



**L.A. Care**  
HEALTH PLAN

*For All of L.A.*

# BOARD OF GOVERNORS MEETING

September 5, 2019 • 9:00 AM

Joan Palevsky Center, California Community Foundation  
281 S. Figueroa Street, Suite 100, Los Angeles, CA 90012



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

## Statement

L.A. Care's mission is to provide access to quality health care for Los Angeles County's vulnerable and low-income communities and residents and to support the safety net required to achieve that purpose.

## Overview

Committed to the promotion of accessible, affordable and high quality health care, L.A. Care Health Plan (Local Initiative Health Authority of Los Angeles County) is an independent local public agency created by the State of California to provide health coverage to low-income Los Angeles County residents. Serving more than two million members in five product lines, L.A. Care is the nation's largest publicly operated health plan.

L.A. Care Health Plan is governed by 13 board members representing specific stakeholder groups, including consumer members, physicians, federally qualified health centers, children's health care providers, local hospitals and the Los Angeles County Department of Health Services.

L.A. Care advances individual and community health through a variety of targeted activities including a Community Health Investment Fund and sponsorships program that have awarded more than \$180 million throughout the years to support the health care safety net and expand health coverage. The patient-centered health plan has a robust system of consumer advisory groups, including 11 Regional Community Advisory Committees (governed by an Executive Community Advisory Committee), 35 health promoters and six Family Resource Centers that offer free health education and exercise classes to the community, and has made significant investments in Health Information Technology for the benefit of the more than 10,000 doctors and other health care professionals who serve L.A. Care members.

## Programs

- **Medi-Cal** – In addition to offering a direct Medi-Cal line of business, L.A. Care works with three subcontracted health plans to provide coverage to Medi-Cal members. These partners are Anthem Blue Cross, Blue Shield of California Promise Health Plan and Kaiser Permanente. Medi-Cal beneficiaries represent a vast majority of L.A. Care members.
- **L.A. Care Covered™** – As a state selected Qualified Health Plan, L.A. Care provides the opportunity for all members of a family to receive health coverage under one health plan in the Covered California state exchange.



- **L.A. Care Cal MediConnect Plan** – L.A. Care Cal MediConnect Plan provides coordinated care for Los Angeles County seniors and people with disabilities who are eligible for Medicare and Medi-Cal.
- **PASC-SEIU Homecare Workers Health Care Plan** – L.A. Care provides health coverage to Los Angeles County’s In-Home Supportive Services (IHSS) workers, who enable our most vulnerable community members to remain safely in their homes by providing services such as meal preparation and personal care services.

<b>L.A. Care Membership by Product Line – As of August 2019</b>	
Medi-Cal	<b>1,997,218</b>
L.A. Care Covered	<b>66,561</b>
Cal MediConnect	<b>15,977</b>
PASC-SEIU	<b>50,613</b>
Total membership	<b>2,130,369</b>
<b>L.A. Care Providers</b>	
Physicians	<b>4,926</b>
Specialists	<b>19,024</b>
Both	<b>1,537</b>
Hospitals, clinics and other health care professionals	<b>8,778</b>
<b>Financial Performance (FY 2018-2019 budget)</b>	
Revenue	<b>\$7.7B</b>
Fund Equity	<b>\$820.3M</b>
Net Operating Surplus	<b>\$121.4M</b>
Administrative cost ratio	<b>5.5%</b>
<b>Staffing highlights</b>	
Full-time employees	<b>1,940</b>
Projected full-time employees (FY 2018-2019 budget)	<b>2,156</b>





**AGENDA**  
**BOARD OF GOVERNORS RETREAT/MEETING**  
 Thursday, September 5, 2019, 9:00 AM  
 Joan Palevsky Center, California Community Foundation  
 281 S. Figueroa Street, Suite 100, Los Angeles, CA 90012

**DRAFT**

**Welcome**

Hector De La Torre, *Chair*

1. Approve today's Agenda *Chair*
2. Public Comments *Chair*
3. Introduce Speaker: Mark Ghaly, MD, MPH, John Baackes  
*Chief Executive Officer*
4. State Policy and Managed Care in 2020  
Moderator: John Baackes Mark Ghaly, MD, MPH *Secretary,*  
*Health and Human Services Agency*
5. State & Federal Policy Presentation  
Moderator: Cherie Compartore, *Senior Director, Government Affairs* John Russell  
*Principal, Dentons*  
Jim Gross  
*Partner, Nielsen Merksamer Parrinello*  
*Group, LLC*

**11:05 – 11:15 am Break**

6. Addressing the Social Needs of Members
    - Housing Alison Klurfeld  
*Director, Safety Net Programs & Partnerships*
    - CalFresh Phinney Ahn  
*Executive Director, Medi-Cal*
    - Community Link Michael Brodsky, MD  
*Medical Director, Behavioral Health & Social Services*
    - Family Resource Centers Francisco Oaxaca  
*Senior Director, Communications and Community*  
*Outreach & Education*
- Moderator: Penny Griego, *Media Relations Specialist II*

**12:15 – 12:55 p.m. Lunch Break**

7. Member Story Delia Mojarro  
*Director, Social Services*

**1:00 – 2:40 p.m. Business Meeting**

8. Public Comment *Chair*
9. Approve Consent Agenda Items *Chair*
  - July 25, 2019 Board meeting minutes p.22
  - Authorized Bank Signatory **(BOG 100)** p.32
  - Quarterly Investment Report **(FIN 100)** p.33
  - Information Technology Staff Augmentation Contract Amendments **(FIN 101)** p.65
  - Ratify elected Children's Health Consultant Advisory Committee (CHCAC) Chair and Vice Chair **(CHC 100)** p.66
  - Technical Advisory Committee Relaunch/Roster **(EXE 100)** p.67

10. Chairperson's Report *Chair*
11. Chief Executive Officer Report p.69 *John Baackes*  
• June & July 2019 Grants and Sponsorships Reports p.72 *Chief Executive Officer*
12. Chief Medical Officer Report p.88 *Richard Seidman, MD, MPH*  
*Chief Medical Officer*

### Advisory Committee Reports

13. Executive Community Advisory Committee *Hilda Perez/Layla Gonzalez*  
*Consumer member and Advocate member*
14. Children's Health Consultant Advisory Committee *Richard Seidman, MD, MPH*  
*Chief Medical Officer*

### Standing Committee Reports

#### Executive Committee

15. Committee Report *Chair*

#### Finance & Budget Committee

16. Chief Financial Officer's Report *Marie Montgomery*  
• Approval of Financial Reports (FIN 102) p.144 *Chief Financial Officer*  
• Operating and Capital Budget FY 2019-2020 (FIN 103) p.165  
• Non-Travel Project Expenses (BOG 101) p.196  
• Monthly Investment Transactions Report p.197

#### Compliance & Quality Committee

17. Committee Report *Stephanie Booth, MD, Chair*

#### Audit Committee

18. Committee Report *Stephanie Booth, MD, Chair*
19. Public Comments *Chair*  
**2:45 – 4:10 pm ADJOURN TO CLOSED SESSION (Estimated time: 85 mins)** *Chair*

#### 20. CONTRACT RATES

Pursuant to Welfare and Institutions Code Section 14087.38(m)

- Plan Partner Rates
- Provider Rates
- DHCS Rates

#### 21. REPORT INVOLVING TRADE SECRET

Pursuant to Welfare and Institutions Code Section 14087.38(n)

Discussion Concerning New Product Lines

*Estimated date of public disclosure: September 2021*

#### 22. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act  
Two Potential Cases

23. CONFERENCE WITH LEGAL COUNSEL –EXISTING LITIGATION  
Pursuant to Section 54956.9(d)(1) of Ralph M. Brown Act:  
Names of cases:
- Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BC583522); Appeal No. B288886
  - Dignity Health and Northridge Hospital Medical Center v. L.A Care Health Plan et al. (BS172353)
  - California Hospital Medical Center et al (Dignity) v. L.A. Care (JAMS. 1220056913)
24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act  
One potential case

**RECONVENE IN OPEN SESSION**

*Chair*

**Adjournment**

*Chair*

**The next Board of Governors meeting is tentatively scheduled on October 3, 2019  
At L.A. Care Health Plan, 1055 W. 7<sup>th</sup> Street, Los Angeles, CA 90017  
Please keep public comments to three minutes or less.**

**The order of items appearing on the agenda may change during the meeting.**

If a teleconference location is listed at the top of this agenda, the public can participate in the meeting at that location or by calling the teleconference call in number provided. If teleconference arrangements are listed at the top of this Agenda, note that the arrangements may change prior to the meeting.

To confirm details with L.A. Care Board Services staff prior to the meeting call (213) 694-1250, extension 4183 or 4184.

**THE PUBLIC MAY ADDRESS THE BOARD OF GOVERNORS BEFORE DISCUSSION OF EACH ITEM LISTED ON THE AGENDA BY FILLING OUT A “REQUEST TO ADDRESS” FORM AND SUBMITTING THE FORM TO L.A. CARE STAFF PRESENT AT THE MEETING BEFORE THE AGENDA ITEM IS ANNOUNCED. YOUR NAME WILL BE CALLED WHEN THE ITEM YOU ARE ADDRESSING WILL BE DISCUSSED. THE PUBLIC MAY ALSO ADDRESS THE BOARD ON OTHER L.A. CARE MATTERS DURING PUBLIC COMMENT.**

**ACTION MAY NOT BE TAKEN ON ANY MATTER RAISED DURING THE PUBLIC COMMENT PERIODS UNTIL THE MATTER IS SPECIFICALLY LISTED ON A FUTURE AGENDA, according to California Govt Code Section 54954.2 (a)(3) and Section 54954.3.**

**NOTE: THE BOARD OF GOVERNORS CURRENTLY MEETS ON THE FIRST THURSDAY OF MOST MONTHS AT 2:00 P.M. POSTED AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT Board Services, 1055 W. 7<sup>th</sup> Street – 10th Floor, Los Angeles, CA 90017.**

Any documents distributed to a majority of the Board Members regarding any agenda item for an open session after the agenda has been posted will be available for public inspection at Board Services, L.A. Care Health Plan, 1055 W. 7<sup>th</sup> Street, 10<sup>th</sup> Floor, Los Angeles, CA 90017, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday – Friday.

An audio recording of the meeting is made to assist in writing the minutes and is retained for 30 days.

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats - i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care's Board Services Department at (213) 694-1250. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related mater



**Mark Ghaly MD, MPH**  
**Secretary, Health and Human Services Agency**

Dr. Mark Ghaly was appointed Secretary of the California Health and Human Services by Governor Gavin Newsom in 2019. In this role, Dr. Ghaly will oversee California's largest Agency which includes many key departments that are integral to supporting the implementation of the Governor's vision to expand health coverage and access to all Californians. Dr. Ghaly will work across State government, along with County, City, and private sector partners, to ensure the most vulnerable Californians have access to the resources and services they need to lead healthy, happy, and productive lives.

Before joining Governor Newsom's team, Dr. Ghaly worked for 15 years in County health leadership roles in San Francisco and Los Angeles. In San Francisco, he was Medical Director of the Southeast Health Center, a public health clinic located in the Bayview Hunters Point community. In addition to having a large primary care pediatrics practice, Dr. Ghaly led the clinic's transition to the patient-centered medical home model of care, expanded specialty care and diagnostics services, and addressed issues such as teen health, youth violence, food security, and environmental health issues.

In 2011, Dr. Ghaly became the Deputy Director for Community Health and Integrated Programs for the Los Angeles County Department of Health Services. In this role, Dr. Ghaly directed clinical operations in the Los Angeles County Juvenile Detention system and led the transition of jail health services from the Los Angeles County Sheriff and the Los Angeles County Department of Mental Health into one integrated system of care. Dr. Ghaly also led a County team to expand health and behavioral health services on the Martin Luther King, Jr., health campus in South Los Angeles, which included the opening of the public-private Martin Luther King, Jr., Community Hospital. Additionally, Dr. Ghaly was the architect of the Los Angeles County Whole Person Care Pilot program, oversaw the launch of the Drug Medi-Cal Organized Delivery System in Los Angeles County, and established the County's Office of Diversion and Reentry which has diverted over 3,000 individuals out of County jail and into community-based treatment and permanent supportive housing. Among Dr. Ghaly's most important accomplishments was the creation and continued development of the County's Housing for Health program. Since 2012, Housing for Health has supported over 6,500 chronically ill individuals facing homelessness, many of whom are stuck in acute care facilities, to gain permanent supportive housing through federal subsidies and LA County's Flexible Housing Subsidy Pool.

Mark's prior clinical work within Los Angeles County also included seeing patients at the Los Angeles County Juvenile Detention System and the Martin Luther King Jr. Outpatient Center Medical Hub that serves children and youth in the Los Angeles Child Welfare System.

Dr. Ghaly was born and raised in Minneapolis, Minnesota. He earned dual B.A. degrees in biology and biomedical ethics from Brown University, his M.D. degree from Harvard Medical School, and his M.P.H. from the Harvard School of Public Health. Dr. Ghaly completed his residency training in Pediatrics at the University of California, San Francisco. Dr. Ghaly is married to Christina Ghaly and has four young children.

Dr. Ghaly is honored to serve Governor Gavin Newsom and looks forward to forging partnerships and relationships across California to make the Governor's vision a reality for the benefit of all Californians.





## John Russell IV, Principal

John Russell is a member of Dentons' [Public Policy](#) practice. Focusing on federal advocacy and strategic communications, John worked for nearly a decade on Capitol Hill, serving on the leadership staffs of a speaker, a House majority whip and the chairman of the House Campaign Committee. In his career, John has worked both extensively and effectively in the legislative, communications and campaign arenas.

Described by the *National Journal's* Richard Cohen as experienced and discreet, John has built and maintained strong relationships with members of Congress, as well as committee and personal office staffs. His strong and nuanced working knowledge of the policy, political and personal aspects of Washington, DC, allows him to design winning strategies to accomplish dynamic policy and market objectives. John was named a Top Lobbyist for 2018 by *The Hill* newspaper.

John is devoted to improving literacy in California, Ohio and Washington, DC, and has served numerous nonprofits as a volunteer to help children improve reading skills.

## Experience

### Energy

- Provided government affairs counsel and strategic advice for the first wave-energy project permitted by the Federal Energy Regulatory Commission in the country.
- Represented the nation's largest distributed energy company in profile enhancement and regulatory matters.
- Represented the nation's largest municipal utility.

### Health care

- Provided government affairs counsel to California's largest association of coordinated care doctors in health care reform and implementation.
- Provided government affairs counsel to state-based exchanges before House and Senate investigative committees.
- Represents the nation's largest Medicaid health plan before authorizing and appropriating committees.

### Appropriations

- Secured more than US\$3 million in programmatic and congressionally directed spending for a public health client.

### Congressional investigations

- Provided counsel and communications advice to individuals, organizations and trade groups facing inquiries in the House and Senate.

### Manufacturing



## James S. Gross

### **NIELSEN MERKSAMER**

NIELSEN MERKSAMER PARRINELLO GROSS & LEONI LLP

1415 L Street, Suite 1200, Sacramento, CA 95814

t (916) 446-6752 / f (916) 446-6106 [jgross@nmgovlaw.com](mailto:jgross@nmgovlaw.com)

#### • **SUMMARY**

James Gross is a partner specializing in government law and the legislative process. He is one of the original members of the firm's government law section and is a member of the firm's management committee.

Jim's practice focuses on health care issues, professional licensing, state and local tax policy and local government issues. Over the last 30 years he has participated in the development and passage of major legislation affecting the delivery of health and human services in California. He provides technical and strategic expertise to a variety of business interests as they consider investment opportunities in the health care arena.

#### **PRACTICE AREAS**

- [Healthcare Law & Policy](#)
- [Legislative Advocacy and Strategic Advice](#)
- [Local Government](#)

#### **EDUCATION**

- University of California, Davis School of Law (King Hall)*J.D. (Law Review)*
- University of California, Davis

#### **BAR ADMISSIONS**

- U.S. District Court, Eastern District of California
- California

- Provided government affairs counsel to the world's largest apparel component manufacturer in legislative matters before Congress and the Consumer Product Safety Commission.
- Represents the recreational vehicle industry on corporate average fuel economy standards and Federal Emergency Management Agency temporary housing matters.

## Coalition development/strategic communications

- Created an industry-wide coalition to address a pending federal study and follow-on legislation.
- Directed the media rollout of a six-year administrative process for the relicensing of a hydropower project.
- Conceived and implemented social media strategies for high-profile litigation and legislative battles, as well as profile enhancement on behalf of individuals, corporations and trade associations.
- Media-trained executives for interactions with congressional committees and with cable news and print reporters.
- Developed nationally recognized third-party allies.

## Recognition

### Honors and Awards

- Named, Top Lobbyist, *The Hill*, 2018

## Insights

- "[Grassley introduces bipartisan legislation amending FARA](#)," Dentons client alert, June 18, 2019
- "[With Introduction of H.R. 1, House Democrats Push Significant Campaign Finance, Ethics and Voting Reforms](#)," Dentons client alert, February 19, 2019
- "[2019 US Policy Scan](#)," *Dentons US LLP*, January 3, 2019
- "[2019 Financial Services Policy Outlook](#)," Dentons client alert, January 17, 2019
- "[Senate Finance Committee releases tax reform bill](#)," Dentons client alert, November 10, 2017
- "[2017 Election Recap and Analysis](#)," Dentons client alert, November 8, 2017
- "[2017 Election Preview](#)," *Dentons US LLP*, October 31, 2017
- "[Fall's Congressional To Do List](#)," *Dentons US LLP*, September 5, 2017
- "[100 Days of President Trump](#)," *Dentons US LLP*, May 1, 2017
- "[US Policy and Politics Fall Preview](#)," *Dentons US LLP*, August 31, 2016
- "[Congress breathes new life into expired tax provisions and adopts other changes](#)," Dentons client alert, December 18, 2015
- "[Update on California drought regulations](#)," Dentons client alert, April 29, 2015
- "[Medicare physician payment overhaul bill becomes law](#)," Dentons client alert, April 15, 2015
- "[New California laws](#)," Dentons client alert, January 13, 2015
- "[The road ahead: What's coming in the final months of the 113th Congress and the Lame Duck session](#)," Dentons client alert, September 3, 2014

## Activities and Affiliations

### Presentations

- "Predictions for the Upcoming Elections," Dentons CLE Seminar, October 17, 2018, Washington, DC

### Prior and Present Employment

John spent nearly two years working on the floor of the US House of Representatives, interacting with members from both sides of the aisle as he managed the day-to-day legislative operations as a

floor assistant and then deputy to the chief of staff for House Speaker J. Dennis Hastert. Before his position with Hastert, he was recognized as the youngest chief of staff on Capitol Hill when he served Congressman J. Randy Forbes, after working as a senior campaign aide during a June 2001 special election.

Prior to that campaign, John was the aide-de-camp to National Republican Congressional Committee Chairman Tom Davis, after running the congressman's successful leadership election in the fall of 2000. John began his Capitol Hill career in the office of Majority Whip Tom DeLay as a staff assistant and rose to become the outreach coordinator responsible for maintaining relationships and building coalitions between key members of the business community and the Republican leadership.

He worked day to day in the highest levels on Capitol Hill. This perspective brought lasting relationships and a wealth of real-world experience in designing, implementing and maintaining dynamic, battle-tested legislative and strategic communications plans. He has built high-stakes communications programs for those who face the most stringent levels of media scrutiny. He is well-versed in traditional media and is at the leading edge of ever-growing online news operations. He works on a daily basis with leading newsrooms to bring balance to media coverage of high-profile issues and clients.



## Schedule of Meetings September 2019

Monday	Tuesday	Wednesday	Thursday	Friday
2	3	4	5 <i>Board of Governors Retreat/Meeting 9 am</i>	6
9	10	11 <i>ECAC 10 am (for approx. 3 hours)</i>	12	13
16 <i>RCAC 9 9:30 am (for approx. 2-1/2 hours)</i>	17 <i>CHCAC 8:30 am (for approx. 1-1/2 hours)</i>  <i>RCAC 4 9 am (for approx. 2-1/2 hours)</i>	18	19 <i>RCAC 11 9:30 am (for approx. 2-1/2 hours)</i>  <i>Compliance &amp; Quality Committee 2 pm (for approx. 2 hours)</i>  <i>RCAC 7 2 pm (for approx. 2-1/2 hours)</i>	20 <i>RCAC 8 10:30 am (for approx. 2-1/2 hours)</i>
23 <i>Finance &amp; Budget 1 pm (for approx. 1 hour)</i>  <i>Executive Committee 2 pm (for approx. 2 hours)</i>	24	25	26	27
30				



	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATES</b>	<b>MEMBERS</b>
<b>Board of Governors General Meeting</b>	<p><b>1<sup>st</sup> Thursday</b> 2:00 PM <i>(for approximately 3 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017</p> <p>** All Day Retreat at Joan Palevsky Center 281 S. Figueroa Street, Los Angeles, CA 90012</p> <p>**tentative (placeholder meeting)</p>	<p>September 5 * October 3 ** November 7 December 5</p>	<p>Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert Curry, <i>Treasurer</i> Layla Gonzalez-Delgado, <i>Secretary</i> Stephanie Booth, MD Christina R. Ghaly, MD George W. Greene, Esq. Antonia Jimenez Hilda Perez Honorable Mark Ridley-Thomas G. Michael Roybal, MD, MPH Ilan Shapiro, MD VACANT</p> <p><b>Staff Contact:</b> John Baackes <i>Chief Executive Officer, x4102</i> Linda Merkens <i>Senior Manager, Board Services, x4050</i></p>

**BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES  
2019 MEETING SCHEDULE / MEMBER LISTING**

**Board of Governors - Standing Committees**

	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATES</b>	<b>MEMBERS</b>
<b>Executive Committee</b>	4 <sup>th</sup> Monday of the month 2:00 PM <i>(for approximately 2 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	September 23 October 28 November 18 <i>No meeting in December</i>	Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert H. Curry, <i>Treasurer</i> Layla Gonzalez-Delgado, <i>Secretary</i> Stephanie Booth, MD Hilda Perez  <b><u>Staff Contact:</u></b> Linda Merkens <i>Senior Manager, Board Services, x4050</i>
<b>Compliance &amp; Quality Committee</b>	3 <sup>rd</sup> Thursday every 2 months 2:00 PM <i>(for approximately 2 hours)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	September 19 November 21 <i>No meeting in December</i>	Stephanie Booth, MD, <i>Chairperson</i> Alvaro Ballesteros, MBA Christina Ghaly, MD Hilda Perez Ilan Shapiro, MD  <b><u>Staff Contact:</u></b> Victor Rodriguez <i>Board Specialist, Board Services x 5214</i>
<b>Finance &amp; Budget Committee</b>	4 <sup>th</sup> Monday of the month 1:00 PM <i>(for approximately 1 hour)</i> 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017	September 23 October 28 November 18 <i>No meeting in December</i>	Robert H. Curry, <i>Chairperson</i> Stephanie Booth, MD Hector De La Torre Hilda Perez G. Michael Roybal, MD, MPH  <b><u>Staff Contact:</u></b> Malou Balones <i>Senior Board Specialist, Board Services x4183</i>
<b>Governance Committee</b>	1055 W. 7th Street, 1st Floor Los Angeles, CA 90017  <b>MEETS AS NEEDED</b>		Hilda Perez, <i>Chairperson</i> Stephanie Booth, MD Layla Gonzalez-Delgado Antonia Jimenez  <b><u>Staff Contact:</u></b> Malou Balones <i>Senior Board Specialist, Board Services/x 4183</i>

**For information on the current month's meetings, check calendar of events at [www.lacare.org](http://www.lacare.org). Meetings may be cancelled or rescheduled at the last moment. To check on a particular meeting, please call (213) 694-1250 or send email to [boardservices@lacare.org](mailto:boardservices@lacare.org).**

**BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES  
2019 MEETING SCHEDULE / MEMBER LISTING**

	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATES</b>	<b>MEMBERS</b>
<b>Service Agreement Committee</b>	1055 W. 7th Street, 1st Floor Los Angeles, CA 90017  <b>MEETS AS NEEDED</b>		Layla Gonzalez-Delgado, <i>Chairperson</i> Antonia Jimenez Hilda Perez  <b><u>Staff Contact</u></b> Malou Balones <i>Senior Board Specialist, Board Services / x 4183</i>
<b>Audit Committee</b>	1055 W. 7th Street, 1st Floor Los Angeles, CA 90017		Stephanie Booth, MD, <i>Chairperson</i> Alvaro Ballesteros, MBA Layla Gonzalez-Delgado  <b><u>Staff Contact</u></b> Malou Balones <i>Senior Board Specialist, Board Services, x 4183</i>

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**BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES  
2019 MEETING SCHEDULE / MEMBER LISTING**

	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATES</b>	<b>MEMBERS</b>
<b>L.A. Care Community Health</b>	Meets Annually or as needed 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017		Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert Curry, <i>Treasurer</i> Layla Gonzalez-Delgado, <i>Secretary</i> Stephanie Booth, MD Christina R. Ghaly, MD George W. Greene, Esq. Antonia Jimenez Hilda Perez Honorable Mark Ridley-Thomas G. Michael Roybal, MD, MPH Ilan Shapiro, MD VACANT  <b><u>Staff Contact:</u></b> John Baackes <i>Chief Executive Officer, x4102</i> Linda Merkens <i>Senior Manager, Board Services, x4050</i>
<b>L.A. Care Joint Powers Authority</b>	Meets as needed 1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017		Hector De La Torre, <i>Chairperson</i> Alvaro Ballesteros, MBA, <i>Vice Chairperson</i> Robert Curry, <i>Treasurer</i> Layla Gonzalez-Delgado, <i>Secretary</i> Stephanie Booth, MD Christina R. Ghaly, MD George W. Greene, Esq. Antonia Jimenez Hilda Perez Honorable Mark Ridley-Thomas G. Michael Roybal, MD, MPH Ilan Shapiro, MD VACANT  <b><u>Staff Contact:</u></b> John Baackes <i>Chief Executive Officer, x4102</i> Linda Merkens <i>Senior Manager, Board Services, x4050</i>

**Public Advisory Committees**

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**BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES  
2019 MEETING SCHEDULE / MEMBER LISTING**

	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATES</b>	<b>STAFF CONTACT</b>
<b>Children’s Health Consultant Advisory Committee General Meeting</b>	<p>3<sup>rd</sup> Tuesday of every other month 8:30 AM <i>(for approximately 2 hours)</i></p> <p>1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017</p>	<p>September 17 November 21</p>	<p>Tara Ficek, MPH, <i>Chairperson</i></p> <p><b>Staff Contact:</b> Victor Rodriguez <i>Board Specialist, Board Services/x 5214</i></p>
<b>Executive Community Advisory Committee</b>	<p>2<sup>nd</sup> Wednesday of the month 10:00 AM <i>(for approximately 3 hours)</i></p> <p>1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017</p>	<p>September 11 October 9 November 13 December 11</p>	<p>Ana Romo, <i>Chairperson</i></p> <p><b>Staff Contact:</b> Idalia Chitica, <i>Community Outreach &amp; Education, Ext. 4420</i></p>
<b>Technical Advisory Committee</b>	<p>4<sup>th</sup> Thursdays every other month 9:00 AM <i>(for approximately 2 hours)</i></p> <p>1055 W. 7th Street, 1st Floor, Los Angeles, CA 90017</p>	<p><i>This Committee is under restructure.</i></p>	<p><b>Staff Contact:</b> Victor Rodriguez <i>Board Specialist, Board Services/x 5214</i></p>

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**BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES  
2019 MEETING SCHEDULE / MEMBER LISTING**

**REGIONAL COMMUNITY ADVISORY COMMITTEES**

<b>REGION</b>	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATE</b>	<b>STAFF CONTACT</b>
Region 1 Antelope Valley	3 <sup>rd</sup> Friday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> L.A. Care Family Resource Center-Palmdale 2072 E. Palmdale Blvd. Palmdale, CA 93550 (213) 438-5580	October 18 December 20	Russel Mahler, <i>Chairperson</i>  <b>Staff Contact:</b> Kristina Chung <i>Community Outreach &amp; Education, x5139</i>
Region 2 San Fernando Valley	3 <sup>rd</sup> Monday of every other month 10:00 AM <i>(for approximately 2-1/2 hours)</i> L.A. Care Family Resource Center-Pacoima 10807 San Fernando Road Pacoima, CA 91331 (844) 858-9942	October 21 December 16	Estela Lara, <i>Chairperson</i>  <b>Staff Contact:</b> Kristina Chung <i>Community Outreach &amp; Education, x5139</i>
Region 3 Alhambra, Pasadena and Foothill	3 <sup>rd</sup> Tuesday of every other month 9:30 AM <i>(for approximately 2-1/2 hours)</i> Rosemead Community Center 3936 N. Muscatel Avenue, Room 3 Rosemead, CA 91770 (626) 569-2160	October 15 December 17	Cynthia Contreas-Wood, <i>Chairperson</i>  <b>Staff Contact:</b> Frank Meza <i>Community Outreach &amp; Education, x4239</i>
Region 4 Hollywood- Wilshire, Central L.A. and Glendale	3 <sup>rd</sup> Tuesday of every other month 9:00 AM <i>(for approximately 2-1/2 hours)</i> Hope Street Family Center 1600 Hope Street, Rm 305 Los Angeles, CA 90015 (213) 742-6385	September 17 November 19	Sylvia Poz, <i>Chairperson</i>  <b>Staff Contact:</b> Jose Rivas <i>Community Outreach &amp; Education, x4090</i>

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**BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES  
2019 MEETING SCHEDULE / MEMBER LISTING**

<b>REGION</b>	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATE</b>	<b>STAFF CONTACT</b>
<p><b>Region 5</b> Culver City, Venice, Santa Monica, Malibu, Westchester</p>	<p><b>3<sup>rd</sup> Monday of every other month</b> 2:00 PM <i>(for approximately 2-1/2 hours)</i> Veterans Memorial Building Garden Room 4117 Overland Avenue Culver City, CA 90230 (310) 253-6625</p>	<p>October 21 December 16</p>	<p><b>Maria Sanchez, Chairperson</b></p> <p><b>Staff Contact:</b> Jose Rivas <i>Community Outreach &amp; Education, x4090</i></p>
<p><b>Region 6</b> Compton, Inglewood, Watts, Gardena, Hawthorne</p>	<p><b>3<sup>rd</sup> Thursday of every other month</b> 3:00 PM <i>(for approximately 2-1/2 hours)</i> South LA Sports Activity Center 7020 S. Figueroa Street Los Angeles, CA 90003 (323) 758-8716</p>	<p>October 17 December 19</p>	<p><b>Andria McFerson, Chairperson</b></p> <p><b>Staff Contact:</b> Jose Rivas <i>Community Outreach &amp; Education, x4090</i></p>
<p><b>Region 7</b> Huntington Park, Bellflower, Norwalk, Cudahy</p>	<p><b>3<sup>rd</sup> Thursday of every other month</b> 2:00 PM <i>(for approximately 2-1/2 hours)</i> Community Empowerment Center 7515 Pacific Blvd. Walnut Park, CA 90255 (213) 516-3575</p>	<p>September 19 November 21</p>	<p><b>Fatima Vasquez, Chairperson</b></p> <p><b>Staff Contact:</b> Martin Vicente <i>Community Outreach &amp; Education, x 4423</i></p>
<p><b>Region 8</b> Carson, Torrance, San Pedro, Wilmington</p>	<p><b>3<sup>rd</sup> Friday of every other month</b> 10:30 AM <i>(for approximately 2-1/2 hours)</i> Providence Community Health Wellness and Activity Center 470 N. Hawaiian Ave. Wilmington, CA 90744 (424) 212-5699</p>	<p>September 20 November 15</p>	<p><b>Ana Romo – Chairperson</b></p> <p><b>Staff Contact:</b> Martin Vicente <i>Community Outreach &amp; Education, x 4423</i></p>

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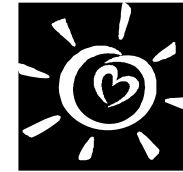
**BOARD OF GOVERNORS & PUBLIC ADVISORY COMMITTEES  
2019 MEETING SCHEDULE / MEMBER LISTING**

<b>REGION</b>	<b>MEETING DAY, TIME, &amp; LOCATION</b>	<b>MEETING DATE</b>	<b>STAFF CONTACT</b>
<b>Region 9 Long Beach</b>	<b>3<sup>rd</sup> Monday of every other month</b> 9:30 AM <i>(for approximately 2-1/2 hours)</i> First Congressional Church of Long Beach 241 Cedar Avenue Long Beach, CA 90802 (562) 436-2256	September 16 November 18	<b>Tonya Byrd, Chairperson</b>  <b>Staff Contact:</b> Kristina Chung <i>Community Outreach &amp; Education, x5139</i>
<b>Region 10 East Los Angeles, Whittier and Highland Park</b>	<b>3<sup>rd</sup> Thursday of every other month</b> 1:00 PM <i>(for approximately 2-1/2 hours)</i> L.A. Care East L.A. Family Resource Center 4801 Whittier Blvd Los Angeles, CA 90022 (213) 438-5570	October 17 December 19	<b>Damaris de Cordero, Chairperson</b>  <b>Staff Contact:</b> Frank Meza <i>Community Outreach &amp; Education, x4239</i>
<b>Region 11 Pomona and El Monte</b>	<b>3<sup>rd</sup> Thursday of every other Month</b> 9:30 AM <i>(for approximately 2-1/2 hours)</i> Pomona Catholic High School - Auditorium 533 W. Holt Ave. Pomona, CA 91768 (909) 623-5297	September 19 November 21	<b>Elda Sevilla, Chairperson</b>  <b>Staff Contact:</b> Frank Meza <i>Community Outreach &amp; Education, x4239</i>

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**Board of Governors**  
**Regular Meeting Minutes #281**  
**July 25, 2019**

L.A. Care Health Plan, 1055 W. 7<sup>th</sup> Street, Los Angeles, CA 90017



**L.A. Care**  
 HEALTH PLAN

**Members**

Hector De La Torre, *Chairperson* \*\*  
 Alvaro Ballesteros, MBA, *Vice Chairperson* \*  
 Robert H. Curry, *Treasurer*  
 Layla Gonzalez-Delgado, *Secretary*  
 Stephanie Booth, MD  
 Christina R. Ghaly, MD \*  
 George W. Greene, Esq. \*

Antonia Jimenez  
 Hilda Perez  
 Courtney Powers, Esq.  
 Honorable Mark Ridley-Thomas \*  
 G. Michael Roybal, MD, MPH  
 Ilan Shapiro, MD \*  
 \*Absent \*\*Via teleconference

**Management/Staff**

John Baackes, *Chief Executive Officer*  
 Terry Brown, *Chief of Human Resources*  
 Augustavia Haydel, *General Counsel*  
 Thomas Mapp, *Chief Compliance Officer*  
 Marie Montgomery, *Chief Financial Officer*  
 Richard Seidman, MD, MPH, *Chief Medical Officer*  
 Tom Schwaninger, *Chief Information Officer*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>WELCOME</b>  Robert H. Curry, <i>Board Treasurer</i>	Robert Curry, <i>Treasurer</i> , called the meeting to order at 2:05 p.m. Board Member Curry announced that members of the public may address the Board on matters listed on the agenda before or during the Board's consideration of the item, and on any other topic in the public comment section on the agenda.	
<b>APPROVAL OF MEETING AGENDA</b>  Robert H. Curry	The agenda was approved as submitted.	<b>Unanimously approved. 7 AYES (Booth, Curry, Gonzalez-Delgado, Jimenez, Perez, Powers and Roybal)</b>
<b>PUBLIC COMMENT</b> <i>Comments are summarized, not verbatim.</i>	Elizabeth Cooper, <i>RCAC 2 Member</i> , commented that this is not a time for apathy, this is a time to urge everyone to register and vote. It is very important to register and vote.	
<b>APPROVAL OF CONSENT AGENDA</b>  Robert H. Curry	<b>PUBLIC COMMENT</b> Ms. Cooper lives in the San Fernando Valley and is a RCAC 2 Member. She has frequently requested that a Board Meeting be held in the San Fernando Valley. Regarding RCAC membership, she commented that the Board should ensure that membership is diverse and includes disabled consumers.  Member Booth suggested that staff be directed to not use the term “surprise billing”, a result of the insurance claims process that is explained from the patient’s point of view. Insurance claims	

**DRAFT**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>can be confusing for patients. For added transparency, she suggested using the term, “surprise billing/unexpected non-coverage”.</p> <ul style="list-style-type: none"> <li>• Approve June 6, 2019 meeting minutes</li> <li>• Cognizant Salesforce Contract Amendment <b><u>Motion BOG 100.0719*</u></b> To authorize staff to amend the existing contract with Cognizant for an additional \$600,000 (total contract not to exceed \$1,375,000) for continued Salesforce implementation activities through January 31, 2020.</li> <li>• 2020 Board &amp; Committee Meeting Schedule <b><u>Motion EXE 100.0719*</u></b> To approve the 2020 Board of Governors meeting schedule as submitted.</li> <li>• Health Management Services Contract Extension <b><u>Motion FIN 100.0719*</u></b> To increase authorized expenditure for the current contract with Health Management Systems (HMS) Coordination of Benefits not to exceed \$22 Million and to extend the contract through December 31, 2023.</li> <li>• Cognizant Contract for IT Application Production Support <b><u>Motion FIN 101.0719*</u></b> To authorize L.A. Care to execute a 3.5-year contract with Cognizant in an amount not to exceed \$4,900,000, for Information Technology Application Production Support.</li> <li>• RCAC Membership <b><u>Motion ECA 100.0719*</u></b> To approve the following as members to the Regional Community Advisory Committee (RCAC), as reviewed by the Executive Community Advisory Committee (ECAC) during its June 12, 2019 and July 10, 2019 meetings: <ul style="list-style-type: none"> <li>• Ana Laura Navarro, Consumer Member, RCAC 3</li> <li>• Rosa Fuente, Consumer Member, RCAC 5</li> <li>• Cambodian Association of America, Consumer Advocate, Region 9</li> </ul> </li> </ul>	<p>The Consent Agenda was unanimously approved. 7 AYES (Booth, Curry, Gonzalez-Delgado, Jimenez, Perez, Powers and Roybal)</p>
<b>CHAIRPERSON’S REPORT</b>	There was not a report from the Chairperson.	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p><b>CHIEF EXECUTIVE OFFICER REPORT</b></p> <p>John Baackes</p> <p><b>Elevating the Safety Net Update</b></p>	<p>John Baackes, <i>Chief Executive Officer</i>, referred to his written report in the meeting materials (<i>a copy of his report is available by contacting Board Services</i>).</p> <ul style="list-style-type: none"> <li>• Enrollment has been at about 2 million and the number of Medi-Cal members appears to be declining. He attributes the decline to a good economy; there are more people covered by employer insurance. L.A. Care continues to coordinate with Los Angeles County Department of Public Social Services (DPSS). Board Member Jimenez noted there is an approximately 1% decline in Los Angeles County and across the state.</li> <li>• The next eight L.A. Care medical school scholarships have been awarded; four scholarships at the David Geffen School of Medicine at UCLA and four at Charles R. Drew University of Medicine and Science. The students are motivated young people who want to contribute to their communities, and without the debt of medical school they can truly contribute as they would like. Mr. Baackes announced that medical residency program support has brought 14 new primary care residencies to Los Angeles County. Like the scholarships, this will build a pipeline of new primary care physicians for the county, and increase the number of physicians in the L.A. Care provider network. L.A. Care has opened recruitment grants to psychiatry in the next round of grants. Fifty new primary care physicians are now in Los Angeles County as a result of the programs launched last year.</li> <li>• L.A. Care has added 14 <i>Minute Clinics</i> to the L.A. Care urgent care network to reduce use of expensive emergency rooms for primary care services. The treatment records for patients using <i>Minute Clinic</i> will be forwarded to their primary care physicians.</li> <li>• California Governor’s proposed budget includes expansion of Medi-Cal to undocumented young adults ages 19-26; bridging the gap for coverage previously extended to the undocumented younger than 19. L.A. Care will continue to work with DPSS to enroll eligible beneficiaries. Enrollment is expected to be about 90,000. Board Member Booth asked about enrollment for restricted Medi-Cal. Mr. Baackes responded that they are included in the 90,000.</li> <li>• The Governor also proposed state administration of pharmacy benefits because he thinks it will lead to lower costs. L.A. Care supports efforts to reduce pharmacy costs however proposes that pharmacy administration should remain with managed care plans. L.A. Care will comment on this through public hearings. Medi-Cal health plans are concerned about potential negative effects on existing care programs and want to retain the direct administration of pharmacy in order to continue effective care management and the</li> </ul>	



AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p><b>Third Quarter FY 2018-19 Vision 2021 Progress Report</b></p> <p><b>Grants and Sponsorships Report</b></p> <p><b>Housing Stability I Initiative</b></p>	<p>formulary. Similar state wide pharmacy administration has been tried in other states with unsatisfactory results.</p> <p>Board Member Roybal expressed concerns about the complexity of the formulary. Mr. Baackes noted that the proposal includes provisions for a statewide formulary and for eliminating the 340B program, which was created to help vulnerable patients access needed pharmacy items, and could potentially compromise funding for important pharmacy services that are not paid by Medi-Cal.</p> <p>Health plans will continue to be very attentive to executive orders and changes to rules related to health care and nutrition programs. L.A. Care will continue to advocate for support of these programs.</p> <ul style="list-style-type: none"> <li>At the federal level, the individual mandate was eliminated from the Affordable Care Act (ACA) through the budget process. This led to a court challenge to the constitutionality of the ACA without the mandate (Texas v. U.S). That case could be heard by the Supreme Court. Health plans are following this closely.</li> </ul> <p>There are also cases concerning cost-sharing reduction (CSR) payments and risk corridors. In the original ACA there was a payment available to health plans through CSR payments. The payments have never been made, and L.A. Care filed legal action to collect the payments due. L.A. Care prevailed initially and the case is pending appeal. There are other risk corridor payment cases working through the appeals process; some have reached the US Supreme Court. The ACA is a complicated law and L.A. Care will remain diligent in supporting services for its members.</p> <ul style="list-style-type: none"> <li>L.A. Care is currently in the midst of an onsite two-week audit by the California Department of Health Care Services (DHCS). In the last four years, L.A. Care has improved performance from 50 findings to 14. Auditors are now looking more at oversight functions. He complimented staff for doing a terrific job preparing for the audits.</li> </ul> <p>Mr. Baackes referred to the written report on the Third Quarter FY 2018-19 Vision 2021 Progress Report.</p> <p>Mr. Baackes referred to the written Grants and Sponsorships Report.</p> <p>Mr. Baackes introduced a new grant program to continue L.A. Care efforts to address at-risk tenants and promote housing stability. RCAC members have pointed out that the Housing for Homeless program has successfully helped find permanent supportive housing for members. The next step is to support those who are at risk of becoming homeless. This program</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>provides grants to provide advocacy, technical and legal support to at-risk tenants to help them avoid eviction.</p> <p>Mr. Baackes introduced Roland Palencia, <i>Director, Community Benefits</i>, and Shavonda Webber-Christmas, <i>Community Benefits Program Manager (a copy of the presentation can be obtained by contacting Board Services)</i>.</p> <p>Mr. Palencia outlined the timeline, deliverables, and evaluation components of future initiatives. The program will provide \$500,000 for one year to expand eviction prevention programs, serving people with incomes up to 300% of federal poverty level (FPL). Ms. Webber-Christmas noted that the program is a response to community requests for these services. She described the services and requirements of the program.</p> <p>Mr. Palencia described the grant funding process, which involved an internal committee review. He showed the deliverables expected from grantees and described studies showing beneficial cost avoidance in similar programs. Board Member Booth asked for the documentation of cost savings.</p> <p>Board Member Roybal asked about expanding the program to support healthy housing. Ms. Webber-Christmas indicated that the program will support tenant-landlord relations. Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, noted that L.A. Care’s Family Resource Centers currently offer assistance with healthy housing and case management staff has integrated services to support healthy housing for L.A. Care members.</p> <p>Board Member Curry asked about a broader dissemination of information about the availability of support through this program. Ms. Webber-Christmas noted there are other funding sources for eviction prevention and case management services, and those have been broadly announced and promoted in Los Angeles County. L.A. Care is collaborating with those organizations. L.A. Care will leverage existing outreach programs to expand communications efforts.</p> <p>Mr. Palencia noted that through presentations at Southern California Grant Makers, L.A. Care has energized local grant makers to look into ways of further contributing to programs in this area.</p> <p>Board Member Jimenez noted that Los Angeles County Department of Public Social Services (DPSS) has eviction prevention programs and will support integrating L.A. Care’s program into DPSS programs.</p> <p>Board Member Powers noted that it is critical that the community has access to legal services and she offered support through the community clinics.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Board Member Gonzalez-Delgado asked how people that need the services are identified. Mr. Palencia described agency referrals and various community portals available in the community. Board Member Perez asked for a presentation on this program at ECAC.</p> <p><b>PUBLIC COMMENT:</b></p> <p>Ms. Cooper suggested that lawyers do <i>pro bono</i> work to help in this area. She expressed her appreciation for helping people who are homeless and for those that are working hard to keep their homes. She supports diversity among the doctors and would like to see African American doctors. Mr. Baackes indicated that 4 of 16 scholarships were given to African Americans and more than half of scholarships have gone to women.</p> <p>Board Member Perez noted that members have expressed that it is important that doctors remain in Los Angeles County. She has met some of the scholarship recipients and they are very committed to the community and it is not necessary to include a requirement for scholarship recipients. Mr. Baackes noted it would not be possible to mandate that a student practice in Los Angeles County, as the residency assigned could be in another location. He indicated to the two medical schools that L.A. Care requests that the faculty use their expertise to select students which are most likely to remain in Los Angeles County.</p> <p>Board Member Booth noted that she spoke with a scholarship recipient who commented that it really felt like family. Board Member Booth felt that that was a strong indication that the scholarship recipient will stay in this area.</p> <p><i>(Member De La Torre joined the meeting by phone.)</i></p>	
<p><b>CHIEF MEDICAL OFFICER REPORT</b></p> <p>Richard Seidman, MD, MPH</p>	<p>Dr. Seidman reported <i>(there was not a written report in the meeting materials)</i>:</p> <ul style="list-style-type: none"> <li>• Health Homes program is a new benefit required by DHCS for Medi-Cal beneficiaries. He commended staff involved in implementation. It is an intensive care management program designed to provide significant care management and care coordination services for the very sickest 3-5% of L.A. Care members.</li> <li>• L.A. Care’s community resource platform is now available on the website, and is called L.A. Care Community Link. It is also available at <a href="http://lacare.auntbertha.com">lacare.auntbertha.com</a>.</li> </ul> <p>Board Member Booth asked if physicians will have access to the community resource platform other than referral. Dr. Seidman noted it is available on the website. Another function of the platform is the ability to make referrals and receive feedback.</p> <p>Board Member Roybal asked how many members are potentially eligible. Dr. Seidman indicated that 60,000 L.A. Care members may be eligible, and around the county enrollment has</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>been about 10% of those eligible. The program will bring additional funds to support the community programs. Care management team members will be based in the Family Resource Centers and could provide additional referral services for L.A. Care members.</p>	
<p><b>Executive Community Advisory Committee (ECAC)</b>  Hilda Perez/Layla Gonzalez-Delgado</p>	<p>Board Member Gonzalez-Delgado acknowledged the RCAC / CCI Members in attendance.</p> <p>The Committee received the following updates:</p> <ul style="list-style-type: none"> <li>• Legislative update.</li> <li>• Red Cross will present at the August and September consumer advisory committee meetings on disaster preparedness, particularly for seniors and people with disabilities.</li> <li>• The Cal MediConnect Enrollee Advisory Committee met in June. They reviewed the CMC Member Enrollment Kit and billboard campaign, and provided feedback.</li> <li>• Local legislative office visits will happen in July. RCAC members will share feedback on the Cal Fresh program and food security.</li> <li>• The Family Resource Centers (FRCs) began the back to school events on July 13, sponsored by L.A. Care for RCAC members to participate.</li> <li>• Information on improving L.A. Care member experience in the health care system.</li> <li>• A presentation on safety and security in case of an emergency at L.A. Care’s offices.</li> </ul> <p>Board Member Perez noted that she attended a few RCAC meetings in July. Presentations at the RCAC meetings included:</p> <ul style="list-style-type: none"> <li>• Language assistance services.</li> <li>• Information on how to improve quality of services and give feedback to L.A. Care. Health information distributed this month was about handling life stressors.</li> </ul> <p>RCAC members are actively participating in colorectal cancer workshops, providing information and participating in community activities.</p> <p>Board Member Perez described issues discussed at the RCAC meetings.</p> <p>Board Member Gonzalez Delgado encouraged Board Members to attend a RCAC meeting in August.</p>	
<b>STANDING COMMITTEE REPORTS</b>		
<p><b>Executive Committee</b>  Robert H. Curry</p>	<p>Board Member Curry reported that the Executive Committee met on June 24, 2019 (<i>a copy of the minutes of the meeting can be obtained by contacting Board Services</i>). The Executive Committee approved a motion regarding the Elevating the Safety Net Program.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>Government Affairs Update</b>	<p>Mr. Baackes reported:</p> <ul style="list-style-type: none"> <li>• California has enacted a penalty for not having health insurance, starting in 2020.</li> <li>• On August 23, L.A. Care Health Plan will host an education briefing specifically designed for legislative staffers representing Los Angeles Congressional, Senate, and Assembly members. The purpose of the briefing is to keep local elected offices informed of important developments in the Cal Fresh Program. This will be the fifth year that our Government Affairs team will host a briefing.</li> </ul>	
<b>Finance &amp; Budget Committee</b>	<p>PUBLIC COMMENT</p> <p>Wilma Ballew, <i>RCAC 2 Member</i>, thanked Marie Montgomery, <i>Chief Financial Officer</i>, and Angela Bergman, <i>Controller</i>, for assistance with a concern, the change has been very beneficial. As a RCAC 2 member she is happy to participate in the district visits to promote Cal Fresh. An ad hoc meeting was held regarding needs for disabled and senior members.</p> <p>Board Member Jimenez noted that 87,000 newly eligible beneficiaries have applied for Cal Fresh.</p> <p>Board Member Curry reported that the Finance &amp; Budget Committee met on June 24, 2019. <i>(The minutes of that meeting are available by contacting Board Services.)</i> The Committee approved a motion to amend a contract with FirstSource which does not require Board approval. The Committee also reviewed and approved motions that were earlier approved under the Consent Agenda.</p>	
<b>Chief Financial Officer's Report</b>  Marie Montgomery	<p>Ms. Montgomery reported on financial results for the fiscal year through May, 2019. <i>(A copy of the report can be obtained by contacting Board Services.)</i></p> <ul style="list-style-type: none"> <li>• Membership through May is 2,179,156, favorable to forecast by 11,335 members (forecast assumed a decrease of 3%)</li> <li>• A deficit of \$2.6 million was experienced in May, due mostly to a \$37 million reduction in revenue to L.A. Care Covered as a result of the risk adjustment data validation audit.</li> <li>• Year to date resulted in a surplus of \$212 million which is \$44 million ahead of the forecasted surplus.</li> <li>• Administrative expenses are favorable to forecast by \$17 million due mostly to timing and reclassification of expenditures.</li> <li>• Non-operating income is favorable to forecast by \$25 million, due to timing of grant payouts, and gains on investments. It is important to remember that as the Elevating the Safety Net (ESN) program gets underway those expenses will increase.</li> </ul>	

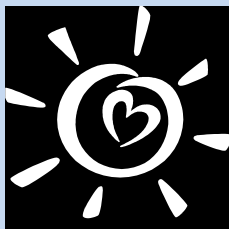
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> <li>• Operating Margin overall is equal to forecast at 91.1%.</li> <li>• The key financial ratios are all within forecast.</li> </ul> <p>Board Member Booth asked about the financial impact of Proposition 56 and ground medical emergency transport (GMET). Ms. Montgomery explained that there is some risk at the end of the year with regard to Proposition 56 funds.</p> <p><b><u>Motion FIN 102.0619</u></b>  <b>To accept the Financial Report for the period ended May 2019, as submitted.</b></p>	<p><b>Unanimously approved by roll call. 8 AYES (Booth, Curry, De La Torre, Gonzalez-Delgado, Jimenez, Perez, Powers, and Roybal)</b></p>
<p><b>Monthly Investment Transaction Report</b></p>	<p>Ms. Montgomery referred to the report on investment transactions included in the meeting materials for Committee member review. <i>(A copy of the report can be obtained by contacting Board Services).</i></p> <p>As of May 31, 2019, the market value of L.A. Care’s investments was \$ 1.9 billion.</p> <ul style="list-style-type: none"> <li>• \$1.7 billion managed by Paydel &amp; Rygel and New England Asset Management</li> <li>• \$61 million in Local Agency Investment Fund</li> <li>• \$104 million in Los Angeles County Pooled Investment Fund</li> </ul>	
<p><b>PUBLIC COMMENT</b></p>	<p>Demetria Saffore, <i>RCAC 1 Member</i>, thanked Mr. Baackes for the update on increasing the number of physicians to care for the members, especially in her area where there is a lack of physicians. Mr. Baackes indicated he will have information on the grant distribution among RCAC regions at a future meeting.</p>	
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the following items to be discussed in closed session. The Board adjourned to closed session at 4:07 p.m.</p> <p><b>CONTRACT RATES</b>  Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> <li>• Plan Partner Services Agreement</li> </ul> <p><b>REPORT INVOLVING TRADE SECRET</b>  Pursuant to Welfare and Institutions Code Section 14087.38(n)  Discussion Concerning New Service, Program, Business Plan  Estimated date of public disclosure: <i>July 2021</i></p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act Six potential cases	
<b>RECONVENE IN OPEN SESSION</b>	The Board reconvened in open session at 5:16 p.m. There was no report about the closed session.	
<b>ADJOURNMENT</b>	The meeting was adjourned at 5:16 p.m.	

Respectfully submitted by:  
 Linda Merkens, *Senior Manager, Board Services*  
 Malou Balones, *Senior Board Specialist*  
 Victor Rodriguez, *Board Specialist*

APPROVED BY:

\_\_\_\_\_  
 Layla Delgado-Gonzalez, *Board Secretary*  
 Date Signed \_\_\_\_\_



**L.A. Care**  
HEALTH PLAN

**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** BOG 100.0919

**Committee:**

**Chairperson:** Hector De La Torre

**Issue:** Provide Doris Lai, *Senior Director, Accounting and Financial Services*, with authority over all L.A. Care banking and investment accounts.

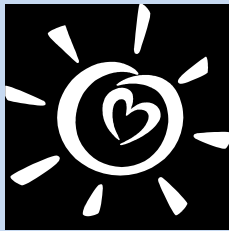
**Background:** The motion below designates Doris Lai, *Senior Director, Accounting and Financial Services*, as an authorized signatory to all L.A. Care banking and investment accounts.

**Member Impact:** None

**Budget Impact:** None

**Motion:** To authorize Doris Lai, *Senior Director, Accounting and Financial Services*, as an authorized signatory for all L.A. Care banking and investment accounts.





**L.A. Care**  
HEALTH PLAN

**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** FIN 100.0919

**Committee:** Finance & Budget

**Chairperson:** Robert H. Curry

**Issue:** Accept the Investment Report for the quarter ended June 30, 2019.

**New Contract**    **Amendment**    **Sole Source**    **RFP/RFQ was conducted**

**Background:** Per L.A. Care's Investment Policy, the Finance & Budget Committee is responsible for reviewing L.A. Care's investment portfolio to confirm compliance with the Policy, including its diversification and maturity guidelines.

**Member Impact:** N/A

**Budget Impact:** L.A. Care budgets a reasonable return on investment holdings.

**Motion:** To accept the Quarterly Investment Report for the quarter ending June 30, 2019, as submitted.



DATE: July 30, 2019  
 TO: Finance & Budget Committee  
 FROM: Marie Montgomery, *Chief Financial Officer*

**SUBJECT: Quarterly Investment Report – June 2019**

As of June 30, 2019, L.A. Care's combined investments market value was approximately \$1.8 billion. Interest income, amortization, realized gains and losses was approximately \$13.3 million for the quarter. Unrealized gain due to market price fluctuations was approximately \$4.9 million for the quarter. Based upon an independent compliance review performed as of June 30, 2019, LA Care is in compliance with its investment policy guidelines pursuant to the California Government Code and the California Insurance Code.

At quarter end \$1.3 billion (or approx. 73% of total investments) and \$0.3 billion (or approx. 18% of total investments) were under the management of Payden & Rygel and New England Asset Management, respectively. Both are external professional asset management companies. The holdings of these invested funds were as follows:

	Payden	NEAM	Combined
Cash and Money Market Mutual Fund	7%	0%	5%
U.S. Treasury Securities	78%	0%	63%
U.S. Agency & Municipal Securities	4%	0%	3%
Corporate bonds	0%	100%	20%
Asset Backed and Mortgage Backed Securities	9%	0%	7%
Other	2%	0%	2%
	100%	100%	100%
Average credit quality:	AAA	A1	
Average duration:	0.31 years	2.50 years	
Average yield to maturity:	2.04%	2.29%	

The funds managed by Payden & Rygel are managed as two separate portfolios based on investment style – 1) the short-term portfolio and 2) the extended term portfolio. The short-term portfolio had approximately \$1,207 million invested as of June 30, 2019, and returned 0.61% for the quarter. The comparative benchmark returned 0.64% for the quarter. The extended term portfolio had approximately \$89 million invested June 30, 2019, and returned 1.66% for the quarter. The comparative benchmark had a return of 1.85%.

<b>PORTFOLIO RETURNS</b>				
<i>Periods over one year annualized</i>				
Periods ended 6/30/2019	2nd Quarter	2019 YTD	Trailing 1 Year	Trailing 3 Year
<b>Performance</b>				
<b>LA Care - Short-Term Portfolio</b>	<b>0.61</b>	<b>1.22</b>	<b>2.33</b>	<b>1.52</b>
Benchmark*	0.64	1.24	2.31	1.30
<b>LA Care - Extended-Term Portfolio</b>	<b>1.66</b>	<b>2.84</b>	<b>4.41</b>	<b>1.81</b>
Benchmark**	1.85	3.09	4.94	1.66
<b>LA Care - Combined Portfolio</b>	<b>0.68</b>	<b>1.33</b>	<b>2.48</b>	<b>1.54</b>

\*iMoneyNet DTaxable Money Market Avg. from inception to 10/31/2017; BofAML 91 Day Tsy thereafter.

\*\* BofAML 1-Yr Tsy to 10/31/2017; Bloomberg Barclays US Govt 1-5 Yr thereafter.

The \$0.3 billion portfolio managed by New England Asset Management, Inc (NEAM), focused on corporate fixed income bonds returned 1.80% for the quarter. The comparative benchmark returned 1.98% for the quarter.

LA Care also invests with 2 government pooled investment funds, the Local Agency Investment Fund (LAIF) and the Los Angeles County Pooled Investment Fund (LACPIF). LA Care's investment balances as of June 30, 2019 were \$61 million in LAIF and \$104 million in LACPIF.

The Local Agency Investment Fund (LAIF) yielded approximately 2.44% annualized for the quarter. The fund's total portfolio market value as of June 30, 2019, was \$105.7 billion, with a weighted average maturity of 173 days. LAIF is administered and overseen by the State Treasurer's office. The fund's investment holdings as of June 30, 2019 were as follows:

U.S. Treasury Securities	49%
Agencies	22%
CD's and bank notes	17%
Commercial paper	6%
Time deposits	5%
Loans	1%
	<u>100%</u>

The Los Angeles County Pooled Investment Fund (LACPIF) yielded approximately 2.20% annualized for the quarter. The fund's market value as of May 31, 2019, was \$32.7 billion, with a weighted average maturity of 521 days. LACPIF is administered and overseen by the Los Angeles County Treasurer. The fund's most recent published investment holdings (May 31, 2019) were as follows:

U.S. Govt. and Agency Securities	65%
Commercial paper	29%
CD's	6%
	<u>100%</u>



**L.A. Care Health Plan  
Quarterly Investment Compliance Report  
April 1, 2019 through June 30, 2019**

**OVERVIEW**

The California Government Code requires the L.A. Care Treasurer to submit a quarterly report detailing its investment activity for the period. This investment report covers the three-month period from April 1, 2019 through June 30, 2019.

**PORTFOLIO SUMMARY**

As of June 30, 2019, the market values of the portfolios managed by Payden & Rygel and New England Asset Management are as follows:

<u>Portfolios</u>	<u>Payden &amp; Rygel</u>
<i>Cash Portfolio #2365</i>	<i>\$1,206,606,775.56</i>
<i>Low Duration Portfolio #2367</i>	<i>\$88,623,727.06</i>
<b>Total Combined Portfolio</b>	<b><u>\$1,295,230,502.62</u></b>

<u>Portfolios</u>	<u>NEAM</u>
<i>Government and Corporate Debt</i>	<i>\$315,233,931.02</i>

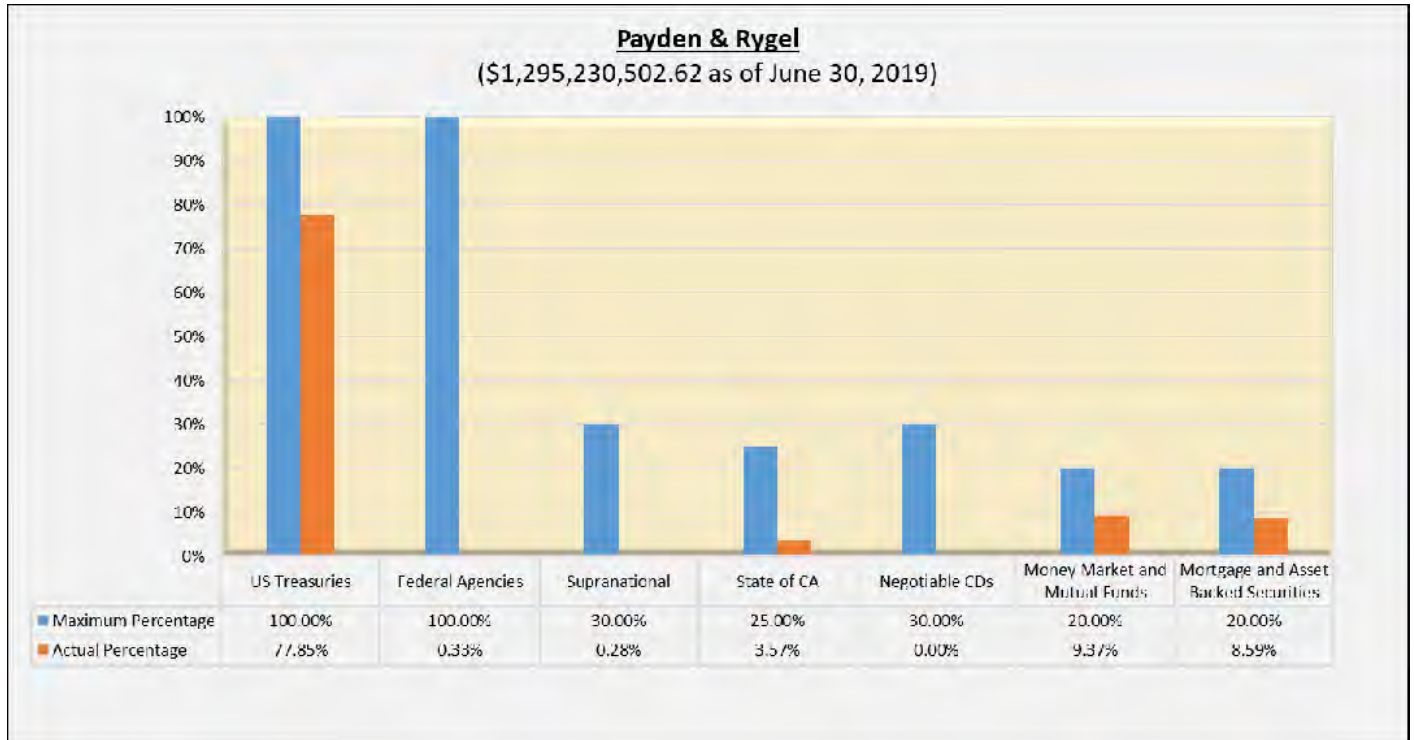
**COMPLIANCE WITH ANNUAL INVESTMENT POLICY**

Based on an independent compliance review of the Payden & Rygel and NEAM portfolios performed by Wilshire Associates (using 3<sup>rd</sup> party data), L.A. Care is in compliance with the investment guidelines pursuant to the California Government Code and California Insurance Code. The Payden & Rygel and NEAM investment reports for L.A. Care are available upon request.

L.A. Care has invested funds in California's Local Agency Investment Fund (LAIF) and the Los Angeles County Treasurer's Pooled Investment Fund (LACPIF). In a LAIF statement dated July 1, 2019, the June 30, 2019 balance is reported as \$60,641,005.75 with accrued interest of \$370,154.00. In the LACPIF statement dated June 25, 2019, the May 31, 2019 balance was \$103,662,932.93. The LACPIF account balance does not reflect accrued interest.

## Payden & Rygel Compliance Verification

California Government Code Compliance Verification Detail as of June 30, 2019



	Maximum Permitted Maturity		Actual Maximum Maturity		Compliance
	#2365	#2367	#2365	#2367	
	Enhanced Cash	Low Duration	Enhanced Cash	Low Duration	
<b>US Treasuries</b>	5 Years	5 Years	0.97 Years	4.92 Years	<b>YES</b>
<b>Federal Agencies</b>	5 Years	5 Years	2.39 Years	4.09 Years	<b>YES</b>
<b>Supranational</b>	5 Years	5 Years	1.15 Years	2.07 Years	<b>YES</b>
<b>State of CA</b>	5 Years	5 Years	0.88 Years	4.43 Years	<b>YES</b>
<b>Negotiable CDs</b>	270 Days	270 Days	-	-	<b>YES</b>
<b>Money Market and Mutual Funds</b>	NA	NA	1 Day	1 Day	<b>YES</b>
<b>Mortgage and Asset Backed Securities</b>	5 Years	5 Years	4.30 Years	4.83 Years	<b>YES</b>

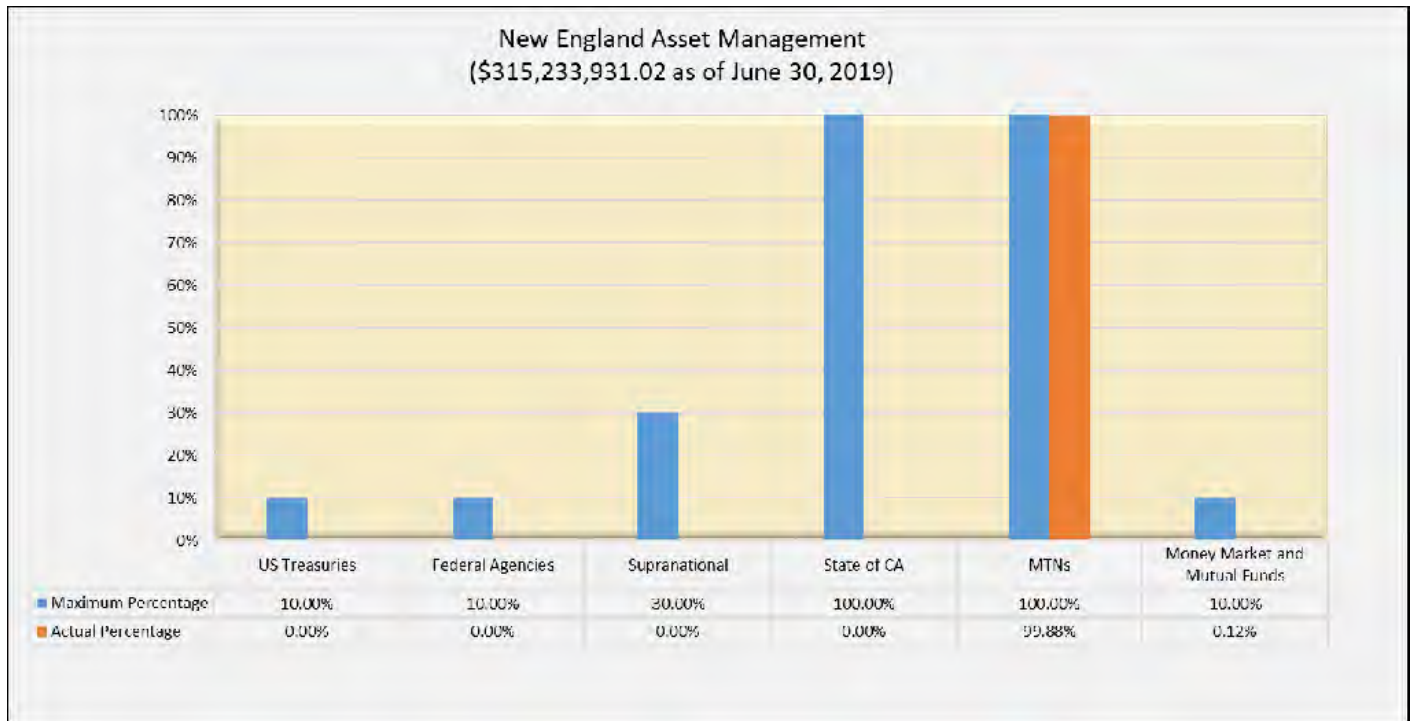
## Payden & Rygel Compliance Verification

Combined #2365 and #2367 Portfolios as of June 30, 2019

	Govt. Code Section 53601	Insur. Code Sections 1170-1182 1191-1202
US Treasuries	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Federal Agencies	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Supranational	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
State of CA	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Negotiable CDs	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
MTNs	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Money Market and Mutual Funds	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Mortgage and Asset Backed Securities	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>

- (1) Approved security
- (2) Meets minimum rating (A3/A-)
- (3) Meets diversification maximums (max market value of issue: 5%)
- (4) NAIC High Grade Obligations
- (5) Authorized by Insurance Code Sections 1174 and 1194.5
- (6) Authorized by Insurance Code Section 1196.1

**New England Asset Management Compliance Verification**  
**California Government Code Compliance Verification Detail as of June 30, 2019**



	Maximum Permitted Maturity	Actual Maximum Maturity	Compliance
	NEAM	NEAM	
US Treasuries	5 Years	-	YES
Federal Agencies	5 Years	-	YES
Supranational	5 Years	-	YES
State of CA	5 Years	-	YES
MTNs	5 Years	4.89 Years	YES
Money Market and Mutual Funds	NA	1 Day	YES

## New England Asset Management Compliance Verification

As of June 30, 2019

	Govt. Code Section 53601	Insur. Code Sections 1170-1182 1191-1202
US Treasuries	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Federal Agencies	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Supranational	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
State of CA	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
MTNs	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>
Money Market and Mutual Funds	<i>YES (1)(2)(3)</i>	<i>YES (4)(5)</i>

- (1) Approved security
- (2) Meets minimum rating (A3/A-)
- (3) Meets diversification maximums (max market value of issue: 5%)
- (4) NAIC High Grade Obligations
- (5) Authorized by Insurance Code Sections 1174 and 1194.5
- (6) Authorized by Insurance Code Section 1196.1

Based on an independent review of Payden & Rygel’s and New England Asset Management’s month-end portfolios performed by Wilshire Associates, L.A. Care’s portfolios are compliant with its Annual Investment Guidelines, the California Government Code, and the Insurance Code sections noted above. In addition, based on the review of the latest LAIF and LACPIF reports and their respective investment guidelines, the LAIF and LACPIF investments comply with the Annual Investment Policy, the California Government Code, and the California Insurance Code.



## MARKET COMMENTARY

### Economic Highlights

- **GDP:** Real GDP growth accelerated during the first quarter of 2019, at 3.1% annualized. The contributions to growth have changed, however. Business investment was the main driver of growth while changes in net exports also was a positive contributor. Changes in consumer spending were positive but slowed from the fourth quarter. Many economists believe that growth has slowed during the current quarter and will be down this year versus 2018.

*Source: Dept. of Commerce (BEA)*

- **Interest Rates:** The Treasury curve fell across all maturities during the quarter while its inversion worsened. The largest negative slope in the curve was from the 3-year to 1-month range with a difference of -47 basis points. The 10-year Treasury was down 41 basis points during the quarter, finishing at 2.00%. The Federal Reserve left the Fed-funds rate unchanged during the quarter and is evenly split on future rates. However, the open market is pricing a decrease as early as the July meeting.

*Source: US Treasury*

- **Inflation:** Consumer prices increased during the past three months but have been modest for the year. The Consumer Price Index was up 0.8% for the three months ending May and 1.8% for the one-year period. The 10-year breakeven inflation rate decreased modestly during the second quarter to 1.69% in June versus 1.88% at the start of the quarter.

*Source: Dept. of Labor (BLS), US Treasury*

- **Employment:** Jobs growth continues to be solid with total nonfarm employment increasing an average of 151,000 jobs per month during the three months ending May 2019. The unemployment rate has fallen this year to 3.6%, the lowest level in nearly 50 years.

*Source: Dept. of Labor (BLS)*

### U.S. Fixed Income Markets

The U.S. Treasury yield curve fell across all maturities during the quarter with the biggest decreases occurring in the 1 to 10- year portion of the curve. The bellwether 10-year Treasury yield ended the quarter at 2.00%, down 41 basis points from March. The Federal Open Market Committee left its overnight rate unchanged during the quarter at a range of 2.25% to 2.50%. The committee softened some of their messaging to indicate that they are at least willing to ease should conditions deteriorate. Their current forecast, however, is for no rate changes this year and a minor downward adjustment in 2020. Credit spreads tightened modestly during the quarter within both the investment grade and high yield markets.

# Payden & Rygel

## QUARTERLY PORTFOLIO REVIEW

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**2<sup>nd</sup> Quarter 2019**



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July 2019

At the halfway mark of 2019, I think you will agree it is an interesting time for financial markets. The U.S. stock market is near record highs, credit spreads are somewhat tight, and more than \$12 trillion worth of global bonds trade with negative yields.

