

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



**Meeting Agenda**

**Wednesday, March 27, 2024**

**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 16<sup>th</sup> Street, Suite B, Merced, CA

**In San Benito County:**  
Community Services & Workforce Development (CSWD)  
CSWD Conference Room  
1161 San Felipe Road, Building B, Hollister, CA

**In Mariposa County:**  
Mariposa County Health and Human Services Agency  
Catheys Valley Conference Room  
5362 Lemee Lane, Mariposa, CA

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: 492 624 072#
  
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 26, 2024, to Dulcie San Paolo, Finance Administrative Specialist, at [dsanpaolo@ccah-alliance.org](mailto: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 three minutes.
  - b. In person, from an Alliance County office, during the meeting when that item is announced.
    - i. State your name and organization prior to providing comment.
    - ii. Comments are limited to three minutes.

**HEALTHY PEOPLE. HEALTHY COMMUNITIES.**

- 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 three 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 three minutes per item.
- 3. Approve Finance Committee meeting minutes of September 27, 2023. 1:40 p.m.**
- 4. Preliminary 2023 Financial Results. 1:45 p.m.**
- 5. Investment Update YTD December 2023. 2:00 p.m.**
- 6. CY 2022 RDT Findings. 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/](http://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**



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**Meeting Minutes**

**Wednesday, September 27, 2023**

**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:**

Supervisor Josh Pedrozo	County Board of Supervisors
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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. (1:40 - 1:41 p.m.)**

Commissioner Radner called the meeting to order at 1:40 p.m. Roll call was taken. A quorum was present.

**2. Oral Communications. (1:41 – 1:42 p.m.)**

Commissioner Radner 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.

**HEALTHY PEOPLE. HEALTHY COMMUNITIES.**

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**Consent Agenda Items:****3. Approve minutes of the August 23, 2023 meeting of the Finance Committee. (1:42 – 1:43 p.m.)**

FINANCE COMMITTEE ACTION: Commissioner Radner opened the floor for approval of the minutes of the August 23, 2023 meeting.

**MOTION:** Commissioner Jiménez moved to approve the minutes, seconded by Commissioner Kalantari-Johnson

**ACTION:** The motion passed with the following vote:

Ayes: Commissioners Jiménez, Kalantari-Johnson, Radner

Noes: None

Absent: Commissioners Molesky, Pedrozo

Abstain: None

**Regular Agenda Items:****4. YTD July Financials. (1:43 - 1:57 p.m.)**

Ms. Lisa Ba, Chief Financial Officer (CFO), updated the commissioners on the Alliance's most recent financial performance for the seven months ending on July 31, 2023. Year-to-Date (YTD) Operating Income was \$75.7M, with a Medical Loss Ratio (MLR) of 87.3% and an Administrative Loss Ratio (ALR) of 5.2%.

Revenue was favorable YTD, as compared to the budget, due mainly to the boosted enrollment because of the Public Health Emergency (PHE) extension.

Medical cost was unfavorable YTD, compared to the budget, mainly attributable to increased utilization in Inpatient, Allied Health, Behavioral Health, and Transportation services.

The Commissioners discussed concerns around network adequacy, particularly relative to access to specialist services. Ms. Ba acknowledged the importance of strategic network development and the need to identify opportunities to help to close care gaps.

The Commissioners commented on the increased utilization in Inpatient Services and noted the importance of partnering to help keep members in our communities healthy and avert the need for hospitalizations when possible. Ms. Ba advised that efforts through the Value Based Payment programs, and the Alliance's Grant Program are some examples of ways that the plan and providers can work together towards the shared goal of improved health for our members.

**5. 2023 Forecast. (1:57 - 2:09 p.m.)**

Next, Ms. Ba presented an updated 2023 forecast.

The CFO explained that the forecast presented at the June meeting was based on YTD May actuals, while the updated forecast presented today is based on YTD July actuals. The updated forecast expects a \$90.8M or 5.5% Operating Income, with 88.7% MLR and 5.8% ALR.

Next, Ms. Ba went on to review the enrollment, revenue, and medical cost assumptions.

The enrollment assumptions were higher than the previous forecast. The updated forecast aligned the Alliance's enrollment assumptions with the revised DHCS disenrollment projection. This reduced the disenrollment percentage from 22% to 17% from the peak membership in June 2023.

