

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



Meeting Agenda

Wednesday, October 26, 2022

1:30 p.m. – 2:45 p.m.

Teleconference Meeting

(Pursuant to Assembly Bill 361 signed by Governor Newsom, September 16, 2021)

Important notice regarding COVID-19: In the interest of public health and safety due to the state of emergency caused by the spread of COVID-19, this meeting will be conducted via teleconference. 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 Finance Committee.

1. Members of the public wishing to join the meeting 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: 350 524 63#

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, October 25, 2022 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. 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.).

- 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 August 24, 2022 meeting of the Finance Committee. 1:40 p.m.**

- 4. August YTD Financial Results. 1:45 p.m.**

- 5. Preliminary 2023 Budget. 2:00 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, August 24, 2022

Teleconference Meeting

(Pursuant to Assembly Bill 361 signed by Governor Newsom, September 16, 2021)

Members Present:

Ms. Elsa Jiménez	County Health Director
Ms. Shebreh Kalantari-Johnson	Public Representative
Mr. Michael Molesky	Public Representative
Allen Radner, MD	Provider Representative

Members Absent:

Mr. Tony Weber	Provider Representative
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Staff Present:

Ms. Lisa Ba	Chief Financial Officer
Ms. Stephanie Sonnenshine	Chief Executive Officer
Maurice Herbelin, MD	Chief Medical Officer
Ms. Kay Lor	Financial Planning and Analysis Director
Ms. Dulcie San Paolo	Finance Administrative Specialist

1. Call to Order. (1:33 p.m.)

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

Regular Agenda Items:

2. June YTD Financial Results. (1:35 – 1:38 p.m.)

[Commissioner Allen Radner, MD arrived at this time: 1:35 p.m.]

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Ms. Lisa Ba, Chief Financial Officer (CFO), updated the commissioners on the Alliance's most recent financial performance for the six months ending on June 30, 2022.

3. Q2-2022 Forecast. (1:38 – 1:51 p.m.)

Ms. Ba oriented the commissioners to the forecast which is based on the actual results from the past six months.

The CFO first gave the commissioners a view of the Alliance's trended financial performance for the past three years. Losses were incurred in 2019, prior to the pandemic. In 2020, a break-even performance was achieved due to the suppressed utilization brought on by the pandemic, and in 2021 the plan was able to generate a profit as the Public Health Emergency (PHE) continued.

Next, Ms. Ba went on to provide a more detailed view of the assumptions related to enrollment, revenue, and medical cost. She explained that when the budget was developed, the assumption was that the PHE would end in January 2022. However, the PHE has been extended several times and is currently slated to end in October 2022. The forecast assumes that redetermination will begin in 2023 with enrollment continuing to grow until October and then staying flat through December 2022. As a result, enrollment is expected to increase by 6.6% from 2021 and nearly 20% since pre-pandemic levels.

Revenue assumptions as compared to the budget include a 1% negative acuity adjustment. The current rate was developed based on the 2019 data. Since then, enrollment has grown significantly, resulting in lower acuity. Of additional note, related to revenue, are the CalAIM incentive payments. The first of these payments was received in May 2022, and the second is expected in September 2022. Ms. Ba explained that these incentive payments were not included in the budget. The potential payment is approximately \$22M. However, we must meet the milestone to earn the incentive. Overall, the revenue rate at a PMPM level is forecast to be 3% favorable to the budget.

Regarding medical cost assumptions, Ms. Ba noted that as utilization increases, so does the medical cost. However, the rising enrollment has diluted the utilization and medical cost resulting in a favorable PMPM medical cost.