What does this mean for our clients and portfolios? First and foremost, we are ever vigilant of the unexpected. We manage your portfolios with diversification and liquidity always in mind to protect against significant changes in the direction of these markets.

The most challenging question is the future of global economic activity. Although economic conditions in the U.S. continue to be favorable, this is a challenging question globally. Indicators of global growth slowed in the first half of the year. Trade policy remains unclear. And for bond investors, both the European Central Bank and the U.S. Federal Reserve have opened the door to lower interest rates.

However, we remain optimistic! We are nearing our 36th year as a private corporation, and our culture and ownership structure have not veered from our original objectives set forth in September 1983.

My best wishes,

A handwritten signature in black ink that reads "Joan A. Payden". The signature is fluid and cursive, with the first name "Joan" and last name "Payden" clearly legible.

Joan A. Payden

President & CEO

# L.A. CARE HEALTH PLAN COMBINED PORTFOLIO

## Portfolio Review and Market Update – 2nd Quarter 2019

### PORTFOLIO CHARACTERISTICS (As of 6/30/2019)

Market Value	1,295,230,503
Avg Credit Quality	AAA
Avg Duration	0.31
Avg YTM	2.04%

### SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	87,543,798	6.76%
Money Market	29,259,954	2.26%
Treasury	1,008,255,190	77.84%
Agency	4,253,934	0.33%
Government Related	3,692,509	0.29%
Credit	-	0.00%
ABS/MBS	111,362,676	8.60%
Municipal	50,862,442	3.93%
Total	1,295,230,503	100.0%

### MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	1,079,935,601	83.4%
90 days - 1 Year	120,789,958	9.3%
1 - 2 Years	42,265,905	3.3%
2 - 5 years	52,239,038	4.0%
Total	1,295,230,503	100%

### PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2019	2nd Quarter	2019 YTD	Trailing 1 Year	Trailing 3 Year
<b>Performance</b>				
<b>LA Care - Short-Term Portfolio</b>	<b>0.61</b>	<b>1.22</b>	<b>2.33</b>	<b>1.52</b>
Benchmark*	0.64	1.24	2.31	1.30
<b>LA Care - Extended-Term Portfolio</b>	<b>1.66</b>	<b>2.84</b>	<b>4.41</b>	<b>1.81</b>
Benchmark**	1.85	3.09	4.94	1.66
<b>LA Care - Combined Portfolio</b>	<b>0.68</b>	<b>1.33</b>	<b>2.48</b>	<b>1.54</b>

\*iMoneyNet DTaxable Money Market Avg. from inception to 10/31/2017; BofAML 91 Day Tsy thereafter.

\*\* BofAML 1-Yr Tsy to 10/31/2017; Bloomberg Barclays US Govt 1-5 Yr thereafter.

# L.A. CARE HEALTH PLAN SHORT TERM PORTFOLIO

## Portfolio Review and Market Update – 2<sup>nd</sup> Quarter 2019

### PORTFOLIO CHARACTERISTICS (As of 6/30/2019)

Market Value	1,206,606,776
Avg Credit Quality	AAA
Avg Duration	0.15
Avg YTM	2.05%

### SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	87,164,133	7.22%
Money Market	29,259,954	2.42%
Treasury	956,764,668	79.29%
Agency	2,848,962	0.24%
Government Related	1,189,791	0.10%
Corporate Credit	-	0.00%
ABS/MBS	95,412,533	7.91%
Municipal	33,966,735	2.82%
Total	1,206,606,776	100.0%

### MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	1,075,678,082	89.1%
90 days - 1 Year	111,798,416	9.3%
1 - 2 Years	19,130,278	1.6%
2 - 5 years	-	0.0%
Total	1,206,606,776	100.0%

### PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2019

#### Performance

	2nd Quarter	2019 YTD	Trailing 1 Year	Trailing 3 Year
<b>L.A. Care - Short-Term Portfolio</b>	<b>0.61</b>	<b>1.22</b>	<b>2.33</b>	<b>1.52</b>
Benchmark*	0.64	1.24	2.31	1.30

\* iMoneyNet DTaxable Money Market Avg. from inception to 10/31/2017; BofAML 91 Day Tsy thereafter.

# L.A. CARE HEALTH PLAN EXTENDED TERM PORTFOLIO

## Portfolio Review and Market Update – 2<sup>nd</sup> Quarter 2019

### PORTFOLIO CHARACTERISTICS (As of 6/30/2019)

Market Value	88,623,727
Avg Credit Quality	AA+
Avg Duration	2.42
Avg YTM	1.96%

### SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	379,665	0.43%
Money Market	-	0.00%
Treasury	51,490,522	58.10%
Agency	1,404,972	1.59%
Government Related	2,502,718	2.82%
Credit	-	0.00%
ABS/MBS	15,950,144	18.00%
Municipal	16,895,707	19.06%
Total	88,623,727	100.0%

### MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	4,257,519	4.8%
90 days - 1 Year	8,991,543	10.1%
1 - 2 Years	23,135,627	26.1%
2 - 5 years	52,239,038	58.9%
Total	88,623,727	100%

### PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2019

Performance	2nd Quarter	2019 YTD	Trailing 1 Year	Trailing 3 Year
<b>LA Care - Extended-Term Portfolio</b>	<b>1.66</b>	<b>2.84</b>	<b>4.41</b>	<b>1.81</b>
Benchmark**	1.85	3.09	4.94	1.66

\*\* BofAML 1-Yr Tsy to 10/31/2017; Bloomberg Barclays US Govt 1-5 Yr thereafter.

### MARKET THEMES

It was a strong quarter for fixed income, as yields continued to fall while credit spreads were contained. The Federal Open Market Committee maintained its targeted range for the Fed Funds rate at 2.25% - 2.50%, given solid growth and jobs fundamentals; however, the Fed indicated that the potential for rate cuts has increased given global uncertainties, including unknown trade outcomes, and that they will closely monitor incoming data. The easier policy stance was supportive for credit; spreads moved in a narrow range over the quarter. Despite falling front-end interest rates, the yield curve remains mostly inverted, as market expectations for future rate cuts have increased. Geopolitical risks continue to drive markets, as uncertainty over the United States' relationships with China and Iran, populism in Europe, and Brexit remain as headwinds.

### STRATEGY

- The portfolio continued to hold a diversified mix of non-government sectors for income generation and seeks to provide a stable overall yield given fluctuating short-term government interest rates.
- We continue to maintain a bias toward a shorter maturity profile within the non-government allocation to limit the portfolio's sensitivity to changes in credit risk premiums while maintaining a yield advantage.
- We focused on adding securitized bonds (ABS/MBS), which serve as a diversifier and source of high-quality income, at the front-end of the yield curve, where they are most attractive.
- In the Extended-Term portfolio duration was increased through the use of straightforward Treasury bonds given the dovish shift from the Fed.
- We maintained our allocation to short maturity taxable muni bonds as a high quality, low beta alternative to corporate credit and for the added spread and carry over government bonds.

### INTEREST RATES

- Front-end interest rates fell as the three-month U.S. Treasury bill yield declined by 0.29% to 2.09% and six-month rates fell 0.33% to 2.09%. The two-year note fell by 0.51% to 1.76%. The slope between two- and five-year maturities remained range-bound over the quarter finishing at -0.04%.
- One-month LIBOR fell 0.09% to 2.40% and three-month LIBOR decreased 0.28% to 2.32%.
- Longer duration positions benefited the portfolio through price performance over the quarter, helping to mitigate the portfolio's shorter overall duration (Extended-Term portfolio) that detracted from relative performance. In portfolios that allow corporate credit, the higher income from corporate holdings helped to offset the defensive duration stance.

### SECTORS

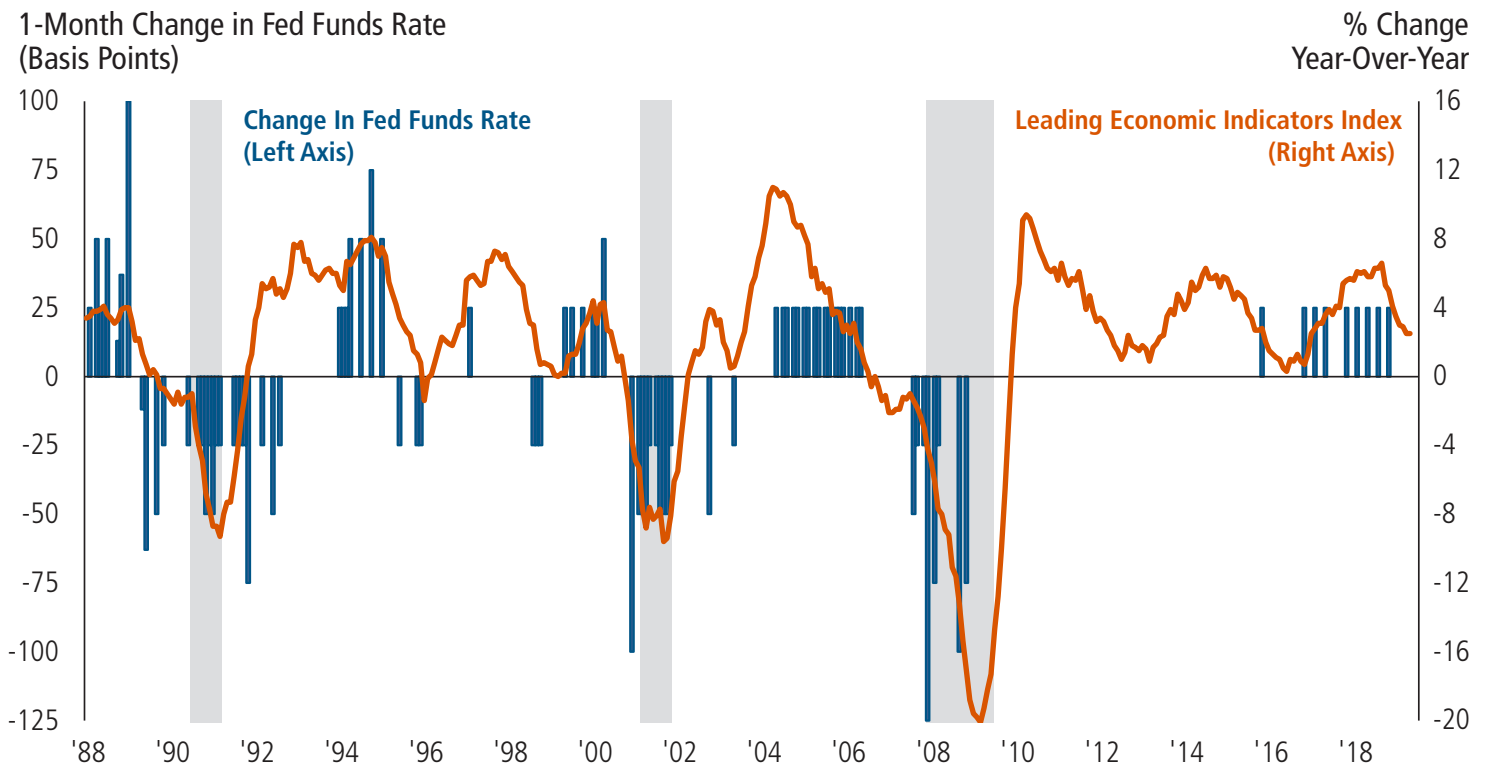
- High-quality ABS outperformed Treasuries and were in line with corporate credit.
- Our modest floating-rate securitized allocation contributed positively to performance as well. These securities benefited from elevated LIBOR rates and attractive all-in yields.
- Short maturity taxable muni bond yields rallied and added positively to overall performance.

In the second quarter of 2019, the Federal Reserve elected to hold their policy rate steady. The big news, though, was that the median Federal Open Market Committee member expects interest rates to be 0.25% lower by the end of 2020 as trade policy “crosscurrents” weighed on the outlook. Was a cut in June warranted? Will cuts inevitably arrive in July? While we can’t rule it out, we still don’t think the U.S. economic backdrop warrants monetary easing.

If the Fed were setting policy only by their economic forecasts, cuts would not be under discussion. Fed officials forecasted GDP to grow 2.0% in 2020, which was *higher* than their previously forecasted 1.9%. Market participants expecting dovish “shock and awe” signals from the Fed in June were disappointed. The Conference Board’s Leading Economic Index (LEI) rose 2.5% year-over-year during June 2019. If history is any guide, such a reading on the LEI would hardly warrant rate cuts. While upcoming trade policy “crosscurrents” could change the macro landscape, for now we believe the U.S. economy can handle the current monetary policy setting.

Globally, central banks are easing. With a weaker global economic backdrop, the Reserve Bank of Australia cut the policy rate by 25 basis points to 1.25%. The Reserve Bank of India also delivered its third rate cut of the year, lowering its key policy rate by 25 basis points to 5.75%. Despite still-sluggish euro area growth, we see signs of stabilization in hard data. Nevertheless, the European Central Bank has also reaffirmed its commitment to accommodative actions as needed.

## Cutting Through Crosscurrents: Leading Economic Index versus Change in Fed Funds Rate



Source: The Conference Board, Federal Reserve, NBER, Payden Calculations





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# L.A. Care Health Plan

NEAM's L.A. Care Board Report



Data as of June 30, 2019

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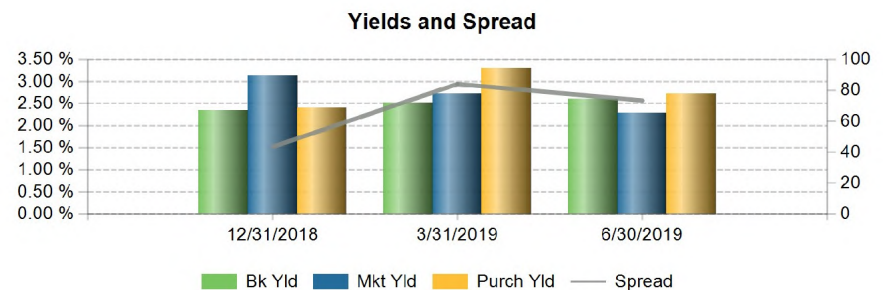
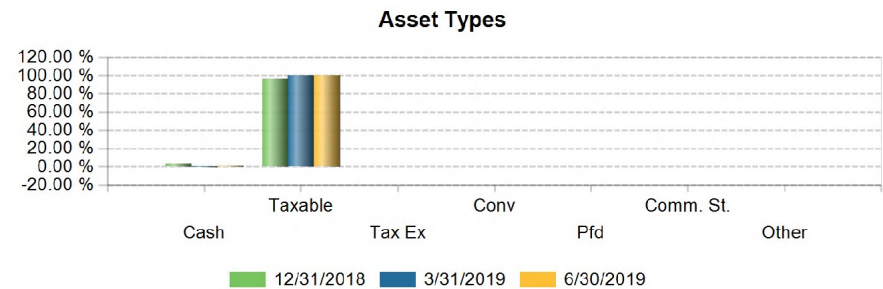
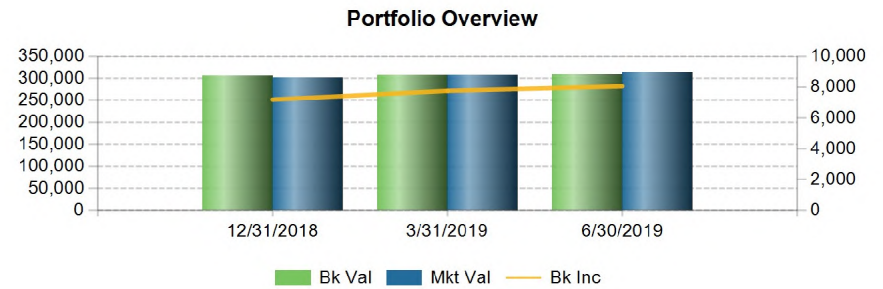
# Portfolio Summary

# L.A. Care Health Plan - Comparative Overview



	12/31/2018	3/31/2019	6/30/2019	Change since 3/31/2019
<b>Portfolio Overview (000's Omitted)</b>				
Book Value	306,480	307,771	309,454	1,683
Market Value	301,672	307,393	312,782	5,390
Total Unrealized Gain/Loss	(4,808)	(378)	3,328	3,707
Gross Gains	134	1,445	3,517	2,073
Gross Losses	(4,943)	(1,823)	(189)	1,634
Realized Gain / Loss	(122)	(139)	(85)	
Annualized Book Income	7,188	7,759	8,051	292
After Tax Book Income	5,678	6,130	6,360	230
<b>Asset Types</b>				
Cash / Cash Equivalents	3.6%	-	0.1%	0.1%
Taxable Fixed Income	96.4%	100.0%	99.9%	(0.1%)
<b>Portfolio Yields</b>				
Book Yield (Before Tax)	2.35%	2.52%	2.60%	0.08%
Book Yield (After Tax)	1.85%	1.99%	2.06%	0.06%
Market Yield	3.13%	2.72%	2.29%	(0.43%)
<b>Fixed Income Analytics</b>				
Average OAD	2.08	2.39	2.50	0.12
Average Life	2.19	2.57	2.72	0.14
Average OAC	5.14	5.32	6.16	0.84
Average Quality	A+	A+	A+	
Average Purchase Yield	2.40%	3.30%	2.72%	(0.58%)
Average Spread Over Tsy	44	84	74	(11)
5 Year US Govt On The Run	2.51%	2.23%	1.77%	(0.46%)

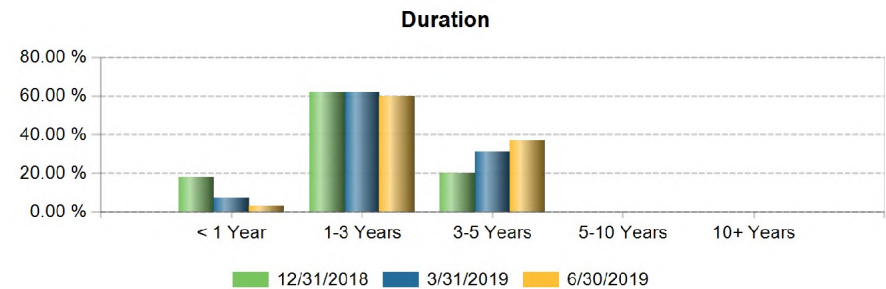
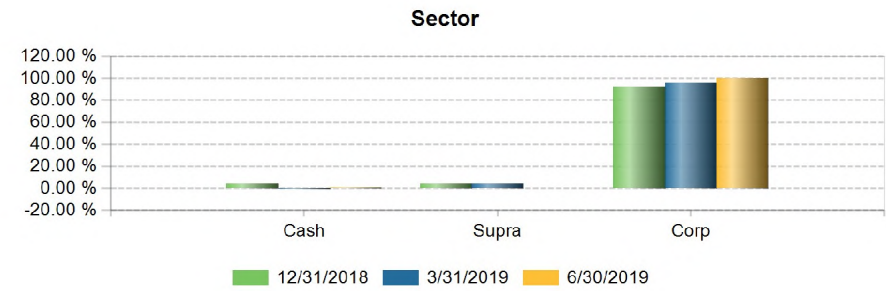
	12/31/18	03/31/19	06/30/19	Change since 03/31/2019
MV Excl. Acc. Int. Inc.	301,671,972	307,392,551	312,782,098	5,389,546
Acc. Int. Inc.	1,808,311	2,247,834	2,451,833	203,999
MV Inc. Acc. Int. Inc.	303,480,283	309,640,386	315,233,931	5,593,545



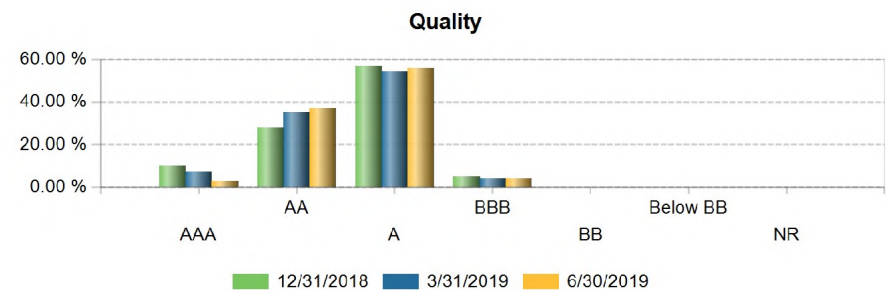
# L.A. Care Health Plan - Fixed Income Summary



	12/31/2018	3/31/2019	6/30/2019	Change since 3/31/2019
<b>Sector</b>				
Cash & Cash Equivalents	4%	-	< 1%	< 1%
Supranationals	4%	4%	-	(4%)
Corporates	92%	96%	100%	4%
Fixed Income	100%	100%	100%	
<b>Duration</b>				
< 1 Year	18%	7%	3%	(4%)
1-3 Years	62%	62%	60%	(2%)
3-5 Years	20%	31%	37%	6%
Average Duration	2.08	2.39	2.50	0.12
<b>Quality</b>				
AAA	10%	7%	3%	(4%)
AA	28%	35%	37%	2%
A	57%	54%	56%	2%
BBB	5%	4%	4%	-
Average Quality	A+	A+	A+	



Average Portfolio Rating at 6/30/19					
	Moody	S&P	Fitch	Lowest	Highest
Average Rating	A1	A	A+	A	A+





# L.A. Care Health Plan - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	High	Duration
Corporates	32,264	100.0	74	2.72	A+	4.03
<b>Total Purchases</b>	<b>32,264</b>	<b>100.0</b>	<b>74</b>	<b>2.72</b>	<b>A+</b>	<b>4.03</b>

Sales	Market Value	%	Realized G/L	Trade / Book Yld	High	Duration
Supranationals	11,319	38.3	(24)	2.35 / 1.74	AAA	0.36
Corporates	18,247	61.7	(62)	2.57 / 2.06	A+	0.80
<b>Total Sales</b>	<b>29,566</b>	<b>100.0</b>	<b>(85)</b>	<b>2.48 / 1.94</b>	<b>AA</b>	<b>0.63</b>

Other Transactions	Market Value	%	Realized G/L	Book Yld	High	Duration
Maturities	1,145	100.0	-	1.44	A	0.03
<b>Total Other Transactions</b>	<b>1,145</b>	<b>100.0</b>	<b>-</b>	<b>1.44</b>	<b>A</b>	<b>0.03</b>

A Foreign Exchange Rate as of 06/30/2019 was used to convert amounts to USD.





# L.A. Care Health Plan - Performance Report Not Tax Adjusted



	Annualized							Inception	Inc Date
	Jun 2019	May 2019	Apr 2019	Q2	YTD	12 Month	3 Year		
LA Care HealthPlan	0.83	0.74	0.22	1.80	3.87	5.47		3.33	Jan 2018
Barclay Bloomberg U.S. Credit: 1-5 Yr A- or better (Highest)	0.90	0.81	0.26	1.98	4.16	5.92		3.61	Jan 2018
Difference	(0.07)	(0.07)	(0.04)	(0.18)	(0.30)	(0.46)		(0.29)	

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

# L.A. Care Health Plan - Performance Report Not Tax Adjusted

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## Disclosures

Management start date is 10/1/17 and performance start date is 1/1/18 to allow for seasoning.

The performance results reflect LA Care Health Plan's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. The performance results for your account are shown in comparison to an index that has been chosen by you. The securities comprising this index are not identical to those in your account. The index is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.





# Risk Reports

# L.A. Care Health Plan - Profile Report



## Distribution by Class

	Quantity	Book	Market	Unrealized Gain/ Loss	Book Yield	OAY	OAD	OAC	Avg Life	% of Portfolio
Cash & Cash Equivalents	391,719	391,719	391,719	-	2.21	2.01	0.09	0.05	0.09	0.13
Corporates	306,850,000	309,062,024	312,390,379	3,328,355	2.60	2.30	2.51	6.17	2.72	99.87
<b>Total Portfolio</b>	<b>307,241,719</b>	<b>309,453,742</b>	<b>312,782,098</b>	<b>3,328,355</b>	<b>2.60</b>	<b>2.30</b>	<b>2.50</b>	<b>6.16</b>	<b>2.72</b>	<b>100.00</b>

## Rating Analysis - Highest

	% of Portfolio
AAA	3.00
AA	36.60
A	56.88
BBB	3.52
Below BBB	-
NR	-
<b>Total Fixed Income</b>	<b>100.00</b>
Equity	-
<b>Total</b>	<b>100.00</b>
Average Rating:	A+

## Scenario Analysis - % of Market

	-300	-200	-100	-50	+50	+100	+200	+300
Cash & Cash Equivale	0.19	0.17	0.09	0.04	(0.04)	(0.09)	(0.17)	(0.26)
Corporates	4.73	4.63	2.54	1.26	(1.25)	(2.48)	(4.88)	(7.21)
<b>Total Portfolio</b>	<b>4.73</b>	<b>4.63</b>	<b>2.54</b>	<b>1.26</b>	<b>(1.24)</b>	<b>(2.47)</b>	<b>(4.88)</b>	<b>(7.20)</b>

## Key Rate Duration

	Market Value	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	15 Year	30 Year
Cash & Cash Equivale	391,719	0.09	-	-	-	-	-	-	-
Corporates	312,390,379	0.30	0.54	0.95	0.72	< 0.01	-	-	-
<b>Total Portfolio</b>	<b>312,782,098</b>	<b>0.30</b>	<b>0.54</b>	<b>0.95</b>	<b>0.72</b>	<b>&lt; 0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Disclaimers

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**L.A. Care**  
HEALTH PLAN

**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** FIN 101.0919

**Committee:** Finance & Budget

**Chairperson:** Robert H. Curry

New Contract    Amendment    Sole Source    RFP/RFQ was conducted

**Issue:** To authorize spending with Cognizant, FlexTech, Infosys, HCL, Solugenix Corp., and Synaptix Systems for professional services to support various Information Technology (IT) projects during FY 2019-2020.

**Background:** In June 2015, the Board of Governors approved motion FIN 107.0615 authorizing staff to negotiate contracts with Cognizant, FlexTech, Infosys, and HCL following a competitive bidding process. In September 2018, L.A. Care concluded a RFP (Request for Proposal) process that evaluated over 20 vendors. During this evaluation process an additional four vendors were selected to provide IT professional services: Solugenix Corp., Cumberland Consulting, Insight Global, and Synaptix. Three of the four vendors are either Southern California based or have a significant footprint in Los Angeles. All of the selected vendors have provided competitive rates and bring the specialized expertise required to support initiatives at L.A. Care.

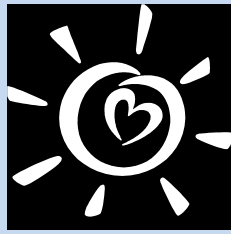
L.A. Care requests approval to amend the contracts with six of these vendors in the amount of \$5,090,499 through January 31, 2020. These vendors will provide development, reporting, and support services on the FY20 IT Strategic Projects and will serve as staff augmentation until we have transitioned to a more Managed Services model.

<b>Vendors</b>	<b>Estimated Additional Obligation Allocation</b>
Cognizant	649,151
Flextech	461,160
HCL	1,065,299
Infosys	621,393
Solugenix	523,706
Synaptix	1,769,790
<b>Total</b>	<b>5,090,499</b>

**Member Impact:** The services purchased under these contract will improve L.A. Care’s information system infrastructure, which will indirectly result in better and more efficient services to all members.

**Budget Impact:** The cost of these agreements were anticipated and are included in the submitted Information Technology Department budget for FY 2019-20.

**Motion:** To authorize additional spending with the following vendors: Cognizant, FlexTech, HCL, Infosys, Solugenix Corp, and Synaptix in an amount not to exceed \$5,090,499 for IT Professional Services expenditures through January 31, 2020.



**L.A. Care**  
HEALTH PLAN

**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** CHC 100.0919

**Committee:** Children's Health Consultant Advisory Committee

**Chairperson:** Tara Ficek, MPH

**Issue:** Ratification of the election of Children's Health Consultant Advisory Committee Chairperson and Vice Chairperson effective September, 2019.

**Background:** At its August 20, 2019 meeting, the Children's Health Consultant Advisory Committee elected Tara Ficek, MPH as Chair and Maryjane Puffer, BSN, MPA as Vice Chair, respectively, effective September, 2019.

**Budget Impact:** None

**Motion:** To ratify the re-election of Tara Ficek, MPH as Chairperson and Maryjane Puffer, BSN, MPA as Vice Chairperson of the Children's Health Consultant Advisory Committee effective September 2019.



**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** EXE 100.0919

**Committee:** Executive

**Chairperson:** Hector De La Torre

**Issue:** Re-launch the Technical Advisory Committee (TAC)

**New Contract**    **Amendment**    **Sole Source**    **RFP/RFQ was conducted**

**Background:** L.A. Care's enabling legislation (CA Welfare & Institutions Code Sections 14087.95 through 14087.966) requires the establishment of three types of advisory committees to facilitate input from consumers, providers and other stakeholders:

- Executive Community Advisory Committee and Regional Community Advisory Committees
- Children's Health Consultant Advisory Committee
- Technical Advisory Committee

The last TAC meeting was held July 2012, when the committee was heavily focused on health information technology (HIT) issues. L.A. Care plans to relaunch the TAC this year. The TAC shall meet on a regular basis and members will provide expertise and assist the L.A. Care Board of Governors in formulating broad public policy directives, through the identification of issues in the community related to quality of care, including reviews of health care delivery models and innovations.

The TAC will focus on transformation of health care services delivery, social determinants of health, Family Resource Center expansion of services, integration of medical and behavioral health, implementing a directly contracted provider network, exploring collaborative opportunities and emerging issues (such as governor's proposals, legislative priorities, public option, etc.). This motion is to approve recommended membership as listed below.

**Member Impact:** L.A. Care members benefit through recommendations made to the governing board by diverse and experienced members of TAC will impact important decisions regarding member care and ancillary services.

**Budget Impact:** No Budget impact.

**Motion:** To approve the following members for the Technical Advisory Committee (TAC):

**L.A. Care:**

- John Baackes
- Richard Seidman, MD, MPH
- Other L.A. Care participants

**Recruited to Date:**

- Santiago Munoz (Chief Strategy Officer, UCLA)

**Board of Governors**

**MOTION SUMMARY**

- Paul Chung, MD (Dean of Innovation - Kaiser School of Medicine, former UCLA Division Head, Ambulatory Pediatrics and RAND Health Services Researcher with a focus on SDOH)
- Rishi Manchanda, MD (CEO, Health Begins. Experience in designing and operating Integrated Health Services Delivery)
- Elaine Batchlor, MD, MPH (CEO, Martin Luther King, Jr. Community Hospital)
- Hector Flores, MD (CEO, Family Care Specialists IPA + Medical Group)
- Muntu Davis, MD, MPH (Health Officer, County of Los Angeles) (invited but not confirmed)



August 30, 2019

TO: Board of Governors  
 FROM: John Baackes, *Chief Executive Officer*  
 SUBJECT: **CEO Report – September 2019**

As we prepare to close out the 2018-2019 fiscal year, there is no shortage of remarkable initiatives taking place at L.A. Care. The best part is they all, in their own unique way, help elevate healthcare for our members. As a health plan that serves Los Angeles County’s most vulnerable populations, it is invigorating to see out-of-the-box ideas come to fruition.

On a different note, if you are following the early presidential debates and campaigns, you already know healthcare is a hot topic. As the leader of the nation’s largest public health plan, I am committed to sharing my knowledge to help inform diverse audiences – including via mass media – on realistic and feasible healthcare coverage solutions. Attached to this report, for example, you will find a New York Times article in which I highlight the viability of a public option. I suspect you will see more of this as the presidential election heats up.

Following is a snapshot of the progress we are making on some of our community- and provider-focused work.

	Since last CEO report on 7/19/19	As of 8/30/19
<b>Elevating the Safety Net</b> Grants for primary care physicians	20	92 grants awarded
	8	58 physicians hired
<b>Elevating the Safety Net</b> Grants for medical school loan repayment	2	20
<b>Elevating the Safety Net</b> Grants for medical school scholarships	—	16
<b>Housing for Health</b> Housing secured for homeless individuals	—	249
<b>IHSS+ Home Care Training</b> IHSS worker graduates from CLTCEC program	246	2,130

Below please find an update on organizational activities for the month of August.

## August 2019

### 1. L.A. Care Launches Residency Support Program to Address Physician Shortage

As you know, in late July we announced the launch of the newest program of our Elevating the Safety Net initiative – more than \$5.2 million to establish 14 new residency positions at five medical institutions. Some of the funding will also go to new faculty positions. This comes in the wake of a recent report that found California faces a shortage of 8,800 primary care physicians by 2030. Studies show that physicians often stay in the region where they complete their residency – and we need them here now.

L.A. Care's Residency Support Program has awarded grants to:

- Adventist Health White Memorial Charitable Foundation
- AltaMed Health Services Corporation
- Charles R. Drew University of Medicine and Science
- Children's Hospital Los Angeles
- David Geffen School of Medicine at UCLA

### 2. CalFresh Education and Enrollment Training Kicks Off to Support Community Clinic Partners

To address food security – one of five social determinants of health L.A. Care is focused on – we are collaborating with Maternal and Child Health Access to deliver a series of CalFresh trainings for community clinic staff. On August 14, L.A. Care hosted the first of three trainings for a group of 20 community clinic staff, representing 13 organizations. Up to 75 individual staff will benefit from the training series with the goal of increasing knowledge and enhancing skills to successfully submit, monitor, and confirm approval of CalFresh Program applications for eligible community members.

### 3. L.A. Care Pioneers Pilot Program to Address Substance Abuse Disorders

L.A. Care – in collaboration with other L.A. County agencies, hospitals and care centers – has developed a 12-month Residential Medical Support (RMS) pilot program, giving L.A. Care's Medi-Cal and Cal MediConnect members who are hospitalized for substance abuse a direct pathway to long-term drug and alcohol treatment. Eligible members released from a hospital will have the option to be transported by L.A. Care to a participating residential or community-based treatment facility, and provided with ongoing treatment, and medical support if needed. The program, believed to be the first of its kind in California, will also work as an alternative route to incarceration. Getting people into treatment is a better pathway than incarceration. For too long people with substance abuse disorders have been viewed as criminals rather than as people suffering from a disorder.

### 4. CEO Statement on Public Charge Final Rule

On August 12, the Trump administration released its Public Charge Final Rule announcing it will take effect October 15, 2019. This rule changes immigration policy that has been in place for more than a hundred years, and will adversely impact the health of lawful immigrants through the denial of critical social services. At L.A. Care, we estimate more than 170,000 of our members could be lawful immigrants who will bear the brunt of the proposed changes. They will be forced to choose between essential benefits, including health coverage, or getting a green card. L.A. Care's mission is to provide access to quality health care for Los Angeles County's vulnerable and low-income communities and residents, and that includes lawful immigrants who will be impacted by this rule. L.A. Care offered

public comment against the rule back in October and will stand in support of all legal challenges that are certain to be filed.

5. Speaking Engagement

In August, I participated in the following speaking engagement:

- August 21 – California Transformation Summit | Topic: What’s Needed to Support Practice Transformation

Attachments:

- June and July 2019 CHIF grants and sponsorships report
- Physician Recruitment Program snapshot
- Cal MediConnect Enrollee Advisory Committee meeting summary
- FierceHealthcare article
- Cal Matters article
- New York Times article

**June 2019  
Grants & Sponsorships Report  
September 5, 2019 Board of Governors Meeting**

	<b>Organization Name</b>	<b>Project Description</b>	<b>Grant/ Sponsorship Approval Date</b>	<b>Grant Category/Sponsorship</b>	<b>June Grant Amount*</b>	<b>June Sponsorship Amount</b>	<b>FY CHIF &amp; Sponsorships Cummulative Total</b>
1	AltaMed Health Corporation	East Los Angeles Meets Napa	6/25/2019	Sponsorship	\$ -	\$ 4,100	\$ 164,100
2	Alzheimer's Greater Los Angeles	Caregiver Wellness Day	6/14/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
3	Antelope Valley Breastfeeding Coalition	Baby Expo	6/25/2019	Sponsorship	\$ -	\$ 250	\$ 250
4	Black Arts LA	Juneteenth Heritage Festival	6/4/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
5	CinnaMoms	CinnaMoms Summit	6/14/2019	Sponsorship	\$ -	\$ 50	\$ 50
6	City of Los Angeles Department of Recreation and Parks	Lotus Festival	6/14/2019	Sponsorship	\$ -	\$ 10,000	\$ 10,000
7	Comprehensive Community Health Center, Inc.	Back to School Health and Wellness Fair	6/25/2019	Sponsorship	\$ -	\$ 1,000	\$ 61,000
8	East Valley Community Health Center	National Health Center Week Fair	6/25/2019	Sponsorship	\$ -	\$ 1,600	\$ 61,600
9	Eisner Health	National Health Center Week Fair	6/25/2019	Sponsorship	\$ -	\$ 1,000	\$ 76,000
10	Esperanza Community Housing	Dancing Under the Stars	6/25/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
11	Hunger Action L.A.	Annual Awards Dinner	6/25/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
12	IDEPSCA - Instituto de Educacion Popular del Sur de California	Educate 750 workers about local community clinics, health insurance and health services at day laborer centers, secure referral relationships with four safety net clinics through MOUs, and ensure at least 50 day laborers and/or domestic workers obtain health coverage such as MyHealthLA, and an initial clinic visit. Grantee will also survey at least 100 day laborers and domestic workers' to assess health status and needs.	6/15/2019	Ad Hoc 2 Grant	\$ 75,000	\$ -	\$ 75,000
13	Insure the Uninsured Project	L.A. Health Collaborative	6/14/2019	Sponsorship	\$ -	\$ 1,000	\$ 11,000
14	Jovenes, Inc.	L.A. Taco Festival	6/25/2019	Sponsorship	\$ -	\$ 5,000	\$ 5,000



**June 2019  
Grants & Sponsorships Report  
September 5, 2019 Board of Governors Meeting**

	Organization Name	Project Description	Grant/ Sponsorship Approval Date	Grant Category/Sponsorship	June Grant Amount*	June Sponsorship Amount	FY CHIF & Sponsorships Cummulative Total
15	L.A. Chamber of Commerce Foundation	Increase 450 low-income and under-resourced South Los Angeles high school students' awareness of healthcare careers through at least two (2) job skills workshops and two (2) work readiness skills assessments. At least 75 students will complete paid internships at a minimum of twelve participating healthcare employer sites.	6/15/2019	Ad Hoc 2 Grant	\$ 75,000	\$ -	\$ 85,500
16	LAC + USC Medical Center Foundation/The Wellness Center	Enroll 25 high-acuity LA Care members with Type 2 diabetes in a 26 week Medically Tailored Meals pilot program, in partnership with Project Angel Food, to assess metabolic control, increase patient adherence to medication and nutrition regimens, improve patient satisfaction and reduce healthcare utilization.	6/15/2019	Ad Hoc 2 Grant	\$ 150,000	\$ -	\$ 152,500
18	Los Angeles County Medical Association (LACMA)	Installation of Presidents and Officers	6/14/2019	Sponsorship	\$ -	\$ 1,000	\$ 21,000
19	Northeast Valley Health Corp.	National Health Center Week- Pacoima Women's Health Center Grand Opening	6/25/2019	Sponsorship	\$ -	\$ 2,500	\$ 62,500
20	QueensCare Health Center	National Health Center Week	6/25/2019	Sponsorship	\$ -	\$ 1,500	\$ 1,500
21	REACH Center LA	Reach Day	6/25/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
22	South LA Health Projects	Compton Health Fair	6/25/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
23	Star View	Compton PRIDE Festival	6/4/2019	Sponsorship	\$ -	\$ 6,000	\$ 6,000
24	State of Reform	Health Policy Conference	6/25/2019	Sponsorship	\$ -	\$ 15,000	\$ 15,000
25	The Achievable Foundation	National Health Center Week Legislative Breakfast	6/11/2019	Sponsorship	\$ -	\$ 5,000	\$ 82,500
26	USC Keck School of Medicine	LA Street Medicine Symposium	6/25/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
27	Venice Family Clinic	National Health Center Week	6/25/2019	Sponsorship	\$ -	\$ 5,000	\$ 190,000
28	Via Care Community Health Center	National Health Center Week	6/25/2019	Sponsorship	\$ -	\$ 2,500	\$ 187,500

**June 2019  
Grants & Sponsorships Report  
September 5, 2019 Board of Governors Meeting**

	<b>Organization Name</b>	<b>Project Description</b>	<b>Grant/ Sponsorship Approval Date</b>	<b>Grant Category/Sponsorship</b>	<b>June Grant Amount*</b>	<b>June Sponsorship Amount</b>	<b>FY CHIF &amp; Sponsorships Cummulative Total</b>
29	Westside Family Health Center	Hire an oral health consultant to develop and implement a comprehensive oral health start-up program to include specific goals, objectives and timelines for staffing, equipment/software acquisition, policies and procedures, licensing, marketing, outreach and communications, and long-term sustainability.	6/5/2019	Ad Hoc 2 Grant	\$ 50,000	\$ -	\$ 50,000
<b>Total of grants and sponsorships approved in June 2019</b>					<b>\$ 350,000</b>	<b>\$ 75,500</b>	

\* Per the Community Health Investment Fund (CHIF) grant agreements, the first half of the grant award is released upon receipt of a fully executed agreement. The second half of grant award is released upon completion of at least half of the entire project objectives, which are detailed in the progress reports submitted every six months. Grantee must also have spent all funds from the first payment.

**July 2019  
Grants & Sponsorships Report  
September 5, 2019 Board of Governors Meeting**

	<b>Organization Name</b>	<b>Project Description</b>	<b>Grant/ Sponsorship Approval Date</b>	<b>Grant Category/Sponsorship</b>	<b>July Grant Amount*</b>	<b>July Sponsorship Amount</b>	<b>FY CHIF &amp; Sponsorships Cummulative Total</b>
1	Arroyo Vista Family Health Center	National Health Center Week	7/12/2019	Sponsorship	\$ -	\$ 1,000	\$ 61,000
2	Be Social Productions	Back to School Fair	7/12/2019	Sponsorship	\$ -	\$ 2,500	\$ 7,500
3	Bet Tzedek	Establish an eviction prevention program for individuals and families up to 300% FPL, represent up to 30 clients through pre-litigation services, and up to 20 clients through litigation services. Grantee will also refer at least 30 clients to additional eviction resources.	7/17/2019	Housing Stability I Grant	\$ 125,000	\$ -	\$ 125,000
4	Charles Drew University -Science Academy	Enroll a minimum of 75 low-income students, primarily African American and Latino, in Charles Drew University's (CDU) Math Summer Camp.	7/11/2019	Ad Hoc 2 Grant	\$ 50,000	\$ -	\$ 57,500
5	Clinica Romero	National Health Center Week- Children's Health Day Celebration	7/12/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
6	Coalition for Responsible Community Development	Central Avenue Jazz Festival	7/12/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
7	Community Health Councils	Prepare an economic landscape analysis, establish and convene the Coalition on Recession Resilience (CoRR), and produce a report and an actionable plan with strategies to build economic resilience during economic recessions and protect the health of under resourced communities, with a focus on South Los Angeles.	7/11/2019	Ad Hoc 2 Grant	\$ 50,000	\$ -	\$ 180,000
8	DTLA PROUD	DTLA Proud Gala and Festival	7/12/2019	Sponsorship	\$ -	\$ 1,000	\$ 1,000
9	ImagineLA	Back to School Fair	7/18/2019	Sponsorship	\$ -	\$ 2,500	\$ 2,500
10	Inner City Law	Establish an eviction prevention program for individuals and families up to 300% FPL, represent up to 30 clients through pre-litigation services, and up to 20 clients through litigation services. Grantee will also refer at least 30 clients to additional eviction resources.	7/17/2019	Housing Stability I Grant	\$ 125,000	\$ -	\$ 125,000
11	Institute for High Quality Care	L.A. County QI Summit	7/18/2019	Sponsorship	\$ -	\$ 4,075	\$ 4,075

**July 2019  
Grants & Sponsorships Report  
September 5, 2019 Board of Governors Meeting**

	<b>Organization Name</b>	<b>Project Description</b>	<b>Grant/ Sponsorship Approval Date</b>	<b>Grant Category/Sponsorship</b>	<b>July Grant Amount*</b>	<b>July Sponsorship Amount</b>	<b>FY CHIF &amp; Sponsorships Cummulative Total</b>
12	Legal Aid Foundation	Establish an eviction prevention program for individuals and families up to 300% FPL, represent up to 30 clients through pre-litigation services, and up to 20 clients through litigation services. Grantee will also refer at least 30 clients to additional eviction resources.	7/17/2019	Housing Stability I Grant	\$ 125,000	\$ -	\$ 125,000
13	Public Counsel	Establish an eviction prevention program for individuals and families up to 300% FPL, represent up to 30 clients through pre-litigation services, and up to 20 clients through litigation services. Grantee will also refer at least 30 clients to additional eviction resources.	7/17/2019	Housing Stability I Grant	\$ 125,000	\$ -	\$ 125,000
14	Project Angel Food	Angel Awards	7/12/2019	Sponsorship	\$ -	\$ 10,000	\$ 26,500
15	Southside Coalition of Community Health Centers	National Health Center Week	7/12/2019	Sponsorship	\$ -	\$ 500	\$ 5,500
16	Watts Health Center	Community Health and Resource Fair	7/12/2019	Sponsorship	\$ -	\$ 1,500	\$ 61,500
<b>Total of grants and sponsorships approved in July 2019</b>					<b>\$ 600,000</b>	<b>\$ 25,075</b>	

\* Per the Community Health Investment Fund (CHIF) grant agreements, the first half of the grant award is released upon receipt of a fully executed agreement. The second half of grant award is released upon completion of at least half of the entire project objectives, which are detailed in the progress reports submitted every six months. Grantee must also have spent all funds from the first payment.

**Provider Recruitment Program (PRP)  
Grant Awards/Hired Providers by Category  
FY 2018-19**

<b>Provider Type</b>	<b>TOTAL Awards</b>	<b>TOTAL PCPs Hired</b>
Family Medicine	<b>38</b>	<b>21</b>
Internal Medicine	<b>10</b>	<b>13</b>
OB-Gyn	<b>30</b>	<b>5</b>
Pediatrician	<b>14</b>	<b>19</b>
<b>TOTAL</b>	<b>92</b>	<b>58</b>

<b>Organization Type</b>	<b>TOTAL Awards</b>	<b>TOTAL PCPs Hired</b>
FQHC/Look-Alike	<b>77</b>	<b>52</b>
501c3 Licensed Clinic	<b>3</b>	<b>1</b>
Independent Private Provider	<b>12</b>	<b>5</b>
<b>TOTAL</b>	<b>92</b>	<b>58</b>

<b>RCAC</b>	<b>TOTAL Awards</b>	<b>TOTAL PCPs Hired</b>
RCAC 1 - Antelope Valley	<b>4</b>	<b>3</b>
RCAC 2 - San Fernando Valley/Santa Clarita Valley	<b>14</b>	<b>9</b>
RCAC 3 - West San Gabriel Valley	<b>5</b>	<b>3</b>
RCAC 4 - Metro Los Angeles/Glendale	<b>18</b>	<b>11</b>
RCAC 5 - West Los Angeles	<b>4</b>	<b>4</b>
RCAC 6 - South Los Angeles	<b>17</b>	<b>12</b>
RCAC 7 - Southeast Los Angeles	<b>4</b>	<b>2</b>
RCAC 8 - South Bay	<b>8</b>	<b>4</b>
RCAC 9 - Long Beach	<b>4</b>	<b>2</b>
RCAC 10 - East Los Angeles/Northeast Los Angeles	<b>7</b>	<b>4</b>
RCAC 11 - East San Gabriel Valley	<b>7</b>	<b>4</b>
<b>TOTAL</b>	<b>92</b>	<b>58</b>



**Cal MediConnect**  
*Enrollee Advisory Committee*

September 5, 2019  
CEO Report to the Board of Governors  
Cal MediConnect Enrollee Advisory Committee (CMC EAC) Meeting Summary

**CMC EAC Meeting Date:** June 18, 2019

**CMC EAC Meeting Attendees:** 6

## **Meeting Summary**

### **I. Welcome and Introductions**

- a. All attendees introduced themselves

### **II. Committee Guidelines**

- a. The CMC EAC guidelines were reviewed, as follows:
  - i. Purpose of the Committee
  - ii. Committee Membership
  - iii. Committee Member Roles and Responsibilities
  - iv. Meeting Stipend and Transportation Services
  - v. Caregiver Roles and Responsibilities at the meeting
  - vi. Frequency and Location of Meetings

### **III. Engagement Session**

- a. L.A. Care staff presented committee members with enrollment materials and advertising mock ups to receive feedback to refine and improve readability. Information presented was as follows:
  - i. Pre-Enrollment Packet
    - 1. Envelope
    - 2. Letter
    - 3. 2019 Benefit Highlights
    - 4. Pre-Application
  - ii. 2019 Out-of-Home Advertising Campaign
    - 1. Brand imaging
    - 2. Educational brochure
- b. Members reviewed the enrollment materials and provided feedback by providing a score based on the overall understanding and look and feel of the collateral and advertising pieces.

### **IV. CCI Ombudsman Report**

- a. Review of the CCI Ombudsman Report:
  - i. Role of the CCI Ombudsman in L.A. County
  - ii. Purpose of the report
  - iii. Ombudsman Office contact information

### **V. Close-Out**

- a. Committee members were informed that a Member Advocate was available after the meeting to privately address any personal member issues they needed help with
- b. The meeting was adjourned at 3:30 p.m.
- c. The next scheduled CMC EAC meeting will be on Tuesday, September 17, 2019, from 2:00pm-4:00pm at L.A. Care

## Pacific Business Group on Health, L.A. Care initiative saves \$345M in California

By Paige Minemyer  
August 21, 2019

A group of California payers and providers teamed up to revamp primary care and found a way to save \$6 for every \$1 invested in the project.

In the state's largest physician quality improvement effort ever, the Pacific Business Group on Health (PBGH), L.A. Care Health Plan and the Southwest Pediatric Practice Transformation Network invested a \$52 million grant from the Centers for Medicare & Medicaid Services into launching the program. The project included 9,800 physicians serving 5.9 million patients.

The three organizations served as practice transformation networks, facilitating a peer-based learning initiative and offering technical support to the involved physicians and practices.

Over the course of four years, the project saved \$345 million in healthcare costs and prevented 67,000 unneeded emergency room visits and 57,000 unneeded hospital admissions. About 750,000 patients saw clinical outcomes improve—through more effective diabetes management, for example—or were enrolled in new processes such as new, evidence-based approaches.

In all, the project saved \$6 for every \$1 invested, the four-year review found.

Elizabeth Mitchell, CEO of PBGH, told FierceHealthcare that the results have one clear take-away: It's crucial that the health system continues to emphasize and invest in primary care.

Small practices, she said, can make a significant difference in the communities they serve if they're given the tools to truly meet patient needs.

"Primary care is the foundation for a high-value system, and until we really give them the resources, they won't be able to manage individual population health adequately," Mitchell said.

John Baackes, CEO of L.A. Care, echoed Mitchell, telling FierceHealthcare that primary care docs that participate in the public health system's coverage network are crucial to their efforts to manage cost.

L.A. Care members are assigned a primary care physician (PCP) when they enroll in the plan, and having that set PCP is key for continuity of care when looking to manage costly chronic conditions.

However, PCPs are overworked and burdened with large amounts of administrative work, so insurers, employer groups and other stakeholders can support them more effectively through investments like California's program, Baackes said.

"The pressure the primary care physicians are under today is tremendous," he said.

Baackes said that L.A. Care is able to draw providers into programs like this because it has a strong relationship with community clinics that can act as a bridge to other physicians.

But April Watson, director of the transformation initiative at PBGH, warned that because of the stress primary care physicians face, enticing them into value-based deals may require some hard work, too.

"Changing the structural payment arrangement absolutely has to happen in order for them to practice the way that we're talking about moving forward," Watson told FierceHealthcare.

## Paging more doctors: California's worsening physician shortage

By Elizabeth Aguilera  
August 16, 2019

In a northern California valley stretching under miles of bright blue sky between two snowy volcanic peaks, Mt. Lassen and Mt. Shasta, Daniel Dahle is known as a godsend, a friend, a lifesaver, a companion until the end.

For more than three decades, "Doc" Dahle has been the physician in Bieber, serving a region about the size of five smaller U.S. states. When he started, he was one of five doctors in the region. Today he is joined by only one other full-time physician.

At 71, Dahle has delayed retirement for years — waiting for someone to take his place.

"I was going to retire November 8th of last year; it was going to be a third of a century," he said. "It's tough to recruit young new vibrant family practitioners or internists or pediatricians to come up here."

Unfortunately, Dahle's situation is not unique.

California is facing a growing shortage of primary care physicians, one that is already afflicting rural areas and low-income inner city areas, and is forecasted to impact millions of people within ten years. Not enough newly minted doctors are going into primary care, and a third of the doctors in the state are over 55 and looking to retire soon, according to a study by the Healthforce Center at UC-San Francisco.

That means by 2030, the state is going to be in dire need of physicians. Studies show the state could be down by as many as 10,000 primary care clinicians, including nurse practitioners and physician assistants. Some areas — the Central Valley, Central Coast and Southern Border region — will be hit especially hard. So too will be remote rural and inner-city residents, communities of color, the elderly, those with mental illness or addiction, and those without health coverage.

Many people will be forced to wait longer for doctor visits, travel longer distances to see someone, and may become so discouraged they forego preventative care and even care for chronic, serious disease until emergency treatment is necessary.

The federal government's Council on Graduate Medical Education recommends 60 to 80 primary care doctors per 100,000 people. Statewide in California, the number already is down to just 50 per 100,000 — and in some places it's even lower: down to 35 in the Inland Empire and 39 in the San Joaquin Valley, according to a report from The Future Health Workforce Commission.

Among the causes of the physician shortage:

- High student loan debt induces medical students to go into specialty care, which pays more than primary care — currently only 36 percent of doctors provide primary care.
- Low Medi-Cal reimbursement rates for primary care drive doctors away from low-income areas and primary care.
- Even primary care physicians often shy away from rural areas, opting instead to practice in big cities near medical centers and specialists.
- Medical school students don't reflect the diversity of the state, which also influences where new doctors practice — and where they don't.



UC Davis Medical School Dean of Admissions and Outreach Mark Henderson said his medical school is focused on trying to eliminate the shortage between Davis and the Oregon border.

At Davis, where there is a focus on primary and rural care, about half of graduates go into primary care. But at most other medical schools, that percentage is 20 to 30 percent and it's not enough.

"We still don't take enough students from (rural and underserved) communities that will have a deep desire to want to go back to the community," Henderson said. "You have to take a different type of a student, you can't take the same old usual suspect."

New doctors "take these specialty areas that pay higher, and that leaves us with a shortage of primary care physicians including pediatricians, internists, family practice physicians and OB/GYNs," said John Baackes, CEO of LA Care Health Plan, which has the largest number of Medi-Cal members in the state.

He said in rural areas, veteran doctors who are solo practitioners are having a hard time bringing in new doctors to take over.

"Young doctors are increasingly going to salaried positions" at institutions such as Kaiser, said Baackes.

In low-income areas, a different deterrent comes into play. Dismal Medi-Cal reimbursement rates keep some students out of primary care and repels some primary medical graduates, said Elaine Batchlor, CEO of MLK Jr. Community Hospital in South Los Angeles.

"It's difficult for physicians to support a practice in that environment and organized medical groups are not attracted to the community because of low (Medi-Cal) reimbursements," she said.

The California Future Health Workforce Commission — made up of business, elected and health care leaders — released a report earlier this year warning of the looming shortage of health workers to meet the needs of the "growing, aging and increasingly diverse population."

"If we're looking to the future in a state where we have everyone covered, we can't do it with the workforce we have and we are not doing it well now in many places," said Assemblyman Jim Wood, a Santa Rosa Democrat who was part of the commission.

The commission found that already 7 million Californians live in federally designated Health Professional Shortage Areas because they lack primary care physicians, dentists and mental health professionals. Most are in the Inland Empire, part of Los Angeles, the San Joaquin Valley and in remote parts of the state, like where Dahle practices.

He tries to assist the next generation of providers: He takes physician-assistant trainees nearly year-round from the University of Iowa, where one of his former physician assistants runs a program.

"These guys are smarter than me already," Dahle said. "Actually, we teach each other. We teach them the art of medicine and they teach me all the new science of medicine. It works out really good."

The trainees live with Dahle in his log cabin on 160 acres just outside of town, down a 5-mile dirt road. His dog Clint, a Pyrenees he rescued, eagerly awaits him each afternoon.

Over the course of two recent days, Dahle treated patients with hyperthyroidism, migraines, diabetes, swollen lymph nodes, chronic ear infections, knee pain and constant nausea, and performed a skin biopsy to test for cancer.

Inevitably, country doctors have to be able to do more with less — and be willing to live far from urbanity.

“The younger generation of providers, they don’t have the clinical skills or know-how. They’re not trained the same as Dr. Dahle,” said Shannon Gerig, CEO of Mountain Valleys Health Centers, which operates seven centers across 6,000 square miles in the northern part of California including in Bieber, where Dahle is the lone doctor at that center. “It’s a scary thing for them to come out and be so remote, and know that they are going to be solo a lot, and they are going to be depended on by the mid-level staff...and they don’t have specialty (doctors) around them.”

Dahle has birthed thousands of babies, diagnosed cancers, done skin biopsies, assisted in minor surgeries, attended to patients on their deathbeds and occasionally rushed out into the forest or to a ranch to treat those whacked by a falling hay bale, a downed tree or a stubborn horse. He once finished a pelvic exam by flashlight because the power went out, did minor toe surgery in his office while taking direction from a surgeon on the phone, and jumped in a helicopter transport to accompany a patient with a broken neck enroute to a far-away trauma center.

He also works in the Fall River Mills’ emergency room one 24-hour shift a week, and makes hospital rounds first thing most days.

One recent morning, he greeted and joked with Wilma Chesbro, 88, who used to be an operating room scrub nurse with Dahle, and now is a patient in long-term care.

She grasped his hand, reminding him that when they first met decades ago she thought he was a “yokel” because he’s from a local town. But Chesbroe cried and lost her breath every time she tried to express just how much Dahle meant to her.

“He’s brilliant,” she said through her tears. “But he doesn’t show it. I have so much respect for him.”

Earlier this year he was named Country Doctor of the Year by AMN Healthcare, the largest health staffing agency in the country. The welcome sign to Bieber announces it has 510 residents; the health centers there cater to about 17,000 residents across several towns.

Much of the area is designated “frontier” by the federal government because so few people live there. Bieber has one motel, and passersby who blink might miss the Big Valley Market, where Dahle gets a maple bar for breakfast most days. Fields and ranches dot the wide-open valley, giving way to forests and rising peaks. The nearest Safeway grocery store is in Burney, 40 miles away. The isolation has made some prospective physicians make a U-turn and drive away, without ever stepping foot in the clinic for their scheduled interview. Many have told Dahle their spouse or partner saw the town and said “no way.”

Doc Dahle grew up in nearby Tulelake, the son of a potato farmer. He was drafted from college to Vietnam. Later he finished college at Oregon State, then was turned down for medical school there four times before he was accepted at the University of Rochester. When he graduated he returned to northern California to practice. His cousin is Brian Dahle, a GOP state senator who represents the area.

But Doc Dahle may just be the better known of the two. Thousands of residents in these parts go out of their way to see him.

“Patients are fine waiting, because they know when they see Dr. Dahle he will take whatever amount of time he needs to talk with them, to get the care they need. I guess you’d call it old school,” said Gerig, who was Dahle’s patient before becoming his boss.

She began working as a registered nurse with Dahle 25 years ago, and he delivered her three babies via C-section. It seems everyone has a connection like that. At a local bar, a group of guys ticked off what Dahle has done for them — one called him a “lifesaver” for diagnosing a 99 percent carotid artery blockage.

This is why Dahle is fired up about finding his replacement. This is his “family,” he said.

He's got his eye on a young doctor couple out of Davis. But there is one hitch. The local hospital in Fall River Mills, just about 25 miles up the road, closed its obstetrics unit, forcing pregnant women go at least a hundred miles to Redding or Shasta to deliver.

Unless the hospital reopens that wing, Dahle may not be able to land the couple despite their interest. The husband is in primary care and has already filled in at Dahle's clinic, but the wife, who is from Fall River Mills, is training to be an OB-GYN.

"We're not going to be able to recruit these homegrown kids to come back here without something changing," said Dahle. "We have got to do this for our community."

That's the reason he's sticking around, for the community and to work on bringing the couple back home.

"I love my job," said Dahle, who is twice divorced, acknowledging it was always hard to stay married because he is wedded to medicine. "I have never regretted ever being a doctor. Everyday I go to work and say that I help somebody."

If he ever does retire, he plans to scuba dive, hunt rocks and travel.

But he'll still probably have lunch on Tuesdays at the Roundup Bar, just like he does now for the hot dog special. Sometimes, if someone sees Dahle heading over, they'll call the bar and buy Dahle's beer.

"He's a staple in our community. He holds us all together," said bar owner Scott Johnson. "This is like his second office. He comes here and everyone gathers round and asks him questions to avoid a doctor visit."

## How a Medicare Buy-In or Public Option Could Threaten Obamacare

By Reed Abelson  
July 29, 2019

It seems a simple enough proposition: Give people the choice to buy into Medicare, the popular federal insurance program for those over 65.

Former Vice President Joseph R. Biden Jr. is one of the Democratic presidential contenders who favor this kind of buy-in, often called the public option. They view it as a more gradual, politically pragmatic alternative to the Medicare-for-all proposal championed by Senator Bernie Sanders, which would abolish private health insurance altogether.

A public option, supporters say, is the logical next step in the expansion of access begun under the Affordable Care Act, passed while Mr. Biden was in office. "We have to protect and build on Obamacare," he said.

But depending on its design, a public option may well threaten the A.C.A. in unexpected ways.

A government plan, even a Medicare buy-in, could shrink the number of customers buying policies on the Obamacare markets, making them less appealing for leading insurers, according to many health insurers, policy analysts and even some Democrats.

In urban markets, "a public option could come in and soak up all of the demand of the A.C.A. market," said Craig Garthwaite, a health economist at the Kellogg School of Management at Northwestern University.

And in rural markets, insurers that are now profitable because they are often the only choices may find it difficult to make money if they faced competition from the federal government.

Some insurers could decide that a smaller and uncertain market is not worth their effort.

If the public option program also matched the rates Medicare paid to hospitals and doctors, "I think it would be really hard to compete," Mr. Garthwaite said. Even leading insurers do not have the leverage to demand lower prices from hospitals and other providers that the government has.

Whether to implement a public option or Medicare buy-in has become a defining question among Democratic presidential candidates and is likely to be a contentious topic at this week's debates.

On Monday, Senator Kamala Harris took an alternate route, unveiling a plan that would allow private insurers to participate in a Medicare-for-all scheme, akin to their role currently offering private plans under Medicare Advantage.

The recent spate of proposals reprises some of the most difficult questions leading up to the passage of the A.C.A., in many ways a compromise over widely divergent views of the role of the government in ensuring access to care.

After a shaky start, the federal and state Obamacare marketplaces are surprisingly robust, despite repeated attempts by Republicans to weaken them. They provide insurance to 11 million customers, many of whom receive generous federal subsidies to help pay for coverage.

The A.C.A. is now a solidly profitable business for insurers, with several expanding options after earlier threats to leave. For example, Centene, a for-profit insurer, controls about a fifth of the market, offering plans in 20 states. It is expected to bring in roughly \$10 billion in revenues this year by selling Obamacare policies.

In spite of stock drops because of investors' concerns over Medicare-for-all proposals, for-profit health insurers have generally thrived since the law's passage.

But a buy-in shift in insurance coverage could profoundly unsettle the nation's private health sector, which makes up almost a fifth of the United States economy. Depending on who is allowed to sign up for the plan, it could also rock the employer-based system that now covers some 160 million Americans.

In a recent ad, Mr. Biden features a woman who wants to keep her current coverage. "I have my own private insurance — I don't want to lose it," she said.

A spokesman for Mr. Biden argued that a public option can extend the success of the Affordable Care Act.

"Joe Biden thinks it would be an egregious mistake to undo the A.C.A., and he will stand against anyone — regardless of their party — who tries to do so," said Andrew Bates, a spokesman for Mr. Biden, in an email.

Major insurers and hospital chains, pharmaceutical companies and the American Medical Association have joined forces to try to derail efforts like Medicare-for-all and the public option. Mr. Sanders denounced these powerful interests in a recent speech.

"The debate we are currently having in this campaign and all over this country has nothing to do with health care, but it has everything to do with the greed and profits of the health care industry," he said.

Other critics of the public option, including Seema Verma, the administrator of the Centers for Medicare and Medicaid Services, argue Democrats' programs will lead to a "complete government takeover."

"These proposals are the largest threats to the American health care system," she said in a speech earlier this month.

Some experts predict that private insurers will adapt, while others warn that the government could wind up taking on the sickest customers with high medical bills, leaving the healthier, profitable ones to private insurers.

It's uncertain whether hospitals, on the other hand, could thrive under some versions of the public option. If the nation's 5,300 hospitals were paid at much lower rates by a government plan — rates resembling those of Medicare — they might lose tens of billions of dollars, the industry claims. Some would close.

One variant of the public option — letting people over 50 or 55 buy into Medicare — is often depicted as less drastic than a universal, single-payer program. But this option would also be problematic, experts said.

This consumer demographic is quite valuable to insurers, hospitals and doctors.

Middle-aged and older Americans have become the bedrock of the Obamacare market. Some insurers say this demographic makes up about half of the people enrolled in their A.C.A. plans and, unlike younger people who come and go, is a reliable and profitable source of business for the insurance companies.

The aging-related health issues of people in this group guarantee regular doctor visits for everything from rising blood pressure to diabetes, and they account for a steady stream of lucrative joint replacements and cardiac stent procedures.

The 55-to-64 age group, for example, accounts for 13 percent of the nation's population, but generates 20 percent of all health care spending, according to the Kaiser Family Foundation.

Several experts said that designing a buy-in program that is compatible with the existing public and private plans could be daunting.

“You’d have to do it carefully,” said Representative Donna Shalala, a Florida Democrat who served as the secretary of health and human services under President Bill Clinton.

Linda Blumberg, a health policy expert at the Urban Institute, a nonpartisan think tank, agreed. “The idea of Medicare buy-ins was taken very seriously before there was an Affordable Care Act,” she said. “In the context of the A.C.A., it’s a lot more complicated to do that.”

Many dismiss concerns about whether insurers can compete.

“Any time a market shrinks in America, insurers don’t like it,” said Andy Slavitt, the former acting Medicare administrator under President Obama and a former insurance executive. Mr. Slavitt noted that insurers raised similar concerns about the federal law when it was introduced. “They’ll figure it out,” he said.

In Los Angeles County, five private insurers that sell insurance in the A.C.A. market already compete with L.A. Care Health Plan, which views itself as a kind of public option, said John Baackes, the plan’s chief executive.

The insurer offers the least expensive H.M.O. plan in the county by paying roughly Medicare rates. “We’ve proved that the public option can be healthy competition,” he said.

But the major insurance companies, which were instrumental in defeating the public option when Congress first considered making it a feature of the A.C.A., are already flexing their lobbying muscle and waging public campaigns.

In Connecticut, fierce lobbying by health insurers helped kill a state version of the public option this spring. Cigna resisted passage of the bill, threatening to leave the state. “The proposal design was ill-conceived and simply did not work,” the company said in a statement.

Blue Cross plans could lose 60 percent of their revenues from the individual market if people over 50 are shifted to Medicare, said Kris Haltmeyer, an executive with the Blue Cross Blue Shield Association, citing an analysis the company conducted. He said it might not make sense for plans to stay in the A.C.A. markets.

Siphoning off such a large group of customers could also lead to a 10 percent increase in premiums for the remaining pool of insured people, according to the Blue Cross analysis. More younger people with expensive medical conditions have enrolled than insurers expected, and insurers would have to increase premiums to cover their costs, Mr. Haltmeyer said.

Tricia Neuman, a senior vice president at the Kaiser Family Foundation, which studies insurance markets, said a government buy-in that attracted older Americans could indeed raise premiums for those who remained in the A.C.A. markets, especially if those consumers had high medical costs.

But some experts countered that prognosis, predicting that premiums could go down if older Americans, whose health care costs are generally expensive, moved into a Medicare-like program.

“The insurance companies are wrong about opposing the public option,” Ms. Shalala said.

Dr. David Blumenthal, the president of the Commonwealth Fund, a foundation that funds health care research, said a government plan that attracted people with expensive conditions could prove costly.

“You might, as a taxpayer, become concerned that they would be more like high-risk pools,” he said.

Jonathan Gruber, an M.I.T. economist who advised the Obama administration during the development of the A.C.A., likes Mr. Biden’s plan and argues there is a way to design a public option that does not shut out the private insurers.

“It’s all about threading the needle of making a public option that helps the failing system and not making the doctors and insurers go to the mat,” he said.

Many experts point to private Medicare Advantage plans, which now cover one-third of those eligible for Medicare, as proof that private insurers can coexist with the government.

But the real value of a public option, some say, would stem from the pressure to lower prices for medical care as insurers were forced to compete with the lower-paying government plans, like Medicare.

Washington State recently passed the country’s first public option, capping prices as part of its plan to provide a public alternative to all residents by 2021.

“It’s couched in this language in expanding coverage, but it does it by regulating prices,” said Sabrina Corlette, a health policy researcher at Georgetown University.

The hospital industry would most likely fight just as hard to defeat any proposal that would convert a profitable group of customers, Americans who are privately covered at present, into Medicare beneficiaries.

Private insurers often pay hospitals double or triple what Medicare pays them, according to a recent study from the nonprofit Rand Corporation.

While Ms. Shalala supports a public option as an alternative to “Medicare for All,” she is clear about how challenging it will be to preserve both Obamacare and the private insurance market. “You can’t do it off the top of your head,” she said.



## Chief Medical Officer Report August 2019

### **Health Homes**

As noted at the July 25 Board of Governors Meeting, L.A. Care successfully launched the Health Homes program on July 1, 2019 with an initial network of 21 contracted Community Based Care Management Entities (CB-CMEs), including L.A. County Department of Health Services (DHS) and the remainder of which are primarily Federally Qualified Health Centers (FQHCs) participating in our network providing primary care to our members. L.A. Care will also be providing the intensive case management Health Homes services directly to members not assigned to one of our contracted CB-CMEs.

One of the keys to success of the program is early enrollment given that neither L.A. Care or the contracted CB-CMEs get paid until members enroll in the program and the monthly rates offered by the State are higher during the first year of the program. Enrollment as of July 31, 2019 was 153 and is expected to exceed 500 by the end of the fiscal year (September 30, 2019).

### **Quality Improvement (QI)**

#### **Access to Care (ATC)**

- L.A. Care is continuing its work with its contracted provider groups to monitor and improve access to care. Efforts include training and targeted outreach to providers who were non-compliant in previous surveys and encourage provider groups to audit quarterly until all non-compliant providers come into compliance.
- Advanced Access is a scheduling methodology that builds in same day access to care and is preferred over more traditional appointment scheduling practices. L.A. Care has developed and approved an Advanced Access policy and is now collecting information on which primary care physicians (PCPs) in L.A. Care's network offer advanced access. In partnership with L.A. Care's contracted IPAs and Medical Groups, L.A. Care is requesting signed attestations from providers offering advanced access scheduling. As an incentive, PCPs that offer advanced access will be deemed compliant in the 2019 Provider Appointment Availability Survey (PAAS). To date approximately 1,100 providers have indicated that they offer Advanced Access. Final collection/results are due at mid-July.

### **Quality Performance Management (QPM)**

#### **HEDIS/CAHPS 2019 Preliminary Results**

L.A. Care has now submitted its Measurement Year (MY) 2018 Healthcare Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems



## Chief Medical Officer Report

July 2019

(CAHPS) scores to National Commission on Quality Assurance (NCQA). Highlights of this year's results are noted below. I am pleased to report that we anticipate maintaining Commendable status for Medi-Cal and Accredited status for our CalMediConnect and Covered California lines of business. More detailed presentations will be shared at the Compliance and Quality Committees later this year.

Highlights include:

- Surpassed HEDIS 2018 Medi-Cal Effectiveness of Care (EoC) score by 0.585 points (25.539 in 2019 vs 24.95 in 2018)
- Surpassed HEDIS 2018 Cal Medi-Connect (CMC), EoC score by 1.097 points (17.221 in 2019 vs 16.12 in 2018)
- Surpassed HEDIS 2018 Medi-Cal Child CAHPS accreditation score by 1.11 points (7.65 in 2019 vs. 6.54 in 2018)
  - Rating of Health Plan met the 75<sup>th</sup> percentile (first time accomplished via CAHPS since 2010)
  - Rating of Personal Doctor mean score of 2.65 remained the same but moved from the 50<sup>th</sup> to the 75<sup>th</sup> percentile (first time since 2010)
  - Getting Care Quickly and Getting Needed Care remained at the 25<sup>th</sup> percentile
- Surpassed HEDIS 2018 Medi-Cal Adult CAHPS accreditation score by 0.79 points (4.09 in 2019 vs 3.29 in 2018)
  - Of the four measures whose means increased from 2018 to 2019, only two (Rating of Health Plan and Rating of All Health Care) moved from the <25<sup>th</sup> to the 25<sup>th</sup> percentile
  - Rating of Personal Doctor dropped 0.05 points and moved from the 50<sup>th</sup> to the 25<sup>th</sup> percentile
  - Rating of Specialist score (2.44) and percentile (<25<sup>th</sup>) remained the same
  - Getting Care Quickly and Getting Needed Care mean scores increased but remained at the 25<sup>th</sup> percentile
- 4 of 6 Medi-Cal Auto Assignment measures improved
  - CIS—Childhood Immunizations—1.7% improvement
  - CBP—Controlling Blood Pressure—6.02%
  - CCS—Cervical Cancer Screening—5.53%
  - PPC—Timeliness of Prenatal Care—5.68% (Statistically significant improvement)
  - 2 measures had slight declines
    - W34—Well Child Visits for 3 to 6 year-old—0.2% decline
    - CDC—HbA1c testing—0.25%

### Incentives

- The **Physician P4P** team is reviewing the new measures included in the Managed Care Accountability Set (MCAS) to consider measures to add to our incentive program in 2019.
  - After measure testing is completed, selected measures will be added to the program descriptions during the mid-year update (~September) for reporting purposes only. Performance on new measures added in the mid-year update will not be factored into incentive payment calculations until MY 2020.
- Potential new incentive components:
  - Payment gates related to California Immunization Registry (CAIR) sign up/usage,

## **Chief Medical Officer Report**

July 2019

- Medical record request compliance and Potential Quality Issue (PQI) responsiveness.
- Utilization metrics such as ER and Hospital Admissions and Re-Admissions
- Other provider compliance metrics
- Final MY 2018/RY 2019 P4P reports
  - Aiming to complete reports and payments in the Fall.
- **LACC VIIP Program**
  - L.A. Care has joined forces with the Integrated Healthcare Association's (IHA) AMP (Align, Measure, Perform) Program (formerly known as VBP4P). Joining this program enables L.A. Care to comply with a Covered California requirement to offer some portion of reimbursement in the form of value based pay and supports this Statewide program which measures and reports the performance of medical groups serving 95% of commercially insured members in California.
  - Preliminary results were released on 5/24. Final reports will be released 8/12/19.

