

# NOTICE OF A REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE

THURSDAY, MAY 21, 2020 2:00 P.M. REVISED\*

505 CITY PARKWAY WEST, SUITE, 108-N ORANGE, CALIFORNIA 92868

BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE

Lee Penrose, Chair

Ria Berger

Scott Schoeffel

INTERIM CHIEF COUNSEL CLERK OF THE BOARD

CHIEF EXECUTIVE OFFICER
Richard Sanchez

Richard Sanchez Gary Crockett Sharon Dwiers

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form(s) identifying the item(s) and submit to the Clerk of the Board. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors' Finance and Audit Committee, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Consent Calendar, the reading of the individual agenda items, and/or the beginning of Public Comments. When addressing the Committee, it is requested that you state your name for the record. Address the Committee as a whole through the Chair. Comments to individual Committee Members or staff are not permitted. Speakers are limited to three (3) minutes per item.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at (714) 246-8806, at least 72 hours prior to the meeting.

The Board of Directors' Finance and Audit Committee Meeting Agenda and supporting materials are available for review at CalOptima, 505 City Parkway West, Orange, CA 92868, Monday-Friday, 8:00 a.m. – 5:00 p.m. These materials are also available online at <a href="www.caloptima.org">www.caloptima.org</a>. Board meeting audio is streamed live on the CalOptima website at <a href="www.caloptima.org">www.caloptima.org</a>.

To ensure public safety and compliance with emergency declarations and orders related to the COVID-19 pandemic, individuals are encouraged <u>not</u> to attend the meeting in person. As an alternative, members of the public may:

- 1) Listen to the live audio at +1 (415) 930-5321 Access Code: 484-200-580 or
- 2) Participate via Webinar at https://attendee.gotowebinar.com/register/913568125735447819 rather than attending in person. Webinar instructions are provided below.

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#### **CALL TO ORDER**

Pledge of Allegiance Establish Quorum

#### **PUBLIC COMMENTS**

At this time, members of the public may address the Committee on matters not appearing on the agenda, but under the jurisdiction of the Board of Directors' Finance and Audit Committee. Speakers will be limited to three (3) minutes.

#### MANAGEMENT REPORTS

1. Chief Financial Officer Report

### INVESTMENT ADVISORY COMMITTEE UPDATE

2. Treasurer's Report

#### CONSENT CALENDAR

- 3. Minutes
  - a. Approve Minutes of the February 20, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee
  - b. Receive and File Minutes of the January 27, 2020 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

#### **REPORTS**

- 4. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2020-21 Capital Budget \*
- 5. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2020-21 Operating Budget \*
- 6. Consider Recommending Board of Directors' Ratification of Expenditures Related to Emergency Repairs for CalOptima Facilities
- 7. Consider Recommending Board of Directors' Approval of Proposed Changes to CalOptima Policy GA.3400: Annual Investments
- 8. Consider Recommending Board of Directors' Approval of Proposed Revisions to CalOptima Finance Policies
- 9. Consider Recommending Board of Directors' Approval of CalOptima Medi-Cal Directed Payments Policy, Modifications to Claims Administrations Policies and Procedures, and Actions Related to the CalOptima Medi-Cal Fee-For-Service Physician Services Contracts and Shared Risk Group Contracts

<sup>\*</sup> Materials for Agenda Items 4 and 5 have been revised and are attached.

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- 10. Consider Recommending Board of Directors Receive Report from Grant Thornton on Compensation and Benefits Benchmarking and Analysis with Appendix; Consider Recommending Board of Directors Adopt Actions Related to Recommendations from Grant Thornton
- 11. Consider Recommending Board of Directors' Approve Remedial Actions Related to Health Network and Provider Overpayments Arising from Medi-Cal Member Eligibility Reporting Error

#### INFORMATION ITEMS

- 12. Moss Adams 2020 Financial Audit Planning
- 13. Health Network Rebasing Update Milliman
- 14. March 2020 Financial Summary
- 15. CalOptima Information Security Update
- 16. Quarterly Operating and Capital Budget
- 17. Quarterly Reports to the Finance and Audit Committee
  - a. Shared Risk Pool Performance
  - b. Whole-Child Model Financial Report
  - c. Reinsurance Report
  - d. Health Network Financial Report
  - e. Contingency Contract Report

#### **COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** 

Webinar Instructions for Joining the Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee May 21, 2020 at 2:00 p.m.

### **How to Join**

1. Please register for CalOptima Board of Directors' Finance and Audit Committee Meeting on May 21, 2020 2:00 PM PDT at:

https://attendee.gotowebinar.com/register/913568125735447819

2. After registering, you will receive a confirmation email containing a link to join the webinar at the specified time and date.

Note: This link should not be shared with others; it is unique to you.

Before joining, be sure to <u>check system requirements</u> to avoid any connection issues.

3. Choose one of the following audio options:

TO USE YOUR COMPUTER'S AUDIO:

When the webinar begins, you will be connected to audio using your computer's microphone and speakers (VoIP). A headset is recommended.

--OR--

TO USE YOUR TELEPHONE:

If you prefer to use your phone, you must select "Use Telephone" after joining the webinar and call in using the numbers below.

United States: +1 (415) 930-5321

Access Code: 484-200-580

Audio PIN: Shown after joining the webinar



## Board of Directors' Finance and Audit Committee May 21, 2020

### Quarterly Treasurer's Report January 1, 2020, through March 31, 2020

#### Overview

To fulfill the requirements of Government Code section 53646, subdivision (b) and the 2020 Annual Investment Policy adopted by CalOptima's Board of Directors on December 5, 2019, the Treasurer submits this quarterly investment report for the period January 1, 2020, through March 31, 2020.

Meketa Investment Group, Inc., completed an independent compliance review of the monthly investment reports prepared by CalOptima's three (3) investment managers: MetLife, Payden & Rygel and Wells Capital. The review found that all investments were compliant with Government Code section 53600 *et seq.*, and CalOptima's 2020 Annual Investment Policy.

#### **Portfolio Summary**

As of March 31, 2020, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows:

	Payden & Rygel	MetLife	Wells Capital	Total
<b>Short-Term Operating</b>	\$305,981,871	\$305,200,090	\$307,701,712	\$918,883,673
Board Designated Reserves				
Tier 1 Tier 2	\$157,864,886 	\$156,881,532 \$104,914,407	\$157,161,784 	\$471,908,202 \$104,914,407
Total	\$463,846,757	\$566,996,029	\$464,863,496	\$1,495,706,282

#### **Six Month Cash Sufficiency**

Based upon a review of forecasted revenues and expenses, CalOptima has sufficient cash onhand plus projected revenues to meet its operating requirements for the next six (6) months.

#### **Investments Compared to Reserve Policy**

In accordance with CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima shall maintain a minimum reserve level of one point four (1.4) months and a maximum of two (2) months in consolidated capitation revenues. The following provides a comparison of investments to the minimum and maximum level of Board-designated reserve funds as of March 31, 2020, demonstrating funds in excess to satisfy minimum requirements.

### A) Board-designated Reserve Fund (CalOptima Policy GA.3001)

Reserve Name	Market Value	Bencl	ımark	Vari	ance
Tier 1 - Payden & Rygel	\$157,864,886	Low 1.4	High 2.0	Low 1.4	High 2.0
Tier 1 - MetLife	\$156,881,532				
Tier 1 - Wells Capital	\$157,161,784				
-	\$471,908,201	\$320,551,041	\$501,197,938	\$151,357,160	(\$29,289,737)

#### B) CalOptima's Regulatory Compliance Requirements

Reserve Name	Market Value		Compliance ements	Vari	ance
Tier 2 – MetLife	\$104,914,407	<i>TNE</i> \$100,958,386	TNE \$100,958,386	<i>TNE</i> \$3,956,021	<i>TNE</i> \$3,956,021
Consolidated:	\$576,822,608	\$421,509,427	\$602,156,324	\$155,313,181	(\$25,333,716)
Compliance Level	1.92	1.40	2.00	-	-

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of \$155,313,181 as of March 31, 2020. At the end of March 2020, CalOptima's Board-designated reserve compliance level was 1.92.

#### **Update on Fund Transfers**

Pursuant to CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima will monitor liquidity requirements for the next twelve (12) months and will transfer funds from Short-Term Operating to Board-designated reserves, if necessary.

#### **Next Ouarter's Cash Flow Forecast**

At the April 21, 2020, meeting, Staff provided an update to the Investment Advisory Committee members and investment managers regarding the inflows and outflows forecast for the fourth quarter of fiscal year 2020. To support our provider community during the COVID-19 crisis, the CalOptima Board had approved a temporary 5 percent capitation rate increase to our Medi-Cal contracted networks for April through June. The additional funding will be approximately \$14 million. Also, CalOptima had received IGT 9 funds from DHCS in April. Staff plans to make an \$85 million distribution to our IGT funding partners by the end of April 2020.

#### Attachment

Quarterly Investment Report – January 1, 2020, through March 31, 2020



## CalOptima

Meeting Materials April 20, 2020

Fund Evaluation Report

## CalOptima



Agenda

## Agenda

- 1. Corporate Update
- 2. 1Q20 Review
- 3. Quarterly Investment Report Supplement
- 4. Custom Peer Group
- 5. Performance Attribution
- 6. Appendix
  - Characteristics
  - Holdings
  - Economy and Market Update
  - Disclaimer, Glossary, and Notes

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## Meketa Investment Group Corporate Update

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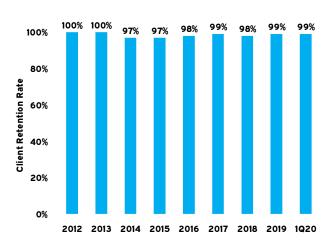
- Staff of 204, including 138 investment professionals and 43 CFA Charterholders
- 214 clients, with over 300 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, New York, Portland (OR), San Diego, and London
- We advise on \$1.4 trillion in client assets
  - Over \$100 billion in assets committed to alternative investments
    - Private Equity
- Infrastructure
- Natural Resources

- Real Estate
- Hedge Funds
- Commodities

#### Client to Consultant Ratio<sup>1</sup>



#### Client Retention Rate<sup>2</sup>



Meketa Investment Group is proud to work for over 5 million American families everyday.

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<sup>&</sup>lt;sup>1</sup> On March 15, 2019, 31 employees joined the firm as part of the merger of Meketa Investment Group and Pension Consulting Alliance.

<sup>&</sup>lt;sup>2</sup> Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year-end.