Revenue assumptions remain the same as the earlier forecast, which is better than the budget because of the delay in redetermination and the unchanged application of the draft 2023 rate. Additionally, a \$14.4M prior-year revenue settlement is included in the updated assumptions.

[Chair Molesky arrived at this time and presided over the remainder of the meeting: 2:03 p.m.]

Medical expenses are higher than budget and the earlier forecast due to continued increases in Inpatient, Allied Health, Behavioral Health, and Transportation. However, despite the higher PMPM medical cost, the MLR is better than the budget at 88.7% due to the favorable revenue.

Overall, the forecast expects an Operating Income of \$90.8M or 5.5%, with an MLR of 88.7% and an ALR of 5.8% to end the year.

**6. 2024 Preliminary Budget and Five-Year Projection. (2:09 – 2:37 p.m.)**

Ms. Ba oriented the commissioners to the preliminary 2023 budget. She provided a breakdown of assumptions related to enrollment, revenue, and medical costs.

With regard to enrollment, it is expected that member months will decrease slightly in 2024. The impact of redetermination is expected to be offset by the increased enrollment from the expansion counties and newly eligible undocumented members ages 26-49.

It is expected that revenue increases will be minimal due to the implementation of the quality withhold, as well as unfavorable changes in the population demographic mix next year due to redetermination. It is expected that DHCS will release the 2024 draft rates in October, which will be incorporated into the final budget.

Medical cost is expected to increase by approximately 3% due to the continued increase in utilization of Inpatient, Behavioral Health, Transportation, and other Allied Services, combined with a 3.5% increase in unit cost.

The administrative budget target is \$108.8M, or 6.7% ALR. This represents a \$12.3M or 12.8% increase from the 2023 Budget. Ms. Ba explained that administrative efforts around the 2024 Medi-Cal contract, new services from the CalAIM initiatives, and D-SNP preparation contributes to this increase.

In summary, the preliminary budget has an Operating Income of \$3.0M or 0.2%, with 93.2% MLR and 6.7% ALR. Staff will present the final budget to the Board in December.

Lastly, the CFO guided the Commissioners through a five-year outlook through 2027. She explained that the uncertainty around the regional rate, set to begin in 2025, could significantly threaten the Alliance's finances. Under the regional rate, the Alliance revenue will be risk- and quality-adjusted, competing funding with other local and commercial Medi-Cal managed care plans.

Additionally, Ms. Ba explained that an expected increase in medical utilization and unit costs, in conjunction with limited revenue increases, are likely to result in operating losses from 2025 through 2027. However, the CFO pointed out that the Alliance's reserve is healthy and can help to weather such losses. If the regional rate is implemented, the reserve is projected to decrease from twelve to eight times the Tangible Net Equity (TNE) requirement and remain healthy.

**The Commission adjourned its meeting of September 27, 2023, at 2:37 p.m.**

Respectfully submitted,

Ms. Dulcie San Paolo  
Finance Administrative Specialist



**DATE:** March 27, 2024  
**TO:** Santa Cruz-Monterey-Merced-San Benito-Mariposa Managed Medical Care Commission  
**FROM:** Lisa Ba, Chief Financial Officer  
**SUBJECT:** Financial Highlights for the First Month Ending January 31, 2024

For the month ending January 31, 2024, the Alliance reported an Operating Income of \$14.6M with a Medical Loss Ratio (MLR) of 86.1% and an Administrative Loss Ratio (ALR) of 4.9%. The Net Income is \$18.4M after accounting for Non-Operating Income/Expenses.

The budget expected a \$10.5M Operating Income for January. The actual result is favorable to budget by \$4.1M or 39.3%, driven primarily by rate variance and membership favorability.