### **Care Management (CM)**

Consistent with our plan to move nurses and CHWs into the community, CM staff have now been assigned to all FRCs as of July 1st. All FRCs (except Boyle Heights) will have CM presence every week (every day or most days of the week).

### **Safety Net Initiatives (SNI)**

- L.A. Care's third cohort of safety net doctors completed the Physician Leadership Program on May 29, 2019. These 20 Community and County Clinic doctors gained leadership skills and completed projects to improve care or operations at their clinic.
- As of 6/25 Housing for Health has secured housing for 245 homeless individuals.

### **Announcement**

I am pleased to announce that Dr. Alex Li, our Deputy CMO, recently became one of the Board of Directors of the Frank D. Lanterman Regional Center. Frank D. Lanterman is one of the seven Los Angeles County non-profits service centers that provide support for people with developmental disabilities. Regional Centers are also one of our key partners in ensuring that our pediatric Medical members with autism and other behavioral health needs get the services when indicated. His 2 year board term starts on July 24 and we believe that Dr. Li's new role will further ensure that collaboration between L.A. Care and the Regional Centers will be enhanced further.

# BOARD OF GOVERNORS

## Children’s Health Consultant Advisory Committee

### Meeting Minutes –May 15, 2018



1055 W. Seventh Street, Los Angeles, CA 90017

*All votes during a teleconferenced portion of the meeting were by roll call*

**Members**

Lyndee Knox, PhD, *Chair*  
 Reena John, *Vice Chair*  
 Edward Bloch, MD\*  
 Maria Chandler, MD, MBA\*\*  
 Toni Frederick, PhD

Gwendolyn Ross Jordan\*  
 Nayat Mutafyan\*  
 Maryjane Puffer, BSN, MPA  
 Diana Ramos, MD  
 Richard Seidman, MD, MPH, CMO

Diane Tanaka, MD\*  
 Kimberly Uyeda, MD, MPH \*

\* *Absent* \*\**Via Teleconference*

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>	Lyndee Knox, PhD, <i>Chair</i> called the meeting to order at 8:25 a.m.	
<b>APPROVAL OF MEETING AGENDA</b>	Today’s meeting agenda was approved as submitted.	<b>Approved unanimously by roll call. 7 AYES (Chandler, Frederick, John, Knox, Puffer, Ramos and Seidman).</b>
<b>PUBLIC COMMENTS</b>	Linda M. Aragon, MPH, and Rosina Franco, MD, introduced themselves to the Committee and shared their excitement about joining CHCAC.	
<b>APPROVAL OF MEETING MINUTES</b>	The minutes for the March 20, 2018 meeting were approved as submitted.	<b>Approved unanimously by roll call. 7 AYES</b>
<b>CHIEF MEDICAL OFFICER’S REPORT</b>  Richard Seidman, MD, MPH	Richard Seidman, MD, MPH, <i>Chief Medical Officer</i> , referred to his written report ( <i>a copy of his written report may be requested from Board Services</i> ): <ul style="list-style-type: none"> <li>Significant resources are dedicated at this time of year to optimize the Healthcare Effectiveness Data and Information Set (HEDIS) outcomes for 2017. Teams of L.A. Care staff, Plan Partners and contracted vendors are working with contracted providers and provider groups to capture all available administrative and supplemental data, select medical record data, and close as many data gaps as</li> </ul>	

**APPROVED**

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>possible before the deadline to submit outcomes to the HEDIS auditor and to the National Commission on Quality Assurance (NCQA).</p> <ul style="list-style-type: none"> <li>Additional steps have been taken for the Workforce Development Initiative to improve the supply of clinicians serving our members. The first phase is in process to fund medical student scholarships at the David Geffen School of Medicine at UCLA and the Charles R. Drew/UCLA Medical Education Program. Funds are committed to each institution for four full-ride scholarships covering tuition, room and board, and living expenses. Scholarship selection is moving forward quickly so that incoming students/applicants can be informed as soon as possible, ideally, early enough to positively influence their decision to accept an offer from a medical school in Los Angeles. Selection criteria includes financial need, an interest in primary care and in working in underserved communities.</li> </ul> <p>Member Ramos asked how L.A. Care will engage the scholars to motivate them and build a bond. Dr. Seidman responded that staff is working on that as he believes it is really important to meet the students.</p> <p>Member Puffer suggested a way to tie this student to being involved in the community to build a bond and awareness of the need for health providers in Los Angeles County, and in return they may make the decision to practice in the community once they are done with medical school.</p> <ul style="list-style-type: none"> <li>The Los Angeles Network for Enhanced Services (LANES) is up and running, it is a health information exchange for hospitals, clinics, and health plans that provide care to L.A. County residents who are Medi-Cal insured or uninsured. There is meaningful progress with health information exchanges that will enhance quality of care. Los Angeles County Supervisor Mark Ridley-Thomas submitted a motion that was approved by the Board of Supervisors to direct the director of Los Angeles County Department of Health Services to work with L.A. Care to get three additional healthcare delivery organizations to sign on as participants by July of this year. Recently Board member Mark Gamble, of the Hospital Association of Southern California, has partnered with Dr. Bradley Gilbert, Chief Executive Officer of Inland Empire Health Plan, to host a health information exchange summit in Los Angeles.</li> </ul>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Member Chandler shared that as more information is provided about the agreement she is hopeful that her organization may join. She noted that there is a concern regarding cyber security issues.	
<b>COMMITTEE ISSUES</b>		
<b>CHCAC MEMBER MOTION (CHC 100)</b>	<p>Dr. Seidman shared that there has been progress in adding members to the Committee. He noted that there are currently 15 members, which is a good number for quorum purposes. Members are encouraged to recommend any potential members.</p> <p><b><u>Motion CHC 100.0618</u></b>  <b>To approve the nominations of:</b>  <b>Linda M. Aragon, MPH, representing Los Angeles County, and</b>  <b>Rosina Franco, MD, representing Los Angeles Unified School District (LAUSD)</b></p>	<b>Approved unanimously by roll call. 7 AYES</b>
<p><b>AB-11 EARLY AND PERIODIC SCREENING, DIAGNOSIS, AND TREATMENT PROGRAM: SCREENING SERVICES DISCUSSION</b></p> <p>Richard Seidman, MD, MPH</p>	<p>Dr. Seidman shared that recommendations from the American Academy of Pediatrics to use validated screening tools for developmental delay diagnoses. These are guidelines and do not dictate practice. Dr. Seidman thinks it is important to set the use of validated screening tools in state law. It imposes more work on pediatric providers; all practitioners he spoke with support this.</p> <p>Member John shared that First 5 LA has been supporting the screening for developmental delay broadly over many years. Currently the screening is encouraged in the <i>Help Me Grow</i> pilot system expansion. The idea is to be able to coordinate all the services for children with mild to moderate delays. She noted that First 5LA's policy staff is currently working on showing support for this bill.</p> <p>Member Aragon shared that the Los Angeles County Division of Maternal Child and Adolescent Health is working closely with First 5 with the <i>Help Me Grow</i> pilot. They have recommended the Board of Supervisors take a support position on this bill to support providers and families of the children they are working with.</p> <p>Member John shared that there is a push to streamline the referral process to Los Angeles County Regional Centers. <i>Help Me Grow</i> has several core components: community education engagement, physician training education, data collection and centralized access. The organizing entity will be the Department of Public Health. They are currently focusing on the community education engagement component.</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Dr. Seidman asked what is being done to centralize access. Member Aragon responded that they are focusing on streamlining the referral process.</p> <p>Chair Knox shared that from her experience as an early childhood intervention specialist, early screening was a quality improvement to identify mild to moderate kids from age zero to three.</p> <p>Member Frederick asked when the tools will be available. Dr. Seidman responded they already developed it just needs to be adopted.</p> <p><b><u>Motion CHC 101.0618</u></b>  <b>To recommend Support of Assembly Bill 11 - Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT), to require developmental screening services for children ages 0 to 3 years.</b></p>	<p><b>Approved unanimously by roll call. 7 AYES</b></p>
<p><b>MOBILE VISION PILOT</b></p> <p>Paola Valdivia</p> <p>Damian Carroll</p>	<p>Paola Valdivia, <i>Manager, Safety Net Initiatives</i>, and Damian Carroll, <i>National Director and Chief of Staff, Vision To Learn</i>, presented information about <i>Vision To Learn</i>:</p> <ul style="list-style-type: none"> <li>• 501c3 Charity Founded in 2012</li> <li>• Provides eye exams and eyeglasses to students at no out-of-pocket cost</li> <li>• Mobile vision clinics provide services at school sites in low-income communities</li> <li>• 74,827 students received eye exams in L.A. County since inception; 58,676 have been provided with glasses</li> <li>• <i>Vision To Learn</i> serves schools with a high percentage of Title I students, a predominantly Medi-Cal eligible population</li> <li>• Barriers preventing Medi-Cal reimbursement: <ul style="list-style-type: none"> <li>○ VSP, the largest vision insurer, will not reimburse mobile care or nonprofits</li> <li>○ Difficulty in getting Medi-Cal identification numbers from parents</li> </ul> </li> <li>• In 2014, Governor Jerry Brown and the California Legislature passed a pilot program to reimburse mobile vision care for students in low-income communities</li> <li>• \$2 million funding for pilot approved in 2015 State budget for three years, January 1, 2015 through December 31, 2017, later extended to June 30, 2018</li> <li>• Administered through partnership with L.A. Care and Health Net (Centene)</li> <li>• <i>Vision To Learn</i> submits reports of students served in eligible schools to L.A. Care and Health Net</li> <li>• 74% of eye exams provided under the pilot were reimbursed</li> </ul>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> <li>• <i>Vision To Learn</i> raised private funding to cover un-reimbursed exams</li> <li>• Private funders knew their donation was leveraged by pilot funds</li> <li>• <i>Vision To Learn</i> annual eye exams in Los Angeles County increased over 50% under pilot</li> <li>• Almost 9 out of 10 Kids served by <i>Vision To Learn</i> were going without vision care.</li> <li>• A total of 66% of students provided glasses by <i>Vision To Learn</i> came to their exam without glasses. Another 23% had glasses with an incorrect prescription</li> <li>• UCLA Mattel Children’s Hospital Qualitative study found 92% of teachers and 90% of parents felt their students would not have received glasses without the access provided by <i>Vision To Learn</i></li> <li>• Benefits of <i>Vision To Learn</i> model: <ul style="list-style-type: none"> <li>○ Improves access to vision care for students in low-income communities</li> <li>○ Lost or broken glasses are replaced up to 1 year – 563 total over pilot period</li> <li>○ Parents do not need to take time off of work for exam or glasses pick-up</li> <li>○ Students spend less time out of class</li> <li>○ All kids at school get glasses at once</li> <li>○ Reduces stigma</li> <li>○ Easier to track students wearing glasses</li> </ul> </li> <li>• There have been barriers with Medi-Cal reimbursement as well as with getting children’s Medi-Cal identification numbers</li> <li>• Future plans for <i>Vision To Learn</i>: <ul style="list-style-type: none"> <li>○ Anticipated LA County services include 36,000 eye exams, 28,800 glasses</li> <li>○ Partnership with LA Unified contract to serve all K-12 students over 2 years - over 50,000 eye exams</li> <li>○ Continue to serve school districts throughout LA County, including Long Beach, Compton, Inglewood, Lennox, Lynwood, Lawndale, Pomona, Paramount, Hawthorne, Norwalk La Mirada</li> <li>○ Capacity growth by adding several new mobile clinics</li> </ul> </li> </ul> <p>Dr. Seidman asked if they collaborate with school based clinics if there is one on campus. Mr. Carroll responded they do not. Member Puffer shared that she was part of a phone conversation with dental providers who expressed a desire to participate with school based health opportunities. A challenge occurs when they need consent forms signed by parents. Federally qualified Healthcare Clinics can validate Medi-Cal numbers.</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Private providers that are doing pro bono do not have access to the Medi-Cal directory. They are trying to find a way to enable those providers to access the data base so they can sustain the services.</p> <p>Mr. Carroll noted that no costs were added for the extension of the pilot term. He added that there is discussion to set up a case management team to provide additional eye care. There is currently a referral mechanism and providers that accept Medi-Cal locally to follow up with any additional vision screening or services.</p> <p>Dr. Franco asked if <i>Vision To Learn</i> worked with resources school districts offer, for example the healthy start program consist of navigators that help families navigate through any issues with insurance or getting health services for their child. Mr. Carroll responded that they work independently from the school districts. Their point of contact is the school base nurse or school health staff. They are working on finding new ways improve communication school districts.</p> <p>Dr. Seidman asked if there was documented success working with other managed vision care organizations in other states. Mr. Carroll responded that there has been great success in Delaware as the Department of Health and Social Services has a staff there who compares the list of students provided by <i>Vision To Learn</i> against the data base to provide student identification numbers as well as other needed information to provide those students with health services. They are able to start the process to get reimbursed by the students' insurers. He added that they are currently working with Diana Dooley in California to allocate a budget for services in the rest of the year while the reimbursement piece is worked out. An option for reimbursement is working with the local educational agency by adding eye exams and glasses to the list of reimbursable services. He added that a letter of support from L.A. Care would be beneficial during the budget process to show community support. Dr. Seidman noted that he will forward Mr. Carroll's suggestion that L.A. Care provide a letter of support to internal staff. In addition, Board Services staff will connect with Mr. Carroll to provide contact information of other Committee members that represent other organizations that may be able to provide letters of support.</p> <p>Member Ramos shared that she is interested in looking at prescriptions and outcomes to make sure they are proactive in providing preventive education.</p>	



AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Dr. Franco shared that there are challenges with family lack of familiarity with the vision services and access. She suggested focus be placed on adding resources and family education.	
<b>ADJOURNMENT</b>	The meeting was adjourned at 10:00 a.m.	

Respectfully submitted by:

Malou Balones, *Committee Liaison, Board Services*  
 Jennifer Carabali, *Committee Liaison, Board Services*  
 Linda Merkens, *Manager, Board Services*

APPROVED BY:

\_\_\_\_\_  
 Lyndee Knox, PhD, *Chair*  
 Date Signed: \_\_\_\_\_



# 2019 Legislative Matrix

Last Updated: August 12, 2019

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## Legislative Matrix

The following is a list of the priority legislation currently tracked by Government Affairs that has been introduced during the 2019-2020 Legislative Session and is of interest to L.A. Care. These top priority bills, if passed, could have a direct impact on L.A. Care. If there are any questions, please contact Cherie Compartore, Senior Director of Government Affairs at [ccompartore@lacare.org](mailto:ccompartore@lacare.org) or extension 5481.

Please note, Government Affairs also has a list of all the bills that may not have a direct impact, but do have the possibility to be amended in the future to do so. Some of the bills included are spot bills, legislative place holders, in code sections that could have a policy impact on L.A. Care. If you would like a copy of this list please contact Cherie Compartore.

This year Government Affairs has transitioned to a new legislative tracking system so please feel free to reach out to us with any questions. To access the bill language, click on the bill number listed at the top left corner of each bill section. One of the changes to note is that the bill author is listed as "Primary Sponsor" - the same terminology as is used in Congress. If there is an organizational sponsor for the bill they are listed under "Organizational Notes." Additionally, each bill has a "Description" which is the legal summary of the bill drafted when the bill was written. Some of the bills on the matrix may also have a "Bill Summary," this has been created by staff to simplify or clarify the bill. Lastly, the "Labels" section is used to identify which product area the bill is likely to impact and topic(s) of the bill.

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## Direct Impact Bills

**Bill State: CA (42)**

**Title**  
Medi-Cal: eligibility.

**Bill Summary:** Last edited by Joanne Campbell at Feb 27, 2019, 5:39 PM  
Expands Medi-Cal eligibility regardless of immigration status.

**Primary Sponsors**  
Joaquin Arambula, Rob Bonta, David Chiu, Lena Gonzalez, Miguel Santiago

**Labels:** Care4All Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:30 AM

AB 4, as amended, Arambula. Medi-Cal: eligibility. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Federal law prohibits payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law. Existing law requires individuals under 19 years of age enrolled in restricted-scope Medi-Cal at the time the Director of Health Care Services makes a determination that systems have been programmed for implementation of these provisions to be enrolled in the full scope of Medi-Cal benefits, if otherwise eligible, pursuant to an eligibility and enrollment plan, which includes outreach strategies. Existing law makes the effective date of enrollment for those individuals the same day that systems are operational to begin processing new applications pursuant to the director's determination, and requires the department to seek any necessary federal approvals to obtain federal financial participation for purposes of implementing the requirements. Existing law requires that benefits for services under these provisions be provided with state-only funds only if federal financial participation is not available for those services. Existing law requires the department, until the director makes the above-described determination, to provide monthly updates to specified legislative committees on the status of the implementation of these provisions. This bill would extend eligibility for full-scope Medi-Cal benefits to individuals of all ages, if otherwise eligible for those benefits, but for their immigration status, and would delete provisions delaying eligibility and enrollment until the director makes the determination described above. The bill would require the department to provide, indefinitely, the above-described monthly updates to the legislative committees. The bill would expand the requirements of the eligibility and enrollment plan, such as ensuring that an individual maintains their primary care provider without disruption, as specified. The bill would require the department to collaborate with the counties and designated public hospitals to maximize federal financial participation and to work with designated public hospitals to mitigate any financial losses related to the implementation of these requirements. The bill would condition the implementation of its provisions on an appropriation by the Legislature in the annual Budget Act or other measure for that purpose. Because counties are required to make Medi-Cal eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Last edited by Joanne Campbell at Feb 21, 2019, 6:24 PM

Organizational Sponsor: California Immigrant Policy Center Local Health Plans of California - Support California Association of Health Plans - Support

**Title**  
Health care service plans and health insurance: third-party payments.

**Primary Sponsors**  
Jim Wood

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 8:50 PM  
Requires a financially interested entity that is making a third-party premium payment to provide assistance in a specified manner including disclosing to the plan the name of the enrollee for each plan on whose behalf a third-party premium payment will be made.

**Labels:** Commercial Third Party Payer

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:50 AM

AB 290, as amended, Wood. Health care service plans and health insurance: third-party payments. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. These provisions govern, among other things, procedures by health care service plans and insurers with respect to premium payments. This bill would require a health care service plan or an insurer that provides a policy of health insurance to accept payments from specified third-party entities, including an Indian tribe or a local, state, or federal government program. The bill would also require a financially interested entity, as defined, other than those entities, that is making a third-party premium payment to provide that assistance in a specified manner and to perform other related duties, including disclosing to the plan or the insurer the name of the enrollee or insured, as applicable, for each plan or policy on whose behalf a third-party premium payment will be made. The bill would require each plan or insurer to provide to the department information regarding premium payments by financially interested entities and reimbursement for services to providers, and would set forth standards governing the reimbursement of financially interested providers, including, but not limited to, chronic dialysis clinics, that meet certain criteria. For contracted providers, the bill would require reimbursement to be the higher of the Medicare reimbursement rate or the rate determined pursuant to an arbitration process, as established by the bill, if either party elects arbitration. Reimbursement for noncontracted providers would be governed by the terms and conditions of the health care service plan contract or health insurance policy, or the rate determined pursuant to the arbitration process, whichever is lower. The bill would not alter existing obligations and requirements applicable to a health care service plan or health insurer relating to offering, marketing, selling, and issuing a health benefit plan, and cancellation or nonrenewal, as specified. The bill would specify that its requirements do not supersede or modify any privacy and information security requirements and protections in federal and state law regarding protected health information or personally identifiable information. Existing law establishes requirements for the licensure and regulation of clinics by the State Department of Public Health, which include certain types of specialty clinics, such as chronic dialysis clinics, as defined. A violation of these provisions is a crime. This bill would prohibit a chronic dialysis clinic from steering, directing, or advising a patient regarding any specific coverage program option or health care service plan contract. The bill would require a chronic dialysis clinic to post a notice requiring questions about Medicare coverage for patients with end stage renal disease to be directed to the Health Insurance Counseling and Advocacy Program, as specified. By expanding the requirements applicable to chronic dialysis clinics, and because a willful violation of certain of the bill's requirements by a health care service plan would be a crime, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason

Last edited by Joanne Campbell at Mar 26, 2019, 7:58 PM  
California Association of Health Plans - Support

Labels: Medi-Cal Translation

**Title**

Medi-Cal materials: readability.

**Primary Sponsors**

Kansen Chu

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:24 AM

AB 318, as amended, Chu. Medi-Cal materials: readability. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires the department to notify Medi-Cal beneficiaries, prospective beneficiaries, and members of the public of the availability of language assistance services free of charge and in a timely manner, when those services are necessary to provide meaningful access to individuals with limited English proficiency (LEP). Existing law requires the department to require all managed care plans contracting with the department to provide Medi-Cal services to provide language assistance services to LEP Medi-Cal beneficiaries who are mandatorily enrolled in managed care. This bill would, commencing January 1, 2020, require the field testing of all Medi-Cal beneficiary materials, and informing materials, as defined, that are translated into threshold languages and released by the department and managed care plans, respectively, except as specified. The bill would define "field testing" as a review of translations for accuracy, cultural appropriateness, and readability. The bill would also define a "managed care plan" for these purposes. The bill would also require the department to establish a readability workgroup to identify at least 10 documents that are released to Medi-Cal beneficiaries, including certain documents, and to designate a readability expert to revise those documents, as specified. The bill would require the readability expert and workgroup to provide the department with specific recommendations for revising the selected documents to improve the readability of the documents. The bill would require the department to rerelease the documents with revisions based on those recommendations, and would require the translation and field testing of those documents. The bill would require the implementation of these provisions no later than January 1, 2021.

Last edited by Joanne Campbell at Mar 26, 2019, 7:40 PM

Organizational Sponsor: California Pan-Ethnic Health Network and Western Center on Law & Poverty Local Health Plans of California - Oppose California Association of Health Plans - Oppose

State	Bill Number	Status	Position
CA	AB 384	In Senate	Monitor

Labels: [Data](#) [Privacy](#)

#### Title

Information privacy: digital health feedback systems.

#### Primary Sponsors

Ed Chau

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:51 AM

AB 384, as amended, Chau. Information privacy: digital health feedback systems. Existing law, the Confidentiality of Medical Information Act, generally prohibits a provider of health care, a health care service plan, or a contractor from disclosing medical information regarding a patient of the provider of health care or an enrollee or subscriber of a health care service plan without first obtaining an authorization, except as otherwise specified. Existing law defines "medical information" for purposes of these provisions to mean certain individually identifiable health information in possession of or derived from a provider of health care, among others. Existing law makes a violation of these provisions that results in economic loss or personal injury to a patient punishable as a misdemeanor. This bill would define "personal health record information" for purposes of the act to mean individually identifiable information, in electronic or physical form, about an individual's mental or physical condition that is collected by an FDA-approved commercial internet website, online service, or product that is used by an individual at the direction of a provider of health care with the primary purpose of collecting the individual's individually identifiable personal health record information through a direct measurement of an individual's mental or physical condition or through user input regarding an individual's mental or physical condition. The bill would provide that a business that offers personal health record software or hardware to a consumer, in order to make information available to an individual or provider of health care at the request of the individual or provider of health care, for purposes of allowing the individual to manage their information, or for the diagnosis, treatment, or management of a medical condition of the individual, shall be deemed to be a provider of health care subject to the requirements of the Confidentiality of Medical Information Act. Because the bill would expand the definition of a crime, it would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

State	Bill Number	Status	Position
CA	AB 414	In Senate	Monitor

#### Title

Health care coverage: minimum essential coverage.

#### Primary Sponsors

Rob Bonta

**Bill Summary:** Last edited by Joanne Campbell at Mar 7, 2019, 11:10 PM  
Requires a California resident to ensure that the resident and the resident's dependents are covered under minimum essential coverage for each month beginning after 2019. The bill would impose a penalty for the failure to maintain minimum essential coverage.

Labels: [Care4All](#) [Commercial](#) [Individual Mandate](#)

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:24 AM

AB 414, as amended, Bonta. Health care coverage: minimum essential coverage. Existing federal law, the Patient Protection and Affordable Care Act (PPACA), requires each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. Existing state law creates the California Health Benefit Exchange (Exchange), also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under PPACA. PPACA generally requires individuals, and any dependents of the individual, to maintain minimum essential coverage, as defined, and, if an individual fails to maintain minimum essential coverage, PPACA imposes on the individual taxpayer a penalty. This provision is referred to as the individual mandate. Existing state law creates the Minimum Essential Coverage Individual Mandate to ensure an individual and the individual's spouse and dependents maintain minimum essential coverage, and imposes the Individual Shared Responsibility Penalty for the failure to maintain minimum essential coverage. This bill, on or before March 1, 2022, and annually on or before March 1 thereafter, would require the Franchise Tax Board to report to the Legislature on specified information regarding the Minimum Essential Coverage Individual Mandate, the Individual Shared Responsibility Penalty, and state financial subsidies paid for health care coverage.

State	Bill Number	Status	Position
CA	AB 577	In Senate	Monitor

**Title**  
Health care coverage: maternal mental health.

**Primary Sponsors**  
Susan Eggman, Anthony Portantino

**Bill Summary:** Last edited by Joanne Campbell at Mar 8, 2019, 5:27 PM  
This bill would extend Medi-Cal postpartum coverage from 60 days to one-year. The bill specifically: Amends WIC Section 14005.18 to extend postpartum Medi-Cal eligibility from 60 days to up to one year for individuals diagnosed with a maternal mental health condition (definition includes, but is not limited to, postpartum depression).

**Labels:** Behavioral Health Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:26 AM  
AB 577, as amended, Eggman. Health care coverage: maternal mental health. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan and a health insurer, at the request of an enrollee or insured, to provide for the completion of services by a terminated or nonparticipating provider if the enrollee or insured is undergoing a course of treatment for one of specified conditions, including a serious chronic condition, at the time of the contract or policy termination or the time the coverage became effective. This bill would, for purposes of an individual who presents written documentation of being diagnosed with a maternal mental health condition, as defined, from the individual's treating health care provider, require completion of covered services for that condition, not exceeding 12 months, as specified. By expanding the duties of health care service plans, the bill would expand the scope of an existing crime, thereby imposing a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

State	Bill Number	Status	Position
CA	AB 598	In Senate	Monitor

**Title**  
Hearing aids: minors.

**Primary Sponsors**  
Richard Bloom, Ben Allen

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 9:00 PM  
Mandates coverage for a hearing aid for individuals up to 18 years of age beginning January 1, 2020.

**Labels:** Commercial Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:28 AM  
AB 598, as amended, Bloom. Hearing aids: minors. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for specified benefits. This bill would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after July 1, 2020, to include coverage for hearing aids, as defined, for an enrollee or insured under 18 years of age. The bill would require the coverage to be performed by contracted providers, except as specified. The bill would require the contracted providers to include a pediatric audiologist for children under 5 years of age. The bill would require hearing aids covered under the bill to be subject to the cost sharing imposed by the plan contract or health insurance policy for durable medical equipment, as specified. Because a willful violation of these requirements by a health care service plan would be a crime, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

**Title**

Air ambulance services.

**Primary Sponsors**

Tim Grayson

**Bill Summary:** Last edited by Joanne Campbell at Feb 19, 2019, 9:13 PM  
Limits a health plan enrollee out of network air ambulance costs to an enrollee's out of pocket expenses for in-network providers. Also includes language regarding the Medi-Cal rate setting for air ambulance services.

**Labels:** Commercial Medi-Cal

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:47 AM

AB 651, as amended, Grayson. Air ambulance services. (1) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires that health care service plan contracts and health insurance policies provide coverage for certain services and treatments, including emergency medical transportation services. This bill would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2020, to provide that if an enrollee, insured, or subscriber (individual) receives covered services from a noncontracting air ambulance provider, the individual shall pay no more than the same cost sharing that the individual would pay for the same covered services received from a contracting air ambulance provider, referred to as the in-network cost-sharing amount. The bill would provide that an individual would not owe the noncontracting provider more than the in-network cost-sharing amount for services. The bill would authorize a noncontracting provider to advance to collections only the in-network cost-sharing amount that the individual has failed to pay. The bill would authorize a health care service plan, health insurer, or provider to seek relief in any court for the purpose of resolving a payment dispute, and would not prohibit a provider from using a health care service plan's or health insurer's existing dispute resolution processes. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. (2) Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services, including medical transportation services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes the Director of Health Care Services to limit rates of payment for health care services, and requires the director to adopt regulations as are necessary for carrying out these provisions. Existing regulations provide for the maximum reimbursement rates for medical transportation services, including air ambulance services. Existing federal law provides for the federal Medicare Program, which is a public health insurance program for persons 65 years of age and older and specified persons with disabilities who are under 65 years of age. This bill would require the department to set and maintain, commencing January 1, 2020, supplemental Medi-Cal payments for air ambulance services provided by fixed or rotary wing aircraft, and would require these payments to be the difference between the existing fee-for-service rates and the Medicare Program's lowest rural base rate in California in effect on January 1, 2020. The bill would provide, commencing January 1, 2020, the amounts a noncontract emergency medical transport provider may collect if the beneficiary received medical assistance other than through enrollment in a Medi-Cal managed care health plan pursuant to a specified federal law would be the sum of the supplemental payments and the existing fee-for-service payment schedule amounts. (3) Existing law, the Emergency Medical Air Transportation Act, effective until January 1, 2022, imposes a penalty of \$4 until January 1, 2020, upon every conviction for a violation of the Vehicle Code or a local ordinance adopted pursuant to the Vehicle Code, other than a parking offense. The act requires the county or the court that imposed the fine to transfer the moneys collected pursuant to that act to the Treasurer for deposit into the Emergency Medical Air Transportation and Children's Coverage Fund. Under the act, moneys in the fund are made available, upon appropriation by the Legislature, to the State Department of Health Care Services for children's health care coverage and administrative costs relating to emergency medical air transportation provider payments. Existing law provides that 80% of the appropriated money remaining after payment of the administrative costs is to be used to augment the Medi-Cal program's emergency medical air transportation reimbursement payments. This bill would provide that the payment augmentation would only apply to emergency medical air transportation services that are provided on a date of service that predates the implementation of the supplemental Medi-Cal payments for air ambulance services described in paragraph (2). (4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 11, 2019, 10:15 PM

Organizational Sponsor: California Association of Air Medical Services (Cal-AAMS) California Association of Health Plans - Support



State	Bill Number	Status	Position
CA	AB 678	In Senate	Monitor

**Title**  
Medi-Cal: podiatric services.

**Primary Sponsors**  
Heath Flora

**Bill Summary:** Last edited by Joanne Campbell at Feb 19, 2019, 9:14 PM  
Provides that the exclusion of podiatric services is effective only through December 31, 2019, and would restore podiatric services as a covered benefit of the Medi-Cal program as of January 1, 2020, or the effective date of federal approvals as specified.

**Labels:** Medi-Cal

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:02 AM  
AB 678, as amended, Flora. Medi-Cal: podiatric services. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services, including podiatric services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law provides that prior authorization for podiatric services provided on an outpatient or inpatient basis is not required if specified conditions are met, including an urgent or emergency need for services at the time of service. This bill would repeal these provisions, and would instead prohibit the requirement of prior authorization for podiatric services provided by a doctor of podiatric medicine if a physician and surgeon rendering the same services would not be required to provide prior authorization. The bill would clarify that a doctor of podiatric medicine acting within their scope of practice and providing specified services is subject to the same Medi-Cal billing and services policies as required for a physician and surgeon, including a maximum numerical service limitation in any one calendar month.

Last edited by Joanne Campbell at Mar 26, 2019, 7:33 PM  
Organizational Sponsor: California Podiatric Medical Association

State	Bill Number	Status	Position
CA	AB 714	In Senate	Monitor

**Title**  
Opioid prescription drugs: prescribers.

**Primary Sponsors**  
Jim Wood

**Bill Summary:** Last edited by Joanne Campbell at Feb 20, 2019, 6:45 PM  
Current law requires a prescriber to offer to a patient a prescription for naloxone hydrochloride or another drug approved by the United States Food and Drug Administration for the complete or partial reversal of opioid depression when certain conditions are present. This bill would make those provisions applicable only to a patient receiving a prescription for an opioid or benzodiazepine medication, and would make the provisions specific to opioid-induced respiratory depression, opioid overdose, opioid use disorder, and opioid overdose prevention.

**Labels:** Behavioral Health Commercial Medi-Cal  
Opioids Pharmacy

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:31 AM  
AB 714, as amended, Wood. Opioid prescription drugs: prescribers. Existing law requires a prescriber, as defined, to offer to a patient a prescription for naloxone hydrochloride or another drug approved by the United States Food and Drug Administration for the complete or partial reversal of opioid depression when certain conditions are present, including if the patient presents with an increased risk for overdose or a history of substance use disorder, and to provide education on overdose prevention to patients receiving a prescription and specified other persons. This bill would make those provisions applicable only to a patient receiving a prescription for an opioid or benzodiazepine medication, and would make the provisions specific to opioid-induced respiratory depression, opioid overdose, opioid use disorder, and opioid overdose prevention, as specified. The bill, among other exclusions, would exclude from the above-specified provisions requiring prescribers to offer a prescription and provide education prescribers when ordering medications to be administered to a patient in an inpatient or outpatient setting. The bill would exclude from the definition of "prescriber" a person licensed under the Veterinary Medicine Practice Act and would define other terms for purposes of those provisions. This bill would declare that it is to take effect immediately as an urgency statute.

**Title**

Health care coverage: telehealth.

**Primary Sponsors**

Cecilia Aguiar-Curry

**Bill Summary:** Last edited by Joanne Campbell at Feb 20, 2019, 6:49 PM  
Requires a contract between a health care service plan and a healthcare provider for the provision of healthcare services to an enrollee for an alternative rate of payment to specify that the plan reimburse a healthcare provider for the diagnosis, consultation, or treatment delivered through telehealth services on the same basis and to the same extent that the health care service plan is responsible for reimbursement for the same service through in-person diagnosis, consultation, or treatment. The bill authorizes a plan to offer a contract or policy containing a deductible, copayment, or coinsurance requirement for a healthcare service delivered through telehealth services, subject to specified limitations. The bill would prohibit a health care service plan contract from imposing an annual or lifetime dollar maximum for telehealth services, and would prohibit those contracts and policies from imposing a deductible, copayment, or coinsurance, or a plan year, calendar year, lifetime, or other durational benefit limitation or maximum for benefits or services that is not equally imposed on all terms and services covered under the contract.

**Labels:** Commercial Medi-Cal Telehealth

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:00 AM

AB 744, as amended, Aguiar-Curry. Health care coverage: telehealth. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, face-to-face contact between a health care provider and a patient is not required under the Medi-Cal program for teleophthalmology, teledermatology, and teledentistry by store and forward. Existing law requires a Medi-Cal patient receiving teleophthalmology, teledermatology, or teledentistry by store and forward to be notified of the right to receive interactive communication with a distant specialist physician, optometrist, or dentist, and authorizes a patient to request that interactive communication. This bill would delete those interactive communication provisions, and would instead specify that face-to-face contact between a health care provider and a patient is not required under the Medi-Cal program for any health care services provided by store and forward. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits a health care service plan or health insurer from requiring that in-person contact occur between a health care provider and a patient, and from limiting the type of setting where services are provided, before payment is made for covered services provided appropriately through telehealth services. This bill would require a contract issued, amended, or renewed on or after January 1, 2021, between a health care service plan and a health care provider for the provision of health care services to an enrollee or subscriber, or a contract issued, amended, or renewed on or after January 1, 2021, between a health insurer and a health care provider for an alternative rate of payment to specify that the health care service plan or health insurer reimburse a health care provider for the diagnosis, consultation, or treatment of an enrollee, subscriber, insured, or policyholder appropriately delivered through telehealth services on the same basis and to the same extent that the health care service plan or health insurer is responsible for reimbursement for the same service through in-person diagnosis, consultation, or treatment. The bill would authorize a health care service plan or health insurer to offer a contract or policy containing a copayment or coinsurance requirement for a health care service delivered through telehealth services, subject to specified limitations. The bill would require telehealth services covered under a health care service plan contract or policy or health insurance issued, amended, or renewed on or after January 1, 2021, to be subject to the same deductible and annual or lifetime dollar maximum requirements as for equivalent services that are not provided through telehealth. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 11, 2019, 9:01 PM

Organizational Sponsor: CA Medical Association (CMA)

State  
CA

Bill Number  
AB 767

Status  
In Senate

Position  
Monitor

#### Title

Health care coverage: in vitro fertilization.

#### Primary Sponsors

Buffy Wicks, Autumn Burke, Evan Low, Henry Stern

**Bill Summary:** Last edited by Joanne Campbell at Feb 20, 2019, 6:50 PM  
Requires health care service plan contract to provide coverage for in vitro fertilization, as a treatment of infertility, and mature oocyte cryopreservation. The bill would delete the exemption for health care service plans from the requirements relating to coverage for the treatment of infertility.

Labels: Commercial Mandate Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:08 AM

AB 767, as amended, Wicks. Health care coverage: in vitro fertilization. Existing federal law, the Patient Protection and Affordable Care Act (PPACA), requires each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. Existing state law creates the California Health Benefit Exchange (Exchange), also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under PPACA. Existing law requires certain group health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 1990, to offer coverage for the treatment of infertility, except in vitro fertilization, under those terms and conditions as may be agreed upon between the group subscriber or the group policyholder and the health care service plans or the health insurers. Existing law exempts any employer that is a religious organization or health care service plan or health insurer that is a subsidiary of an entity whose owner or corporate member is a religious organization from the requirement to offer coverage for forms of treatment of infertility in a manner inconsistent with the religious organization's religious and ethical principles, as specified. This bill would require the Exchange to develop options for the inclusion of in vitro fertilization coverage as part of, or as supplementary to, coverage currently offered through Covered California, in consultation with stakeholders and by considering specified options. The bill would further require the Exchange, on or before July 1, 2020, to report the options to the Legislature and make the report publicly available on its internet website. The bill would repeal these provisions on January 1, 2022.

Last edited by Joanne Campbell at Mar 11, 2019, 9:02 PM

Organizational Sponsor: Equality California and Planned Parenthood

State **CA** Bill Number **AB 769** Status **In Senate** Position **Monitor**

**Title**

Labels: **Commercial** **FQHC** **Medi-Cal** **Scope**

Federally qualified health centers and rural health clinics: licensed professional clinical counselor.

**Primary Sponsors**

Christy Smith

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:04 AM

AB 769, as introduced, Smith. Federally qualified health centers and rural health clinics: licensed professional clinical counselor. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive healthcare services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law provides that federally qualified health center (FQHC) services and rural health clinic (RHC) services, as defined, are covered benefits under the Medi-Cal program, to be reimbursed, to the extent that federal financial participation is obtained, to providers on a per-visit basis. "Visit" is defined as a face-to-face encounter between a patient of an FQHC or RHC and specified health care professionals. Existing law allows an FQHC or RHC to apply for an adjustment to its per-visit rate based on a change in the scope of service it provides. This bill would additionally include a licensed professional clinical counselor within those health care professionals covered under that definition. The bill would require an FQHC or RHC that currently includes the cost of the services of a licensed professional clinical counselor for the purposes of establishing its FQHC or RHC rate to apply to the department for an adjustment to its per-visit rate, and, after the rate adjustment has been approved by the department, would require the FQHC or RHC to bill for these services as a separate visit, as specified. The bill would require an FQHC or RHC that does not provide the services of a licensed professional clinical counselor, and later elects to add this service and bill these services as a separate visit, to process the addition of these services as a change in scope of service.

State **CA** Bill Number **AB 848** Status **In Senate** Position **Monitor**

**Title**

Labels: **Medi-Cal**

Medi-Cal: covered benefits: continuous glucose monitors.

**Primary Sponsors**

Adam Gray

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:43 AM

B 848, as introduced, Gray. Medi-Cal: covered benefits: continuous glucose monitors. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive healthcare services. The Medi-Cal program is, in part, governed by, and funded pursuant to, federal Medicaid program provisions. Existing law establishes a schedule of covered benefits under the Medi-Cal program. Existing law also generally requires pharmaceutical manufacturers to provide to the department a state rebate for certain drug products that have been added to the Medi-Cal list of contract drugs, that are approved for the treatment of acquired immunodeficiency syndrome (AIDS), or an AIDS-related condition, or cancer, and that are reimbursed through the Medi-Cal outpatient fee-for-service drug program, as specified. This bill would, to the extent that federal financial participation is available and any necessary federal approvals have been obtained, add continuous glucose monitors and related supplies required for use with those monitors to the schedule of benefits under the Medi-Cal program for the treatment of diabetes mellitus when medically necessary, subject to utilization controls. The bill would also authorize the department to require the manufacturer of a continuous glucose monitor to enter into a rebate agreement with the department.

Labels: Medi-Cal

#### Title

Medi-Cal: inmates: eligibility.

#### Primary Sponsors

Chris Holden

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:09 AM

AB 914, as amended, Holden. Medi-Cal: inmates: eligibility. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires Medi-Cal benefits of an individual who is an inmate of a public institution to be suspended effective the date the individual becomes an inmate of a public institution. Existing law requires the suspension to end on the date that the individual is no longer an inmate of a public institution or one year from the date they become an inmate of a public institution, whichever is sooner. Existing law generally requires a county to redetermine a Medi-Cal beneficiary's eligibility to receive Medi-Cal benefits every 12 months and whenever the county receives information about changes in a beneficiary's circumstances that may affect their eligibility for Medi-Cal benefits. This bill would, subject to federal approval, for individuals under 26 years of age, instead require the suspension of Medi-Cal eligibility to end either on the date that the individual is no longer an inmate of the public institution or is no longer otherwise eligible for benefits under the Medi-Cal program, whichever is sooner, and would require the department, in consultation with specified stakeholders, to develop and implement a simplified annual redetermination of eligibility for individuals under 26 years of age whose eligibility is suspended pursuant to these provisions. Because counties are required to make Medi-Cal eligibility determinations, and the bill would expand Medi-Cal annual redetermination of eligibility for certain inmates of public institutions, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

**Title**  
California Health Benefit Exchange: data collection.

**Primary Sponsors**  
Luz Rivas

**Bill Summary:** Last edited by Joanne Campbell at Feb 21, 2019, 6:58 PM  
Requires the board to report, data that is collected, on cost reduction efforts, quality improvements, or disparity reductions, to make public plan-specific data on cost reduction efforts, quality improvements, and disparity reductions. These results shall be posted on Exchange's website.

**Labels:** Commercial

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:26 AM

AB 929, as amended, Luz Rivas. California Health Benefit Exchange: data collection. Existing federal law, the Patient Protection and Affordable Care Act (PPACA), requires each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. Existing state law creates the California Health Benefit Exchange (Exchange), also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under PPACA. Existing law prescribes the duties of the board of the Exchange, including requiring a health plan seeking certification as a qualified health plan to submit specified data to the board. This bill would require the board, if it requires or has previously required a qualified health plan to report on cost reduction efforts, quality improvements, or disparity reductions, to make public plan-specific data on cost reduction efforts, quality improvements, and disparity reductions. The bill would require the board to post that data and information to the internet website of the Exchange no less than annually and in a way that demonstrates the compliance and performance of a health plan, but protects the personal information of an enrollee. The bill would require a qualified health plan to provide enrollee data and other information on quality measures to the board, as specified, and would require information to be provided by product type. The bill would exempt Exchange records that reveal specified claims and rate data from disclosure under the California Public Records Act. The bill would also require the board to engage in health oversight activities relating to Exchange operations, including audits, investigations, and inspections of the Exchange and the individuals or entities regulated in connection with the Exchange. Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

Last edited by Joanne Campbell at Mar 11, 2019, 8:57 PM

Organizational Sponsor: CA Pan-Ethnic Health Network (CPEHN) and Health Access

**Title**

Health care coverage: HIV specialists.

**Primary Sponsors**

Adrin Nazarian

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 10:18 PM  
Requires a health care service plan contract to permit an HIV specialist, as defined, to be an eligible primary care provider, as defined, if the provider requests primary care provider status and meets the plan's eligibility criteria for all specialists seeking primary care provider status.

**Labels:** Commercial Medi-Cal

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:42 AM

AB 993, as amended, Nazarian. Health care coverage: HIV specialists. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. A willful violation of the act is a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires the Department of Managed Health Care to adopt regulations to ensure that enrollees have access to needed health care services in a timely manner. Existing law requires the Department of Managed Health Care to develop indicators of timeliness of access to care, including waiting times for appointments with physicians, including primary care and specialty physicians. Existing law requires health care service plans to report annually to the Department of Managed Health Care on compliance with the standards developed pursuant to these provisions. Existing law also requires the Insurance Commissioner to promulgate regulations applicable to health insurers that contract with providers for alternative rates to ensure that insureds have the opportunity to access needed health care services in a timely manner. This bill would require a health care service plan contract or health insurance policy that is issued, amended, or renewed on or after January 1, 2020, to permit an HIV specialist, as defined, to be an eligible primary care provider, as defined, if the provider requests primary care provider status and meets the plan's or the health insurer's eligibility criteria for all specialists seeking primary care provider status. The bill would provide that these provisions do not apply to a health insurance policy that does not require an insured to obtain a referral from the primary care physician prior to seeking covered health care services from a specialist. The bill would provide that these provisions do not include an HIV specialist as a primary care physician for the purposes of network adequacy requirements. Because a willful violation of these requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 11, 2019, 10:18 PM

Organizational Sponsor: AIDS Healthcare Foundation (AHF)

State  
CA

Bill Number  
AB 1004

Status  
In Senate

Position  
Monitor

**Title**  
Developmental screening services.

**Primary Sponsors**  
Kevin McCarty

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 8:49 PM  
Requires that screening services provided as an EPSDT benefit include developmental screening services for individuals zero to 3 years of age, inclusive. Until July 1, 2023, the bill would require an external quality review organization entity to annually review, survey, and report on managed care plan reporting and compliance with specified developmental screening tools and schedules.

**Labels:** EPSDT Medi-Cal Quality

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:06 AM  
AB 1004, as amended, McCarty. Developmental screening services. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services, including Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services for any individual under 21 years of age who is covered under Medi-Cal consistent with the requirements under federal law. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, one of the methods by which Medi-Cal services are provided is pursuant to contracts with various types of managed care plans, and existing law requires the department to pay capitation rates to the managed care plans. Existing federal law provides that EPSDT services include periodic screening services, vision services, dental services, hearing services, and other necessary services to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not the services are covered under the state plan. This bill would require, consistent with federal law, that screening services provided as an EPSDT benefit include developmental screening services for individuals zero to 3 years of age, inclusive, and would require Medi-Cal managed care plans to ensure that providers who contract with these plans render those services in conformity with specified standards. The bill would require the department to ensure a Medi-Cal managed care plan's ability and readiness to perform these developmental screening services, and to adjust a Medi-Cal managed care plan's capitation rate. Until July 1, 2023, the bill would require an external quality review organization entity to annually review, survey, and report on managed care plan reporting and compliance with specified developmental screening tools and schedules. The bill would also make legislative findings and declarations relating to child development.

Last edited by Joanne Campbell at Mar 26, 2019, 7:34 PM  
Organizational Sponsor: First 5 LA



State	Bill Number	Status	Position
CA	AB 1035	In Senate	Monitor

Labels: [Data](#) [Privacy](#)

#### Title

Personal information: data breaches.

#### Primary Sponsors

Chad Mayes

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:44 AM

AB 1035, as amended, Mayes. Personal information: data breaches. (1) Existing law defines and regulates the use of personal information by businesses. Existing law requires a person or business, as defined, that owns or licenses computerized data that includes personal information to disclose, as specified, any breach of the security of the system following discovery or notification of the breach. Existing law requires the disclosure to be made in the most expedient time possible and without unreasonable delay consistent with the legitimate needs of law enforcement, as provided, and other security and investigative measures. This bill would, instead, require a person or business, as defined, that owns or licenses computerized data that includes personal information to disclose a breach of the security of the system in the most expedient time possible and without unreasonable delay, but in no case more than 45 days, following discovery or notification of the breach, subject to the legitimate needs of law enforcement, as provided. The bill would make other conforming changes. (2) Existing law, the Information Practices Act of 1977, requires a public agency, as defined, that owns or licenses computerized data that includes personal information to disclose a breach of the security of the system in the most expedient time possible and without unreasonable delay following discovery or notification of the breach, as specified. This bill would, instead, require an agency that owns or licenses computerized data that includes personal information to disclose a breach of the security of the system in the most expedient time possible and without unreasonable delay, but in no case longer than 45 days, following discovery or notification of the breach. The bill would additionally require an agency that was the source of a security breach to offer, in the notice of the breach, appropriate identity theft prevention and mitigation services at no cost to potential or actual victims of the breach, as specified. The bill would also make nonsubstantive changes.

State	Bill Number	Status	Position
CA	AB 1088	In Senate	Support

#### Title

Medi-Cal: eligibility.

#### Primary Sponsors

Jim Wood

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 8:54 PM  
Provides that an aged, blind, or disabled individual who would otherwise be eligible for Medi-Cal benefits under Section 14005.40, if not for the state buy-in of their Medicare Part B premiums, shall be eligible for Medi-Cal without a share of cost if their income and resources otherwise meet all eligibility requirements.

Labels: [Coverage Expansion](#) [Medi-Cal](#)

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:55 AM

AB 1088, as amended, Wood. Medi-Cal: eligibility. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires the department to exercise its option under federal law to implement a program for aged and disabled persons, as described. Existing law requires an individual under these provisions to satisfy certain financial eligibility requirements. Existing law requires the department, to the extent required by federal law, to implement for Medi-Cal recipients who are qualified Medicare beneficiaries, the payment of Medicare premiums, deductibles, and coinsurance for elderly and disabled persons whose income does not exceed the federal poverty level or 200% of a specified Supplemental Security Income program standard. This bill would provide that an individual who would otherwise be eligible for Medi-Cal benefits, but for the state's contribution to their Medicare premium, would be eligible for Medi-Cal without a share of cost if they otherwise meet eligibility requirements. The bill would authorize the department to implement this provision by provider bulletins or similar instructions until regulations are adopted. The bill would require the department to adopt regulations by July 1, 2021, and to provide a status report to the Legislature on a semiannual basis until regulations have been adopted.

Last edited by Joanne Campbell at Mar 11, 2019, 8:55 PM

Organizational Sponsor: Disability Rights CA Local Health Plans of California - Support California Association of Health Plans - Support

Labels: Behavioral Health Commercial Medi-Cal

**Title**

Medi-Cal: mental health services.

**Primary Sponsors**

Jim Wood

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:56 AM

AB 1175, as amended, Wood. Medi-Cal: mental health services. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services, including specialty mental health services and nonspecialty mental health services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires the department to implement managed mental health care for Medi-Cal beneficiaries through contracts with county mental health plans. Under existing law, the county mental health plans are responsible for providing specialty mental health services to enrollees, and Medi-Cal managed care health plans deliver nonspecialty mental health services to enrollees. Existing law requires county mental health plans and Medi-Cal managed care health plans to be governed by various guidelines, including network adequacy standards and a requirement that an external quality review organization (EQRO) annually review these plans. Existing law requires the department to consult with stakeholders, including subject matter experts who represent providers, to inform the updates to the performance outcomes reports for specialty mental health services. Existing law requires the department to ensure that contracts for county mental health plans and the Medi-Cal managed care health plans include a process for screening, referral, and coordination with necessary services, and to require a county mental health plan that provides Medi-Cal specialty mental health services to enter into a memorandum of understanding (MOU) with a Medi-Cal managed care health plan that provides Medi-Cal health services to some of the same Medi-Cal recipients served by the county mental health plan. Existing regulations provide for a dispute resolution process to be used to resolve matters between a Medi-Cal managed care health plan and a county mental plan. This bill would require the department, as part of its consultation with stakeholders concerning updates to the performance outcomes reports for specialty mental health services, to include additional components in those reports, including information on language access. The bill would require the department, commencing January 1, 2021, and annually thereafter, to update the performance dashboard to include the Healthcare Effectiveness Data and Information Set measures and Consumer Assessment of Healthcare Providers and Systems measures. The bill would require each county mental health plan and Medi-Cal managed care health plan, commencing January 1, 2021, to track and report specified county-specific information on referrals to other plans and how soon those referred services were rendered. The bill would require the department to require the EQRO to report, by specified dates, various information concerning the county mental health plan and the Medi-Cal managed care health plan, such as the average expenditure per individual provided mental health services and provider usage of electronic health record systems. This bill would require a county mental health plan and a Medi-Cal managed care health plan to provide continuity of care to a Medi-Cal enrollee who receives either specialty or nonspecialty mental health services from a respective plan by ensuring that an enrollee may access all of their mental health services-related care from one provider and through one plan if specified requirements are met, including that the enrollee has an ongoing relationship with that provider. The bill would require the plans to inform enrollees of their rights to avail themselves to continuity of care in the beneficiary handbook. This bill would require a county mental health plan and a Medi-Cal managed care health plan to provide, on a monthly basis, to the respective Medi-Cal managed care health plan and county mental health plan a list that identifies specified information, including the contact information of the patient and provider, relating to the members of the respective plans who are receiving, or have received, any specialty mental health services. The bill would require the department to implement, by July 1, 2020, these provisions by various means, including plan letters, and to direct county mental health plans and Medi-Cal managed care health plans to exchange the required information. This bill would require the department to require that the MOU include additional components, including care coordination protocols between a county mental health plan and a Medi-Cal managed care health plan. The bill would require the department to annually evaluate the implementation of the MOU and related protocol and policies, and to report to the Legislature on specified matters, including the findings of the review and identifying the timeframes for these plans to achieve compliance with these provisions by January 1, 2021. The bill would require a county mental health plan and Medi-Cal managed care health plan that are unable to resolve a dispute to submit a request for resolution to the department, and to ensure that there is no delay in the provision of medically necessary services pending the resolution of the dispute. The bill would require the department to issue a written decision to the plans within 30 calendar days from receipt of the request.

Last edited by Joanne Campbell at Mar 26, 2019, 7:42 PM

Organizational Sponsor: National Health Law Program and Western Center on Law &amp; Poverty

**Title**

End Foster Youth Student Hunger in California Act of 2019.

**Primary Sponsors**

Buffy Wicks

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:19 AM

AB 1229, as amended, Wicks. End Foster Youth Student Hunger in California Act of 2019. Existing federal law provides for the federal Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which nutrition assistance benefits are distributed to eligible individuals by the counties. Existing law establishes eligibility and benefit level requirements for receipt of CalFresh benefits. Existing law establishes the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which counties provide payments to foster care providers on behalf of qualified children in foster care. The program is funded by a combination of federal, state, and county funds. In order to be eligible for AFDC-FC, existing law requires a child or nonminor dependent to be placed in one of several specified placements, including, for nonminor dependents, a supervised independent living setting. Existing law authorizes a nonminor dependent to receive all of the AFDC-FC payment directly if the nonminor dependent is living in a supervised independent living placement and complies with certain requirements. Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law requires the commission to work cooperatively with the State Department of Social Services to develop an automated system to verify a student's status as a foster youth to aid in the processing of applications for federal financial aid. Under existing law, the commission, through an interagency agreement with the State Department of Social Services, operates the Chafee Educational and Training Vouchers Program, to provide federal grants to current and former foster youth with access to postsecondary education. This bill, the End Foster Youth Student Hunger in California Act of 2019, would require the Student Aid Commission to report to the Legislature, no later than July 1, 2020, the amount of funding and the authority it would need to establish a Transition Age Foster Youth Meal Plan Program. The bill would also require the commission to identify the proposed amount, and method of issuance, of a benefit under that program. The act would require the State Department of Social Services to provide a state-funded cash benefit for purposes of food assistance to nonminor dependents in supervised independent living placements, as defined, who directly receive their AFDC-FC payments. The supplemental nutrition benefit would be provided as a cash benefit paid directly to the nonminor dependent, as specified. Existing federal law provides that students who are enrolled in college or other institutions of higher education at least half time are not eligible for SNAP benefits unless they meet one of several specified exemptions, including being employed for a minimum of 20 hours per week and being paid for such employment, as specified, or participating in a state or federally financed work study program during the regular school year. The act would require the State Department of Social Services to establish an official approval process to ensure that paid or unpaid internship hours worked by a foster youth student, as defined, outside of approved federal or state work study will qualify the foster youth student for an exemption to the student eligibility rule described above. The act would require the department to issue guidance to county human services agencies to require certain practices identified by the department to increase rates of completed CalFresh applications and CalFresh participation rates of exiting foster youth. By imposing these duties on counties with respect to foster youth participation in CalFresh, the bill would create a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

**Title**

Health care coverage: enrollment periods.

**Primary Sponsors**

Rebecca Bauer-Kahan

**Bill Summary:** Last edited by Joanne Campbell at Feb 25, 2019, 10:23 PM  
Requires a health care service plan for policy years beginning on or after January 1, 2020, to provide a special enrollment period to allow individuals to enroll in individual health benefit plans through the Exchange from December 16 of the preceding calendar year, to January 31 of the benefit year, inclusive.

**Labels:** Care4All Commercial Exchange

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:57 AM

AB 1309, as amended, Bauer-Kahan. Health care coverage: enrollment periods. Existing federal law, the Patient Protection and Affordable Care Act (PPACA), requires each state to establish an American Health Benefit Exchange to facilitate the purchase of qualified health benefit plans by qualified individuals and qualified small employers. PPACA requires an American Health Benefit Exchange to provide for an annual open enrollment period for the individual market for policy years beginning on or after January 1, 2018, to begin on November 1 and extend through December 15 of the calendar year preceding the benefit year. Existing federal law establishes special enrollment periods during which a qualified individual may enroll in a qualified health plan when specified triggering events occur, such as when the qualified individual loses minimum essential coverage, as defined. Existing federal regulatory authority authorizes a state to establish additional special enrollment periods to supplement these special enrollment periods provided for under federal law under certain circumstances. Existing state law creates the California Health Benefit Exchange (Exchange), also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under PPACA. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan and a health insurer, for policy years beginning on or after January 1, 2019, to provide a special enrollment period to allow individuals to enroll in individual health benefit plans through the Exchange from October 15 to October 31 of the preceding calendar year, inclusive, and from December 16 of the preceding calendar year, to January 15 of the benefit year, inclusive. Existing law requires, with respect to individual health benefit plans offered outside of the Exchange, that the annual open enrollment period for policy years beginning on or after January 1, 2019, extend from October 15 of the preceding calendar year, to January 15 of the benefit year, inclusive. Existing law specifies the effective coverage dates for individual health benefit plans selected during special enrollment periods. This bill would additionally require a health care service plan and a health insurer, for policy years beginning on or after January 1, 2020, to provide a special enrollment period to allow individuals to enroll in individual health benefit plans through the Exchange from December 16 of the preceding calendar year, to January 31 of the benefit year, inclusive. The bill would also additionally require, with respect to individual health benefit plans offered outside of the Exchange, that the annual open enrollment period for policy years beginning on or after January 1, 2020, extend from November 1 of the preceding calendar year, to January 31 of the benefit year, inclusive. This bill would specify March 1 as the effective date of coverage for enrollment in an individual health benefit plan that occurs from January 16 to January 31, inclusive. The bill would require a plan or insurer to provide a statement to an enrollee or insured that services received during February of the benefit year shall be covered by the plan or insurer only if the premium is paid by the due date specified by the plan or insurer. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason

Last edited by Joanne Campbell at Mar 8, 2019, 5:16 PM

Organizational Sponsor: Health Access CA

State	Bill Number	Status	Position
CA	AB 1377	In Senate	Support

**Title**

CalFresh.

**Primary Sponsors**

Buffy Wicks

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:05 AM

AB 1377, as amended, Wicks. CalFresh. Existing federal law provides for the Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. Existing law requires each school district or county superintendent of schools maintaining kindergarten or any of grades 1 to 12, inclusive, to provide for each needy pupil one nutritionally adequate free or reduced-price meal during each schoolday, as specified. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. Existing law provides for the establishment of a statewide electronic benefits transfer system, administered by the State Department of Social Services, for the purpose of providing financial and food assistance benefits. This bill would require the State Department of Education, the State Department of Health Care Services, and the State Department of Social Services to work together with specified stakeholders to develop a proposed statewide process for using data collected for purposes of the CalFresh program, Medi-Cal, free and reduced-price school meals programs, and the electronic benefits transfer system to increase enrollment in the CalFresh program, as provided. The bill would require those departments to submit recommendations on that process and related issues to the relevant policy committees of the Legislature on or before August 31, 2020.

**Title**

Medi-Cal: telehealth: state of emergency.

**Primary Sponsors**

Cecilia Aguiar-Curry

**Bill Summary:** Last edited by Joanne Campbell at Feb 25, 2019, 10:25 PM  
Provides, only to the extent that federal financial participation is available, that neither face-to-face contact nor a patient's physical presence on the premises of an enrolled community clinic, is required for services provided by the clinic to a Medi-Cal beneficiary during or immediately following a state of emergency. The bill would authorize the department to apply this provision to services provided by another enrolled fee-for-service Medi-Cal provider, clinic, or facility.

**Labels:** FQHC Medi-Cal Telehealth

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:17 AM

AB 1494, as amended, Aguiar-Curry. Medi-Cal: telehealth: state of emergency. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, in-person contact between a health care provider and a patient is not required under the Medi-Cal program for services appropriately provided through telehealth, as defined, subject to reimbursement policies adopted by the department to compensate a licensed health care provider who provides health care services through telehealth that are otherwise reimbursed pursuant to the Medi-Cal program. Existing law, for purposes of payment for covered treatment or services provided through telehealth, prohibits the department from limiting the type of setting where services are provided for the patient or by the health care provider. This bill would provide, only to the extent that federal financial participation is available and federal approval is obtained, that neither face-to-face contact nor a patient's physical presence on the premises of an enrolled community clinic is required for services provided by the clinic to a Medi-Cal beneficiary during or immediately following a proclamation declaring a state of emergency. The bill would authorize the department to apply this provision to services provided by another enrolled fee-for-service Medi-Cal provider, clinic, or facility during or immediately following a state of emergency. The bill would require that telehealth services, telephonic services, and other specified services be reimbursable when provided by one of those entities during or immediately following a state of emergency. The bill would require the department, on or before March 1, 2020, to establish a stakeholder process to assist the department in developing guidance for those entities to facilitate reimbursement for the above-described services, and, on or before July 1, 2020, to issue the specified guidance, including certain instructions on the submission of claims for telehealth or telephonic services. The bill would authorize the department to implement the provisions by various means, including provider bulletins, and would require the department to adopt regulations, for purposes of the guidance, by January 1, 2024.

State	Bill Number	Status	Position
CA	AB 1611	In Senate	Monitor

**Title**  
Emergency hospital services: costs.

**Primary Sponsors**  
David Chiu, Scott Wiener

**Bill Summary:** Last edited by Joanne Campbell at Feb 25, 2019, 10:34 PM  
Requires a health care service plan to provide that if an enrollee receives covered services from a noncontracting hospital, the enrollee is prohibited from paying more than the same cost sharing that the enrollee would pay for the same covered services received from a contracting hospital. The bill would require a health care service plan to pay a noncontracting hospital for emergency services rendered to an enrollee pursuant to a specified formula (average contracted rate or 150 percent of the amount Medicare reimburses on a fee-for-service basis for the same or similar services in the general geographic region), would require a noncontracting hospital to bill, collect, and make refunds in a specified manner, and would provide a dispute resolution procedure if any party is dissatisfied with payment.

**Labels:** Commercial

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:53 AM

AB 1611, as amended, Chiu. Emergency hospital services: costs. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, requires the Department of Managed Health Care to license and regulate health care service plans and makes a willful violation of the act a crime. Existing law requires the Department of Insurance to regulate health insurers. Existing law requires a health care service plan or health insurer offering a contract or policy to provide coverage for emergency services. Existing law prohibits a hospital from transferring a person needing emergency services and care to another hospital for any nonmedical reason unless prescribed conditions are met and makes a willful violation of this requirement a crime. This bill would require a health care service plan contract or insurance policy issued, amended, or renewed on or after January 1, 2020, to provide that if an enrollee or insured receives covered emergency services from a noncontracting hospital, except as specified, the enrollee or insured is prohibited from paying more than the same cost sharing that the enrollee or insured would pay for the same covered services received from a contracting hospital. The bill would require a health care service plan or insurer to pay a noncontracting hospital for emergency services rendered to an enrollee or insured pursuant to a specified formula, would require a noncontracting hospital to bill, collect, and make refunds in a specified manner, and would provide a dispute resolution procedure if any party is dissatisfied with payment. The bill would require health care service plans and insurers to document cost savings pursuant to these provisions. By expanding the duties of health care services plans and hospitals, this bill would expand existing crimes, thereby imposing a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 26, 2019, 7:27 PM

Organizational Sponsor: California Labor Federation and Health Access

State	Bill Number	Status	Position
CA	AB 1642	In Senate	Monitor

**Title**  
Medi-Cal: managed care plans.

**Primary Sponsors**  
Jim Wood

**Bill Summary:** Last edited by Joanne Campbell at Apr 4, 2019, 7:46 PM

**Labels:** EPSDT Medi-Cal Quality Telehealth

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:14 AM

AB 1642, as amended, Wood. Medi-Cal: managed care plans. (1) Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified, low-income persons through various health care delivery systems, including managed care pursuant to Medi-Cal managed care plan contracts. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing federal regulations require a state that contracts with specified Medicaid managed care plans to develop and enforce network adequacy standards, to ensure that services covered under the Medicaid state plan are available and accessible to enrollees of specified Medicaid managed care plans in a timely manner, and to contract with a qualified external quality review

organization (EQRO) to produce annually an external quality review technical report that summarizes findings on access and quality of care. Existing state law establishes, until January 1, 2022, certain time and distance and appointment time standards for specified services consistent with those federal regulations to ensure that Medi-Cal managed care covered services are available and accessible to enrollees of Medi-Cal managed care plans in a timely manner, and authorizes a Medi-Cal managed care plan to request approval from the department to use alternative access standards for the time and distance standards if specified conditions are met, including that the Medi-Cal managed care plan has exhausted all reasonable options to obtain providers to meet the applicable standard. Existing state law requires a Medi-Cal managed care plan to provide annually to the department, or upon the department's request, a report that demonstrates the Medi-Cal managed care plan's compliance with time and distance standards, and requires the EQRO to compile various data, by plan and by county, related to time and distance standards, including the number of requests for alternative access standards in the plan service area for time and distance. This bill would require a Medi-Cal managed care plan to provide to the department additional information in its request for the alternative access standards, including a description of the reasons justifying the alternative access standards, and to report to the department on how the Medi-Cal managed care plan arranged for the delivery of Medi-Cal covered services to Medi-Cal enrollees, such as through the use of Medi-Cal covered transportation. The bill would require the department to evaluate, as part of its review and approval of an alternative access standard, if the resulting time and distance is reasonable to expect a beneficiary to travel to receive care. The bill would require a Medi-Cal managed care plan that has received approval from the department to utilize an alternative access standard to assist an enrollee who would travel farther than the established time and distance standards in obtaining an appointment with an appropriate provider within established appointment time standards, to arrange for Medi-Cal covered transportation for the enrollee, as necessary, and to inform all members in mailings of specified related matters, including the Medi-Cal managed care plan's alternative time and distance standards and how to access Medi-Cal covered transportation. This bill would require the information compiled by the EQRO to include the extent to which each Medi-Cal managed care plan uses clinically appropriate telecommunications technology to meet established time and distance standards. (2) Existing law requires the department to pay capitation rates to Medi-Cal managed care plans using actuarial methods, and requires the Medi-Cal managed care capitation rates to be developed pursuant to specified factors, including health-plan-specific encounter and claims data. This bill would require the department, in establishing capitation rates for Medi-Cal managed care plans, to consider beneficiary access to Medi-Cal covered services, including travel times to receive services, and the ability of each Medi-Cal managed care plan to comply with the time and distance requirements. (3) Existing law requires the Director of Health Care Services, in accordance with specified procedures, to either terminate a contract with or impose one or more specified sanctions, including civil penalties pursuant to federal law, on a prepaid health plan or Medi-Cal managed care plan if the department makes a finding of noncompliance or for other good cause. This bill would modify criteria for a finding of noncompliance or for other good cause under those provisions. The bill would expand the types of authorized sanctions and bases for sanctions, would raise the maximum limits of certain sanctions based on the number of violations, and would modify the terms of notice. The bill would require the department to use nonfederal moneys collected by the department under these provisions to be deposited into the General Fund for use, and, upon appropriation by the Legislature, would require these moneys to be used to address workforce issues in the Medi-Cal program and to improve access to care in the Medi-Cal program. The bill would condition the implementation of these requirements on receipt of any necessary federal approvals and the availability of federal financial participation. (4) Existing law requires the department to implement managed mental health care for Medi-Cal beneficiaries through contracts with county mental health plans. Under existing law, the county mental health plans are responsible for providing specialty mental health services to beneficiaries, and Medi-Cal managed care health plans are responsible for delivering nonspecialty mental health services to beneficiaries. Existing law requires the department to notify the mental health plan of the department's determination that a mental health plan has failed to comply with certain provisions, and authorizes the department to impose sanctions. Existing law authorizes the department, if the department imposes fines or penalties, to offset the fines from certain accounts, including the Mental Health Subaccount. This bill would instead extend the provisions described under paragraph (3) to mental health plans, and would apply those provisions to additional contractors. The bill would authorize the department to temporarily withhold payments of federal financial participation and payments from the above-described accounts until the department determines the contractor has come into compliance. (5) Existing law requires the department, subject to the availability of funding, to conduct a dental outreach and education program for Medi-Cal beneficiaries that informs them of specified matters, including how to obtain dental care through the Medi-Cal program. This bill would require the department, subject to the availability of funding, to conduct a preventive services outreach and education program for Medi-Cal beneficiaries, and to consult with specified entities, including health care professional groups and experts, to develop this program. The bill would require the program to inform Medi-Cal beneficiaries about various topics, including how an individual may obtain assistance in accessing Medi-Cal covered services, and to include specified components, such as incorporating the importance of preventive care in ongoing outreach and advertising efforts related to the Medi-Cal program. The bill would authorize the department to direct a Medi-Cal managed care plan to provide funding for this program if the Medi-Cal managed care plan fails to meet the established minimum performance level of preventive service utilization rates.



State  
CA

Bill Number  
SB 29

Status  
In Assembly

Position  
Support

**Title**  
Medi-Cal: eligibility.

**Bill Summary:** Last edited by Joanne Campbell at Feb 27, 2019, 5:39 PM  
Expands Medi-Cal eligibility regardless of immigration status.

**Primary Sponsors**  
Maria Durazo

**Labels:** Care4All Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:34 AM

SB 29, as amended, Durazo. Medi-Cal: eligibility. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. The federal Medicaid program provisions prohibit payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law. Existing law requires individuals under 19 years of age enrolled in restricted-scope Medi-Cal at the time the Director of Health Care Services makes a determination that systems have been programmed for implementation of these provisions to be enrolled in the full scope of Medi-Cal benefits, if otherwise eligible, pursuant to an eligibility and enrollment plan, which includes outreach strategies. Existing law makes the effective date of enrollment for those individuals the same day that systems are operational to begin processing new applications pursuant to the director's determination, and requires the department to seek necessary federal approvals to obtain federal financial participation for purposes of implementing the requirements. Existing law requires that benefits for services under these provisions be provided with state-only funds only if federal financial participation is not available for those services. This bill would, subject to an appropriation by the Legislature, extend eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older, and who are otherwise eligible for those benefits but for their immigration status. The bill would delete provisions delaying implementation until the director makes the determination described above. The bill would expand the requirements of the eligibility and enrollment plan, such as ensuring that an individual maintains their primary care provider without disruption, would require the department to collaborate with the counties and designated public hospitals to maximize federal financial participation, and would require the department to work with designated public hospitals to mitigate any financial losses related to the implementation of these requirements. Because counties are required to make Medi-Cal eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Last edited by Joanne Campbell at Mar 26, 2019, 7:20 PM

Organizational Sponsor: California Immigrant Policy Center and Health Access

**Title**  
Health care coverage: financial assistance.

**Primary Sponsors**  
Richard Pan

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 8:51 PM  
Requires the California Health Benefit Exchange, to administer financial assistance to help low-income and middle-income Californians access affordable healthcare coverage by requiring the Exchange to implement specified maximum premium contributions and to reduce copays and deductibles for individuals who meet specified income requirements.

**Labels:** Affordability Care4All Exchange

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:33 AM  
SB 65, as amended, Pan. Health care coverage: financial assistance. Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA), enacts various healthcare coverage market reforms. Among other things, the PPACA requires each state to establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers and requires that state entity to meet certain other requirements. Existing law creates the California Health Benefit Exchange (the Exchange), also known as Covered California, for the purpose of facilitating the enrollment of qualified individuals and qualified small employers in qualified health plans as required under the PPACA. Until January 1, 2023, existing law requires the Exchange, among other duties, to administer an individual market assistance program to provide health care coverage financial assistance to California residents with household incomes at or below 600% of the federal poverty level. This bill would, until January 1, 2023, require the board of the Exchange to develop and prepare one or more reports to be issued at least quarterly and to be made publicly available within 30 days following the end of each quarter for the purpose of informing the California Health and Human Services Agency, the Legislature, and the public about the enrollment process for the individual market assistance program. The bill would require the reports to contain specified information, including, among other things, the number of applications received for the program, the disposition of those applications, and the total number of grievances and appeals filed by applicants and enrollees.

