

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



Meeting Agenda

Wednesday, March 23, 2022

1:30 p.m. – 2:45 p.m.

Location: In Santa Cruz County:

Central California Alliance for Health Monterey 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 Los Banos Room
530 West 16th Street, Suite B, Merced, CA

Alliance offices have opened for Finance Committee meetings in each county. Face coverings are required in all Alliance facilities and must be worn throughout the duration of the meeting regardless of vaccination status.

1. Members of the public wishing to observe the meeting remotely via online livestreaming may do so as follows:
 - 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: 636 437 952#

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, March 22, 2022 to the Clerk of the Board at clerkoftheboard@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.

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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 October 27, 2021 meeting of the Finance Committee. 1:40 p.m.**

- 4. Preliminary 2021 financial results. 1:45 p.m.**

- 5. 2020-2021 RDT findings. 1:55 p.m.**

- 6. Investment update through December 2021. 2:05 p.m.**

- 7. Guest speaker from CalTRUST. 2:10 p.m.**

The complete agenda packet is available for review 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, October 27, 2021

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

Members Present:

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

Members Absent:

Ms. Mimi Hall	County Health Services Agency Director
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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. (1:33 p.m.)

Chairperson Molesky called the meeting to order at 1:33 p.m. Roll call was taken. A quorum was present.

2. Oral Communications. (1:33 – 1:35 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 findings that the state of emergency continues to impact the ability of members to meet safely in person and/or State or local officials continue to impose or recommend measures to promote social distancing. (1:35 – 1:37 p.m.)**

FINANCE COMMITTEE ACTION: Chairperson Molesky opened the floor for approval of the findings that the state of emergency continues to impact the ability of members to meet safely in person and/or State or local officials continue to impose or recommend measures to promote social distancing.

MOTION: Commissioner Jiménez moved to approve the findings, seconded by Commissioner Weber.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Jiménez, Molesky, Radner, Weber

Noes: None

Absent: Commissioner Hall

Abstain: None

- 4. Approve minutes of the September 22, 2021 meeting of the Finance Committee. (1:37 – 1:38 p.m.)**

FINANCE COMMITTEE ACTION: Chairperson Molesky opened the floor for approval of the minutes of the September 22, 2021 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, Weber

Noes: None

Absent: Commissioner Hall

Abstain: None

Regular Agenda Items:

- 5. Year-to-date August 2021 Financials. (1:38 – 1:48 p.m.)**

Ms. Lisa Ba, Chief Financial Officer (CFO), updated the commissioners on the Alliance's most recent financial performance. For the eight months ending on August 31, 2021, there was an operating income of \$105M. Revenue is 4% favorable to budget due to the pharmacy carve-in as well as the COVID and Long-Term Care (LTC) add-ons for the duration of the Public

Health Emergency (PHE). Medical cost is favorable by 8% primarily due to utilization continuing to be suppressed as a result of the pandemic.

In summary, Ms. Ba noted that the 2021 budget assumed that resumption of care would begin to return to the 2019 levels in the first quarter of 2021. However, this assumption was not realized and was further impacted by the Delta variant. With increased enrollment bringing down the medical cost at the PMPM level and increases in revenue due to the pharmacy carve-in and COVID and LTC add-ons, the operating income is favorable to budget at \$105M.

Ms. Ba opened the floor for questions and discussion.

6. Preliminary 2022 Budget. (1:48 - 2:25 p.m.)

Ms. Ba explained that, although the 2022 budget is not yet finalized, a preview of that budget will be shared at this meeting for the Finance Committee's consideration and comment. The finalized budget will be presented for review and approval at the December Board Meeting.

The CFO went on to provide a review of the plan's historical financial performance, and summarized that losses were incurred in 2018 and 2019 and then, in 2020, with the pause in utilization brought on by the pandemic, the plan achieved a small operating income. The current forecast includes an operating income of \$128.5M for 2021 as the PHE continued longer than was expected and assumed in the 2021 budget. The preliminary 2022 budget includes a \$41M operating income or 3%.