<b>Jan-24 (In \$000s)</b>				
<u>Key Indicators</u>	YTD Actual	YTD Budget	YTD Variance	% Variance to Budget
<i>Member Months</i>	456,002	440,590	15,412	3.5%
Revenue	\$162,944	\$149,796	\$13,148	8.8%
Medical Expenses	140,320	130,464	(9,856)	-7.6%
Administrative Expenses	8,027	8,850	823	9.3%
Operating Income/(Loss)	14,598	10,482	4,116	39.3%
Net Income/(Loss)	\$18,360	\$12,091	\$6,269	51.8%
<b>PMPM</b>				
Revenue	\$357.33	\$339.99	\$17.34	5.1%
Medical Expenses	307.72	296.11	(11.61)	-3.9%
Administrative Expenses	17.60	20.09	2.48	12.4%
Operating Income/(Loss)	\$32.01	\$23.79	\$8.22	34.6%
<i>MLR %</i>	86.1%	87.1%	1.0%	
<i>ALR %</i>	4.9%	5.9%	1.0%	
<i>Operating Income %</i>	9.0%	7.0%	2.0%	
<i>Net Income %</i>	11.3%	8.1%	3.2%	

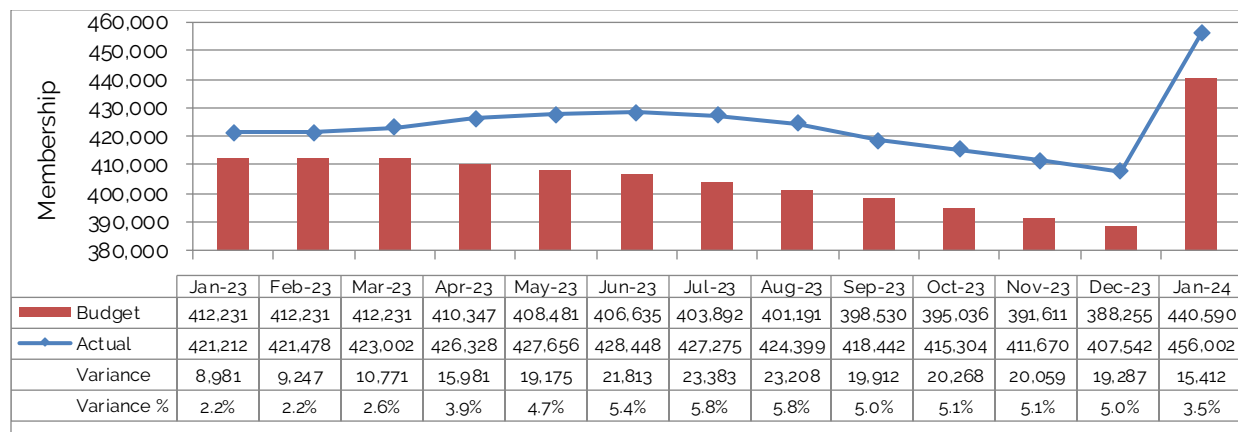
Per Member Per Month: Capitation revenue and medical expenses are variables based on enrollment fluctuations; therefore, the PMPM view offers more clarity than the total dollar amount. Conversely, administrative expenses do not usually correspond with enrollment and should be evaluated at the dollar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

At a PMPM level, the January revenue is \$357.33, which is favorable to budget by \$17.34 or 5.1%. Medical cost PMPM is \$307.72, which is unfavorable by \$11.61 or 3.9%. Overall, this results in a favorable gross margin of \$5.74, or 13.1%, compared to the budget. The operating income PMPM is \$32.01, which is favorable to the budget by \$8.22 or 34.6%.

**HEALTHY PEOPLE. HEALTHY COMMUNITIES.**

Membership: January 2024 membership is favorable to budget by 3.5%. January includes Mariposa and San Benito counties. Mariposa membership is 6k, and San Benito is 21k. The 2024 budget assumed a 17% decrease over the course of redetermination (July 2023 to June 2024) based on Mercer projections. Mercer later updated their projections to be less impactful than originally estimated and now only assumes an 11% decrease.

Membership. Actual vs. Budget (based on actual enrollment trend for Jan-24 rolling 13 months)



Revenue: The 2024 revenue budget was based on the current Department of Health Care Services (DHCS) 2024 draft rate package, and this does not include Targeted Rate Increase (TRI). Furthermore, the budget assumed breakeven performances for San Benito Region. The prospective CY 2024 draft rates from DHCS (dated 12/5/2023, including Maternity) are favorable to the rates assumed in the CY 2024 budget by 2.1%, excluding TRI.

