

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



Meeting Agenda

Wednesday, August 24, 2022

1:30 p.m. – 2:45 p.m.

Teleconference Meeting

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

Important notice regarding COVID-19: In the interest of public health and safety due to the state of emergency caused by the spread of COVID-19, this meeting will be conducted via teleconference. Alliance offices will be closed for this meeting. The following alternatives are available to members of the public to view this meeting and to provide comment to the Finance Committee.

1. Members of the public wishing to join the meeting may do so as follows:
 - a. Computer, tablet, or smartphone via Microsoft Teams:
[Click here to join the meeting](#)
 - b. Or by telephone at:
United States: +1 (323) 705-3950
Phone Conference ID: 139 970 28#
2. Members of the public wishing to provide public comment on items not listed on the agenda that are within jurisdiction of the commission or to address an item that is listed on the agenda may do so in one of the following ways.
 - a. Email comments by 5:00 p.m. on Tuesday, August 23, 2022 to Dulcie San Paolo, Finance Administrative Specialist at dsanpaolo@ccah-alliance.org.
 - i. Indicate in the subject line "Public Comment". Include your name, organization, agenda item number, and title of the item in the body of the e-mail along with your comments.
 - ii. Comments will be read during the meeting and are limited to five minutes.
 - b. Public comment during the meeting when that item is announced.
 - i. State your name and organization prior to providing comment.
 - ii. Comments are limited to five minutes.
3. Mute your phone during presentations to eliminate background noise.
 - a. State your name prior to speaking during comment periods.
 - b. Limit background noise when unmuted (i.e., paper shuffling, cell phone calls, etc.).

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- 1. Call to Order by Chairperson Molesky. 1:30 p.m.**
 - A. Roll call; establish quorum.
- 2. Oral Communications. 1:35 p.m.**
 - A. Members of the public may address the Commission on items not listed on today's agenda that are within the jurisdiction of the Commission. Presentations must not exceed five minutes in length, and any individuals may speak only once during Oral Communications.
 - B. If any member of the public wishes to address the Commission on any item that is listed on today's agenda, they may do so when that item is called. Speakers are limited to five minutes per item.
- 3. Approve minutes of March 23, 2022 meeting of the Finance Committee. 1:40 p.m.**
- 4. June YTD Financial Results. 1:45 p.m.**
- 5. Q2-2022 Forecast. 1:55 p.m.**
- 6. Hospital Incentive Program. 2:05 p.m.**
- 7. Q2-2022 Investment Update. 2:20 p.m.**

The complete agenda packet is available for review on the Alliance website at www.thealliance.health/about-the-alliance/public-meetings/. The Commission complies with the Americans with Disabilities Act (ADA). Individuals who need special assistance or a disability-related accommodation to participate in this meeting should contact the Clerk of the Board at least 72 hours prior to the meeting at (831) 430-5523. Board meeting locations in Salinas and Merced are directly accessible by bus. As a courtesy to persons affected, please attend the meeting smoke and scent free.

**FINANCE COMMITTEE
SANTA CRUZ – MONTEREY – MERCED
MANAGED MEDICAL CARE COMMISSION**



Meeting Minutes

Wednesday, March 23, 2022

**Teleconference Meeting
(Pursuant to Governor Newsom's Executive Order N-29-20)**

Members Present:

Mr. Michael Molesky
Allen Radner, MD
Mr. Tony Weber

Public Representative
Provider Representative
Provider Representative

Members Absent:

Ms. Elsa Jiménez

County Health Director

Staff Present:

Ms. Lisa Ba
Ms. Stephanie Sonnenshine
Ms. Dulcie San Paolo

Chief Financial Officer
Chief Executive Officer
Finance Administrative Specialist

1. Call to Order by Chairperson Molesky. (1:31 p.m.)

Chairperson Molesky called the meeting to order at 1:31 p.m. Roll call was taken. A quorum was present.

2. Oral Communications. (1:32 – 1:33 p.m.)

Chairperson Molesky opened the floor for any members of the public to address the Committee on items not listed on the agenda.

No members of the public addressed the Committee.

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Consent Agenda Items:**3. Approve minutes of the October 27, 2021 meeting of the Finance Committee. (1:33 – 1:34 p.m.)**

FINANCE COMMITTEE ACTION: Chairperson Molesky opened the floor for approval of the minutes of the October 27, 2021 meeting.