State	Bill Number	Status	Position
CA	SB 66	In Assembly	Support

Labels: FQHC Medi-Cal

#### Title

Medi-Cal: federally qualified health center and rural health clinic services.

#### Primary Sponsors

Toni Atkins, Mike McGuire

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:25 AM

SB 66, as amended, Atkins. Medi-Cal: federally qualified health center and rural health clinic services. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law provides that federally qualified health center (FQHC) services and rural health clinic (RHC) services, as defined, are covered benefits under the Medi-Cal program, to be reimbursed, to the extent that federal financial participation is obtained, to providers on a per-visit basis. "Visit" is defined as a face-to-face encounter between a patient of an FQHC or RHC and specified health care professionals, including a physician and marriage and family therapist. Under existing law, "physician," for these purposes, includes, but is not limited to, a physician and surgeon, an osteopath, and a podiatrist. This bill would authorize reimbursement for a maximum of 2 visits taking place on the same day at a single location if after the first visit the patient suffers illness or injury requiring additional diagnosis or treatment, or if the patient has a medical visit and a mental health visit or a dental visit, as defined. The bill would authorize an FQHC or RHC that currently includes the cost of a medical visit and a mental health visit that take place on the same day at a single location as a single visit for purposes of establishing the FQHC's or RHC's rate to apply for an adjustment to its per-visit rate, and after the department has approved that rate adjustment, to bill a medical visit and a mental health visit that take place on the same day at a single location as separate visits, in accordance with the bill. This bill would also include a licensed acupuncturist within those health care professionals covered under the definition of "visit." The bill would require the department, by July 1, 2020, to submit a state plan amendment to the federal Centers for Medicare and Medicaid Services to reflect certain changes described in the bill, and to seek necessary federal approvals. The bill would also make conforming and technical changes.

Last edited by Joanne Campbell at Jan 29, 2019, 6:48 PM

Organizational Sponsor: Local Health Plans of California, California Association of Public Hospitals and Health Systems, California Health + Advocates, and Steinberg Institute California Association of Health Plans - Support

State	Bill Number	Status	Position
CA	SB 78	Enacted	None

#### Title

Health.

#### Primary Sponsors

Senate Committee on Budget and Fiscal Review

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:36 AM

SB 78, Committee on Budget and Fiscal Review. Health. (1) Existing law requires the State Department of Public Health to approve or deny an application submitted by a general acute care hospital or an acute psychiatric hospital to the department's centralized applications unit within specified deadlines and further requires the department to develop a centralized applications advice program and an automated application system. Existing law provides that the resources necessary to implement these requirements be made available, upon appropriation by the Legislature, from the Internal Departmental Quality Improvement Account. This bill would delete the provision specifying that the resources necessary to implement these requirements be made available, upon appropriation by the Legislature, from the Internal Departmental Quality Improvement Account. (2) Existing law establishes the Office of AIDS in the State Department of Public Health as the lead agency within the state responsible for coordinating state programs, services, and activities relating to the human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), and AIDS related conditions (ARC), including the CARE Services Program and the AIDS Drug Assistance Program (ADAP). Existing law, to the extent that state and federal funds are appropriated in the annual Budget Act for these purposes, authorizes the Director of Public Health to administer the ADAP to provide drug treatments to persons infected with HIV and AIDS, and to establish uniform standards of financial eligibility for the drugs under the program, in accordance with applicable federal law. This bill would rename the CARE Services Program the HIV Care Program. The bill would, commencing April 1, 2020, require the State Department of Public Health to apply the

same financial eligibility requirements for the purposes of administering the HIV Care Program as those set forth for the ADAP. (3) Existing law, the Childhood Lead Poisoning Prevention Act of 1991, requires the State Department of Public Health to adopt regulations establishing a standard of care at least as stringent as the most recent federal Centers for Disease Control and Prevention screening guidelines, whereby all children are evaluated for risk of lead poisoning by health care providers during each child's periodic health assessment. Existing law requires a laboratory that performs a blood lead analysis on a specimen of human blood drawn in California to report specified information to the State Department of Public Health for each analysis on every person tested. Existing law requires that all information reported be confidential, except that the department is authorized to share the information for the purpose of surveillance, case management, investigation, environmental assessment, environmental remediation, or abatement with the local health department, environmental health agency, or building department, so long as the entity receiving the information otherwise maintains the confidentiality of the information, as specified. This bill would allow the State Department of Public Health to also share the information with the State Department of Health Care Services for the purpose of determining whether children enrolled in Medi-Cal are being screened for lead poisoning and receiving appropriate related services. The bill would allow the State Department of Health Care Services to further disclose this information to a managed health care plan in which the beneficiary who is the subject of the information is enrolled, who the bill would also allow to share the information with the beneficiary's health care provider. (4) Existing law establishes the patients' personal deposit fund at each institution under the jurisdiction of the State Department of State Hospitals for the deposit of patient funds. Whenever the sum in the fund belonging to any one patient exceeds \$500, existing law allows the excess to be applied to the payment of care, support, maintenance, and medical attention of the patient. This bill would prohibit a patient of an institution under the jurisdiction of the State Department of State Hospitals who participates in a sheltered workshop or vocational rehabilitation program from being required to return or remit their earnings to the institution for these purposes. (5) Existing law, the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, establishes a program of seismic safety building standards for certain hospitals. Existing law requires all hospitals with buildings subject to a seismic compliance deadline of January 1, 2020, and that are seeking an extension for their buildings to submit an application to the Office of Statewide Health Planning and Development by April 1, 2019, that specifies the seismic compliance method each building will use. This bill would instead make the application due by September 1, 2019, for Providence Tarzana Medical Center in the City of Los Angeles and UCSF Benioff Children's Hospital in the City of Oakland. (6) Existing law requires a hospital granted an extension to provide a quarterly status report to the office, with the first report due on July 1, 2019, until seismic compliance is achieved. This bill would instead make the first report due on October 1, 2019, for the above-described 2 facilities if they are granted an extension based on an application submitted on or after April 1, 2019. This bill would make legislative findings and declarations as to the necessity of a special statute for those 2 facilities. (7) Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services and under which health care services are provided to qualified low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law establishes the California Health Benefit Exchange (Exchange), also known as Covered California. Existing law specifies the powers and duties of the board governing the Exchange, and requires the board to facilitate the purchase of qualified health plans by qualified individuals and qualified small employers. Existing law establishes the California Health Trust Fund and continuously appropriates moneys in the fund for these purposes. Existing federal law, the Patient Protection and Affordable Care Act (PPACA), enacts various health care coverage market reforms as of January 1, 2014. PPACA generally requires an individual, and any dependents of the individual, to maintain minimum essential coverage, as defined, and, if an individual fails to maintain minimum essential coverage, PPACA imposes on the individual taxpayer a penalty. This provision is referred to as the individual mandate. This bill would create the Minimum Essential Coverage Individual Mandate to require an individual who is a California resident to ensure that the individual, and any spouse or dependent of the individual, is enrolled in and maintains minimum essential coverage for each month beginning on and after January 1, 2020, except as specified. The bill would require the Exchange to grant exemptions from the mandate for reason of hardship or religious conscience, and would require the Exchange to establish a process for determining eligibility for an exemption. The bill would impose the Individual Shared Responsibility Penalty for the failure to maintain minimum essential coverage, as determined and collected by the Franchise Tax Board, in collaboration with the Exchange, as specified. The bill would require the Franchise Tax Board to provide specified information to the Exchange regarding individuals who do not maintain minimum essential coverage, and would require the Exchange to conduct annual outreach and enrollment efforts with those individuals. The bill would require an applicable entity, as defined, that provides minimum essential coverage to an individual to file specified returns to the Franchise Tax Board regarding that coverage, as prescribed. Until January 1, 2023, the bill would create Individual Market Assistance, which would be authorized to provide health care coverage financial assistance to California residents with household incomes at or below 600% of the federal poverty level, including advanced premium assistance subsidies. The bill would authorize a health care service plan or health insurer to cancel a contract or policy for nonpayment after a 3-month grace period if the individual receives that advanced premium assistance subsidy or advance payments of the federal premium tax credit, but would require a plan or insurer to provide health care coverage for the first month of the grace period and to return the subsidy and tax credit for the 2nd and 3rd months of the grace period if the outstanding premiums are not paid. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. The bill would also expand the purposes of the California Health Trust Fund to include the Exchange's operational costs of the Minimum Essential Coverage Individual Mandate and Individual Market Assistance. By expanding the purposes of a continuously appropriated fund, the bill would make an appropriation. (8) Existing law provides for a schedule of benefits under the Medi-Cal program, which includes specified outpatient services, including, among others, chiropractic services and audiology services, subject to utilization controls. Notwithstanding this provision, existing law excludes certain optional Medi-Cal benefits, including, among others, audiology services and speech therapy services, podiatric services, psychology services, and incontinence creams and washes, from coverage under the Medi-Cal program, except for specified beneficiaries. Existing law provides for the restoration of optometric and optician services, as described. This bill would require the coverage of optometric and optician services to be suspended on December 31, 2021, unless specified circumstances apply. This bill would restore coverage of optional benefits for audiology services and speech therapy services, podiatric services, psychology services,

and incontinence creams and washes no sooner than January 1, 2020, and would require these services to be suspended on December 31, 2021, unless specified circumstances apply. (9) Existing law creates the California Health and Human Services Agency for the implementation and oversight of human services and health care programs. This bill would, within the California Health and Human Services Agency, establish the Office of the Surgeon General to raise public awareness, coordinate policies, and advise policymakers on topics of health, including toxic stress and adverse childhood events. The bill would establish the Surgeon General as the director of the office, to be appointed by the Governor with the confirmation of the Senate for appointments after July 1, 2019. (10) Existing law establishes the Office of AIDS in the State Department of Public Health. That office, among other functions, provides funding for AIDS prevention and education. This bill would authorize the department, contingent upon a specific appropriation in the annual Budget Act, to award grant funding to specified entities on a competitive basis to provide comprehensive HIV prevention and control activities, as described. (11) Existing law established a 3-year demonstration pilot project for the 2015–16 to 2018–19 fiscal years, inclusive, that required the State Department of Public Health to award funding, on a competitive basis, for innovative, evidence-based approaches to provide outreach, hepatitis C screening, and linkage to and retention in quality health care for the most vulnerable and underserved individuals living with, or at high risk for, hepatitis C viral infection (HCV). This bill would, contingent upon a specific appropriation in the annual Budget Act, require the department to allocate funds to local health jurisdictions to provide HCV activities, including monitoring, prevention, testing, and linkage to and retention in care activities for the most vulnerable and underserved individuals living with, or at high risk for, HCV. (12) Existing law requires the State Department of Public Health to develop and review plans and participate in a program for the prevention and control of venereal disease. This bill would also require the department, contingent upon a specific appropriation in the annual Budget Act, to allocate grants to local health jurisdictions for sexually transmitted disease control and prevention activities, as prescribed. This bill would suspend the above programs as of December 31, 2021, unless projected General Fund revenues exceed the projected annual General Fund expenditures in the 2021–22 and 2022–23 fiscal years by a specified amount. (13) Existing law authorizes the State Department of Public Health to establish, maintain, and subsidize clinics, dispensaries, and prophylactic stations for the diagnosis, treatment, and prevention of venereal disease, and authorizes the department to provide medical, advisory, financial, or other assistance to those clinics, dispensaries, and stations, as may be approved by the department. The bill would delete this authority to establish, maintain, and subsidize clinics, dispensaries, and prophylactic stations and, instead, would authorize the department to provide medical, advisory, financial, or other assistance to organizations funded by the sexually transmitted disease control and prevention program. (14) Existing federal law, the PPACA, established annual limits on deductibles and defining bronze, silver, gold, and platinum levels of coverage for the nongrandfathered individual and small group markets. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, which provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime, and similar provisions of the Insurance Code, which provide for the regulation of health insurers by the Department of Insurance, prohibit the actuarial value for a nongrandfathered individual or small employer health plan or health insurance policy from varying by more than plus or minus 2%. This bill would instead authorize the actuarial value for a nongrandfathered bronze level high deductible health plan or health insurance policy to range from plus 4% to minus 2%. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. (15) Existing law vests the State Department of State Hospitals with jurisdiction over state hospitals, and defines state hospital to include, among others, the Atascadero State Hospital, Napa State Hospital, and county jail treatment facilities under contract with the department to provide competency restoration services. Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, that generally requires employers to secure the payment of workers' compensation for injuries incurred by their employees that arise out of, or in the course of, employment. Existing law provides that each inmate of a state penal or correctional institution is entitled to workers' compensation benefits for injury arising out of, and in the course of, assigned employment, and for the death of the inmate if the injury proximately causes the death. Existing law provides counsel to an inmate under the workers' compensation system for an appeal and generally provides that an employee who is an inmate, or their family on behalf of that inmate, is not entitled to compensation for psychiatric injury, except with respect to an injury sustained prior to incarceration. With respect to temporary disability payments, existing law requires the deposit of those payments into the Uninsured Employers Benefits Trust Fund, a continuously appropriated fund, for the payment of nonadministrative expenses of the workers' compensation program, if the inmate has no dependents. This bill would similarly provide that each patient in a State Department of State Hospitals facility is entitled to workers' compensation benefits for injury arising out of, and in the course of, a vocational rehabilitation work assignment, and for the death of the patient if the injury proximately causes the death. The bill would provide counsel to a patient under the workers' compensation system for an appeal and provide that an employee who is a patient committed to a state hospital facility under the State Department of State Hospitals, or their family on behalf of the patient, is not entitled to compensation for psychiatric injury while working in a vocational rehabilitation program, except as specified with respect to an injury sustained prior to commitment. With respect to any temporary disability payments incurred prior to commitment under that provision, if the patient has no dependents, the bill would require the deposit of those payments into the Uninsured Employers Benefits Trust Fund, a continuously appropriated fund, thereby making an appropriation. (16) Subject to rules and regulations adopted by the State Department of State Hospitals, a hospital director is authorized to establish sheltered workshops at a state hospital to provide patients with remunerative work. This bill would similarly authorize a hospital director to establish other vocational rehabilitation programs for state hospital patients, and would specify that patients who participate in a sheltered workshop or other vocational rehabilitation program under these provisions are not employees for purposes of state civil service, minimum wage, and contracts of employment. (17) Under existing law, one of the methods by which Medi-Cal services are provided is pursuant to contracts with various types of managed care plans. Existing law imposes a managed care organization provider tax, which is administered by the State Department of Health Care Services, on licensed health care service plans, managed care plans contracted with the department to provide Medi-Cal services, and alternate health care service plans, as defined. Existing law terminates that tax on July 1, 2019. This bill would declare the intent of the Legislature to enact a managed care organization provider tax in California. The bill would make collection of the tax and the associated revenue contingent upon receipt of approval from the federal Centers for Medicare and Medicaid Services. (18) Existing law requires the Director of Health Care Services to develop and implement standards, for purposes of the Medi-Cal program, for the timely processing and payment of each claim type. Existing law authorizes the State Department of Health Care Services to enter into various

contracts with fiscal intermediaries to provide claims processing services. This bill would authorize the department to make a contingency payment, as part of the claims processing services, which is also referred to as the Medi-Cal Checkwrite Schedule, to an identified provider during an identified service period to ensure continued access to health care services, subject to approval of the Department of Finance. The bill would authorize the department to implement these provisions without taking regulatory action, and would require the department to implement these provisions only to the extent that necessary federal approvals are obtained and federal financial participation is not jeopardized. (19) Existing law requires the State Department of Health Care Services to license and regulate alcoholism or drug abuse recovery or treatment facilities serving adults. This bill would require the State Department of Health Care Services to seek federal approval, to the extent it deems necessary, to expand the Medi-Cal benefit for adult Alcohol Misuse Screening and Behavioral Counseling Interventions in Primary Care to include screening for misuse of opioids and other illicit drugs. The bill would suspend implementation of these provisions on December 31, 2021, unless specified circumstances apply. (20) Existing law authorizes the State Department of Health Care Services, among other things, to enter into contracts with certain drug manufacturers that provide for state rebates for purposes of the Medi-Cal program. Under existing law, the department is entitled to various drug rebates, including federal rebates in accordance with certain conditions, and drug manufacturers are required to calculate and pay interest on late or unpaid rebates. This bill would establish the Medi-Cal Drug Rebate Fund in the State Treasury, and would provide that nonfederal moneys collected by the department and deposited into the account be continuously appropriated for purposes of funding the nonfederal share of health care services provided under the Medi-Cal program. The bill would authorize the Controller to use any money in the fund for cashflow loans to the General Fund, as specified. By establishing a continuously appropriated fund, the bill would make an appropriation. (21) Existing law requires the State Department of Health Care Services to consult with the Medi-Cal Contract Drug Advisory Committee regarding contract drugs under the Medi-Cal program. This bill would require the department to convene an advisory group to receive feedback on the changes, modifications, and operational timeframes regarding the implementation of pharmacy benefits offered in the Medi-Cal program. (22) Existing law, the California Healthcare, Research, and Prevention Tobacco Tax Act of 2016, or Proposition 56, which was approved by voters at the November 8, 2016, statewide general election, increases taxes imposed on distributors of cigarettes and tobacco products and allocates a specified percentage of those revenues to the department to increase funding for the Medi-Cal program, in a manner that, among other things, ensures timely access, limits specific geographic shortages of services, or ensures quality care. Existing law establishes the Healthcare Treatment Fund for this purpose. This bill would require the State Department of Health Care Services to develop value-based payment (VBP) programs that would require designated Medi-Cal managed care plans to make incentive payments to qualified network providers, aimed at improving behavioral health integration, prenatal and postpartum care, chronic disease management, and quality and outcomes for children, for the purpose of improving care for some of the most vulnerable or at-risk populations in the Medi-Cal managed care delivery system. The bill would require the department to implement the VBP programs for a period no shorter than 3 fiscal years, effective no earlier than July 1, 2019. The bill would condition program implementation on receipt of any necessary federal approvals, availability of federal financial participation, and an appropriation of moneys to the department in the annual Budget Act from the Healthcare Treatment Fund in accordance with Proposition 56. The bill would authorize the department to implement these provisions by means of plan letters or other similar instructions, and by entering into exclusive or nonexclusive contracts, or amending existing contracts, on a bid or negotiated basis. (23) Existing law authorizes the State Department of Health Care Services, subject to federal approval, to create the Health Home Program (program) for enrollees with chronic conditions, as authorized under federal law. Existing law creates the Health Home Program Account in the Special Deposit Fund within the State Treasury in order to collect and allocate non-General Fund public or private grant funds, to be expended, upon appropriation by the Legislature, for the purposes of implementing the program. Existing law appropriates \$50,000,000 from the account to the department for the purposes of implementing the program. Under existing law, the appropriation is available for encumbrance or expenditure until June 30, 2020. This bill would extend the availability of those funds for encumbrance or expenditure to June 30, 2024, and would also specify state administration as a component of the program implementation for which those funds may be expended, thereby making an appropriation. (24) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason. (25) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

State	Bill Number	Status	Position
CA	SB 104	Enacted	None

**Title**  
Health.

**Primary Sponsors**  
Senate Committee on Budget and Fiscal Review

**Organizational Notes**

Last edited by Joanne Campbell at Aug 1, 2019, 9:11 PM  
 SB 104, Committee on Budget and Fiscal Review. Health. (1) Until January 1, 2022, existing law establishes the Council on Health Care Delivery Systems to develop a plan that includes options for advancing progress toward achieving a health care delivery system in California that provides coverage and access through a unified financing system for all Californians. Existing law, on or before October 1, 2021, requires the council to submit to the Legislature and Governor a plan with options that include a timeline of the benchmarks and steps necessary to implement health care delivery system changes. Existing law authorizes the California Health and Human Services Agency to provide staff support to implement

these requirements. Until January 1, 2022, this bill would instead establish the Healthy California for All Commission for purposes of developing a plan that includes options for advancing progress toward achieving a health care delivery system in California that provides coverage and access through a unified financing system, including, but not limited to, a single-payer financing system, for all Californians. The bill would require the commission, by July 1, 2020, to submit a report to the Legislature and the Governor with, among other things, an analysis of California's existing health care delivery system and options to transition to a unified financing system, including a single-payer financing system. The bill would also require the commission, by February 1, 2021, to submit a report to the Legislature and the Governor that includes options for key design considerations for a unified financing system, including a single-payer financing system. The bill would require those reports to be posted on the California Health and Human Services Agency's internet website. (2) Under existing law, an individual is eligible for Medi-Cal benefits, to the extent required by federal law, as though the individual was pregnant, for all pregnancy-related and postpartum services for a 60-day period beginning on the last day of pregnancy. This bill would, subject to an appropriation in the annual Budget Act, extend Medi-Cal eligibility for a pregnant individual who is receiving health care coverage under the Medi-Cal program, or another specified program, and who has been diagnosed with a maternal mental health condition, for a period of one year following the last day of the individual's pregnancy if the individual complies with certain requirements. The bill would define "maternal mental health condition" for purposes of the bill. The bill would suspend implementation of these provisions on December 31, 2021, unless specified circumstances apply. (3) The federal Medicaid program prohibits payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law. Existing law requires that individuals under 19 years of age enrolled in restricted-scope Medi-Cal at the time the Director of Health Care Services makes a determination that systems have been programmed for implementation of these provisions be enrolled in the full scope of Medi-Cal benefits, if otherwise eligible. Existing law requires the department to maximize federal financial participation in implementing the provisions. This bill would extend eligibility for full-scope Medi-Cal benefits to individuals 19 to 25 years of age, inclusive, and who are otherwise eligible for those benefits but for their immigration status. This bill would additionally require the department to claim federal financial participation to the extent that the department determines it is available, and to the extent that federal financial participation is not available, would require the department to use state funds. Because counties are required to make eligibility determinations and this bill would expand Medicaid eligibility, the bill would impose a state-mandated local program. (4) Existing law also requires the State Department of Health Care Services to exercise its option under federal law to implement a program for aged and disabled persons, as described. Existing law requires an individual under these provisions to satisfy certain financial eligibility requirements, including, among other things, that the individual's countable income does not exceed an income standard equal to 100% of the applicable federal poverty level, plus an income disregard of \$230 for an individual, or \$310 in the case of a couple, except that the income standard determined shall not be less than the SSI/SSP payment level for a disabled individual or couple, as applicable. Existing law requires the department to implement this program by means of all-county letters or similar instructions without taking regulatory action and thereafter requires the department to adopt regulations. This bill would instead require, upon receipt of federal approval, all countable income over 100% of the federal poverty level, up to 138% of the federal poverty level, to be disregarded, after taking all other disregards, deductions, and exclusions into account for those persons eligible under the program for aged and disabled persons. The bill would require that provision to be implemented after the Director of Health Care Services determines, and communicates that determination in writing to the Department of Finance, that systems have been programmed for implementation of that provision, but no sooner than January 1, 2020. The bill would require the department to implement, interpret, or make specific the above-described program for aged and disabled persons by means of all-county letters, plan or provider bulletins, or similar instructions until regulations are adopted, and would require the department to adopt regulations by July 1, 2023. The bill would require the department to provide a status report on a semiannual basis to the Legislature until regulations are adopted. The bill would require the implementation of the program only if and to the extent that any necessary federal approvals have been obtained. Because counties are required to make Medi-Cal eligibility determinations, and this bill would expand Medi-Cal eligibility by increasing the income disregard amounts and would increase the responsibility of counties in determining Medi-Cal eligibility, the bill would impose a state-mandated local program. (5) Existing federal law establishes the Program of All-Inclusive Care for the Elderly (PACE), which provides specified services for older individuals, and authorizes states to implement the PACE program as a Medicaid state option. Existing law authorizes the State Department of Health Care Services to enter into contracts with public or private organizations for implementation of the PACE program and to enter into separate contracts with PACE organizations. Existing law requires the State Department of Health Care Services to develop and pay capitation rates to contracted PACE organizations using actuarial methods and in accordance with criteria specific to those organizations, based on, among other things, a standardized rate methodology across managed care plan models for comparable populations. Existing law requires the department to pay a capitation rate within the actuarially sound rate range during the first 2 years in which a new PACE organization enters a previously unserved area. This bill would require the department's rate methodology to be consistent with actuarial rate development principles and to provide for all reasonable, appropriate, and attainable costs for each PACE organization within a region. During the first 2 years in which a new PACE organization enters a previously unserved area, the bill would require the department to pay a capitation rate within the actuarially sound rate range to reflect the lower enrollment and higher operating costs associated with a new PACE organization. (6) Existing law redirects specified 1991 health realignment funds to pay an increased county contribution toward the cost of CalWORKs grants, a county contribution toward the costs of the CalWORKs single allocation, or both. Existing law specifies the formula to be used in determining the amount of funds that are required to be redirected, which varies depending on the method a county uses to provide indigent health care services. Existing law requires, for counties that provide indigent health care services via the County Medical Services Program (CMSP), 60% of 1991 health realignment funds be redirected to the Family Support Subaccount. This bill would instead require, for counties that participate in CMSP, the amount identified on a specified schedule that would have otherwise been payable to the CMSP, and the amount that would have otherwise been allocated to the governing board of the CMSP, be redirected until the Department of Finance determines that the total reserves of the CMSP are projected to fall below an amount totaling 2 fiscal years of total expenditures, and, after the Department of Finance makes that determination, the bill would reinstate the existing formula for determining the amount of 1991 health realignment funds that are redirected to the Family Support Subaccount. By increasing county payments to the Family Support Subaccount of the continuously appropriated Local Revenue Fund, this bill would make an appropriation. (7) The California Constitution

requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above. (8) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

State	Bill Number	Status	Position
CA	SB 159	In Assembly	Monitor

#### Title

HIV: preexposure and postexposure prophylaxis.

#### Primary Sponsors

Scott Wiener, Mike Gipson, Todd Gloria

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 10:07 PM  
Prohibits plans from subjecting drug treatments, including preexposure prophylaxis or postexposure prophylaxis, to prior authorization or step therapy.

Labels: Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:22 AM

SB 159, as amended, Wiener. HIV: preexposure and postexposure prophylaxis. Existing law, the Pharmacy Law, provides for the licensure and regulation of pharmacists by the California State Board of Pharmacy and makes a violation of these requirements a crime. Existing law generally authorizes a pharmacist to dispense or furnish drugs only pursuant to a valid prescription, except as provided, such as furnishing emergency contraceptives, hormonal contraceptives, and naloxone hydrochloride, pursuant to standardized procedures. This bill would authorize a pharmacist to furnish preexposure prophylaxis and postexposure prophylaxis in specified amounts and would require a pharmacist to furnish those drugs if certain conditions are met, including that the pharmacist determines the patient meets the clinical criteria for preexposure prophylaxis or postexposure prophylaxis consistent with federal guidelines. The bill would require a pharmacist, before furnishing preexposure prophylaxis or postexposure prophylaxis, to complete a training program approved by the board. Because a violation of these requirements would be a crime, this bill would impose a state-mandated local program. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services pursuant to a schedule of benefits, including pharmacist services, which are subject to approval by the federal Centers for Medicare and Medicaid Services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. This bill would expand the Medi-Cal schedule of benefits to include preexposure prophylaxis and postexposure prophylaxis as pharmacist services, as specified. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law authorizes health care service plans and health insurers that cover prescription drugs to utilize reasonable medical management practices, including prior authorization and step therapy, consistent with applicable law. For combination antiretroviral drug treatments medically necessary for the prevention of AIDS/HIV, existing law prohibits plans and insurers, until January 1, 2023, from having utilization management policies or procedures that rely on a multitablet drug regimen instead of a single-tablet drug regimen, except as specified. This bill would additionally prohibit plans and insurers from subjecting those drug treatments, including preexposure prophylaxis or postexposure prophylaxis, to prior authorization or step therapy. The bill would also prohibit plans and insurers from prohibiting, or allowing a pharmacy benefit manager to prohibit, a pharmacy provider from providing preexposure prophylaxis or postexposure prophylaxis, except as specified. The bill would prohibit plans and insurers from covering preexposure prophylaxis that has been furnished by a pharmacist in excess of specified amounts. Because a willful violation of these provisions by a health care service plan would be a crime, this bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 26, 2019, 7:24 PM

Organizational Sponsor: APLA Health, California Pharmacists Association, Equality CA, Los Angeles LGBT Center, and San Francisco AIDS Foundation



**Title**

Health care coverage: pervasive developmental disorder or autism.

**Primary Sponsors**

Anthony Portantino

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 10:07 PM  
Would revise the definition of behavioral health treatment to require the services and treatment programs provided to be based on behavioral, developmental, behavior-based, or other evidence-based models. The bill would remove the exception for health care service plans and health insurance policies in the Medi-Cal program, consistent with the MHPAEA.

**Labels:** Behavioral Health Commercial Medi-Cal

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:34 AM

SB 163, as amended, Portantino. Health care coverage: pervasive developmental disorder or autism. Existing law, the Lanterman Developmental Disabilities Services Act, requires the State Department of Developmental Services to contract with regional centers to provide services and supports to individuals with developmental disabilities and their families. Existing law defines developmental disability for these purposes to include, among other things, autism. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan contract or a health insurance policy to provide coverage for behavioral health treatment for pervasive developmental disorder or autism, and defines "behavioral health treatment" to mean specified services and treatment programs, including treatment provided pursuant to a treatment plan that is prescribed by a qualified autism service provider and administered either by a qualified autism service provider or by a qualified autism service professional or qualified autism service paraprofessional who is supervised as specified. Existing law defines a "qualified autism service provider" to refer to a person who is certified or licensed and a "qualified autism service professional" to refer to a person who meets specified educational, training, and other requirements and is supervised and employed by a qualified autism service provider. Existing law defines a "qualified autism service paraprofessional" to mean an unlicensed and uncertified individual who meets specified educational, training, and other criteria, is supervised by a qualified autism service provider or a qualified autism service professional, and is employed by the qualified autism service provider. Existing law also requires a qualified autism service provider to design, in connection with the treatment plan, an intervention plan that describes, among other information, the parent participation needed to achieve the plan's goals and objectives, as specified. Under existing law, these coverage requirements provide an exception for specialized health care service plans or health insurance policies that do not cover mental health or behavioral health services, accident only, specified disease, hospital indemnity, or Medicare supplement health insurance policies, and health care service plans and health insurance policies in the Medi-Cal program. Existing federal law, the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), requires group health plans and health insurance issuers that provide both medical and surgical benefits and mental health or substance use disorder benefits to ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical and surgical benefits. Existing state law subjects nongrandfathered individual and small group health care service plan contracts and health insurance policies that provide coverage for essential health benefits to those provisions of the MHPAEA. This bill would revise the definition of behavioral health treatment to require the services and treatment programs provided to be based on behavioral, developmental, relationship-based, or other evidence-based models. The bill would remove the exception for health care service plans and health insurance policies in the Medi-Cal program, consistent with the MHPAEA. This bill also would expand the definition of a "qualified autism service professional" to include behavioral service providers who meet specified educational and professional or work experience qualifications. The bill would revise the definition of a "qualified autism service paraprofessional" by deleting the reference to an unlicensed and uncertified individual and by requiring the individual to comply with revised educational and training, or professional, requirements. The bill would also revise the definitions of both a qualified autism service professional and a qualified autism service paraprofessional to include the requirement that these individuals complete a background check. This bill would require the intervention plan designed by the qualified autism service provider to include parent or caregiver participation, when clinically appropriate, that is individualized to the patient and takes into account the ability of the parent or caregiver to participate in therapy sessions and other recommended activities. The bill would specify that the lack of parent or caregiver participation shall not be used to deny or reduce medically necessary services and that the setting, location, or time of treatment not be used as the only reason to deny medically necessary services. Because a willful violation of the bill's provisions by a health care service plan would be a crime, it would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 11, 2019, 10:08 PM

Organizational Sponsor: Autism Behavior Services California Association of Health Plans - Oppose

**Title**

Medi-Cal: asthma preventive services.

**Primary Sponsors**

Melissa Hurtado, David Chiu

**Bill Summary:** Last edited by Joanne Campbell at Feb 19, 2019, 9:23 PM  
a. Adds WIC Section 14132.08 which includes the following key provisions: i. Instructs DHCS to develop and implement asthma preventive services in Medi-Cal which shall be a covered benefit by July 1, 2020. ii. Requires that an asthma preventive services provider provide asthma education, environmental trigger assessments, and minor to moderate environmental asthma trigger remediation to Medi-Cal beneficiaries. b. Adds WIC Section 14132.085 which requires the Department to approve at least two accrediting bodies to review and approve training curricula for asthma preventive services. The curricula shall align with the NIH 2007 Guidelines for Dx and Management of Asthma and be a minimum of 16 hours. Requires specific elements to be included in the curricula. c. Adds WIC Section 14132.09 which includes the following key provisions: i. Requires supervision of asthma prevention services providers to ensure the provider complies with outlined requirements and includes requirements for entities or providers that employ or contract with asthma prevention services providers to maintain specified documentation of services. ii. Requires DHCS to pursue funding opportunities to develop payment methodologies for minor and moderate remediation, seek any required federal approvals, and adopt regulations by July 1, 2020.

**Labels:** Asthma Commercial Medi-Cal

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:31 AM

SB 207, as amended, Hurtado. Medi-Cal: asthma preventive services. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing federal law authorizes, at the option of the state, preventive services, as defined, to be provided by practitioners other than physicians or other licensed practitioners. This bill would include asthma preventive services, as defined, as a covered benefit under the Medi-Cal program, no later than July 1, 2021, if the Legislature appropriates funds for that purpose. The bill would require the department, in consultation with external stakeholders, to approve 2 accrediting bodies with expertise in asthma to review and approve training curricula for asthma preventive services providers, and would require the curricula to be consistent with specified federal and clinically appropriate guidelines. The bill would require a supervising licensed Medi-Cal provider and the Medi-Cal asthma preventive services provider to satisfy specified requirements, including the Medi-Cal asthma preventive services provider's completion of a training program approved by one of the accrediting bodies. The bill would authorize the department to implement, interpret, or make specific these provisions without taking regulatory action until regulations are adopted. The bill would require the department to adopt regulations by July 1, 2023, and to provide semiannual status reports to the Legislature until regulations have been adopted. The bill would require the department to seek any federal waivers or other state plan amendments as necessary, and would require these provisions to be implemented if federal approvals are obtained, as specified.

Last edited by Joanne Campbell at Mar 26, 2019, 7:39 PM

Organizational Sponsor: California Pan-Ethnic Health Network, Children Now, Regional Asthma Management and Prevention

**Title**  
Automatic health care coverage enrollment.

**Primary Sponsors**  
Melissa Hurtado

**Bill Summary:** Last edited by Joanne Campbell at Mar 11, 2019, 8:59 PM  
Beginning January 1, 2021, a health plan shall provide to the Exchange the name, address, and other contact information of a policyholder or certificate holder who ceased to be enrolled in coverage and who did not opt out of the information transfer.

**Labels:** Care4All Commercial Exchange Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:40 AM

SB 260, as amended, Hurtado. Automatic health care coverage enrollment. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing state law creates the California Health Benefit Exchange (Exchange), also known as Covered California, to facilitate the enrollment of qualified individuals and qualified small employers in qualified health plans as required under the federal Patient Protection and Affordable Care Act. Existing law requires an entity making eligibility determinations for an insurance affordability program to ensure that an eligible applicant and recipient meets all program eligibility requirements and complies with all necessary requests for information. Under existing law, if an individual is ineligible for an insurance affordability program for a reason other than income eligibility, that individual is to be referred to the county health coverage program in the individual's county of residence. This bill would require the Exchange, beginning no later than July 1, 2021, to enroll an individual in the lowest cost silver plan or another plan, as specified, upon receiving the individual's electronic account from another insurance affordability program. The bill would require enrollment to occur before coverage through the insurance affordability program is terminated, and would prohibit the premium due date from being sooner than the last day of the first month of enrollment. The bill would require the Exchange to provide an individual who is automatically enrolled in the lowest cost silver plan with a notice that includes specified information, including the individual's right to select another available plan or to not enroll in the plan. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan providing individual or group health care coverage or a health insurer to notify an enrollee, subscriber, policyholder, or certificate holder who ceases to be enrolled in coverage that the individual may be eligible for coverage through the Exchange or Medi-Cal. This bill would require a health care service plan providing individual or group health care coverage or a health insurer to notify an enrollee, subscriber, policyholder, or certificate holder that the health care service plan or health insurer will provide the individual's contact information to the Exchange if the individual ceases to be enrolled in coverage, and to include a notice advising individuals to consider their options carefully if they are eligible for enrollment in the Medicare Program. The bill would allow an individual to opt out of that transfer of information, and would require a health care service plan or health insurer to transfer the information of an individual who ceased to be enrolled in coverage and who did not opt out to the Exchange beginning January 1, 2021, in a manner prescribed by the Exchange. Because the bill would expand the scope of a crime with respect to health care service plans, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 8, 2019, 5:14 PM

Organizational Sponsor: Health Access of California and Western Center on Law and Poverty

**Title**

Immunizations: medical exemptions.

**Primary Sponsors**

Richard Pan, Lena Gonzalez

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:45 AM

SB 276, as amended, Pan. Immunizations: medical exemptions. Existing law prohibits the governing authority of a school or other institution from admitting for attendance any pupil who fails to obtain required immunizations within the time limits prescribed by the State Department of Public Health. Existing law exempts from those requirements a pupil whose parents have filed with the governing authority a written statement by a licensed physician to the effect that immunization is not considered safe for that child, indicating the specific nature and probable duration of their medical condition or circumstances, including, but not limited to, family medical history. This bill would instead require the State Department of Public Health, by January 1, 2021, to develop and make available for use by licensed physicians and surgeons an electronic, standardized, statewide medical exemption request that would be transmitted using the California Immunization Registry (CAIR), and which, commencing January 1, 2021, would be the only documentation of a medical exemption that a governing authority may accept. The bill would specify the information to be included in the medical exemption form, including a certification under penalty of perjury that the statements and information contained in the form are true, accurate, and complete. The bill would, commencing January 1, 2021, require a physician and surgeon to inform a parent or guardian of the bill's requirements and to examine the child and submit a completed medical exemption request form to the department, as specified. By expanding the crime of perjury, the bill would impose a state-mandated local program. This bill would require a parent or guardian, by January 1, 2021, to submit to the department a copy of a medical exemption granted prior to that date for inclusion in a state database in order for the medical exemption to remain valid. The bill would require the department to annually review immunization reports from schools and institutions to identify schools with an overall immunization rate of less than 95%, physicians and surgeons who submitted 5 or more medical exemption forms in a calendar year, and schools and institutions that do not report immunization rates to the department. The bill would require a clinically trained department staff member who is a physician and surgeon or a registered nurse to review all medical exemption forms submitted meeting those conditions. The bill would authorize the medical exemptions determined by that staff member to be inappropriate or otherwise invalid to be reviewed by the State Public Health Officer or a physician and surgeon designated by the State Public Health Officer, and revoked by the State Public Health Officer or physician and surgeon designee, under prescribed circumstances. The bill would authorize a parent or guardian to appeal a medical exemption denial or revocation to the Secretary of California Health and Human Services. The appeal would be conducted by an independent expert review panel of licensed physicians and surgeons established by the secretary. The bill would require the independent expert review panel to evaluate appeals consistent with specified guidelines and to submit its decision to the secretary. The bill would require the secretary to adopt the determination of the independent expert review panel and promptly issue a written decision to the child's parent or guardian. The final decision of the secretary would not be subject to further administrative review. The bill would allow a child whose medical exemption revocation is appealed to continue in attendance at the school or institution without being required to commence the immunization schedule required for conditional admittance, provided that the appeal is filed within 30 calendar days of revocation of the medical exemption. The bill would require the department and the independent expert review panel to comply with all applicable state and federal privacy and confidentiality laws and would authorize disclosure of information submitted in the medical exemption form in accordance with requirements set forth in the bill. The bill would make related conforming changes. The bill would authorize the department to implement and administer the medical exemption provisions through provider bulletins, or similar instructions, without taking regulatory action. Existing law requires the governing authority of a school or other institution to file a written report on the immunization status of new entrants to the school or institution under their jurisdiction with the department and the local health department at times and on forms prescribed by the department. This bill would instead require these reports to be filed on at least an annual basis. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

**Title**  
Medi-Cal: Health Homes Program.

**Primary Sponsors**  
Holly Mitchell

**Bill Summary:** Last edited by Joanne Campbell at Feb 25, 2019, 10:05 PM  
Expands the Health Home program to include outreach and engagement for homeless population. Removes existing general fund spending restrictions. i. Tier payment rates to health homes providers, using the highest rate for providers that serve the homeless HHP participants ii. Partner with local homeless Continuums of care or agencies to identify members experiencing homelessness and design a process for referring homeless members HHP eligibility assessment iii. Offer health homes providers an outreach rate that requires providers to outreach to the homeless population in person iv. Report to the department member-level data on the homeless population Removes conditions for extending HHP beyond eight quarters by striking subdivisions (b), (c), and (f) of WIC Section 14127.6 i. Removes requirement that HHP shall only continue beyond the first eight quarters if no additional GF is used. ii. Removes requirement that if program does not result in a net increase of ongoing GF costs in Medi-Cal, the department may use state funds for HHP. iii. Removes the authority for the department to revise or terminate HHP after the first eight quarters if it finds the program fails to meet certain requirements (e.g., reduce inpatient stays).

**Labels:** Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:33 AM

SB 361, as amended, Mitchell. Medi-Cal: Health Homes Program. Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes the department to create the Health Homes Program (program) for enrollees with chronic conditions, as authorized under federal law. Existing law conditions the implementation of the program on federal approval and the availability of federal financial participation. Existing law prohibits the implementation of the program if additional General Fund moneys are used to fund the administration and costs of services, unless the department projects that the implementation of the program would not result in any net increase in ongoing General Fund costs for the Medi-Cal program. Existing law requires the nonfederal share for the program to be provided by funds from specified entities, including local governments. This bill would remove the prohibition on the use of General Fund moneys for the implementation of the program. The bill would limit the above restriction on sources for the nonfederal share only to the first 8 quarters of implementation of each phase of the program. Existing law authorizes the department to revise or terminate the program any time after the first 8 quarters of implementation if the department finds that the program fails to demonstrate certain results. This bill would remove the department's authority to revise or terminate the program as described above. Existing law requires the department to select providers with a viable plan to reach out to and engage frequent hospital or emergency department users and chronically homeless eligible individuals. This bill would require the outreach and engagement to be in person. The bill would, subject to an appropriation, require the department to require administering Medi-Cal managed care plans to take specified actions, relating to provider rates, partnerships, and reports, for purposes of adult beneficiaries who have a level of severity in certain conditions based on experiencing chronic homelessness, to increase program participation among members who are experiencing homelessness.

Last edited by Joanne Campbell at Feb 25, 2019, 10:05 PM

Organizational Sponsor: Corporation for Supportive Housing and the Western Center on Law and Poverty

**Title**

Medi-Cal: managed care plan: subcontracts.

**Primary Sponsors**

Richard Pan

**Bill Summary:** Last edited by Joanne Campbell at Feb 25, 2019, 9:54 PM a. This is Senator Pan's bill on delegation oversight b. Amends WIC Sections 14304 & 14452 c. Redefines "good cause" in subdivision (a) i. When defining grounds on which the director may terminate a managed care plan contract, redefines good cause as the following: "Good cause includes any findings of serious deficiencies that have the potential to endanger patient care...identified in the medical audits conducted by the department." ii. Previous definition stated "three repeated and uncorrected findings..." d. Subdivision (b) outlines the director's authority to implement sanctions in lieu of contract termination. New subparagraph (b)(A)(iv) adds failure to "comply with the requirements for physician incentive plans" (as set forth in federal regulations) as a fourth finding that may be subject to a fine of up to \$25,000. e. Adds subparagraph (a)(2) which states that the managed care plan must comply with applicable requirements in WIC and that this requirement is not waived under subcontracting or delegated arrangements. Also states that a plan "bears the ultimate responsibility for adherence to, and compliance with, the terms and conditions of the Medi-Cal managed care plan contract." f. Adds subdivision (f) to state that the requirements in this section apply to all Medi-Cal managed care plans

**Labels:** Medi-Cal Sub-Delegation

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:38 AM

SB 503, as amended, Pan. Medi-Cal: managed care plan: subcontracts. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services either through a fee-for-service or managed care delivery system. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes the department to enter into various types of contracts for the provision of services to beneficiaries, including contracts with prepaid health plans. Existing law requires the Director of Health Care Services, in accordance with specified procedures, to either terminate a contract with or impose one or more specified sanctions, including civil penalties pursuant to federal law, on a prepaid health plan or Medi-Cal managed care plan if the department makes a finding of noncompliance or for other good cause. Existing law defines "good cause" to include 3 repeated and uncorrected findings of serious deficiencies, which potentially endanger patient care and are identified in medical audits conducted by the department. This bill would instead authorize "good cause" to be based on findings of serious deficiencies that have the potential to endanger patient care and are identified in the specified medical audits, and would conform the civil penalties to federal law. Existing law requires subcontracts entered into by a prepaid health plan to contain the amount of compensation or other consideration that a subcontractor will receive under the terms of the subcontract with the prepaid health plan, and to meet specified requirements, including compliance with the Knox-Keene Health Care Service Plan Act of 1975. This bill would require a Medi-Cal managed care plan to conduct, commencing January 1, 2020, specified audits of its subcontractors, including an annual medical audit of any subcontractor that performs delegated functions involving medical review and decisionmaking. The bill would authorize a Medi-Cal managed care plan to conduct additional medical audits of a subcontract, for good cause, and to contract with a professional organization to perform medical audits. The bill would require a Medi-Cal managed care plan to report to the department the findings and certificate of completion of, and any deficiencies discovered by, the finalized annual medical audit, and to make available the finalized medical audit upon the department's request. The bill would require the department to post the annual medical report on its internet website, to develop a standardized process for Medi-Cal managed care plan audits that meets specified requirements, including requirements related to corrective action validation, and to provide this guidance to the Medi-Cal managed care plans by means of an all-plan letter.

Last edited by Joanne Campbell at Mar 26, 2019, 6:02 PM

Organizational Sponsor: Western Center on Law & Poverty and the National Health Law Program

**Title**  
Clinical trials.

**Primary Sponsors**  
Hannah-Beth Jackson

**Bill Summary:** Last edited by Joanne Campbell at Mar 7, 2019, 11:43 PM  
The bill expands required coverage for clinical trials under a plan contract to include a clinical trial relating to the prevention, detection, or treatment of a life-threatening disease or condition and include a trial funded by, among others, a qualified nongovernmental research entity. The bill would prohibit a plan contract from discriminating against an enrollee for participating in an approved clinical trial.

**Labels:** Commercial Medi-Cal

#### Organizational Notes

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:39 AM

SB 583, as amended, Jackson. Clinical trials. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan or health insurer to provide coverage for routine patient care costs related to a clinical trial for cancer, including, among other things, health care services required for the clinically appropriate monitoring of the investigational item or service. Existing law requires the clinical trial to either be exempt from a federal new drug application or be approved by a specified federal agency. This bill would expand required coverage for clinical trials under a plan contract or insurance policy to include a clinical trial relating to the prevention, detection, or treatment of a life-threatening disease or condition, as defined, and include a clinical trial funded by, among others, a qualified nongovernmental research entity. The bill would prohibit a plan contract or insurance policy from, among other things, discriminating against an enrollee or insured for participating in an approved clinical trial. The bill would authorize a plan or insurer to require a qualified enrollee or insured to participate in a clinical trial, as specified, and to restrict coverage to an approved clinical trial in this state, unless the clinical trial is not offered or available through a participating provider in this state. Because a willful violation of the bill's requirements relative to health care service plans would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

**Title**  
Health care coverage: fertility preservation.

**Primary Sponsors**  
Anthony Portantino

**Bill Summary:** Last edited by Joanne Campbell at Feb 25, 2019, 11:14 PM  
Clarifies that an individual or group health care service plan contract that covers hospital, medical, or surgical expenses includes coverage for standard fertility preservation services when a medically necessary treatment may cause iatrogenic infertility to an enrollee. The bill would state that these provisions are declaratory of existing law.

**Labels:** Commercial Medi-Cal

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 7:42 AM

SB 600, as amended, Portantino. Health care coverage: fertility preservation. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires every group health care service plan contract and health insurance policy issued, amended, or renewed on or after January 1, 2017, to include, at a minimum, coverage for essential health benefits, including medically necessary basic health care services, as defined. This bill would clarify that an individual or group health care service plan contract or health insurance policy that covers hospital, medical, or surgical expenses includes coverage for standard fertility preservation services when a medically necessary treatment may cause iatrogenic infertility to an enrollee or insured. The bill would state that these provisions are declaratory of existing law. Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law provides for a schedule of benefits under the Medi-Cal program, which includes comprehensive perinatal services, subject to utilization controls. This bill would add to the schedule of benefits standard fertility preservation services when a medically necessary treatment may cause iatrogenic infertility to a beneficiary.

Last edited by Joanne Campbell at Mar 11, 2019, 10:10 PM

Organizational Sponsor: Alliance for Fertility Preservation, American Society for Reproductive Medicine and Fertile Action



**Title**  
Health care coverage: anticancer medical devices.

**Primary Sponsors**  
Pat Bates

**Bill Summary:** Last edited by Joanne Campbell at Feb 25, 2019, 11:24 PM  
Mandates coverage for chemotherapy or radiation therapy for the treatment of cancer to also cover anticancer medical devices. The bill would define “anticancer medical device” as a medical device that has been approved for marketing by the federal Food and Drug Administration and is primarily designed to be used outside of a medical facility, and has been prescribed by an authorized provider upon the provider’s determination that the device is medically reasonable and necessary for the treatment of the patient’s cancer.

**Labels:** Commercial Medi-Cal Pharmacy

**Organizational Notes**

Last edited by FiscalNote Configuration at Jul 26, 2019, 8:42 AM  
SB 746, as amended, Bates. Health care coverage: anticancer medical devices. Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of the act a crime. Existing law requires health care service plan contracts and health insurance policies to cover certain medical services for particular types of cancer, including the screening, diagnosis, and treatment of breast cancer, and the screening and diagnosis of prostate cancer, if the contract or policy was issued, amended, or renewed after the applicable date. This bill would require health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2020, that cover chemotherapy or radiation therapy for the treatment of cancer to also cover anticancer medical devices. The bill would define “anticancer medical device” as a medical device that has been approved for marketing by the federal Food and Drug Administration or is exempt from that approval, is primarily designed to be used outside of a medical facility, and has been prescribed by an authorized provider upon the provider’s determination that the device is medically reasonable and necessary for the treatment of the patient’s cancer. Because a violation of this bill’s provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

Last edited by Joanne Campbell at Mar 11, 2019, 10:10 PM  
Organizational Sponsor: Novocure

# BOARD OF GOVERNORS

## Executive Committee

### Meeting Minutes – June 24, 2019

1055 West 7<sup>th</sup> Street, Los Angeles, CA 90017



**L.A. Care**  
HEALTH PLAN

#### Members

Hector De La Torre, *Chairperson*  
Al Ballesteros, *Vice Chairperson*  
Robert H. Curry, *Treasurer \**  
Layla Gonzalez-Delgado, *Secretary*  
Stephanie Booth, MD  
Hilda Perez

#### Management/Staff

John Baackes, *Chief Executive Officer \**  
Terry Brown, *Chief Human Resources Officer*  
Augustavia J. Haydel, Esq., *General Counsel*  
Marie Montgomery, *Chief Financial Officer*  
Dino Kasdagly, *Chief Operating Officer*  
Richard Seidman, MD, MPH, *Chief Medical Officer*

*\*Absent \*\* Via Teleconference*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>	Hector De La Torre, <i>Board Chairperson</i> , called the meeting to order at 2:05 pm. He welcomed everyone to the meeting and invited the members of the Committee, staff and guests to introduce themselves. He announced that members of the public may address the Committee on each matter listed on the agenda before the Committee's consideration of the item, or on any other topic at the Public Comment section.	
<b>APPROVE MEETING AGENDA</b>	The Agenda for today's meeting was approved.	<b>Approved unanimously. 4 AYES (Booth, De La Torre, Gonzalez-Delgado and Perez)</b>
<b>PUBLIC COMMENTS</b>	There were no public comments.	
<b>APPROVE MEETING MINUTES</b>	The minutes of the May 28, 2019 meeting were approved as submitted.	<b>Approved unanimously. 4 AYES</b>
<b>CHAIRPERSON'S REPORT</b>	There was no report from the Chairperson. John Baackes, <i>Chief Executive Officer</i> , is in meetings in Sacramento.	
<b>CHIEF EXECUTIVE OFFICER REPORT</b>	There was no CEO Report	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>Government Affairs Update</b>	There was no Government Affairs report.	
<b>2020 Board &amp; Committee Meeting Schedule</b>	<p>Linda Merkens, <i>Senior Manager, Board Services</i>, presented the 2020 Board and Committee Meeting Schedule.</p> <p><u>Motion EXE 100.0719</u> To approve the 2020 Board of Governors meeting schedule as submitted.</p> <p><i>(Member Ballesteros joined the meeting.)</i></p>	<p>Approved unanimously. 4 AYES</p> <p>The Committee approved placing this motion on the Consent Agenda for the July 25, 2019, Board of Governors meeting.</p>
<b>Elevating the Safety Net Program Expenditures (Residency Support Program and Community Health Workers Training</b>	<p>Cynthia Carmona, <i>Senior Director, Safety Net Initiatives</i>, presented a motion requesting authorization for expenditures to establish the Residency Support Program and Elevating Community Health (ECH) training initiative for Community Health Workers. These programs align with L.A. Care’s mission and organizational goals of providing access to quality health care for Los Angeles County’s vulnerable and low-income communities.</p> <p><u>Residency Support Program (RSP)</u> On January 28, 2019, the Executive Committee authorized staff to invite up to six institutions to submit proposals for residency training and faculty support. Six institutions were invited based on their commitment to the safety net and focus on physician training in community health settings. Staff is recommending to award funds to AltaMed Health Services Corporation, Charles Drew University (CDU), Children’s Hospital Los Angeles (CHLA), the University of California Los Angeles (UCLA) Foundation, and White Memorial Medical Center.</p> <p><u>Elevating Community Health – Community Health Worker (CHW) Training</u> Since last year, L.A. Care has been exploring the growing needs of Community Health Workers (CHWs) serving L.A. Care’s Medi-Cal members.</p> <p>The Community Health Worker Hybrid Intensive Training program offered by Loma Linda University (LLU) is a comprehensive training that prepares CHW’s for integrated work in clinical settings bringing their knowledge and experience from the community. This training support will also provide CHW’s an opportunity to learn about connecting with people in a compassionate, caring, and culturally sensitive manner. These enhanced skills to navigate health and social systems make them ideal partners to help patients with complex chronic conditions managed by the plan or community partners.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Member Gonzalez-Delgado asked if this CHWs will be in addition to L.A. Care’s current activities. Ms. Carmona responded yes.</p> <p>Member Booth read the following proposed amendments and comments:</p> <p><i>Definition of terms</i></p> <ul style="list-style-type: none"> <li>• “RSP” is the Residency Support Program.</li> <li>• “RSP Resident” refers to a Resident whose position (or slot) is in-part or wholly funded by L.A. Care Residency Support Program.</li> </ul> <p><i>To have the best chance at successfully increasing the number of physicians providing high-quality care for Los Angeles County’s underserved populations, L.A. Care is optimistic that the RSP with RSP Residents will incorporate the following elements:</i></p> <ol style="list-style-type: none"> <li>1) <i>The RSP will embrace the overarching goal of supporting and fostering the desire and capacity of the RSP Residents to provide high-quality care for Los Angeles County’s underserved patient population.</i></li> <li>2) <i>Interactions with potential RSP Residency candidates and the interview process for selecting RSP Residents will be structured, to the greatest degree possible, to attract graduating medical students whose desire it is to care for the underserved population of Los Angeles County.</i></li> <li>3) <i>In support of L.A. Care’s goal of increasing the number of physicians who provide high-quality care to the underserved patient population of Los Angeles County, the RSP should offer training experiences* designed to educate RSP Residents about medically underserved populations. There should be:</i> <ol style="list-style-type: none"> <li>a) <i>Multiple opportunities to become familiar with the many, varied bio-psychosocial issues that interplay to affect the health and wellness of medically underserved individuals;</i></li> <li>b) <i>Time to learn about and make the best use of resources that are available in Los Angeles County to help physicians care for these individuals as patients;</i></li> <li>c) <i>Clinical experiences* that expose RSP Residents to a wide variety of practice modes in which physicians care for Los Angeles County’s underserved population. If they do not already exist, the RSP should consider developing clinical rotations with independent physicians, Federally Qualified Health Centers (FQHCs) and Clinics.</i></li> </ol> </li> </ol> <p><i>The entity that accepts funding from L.A. Care’s RSP will need to report back to L.A. Care on an annual basis and as requested by L.A. Care.</i></p> <p><i>The information requested should include, but not limited to:</i></p> <ol style="list-style-type: none"> <li>1) <i>How the RSP funds were applied toward meeting the goals as noted above;</i></li> </ol>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>2) <i>Details about the Residency Program:</i></p> <ul style="list-style-type: none"> <li>a) <i>Description of experiences* offered to cultivate RSP Residents' interest in caring for the underserved patients of Los Angeles County;</i></li> <li>b) <i>Differences in the training experience* of RSP Residents who show interest in and/or ultimately choose to care for Los Angeles County's underserved population and those who do not;</i></li> <li>c) <i>Improvements implemented or being planned to augment RSP Residents' interactions with underserved patients and to broaden their understanding of the various practice modes of physicians who care for them;</i></li> <li>d) <i>Problems, if noted, and possible reasons and/or solutions for them. In addition to financial barriers, what prevents the RSP Resident from inspiring graduating medical students onto a career-path of providing high-quality care for Los Angeles County's underserved population?</i></li> </ul> <p>3) <i>Any data/revelations/comments the Residency Program can provide regarding the selection of medical students and nurturing of RSP Residents' interest toward ultimately choosing a career-path caring for Los Angeles County's underserved population.</i></p> <p><i>This reporting process provides important feedback about one of the many ways L.A. Care is endeavoring to contribute meaningfully by increasing the access to high-quality health care for Los Angeles County's underserved population.</i></p> <p><i>* "Experiences" – some examples include electives, mentoring, educational workshops, didactic lectures and required rotations.</i></p> <p>Richard Seidman, MD, <i>Chief Medical Officer</i>, thanked Member Booth for her comments and her suggested amendments to the motion summary. He reiterated that the goal of the program is to expand the number of physicians in L.A. Care's network to increase member access to care. L.A. Care has requested applications from residency programs that have an established track record with success in placing physicians in safety net in Los Angeles County. L.A. Care cannot appropriately ask for individual employee records, but L.A. Care will receive aggregate data. Dr. Seidman noted it is part of national conversation to bring people in to the safety net.</p> <p>Member Perez noted that L.A. Care is funding the Elevating the Safety Net program, and asked if it is Los Angeles County or nationwide. Members will want to know if the participants remain in Los Angeles County. RCAC members have expressed their concern about increasing the number of providers in L.A. Care's network.</p>	


AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Member Ballesteros noted that it sounds like staff has identified programs that have strong history of keeping providers in the safety net. From that standpoint, in his mind that cut is made and L.A. Care is augmenting the programs to leverage the better performing programs.</p> <p>Member Perez asked to get more information about the community health worker aspect of the program to present to the RCAC members.</p> <p><b><u>Motion EXE A.0619</u></b></p> <ol style="list-style-type: none"> <li>1. <b>Authorize an expenditure of up to \$6 million to establish the Residency Support Program.</b></li> <li>2. <b>Approve and authorize expenditure of up to \$500,000 to establish the Elevating Community Health (ECH) training initiative for Community Health Workers.</b></li> </ol>	<p><b>Approved unanimously as amended. 5 AYES</b> (Ballesteros, Booth, De La Torre, Gonzalez-Delgado, and Perez)</p>
<p><b>Approve Consent Agenda for the Board of Governors Meeting</b></p>	<p>The Committee approved the following motions to be added to the Consent Agenda for the Board of Governors meeting on July 25, 2019:</p> <ul style="list-style-type: none"> <li>• June 6, 2019 Board meeting minutes</li> <li>• 2020 Board &amp; Committee Meeting Schedule</li> <li>• Health Management Services Contract Extension</li> <li>• Cognizant Contract</li> <li>• RCAC Membership</li> </ul>	<p><b>Approved unanimously. 5 AYES</b></p>
<p><b>PUBLIC COMMENTS</b></p>	<p>There were no public comments.</p>	
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>Ms. Haydel announced the items to be discussed in closed session. She announced there is no report anticipated from the closed session. The meeting adjourned to closed session at 2:43 p.m.</p> <p><b>CONTRACT RATES</b> Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> </ul>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>June 2021</i></p> <p>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the Ralph M. Brown Act Two potential cases</p>	
RECONVENIE IN OPEN SESSION	The meeting reconvened in open session at 3:00 pm. No reportable actions were taken during the closed session.	
ADJOURNMENT	The meeting adjourned at 3:02 pm.	

Respectfully submitted by:

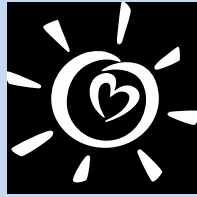
Linda Merkens, *Senior Manager, Board Services*  
Malou Balones, *Senior Board Specialist, Board Services*  
Victor Rodriguez, *Board Specialist, Board Services*

APPROVED BY:



Hector De La Torre, *Chair*

Date: 8-26-19



**L.A. Care**  
HEALTH PLAN®

**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** FIN 102.0919

**Committee:** Finance & Budget

**Chairperson:** Robert H. Curry

New Contract    Amendment    Sole Source    RFP/RFQ was conducted

**Issue:** Acceptance of the Financial Reports.

**Background:** N/A

**Member Impact:** N/A

**Budget Impact:** N/A

**Motion:** To accept the Financial Report as submitted, for the periods ended June and July 2019, as submitted.





**L.A. Care**  
HEALTH PLAN®

Financial Performance  
June 2019



## Financial Performance Results Highlights - Year-to-Date

June 2019

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### **Overall**

The combined member months are 19.7 million year-to-date, which is 52,124 member months favorable to forecast. The year-to-date performance is a surplus of \$243.4 million or 4.1% of revenue and is \$65.6 million favorable to forecast.

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### **MediCal Plan Partners**

The member months are 9.0 million, which is 1,047 member months unfavorable to forecast. The performance is a surplus of \$84.4 million and is \$4.7 million favorable to forecast.

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### **MediCal SPD-CCI**

The member months are 2.0 million, which is 6,781 member months favorable to forecast. The performance is a surplus of \$53.9 million, which is \$8.0 million favorable to forecast driven by lower than expected operating and non-operating expense, but partially offset by higher than expected health care costs.

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### **MediCal TANF-MCE**

The member months are 7.4 million, which is 39,267 member months favorable to forecast. The performance is a surplus of \$87.0 million and is \$50.4 million favorable to forecast. The favorable variance is driven primarily by higher than expected revenues, and lower than expected healthcare expenses.

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### **Cal MediConnect (CMC)**

The member months are 146,591 which is 3,072 member months unfavorable to forecast. The performance is a surplus of \$12.6 million, which is \$14.2 million favorable to forecast driven by higher than expected healthcare revenue.

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### **Commercial**

L.A. Care Commercial consists of LACC and PASC-SEIU. The member months are 1.2 million which is 10,195 member months favorable to forecast. The performance is a surplus of \$18.4 million and is \$25.9 million unfavorable to forecast driven primarily by an updated risk adjustment to revenue.