Next, Ms. Ba went on to review the budget assumptions related to enrollment, revenue and medical cost. Beginning with enrollment, the assumption is that the PHE will end on December 31, 2021 and that redetermination will begin January 1, 2022 and take place over a 12-month period. It is expected that, by December of next year, the membership will return to pre-pandemic levels ending at 344K members.

Commissioner Elsa Jiménez inquired about the upcoming Medi-Cal expansion to undocumented individuals aged 50 and older and asked whether that was considered in the 2022 budget. Ms. Ba explained that the potential newly qualified population under that Medi-Cal expansion was not included in the 2022 budget assumptions. She went on to explain that, with the effective date being no earlier than May 2022, combined with the relatively small population who would potentially qualify in our counties, is not expected that this would present a significant impact on the Alliance's net financial performance.

Next, the CFO went on to orient the committee to the revenue and medical cost assumptions for 2022. The preliminary rate package was received in October. Changes that will impact revenue include managed care efficiency adjustments, the pharmacy carve-out, the removal of the LTC and COVID add-ons from prior year and the addition of new Enhanced Care Management (ECM) and Community Supports (CS) programs. In terms of costs, the ECM and Community Supports programs are assumed to be budget neutral as ECM has revenue that will cover the costs and Community Supports will generate savings from a covered Medi-Cal benefit. Ms. Ba explained that an acuity adjustment has been incorporated because, as members disenroll, costs will increase. Internal reports have indicated that costs associated with members who are newly enrolled since the onset of the

pandemic are lower than the costs of members enrolled prior to that. It is therefore expected that, as those newly enrolled members roll out of the system, costs will increase.

Commissioner Jiménez asked for clarification around the redetermination process and inquired if there is a program in place to help ensure that members are made aware when their renewal period is coming up to help prevent any lapse between eligibility and re-enrollment so that coverage is not lost and continuity of care can be assured. Ms. Stephanie Sonnenshine, Chief Executive Officer (CEO) responded to Commissioner Jimenez's question and advised that the topic was addressed at a recent Department of Healthcare Services (DHCS) Stakeholder Advisory Committee meeting. She relayed that, at that meeting, there was discussion about a plan to outreach to counties regarding ensuring that enrollee records are updated with current contact information in preparation to support the upcoming redetermination process.

An overview of the Medical Expense Budget by category of service was presented. Of note, Ms. Ba reminded the commissioners that, with pharmacy removed, the largest category of service for the 2022 budget is Inpatient Hospital/Outpatient Facilities which will now account for more than half of the medical cost. It will therefore be vital for staff to continue executing the Board approved Cost Containment Plan as that portion of services will count for the majority of expenses moving forward.

The Administrative Budget is targeted at \$86.7M for 2022. Compared against the 2021 budget of \$85.6M this reflects an increase of \$1.1M or 1%. With a reduced revenue base next year due to the pharmacy carve-out, the Administrative Loss Ratio (ALR) is expected to increase.

A view of the current Tangible Net Equity (TNE) was presented. Ms. Ba reported that with the removal of the pharmacy revenue and the requirement to maintain a reserve of three times that cost, the required reserve will be lower. The projected operating reserve is \$159M. Ms. Ba explained that the current accumulation of the operating reserve has allowed for the offset of losses incurred in 2018 and 2019. However, Ms. Ba advised that we will need to be prepared for potential financial uncertainty in 2023 and 2024 when DHCS sets the rates based on the low-cost base years of 2020 and 2021. In addition, the regional rates will be implemented in 2024 and we will need to bring our cost to the peer level.

In summary, the draft budget assumes that, as redetermination resumes in 2022, enrollment will return to pre-pandemic levels by December of next year. With the reduction in enrollment the acuity will in turn increase and translate to increased medical cost. The 2022 budget assumes that the resumption of care will continue throughout 2022 and that the overall annual utilization will be 5% above the 2019 level. The operating income is expected to be \$41M or 3%. Staff continues to review all of the assumptions and is finalizing the budget for Board approval on December 1, 2021.

Ms. Ba opened the floor for questions and discussion.