MOTION: Commissioner Weber moved to approve the minutes, seconded by Commissioner Radner.

ACTION: The motion passed with the following vote:

Ayes: Commissioners Molesky, Radner, Weber

Noes: None

Absent: Commissioner Jiménez

Abstain: None

Regular Agenda Items:**4. Preliminary 2021 financial results. (1:34 – 1:51 p.m.)**

Ms. Lisa Ba, Chief Financial Officer (CFO), provided an update on the Alliance's 2021 financial performance and oriented the commissioners to a view of the Plan's trended financial performance since 2018.

The 2021 unaudited financial results include an operating income of \$123.3M or 7.8%. Favorability was due in part to higher than budgeted revenue by \$84.2M or 5.6%, which resulted from a higher enrollment and capitation rate as well as special add-ons during the pandemic. Utilization continued to be suppressed throughout 2021 due to the continuation of the Public Health Emergency (PHE). This in turn contributed to medical cost being favorable to budget by \$76.8M or 5.3%. Administrative Expense was at budget at \$85.6M. Ms. Ba noted that the 2021 financials are currently still open until the financial audit is finalized. The final report will be presented to the Board by our auditor, Moss Adams, at the May 2022 meeting.

Ms. Ba opened the floor for questions and discussion.

Commissioner Allen Radner inquired about the Administrative Loss Ratio (ALR) and asked why it has continued to decline since 2018. Ms. Ba explained that Staff have made a conscious effort to control the administrative expense since 2018 by looking closely at processes and technology to ensure that efficiencies are in place where possible. However, Ms. Ba noted that favorable enrollment is likely the biggest factor that has contributed to the ALR percentage remaining low over the past two years. The CFO advised that the expectation is that the ALR will likely be higher in the coming years due to increased

administrative costs associated with many new initiatives that the Department of Health Care Services (DHCS) has asked Health Plans to implement.

5. 2020-2021 RDT findings. (1:51 – 1:59 p.m.)

Ms. Ba provided an overview of the 2020-2021 Rate Determination Template (RDT) process and findings. She explained that DHCS and Mercer have indicated that the 2023 rates will be based on submitted costs from the 2020 and 2021 base period. Utilization was down approximately 9% in both periods, which could then result in 2023 rates being lowered by up to 9% if no additional trend is applied by DHCS. It is expected that the rate will be available in late August, and staff will analyze the rate in comparison to utilization for the first half of 2022 and provide an impact analysis for the Finance Committee's review.

6. Investment update through December 2021. (1:59 – 2:09)

Ms. Ba provided the commissioners with an update on the Alliance's investment portfolio as of December 31, 2021. She noted that, in accordance with the Board approved Investment Policy, Staff have utilized the Pooled Money Investment Account (PMIA), which includes CalTRUST and Local Agency Fund (LAIF), to manage the majority of the funds. These accounts are designed for public agencies and their investment objectives are aligned with those of the Alliance.

Ms. Ba explained that Staff manage less than 25% of the balance through Comerica and US Bank. The Wells Fargo account was closed in May of 2021. The internally managed accounts are focused on long term bonds (4-5 years) to diversify our portfolio. The PMIA reserves have been moved from short-term (less than 12 months) to mid-term (1-3 years) as we move from operating losses in 2018-2019 to operating gains in 2020 and 2021. Overall, the Alliance's investment performance through December 2021 was better than benchmark.

7. Guest speaker from CalTRUST. (2:09-2:38)

Ms. Ba introduced Laura Labanieh, CalTRUST Chief Executive Officer and Ludwig Marek, BlackRock Managing Director. Ms. Labanieh presented an overview of CalTRUST. Mr. Marek provided a market and economic update for the commissioners.

Adjourn:

The Commission adjourned its meeting of March 23, 2022 at 2:38 p.m.

Respectfully submitted,

Ms. Dulcie San Paolo
Finance Administrative Specialist



DATE: August 24, 2022
TO: Santa Cruz-Monterey-Merced Managed Medical Care Commission
FROM: Lisa Ba, Chief Financial Officer
SUBJECT: Financial Highlights for the Sixth Month Ending June 30, 2022

For the month ending June 30, 2022, the Alliance reported an Operating Income of \$7.1M. The Year-to-Date (YTD) Operating Income is at \$71.3M, with a Medical Loss Ratio (MLR) of 85.5% and an Administrative Loss Ratio (ALR) of 5.1%.