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**Consolidated Operations Income Statement (\$ in thousands)**

**June 2019**

Current Actual		Current 4+8 Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM
2,180,394		2,163,041		17,353	
\$ 657,225	\$ 301.42	\$ 643,228	\$ 297.37	\$ 13,997	\$ 4.05
<b>\$ 657,225</b>	<b>\$ 301.42</b>	<b>\$ 643,228</b>	<b>\$ 297.37</b>	<b>\$ 13,997</b>	<b>\$ 4.05</b>
\$ 340,053	\$ 155.96	\$ 342,721	\$ 158.44	\$ 2,668	\$ 2.48
\$ 61,054	\$ 28.00	\$ 77,072	\$ 35.63	\$ 16,018	\$ 7.63
\$ 53,484	\$ 24.53	\$ 57,615	\$ 26.64	\$ 4,131	\$ 2.11
\$ 76,629	\$ 35.14	\$ 50,676	\$ 23.43	\$ (25,953)	\$ (11.72)
\$ 53,710	\$ 24.63	\$ 54,874	\$ 25.37	\$ 1,164	\$ 0.74
\$ 6,184	\$ 2.84	\$ 6,131	\$ 2.83	\$ (53)	\$ (0.00)
\$ 5,003	\$ 2.29	\$ 5,518	\$ 2.55	\$ 515	\$ 0.26
<b>\$ 596,116</b>	<b>\$ 273.40</b>	<b>\$ 594,607</b>	<b>\$ 274.89</b>	<b>\$ (1,509)</b>	<b>\$ 1.50</b>
90.7%		92.4%		1.7%	
\$ 61,109	\$ 28.03	\$ 48,620	\$ 22.48	\$ 12,488	\$ 5.55
\$ 33,742	\$ 15.48	\$ 36,678	\$ 16.96	\$ 2,936	\$ 1.48
5.1%		5.7%		0.6%	
\$ 27,367	\$ 12.55	\$ 11,942	\$ 5.52	\$ 15,425	\$ 7.03
\$ (2,289)	\$ (1.05)	\$ (3,817)	\$ (1.76)	\$ 1,528	\$ 0.71
\$ 3,865	\$ 1.77	\$ 2,393	\$ 1.11	\$ 1,472	\$ 0.67
\$ (46)	\$ (0.02)	\$ -	\$ -	\$ (46)	\$ (0.02)
\$ 2,534	\$ 1.16	\$ (533)	\$ (0.25)	\$ 3,066	\$ 1.41
<b>\$ 4,064</b>	<b>\$ 1.86</b>	<b>\$ (1,957)</b>	<b>\$ (0.90)</b>	<b>\$ 6,021</b>	<b>\$ 2.77</b>
\$ 31,431	\$ 14.42	\$ 9,986	\$ 4.62	\$ 21,446	\$ 9.80
4.8%		1.6%		3.2%	

	YTD Actual		YTD 4+8 Forecast		Fav<Unfav> Forecast	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>Membership</b>						
Member Months	19,700,346		19,648,222		52,124	
<b>Revenue</b>						
Capitation	\$ 5,913,090	\$ 300.15	\$ 5,872,603	\$ 298.89	\$ 40,487	\$ 1.26
<b>Total Revenues</b>	<b>\$ 5,913,090</b>	<b>\$ 300.15</b>	<b>\$ 5,872,603</b>	<b>\$ 298.89</b>	<b>\$ 40,487</b>	<b>\$ 1.26</b>
<b>Healthcare Expenses</b>						
Capitation	\$ 3,129,187	\$ 158.84	\$ 3,113,030	\$ 158.44	\$ (16,157)	\$ (0.40)
Inpatient Claims	\$ 692,945	\$ 35.17	\$ 679,401	\$ 34.58	\$ (13,545)	\$ (0.60)
Outpatient Claims	\$ 494,644	\$ 25.11	\$ 499,828	\$ 25.44	\$ 5,185	\$ 0.33
Skilled Nursing Facility	\$ 470,105	\$ 23.86	\$ 467,565	\$ 23.80	\$ (2,540)	\$ (0.07)
Pharmacy	\$ 502,856	\$ 25.53	\$ 498,660	\$ 25.38	\$ (4,196)	\$ (0.15)
Provider Incentives and Shared Risk	\$ 55,374	\$ 2.81	\$ 57,423	\$ 2.92	\$ 2,049	\$ 0.11
Medical Administrative Expenses	\$ 45,133	\$ 2.29	\$ 46,969	\$ 2.39	\$ 1,836	\$ 0.10
<b>Total Healthcare Expenses</b>	<b>\$ 5,390,243</b>	<b>\$ 273.61</b>	<b>\$ 5,362,876</b>	<b>\$ 272.94</b>	<b>\$ (27,367)</b>	<b>\$ (0.67)</b>
MCR(%)	91.2%		91.3%		0.2%	
<b>Operating Margin</b>	<b>\$ 522,847</b>	<b>\$ 26.54</b>	<b>\$ 509,727</b>	<b>\$ 25.94</b>	<b>\$ 13,120</b>	<b>\$ 0.60</b>
<b>Total Operating Expenses</b>	<b>\$ 310,672</b>	<b>\$ 15.77</b>	<b>\$ 330,436</b>	<b>\$ 16.82</b>	<b>\$ 19,764</b>	<b>\$ 1.05</b>
Admin Ratio(%)	5.3%		5.6%		0.4%	
<b>Income (Loss) from Operations</b>	<b>\$ 212,175</b>	<b>\$ 10.77</b>	<b>\$ 179,291</b>	<b>\$ 9.13</b>	<b>\$ 32,884</b>	<b>\$ 1.65</b>
Other Income/(Expense), net	\$ (9,165)	\$ (0.47)	\$ (24,472)	\$ (1.25)	\$ 15,307	\$ 0.78
Interest Income, net	\$ 28,541	\$ 1.45	\$ 21,391	\$ 1.09	\$ 7,150	\$ 0.36
Realized Gain / Loss	\$ (237)	\$ (0.01)	\$ (82)	\$ (0.00)	\$ (155)	\$ (0.01)
Unrealized Gain / Loss	\$ 12,050	\$ 0.61	\$ 1,598	\$ 0.08	\$ 10,452	\$ 0.53
<b>Total Non-Operating Income (Expense)</b>	<b>\$ 31,189</b>	<b>\$ 1.58</b>	<b>\$ (1,565)</b>	<b>\$ (0.08)</b>	<b>\$ 32,754</b>	<b>\$ 1.66</b>
<b>Net Surplus (Deficit)</b>	<b>\$ 243,364</b>	<b>\$ 12.35</b>	<b>\$ 177,726</b>	<b>\$ 9.05</b>	<b>\$ 65,638</b>	<b>\$ 3.31</b>
Margin(%)	4.1%		3.0%		1.1%	



MediCal Plan Partners Income Statement (\$ in thousands)

June 2019

Current Actual		Current 4+8 Forecast		Fav<Unfav> Forecast		YTD Actual		YTD 4+8 Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
984,790		985,446		(656)							
<b>Membership</b>											
Member Months											
						8,976,423		8,977,470		(1,047)	
<b>Revenue</b>											
Capitation											
\$ 233,485	\$ 237.09	\$ 239,303	\$ 242.84	\$ (5,818)	\$ (5.75)	\$ 2,169,880	\$ 241.73	\$ 2,164,597	\$ 241.11	\$ 5,283	\$ 0.62
<b>\$ 233,485</b>	<b>\$ 237.09</b>	<b>\$ 239,303</b>	<b>\$ 242.84</b>	<b>\$ (5,818)</b>	<b>\$ (5.75)</b>	<b>\$ 2,169,880</b>	<b>\$ 241.73</b>	<b>\$ 2,164,597</b>	<b>\$ 241.11</b>	<b>\$ 5,283</b>	<b>\$ 0.62</b>
<b>Total Revenues</b>											
<b>Healthcare Expenses</b>											
Capitation											
\$ 218,747	\$ 222.13	\$ 222,030	\$ 225.31	\$ 3,283	\$ 3.18	\$ 2,036,692	\$ 226.89	\$ 2,017,953	\$ 224.78	\$ (18,739)	\$ (2.11)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 0.00	\$ (1)	\$ (0.00)	\$ (8)	\$ (0.00)
\$ (12)	\$ (0.01)	\$ -	\$ -	\$ 12	\$ 0.01	\$ 519	\$ 0.06	\$ 140	\$ 0.02	\$ (379)	\$ (0.04)
\$ 1,433	\$ 1.45	\$ 2,333	\$ 2.37	\$ 901	\$ 0.91	\$ 15,569	\$ 1.73	\$ 21,578	\$ 2.40	\$ 6,010	\$ 0.67
\$ 779	\$ 0.79	\$ 739	\$ 0.75	\$ (40)	\$ (0.04)	\$ 6,279	\$ 0.70	\$ 6,627	\$ 0.74	\$ 348	\$ 0.04
<b>\$ 220,947</b>	<b>\$ 224.36</b>	<b>\$ 225,103</b>	<b>\$ 228.43</b>	<b>\$ 4,155</b>	<b>\$ 4.07</b>	<b>\$ 2,059,065</b>	<b>\$ 229.39</b>	<b>\$ 2,046,297</b>	<b>\$ 227.94</b>	<b>\$ (12,768)</b>	<b>\$ (1.45)</b>
94.6%		94.1%		-0.6%		94.9%		94.5%		-0.4%	
\$ 12,538	\$ 12.73	\$ 14,201	\$ 14.41	\$ (1,663)	\$ (1.68)	\$ 110,815	\$ 12.35	\$ 118,300	\$ 13.18	\$ (7,485)	\$ (0.83)
\$ 4,929	\$ 5.01	\$ 5,410	\$ 5.49	\$ 481	\$ 0.48	\$ 45,300	\$ 5.05	\$ 48,674	\$ 5.42	\$ 3,374	\$ 0.38
2.1%		2.3%		0.1%		2.1%		2.2%		0.2%	
\$ 7,609	\$ 7.73	\$ 8,791	\$ 8.92	\$ (1,182)	\$ (1.19)	\$ 65,516	\$ 7.30	\$ 69,626	\$ 7.76	\$ (4,110)	\$ (0.46)
\$ 2,858	\$ 2.90	\$ 773	\$ 0.78	\$ 2,084	\$ 2.12	\$ 18,883	\$ 2.10	\$ 10,067	\$ 1.12	\$ 8,816	\$ 0.98
\$ 10,467	\$ 10.63	\$ 9,564	\$ 9.71	\$ 903	\$ 0.92	\$ 84,399	\$ 9.40	\$ 79,692	\$ 8.88	\$ 4,706	\$ 0.53
4.5%		4.0%		0.5%		3.9%		3.7%		0.2%	
<b>Operating Margin</b>											
<b>Total Operating Expenses</b>											
Admin Ratio(%)											
<b>Income (Loss) from Operations</b>											
<b>Total Non-Operating Income (Expense)</b>											
<b>Net Surplus (Deficit)</b>											
Margin(%)											



MediCal SPD-CCI Income Statement (\$ in thousands)

June 2019

Current Actual		Current 4+8 Forecast		Fav<Unfav> Forecast		YTD Actual		YTD 4+8 Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
219,485		215,865		3,620							
\$ 154,634	\$ 704.53	\$ 149,903	\$ 694.43	\$ 4,731	\$ 10.10						
<b>\$ 154,634</b>	<b>\$ 704.53</b>	<b>\$ 149,903</b>	<b>\$ 694.43</b>	<b>\$ 4,731</b>	<b>\$ 10.10</b>						
\$ 15,283	\$ 69.63	\$ 14,907	\$ 69.06	\$ (376)	\$ (0.57)						
\$ 29,965	\$ 136.53	\$ 29,296	\$ 135.72	\$ (669)	\$ (0.81)						
\$ 29,145	\$ 132.79	\$ 30,080	\$ 139.35	\$ 935	\$ 6.56						
\$ 83,765	\$ 381.64	\$ 44,827	\$ 207.66	\$ (38,938)	\$ (173.98)						
\$ 17,562	\$ 80.02	\$ 17,681	\$ 81.91	\$ 119	\$ 1.89						
\$ (308)	\$ (1.40)	\$ (647)	\$ (3.00)	\$ (339)	\$ (1.59)						
\$ 1,532	\$ 6.98	\$ 1,874	\$ 8.68	\$ 343	\$ 1.70						
<b>\$ 176,944</b>	<b>\$ 806.18</b>	<b>\$ 138,018</b>	<b>\$ 639.37</b>	<b>\$ (38,926)</b>	<b>\$ (166.81)</b>						
114.4%		92.1%		-22.4%							
\$ (22,310)	\$ (101.65)	\$ 11,885	\$ 55.06	\$ (34,195)	\$ (156.71)						
\$ 10,407	\$ 47.41	\$ 12,979	\$ 60.12	\$ 2,572	\$ 12.71						
6.7%		8.7%		1.9%							
\$ (32,717)	\$ (149.06)	\$ (1,094)	\$ (5.07)	\$ (31,623)	\$ (144.00)						
\$ 1,659	\$ 7.56	\$ 553	\$ 2.56	\$ 1,106	\$ 5.00						
\$ (31,058)	\$ (141.50)	\$ (540)	\$ (2.50)	\$ (30,517)	\$ (139.00)						
-20.1%		-0.4%		-19.7%							
<b>Membership</b>											
Member Months						1,975,903		1,969,122		6,781	
<b>Revenue</b>											
Capitation						\$ 1,430,862	\$ 724.16	\$ 1,407,059	\$ 714.56	\$ 23,803	\$ 9.59
<b>Total Revenues</b>						<b>\$ 1,430,862</b>	<b>\$ 724.16</b>	<b>\$ 1,407,059</b>	<b>\$ 714.56</b>	<b>\$ 23,803</b>	<b>\$ 9.59</b>
<b>Healthcare Expenses</b>											
Capitation						\$ 143,880	\$ 72.82	\$ 141,543	\$ 71.88	\$ (2,338)	\$ (0.94)
Inpatient Claims						\$ 273,068	\$ 138.20	\$ 254,873	\$ 129.43	\$ (18,196)	\$ (8.76)
Outpatient Claims						\$ 259,847	\$ 131.51	\$ 264,436	\$ 134.29	\$ 4,589	\$ 2.78
Skilled Nursing Facility						\$ 438,736	\$ 222.04	\$ 419,355	\$ 212.97	\$ (19,381)	\$ (9.08)
Pharmacy						\$ 154,626	\$ 78.26	\$ 157,035	\$ 79.75	\$ 2,409	\$ 1.49
Provider Incentives and Shared Risk						\$ 2,649	\$ 1.34	\$ 255	\$ 0.13	\$ (2,394)	\$ (1.21)
Medical Administrative Expenses						\$ 14,340	\$ 7.26	\$ 15,045	\$ 7.64	\$ 706	\$ 0.38
<b>Total Healthcare Expenses</b>						<b>\$ 1,287,145</b>	<b>\$ 651.42</b>	<b>\$ 1,252,541</b>	<b>\$ 636.09</b>	<b>\$ (34,604)</b>	<b>\$ (15.33)</b>
MCR(%)						90.0%		89.0%		-0.9%	
<b>Operating Margin</b>						<b>\$ 143,716</b>	<b>\$ 72.73</b>	<b>\$ 154,518</b>	<b>\$ 78.47</b>	<b>\$ (10,801)</b>	<b>\$ (5.74)</b>
<b>Total Operating Expenses</b>						<b>\$ 101,177</b>	<b>\$ 51.21</b>	<b>\$ 115,211</b>	<b>\$ 58.51</b>	<b>\$ 14,034</b>	<b>\$ 7.30</b>
Admin Ratio(%)						7.1%		8.2%		1.1%	
<b>Income (Loss) from Operations</b>						<b>\$ 42,539</b>	<b>\$ 21.53</b>	<b>\$ 39,306</b>	<b>\$ 19.96</b>	<b>\$ 3,233</b>	<b>\$ 1.57</b>
<b>Total Non-Operating Income (Expense)</b>						<b>\$ 11,340</b>	<b>\$ 5.74</b>	<b>\$ 6,565</b>	<b>\$ 3.33</b>	<b>\$ 4,775</b>	<b>\$ 2.41</b>
<b>Net Surplus (Deficit)</b>						<b>\$ 53,879</b>	<b>\$ 27.27</b>	<b>\$ 45,871</b>	<b>\$ 23.30</b>	<b>\$ 8,008</b>	<b>\$ 3.97</b>
Margin(%)						3.8%		3.3%		0.5%	



MediCal TANF-MCE Income Statement (\$ in thousands)

June 2019

Current Actual		Current 4+8 Forecast		Fav<Unfav> Forecast		YTD Actual		YTD 4+8 Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
828,619		813,574		15,045							
\$ 190,681	\$ 230.12	\$ 187,014	\$ 229.87	\$ 3,667	\$ 0.25						
<b>\$ 190,681</b>	<b>\$ 230.12</b>	<b>\$ 187,014</b>	<b>\$ 229.87</b>	<b>\$ 3,667</b>	<b>\$ 0.25</b>						
\$ 72,804	\$ 87.86	\$ 73,773	\$ 90.68	\$ 969	\$ 2.82						
\$ 26,429	\$ 31.90	\$ 39,001	\$ 47.94	\$ 12,571	\$ 16.04						
\$ 20,819	\$ 25.12	\$ 23,530	\$ 28.92	\$ 2,712	\$ 3.80						
\$ (8,771)	\$ (10.58)	\$ 4,296	\$ 5.28	\$ 13,066	\$ 15.86						
\$ 32,068	\$ 38.70	\$ 30,136	\$ 37.04	\$ (1,931)	\$ (1.66)						
\$ 2,885	\$ 3.48	\$ 1,971	\$ 2.42	\$ (915)	\$ (1.06)						
\$ 2,298	\$ 2.77	\$ 2,470	\$ 3.04	\$ 172	\$ 0.26						
<b>\$ 148,533</b>	<b>\$ 179.25</b>	<b>\$ 175,177</b>	<b>\$ 215.32</b>	<b>\$ 26,644</b>	<b>\$ 36.06</b>						
77.9%		93.7%		15.8%							
\$ 42,148	\$ 50.87	\$ 11,837	\$ 14.55	\$ 30,311	\$ 36.32						
\$ 12,216	\$ 14.74	\$ 12,750	\$ 15.67	\$ 534	\$ 0.93						
6.4%		6.8%		0.4%							
\$ 29,932	\$ 36.12	\$ (913)	\$ (1.12)	\$ 30,845	\$ 37.24						
\$ 1,798	\$ 2.17	\$ 533	\$ 0.65	\$ 1,265	\$ 1.51						
\$ 31,729	\$ 38.29	\$ (380)	\$ (0.47)	\$ 32,110	\$ 38.76						
16.6%		-0.2%		16.8%							
<b>Membership</b>						<b>Member Months</b>					
						7,448,686					
						7,409,419					
						39,267					
<b>Revenue</b>						<b>Capitation</b>					
						\$ 1,751,404					
						\$ 235.13					
						\$ 1,720,100					
						\$ 232.15					
<b>Total Revenues</b>						<b>\$ 1,751,404</b>					
						<b>\$ 235.13</b>					
						<b>\$ 1,720,100</b>					
						<b>\$ 232.15</b>					
						<b>\$ 31,303</b>					
						<b>\$ 2.98</b>					
						<b>\$ 31,303</b>					
						<b>\$ 2.98</b>					
<b>Healthcare Expenses</b>						<b>Capitation</b>					
						\$ 662,505					
						\$ 88.94					
						\$ 673,389					
						\$ 90.88					
						\$ 10,884					
						\$ 1.94					
						\$ 349,360					
						\$ 46.90					
						\$ 349,413					
						\$ 47.16					
						\$ 53					
						\$ 0.26					
						\$ 205,058					
						\$ 27.53					
						\$ 202,582					
						\$ 27.34					
						\$ (2,476)					
						\$ (0.19)					
						\$ 16,503					
						\$ 2.22					
						\$ 34,325					
						\$ 4.63					
						\$ 17,823					
						\$ 2.42					
						\$ 293,042					
						\$ 39.34					
						\$ 281,148					
						\$ 37.94					
						\$ (11,894)					
						\$ (1.40)					
						\$ 21,814					
						\$ 2.93					
						\$ 17,270					
						\$ 2.33					
						\$ (4,544)					
						\$ (0.60)					
						\$ 19,907					
						\$ 2.67					
						\$ 20,828					
						\$ 2.81					
						\$ 921					
						\$ 0.14					
<b>Total Healthcare Expenses</b>						<b>\$ 1,568,189</b>					
						<b>\$ 210.53</b>					
						<b>\$ 1,578,956</b>					
						<b>\$ 213.10</b>					
						<b>\$ 10,767</b>					
						<b>\$ 2.57</b>					
						89.5%					
						91.8%					
						2.3%					
<b>Operating Margin</b>						<b>\$ 183,215</b>					
						<b>\$ 24.60</b>					
						<b>\$ 141,144</b>					
						<b>\$ 19.05</b>					
						<b>\$ 42,070</b>					
						<b>\$ 5.55</b>					
<b>Total Operating Expenses</b>						<b>\$ 108,023</b>					
						<b>\$ 14.50</b>					
						<b>\$ 111,054</b>					
						<b>\$ 14.99</b>					
						<b>\$ 3,032</b>					
						<b>\$ 0.49</b>					
						6.2%					
						6.5%					
						0.3%					
<b>Income (Loss) from Operations</b>						<b>\$ 75,192</b>					
						<b>\$ 10.09</b>					
						<b>\$ 30,090</b>					
						<b>\$ 4.06</b>					
						<b>\$ 45,102</b>					
						<b>\$ 6.03</b>					
<b>Total Non-Operating Income (Expense)</b>						<b>\$ 11,804</b>					
						<b>\$ 1.58</b>					
						<b>\$ 6,499</b>					
						<b>\$ 0.88</b>					
						<b>\$ 5,304</b>					
						<b>\$ 0.71</b>					
<b>Net Surplus (Deficit)</b>						<b>\$ 86,996</b>					
						<b>\$ 11.68</b>					
						<b>\$ 36,589</b>					
						<b>\$ 4.94</b>					
						<b>\$ 50,406</b>					
						<b>\$ 6.74</b>					
						5.0%					
						2.1%					
						2.8%					



**CMC Income Statement (\$ in thousands)**

**June 2019**

Current Actual		Current 4+8 Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM
15,908		17,349		(1,441)	
<b>\$ 28,433</b>	<b>\$ 1,787.31</b>	<b>\$ 21,121</b>	<b>\$ 1,217.43</b>	<b>\$ 7,311</b>	<b>\$ 569.88</b>
<b>\$ 28,433</b>	<b>\$ 1,787.31</b>	<b>\$ 21,121</b>	<b>\$ 1,217.43</b>	<b>\$ 7,311</b>	<b>\$ 569.88</b>
\$ 10,391	\$ 653.16	\$ 9,827	\$ 566.44	\$ (563)	\$ (86.72)
\$ 4,405	\$ 276.92	\$ 4,430	\$ 255.33	\$ 24	\$ (21.60)
\$ 1,862	\$ 117.05	\$ 1,875	\$ 108.08	\$ 13	\$ (8.98)
\$ 1,614	\$ 101.44	\$ 1,554	\$ 89.58	\$ (60)	\$ (11.86)
\$ (2,114)	\$ (132.91)	\$ 1,345	\$ 77.51	\$ 3,459	\$ 210.42
\$ 825	\$ 51.85	\$ 511	\$ 29.44	\$ (314)	\$ (22.40)
\$ 238	\$ 14.99	\$ 417	\$ 24.04	\$ 179	\$ 9.06
<b>\$ 17,220</b>	<b>\$ 1,082.50</b>	<b>\$ 19,958</b>	<b>\$ 1,150.41</b>	<b>\$ 2,738</b>	<b>\$ 67.92</b>
60.6%		94.5%		33.9%	
<b>\$ 11,212</b>	<b>\$ 704.82</b>	<b>\$ 1,163</b>	<b>\$ 67.02</b>	<b>\$ 10,050</b>	<b>\$ 637.80</b>
\$ 1,375	\$ 86.46	\$ 1,472	\$ 84.86	\$ 97	\$ (1.60)
4.8%		7.0%		2.1%	
<b>\$ 9,837</b>	<b>\$ 618.35</b>	<b>\$ (310)</b>	<b>\$ (17.85)</b>	<b>\$ 10,146</b>	<b>\$ 636.20</b>
<b>\$ 38</b>	<b>\$ 2.40</b>	<b>\$ (4)</b>	<b>\$ (0.21)</b>	<b>\$ 42</b>	<b>\$ 2.61</b>
<b>\$ 9,875</b>	<b>\$ 620.75</b>	<b>\$ (313)</b>	<b>\$ (18.05)</b>	<b>\$ 10,188</b>	<b>\$ 638.81</b>
34.7%		-1.5%		36.2%	

	YTD Actual		YTD 4+8 Forecast		Fav<Unfav> Forecast	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>Membership</b>						
Member Months	146,591		149,663		(3,072)	
<b>Revenue</b>						
Capitation	\$ 195,089	\$ 1,330.84	\$ 182,549	\$ 1,219.74	\$ 12,540	\$ 111.10
<b>Total Revenues</b>	<b>\$ 195,089</b>	<b>\$ 1,330.84</b>	<b>\$ 182,549</b>	<b>\$ 1,219.74</b>	<b>\$ 12,540</b>	<b>\$ 111.10</b>
<b>Healthcare Expenses</b>						
Capitation	\$ 88,683	\$ 604.97	\$ 84,864	\$ 567.04	\$ (3,819)	\$ (37.93)
Inpatient Claims	\$ 34,940	\$ 238.35	\$ 35,848	\$ 239.53	\$ 908	\$ 1.18
Outpatient Claims	\$ 13,389	\$ 91.33	\$ 14,777	\$ 98.74	\$ 1,389	\$ 7.40
Skilled Nursing Facility	\$ 14,220	\$ 97.00	\$ 13,593	\$ 90.83	\$ (626)	\$ (6.18)
Pharmacy	\$ 8,461	\$ 57.72	\$ 12,272	\$ 82.00	\$ 3,810	\$ 24.27
Provider Incentives and Shared Risk	\$ 7,245	\$ 49.42	\$ 5,257	\$ 35.12	\$ (1,988)	\$ (14.30)
Medical Administrative Expenses	\$ 3,086	\$ 21.05	\$ 3,559	\$ 23.78	\$ 473	\$ 2.73
<b>Total Healthcare Expenses</b>	<b>\$ 170,023</b>	<b>\$ 1,159.85</b>	<b>\$ 170,170</b>	<b>\$ 1,137.02</b>	<b>\$ 147</b>	<b>\$ (22.82)</b>
<i>MCR(%)</i>	87.2%		93.2%		6.1%	
<b>Operating Margin</b>	<b>\$ 25,066</b>	<b>\$ 170.99</b>	<b>\$ 12,379</b>	<b>\$ 82.71</b>	<b>\$ 12,687</b>	<b>\$ 88.28</b>
<b>Total Operating Expenses</b>	<b>\$ 12,700</b>	<b>\$ 86.63</b>	<b>\$ 14,060</b>	<b>\$ 93.94</b>	<b>\$ 1,360</b>	<b>\$ 7.31</b>
<i>Admin Ratio(%)</i>	6.5%		7.7%		1.2%	
<b>Income (Loss) from Operations</b>	<b>\$ 12,366</b>	<b>\$ 84.36</b>	<b>\$ (1,681)</b>	<b>\$ (11.23)</b>	<b>\$ 14,047</b>	<b>\$ 95.59</b>
<b>Total Non-Operating Income (Expense)</b>	<b>\$ 252</b>	<b>\$ 1.72</b>	<b>\$ 71</b>	<b>\$ 0.48</b>	<b>\$ 181</b>	<b>\$ 1.24</b>
<b>Net Surplus (Deficit)</b>	<b>\$ 12,618</b>	<b>\$ 86.08</b>	<b>\$ (1,610)</b>	<b>\$ (10.75)</b>	<b>\$ 14,228</b>	<b>\$ 96.83</b>
<i>Margin(%)</i>	6.5%		-0.9%		7.3%	



**Commercial Income Statement (\$ in thousands)**

June 2019

Current Actual		Current 4+8 Forecast		Fav<Unfav> Forecast		YTD Actual		YTD 4+8 Forecast		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
131,592		130,808		784							
\$ 49,992	\$ 379.90	\$ 45,886	\$ 350.79	\$ 4,106	\$ 29.12						
<b>\$ 49,992</b>	<b>\$ 379.90</b>	<b>\$ 45,886</b>	<b>\$ 350.79</b>	<b>\$ 4,106</b>	<b>\$ 29.12</b>						
\$ 22,827	\$ 173.47	\$ 22,183	\$ 169.58	\$ (644)	\$ (3.89)						
\$ 254	\$ 1.93	\$ 4,346	\$ 33.22	\$ 4,091	\$ 31.29						
\$ 1,670	\$ 12.69	\$ 2,130	\$ 16.28	\$ 460	\$ 3.59						
\$ 21	\$ 0.16	\$ -	\$ -	\$ (21)	\$ (0.16)						
\$ 6,194	\$ 47.07	\$ 5,712	\$ 43.66	\$ (482)	\$ (3.41)						
\$ 1,349	\$ 10.25	\$ 1,963	\$ 15.01	\$ 614	\$ 4.76						
\$ 156	\$ 1.18	\$ 17	\$ 0.13	\$ (138)	\$ (1.05)						
<b>\$ 32,471</b>	<b>\$ 246.76</b>	<b>\$ 36,351</b>	<b>\$ 277.90</b>	<b>\$ 3,880</b>	<b>\$ 31.14</b>						
65.0%		79.2%		14.3%							
\$ 17,521	\$ 133.14	\$ 9,535	\$ 72.89	\$ 7,986	\$ 60.25						
\$ 3,874	\$ 29.44	\$ 3,248	\$ 24.83	\$ (626)	\$ (4.61)						
7.8%		7.1%		-0.7%							
\$ 13,646	\$ 103.70	\$ 6,287	\$ 48.06	\$ 7,360	\$ 55.64						
\$ (577)	\$ (4.38)	\$ (575)	\$ (4.40)	\$ (1)	\$ 0.01						
<b>\$ 13,070</b>	<b>\$ 99.32</b>	<b>\$ 5,711</b>	<b>\$ 43.66</b>	<b>\$ 7,358</b>	<b>\$ 55.66</b>						
26.1%		12.4%		13.7%							
						<b>Membership</b>					
						Member Months	1,152,743	1,142,548	10,195		
						<b>Revenue</b>					
						Capitation	\$ 365,855	\$ 317.38	\$ 398,298	\$ 348.60	\$ (32,443) \$ (31.23)
						<b>Total Revenues</b>	<b>\$ 365,855</b>	<b>\$ 317.38</b>	<b>\$ 398,298</b>	<b>\$ 348.60</b>	<b>\$ (32,443) \$ (31.23)</b>
						<b>Healthcare Expenses</b>					
						Capitation	\$ 197,427	\$ 171.27	\$ 195,280	\$ 170.92	\$ (2,146) \$ (0.35)
						Inpatient Claims	\$ 35,570	\$ 30.86	\$ 39,268	\$ 34.37	\$ 3,698 \$ 3.51
						Outpatient Claims	\$ 15,831	\$ 13.73	\$ 17,893	\$ 15.66	\$ 2,062 \$ 1.93
						Skilled Nursing Facility	\$ 647	\$ 0.56	\$ 292	\$ 0.26	\$ (355) \$ (0.31)
						Pharmacy	\$ 46,727	\$ 40.54	\$ 48,206	\$ 42.19	\$ 1,479 \$ 1.66
						Provider Incentives and Shared Risk	\$ 8,097	\$ 7.02	\$ 13,063	\$ 11.43	\$ 4,965 \$ 4.41
						Medical Administrative Expenses	\$ 1,521	\$ 1.32	\$ 910	\$ 0.80	\$ (612) \$ (0.52)
						<b>Total Healthcare Expenses</b>	<b>\$ 305,821</b>	<b>\$ 265.30</b>	<b>\$ 314,912</b>	<b>\$ 275.62</b>	<b>\$ 9,091 \$ 10.32</b>
						MCR(%)	83.6%	79.1%	-4.5%		
						<b>Operating Margin</b>	<b>\$ 60,035</b>	<b>\$ 52.08</b>	<b>\$ 83,386</b>	<b>\$ 72.98</b>	<b>\$ (23,352) \$ (20.90)</b>
						<b>Total Operating Expenses</b>	<b>\$ 36,430</b>	<b>\$ 31.60</b>	<b>\$ 33,924</b>	<b>\$ 29.69</b>	<b>\$ (2,506) \$ (1.91)</b>
						Admin Ratio(%)	10.0%	8.5%	-1.4%		
						<b>Income (Loss) from Operations</b>	<b>\$ 23,605</b>	<b>\$ 20.48</b>	<b>\$ 49,463</b>	<b>\$ 43.29</b>	<b>\$ (25,858) \$ (22.81)</b>
						<b>Total Non-Operating Income (Expense)</b>	<b>\$ (5,222)</b>	<b>\$ (4.53)</b>	<b>\$ (5,215)</b>	<b>\$ (4.56)</b>	<b>\$ (7) \$ 0.03</b>
						<b>Net Surplus (Deficit)</b>	<b>\$ 18,383</b>	<b>\$ 15.95</b>	<b>\$ 44,248</b>	<b>\$ 38.73</b>	<b>\$ (25,865) \$ (22.78)</b>
						Margin(%)	5.0%	11.1%	-6.1%		





## Comparative Balance Sheet

June 2019

(Dollars in thousands)

	Jun-18	Sep-18	Dec-18	Mar-19	Apr-19	May-19	Jun-19
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Total Current Assets	4,357,889	4,015,955	3,828,181	4,745,141	4,607,521	4,396,106	4,300,236
Capitalized Assets - net	101,440	105,599	108,055	110,451	110,181	110,386	110,109
<b>NON-CURRENT ASSETS</b>	2,147	1,721	1,902	2,578	2,468	2,360	2,207
<b>TOTAL ASSETS</b>	<b>\$4,461,476</b>	<b>\$4,123,276</b>	<b>\$3,938,138</b>	<b>\$4,858,170</b>	<b>\$4,720,171</b>	<b>\$4,508,851</b>	<b>\$4,412,552</b>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Total Current Liability	3,679,923	3,302,934	3,059,560	3,838,394	3,685,387	3,476,578	3,348,126
Long Term Liability	2,980	2,855	2,767	2,742	2,764	2,854	3,576
<b>Total Liabilities</b>	<b>\$3,682,903</b>	<b>\$3,305,790</b>	<b>\$3,062,327</b>	<b>\$3,841,136</b>	<b>\$3,688,151</b>	<b>\$3,479,432</b>	<b>\$3,351,701</b>
<b>FUND EQUITY</b>							
Invested in Capital Assets, net of related debt	101,440	105,599	108,055	110,451	110,181	110,386	110,109
Restricted Equity	300	300	300	300	300	300	300
Minimum Tangible Net Equity	186,868	174,088	164,287	161,811	160,510	160,809	160,633
Board Designated Funds	43,356	35,992	63,795	73,720	72,595	71,478	69,535
Unrestricted Net Assets	446,609	501,506	539,373	670,753	688,434	686,446	720,273
<b>Total Fund Equity</b>	<b>\$778,573</b>	<b>\$817,486</b>	<b>\$875,810</b>	<b>\$1,017,034</b>	<b>\$1,032,020</b>	<b>\$1,029,419</b>	<b>\$1,060,850</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$4,461,476</b>	<b>\$4,123,276</b>	<b>\$3,938,138</b>	<b>\$4,858,170</b>	<b>\$4,720,171</b>	<b>\$4,508,851</b>	<b>\$4,412,552</b>
<b>Solvency Ratios</b>							
Working Capital Ratio	1.18	1.22	1.25	1.24	1.25	1.26	1.28
Cash to Claims Ratio	0.49	0.51	0.45	0.85	0.77	0.67	0.62
Tangible Net Equity Ratio	4.17	4.70	5.33	6.29	6.43	6.40	6.60



**Cash Flows Statement (\$ in thousands)**

**June 2019**

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	YTD
<b>Cash Flows from Operating Activities:</b>										
Capitation Revenue	\$ 638,407	\$ 406,972	\$ 596,708	\$ 713,150	\$ 745,293	\$ 926,643	\$ 562,020	\$ 587,654	\$ 619,894	\$ 5,796,741
Other Income (Expense), net	\$ 3,682	\$ (90)	\$ 241	\$ 1,254	\$ 2,286	\$ 3,149	\$ 4,228	\$ 2,762	\$ 724	\$ 18,236
Healthcare Expenses	\$ (566,253)	\$ (640,460)	\$ (462,734)	\$ (615,151)	\$ (508,155)	\$ (547,646)	\$ (518,545)	\$ (556,697)	\$ (604,108)	\$ (5,019,749)
Operating Expenses	\$ (32,471)	\$ (41,276)	\$ (38,812)	\$ (29,411)	\$ (30,246)	\$ (29,377)	\$ (31,819)	\$ (35,500)	\$ (32,385)	\$ (301,297)
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 43,365</b>	<b>\$ (274,854)</b>	<b>\$ 95,403</b>	<b>\$ 69,842</b>	<b>\$ 209,178</b>	<b>\$ 352,769</b>	<b>\$ 15,884</b>	<b>\$ (1,780)</b>	<b>\$ (15,875)</b>	<b>\$ 493,932</b>
<b>Cash Flows from Investing Activities</b>										
Purchase of investments - Net	\$ 149,067	\$ (179,656)	\$ 52,077	\$ 13,073	\$ 26,570	\$ 66,471	\$ (3,779)	\$ 1,289	\$ (252,475)	\$ (127,363)
Purchase of Capital Assets	\$ (4,355)	\$ (1,591)	\$ (1,984)	\$ (2,892)	\$ (1,319)	\$ (4,347)	\$ (1,855)	\$ (2,373)	\$ (1,997)	\$ (22,713)
<b>Net Cash Provided By Investing Activities</b>	<b>\$ 144,712</b>	<b>\$ (181,247)</b>	<b>\$ 50,093</b>	<b>\$ 10,181</b>	<b>\$ 25,251</b>	<b>\$ 62,124</b>	<b>\$ (5,634)</b>	<b>\$ (1,084)</b>	<b>\$ (254,472)</b>	<b>\$ (150,076)</b>
<b>Cash Flows from Financing Activities:</b>										
Gross Premium Tax (MCO Sales Tax) - Net	\$ (26,802)	\$ 11,908	\$ 11,770	\$ (26,959)	\$ 11,719	\$ 11,998	\$ (26,337)	\$ 16,846	\$ 12,083	\$ (3,774)
Pass through transactions (AB 85, IGT, etc.)	\$ -	\$ -	\$ -	\$ -	\$ (92)	\$ 587,558	\$ (190,372)	\$ (271,251)	\$ (106,984)	\$ 18,859
<b>Net Cash Provided By Financing Activities</b>	<b>\$ (26,802)</b>	<b>\$ 11,908</b>	<b>\$ 11,770</b>	<b>\$ (26,959)</b>	<b>\$ 11,627</b>	<b>\$ 599,556</b>	<b>\$ (216,709)</b>	<b>\$ (254,404)</b>	<b>\$ (94,901)</b>	<b>\$ 15,086</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>\$ 161,275</b>	<b>\$ (444,193)</b>	<b>\$ 157,266</b>	<b>\$ 53,064</b>	<b>\$ 246,055</b>	<b>\$ 1,014,449</b>	<b>\$ (206,459)</b>	<b>\$ (257,268)</b>	<b>\$ (365,248)</b>	<b>\$ 358,941</b>
Cash and Cash Equivalents, Beginning	\$ 598,403	\$ 759,678	\$ 315,485	\$ 472,751	\$ 525,815	\$ 771,870	\$ 1,786,319	\$ 1,579,860	\$ 1,322,592	\$ 598,403
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 759,678</b>	<b>\$ 315,485</b>	<b>\$ 472,751</b>	<b>\$ 525,815</b>	<b>\$ 771,870</b>	<b>\$ 1,786,319</b>	<b>\$ 1,579,860</b>	<b>\$ 1,322,592</b>	<b>\$ 957,344</b>	<b>\$ 957,344</b>
<b>Reconciliation of Income from Operations to Net Cash Provided By (Used In) Operating Activities:</b>										
<b>Excess of Revenues over Expenses</b>	<b>\$ 14,215</b>	<b>\$ (802)</b>	<b>\$ 44,912</b>	<b>\$ 49,906</b>	<b>\$ 62,725</b>	<b>\$ 28,592</b>	<b>\$ 14,986</b>	<b>\$ (2,601)</b>	<b>\$ 31,431</b>	<b>\$ 243,364</b>
<b>Adjustments to Excess of Revenues Over Expenses:</b>										
Depreciation	\$ 1,789	\$ 1,494	\$ 2,191	\$ 1,822	\$ 2,216	\$ 2,124	\$ 2,125	\$ 2,168	\$ 2,274	\$ 18,203
Realized and Unrealized (Gain)/Loss on Investments	\$ 639	\$ 7	\$ (2,567)	\$ (2,259)	\$ (334)	\$ (2,489)	\$ (73)	\$ (2,250)	\$ (2,487)	\$ (11,813)
Deferred Rent	\$ (62)	\$ (71)	\$ 45	\$ (120)	\$ 63	\$ 32	\$ 22	\$ 90	\$ 721	\$ 720
Gross Premium Tax provision	\$ 263	\$ 768	\$ 577	\$ 419	\$ 577	\$ 576	\$ (187)	\$ (265)	\$ 577	\$ 3,305
<b>Total Adjustments to Excess of Revenues over Expenses</b>	<b>\$ 2,629</b>	<b>\$ 2,198</b>	<b>\$ 246</b>	<b>\$ (138)</b>	<b>\$ 2,522</b>	<b>\$ 243</b>	<b>\$ 1,887</b>	<b>\$ (256)</b>	<b>\$ 1,085</b>	<b>\$ 10,416</b>
<b>Changes in Operating Assets and Liabilities:</b>										
Capitation Receivable	\$ 1,122	\$ (12,349)	\$ (39,884)	\$ 77,849	\$ (13,645)	\$ 275,361	\$ (117,451)	\$ (49,349)	\$ (9,253)	\$ 112,401
Interest and Non-Operating Receivables	\$ 1,325	\$ (406)	\$ (1,068)	\$ (1,062)	\$ 91	\$ (460)	\$ 35	\$ 372	\$ (1,202)	\$ (2,375)
Prepaid and Other Current Assets	\$ (3,196)	\$ (2,402)	\$ 99,860	\$ (14,521)	\$ (10,600)	\$ (9,817)	\$ 48,455	\$ (1,025)	\$ (1,665)	\$ 105,089
Accounts Payable and Accrued Liabilities	\$ 3,602	\$ (5,923)	\$ (7,631)	\$ 7,420	\$ 1,022	\$ (7,273)	\$ 2,524	\$ 88	\$ (121)	\$ (6,292)
Subcapitation Payable	\$ 23,118	\$ (39,060)	\$ 30,434	\$ (38,957)	\$ 121,337	\$ 22,025	\$ 55,261	\$ 31,054	\$ 36,253	\$ 241,465
MediCal Adult Expansion Payable	\$ (5,829)	\$ (244,519)	\$ (18,702)	\$ (4,221)	\$ 70,388	\$ 10,133	\$ 3,623	\$ 13,180	\$ (10,524)	\$ (186,471)
Deferred Capitation Revenue	\$ 1,894	\$ 13,256	\$ (17,419)	\$ (1,761)	\$ (896)	\$ 1,398	\$ 5,111	\$ 23,958	\$ (28,078)	\$ (2,537)
Accrued Medical Expenses	\$ 7,611	\$ 441	\$ 4,411	\$ 2,455	\$ (1,667)	\$ 5,006	\$ 3,783	\$ 5,447	\$ (24,901)	\$ 2,586
Reserve for Claims	\$ 1,236	\$ 24,664	\$ 18,110	\$ (6,994)	\$ (20,490)	\$ 27,161	\$ (15,479)	\$ (25,476)	\$ (11,988)	\$ (9,256)
Reserve for Provider Incentives	\$ (4,177)	\$ (10,567)	\$ (17,643)	\$ (46)	\$ (10)	\$ 400	\$ 13,055	\$ 3,283	\$ 3,315	\$ (12,390)
Grants Payable	\$ (185)	\$ 615	\$ (223)	\$ (88)	\$ (1,599)	\$ -	\$ 94	\$ (456)	\$ (227)	\$ (2,069)
<b>Net Changes in Operating Assets and Liabilities</b>	<b>\$ 26,521</b>	<b>\$ (276,250)</b>	<b>\$ 50,245</b>	<b>\$ 20,074</b>	<b>\$ 143,931</b>	<b>\$ 323,934</b>	<b>\$ (989)</b>	<b>\$ 1,077</b>	<b>\$ (48,391)</b>	<b>\$ 240,152</b>
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 43,365</b>	<b>\$ (274,854)</b>	<b>\$ 95,403</b>	<b>\$ 69,842</b>	<b>\$ 209,178</b>	<b>\$ 352,769</b>	<b>\$ 15,884</b>	<b>\$ (1,780)</b>	<b>\$ (15,875)</b>	<b>\$ 493,932</b>



**L.A. Care**  
HEALTH PLAN®

## Financial Performance July 2019

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***Overall***

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The combined member months are 21.9 million year-to-date, which is 8,373 member months unfavorable to forecast. The year-to-date performance is a surplus of \$251.7 million or 3.8% of revenue and is \$0.2 million favorable to forecast.

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***MediCal Plan Partners***

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The member months are 10.0 million, which is 5,638 member months unfavorable to forecast. The performance is a surplus of \$90.9 million and is \$1.8 million unfavorable to forecast.

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***MediCal SPD-CCI***

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The member months are 2.2 million, which is 769 member months unfavorable to forecast. The performance is a surplus of \$49.8 million, which is \$6.2 million unfavorable to forecast driven by higher healthcare expenses.

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***MediCal TANF-MCE***

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The member months are 8.3 million, which is 888 member months unfavorable to forecast. The performance is a surplus of \$ 88.7 million and is \$2.1 million favorable to forecast. The favorable variance is driven primarily by lower than expected healthcare expenses.

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***Cal MediConnect (CMC)***

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The member months are 162,486 which is 221 member months unfavorable to forecast. The performance is a surplus of \$11.7 million, which is \$0.4 million unfavorable to forecast driven by higher than expected healthcare expenses.

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***Commercial***

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L.A. Care Commercial consists of LACC and PASC-SEIU. The member months are 1,283,479, which is 856 member months unfavorable to forecast. The performance is a surplus of \$27.4 million and is \$2.3 million favorable to forecast driven primarily by favorable updates to the Risk Adjustment in Revenue.

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Consolidated Operations Income Statement (\$ in thousands)

July 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast *		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
2,169,977		2,178,350		(8,373)							
<b>Membership</b>											
Member Months											
						21,870,323		21,878,696		(8,373)	
<b>Revenue</b>											
Capitation											
\$ 656,611	\$ 302.59	\$ 657,720	\$ 301.93	\$ (1,109)	\$ 0.65	\$ 6,569,701	\$ 300.39	\$ 6,570,810	\$ 300.33	\$ (1,109)	\$ 0.06
<b>\$ 656,611</b>	<b>\$ 302.59</b>	<b>\$ 657,720</b>	<b>\$ 301.93</b>	<b>\$ (1,109)</b>	<b>\$ 0.65</b>	<b>\$ 6,569,701</b>	<b>\$ 300.39</b>	<b>\$ 6,570,810</b>	<b>\$ 300.33</b>	<b>\$ (1,109)</b>	<b>\$ 0.06</b>
<b>Healthcare Expenses</b>											
Capitation											
\$ 344,219	\$ 158.63	\$ 346,917	\$ 159.26	\$ 2,699	\$ 0.63	\$ 3,473,405	\$ 158.82	\$ 3,476,104	\$ 158.88	\$ 2,699	\$ 0.06
\$ 91,904	\$ 42.35	\$ 78,529	\$ 36.05	\$ (13,374)	\$ (6.30)	\$ 784,849	\$ 35.89	\$ 771,475	\$ 35.26	\$ (13,374)	\$ (0.63)
\$ 51,616	\$ 23.79	\$ 58,382	\$ 26.80	\$ 6,765	\$ 3.01	\$ 546,260	\$ 24.98	\$ 553,025	\$ 25.28	\$ 6,765	\$ 0.30
\$ 60,112	\$ 27.70	\$ 51,434	\$ 23.61	\$ (8,678)	\$ (4.09)	\$ 530,217	\$ 24.24	\$ 521,539	\$ 23.84	\$ (8,678)	\$ (0.41)
\$ 49,464	\$ 22.79	\$ 56,856	\$ 26.10	\$ 7,392	\$ 3.31	\$ 552,320	\$ 25.25	\$ 559,712	\$ 25.58	\$ 7,392	\$ 0.33
\$ 9,368	\$ 4.32	\$ 7,877	\$ 3.62	\$ (1,491)	\$ (0.70)	\$ 64,741	\$ 2.96	\$ 63,250	\$ 2.89	\$ (1,491)	\$ (0.07)
\$ 5,335	\$ 2.46	\$ 5,824	\$ 2.67	\$ 490	\$ 0.22	\$ 50,467	\$ 2.31	\$ 50,957	\$ 2.33	\$ 490	\$ 0.02
<b>\$ 612,018</b>	<b>\$ 282.04</b>	<b>\$ 605,820</b>	<b>\$ 278.11</b>	<b>\$ (6,198)</b>	<b>\$ (3.93)</b>	<b>\$ 6,002,260</b>	<b>\$ 274.45</b>	<b>\$ 5,996,063</b>	<b>\$ 274.06</b>	<b>\$ (6,198)</b>	<b>\$ (0.39)</b>
93.2%		92.1%		-1.1%		91.4%		91.3%		-0.1%	
<b>\$ 44,593</b>	<b>\$ 20.55</b>	<b>\$ 51,900</b>	<b>\$ 23.83</b>	<b>\$ (7,307)</b>	<b>\$ (3.28)</b>	<b>\$ 567,440</b>	<b>\$ 25.95</b>	<b>\$ 574,747</b>	<b>\$ 26.27</b>	<b>\$ (7,307)</b>	<b>\$ (0.32)</b>
\$ 35,758	\$ 16.48	\$ 37,608	\$ 17.26	\$ 1,850	\$ 0.79	\$ 346,430	\$ 15.84	\$ 348,280	\$ 15.92	\$ 1,850	\$ 0.08
5.4%		5.7%		0.3%		5.3%		5.3%		0.0%	
<b>\$ 8,835</b>	<b>\$ 4.07</b>	<b>\$ 14,292</b>	<b>\$ 6.56</b>	<b>\$ (5,457)</b>	<b>\$ (2.49)</b>	<b>\$ 221,010</b>	<b>\$ 10.11</b>	<b>\$ 226,467</b>	<b>\$ 10.35</b>	<b>\$ (5,457)</b>	<b>\$ (0.25)</b>
<b>Income (Loss) from Operations</b>											
\$ (3,257)	\$ (1.50)	\$ (8,037)	\$ (3.69)	\$ 4,780	\$ 2.19	\$ (12,422)	\$ (0.57)	\$ (17,202)	\$ (0.79)	\$ 4,780	\$ 0.22
\$ 3,573	\$ 1.65	\$ 2,393	\$ 1.10	\$ 1,180	\$ 0.55	\$ 32,114	\$ 1.47	\$ 30,933	\$ 1.41	\$ 1,180	\$ 0.05
\$ 34	\$ 0.02	\$ -	\$ -	\$ 34	\$ 0.02	\$ (202)	\$ (0.01)	\$ (237)	\$ (0.01)	\$ 34	\$ 0.00
\$ (850)	\$ (0.39)	\$ (533)	\$ (0.24)	\$ (317)	\$ (0.15)	\$ 11,200	\$ 0.51	\$ 11,517	\$ 0.53	\$ (317)	\$ (0.01)
<b>\$ (500)</b>	<b>\$ (0.23)</b>	<b>\$ (6,177)</b>	<b>\$ (2.84)</b>	<b>\$ 5,678</b>	<b>\$ 2.61</b>	<b>\$ 30,690</b>	<b>\$ 1.40</b>	<b>\$ 25,012</b>	<b>\$ 1.14</b>	<b>\$ 5,678</b>	<b>\$ 0.26</b>
<b>Total Non-Operating Income (Expense)</b>											
<b>\$ 8,335</b>	<b>\$ 3.84</b>	<b>\$ 8,114</b>	<b>\$ 3.73</b>	<b>\$ 221</b>	<b>\$ 0.12</b>	<b>\$ 251,700</b>	<b>\$ 11.51</b>	<b>\$ 251,479</b>	<b>\$ 11.49</b>	<b>\$ 221</b>	<b>\$ 0.01</b>
1.3%		1.2%		0.0%		3.8%		3.8%		0.0%	
<b>Net Surplus (Deficit)</b>											
Margin(%)											

\* Forecast = 8 months actual + 4 months estimated



MediCal Plan Partners Income Statement (\$ in thousands)

July 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast *		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
977,310		982,948		(5,638)							
<b>Membership</b>											
Member Months											
						9,953,733		9,959,371		(5,638)	
<b>Revenue</b>											
Capitation											
\$ 238,505	\$ 244.04	\$ 242,800	\$ 247.01	\$ (4,295)	\$ (2.97)	\$ 2,408,385	\$ 241.96	\$ 2,412,680	\$ 242.25	\$ (4,295)	\$ (0.29)
<b>\$ 238,505</b>	<b>\$ 244.04</b>	<b>\$ 242,800</b>	<b>\$ 247.01</b>	<b>\$ (4,295)</b>	<b>\$ (2.97)</b>	<b>\$ 2,408,385</b>	<b>\$ 241.96</b>	<b>\$ 2,412,680</b>	<b>\$ 242.25</b>	<b>\$ (4,295)</b>	<b>\$ (0.29)</b>
<b>Total Revenues</b>											
<b>Healthcare Expenses</b>											
Capitation											
\$ 223,350	\$ 228.54	\$ 224,775	\$ 228.67	\$ 1,425	\$ 0.14	\$ 2,260,042	\$ 227.05	\$ 2,261,467	\$ 227.07	\$ 1,425	\$ 0.01
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 0.00	\$ 7	\$ 0.00	\$ -	\$ (0.00)
\$ (272)	\$ (0.28)	\$ -	\$ -	\$ 272	\$ 0.28	\$ 246	\$ 0.02	\$ 519	\$ 0.05	\$ 272	\$ 0.03
\$ 4,145	\$ 4.24	\$ 3,948	\$ 4.02	\$ (197)	\$ (0.23)	\$ 19,714	\$ 1.98	\$ 19,517	\$ 1.96	\$ (197)	\$ (0.02)
\$ 802	\$ 0.82	\$ 861	\$ 0.88	\$ 59	\$ 0.06	\$ 7,081	\$ 0.71	\$ 7,140	\$ 0.72	\$ 59	\$ 0.01
<b>\$ 228,025</b>	<b>\$ 233.32</b>	<b>\$ 229,584</b>	<b>\$ 233.57</b>	<b>\$ 1,559</b>	<b>\$ 0.25</b>	<b>\$ 2,287,090</b>	<b>\$ 229.77</b>	<b>\$ 2,288,649</b>	<b>\$ 229.80</b>	<b>\$ 1,559</b>	<b>\$ 0.03</b>
95.6%		94.6%		-1.0%		95.0%		94.9%		-0.1%	
\$ 10,480	\$ 10.72	\$ 13,216	\$ 13.45	\$ (2,736)	\$ (2.72)	\$ 121,295	\$ 12.19	\$ 124,031	\$ 12.45	\$ (2,736)	\$ (0.27)
\$ 5,264	\$ 5.39	\$ 5,705	\$ 5.80	\$ 441	\$ 0.42	\$ 50,563	\$ 5.08	\$ 51,005	\$ 5.12	\$ 441	\$ 0.04
2.2%		2.3%		0.1%		2.1%		2.1%		0.0%	
\$ 5,216	\$ 5.34	\$ 7,511	\$ 7.64	\$ (2,295)	\$ (2.30)	\$ 70,732	\$ 7.11	\$ 73,027	\$ 7.33	\$ (2,295)	\$ (0.23)
\$ 1,242	\$ 1.27	\$ 775	\$ 0.79	\$ 467	\$ 0.48	\$ 20,125	\$ 2.02	\$ 19,658	\$ 1.97	\$ 467	\$ 0.05
\$ 6,458	\$ 6.61	\$ 8,286	\$ 8.43	\$ (1,828)	\$ (1.82)	\$ 90,857	\$ 9.13	\$ 92,685	\$ 9.31	\$ (1,828)	\$ (0.18)
2.7%		3.4%		-0.7%		3.8%		3.8%		-0.1%	
<b>Operating Margin</b>											
<b>Total Operating Expenses</b>											
Admin Ratio(%)											
<b>Income (Loss) from Operations</b>											
<b>Total Non-Operating Income (Expense)</b>											
<b>Net Surplus (Deficit)</b>											
Margin(%)											

\* Forecast = 8 months actual + 4 months estimated



MediCal SPD-CCI Income Statement (\$ in thousands)

July 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast *		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
218,828		219,597		(769)							
<b>Membership</b>											
Member Months											
						2,194,731		2,195,500		(769)	
<b>Revenue</b>											
Capitation											
\$ 156,335	\$ 714.42	\$ 156,493	\$ 712.64	\$ (159)	\$ 1.78	\$ 1,587,196	\$ 723.18	\$ 1,587,355	\$ 723.00	\$ (159)	\$ 0.18
<b>\$ 156,335</b>	<b>\$ 714.42</b>	<b>\$ 156,493</b>	<b>\$ 712.64</b>	<b>\$ (159)</b>	<b>\$ 1.78</b>	<b>\$ 1,587,196</b>	<b>\$ 723.18</b>	<b>\$ 1,587,355</b>	<b>\$ 723.00</b>	<b>\$ (159)</b>	<b>\$ 0.18</b>
<b>Healthcare Expenses</b>											
Capitation											
\$ 13,837	\$ 63.23	\$ 15,966	\$ 72.71	\$ 2,129	\$ 9.47	\$ 157,717	\$ 71.86	\$ 159,847	\$ 72.81	\$ 2,129	\$ 0.94
\$ 36,585	\$ 167.19	\$ 30,022	\$ 136.72	\$ (6,563)	\$ (30.47)	\$ 309,654	\$ 141.09	\$ 303,091	\$ 138.05	\$ (6,563)	\$ (3.04)
\$ 28,748	\$ 131.37	\$ 30,583	\$ 139.27	\$ 1,835	\$ 7.89	\$ 288,595	\$ 131.49	\$ 290,430	\$ 132.28	\$ 1,835	\$ 0.79
\$ 54,087	\$ 247.17	\$ 45,642	\$ 207.84	\$ (8,446)	\$ (39.33)	\$ 492,823	\$ 224.55	\$ 484,377	\$ 220.62	\$ (8,446)	\$ (3.93)
\$ 15,146	\$ 69.21	\$ 17,829	\$ 81.19	\$ 2,683	\$ 11.97	\$ 169,772	\$ 77.35	\$ 172,455	\$ 78.55	\$ 2,683	\$ 1.19
\$ (310)	\$ (1.42)	\$ (648)	\$ (2.95)	\$ (338)	\$ (1.53)	\$ 2,339	\$ 1.07	\$ 2,001	\$ 0.91	\$ (338)	\$ (0.15)
\$ 1,723	\$ 7.87	\$ 1,909	\$ 8.69	\$ 185	\$ 0.82	\$ 16,063	\$ 7.32	\$ 16,248	\$ 7.40	\$ 185	\$ 0.08
<b>\$ 149,817</b>	<b>\$ 684.63</b>	<b>\$ 141,303</b>	<b>\$ 643.46</b>	<b>\$ (8,514)</b>	<b>\$ (41.17)</b>	<b>\$ 1,436,962</b>	<b>\$ 654.73</b>	<b>\$ 1,428,448</b>	<b>\$ 650.63</b>	<b>\$ (8,514)</b>	<b>\$ (4.11)</b>
95.8%		90.3%		-5.5%		90.5%		90.0%		-0.5%	
\$ 6,518	\$ 29.78	\$ 15,190	\$ 69.17	\$ (8,673)	\$ (39.39)	\$ 150,234	\$ 68.45	\$ 158,907	\$ 72.38	\$ (8,673)	\$ (3.93)
\$ 11,293	\$ 51.61	\$ 13,568	\$ 61.79	\$ 2,275	\$ 10.18	\$ 112,471	\$ 51.25	\$ 114,746	\$ 52.26	\$ 2,275	\$ 1.02
7.2%		8.7%		1.4%		7.1%		7.2%		0.1%	
\$ (4,776)	\$ (21.82)	\$ 1,622	\$ 7.39	\$ (6,397)	\$ (29.21)	\$ 37,763	\$ 17.21	\$ 44,161	\$ 20.11	\$ (6,397)	\$ (2.91)
\$ 719	\$ 3.29	\$ 554	\$ 2.52	\$ 166	\$ 0.77	\$ 12,059	\$ 5.49	\$ 11,894	\$ 5.42	\$ 166	\$ 0.08
\$ (4,056)	\$ (18.54)	\$ 2,176	\$ 9.91	\$ (6,232)	\$ (28.44)	\$ 49,823	\$ 22.70	\$ 56,055	\$ 25.53	\$ (6,232)	\$ (2.83)
-2.6%		1.4%		-4.0%		3.1%		3.5%		-0.4%	
<b>Operating Margin</b>											
Total Operating Expenses											
Admin Ratio(%)											
<b>Income (Loss) from Operations</b>											
<b>Total Non-Operating Income (Expense)</b>											
<b>Net Surplus (Deficit)</b>											
Margin(%)											

\* Forecast = 8 months actual + 4 months estimated



MediCal TANF-MCE Income Statement (\$ in thousands)

July 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast *		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
827,208		828,096		(888)							
\$ 190,039	\$ 229.74	\$ 191,278	\$ 230.99	\$ (1,240)	\$ (1.25)	\$ 1,941,442	\$ 234.59	\$ 1,942,682	\$ 234.71	\$ (1,240)	\$ (0.12)
<b>\$ 190,039</b>	<b>\$ 229.74</b>	<b>\$ 191,278</b>	<b>\$ 230.99</b>	<b>\$ (1,240)</b>	<b>\$ (1.25)</b>	<b>\$ 1,941,442</b>	<b>\$ 234.59</b>	<b>\$ 1,942,682</b>	<b>\$ 234.71</b>	<b>\$ (1,240)</b>	<b>\$ (0.12)</b>
\$ 73,813	\$ 89.23	\$ 73,852	\$ 89.18	\$ 39	\$ (0.05)						
\$ 46,652	\$ 56.40	\$ 40,029	\$ 48.34	\$ (6,623)	\$ (8.06)						
\$ 19,339	\$ 23.38	\$ 23,917	\$ 28.88	\$ 4,579	\$ 5.50						
\$ 3,613	\$ 4.37	\$ 4,349	\$ 5.25	\$ 736	\$ 0.88						
\$ 27,152	\$ 32.82	\$ 32,037	\$ 38.69	\$ 4,884	\$ 5.86						
\$ 2,870	\$ 3.47	\$ 2,002	\$ 2.42	\$ (868)	\$ (1.05)						
\$ 2,454	\$ 2.97	\$ 2,728	\$ 3.29	\$ 274	\$ 0.33						
<b>\$ 175,893</b>	<b>\$ 212.63</b>	<b>\$ 178,915</b>	<b>\$ 216.06</b>	<b>\$ 3,022</b>	<b>\$ 3.42</b>						
92.6%		93.5%		1.0%							
\$ 14,146	\$ 17.10	\$ 12,364	\$ 14.93	\$ 1,782	\$ 2.17						
\$ 13,214	\$ 15.97	\$ 13,281	\$ 16.04	\$ 66	\$ 0.06						
7.0%		6.9%		0.0%							
\$ 932	\$ 1.13	\$ (917)	\$ (1.11)	\$ 1,849	\$ 2.23						
\$ 780	\$ 0.94	\$ 534	\$ 0.65	\$ 246	\$ 0.30						
\$ 1,712	\$ 2.07	\$ (382)	\$ (0.46)	\$ 2,095	\$ 2.53						
0.9%		-0.2%		1.1%							
<b>Membership</b>						<b>Member Months</b>					
						8,275,894					
						8,276,782					
						(888)					
<b>Revenue</b>						<b>Capitation</b>					
						\$ 1,941,442					
						\$ 234.59					
						\$ 1,942,682					
						\$ 234.71					
						\$ (1,240)					
						\$ (0.12)					
<b>Total Revenues</b>						<b>\$ 1,941,442</b>					
						<b>\$ 234.59</b>					
						<b>\$ 1,942,682</b>					
						<b>\$ 234.71</b>					
						<b>\$ (1,240)</b>					
						<b>\$ (0.12)</b>					
<b>Healthcare Expenses</b>						<b>Capitation</b>					
						\$ 736,318					
						\$ 88.97					
						\$ 736,357					
						\$ 88.97					
						\$ 39					
						\$ (0.00)					
						\$ 396,012					
						\$ 47.85					
						\$ 389,389					
						\$ 47.05					
						\$ (6,623)					
						\$ (0.81)					
						\$ 224,397					
						\$ 27.11					
						\$ 228,976					
						\$ 27.66					
						\$ 4,579					
						\$ 0.55					
						\$ 20,115					
						\$ 2.43					
						\$ 20,852					
						\$ 2.52					
						\$ 736					
						\$ 0.09					
						\$ 320,194					
						\$ 38.69					
						\$ 325,079					
						\$ 39.28					
						\$ 4,884					
						\$ 0.59					
						\$ 24,684					
						\$ 2.98					
						\$ 23,816					
						\$ 2.88					
						\$ (868)					
						\$ (0.11)					
						\$ 22,361					
						\$ 2.70					
						\$ 22,635					
						\$ 2.73					
						\$ 274					
						\$ 0.03					
<b>Total Healthcare Expenses</b>						<b>\$ 1,744,082</b>					
						<b>\$ 210.74</b>					
						<b>\$ 1,747,104</b>					
						<b>\$ 211.08</b>					
						<b>\$ 3,022</b>					
						<b>\$ 0.34</b>					
						89.8%					
						89.9%					
						0.1%					
<b>Operating Margin</b>						<b>\$ 197,361</b>					
						<b>\$ 23.85</b>					
						<b>\$ 195,578</b>					
						<b>\$ 23.63</b>					
						<b>\$ 1,782</b>					
						<b>\$ 0.22</b>					
<b>Total Operating Expenses</b>						<b>\$ 121,237</b>					
						<b>\$ 14.65</b>					
						<b>\$ 121,303</b>					
						<b>\$ 14.66</b>					
						<b>\$ 66</b>					
						<b>\$ 0.01</b>					
						6.2%					
						6.2%					
						0.0%					
<b>Income (Loss) from Operations</b>						<b>\$ 76,124</b>					
						<b>\$ 9.20</b>					
						<b>\$ 74,275</b>					
						<b>\$ 8.97</b>					
						<b>\$ 1,849</b>					
						<b>\$ 0.22</b>					
<b>Total Non-Operating Income (Expense)</b>						<b>\$ 12,584</b>					
						<b>\$ 1.52</b>					
						<b>\$ 12,338</b>					
						<b>\$ 1.49</b>					
						<b>\$ 246</b>					
						<b>\$ 0.03</b>					
<b>Net Surplus (Deficit)</b>						<b>\$ 88,708</b>					
						<b>\$ 10.72</b>					
						<b>\$ 86,613</b>					
						<b>\$ 10.46</b>					
						<b>\$ 2,095</b>					
						<b>\$ 0.25</b>					
						4.6%					
						4.5%					
						0.1%					

\* Forecast = 8 months actual + 4 months estimated





**CMC Income Statement (\$ in thousands)**

**July 2019**

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast *		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
15,895		16,116		(221)							
\$ 20,963	\$ 1,318.81	\$ 20,483	\$ 1,270.95	\$ 480	\$ 47.86						
<b>\$ 20,963</b>	<b>\$ 1,318.81</b>	<b>\$ 20,483</b>	<b>\$ 1,270.95</b>	<b>\$ 480</b>	<b>\$ 47.86</b>						
\$ 8,943	\$ 562.64	\$ 9,851	\$ 611.26	\$ 908	\$ 48.61						
\$ 5,156	\$ 324.40	\$ 4,115	\$ 255.33	\$ (1,042)	\$ (69.08)						
\$ 1,867	\$ 117.46	\$ 1,742	\$ 108.08	\$ (125)	\$ (9.38)						
\$ 2,250	\$ 141.57	\$ 1,444	\$ 89.58	\$ (807)	\$ (51.99)						
\$ 1,283	\$ 80.72	\$ 1,249	\$ 77.51	\$ (34)	\$ (3.22)						
\$ 838	\$ 52.74	\$ 631	\$ 39.17	\$ (207)	\$ (13.57)						
\$ 201	\$ 12.67	\$ 307	\$ 19.07	\$ 106	\$ 6.40						
<b>\$ 20,540</b>	<b>\$ 1,292.21</b>	<b>\$ 19,339</b>	<b>\$ 1,199.99</b>	<b>\$ (1,201)</b>	<b>\$ (92.22)</b>						
98.0%		94.4%		-3.6%							
\$ 423	\$ 26.61	\$ 1,144	\$ 70.97	\$ (721)	\$ (44.36)						
\$ 1,341	\$ 84.38	\$ 1,634	\$ 101.38	\$ 293	\$ 17.00						
6.4%		8.0%		1.6%							
\$ (918)	\$ (57.77)	\$ (490)	\$ (30.41)	\$ (428)	\$ (27.36)						
\$ 17	\$ 1.06	\$ (4)	\$ (0.22)	\$ 20	\$ 1.28						
<b>\$ (902)</b>	<b>\$ (56.72)</b>	<b>\$ (494)</b>	<b>\$ (30.63)</b>	<b>\$ (408)</b>	<b>\$ (26.09)</b>						
-4.3%		-2.4%		-1.9%							
<b>Membership</b>						<b>Member Months</b>					
						162,486					
						162,707					
						(221)					
<b>Revenue</b>						<b>Capitation</b>					
						\$ 216,052					
						\$ 1,329.66					
						\$ 215,572					
						\$ 1,324.91					
						\$ 480					
						\$ 4.76					
<b>Total Revenues</b>						<b>\$ 216,052</b>					
						<b>\$ 1,329.66</b>					
						<b>\$ 215,572</b>					
						<b>\$ 1,324.91</b>					
						<b>\$ 480</b>					
						<b>\$ 4.76</b>					
<b>Healthcare Expenses</b>						<b>Capitation</b>					
						\$ 97,626					
						\$ 600.83					
						\$ 98,534					
						\$ 605.59					
						\$ 908					
						\$ 4.76					
						\$ 40,096					
						\$ 246.77					
						\$ 39,055					
						\$ 240.03					
						\$ (1,042)					
						\$ (6.74)					
						\$ 15,256					
						\$ 93.89					
						\$ 15,130					
						\$ 92.99					
						\$ (125)					
						\$ (0.90)					
						\$ 16,470					
						\$ 101.36					
						\$ 15,663					
						\$ 96.27					
						\$ (807)					
						\$ (5.10)					
						\$ 9,745					
						\$ 59.97					
						\$ 9,711					
						\$ 59.68					
						\$ (34)					
						\$ (0.29)					
						\$ 8,083					
						\$ 49.75					
						\$ 7,876					
						\$ 48.41					
						\$ (207)					
						\$ (1.34)					
						\$ 3,287					
						\$ 20.23					
						\$ 3,393					
						\$ 20.85					
						\$ 106					
						\$ 0.62					
<b>Total Healthcare Expenses</b>						<b>\$ 190,563</b>					
						<b>\$ 1,172.80</b>					
						<b>\$ 189,362</b>					
						<b>\$ 1,163.82</b>					
						<b>\$ (1,201)</b>					
						<b>\$ (8.97)</b>					
<b>MCR(%)</b>						<b>88.2%</b>					
						<b>87.8%</b>					
						<b>-0.4%</b>					
<b>Operating Margin</b>						<b>\$ 25,489</b>					
						<b>\$ 156.87</b>					
						<b>\$ 26,209</b>					
						<b>\$ 161.08</b>					
						<b>\$ (721)</b>					
						<b>\$ (4.22)</b>					
<b>Total Operating Expenses</b>						<b>\$ 14,041</b>					
						<b>\$ 86.41</b>					
						<b>\$ 14,334</b>					
						<b>\$ 88.09</b>					
						<b>\$ 293</b>					
						<b>\$ 1.68</b>					
<b>Admin Ratio(%)</b>						<b>6.5%</b>					
						<b>6.6%</b>					
						<b>0.2%</b>					
<b>Income (Loss) from Operations</b>						<b>\$ 11,448</b>					
						<b>\$ 70.45</b>					
						<b>\$ 11,876</b>					
						<b>\$ 72.99</b>					
						<b>\$ (428)</b>					
						<b>\$ (2.54)</b>					
<b>Total Non-Operating Income (Expense)</b>						<b>\$ 269</b>					
						<b>\$ 1.66</b>					
						<b>\$ 249</b>					
						<b>\$ 1.53</b>					
						<b>\$ 20</b>					
						<b>\$ 0.13</b>					
<b>Net Surplus (Deficit)</b>						<b>\$ 11,717</b>					
						<b>\$ 72.11</b>					
						<b>\$ 12,124</b>					
						<b>\$ 74.52</b>					
						<b>\$ (408)</b>					
						<b>\$ (2.41)</b>					
<b>Margin(%)</b>						<b>5.4%</b>					
						<b>5.6%</b>					
						<b>-0.2%</b>					

\* Forecast = 8 months actual + 4 months estimated



Commercial Income Statement (\$ in thousands)

July 2019

Current Actual		Current Forecast		Fav<Unfav> Forecast		YTD Actual		YTD Forecast *		Fav<Unfav> Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
130,736		131,592		(856)							
<b>Membership</b>											
Member Months											
						1,283,479		1,284,335		(856)	
<b>Revenue</b>											
Capitation											
\$ 50,770	\$ 388.34	\$ 46,666	\$ 354.62	\$ 4,104	\$ 33.71	\$ 416,625	\$ 324.61	\$ 412,521	\$ 321.19	\$ 4,104	\$ 3.41
<b>\$ 50,770</b>	<b>\$ 388.34</b>	<b>\$ 46,666</b>	<b>\$ 354.62</b>	<b>\$ 4,104</b>	<b>\$ 33.71</b>	<b>\$ 416,625</b>	<b>\$ 324.61</b>	<b>\$ 412,521</b>	<b>\$ 321.19</b>	<b>\$ 4,104</b>	<b>\$ 3.41</b>
<b>Total Revenues</b>											
<b>Healthcare Expenses</b>											
Capitation											
\$ 24,275	\$ 185.68	\$ 22,473	\$ 170.78	\$ (1,803)	\$ (14.91)	\$ 221,702	\$ 172.74	\$ 219,899	\$ 171.22	\$ (1,803)	\$ (1.52)
\$ 3,510	\$ 26.85	\$ 4,363	\$ 33.15	\$ 853	\$ 6.31	\$ 39,080	\$ 30.45	\$ 39,933	\$ 31.09	\$ 853	\$ 0.64
\$ 1,934	\$ 14.79	\$ 2,140	\$ 16.26	\$ 205	\$ 1.47	\$ 17,765	\$ 13.84	\$ 17,971	\$ 13.99	\$ 205	\$ 0.15
\$ 162	\$ 1.24	\$ -	\$ -	\$ (162)	\$ (1.24)	\$ 809	\$ 0.63	\$ 647	\$ 0.50	\$ (162)	\$ (0.13)
\$ 5,883	\$ 45.00	\$ 5,741	\$ 43.63	\$ (142)	\$ (1.37)	\$ 52,610	\$ 40.99	\$ 52,468	\$ 40.85	\$ (142)	\$ (0.14)
\$ 1,824	\$ 13.95	\$ 1,943	\$ 14.77	\$ 119	\$ 0.82	\$ 9,921	\$ 7.73	\$ 10,041	\$ 7.82	\$ 119	\$ 0.09
\$ 154	\$ 1.18	\$ 20	\$ 0.15	\$ (135)	\$ (1.03)	\$ 1,676	\$ 1.31	\$ 1,541	\$ 1.20	\$ (135)	\$ (0.11)
<b>\$ 37,743</b>	<b>\$ 288.69</b>	<b>\$ 36,679</b>	<b>\$ 278.73</b>	<b>\$ (1,063)</b>	<b>\$ (9.96)</b>	<b>\$ 343,563</b>	<b>\$ 267.68</b>	<b>\$ 342,500</b>	<b>\$ 266.67</b>	<b>\$ (1,063)</b>	<b>\$ (1.01)</b>
74.3%		78.6%		4.3%		82.5%		83.0%		0.6%	
<b>\$ 13,027</b>	<b>\$ 99.64</b>	<b>\$ 9,986</b>	<b>\$ 75.89</b>	<b>\$ 3,041</b>	<b>\$ 23.76</b>	<b>\$ 73,062</b>	<b>\$ 56.92</b>	<b>\$ 70,021</b>	<b>\$ 54.52</b>	<b>\$ 3,041</b>	<b>\$ 2.41</b>
\$ 4,045	\$ 30.94	\$ 3,274	\$ 24.88	\$ (771)	\$ (6.06)	\$ 40,474	\$ 31.53	\$ 39,704	\$ 30.91	\$ (771)	\$ (0.62)
8.0%		7.0%		-1.0%		9.7%		9.6%		-0.1%	
<b>\$ 8,983</b>	<b>\$ 68.71</b>	<b>\$ 6,713</b>	<b>\$ 51.01</b>	<b>\$ 2,270</b>	<b>\$ 17.70</b>	<b>\$ 32,587</b>	<b>\$ 25.39</b>	<b>\$ 30,317</b>	<b>\$ 23.61</b>	<b>\$ 2,270</b>	<b>\$ 1.78</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,222)	\$ (4.07)	\$ (5,222)	\$ (4.07)	\$ -	\$ (0.00)
<b>\$ 8,983</b>	<b>\$ 68.71</b>	<b>\$ 6,713</b>	<b>\$ 51.01</b>	<b>\$ 2,270</b>	<b>\$ 17.70</b>	<b>\$ 27,365</b>	<b>\$ 21.32</b>	<b>\$ 25,095</b>	<b>\$ 19.54</b>	<b>\$ 2,270</b>	<b>\$ 1.78</b>
17.7%		14.4%		3.3%		6.6%		6.1%		0.5%	

\* Forecast = 8 months actual + 4 months estimated



## Comparative Balance Sheet

July 2019

(Dollars in thousands)

	Jul-18	Oct-18	Jan-19	Apr-19	May-19	Jun-19	Jul-19
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Total Current Assets	4,362,384	4,177,030	3,809,146	4,607,521	4,396,106	4,300,236	4,308,965
Capitalized Assets - net	103,174	108,166	109,126	110,181	110,386	110,109	110,730
<b>NON-CURRENT ASSETS</b>							
	1,939	2,463	2,861	2,468	2,360	2,207	2,890
<b>TOTAL ASSETS</b>	<b>\$4,467,497</b>	<b>\$4,287,658</b>	<b>\$3,921,133</b>	<b>\$4,720,171</b>	<b>\$4,508,851</b>	<b>\$4,412,552</b>	<b>\$4,422,585</b>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Total Current Liability	3,700,044	3,453,164	2,992,769	3,685,387	3,476,578	3,348,126	3,349,878
Long Term Liability	2,995	2,794	2,647	2,764	2,854	3,576	3,521
<b>Total Liabilities</b>	<b>\$3,703,039</b>	<b>\$3,455,957</b>	<b>\$2,995,416</b>	<b>\$3,688,151</b>	<b>\$3,479,432</b>	<b>\$3,351,701</b>	<b>\$3,353,399</b>
<b>FUND EQUITY</b>							
Invested in Capital Assets, net of related debt	103,174	108,166	109,126	110,181	110,386	110,109	110,730
Restricted Equity	300	300	300	300	300	300	300
Minimum Tangible Net Equity	185,557	169,383	163,320	160,510	160,809	160,633	159,816
Board Designated Funds	40,107	66,992	63,720	72,595	71,478	69,535	65,340
Unrestricted Net Assets	435,319	486,860	589,250	688,434	686,446	720,273	732,999
<b>Total Fund Equity</b>	<b>\$764,458</b>	<b>\$831,701</b>	<b>\$925,717</b>	<b>\$1,032,020</b>	<b>\$1,029,419</b>	<b>\$1,060,850</b>	<b>\$1,069,186</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$4,467,497</b>	<b>\$4,287,658</b>	<b>\$3,921,133</b>	<b>\$4,720,171</b>	<b>\$4,508,851</b>	<b>\$4,412,552</b>	<b>\$4,422,585</b>
<b>Solvency Ratios</b>							
Working Capital Ratio	1.18	1.21	1.27	1.25	1.26	1.28	1.29
Cash to Claims Ratio	0.32	0.57	0.48	0.77	0.67	0.62	0.63
Tangible Net Equity Ratio	4.12	4.91	5.67	6.43	6.40	6.60	6.69



**Cash Flows Statement (\$ in thousands)**

**July 2019**

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	YTD
<b>Cash Flows from Operating Activities:</b>											
Capitation Revenue	\$ 638,407	\$ 406,972	\$ 596,708	\$ 713,150	\$ 745,293	\$ 926,643	\$ 562,020	\$ 587,654	\$ 619,894	\$ 641,806	\$ 6,438,547
Other Income (Expense), net	\$ 3,682	\$ (90)	\$ 241	\$ 1,254	\$ 2,286	\$ 3,149	\$ 4,228	\$ 2,762	\$ 724	\$ 2,321	\$ 20,557
Healthcare Expenses	\$ (566,253)	\$ (640,460)	\$ (462,734)	\$ (615,151)	\$ (508,155)	\$ (547,646)	\$ (518,545)	\$ (556,697)	\$ (604,108)	\$ (586,277)	\$ (5,606,026)
Operating Expenses	\$ (32,471)	\$ (41,276)	\$ (38,812)	\$ (29,411)	\$ (30,246)	\$ (29,377)	\$ (31,819)	\$ (35,500)	\$ (32,385)	\$ (31,504)	\$ (332,801)
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 43,365</b>	<b>\$ (274,854)</b>	<b>\$ 95,403</b>	<b>\$ 69,842</b>	<b>\$ 209,178</b>	<b>\$ 352,769</b>	<b>\$ 15,884</b>	<b>\$ (1,780)</b>	<b>\$ (15,875)</b>	<b>\$ 26,346</b>	<b>\$ 520,278</b>
<b>Cash Flows from Investing Activities</b>											
Purchase of investments - Net	\$ 149,067	\$ (179,656)	\$ 52,077	\$ 13,073	\$ 26,570	\$ 66,471	\$ (3,779)	\$ 1,289	\$ (252,475)	\$ 25,985	\$ (101,378)
Purchase of Capital Assets	\$ (4,355)	\$ (1,591)	\$ (1,984)	\$ (2,892)	\$ (1,319)	\$ (4,347)	\$ (1,855)	\$ (2,373)	\$ (1,997)	\$ (2,808)	\$ (25,521)
<b>Net Cash Provided By Investing Activities</b>	<b>\$ 144,712</b>	<b>\$ (181,247)</b>	<b>\$ 50,093</b>	<b>\$ 10,181</b>	<b>\$ 25,251</b>	<b>\$ 62,124</b>	<b>\$ (5,634)</b>	<b>\$ (1,084)</b>	<b>\$ (254,472)</b>	<b>\$ 23,177</b>	<b>\$ (126,899)</b>
<b>Cash Flows from Financing Activities:</b>											
Gross Premium Tax (MCO Sales Tax) - Net	\$ (26,802)	\$ 11,908	\$ 11,770	\$ (26,959)	\$ 11,719	\$ 11,998	\$ (26,337)	\$ 16,846	\$ 12,083	\$ (26,646)	\$ (30,420)
Pass through transactions (AB 85, IGT, etc.)	\$ -	\$ -	\$ -	\$ -	\$ (92)	\$ 587,558	\$ (190,372)	\$ (271,251)	\$ (106,984)	\$ 1,747	\$ 20,606
<b>Net Cash Provided By Financing Activities</b>	<b>\$ (26,802)</b>	<b>\$ 11,908</b>	<b>\$ 11,770</b>	<b>\$ (26,959)</b>	<b>\$ 11,627</b>	<b>\$ 599,556</b>	<b>\$ (216,709)</b>	<b>\$ (254,404)</b>	<b>\$ (94,901)</b>	<b>\$ (24,899)</b>	<b>\$ (9,813)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>\$ 161,275</b>	<b>\$ (444,193)</b>	<b>\$ 157,266</b>	<b>\$ 53,064</b>	<b>\$ 246,055</b>	<b>\$ 1,014,449</b>	<b>\$ (206,459)</b>	<b>\$ (257,268)</b>	<b>\$ (365,248)</b>	<b>\$ 24,625</b>	<b>\$ 383,566</b>
Cash and Cash Equivalents, Beginning	\$ 598,403	\$ 759,678	\$ 315,485	\$ 472,751	\$ 525,815	\$ 771,870	\$ 1,786,319	\$ 1,579,860	\$ 1,322,592	\$ 957,344	\$ 598,403
<b>Cash and Cash Equivalents, Ending</b>	<b>\$ 759,678</b>	<b>\$ 315,485</b>	<b>\$ 472,751</b>	<b>\$ 525,815</b>	<b>\$ 771,870</b>	<b>\$ 1,786,319</b>	<b>\$ 1,579,860</b>	<b>\$ 1,322,592</b>	<b>\$ 957,344</b>	<b>\$ 981,969</b>	<b>\$ 981,969</b>
<b>Reconciliation of Income from Operations to Net Cash Provided By (Used In) Operating Activities:</b>											
<b>Excess of Revenues over Expenses</b>	<b>\$ 14,215</b>	<b>\$ (802)</b>	<b>\$ 44,912</b>	<b>\$ 49,906</b>	<b>\$ 62,725</b>	<b>\$ 28,592</b>	<b>\$ 14,986</b>	<b>\$ (2,601)</b>	<b>\$ 31,431</b>	<b>\$ 8,335</b>	<b>\$ 251,700</b>
<b>Adjustments to Excess of Revenues Over Expenses:</b>											
Depreciation	\$ 1,789	\$ 1,494	\$ 2,191	\$ 1,822	\$ 2,216	\$ 2,124	\$ 2,125	\$ 2,168	\$ 2,274	\$ 2,187	\$ 20,390
Realized and Unrealized (Gain)/Loss on Investments	\$ 639	\$ 7	\$ (2,567)	\$ (2,259)	\$ (334)	\$ (2,489)	\$ (73)	\$ (2,250)	\$ (2,487)	\$ 815	\$ (10,998)
Deferred Rent	\$ (62)	\$ (71)	\$ 45	\$ (120)	\$ 63	\$ 32	\$ 22	\$ 90	\$ 721	\$ (55)	\$ 665
Gross Premium Tax provision	\$ 263	\$ 768	\$ 577	\$ 419	\$ 577	\$ 576	\$ (187)	\$ (265)	\$ 577	\$ -	\$ 3,305
<b>Total Adjustments to Excess of Revenues over Expenses</b>	<b>\$ 2,629</b>	<b>\$ 2,198</b>	<b>\$ 246</b>	<b>\$ (138)</b>	<b>\$ 2,522</b>	<b>\$ 243</b>	<b>\$ 1,887</b>	<b>\$ (256)</b>	<b>\$ 1,085</b>	<b>\$ 2,947</b>	<b>\$ 13,363</b>
<b>Changes in Operating Assets and Liabilities:</b>											
Capitation Receivable	\$ 1,122	\$ (12,349)	\$ (39,884)	\$ 77,849	\$ (13,645)	\$ 275,361	\$ (117,451)	\$ (49,349)	\$ (9,253)	\$ (14,700)	\$ 97,701
Interest and Non-Operating Receivables	\$ 1,325	\$ (406)	\$ (1,068)	\$ (1,062)	\$ 91	\$ (460)	\$ 35	\$ 372	\$ (1,202)	\$ 59	\$ (2,316)
Prepaid and Other Current Assets	\$ (3,196)	\$ (2,402)	\$ 99,860	\$ (14,521)	\$ (10,600)	\$ (9,817)	\$ 48,455	\$ (1,025)	\$ (1,665)	\$ (3,061)	\$ 102,027
Accounts Payable and Accrued Liabilities	\$ 3,602	\$ (5,923)	\$ (7,631)	\$ 7,420	\$ 1,022	\$ (7,273)	\$ 2,524	\$ 88	\$ (121)	\$ 5,558	\$ (734)
Subcapitation Payable	\$ 23,118	\$ (39,060)	\$ 30,434	\$ (38,957)	\$ 121,337	\$ 22,025	\$ 55,261	\$ 31,054	\$ 36,253	\$ 29,543	\$ 271,008
MediCal Adult Expansion Payable	\$ (5,829)	\$ (244,519)	\$ (18,702)	\$ (4,221)	\$ 70,388	\$ 10,133	\$ 3,623	\$ 13,180	\$ (10,524)	\$ (927)	\$ (187,398)
Deferred Capitation Revenue	\$ 1,894	\$ 13,256	\$ (17,419)	\$ (1,761)	\$ (896)	\$ 1,398	\$ 5,111	\$ 23,958	\$ (28,078)	\$ (104)	\$ (2,641)
Accrued Medical Expenses	\$ 7,611	\$ 441	\$ 4,411	\$ 2,455	\$ (1,667)	\$ 5,006	\$ 3,783	\$ 5,447	\$ (24,901)	\$ 16,162	\$ 18,748
Reserve for Claims	\$ 1,236	\$ 24,664	\$ 18,110	\$ (6,994)	\$ (20,490)	\$ 27,161	\$ (15,479)	\$ (25,476)	\$ (11,988)	\$ (25,434)	\$ (34,690)
Reserve for Provider Incentives	\$ (4,177)	\$ (10,567)	\$ (17,643)	\$ (46)	\$ (10)	\$ 400	\$ 13,055	\$ 3,283	\$ 3,315	\$ 6,021	\$ (6,369)
Grants Payable	\$ (185)	\$ 615	\$ (223)	\$ (88)	\$ (1,599)	\$ -	\$ 94	\$ (456)	\$ (227)	\$ 1,947	\$ (122)
<b>Net Changes in Operating Assets and Liabilities</b>	<b>\$ 26,521</b>	<b>\$ (276,250)</b>	<b>\$ 50,245</b>	<b>\$ 20,074</b>	<b>\$ 143,931</b>	<b>\$ 323,934</b>	<b>\$ (989)</b>	<b>\$ 1,077</b>	<b>\$ (48,391)</b>	<b>\$ 15,064</b>	<b>\$ 255,215</b>
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 43,365</b>	<b>\$ (274,854)</b>	<b>\$ 95,403</b>	<b>\$ 69,842</b>	<b>\$ 209,178</b>	<b>\$ 352,769</b>	<b>\$ 15,884</b>	<b>\$ (1,780)</b>	<b>\$ (15,875)</b>	<b>\$ 26,346</b>	<b>\$ 520,278</b>



**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** FIN 103.0919

**Committee:** Finance & Budget

**Chairperson:** Robert H. Curry

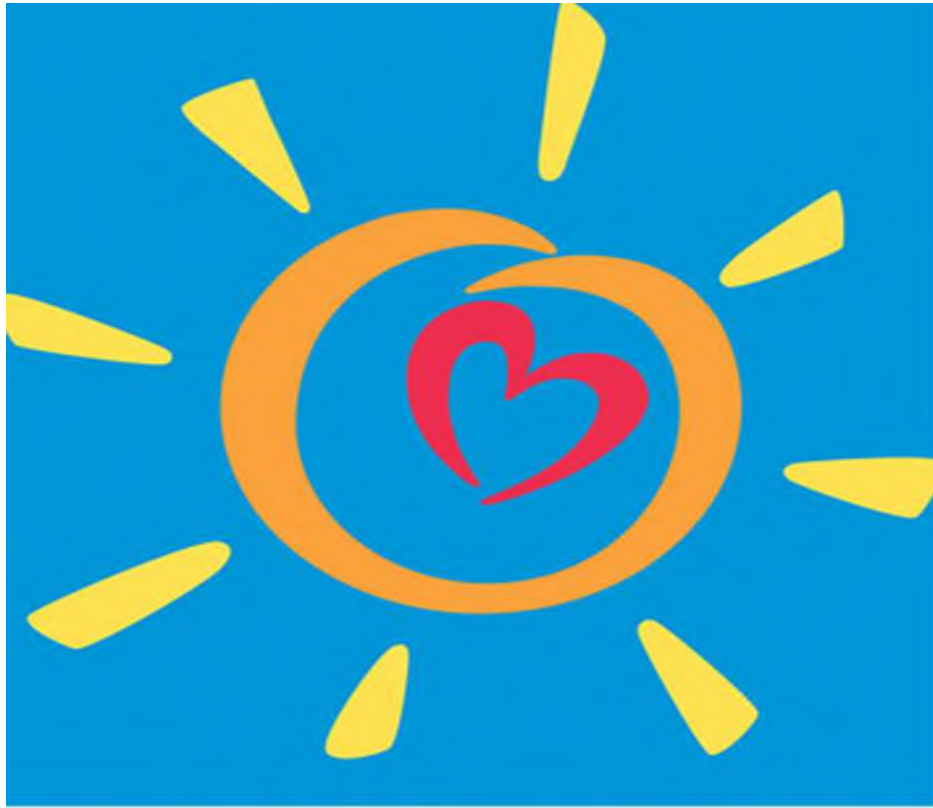
**Issue:** Recommend the draft FY 2019-20 Capital and Operating Budget for Board consideration.