In summary, due to the suspension of the redetermination process, enrollment has increased by approximately 20% since 2019. Higher enrollment as well as CalAIM incentive payments have helped to stabilize revenue even after the pharmacy carve-out. Medical cost is forecast to be favorable even with increased utilization, as the higher enrollment lessens the PMPM medical cost. Administrative expense is expected to end at or below budget. Medical Loss Ratio (MLR) is projected to be 87.6% compared to the budgeted 90.6% and Administrative Loss Ratio (ALR) is expected to be 5.4% compared to the budgeted 6.4%. Staff forecast an operating income of \$109M for 2022, compared to the budget of \$41M.

4. Hospital Incentive Program. (1:51 – 2:12 p.m.)

Ms. Ba began by providing some background information on the topic. She noted that, in June 2020, the Alliance's Board approved a Cost Containment Plan to bring hospital cost in line with revenue rate, utilization trends and industry benchmarks. In December 2020, the Board approved a shared savings program to provide an additional revenue source for

hospitals. During rate negotiations with hospitals in 2021, hospital partners expressed interest in the Alliance creating a hospital incentive program. Therefore, staff have been working on developing such a program this year. Ms. Ba announced that the program was presented last week at a Hospital Council meeting where representatives from contracted hospitals from Monterey and Santa Cruz counties were in attendance. The intent today is to share a high-level overview of the program with this committee to solicit feedback.

The CFO introduced Kay Lor, Financial Planning and Analysis Director, to share an overview of the Hospital Incentive Program for the commissioners. Ms. Lor outlined the objectives of the program, one of which is to move towards paying providers based on quality with a goal for better health outcomes for members. Additional objectives are to reduce the unnecessary use of expensive services, achieve alignment between the payer and delivery systems, provide hospitals with the ability to earn additional revenue, and to lower medical costs.

Ms. Lor went on to explain that the program would be available to the Alliance's nine in-area contracted hospitals. It would be a two-tiered approach, with Phase I of the program proposed for implementation in 2023 and Phase II to be developed in 2023.

Ms. Lor reviewed the proposed measures for Phase 1 of the program including: 30-day readmission rates, Cesarean delivery rates, post-discharge follow-up within seven days, and avoidable emergency room visits.

Staff suggest that the payment would be based on a percentage improvement from prior year's baseline. The performance period would be 2023 with payout in 2024. Staff plan to budget \$10M in 2023. Next steps will be to present the program for the Board's consideration and approval in October.

Ms. Ba opened the floor for questions.

Commissioners Radner and Kalantari-Johnson inquired about tactics that may support hospitals in achieving the proposed metrics, and how the Alliance could help to facilitate those tactics.

Ms. Ba noted that currently there are regular Joint Operational Committees (JOCs) held with our contracted hospitals and that these could be utilized as a forum to explore how the Alliance can partner with hospitals to help them achieve the metrics. In addition, staff would incorporate commissioners' feedback in the future program design.

5. Q2-2022 Investment Update. (2:12 - 2:18 p.m.)

Ms. Ba provided the commissioners with an update on the Alliance's investment portfolio as of June 30, 2022. She explained that staff manage the investments per the Board-approved Investment Policy. Through a view of the portfolio by institution and holdings, Ms. Ba noted that staff have utilized the Pooled Money Investment Account (PMIA), which includes CalTRUST and Local Agency Fund (LAIF), to manage the majority of the funds. These accounts are designed for public agencies, and their investment objectives align with the Alliance's.

Ms. Ba indicated that most of the Alliance's investments are in bonds. Recent interest hikes implemented by the Federal Reserve to lower consumer demand and fight inflation have negatively impacted the bond market. As a result, the Alliance has experienced losses within its portfolio. However, Ms. Ba confirmed that the intention is to hold the investments to maturity and not to recognize the losses.

Overall, the Alliance's investment performance is aligned with the bond market benchmark.

6. Oral Communications. (2:18 – 2:19 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:

7. Approve minutes of the March 23, 2022 meeting of the Finance Committee. (2:19–2:20 p.m.)

FINANCE COMMITTEE ACTION: Chairperson Molesky opened the floor for approval of the minutes of the March 23, 2022 meeting.