The budget expected \$41.3M Operating Income for YTD June. The actual result is favorable to budget by \$30.0M or 72.8%, driven primarily by \$37.1M in boosted enrollment variance and \$24.7M from positive revenue rate variance. The favorability is partially offset by the (\$33.6M) unfavorable medical expense variance from higher membership and (\$1.6M) from rate variance.

The 2022 budget assumed the Public Health Emergency (PHE) would end in January, and enrollment would decrease throughout the year. The PHE has since been extended and is expected to end in October. Therefore, the Alliance will have a favorable enrollment for 2022.

The 2022 budget assumed utilization levels would return to the 2019 level by Q1 2022, incrementally increasing each quarter and ending at a 5% increase from pre-pandemic levels. Staff expected utilization to rise as members resumed delayed elective procedures, surgeries, and specialist referrals in 2022. Actual utilization continues to rebound from the lowest observed levels in 2020 and is heading towards 2019 levels. The 2022 budget additionally assumed that the LTC rate increase, implemented in response to the PHE, would be discontinued, which has not been realized.

Jun-22 MTD (In \$000s)				
<u>Key Indicators</u>	Current Actual	Current Budget	Current Variance	% Variance to Budget
<i>Membership</i>	404,261	366,008	38,253	10.5%
Revenue	128,310	113,996	14,314	12.6%
Medical Expenses	114,790	100,456	(14,333)	-14.3%
Administrative Expenses	6,452	7,375	923	12.5%
Operating Income/(Loss)	7,068	6,164	904	14.7%
Net Income/(Loss)	4,655	4,932	(277)	-5.6%
<i>MLR %</i>	89.5%	88.1%	-1.3%	
<i>ALR %</i>	5.0%	6.5%	1.4%	
<i>Operating Income %</i>	5.5%	5.4%	0.1%	
<i>Net Income %</i>	3.6%	4.3%	-0.7%	

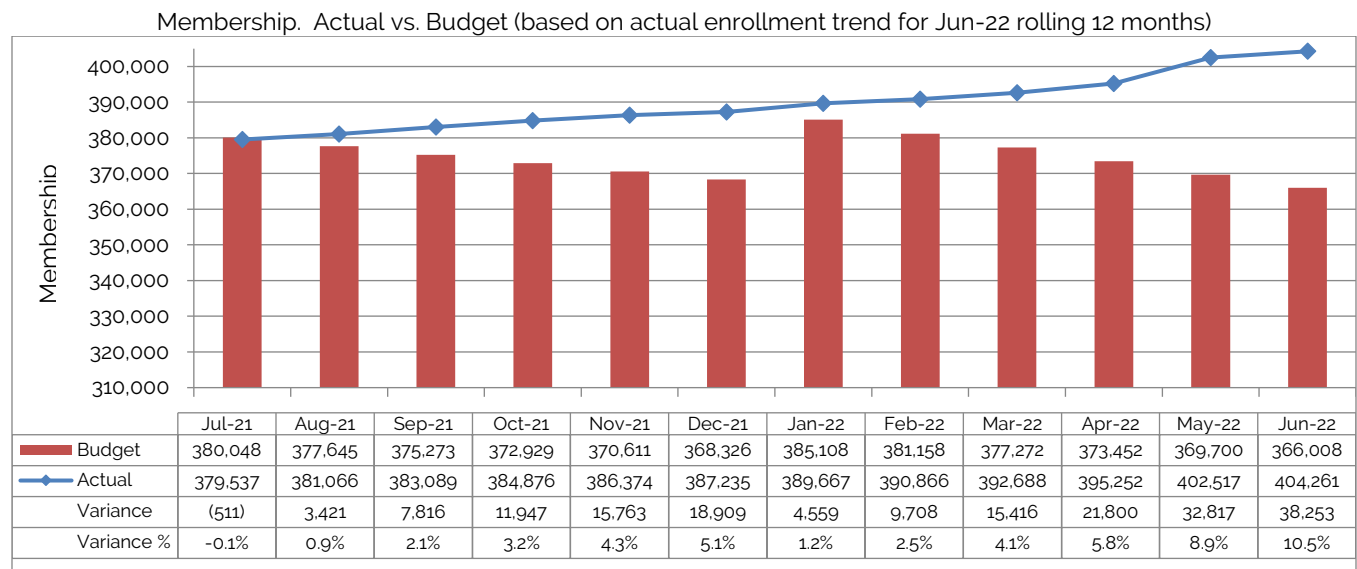
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Jun-22 YTD (In \$000s)				
<u>Key Indicators</u>	YTD Actual	YTD Budget	YTD Variance	% Variance to Budget
<i>Member Months</i>	<i>2,375,251</i>	<i>2,252,698</i>	<i>122,553</i>	<i>5.4%</i>
Revenue	763,475	701,662	61,813	8.8%
Medical Expenses	653,050	617,845	(35,204)	-5.7%
Administrative Expenses	39,129	42,553	3,424	8.0%
Operating Income/(Loss)	71,297	41,263	30,033	72.8%
Net Income/(Loss)	54,610	33,856	20,754	61.3%
PMPM				
Revenue	321.43	311.48	9.95	3.2%
Medical Expenses	274.94	274.27	(0.67)	-0.2%
Administrative Expenses	16.47	18.89	2.42	12.8%
Operating Income/(Loss)	30.02	18.32	11.70	63.9%
<i>MLR %</i>	<i>85.5%</i>	<i>88.1%</i>	<i>2.5%</i>	
<i>ALR %</i>	<i>5.1%</i>	<i>6.1%</i>	<i>0.9%</i>	
<i>Operating Income %</i>	<i>9.3%</i>	<i>5.9%</i>	<i>3.5%</i>	
<i>Net Income %</i>	<i>7.2%</i>	<i>4.8%</i>	<i>2.3%</i>	