Commissioner Michael Molesky commented on the use of telehealth visits during the PHE and noted that this seemed to be an efficient way to improve access to care for members. He asked if funding for those types of visits is expected to continue for Medi-Cal programs. Ms. Ba noted that at this time it is unknown as this would be something that would have to be approved by DHCS and included on the fee schedule. Ms. Sonnenshine added that, with

greater flexibility given to providers to rely upon telehealth to provide services to their patients during the PHE, it became evident that this method was effective and desired by patients. To that point, the Alliance, along with other local health plans, through the Local Health Plans of California (LHPC), are contributing to a workgroup that is developing advice to present to DHCS to explore if this can continue post-PHE to expand flexibility for members.

Commissioner Molesky inquired if there are future plans to look at the grant program in relation to supporting efforts for the Master Plan for Aging and ECM programs. Ms. Sonnenshine noted that strategic planning work is underway and information will be brought to the Board in the near future to inform on the possible evolution of the grant program and to request the Board's consideration and input.

Commissioner Molesky thanked Ms. Sonnenshine for the Alliance's continued support of community activities and opened the floor for any other questions. No additional questions were received.

Adjourn:

The Commission adjourned its meeting of October 27, 2021 at 2:25 p.m.

Respectfully submitted,

Ms. Dulcie San Paolo
Finance Administrative Specialist



DATE: March 23, 2022
TO: Santa Cruz-Monterey-Merced Managed Medical Care Commission
FROM: Lisa Ba, Chief Financial Officer
SUBJECT: Financial Highlights for the First Month Ending January 31, 2022

For the first month ending January 31, 2022, the Alliance reported an Operating Income of \$7.2M with a Medical Loss Ratio (MLR) of 89.3%, and an Administrative Loss Ratio (ALR) of 4.9%.

An operating income of \$7.6M was expected in Jan-22 based on the 2022 budget. The actual operating income varied from budget by (\$0.5M) or -5.9%, driven primarily by \$2.3M in favorable revenue rate variances offset by unfavorable medical expense rate variances of (\$3.8M). Increased enrollment as compared to budget drove offsetting revenue and medical expense variances of \$1.4M and (\$1.2M), respectively.

The 2022 budget assumed utilization levels to return to the 2019 level by Q1-2022, incrementally increasing each quarter and ending at a 5% increase from pre-pandemic levels. Staff expected that utilization would rise as members resumed delayed elective procedures, surgeries, and specialist referrals in 2022. Actual utilization continues to rebound from the lowest observed levels from 2020 and is heading towards 2019 levels. The 2022 budget additionally assumed that the LTC rate increase which was implemented in response to the PHE would be discontinued, which has not been realized.

Jan-22 MTD (In \$000s)				
<u>Key Indicators</u>	Current Actual	Current Budget	Current Variance	% Variance to Budget
<i>Membership</i>	389,667	385,108	4,559	1.2%
Revenue	123,688	119,976	3,712	3.1%
Medical Expenses	110,433	105,338	(5,095)	-4.8%
Administrative Expenses	6,058	6,990	933	13.3%
Operating Income/(Loss)	7,197	7,647	(450)	-5.9%
Net Income/(Loss)	3,598	6,411	(2,813)	-43.9%
PMPM				
Revenue	317.42	311.54	5.88	1.9%
Medical Expenses	283.40	273.53	(9.87)	-3.6%
Administrative Expenses	15.55	18.15	2.61	14.4%
Operating Income/(Loss)	18.47	19.86	(1.39)	7.0%
<i>MLR %</i>	89.3%	87.8%	-1.5%	
<i>ALR %</i>	4.9%	5.8%	0.9%	
<i>Operating Income %</i>	5.8%	6.4%	-0.6%	
<i>Net Income %</i>	2.9%	5.3%	-2.4%	