## Asset Classes Followed Intensively by Meketa Investment Group

## Domestic Equities

- Passive
- Enhanced Index
- Large Cap
- Midcap
- Small Cap
- Microcap
- 130/30

## International Equities

- Large Cap
   Developed
- Small Cap
   Developed
- Emerging Markets
- Frontier Markets

## Private Equity

- Buyouts
- Venture Capital
- Private Debt
- Special Situations
- Secondaries
- Fund of Funds

### Real Assets

- Public REITs
- Core Real Estate
- Value Added
   Real Estate
- Opportunistic Real Estate
- Infrastructure
- Timber
- Natural Resources
- Commodities

## Fixed Income

- Short-Term
- Core
- Core Plus
- TIPS
- High Yield
- Bank Loans
- Distressed
- Global
- Emerging Markets

### Hedge Funds

- Long/Short Equity
- Event Driven
- Relative Value
- Fixed Income Arbitrage
- Multi Strategy
- Market Neutral
- Global Macro
- Fund of Funds
- Portable Alpha

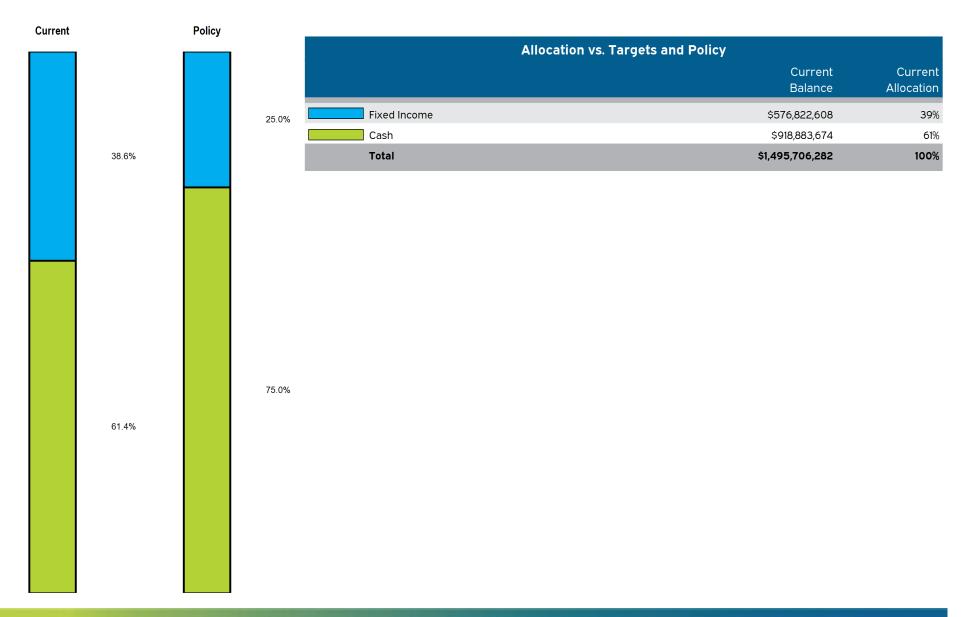
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## **1Q20 Review**



## CalOptima

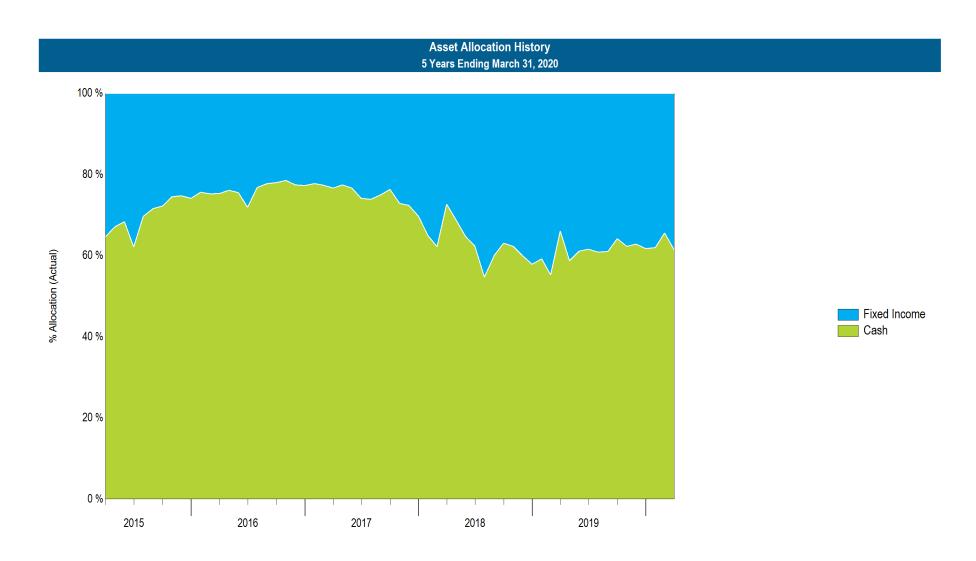
### Total Fund | As of March 31, 2020







### Total Fund | As of March 31, 2020





## Total Fund | As of March 31, 2020

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	1,495,706,282	100.000	0.768	1.938	2.898	2.211	1.599		1.508	Oct-14
Total Fund(Net)			0.747	1.875	2.815	2.132	1.519		1.425	
Fixed Income(Gross)	576,822,608	38.565	1.718	2.976	4.346	2.664	1.976		1.944	Oct-14
Fixed Income(Net)			1.695	2.909	4.262	2.578	1.889		1.884	
ICE BofAML 1-3 Yrs US Treasuries TR	- 1		2.808	3.933	5.441	2.705	1.851	1.434	1.809	Oct-14
Cash(Gross)	918,883,674	61.435	0.218	1.334	2.024	1.886	1.361	0.749	1.968	Jul-99
Cash(Net)			0.198	1.272	1.941	1.810	1.281	0.644		
FTSE T-Bill 3 Months TR			0.388	1.421	2.043	1.741	1.125	0.596	1.767	Jul-99

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**MEKETA** 

## Total Fund | As of March 31, 2020

	Tra	iling Perio	od Perfor	mance							
	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inceptio Dat
Total Fund(Gross)	1,495,706,282	100.000		0.768	1.938	2.898	2.211	1.599		1.508	Oct-1
Fixed Income(Gross)	576,822,608	38.565	38.565	1.718	2.976	4.346	2.664	1.976		1.944	Oct-1
ICE BofAML 1-3 Yrs US Treasuries TR				2.808	3.933	5.441	2.705	1.851	1.434	1.809	Oct-1
Tier One: Payden Low Duration(Gross)	157,864,886	10.555	27.368	1.566	2.846	4.343	2.704	1.981	1.583	3.040	Jul-9
Tier One: Payden Low Duration(Net)				1.546	2.785	4.274	2.626	1.903	1.478		
ICE BofAML 1-3 Yrs US Treasuries TR				2.808	3.933	5.441	2.705	1.851	1.434	2.964	Jul-9
ICE BofAML 1-3 Yrs US Corp & Govt TR				1.594	2.934	4.475	2.590	1.901	1.649	3.232	Jul-9
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				2.225	3.467	4.991	2.687	1.908	1.587	3.150	Jul-9
Tier One: MetLife STAMP 1-3 Year(Gross)	156,881,532	10.489	27.198	1.674	2.905	4.011	2.552			2.089	May-1
Tier One: MetLife STAMP 1-3 Year(Net)				1.652	2.844	3.945	2.475			2.010	
ICE BofAML 1-3 Yrs US Treasuries TR				2.808	3.933	5.441	2.705	1.851	1.434	2.120	May-1
ICE BofAML 1-3 Yrs US Corp & Govt TR				1.594	2.934	4.475	2.590	1.901	1.649	2.123	May-1
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				2.225	3.467	4.991	2.687	1.908	1.587	2.153	May-1
Tier One: Wells Capital Reserve Account(Gross)	157,161,784	10.508	27.246	1.587	2.872	4.321	2.612			2.137	May-1
Tier One: Wells Capital Reserve Account(Net)				1.566	2.810	4.237	2.535			2.062	
ICE BofAML 1-3 Yrs US Treasuries TR				2.808	3.933	5.441	2.705	1.851	1.434	2.120	May-1
ICE BofAML 1-3 Yrs US Corp & Govt TR				1.594	2.934	4.475	2.590	1.901	1.649	2.123	May-10
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				2.225	3.467	4.991	2.687	1.908	1.587	2.153	May-1
Tier Two: MetLife STAMP 1-5 Year(Gross)	104,914,407	7.014	18.188	2.212	3.437	4.890	2.853	2.221		1.943	Apr-1
Tier Two: MetLife STAMP 1-5 Year(Net)				2.181	3.342	4.761	2.725	2.094		1.816	
ICE BofAML 1-5 Yrs US Treasuries TR				3.800	4.951	6.879	<i>3.267</i>	2.256	2.014	1.868	Apr-1
ICE BofAML 1-5 Yrs US Corp & Govt TR				1.954	3.433	5.426	3.050	2.269	2.260	1.981	Apr-1
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR				2.967	4.277	6.221	3.205	2.295	2.170	1.958	Apr-1

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## CalOptima

## Total Fund | As of March 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cash(Gross)	918,883,674	61.435	61.435	0.218	1.334	2.024	1.886	1.361	0.749	1.968	Jul-99
FTSE T-Bill 3 Months TR				0.388	1.421	2.043	1.741	1.125	0.596	1.767	Jul-99
Operating: Payden Enhanced Cash(Gross)	305,981,871	20.457	33.299	0.351	1.427	2.164	1.958	1.421	0.779	1.982	Jul-99
Operating: Payden Enhanced Cash(Net)				0.330	1.364	2.078	1.875	1.340	0.674		
FTSE T-Bill 3 Months TR				0.388	1.421	2.043	1.741	1.125	0.596	1.767	Jul-99
Operating: MetLife Enhanced Cash(Gross)	305,200,090	20.405	33.214	-0.096	1.034	1.734	1.799			1.565	May-16
Operating: MetLife Enhanced Cash(Net)				-0.117	0.970	1.648	1.713			1.480	
FTSE T-Bill 3 Months TR				0.388	1.421	2.043	1.741	1.125	0.596	1.412	May-16
Operating: Wells Capital Enhanced Cash(Gross)	307,701,712	20.572	33.486	0.363	1.504	2.158	1.917			1.644	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.345	1.446	2.079	1.842			1.570	
FTSE T-Bill 3 Months TR				0.388	1.421	2.043	1.741	1.125	0.596	1.437	Jun-16

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## Total Fund | As of March 31, 2020

	Asset Class Performan	ce Summa	iry					
	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)		Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 F (%)	iscal 2012 (%)
Total Fund(Gross)	3.191	1.221	0.754	0.842				
Total Fund(Net)	3.107	1.147	0.666	0.778				
Fixed Income(Gross)	4.064	0.582	0.427	1.775				
Fixed Income(Net)	3.982	0.495	0.336	1.699				
ICE BofAML 1-3 Yrs US Treasuries TR	3.974	0.079	-0.108	1.307	0.876	0.765	0.328	0.776
Cash(Gross)	2.573	1.492	0.858	0.509	0.166	0.131	0.112	0.185
Cash(Net)	2.489	1.427	0.758	0.446	0.058	0.018	-0.023	0.044
FTSE T-Bill 3 Months TR	2.294	1.325	0.455	0.138	0.021	0.038	0.079	0.044

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## Total Fund | As of March 31, 2020

	Trailing Period Per	formance						
	Fiscal 2019		Fiscal 2017				Fiscal 2013	Fiscal 2012
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Total Fund(Gross)	3.191	1.221	0.754	0.842		-	-	
Fixed Income(Gross)	4.064	0.582	0.427	1.775				
ICE BofAML 1-3 Yrs US Treasuries TR	3.974	0.079	-0.108	1.307	0.876	0.765	0.328	0.776
Tier One: Payden Low Duration(Gross)	4.239	0.695	0.583	1.461	0.893	1.048	0.534	1.248
Tier One: Payden Low Duration(Net)	4.167	0.615	0.508	1.388	0.783	0.933	0.399	1.105
ICE BofAML 1-3 Yrs US Treasuries TR	3.974	0.079	-0.108	1.307	0.876	0.765	0.328	0.776
ICE BofAML 1-3 Yrs US Corp & Govt TR	4.302	0.265	0.336	1.581	0.901	1.246	0.861	1.169
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	4.170	0.198	0.147	1.492	0.906	1.038	0.656	1.058
Tier One: MetLife STAMP 1-3 Year(Gross)	3.544	0.842	0.478					
Tier One: MetLife STAMP 1-3 Year(Net)	3.478	0.761	0.395					
ICE BofAML 1-3 Yrs US Treasuries TR	3.974	0.079	-0.108	1.307	0.876	0.765	0.328	0.776
ICE BofAML 1-3 Yrs US Corp & Govt TR	4.302	0.265	0.336	1.581	0.901	1.246	0.861	1.169
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	4.170	0.198	0.147	1.492	0.906	1.038	0.656	1.058
Tier One: Wells Capital Reserve Account(Gross)	4.223	0.425	0.403					
Tier One: Wells Capital Reserve Account(Net)	4.145	0.353	0.330					
ICE BofAML 1-3 Yrs US Treasuries TR	3.974	0.079	-0.108	1.307	0.876	0.765	0.328	0.776
ICE BofAML 1-3 Yrs US Corp & Govt TR	4.302	0.265	0.336	1.581	0.901	1.246	0.861	1.169
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	4.170	0.198	0.147	1.492	0.906	1.038	0.656	1.058
Tier Two: MetLife STAMP 1-5 Year(Gross)	4.347	0.258	0.140	3.021	1.494	2.095		
Tier Two: MetLife STAMP 1-5 Year(Net)	4.217	0.131	0.016	2.894	1.367	1.969		
ICE BofAML 1-5 Yrs US Treasuries TR	4.903	-0.351	-0.532	2.426	1.376	1.157	-0.027	2.198
ICE BofAML 1-5 Yrs US Corp & Govt TR	5.384	-0.156	0.134	2.649	1.344	2.000	0.718	2.524
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	5.143	-0.220	-0.172	2.570	1.376	1.641	0.409	2.362