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

At a PMPM level, YTD revenue is \$321.43, which is favorable to budget by \$9.95 or 3.2%. Medical cost PMPM is \$274.94, which is unfavorable by \$0.67 or 0.2%. The resulting operating income PMPM is \$30.02, which is favorable by \$11.70 compared to the budget.

Membership. June 2022 membership is favorable to budget by 10.5%. Please note that the 2022 budget assumed the PHE would end in January 2022, and enrollment would decrease gradually to the pre-pandemic level by December 2022. The State anticipates the PHE will expire no sooner than October 13, 2022. Additionally, effective May 1, 2022, the State extended eligibility to Adults ages 50, regardless of immigration status. The Alliance has approximately 5,000 members in this category. Overall, the membership will remain favorable in 2022.



Revenue. June 2022 capitation revenue of \$127.9M is favorable to budget by \$14.2M or 12.5%, mainly attributed to higher enrollment of \$11.9M and other minor rate variances of \$2.4M.

June 2022 YTD capitation revenue of \$761.5M is favorable to budget by \$61.4M or 8.8%. Of this amount, \$36.8M is from boosted enrollment and \$24.6M due to rate variance. The favorable rate includes funding for various programs not yet finalized when preparing the 2022 budget, including CalAIM Incentive Payment Programs, rapid genome sequencing, and the expansion of Medi-Cal benefits to undocumented Californians age 50 and older.

Jun-22 YTD Capitation Revenue Summary (In \$000s)					
County	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Santa Cruz	170,231	158,251	11,980	7,825	4,155
Monterey	326,495	298,694	27,801	15,188	12,612
Merced	264,755	243,111	21,644	13,813	7,831
Total	761,481	700,056	61,425	36,826	24,599

Note: Excludes Jun-22 YTD In-Home Supportive Services (IHSS) premiums revenue of \$2.0M.

Medical Expenses. June 2022 Medical Expenses of \$114.8M are \$14.3M or 14.3% unfavorable to budget. June 2022 YTD Medical Expenses of \$653.1M are above budget by \$35.2M or 5.7%. Of this amount, \$33.6M is due to higher enrollment and \$1.6M from increased PMPM cost variance. "Other Medical" expense is unfavorable to budget by \$25.4M or 27.7% due to higher utilization in lab, behavior health services, and increases in unit cost driven by a mix of services from the lab, DME, non-medical transportation, and behavioral health. This category also includes CalAIM Incentive Payment Program expenses as the Alliance aims for budget-neutral and to distribute the payment to providers or cover its own cost of expanding capacity and building infrastructure.