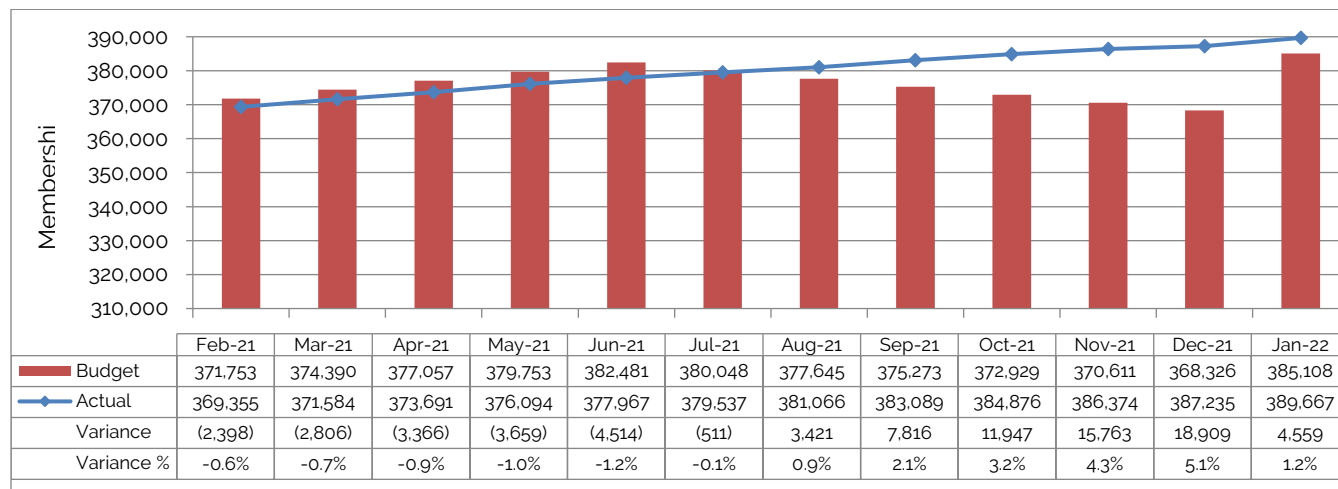
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Per Member Per Month. Capitation revenue and medical expenses are variables based on enrollment fluctuations; therefore, the PMPM view offers more clarity than the total dollar amount. Conversely, administrative expenses do not directly correspond with enrollment and are consequently viewed in terms of total dollar amount. At a PMPM level, revenue is \$317.42, which is favorable to budget by \$5.88 or 1.9%. Medical cost PMPM is \$283.40, which is unfavorable by \$9.87 or 3.6%, and Administrative cost PMPM is \$15.55, which is favorable by \$2.61 or 14.4%. The resulting operating income is \$18.47 PMPM, which is unfavorable by \$1.39 as compared to budget.

Membership. January 2022 Member Months are favorable to budget by 1.2%. Please note that the 2022 budget assumed the Public Health Emergency (PHE) would end in January 2022 and redetermination would resume. Therefore, it was expected that enrollment would decrease gradually to the pre-pandemic level by December 2022 at a rate of approximately 1 percent per month. The State now anticipates the PHE will expire no sooner than April 16, 2022 and accordingly, redeterminations have not begun. This will result in favorable membership and member months for the first quarter of the year, with the percentage variance anticipated to increase monthly.

Membership. Actual vs. Budget (based on actual enrollment trend for Jan-22 rolling 12 months)



Revenue. The 2022 revenue budget was based on the 2022 DHCS rate package received in October 2021. The rate package included funding for Enhanced Care Management (ECM) and Community Supports (CS); both are new programs in 2022 and are assumed to be budget-neutral in the 2022 budget. Pharmacy revenue was removed from 2022 rates in alignment with the Medical Rx carve-out effective January 1, 2022.

January 2022 capitation revenue of \$123.4M is favorable to budget by \$3.7M or 3.1%, of which \$1.4M is attributed to enrollment and \$2.3M to rate variance. January 2022 includes miscellaneous rate adjustments for CBAS, Prop 56 Admin and MCO Tax. Additionally, January 2022 actual revenue includes funding for various programs not yet finalized when preparing the 2022 budget, including

dyadic behavioral health, rapid genome sequencing, and the expansion of Medi-Cal benefits to undocumented Californians age 50 and older.