MOTION: Commissioner Kalantari-Johnson moved to approve the minutes, seconded by Commissioner Radner.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Jimenez, Kalantari-Johnson, Molesky, Radner

Noes: None

Absent: Commissioner Weber

Abstain: None

The Commission adjourned its meeting of August 24, 2022 at 2:20 p.m. to October 26, 2022 at 1:30p.m. via teleconference unless otherwise noted.

Respectfully submitted,

Ms. Dulcie San Paolo
Finance Administrative Specialist



DATE: October 26, 2022
TO: Santa Cruz-Monterey-Merced Managed Medical Care Commission
FROM: Lisa Ba, Chief Financial Officer
SUBJECT: Financial Highlights for the Eighth Month Ending August 31, 2022

For the month ending August 31, 2022, the Alliance reported an Operating Income of \$12.5M. The Year-to-Date (YTD) Operating Income is at \$81.8M, with a Medical Loss Ratio (MLR) of 86.7% and an Administrative Loss Ratio (ALR) of 5.2%.

The budget expected \$38.8M Operating Income for YTD August. The actual result is favorable to budget by \$43.0M or 100.0%, driven primarily by the boosted enrollment from the Public Health Emergency.

<u>Key Indicators</u>	Aug-22 MTD (In \$000s)			% Variance to Budget
	Current Actual	Current Budget	Current Variance	
<i>Membership</i>	407,983	358,808	49,175	13.7%
Revenue	130,057	111,763	18,293	16.4%
Medical Expenses	110,402	106,103	(4,299)	-4.1%
Administrative Expenses	7,181	7,526	346	4.6%
Operating Income/(Loss)	12,474	(1,866)	14,340	100.0%
Net Income/(Loss)	4,392	(3,115)	7,507	100.0%
<i>MLR %</i>	84.9%	94.9%	10.0%	
<i>ALR %</i>	5.5%	6.7%	1.2%	
<i>Operating Income %</i>	9.6%	-1.7%	11.3%	
<i>Net Income %</i>	3.4%	-2.8%	6.2%	

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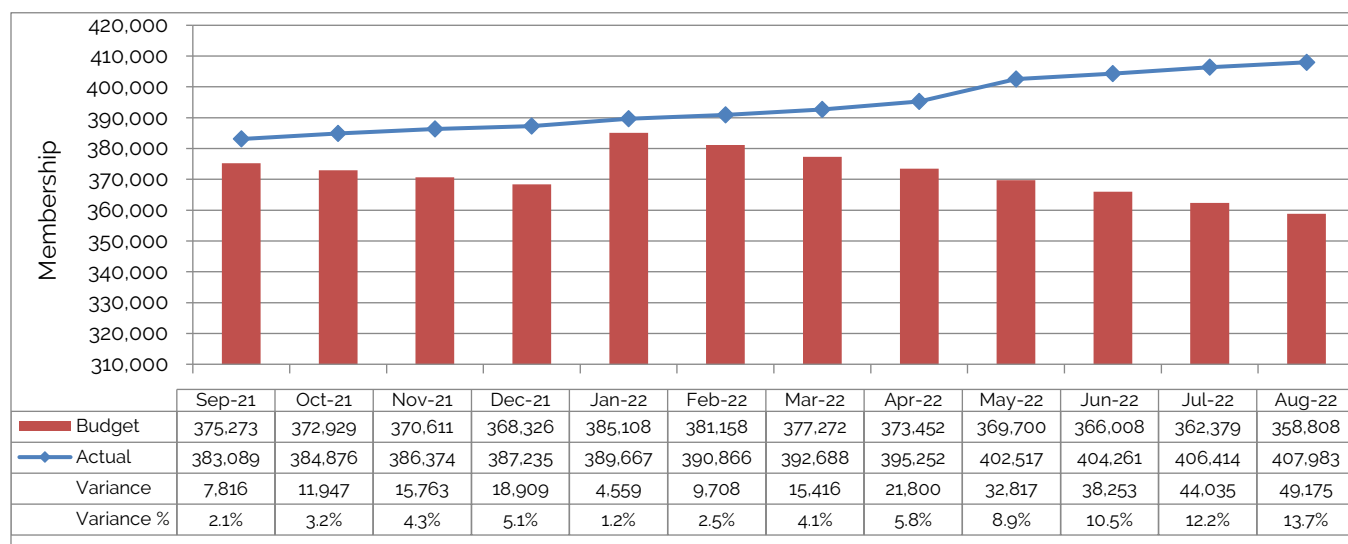
Aug-22 YTD (In \$000s)				
<u>Key Indicators</u>	YTD Actual	YTD Budget	YTD Variance	% Variance to Budget
<i>Member Months</i>	3,189,648	2,973,885	215,763	7.3%
Revenue	1,011,691	926,292	85,400	9.2%
Medical Expenses	877,110	830,235	(46,876)	-5.6%
Administrative Expenses	52,736	57,208	4,472	7.8%
Operating Income/(Loss)	81,845	38,849	42,996	100.0%
Net Income/(Loss)	60,086	28,948	31,139	100.0%
PMPM				
Revenue	317.18	311.48	5.70	1.8%
Medical Expenses	274.99	279.18	4.19	1.5%
Administrative Expenses	16.53	19.24	2.70	14.1%
Operating Income/(Loss)	25.66	13.06	12.60	96.4%
<i>MLR %</i>	86.7%	89.6%	2.9%	
<i>ALR %</i>	5.2%	6.2%	1.0%	
<i>Operating Income %</i>	8.1%	4.2%	3.9%	
<i>Net Income %</i>	5.9%	3.1%	2.8%	