Jun-22 YTD Medical Expense Summary (In \$000s)					
Category	Actual	Budget	Variance	Variance Due to Enrollment	Variance Due to Rate
Inpatient Services (Hospital)	249,751	234,753	(14,998)	(12,771)	(2,226)
Inpatient Services (LTC)	81,766	77,426	(4,339)	(4,212)	(127)
Physician Services	126,499	129,992	3,493	(7,072)	10,565
Outpatient Facility	78,290	83,465	5,175	(4,541)	9,716
Pharmacy	(455)	410	865	(22)	887
Other Medical	117,200	91,800	(25,400)	(4,994)	(20,406)
Total	653,050	617,845	(35,204)	(33,612)	(1,592)

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

At a PMPM level, YTD Medical Expenses are \$274.94, which is unfavorable by \$0.67 or 0.2% compared to the budget. Please note that the rate (PMPM) is the unit cost for a service multiplied by the utilization.

The 2022 budget assumed utilization would return to the 2019 level during Q1 2022 and increase 5% over 2019 by year-end. Actual YTD utilization has not achieved the 2019 level but indicates upward movement. Authorizations suggest that Inpatient (Hospital) utilization continued to be below the 2019 level through early 2022, representing approximately 50% of medical expenses. However, \$2M in retroactive claims payments from 2019 and 2020 and \$8.9M in Incurred but Not Reported (IBNR) increases due to recent October and November 2021 payments have driven Inpatient Services costs higher than budget both on a PMPM and dollar basis.

The budget assumed that the Long-term Care (LTC) COVID add-on would be discontinued in 2022. Due to the PHE extension, the COVID add-on is still in place. Therefore, the LTC cost will be higher than the budget.

Jun-22 YTD Medical Expense by Category of Service (In PMPM)				
Category	Actual	Budget	Variance	Variance %
Inpatient Services (Hospital)	105.15	104.21	(0.94)	-0.9%
Inpatient Services (LTC)	34.42	34.37	(0.05)	-0.2%
Physician Services	53.26	57.70	4.45	7.7%
Outpatient Facility	32.96	37.05	4.09	11.0%
Pharmacy	(0.19)	0.18	0.37	100.0%
Other Medical	49.34	40.75	(8.59)	-21.1%
Total	274.94	274.27	(0.67)	-0.2%

Administrative Expenses. June YTD Administrative Expenses are favorable to budget by \$3.4M or 8.0% with a 5.1% ALR. Salaries, Wages, & Benefits (SWB) are favorable by \$2.4M or 8.1% due to employee benefits running lower than budget and savings from vacant positions. Non-Salary Administrative Expenses are favorable by \$1.0M or 8.0% due to the actual spend versus budget timing.

Nationwide inflation has been steadily increasing over the past year. Most recently, it was reported that the rate of inflation is currently 9.1%. In our Town Hall meetings, department meetings, and other gatherings, staff have reported that high inflation, coupled with the already high cost of living throughout our service area, is having a significant negative impact on their ability to meet personal and family needs, and to remain in the local area. In order to address the issue of inflation and to retain our workforce to ensure the delivery of Medi-Cal services to qualifying residents within our three counties, staff will be implementing a 5% cost of living adjustment (COLA), with adjustments realized in September. The COLA will not be applied to executive compensation. Note that there is no negative financial impact resulting from the implementation of a COLA as it is predicted that the Alliance will end the 2022 fiscal year at or under budget.

Non-Operating Revenue/Expenses. June YTD Total Non-Operating Revenue is unfavorable to budget by \$13.3M. There is a \$15.1M unrealized loss on investments, reduced by \$5.5M favorability in grants and interests.

Summary of Results. Overall, the Alliance generated a YTD Net Income of \$54.6M, with an MLR of 85.5% and an ALR of 5.1%.