Jan-22 YTD Capitation Revenue Summary (In \$000s)					
County	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Santa Cruz	27,927	27,119	808	236	572
Monterey	52,856	51,020	1,835	652	1,183
Merced	42,619	41,569	1,050	527	523
Total	123,401	119,708	3,693	1,416	2,278

Note: Excludes Jan-22 YTD In-Home Supportive Services (IHSS) premiums revenue of \$0.3M.

Medical Expenses. January 2022 Medical Expenses of \$110.4M are \$5.0M or 4.8% unfavorable to budget. Of this \$5.1M unfavorability, \$3.8M is attributed to PMPM cost variance and \$1.2M due to enrollment.

Jan-22 YTD Medical Expense Summary (In \$000s)					
Category	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Inpatient Services (Hospital)	47,385	42,036	(5,349)	(498)	(4,851)
Inpatient Services (LTC)	15,307	11,892	(3,414)	(141)	(3,274)
Physician Services	20,913	21,198	286	(251)	537
Outpatient Facility	10,987	12,920	1,934	(153)	2,087
Pharmacy	(1,356)	65	1,422	(1)	1,422
Other Medical	17,199	17,226	27	(204)	231
Total	110,433	105,338	(5,095)	(1,247)	(3,848)

Note: Other Medical includes Allied Health, Non-Claims HC Cost, transportation, ECM, ILOS, BHT, Lab, and other medical cost.

At a PMPM level, January Medical Expenses are \$283.40, which is unfavorable by \$9.87 or 3.6% as compared to budget. Please note that rate (PMPM) is the unit cost for a service, and when multiplied by the utilization for the service, equals the medical cost.

Throughout the second half of 2021, Trended Authorization per 1,000 was indicating that utilization was rebounding from the most extreme suppressed levels observed in 2020 but not yet reaching 2019 levels. This trend has continued into 2022, possibly driven by loosened COVID restrictions, resumption of outpatient surgeries and procedures, delivery of backlogged services, and members' increased confidence in seeking care outside of emergency care that may result in an inpatient stay. The 2022 budget assumed utilization would return to the 2019 level during Q1-22 and increase 5% over 2019 by year-end. While actual Jan-22 utilization has not achieved the 2019 level, \$2M in retroactive claims payments from 2019 and 2020 and \$3.5M in Incurred but Not Reported (IBNR) increases due to recent October 2021 payments have driven Inpatient Services costs higher than budget both on a PMPM and dollar basis.

The 2022 budget further assumed that the LTC rate increase implemented in response to the PHE would be discontinued. This assumption has not been realized, and an additional 4% LTC rate increase was assumed for Jan-22. Unknown impacts from the continuation of the PHE in Q1-22 could further impact utilization and will drive continuing variances in actual versus budgeted LTC costs.

Jan-22 YTD Medical Expense by Category of Service (In PMPM)				
Category	Actual	Budget	Variance	Variance %
Inpatient Services (Hospital)	121.60	109.15	(12.45)	-11.4%
Inpatient Services (LTC)	39.28	30.88	(8.40)	-27.2%
Physician Services	53.67	55.05	1.38	2.5%
Outpatient Facility	28.20	33.55	5.35	16.0%
Pharmacy	(3.48)	0.17	3.65	100.0%
Other Medical	44.14	44.73	0.59	1.3%
Total	283.40	273.53	(9.87)	3.6%

Administrative Expenses. January 2022 Administrative Expenses are favorable to budget by \$0.9M or 13.3% with a 4.9% ALR.

Non-Operating Revenue/Expenses. January 2022 Total Non-Operating Revenue is unfavorable to budget by \$3.0M, primarily driven by unrealized gain/loss on investments. This is offset by a favorable January 2022 Non-Operating Expense of \$0.6M, resulting in an unfavorable net loss of \$2.4M.

Summary of Results. Overall, the Alliance generated a Net Income of \$3.6M, with an MLR of 89.3%, and an ALR of 4.9%.



