(Loss)	22,711	(5,275)	27,986	100.0%
Net Income/(Loss)	20,857	(7,223)	28,080	100.0%
PMPM				
Revenue	342.18	331.70	10.49	3.2%
Medical Expenses	302.93	317.77	14.84	4.7%
Administrative Expenses	18.76	18.66	(0.10)	-0.5%
Operating Income/(Loss)	20.50	(4.73)	25.23	100.0%
MLR %	88.5%	*95.8%*	*7.3%*	
ALR %	*5.5%*	*5.6%*	*0.1%*	
Operating Income %	*6.0%*	*-1.4%*	*7.4%*	
Net Income %	*5.5%*	*-2.0%*	*7.5%*	

Per Member Per Month Capitation revenue and medical expenses are variable based on enrollment fluctuations, therefore the PMPM view offers more clarity than the total dollar amount. Conversely, administrative expenses do not directly correspond with enrollment and are therefore viewed in terms of total dollar amount. At a PMPM level, YTD revenue is

$342.18, medical cost is $302.93 and administrative cost is $18.76, resulting in an operating income of $20.50 PMPM.

Membership. March 2021 Member Months are unfavorable to budget by 0.7%. In CY2020, the Member Months increased by 7% due to the suspension of the Medi-Cal redetermination process during the Public Health Emergency (PHE) period. The 2021 Budget assumes the PHE will end in June 2021.

Membership. Actual vs. Budget (based on actual enrollment trend for Mar-21 rolling 12 months)



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Budget	330,532	330,049	329,570	329,092	328,615	328,140	327,668	327,197	326,727	369,146	371,753	374,390
Actual	339,740	344,209	348,505	350,560	359,992	358,888	361,422	362,525	364,602	366,938	369,355	371,584
Variance	9,208	14,160	18,935	21,468	31,377	30,748	33,754	35,328	37,875	(2,208)	(2,398)	(2,806)
Variance %	2.8%	4.3%	5.7%	6.5%	9.5%	9.4%	10.3%	10.8%	11.6%	-0.6%	-0.6%	-0.7%

Revenue. March 2021 capitation revenue of $131.4M is favorable to budget by $7.7M or 6.2%. The month-to-date favorable variance is primarily driven by $8.6M in rate variance; this includes $2.2M in Maternity revenue for prior month adjustments, $1.2M Managed Care Organization (MCO) Tax true-up and $2.2M retroactive enrollment from 2014 thru 2017. This favorability is offset by lower than projected enrollment with a revenue impact of $0.9M. March 2021 YTD revenue of $378.3M is favorable to budget by $9.2M or 2.5%, of which $1.2M is attributed to enrollment and $8.1M to rate variance.

Mar-21 YTD Capitation Revenue Summary (In $000s)

County	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Santa Cruz	84,519	82,851	1,668	670	998
Monterey	164,804	160,520	4,283	235	4,048
Merced	128,977	125,681	3,296	281	3,015
Total	**378,300**	**369,052**	**9,248**	**1,186**	**8,062**

Note: Excludes Mar-21 In-Home Supportive Services premiums revenue of $0.8M

Medical Expenses. March 2021 Medical Expenses of $113.3M is favorable to budget by $7.1M or 5.9%. March 2021 YTD Medical Expenses are $335.6M, which is favorable to budget by $18.8M or 5.3%, with an MLR of 88.5%. Of this $18.8M favorability, $2.4M is attributed to enrollment and $16.4M to rate variance. Please note that rate (PMPM) is the unit cost for a service times the utilization for the service. The suppressed utilization contributed to the favorable rate variance.

Mar-21 YTD Medical Expense Summary (In $000s)

Category	Actual	Budget	Total Variance	Variance Due to Enrollment	Variance Due to Rate
Inpatient Services (Hospital)	113,669	110,175	(3,495)	732	(4,227)
Inpatient Services (LTC)	40,177	46,104	5,927	306	5,621
Physician Services	51,246	57,559	6,313	383	5,930
Outpatient Facility	18,772	20,698	1,926	138	1,789
Pharmacy	49,028	54,509	5,480	362	5,118
Other Medical	62,712	65,357	2,645	434	2,211
Total	**335,605**	**354,402**	**18,797**	**2,355**	**16,442**

At a PMPM level, YTD Medical Expenses are $302.93, which is favorable by $14.84 or 4.7% as compared to budget. YTD Inpatient Services are unfavorable to budget by 3.9%, this is driven by the increase in active COVID-19 cases. From March 2020 through October 2020, we had an average of 68 monthly cases. For the five-month period between November 2020 and March 2021, we had an average of 248 monthly cases.