**Background:** Please see the Budget documents for detailed information.

**Member Impact:** The annual Capital and Operating Budget outlines the appropriate use of revenue to provide access to quality health care for Los Angeles County's vulnerable and low-income communities and residents and to support the safety net required to achieve that purpose.

**Budget Impact:** Not applicable.

**Motion:** To approve the Fiscal Year 2019-20 Capital and Operating Budget, as submitted.



**L.A. Care**  
HEALTH PLAN®

**OPERATING AND CAPITAL BUDGET  
FISCAL YEAR 2019-20**

**Board of Governors  
September 5, 2019**

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## EXECUTIVE SUMMARY

### Environmental Overview

The current Federal Administration and Congress have continued to make concerted efforts to undo the progress made by the Affordable Care Act (ACA). While attempts to “repeal and replace” the law have failed, the Administration made progress to undermine aspects of the ACA through a series of systematic policy changes.

One significant change was the elimination of the individual mandate, which was included in the Tax Cuts and Jobs Act of 2017. Beginning in January 2019, individuals no longer incur a tax penalty for not having health insurance, which was expected to depress enrollment and worsen risk pools. Statewide, the elimination of the mandate likely had an effect, with 2019 Covered California new enrollments decreasing by 25 percent. However, L.A. Care Covered achieved a significant membership increase during this period, along with a high retention of existing members. In addition, California reinstated an individual mandate as part of the 2020 budget.

Another threat to the ACA is a lawsuit filed by a group of Republican governors and attorneys general after the tax overhaul eliminated the tax penalty for not having health coverage. A federal judge in Texas ruled that the individual mandate is unconstitutional and the other provisions of the law cannot survive without it. However, the judge issued a stay that enables the law to remain in effect while the ruling is appealed by California and other states. An appellate court in New Orleans recently heard oral argument, and the line of questioning did not seem favorable to the ACA. The case is expected to eventually go to the Supreme Court.

Specifically regarding Medi-Cal, a factor that could dampen enrollment is the Trump Administration’s proposed changes to the public charge rule. These changes would add Medicaid (Medi-Cal), CalFresh (food stamps), and Section 8 housing vouchers to the list of benefits that are considered when an immigrant applies to lawfully enter the U.S. or permanent legal residency (green card), to determine whether the immigrant is likely to be dependent on public benefits. Healthcare industry groups and advocates, including L.A. Care, have submitted public comment in opposition to the rule. The public comment period ended on December 10, 2018 and the rule or a revised version will go into effect after the more than 210,000 submitted public comments have been reviewed.

The ACA is also being undermined with calls for “Medicare for All” from many Democratic legislators and most of the Democratic presidential primary candidates. There is no common definition of single-payer or Medicare for All. The state has proposed a “Healthy California for All Commission” focused on single-payer feasibility analysis, which may or may not consider the possibility of a public option.

Contrary to the federal efforts to undermine the ACA, California is enacting measures to strengthen the gains of the ACA. Key changes outlined in budget proposal to begin in January 2020 include reinstating the individual mandate, adding a new tier of subsidies for individuals between 400-600 percent FPL and increasing subsidies for individuals between 200-400 percent FPL, expanding Medi-Cal coverage for up to 90,000 undocumented adults ages 19-25, and restoring vision benefits for Medi-Cal. Governor Newsom also issued an executive order proposing that the state purchase Medi-Cal prescription drugs in an attempt to save money. This proposal would take control of the formulary and pricing away from health plans.

As a result of the anticipated changes and some uncertainty around their impact, enrollment growth in L.A. Care product lines may not be as easily assured as previous years. Medi-Cal enrollment has been relatively flat statewide in recent years, and issues such as fear of public charge may suppress enrollment further. On the other hand, Medi-Cal enrollment may increase if the economy worsens, or as undocumented adults enroll in the program under the new expansion. L.A. Care has also increased its advertising presence for the Medi-Cal product in addition to other



products. L.A. Care Covered enrollment may not grow as significantly as in prior years, given Anthem’s re-entry into the Los Angeles Covered California rating region, Molina readjusting their pricing, and public charge changes may also play a dampening role. L.A. Care will be poised to enroll newly eligible populations such as undocumented young adults or the income groups that are newly eligible for subsidies.

## Operating Assumptions

The proposed Operating Budget for FY 2019-20 outlines the financial resources and personnel needed to meet L.A. Care’s strategic objectives established for the coming year. The primary focus of the budget is on enhancing the partnership with our network providers in delivering quality care to our members. The budget also emphasizes the need to align our Information Technology spending to meet operational improvements for health services and provider relationships.

L.A. Care organizes its population segments based on risk and reimbursement. Executive Directors are in place to lead these segments and execute on strategic priorities. The segments consist of Plan Partners, TANF-MCE, SPD-CCI, Cal MediConnect, and Commercial Products. Community Programs are managed at the direction of the Executive Office.

## Membership

L.A. Care has roughly 2.2 million members budgeted for FY 2019-20, 1.1 million of which are in our own MCLA network in TANF-MCE and SPD-CCI segments. The product team continues to work on strategies to promote member retention, outreach, and engagement including enhancing member informing materials and collaborating with County partners to explore opportunities to streamline enrollment and redetermination processes.

Overall, the projected membership growth between FY 2018-19 and FY 2019-20 is expected to be 32,000 members or 1.5 percent, with member months growing by 75,000 or 0.3 percent. Combined segment membership is projected to be 2,205,823 at September 30, 2020.

MEMBERSHIP BY FISCAL YEAR (in thousands)								
	Membership		Change		Member Months		Change	
	FY 18-19 Forecast*	FY 19-20 Budget	Members	Percent	FY 18-19 Forecast*	FY 19-20 Budget	Members	Percent
Medi-Cal								
Plan Partners	979	988	9	0.9%	11,919	11,804	(115)	(1.0%)
TANF-MCE	827	843	16	2.0%	9,931	10,032	101	1.0%
SPD-CCI	220	220	-	0.0%	2,635	2,639	4	0.1%
Total Medi-Cal	2,026	2,051	25	1.3%	24,486	24,475	(11)	(0.0%)
Cal MediConnect	16	19	3	16.1%	196	213	17	8.8%
Commercial								
PASC-SEIU	51	51	0	0.5%	605	609	3	0.6%
LACC	81	85	4	5.1%	942	1,008	65	6.9%
<b>Total</b>	<b>2,174</b>	<b>2,206</b>	<b>32</b>	<b>1.5%</b>	<b>26,229</b>	<b>26,304</b>	<b>75</b>	<b>0.3%</b>

\*Forecast is based on 8+4

## MEMBERSHIP BY SEGMENT

Fiscal Year 2019-20

Month	Plan Partner	TANF - MCE	SPD - CCI	CMC	PASC-SEIU	LACC*	Total
Oct-19	979,083	827,051	219,918	16,784	50,722	80,870	2,174,429
Nov-19	979,083	827,051	219,918	17,013	50,722	80,870	2,174,658
Dec-19	979,083	827,051	219,918	17,148	50,722	80,870	2,174,793
Jan-20	980,502	829,798	219,918	17,110	50,722	85,000	2,183,050
Feb-20	981,921	832,545	219,918	17,222	50,722	85,000	2,187,328
Mar-20	983,340	835,292	219,918	17,431	50,722	85,000	2,191,703
Apr-20	984,759	838,039	219,918	17,659	50,722	85,000	2,196,098
May-20	986,178	840,786	219,918	17,938	50,722	85,000	2,200,542
Jun-20	987,597	843,533	219,918	18,216	50,722	85,000	2,204,987
Jul-20	987,597	843,533	219,918	18,495	50,722	85,000	2,205,265
Aug-20	987,597	843,533	219,918	18,774	50,722	85,000	2,205,544
Sep-20	987,597	843,533	219,918	19,052	50,722	85,000	2,205,823
<b>Member Months</b>	<b>11,804,343</b>	<b>10,031,745</b>	<b>2,639,018</b>	<b>212,842</b>	<b>608,664</b>	<b>1,007,609</b>	<b>26,304,220</b>

\*Includes both LACC and LACC Direct

## Combined Operations & Financials

Combined operations are budgeted to produce a net operating surplus of \$152.9 million, which includes the \$46.2 million in support of community programs.

### Consolidated Statement of Operations

Fiscal Year 2019-20

(dollars in millions)

	Plan Partners	TANF-MCE	SPD-CCI	CMC	Commercial	Community Programs*	Total
Revenues	\$2,926.8	\$2,334.6	\$1,884.2	\$270.5	\$579.5	\$0.0	\$7,995.6
Healthcare Expenses	2,749.1	2,194.0	1,734.9	254.4	458.4	0.0	7,390.8
MCR	93.9%	94.0%	92.1%	94.0%	79.1%	n/a	92.4%
<b>Operating Margin</b>	<b>177.7</b>	<b>140.6</b>	<b>149.3</b>	<b>16.1</b>	<b>121.1</b>	<b>0.0</b>	<b>604.8</b>
Administrative Expenses	66.8	165.6	139.9	21.4	47.9	2.6	444.2
<i>Administrative Ratio</i>	2.3%	7.1%	7.4%	7.9%	8.3%	n/a	5.6%
<b>Gain / (Loss) from Operations</b>	<b>110.9</b>	<b>(25.0)</b>	<b>9.4</b>	<b>(5.3)</b>	<b>73.2</b>	<b>(2.6)</b>	<b>160.6</b>
Community Investments	0.0	0.0	0.0	0.0	0.0	(43.6)	(43.6)
Investment Income, net	16.1	10.0	9.6	0.2	0.0	0.0	35.9
<b>Net Surplus / (Deficit)</b>	<b>\$127.0</b>	<b>(\$15.0)</b>	<b>\$19.0</b>	<b>(\$5.1)</b>	<b>\$73.2</b>	<b>(\$46.2)</b>	<b>\$152.9</b>
<i>Margin Ratio</i>	4.3%	-0.6%	1.0%	-1.9%	12.6%	n/a	1.9%

\*Includes CHIF, TCPI, Blue Shield Promise Grant, and Community Programs

## Revenue

### **Medi-Cal Capitation Rates (Legacy Rating & Non Duals Categories)**

This category reflects the following rate changes:

#### **Legacy Rating Categories:**

Change as percent of State Fiscal Year (SFY) 2018-19 rates

<b>Rating Category</b>	<b>Percent Change</b>
<b>Family Child</b>	1.3%
<b>Family Adult</b>	6.0%
<b>MCE</b>	-0.5%
<b>SPD</b>	4.3%
<b>SPD/Full Dual</b>	-5.3%
<b>BCCTP</b>	10.0%
<b>Maternity</b>	2.9%

The revenue rates are based on “Bridge Period” 19/20 (July 2019 - December 2020) rates from the California Department of Health Care Services (DHCS).

### **Medi-Cal CCI (Non CMC) Dual Eligible Rating Categories**

DHCS has not released Calendar Year (CY) 2019 or CY 2020 rates for CCI (Non CMC) Duals and SFY 2019-20 MTLSS for non-duals; the budget assumes a conservative 0% increases in revenue rates.

### **Cal MediConnect**

The revenue for this program is based on rates received from DHCS and the Centers for Medicare and Medicaid Services (CMS); current rate levels were projected to FY 2019-20. DHCS has not released CY 2019 and CY 2020 rates for CMC.

### **PASC-SEIU**

PASC-SEIU revenue rate assumes no rate increase.

### **L.A. Care Covered**

L.A. Care Covered revenue is based on the CY 2019 rates and the CY 2020 rates submitted to Covered California.

## Healthcare Expenses

Consistent with a maturing health care delivery network, the utilization growth and the consumption of health care services have become more complex. L.A. Care’s management team remains focused on utilization management processes, provider contracting, and claims payment management. The fundamental goal is guided by the Institute for Healthcare Improvement’s (IHI) Triple Aim Framework, (1) improve patient experience, (2) improve health outcomes, and (3) reduce unnecessary health care expenses.

## Capitation

L.A. Care contracts with, and in many cases delegates specific services to, various risk bearing organizations (RBO) like Independent Practice Associations (IPAs) and Medical Groups, safety-net providers, Federally Qualified Health Centers, and Community Clinics to provide health care services to enrolled members. The risk arrangements with the RBOs vary between shared, dual, and full risk, which define different level of capitation arrangements based on the division of financial responsibility between the RBO and L.A. Care.

In addition to what is listed above, L.A. Care also contracts with three other Knox-Keene licensed health plans, referred to as Plan Partners (Anthem, Blue Shield Promise, and Kaiser), to which all managed care services are delegated. The Plan Partners are reimbursed on a capitated PMPM fee basis for each enrolled Medi-Cal member. Furthermore, both Anthem and Blue Shield Promise partake in the plan partner incentive program which rewards plan partners for performance based on targeted metrics.

## Shared Risk | Provider Incentives

### Shared Risk

This healthcare expense category consists of the risk pool tied to the shared risk arrangements mentioned in the capitation section above. The shared risk pools are established to encourage appropriate levels of hospital service utilization. L.A. Care enters into a capitation agreement to delegate professional services, but retains the hospital services. Per member per month targets are established with each contracted provider group and the risk pool is calculated based on membership. At the end of each calendar year, L.A. Care compares the actual claims experience to the target pools and surplus amounts are split between the contracted provider groups and L.A. Care.

### L.A. Care Quality Score Investments (Incentives)

Provider incentives are an essential part of L.A. Care's interventions strategy to advance provider performance, maximize clinical quality and increase member satisfaction. They are designed to augment L.A. Care's collaboration with key business partners, and to align the quality improvement goals of plan partners, IPAs, clinics, and physicians. These programs use industry standard metrics such as Healthcare Effectiveness Data and Information Set (HEDIS) clinical quality measures to reward excellent performance and year-over-year improvement. The programs aim to create a business case for provider investment in quality improvement, and promote accountability and value.

Provider Incentive Budget						
FY 2019-20						
(dollars in thousands)						
Incentive Level Programs	Segments					
	Plan Partners <sup>(1)</sup>	TANF-MCE	SPD-CCI <sup>(2)</sup>	CMC	Commercial	Total
Plan Partners	\$10,515	\$0	\$0	\$0	\$0	\$10,515
PPG	8,740	10,915	1,383	213	2,006	23,257
Physician	8,740	7,972	905	1,433	1,006	20,056
Member	0	258	31	12	114	415
<b>Total</b>	<b>\$27,995</b>	<b>\$19,145</b>	<b>\$2,319</b>	<b>\$1,658</b>	<b>\$3,126</b>	<b>\$54,243</b>

Note:

1. Excludes Kaiser

2. CCI members not eligible for incentive level programs

### ***Plan Partner Quality Score Investments (Incentives)***

The Plan Partner Incentive Program aligns the efforts of L.A. Care with those of its strategic partners as a critical point for improving the outcomes and satisfaction of members. The redesigned program continues in measurement year 2019 and it evaluates and rewards plan partners with a broader set of metrics, including clinical quality, access and availability, utilization, encounters and patient satisfaction.

### ***IPA Quality Score Investments (Incentives)***

The Value Initiative for IPA Performance + Pay-for-Performance (VIIP+P4P) Program measures, reports and rewards IPA performance in multiple domains that affect quality of care, including HEDIS, utilization management, encounter data, and member experience. The goals of the VIIP+P4P program are to improve the quality of care for L.A. Care members and also to encourage and support lower performing IPAs to develop action plans, which are performance improvement projects with measurable goals.

The measures and domain weighting will be reevaluated for the measurement year 2019 program, with some focused changes to align with shifting priorities. Encounter data submission remains a vital component of the program as demonstrated by the encounter data volume payment gates. The encounter data gate methodology was updated in 2018 to set more accurate encounter benchmarks and better reflect PPG membership composition. The VIIP+P4P program also actively engages with PPGs to develop 'Action Plans' focused on setting SMART Goals and improving performance. The VIIP program is also being developed for the Cal MediConnect and L.A. Care Covered lines of business (LOB), with a set of domains and measures relevant to providers and members in those LOBs.

### ***Physician Quality Score Investments (Incentives)***

The Physician Pay-for-Performance (P4P) Program provides financial rewards to eligible physicians and community clinics for outstanding performance and year-over-year improvement on multiple HEDIS measures. The program is closely aligned where possible with incentives available to IPAs and plan partners and is designed to improve provider encounter data submission. Future program years may include a domain and measures related to utilization management, which are currently being tested for program fit.

### ***Fee-for-Service Claims***

L.A. Care's second largest healthcare expense type, behind capitation, is fee-for-service expenses. The category includes inpatient, outpatient, and skilled nursing facilities related to TANF-MCE, SPD-CCI, CMC and LACC segments. The 2019-20 budget is based on 2018-19 8+4 forecast levels with recent cost trends applied.

### ***Pharmacy***

We expect overall annual drug spending to increase 4-5 percent annually for the next 2 years. Similar to FY 2018-19, specialty drugs are forecasted to be the driver of increased drug spending. Specialty drugs are used for the treatment of complex, chronic, and rare conditions. Top specialty drugs include categories from cancer, HIV, hepatitis C, inflammatory conditions (rheumatoid arthritis, psoriasis), and multiple sclerosis. In the Medicaid population, Express Scripts reported that specialty medications contributed 44.2 percent to total drug spending, increasing 14.5 percent in PMPY spend compared to 2017. We project specialty medications spend to continue increasing over the next three years.

## Administrative Expenses

<b>L.A. Care Health Plan</b>			
<b>FY 2019-20 General Administrative Cross-Walk</b>			
<i>dollars in thousands</i>	(A)	(B)	(C=A+B)
	FY 2018-19 <u>Forecast*</u>	Additions/ <u>Programs</u>	FY 2019-20 <u>Budget</u>
Base Line Operations	\$418,705		
<b>Staffing (Includes Medical Administration)</b>			
Projected increase for merit, other compensation, and resource needs		\$11,049	
<b>Temporary Labor</b>			
Lower projected spending		(67)	
<b>New  Continued Programs - Professional Fees and Purchased Services</b>			
General increase in expense		877	
<b>New Programs - Advertising</b>			
Incremental Media to support Corporate Brand and Identity Campaigns		274	
<b>New Programs- Business Fees and Occupancy</b>			
Business Fees increase due to LACC Participation Fee tied to membership growth; also increase in I.T. Software licenses, etc.		7,734	
Occupancy increase due to the new lease of 5th Floor in the 1200 Building		2,314	
<b>Supplies &amp; Other</b>			
Increased expenses projected for web hosting and subscription fees		4,259	
<b>Medical Administrative Expenses</b>			
Due to Health Services Programs		(2,761)	
<b>New Capital Assets - Depreciation</b>			
Increased depreciation for new and existing capital assets		1,847	
<b>Total Administrative Expenses</b>	<u>\$418,705</u>	<u>\$25,526</u>	<u>\$444,231</u>

\*Forecast is based on 8+4

## Comparative Administrative Cost – FY 2018-19 vs. FY 2019-20

L.A. Care continues to transform and upgrade our infrastructure in order to efficiently manage the health care services we deliver to our members and to comply with regulatory changes for the products we offer.

The following is a summary of the administrative forecast and budget between the fiscal years.

<b>Administrative Expenses</b>				
Comparative Statement				
(dollars in thousands)	<b>Forecast*</b>		<b>Budget</b>	
	<b>FY 2018-19</b>	<b>PMPM</b>	<b>FY 2019-20</b>	<b>PMPM</b>
FTEs (at year end)	1,958		2,362	
Salaries and Benefits	\$210,790	\$8.04	\$221,839	\$8.43
Temporary Labor and Recruitment	2,338	0.09	2,271	0.09
Professional Fees	21,386	0.82	17,459	0.66
Purchased Services	102,865	3.92	107,669	4.09
Advertising and Promotions	8,923	0.34	9,196	0.35
Business Fees and Insurance	46,266	1.76	54,001	2.05
Occupancy and Leases	17,960	0.68	20,274	0.77
Supplies and Other	30,904	1.18	35,163	1.34
Medical Administrative Expenses	(48,880)	(1.86)	(51,641)	(1.96)
Depreciation and Amortization	26,153	1.00	28,000	1.06
<b>Total Administrative Expenses</b>	<b>\$418,705</b>	<b>\$15.96</b>	<b>\$444,231</b>	<b>\$16.89</b>
<i>Admin Ratio (%)</i>	<i>5.3%</i>		<i>5.6%</i>	

\*Forecast is based on 8+4

Last year, we established a target of a \$15.93 PMPM for administrative expenditures. Our forecast expects that we end the fiscal year at \$15.96 PMPM, basically flat as compared to the target. We will continue to focus on administrative spending in light of slow membership growth.

The 2019-20 administrative PMPM target is set at \$16.89 PMPM, which is \$0.92 PMPM higher than the 2018-19 year. The increase in admin PMPM is driven by several factors: higher IT spending as we continue to enhance our technology infrastructure, higher business fees for LACC membership growth, higher broker commission for CMC products to support our growth, and higher labor costs. We will focus on areas to improve efficiencies to manage administrative expenses below the target. At the same time, it is important to continue investing in technology in order to improve operational efficiencies. This will position us to respond to the revenue rate pressures that will likely stem from funding reductions from the governmental agencies. We aspire to continue to be a good partner to L.A. County and the State in driving efficiency when the cost pressures intensify. Our preparation and continued investments in our infrastructure position us for that goal.

## Staffing and Total Cost of Labor

L.A. Care's forecasted full time equivalent (FTE) staffing is 1,958, out of the 2,156 budgeted positions, at the end of FY 2018-19. During FY 2019-20, the budget provides 206 additional FTEs, raising the total potential FTE count to 2,362 by the end of FY 2019-20. The additional FTEs are in support of health care initiatives to provide better care for members, infrastructure and network growth, which includes new Community Resource Centers to serve the complex populations including the Coordinated Care Initiative, Cal MediConnect, Medi-Cal Expansion and L.A. Care Covered. Salaries and Benefits, budgeted at \$221.8 million for FY 2019-20 with an 18.8 percent vacancy factor, includes merit increases budgeted at 3.25 percent for eligible staff.

In an effort to focus employees on organizational goals and objectives, L.A. Care will reward bonus incentives based on criteria established in its Organizational Incentive Program. The incentive program is not a guaranteed bonus for employees, but rather a reward for excellent performance, at the organizational level as well as at the individual level. Incentive compensation earned by an employee is paid as a lump sum and does not become a part of the employee's base pay rate.

The chart below depicts current staff, positions currently being recruited, and open positions needed for fiscal year 2019-20:

	Budget Fiscal Year		
	2017-18	2018-19	2019-20
<b>Beginning of the Year</b>	<b>2,008</b>	<b>2,082</b>	<b>2,156</b>
<b>New Positions</b>			
Membership/Network Growth	32	59	
Infrastructure support (Strategic Projects)	8	-	
Infrastructure support (Other)	34	15	206
<b>Total Additions</b>	<b>74</b>	<b>74</b>	<b>206</b>
<b>End of the Year</b>	<b>2,082</b>	<b>2,156</b>	<b>2,362</b>

FTE History		
	FTEs (at year end)	FTEs per 000 Members
FY 2015-16 (Actual)	1,839	0.92
FY 2016-17 (Actual)	1,944	0.87
FY 2017-18 (Actual)	1,951	0.89
FY 2018-19 (Forecast)	1,958	0.90
FY 2019-20 (Budget)	2,362	1.07



## L.A. Care Segments

### New Medi-Cal Benefits Program

Effective July 1, 2019, L.A. Care launched the Medi-Cal Health Homes Program (HHP) for eligible members with multiple chronic conditions who are frequent utilizers of medical services and may benefit from enhanced care management and coordination. The Health Homes Program (HHP) is a DHCS mandated Medi-Cal benefit authorized under Section 2703 of the Affordable Care Act (ACA).

The Health Homes Program network includes the managed care plan (MCP), Community-Based Care Management Entities (CB-CMEs), and contractual or non-contractual relationships with other Community-Based Organizations (CBOs) to provide linkages to community and social support services, as needed. CB-CMEs are intended to serve as the single community-based entity with responsibility, in conjunction with the MCP, for ensuring that an assigned HHP member receives access to HHP services.

### Plan Partners

Plan Partners budget consists of the operating revenue and costs required to support all aid categories under Medi-Cal, delivered through the contracted Plan Partners (Anthem, Blue Shield Promise, and Kaiser) health care networks.

The five-year delegated contracts with the three Plan Partners (Anthem, Blue Shield Promise, and Kaiser) were negotiated in FY2015-16 and they reflect both capitation rates for the Medi-Cal benefit and an incentive program. The agreements with Anthem and Blue Shield Promise were extended for an additional five years in 2019. Kaiser's agreement will be renegotiated in 2020.

Plan Partners (with the exception of Kaiser) will be eligible for an incentive program based on measurement year 2019 (payable in 2020). The incentive is designed to align quality goals among L.A. Care and its subcontracted health plans and target specific performance measures that impact member auto assignment, health outcomes and patient satisfaction. Plan Partners are eligible for an annual per member per month financial incentive for meeting eligibility and performance criteria.

<b>L.A. Care Health Plan Plan Partners Income Statement</b>						
<b>(dollars in thousands)</b>	<b>Forecast*</b>			<b>Budget</b>		
	<b>FY18-19</b>	<b>PMPM</b>	<b>% of Revenue</b>	<b>FY19-20</b>	<b>PMPM</b>	<b>% of Revenue</b>
<b>Member Months</b>	11,919,470			11,804,343		
<b>Revenue</b>						
Capitation	\$2,898,501	\$243.17	100.0%	\$2,926,812	\$247.94	100.0%
<b>Total Revenues</b>	<b>\$2,898,501</b>	<b>\$243.17</b>	<b>100.0%</b>	<b>\$2,926,812</b>	<b>\$247.94</b>	<b>100.0%</b>
<b>Healthcare Expenses</b>						
Capitation	\$2,710,994	\$227.44	93.5%	\$2,711,179	\$229.68	92.6%
Inpatient Claims	7	0.00	0.0%	-	-	0.0%
Outpatient Claims	519	0.04	0.0%	-	-	0.0%
Provider Incentives and Shared Risk	27,789	2.33	1.0%	27,994	2.37	1.0%
Medical Administrative Expenses	8,703	0.73	0.3%	9,881	0.84	0.3%
<b>Total Healthcare Expenses</b>	<b>\$2,748,012</b>	<b>\$230.55</b>	<b>94.8%</b>	<b>\$2,749,054</b>	<b>\$232.88</b>	<b>93.9%</b>
<b>Operating Margin</b>	<b>\$150,489</b>	<b>\$12.63</b>	<b>5.2%</b>	<b>\$177,759</b>	<b>\$15.06</b>	<b>6.1%</b>

\* Forecast is based on 8+4

## TANF-MCE

**Temporary Assistance for Needy Families (TANF)** – consists primarily of members in family-adult, family-child, and Breast and Cervical Cancer Treatment Program (BCCTP) aid categories.

**Medi-Cal Expansion (MCE)** – covers budget for Medi-Cal Direct expansion members. The MCE program expanded Medi-Cal coverage starting January 2014 to adults (ages 19-64) without children. Eligibility is based on a few factors including a modified adjusted gross income (MAGI) requirement below 138 percent federal poverty level (FPL).

The annual redetermination process continues to contribute to disenrollment, primarily in the TANF and MCE segments.

<b>L.A. Care Health Plan TANF-MCE Income Statement</b>						
(dollars in thousands)	Forecast*		% of	Budget		% of
	FY18-19	PMPM	Revenue	FY19-20	PMPM	Revenue
<b>Member Months</b>	9,931,407			10,031,745		
<b>Revenue</b>						
Capitation	\$2,325,832	\$234.19	100.0%	\$2,334,610	\$232.72	100.0%
<b>Total Revenues</b>	<b>\$2,325,832</b>	<b>\$234.19</b>	<b>100.0%</b>	<b>\$2,334,610</b>	<b>\$232.72</b>	<b>100.0%</b>
<b>Healthcare Expenses</b>						
Capitation	\$884,309	\$89.04	38.0%	\$879,072	\$87.63	37.7%
Inpatient Claims	469,736	47.30	20.2%	496,969	49.54	21.3%
Outpatient Claims	276,836	27.87	11.9%	303,289	30.23	13.0%
Skilled Nursing Facility	29,593	2.98	1.3%	57,649	5.75	2.5%
Pharmacy	389,314	39.20	16.7%	402,976	40.17	17.3%
Provider Incentives and Shared Risk	27,813	2.80	1.2%	24,145	2.41	1.0%
Medical Administrative Expenses	27,748	2.79	1.2%	29,884	2.98	1.3%
<b>Total Healthcare Expenses</b>	<b>\$2,105,349</b>	<b>\$211.99</b>	<b>90.5%</b>	<b>\$2,193,984</b>	<b>\$218.70</b>	<b>94.0%</b>
<b>Operating Margin</b>	<b>\$220,483</b>	<b>\$22.20</b>	<b>9.5%</b>	<b>\$140,626</b>	<b>\$14.02</b>	<b>6.0%</b>

\* Forecast is based on 8+4

## SPD-CCI

**Seniors and Persons with Disabilities (SPD)** – includes Medi-Cal members in aged, disabled, partial dual, and long term care aid categories. SPDs have represented a sizable portion of L.A. Care’s direct membership since mandatory managed care enrollment of this group in 2011.

**Coordinated Care Initiative (CCI)** – is the pilot program developed in conjunction with California’s Department of Health Care Services to integrate medical care, long-term care, behavioral health care and social services for people eligible for both Medicare and Medi-Cal. The CCI population consists of CCI (Non CMC) Dual members primarily in the aged-dual, disabled-dual, and long-term care dual aid categories. The In-Home Supportive Services (IHSS) Program pays for services that enable individuals who are disabled (including children) and seniors to remain in their homes. The CCI pilot has been extended through 2020, however IHSS benefits were removed from Managed Care as of January 1, 2018.

This segment was also created to establish accountability for product line performance and financial sustainability as part of the Strategic Vision.

The Affordable Care Act brought significant growth in Medi-Cal membership through the mandatory enrollment of Dual Eligible beneficiaries (individuals receiving Medi-Cal and Medicare benefits) who are required to join a managed care plan for their Medi-Cal benefits. These Coordinated Care Initiative Dual Eligibles receive the majority of their healthcare through Medicare, while L.A. Care predominantly coordinates their Managed Long-Term Services and Supports and Room and Board in a Skilled Nursing Facility.

<b>L.A. Care Health Plan SPD-CCI Income Statement</b>						
<b>(dollars in thousands)</b>	<b>Forecast*</b>		<b>% of</b>	<b>Budget</b>		<b>% of</b>
	<b>FY18-19</b>	<b>PMPM</b>	<b>Revenue</b>	<b>FY19-20</b>	<b>PMPM</b>	<b>Revenue</b>
<b>Member Months</b>	2,635,176			2,639,018		
<b>Revenue</b>						
Capitation	\$1,901,166	\$721.46	100.0%	\$1,884,202	\$713.98	100.0%
<b>Total Revenues</b>	<b>\$1,901,166</b>	<b>\$721.46</b>	<b>100.0%</b>	<b>\$1,884,202</b>	<b>\$713.98</b>	<b>100.0%</b>
<b>Healthcare Expenses</b>						
Capitation	\$192,220	\$72.94	10.1%	\$191,681	\$72.63	10.2%
Inpatient Claims	363,763	138.04	19.1%	365,293	138.42	19.4%
Outpatient Claims	351,718	133.47	18.5%	380,303	144.11	20.2%
Skilled Nursing Facility	575,667	218.45	30.3%	565,076	214.12	30.0%
Pharmacy	208,516	79.13	11.0%	220,418	83.52	11.7%
Provider Incentives and Shared Risk	680	0.26	0.0%	(7,681)	(2.91)	-0.4%
Medical Administrative Expenses	19,800	7.51	1.0%	19,810	7.51	1.1%
<b>Total Healthcare Expenses</b>	<b>\$1,712,364</b>	<b>\$649.81</b>	<b>90.1%</b>	<b>\$1,734,900</b>	<b>\$657.40</b>	<b>92.1%</b>
<b>Operating Margin</b>	<b>\$188,802</b>	<b>\$71.65</b>	<b>9.9%</b>	<b>\$149,301</b>	<b>\$56.57</b>	<b>7.9%</b>

\* Forecast is based on 8+4

## Cal MediConnect (CMC)

The Cal MediConnect program aims to improve care coordination for dual eligible beneficiaries and drive high quality care that helps people stay healthy and in their homes for as long as possible. Additionally, shifting services out of institutional settings and into the home and community helps create a person-centered health care system that is also sustainable. The Cal MediConnect program is part of California's larger Coordinated Care Initiative (CCI). This includes members for Medi-Cal and Medicare.

The Centers for Medicare and Medicaid Services (CMS) and the California Department of Health Care Services (DHCS) developed a three-year pilot program, which commenced in April 2014, to integrate medical care, long-term care, behavioral health care and social services under a health plan for people who are dually eligible for Medicare and Medi-Cal. L.A. Care Health Plan, Health Net, Molina, CareMore, and Blue Shield Promise are the health plans participating in the program in Los Angeles County. In 2017, the Cal MediConnect program was extended per the Governor's budget and will continue to 2020.

The vision of Cal MediConnect is to deliver patient-centered care through a system that is easy to navigate. Under this program both beneficiaries and physicians will experience a streamlined process: one benefit package, one responsible and accountable health plan, and one payer. Beneficiaries will be able to access all the services they need under one health plan.

<b>L.A. Care Health Plan CMC Income Statement</b>						
(dollars in thousands)	Forecast*		% of	Budget		% of
	FY18-19	PMPM	Revenue	FY19-20	PMPM	Revenue
<b>Member Months</b>	195,561			212,842		
<b>Revenue</b>						
Capitation	\$257,328	\$1,315.84	100.0%	\$270,512	\$1,270.95	100.0%
<b>Total Revenues</b>	<b>\$257,328</b>	<b>\$1,315.84</b>	<b>100.0%</b>	<b>\$270,512</b>	<b>\$1,270.95</b>	<b>100.0%</b>
<b>Healthcare Expenses</b>						
Capitation	\$118,616	\$606.54	46.1%	\$130,101	\$611.26	48.1%
Inpatient Claims	47,443	242.60	18.4%	56,090	263.53	20.7%
Outpatient Claims	18,681	95.53	7.3%	24,124	113.34	8.9%
Skilled Nursing Facility	18,606	95.14	7.2%	19,065	89.58	7.0%
Pharmacy	12,257	62.68	4.8%	17,447	81.97	6.4%
Provider Incentives and Shared Risk	8,805	45.03	3.4%	4,658	21.88	1.7%
Medical Administrative Expenses	3,995	20.43	1.6%	2,949	13.85	1.1%
<b>Total Healthcare Expenses</b>	<b>\$228,404</b>	<b>\$1,167.94</b>	<b>88.8%</b>	<b>\$254,433</b>	<b>\$1,195.41</b>	<b>94.1%</b>
<b>Operating Margin</b>	<b>\$28,923</b>	<b>\$147.90</b>	<b>11.2%</b>	<b>\$16,079</b>	<b>\$75.54</b>	<b>5.9%</b>

\* Forecast is based on 8+4

## Commercial Products

**PASC-SEIU** program provides health care for the in-home supportive services (IHSS) workers in Los Angeles County. Among the administrative services provided are: claims processing, member services, COBRA/Cal-COBRA billing and information technology services. The PASC-SEIU Homecare Workers Health Care Plan (PASC-SEIU Plan) transitioned from CHP to L.A. Care in February 2012.

**L.A. Care Covered (LACC)** program started in January 2014. In addition, there is a L.A. Care Covered Direct product that launched in February 2015 for consumers to purchase insurance privately ‘Off-the-Exchange’.

L.A. Care Health Plan is among eleven health plans selected by Covered California to offer health insurance on the California State Exchange known as Covered California. L.A. Care Covered offers all metal coverage levels (Platinum, Gold, Silver, and Bronze) and a Catastrophic Plan for enrollees within Los Angeles County in Regions 15 and 16 on the Exchange. Consistent with its Mission, L.A. Care focuses outreach and enrollment activities to communities that are at or below 250 percent of the Federal Poverty Level (FPL).

LACC membership was maintained by renewing over 85 percent of our existing membership and gaining more than 25,000. We saw growth in the San Fernando Valley with total membership at the close of Open Enrollment at more than 80,000 members. Our new membership growth was driven by our pricing strategy and strong partnerships with the broker community. More than 70 percent of our membership is enrolled on the Silver metal level plans. Membership during the upcoming open enrollment for 2020 will be impacted by the return of the individual mandate and the enhanced subsidies covering up to 400-600 percent FPL levels. Covered CA Marketplace rates for 2020 are projected to decrease by an overall average of 0.7 percent and enrollment statewide is predicted to stay flat. Although carrier rates have not yet been finalized, L.A. Care remains competitively priced with our strategy focused on retention for this upcoming open enrollment period.

<b>L.A. Care Health Plan Commercial Income Statement</b>						
<b>(dollars in thousands)</b>	<b>Forecast*</b>		<b>% of</b>	<b>Budget</b>		<b>% of</b>
	<b>FY18-19</b>	<b>PMPM</b>	<b>Revenue</b>	<b>FY19-20</b>	<b>PMPM</b>	<b>Revenue</b>
<b>Member Months</b>	1,547,519			1,616,273		
<b>Revenue</b>						
Capitation	\$505,852	\$326.88	100.0%	\$579,491	\$358.54	100.0%
<b>Total Revenues</b>	<b>\$505,852</b>	<b>\$326.88</b>	<b>100.0%</b>	<b>\$579,491</b>	<b>\$358.54</b>	<b>100.0%</b>
<b>Healthcare Expenses</b>						
Capitation	\$264,845	\$171.14	52.4%	\$273,918	\$169.47	47.3%
Inpatient Claims	48,659	31.44	9.6%	55,824	34.54	9.6%
Outpatient Claims	22,250	14.38	4.4%	28,322	17.52	4.9%
Skilled Nursing Facility	647	0.42	0.1%	-	-	0.0%
Pharmacy	63,950	41.32	12.6%	75,117	46.48	13.0%
Provider Incentives and Shared Risk	13,928	9.00	2.8%	24,127	14.93	4.2%
Medical Administrative Expenses	1,577	1.02	0.3%	1,087	0.67	0.2%
<b>Total Healthcare Expenses</b>	<b>\$415,856</b>	<b>\$268.72</b>	<b>82.2%</b>	<b>\$458,395</b>	<b>\$283.61</b>	<b>79.1%</b>
<b>Operating Margin</b>	<b>\$89,996</b>	<b>\$58.16</b>	<b>17.8%</b>	<b>\$121,096</b>	<b>\$74.92</b>	<b>20.9%</b>

\* Forecast is based on 8+4

## Non-Travel Meeting, Food, and Other Expenses

<b>L.A. Care Health Plan Non-Travel Meeting, Food, and Other Expenses for Fiscal Year 2019-20</b>				
<b>Proposed Programs</b>	<b>Non-Travel</b>		<b>Total</b>	
	<b>Food</b>	<b>Expenses</b>		<b>Other *</b>
1. Annual Employment Survey FY19-20	\$	4,750	\$ 100	\$ 4,850
2. Catering for Health Promoters Program		31,000	-	31,000
3. Catering for L.A. Care CMC and Enrollee Advisory Committee (EAC) member meeting		1,700	6,000	7,700
4. Catering for L.A. Care CCI & SAC Meetings & Related Stakeholder Meetings		2,890	2,110	5,000
5. Catering for L.A. Care Consumer Advisory Council (CAC) Member Engagement		6,120	12,000	18,120
6. Catering for L.A. Care Consumer Members (RCAC/ECAC/BOG)		55,000	144,250	199,250
7. CEO Business Development		10,000	-	10,000
8. Clinical Quality Improvement Contactor (CQIC) Learning Collaborative		9,500	-	9,500
9. Credentialing /Peer Review Committee Meeting		-	12,500	12,500
10. Elevating Excellence - Dedicated Service Award Recognizing Years of Service		5,758	64,764	70,522
11. Elevating Excellence - Team Awesome Award & Rock Star Award		-	67,875	67,875
12. Employee Wellness Program (Formerly Fresh Fruit Fridays)		124,956	-	124,956
13. Fund for SPA 6 Community Meetings		600	-	600
14. Health Home Program - CB-CME Support		19,419	10,581	30,000
15. Health Services New Hire Onboarding		29,915	49,000	78,915
16. Legislative in-house education briefings for 2020		2,000	-	2,000
17. NCQA On-Site File Review		1,665	-	1,665
18. NCQA On-Site Mock File Review		1,665	-	1,665
19. New hire and manager Orientation		16,320	67,180	83,500
20. Nurses Week/ Social Work Month		2,220	2,400	4,620
21. Pharmacy Quality and Oversight Committee Meeting		3,248	6,000	9,248
22. Planning, Engagement, and Support for L.A. County's Safety Net Initiatives		29,800	6,000	35,800
23. Plan Partner Strategic Relationship Business Development		5,000	5,000	10,000
24. Provider Continuing Education (PCE) Program		73,800	106,200	180,000
25. QI Trainings on HEDIS & CAHPS for provider		34,587	-	34,587
26. QI Webinar Series for Provider		-	6,000	6,000
27. Quarterly joint PICC/PQC Committee		1,800	5,300	7,100
28. Refreshments/Meals for Board & Committee Meetings		10,000	-	10,000
29. Sacramento Advocacy Day 2020		9,300	27,400	36,700
30. UMC Committee Meetings		3,000	9,000	12,000
<b>Proposed Program Total</b>		<b>\$ 496,013</b>	<b>\$ 609,660</b>	<b>\$1,105,673</b>

\* "Other" Expenses include stipends for guest speakers, participants, and members; promotional items and training kits; facility costs; miscellaneous costs for community and employee events; event transportation and parking validations; gift cards to recognize employee excellence; and biometric screenings, flu vaccinations and employee wellness programs.

### **Proposed Programs:**

#### **Provider Continuing Education (PCE) Program**

L.A. Care is a continuing education provider accredited by the Institute for Medical Quality, a subsidiary of the California Medical Association, and also the Board of Registered Nursing and the Board of Behavioral Sciences for PCE activities and events provided by the Provider Continuing Education Program. The PCE activities and events

specifically target the low performing primary care physicians related to their HEDIS scores and Star Performance to improve quality of patient care and physician-patient relationships.

The PCE program will hold activities throughout the year, with emphasis on the identified needs of the providers through conducted surveys and ongoing feedback. The program will coordinate six full-day PCE/CE conferences for in-depth content related to quality improvement of patient care, partnership and best practices. It will also provide six evening PCE/CE events to target Quality Improvement, HEDIS and other clinical improvement topics. The success of the program will depend on providing activities on content areas that are important for improving providers' competency, performance and patient outcomes. Event expenses will include stipends for guest speakers to cover travel and preparatory costs.

### **Advocacy Strategy Events**

In order to develop a more proactive and comprehensive advocacy strategy, several events are planned to preserve and promote the value of the Two-Plan Model by providing education on meeting local community and safety-net needs to internal and external stakeholders and to the Local Initiative. One of these events is Advocacy Day held in Sacramento to ensure access to care for low income and vulnerable populations. Another event is the Legislative Briefing meeting, which will be held to provide updates to legislative staff.

### **Meetings with Providers and Other External Stakeholders**

Various mandatory, regulatory, and advisory meetings are held at L.A. Care's facilities, including committee meetings, trainings, and educational conferences. The goals of which are to support and strengthen L.A. Care's ability to provide a safety net for the communities we serve. Such meetings include:

- Board of Governors and other Governing Committees
- The Pharmacy and Quality Oversight Committee
- Performance and Improvement Collaborative Committee (PICC)
- Physician Quality Committee (PQC)
- Behavioral Health Steering Committee
- Credentialing Committee
- Stakeholder Advisory Committee
- Utilization Management Committee
- Safe Med L.A. Coalition – CHCF Grant
- Provider Recognition Event
- NCQA Delegation and Audit
- Quality Initiative trainings for PPGs and other clients to improve performance

### **Business Development**

Many community events are held annually to strengthen L.A. Care's relationship with its members. L.A. Care representatives are engaged in business development activities related to the sales and promotion of the various products offered. Collaborative meetings with sister health plans, the L.A. County Department of Health Services, providers, and members all contribute to the expansion of L.A. Care's Safety Net Initiatives. Continuation of these development activities are an integral part of the messaging and branding strategy in relationship building with providers, members, and external stakeholders. Events and programs include:

- CEO Business Development
- Annual Strategic Planning Meeting
- Coordinated Care Initiatives
- Health Promoters Program
- Community Outreach & Engagement Events including RCAC & ECAC meetings and RCAC Conferences
- Safety Net Initiatives Business Development

- Provider Network Management Joint Operations Meetings
- Community Benefits Grant Review Committees
- Legislative Briefings

## Staff Training, Recognition and Retention, and Extenuating Circumstances

New employees are welcomed to L.A. Care with an orientation at which they receive welcome/training packets and light refreshments. Additional programs such as Toastmasters are offered to further training or career development. Fresh Fruit Fridays, biometric screenings, and flu vaccinations serve to bolster employee health and connection with L.A. Care through minimal expenditures. Other benefits that promote employee health include discounts for gym memberships, Weight Watchers, and Fit-4-Life programs.

Meals may be provided to employees working mandatory overtime in extenuating circumstances such as the Yearly Disaster Recovery Test, department moves/relocation, or in-person usability testing where employees work over the weekend. Events such as Social Work Month, Customer Service Week, and Nurses Week serve to recognize L.A. Care staff and educate departments about different service areas within the company.

L.A. Care’s Elevating Excellence Program was launched to reward and recognize the efforts of the L.A. Care employees who provide exceptional customer service to their colleagues to support L.A. Care’s mission, vision, values and our core competencies. The Elevating Excellence program provides opportunities for both managers and peers to acknowledge the work of colleagues. The multi-level rewards are designed to encourage behaviors that help build a culture of ownership and customer service while fostering employee engagement. Winners of the various opportunities within the Elevating Excellence program will receive small gift cards and nominal gifts, and will be honored at quarterly breakfasts. Those receiving awards for years of services will be honored at a luncheon.

## Sales, Marketing, and Advertising Strategy

### Advertising and Promotions

*(dollars in thousands)*

<b>Fiscal Year</b>	<b>Total**</b>
FY18-19 Forecast*	\$7,819
FY19-20 Budget	\$8,096

*\*Forecast is based on 8+4*

*\*\*Total excludes sponsorships*

Fiscal Year 2019-20 will see the Marketing team augment our current Brand Marketing and Product Marketing programs in order to continue to grow our consumer voice in the market and impact choice enrollment into our core products. Leveraging our Elevating Healthcare brand program and dripping into now products and sub-brands (Cal MediConnect, L.A. Care Covered, Medi-Cal and the Community Resource Centers) will present a unified brand messaging platform for members and prospective members. In addition to traditional and digital media campaigns tasked with creating growth opportunities, the Sales and Marketing team will also expand on our current Broker and Provider Group marketing partnerships. In doing so, the purpose is to not only create consumer awareness but also capitalize on the provider and broker segment in order to open new sales and marketing channels.

It will be important to continue to integrate retention and growth efforts, find ways to make it easier for prospective and current members to engage with our health plan, and continue to find value in the services that we provide. The Marketing team will roll out two campaigns in the Fall aimed at driving enrollments for the Cal MediConnect and L.A. Care Covered products during the Covered California Open Enrolment Period and the Medicare Annual



Enrolment Period. Both will employ traditional elements like Radio and TV, but will be paralleled by tactical digital programs. The Marketing team will then look to roll out a Spring and Summer campaign post the Fall/Winter period to refocus our advertising on our Elevating Healthcare Brand campaign, the Medi-Cal product, and the Community Resource Centers. The launch of Phase 1 of our Marketing Channel Performance platform will also help us monitor and manage our Marketing Channels for optimization and performance improvement.

## Printing and Mailing

*(dollars in thousands)*

<b>Fiscal Year</b>	<b>Total</b>
FY18-19 Forecast*	\$15,614
FY19-20 Budget	\$11,695

*\*Forecast is based on 8+4*

The Marketing team will serve as the center of materials development, printing, and distribution through our relationships with local print and fulfillment vendors. The critical focuses in FY 2019-20 will be to continue to reduce costs through competitive bidding and an augmented use of digital delivery. The cost of delivering new member kits for our Medi-Cal membership will be reduced through changes in regulatory mandates and a recent All Plan letter, implicating a reduced cost for a reduction in the required items, specifically the provider directories. Our project management system, Podio, has now aggregated and archived 3 years worth of print estimates and invoices, allowing us to reference historical jobs to better bid and price projects for business units. We will continue to streamline our development of marketing materials, printing, and also create cost efficiencies. In addition, more recent regulatory guidance will allow our department to switch more member communication to electronic means. The team will be piloting the use of Salesforce Marketing Cloud to be able to manage and launch campaigns that are requested by our Business Partners.

## Broker Fees

*(dollars in thousands)*

<b>Fiscal Year</b>	<b>CMC</b>	<b>LACC</b>	<b>Total</b>
FY18-19 Forecast*	\$839	\$14,808	\$15,646
FY19-20 Budget	\$2,865	\$11,810	\$14,675

*\*Forecast is based on 8+4*

Significant developments in approvals associated with the use of brokers for our Cal MediConnect product will impact our budget and forecast. Growing our Cal MediConnect broker network is on-going with a goal to engage up to to 1,000 CMC agents by FY 2020-21. We continue to learn from the Broker Community and to partner with them to help grow our duals product. On the L.A. Care Covered front, our broker network has proved very valuable, helping us grow our product to over 80,000 members. We are always looking to optimize and grow this agent pool, more recently looking at new strategic partnerships that will contribute to sustained growth and retention. Our focus will be on training, education and resource development for the Broker Community, making sure we can give them the tools they need to benefit our providers, community based organizations, members and prospective members. Being able to demonstrate the value of these partnerships is critical to the success of our sales strategy.

## Community Health Improvement Programs

The proposed Community Health Improvement Program budget for FY 2019-20 allocates \$46.2 million of L.A. Care's financial reserves for selected projects to be funded throughout the fiscal year. Community Health Improvement Programs include the Community Health Investment Fund (CHIF), Transforming Clinical Practice Initiative (TCPI) Federal Grant, Blue Shield Promise Grant, and Community Programs (which includes Elevating the Safety Net Program, eManagement, California Technical Assistance Program (CTAP), Community Resource Centers, Community Clinic Program, Community Benefits Program, Promotoras, and Sponsorships).

<b>Statement of Community Health Improvement Programs</b>					
<b>Fiscal Year 2019-20</b>					
(dollars in millions)					
	<u>CHIF</u>	<u>TCPI</u>	<u>Blue Shield Promise Grant</u>	<u>Community Programs *</u>	<u>Total</u>
Grant Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Healthcare Expenses	-	-	-	-	-
Operating Margin	-	-	-	-	-
Administrative Expenses	-	-	-	2.5	2.5
Income (Loss) from Operations	-	-	-	(2.5)	(2.5)
Community Investments	(10.0)	-	(3.3)	(30.5)	(43.7)
Net Surplus (Deficit)	<u>(\$10.0)</u>	<u>\$0.0</u>	<u>(\$3.3)</u>	<u>(\$33.0)</u>	<u>(\$46.2)</u>

*\* Community Programs include Elevating the Safety Net Program, eManagement, CTAP, Community Resource Centers, Community Clinic Program, Community Benefits Program, Promotoras, and Sponsorships*

<b>Community Health Improvement Programs</b>	<b>Forecast*</b>	<b>Budget</b>
(dollars in thousands)	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Programs</b>		
Community Health Investment Fund (CHIF)	\$11,000	\$10,000
TCPI**	-	-
Blue Shield Promise Grant	-	3,250
Provider Recruitment Program	10,918	7,992
Residency Support Program	5,200	5,200
Physician Loan Repayment Program	3,000	3,000
Medical School Scholarship	1,400	1,400
Elevating Community Health/CHW Training Program	-	464
National Medical Fellowship	-	150
eManagement & CTAP	1,185	4,673
Community Resource Centers	5,288	7,601
Community Clinic Program /SCOPE Plan	259	494
Community Benefits Program	606	618
Promotoras/Health Promoter Program	187	271
Sponsorships / In-Kind	932	1,100
<b>Total</b>	<b>\$39,976</b>	<b>\$46,212</b>

\*Forecast is based on 8+4

\*\*TCPI is 100% Grant Funded

## **Community Health Investment Fund (CHIF)**

**\$10 Million**

The Board of Governors established the CHIF program to improve access and quality of care by filling gaps and supporting infrastructure to benefit the underserved and the safety net that serves them. CHIF is managed by the Community Benefits Program, and its overarching goals include:

- (1) Support safety net clinics' infrastructure to provide high quality and coordinated services to help the safety net thrive in a managed care environment.
- (2) Expand access to high-barrier services for low-income and vulnerable populations.
- (3) Improve community health for underserved populations by addressing the social determinants that lead to poor health outcomes.
- (4) Provide housing support for high-risk homeless individuals with multiple, complex, or chronic conditions.

Each year, staff presents to the Board a recommended budget allocation for CHIF grant-making, which is divided between funds for predetermined initiatives and for those in response to external requests. The CHIF budget for FY 2018-19 was \$10.0 million, and \$10.0 million is recommended for FY 2019-20.

A total of \$6.0 million of the proposed CHIF funding level is recommended to be invested in initiatives that improve community and public health, expand access to care, and strengthen the safety net. This may include projects that improve clinical delivery systems such as care coordination and integration of medical, behavioral health and oral care as well as those systems that connect primary and tertiary care. It will also support community efforts designed to improve physical and social environments that address the social determinants that most impact health, creating environments that enable individuals and communities to live in optimal health.

A total of \$4.0 million is recommended for programming that addresses homelessness by providing permanent supportive housing that complements Los Angeles County's Whole Person Care initiative under the California Medi-Cal waiver. This investment has two benefits to L.A. Care: (1) provides supportive services to homeless Medi-Cal beneficiaries, including L.A. Care members, through the Department of Health Services Flexible Housing Pool; and (2) allows Los Angeles County to secure federal matching funds through the Whole Person Care initiative which deploys community resources to address and mitigate the social determinants of health, leading to improvement of health outcomes of frequent utilizers and high-cost members. The Los Angeles County Whole Person Care Pilot initiative could generate as much as \$90.0 million per year over five years. This will help create an infrastructure of community field-based outreach teams, including teams of community health workers, recuperative care bed expansion, sobering center capacity, expansion of data sharing technologies for integrated care management among multiple agencies, and other intensive services.

## **Transforming Clinical Practice Initiative (TCPI)**

In 2015, L.A. Care was one of 39 health care collaborative networks selected by CMS to participate in Transforming Clinical Practice Initiative (TCPI). L.A. Care received a grant of \$15.8 million over four years to develop Los Angeles Practice Transformation Network (LAPTIN) to help 3,200 L.A. County clinicians serving approximately one million patients improve care for diabetes and/or depression, transform their practices, and lower costs. LAPTIN provides onsite and remote support to help clinicians more effectively treat patients at high risk for hospitalization, optimize transitions to community care settings after acute hospitalization, increase frequency of medication reconciliation, and improve patient medication education and management in all care settings. As of 2019 LAPTIN ranks first in the country in practice transformation progress and top five in hospital utilization reduction. LAPTIN surpassed its goal in achieving \$138 million in cost avoidance and exceeded 6 of 9 diabetes and depression quality goals.

## **Blue Shield Promise Grant**

**\$ 3.3 Million**

L.A. Care Health Plan and Blue Shield of California Promise Health Plan have committed a combined \$146 million over five years, to expand Resource Centers across Los Angeles County, both in terms of geographic footprint and

services. Over the next five years, L.A. Care and Blue Shield Promise will jointly open seven new Resource Centers, remodel four existing centers and relocate three centers to larger locations, for a total of 14 centers. The co-branded facilities will be called Community Resource Centers.

The Resource Centers will enhance community connections, address social needs and improve overall health outcomes for members and the entire community through free health screenings and on-site enrollment support for social service programs. Each jointly operated Resource Center will serve as a one-stop community destination, providing classes and services that will help keep center visitors active, healthy and informed.

While the Resource Centers are open to the public, L.A. Care and Blue Shield members will be able to access personalized health and wellness programs and services. The Resource Centers will serve as platforms to introduce health care technology such as Telehealth and health care mobile application support to help build L.A. Care and Blue Shield Promise members' capacity to manage their own health.

## **Workforce Development Initiative/Elevating the Safety Net**

L.A. Care's Elevating the Safety Net is a long-term initiative to recruit high-quality primary care physicians into the Los Angeles County safety net. In alignment with our mission, the initiative's goal is to ensure access to high quality health care for our members, who are among the most vulnerable people in Los Angeles County. L.A. Care's Board of Governors has board designated \$31 million in support of the initiative, which initially included three grant programs: medical school scholarships, provider recruitment and physician loan repayment programs. Except for the scholarship program, only providers new to L.A. Care's network will be eligible. L.A. Care's Residency Support Program (RSP) and Elevating Community Health programs have been added to the portfolio for launch in Summer 2019. Additionally, up to \$31 million annually can be board designated over the subsequent 4 years.

### **Provider Recruitment Program**

**\$ 8.0 Million**

Awards for up to \$125,000 will be granted to eligible clinics and practices to provide salary subsidies, sign-on bonuses, and/or relocation costs for new physicians or primary care psychiatrists recruited into the safety net. Clinics and practices will apply to the program through a competitive application process based on their need and history with L.A. Care.

### **Residency Support Program (RSP)**

**\$ 5.2 Million**

L.A. Care launched the Residency Support Program (RSP) to improve the pipeline of highly qualified medical student graduates with an interest in providing primary care to underserved communities by supporting institutions with a community health focus and interest in expanding their residency program. We will continue to identify institutions (with an explicit focus on training residents in community health arenas) who are interested to increase the number of resident slots by supporting the resident's salary and/or faculty salary in cases where ACGME ratio requirements need to be met.

### **Physician Loan Repayment Program (PLRP)**

**\$ 3.0 Million**

New physicians who serve our members and vulnerable communities will be awarded up to \$3,000 per month to assist with loan repayment. This program will be administered by a nonprofit contractor (Uncommon Good) and applicants will be selected based on a competitive application process.

### **Medical School Scholarships**

**\$ 1.4 Million**

We will continue to offer scholarships covering all expenses up to \$300,000/year awarded to UCLA and Charles R. Drew University medical school students. 'L.A. Care Scholars' are identified by each school based on their desire to work with vulnerable populations and their financial need.

## **Elevating Community Health**

**\$ 0.5 Million**

L.A. Care is continuing to make an investment in the community by offering training to partners by partnering with Loma Linda University to facilitate a Community Health Worker (CHW) training program/course. We will support at least 50 CHW's identified by L.A. Care contracted partners to participate in a vigorous 9-week training course that will equip participants to effectively outreach and support our most vulnerable members.

## **National Medical Fellowship**

**\$ 0.15 Million**

L.A. Care will extend its partnership with National Medical Fellowships (NMF) through their Primary Care Leadership Program (PCLP) for increasing access to primary care for underserved populations in the community.

## **eManagement (formerly eConsult)**

**\$ 0.5 Million**

L.A. Care's eConsult program was developed to improve access to quality specialty care for L.A. County residents focusing on low-income and vulnerable populations by allowing HIPAA secure online conversations between primary care providers and specialists. The second phase called eManagement improves care delivery by enhancing collaboration between primary care providers and mental health specialists, improves co-management of complicated patients, reduces unnecessary office visits, improves medication management, and optimizes specialist visits. As of 2019, eManagement is implemented with 142 providers serving 155,000 MCLA members with over 24,000 of those receiving behavioral health screenings. A third-party evaluation of the program is in process.

## **California Technical Assistance Program (CTAP)**

**\$ 4.2 Million**

In 2015 L.A. Care was awarded a contract from the California Department of Health Care Services for \$10.8 million through June 2020 to provide electronic health records (EHR) technical assistance to 2,165 Medi-Cal providers in L.A. County. The program helps Medi-Cal providers reach further stages of meaningful use on EHRs. The program enables continued assistance provided by Health IT Regional Extension Centers such as L.A. Care and expands current scope to include additional provider types. As of 2019, the program helped providers achieve 7,000 AIU (adopt, implement, upgrade) and meaningful use milestones which earned \$8 million towards the \$10.8 million goal.

## **Community Resource Centers**

**\$ 7.6 Million**

The Community Resource Centers are aimed at addressing health disparities by creating a single point of service where the community can turn to for help with health education, assistance with navigating the health care delivery system and available programs and resources. Dedicated L.A. Care staff and contracted health education vendors provide a number of activities for community residents including health education, disease prevention, promotion of self-management tools and education on establishing or maintaining health coverage. Six Community Resource Centers have successfully been launched in Boyle Heights, East L.A., Inglewood, Lynwood, Pacoima, and Palmdale. Since the opening of the first Community Resource Center in November 2007, the project has been successful in delivering well-integrated health education resources and services that address important health topics such as asthma, diabetes, and obesity. Seven additional Community Resource Centers are projected to launch or start development during FY 2019-20 in Pomona, Metro L.A., Long Beach, the South Bay, West L.A., Gateway Cities, and San Gabriel Valley.

## **Community Clinic Program/ (SCOPE) Plan**

**\$ 0.5 Million**

The Strengthening Clinic Operations and Patient Experience (SCOPE) initiative offers contracted Federally Qualified Health Centers and licensed community clinics opportunities to participate in and benefit from innovative programs and tailored services aimed at strengthening the delivery of high quality health care for our members. Guided by IHI's Triple Aim Framework, the SCOPE Plan's three main objectives are to (1) improve patient experience, (2) improve health outcomes and (3) reduce unnecessary health care costs. Toward this end, current initiatives under the umbrella of our SCOPE plan focus on addressing several strategic areas:

- 📌 Clinic Workforce Development and Leadership Training
- 📌 Improved Patient Experience and Retention
- 📌 Enhanced Operations and Sustainability
- 📌 Expanding Clinical and Care Management Best Practices

Examples of initiatives include:

- Physician Leadership Program
- Primary Care Psychiatry “Train New Trainers” Fellowship
- Customer Service Training
- Patient Experience Survey development and implementation
- CalFresh Enrollment Training
- Reentry Health Capacity Building in Primary Care

### Community Benefits Program Administration

**\$0.6 Million**

The Community Benefit Program's department staff is responsible for managing all aspects of L.A. Care’s CHIF grant making activities. Every year L.A. Care commits a portion of its revenues to community benefit activities. Staff researches gaps in healthcare, especially for vulnerable and uninsured individuals. Program initiatives are developed and announced to the community, and proposals are reviewed by staff and external experts. Grantee management includes review and support of grantee programs to assure that all funds are appropriately used as well as monitoring of all grants made in previous years, but still active. Proposals that meet our mission and the themes developed for funding in the Board approved Community Investment Strategy are presented to the Chief Executive Officer and to the Board of Governors for funding approval.

### Capital Expenditures and Other Projects

The list reflects projects proposed and may include amount to be spent over multiple fiscal years. Projects primarily support infrastructure and systems improvements while allowing L.A. Care the flexibility to achieve Strategic Goals.