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Balance Sheet
For The First Month Ending January 31, 2022
(In \$000s)

Assets

Cash	\$147,802
Restricted Cash	300
Short Term Investments	563,939
Receivables	160,854
Prepaid Expenses	3,193
Other Current Assets	16,502
Total Current Assets	\$892,591

Building, Land, Furniture & Equipment	
Capital Assets	\$83,270
Accumulated Depreciation	(41,529)
CIP	313
Total Non-Current Assets	42,055
Total Assets	\$934,646

Liabilities

Accounts Payable	\$17,036
IBNR/Claims Payable	318,079
Accrued Expenses	1
Estimated Risk Share Payable	10,833
Other Current Liabilities	7,739
Due to State	0
Total Current Liabilities	\$353,689

Fund Balance

Fund Balance - Prior	\$577,359
Retained Earnings - CY	3,598
Total Fund Balance	580,957
Total Liabilities & Fund Balance	\$934,646



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The First Month Ending January 31, 2022
(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>	389,667	385,108	4,559	1.2%	389,667	385,108	4,559	1.2%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$123,401	\$119,708	\$3,693	3.1%	\$123,401	\$119,708	\$3,693	3.1%
Premiums Commercial	286	268	19	7.0%	286	268	19	7.0%
Total Operating Revenue	\$123,688	\$119,976	\$3,712	3.1%	\$123,688	\$119,976	\$3,712	3.1%
Medical Expenses								
Inpatient Services (Hospital)	\$47,385	\$42,036	(\$5,349)	-12.7%	\$47,385	\$42,036	(\$5,349)	-12.7%
Inpatient Services (LTC)	15,307	11,892	(3,414)	-28.7%	15,307	11,892	(3,414)	-28.7%
Physician Services	20,913	21,198	286	1.3%	20,913	21,198	286	1.3%
Outpatient Facility	10,987	12,920	1,934	15.0%	10,987	12,920	1,934	15.0%
Pharmacy	(1,356)	65	1,422	100.0%	(1,356)	65	1,422	100.0%
Other Medical	17,199	17,226	27	0.2%	17,199	17,226	27	0.2%
Total Medical Expenses	\$110,433	\$105,338	(\$5,095)	-4.8%	\$110,433	\$105,338	(\$5,095)	-4.8%
Gross Margin	\$13,255	\$14,638	(\$1,383)	-9.4%	\$13,255	\$14,638	(\$1,383)	-9.4%
Administrative Expenses								
Salaries	\$4,251	\$4,827	\$576	11.9%	\$4,251	\$4,827	\$576	11.9%
Professional Fees	144	190	46	24.2%	144	190	46	24.2%
Purchased Services	553	681	128	18.8%	553	681	128	18.8%
Supplies & Other	727	902	175	19.4%	727	902	175	19.4%
Occupancy	102	105	3	2.5%	102	105	3	2.5%
Depreciation/Amortization	280	285	5	1.8%	280	285	5	1.8%
Total Administrative Expenses	\$6,058	\$6,990	\$933	13.3%	\$6,058	\$6,990	\$933	13.3%
Operating Income	\$7,197	\$7,647	(\$450)	-5.9%	\$7,197	\$7,647	(\$450)	-5.9%
Non-Op Income/(Expense)								
Interest	\$477	\$315	\$162	51.3%	\$477	\$315	\$162	51.3%
Gain/(Loss) on Investments	(3,445)	(238)	(3,207)	-100.0%	(3,445)	(238)	(3,207)	-100.0%
Other Revenues	136	83	52	62.9%	136	83	52	62.9%
Grants	(768)	(1,397)	629	45.0%	(768)	(1,397)	629	45.0%
Total Non-Op Income/(Expense)	(\$3,600)	(\$1,236)	(\$2,363)	-100.0%	(\$3,600)	(\$1,236)	(\$2,363)	-100.0%
Net Income/(Loss)	\$3,598	\$6,411	(\$2,813)	-43.9%	\$3,598	\$6,411	(\$2,813)	-43.9%
<i>MLR</i>	89.3%	87.8%			89.3%	87.8%	-1.5%	
<i>ALR</i>	4.9%	5.8%			4.9%	5.8%	0.9%	
<i>Operating Income</i>	5.8%	6.4%			5.8%	6.4%	0.6%	
<i>Net Income %</i>	2.9%	5.3%			2.9%	5.3%	2.4%	