January 2024 operating revenue of \$162.5M is favorable to budget by \$13.1M or 8.8%. Of this amount, \$4.6M is from boosted enrollment, and \$8.5M is due to rate variance.

Beginning January 2024, the new general ledger structure is reported by region and immigration status. Central California (CEC) includes the counties of Santa Cruz, Monterey, Merced, and Mariposa, and San Benito (SBN) includes San Benito. Immigration status is reported as UIS (Unsatisfactory Immigration Status) or SIS (Satisfactory Immigration Status).

<b>Jan-24 Capitation Revenue Summary (In \$000s)</b>					
Region	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
CEC SIS	122,393	111,810	10,583	4,519	6,064
CEC UIS	32,871	32,260	611	(390)	1,001
SBN SIS	6,212	4,455	1,757	396	1,361
SBN UIS	1,070	927	143	55	88
<b>Total*</b>	<b>162,545</b>	<b>149,452</b>	<b>13,093</b>	<b>4,579</b>	<b>8,514</b>

\*Excludes Jan-24 In-Home Supportive Services (IHSS) premiums revenue of \$0.4M.



Medical Expenses: The 2024 budget assumed a 3.7% increase in utilization over the base data that spanned from 2018 through June 2023 and 2.9% unit cost increase that included case mix and changes in fee schedules. 2024 incentives include a \$15M Care-Based Incentive (CBI), \$4M Data Sharing Incentives, \$18M for the Hospital Quality Incentive Program (HQIP), and \$10M for the Specialist Care Incentive (SCI).

January 2024 Medical Expenses of \$140.3M are over budget by \$9.9M or 7.6%. Of this amount, \$4.6M is due to higher enrollment, and \$5.3M is due to rate variances.

Jan-24 YTD Medical Expense Summary (\$ In 000s)					
Category	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Inpatient Services - Hospital	45,816	47,829	2,013	(1,668)	3,681
Inpatient Services - LTC	19,506	11,224	(8,282)	(389)	(7,892)
Physician Services	32,467	27,803	(4,664)	(976)	(3,687)
Outpatient Facility	16,636	16,228	(408)	(567)	159
Other Medical*	25,895	27,380	1,485	(965)	2,449
State Incentive Programs	-	-	-	-	-
<b>TOTAL COST</b>	<b>140,320</b>	<b>130,464</b>	<b>(9,856)</b>	<b>(4,565)</b>	<b>(5,291)</b>

\*Other Medical actuals include Allied Health, Non-Claims HC Cost, Transportation, Behavioral Health, and Lab.

At a PMPM level, the January Medical Expenses are \$307.72, unfavorable by \$11.61 or 3.9% compared to the budget. The main variances are from the rate variance of LTC and Physician Services.

The unfavorable impact on LTC arises from the budget's assumption that the 10% LTC rate increase, prompted by COVID, would cease in 2024. However, due to a significant lag in payments under LTC and the onset of the new year, payments from 2023, which include the 10% rate increase, are still ongoing. Other drivers contributing to the variance impact include additional reserve for anticipated DHCS fee increase to occur in Sept/Oct (\$500K/month) and additional reserve for higher acuity of new Age 26-49 UIS enrollments (\$600K).

The negative impact on Physician Services arises from higher incurred but not reported (IBNR), which came in at 15% or \$3 million higher than prior years' monthly average. This is due to increased upward pressure to prior months for paid PMPM, and increased reserves due to new 26-49 UIS enrollments.

<b>Jan-24 YTD Medical Expense by Category of Service (In PMPM)</b>				
Category	Actual	Budget	Variance	Variance %
Inpatient Services - Hospital	100.47	108.56	8.08	7.4%
Inpatient Services - LTC	42.78	25.48	(17.30)	-67.9%
Physician Services	71.20	63.10	(8.09)	-12.8%
Outpatient Facility	36.48	36.83	0.35	1.0%
Other Medical	56.79	62.14	5.36	8.6%
State Incentive Programs	-	-	-	0.0%
<b>TOTAL MEDICAL COST</b>	<b>307.72</b>	<b>296.11</b>	<b>(11.61)</b>	<b>-3.9%</b>

Administrative Expenses: January Administrative Expenses are favorable to budget by \$0.8M or 9.3% with a 4.9% ALR. Salaries are slightly favorable by \$0.3M, driven by savings from vacant positions, benefits, temporary services, and PTO. Non-Salary Administrative Expenses are favorable by \$0.5M or 19.3% due to the timing of the actual spend versus budget.