Mar-21 YTD Medical Expense by Category of Service (In PMPM)

Category	Actual	Budget	Variance	Variance %
Inpatient Services (Hospital)	102.60	98.79	(3.82)	-3.9%
Inpatient Services (LTC)	36.27	41.34	5.07	12.3%
Physician Services	46.26	51.61	5.35	10.4%
Outpatient Facility	16.94	18.56	1.61	8.7%
Pharmacy	44.25	48.87	4.62	9.5%
Other Medical	56.61	58.60	2.00	3.4%
Total	**302.93**	**317.77**	**14.84**	**4.7%**

Administrative Expenses. March 2021 YTD Administrative Expenses are on par with budget resulting in a 5.5% ALR.

Non-Operating Revenue/Expenses. March 2021 YTD Total Non-Operating Revenue is unfavorable to budget by $1.7M or 86.4% which is primarily driven by lower interest income and unrealized investment gain.

Overall, the Alliance generated a YTD Net Income of $20.9M.

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Balance Sheet
For The Third Month Ending March 31, 2021
(In $000s)

Assets	
Cash	$225,670
Restricted Cash	300
Short Term Investments	377,033
Receivables	157,149
Prepaid Expenses	2,076
Other Current Assets	19,717
Total Current Assets	**$781,946**
Building, Land, Furniture & Equipment	
Capital Assets	$83,694
Accumulated Depreciation	(37,902)
CIP	2,780
Total Non-Current Assets	**48,572**
Total Assets	**$830,518**
Liabilities	
Accounts Payable	$39,585
IBNR/Claims Payable	286,301
Accrued Expenses	1
Estimated Risk Share Payable	12,494
Other Current Liabilities	6,690
Due to State	0
Total Current Liabilities	**$345,071**
Fund Balance	
Fund Balance - Prior	$464,590
Retained Earnings - CY	20,857
Total Fund Balance	**485,447**
Total Liabilities & Fund Balance	**$830,518**

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Third Month Ending March 31, 2021
(In $000s)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	*371,584*	*374,390*	*(2,806)*	*-0.7%*	*1,107,877*	*1,115,289*	*(7,412)*	*-0.7%*
Capitation Revenue								
Capitation Revenue Medi-Cal	$131,448	$123,781	$7,668	6.2%	$378,300	$369,052	$9,248	2.5%
Premiums Commercial	260	296	(36)	-12.1%	798	888	(90)	-10.1%
Total Operating Revenue	**$131,708**	**$124,077**	**$7,632**	**6.2%**	**$379,098**	**$369,940**	**$9,158**	**2.5%**
Medical Expenses								
Inpatient Services (Hospital)	$37,262	$37,228	($34)	-0.1%	$113,669	$110,175	($3,495)	-3.2%
Inpatient Services (LTC)	13,023	16,181	3,158	19.5%	40,177	46,104	5,927	12.9%
Physician Services	16,779	19,477	2,698	13.9%	51,246	57,559	6,313	11.0%
Outpatient Facility	6,973	7,002	29	0.4%	18,772	20,698	1,926	9.3%
Pharmacy	18,640	18,296	(344)	-1.9%	49,028	54,509	5,480	10.1%
Other Medical	20,638	22,194	1,556	7.0%	62,712	65,357	2,645	4.0%
Total Medical Expenses	**$113,315**	**$120,378**	**$7,063**	**5.9%**	**$335,605**	**$354,402**	**$18,797**	**5.3%**
Gross Margin	**$18,393**	**$3,698**	**$14,695**	**100.0%**	**$43,494**	**$15,538**	**$27,955**	**100.0%**
Administrative Expenses								
Salaries	$5,022	$4,912	($110)	-2.2%	$14,457	$13,677	($780)	-5.7%
Professional Fees	229	161	(68)	-42.2%	366	487	121	24.9%
Purchased Services	923	858	(66)	-7.7%	2,534	2,485	(49)	-2.0%
Supplies & Other	508	739	232	31.3%	1,558	2,018	460	22.8%
Occupancy	68	108	40	37.2%	214	326	112	34.4%
Depreciation/Amortization	551	613	62	10.1%	1,656	1,821	165	9.1%
Total Administrative Expenses	**$7,301**	**$7,390**	**$90**	**1.2%**	**$20,783**	**$20,813**	**$30**	**0.1%**
Operating Income	**$11,093**	**($3,692)**	**$14,785**	**100.0%**	**$22,711**	**($5,275)**	**$27,986**	**100.0%**
Non-Op Income/(Expense)								
Interest	$281	$579	($298)	-51.4%	$738	$1,746	($1,008)	-57.7%
Gain/(Loss) on Investments	(397)	(23)	(374)	-100.0%	(850)	(70)	(780)	-100.0%
Other Revenues	131	97	34	35.1%	379	291	88	30.2%
Grants	(97)	(1,315)	1,218	92.7%	(2,121)	(3,915)	1,794	45.8%
Total Non-Op Income/(Expense)	**($82)**	**($662)**	**$580**	**87.7%**	**($1,854)**	**($1,948)**	**$94**	**4.8%**
Net Income/(Loss)	**$11,011**	**($4,354)**	**$15,365**	**100.0%**	**$20,857**	**($7,223)**	**$28,080**	**100.0%**
MLR	*86.0%*	*97.0%*			*88.5%*	*95.8%*		
ALR	*5.5%*	*6.0%*			*5.5%*	*5.6%*		
Operating Income	*8.4%*	*-3.0%*			*6.0%*	*-1.4%*		
Net Income %	*8.4%*	*-3.5%*			*5.5%*	*-2.0%*		