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The First Month Ending January 31, 2022
(In \$000s)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
<i>Member Months</i>	389,667	385,108	4,559	1.2%	389,667	385,108	4,559	1.2%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$316.68	\$310.84	\$5.84	1.9%	\$316.68	\$310.84	\$5.84	1.9%
Premiums Commercial	0.74	0.70	0.04	5.7%	0.74	0.70	0.04	5.7%
Total Operating Revenue	\$317.42	\$311.54	\$5.88	1.9%	\$317.42	\$311.54	\$5.88	1.9%
Medical Expenses								
Inpatient Services (Hospital)	\$121.60	\$109.15	(\$12.45)	-11.4%	\$121.60	\$109.15	(\$12.45)	-11.4%
Inpatient Services (LTC)	39.28	30.88	(8.40)	-27.2%	39.28	30.88	(8.40)	-27.2%
Physician Services	53.67	55.05	1.38	2.5%	53.67	55.05	1.38	2.5%
Outpatient Facility	28.20	33.55	5.35	16.0%	28.20	33.55	5.35	16.0%
Pharmacy	(3.48)	0.17	3.65	100.0%	(3.48)	0.17	3.65	100.0%
Other Medical	44.14	44.73	0.59	1.3%	44.14	44.73	0.59	1.3%
Total Medical Expenses	\$283.40	\$273.53	(\$9.87)	-3.6%	\$283.40	\$273.53	(\$9.87)	-3.6%
Gross Margin	\$34.02	\$38.01	(\$3.99)	-10.5%	\$34.02	\$38.01	(\$3.99)	-10.5%
Administrative Expenses								
Salaries	\$10.91	\$12.53	\$1.63	13.0%	\$10.91	\$12.53	\$1.63	13.0%
Professional Fees	0.37	0.49	0.12	25.1%	0.37	0.49	0.12	25.1%
Purchased Services	1.42	1.77	0.35	19.7%	1.42	1.77	0.35	19.7%
Supplies & Other	1.87	2.34	0.48	20.3%	1.87	2.34	0.48	20.3%
Occupancy	0.26	0.27	0.01	3.6%	0.26	0.27	0.01	3.6%
Depreciation/Amortization	0.72	0.74	0.02	3.0%	0.72	0.74	0.02	3.0%
Total Administrative Expenses	\$15.55	\$18.15	\$2.61	14.4%	\$15.55	\$18.15	\$2.61	14.4%
Operating Income	\$18.47	\$19.86	(\$1.39)	-7.0%	\$18.47	\$19.86	(\$1.39)	-7.0%



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Statement of Cash Flow
For The First Month Ending January 31, 2022
(In \$000s)

	MTD	YTD
Net Income	\$3,598	\$3,598
Items not requiring the use of cash: Depreciation	280	280
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Receivables	84,695	84,695
Prepaid Expenses	(996)	(996)
Current Assets	(398)	(398)
Net Changes to Assets	\$83,302	\$83,302
Changes to Payables:		
Accounts Payable	(39,904)	(39,904)
Accrued Expenses	-	-
Other Current Liabilities	424	424
Incurred But Not Reported Claims/Claims Payable	(12,104)	(12,104)
Estimated Risk Share Payable	833	833
Due to State	-	-
Net Changes to Payables	(\$50,751)	(\$50,751)
Net Cash Provided by (Used in) Operating Activities	\$36,429	\$36,429
Change in Investments	(26,055)	(26,055)
Other Equipment Acquisitions	(99)	(99)
Net Cash Provided by (Used in) Investing Activities	(\$26,154)	(\$26,154)
Net Increase (Decrease) in Cash & Cash Equivalents	\$10,275	\$10,275
Cash & Cash Equivalents at Beginning of Period	\$137,528	\$137,528
Cash & Cash Equivalents at January 31, 2022	\$147,802	\$147,802