Non-Operating Revenue/Expenses: January Net Non-Operating income is \$3.8M, which is favorable to the budget. Total Non-Operating Revenue is favorable to budget by \$1.3M, attributed to \$1.0M interest income and \$0.3M in unrealized investment gain. Non-Operating Expenses are favorable by \$0.8M due to lower grant expenses.

Summary of Results: Overall, the Alliance generated a Net Income of \$18.4M, with an MLR of 86.1% and an ALR of 4.9%.



**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**  
**Balance Sheet**  
**For The First Month Ending January 31, 2024**  
**(In \$000s)**

<b>Assets</b>	
Cash	\$214,890
Restricted Cash	300
Short Term Investments	849,437
Receivables	572,494
Prepaid Expenses	4,692
Other Current Assets	5,888
<b>Total Current Assets</b>	<b>\$1,647,701</b>
Building, Land, Furniture & Equipment	
Capital Assets	\$79,417
Accumulated Depreciation	(44,466)
CIP	1,413
Lease Receivable	3,084
<b>Total Non-Current Assets</b>	<b>39,448</b>
<b>Total Assets</b>	<b>\$1,687,149</b>
<b>Liabilities</b>	
Accounts Payable	\$445,311
IBNR/Claims Payable	317,664
Provider Incentives Payable	44,203
Other Current Liabilities	10,365
Due to State	10,574
<b>Total Current Liabilities</b>	<b>\$828,117</b>
Deferred Inflow of Resources	2,933
<b>Total Long-Term Liabilities</b>	<b>\$2,933</b>
<b>Fund Balance</b>	
Fund Balance - Prior	\$837,738
Retained Earnings - CY	18,360
<b>Total Fund Balance</b>	<b>856,098</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$1,687,149</b>
<b>Additional Information</b>	
<b>Total Fund Balance</b>	<b>\$856,098</b>
Board Designated Reserves Target	419,792
Strategic Reserve (DSNP)	56,700
Medi-Cal Capacity Grant Program (MCGP)*	165,802
Value Based Payments	46,100
<b>Total Reserves</b>	<b>688,394</b>
<b>Total Operating Reserve</b>	<b>\$167,704</b>