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 \$317.18, which is favorable to budget by \$5.70 or 1.8%. Medical cost PMPM is \$274.99, which is favorable by \$4.19 or 1.5%. The resulting operating income PMPM is \$25.66, which is favorable by \$12.60 compared to the budget.

Membership. August 2022 membership is favorable to budget by 13.7%. Please note that the 2022 budget assumed the PHE would end in January 2022, and enrollment would decrease gradually to the pre-pandemic level by December 2022. The State anticipates the PHE will expire no sooner than January 2023. Additionally, effective May 1, 2022, the State extended eligibility to adults ages 50, regardless of immigration status. The Alliance has approximately 5,000 members in this category. Overall, the membership will remain favorable in 2022.

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



Revenue. August 2022 capitation revenue of \$129.7M is favorable to budget by \$18.2M or 16.3%, mainly attributed to higher enrollment of \$15.3M and favorable rate variances of \$2.9M. August 2022 YTD capitation revenue of \$1,009.0M is favorable to budget by \$84.8M or 9.2%. Of this amount, \$64.7M is from boosted enrollment, and \$20.1M is due to rate variance. The favorable rate variance includes funding for various programs not yet finalized when preparing the 2022 budget, including CalAIM Incentive Payment Programs, rapid genome sequencing, and the expansion of Medi-Cal benefits to undocumented Californians aged 50 and older. Please note that DHCS plans to finalize the 2022 rates in March 2023.

County	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Santa Cruz	218,514	208,743	10,772	13,691	(2,919)
Monterey	431,892	394,478	37,414	26,965	10,449
Merced	357,547	320,930	36,618	24,082	12,535
Total	1,008,953	924,150	84,803	64,738	20,065

Note: Excludes Aug-22 YTD In-Home Supportive Services (IHSS) premiums revenue of \$2.7M.

