



L.A. Care
HEALTH PLAN®

Financial Update

Finance & Budget Committee

April 27, 2020



Agenda

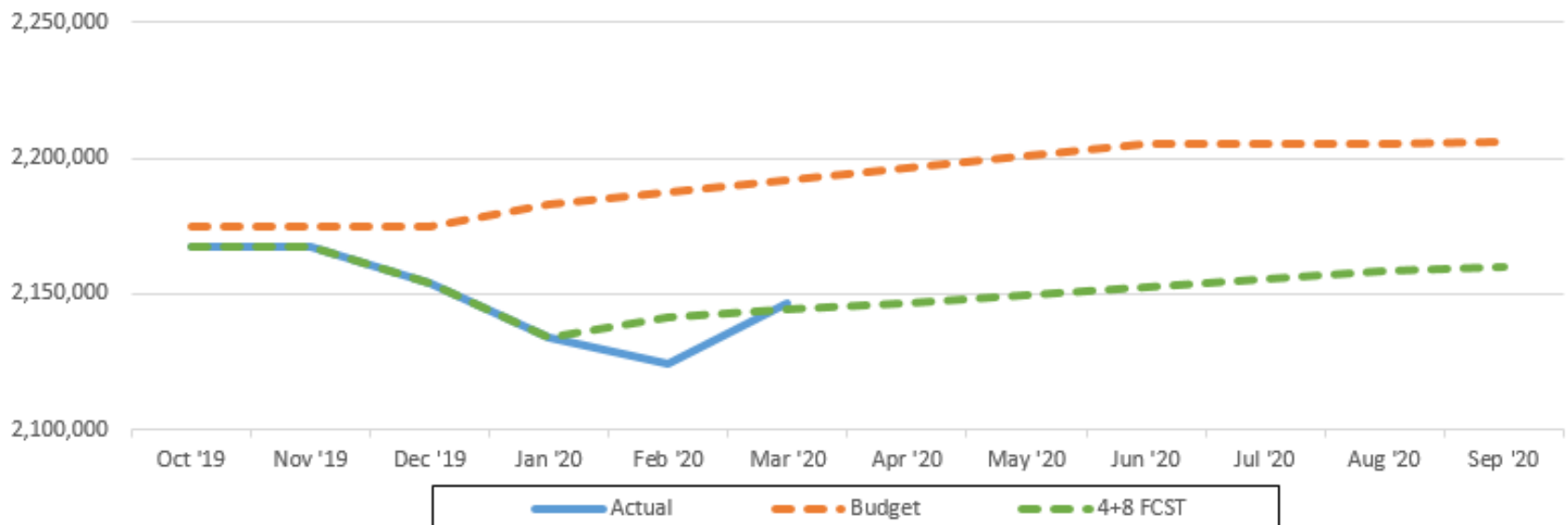
Financial Performance

- Membership
- Consolidated Financial Performance
- Operating Margins by Segment
- Key Financial Ratios
- Tangible Net Equity & Days of Cash On-Hand Comparison
- **Other Financial Updates**
 - Quarterly Investment Report
 - Investment Transactions
 - Quarterly Internal Policy Reports

Membership

for the 6 months ended March 2020

Sub-Segment	March 2020			Year-to-Date		
	Actual	4+8 FCST	Variance	Actual	4+8 FCST	Variance
Plan Partners	955,121	958,498	(3,377)	5,771,973	5,784,552	(12,579)
SPD/CCI	222,093	219,812	2,281	1,320,549	1,324,522	(3,973)
TANF/MCE	819,012	818,334	678	4,926,617	4,934,118	(7,501)
CMC	15,972	16,193	(221)	97,795	97,464	331
Commercial	134,445	131,143	3,302	776,625	767,283	9,342
Consolidated	2,146,643	2,143,980	2,663	12,893,559	12,907,938	(14,379)



Consolidated Financial Performance

for the 6 months ended March 2020

March 2020		Year-to-Date		
Actual	(\$ in Thousands)	Actual	4+8 FCST	Variance
2,146,643	Member Months	12,893,559	12,907,938	(14,379)
\$704,681	Total Revenues	\$4,166,138	\$4,176,523	(\$10,384)
\$670,498	Total Healthcare Expenses	\$3,898,799	\$3,890,953	(\$7,846)
\$34,183	Operating Margin	\$267,340	\$285,569	(\$18,230)
\$38,998	Total Admin Expenses	\$223,632	\$224,325	\$693
(\$4,815)	Income from Operations	\$43,707	\$61,244	(\$17,537)
(\$5,008)	Non-Operating Income (Expense)	\$2,060	\$3,564	(\$1,504)
(\$9,822)	Net Surplus (Deficit)	\$45,767	\$64,808	(\$19,041)

Operating Margin by Segment

for the 6 months ended March 2020

(\$ in Thousands)

	Medi-Cal Plan Partners	Medi-Cal SPD/CCI	Medi-Cal TANF/MCE	CMC	Commercial	Total
Revenue	\$1,501,581	\$1,028,742	\$1,241,439	\$131,097	\$263,280	\$4,166,138
Healthcare Exp.	\$1,429,079	\$983,649	\$1,130,894	\$126,162	\$229,015	\$3,898,799
Operating Margin	\$72,502	\$45,093	\$110,544	\$4,935	\$34,265	\$267,340
MCR %	95.2%	95.6%	91.1%	96.2%	87.0%	93.6%
Forecast MCR%	94.8%	95.7%	90.1%	97.7%	86.2%	93.2%