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## CalOptima

## Total Fund | As of March 31, 2020

	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)
Cash(Gross)	2.573	1.492	0.858	0.509	0.166	0.131	0.112	0.185
FTSE T-Bill 3 Months TR	2.294	1.325	0.455	0.138	0.021	0.038	0.079	0.044
Operating: Payden Enhanced Cash(Gross)	2.597	1.580	0.887	0.573	0.166	0.131	0.112	0.185
Operating: Payden Enhanced Cash(Net)	2.508	1.500	0.812	0.505	0.058	0.018	-0.023	0.044
FTSE T-Bill 3 Months TR	2.294	1.325	0.455	0.138	0.021	0.038	0.079	0.044
Operating: MetLife Enhanced Cash(Gross)	2.605	1.501	0.898					
Operating: MetLife Enhanced Cash(Net)	2.519	1.416	0.814					
FTSE T-Bill 3 Months TR	2.294	1.325	0.455	0.138	0.021	0.038	0.079	0.044
Operating: Wells Capital Enhanced Cash(Gross)	2.550	1.443	0.721					
Operating: Wells Capital Enhanced Cash(Net)	2.474	1.370	0.649					
FTSE T-Bill 3 Months TR	2.294	1.325	0.455	0.138	0.021	0.038	0.079	0.044

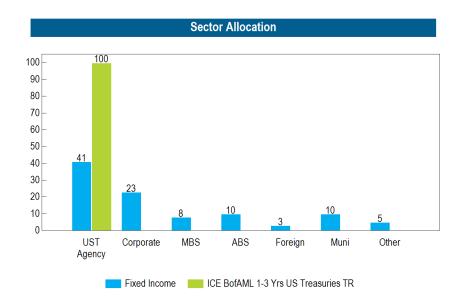
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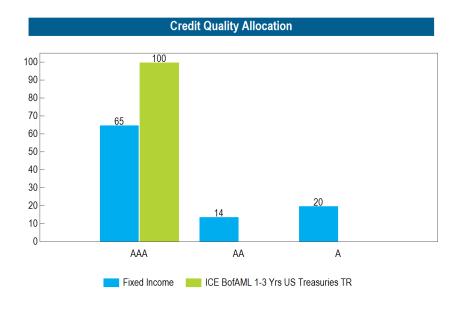


### Fixed Income | As of March 31, 2020

Asset Allocation on March 31, 2020							
	Actual	Actual					
Tier One: Payden Low Duration	\$157,864,886	27.4%					
Tier One: MetLife STAMP 1-3 Year	\$156,881,532	27.2%					
Tier One: Wells Capital Reserve Account	\$157,161,784	27.2%					
Tier Two: MetLife STAMP 1-5 Year	\$104,914,407	18.2%					
Total	\$576,822,608	100.0%					

Fixed Income Characteristics						
vs. ICE BofAM	L 1-3 Yrs US Treasur	ies TR				
	Portfolio	Index	Portfolio			
	Q1-20	Q1-20	Q4-19			
Fixed Income Characteristics						
Yield to Maturity	1.2	0.3	1.8			
Average Duration	1.9	1.8	1.9			
Average Quality	AA	AAA	AA			





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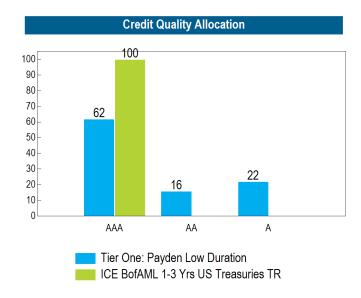


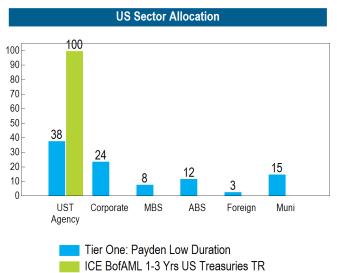
### Tier One: Payden Low Duration | As of March 31, 2020

	Account Information						
Account Name	Tier One: Payden Low Duration						
Account Structure	Separate Account						
Investment Style	Active						
Inception Date	7/01/99						
Account Type	US Fixed Income Short Term						
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR						
Universe	eV US Short Duration Fixed Inc Net						

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	1.566	2.846	4.343	2.704	1.981	1.583	3.040	Jul-99
Tier One: Payden Low Duration(Net)	1.546	2.785	4.274	2.626	1.903	1.478		
ICE BofAML 1-3 Yrs US Treasuries TR	2.808	3.933	5.441	2.705	1.851	1.434	2.964	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR	1.594	2.934	4.475	2.590	1.901	1.649	3.232	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	2.225	3.467	4.991	2.687	1.908	1.587	3.150	Jul-99

Tier One: Payden Low Duration Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR						
	Portfolio	Index	Portfolio			
	Q1-20	Q1-20	Q4-19			
Fixed Income Characteristics						
Yield to Maturity	1.31	0.28	1.79			
Average Duration	1.87	1.81	1.81			
Average Quality	AA	AAA	AA			





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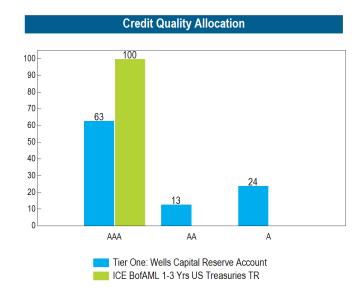


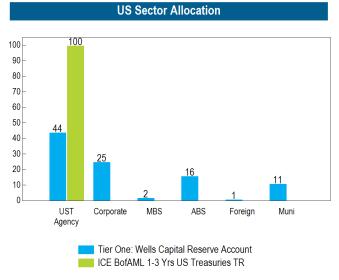
### Tier One: Wells Capital Reserve Account | As of March 31, 2020

Account Information					
Account Name	Tier One: Wells Capital Reserve Account				
Account Structure	Separate Account				
Investment Style	Active				
Inception Date	5/01/16				
Account Type	US Fixed Income Short Term				
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR				
Universe	eV US Short Duration Fixed Inc Net				

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	1.587	2.872	4.321	2.612			2.137	May-16
Tier One: Wells Capital Reserve Account(Net)	1.566	2.810	4.237	2.535			2.062	
ICE BofAML 1-3 Yrs US Treasuries TR	2.808	3.933	5.441	2.705	1.851	1.434	2.120	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	1.594	2.934	4.475	2.590	1.901	1.649	2.123	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	2.225	3.467	4.991	2.687	1.908	1.587	2.153	May-16

Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR					
	Portfolio	Index	Portfolio		
	Q1-20	Q1-20	Q4-19		
Fixed Income Characteristics					
Yield to Maturity	1.18	0.28	1.75		
Average Duration	1.72	1.81	1.85		
Average Quality	AA	AAA	AA		





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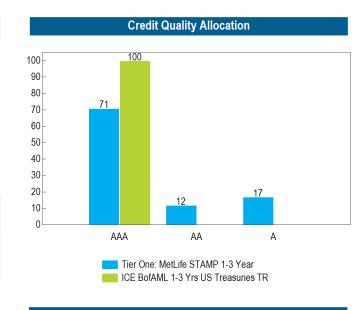


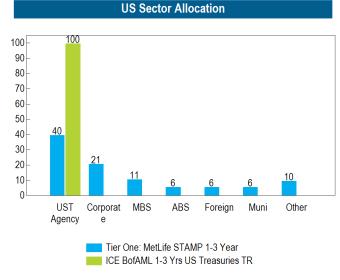
### Tier One: MetLife STAMP 1-3 Year | As of March 31, 2020

	Account Information
Account Name	Tier One: MetLife STAMP 1-3 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	5/01/16
Account Type	US Fixed Income Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	1.674	2.905	4.011	2.552			2.089	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	1.652	2.844	3.945	2.475			2.010	
ICE BofAML 1-3 Yrs US Treasuries TR	2.808	3.933	5.441	2.705	1.851	1.434	2.120	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	1.594	2.934	4.475	2.590	1.901	1.649	2.123	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	2.225	3.467	4.991	2.687	1.908	1.587	2.153	May-16

Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR					
	Portfolio	Index	Portfolio		
	Q1-20	Q1-20	Q4-19		
Fixed Income Characteristics					
Yield to Maturity	1.13	0.28	1.80		
Average Duration	1.71	1.81	1.75		
Average Quality	AA	AAA	AA		





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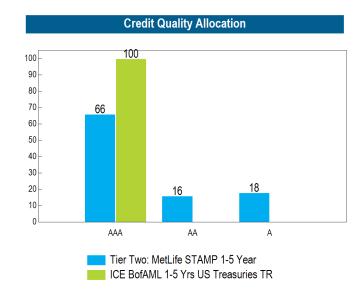


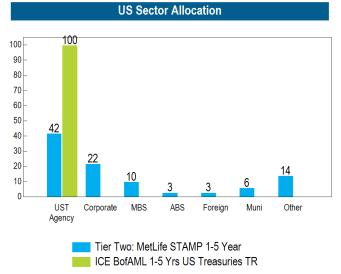
### Tier Two: MetLife STAMP 1-5 Year | As of March 31, 2020

ion
Tier Two: MetLife STAMP 1-5 Year
Separate Account
Active
4/01/13
US Fixed Income Short Term
ICE BofAML 1-5 Yrs US Treasuries TR
eV US Short Duration Fixed Inc Net

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	2.212	3.437	4.890	2.853	2.221		1.943	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	2.181	3.342	4.761	2.725	2.094		1.816	
ICE BofAML 1-5 Yrs US Treasuries TR	3.800	4.951	6.879	3.267	2.256	2.014	1.868	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR	1.954	3.433	5.426	3.050	2.269	2.260	1.981	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	2.967	4.277	6.221	3.205	2.295	2.170	1.958	Apr-13

Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofAML 1-5 Yrs US Treasuries TR						
	Portfolio	Index	Portfolio			
	Q1-20	Q1-20	Q4-19			
Fixed Income Characteristics						
Yield to Maturity	1.09	0.31	1.82			
Average Duration	2.49	2.57	2.49			
Average Quality	AA	AAA	AA			





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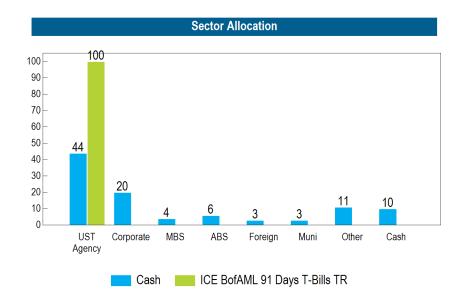


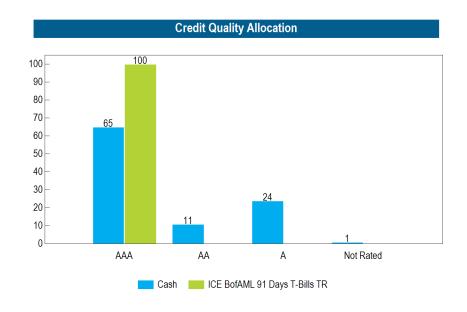
## CalOptima

### Cash | As of March 31, 2020

Asset Allocation on March 31, 2020						
	Actual	Actual				
Operating: MetLife Enhanced Cash	\$305,200,090	33.2%				
Operating: Payden Enhanced Cash	\$305,981,871	33.3%				
Operating: Wells Capital Enhanced Cash	\$307,701,712	33.5%				
Total	\$918,883,674	100.0%				

Cas	h Characteristics		
vs. ICE Bo	ofAML 91 Days T-Bills	TR	
	Portfolio	Index	Portfolio
	Q1-20	Q1-20	Q4-19
Fixed Income Characteristics			
Yield to Maturity	1.1	0.1	1.7
Average Duration	0.2	0.2	0.2
Average Quality	AA	AAA	AA