Medical Expenses. August 2022 Medical Expenses of \$110.4M are \$4.3M or 4.1% unfavorable to budget. August 2022 YTD Medical Expenses of \$877.1M are above budget by \$46.9M or 5.6%. Of this amount, \$60.2M is due to higher enrollment, which offsets \$13.4M from increased PMPM cost variance. Other Medical expense is unfavorable to budget by \$34.7M or 28.8% due to higher utilization in lab, behavioral health services, and increases in unit cost driven by a mix of services from the lab, DME, non-medical transportation, and behavioral health. This category also includes CalAIM Incentive Payment Program expenses as the Alliance aims for budget-neutral and to distribute the payment to providers or cover its own cost of expanding capacity and building infrastructure.

Aug-22 YTD Medical Expense Summary (In \$000s)

Category	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Inpatient Services (Hospital)	338,628	315,058	(23,571)	(22,858)	(712)
Inpatient Services (LTC)	106,675	105,755	(920)	(7,673)	6,753
Physician Services	170,054	174,914	4,860	(12,690)	17,551
Outpatient Facility	106,435	113,396	6,962	(8,227)	15,189
Pharmacy	23	549	526	(40)	566
Other Medical	155,295	120,563	(34,732)	(8,747)	(25,985)
Total	877,110	830,235	(46,876)	(60,236)	13,360

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

At a PMPM level, YTD Medical Expenses are \$274.99, which is favorable by \$4.19 or 1.5% compared to the budget. Please note that the rate (PMPM) is the unit cost for a service multiplied by the utilization.

The 2022 budget assumed utilization would return to the 2019 level during Q1 2022 and increase 5% over 2019 by year-end. Actual YTD utilization has not achieved the 2019 level but indicates upward movement. Authorizations suggest that Inpatient, Outpatient and Long-term Care (LTC) utilization continued to be below the 2019 level through early 2022, representing approximately 50% of medical expenses. However, there have been \$8.9M inpatient payments for prior years that resulted in higher Inpatient PMPM cost and higher Incurred but Not Reported (IBNR) estimate.

Aug-22 YTD Medical Expense by Category of Service (In PMPM)

Category	Actual	Budget	Variance	Variance %
Inpatient Services (Hospital)	106.16	105.94	(0.22)	-0.2%
Inpatient Services (LTC)	33.44	35.56	2.12	6.0%
Physician Services	53.31	58.82	5.50	9.4%
Outpatient Facility	33.37	38.13	4.76	12.5%
Pharmacy	0.01	0.18	0.18	100.0%
Other Medical	48.69	40.54	(8.15)	-20.1%
Total	274.99	279.18	4.19	1.5%

Administrative Expenses. August YTD Administrative Expenses are favorable to budget by \$4.5M or 7.8% with a 5.2% ALR. Salaries, Wages, & Benefits (SWB) are favorable by \$2.8M or 7.0% due to employee benefits running lower than budget and savings from vacant positions. Non-Salary Administrative Expenses are favorable by \$1.7M or 9.6% due to the actual spend versus budget timing.

Non-Operating Revenue/Expenses. August YTD Total Non-Operating Revenue is unfavorable to budget by \$13.9M. There is a \$17.3M unrealized loss on investments, reduced by \$5.5M favorability in grants and interests.

Summary of Results. Overall, the Alliance generated a YTD Net Income of \$60.1M, with a MLR of 86.7% and an ALR of 5.2%.



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

Assets	
Cash	\$144,207
Restricted Cash	300
Short Term Investments	604,225
Receivables	164,141
Prepaid Expenses	4,962
Other Current Assets	16,957
Total Current Assets	\$934,792
Building, Land, Furniture & Equipment	
Capital Assets	\$83,392
Accumulated Depreciation	(43,476)
CIP	453
Total Non-Current Assets	40,370
Total Assets	\$975,162
Liabilities	
Accounts Payable	\$50,548
IBNR/Claims Payable	266,729
Accrued Expenses	-
Estimated Risk Share Payable	6,667
Other Current Liabilities	8,339
Due to State	-
Total Current Liabilities	\$332,282
Fund Balance	
Fund Balance - Prior	\$582,793
Retained Earnings - CY	60,086
Total Fund Balance	642,879
Total Liabilities & Fund Balance	\$975,162
Fund Balance Reserves	
Total Fund Balance	\$642,879
Board Designated Reserves Target	378,771
Strategic Reserve (DSNP)	56,700
Medi-Cal Capacity Grant Program (MCGP)	132,636
Additional Contribution to MCGP	43,578
Total Reserves	611,685
Total Operating Reserve	\$31,194