<b>L.A. Care Health Plan Proposed Projects Fiscal Year 2019-2020</b>				
(dollars in thousands)				
<b>Project Description</b>	<b>Business Owner</b>	<b>Capital Expense</b>	<b>Operating Expense</b>	<b>Total</b>
ERP SAP Financial System	Finance	\$ 5,200	\$ 2,800	\$ 8,000
Thrasys - Health Services System	Health Services	3,900	2,100	6,000
Total Provider Management	Provider	3,900	2,100	6,000
Encounters & Risk Adjustment / EDIFECS	Operations	2,275	1,225	3,500
Voice Program - Member and Provider	Customer Service	2,496	1,344	3,840
Other Projects	Various	4,225	2,275	6,500
Leasehold Improvements	Facilities	18,448	-	18,448
<b>Total Proposed Projects</b>		<b>\$ 40,444</b>	<b>\$ 11,844</b>	<b>\$ 52,288</b>

## FINANCIAL STATEMENTS

<b>L.A. Care Health Plan Consolidated Income Statement</b>						
(dollars in thousands)	Forecast*		% of	Budget		% of
	FY18-19	PMPM	Revenue	FY19-20	PMPM	Revenue
<b>Member Months</b>	26,229,133			26,304,220		
<b>Revenue</b>						
Capitation	\$7,888,679	\$300.76	100.0%	\$7,995,627	\$303.97	100.0%
<b>Total Revenues</b>	<b>\$7,888,679</b>	<b>\$300.76</b>	<b>100.0%</b>	<b>\$7,995,627</b>	<b>\$303.97</b>	<b>100.0%</b>
<b>Healthcare Expenses</b>						
Capitation	\$4,170,984	\$159.02	52.9%	\$4,185,951	\$159.14	52.4%
Inpatient Claims	929,608	35.44	11.8%	974,176	37.03	12.2%
Outpatient Claims	670,003	25.54	8.5%	736,038	27.98	9.2%
Skilled Nursing Facility	624,513	23.81	7.9%	641,790	24.40	8.0%
Pharmacy	674,037	25.70	8.5%	715,958	27.22	9.0%
Provider Incentives and Shared Risk	79,015	3.01	1.0%	73,243	2.78	0.9%
Medical Administrative Expenses	61,823	2.36	0.8%	63,610	2.42	0.8%
<b>Total Healthcare Expenses</b>	<b>\$7,209,984</b>	<b>\$274.88</b>	<b>91.4%</b>	<b>\$7,390,766</b>	<b>\$280.97</b>	<b>92.4%</b>
<b>Operating Margin</b>	<b>\$678,695</b>	<b>\$25.88</b>	<b>8.6%</b>	<b>\$604,861</b>	<b>\$22.99</b>	<b>7.6%</b>
<b>Total Administrative Expenses</b>	<b>\$418,705</b>	<b>\$15.96</b>	<b>5.3%</b>	<b>\$444,231</b>	<b>\$16.89</b>	<b>5.6%</b>
<b>Income (Loss) from Operations</b>	<b>\$259,990</b>	<b>\$9.91</b>	<b>3.3%</b>	<b>\$160,629</b>	<b>\$6.11</b>	<b>2.0%</b>
<b>Total Non-Operating Income (Expenses)</b>	<b>\$9,915</b>	<b>\$0.38</b>	<b>0.1%</b>	<b>(\$7,738)</b>	<b>(\$0.29)</b>	<b>-0.1%</b>
<b>Net Surplus (Deficit)</b>	<b>\$269,905</b>	<b>\$10.29</b>	<b>3.4%</b>	<b>\$152,891</b>	<b>\$5.81</b>	<b>1.9%</b>

\* Forecast is based on 8+4

**L.A. Care Health Plan**  
**Balance Sheet**  
**Fiscal Year 2019-20**  
(dollars in thousands)

	Actual as of September 30, 2018	Forecast as of September 30, 2019	Budget as of September 30, 2020
<i>Combined Balance Sheet</i>			
<b>Current Assets</b>			
Cash & cash equivalents	\$598,403	\$737,000	\$764,000
Investments, at fair value	773,375	864,108	895,556
Other current assets	2,621,011	2,427,289	2,452,289
<b>Total current assets</b>	<b>3,992,789</b>	<b>4,028,398</b>	<b>4,111,846</b>
Capital Assets, net	105,599	105,109	117,553
<b>Other Assets</b>			
Non-current Assets	24,887	65,701	67,701
<b>Total Assets</b>	<b>\$4,123,275</b>	<b>\$4,199,208</b>	<b>\$4,297,100</b>
<b>Current Liabilities</b>			
A/P and accrued liabilities	\$78,261	\$73,468	\$75,708
Subcapitation payable	2,103,749	2,194,775	2,183,667
Medi-Cal Adult Expansion Payable	253,609	-	-
Reserves for Provider Incentives	82,492	86,435	86,435
Reserves for claims	567,605	561,590	523,698
Deferred Revenue	22,567	20,030	25,030
Other accrued medical expenses	185,230	164,653	149,653
Grants payable	9,421	7,351	9,351
<b>Total current liabilities</b>	<b>3,302,934</b>	<b>3,108,302</b>	<b>3,053,542</b>
<b>Non-Current Liabilities</b>	<b>2,855</b>	<b>3,516</b>	<b>3,276</b>
<b>Total Liabilities</b>	<b>3,305,789</b>	<b>3,111,817</b>	<b>3,056,818</b>
<b>Fund Equity</b>			
Invested in Capital Assets	105,599	105,109	117,553
Restricted	300	300	300
Designated by Board of Governors			
Board Designated Funds	35,992	69,535	69,535
Unrestricted Net Assets	501,506	746,619	878,443
TNE (130% of Required)	174,089	165,828	174,450
<b>Total Fund Equity</b>	<b>817,486</b>	<b>1,087,391</b>	<b>1,240,282</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$4,123,275</b>	<b>\$4,199,208</b>	<b>\$4,297,100</b>



**L. A. Care Health Plan**  
**Statement of Cash Flows**  
**Fiscal Year 2019-20**  
(dollars in thousands)

	<u>Forecast for the FYE</u> <u>September 30, 2019</u>	<u>Budget for the FYE</u> <u>September 30, 2020</u>
<i>Combined Statement of Cash Flows</i>		
Operating activities		
Net Surplus (Deficit)	\$269,905	\$152,891
Add: Depreciation/Amortization and Tax Provision	32,174	28,000
(Increase) Decrease in:		
Other current assets	193,722	(25,000)
Non-current Assets	(40,814)	(2,000)
Increase (Decrease) in:		
Accounts payable	(4,793)	2,240
Subcapitation payable	91,552	(11,108)
Medi-Cal adult expansion payable	(253,609)	-
Reserves for provider incentives	3,943	-
Reserves for claims	(6,015)	(37,891)
Deferred revenue	(2,537)	5,000
Other accrued medical expenses	(20,577)	(15,000)
Grants payable	(2,070)	2,000
Non-current liabilities	661	(240)
Cash provided (used) by operating activities	<u>261,540</u>	<u>98,892</u>
Investing activities		
Sell (purchase) of investments	(100,059)	(31,448)
Capital assets (investment)	(25,662)	(40,444)
Cash (used) provided by investing activities	<u>(125,722)</u>	<u>(71,892)</u>
Cash provided (used) by Pass Through activities	<u>2,779</u>	<u>-</u>
Net increase (decrease) in unrestricted cash & equivalents	138,597	27,000
Unrestricted cash & equivalents - beginning of period	598,403	737,000
Unrestricted cash & equivalents - end of period	<u><u>\$737,000</u></u>	<u><u>\$764,000</u></u>

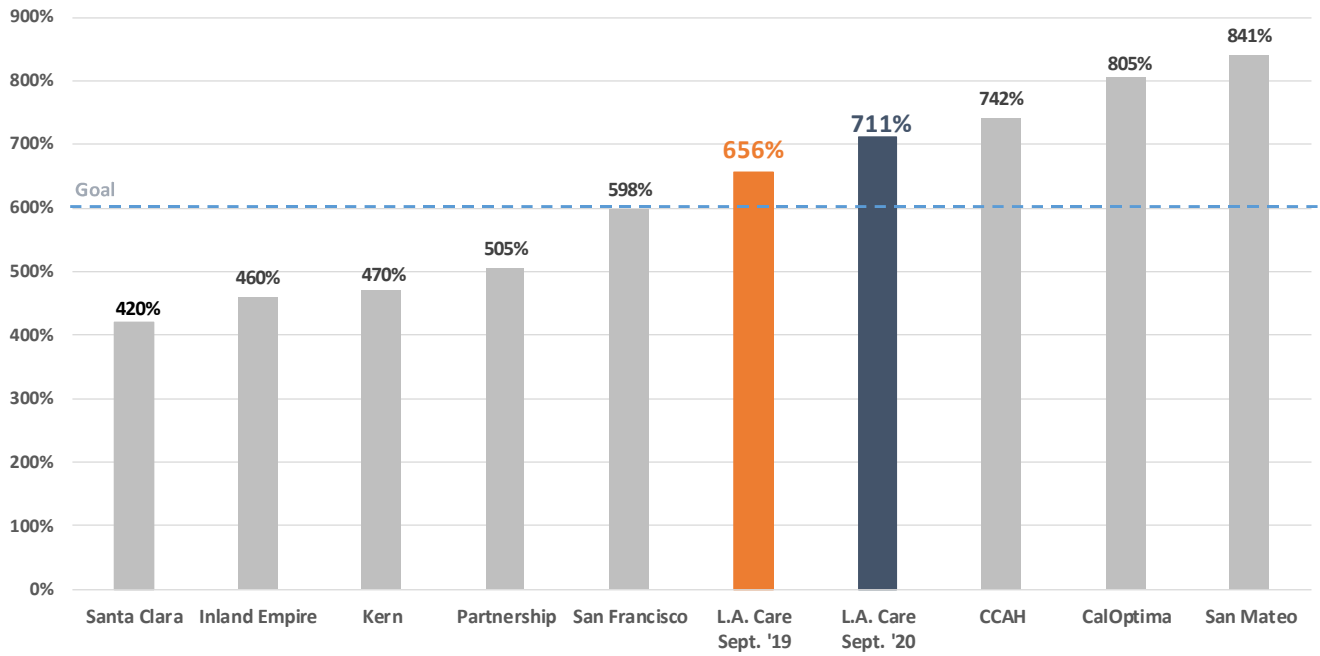
**L. A. Care Health Plan**  
**Required Tangible Net Equity Calculation**  
**Fiscal Year 2019-20**  
(dollars in thousands)

Budget as of  
September 30, 2020

*Tangible Net Equity (TNE) Calculation*

<b>Healthcare expenses:</b>	
1. 8% of first \$150 million of annualized healthcare expenses, except those paid on a capitated or managed hospital basis	\$12,000
2. 4% of the annualized health care expenses, except those paid on a capitated or managed hospital basis	63,554
3. 4% of the annualized hospital expenditures paid on a managed hospital basis	58,639
	134,193
Calculated TNE based on healthcare expenses	134,193
TNE (at 130% of State Required Level)	174,450
Fund equity	1,240,282
	1,240,282
Excess equity over required TNE	\$1,065,832

# TNE Comparison





**L.A. Care**  
HEALTH PLAN

**Board of Governors**  
**MOTION SUMMARY**

**Date:** September 5, 2019

**Motion No.** BOG 101.0919

**Committee:**

**Chairperson:** Hector De La Torre

**Issue:** Expense Policy AFS-004 “Non-Travel and Other Related Expenses” requires Board approval of funds for non-travel related expenses exceeding \$10,000 per project.

**Background:** In compliance with L.A. Care policy, Board approval is required for funds to support projects that have Non-Travel Meals and Catering and Other expenses exceeding \$10,000. The programs were approved as part of the FY2019-20 budget, and include Provider Continuing Education, Advocacy Strategy Events, Meetings with Providers and Other External Stakeholders, Business Development, and Staff Training, Recognition and Retention. Projects are listed below:

<b><u>Project Name</u></b>	<b><u>Meals and Catering</u></b>	<b><u>Other</u></b>	<b><u>Total</u></b>
Catering for Health Promoters Program	\$ 31,000	\$ -	\$ 31,000
Consumer Advisory Council(CAC) Member Engagement Sessions	\$ 6,120	\$ 12,000	\$ 18,120
Consumer Members (RCAC/ECAC/BOG)	\$ 55,000	\$ 144,250	\$ 199,250
Credentialing / Peer Review Committee Meeting	\$ -	\$ 12,500	\$ 12,500
Elevating Excellence - Dedicated Service Award	\$ 5,758	\$ 64,764	\$ 70,522
Elevating Excellence - Team Awesome Award & Rock Star Award	\$ -	\$ 67,875	\$ 67,875
Employee Wellness Program (Formerly Fresh Fruit Fridays)	\$ 124,956	\$ -	\$ 124,956
Health Home Program - CB-CME Support	\$ 19,419	\$ 10,581	\$ 30,000
Health Services New Hire Onboarding	\$ 29,915	\$ 49,000	\$ 78,915
New hire and manager Orientation	\$ 16,320	\$ 67,180	\$ 83,500
Planning, Engagement, and Support for LA County's Safety Net Initiatives	\$ 29,800	\$ 6,000	\$ 35,800
Provider Continuing Education (PCE) Program	\$ 73,800	\$ 106,200	\$ 180,000
QI Trainings on HEDIS & CAHPS for provider	\$ 34,587	\$ -	\$ 34,587
Sacramento Advocacy Day 2020	\$ 9,300	\$ 27,400	\$ 36,700
<b>Total</b>			<b>\$1,003,724</b>

**Member Impact:** In programs with a member impact, L.A. Care foresees improved provider knowledge and engagement on patient experience, leading to improved quality of care for L.A. Care’s members.

**Budget Impact:** Sufficient funds have been approved in the budget for FY 2019-20.

**Motion:** To approve the allocation of funds to support L.A. Care’s Projects with Non-Travel Meals and Catering and Other Expenses exceeding \$10,000 in the total amount of \$1,003,724 for FY 2019-20.



DATE: August 12, 2019  
TO: Finance & Budget Committee  
FROM: Marie Montgomery, *Chief Financial Officer*

**SUBJECT: Monthly Investment Transaction Report for June and July 2019**

To keep the Committee apprised of L.A. Care's investment portfolios and to comply with California Government Code Section 53607, attached are the monthly investment transaction details from June 1 to June 30, 2019, and a separate report from July 1 to July 31, 2019.

L.A. Care's investment market value as of June 30, 2019 was \$1.78 billion, and as of July 31, 2019 was \$1.76 billion. This includes our funds invested with the government pooled funds. L.A. Care has an investment balance of \$61 million for both months with the statewide Local Agency Investment Fund (LAIF), and an investment balance of \$104 million for both months with the Los Angeles County Pooled Investment Fund (LACPIF).

The remainder as of June 30, 2019, \$1.61 billion, and as of July 31, 2019, \$1.59 billion, respectively, is managed by two independent asset managers, 1) Payden & Rygel and 2) New England Asset Management (NEAM) and is divided into three portfolios based on investment style,

1. Payden & Rygel - Short-term portfolio
2. Payden & Rygel - Extended term portfolio
3. New England Asset Management - Corporate notes extended term portfolio

The transactions within these three portfolios are included in the attached reports.

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/03/19	06/03/19	Buy	3,000,000.000	CA LOS ANGELES MUNI IMPT CP T MAT 06/19/19 Cpn 2.40 54459L4X1	(3,000,000.00)		0.00	0.00	(3,000,000.00)
06/03/19	06/04/19	Buy	50,000,000.000	FAMC DISCOUNT NOTE MAT 06/10/19 Cpn 31315KGS3	(49,981,250.00)		0.00	0.00	(49,981,250.00)
06/03/19	06/04/19	Buy	25,000,000.000	FAMC DISCOUNT NOTE MAT 06/10/19 Cpn 31315KGS3	(24,990,625.00)		0.00	0.00	(24,990,625.00)
06/04/19	06/04/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/05/19 Cpn 313384GM5	(49,996,916.67)		0.00	0.00	(49,996,916.67)
06/04/19	06/04/19	Buy	35,000,000.000	FHLB DISCOUNT NOTE MAT 06/05/19 Cpn 313384GM5	(34,997,841.67)		0.00	0.00	(34,997,841.67)
06/03/19	06/04/19	Buy	5,000,000.000	NATL RURAL UTILITIES CP MAT 06/14/19 Cpn 63743DTE1	(4,996,666.67)		0.00	0.00	(4,996,666.67)
06/04/19	06/05/19	Buy	50,000,000.000	FNMA DISCOUNT NOTE MAT 06/06/19 Cpn 313588GN9	(49,996,833.33)		0.00	0.00	(49,996,833.33)
06/04/19	06/05/19	Buy	35,000,000.000	FNMA DISCOUNT NOTE MAT 06/06/19 Cpn 313588GN9	(34,997,783.33)		0.00	0.00	(34,997,783.33)
06/04/19	06/05/19	Buy	3,000,000.000	KAISER FOUNDATION CP MAT 09/10/19 Cpn 48306BWA9	(2,980,357.50)		0.00	0.00	(2,980,357.50)
06/06/19	06/06/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/07/19 Cpn 313384GP8	(49,996,944.44)		0.00	0.00	(49,996,944.44)
06/06/19	06/06/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/07/19 Cpn 313384GP8	(49,996,944.44)		0.00	0.00	(49,996,944.44)
06/06/19	06/06/19	Buy	25,000,000.000	FHLB DISCOUNT NOTE MAT 06/07/19 Cpn 313384GP8	(24,998,472.22)		0.00	0.00	(24,998,472.22)
06/07/19	06/07/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	(49,879,587.50)		0.00	0.00	(49,879,587.50)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/07/19	06/07/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	(49,879,587.50)		0.00	0.00	(49,879,587.50)
06/11/19	06/11/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn 912796QM4	(49,972,062.50)		0.00	0.00	(49,972,062.50)
06/11/19	06/11/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn 912796QM4	(49,972,062.50)		0.00	0.00	(49,972,062.50)
06/11/19	06/11/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn 912796QM4	(49,972,062.50)		0.00	0.00	(49,972,062.50)
06/10/19	06/12/19	Buy	2,012,285.220	NGN 2010-R1 1A 1MOFRN NCUA G MAT 10/07/20 Cpn 2.87 62888VAA6	(2,015,429.42)	(801.70)	0.00	0.00	(2,016,231.12)
06/13/19	06/13/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/19 Cpn 313384GW3	(49,996,944.44)		0.00	0.00	(49,996,944.44)
06/13/19	06/13/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/19 Cpn 313384GW3	(49,996,944.44)		0.00	0.00	(49,996,944.44)
06/13/19	06/13/19	Buy	4,658,000.000	CA SAN JOSE FIN AUTH CP TXB MAT 10/10/19 Cpn 2.40 79815WCE6	(4,658,000.00)		0.00	0.00	(4,658,000.00)
06/13/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn 912796QM4	(49,983,095.83)		0.00	0.00	(49,983,095.83)
06/13/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn 912796QM4	(49,983,112.50)		0.00	0.00	(49,983,112.50)
06/14/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn 912796QM4	(49,983,333.33)		0.00	0.00	(49,983,333.33)
06/14/19	06/14/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn 912796QM4	(24,991,666.67)		0.00	0.00	(24,991,666.67)
06/14/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn 912796VH9	(49,967,137.50)		0.00	0.00	(49,967,137.50)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/14/19	06/14/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn	912796VH9	(24,983,568.75)		0.00	0.00	(24,983,568.75)
06/13/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/05/19 Cpn	912796RW1	(49,937,700.00)		0.00	0.00	(49,937,700.00)
06/13/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/05/19 Cpn	912796RW1	(49,937,875.00)		0.00	0.00	(49,937,875.00)
06/14/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	(49,988,308.33)		0.00	0.00	(49,988,308.33)
06/14/19	06/14/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	(24,994,154.17)		0.00	0.00	(24,994,154.17)
06/13/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	(49,963,509.72)		0.00	0.00	(49,963,509.72)
06/13/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	(49,963,518.75)		0.00	0.00	(49,963,518.75)
06/14/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	(49,963,861.81)		0.00	0.00	(49,963,861.81)
06/14/19	06/14/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	(24,981,930.90)		0.00	0.00	(24,981,930.90)
06/13/19	06/14/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn	912796VK2	(49,926,562.50)		0.00	0.00	(49,926,562.50)
06/13/19	06/14/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn	912796VK2	(24,963,012.15)		0.00	0.00	(24,963,012.15)
06/14/19	06/14/19	Buy	25,000,000.000	FHLB DISCOUNT NOTE MAT 06/17/19 Cpn	313384GZ6	(24,995,416.67)		0.00	0.00	(24,995,416.67)
06/14/19	06/14/19	Buy	5,000,000.000	NATL RURAL UTILITIES CP MAT 06/26/19 Cpn	63743DTS0	(4,996,066.67)		0.00	0.00	(4,996,066.67)



TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/13/19	06/17/19	Buy	2,830,000.000	BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8	(2,865,817.19)	(6,919.35)	0.00	0.00	(2,872,736.54)
06/13/19	06/17/19	Buy	230,000.000	BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8	(232,839.06)	(562.35)	0.00	0.00	(233,401.41)
06/13/19	06/17/19	Buy	5,000,000.000	CITI 2017-A3 A3 CDT MAT 04/07/22 Cpn 1.92 17305EGB5	(4,983,593.75)	(18,666.67)	0.00	0.00	(5,002,260.42)
06/13/19	06/17/19	Buy	4,875,000.000	CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2	(4,862,431.64)	(541.67)	0.00	0.00	(4,862,973.31)
06/13/19	06/17/19	Buy	2,046,574.100	JOHN DEERE 2017-B A3 EQP MAT 10/15/21 Cpn 1.82 47788BAD6	(2,039,539.00)	(206.93)	0.00	0.00	(2,039,745.93)
06/13/19	06/17/19	Buy	400,000.000	MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6	(400,875.00)	(66.89)	0.00	0.00	(400,941.89)
06/13/19	06/17/19	Buy	1,050,000.000	MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6	(1,052,707.03)	(175.58)	0.00	0.00	(1,052,882.61)
06/13/19	06/17/19	Buy	1,805,000.000	TOYOTA 2019-A A2A CAR MAT 10/15/21 Cpn 2.83 89239AAB9	(1,811,768.75)	(283.79)	0.00	0.00	(1,812,052.54)
06/18/19	06/18/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/13/19 Cpn 912796VQ9	(49,832,194.44)		0.00	0.00	(49,832,194.44)
06/18/19	06/18/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/13/19 Cpn 912796VQ9	(49,832,194.44)		0.00	0.00	(49,832,194.44)
06/18/19	06/18/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/19/19 Cpn 912796SJ9	(49,725,520.83)		0.00	0.00	(49,725,520.83)
06/18/19	06/18/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/19/19 Cpn 912796SJ9	(49,725,520.83)		0.00	0.00	(49,725,520.83)
06/14/19	06/18/19	Buy	1,600,000.000	MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6	(1,603,875.00)	(401.33)	0.00	0.00	(1,604,276.33)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/18/19	06/20/19	Buy	1,215,000.000	AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3	(1,211,487.89)	(325.69)	0.00	0.00	(1,211,813.58)
06/19/19	06/20/19	Buy	28,460,000.000	U.S. TREASURY BILL MAT 06/18/20 Cpn 912796SV2	(27,884,475.56)		0.00	0.00	(27,884,475.56)
06/18/19	06/20/19	Buy	2,590,000.000	BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6	(2,582,614.45)	(701.46)	0.00	0.00	(2,583,315.91)
06/18/19	06/20/19	Buy	265,000.000	BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6	(264,244.34)	(71.77)	0.00	0.00	(264,316.11)
06/18/19	06/20/19	Buy	2,000,000.000	BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6	(1,994,296.88)	(541.67)	0.00	0.00	(1,994,838.55)
06/18/19	06/20/19	Buy	5,000,000.000	DRYROCK 2015-1 A CDT MAT 12/15/22 Cpn 2.20 06742LAH6	(4,995,117.19)	(1,527.78)	0.00	0.00	(4,996,644.97)
06/18/19	06/20/19	Buy	3,157,000.000	NISSAN 2019-A A2A LEASE MAT 07/15/21 Cpn 2.71 65479PAB5	(3,166,618.98)	(1,188.26)	0.00	0.00	(3,167,807.24)
06/19/19	06/21/19	Buy	389,309.900	HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8	(388,078.10)	(109.01)	0.00	0.00	(388,187.11)
06/19/19	06/21/19	Buy	333,998.110	HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8	(332,771.72)	(93.52)	0.00	0.00	(332,865.24)
06/19/19	06/21/19	Buy	596,794.640	HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4	(594,929.65)	(89.02)	0.00	0.00	(595,018.67)
06/19/19	06/21/19	Buy	1,300,000.000	JOHN DEERE 2018-A A3 EQP MAT 04/18/22 Cpn 2.66 47788CAC6	(1,305,789.06)	(576.33)	0.00	0.00	(1,306,365.39)
06/20/19	06/24/19	Buy	5,000,000.000	AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3	(4,988,671.88)	(2,412.50)	0.00	0.00	(4,991,084.38)
06/20/19	06/24/19	Buy	500,000.000	BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6	(498,945.31)	(243.75)	0.00	0.00	(499,189.06)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/20/19	06/24/19	Buy	4,000,000.000	BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6	(3,992,031.25)	(1,950.00)	0.00	0.00	(3,993,981.25)
06/20/19	06/24/19	Buy	125,000.000	CITI 2017-A3 A3 CDT MAT 04/07/22 Cpn 1.92 17305EGB5	(124,711.91)	(513.33)	0.00	0.00	(125,225.24)
06/20/19	06/24/19	Buy	4,100,000.000	NISSAN 2019-A A2A LEASE MAT 07/15/21 Cpn 2.71 65479PAB5	(4,118,417.97)	(2,777.75)	0.00	0.00	(4,121,195.72)
06/20/19	06/24/19	Buy	3,712,000.000	TOYOTA 2018-A A3 CAR MAT 05/16/22 Cpn 2.35 89238BAD4	(3,721,280.00)	(2,180.80)	0.00	0.00	(3,723,460.80)
06/24/19	06/25/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/23/19 Cpn 912796VM8	(49,919,305.56)		0.00	0.00	(49,919,305.56)
06/24/19	06/25/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/23/19 Cpn 912796VM8	(49,919,305.56)		0.00	0.00	(49,919,305.56)
06/21/19	06/25/19	Buy	750,000.000	MERCEDES 2018-A A4 LEASE MAT 10/16/23 Cpn 2.51 58772QAE6	(751,640.63)	(522.92)	0.00	0.00	(752,163.55)
06/21/19	06/25/19	Buy	1,235,000.000	MERCEDES 2018-A A4 LEASE MAT 10/16/23 Cpn 2.51 58772QAE6	(1,237,701.56)	(861.07)	0.00	0.00	(1,238,562.63)
06/19/19	06/26/19	Buy	5,000,000.000	HARLEY 2019-A A2 CYCLE MAT 05/15/22 Cpn 2.37 41284WAB6	(4,999,937.50)		0.00	0.00	(4,999,937.50)
06/25/19	06/26/19	Buy	5,000,000.000	NATL RURAL UTILITIES CP MAT 07/10/19 Cpn 63743DUA7	(4,995,430.56)		0.00	0.00	(4,995,430.56)
06/25/19	06/26/19	Buy	5,000,000.000	EXXON MOBIL CP MAT 10/16/19 Cpn 30229BXG7	(4,965,000.00)		0.00	0.00	(4,965,000.00)
06/26/19	06/27/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/23/19 Cpn 912796VM8	(49,925,575.00)		0.00	0.00	(49,925,575.00)
06/26/19	06/27/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/06/19 Cpn 912796VP1	(49,887,777.78)		0.00	0.00	(49,887,777.78)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/26/19	06/27/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/06/19 Cpn 912796VP1	(49,887,777.78)		0.00	0.00	(49,887,777.78)
06/26/19	06/28/19	Buy	2,160,000.000	CITI 2017-A3 A3 CDT MAT 04/07/22 Cpn 1.92 17305EGB5	(2,155,106.25)	(9,331.20)	0.00	0.00	(2,164,437.45)
06/26/19	06/28/19	Buy	2,900,000.000	CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2	(2,895,355.47)	(2,094.44)	0.00	0.00	(2,897,449.91)
06/26/19	06/28/19	Buy	1,012,228.100	NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7	(1,016,063.49)	(1,107.55)	0.00	0.00	(1,017,171.04)
06/27/19	07/01/19	Buy	2,334,904.560	HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4	(2,328,702.47)	(1,509.26)	0.00	0.00	(2,330,211.73)
			<u>2,000,643,094.630</u>		<u>(1,997,795,186.03)</u>	<u>(59,355.34)</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,997,854,541.37)</u>
06/03/19	06/03/19	Coupon		CA LOS ANGELES MUNI IMP CP TX MAT 06/03/19 Cpn 2.50 54459L4W3		2,712.33	0.00	0.00	2,712.33
06/07/19	06/07/19	Coupon		NGN 2010-R3 2A 1MOFRN NCUA G MAT 12/08/20 Cpn 2.98 62888WAB2		6,737.49	0.00	0.00	6,737.49
06/07/19	06/07/19	Coupon		NGN 2011-R1 1A 1MOFRN NCUA G MAT 01/08/20 Cpn 2.87 62888YAA0		3,284.26	0.00	0.00	3,284.26
06/13/19	06/13/19	Coupon		SAN JOSE FIN AUTH CP TXB MAT 06/13/19 Cpn 2.57 79815WCD8		24,012.95	0.00	0.00	24,012.95
06/15/19	06/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		5,794.25	0.00	0.00	5,794.25
06/15/19	06/15/19	Coupon		NISSAN 2017-B A2A LEASE MAT 12/16/19 Cpn 1.83 65479BAB6		1,856.76	0.00	0.00	1,856.76
06/15/19	06/15/19	Coupon		NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7		4,507.25	0.00	0.00	4,507.25

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/19	06/15/19	Coupon		TOYOTA 2018-A A2A CAR MAT 10/15/20 Cpn 2.10 89238BAB8		6,030.12	0.00	0.00	6,030.12
06/15/19	06/15/19	Coupon		TOYOTA 2019-A A2A CAR MAT 10/15/21 Cpn 2.83 89239AAB9		2,735.67	0.00	0.00	2,735.67
06/15/19	06/15/19	Coupon		USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1		3,611.47	0.00	0.00	3,611.47
06/17/19	06/17/19	Coupon		FIFTH THIRD 2019-1 A1 CAR MAT 05/15/20 Cpn 2.58 31680YAA5		4,779.22	0.00	0.00	4,779.22
06/17/19	06/17/19	Coupon		JOHN DEERE 2019-A A1 EQP MAT 03/16/20 Cpn 2.63 47789JAA4		3,885.84	0.00	0.00	3,885.84
06/17/19	06/17/19	Coupon		NISSAN 2019-A A1 LEASE MAT 04/15/20 Cpn 2.60 65479PAA7		1,623.82	0.00	0.00	1,623.82
06/17/19	06/17/19	Coupon		NISSAN 2019-A A1 CAR MAT 02/18/20 Cpn 2.71 65479KAA8		3,343.56	0.00	0.00	3,343.56
06/17/19	06/17/19	Coupon		STATE STREET BANK CD FRN MAT 11/15/19 Cpn 2.48 8574P1ME3		4,521.71	0.00	0.00	4,521.71
06/18/19	06/18/19	Coupon		BNP PARIBAS YCD FRN MAT 09/18/19 Cpn 2.52 05586FYA9		3,908.22	0.00	0.00	3,908.22
06/19/19	06/19/19	Coupon		CA LOS ANGELES MUNI IMPT CP T MAT 06/19/19 Cpn 2.40 54459L4X1		3,156.16	0.00	0.00	3,156.16
06/20/19	06/20/19	Coupon		BMW 2017-2 A2A LEASE MAT 02/20/20 Cpn 1.80 05584PAB3		518.59	0.00	0.00	518.59
06/20/19	06/20/19	Coupon		BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8		7,688.17	0.00	0.00	7,688.17
06/20/19	06/20/19	Coupon		BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8		624.83	0.00	0.00	624.83

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/20/19	06/20/19	Coupon		BMW 2019-1 A2 LEASE MAT 03/22/21 Cpn 2.79 05586VAB8		3,766.50	0.00	0.00	3,766.50
06/20/19	06/20/19	Coupon		CANADIAN IMPERIAL BANK YCD FR MAT 09/20/19 Cpn 2.80 13606BUG9		15,551.22	0.00	0.00	15,551.22
06/01/19	06/25/19	Coupon		FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8		3,140.29	0.00	0.00	3,140.29
06/25/19	06/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.68 3137FJXN4		4,467.40	0.00	0.00	4,467.40
06/25/19	06/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.68 3137FJXN4		1,833.99	0.00	0.00	1,833.99
06/01/19	06/25/19	Coupon		FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ		174.18	0.00	0.00	174.18
						<u>124,266.25</u>	<u>0.00</u>	<u>0.00</u>	<u>124,266.25</u>
06/01/19	06/01/19	Income	(0.41)	ADJ NET P&I MAT Cpn USD		(0.41)	0.00	0.00	(0.41)
06/01/19	06/01/19	Income	253,313.980	STIF INT MAT Cpn USD		253,313.98	0.00	0.00	253,313.98
			<u>253,313.570</u>			<u>253,313.57</u>	<u>0.00</u>	<u>0.00</u>	<u>253,313.57</u>
06/13/19	06/13/19	Contributn	350,000,000.000	NM MAT Cpn USD	350,000,000.00		0.00	0.00	350,000,000.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Cash - cont.									
06/14/19	06/14/19	Contributn	220,000,000.000	NM MAT Cpn USD	220,000,000.00		0.00	0.00	220,000,000.00
			<u>570,000,000.000</u>		<u>570,000,000.00</u>		<u>0.00</u>	<u>0.00</u>	<u>570,000,000.00</u>
06/20/19	06/21/19	Sell Long	25,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn 912796VH9	24,937,722.23	56,583.33	772.23	0.00	24,994,305.56
06/24/19	06/24/19	Sell Long	25,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn 912796VH9	24,937,143.06	61,433.33	193.06	0.00	24,998,576.39
06/24/19	06/24/19	Sell Long	25,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn 912796VH9	24,937,881.95	60,694.44	173.61	0.00	24,998,576.39
06/24/19	06/24/19	Sell Long	25,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn 912796VH9	24,937,881.95	60,694.44	173.61	0.00	24,998,576.39
06/28/19	07/01/19	Sell Long	50,000,000.000	U.S. TREASURY BILL MAT 07/02/19 Cpn 912796VJ5	49,865,799.31	131,513.19	520.14	0.00	49,997,312.50
			<u>150,000,000.000</u>		<u>149,616,428.49</u>	<u>370,918.74</u>	<u>1,832.65</u>	<u>0.00</u>	<u>149,987,347.23</u>
06/07/19	06/07/19	Pay Princpl	26,578.848	NGN 2010-R3 2A 1MOFRN NCUA G MAT 12/08/20 Cpn 2.98 62888WAB2	26,578.85		(64.28)	0.00	26,578.85
06/07/19	06/07/19	Pay Princpl	58,272.282	NGN 2011-R1 1A 1MOFRN NCUA G MAT 01/08/20 Cpn 2.87 62888YAA0	58,272.28		(25.24)	0.00	58,272.28
06/15/19	06/15/19	Pay Princpl	1,036,639.833	NISSAN 2017-B A2A LEASE MAT 12/16/19 Cpn 1.83 65479BAB6	1,036,639.83		0.00	(0.00)	1,036,639.83
06/15/19	06/15/19	Pay Princpl	101,068.989	NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7	101,068.99		1.21	0.00	101,068.99

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/19	06/15/19	Pay Princpl	607,728.797	TOYOTA 2018-A A2A CAR MAT 10/15/20 Cpn 2.10 89238BAB8	607,728.80		0.00	14.56	607,728.80
06/15/19	06/15/19	Pay Princpl	325,682.791	USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1	325,682.79		0.00	11.16	325,682.79
06/17/19	06/17/19	Pay Princpl	588,960.042	FIFTH THIRD 2019-1 A1 CAR MAT 05/15/20 Cpn 2.58 31680YAA5	588,960.04		(0.00)	0.00	588,960.04
06/17/19	06/17/19	Pay Princpl	282,514.490	JOHN DEERE 2019-A A1 EQP MAT 03/16/20 Cpn 2.63 47789JAA4	282,514.49		0.00	0.00	282,514.49
06/17/19	06/17/19	Pay Princpl	114,576.898	NISSAN 2019-A A1 LEASE MAT 04/15/20 Cpn 2.60 65479PAA7	114,576.90		0.00	0.00	114,576.90
06/17/19	06/17/19	Pay Princpl	340,221.553	NISSAN 2019-A A1 CAR MAT 02/18/20 Cpn 2.71 65479KAA8	340,221.55		(0.00)	0.00	340,221.55
06/20/19	06/20/19	Pay Princpl	345,727.161	BMW 2017-2 A2A LEASE MAT 02/20/20 Cpn 1.80 05584PAB3	345,727.16		0.00	1.20	345,727.16
06/01/19	06/25/19	Pay Princpl	1,743.383	FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8	1,743.38		7.80	0.00	1,743.38
06/25/19	06/25/19	Pay Princpl	193,076.109	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.68 3137FJXN4	193,076.11		0.00	0.00	193,076.11
06/25/19	06/25/19	Pay Princpl	79,262.824	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.68 3137FJXN4	79,262.82		116.31	0.00	79,262.82
06/01/19	06/25/19	Pay Princpl	119,370.828	FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ	119,370.83		0.00	(97.24)	119,370.83
			<u>4,221,424.827</u>		<u>4,221,424.82</u>		<u>35.79</u>	<u>(70.32)</u>	<u>4,221,424.82</u>



TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/03/19	06/03/19	Mature Long	1,200,000.000	CA LOS ANGELES MUNI IMP CP TX MAT 06/03/19 Cpn 2.50 54459L4W3	1,200,000.00		0.00	0.00	1,200,000.00
06/04/19	06/04/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/04/19 Cpn 912796VE6	49,931,093.75	68,906.25	0.00	0.00	50,000,000.00
06/04/19	06/04/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/04/19 Cpn 912796VE6	49,931,093.75	68,906.25	0.00	0.00	50,000,000.00
06/04/19	06/04/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/04/19 Cpn 912796VE6	49,942,089.84	57,910.16	0.00	0.00	50,000,000.00
06/04/19	06/04/19	Mature Long	2,500,000.000	NATL RURAL UTILITIES CP MAT 06/04/19 Cpn 63743DT43	2,495,236.11	4,763.89	0.00	0.00	2,500,000.00
06/05/19	06/05/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/05/19 Cpn 313384GM5	49,996,916.67	3,083.33	0.00	0.00	50,000,000.00
06/05/19	06/05/19	Mature Long	35,000,000.000	FHLB DISCOUNT NOTE MAT 06/05/19 Cpn 313384GM5	34,997,841.67	2,158.33	0.00	0.00	35,000,000.00
06/05/19	06/05/19	Mature Long	3,300,000.000	KAISER FOUNDATION CP MAT 06/05/19 Cpn 48306BT54	3,287,295.00	12,705.00	0.00	0.00	3,300,000.00
06/06/19	06/06/19	Mature Long	50,000,000.000	FNMA DISCOUNT NOTE MAT 06/06/19 Cpn 313588GN9	49,996,833.33	3,166.67	0.00	0.00	50,000,000.00
06/06/19	06/06/19	Mature Long	35,000,000.000	FNMA DISCOUNT NOTE MAT 06/06/19 Cpn 313588GN9	34,997,783.33	2,216.67	0.00	0.00	35,000,000.00
06/07/19	06/07/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/07/19 Cpn 313384GP8	49,996,944.44	3,055.56	0.00	0.00	50,000,000.00
06/07/19	06/07/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/07/19 Cpn 313384GP8	49,996,944.44	3,055.56	0.00	0.00	50,000,000.00
06/07/19	06/07/19	Mature Long	25,000,000.000	FHLB DISCOUNT NOTE MAT 06/07/19 Cpn 313384GP8	24,998,472.22	1,527.78	0.00	0.00	25,000,000.00

TRANSACTIONS BY TYPE

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Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/10/19	06/10/19	Mature Long	50,000,000.000	FAMC DISCOUNT NOTE MAT 06/10/19 Cpn	31315KGS3	49,981,250.00	18,750.00	0.00	0.00	50,000,000.00
06/10/19	06/10/19	Mature Long	25,000,000.000	FAMC DISCOUNT NOTE MAT 06/10/19 Cpn	31315KGS3	24,990,625.00	9,375.00	0.00	0.00	25,000,000.00
06/11/19	06/11/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/11/19 Cpn	912796VF3	49,914,759.72	85,240.28	0.00	0.00	50,000,000.00
06/11/19	06/11/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/11/19 Cpn	912796VF3	49,914,759.72	85,240.28	0.00	0.00	50,000,000.00
06/11/19	06/11/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/11/19 Cpn	912796VF3	49,919,704.86	80,295.14	0.00	0.00	50,000,000.00
06/13/19	06/13/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/13/19 Cpn	912796RU5	49,935,279.17	64,720.83	0.00	0.00	50,000,000.00
06/13/19	06/13/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/13/19 Cpn	912796RU5	49,935,279.17	64,720.83	0.00	0.00	50,000,000.00
06/13/19	06/13/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/13/19 Cpn	912796RU5	49,935,279.17	64,720.83	0.00	0.00	50,000,000.00
06/13/19	06/13/19	Mature Long	3,480,000.000	SAN JOSE FIN AUTH CP TXB MAT 06/13/19 Cpn 2.57	79815WCD8	3,480,000.00		0.00	0.00	3,480,000.00
06/14/19	06/14/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/19 Cpn	313384GW3	49,996,944.44	3,055.56	0.00	0.00	50,000,000.00
06/14/19	06/14/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/14/19 Cpn	313384GW3	49,996,944.44	3,055.56	0.00	0.00	50,000,000.00
06/14/19	06/14/19	Mature Long	5,000,000.000	NATL RURAL UTILITIES CP MAT 06/14/19 Cpn	63743DTE1	4,996,666.67	3,333.33	0.00	0.00	5,000,000.00
06/17/19	06/17/19	Mature Long	25,000,000.000	FHLB DISCOUNT NOTE MAT 06/17/19 Cpn	313384GZ6	24,995,416.67	4,583.33	0.00	0.00	25,000,000.00

TRANSACTIONS BY TYPE

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06/18/19	06/18/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	24,946,754.56	53,245.44	0.00	0.00	25,000,000.00
06/18/19	06/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	49,897,048.61	102,951.39	0.00	0.00	50,000,000.00
06/18/19	06/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	49,897,048.61	102,951.39	0.00	0.00	50,000,000.00
06/18/19	06/18/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	24,948,524.31	51,475.69	0.00	0.00	25,000,000.00
06/18/19	06/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	49,988,308.33	11,691.67	0.00	0.00	50,000,000.00
06/18/19	06/18/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 06/18/19 Cpn	912796VG1	24,994,154.17	5,845.83	0.00	0.00	25,000,000.00
06/19/19	06/19/19	Mature Long	3,000,000.000	CA LOS ANGELES MUNI IMPT CP T MAT 06/19/19 Cpn 2.40	54459L4X1	3,000,000.00		0.00	0.00	3,000,000.00
06/20/19	06/20/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn	912796QM4	49,972,062.50	27,937.50	0.00	0.00	50,000,000.00
06/20/19	06/20/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn	912796QM4	49,972,062.50	27,937.50	0.00	0.00	50,000,000.00
06/20/19	06/20/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn	912796QM4	49,972,062.50	27,937.50	0.00	0.00	50,000,000.00
06/20/19	06/20/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn	912796QM4	49,983,095.83	16,904.17	0.00	0.00	50,000,000.00
06/20/19	06/20/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn	912796QM4	49,983,112.50	16,887.50	0.00	0.00	50,000,000.00
06/20/19	06/20/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn	912796QM4	49,983,333.33	16,666.67	0.00	0.00	50,000,000.00

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06/20/19	06/20/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 06/20/19 Cpn	912796QM4	24,991,666.67	8,333.33	0.00	0.00	25,000,000.00
06/25/19	06/25/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn	912796VH9	49,875,416.67	124,583.33	0.00	0.00	50,000,000.00
06/25/19	06/25/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn	912796VH9	49,967,137.50	32,862.50	0.00	0.00	50,000,000.00
06/25/19	06/25/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 06/25/19 Cpn	912796VH9	24,983,568.75	16,431.25	0.00	0.00	25,000,000.00
06/26/19	06/26/19	Mature Long	5,000,000.000	NATL RURAL UTILITIES CP MAT 06/26/19 Cpn	63743DTS0	4,996,066.67	3,933.33	0.00	0.00	5,000,000.00
06/27/19	06/27/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	49,869,825.00	130,175.00	0.00	0.00	50,000,000.00
06/27/19	06/27/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	24,934,912.50	65,087.50	0.00	0.00	25,000,000.00
06/27/19	06/27/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	49,963,509.72	36,490.28	0.00	0.00	50,000,000.00
06/27/19	06/27/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	49,963,518.75	36,481.25	0.00	0.00	50,000,000.00
06/27/19	06/27/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	49,963,861.81	36,138.19	0.00	0.00	50,000,000.00
06/27/19	06/27/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 06/27/19 Cpn	912796RV3	24,981,930.90	18,069.10	0.00	0.00	25,000,000.00
			<u>1,893,480,000.000</u>			<u>1,891,790,436.27</u>	<u>1,689,563.73</u>	<u>0.00</u>	<u>0.00</u>	<u>1,893,480,000.00</u>

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Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/01/19	06/01/19	Withdrawal	(4,491.930)	CUSTODY FEE MAT	Cpn USD	(4,491.93)		(4,491.93)	0.00	(4,491.93)
06/06/19	06/06/19	Withdrawal	(50,000,000.000)	WD MAT	Cpn USD	(50,000,000.00)		(50,000,000.00)	0.00	(50,000,000.00)
06/10/19	06/10/19	Withdrawal	(60,000,000.000)	WD MAT	Cpn USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
06/18/19	06/18/19	Withdrawal	(60,000,000.000)	WD MAT	Cpn USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
06/20/19	06/20/19	Withdrawal	(320,000,000.000)	WD MAT	Cpn USD	(320,000,000.00)		(320,000,000.00)	0.00	(320,000,000.00)
06/24/19	06/24/19	Withdrawal	(80,000,000.000)	WD MAT	Cpn USD	(80,000,000.00)		(80,000,000.00)	0.00	(80,000,000.00)
06/25/19	06/25/19	Withdrawal	(25,000,000.000)	WD MAT	Cpn USD	(25,000,000.00)		(25,000,000.00)	0.00	(25,000,000.00)
06/27/19	06/27/19	Withdrawal	(60,000,000.000)	WD MAT	Cpn USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
			<u>(655,004,491.930)</u>			<u>(655,004,491.93)</u>		<u>(655,004,491.93)</u>	<u>0.00</u>	<u>(655,004,491.93)</u>

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/04/19	06/06/19	Buy	425,000.000	CA LOS ANGELESX CNTY PUB WO MAT 12/01/23 Cpn 3.59 54473ERV8	(447,703.50)	(211.73)	0.00	0.00	(447,915.23)
06/04/19	06/06/19	Buy	1,760,000.000	U.S. TREASURY NOTE MAT 05/31/24 Cpn 2.00 912828XT2	(1,767,700.00)	(577.05)	0.00	0.00	(1,768,277.05)
06/05/19	06/10/19	Buy	1,050,000.000	U.S. TREASURY NOTE MAT 05/15/22 Cpn 2.13 9128286U9	(1,059,643.94)	(1,576.43)	0.00	0.00	(1,061,220.37)
06/10/19	06/11/19	Buy	3,530,000.000	U.S. TREASURY NOTE MAT 05/31/24 Cpn 2.00 912828XT2	(3,544,892.19)	(2,121.86)	0.00	0.00	(3,547,014.05)
06/12/19	06/13/19	Buy	6,600,000.000	U.S. TREASURY NOTE MAT 05/31/21 Cpn 2.13 9128286V7	(6,630,186.17)	(4,981.56)	0.00	0.00	(6,635,167.73)
06/12/19	06/13/19	Buy	900,000.000	U.S. TREASURY NOTE MAT 08/31/19 Cpn 1.00 912828TN0	(897,506.92)	(2,567.93)	0.00	0.00	(900,074.85)
06/11/19	06/14/19	Buy	570,000.000	FHMS K726 AM CMBS MAT 04/25/24 Cpn 2.99 3137BYPR5	(585,140.63)	(614.41)	0.00	0.00	(585,755.04)
06/12/19	06/14/19	Buy	750,000.000	CA SOUTHERN CA PUBLIC POWER MAT 07/01/23 Cpn 3.46 84247PHY0	(783,960.00)	(11,742.79)	0.00	0.00	(795,702.79)
06/18/19	06/19/19	Buy	1,800,000.000	U.S. TREASURY NOTE MAT 06/15/22 Cpn 1.75 9128286Y1	(1,797,474.78)	(344.26)	0.00	0.00	(1,797,819.04)
06/18/19	06/19/19	Buy	900,000.000	U.S. TREASURY NOTE MAT 05/31/24 Cpn 2.00 912828XT2	(907,139.73)	(934.43)	0.00	0.00	(908,074.16)
06/19/19	06/20/19	Buy	2,000,000.000	U.S. TREASURY NOTE MAT 05/31/21 Cpn 2.13 9128286V7	(2,009,303.58)	(2,322.40)	0.00	0.00	(2,011,625.98)
06/19/19	06/21/19	Buy	395,000.000	CA LOS ANGELES DEPT AIRPORTS MAT 05/15/23 Cpn 2.79 544445BC2	(402,975.05)	(1,103.63)	0.00	0.00	(404,078.68)
06/19/19	06/21/19	Buy	470,000.000	CA LOS ANGELES DEPT AIRPORTS MAT 05/15/23 Cpn 2.79 544445BC2	(479,489.30)	(1,313.18)	0.00	0.00	(480,802.48)

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06/21/19	06/26/19	Buy	810,000.000	FHMS K725 AM CMBS MAT 02/25/24 Cpn 3.10 3137BWWE	(841,260.94)	(1,746.00)	0.00	0.00	(843,006.94)
			<u>21,960,000.000</u>		<u>(22,154,376.73)</u>	<u>(32,157.66)</u>	<u>0.00</u>	<u>0.00</u>	<u>(22,186,534.39)</u>
06/01/19	06/01/19	Coupon		CA ALAMEDA CNTY JT POWERS LE MAT 06/01/21 Cpn 2.87 010831DN2		6,018.60	0.00	0.00	6,018.60
06/01/19	06/01/19	Coupon		MN ST GEN FUND REVS-TXBL MAT 06/01/22 Cpn 3.50 604146DQ0		5,600.00	0.00	0.00	5,600.00
06/01/19	06/01/19	Coupon		MN ST GEN FUND REVSJ-TXBL MAT 06/01/20 Cpn 4.00 604146DN7		6,000.00	0.00	0.00	6,000.00
06/13/19	06/13/19	Coupon		FNMA C 09/13/17 Q MAT 06/13/19 Cpn 1.25 3135G0K77		5,125.00	0.00	0.00	5,125.00
06/15/19	06/15/19	Coupon		AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3		2,412.50	0.00	0.00	2,412.50
06/15/19	06/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		1,950.00	0.00	0.00	1,950.00
06/15/19	06/15/19	Coupon		CHASE 2016-A2 A CDT MAT 06/15/21 Cpn 1.37 161571HC1		1,141.67	0.00	0.00	1,141.67
06/15/19	06/15/19	Coupon		CHASE 2016-A2 A CDT MAT 06/15/21 Cpn 1.37 161571HC1		570.83	0.00	0.00	570.83
06/15/19	06/15/19	Coupon		CAPITAL ONE 2016-A3 A3 CDT MAT 04/15/22 Cpn 1.34 14041NFE6		558.33	0.00	0.00	558.33
06/15/19	06/15/19	Coupon		CAPITAL ONE 2016-A6 A6 CDT MAT 09/15/22 Cpn 1.82 14041NFH9		1,506.05	0.00	0.00	1,506.05
06/15/19	06/15/19	Coupon		FIFTH THIRD 2019-1 A3 CAR MAT 12/15/23 Cpn 2.64 31680YAD9		868.27	0.00	0.00	868.27

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06/15/19	06/15/19	Coupon		JOHN DEERE 2017-A A3 EQP MAT 04/15/21 Cpn 1.78 47787XAC1		782.45	0.00	0.00	782.45
06/15/19	06/15/19	Coupon		NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2		632.08	0.00	0.00	632.08
06/15/19	06/15/19	Coupon		NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2		854.17	0.00	0.00	854.17
06/15/19	06/15/19	Coupon		NISSAN 2018-A A3 LEASE MAT 09/15/21 Cpn 3.25 65478BAD3		893.75	0.00	0.00	893.75
06/15/19	06/15/19	Coupon		NISSAN 2018-C A3 CAR MAT 06/15/23 Cpn 3.22 65478NAD7		2,012.50	0.00	0.00	2,012.50
06/15/19	06/15/19	Coupon		NISSAN 2019-A A3 CAR MAT 10/16/23 Cpn 2.90 65479KAD2		1,305.00	0.00	0.00	1,305.00
06/15/19	06/15/19	Coupon		TOYOTA 2017-A A3 CAR MAT 02/16/21 Cpn 1.73 89238MAD0		509.71	0.00	0.00	509.71
06/15/19	06/15/19	Coupon		TOYOTA 2017-B A3 CAR MAT 07/15/21 Cpn 1.76 89190BAD0		1,011.10	0.00	0.00	1,011.10
06/15/19	06/15/19	Coupon		TOYOTA 2018-A A3 CAR MAT 05/16/22 Cpn 2.35 89238BAD4		822.50	0.00	0.00	822.50
06/15/19	06/15/19	Coupon		TOYOTA 2019-A A3 CAR MAT 07/17/23 Cpn 2.91 89239AAD5		1,358.00	0.00	0.00	1,358.00
06/15/19	06/15/19	Coupon		USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1		218.33	0.00	0.00	218.33
06/20/19	06/20/19	Coupon		BMW 2017-2 A2A LEASE MAT 02/20/20 Cpn 1.80 05584PAB3		40.09	0.00	0.00	40.09
06/25/19	06/25/19	Coupon		BMW 2016-A A3 CAR MAT 11/25/20 Cpn 1.16 05582QAD9		153.89	0.00	0.00	153.89



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06/01/19	06/25/19	Coupon		FHMS J22F A1 CMBS MAT 05/25/23 Cpn 3.45 3137FJYA1		1,519.41	0.00	0.00	1,519.41
06/01/19	06/25/19	Coupon		FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8		1,128.86	0.00	0.00	1,128.86
06/25/19	06/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.68 3137FJXN4		1,528.32	0.00	0.00	1,528.32
06/25/19	06/25/19	Coupon		FHMS KI02 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.63 3137FGZN8		665.31	0.00	0.00	665.31
06/25/19	06/25/19	Coupon		FHMS KP04 AG1 1MOFRN CMBS MAT 07/25/20 Cpn 2.65 3137FBUV6		2,255.67	0.00	0.00	2,255.67
06/25/19	06/25/19	Coupon		FMPRE 2017-KT01 A 1MOFRN CMB MAT 02/25/20 Cpn 2.72 30258EAA3		1,614.38	0.00	0.00	1,614.38
06/01/19	06/25/19	Coupon		FNA 2011-M5 A2 CMBS MAT 07/25/21 Cpn 2.94 3136A07H4		362.94	0.00	0.00	362.94
06/01/19	06/25/19	Coupon		FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ		16.59	0.00	0.00	16.59
06/29/19	06/29/19	Coupon		FHLMC BERM 12/17 MAT 06/29/22 Cpn 2.10 3134GBTL6		8,610.00	0.00	0.00	8,610.00
06/30/19	06/30/19	Coupon		U.S. TREASURY NOTE MAT 12/31/23 Cpn 2.63 9128285U0		11,287.50	0.00	0.00	11,287.50
						71,333.80	0.00	0.00	71,333.80

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
Account Number:

06/01/2019  
through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/01/19	06/01/19	Income	640.900	STIF INT MAT Cpn USD		640.90	0.00	0.00	640.90
06/04/19	06/06/19	Sell Long	1,760,000.000	U.S. TREASURY NOTE MAT 03/15/22 Cpn 2.38 9128286H8	1,784,406.25	9,427.72	20,764.74	0.00	1,793,833.97
06/05/19	06/06/19	Sell Long	555,000.000	U.S. TREASURY NOTE MAT 09/30/21 Cpn 1.13 912828T34	546,933.30	1,142.98	0.00	1,447.88	548,076.28
06/05/19	06/10/19	Sell Long	1,050,000.000	U.S. TREASURY NOTE MAT 03/15/22 Cpn 2.38 9128286H8	1,066,343.62	5,895.55	14,179.71	0.00	1,072,239.17
06/10/19	06/11/19	Sell Long	3,530,000.000	U.S. TREASURY NOTE MAT 10/31/21 Cpn 1.25 912828T67	3,477,325.78	5,036.01	0.00	(977.42)	3,482,361.79
06/12/19	06/13/19	Sell Long	855,000.000	U.S. TREASURY NOTE MAT 10/31/19 Cpn 1.50 912828F62	852,592.45	1,533.42	0.00	(2,031.70)	854,125.87
06/12/19	06/13/19	Sell Long	1,065,000.000	U.S. TREASURY NOTE MAT 10/31/19 Cpn 1.50 912828F62	1,062,001.12	1,910.06	0.00	(2,639.36)	1,063,911.18
06/12/19	06/13/19	Sell Long	4,030,000.000	U.S. TREASURY NOTE MAT 09/15/20 Cpn 1.38 9128282V1	3,999,131.81	13,551.97	0.00	(14,645.78)	4,012,683.78
06/12/19	06/13/19	Sell Long	2,100,000.000	U.S. TREASURY NOTE MAT 09/15/20 Cpn 1.38 9128282V1	2,083,914.84	7,061.82	0.00	(7,194.75)	2,090,976.66
06/18/19	06/19/19	Sell Long	1,800,000.000	U.S. TREASURY NOTE MAT 05/31/21 Cpn 2.13 9128286V7	1,808,853.35	1,985.66	689.55	0.00	1,810,839.01
06/18/19	06/19/19	Sell Long	900,000.000	U.S. TREASURY NOTE MAT 08/31/19 Cpn 1.00 912828TN0	897,852.45	2,714.67	156.18	0.00	900,567.12
06/20/19	06/21/19	Sell Long	855,000.000	U.S. TREASURY NOTE MAT 10/31/19 Cpn 1.50 912828F62	853,060.03	1,812.23	0.00	(1,667.83)	854,872.26

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

06/01/2019  
 through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Fixed Income - cont.									
06/21/19	06/25/19	Sell Long	800,000.000	U.S. TREASURY NOTE MAT 08/15/20 Cpn 1.50 9128282Q2	796,341.07	4,309.39	0.00	(1,854.01)	800,650.46
			<u>19,300,000.000</u>		<u>19,228,756.07</u>	<u>56,381.48</u>	<u>35,790.19</u>	<u>(29,562.98)</u>	<u>19,285,137.55</u>
06/15/19	06/15/19	Pay Princpl	1,000,000.000	CHASE 2016-A2 A CDT MAT 06/15/21 Cpn 1.37 161571HC1	1,000,000.00		0.00	0.00	1,000,000.00
06/15/19	06/15/19	Pay Princpl	500,000.000	CHASE 2016-A2 A CDT MAT 06/15/21 Cpn 1.37 161571HC1	500,000.00		0.00	0.00	500,000.00
06/15/19	06/15/19	Pay Princpl	500,000.000	CAPITAL ONE 2016-A3 A3 CDT MAT 04/15/22 Cpn 1.34 14041NFE6	500,000.00		0.00	14.03	500,000.00
06/15/19	06/15/19	Pay Princpl	58,237.285	JOHN DEERE 2017-A A3 EQP MAT 04/15/21 Cpn 1.78 47787XAC1	58,237.29		0.00	82.23	58,237.29
06/15/19	06/15/19	Pay Princpl	40,022.909	TOYOTA 2017-A A3 CAR MAT 02/16/21 Cpn 1.73 89238MAD0	40,022.91		0.00	1.18	40,022.91
06/15/19	06/15/19	Pay Princpl	54,958.663	TOYOTA 2017-B A3 CAR MAT 07/15/21 Cpn 1.76 89190BAD0	54,958.66		0.00	1.51	54,958.66
06/15/19	06/15/19	Pay Princpl	19,688.632	USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1	19,688.63		0.00	0.67	19,688.63
06/20/19	06/20/19	Pay Princpl	26,728.487	BMW 2017-2 A2A LEASE MAT 02/20/20 Cpn 1.80 05584PAB3	26,728.49		0.00	0.10	26,728.49
06/25/19	06/25/19	Pay Princpl	37,807.089	BMW 2016-A A3 CAR MAT 11/25/20 Cpn 1.16 05582QAD9	37,807.09		0.00	49.69	37,807.09
06/01/19	06/25/19	Pay Princpl	28,382.856	FHMS J22F A1 CMBS MAT 05/25/23 Cpn 3.45 3137FJYA1	28,382.86		0.68	0.00	28,382.86

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

06/01/2019  
 through 06/30/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/01/19	06/25/19	Pay Princpl	626.706	FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8	626.71		0.00	0.23	626.71
06/25/19	06/25/19	Pay Princpl	66,052.353	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.68 3137FJXN4	66,052.35		(0.00)	0.00	66,052.35
06/25/19	06/25/19	Pay Princpl	20,313.045	FHMS KI02 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.63 3137FGZN8	20,313.05		0.00	0.00	20,313.05
06/01/19	06/25/19	Pay Princpl	2,314.320	FNA 2011-M5 A2 CMBS MAT 07/25/21 Cpn 2.94 3136A07H4	2,314.32		9.91	0.00	2,314.32
06/01/19	06/25/19	Pay Princpl	11,368.650	FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ	11,368.65		0.00	(9.26)	11,368.65
			<u>2,366,500.996</u>		<u>2,366,501.01</u>		<u>10.59</u>	<u>140.38</u>	<u>2,366,501.01</u>
06/13/19	06/13/19	Mature Long	820,000.000	FNMA C 09/13/17 Q MAT 06/13/19 Cpn 1.25 3135G0K77	820,000.00		0.00	0.00	820,000.00

**LA CARE**  
**Cash Activity by Transaction Type GAAP Basis**  
Accounting Period From 06/01/2019 To 06/30/2019

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
BUY										
06/07/19	06/05/19	06/07/19	BKAMER19	025816BW8	AMERICAN EXPRESS CO	4,000,000.00	(50,977.78)	(4,170,360.00)	0.00	(4,221,337.78)
06/07/19	06/05/19	06/07/19	BKAMER19	26442CAV6	DUKE ENERGY CAROLINAS	5,000,000.00	(34,736.11)	(5,111,200.00)	0.00	(5,145,936.11)
06/10/19	06/10/19	06/10/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	391,718.57	0.00	(391,718.57)	0.00	(391,718.57)
06/11/19	06/07/19	06/11/19	BKAMER19	02665WCT6	AMERICAN HONDA FINANCE	2,000,000.00	(28,794.44)	(2,096,000.00)	0.00	(2,124,794.44)
06/12/19	06/10/19	06/12/19	BKAMER19	17325FAS7	CITIBANK NA	2,000,000.00	(28,186.11)	(2,084,740.00)	0.00	(2,112,926.11)
06/12/19	06/10/19	06/12/19	BKAMER19	38141GXE9	GOLDMAN SACHS GROUP INC	2,000,000.00	(22,555.56)	(2,062,760.00)	0.00	(2,085,315.56)
06/13/19	06/11/19	06/13/19	BKAMER19	377372AL1	GLAXOSMITHKLINE CAPITAL	2,000,000.00	(5,250.00)	(2,066,340.00)	0.00	(2,071,590.00)
06/13/19	06/11/19	06/13/19	BKAMER19	61746BDJ2	MORGAN STANLEY	3,000,000.00	(33,750.00)	(3,103,920.00)	0.00	(3,137,670.00)
06/17/19	06/13/19	06/17/19	BKAMER19	14913Q2V0	CATERPILLAR FINL SERVICE	2,000,000.00	(4,750.00)	(2,031,900.00)	0.00	(2,036,650.00)
06/18/19	06/14/19	06/18/19	BKAMER19	14913Q2V0	CATERPILLAR FINL SERVICE	500,000.00	(1,227.08)	(507,090.00)	0.00	(508,317.08)
TOTAL BUY						22,891,718.57	(210,227.08)	(23,626,028.57)	0.00	(23,836,255.65)
DIVIDEND										
06/01/19	06/01/19	06/01/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	807,680.29	2,277.05	0.00	0.00	2,277.05
TOTAL DIVIDEND						807,680.29	2,277.05	0.00	0.00	2,277.05
INTEREST										
06/03/19	06/03/19	06/03/19	BKAMER19	59217GBR9	MET LIFE GLOB FUNDING I	0.00	62,500.00	0.00	0.00	62,500.00
06/08/19	06/08/19	06/08/19	BKAMER19	244199BE4	DEERE & COMPANY	0.00	65,000.00	0.00	0.00	65,000.00
06/10/19	06/10/19	06/10/19	BKAMER19	02665WCP4	AMERICAN HONDA FINANCE	0.00	16,875.00	0.00	0.00	16,875.00
06/14/19	06/14/19	06/14/19	BKAMER19	92826CAB8	VISA INC	0.00	55,000.00	0.00	0.00	55,000.00
06/17/19	06/15/19	06/15/19	BKAMER19	91324PDJ8	UNITEDHEALTH GROUP INC	4,500,000.00	78,750.00	0.00	0.00	78,750.00
06/23/19	06/23/19	06/23/19	BKAMER19	931142EJ8	WALMART INC	0.00	39,062.50	0.00	0.00	39,062.50
06/27/19	06/27/19	06/27/19	BKAMER19	38141GWG5	GOLDMAN SACHS GROUP INC	0.00	65,000.00	0.00	0.00	65,000.00
TOTAL INTEREST						4,500,000.00	382,187.50	0.00	0.00	382,187.50
SELL										
06/07/19	06/05/19	06/07/19	BKAMER19	26444HAB7	DUKE ENERGY FLORIDA LLC	3,598,000.00	26,255.41	3,583,536.04	0.00	3,609,791.45
06/07/19	06/05/19	06/07/19	BKAMER19	4581XOCR7	INTER-AMERICAN DEVEL BK	5,700,000.00	10,291.67	5,677,428.00	0.00	5,687,719.67
06/07/19	06/05/19	06/07/19	BKAMER19	459058DW0	INTL BK RECON & DEVELOP	5,650,000.00	17,665.67	5,641,525.00	0.00	5,659,190.67
06/07/19	06/05/19	06/07/19	BKAMER19	69353REX2	PNC BANK NA	250,000.00	1,288.89	249,627.50	0.00	250,916.39

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**LA CARE**  
**Cash Activity by Transaction Type GAAP Basis**  
Accounting Period From 06/01/2019 To 06/30/2019

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
06/07/19	06/05/19	06/07/19	BKAMER19	69353RFC7	PNC BANK NA	4,000,000.00	4,000.00	3,982,640.00	0.00	3,986,640.00
06/07/19	06/05/19	06/07/19	BKAMER19	713448DJ4	PEPSICO INC	1,585,000.00	3,744.56	1,580,118.20	0.00	1,583,862.76
06/10/19	06/10/19	06/10/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	807,680.29	0.00	807,680.29	0.00	807,680.29
06/11/19	06/07/19	06/11/19	BKAMER19	037833CB4	APPLE INC	420,000.00	1,629.83	419,151.60	0.00	420,781.43
06/11/19	06/07/19	06/11/19	BKAMER19	40428HPR7	HSBC USA INC	1,000,000.00	6,266.67	998,900.00	0.00	1,005,166.67
06/11/19	06/07/19	06/11/19	BKAMER19	594918BN3	MICROSOFT CORP	440,000.00	1,653.67	439,045.20	0.00	440,698.87
TOTAL SELL						23,450,680.29	72,796.37	23,379,651.83	0.00	23,452,448.20
WITHDRAW										
06/07/19	06/07/19	06/07/19	BKAMER19	CASHCASH6	C-04 BANK FEE	0.00	0.00	0.00	(657.10)	(657.10)
TOTAL WITHDRAW						0.00	0.00	0.00	(657.10)	(657.10)
GRAND TOTAL						51,650,079.15	247,033.84	(246,376.74)	(657.10)	0.00
Avg Date 9										

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

07/01/2019  
 through 07/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/03/19	07/08/19	Buy	760,000.000	FNMA MAT 07/02/24 Cpn 1.75 3135G0V75	(757,119.60)		0.00	0.00	(757,119.60)
07/05/19	07/08/19	Buy	885,000.000	U.S. TREASURY NOTE MAT 06/30/24 Cpn 1.75 9128286Z8	(881,580.50)	(336.68)	0.00	0.00	(881,917.18)
07/05/19	07/08/19	Buy	5,320,000.000	U.S. TREASURY NOTE MAT 06/15/22 Cpn 1.75 9128286Y1	(5,310,856.25)	(5,850.55)	0.00	0.00	(5,316,706.80)
07/08/19	07/09/19	Buy	2,655,000.000	U.S. TREASURY NOTE MAT 06/30/21 Cpn 1.63 9128287A2	(2,642,667.29)	(1,055.15)	0.00	0.00	(2,643,722.44)
07/08/19	07/09/19	Buy	3,980,000.000	U.S. TREASURY NOTE MAT 06/15/22 Cpn 1.75 9128286Y1	(3,972,706.30)	(4,567.21)	0.00	0.00	(3,977,273.51)
07/16/19	07/18/19	Buy	380,000.000	CA STATE GO/ULT-TXBL BABS MAT 03/01/22 Cpn 6.65 13063BFS6	(415,020.80)	(9,616.64)	0.00	0.00	(424,637.44)
07/16/19	07/18/19	Buy	445,000.000	U.S. TREASURY NOTE MAT 07/15/22 Cpn 1.75 9128287C8	(443,748.44)	(63.49)	0.00	0.00	(443,811.93)
07/25/19	07/30/19	Buy	310,000.000	FHMS K020 A2 CMBS MAT 05/25/22 Cpn 2.37 3137ATRW	(311,707.42)	(592.59)	0.00	0.00	(312,300.01)
07/26/19	07/31/19	Buy	1,110,000.000	U.S. TREASURY NOTE MAT 07/31/21 Cpn 1.75 9128287F1	(1,107,398.44)		0.00	0.00	(1,107,398.44)
07/29/19	08/01/19	Buy	420,000.000	FHMS KJ06 A CMBS MAT 01/25/23 Cpn 2.27 3137BQR90	(421,378.13)		0.00	0.00	(421,378.13)
			16,265,000.000		(16,264,183.17)	(22,082.31)	0.00	0.00	(16,286,265.48)
07/01/19	07/01/19	Coupon		HI STATE GO/ULT TXB MAT 01/01/22 Cpn 2.77 419792YL4		3,100.86	0.00	0.00	3,100.86
07/01/19	07/01/19	Coupon		CA SAN FRANCISCO BART-SALES MAT 07/01/21 Cpn 2.39 797669XU7		10,144.75	0.00	0.00	10,144.75

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

07/01/2019  
 through 07/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/01/19	07/01/19	Coupon		CA SOUTHERN CA PUBLIC POWER MAT 07/01/23 Cpn 3.46 84247PHY0		12,967.50	0.00	0.00	12,967.50
07/15/19	07/15/19	Coupon		AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3		2,412.50	0.00	0.00	2,412.50
07/15/19	07/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		1,950.00	0.00	0.00	1,950.00
07/15/19	07/15/19	Coupon		CAPITAL ONE 2016-A6 A6 CDT MAT 09/15/22 Cpn 1.82 14041NFH9		1,506.05	0.00	0.00	1,506.05
07/15/19	07/15/19	Coupon		FIFTH THIRD 2019-1 A3 CAR MAT 12/15/23 Cpn 2.64 31680YAD9		704.00	0.00	0.00	704.00
07/15/19	07/15/19	Coupon		JOHN DEERE 2017-A A3 EQP MAT 04/15/21 Cpn 1.78 47787XAC1		696.06	0.00	0.00	696.06
07/15/19	07/15/19	Coupon		NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2		632.08	0.00	0.00	632.08
07/15/19	07/15/19	Coupon		NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2		854.17	0.00	0.00	854.17
07/15/19	07/15/19	Coupon		NISSAN 2018-A A3 LEASE MAT 09/15/21 Cpn 3.25 65478BAD3		893.75	0.00	0.00	893.75
07/15/19	07/15/19	Coupon		NISSAN 2018-C A3 CAR MAT 06/15/23 Cpn 3.22 65478NAD7		2,012.50	0.00	0.00	2,012.50
07/15/19	07/15/19	Coupon		NISSAN 2019-A A3 CAR MAT 10/16/23 Cpn 2.90 65479KAD2		1,305.00	0.00	0.00	1,305.00
07/15/19	07/15/19	Coupon		TOYOTA 2017-A A3 CAR MAT 02/16/21 Cpn 1.73 89238MAD0		452.01	0.00	0.00	452.01
07/15/19	07/15/19	Coupon		TOYOTA 2017-B A3 CAR MAT 07/15/21 Cpn 1.76 89190BAD0		930.50	0.00	0.00	930.50



TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

07/01/2019  
 through 07/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/15/19	07/15/19	Coupon		TOYOTA 2018-A A3 CAR MAT 05/16/22 Cpn 2.35 89238BAD4		822.50	0.00	0.00	822.50
07/15/19	07/15/19	Coupon		TOYOTA 2019-A A3 CAR MAT 07/17/23 Cpn 2.91 89239AAD5		1,358.00	0.00	0.00	1,358.00
07/15/19	07/15/19	Coupon		USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1		190.43	0.00	0.00	190.43
07/23/19	07/23/19	Coupon		INTL BANK RECON & DEVELOP MAT 07/23/21 Cpn 2.75 459058GH0		10,725.00	0.00	0.00	10,725.00
07/25/19	07/25/19	Coupon		BMW 2016-A A3 CAR MAT 11/25/20 Cpn 1.16 05582QAD9		117.34	0.00	0.00	117.34
07/01/19	07/25/19	Coupon		FHMS J22F A1 CMBS MAT 05/25/23 Cpn 3.45 3137FJYA1		1,437.72	0.00	0.00	1,437.72
07/01/19	07/25/19	Coupon		FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8		1,127.52	0.00	0.00	1,127.52
07/01/19	07/25/19	Coupon		FHMS K725 AM CMBS MAT 02/25/24 Cpn 3.10 3137BWWE		2,095.20	0.00	0.00	2,095.20
07/01/19	07/25/19	Coupon		FHMS K726 AM CMBS MAT 04/25/24 Cpn 2.99 3137BYPR5		1,417.88	0.00	0.00	1,417.88
07/25/19	07/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.65 3137FJXN4		1,304.39	0.00	0.00	1,304.39
07/25/19	07/25/19	Coupon		FHMS KI02 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.60 3137FGZN8		587.31	0.00	0.00	587.31
07/25/19	07/25/19	Coupon		FHMS KP04 AG1 1MOFRN CMBS MAT 07/25/20 Cpn 2.65 3137FBUV6		2,142.49	0.00	0.00	2,142.49
07/25/19	07/25/19	Coupon		FMPRE 2017-KT01 A 1MOFRN CMB MAT 02/25/20 Cpn 2.59 30258EAA3		1,543.39	0.00	0.00	1,543.39