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Balance Sheet
For The Sixth Month Ending June 30, 2022
(In \$000s)

Assets

Cash	\$110,794
Restricted Cash	300
Short Term Investments	605,197
Receivables	168,737
Prepaid Expenses	5,589
Other Current Assets	17,679
Total Current Assets	\$908,297

Building, Land, Furniture & Equipment	
Capital Assets	\$83,392
Accumulated Depreciation	(42,924)
CIP	247
Total Non-Current Assets	40,715
Total Assets	\$949,013

Liabilities

Accounts Payable	\$52,269
IBNR/Claims Payable	247,524
Accrued Expenses	-
Estimated Risk Share Payable	5,000
Other Current Liabilities	6,816
Due to State	-
Total Current Liabilities	\$311,609

Fund Balance

Fund Balance - Prior	\$582,793
Retained Earnings - CY	54,610
Total Fund Balance	637,403
Total Liabilities & Fund Balance	\$949,013



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Sixth Month Ending June 30, 2022
(In \$000s)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
<i>Member Months</i>	404,261	366,008	38,253	10.5%	2,375,251	2,252,698	122,553	5.4%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$127,940	\$113,728	\$14,212	12.5%	\$761,481	\$700,056	\$61,425	8.8%
Premiums Commercial	370	268	103	38.3%	1,995	1,606	388	24.2%
Total Operating Revenue	\$128,310	\$113,996	\$14,314	12.6%	\$763,475	\$701,662	\$61,813	8.8%
Medical Expenses								
Inpatient Services (Hospital)	\$45,381	\$37,927	(\$7,454)	-19.7%	\$249,751	\$234,753	(\$14,998)	-6.4%
Inpatient Services (LTC)	13,888	13,380	(508)	-3.8%	81,766	77,426	(4,339)	-5.6%
Physician Services	22,394	21,212	(1,182)	-5.6%	126,499	129,992	3,493	2.7%
Outpatient Facility	15,125	14,136	(989)	-7.0%	78,290	83,465	5,175	6.2%
Pharmacy	322	58	(264)	-100.0%	(455)	410	865	100.0%
Other Medical	17,680	13,743	(3,937)	-28.6%	117,200	91,800	(25,400)	-27.7%
Total Medical Expenses	\$114,790	\$100,456	(\$14,333)	-14.3%	\$653,050	\$617,845	(\$35,204)	-5.7%
Gross Margin	\$13,521	\$13,539	(\$19)	-0.1%	\$110,426	\$83,817	\$26,609	31.7%
Administrative Expenses								
Salaries	\$4,346	\$5,076	\$731	14.4%	\$27,362	\$29,769	\$2,407	8.1%
Professional Fees	118	187	69	37.0%	773	1,079	306	28.4%
Purchased Services	904	750	(154)	-20.6%	4,350	4,091	(260)	-6.3%
Supplies & Other	732	959	227	23.7%	4,420	5,265	844	16.0%
Occupancy	76	115	39	33.6%	548	626	78	12.5%
Depreciation/Amortization	276	288	12	4.0%	1,676	1,723	48	2.8%
Total Administrative Expenses	\$6,452	\$7,375	\$923	12.5%	\$39,129	\$42,553	\$3,424	8.0%
Operating Income	\$7,068	\$6,164	\$904	14.7%	\$71,297	\$41,263	\$30,033	72.8%
Non-Op Income/(Expense)								
Interest	\$821	\$317	\$504	100.0%	\$3,378	\$1,898	\$1,480	78.0%
Gain/(Loss) on Investments	(3,039)	(240)	(2,800)	-100.0%	(16,495)	(1,433)	(15,062)	-100.0%
Other Revenues	145	86	59	68.4%	747	509	238	46.7%
Grants	(341)	(1,397)	1,056	75.6%	(4,316)	(8,381)	4,065	48.5%
Total Non-Op Income/(Expense)	(\$2,414)	(\$1,233)	(\$1,181)	-95.8%	(\$16,687)	(\$7,407)	(\$9,279)	-100.0%
Net Income/(Loss)	\$4,655	\$4,932	(\$277)	-5.6%	\$54,610	\$33,856	\$20,754	61.3%
<i>MLR</i>	89.5%	88.1%			85.5%	88.1%		
<i>ALR</i>	5.0%	6.5%			5.1%	6.1%		
<i>Operating Income</i>	5.5%	5.4%			9.3%	5.9%		
<i>Net Income %</i>	3.6%	4.3%			7.2%	4.8%		