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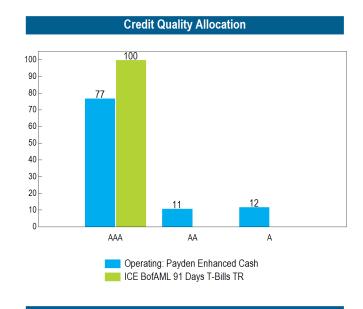


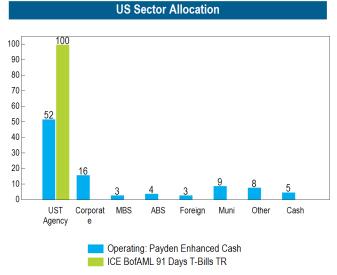
## Operating: Payden Enhanced Cash | As of March 31, 2020

	Account Information
Account Name	Operating: Payden Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/99
Account Type	Cash Alternatives
Benchmark	FTSE T-Bill 3 Months TR
Universe	eV US Enh Cash Management Net

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Payden Enhanced Cash(Gross)	0.351	1.427	2.164	1.958	1.421	0.779	1.982	Jul-99
Operating: Payden Enhanced Cash(Net)	0.330	1.364	2.078	1.875	1.340	0.674		
FTSE T-Bill 3 Months TR	0.388	1.421	2.043	1.741	1.125	0.596	1.767	Jul-99

Operating: Payden Enhanced Cash Fixed Income Characteristics					
vs. ICE BofAML 9	91 Days T-Bills TR				
	Portfolio	Index	Portfolio		
	Q1-20	Q1-20	Q4-19		
Fixed Income Characteristics					
Yield to Maturity	1.09	0.08	1.69		
Average Duration	0.34	0.16	0.22		
Average Quality	AA	AAA	AA		





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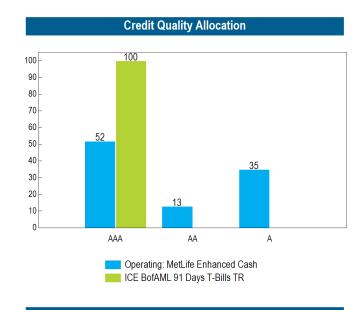


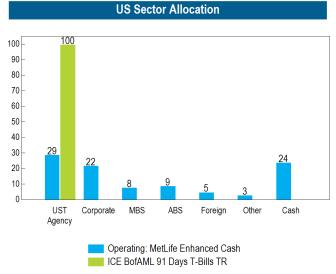
## Operating: MetLife Enhanced Cash | As of March 31, 2020

	Account Information				
Account Name	Operating: MetLife Enhanced Cash				
Account Structure	Separate Account				
Investment Style	Active				
Inception Date	5/02/16				
Account Type	Cash				
Benchmark	FTSE T-Bill 3 Months TR				
Universe	eV US Enh Cash Management Net				

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: MetLife Enhanced Cash(Gross)	-0.096	1.034	1.734	1.799			1.565	May-16
Operating: MetLife Enhanced Cash(Net)	-0.117	0.970	1.648	1.713			1.480	
FTSE T-Bill 3 Months TR	0.388	1.421	2.043	1.741	1.125	0.596	1.412	May-16

Operating: MetLife Enhanced Cash Fixed Income Characteristics					
vs. ICE BofAML	91 Days T-Bills TR				
	Portfolio	Index	Portfolio		
	Q1-20	Q1-20	Q4-19		
Fixed Income Characteristics					
Yield to Maturity	1.48	0.08	1.79		
Average Duration	0.19	0.16	0.07		
Average Quality	AA	AAA	AA		





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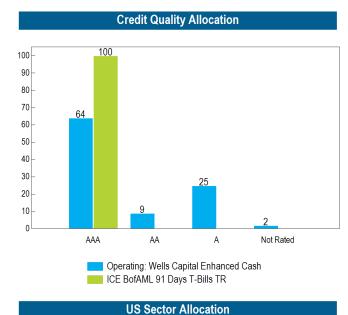


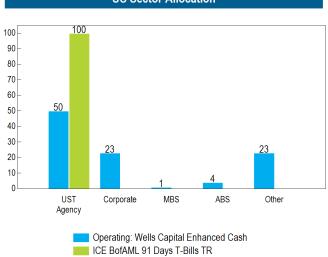
## Operating: Wells Capital Enhanced Cash | As of March 31, 2020

Account Information				
Account Name	Operating: Wells Capital Enhanced Cash			
Account Structure	Separate Account			
Investment Style	Active			
Inception Date	6/01/16			
Account Type	Cash			
Benchmark	FTSE T-Bill 3 Months TR			
Universe	eV US Enh Cash Management Net			

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Wells Capital Enhanced Cash(Gross)	0.363	1.504	2.158	1.917			1.644	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.345	1.446	2.079	1.842			1.570	
FTSE T-Bill 3 Months TR	0.388	1.421	2.043	1.741	1.125	0.596	1.437	Jun-16

Operating: Wells Capital Enhanced Cash Fixed Income Characteristics vs. ICE BofAML 91 Days T-Bills TR				
	Portfolio	Index	Portfolio	
	Q1-20	Q1-20	Q4-19	
Fixed Income Characteristics				
Yield to Maturity	0.88	0.08	1.74	
Average Duration	0.15	0.16	0.33	
Average Quality	AA	AAA	AA	





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## Total Fund | As of March 31, 2020

	Annual Investment Expense Analysis				
	As Of March 31, 2020				
Name	Fee Schedule	Market Value			
Fixed Income		\$576,822,608			
Tier One: Payden Low Duration	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$157,864,886			
Tier One: MetLife STAMP 1-3 Year	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$156,881,532			
Tier One: Wells Capital Reserve Account	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$157,161,784			
Tier Two: MetLife STAMP 1-5 Year	0.15% of First 50.0 Mil, 0.10% of Next 250.0 Mil, 0.07% Thereafter	\$104,914,407			
Cash		\$918,883,674			
Operating: Payden Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$305,981,871			
Operating: MetLife Enhanced Cash	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$305,200,090			
Operating: Wells Capital Enhanced Cash	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$307,701,712			
Total		\$1,495,706,282			

Please note that MetLife, Payden, and Wells Capital charge their investment management fees on an aggregate basis across Operating Cash, Tier One and Tier Two portfolios.

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### Total Fund | As of March 31, 2020

#### **Statistics Summary** 1 Year Ending March 31, 2020 Sharpe Ratio Fixed Income 2.31 ICE BofAML 1-3 Yrs US Treasuries TR 2.31 Tier One: Payden Low Duration 2.15 ICE BofAML 1-3 Yrs US Treasuries TR 2.31 Tier One: MetLife STAMP 1-3 Year 2.64 ICE BofAML 1-3 Yrs US Treasuries TR 2.31 Tier One: Wells Capital Reserve Account 2.18 ICE BofAML 1-3 Yrs US Treasuries TR 2.31 Tier Two: MetLife STAMP 1-5 Year 2.23 ICE BofAML 1-5 Yrs US Treasuries TR 2.30 Cash 0.25 FTSE T-Bill 3 Months TR 1.75 Operating: Payden Enhanced Cash 0.74 FTSE T-Bill 3 Months TR 1.75 Operating: MetLife Enhanced Cash -0.31 FTSE T-Bill 3 Months TR 1.75 Operating: Wells Capital Enhanced Cash 1.14 FTSE T-Bill 3 Months TR 1.75

Statistics Summary				
3 Years Ending March 31, 2020				
	Sharpe Ratio			
Fixed Income	0.94			
ICE BofAML 1-3 Yrs US Treasuries TR	0.79			
Tier One: Payden Low Duration	1.00			
ICE BofAML 1-3 Yrs US Treasuries TR	0.79			
Tier One: MetLife STAMP 1-3 Year	1.02			
ICE BofAML 1-3 Yrs US Treasuries TR	0.79			
Tier One: Wells Capital Reserve Account	0.86			
ICE BofAML 1-3 Yrs US Treasuries TR	0.79			
Tier Two: MetLife STAMP 1-5 Year	0.83			
ICE BofAML 1-5 Yrs US Treasuries TR	0.86			
Cash	0.34			
FTSE T-Bill 3 Months TR	0.13			
Operating: Payden Enhanced Cash	0.66			
FTSE T-Bill 3 Months TR	0.13			
Operating: MetLife Enhanced Cash	-0.02			
FTSE T-Bill 3 Months TR	0.13			
Operating: Wells Capital Enhanced Cash	0.55			
FTSE T-Bill 3 Months TR	0.13			

Statistics Summary								
5 Years Ending March 31, 2020								
	Sharpe Ratio							
Fixed Income	0.88							
ICE BofAML 1-3 Yrs US Treasuries TR	0.65							
Tier One: Payden Low Duration	0.95							
ICE BofAML 1-3 Yrs US Treasuries TR	0.65							
Tier One: MetLife STAMP 1-3 Year								
ICE BofAML 1-3 Yrs US Treasuries TR	0.65							
Tier One: Wells Capital Reserve Account								
ICE BofAML 1-3 Yrs US Treasuries TR	0.65							
Tier Two: MetLife STAMP 1-5 Year	0.77							
ICE BofAML 1-5 Yrs US Treasuries TR	0.68							
Cash	0.55							
FTSE T-Bill 3 Months TR	0.00							
Operating: Payden Enhanced Cash	0.77							
FTSE T-Bill 3 Months TR	0.00							
Operating: MetLife Enhanced Cash								
FTSE T-Bill 3 Months TR	0.00							
Operating: Wells Capital Enhanced Cash								
FTSE T-Bill 3 Months TR	0.00							

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## Annual Investment Policy (2020) Maturity and Quality Requirements

	Maximur	n Permitted	Maturity	Actual Maximum Maturity						Compliance	
Allowable Instruments	Operating Funds	Tier One	Tier Two		Operating Funds			Tier One		Tier Two	
				ML	P&R	WF	ML	P&R	WF	ML	
US Treasuries	2 years	5 years	5 years	0.42 years	1.17 years	N/A	4.04 years	3.33 years	2.84 years	4.63 years	Yes
US Agencies	2 years	5 years	5 years	1.41 years	N/A	0.05 years	1.79 years	4.37 years	2.44 years	4.26 years	Yes
State & Local Obligations <sup>1</sup>	2 years	5 years	5 years	0.67 years	1.50 years	1.59 years	4.25 years	3.34 years	2.50 years	4.34 years	Yes
Supranationals	2 years	5 years	5 years	N/A	N/A	N/A	3.22 years	4.70 years	1.31 years	3.22 years	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	0.06 years	0.82 years <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	Yes
Commercial Paper	270 days	270 days	270 days	20 days	9 days	101 days	N/A	N/A	N/A	N/A	Yes
Repurchase Agreements	30 days	30 days	30 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Medium Term Notes	2 years	5 years	5 years	1.13 years	1.81 years	1.07 years	2.96 years	5.00 years	2.84 years	4.46 years	Yes
Mortgage/ Asset-Backed	2 years	5 years	5 years	1.71 years	0.34 years	1.71 years	4.74 years	3.08 years	4.63 years	4.74 years	Yes
Variable & Floating Rate	2 years	5 years	5 years	0.21 years	0.57 years	0.25 years	1.84 years	2.87 years	N/A	1.57 years	Yes
Manager Confirmed Adherence to 5% Issuer Limit <sup>3</sup>			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

• Investment Managers have independently verified that they have maintained compliance with CalOptima's Investment Policy Statement-designated security credit rating requirements during the review quarter.

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<sup>&</sup>lt;sup>1</sup> Includes CA and any other state in the US.

<sup>&</sup>lt;sup>2</sup> FRN CDs included in Variable & Floating Rate Securities section totaling 4.98% of the combined portfolio.

<sup>&</sup>lt;sup>3</sup> 5% Issuer Limit is a proposed AIP provision pending approval by the IAC.