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Eighth Month Ending August 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>
Member Months	407,983	358,808	49,175	13.7%	3,189,648	2,973,885	215,763	7.3%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$129,684	\$111,496	\$18,188	16.3%	\$1,008,953	\$924,150	\$84,803	9.2%
Premiums Commercial	373	268	105	39.4%	2,738	2,142	596	27.8%
Total Operating Revenue	\$130,057	\$111,763	\$18,293	16.4%	\$1,011,691	\$926,292	\$85,400	9.2%
Medical Expenses								
Inpatient Services (Hospital)	\$40,963	\$40,118	(\$845)	-2.1%	\$338,628	\$315,058	(\$23,571)	-7.5%
Inpatient Services (LTC)	13,130	14,153	1,023	7.2%	106,675	105,755	(920)	-0.9%
Physician Services	22,128	22,441	313	1.4%	170,054	174,914	4,860	2.8%
Outpatient Facility	14,630	14,953	323	2.2%	106,435	113,396	6,962	6.1%
Pharmacy	564	68	(496)	100.0%	23	549	526	100.0%
Other Medical	18,988	14,371	(4,617)	-32.1%	155,295	120,563	(34,732)	-28.8%
Total Medical Expenses	\$110,402	\$106,103	(\$4,299)	-4.1%	\$877,110	\$830,235	(\$46,876)	-5.6%
Gross Margin	\$19,655	\$5,660	\$13,995	100.0%	\$134,581	\$96,057	\$38,524	40.1%
Administrative Expenses								
Salaries	\$5,093	\$5,299	\$206	3.9%	\$37,109	\$39,922	\$2,813	7.0%
Professional Fees	245	159	(85)	-53.4%	1,169	1,378	209	15.2%
Purchased Services	822	801	(22)	-2.7%	5,727	5,654	(73)	-1.3%
Supplies & Other	663	860	196	22.8%	5,787	7,103	1,316	18.5%
Occupancy	81	112	31	28.0%	717	840	122	14.6%
Depreciation/Amortization	276	294	19	6.3%	2,227	2,312	84	3.6%
Total Administrative Expenses	\$7,181	\$7,526	\$346	4.6%	\$52,736	\$57,208	\$4,472	7.8%
Operating Income	\$12,474	(\$1,866)	\$14,340	100.0%	\$81,845	\$38,849	\$42,996	100.0%
Non-Op Income/(Expense)								
Interest	\$1,232	\$318	\$914	100.0%	\$5,630	\$2,534	\$3,097	100.0%
Gain/(Loss) on Investments	(4,914)	(240)	(4,673)	-100.0%	(19,248)	(1,913)	(17,335)	-100.0%
Other Revenues	171	69	101	100.0%	1,037	653	384	58.9%
Grants	(4,572)	(1,397)	(3,175)	-100.0%	(9,179)	(11,175)	1,996	17.9%
Total Non-Op Income/(Expense)	(\$8,083)	(\$1,250)	(\$6,833)	-100.0%	(\$21,759)	(\$9,901)	(\$11,858)	-100.0%
Net Income/(Loss)	\$4,392	(\$3,115)	\$7,507	100.0%	\$60,086	\$28,948	\$31,139	100.0%
<i>MLR</i>	84.9%	94.9%			86.7%	89.6%		
<i>ALR</i>	5.5%	6.7%			5.2%	6.2%		
<i>Operating Income</i>	9.6%	-1.7%			8.1%	4.2%		
<i>Net Income %</i>	3.4%	-2.8%			5.9%	3.1%		



