



L.A. Care
HEALTH PLAN®

Financial Update

Board of Governors Meeting

May 7, 2020



Agenda

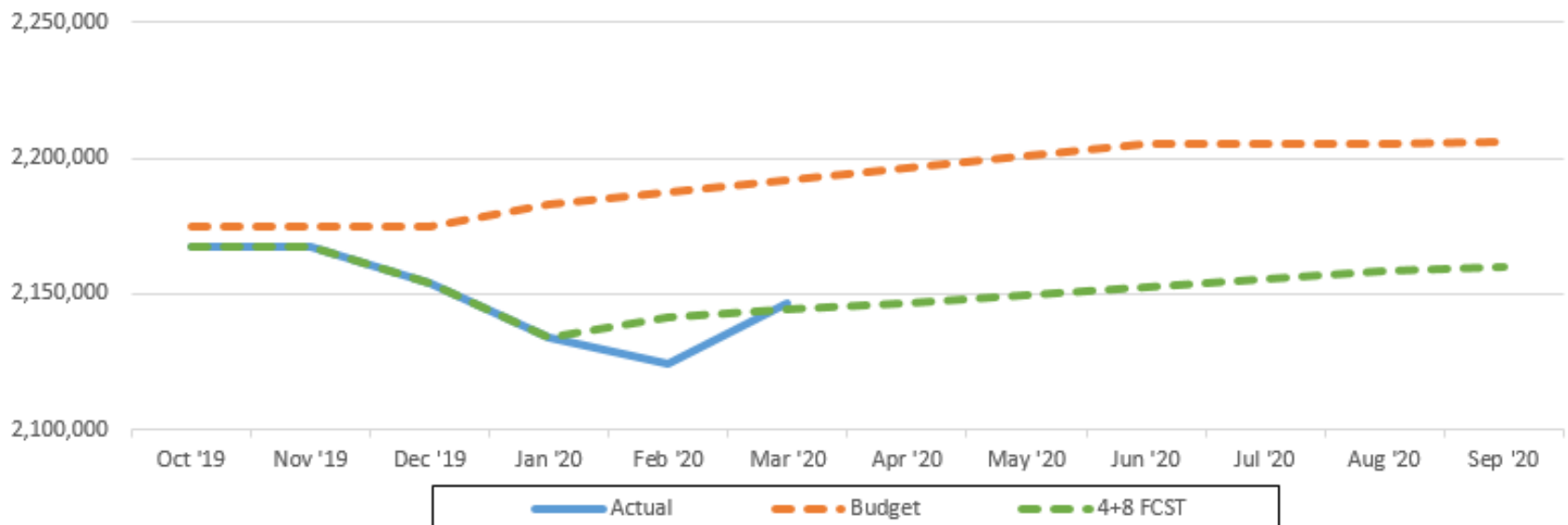
Financial Performance

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

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

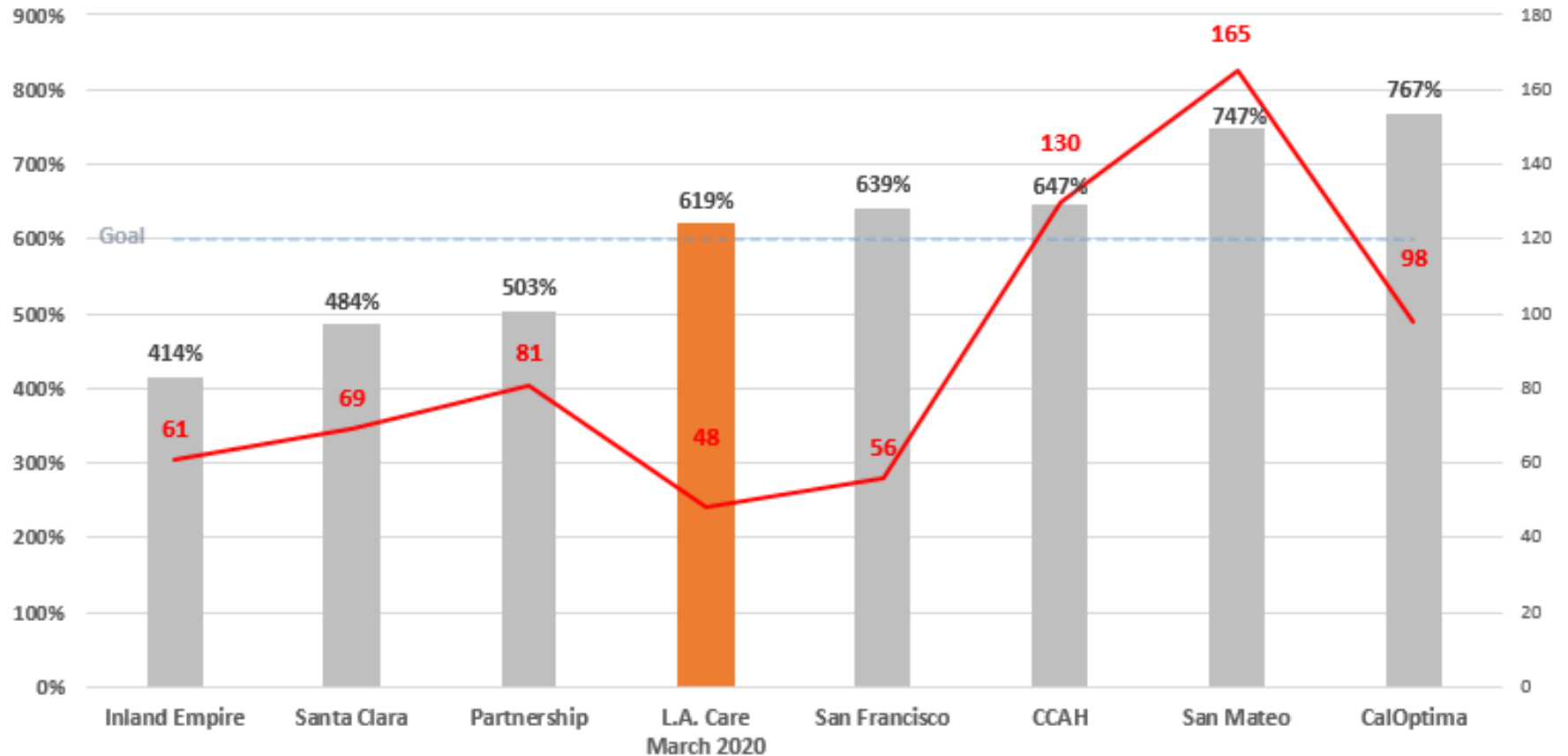
for the 6 months ended March 2020

	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 105

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

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

Addressing Disparities

James Kyle, MD, MDiv
Medical Director for Quality, L.A. Care Health Plan



L.A. Care
HEALTH PLAN®

For All of L.A.



**ELEVATING
HEALTHCARE**
IN LOS ANGELES COUNTY
— SINCE 1997 —

L.A. Care Responds to COVID Health Disparity

- In response to the mounting evidence on the national and local level, L.A. Care leadership moved quickly to address the racial disparity for COVID-19 infections and mortality in LA County.
- We have partnered with The California Endowment, the L.A. County Department of Public Health, the City of Los Angeles and local healthcare leaders.
- We are collecting member data and observing County data.
- Key leaders within L.A. Care have also volunteered to develop a plan to address this challenge.



An Emerging Strategy