## Annual Investment Policy (2020) Diversification Compliance

Allowable Instruments	Maximum (%)	MetLife (%)	MetLife (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
US Treasuries	100	23.7	134.1	41.4	191.9	11.7	54.5	25.4	380.6
US Agencies	100	2.0	11.3	2.6	11.8	36.1	167.9	12.8	191.0
State & Local Obligations <sup>2</sup>	30	6.9	39.2	11.3	52.3	7.6	35.4	8.5	126.9
Supranationals	30	5.0	28.2	1.0	4.8	0.3	1.6	2.3	34.5
Negotiable Certificate of Deposit	30	8.6	48.7	1.8	8.5	0.0	0.0	3.8	57.2
Commercial Paper	25	4.0	22.6	0.4	2.0	15.1	70.0	6.3	94.5
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	13.2	74.7	8.9	41.2	14.6	68.1	8.1	183.9
Money Market Funds	20	7.6	43.0	2.7	12.6	0.2	0.8	3.8	56.3
Mortgage/Asset-Backed	20	11.6	65.9	8.2	38.1	8.6	40.2	9.6	144.1
Variable & Floating Rate	30	17.5	99.3	21.7	100.7	5.7	26.6	15.1	226.5
Total		100.0	567.0	100.0	463.8	100.0	464.9	100.0	1495.7

• Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2020.

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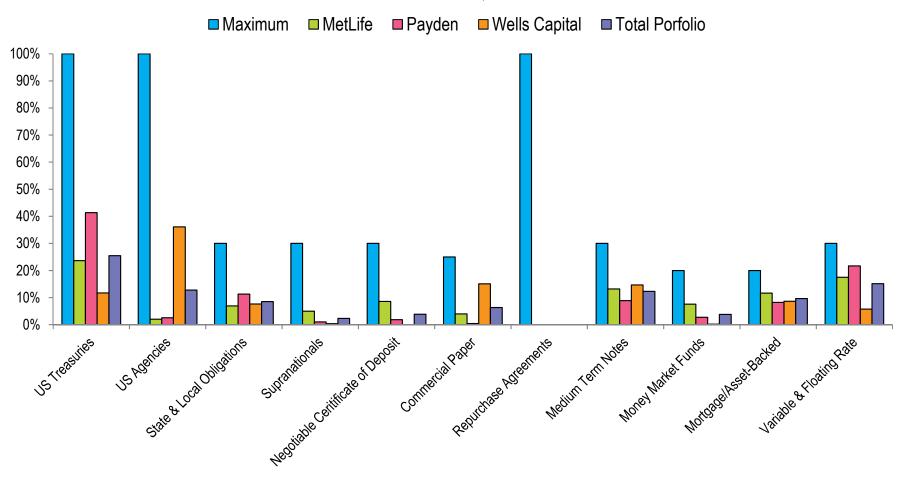
<sup>&</sup>lt;sup>1</sup> Blended allocations for Payden & Rygel, MetLife, and Wells Capital accounts.

<sup>&</sup>lt;sup>2</sup> Includes CA and any other state in the US.



## Annual Investment Policy (2020) Actual vs. Diversity Requirements

As of March 31, 2020



## **Custom Peer Group**



- Given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best comparison tool for the Tier One and Tier Two pools.
- Meketa Investment Group surveyed the eVestment Alliance US Short Duration Fixed Income universe and Morningstar's Short Duration Fixed Income universe to create custom peer universes for each of the Tier One and Tier Two pools in order to provide a more accurate performance comparison<sup>1</sup>.
  - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
  - Two unique buckets were established based on each portfolio's historical average effective duration relative to the ICE BofA Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the ICE BofA Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
  - The Tier One peer group consists of fourteen strategies with a median effective duration of 1.79 years, while the Tier Two peer group consists of eight strategies with a median effective duration of 2.37 years as of December 31, 2019.
- Please note that the analysis is as of December 31, 2019, as the universe of investment managers that had reported data as of March 31, 2020 was very small at the date that these materials were submitted.
- This analysis is based on a small peer universe that may change significantly over time, potentially resulting in large changes in peer rankings quarter-to-quarter.

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<sup>&</sup>lt;sup>1</sup> Though this comparison is more accurate than ranking the managers relative to the broad short duration peer group, these peer managers are not subject to the restrictions of the California Government Code. They are likely to have more degrees of freedom to invest across fixed income securities and sectors.



### Custom Peer Group: MetLife Tier One

Gross of Fees Returns as of 12/31/2019 <sup>1</sup>	4Q 2019 (%)	1 Year (%)	3 Year (%)	Since Inception <sup>2</sup> (%)
Tier One: MetLife STAMP 1-3 Year	0.60	3.40	2.13	1.77
Peer Group Median Return	0.57	4.03	2.24	2.01
Peer Group Rank (percentile)	40	92	70	72

Standard Deviation as of 12/31/2019 <sup>3</sup>	3 Years (%)
Tier One: MetLife STAMP 1-3 Year	0.61
Median Standard Deviation	0.83
Peer Group Rank (percentile)	25

- The MetLife Tier One portfolio outperformed the peer group in the fourth quarter, but underperformed over the trailing one-, three-year and since inception time periods.
- Standard deviation has ranked favorably versus peers over the trailing three-year period.

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<sup>&</sup>lt;sup>1</sup> Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

<sup>&</sup>lt;sup>2</sup> Formal inception date is May 2016.

<sup>&</sup>lt;sup>3</sup> For peer group standard deviation rankings, a percentile rank of 1 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 99 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.



### Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 12/31/2019 <sup>1</sup>	4Q 2019 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.56	3.98	2.31	1.78	1.50
Peer Group Median Return	0.57	4.03	2.24	1.88	1.78
Peer Group Rank (percentile)	52	54	43	63	78

Standard Deviation as of 12/31/2019 <sup>2</sup>	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.81	0.76	0.71
Median Standard Deviation	0.83	0.85	0.82
Peer Group Rank (percentile)	46	15	8

- The Payden Tier One portfolio's trailing returns rank in the third quartile of the peer group in the fourth quarter of 2019 and one-year time period, but in the second quartile over three-year trailing period. Trailing returns underperformed the custom peer group over the five- and ten-year trailing periods.
- Standard deviation has ranked favorably versus peers over all trailing periods.

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<sup>&</sup>lt;sup>1</sup> Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

<sup>&</sup>lt;sup>2</sup> For peer group standard deviation rankings, a percentile rank of 1 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 99 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.



### Custom Peer Group: Wells Capital Tier One

Gross of Fees Returns as of 12/31/2019 <sup>1</sup>	4Q 2019 (%)	1 Year (%)	3 Year (%)	Since Inception <sup>2</sup> (%)
Tier One: Wells Capital Reserve Account	0.57	3.94	2.20	1.85
Peer Group Median Return	0.57	4.03	2.24	2.01
Peer Group Rank (percentile)	50	55	62	68

Standard Deviation as of 12/31/2019 <sup>3</sup>	3 Years (%)
Tier One: Wells Capital Reserve Account	0.85
Median Standard Deviation	0.83
Peer Group Rank (percentile)	54

- The Wells Capital Tier One portfolio performed in line with the custom short duration peer group over the fourth quarter. Trailing returns underperformed the custom peer group over the one-year, three-year and since inception time periods.
- Standard deviation falls in line with the peer median, ranking in the 54th percentile over the trailing three-year period.

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<sup>&</sup>lt;sup>1</sup> Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

<sup>&</sup>lt;sup>2</sup> Formal inception date is May 2016.

<sup>&</sup>lt;sup>3</sup> For peer group standard deviation rankings, a percentile rank of 1 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 99 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.



### Custom Peer Group: MetLife Tier Two

Gross of Fees Returns as of 12/31/2019 <sup>1</sup>	4Q 2019 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	0.52	3.97	2.30	1.97
Peer Group Median Return	0.48	4.28	2.32	1.82
Peer Group Rank (percentile)	45	73	64	31

Standard Deviation as of 12/31/2019 <sup>2</sup>	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	1.02	1.21
Median Standard Deviation	1.15	1.24
Peer Group Rank (percentile)	22	46

- MetLife's Tier Two portfolio outperformed the peer group in the fourth quarter of 2019 and over the trailing five-year period, but underperformed the trailing one- and three-year time periods.
- Standard deviation for the strategy ranks in the first and second quartiles of the peer group over the trailing three- and five-year periods, respectively.

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<sup>&</sup>lt;sup>1</sup> Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

<sup>&</sup>lt;sup>2</sup> For peer group standard deviation rankings, a percentile rank of 1 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 99 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.



### **Performance Attribution**

- The following pages present attribution data for the MetLife Tier One and Tier Two portfolios, the Payden & Rygel Tier One portfolio, and the Wells Capital Tier One portfolio.
- Attribution represents outperformance or underperformance, based on active investment decisions across fixed income sub-sectors, relative to a manager's benchmark index. Attribution data demonstrates where managers are able to most effectively add incremental value versus the benchmark.
- Attribution data is provided by the investment managers and is presented gross of investment management fees as of March 31, 2020. Attribution data fields will vary slightly across investment managers.

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# MetLife Tier One Performance Attribution<sup>1</sup> Gross of Fees as of 3/31/2020

	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Gov	
Benchmark Relative Attribution (basis points)	1Q 2020	1 Year	1Q 2020	1 Year
Duration	-60	-100	-47	-87
Yield Curve	0	-7	0	-6
Sector Selection	-54	-33	-8	-2
Treasury	0	0	0	0
Agency	0	2	5	4
Corporate	-34	-20	7	9
Financial	-31	-20	-6	-3
Industrial	-3	-1	11	10
Utilities	0	1	2	2
MBS	0	1	0	1
CMBS	-5	-5	-5	-5
ABS	-5	-3	-5	-3
Municipal	-10	-8	-10	-8
Total Excess Return <sup>2</sup>	-114	-140	-56	-95
MetLife Tier One Return	167	402	167	402
Benchmark Return	281	542	223	497

<sup>&</sup>lt;sup>1</sup> Performance attribution provided by MetLife.

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<sup>&</sup>lt;sup>2</sup> May not add to actual out/underperformance due to rounding.



# Payden & Rygel Tier One Performance Attribution<sup>1</sup> Gross of Fees as of 3/31/2020

	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Me 1-3 Year AAA-A	
Benchmark Relative Attribution (basis points)	1Q 2020	1 Year	1Q 2020	1 Year
Duration	1	-2	2	0
Yield Curve	0	0	2	0
Sector Selection	-125	-105	-71	-63
Treasury	-1	0	-26	-23
Agency	-4	-4	1	1
Corporate	-68	-54	-14	-12
Financial	-45	-35	-12	-10
Industrial	-13	-10	5	4
Utilities	-10	-9	-7	-6
MBS	0	0	0	0
CMBS	0	0	0	0
ABS	-28	-25	-16	-15
Municipal	-24	-22	-16	-14
Residual	0	0	2	1
Total Excess Return²	-124	-107	-65	-62
Payden & Rygel Tier One Return	157	435	157	435
Benchmark Return	281	542	223	497

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<sup>&</sup>lt;sup>1</sup> Performance attribution provided by Payden.

<sup>&</sup>lt;sup>2</sup> May not add to actual out/underperformance due to rounding.



# Wells Capital Tier One Performance Attribution<sup>1</sup> Gross of Fees as of 3/31/2020

	ICE BofA Mo 1-3 Year U	errill Lynch S Treasury	ICE BofA Me 1-3 Year AAA-A	
Benchmark Relative Attribution (basis points)	1Q 2020	1 Year	1Q 2020	1 Year
Duration	-3	-8	-20	-26
Sector Selection	-119	-102	-44	-39
Treasury <sup>2</sup>	NA	NA	NA	NA
Agency	-5	-3	0	0
Corporate	-70	-57	-23	-17
Financial	-40	-32	-15	-12
Industrial	-29	-24	-9	-6
Utilities	-1	-1	0	0
MBS	0	-1	2	2
CMBS	0	0	0	0
ABS	-31	-27	-22	-21
Municipal	-13	-12	-1	-1
Error Factor	-1	-2	1	-2
Total Excess Return³	-122	-110	-64	-65
Wells Capital Tier One Return (%)	159	432	159	432
Benchmark Return (%)	281	542	223	497

<sup>&</sup>lt;sup>1</sup> Performance attribution provided by Wells Capital.

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<sup>&</sup>lt;sup>2</sup> Treasury sector selection attribution is included in Duration figure.

 $<sup>^{3}</sup>$  May not add to actual out/underperformance due to rounding.