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

07/01/2019  
 through 07/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/01/19	07/25/19	Coupon		FNA 2011-M5 A2 CMBS MAT 07/25/21 Cpn 2.94 3136A07H4		357.27	0.00	0.00	357.27
07/01/19	07/25/19	Coupon		FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ		0.99	0.00	0.00	0.99
07/25/19	07/25/19	Coupon		INTL FINANCE CORP MAT 01/25/21 Cpn 2.25 45950KCM0		4,500.00	0.00	0.00	4,500.00
07/31/19	07/31/19	Coupon		U.S. TREASURY NOTE MAT 01/31/24 Cpn 2.50 9128285Z9		10,812.50	0.00	0.00	10,812.50
07/31/19	07/31/19	Coupon		U.S. TREASURY NOTE MAT 01/31/24 Cpn 2.50 9128285Z9		5,412.50	0.00	0.00	5,412.50
						<u>86,514.16</u>	<u>0.00</u>	<u>0.00</u>	<u>86,514.16</u>
07/01/19	07/01/19	Income	1,215.480	STIF INT MAT Cpn USD		1,215.48	0.00	0.00	1,215.48
07/05/19	07/08/19	Sell Long	3,325,000.000	U.S. TREASURY NOTE MAT 05/31/21 Cpn 2.13 9128286V7	3,339,535.74	7,335.89	(142.18)	0.00	3,346,871.63
07/03/19	07/08/19	Sell Long	760,000.000	U.S. TREASURY NOTE MAT 05/31/24 Cpn 2.00 912828XT2	769,527.14	1,578.14	6,260.57	0.00	771,105.28
07/05/19	07/08/19	Sell Long	2,870,000.000	U.S. TREASURY NOTE MAT 08/15/20 Cpn 1.50 9128282Q2	2,854,295.07	17,005.94	0.00	(9,431.65)	2,871,301.01
07/08/19	07/09/19	Sell Long	1,960,000.000	U.S. TREASURY NOTE MAT 04/15/22 Cpn 2.25 9128286M7	1,981,430.93	10,241.80	22,560.93	0.00	1,991,672.73
07/08/19	07/09/19	Sell Long	4,420,000.000	U.S. TREASURY NOTE MAT 10/15/20 Cpn 1.63 9128282Z2	4,400,302.38	16,680.67	0.00	(12,824.50)	4,416,983.05

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT  
 Account Number:

07/01/2019  
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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/17/19	07/18/19	Sell Long	440,000.000	U.S. TREASURY NOTE MAT 10/15/20 Cpn 1.63 9128282Z2	438,245.40	1,836.34	0.00	(1,083.67)	440,081.74
07/25/19	07/30/19	Sell Long	310,000.000	U.S. TREASURY NOTE MAT 06/15/22 Cpn 1.75 9128286Y1	309,503.52	667.01	(77.91)	0.00	310,170.53
07/29/19	08/01/19	Sell Long	420,000.000	U.S. TREASURY NOTE MAT 06/15/22 Cpn 1.75 9128286Y1	419,507.81	943.85	73.83	0.00	420,451.66
			<u>14,505,000.000</u>		<u>14,512,347.99</u>	<u>56,289.64</u>	<u>28,675.23</u>	<u>(23,339.82)</u>	<u>14,568,637.63</u>
07/15/19	07/15/19	Pay Princpl	47,565.629	JOHN DEERE 2017-A A3 EQP MAT 04/15/21 Cpn 1.78 47787XAC1	47,565.63		0.00	64.15	47,565.63
07/15/19	07/15/19	Pay Princpl	52,714.570	NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2	52,714.57		0.00	2.53	52,714.57
07/15/19	07/15/19	Pay Princpl	71,235.905	NISSAN 2017-B A3 LEASE MAT 09/15/20 Cpn 2.05 65479BAD2	71,235.91		0.00	(50.64)	71,235.91
07/15/19	07/15/19	Pay Princpl	35,313.521	TOYOTA 2017-A A3 CAR MAT 02/16/21 Cpn 1.73 89238MAD0	35,313.52		0.00	0.92	35,313.52
07/15/19	07/15/19	Pay Princpl	50,334.875	TOYOTA 2017-B A3 CAR MAT 07/15/21 Cpn 1.76 89190BAD0	50,334.88		0.00	1.30	50,334.88
07/15/19	07/15/19	Pay Princpl	16,287.385	USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1	16,287.39		0.00	0.51	16,287.39
07/25/19	07/25/19	Pay Princpl	34,771.785	BMW 2016-A A3 CAR MAT 11/25/20 Cpn 1.16 05582QAD9	34,771.79		0.00	36.12	34,771.79
07/01/19	07/25/19	Pay Princpl	28,717.161	FHMS J22F A1 CMBS MAT 05/25/23 Cpn 3.45 3137FJYA1	28,717.16		0.67	0.00	28,717.16
07/01/19	07/25/19	Pay Princpl	63,997.236	FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8	63,997.24		0.00	21.35	63,997.24

TRANSACTIONS BY TYPE

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 Account Number:

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/25/19	07/25/19	Pay Princpl	36,642.967	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.65 3137FJXN4	36,642.97		0.00	0.00	36,642.97
07/25/19	07/25/19	Pay Princpl	970,000.000	FHMS KP04 AG1 1MOFRN CMBS MAT 07/25/20 Cpn 2.65 3137FBUV6	970,000.00		0.00	0.00	970,000.00
07/01/19	07/25/19	Pay Princpl	1,652.670	FNA 2011-M5 A2 CMBS MAT 07/25/21 Cpn 2.94 3136A07H4	1,652.67		6.81	0.00	1,652.67
07/01/19	07/25/19	Pay Princpl	725.069	FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ	725.07		0.00	(0.44)	725.07
			<u>1,409,958.772</u>		<u>1,409,958.80</u>		<u>7.48</u>	<u>75.80</u>	<u>1,409,958.80</u>

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

07/01/2019  
through 07/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/01/19	07/02/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	(49,958,777.78)		0.00	0.00	(49,958,777.78)
07/01/19	07/02/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	(24,979,388.89)		0.00	0.00	(24,979,388.89)
07/05/19	07/05/19	Buy	30,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn 912796VK2	(29,992,833.33)		0.00	0.00	(29,992,833.33)
07/05/19	07/08/19	Buy	2,050,000.000	NESTLE FINANCE INTL CP MAT 07/22/19 Cpn 64105SUN6	(2,048,142.47)		0.00	0.00	(2,048,142.47)
07/08/19	07/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	(49,979,320.83)		0.00	0.00	(49,979,320.83)
07/08/19	07/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	(49,979,320.83)		0.00	0.00	(49,979,320.83)
07/08/19	07/09/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	(49,936,970.83)		0.00	0.00	(49,936,970.83)
07/09/19	07/09/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	(24,968,317.71)		0.00	0.00	(24,968,317.71)
07/09/19	07/09/19	Buy	4,000,000.000	CA LOS ANGELES MTA CP TXB MAT 08/06/19 Cpn 2.35 54531HAJ6	(4,000,000.00)		0.00	0.00	(4,000,000.00)
07/08/19	07/10/19	Buy	5,261,000.000	NISSAN 2019-A A2A CAR MAT 01/18/22 Cpn 2.82 65479KAB6	(5,282,167.30)	(10,302.79)	0.00	0.00	(5,292,470.09)
07/09/19	07/10/19	Buy	5,000,000.000	NATL RURAL UTILITIES CP MAT 07/22/19 Cpn 63743DUN9	(4,996,100.00)		0.00	0.00	(4,996,100.00)
07/10/19	07/10/19	Buy	5,000,000.000	CT YALE UNIVERSITY CP-TXBL MAT 08/07/19 Cpn 98459SV70	(4,990,935.00)		0.00	0.00	(4,990,935.00)
07/09/19	07/11/19	Buy	1,712,000.000	CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2	(1,708,455.63)	(2,472.89)	0.00	0.00	(1,710,928.52)

TRANSACTIONS BY TYPE

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Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/11/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn	912796QR3	(49,983,083.33)		0.00	0.00	(49,983,083.33)
07/11/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn	912796QR3	(49,983,083.33)		0.00	0.00	(49,983,083.33)
07/11/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn	912796QR3	(49,983,083.33)		0.00	0.00	(49,983,083.33)
07/11/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn	912796QR3	(49,983,083.33)		0.00	0.00	(49,983,083.33)
07/11/19	07/12/19	Buy	20,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn	912796QR3	(19,993,233.33)		0.00	0.00	(19,993,233.33)
07/12/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/26/19 Cpn	912796SK6	(49,780,972.22)		0.00	0.00	(49,780,972.22)
07/12/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/26/19 Cpn	912796SK6	(49,780,972.22)		0.00	0.00	(49,780,972.22)
07/12/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/26/19 Cpn	912796SK6	(49,780,972.22)		0.00	0.00	(49,780,972.22)
07/12/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/26/19 Cpn	912796SK6	(49,780,972.22)		0.00	0.00	(49,780,972.22)
07/12/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/26/19 Cpn	912796SK6	(49,780,972.22)		0.00	0.00	(49,780,972.22)
07/12/19	07/12/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 09/26/19 Cpn	912796SK6	(49,780,972.22)		0.00	0.00	(49,780,972.22)
07/12/19	07/12/19	Buy	36,000,000.000	U.S. TREASURY BILL MAT 09/26/19 Cpn	912796SK6	(35,842,300.00)		0.00	0.00	(35,842,300.00)
07/11/19	07/12/19	Buy	20,000,000.000	U.S. TREASURY BILL MAT 09/03/19 Cpn	912796VT3	(19,938,240.28)		0.00	0.00	(19,938,240.28)

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/10/19	07/12/19	Buy	1,775,000.000	CITI 2017-A3 A3 CDT MAT 04/07/22 Cpn 1.92 17305EGB5	(1,770,839.84)	(8,993.33)	0.00	0.00	(1,779,833.17)
07/10/19	07/12/19	Buy	2,180,000.000	CHASE 2017-A1 A CDT 1MOFRN MAT 01/15/22 Cpn 2.63 161571HJ6	(2,182,895.30)	(4,078.80)	0.00	0.00	(2,186,974.10)
07/15/19	07/16/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn 912796QR3	(49,994,680.56)		0.00	0.00	(49,994,680.56)
07/15/19	07/16/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	(49,959,856.94)		0.00	0.00	(49,959,856.94)
07/15/19	07/16/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	(49,959,856.94)		0.00	0.00	(49,959,856.94)
07/15/19	07/16/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	(24,979,928.47)		0.00	0.00	(24,979,928.47)
07/15/19	07/16/19	Buy	25,000,000.000	U.S. TREASURY BILL MAT 08/20/19 Cpn 912796VR7	(24,949,006.94)		0.00	0.00	(24,949,006.94)
07/17/19	07/18/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/20/19 Cpn 912796VR7	(49,905,354.17)		0.00	0.00	(49,905,354.17)
07/11/19	07/18/19	Buy	3,000,000.000	INTER-AMERICAN DEVELOPMENT MAT 03/15/22 Cpn 2.48 45818WCM	(2,999,010.00)	(7,222.54)	0.00	0.00	(3,006,232.54)
07/09/19	07/19/19	Buy	4,750,000.000	FHMS Q009 A 1MOFRN CMBS MAT 04/25/24 Cpn 2.79 3137FMTW	(4,750,000.00)		0.00	0.00	(4,750,000.00)
07/19/19	07/22/19	Buy	5,000,000.000	NESTLE FINANCE INTL CP MAT 09/18/19 Cpn 64105SWJ3	(4,981,875.00)		0.00	0.00	(4,981,875.00)
07/22/19	07/22/19	Buy	5,000,000.000	NATL RURAL UTILITIES CP MAT 07/29/19 Cpn 63743DUV1	(4,997,715.28)		0.00	0.00	(4,997,715.28)
07/22/19	07/23/19	Buy	40,000,000.000	U.S. TREASURY BILL MAT 08/20/19 Cpn 912796VR7	(39,935,444.44)		0.00	0.00	(39,935,444.44)

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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/23/19	07/23/19	Buy	5,000,000.000	CA STATE GO/ULT CP TXB MAT 10/17/19 Cpn 2.30 13068BEF0	(5,000,000.00)		0.00	0.00	(5,000,000.00)
07/22/19	07/23/19	Buy	50,000,000.000	FNMA DISCOUNT NOTE MAT 07/24/19 Cpn 313588JN6	(49,996,958.33)		0.00	0.00	(49,996,958.33)
07/22/19	07/23/19	Buy	10,000,000.000	FNMA DISCOUNT NOTE MAT 07/24/19 Cpn 313588JN6	(9,999,391.67)		0.00	0.00	(9,999,391.67)
07/24/19	07/24/19	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 07/25/19 Cpn 313384JP5	(49,996,875.00)		0.00	0.00	(49,996,875.00)
07/16/19	07/24/19	Buy	3,420,000.000	NISSAN 2019-B A2B LEASE MAT 10/15/21 Cpn 2.58 65478LAC3	(3,420,000.00)		0.00	0.00	(3,420,000.00)
07/23/19	07/25/19	Buy	2,220,000.000	CA RIVERSIDE SWR REV BAB TXB MAT 08/01/39 Cpn 7.20 769047HB0	(2,221,776.00)	(77,256.00)	0.00	0.00	(2,299,032.00)
07/25/19	07/26/19	Buy	5,000,000.000	MIZUHO BANK LTD YCD MAT 01/27/20 Cpn 2.31 60710ACG5	(5,000,000.00)		0.00	0.00	(5,000,000.00)
07/26/19	07/30/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn 912796QV4	(49,956,077.78)		0.00	0.00	(49,956,077.78)
07/26/19	07/30/19	Buy	50,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn 912796QV4	(49,956,077.78)		0.00	0.00	(49,956,077.78)
07/26/19	07/30/19	Buy	30,000,000.000	U.S. TREASURY BILL MAT 08/15/19 Cpn 912796QV4	(29,973,646.67)		0.00	0.00	(29,973,646.67)
07/29/19	07/31/19	Buy	3,000,000.000	STATE STREET BANK CD FRN MAT 10/07/19 Cpn 2.46 8574P1MB9	(3,000,219.00)	(4,722.92)	0.00	0.00	(3,004,941.92)



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Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Fixed Income - cont.									
07/23/19	07/31/19	Buy	2,370,000.000	USAOT 2019-1 A2 CAR MAT 02/15/22 Cpn 2.26 90290EAB5	(2,369,866.33)		0.00	0.00	(2,369,866.33)
			<u>1,451,738,000.000</u>		<u>(1,449,470,023.29)</u>	<u>(115,049.27)</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,449,585,072.56)</u>
07/08/19	07/08/19	Coupon		NGN 2010-R1 1A 1MOFRN NCUA G MAT 10/07/20 Cpn 2.81 62888VAA6		4,970.54	0.00	0.00	4,970.54
07/08/19	07/08/19	Coupon		NGN 2010-R3 2A 1MOFRN NCUA G MAT 12/08/20 Cpn 2.92 62888WAB2		6,561.09	0.00	0.00	6,561.09
07/08/19	07/08/19	Coupon		NGN 2011-R1 1A 1MOFRN NCUA G MAT 01/08/20 Cpn 2.81 62888YAA0		3,085.57	0.00	0.00	3,085.57
07/09/19	07/09/19	Coupon		CA LOS ANGELES MTA CP TXB MAT 07/09/19 Cpn 2.54 54531HAA5		20,876.71	0.00	0.00	20,876.71
07/15/19	07/15/19	Coupon		AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3		1,954.13	0.00	0.00	1,954.13
07/15/19	07/15/19	Coupon		AMEX 2017-1 A CDT MAT 09/15/22 Cpn 1.93 02587AAJ3		8,041.67	0.00	0.00	8,041.67
07/15/19	07/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		4,208.75	0.00	0.00	4,208.75
07/15/19	07/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		430.63	0.00	0.00	430.63
07/15/19	07/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		3,250.00	0.00	0.00	3,250.00
07/15/19	07/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		812.50	0.00	0.00	812.50

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07/15/19	07/15/19	Coupon		BACCT 2017-A1 A1 CDT MAT 08/15/22 Cpn 1.95 05522RCW6		6,500.00	0.00	0.00	6,500.00
07/15/19	07/15/19	Coupon		CHASE 2017-A1 A CDT 1MOFRN MAT 01/15/22 Cpn 2.63 161571HJ6		4,568.25	0.00	0.00	4,568.25
07/15/19	07/15/19	Coupon		CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2		8,125.00	0.00	0.00	8,125.00
07/15/19	07/15/19	Coupon		CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2		4,833.33	0.00	0.00	4,833.33
07/15/19	07/15/19	Coupon		CAPITAL ONE 2017-A1 A1 CDT MAT 01/17/23 Cpn 2.00 14041NFK2		2,853.33	0.00	0.00	2,853.33
07/15/19	07/15/19	Coupon		DRYROCK 2015-1 A CDT MAT 12/15/22 Cpn 2.20 06742LAH6		9,166.67	0.00	0.00	9,166.67
07/15/19	07/15/19	Coupon		FIFTH THIRD 2019-1 A1 CAR MAT 05/15/20 Cpn 2.58 31680YAA5		2,165.61	0.00	0.00	2,165.61
07/15/19	07/15/19	Coupon		HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8		545.03	0.00	0.00	545.03
07/15/19	07/15/19	Coupon		HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8		467.60	0.00	0.00	467.60
07/15/19	07/15/19	Coupon		HARLEY 2019-A A2 CYCLE MAT 05/15/22 Cpn 2.37 41284WAB6		6,254.17	0.00	0.00	6,254.17
07/15/19	07/15/19	Coupon		JOHN DEERE 2017-B A3 EQP MAT 10/15/21 Cpn 1.82 47788BAD6		3,103.97	0.00	0.00	3,103.97
07/15/19	07/15/19	Coupon		JOHN DEERE 2018-A A3 EQP MAT 04/18/22 Cpn 2.66 47788CAC6		2,881.67	0.00	0.00	2,881.67
07/15/19	07/15/19	Coupon		JOHN DEERE 2019-A A1 EQP MAT 03/16/20 Cpn 2.63 47789JAA4		2,718.82	0.00	0.00	2,718.82

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07/15/19	07/15/19	Coupon		MERCEDES 2018-A A4 LEASE MAT 10/16/23 Cpn 2.51 58772QAE6		1,568.75	0.00	0.00	1,568.75
07/15/19	07/15/19	Coupon		MERCEDES 2018-A A4 LEASE MAT 10/16/23 Cpn 2.51 58772QAE6		2,583.21	0.00	0.00	2,583.21
07/15/19	07/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		5,794.25	0.00	0.00	5,794.25
07/15/19	07/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		1,003.33	0.00	0.00	1,003.33
07/15/19	07/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		2,633.75	0.00	0.00	2,633.75
07/15/19	07/15/19	Coupon		MERCEDES 2019-A A2 LEASE MAT 02/16/21 Cpn 3.01 58772TAB6		4,013.33	0.00	0.00	4,013.33
07/15/19	07/15/19	Coupon		NISSAN 2017-B A2A LEASE MAT 12/16/19 Cpn 1.83 65479BAB6		275.88	0.00	0.00	275.88
07/15/19	07/15/19	Coupon		NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7		4,252.05	0.00	0.00	4,252.05
07/15/19	07/15/19	Coupon		NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7		2,555.88	0.00	0.00	2,555.88
07/15/19	07/15/19	Coupon		NISSAN 2019-A A1 LEASE MAT 04/15/20 Cpn 2.60 65479PAA7		1,146.20	0.00	0.00	1,146.20
07/15/19	07/15/19	Coupon		NISSAN 2019-A A2A LEASE MAT 07/15/21 Cpn 2.71 65479PAB5		7,129.56	0.00	0.00	7,129.56
07/15/19	07/15/19	Coupon		NISSAN 2019-A A2A LEASE MAT 07/15/21 Cpn 2.71 65479PAB5		9,259.17	0.00	0.00	9,259.17
07/15/19	07/15/19	Coupon		NISSAN 2019-A A1 CAR MAT 02/18/20 Cpn 2.71 65479KAA8		2,120.42	0.00	0.00	2,120.42

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07/15/19	07/15/19	Coupon		NISSAN 2019-A A2A CAR MAT 01/18/22 Cpn 2.82 65479KAB6		12,363.35	0.00	0.00	12,363.35
07/15/19	07/15/19	Coupon		STATE STREET BANK CD FRN MAT 11/15/19 Cpn 2.42 8574P1ME3		3,767.78	0.00	0.00	3,767.78
07/15/19	07/15/19	Coupon		TOYOTA 2018-A A2A CAR MAT 10/15/20 Cpn 2.10 89238BAB8		4,966.60	0.00	0.00	4,966.60
07/15/19	07/15/19	Coupon		TOYOTA 2018-A A3 CAR MAT 05/16/22 Cpn 2.35 89238BAD4		7,269.33	0.00	0.00	7,269.33
07/15/19	07/15/19	Coupon		TOYOTA 2019-A A2A CAR MAT 10/15/21 Cpn 2.83 89239AAB9		2,735.67	0.00	0.00	2,735.67
07/15/19	07/15/19	Coupon		TOYOTA 2019-A A2A CAR MAT 10/15/21 Cpn 2.83 89239AAB9		4,256.79	0.00	0.00	4,256.79
07/15/19	07/15/19	Coupon		USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1		3,150.08	0.00	0.00	3,150.08
07/18/19	07/18/19	Coupon		BNP PARIBAS YCD FRN MAT 09/18/19 Cpn 2.44 05586FYA9		3,950.74	0.00	0.00	3,950.74
07/18/19	07/18/19	Coupon		HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4		890.22	0.00	0.00	890.22
07/18/19	07/18/19	Coupon		HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4		3,482.90	0.00	0.00	3,482.90
07/20/19	07/20/19	Coupon		BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8		7,688.17	0.00	0.00	7,688.17
07/20/19	07/20/19	Coupon		BMW 2018-1 A3 LEASE MAT 07/20/21 Cpn 3.26 05586CAC8		624.83	0.00	0.00	624.83
07/20/19	07/20/19	Coupon		BMW 2019-1 A2 LEASE MAT 03/22/21 Cpn 2.79 05586VAB8		3,766.50	0.00	0.00	3,766.50

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07/22/19	07/22/19	Coupon		SVENSKA HANDELSBANKEN NY Y MAT 10/21/19 Cpn 2.55 86958JC98		17,884.38	0.00	0.00	17,884.38
07/23/19	07/23/19	Coupon		CA STATE GO/ULT CP TXB MAT 07/23/19 Cpn 2.70 13068BEC7		24,854.79	0.00	0.00	24,854.79
07/01/19	07/25/19	Coupon		FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8		3,136.56	0.00	0.00	3,136.56
07/25/19	07/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.65 3137FJXN4		3,812.84	0.00	0.00	3,812.84
07/25/19	07/25/19	Coupon		FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.65 3137FJXN4		1,565.27	0.00	0.00	1,565.27
07/01/19	07/25/19	Coupon		FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ		10.44	0.00	0.00	10.44
07/26/19	07/26/19	Coupon		MIZUHO BANK YCD FRN MAT 07/26/19 Cpn 60700A6T6		16,470.87	0.00	0.00	16,470.87
07/31/19	07/31/19	Coupon		U.S. TREASURY FRN MAT 04/30/20 Cpn 2.08 9128284K3		145,702.28	0.00	0.00	145,702.28
						<u>425,061.21</u>	<u>0.00</u>	<u>0.00</u>	<u>425,061.21</u>
07/01/19	07/01/19	Income	308.140	ADJ NET P&I MAT Cpn USD		308.14	0.00	0.00	308.14
07/01/19	07/01/19	Income	126,697.470	STIF INT MAT Cpn USD		126,697.47	0.00	0.00	126,697.47
			<u>127,005.610</u>			<u>127,005.61</u>	<u>0.00</u>	<u>0.00</u>	<u>127,005.61</u>

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07/01/19	07/01/19	Contributn	20,000,000.000	NM - CLIENT DIRECTED TO HOLD I MAT Cpn USD	20,000,000.00		0.00	0.00	20,000,000.00
07/11/19	07/11/19	Contributn	340,000,000.000	NM MAT Cpn USD	340,000,000.00		0.00	0.00	340,000,000.00
07/12/19	07/12/19	Contributn	240,000,000.000	NM MAT Cpn USD	240,000,000.00		0.00	0.00	240,000,000.00
			<u>600,000,000.000</u>		<u>600,000,000.00</u>		<u>0.00</u>	<u>0.00</u>	<u>600,000,000.00</u>
07/12/19	07/15/19	Sell Long	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	49,879,716.67	117,325.00	129.17	0.00	49,997,041.67
07/12/19	07/15/19	Sell Long	25,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	24,939,858.33	58,662.50	64.58	0.00	24,998,520.83
07/19/19	07/22/19	Sell Long	50,000,000.000	U.S. TREASURY BILL MAT 07/23/19 Cpn 912796VM8	49,919,340.98	77,812.50	35.41	0.00	49,997,153.47
07/26/19	07/29/19	Sell Long	50,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	49,937,144.44	60,027.78	173.61	0.00	49,997,172.22
07/26/19	07/29/19	Sell Long	20,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	19,974,730.00	24,138.89	75.84	0.00	19,998,868.89
			<u>195,000,000.000</u>		<u>194,650,790.42</u>	<u>337,966.66</u>	<u>478.61</u>	<u>0.00</u>	<u>194,988,757.08</u>
07/08/19	07/08/19	Pay Princpl	91,474.780	NGN 2010-R1 1A 1MOFRN NCUA G MAT 10/07/20 Cpn 2.81 62888VAA6	91,474.78		(135.24)	0.00	91,474.78
07/08/19	07/08/19	Pay Princpl	31,639.535	NGN 2010-R3 2A 1MOFRN NCUA G MAT 12/08/20 Cpn 2.92 62888WAB2	31,639.53		(72.21)	0.00	31,639.53
07/08/19	07/08/19	Pay Princpl	54,464.296	NGN 2011-R1 1A 1MOFRN NCUA G MAT 01/08/20 Cpn 2.81 62888YAA0	54,464.30		(20.19)	0.00	54,464.30

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07/15/19	07/15/19	Pay Princpl	254,448.577	FIFTH THIRD 2019-1 A1 CAR MAT 05/15/20 Cpn 2.58 31680YAA5	254,448.58		0.00	0.00	254,448.58
07/15/19	07/15/19	Pay Princpl	28,982.955	HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8	28,982.96		87.42	0.00	28,982.96
07/15/19	07/15/19	Pay Princpl	24,865.158	HONDA 2017-2 A3 CAR MAT 08/16/21 Cpn 1.68 43811BAC8	24,865.16		87.03	0.00	24,865.16
07/15/19	07/15/19	Pay Princpl	117,534.906	JOHN DEERE 2017-B A3 EQP MAT 10/15/21 Cpn 1.82 47788BAD6	117,534.91		383.35	0.00	117,534.91
07/15/19	07/15/19	Pay Princpl	236,761.170	JOHN DEERE 2019-A A1 EQP MAT 03/16/20 Cpn 2.63 47789JAA4	236,761.17		0.00	0.00	236,761.17
07/15/19	07/15/19	Pay Princpl	180,906.333	NISSAN 2017-B A2A LEASE MAT 12/16/19 Cpn 1.83 65479BAB6	180,906.33		0.00	(0.00)	180,906.33
07/15/19	07/15/19	Pay Princpl	106,645.820	NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7	106,645.82		1.18	0.00	106,645.82
07/15/19	07/15/19	Pay Princpl	64,104.045	NISSAN 2018-A A2A LEASE MAT 02/16/21 Cpn 3.03 65478BAB7	64,104.05		(232.11)	0.00	64,104.05
07/15/19	07/15/19	Pay Princpl	117,268.200	NISSAN 2019-A A1 LEASE MAT 04/15/20 Cpn 2.60 65479PAA7	117,268.20		0.00	0.00	117,268.20
07/15/19	07/15/19	Pay Princpl	311,100.369	NISSAN 2019-A A1 CAR MAT 02/18/20 Cpn 2.71 65479KAA8	311,100.37		0.00	0.00	311,100.37
07/15/19	07/15/19	Pay Princpl	548,245.447	TOYOTA 2018-A A2A CAR MAT 10/15/20 Cpn 2.10 89238BAB8	548,245.45		0.00	10.56	548,245.45
07/15/19	07/15/19	Pay Princpl	269,420.492	USAA 2017-1 A3 CAR MAT 05/17/21 Cpn 1.70 90290AAC1	269,420.49		0.00	8.32	269,420.49
07/18/19	07/18/19	Pay Princpl	41,817.917	HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4	41,817.92		123.85	0.00	41,817.92

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07/18/19	07/18/19	Pay Princpl	163,608.785	HONDA 2017-3 A3 CAR MAT 09/20/21 Cpn 1.79 43814PAC4	163,608.79		419.99	0.00	163,608.79
07/01/19	07/25/19	Pay Princpl	178,028.674	FHMS K504 A2 CMBS MAT 09/25/20 Cpn 2.57 3137BMLC8	178,028.67		746.83	0.00	178,028.67
07/25/19	07/25/19	Pay Princpl	107,110.212	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.65 3137FJXN4	107,110.21		(0.00)	0.00	107,110.21
07/25/19	07/25/19	Pay Princpl	43,971.561	FHMS KI03 A 1MOFRN CMBS MAT 02/25/23 Cpn 2.65 3137FJXN4	43,971.56		63.08	0.00	43,971.56
07/01/19	07/25/19	Pay Princpl	7,613.220	FNA 2015-M13 ASQ2 CMBS MAT 09/25/19 Cpn 1.65 3136AQDQ	7,613.22		0.00	(4.60)	7,613.22
			<u>2,980,012.450</u>		<u>2,980,012.47</u>		<u>1,452.98</u>	<u>14.28</u>	<u>2,980,012.47</u>
07/02/19	07/02/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/02/19 Cpn 912796VJ5	49,865,279.17	134,720.83	0.00	0.00	50,000,000.00
07/02/19	07/02/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/02/19 Cpn 912796VJ5	49,868,686.11	131,313.89	0.00	0.00	50,000,000.00
07/05/19	07/05/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/05/19 Cpn 912796RW1	49,937,700.00	62,300.00	0.00	0.00	50,000,000.00
07/05/19	07/05/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/05/19 Cpn 912796RW1	49,937,875.00	62,125.00	0.00	0.00	50,000,000.00
07/08/19	07/08/19	Mature Long	2,050,000.000	JPMORGAN SECURITIES CP MAT 07/08/19 Cpn 46640QU82	2,036,205.21	13,794.79	0.00	0.00	2,050,000.00
07/09/19	07/09/19	Mature Long	30,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn 912796VK2	29,907,720.00	92,280.00	0.00	0.00	30,000,000.00
07/09/19	07/09/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn 912796VK2	49,872,750.00	127,250.00	0.00	0.00	50,000,000.00



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07/09/19	07/09/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn 912796VK2	49,926,562.50	73,437.50	0.00	0.00	50,000,000.00
07/09/19	07/09/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn 912796VK2	24,963,012.15	36,987.85	0.00	0.00	25,000,000.00
07/09/19	07/09/19	Mature Long	30,000,000.000	U.S. TREASURY BILL MAT 07/09/19 Cpn 912796VK2	29,992,833.33	7,166.67	0.00	0.00	30,000,000.00
07/09/19	07/09/19	Mature Long	4,000,000.000	CA LOS ANGELES MTA CP TXB MAT 07/09/19 Cpn 2.54 54531HAA5	4,000,000.00		0.00	0.00	4,000,000.00
07/10/19	07/10/19	Mature Long	5,000,000.000	NATL RURAL UTILITIES CP MAT 07/10/19 Cpn 63743DUA7	4,995,430.56	4,569.44	0.00	0.00	5,000,000.00
07/10/19	07/10/19	Mature Long	3,400,000.000	YALE UNIVERSITY CP-TXBL MAT 07/10/19 Cpn 98459SUA4	3,378,325.00	21,675.00	0.00	0.00	3,400,000.00
07/16/19	07/16/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	24,939,793.75	60,206.25	0.00	0.00	25,000,000.00
07/16/19	07/16/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	49,958,777.78	41,222.22	0.00	0.00	50,000,000.00
07/16/19	07/16/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	24,979,388.89	20,611.11	0.00	0.00	25,000,000.00
07/16/19	07/16/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	49,979,320.83	20,679.17	0.00	0.00	50,000,000.00
07/16/19	07/16/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/16/19 Cpn 912796VL0	49,979,320.83	20,679.17	0.00	0.00	50,000,000.00
07/18/19	07/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn 912796QR3	49,983,083.33	16,916.67	0.00	0.00	50,000,000.00
07/18/19	07/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn 912796QR3	49,983,083.33	16,916.67	0.00	0.00	50,000,000.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

07/01/2019  
through 07/31/2019

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/18/19	07/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn 912796QR3		49,983,083.33	16,916.67	0.00	0.00	50,000,000.00
07/18/19	07/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn 912796QR3		49,983,083.33	16,916.67	0.00	0.00	50,000,000.00
07/18/19	07/18/19	Mature Long	20,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn 912796QR3		19,993,233.33	6,766.67	0.00	0.00	20,000,000.00
07/18/19	07/18/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/18/19 Cpn 912796QR3		49,994,680.56	5,319.44	0.00	0.00	50,000,000.00
07/22/19	07/22/19	Mature Long	2,050,000.000	NESTLE FINANCE INTL CP MAT 07/22/19 Cpn 64105SUN6		2,048,142.47	1,857.53	0.00	0.00	2,050,000.00
07/22/19	07/22/19	Mature Long	5,000,000.000	NATL RURAL UTILITIES CP MAT 07/22/19 Cpn 63743DUN9		4,996,100.00	3,900.00	0.00	0.00	5,000,000.00
07/23/19	07/23/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/23/19 Cpn 912796VM8		49,919,305.56	80,694.44	0.00	0.00	50,000,000.00
07/23/19	07/23/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/23/19 Cpn 912796VM8		49,925,575.00	74,425.00	0.00	0.00	50,000,000.00
07/23/19	07/23/19	Mature Long	4,000,000.000	CA STATE GO/ULT CP TXB MAT 07/23/19 Cpn 2.70 13068BEC7		4,000,000.00		0.00	0.00	4,000,000.00
07/24/19	07/24/19	Mature Long	50,000,000.000	FNMA DISCOUNT NOTE MAT 07/24/19 Cpn 313588JN6		49,996,958.33	3,041.67	0.00	0.00	50,000,000.00
07/24/19	07/24/19	Mature Long	10,000,000.000	FNMA DISCOUNT NOTE MAT 07/24/19 Cpn 313588JN6		9,999,391.67	608.33	0.00	0.00	10,000,000.00
07/25/19	07/25/19	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 07/25/19 Cpn 313384JP5		49,996,875.00	3,125.00	0.00	0.00	50,000,000.00
07/26/19	07/26/19	Mature Long	2,500,000.000	MIZUHO BANK YCD FRN MAT 07/26/19 Cpn 60700A6T6		2,500,000.00		0.00	0.00	2,500,000.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

07/01/2019  
through 07/31/2019

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
07/29/19	07/29/19	Mature Long	5,000,000.000	NATL RURAL UTILITIES CP MAT 07/29/19 Cpn 63743DUV1	4,997,715.28	2,284.72	0.00	0.00	5,000,000.00
07/30/19	07/30/19	Mature Long	5,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	4,993,663.54	6,336.46	(0.00)	0.00	5,000,000.00
07/30/19	07/30/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	49,959,856.94	40,143.06	0.00	0.00	50,000,000.00
07/30/19	07/30/19	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	49,959,856.94	40,143.06	0.00	0.00	50,000,000.00
07/30/19	07/30/19	Mature Long	25,000,000.000	U.S. TREASURY BILL MAT 07/30/19 Cpn 912796VN6	24,979,928.47	20,071.53	0.00	0.00	25,000,000.00
			<u>1,228,000,000.000</u>		<u>1,226,712,597.52</u>	<u>1,287,402.48</u>	<u>(0.00)</u>	<u>0.00</u>	<u>1,228,000,000.00</u>
07/01/19	07/01/19	Withdrawal	(60,000,000.000)	WD MAT Cpn USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
07/01/19	07/01/19	Withdrawal	(20,000,000.000)	WD MAT Cpn USD	(20,000,000.00)		(20,000,000.00)	0.00	(20,000,000.00)
07/01/19	07/01/19	Withdrawal	(3,431.590)	CUSTODY FEE MAT Cpn USD	(3,431.59)		(3,431.59)	0.00	(3,431.59)
07/08/19	07/08/19	Withdrawal	(80,000,000.000)	WD MAT Cpn USD	(80,000,000.00)		(80,000,000.00)	0.00	(80,000,000.00)
07/15/19	07/15/19	Withdrawal	(50,000,000.000)	WD MAT Cpn USD	(50,000,000.00)		(50,000,000.00)	0.00	(50,000,000.00)
07/18/19	07/18/19	Withdrawal	(240,000,000.000)	WD MAT Cpn USD	(240,000,000.00)		(240,000,000.00)	0.00	(240,000,000.00)
07/22/19	07/22/19	Withdrawal	(50,000,000.000)	WD MAT Cpn USD	(50,000,000.00)		(50,000,000.00)	0.00	(50,000,000.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN  
Account Number:

07/01/2019  
through 07/31/2019

<i>Tr Date</i>	<i>St Date</i>	<i>Transaction Type</i>	<i>Units</i>	<i>Description</i>			<i>Proceeds / (Cost)</i>	<i>Accrued Interest (Purch) or Sold</i>	<i>G/L &lt; 1 Yr Amort Cost</i>	<i>G/L &gt; 1 Yr Amort Cost</i>	<i>Total Amount</i>
07/25/19	07/25/19	Withdrawal	(60,000,000.000)	WD MAT	Cpn	USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
07/29/19	07/29/19	Withdrawal	(60,000,000.000)	WD MAT	Cpn	USD	(60,000,000.00)		(60,000,000.00)	0.00	(60,000,000.00)
			<u>(620,003,431.590)</u>				<u>(620,003,431.59)</u>		<u>(620,003,431.59)</u>	<u>0.00</u>	<u>(620,003,431.59)</u>

**LA CARE**  
**Cash Activity by Transaction Type GAAP Basis**  
Accounting Period From 07/01/2019 To 07/31/2019

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
BUY										
07/12/19	07/12/19	07/12/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	4,322,245.81	0.00	(4,322,245.81)	0.00	(4,322,245.81)
TOTAL BUY						4,322,245.81	0.00	(4,322,245.81)	0.00	(4,322,245.81)
DIVIDEND										
07/01/19	07/01/19	07/01/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	391,718.57	4,397.45	0.00	0.00	4,397.45
TOTAL DIVIDEND						391,718.57	4,397.45	0.00	0.00	4,397.45
INTEREST										
07/08/19	07/08/19	07/08/19	BKAMER19	89236TFS9	TOYOTA MOTOR CREDIT CORP	0.00	83,750.00	0.00	0.00	83,750.00
07/10/19	07/10/19	07/10/19	BKAMER19	59217GAX7	MET LIFE GLOB FUNDING I	0.00	45,000.00	0.00	0.00	45,000.00
07/11/19	07/11/19	07/11/19	BKAMER19	06051GEU9	BANK OF AMERICA CORP	0.00	45,375.00	0.00	0.00	45,375.00
07/11/19	07/11/19	07/11/19	BKAMER19	59217GCT4	MET LIFE GLOB FUNDING I	0.00	18,000.00	0.00	0.00	18,000.00
07/12/19	07/12/19	07/12/19	BKAMER19	02665WCT6	AMERICAN HONDA FINANCE	0.00	113,452.08	0.00	0.00	113,452.08
07/15/19	07/15/19	07/15/19	BKAMER19	48128BAB7	JPMORGAN CHASE & CO	0.00	74,300.00	0.00	0.00	74,300.00
07/22/19	07/22/19	07/22/19	BKAMER19	95000U2B8	WELLS FARGO & COMPANY	0.00	131,250.00	0.00	0.00	131,250.00
07/23/19	07/23/19	07/23/19	BKAMER19	17325FAS7	CITIBANK NA	0.00	169,725.00	0.00	0.00	169,725.00
07/23/19	07/23/19	07/23/19	BKAMER19	693475AV7	PNC FINANCIAL SERVICES	0.00	91,875.00	0.00	0.00	91,875.00
TOTAL INTEREST						0.00	772,727.08	0.00	0.00	772,727.08
SELL										
07/12/19	07/12/19	07/12/19	BKAMER19	09248U718	BLACKROCK LIQ FUND T-FD-IN	391,718.57	0.00	391,718.57	0.00	391,718.57
07/12/19	07/12/19	07/12/19	BKAMER19	585055BR6	MEDTRONIC INC	3,036,000.00	31,081.05	3,123,163.56	0.00	3,154,244.61
TOTAL SELL						3,427,718.57	31,081.05	3,514,882.13	0.00	3,545,963.18
WITHDRAW										
07/10/19	07/10/19	07/10/19	BKAMER19	CASHCASH6	C-04 BANK FEE	0.00	0.00	0.00	(841.90)	(841.90)
TOTAL WITHDRAW						0.00	0.00	0.00	(841.90)	(841.90)

**LA CARE**  
**Cash Activity by Transaction Type GAAP Basis**  
 Accounting Period From 07/01/2019 To 07/31/2019

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
GRAND TOTAL						8,141,682.95	808,205.58	(807,363.68)	(841.90)	0.00
Avg Date 12										

# BOARD OF GOVERNORS

## Finance & Budget Committee

### Meeting Minutes – June 24, 2019

1055 W. 7<sup>th</sup> Street, Los Angeles, CA 90017



**L.A. Care**  
HEALTH PLAN

#### Members

Robert H. Curry, *Chairperson* \*  
Stephanie Booth, MD  
Hector De La Torre  
Hilda Perez  
G. Michael Roybal, MD

#### Management/Staff

John Baackes, *Chief Executive Officer* \*  
Terry Brown, *Chief Human Resources Officer*  
Augustavia J. Haydel, Esq., *General Counsel*  
Dino Kasdagly, *Chief Operating Officer*  
Marie Montgomery, *Chief Financial Officer*  
Richard Seidman, MD, MPH, *Chief Medical Officer*

\*Absent \*\* Via Teleconference

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>  Hector De La Torre	Hector De La Torre, <i>Board Chairperson</i> , called the meeting to order at 1:05 p.m.  He welcomed everyone to the meeting and announced that members of the public may address the Committee on each matter listed on the agenda before or during the Committee's consideration of the item, or on any other topic at the Public Comment section.	
<b>APPROVE MEETING AGENDA</b>  Hector De La Torre	The Agenda for today's meeting was approved.	<b>Approved unanimously.</b> <b>3 AYES (Booth, De La Torre, and Roybal)</b>
<b>PUBLIC COMMENTS</b>	There were no public comments.	
<b>APPROVE MEETING MINUTES</b>  Hector De La Torre	The minutes of the May 28, 2019 meeting were approved as submitted.	<b>Approved unanimously.</b> <b>3 AYES</b>
<b>CHAIRPERSON'S REPORT</b>	John Baackes, <i>Chief Executive Officer</i> , is in Sacramento today and will not report to the Committee.	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
COMMITTEE ITEMS		
<p><b>Chief Financial Officer's Report</b> Marie Montgomery</p>	<p><i>(Member Perez joined the meeting.)</i></p> <p>Marie Montgomery, <i>Chief Financial Officer</i>, referred to the written reports included in the meeting material. <i>(A copy of her reports may be requested by contacting Board Services.)</i></p> <p>Financial Highlights for May 2019:</p> <ul style="list-style-type: none"> <li>• Membership of 2,179,156 is favorable to the forecast.</li> <li>• Deficit for the month is \$2.5 million, unfavorable to the forecast.</li> <li>• The month includes a \$37 million reduction in revenue to L.A. Care Covered as a result of the RADV audit, offset by a favorable adjustment of \$12.4 million to healthcare costs for RADV PPG Capitation and Shared Risk.</li> <li>• \$10 million in favorable claims compared to forecast.</li> <li>• Year to Date net surplus is \$212 million, ahead by \$44 million of forecasted surplus.</li> <li>• Revenue is favorable by \$28 million, driven by the updated Prop 56 rates from the state that are retroactive to July 2018 and GEMT program that went into effect last month, retro to July 1.</li> <li>• Operating margin by segment shows continued historical trends.</li> <li>• Administrative expenses are favorable to forecast by \$17 million, mostly due to timing of advertising, printing and mail expenditures and the reclassification of some IT costs from expenditures to capital.</li> <li>• Non-operating income is favorable by \$25 million driven by \$12.4 million grant timing, \$5.6 million investment income and \$7.4 million unrealized gains on investments.</li> <li>• Medical Care Ratio was 91.1% which is equal to forecast. The administrative ratio was 5.3% slightly better than the forecast.</li> <li>• The May 2019 Fund Balance was \$1 billion which represents 640% of Tangible Net Equity.</li> </ul> <p><b><u>Motion FIN 100.0719</u></b> <b>To accept the Financial Report for the periods ended May 2019, as submitted.</b></p>	<p>Approved unanimously. 4 AYES (Booth, De La Torre, Perez, and Roybal)</p>
<p><b>Investment Monthly Transactions Report</b> Marie Montgomery</p>	<p>Ms. Montgomery referred to the report on investment transactions included in the meeting materials for Committee member review. <i>(A copy of the report can be obtained by contacting Board Services.)</i></p> <p>As of May 31, 2019, the market value of L.A. Care's investments was \$1.9 billion.</p>	



AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> <li>• \$1.7 billion managed by Paydel &amp; Rygel and New England Asset Management</li> <li>• \$61 million in Local Agency Investment Fund</li> <li>• \$104 million in Los Angeles County Pooled Investment Fund</li> </ul>	
<p>Health Management Services Contract Extension</p> <p>Dino Kasdagly</p>	<p>Dino Kasdagly, <i>Chief Operating Officer</i>, presented a motion requesting approval to extend a contract with Health Management Services (HMS). Staff is requesting approval to increase the maximum amount of compensation in the Coordination of Benefits (COB) contract schedule A-3 with HMS to \$22 million and extend the term of the contract through December 31, 2023. This is an increase of \$12 million for a contract approved in September, 2017 with a maximum compensation amount of \$10 million. The increase is required due to this program generating more savings than originally projected, resulting in a corresponding increase in compensation to the vendor. The current contract is scheduled to end on December 31, 2020.</p> <p>Member Roybal asked if the information is used to correct the system. Mr. Kasdagly responded that staff is correcting claims processes and using prospective tools as well.</p> <p>Member Booth asked about sources of compensation and Mr. Kasdagly indicated the vendor is compensated through cost savings, and noted that the process is common practice.</p> <p><b><u>Motion FIN 101.0719</u></b>  <b>To increase authorized expenditure for the current contract with Health Management Systems (HMS) Coordination of Benefits not to exceed \$22 Million and to extend the contract through December 31, 2023.</b></p>	<p><b>Approved unanimously. 4 AYES (Booth, De La Torre, Perez, and Roybal)</b>  <b>The Committee approved placing this motion on the Consent Agenda for the July 25, 2019, Board of Governors meeting.</b></p>
<p>Cognizant Contract</p> <p>Dino Kasdagly</p>	<p>Mr. Kasdagly presented a motion requesting approval to replace the current IT staff augmentation contracts for production support services with a three-year Managed Services contract with a preferred vendor, Cognizant. A Managed Services contract is a service level agreement (SLA) with a managed service provider that outlines responsibilities for both parties, including which services the provider will deliver. L.A. Care currently has staff augmentation contracts with three vendors. Staff is consolidating to improve efficiency. L.A. Care will maintain oversight, and expects savings of \$500 million.</p> <p>Member Perez asked if there is any penalty for ending contracts, and Mr. Kasdagly responded that there is no penalty.</p>	<p><b>Approved unanimously. 4 AYES (Booth, De La Torre, Perez, and Roybal)</b>  <b>The Committee approved placing this</b></p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p><u>Motion FIN 102.0719</u>  <b>To authorize L.A. Care to execute a 3.5-year contract with Cognizant in an amount not to exceed \$4,900,000, for Information Technology Application Production Support.</b></p>	<p>motion on the Consent Agenda for the July 25, 2019, Board of Governors meeting.</p>
<p>FirstSource Contract Amendment  Richard Seidman, MD</p>	<p>Richard Seidman, MD, MPH, <i>Chief Medical Officer</i>, presented a motion requesting approval to amend a contract with FirstSource, a staff augmentation vendor that has provided services for L.A. Care's utilization management department since December 2017. L.A. Care uses temporary staff to support new initiatives, audits, and/or other short term increases in work volume. A consistent augmentation workforce provides L.A. Care with a pool of staff familiar with its processes, workflows, contracts and use of L.A. Care's core health system platform.</p> <p><u>Motion FIN A.0619</u>  <b>To authorize staff to execute a 12-month contract extension with FirstSource to provide UM authorization technician staff, adding \$800,000, for a total contract amount not to exceed \$1,625,000.</b></p>	<p>Approved unanimously.  4 AYES (Booth, De La Torre, Perez, and Roybal)</p>
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the items that the Committee will discuss in closed session. There was no public comment on the Closed Session items, and the meeting adjourned to closed session at 1:27 pm.</p> <p>CONTRACT RATES  Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> <li>• Plan Partner Rates</li> <li>• Provider Rates</li> <li>• DHCS Rates</li> </ul> <p><i>Agenda item Below was not discussed.</i></p> <p>REPORT INVOLVING TRADE SECRET  Pursuant to Welfare and Institutions Code Section 14087.38(n)  Discussion Concerning New Service, Program, Technology, Business Plan  Estimated date of public disclosure: <i>June 2021</i></p>	
<p><b>RECONVENE IN OPEN SESSION</b></p>	<p>The meeting reconvened in open session at 1:58 pm. No reportable actions were taken during the closed session.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
ADJOURNMENT	The meeting was adjourned at 1:59 pm.	

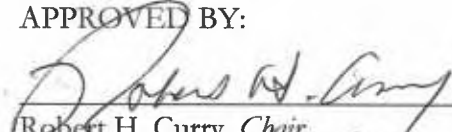
Respectfully submitted by:

Linda Merkens, *Senior Manager, Board Services*

Malou Balones, *Senior Board Specialist, Board Services*

Victor Rodriguez, *Board Specialist, Board Services*

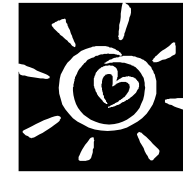
APPROVED BY:

  
 Robert H. Curry, *Chair*  
 Date signed 8/26/19

# BOARD OF GOVERNORS

## Compliance & Quality Committee Meeting

### Meeting Minutes – May 16, 2019



**L.A. Care**  
HEALTH PLAN

L.A. Care Health Plan CR 100, 1055 W. Seventh Street, Los Angeles, CA 90017

**Members**

Stephanie Booth, MD, *Chairperson*  
 Al Ballesteros, MBA  
 Christina R. Ghaly, MD \*  
 Hilda Perez  
 Courtney Powers, JD  
 Ilan Shapiro, MD \*

**Management**

Richard Seidman, MD, MPH *Chief Medical Officer*  
 Augustavia J. Haydel, *General Counsel*  
 Thomas Mapp, *Chief Compliance Officer*

\* *Absent* \*\* *Teleconference*

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>	Stephanie Booth, MD, <i>Committee Chairperson</i> , called the meeting to order at 2:10 pm.  She announced that members of the public may address the Committee on each matter listed on the agenda before or during the Committee’s consideration of the item, or on any other topic at the Public Comment section.	
<b>APPROVAL OF MEETING AGENDA</b>	After the agenda was published it was determined that the Committee will not need to go into closed session.  The Agenda was approved as amended.	<b>Approved unanimously. 4 AYES (Ballesteros, Booth, Perez, and Powers)</b>
<b>PUBLIC COMMENT</b>	There was no public comment.	
<b>APPROVAL OF MEETING MINUTES</b>	The March 21, 2019 meeting minutes were approved as submitted.  Chairperson Booth stated she would like the Committee to ask questions whenever they do not understand as there is extensive material to cover.	<b>Approved unanimously. 4 AYES</b>
<b>CHIEF MEDICAL OFFICER’S REPORT</b>  Richard Seidman, MD, MPH	Richard Seidman, MD, MPH, <i>Chief Medical Officer</i> , referred to his written report ( <i>a copy of the report can be requested from Board Services</i> ):  In late April, the Los Angeles County Department of Public Health (DPH) issued an alert notifying the provider community of an outbreak of 5-6 measles cases. The	

**APPROVED**

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>control efforts included message reminders to the public and provider community that the best way to prevent the spread of measles is to get vaccinated, and to inform people to call their doctor if they think they have the measles, rather than walking in to the office or going to an Emergency Room. Hundreds of individuals who were potentially exposed to an individual with the measles were quarantined until they were able to provide proof of immunization or the results of a blood test documenting immunity. Most of these individuals have since been released from quarantine. L.A. Care has provided information to its call center agents, providers, and employees to help cascade the information coming to us from DPH.</p> <p><b><u>Quality Improvement (QI)</u></b></p> <p><b>New Managed Care Accountability Set (MCAS)</b>  The Department of Health Care Services (DHCS) announced that it would be introducing significant changes in their quality management and oversight process and the set of measures Plans is required to report. This new required measures called the Managed Care Accountability Set (MCAS), formerly known as the External Accountability Set (EAS), increases the number of measures from 12 to 21. It will increase the minimum performance level (MPL) from the 25<sup>th</sup> to the 50<sup>th</sup> percentile of the National Medicaid performance levels. These changes are effective retroactively to January, 2019. The State has also announced the imposition of a more aggressive compliance posture including corrective action plans, required performance improvement projects, and financial penalties for failure to meet the MPL.</p> <p>The nine new measures include measures for Well Child visits in the first 15 months of life and Adolescent well care visits which had been previously retired and have not been reported to the State or to National Committee for Quality Assurance (NCQA) in the past four years. Both measures are hybrid measures which require chart retrieval for medical record review which adds time and cost to the Plan and is disruptive to practices having to provide access to their medical records.</p> <p>L.A. Care’s analysis of its recent performance on the new proposed measures indicates that L.A. Care’s performance fell below the 50<sup>th</sup> percentile in seven of the measures.</p> <p>L.A. Care supports all efforts to improve the quality of care provided to its members, and has actively participated in providing feedback directly to DHCS and through our trade associations. L.A. Care has also introduced suggestions that could improve the implementation and timeline for these changes.</p>	

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	<p><b><u>Behavioral Health and Social Services</u></b></p> <p>Emmi Monsour, <i>Behavioral Health Specialist</i>, presented Development of the Transgender Health Program (THP) at a Public Sector California Health Plan at the University of California San Francisco National Transgender Health Summit on April 12-14, 2019. The poster shared lessons learned in the formation and maintenance of the THP, and the program’s future goals and takeaways for providers and consumers. L.A. Care was the only managed care plan represented at the conference.</p> <p>Rose Kosyan, <i>Manager, Behavioral Health Clinic Services</i>, was an invited Panelist at the Cal MediConnect Convening on Behavioral Health Best Practices in Sacramento on March 13, 2019. L.A. Care presented its data sharing model and countywide screening tool for mental health and substance use assessment. Based on the panel presentations, Harbage Consulting prepared a Summary Report of Best Practices for consideration and dissemination by CMS and DHCS.</p> <p><b><u>Pharmacy</u></b></p> <p><b>Ambulatory Care Clinical Pharmacy Proposal</b></p> <p>L.A. Care’s Pharmacy Department is developing a proposal to engage a small number of practices in a pilot program to develop collaborative agreements between L.A. Care pharmacists and its network providers to assist in managing L.A. Care members with chronic conditions such as diabetes and high blood pressure. The plan is to evaluate the outcomes of the pilot to determine its impact on quality performance and utilization, including any impact on emergency room visits and inpatient admissions.</p> <p>Member Courtney Powers stated that the clinics remain concerned about the DHCS’ proposal to carve out pharmacy from managed care. The fiscal impacts of the 340B savings have been reported to be \$150 million statewide and \$25 million for clinics in Los Angeles. She is also concerned about the administrative impact and the impact on patient safety. She asked Dr. Seidman to provide more information about the alternative proposal to Jennifer Kent, Director, California Department of Health Care Services.</p> <p>Dr. Seidman responded that L.A. Care has been vocal about the negative impact of DHCS’ proposal to carve out pharmacy will have on the providers in the network. He noted that there seems to be less concern about proposal for a standard formulary.</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Even if the State would like to negotiate and purchase, L.A. Care would still like to administer pharmacy benefits for its members.</p> <p>The Committee discussed potential effects of the pilot program and ways it could improve member services and the Pharmacy carve out.</p> <p>Member Ballesteros stated that there are quite a few organizations that are trying to work on the Pharmacy carve out. The state association, California Primary Care Association, is taking a lead on it statewide. The net revenue that comes from the program goes to support those operations in addition to care coordination. There are many onsite pharmacists in the health centers that might not bring the same level of clinical pharmacy that Dr. Seidman is referring to. There will be a big loss in the safety net. Staff and care coordination will be severely affected. The Health Resources and Services Administration (HRSA) was trying to figure out how to get the Federally Qualified Health Centers (FQHC) to pay for clinical pharmacy services. It will hurt L.A. Care's contracted FQHCs.</p> <p>Dr. Seidman stated that L.A. Care will continue to participate in a positive and a supportive roles trying to offer alternatives and voice those types of concerns. The 340B is not just a loss for the plan it is a loss for the network. Coming from a clinic background, he is aware of the affects.</p>	
<p><b>CHIEF COMPLIANCE OFFICER REPORT</b></p> <p>Thomas Mapp</p>	<p>Thomas Mapp, <i>Chief Compliance Officer</i>, referred to his written report included in the meeting materials. <i>(A copy of his written report can be requested from Board Services).</i></p> <p>Mr. Mapp stated that there was significant discussion about a particular delegate at the last Board meeting's closed session.</p> <p>He introduced Sabrina Coleman, <i>Senior Director, Audit Services</i>, to provide an update on Delegation Oversight at L.A. Care.</p> <p><b><u>Delegation Oversight</u></b></p> <p>Compliance, Delegation Oversight Audit is closely monitoring the performance of delegates and escalating recurring deficiencies identified during annual audits. Delegates with recurring deficiencies and non-compliance will be escalated to the Sanctions Committee. L.A. Care is responsible for reviewing delegates performance. This is to ensure that L.A. Care's delegates are held accountable. The state has increased its interest in delegation oversight over the release of SB 503 which is being discussed by legislators.</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Mr. Mapp noted that it was proposed by Senator Richard Pan.</p> <p>Ms. Coleman noted the proposal is to conduct medical audits of L.A. Care’s delegated entities. L.A. Care is currently auditing in every delegated area. When the State asks L.A. Care to conduct medical audits, L.A. Care needed more guidance on how to do it. Compliance asked for more standardized tools that the State would want L.A. Care to use to conduct medical audits. Compliance is working with Government Affairs and other health plans to help steer the conversation. Compliance is also looking at process improvements, recurring issues, and delegates concerns. She pointed out that they are having monthly Sanctions Committee meetings where leaders are deliberating performance goals of our delegates.</p> <p><b><u>Sanctions Committee</u></b></p> <p>L.A. Care’s Sanctions Committee was established to address non-compliant performance of Plan Partners, Participating Provider Groups, and any other entity providing services on behalf of L.A. Care by recommending enforcement actions, monetary penalties, or other sanctions or performance penalties. The Sanctions Committee meets monthly to review and recommend sanctions to noncompliant providers.</p> <p>Mr. Mapp asked Ms. Coleman to provide details about L.A. Care’s coordination with plan partners.</p> <p>Ms. Coleman stated there have been discussions on having joint audits with L.A. Care’s Plan Partners. The goal is to streamline L.A. Care’s audit process and be more efficient. Some parts of the audits will be kept separate due to HIPAA regulations. This is a pilot program.</p> <p>Mr. Mapp stated that L.A. Care is looking to become more economically efficient with the resources it has.</p> <p>Chairperson Booth asked Mr. Mapp if the state conducts medical audits.</p> <p>Mr. Mapp responded that the State has a similar approach to how they audit L.A. Care. State audits are meant to put pressure on the plan and its delegates.</p> <p>Elysse Palomo, <i>Director, Regulatory Affairs, Compliance</i>, provided an update on the 2019 audits.</p> <p><b><u>2019 Centers for Medicaid &amp; Medicare Services (CMS) Validation Audit</u></b></p>	



AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>The purpose of the validation audit is to measure whether the Corrective Action Plans (CAPs) achieved the intended result by remediating the non-compliance found in last year’s program audit. To pass the validation audit, the following areas must meet the clean periods listed:</p> <ul style="list-style-type: none"> <li>• Service Authorization Requests, Appeals and Grievances (SARAG) and CDAG (Part C Org Determinations &amp; Part D Coverage Determinations, Appeals &amp; Grievances): May 1, 2019 – July 31, 2019</li> <li>• SARAG and CDAG Call Logs: May 5, 2019 – May 14, 2019</li> <li>• Compliance Program Effectiveness: April 16, 2019 – June 15, 2019</li> <li>• Care Coordination &amp; Quality Improvement Program Effectiveness – August 1, 2019 – October 29, 2019</li> </ul> <p>Member Ballesteros asked if L.A. Care publishes to its Participating Physicians Groups what it will be looking for so that they can monitor themselves all year long.</p> <p>Ms. Palomo responded that for this particular audit they provide education and tools so they can audit themselves.</p> <p><b><u>CMS Monitoring Program</u></b></p> <p>L.A. Care launched the CMS Monitoring program on April 8, 2019, to better monitor and remediate findings. Live reviews of care coordination cases with Delegates and Appeals &amp; Grievance are taking place, as well as service authorization request (SAR) data validations. Compliance reviews will continue to ensure 100% remediation is achieved.</p> <p><b><u>2019 Department of Health Care Services (DHCS) Medical Audit</u></b></p> <p>The onsite DHCS Medical Audit has been scheduled for July 15 –26, 2019. Compliance is currently completing CAP validation activities and policy &amp; procedure review for audit readiness.</p> <p>Yasamin Hafid, <i>Senior Director, Compliance (Risk Management and Operations Oversight)</i>, provided an update on Risk Management and Operations Support.</p> <p><b><u>Risk Management</u></b></p> <p>Risk Evaluation process training was conducted on March 22, 2019, for a select group of Managers and Directors. This training reviewed the fully automated risk assessment in C360. Process and system improvements have been made based on received</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	feedback. Additional training sessions took place the week of April 22, 2019 and the first week of May 2019.	
<p><b>POPULATION HEALTH MANAGEMENT PROGRAM</b></p> <p>Matthew Pirritano</p>	<p>Matthew Pirritano, <i>Director, Population Health Informatics, Quality Improvement</i>, presented L.A. Care’s Population Health Management Program (<i>a copy of the presentation can be requested from Board Services</i>).</p> <p>L.A. Care developed a Population Health Management (PHM) strategy to address NCQA’s new PHM standards for 2020 survey. This will provide services to members through patient-centered model of care, regardless of where the member lives on the continuum of health to improve members’ quality of life and meet members’ diverse care needs by improving quality of care and sustainably lowering cost.</p> <p>The PHM Program is L.A. Care’s strategy to conduct coordinated, collaborative Population Health programs through:</p> <ul style="list-style-type: none"> <li>• Health Education</li> <li>• Complex Case Management</li> <li>• Disease Management</li> <li>• Behavioral Health and Social Work</li> <li>• Utilization Management</li> <li>• Quality Improvement</li> <li>• Community programs and external partners</li> </ul> <p>The main components addressed in the PHM Program Description include:</p> <ul style="list-style-type: none"> <li>• Population Identification</li> <li>• Stratifying and risk-based segmentation</li> <li>• Member enrollment health appraisal and engagement</li> <li>• Intervention and monitoring</li> <li>• Evaluating program outcomes.</li> </ul> <p>Mr. Pirritano presented the HEDIS Results by Race and Ethnicity.</p> <p>Chairperson Booth asked if it is broken down differently for members who are new to L.A. Care, and if there are separate categories for children and pregnant women.</p> <p>Mr. Pirritano stated that the results were broken down by Region and members who are ages 0-19 have been separated. The length of membership was not considered, but may be considered at a later time.</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Dr. Seidman stated that the rules for the measures all have a minimum enrollment period. The results do not include new member data.</p> <p><b><u>PHM Population Assessment Areas of Focus</u></b></p> <ul style="list-style-type: none"> <li>• Findings within the top diagnosis data being investigated further with the PHM Cross-Functional Team include: <ul style="list-style-type: none"> <li>• Schizophrenia in 779 CMC members (5% of membership) <ul style="list-style-type: none"> <li>• 54% engaged with Primary Care Physician at office visits</li> <li>• Plan to look at comorbidities: diabetes and hyperlipidemia</li> </ul> </li> <li>• Fractures in 3,190 members 85+ years of age across all Line of Business (0.1% of membership) <ul style="list-style-type: none"> <li>• 56% of members with fractures in L.A. Care <ul style="list-style-type: none"> <li>• 22% of utilization from office visits</li> <li>• 47% of utilization from inpatient stays</li> </ul> </li> <li>• This will be shared with Leadership and a plan of action will be developed</li> </ul> </li> </ul> </li> </ul> <p><b><u>Mock Audit Update</u></b></p> <ul style="list-style-type: none"> <li>• All PHM Materials were submitted to QFHC Consultants for review and feedback.</li> <li>• Full Report will be presented 5/30/2019, but have mainly addressed mostly minor gaps identified by QFHC consultants.</li> </ul>	
<p><b>ADJOURN TO CLOSED SESSION</b></p>	<p>PEER REVIEW Welfare &amp; Institutions Code Section 14087.38(n)</p> <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Business Plan Estimated date of public disclosure: <i>May 2021</i></p> <p>CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION</p>	

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	Pursuant to Section 54956.9 (d) (2) of the Ralph M. Brown Act One potential case <i>(This agenda item was not discussed.)</i>	
<b>ADJOURNMENT</b>	The meeting was adjourned at 3:10 p.m.	

Respectfully submitted by:  
 Victor Rodriguez, *Board Specialist, Board Services*  
 Malou Balones, *Senior Board Specialist, Board Services*  
 Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:  
 \_\_\_\_\_  
 Stephanie Booth, MD, *Chairperson*  
 Date Signed: \_\_\_\_\_

AGENDA ITEM/ PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
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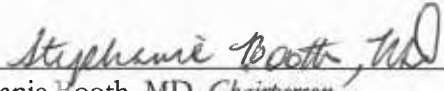
Respectfully submitted by:

Victor Rodriguez, *Board Specialist, Board Services*

Malou Balones, *Senior Board Specialist, Board Services*

Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:

  
 \_\_\_\_\_  
 Stephanie Booth, MD, *Chairperson*  
 Date Signed: 3/15/2019

# BOARD OF GOVERNORS

## Audit Committee Meeting Minutes – January 24, 2019

1055 W. 7th Street, Los Angeles, CA 90017

### Members

Stephanie Booth, MD, *Chairperson*

Alvaro Ballesteros, MBA

Layla Gonzalez-Delgado

*\* Absent \*\* Teleconference*

### Management/Staff

John Baackes, *Chief Executive Officer*

Augustavia J. Haydel, Esq., *General Counsel*

Marie Montgomery, *Chief Financial Officer*



**L.A. Care**  
HEALTH PLAN

### Guests

Khurram Siddiqui, *Partner, Deloitte & Touche*

Angelica Kocharova, *Audit Sr. Manager, Deloitte & Touche*

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<b>CALL TO ORDER</b>  Alvaro Ballesteros	Alvaro Ballesteros, <i>Committee Chair</i> , called the meeting to order at 10:15 am.  He announced that members of the public may address the Committee on each matter listed on the agenda before or during the Committee's consideration of the item, or on any other topic at the Public Comment section.	
<b>PUBLIC COMMENTS</b>	There were no public comments.	
<b>APPROVE MEETING AGENDA</b>  Alvaro Ballesteros	Today's Agenda was approved as submitted.	<b>Approved unanimously.</b> <b>2 AYES (Ballesteros and Booth)</b>
<b>APPROVE MEETING MINUTES</b>  Alvaro Ballesteros	The August 16, 2018 meeting minutes were approved as submitted.	<b>Approved unanimously.</b> <b>2 AYES</b>
<b>CHAIRPERSON'S REPORT</b>	There was no report from the Chairperson.	
<b>CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER REPORT</b>	Marie Montgomery, <i>Chief Financial Officer</i> , provided a handout and explained an adjustment to claims reserve. The net surplus for FY 2017-18 was originally reported at \$91.3 million. At that time, estimated claims reserves were based on paid claims through September. Corrective actions were implemented to remediate high claims payments which significantly changed the claims payment	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>pattern, including claims pending in June 2018 that did not have authorization information. Claims payment stabilized in August and September. Staff conservatively set claims reserves because of the high value of claims that were denied for no authorization earlier in the year, limited experience with the post remediation claims pattern and higher pending claims inventory levels. Reserves for incurred but not reported (IBNR) claims was adjusted lower by \$49.27 million, resulting in a revised net surplus of \$140.53 million for FY 2017-18.</p>	
<b>COMMITTEE ISSUES</b>		
<b>Review of Audit Report for FY 2017-18</b>	<p>Khurram Siddiqui and Angelica Kocharova, <i>Deloitte &amp; Touche (D&amp;T)</i>, referenced the documents provided in the meeting packet.</p> <ul style="list-style-type: none"> <li>• No significant change in accounting policies during the year.</li> <li>• Mr. Siddiqui reviewed the accounting estimates (including IBNR, one of the largest estimates).</li> </ul> <p>Because of high denial rates there was an involved estimation process For IBNR between L.A. Care's and D&amp;T's actuaries. The amount estimated increased as the trends in claims payment changed. In comparison to last year the IBNR has grown significantly (\$100 million) due in part to increased membership.</p> <p>Claims payments range from \$450 million to \$515 million. L.A. Care booked IBNR at \$520 million. The primary driver is a difference in judgement between the actuaries; L.A. Care is higher. D&amp;T agrees with the estimate.</p> <p>Ms. Montgomery stated that management is comfortable in the more conservative position. She added that staff is cautiously optimistic that L.A. Care the claims variability has now stabilized.</p> <p>Mr. Siddiqui noted that D&amp;T reviewed the uncertainty with this estimate, which consists of \$60 million IBNR with a \$30 million margin.</p> <p>There was a federal court decision to not make risk corridor payments. L.A. Care estimated that the risk corridor receivable is uncollectible and reserved</p>	

**APPROVED**

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>\$28.1 million receivable associated with the risk corridor premium stabilization program as of September 30, 2018.</p> <ul style="list-style-type: none"> <li>• Investments of approximately \$773 million are carried at fair market value.</li> <li>• L.A. Care records revenue based on the most recent rates and other information available from the California Department of Health Care Services. Premiums are subject to retroactive rate adjustments. D&amp;T reviewed rate changes received through the year and estimated revenue according to the membership mix.</li> <li>• Ms. Kocharova noted that one misstatement pertains to IBNR's past adjustment which was already discussed. D&amp;T did not identify any other significant misstatements.</li> <li>• There were no disagreements with management on the financial reports.</li> <li>• There were no other significant findings or issues and D&amp;T experienced no difficulties in performing the audit. D&amp;T received full cooperation and unrestricted access.</li> <li>• With regards to management's representations, D&amp;T requested required representations which are included in the management representation letter.</li> <li>• Ms. Kocharova noted that D&amp;T found that for first 6 months of the year, L.A. Care's data host, Cognizant, received an adverse opinion from its auditor that indicating significant control deficiencies. D&amp;T worked with L.A. Care's information technology staff to evaluate and assess the risk and ensure data was not compromised. L.A. Care has controls in place to make sure data is accurate. D&amp;T is happy to report that Cognizant was able to remediate the control deficiencies and cleared the audit opinion.</li> </ul> <p>Mr. Siddiqui added that the concern involved user access. L.A. Care monitored access to L.A. Care's data in the Cognizant environment to be sure there was no unauthorized access. After six months Cognizant remediated the issue.</p> <p>Member Booth asked when was the monitoring in place. Mr. Siddiqui noted that this was an unusual event and affected many health plans served by Cognizant.</p>	

**APPROVED**



AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Ms. Montgomery added that it is unusual to have an issue at this level.</p> <p>Member Booth asked about L.A. Care's future plans. Ms. Montgomery responded that L.A. Care will resume hosting and has controls in place to avoid the occurrence in the future.</p> <p>Mr. Siddiqui noted that D&amp;T worked with management on this and other issues and thanked management for support on the lengthy questions.</p> <p><i>(Member Gonzalez-Delgado joined the meeting)</i></p> <p><b><u>Motion AUD A.0119</u></b>  <b>To accept the findings of the Deloitte &amp; Touches' audit of L.A. Care's financial statements for the fiscal year ended September 30, 2018, as presented.</b></p> <p>Ms. Montgomery suggested going out to bid for audit for FY 2018-19.</p> <p><b>The Committee directed staff to issue an RFP and bring a recommendation for an audit firm for the next fiscal year.</b></p>	<p>Approved unanimously.  <b>3 AYES (Ballesteros, Booth and Gonzalez-Delgado)</b></p>
<p><b>COMMITTEE CHAIR ELECTION</b></p> <p>Augustavia J. Haydel, Esq.</p>	<p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, reviewed the process for Committee Chair election and asked for nominations for Committee Chair.</p> <p><b>On nomination by Member Gonzalez-Delgado, Stephanie Booth, MD, was unanimously elected as Chair of the Audit Committee.</b></p>	<p>Approved unanimously.  <b>3 AYES (Ballesteros, Booth and Gonzalez-Delgado)</b></p>
<p><b>ADJOURNMENT</b></p>	<p>The Chair adjourned the meeting at 11:30 am.</p>	

Respectfully submitted by:  
Malou Balones, *Board Specialist III*  
Linda Merkens, *Senior Manager, Board Services*

APPROVED BY:

  
Al Ballesteros, MBA, *Interim Chairperson*

Date Signed: 8/20/2019

**APPROVED**