\* MCGP includes Additional Contribution of \$48.6M



**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**  
**Income Statement - Actual vs. Budget**  
**For The First Month Ending January 31, 2024**  
(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>	456,002	440,590	15,412	3.5%	456,002	440,590	15,412	3.5%
<b>Capitation Revenue</b>								
Capitation Revenue Medi-Cal	\$162,545	\$149,452	\$13,093	8.8%	\$162,545	\$149,452	\$13,093	8.8%
State Incentive Programs	-	-	-	0.0%	-	-	\$0	0.0%
Prior Year Revenue*	-	-	-	0.0%	-	-	\$0	0.0%
Premiums Commercial	399	344	55	15.9%	399	344	55	15.9%
<b>Total Operating Revenue</b>	<b>\$162,944</b>	<b>\$149,796</b>	<b>\$13,148</b>	<b>8.8%</b>	<b>\$162,944</b>	<b>\$149,796</b>	<b>\$13,148</b>	<b>8.8%</b>
<b>Medical Expenses</b>								
Inpatient Services (Hospital)	\$45,816	\$47,829	\$2,013	4.2%	\$45,816	\$47,829	\$2,013	4.2%
Inpatient Services (LTC)	19,506	11,224	(8,282)	-73.8%	19,506	11,224	(8,282)	-73.8%
Physician Services	32,467	27,803	(4,664)	-16.8%	32,467	27,803	(4,664)	-16.8%
Outpatient Facility	16,636	16,228	(408)	-2.5%	16,636	16,228	(408)	-2.5%
Other Medical**	25,895	27,380	1,485	5.4%	25,895	27,380	1,485	5.4%
State Incentive Programs	-	-	-	0.0%	-	-	-	0.0%
<b>Total Medical Expenses</b>	<b>\$140,320</b>	<b>\$130,464</b>	<b>(\$9,856)</b>	<b>-7.6%</b>	<b>\$140,320</b>	<b>\$130,464</b>	<b>(\$9,856)</b>	<b>-7.6%</b>
<b>Gross Margin</b>	<b>\$22,625</b>	<b>\$19,332</b>	<b>\$3,292</b>	<b>17.0%</b>	<b>\$22,625</b>	<b>\$19,332</b>	<b>\$3,292</b>	<b>17.0%</b>
<b>Administrative Expenses</b>								
Salaries	\$5,798	\$6,087	\$289	4.8%	\$5,798	\$6,087	\$289	4.8%
Professional Fees	135	284	149	52.5%	135	284	149	52.5%
Purchased Services	1,067	1,177	109	9.3%	1,067	1,177	109	9.3%
Supplies & Other	621	904	283	31.3%	621	904	283	31.3%
Occupancy	148	134	(14)	-10.7%	148	134	(14)	-10.7%
Depreciation/Amortization	258	265	7	2.6%	258	265	7	2.6%
<b>Total Administrative Expenses</b>	<b>\$8,027</b>	<b>\$8,850</b>	<b>\$823</b>	<b>9.3%</b>	<b>\$8,027</b>	<b>\$8,850</b>	<b>\$823</b>	<b>9.3%</b>
<b>Operating Income</b>	<b>\$14,598</b>	<b>\$10,482</b>	<b>\$4,116</b>	<b>39.3%</b>	<b>\$14,598</b>	<b>\$10,482</b>	<b>\$4,116</b>	<b>39.3%</b>
<b>Non-Op Income/(Expense)</b>								
Interest	\$3,933	\$2,912	\$1,021	35.1%	\$3,933	\$2,912	\$1,021	35.1%
Gain/(Loss) on Investments	286	(36)	323	100.0%	286	(36)	323	100.0%
Other Revenues	183	197	(14)	-7.0%	183	197	(14)	-7.0%
Grants	(640)	(1,463)	823	56.2%	(640)	(1,463)	823	56.2%
<b>Total Non-Op Income/(Expense)</b>	<b>3,762</b>	<b>1,609</b>	<b>2,153</b>	<b>100.0%</b>	<b>\$3,762</b>	<b>\$1,609</b>	<b>\$2,153</b>	<b>100.0%</b>
<b>Net Income/(Loss)</b>	<b>\$18,360</b>	<b>\$12,091</b>	<b>\$6,269</b>	<b>51.8%</b>	<b>\$18,360</b>	<b>\$12,091</b>	<b>\$6,269</b>	<b>51.8%</b>
<i>MLR</i>	86.1%	87.1%			86.1%	87.1%		
<i>ALR</i>	4.9%	5.9%			4.9%	5.9%		
<i>Operating Income</i>	9.0%	7.0%			9.0%	7.0%		
<i>Net Income %</i>	11.3%	8.1%			11.3%	8.1%		

\*Prior Year Revenue consist of revenue booked in the current calendar year for services rendered in prior years.

\*\*Other Medical includes Pharmacy and IHSS.



**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**  
**Income Statement - Actual vs. Budget**  
**For The First Month Ending January 31, 2024**  
**(In PMPM)**