# MetLife Tier Two Performance Attribution<sup>1</sup> Gross of Fees as of 3/31/2020

	ICE BofA Merrill Lynch 1-5 Year US Treasury		ICE BofA Merrill Lynch 1-5 Year AAA-A US Corp & Govt	
Benchmark Relative Attribution (basis points)	1Q 2020	1 Year	1Q 2020	1 Year
Duration	-61	-120	-47	-103
Yield Curve	0	-5	0	-4
Sector Selection	-98	-72	-29	-24
Treasury	0	0	0	0
Agency	-1	2	6	5
Corporate	-61	-44	0	1
Financial	-54	-40	-15	-13
Industrial	-6	-4	14	12
Utilities	-1	0	1	2
MBS	0	0	0	0
CMBS	-6	-4	-5	-4
ABS	-1	-1	-1	-1
Municipal	-29	-25	-29	-25
Total Excess Return <sup>2</sup>	-159	-197	-76	-131
MetLife Tier Two Return	221	489	221	489
Benchmark Return	380	686	297	620

<sup>&</sup>lt;sup>1</sup> Performance attribution provided by MetLife.

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<sup>&</sup>lt;sup>2</sup> May not add to actual out/underperformance due to rounding.

## **Appendix**



### **Characteristics**

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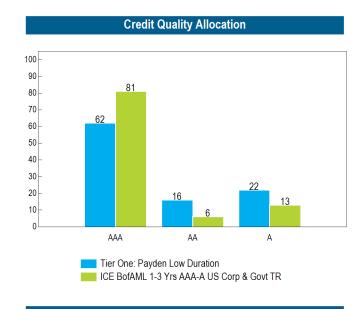


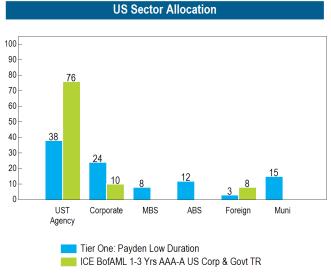
### Tier One: Payden Low Duration | As of March 31, 2020

Ac	count Information
Account Name	Tier One: Payden Low Duration
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/99
Account Type	US Fixed Income Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	1.566	2.846	4.343	2.704	1.981	1.583	3.040	Jul-99
Tier One: Payden Low Duration(Net)	1.546	2.785	4.274	2.626	1.903	1.478		
ICE BofAML 1-3 Yrs US Treasuries TR	2.808	3.933	5.441	2.705	1.851	1.434	2.964	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR	1.594	2.934	4.475	2.590	1.901	1.649	3.232	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	2.225	3.467	4.991	2.687	1.908	1.587	3.150	Jul-99

Tier One: Payden Low Duration Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR							
Portfolio Index Portfolio							
	Q1-20	Q1-20	Q4-19				
Fixed Income Characteristics							
Yield to Maturity	1.31	0.66	1.79				
Average Duration	1.87	1.81	1.81				
Average Quality	AA	AAA	AA				





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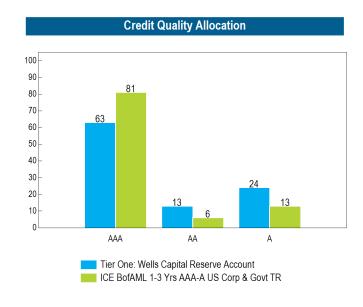


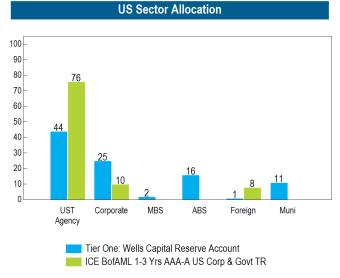
### Tier One: Wells Capital Reserve Account | As of March 31, 2020

Account Information						
Account Name	Tier One: Wells Capital Reserve Account					
Account Structure	Separate Account					
Investment Style	Active					
Inception Date	5/01/16					
Account Type	US Fixed Income Short Term					
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR					
Universe	eV US Short Duration Fixed Inc Net					

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	1.587	2.872	4.321	2.612			2.137	May-16
Tier One: Wells Capital Reserve Account(Net)	1.566	2.810	4.237	2.535			2.062	
ICE BofAML 1-3 Yrs US Treasuries TR	2.808	3.933	5.441	2.705	1.851	1.434	2.120	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	1.594	2.934	4.475	2.590	1.901	1.649	2.123	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	2.225	3.467	4.991	2.687	1.908	1.587	2.153	May-16

Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR							
	Portfolio	Index	Portfolio				
	Q1-20	Q1-20	Q4-19				
Fixed Income Characteristics							
Yield to Maturity	1.18	0.66	1.75				
Average Duration	1.72	1.81	1.85				
Average Quality	AA	AAA	AA				





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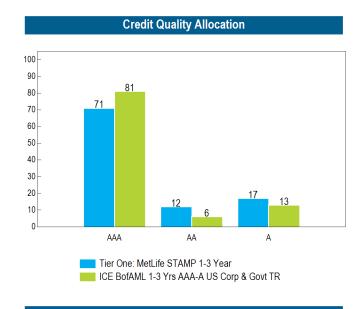


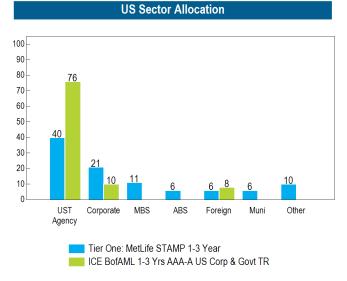
### Tier One: MetLife STAMP 1-3 Year | As of March 31, 2020

Acco	ount Information
Account Name	Tier One: MetLife STAMP 1-3 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	5/01/16
Account Type	US Fixed Income Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	1.674	2.905	4.011	2.552			2.089	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	1.652	2.844	3.945	2.475			2.010	
ICE BofAML 1-3 Yrs US Treasuries TR	2.808	3.933	5.441	2.705	1.851	1.434	2.120	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	1.594	2.934	4.475	2.590	1.901	1.649	2.123	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	2.225	3.467	4.991	2.687	1.908	1.587	2.153	May-16

Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR							
	Portfolio Index Portfolio						
	Q1-20	Q1-20	Q4-19				
Fixed Income Characteristics							
Yield to Maturity	1.13	0.66	1.80				
Average Duration	1.71	1.81	1.75				
Average Quality	AA	AAA	AA				





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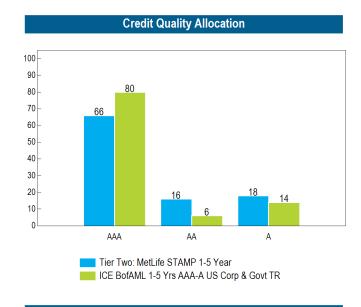


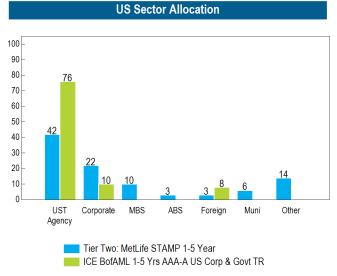
### Tier Two: MetLife STAMP 1-5 Year | As of March 31, 2020

Account Information						
Account Name	Tier Two: MetLife STAMP 1-5 Year					
Account Structure	Separate Account					
Investment Style	Active					
Inception Date	4/01/13					
Account Type	US Fixed Income Short Term					
Benchmark	ICE BofAML 1-5 Yrs US Treasuries TR					
Universe	eV US Short Duration Fixed Inc Net					

Portfolio Performance Summary								
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	2.212	3.437	4.890	2.853	2.221		1.943	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	2.181	3.342	4.761	2.725	2.094		1.816	
ICE BofAML 1-5 Yrs US Treasuries TR	3.800	4.951	6.879	3.267	2.256	2.014	1.868	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR	1.954	3.433	5.426	3.050	2.269	2.260	1.981	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	2.967	4.277	6.221	3.205	2.295	2.170	1.958	Apr-13

Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR						
	Portfolio	Index	Portfolio			
	Q1-20	Q1-20	Q4-19			
Fixed Income Characteristics						
Yield to Maturity	1.09	0.71	1.82			
Average Duration	2.49	2.57	2.49			
Average Quality	AA	AAA	AA			





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## **Holdings**

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Portfolio Positions as of March 31, 2020

Currency: USD									5 01 Water 51, 2020
,	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash									
	CASH OR STIF			USD	206,074.17	206,074.17	0.00	1.000	0.13%
Total for Cash					206,074.17	206,074.17	0.00		0.13%
Treasuries									
1,662,000.000	U.S. TREASURY NO Mat: 1/15/22 Moody's: Aaa Tr Date: 1/22/20	OTE Cpn: 2.50% S&P: AA+u St Date: 1/23/20	Fitch: AAA	9128285V8	1,694,870.54 1,751.52	1,729,745.98 8,789.42	34,875.44	104.076	1.10%
3,445,000.000	U.S. TREASURY NO Mat: 1/31/22 Moody's: Aaa Tr Date: 1/9/20	OTE Cpn: 1.88% S&P: AA+u St Date: 1/10/20	Fitch: AAA	912828V72	3,467,799.35 28,610.82	3,549,359.28 10,824.78	81,559.93	103.029	2.26%
6,021,000.000	U.S. TREASURY NO Mat: 5/15/22 Moody's: Aaa Tr Date: 2/26/20	OTE Cpn: 2.13% S&P: AA+u St Date: 2/27/20	Fitch: AAA	9128286U9	6,149,560.71 36,556.07	6,261,369.64 48,507.09	111,808.93	103.992	4.00%
15,294,000.000	U.S. TREASURY NO Mat: 11/15/22 Moody's: Aaa Tr Date: 11/21/19		Fitch: AAA	912828TY6	15,298,666.00 9,376.65	15,834,069.38 94,221.96	535,403.38	103.531	10.09%
2,335,000.000	U.S. TREASURY NO Mat: 1/15/23 Moody's: Aaa Tr Date: 1/15/20	OTE Cpn: 1.50% S&P: AA+u St Date: 1/16/20	Fitch: AAA	912828Z29	2,339,669.53 1,386.06	2,414,535.94 7,409.13	74,866.41	103.406	1.53%
7,510,000.000	U.S. TREASURY NO Mat: 2/15/23 Moody's: Aaa Tr Date: 2/28/20	OTE Cpn: 1.38% S&P: AA+u St Date: 3/2/20	Fitch: AAA	912828Z86	7,629,346.80 4,664.50	7,747,327.72 13,049.66	117,980.92	103.160	4.92%
3,432,000.000	U.S. TREASURY NO Mat: 2/28/23 Moody's: Aaa Tr Date: 3/13/20	OTE Cpn: 1.50% S&P: AA+u St Date: 3/16/20	Fitch: AAA	912828P79	3,519,810.94 2,238.26	3,553,594.70 4,476.52	33,783.76	103.543	2.25%
741,000.000	U.S. TREASURY NO Mat: 5/31/23 Moody's: Aaa Tr Date: 1/10/20	OTE Cpn: 2.75% S&P: AA+u St Date: 1/13/20	Fitch: AAA	9128284S6	768,985.11 2,449.75	798,224.88 6,848.18	29,239.77	107.723	0.51%