- We are developing a social media and radio campaign to reach young invincibles with tailored messages regarding prevention. We are looking to recruit entertainers and celebrities to produce public service announcement on our behalf.
- There is planning going forward for a virtual town hall with key community and political leaders to discuss a wider approach to COVID racial disparity.
- We are looking to implement the Oakland model of reverse 911 call and extensive neighborhood testing.
- Our Customer Service Center will make live calls to 32,000 high risk African American members and 110,000 low risk members.



COVID-19 L.A. Care Data

- As of 5/5/2020 L.A. Care data showed:
 - 1,768 total confirmed cases
 - 847 members hospitalized
 - 101 reported deaths
- Data from a number of L.A. Care sources including HIE, Encounters, Costas Lab Data, QNXT, Compliance Reporting (including Plan Partner, PPG, Internal UM, and CSC)
- We are collaborating with L.A. County Department of Public Health modeling and data sharing as we monitor the spread of COVID-19.



High Risk Demographics

- LA Care has identified 18,276 high risk Latino members (disabled & diabetic)
- LA County Data 4/26/20 19,516 Confirmed Cases
- Latinos 114 cases/100,000
- African Americans 102 cases/100,000
- Whites 78 cases/100,000
- Asians 73 cases/100,000
- AI/AN 50 cases/100,000

- Based on the data we are expanding our outreach to include the Latino community