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Eighth Month Ending August 31, 2022
(In PMPM)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
<i>Member Months</i>	407,983	358,808	49,175	13.7%	3,189,648	2,973,885	215,763	7.3%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$317.86	\$310.74	\$7.13	2.3%	\$316.32	\$310.76	\$5.57	1.8%
Premiums Commercial	0.91	0.75	0.17	22.6%	0.86	0.72	0.14	19.2%
Total Operating Revenue	\$318.78	\$311.48	\$7.29	2.3%	\$317.18	\$311.48	\$5.70	1.8%
Medical Expenses								
Inpatient Services (Hospital)	\$100.40	\$111.81	\$11.41	10.2%	\$106.16	\$105.94	(\$0.22)	-0.2%
Inpatient Services (LTC)	32.18	39.44	7.26	18.4%	33.44	35.56	2.12	6.0%
Physician Services	54.24	62.54	8.31	13.3%	53.31	58.82	5.50	9.4%
Outpatient Facility	35.86	41.67	5.81	14.0%	33.37	38.13	4.76	12.5%
Pharmacy	1.38	0.19	(1.19)	100.0%	0.01	0.18	0.18	100.0%
Other Medical	46.54	40.05	(6.49)	-16.2%	48.69	40.54	(8.15)	-20.1%
Total Medical Expenses	\$270.60	\$295.71	\$25.11	8.5%	\$274.99	\$279.18	\$4.19	1.5%
Gross Margin	\$48.18	\$15.78	\$32.40	100.0%	\$42.19	\$32.30	\$9.89	30.6%
Administrative Expenses								
Salaries	\$12.48	\$14.77	\$2.28	15.5%	\$11.63	\$13.42	\$1.79	13.3%
Professional Fees	0.60	0.44	(0.15)	-34.9%	0.37	0.46	0.10	20.9%
Purchased Services	2.02	2.23	0.22	9.7%	1.80	1.90	0.11	5.6%
Supplies & Other	1.63	2.40	0.77	32.1%	1.81	2.39	0.57	24.0%
Occupancy	0.20	0.31	0.11	36.7%	0.22	0.28	0.06	20.3%
Depreciation/Amortization	0.68	0.82	0.14	17.6%	0.70	0.78	0.08	10.2%
Total Administrative Expenses	\$17.60	\$20.98	\$3.38	16.1%	\$16.53	\$19.24	\$2.70	14.1%
Operating Income	\$30.58	(\$5.20)	\$35.78	100.0%	\$25.66	\$13.06	\$12.60	96.4%



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

	MTD	YTD
Net Income	\$4,392	\$60,086
Items not requiring the use of cash: Depreciation	276	2,227
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Receivables	2,161	81,408
Prepaid Expenses	(670)	(2,765)
Current Assets	(235)	(852)
Net Changes to Assets	\$1,255	\$77,792
Changes to Payables:		
Accounts Payable	15,455	(6,393)
Accrued Expenses	-	(1)
Other Current Liabilities	962	1,024
Incurred But Not Reported Claims/Claims Payable	5,654	(58,020)
Estimated Risk Share Payable	833	(3,333)
Due to State	-	-
Net Changes to Payables	\$22,904	(\$66,724)
Net Cash Provided by (Used in) Operating Activities	\$28,827	\$73,381
Change in Investments	4,005	(66,341)
Other Equipment Acquisitions	(134)	(361)
Net Cash Provided by (Used in) Investing Activities	\$3,871	(\$66,702)
Net Increase (Decrease) in Cash & Cash Equivalents	\$32,698	\$6,679
Cash & Cash Equivalents at Beginning of Period	\$111,509	\$137,528
Cash & Cash Equivalents at August 31, 2022	\$144,207	\$144,207