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
<b>Member Months</b>	456,002	440,590	15,412	3.5%	456,002	440,590	15,412	3.5%
<b>Capitation Revenue</b>								
Capitation Revenue Medi-Cal	\$356.46	\$339.21	\$17.25	5.1%	\$356.46	\$339.21	\$17.25	5.1%
State Incentive Programs	-	-	-	0.0%	-	-	-	0.0%
Prior Year Revenue*	-	-	-	0.0%	-	-	-	0.0%
Premiums Commercial	0.87	0.78	0.09	12.0%	0.87	0.78	0.09	12.0%
<b>Total Operating Revenue</b>	<b>\$357.33</b>	<b>\$339.99</b>	<b>\$17.34</b>	<b>5.1%</b>	<b>\$357.33</b>	<b>\$339.99</b>	<b>\$17.34</b>	<b>5.1%</b>
<b>Medical Expenses</b>								
Inpatient Services (Hospital)	\$100.47	\$108.56	\$8.08	7.4%	\$100.47	\$108.56	\$8.08	7.4%
Inpatient Services (LTC)	42.78	25.48	(17.30)	-67.9%	42.78	25.48	(17.30)	-67.9%
Physician Services	71.20	63.10	(8.09)	-12.8%	71.20	63.10	(8.09)	-12.8%
Outpatient Facility	36.48	36.83	0.35	1.0%	36.48	36.83	0.35	1.0%
Other Medical**	56.79	62.14	5.36	8.6%	56.79	62.14	5.36	8.6%
State Incentive Programs	-	-	-	0.0%	-	-	-	0.0%
<b>Total Medical Expenses</b>	<b>\$307.72</b>	<b>\$296.11</b>	<b>(\$11.61)</b>	<b>-3.9%</b>	<b>\$307.72</b>	<b>\$296.11</b>	<b>(\$11.61)</b>	<b>-3.9%</b>
<b>Gross Margin</b>	<b>\$49.62</b>	<b>\$43.88</b>	<b>\$5.74</b>	<b>13.1%</b>	<b>\$49.62</b>	<b>\$43.88</b>	<b>\$5.74</b>	<b>13.1%</b>
<b>Administrative Expenses</b>								
Salaries	\$12.71	\$13.82	\$1.10	8.0%	\$12.71	\$13.82	\$1.10	8.0%
Professional Fees	0.30	0.64	0.35	54.1%	0.30	0.64	0.35	54.1%
Purchased Services	2.34	2.67	0.33	12.4%	2.34	2.67	0.33	12.4%
Supplies & Other	1.36	2.05	0.69	33.7%	1.36	2.05	0.69	33.7%
Occupancy	0.32	0.30	(0.02)	-7.0%	0.32	0.30	(0.02)	-7.0%
Depreciation/Amortization	0.57	0.60	0.04	5.9%	0.57	0.60	0.04	5.9%
<b>Total Administrative Expenses</b>	<b>\$17.60</b>	<b>\$20.09</b>	<b>\$2.48</b>	<b>12.4%</b>	<b>\$17.60</b>	<b>\$20.09</b>	<b>\$2.48</b>	<b>12.4%</b>
<b>Operating Income</b>	<b>\$32.01</b>	<b>\$23.79</b>	<b>\$8.22</b>	<b>34.6%</b>	<b>\$32.01</b>	<b>\$23.79</b>	<b>\$8.22</b>	<b>34.6%</b>

\*Prior Year Revenue consist of revenue booked in the current calendar year for services rendered in prior years.

\*\*Other Medical includes Pharmacy and IHSS.



**CENTRAL CALIFORNIA ALLIANCE FOR HEALTH**  
**Statement of Cash Flow**  
**For The First Month Ending January 31, 2024**  
**(In \$000s)**

	<b>MTD</b>	<b>YTD</b>
Net Income	\$18,360	\$18,360
Items not requiring the use of cash: Depreciation	258	258
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Restricted Cash	0	0
Receivables	(80,906)	(80,906)
Prepaid Expenses	(829)	(829)
Current Assets	(282)	(282)
<b>Net Changes to Assets</b>	<b>(82,017)</b>	<b>(82,017)</b>
Changes to Payables:		
Accounts Payable	39,436	39,436
Other Current Liabilities	1,173	1,173
Incurred But Not Reported Claims/Claims Payable	32,444	32,444
Provider Incentives Payable	4,203	4,203
Due to State	(127)	(127)
<b>Net Changes to Payables</b>	<b>77,130</b>	<b>77,130</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>13,731</b>	<b>13,731</b>
Change in Investments	(3,605)	(3,605)
Other Equipment Acquisitions	(319)	(319)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(3,923)</b>	<b>(3,923)</b>
Deferred Inflow of Resources	0	0
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>9,807</b>	<b>9,807</b>
<b>Cash &amp; Cash Equivalents at Beginning of Period</b>	<b>205,083</b>	<b>205,083</b>
<b>Cash &amp; Cash Equivalents at January 31, 2024</b>	<b>\$214,890</b>	<b>\$214,890</b>