Key Financial Ratios

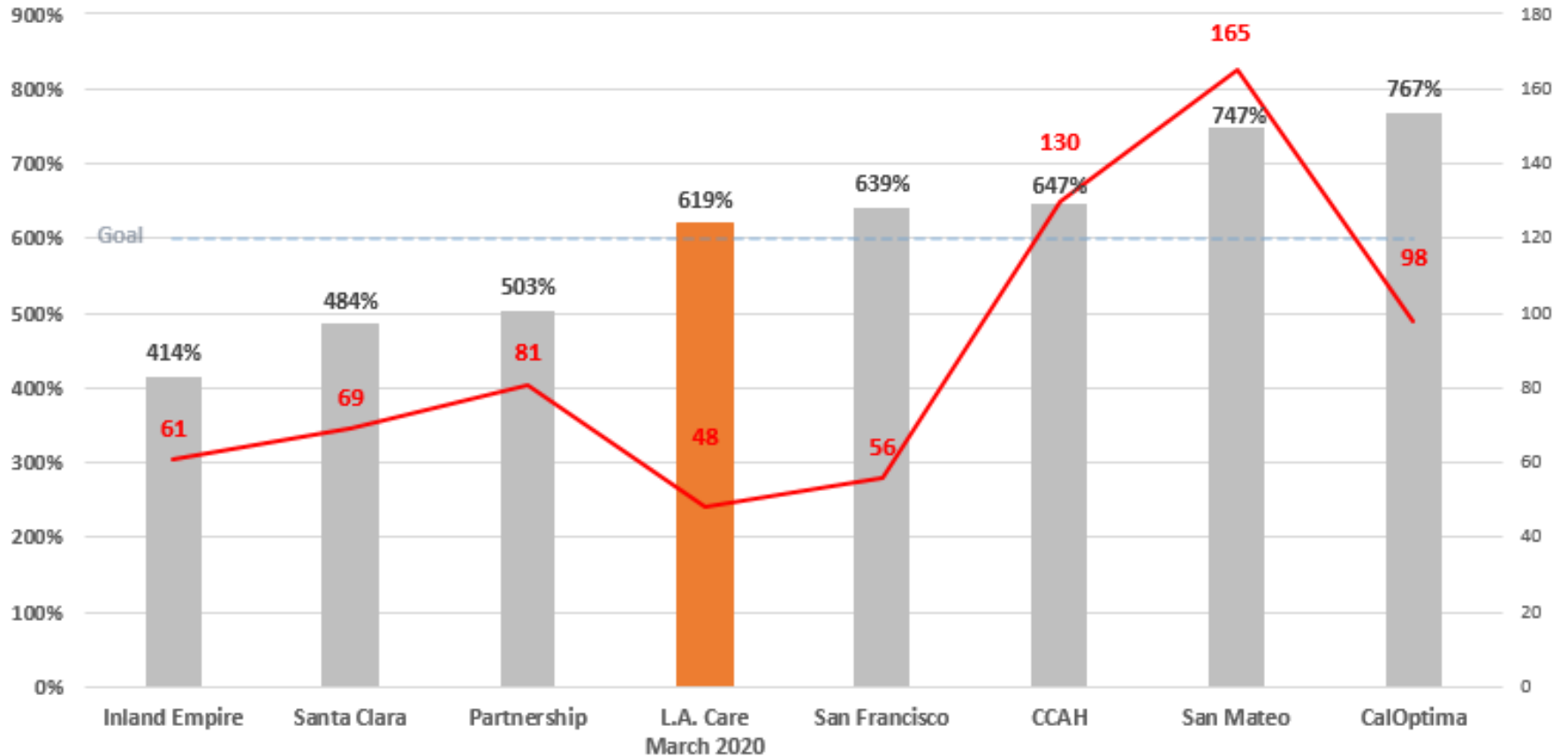
for the 6 months ended March 2020

	Actual		Forecast	
MCR	93.6%	vs.	93.2%	✘
Admin Ratio	5.4%	vs.	5.4%	✔

	Actual		Benchmark	
Working Capital	1.29	vs.	1.00+	✔
Cash to Claims	0.53	vs.	0.75+	✘
Tangible Net Equity	6.19	vs.	1.30+	✔

Tangible Net Equity & Days of Cash On-Hand

for the 6 months ended March 2020



• As of December 2019 Quarterly filings, unless noted otherwise.

Questions & Consideration

Motion FIN 100

- To accept the Financial Reports for the six months ended March 31, 2020, as submitted.

Questions & Consideration

Motion FIN 101

- To accept the investment report for the quarter ended March 31, 2020.

Informational Items

Investment Transactions

- As of March 31, 2020, L.A. Care's total investment market value was \$1.5B
 - \$1.3B managed by Payden & Rygel and New England Asset Management (NEAM)
 - \$72M in Local Agency Investment Fund
 - \$106M in Los Angeles County Pooled Investment Fund

Quarterly Internal Policy Reports