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Third Month Ending March 31, 2021
(In PMPM)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	*371,584*	*374,390*	*(2,806)*	*-0.7%*	*1,107,877*	*1,115,289*	*(7,412)*	*-0.7%*
Capitation Revenue								
Capitation Revenue Medi-Cal	$353.75	$330.62	$23.13	7.0%	$341.46	$330.90	$10.56	3.2%
Premiums Commercial	0.70	0.79	(0.09)	-11.4%	0.72	0.80	(0.08)	-9.5%
Total Operating Revenue	**$354.45**	**$331.41**	**$23.04**	**7.0%**	**$342.18**	**$331.70**	**$10.49**	**3.2%**
Medical Expenses								
Inpatient Services (Hospital)	$100.28	$99.44	($0.84)	-0.8%	$102.60	$98.79	($3.82)	-3.9%
Inpatient Services (LTC)	35.05	43.22	8.17	18.9%	36.27	41.34	5.07	12.3%
Physician Services	45.15	52.02	6.87	13.2%	46.26	51.61	5.35	10.4%
Outpatient Facility	18.77	18.70	(0.06)	-0.3%	16.94	18.56	1.61	8.7%
Pharmacy	50.16	48.87	(1.29)	-2.6%	44.25	48.87	4.62	9.5%
Other Medical	55.54	59.28	3.74	6.3%	56.61	58.60	2.00	3.4%
Total Medical Expenses	**$304.95**	**$321.53**	**$16.58**	**5.2%**	**$302.93**	**$317.77**	**$14.84**	**4.7%**
Gross Margin	**$49.50**	**$9.88**	**$39.62**	**100.0%**	**$39.26**	**$13.93**	**$25.33**	**100.0%**
Administrative Expenses								
Salaries	$13.52	$13.12	($0.40)	-3.0%	$13.05	$12.26	($0.79)	-6.4%
Professional Fees	0.62	0.43	(0.19)	-43.2%	0.33	0.44	0.11	24.4%
Purchased Services	2.49	2.29	(0.19)	-8.5%	2.29	2.23	(0.06)	-2.6%
Supplies & Other	1.37	1.97	0.61	30.8%	1.41	1.81	0.40	22.3%
Occupancy	0.18	0.29	0.11	36.8%	0.19	0.29	0.10	33.9%
Depreciation/Amortization	1.48	1.64	0.15	9.4%	1.49	1.63	0.14	8.5%
Total Administrative Expenses	**$19.65**	**$19.74**	**$0.09**	**0.5%**	**$18.76**	**$18.66**	**($0.10)**	**-0.5%**
Operating Income	**$29.85**	**($9.86)**	**$39.71**	**100.0%**	**$20.50**	**($4.73)**	**$25.23**	**100.0%**

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Statement of Cash Flow
For The Third Month Ending March 31, 2021
(In $000s)

	MTD	YTD
Net Income	$11,011	$20,857
Items not requiring the use of cash: Depreciation	551	1,656
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Receivables	12,280	90,580
Prepaid Expenses	177	745
Current Assets	(648)	(212)
Net Changes to Assets	**$11,809**	**$91,113**
Changes to Payables:		
Accounts Payable	12,568	(975)
Accrued Expenses	-	-
Other Current Liabilities	(1,464)	(773)
Incurred But Not Reported Claims/Claims Payable	56,761	(24,515)
Estimated Risk Share Payable	834	2,484
Due to State	-	-
Net Changes to Payables	**$68,699**	**($23,779)**
Net Cash Provided by (Used in) Operating Activities	**$92,070**	**$89,847**
Change in Investments	(20,867)	(20,923)
Other Equipment Acquisitions	(179)	(299)
Net Cash Provided by (Used in) Investing Activities	**($21,046)**	**($21,222)**
Net Increase (Decrease) in Cash & Cash Equivalents	**$71,024**	**$68,625**
Cash & Cash Equivalents at Beginning of Period	**$154,646**	**$157,045**
Cash & Cash Equivalents at March 31, 2021	**$225,670**	**$225,670**