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Income Statement - Actual vs. Budget
For The Sixth Month Ending June 30, 2022
(In PMPM)

	MTD Actual	MTD Budget	Variance	%	YTD Actual	YTD Budget	Variance	%
Member Months	404,261	366,008	38,253	10.5%	2,375,251	2,252,698	122,553	5.4%
Capitation Revenue								
Capitation Revenue Medi-Cal	\$316.48	\$310.73	\$5.75	1.9%	\$320.59	\$310.76	\$9.83	3.2%
Premiums Commercial	0.92	0.73	0.18	25.2%	0.84	0.71	0.13	17.8%
Total Operating Revenue	\$317.39	\$311.46	\$5.94	1.9%	\$321.43	\$311.48	\$9.95	3.2%
Medical Expenses								
Inpatient Services (Hospital)	\$112.26	\$103.62	(\$8.63)	-8.3%	\$105.15	\$104.21	(\$0.94)	-0.9%
Inpatient Services (LTC)	34.35	36.56	2.20	6.0%	34.42	34.37	(0.05)	-0.2%
Physician Services	55.40	57.96	2.56	4.4%	53.26	57.70	4.45	7.7%
Outpatient Facility	37.41	38.62	1.21	3.1%	32.96	37.05	4.09	11.0%
Pharmacy	0.80	0.16	(0.64)	-100.0%	(0.19)	0.18	0.37	100.0%
Other Medical	43.73	37.55	(6.19)	-16.5%	49.34	40.75	(8.59)	-21.1%
Total Medical Expenses	\$283.95	\$274.47	(\$9.48)	-3.5%	\$274.94	\$274.27	(\$0.67)	-0.2%
Gross Margin	\$33.45	\$36.99	(\$3.55)	-9.6%	\$46.49	\$37.21	\$9.28	24.9%
Administrative Expenses								
Salaries	\$10.75	\$13.87	\$3.12	22.5%	\$11.52	\$13.21	\$1.70	12.8%
Professional Fees	0.29	0.51	0.22	43.0%	0.33	0.48	0.15	32.1%
Purchased Services	2.24	2.05	(0.19)	-9.2%	1.83	1.82	(0.02)	-0.9%
Supplies & Other	1.81	2.62	0.81	30.9%	1.86	2.34	0.48	20.4%
Occupancy	0.19	0.31	0.13	39.9%	0.23	0.28	0.05	17.0%
Depreciation/Amortization	0.68	0.79	0.10	13.1%	0.71	0.76	0.06	7.8%
Total Administrative Expenses	\$15.96	\$20.15	\$4.19	20.8%	\$16.47	\$18.89	\$2.42	12.8%
Operating Income	\$17.48	\$16.84	\$0.64	3.8%	\$30.02	\$18.32	\$11.70	63.9%



CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
Statement of Cash Flow
For The Sixth Month Ending June 30, 2022
(In \$000s)

	MTD	YTD
Net Income	\$4,655	\$54,610
Items not requiring the use of cash: Depreciation	276	1,676
Adjustments to reconcile Net Income to Net Cash provided by operating activities:		
Changes to Assets:		
Receivables	(4,770)	76,812
Prepaid Expenses	(82)	(3,392)
Current Assets	(195)	(1,575)
Net Changes to Assets	(\$5,047)	\$71,845
Changes to Payables:		
Accounts Payable	15,044	(4,671)
Accrued Expenses	(1)	(1)
Other Current Liabilities	(448)	(499)
Incurred But Not Reported Claims/Claims Payable	(8,836)	(77,225)
Estimated Risk Share Payable	833	(5,000)
Due to State	-	-
Net Changes to Payables	\$6,593	(\$87,397)
Net Cash Provided by (Used in) Operating Activities	\$6,477	\$40,734
Change in Investments	2,651	(67,313)
Other Equipment Acquisitions	(47)	(155)
Net Cash Provided by (Used in) Investing Activities	\$2,604	(\$67,468)
Net Increase (Decrease) in Cash & Cash Equivalents	\$9,081	(\$26,734)
Cash & Cash Equivalents at Beginning of Period	\$101,713	\$137,528
Cash & Cash Equivalents at June 30, 2022	\$110,794	\$110,794