ortfolio Positio Currency: USD	ons						a	s of March 31, 2020
•	Security		Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfoli
5,005,000.000	U.S. TREASURY NO Mat: 7/31/23 Moody's: Aaa Tr Date: 3/11/20	OTE Cpn: 2.75% S&P: AA+u Fitch: A St Date: 3/12/20	912828Y61 NAA	5,345,590.25 15,503.13	5,409,505.65 23,065.63	63,915.40	108.082	3.44%
otal for Treasuries				46,214,299.22 102,536.76	47,297,733.16 217,192.37	1,083,433.94		30.10%
Government Relate	d							
·	INTL FINANCE COI Mat: 1/25/21 Moody's: Aaa Tr Date: 1/18/18	Cpn: 2.25% S&P: AAA Fitch: St Date: 1/25/18	45950KCM0	907,324.60 0.00	923,243.10 3,753.75	15,918.50	101.455	0.59%
1,350,000.000	INTL BANK RECON Mat: 7/23/21 Moody's: Aaa Tr Date: 7/18/18	& DEVELOP  Cpn: 2.75%  S&P: AAA Fitch: St Date: 7/25/18	459058GH0	1,346,841.00 0.00	1,389,623.12 7,012.50	42,782.12	102.935	0.88%
1,560,000.000	IBRD C 1/27/21 1X Mat: 1/27/23 Moody's: Aaa Tr Date: 1/24/20	Cpn: 1.75% S&P: AAA Fitch: St Date: 1/28/20	45905U5U4	1,560,000.00 75.83	1,574,436.80 4,853.33	14,436.80	100.925	1.00%
840,000.000	INTL BANK RECON Mat: 12/12/24 Moody's: Aaa Tr Date: 3/31/20	& DEVELOP Cpn: 2.00% S&P: AAA Fitch: St Date: 4/1/20	45905U5S9	845,863.20 5,086.67	845,863.20 5,086.67	0.00	100.698	0.54%
otal for Governmen	t Related			4,660,028.80 5,162.50	4,733,166.23 20,706.25	73,137.43		3.01%
gencies								
280,000.000	HOUSING URBAN I Mat: 8/1/21 Moody's: Aaa Tr Date: 3/20/19	DEVELOPMENT  Cpn: 2.57%  S&P: AA+u Fitch: A  St Date: 3/28/19	911759MU9 AAA	280,000.00	287,810.14 1,199.33	7,810.14	102.789	0.18%
1,790,000.000	FHLB Mat: 10/12/21 Moody's: Aaa Tr Date: 10/11/18	Cpn: 3.00% S&P: AA+ Fitch: A St Date: 10/12/18	3130AF5B9	1,788,836.50 0.00	1,861,394.02 25,209.17	72,557.52	103.989	1.20%
1,340,000.000	FHLB Mat: 11/19/21 Moody's: Aaa Tr Date: 11/7/19	Cpn: 1.63% S&P: AA+ Fitch: A St Date: 11/8/19	3130AHJY0	1,337,708.60 0.00	1,366,272.15 8,649.51	28,563.55	101.961	0.87%
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Portfolio Position Currency: USD	ons							a	s of March 31, 2020
	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,710,000.000	FNMA Mat: 9/6/22 Moody's: Aaa Tr Date: 9/5/19	Cpn: 1.38% S&P: AA+ St Date: 9/6/19	Fitch: AAA	3135G0W33	1,704,049.20 0.00	1,750,809.32 1,632.81	46,760.12	102.387	1.11%
1,560,000.000	FNMA C 7/30/20 Q Mat: 1/30/23 Moody's: Aaa Tr Date: 1/28/20	Cpn: 1.75% S&P: AA+ St Date: 1/30/20	Fitch: AAA	3135G0X73	1,560,000.00 0.00	1,563,532.39 4,625.83	3,532.39	100.226	0.99%
1,530,000.000	FFCB Mat: 7/13/23 Moody's: Aaa Tr Date: 1/29/20	Cpn: 1.78% S&P: AA+ St Date: 1/30/20	Fitch: AAA	3133ELGR9	1,529,617.50 1,286.05	1,530,540.14 5,900.70	922.64	100.035	0.97%
435,000.000	FHLB Mat: 8/15/24 Moody's: Aaa Tr Date: 8/15/19	Cpn: 1.50% S&P: AA+ St Date: 8/16/19	Fitch: AAA	3130AGWK7	433,977.75 0.00	453,730.15 833.75	19,752.40	104.306	0.29%
1,430,000.000	FHLB C 7/21/20 Q Mat: 1/21/25 Moody's: Aaa Tr Date: 1/23/20	Cpn: 2.00% S&P: AA+ St Date: 1/24/20	Fitch: AAA	3130AHWB5	1,430,000.00 238.33	1,431,643.18 5,561.11	1,643.18	100.115	0.91%
1,530,000.000	FHLMC C 5/6/20 Q Mat: 2/6/25 Moody's: Aaa Tr Date: 2/6/20	Cpn: 1.97% S&P: AA+u St Date: 2/7/20	Fitch: AAA	3134GU7H7	1,530,000.00 83.73	1,531,303.84 4,604.88	1,303.84	100.085	0.97%
Total for Agencies					11,594,189.55 1,608.11	11,777,035.32 58,217.10	182,845.77		7.50%
Taxable Muni									
285,000.000	CA LOS ANGELES D Mat: 5/15/20 Moody's: Aa2 Tr Date: 4/20/18	DEPT AIRPORTS-L Cpn: 2.09% S&P: AA St Date: 4/24/18	AX TXBL Fitch: AA	544445AZ2	281,545.80 2,633.31	285,220.79 2,252.39	3,674.99	100.078	0.18%
690,000.000	CA ST HSG FIN AG Mat: 8/1/20 Moody's: A1 Tr Date: 6/21/17	Y REV-TXBL Cpn: 2.30% S&P: AA St Date: 6/29/17	Fitch:	13034PZF7	690,000.00 0.00	693,510.33 2,645.00	3,510.33	100.509	0.44%
850,000.000	CA SAN FRANCISCO Mat: 8/1/20 Moody's: Tr Date: 11/10/17	D REDEV AGY-TXE Cpn: 2.00% S&P: AA- St Date: 11/30/17	Fitch:	79770GGM2	848,886.50 0.00	851,901.79 2,833.33	3,015.29	100.224	0.54%



Portfolio Positions

Currency: USD

as of March 31, 2020

Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
550,000.000	CA SAN JOSE REDI Mat: 8/1/20 Moody's: Tr Date: 12/8/17	EV AGY TAB TXB Cpn: 2.26% S&P: AA St Date: 12/21/17	Fitch: AA	798170AC0	550,000.00 0.00	551,065.58 2,070.75	1,065.58	100.194	0.35%
220,000.000	CA BRENTWOOD I Mat: 9/2/20 Moody's: Tr Date: 2/7/18	NFRA FIN AUTH RI Cpn: 2.59% S&P: AA St Date: 2/28/18	EV TXB	10727XVB1	220,000.00	220,438.88 459.18	438.88	100.200	0.14%
310,000.000	CA SAN MARCOS R Mat: 10/1/20 Moody's: Tr Date: 12/1/17	REDEV AGY TAB TX Cpn: 2.00% S&P: AA- St Date: 12/14/17	Fitch:	79876CBQ0	307,904.40 0.00	311,054.25 3,100.00	3,149.85	100.340	0.20%
500,000.000	CA SAN DIEGO PUI Mat: 10/15/20 Moody's: Tr Date: 6/4/18	BLIC FACS LEASE F Cpn: 2.82% S&P: AA- St Date: 6/21/18	REV TXB Fitch: AA-	797299LS1	500,000.00 0.00	502,084.24 6,497.06	2,084.24	100.417	0.32%
310,000.000	CA CENTURY HOUS Mat: 11/1/20 Moody's: Tr Date: 2/1/19	SING CORP TXB Cpn: 3.82% S&P: AA- St Date: 2/7/19	Fitch:	156549AA5	310,000.00 0.00	312,149.48 4,939.33	2,149.48	100.693	0.20%
350,000.000	CA LOS ANGELES Mat: 11/1/20 Moody's: Tr Date: 4/26/17	MUNI IMPT CORP L Cpn: 3.15% S&P: AA- St Date: 5/1/17	EASE TXB Fitch: AA-	544587C30	360,734.50 0.00	352,232.23 4,587.92	(8,502.27)	100.638	0.23%
735,000.000	CA INLAND VLY RE Mat: 3/1/21 Moody's: Tr Date: 6/12/18	EDEV AGY TAB TXE Cpn: 3.98% S&P: AA St Date: 6/14/18	Fitch:	45750TAJ2	750,993.60 8,363.30	752,436.79 2,435.91	1,443.19	102.372	0.48%
410,000.000	CA ST EDU FACS A Mat: 4/1/21 Moody's: A2 Tr Date: 11/9/17	UTH REV-CHAPMA Cpn: 2.26% S&P: St Date: 11/16/17	Fitch:	130179KQ6	410,000.00 0.00	413,440.14 4,626.85	3,440.14	100.839	0.26%
1,400,000.000	CA STATE GO/ULT Mat: 4/1/21 Moody's: Aa2 Tr Date: 4/18/18	TXBL Cpn: 2.80% S&P: AA- St Date: 4/25/18	Fitch: AA	13063DGA0	1,400,056.00 0.00	1,418,284.74 19,600.00	18,228.74	101.306	0.91%
292,851.981	CA DEPT WTR RES Mat: 5/1/21 Moody's: Aa1 Tr Date: 9/22/17	SOURCES-PWR SUP Cpn: 1.71% S&P: AA+ St Date: 9/26/17	PPLY TXB Fitch: AA+	13066YTY5	289,902.96 2,020.56	293,219.12 2,090.23	3,316.16	100.125	0.19%



Portfolio Positions
as of March 31, 2020

Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,100,000.000	CA SAN FRANCISCO Mat: 5/1/21 Moody's: A1 Tr Date: 1/11/19	O AIRPORT COMM Cpn: 2.93% S&P: A+ St Date: 2/7/19	N TXB Fitch: A+	79766DLQ0	1,100,000.00 0.00	1,113,416.66 13,415.42	13,416.66	101.220	0.71%
545,000.000	CA SACRAMENTO T Mat: 6/1/21 Moody's: A1 Tr Date: 10/18/18	FRANSIENT OCC T Cpn: 3.46% S&P: St Date: 11/1/18	AX REV TXB Fitch:	786073AA4	545,000.00 0.00	555,705.95 6,276.58	10,705.95	101.964	0.36%
450,000.000	CA SAN JOSE REDE Mat: 8/1/21 Moody's: Tr Date: 5/16/18	EV AGY TAB TXB Cpn: 2.48% S&P: AA St Date: 5/18/18	Fitch: AA	798170AD8	440,883.00 3,317.00	454,516.82 1,860.00	13,633.82	101.004	0.29%
450,000.000	CA HESPERIA REDE Mat: 9/1/21 Moody's: Tr Date: 9/12/18	EV AGY SUCCESSO Cpn: 3.00% S&P: AA St Date: 10/2/18	PR TXB	42806KAQ6	446,715.00 0.00	458,520.48 1,125.00	11,805.48	101.893	0.29%
1,025,000.000	CA LA QUINTA RED Mat: 9/1/21 Moody's: Tr Date: 4/30/19	DEV AGY TAB TXB Cpn: 4.45% S&P: AA St Date: 5/2/19	Fitch:	50420BBD3	1,067,814.25 7,728.78	1,064,923.75 3,801.04	(2,890.50)	103.895	0.68%
520,000.000	CA OAKLAND REDE Mat: 9/1/21 Moody's: WR Tr Date: 5/24/18	EV AGY PRE-21 TX Cpn: 9.25% S&P: AA- St Date: 5/29/18	B Fitch:	67232PBB8	618,259.20 11,757.78	583,203.10 4,008.33	(35,056.10)	112.154	0.37%
220,000.000	CA BRENTWOOD II Mat: 9/2/21 Moody's: Tr Date: 2/7/18	NFR FIN AUTH REV Cpn: 2.81% S&P: AA St Date: 2/28/18	V TXB Fitch:	10727XVC9	220,000.00	222,082.29 497.99	2,082.29	100.947	0.14%
330,000.000	CT STATE GO/ULT Mat: 10/15/21 Moody's: A1 Tr Date: 6/13/19	TXB Cpn: 2.40% S&P: A St Date: 6/17/19	Fitch: A+	20772JKP6	330,594.00 1,364.57	334,942.90 3,653.52	4,348.90	101.498	0.21%
560,000.000	CA SAN DIEGO CIT Mat: 10/15/21 Moody's: Tr Date: 6/4/18	Y PUB FACS LEAS Cpn: 2.99% S&P: AA- St Date: 6/21/18	E TXB Fitch: AA-	797299LT9	560,000.00 0.00	568,163.95 7,731.17	8,163.95	101.458	0.36%
540,000.000	HI STATE GO/ULT Mat: 1/1/22 Moody's: Aa1 Tr Date: 2/7/19	TXB Cpn: 2.77% S&P: AA+ St Date: 2/21/19	Fitch: AA+	419792YL4	540,000.00 0.00	549,530.99 3,739.50	9,530.99	101.765	0.35%



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
640,000.000	CA POMONA REDE Mat: 2/1/22 Moody's: Tr Date: 9/27/18	Cpn: 3.55%	TION TXB	73209MAD9	640,000.00 0.00	660,440.48 3,788.80	20,440.48	103.194	0.42%
655,000.000	CA STATE GO/ULT- Mat: 3/1/22 Moody's: Aa2 Tr Date: 7/16/19	Cpn: 6.65%	Fitch: AA	13063BFS6	715,364.80 16,576.05	701,454.77 3,629.79	(13,910.03)	107.092	0.45%
930,000.000	CA SAN FRANCISCO Mat: 5/1/22 Moody's: A1 Tr Date: 1/11/19	Cpn: 3.05%	N TXB Fitch: A+	79766DLR8	930,000.00 0.00	952,953.63 11,803.25	22,953.63	102.468	0.61%
820,000.000	CA UNIV OF CALIFO Mat: 5/15/22 Moody's: Aa3 Tr Date: 12/13/18	Cpn: 3.28% S&P: AA-	Fitch: AA-	91412HDJ9	822,878.20 2,392.94	842,973.47 10,170.00	20,095.27	102.802	0.54%
1,500,000.000	CA HEALTH FACS-N Mat: 6/1/22 Moody's: Aa3 Tr Date: 11/20/19	Cpn: 1.89% S&P: AA-	Fitch: AA-	13032UUZ9	1,500,000.00 0.00	1,496,084.97 9,938.25	(3,915.03)	99.739	0.95%
500,000.000	CA MANTECA REDE Mat: 10/1/22 Moody's: Tr Date: 2/20/20	Cpn: 1.64%	Fitch:	56453RAW4	500,000.00 0.00	506,438.60 751.67	6,438.60	101.288	0.32%
435,000.000	CA PALM DESERT F Mat: 10/1/22 Moody's: Tr Date: 7/23/19	Cpn: 2.75%	B Fitch:	696624AV7	442,577.70 3,788.13	446,404.48 5,981.25	3,826.78	102.622	0.29%
1,470,000.000	CA BAY AREA TOLL Mat: 4/1/23 Moody's: Aa3 Tr Date: 9/20/19	Cpn: 2.18%	Fitch: AA	072024WN8	1,470,000.00 0.00	1,509,871.87 16,498.30	39,871.87	102.712	0.97%
320,000.000	CA BAY AREA TOLL Mat: 4/1/23 Moody's: A1 Tr Date: 9/20/19	Cpn: 2.23%	Fitch: AA-	072024WX6	320,000.00 0.00	322,122.78 3,673.69	2,122.78	100.663	0.21%
570,000.000	CT STATE OF CONI Mat: 4/15/23 Moody's: A1 Tr Date: 3/29/19	Cpn: 2.92%	Fitch: A+	20772KGM5	570,000.00 0.00	593,090.02 7,677.36	23,090.02	104.051	0.38%



					tions	ortfolio Positions Currency: USD
,	Gain / (Loss) from Cost	Principal Market Value Accrued Income	Original Principal Cost Purchased Accrued	Identifier	nits Security	Units Security
) 103.613	(2,931.90)	383,366.60 3,817.17	386,298.50 2,449.35	010831DQ5	00 CA ALAMEDA CNTY JT PWR AUTH LEASE TXB  Mat: 6/1/23 Cpn: 3.10%  Moody's: Aa1 S&P: AA+ Fitch: AA+  Tr Date: 2/13/20 St Date: 2/18/20	Mat: 6/1/2 Moody's: A
5 100.338	3,750.16	1,113,750.16 3,964.55	1,110,000.00 0.00	544290JC4	00 CA LOS ALTOS SCH DIST GO BANS TXB Mat: 8/1/23 Cpn: 2.14% Moody's: MIG1 S&P: SP-1+ Fitch: Tr Date: 9/27/19 St Date: 10/17/19	Mat: 8/1/2 Moody's: N
' 101.209	3,626.47	303,626.47 886.00	300,000.00 0.00	576051VW3	00 MA STATE WATER RES AUTH-GREEN TXB Mat: 8/1/23 Cpn: 1.77% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 10/10/19 St Date: 11/1/19	, Mat: 8/1/2 Moody's: <i>A</i>
2 102.435	25,565.72	1,075,565.72 3,437.00	1,050,000.00 0.00	796720MF4	00 CA SAN BERNARDINO CCD TXB  Mat: 8/1/23	Mat: 8/1/2 Moody's: A
1	223,780.83	23,770,189.24 190,263.60	23,546,408.41 62,391.77		<i>f</i> luni	Total for Taxable Muni
						Credit
99.439	(2,952.35)	681,157.15 6,321.03	684,109.50 0.00	025816BP3	00 AMERICAN EXPRESS  Mat: 10/30/20	Moody's: A
5 100.145	1,569.65	756,094.00 5,709.69	754,524.35 0.00	723484AG6	00 PINNACLE WEST CAPITAL  Mat: 11/30/20 Cpn: 2.25%  Moody's: A3 S&P: BBB+ Fitch: A-  Tr Date: 11/28/17 St Date: 11/30/17	Mat: 11/30 Moody's: <i>A</i>
99.880	(260.08)	504,391.48 3,428.39	504,651.55 0.00	38141GWG5	00 GOLDMAN SACHS  Mat: 12/27/20	Moody's: A
98.429	(8,013.70)	492,142.50 2,418.28	500,156.20 1,466.78	05348EBD0	00 AVALONBAY COMMUNITIES FRN Mat: 1/15/21	500,000.000 AVALONBA Mat: 1/15/ Moody's: A
100.587	5,126.20	714,167.70 3,416.88	709,041.50 0.00	55279HAR1	00 MANUFACTURERS & TRADERS TRUST Mat: 1/25/21 Cpn: 2.63% Moody's: A3 S&P: A Fitch: A Tr Date: 1/22/18 St Date: 1/25/18	, Mat: 1/25/; Moody's: <i>A</i>



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
685,000.000	REGIONS BANK Mat: 4/1/21 Moody's: Baa2 Tr Date: 1/23/18	Cpn: 2.75% S&P: A- St Date: 1/26/18	Fitch: BBB+	759187CB1	684,931.50 0.00	681,595.55 9,418.75	(3,335.95)	99.503	0.44%
725,000.000	US BANK CINCINNA Mat: 4/26/21 Moody's: A1 Tr Date: 4/24/18	ATI FRN Cpn: 2.11% S&P: AA- St Date: 4/26/18	Fitch: AA-	90331HNQ2	725,000.00 0.00	714,061.93 2,767.45	(10,938.08)	98.491	0.45%
85,000.000	BNY MELLON Mat: 5/3/21 Moody's: A1 Tr Date: 7/30/19	Cpn: 2.05% S&P: A St Date: 8/1/19	Fitch: AA-	06406FAB9	84,758.60 425.94	85,449.65 716.36	691.05	100.529	0.05%
300,000.000	PACCAR FINANCIAL Mat: 5/10/21 Moody's: A1 Tr Date: 5/7/18	L FRN Cpn: 1.99% S&P: A+ St Date: 5/10/18	Fitch:	69371RP34	300,000.00	287,805.90 847.51	(12,194.10)	95.935	0.18%
1,030,000.000	CITIZENS BANK Mat: 5/13/21 Moody's: Baa1 Tr Date: 7/25/19	Cpn: 2.55% S&P: A- St Date: 7/29/19	Fitch: BBB+	17401QAE1	1,032,575.00 5,544.83	1,029,557.10 10,068.25	(3,017.90)	99.957	0.66%
500,000.000	AMERICAN EXPRES Mat: 5/17/21 Moody's: A3 Tr Date: 5/14/18	S FRN Cpn: 2.22% S&P: BBB+ St Date: 5/17/18	Fitch: A	025816BV0	500,000.00 0.00	486,531.50 1,323.89	(13,468.50)	97.306	0.31%
265,000.000	DTE ELECTRIC Mat: 6/1/21 Moody's: Aa3 Tr Date: 10/4/18	Cpn: 3.90% S&P: A St Date: 10/9/18	Fitch: A+	250847EG1	267,618.20 3,674.67	263,183.43 3,445.00	(4,434.78)	99.315	0.17%
620,000.000	JPMORGAN CHASE Mat: 6/1/21 Moody's: A2 Tr Date: 5/23/17	FRN Cpn: 2.26% S&P: A- St Date: 6/1/17	Fitch: AA-	46647PAG1	620,000.00 0.00	612,464.19 1,167.86	(7,535.81)	98.785	0.39%
845,000.000	BANK OF AMERICA Mat: 7/21/21 Moody's: A2 Tr Date: 7/18/17	Cpn: 2.37% S&P: A- St Date: 7/21/17	Fitch: A+	06051GGP8	845,000.00 0.00	844,180.35 3,892.40	(819.65)	99.903	0.54%
770,000.000	WELLS FARGO Mat: 7/23/21 Moody's: Aa2 Tr Date: 7/16/18	Cpn: 3.33% S&P: A+ St Date: 7/23/18	Fitch: AA-	94988J5P8	770,000.00 0.00	771,470.70 4,836.03	1,470.70	100.191	0.49%



Portfolio Positions

as of March 31, 2020

Percent of Portfoli	Market Price	Gain / (Loss) from Cost	Principal Market Value Accrued Income	Original Principal Cost Purchased Accrued	Identifier		Security	Currency: USD Units
0.119	100.194	436.50	180,348.30 693.25	179,911.80 2,079.75	172967KV2	Fitch: A	CITIGROUP  Mat: 8/2/21	180,000.000
0.499	99.977	(5,138.25)	774,821.75 1,551.94	779,960.00 1,138.09	65339KAS9	Fitch: A-	NEXTERA ENERGY CAPITAL  Mat: 9/1/21	775,000.000
0.479	101.964	14,899.30	744,337.20 1,533.00	729,437.90 0.00	14913Q2N8	Fitch: A	CATERPILLAR FINANCIAL  Mat: 9/7/21	·
0.329	101.659	8,280.02	498,128.12 893.23	489,848.10 0.00	24422EUK3	Fitch: A	JOHN DEERE CAPITAL CORP  Mat: 9/10/21	·
0.239	99.861	(502.20)	359,497.80 4,190.40	360,000.00 0.00	06051GGS2	Fitch: A+	BANK OF AMERICA  Mat: 10/1/21	,
0.219	100.230	3,061.15	325,747.50 2,505.21	322,686.35 1,503.13	438516BM7	Fitch: A	HONEYWELL INTL Mat: 11/1/21	
0.519	100.451	(264.00)	803,608.00 7,816.67	803,872.00 3,850.00	61746BED4	Fitch: A	MORGAN STANLEY Mat: 11/17/21	800,000.000
0.089	99.497	(2,034.65)	125,366.47 745.28	127,401.12 363.56	61746BEE2	Fitch: A	MORGAN STANLEY FRN  Mat: 1/20/22 Cpn: 3.00%  Moody's: A3 S&P: BBB+  Tr Date: 3/3/17 St Date: 3/8/17	126,000.000
0.479	100.128	1,594.70	740,943.50 2,014.44	739,348.80 0.00	63743HET5	Fitch: A	NATL RURAL UTILITIES  Mat: 1/21/22	·
0.519	99.990	196.00	799,916.00 2,800.00	799,720.00 0.00	90331HPJ6	Fitch: AA-	US BANK CINCINNATI Mat: 1/21/22	800,000.000



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
680,000.000	BANK OF AMERICA Mat: 1/23/22 Moody's: A2 Tr Date: 1/18/18	Cpn: 2.74% S&P: A- St Date: 1/23/18	Fitch: A+	06051GGY9	680,000.00 0.00	678,830.40 3,516.81	(1,169.60)	99.828	0.43%
650,000.000	PACIFICORP Mat: 2/1/22 Moody's: A1 Tr Date: 7/26/19	Cpn: 2.95% S&P: A+ St Date: 7/30/19	Fitch: WD	695114CP1	660,484.50 9,534.24	656,100.25 3,195.83	(4,384.25)	100.939	0.42%
121,000.000	WELLS FARGO FRN Mat: 2/11/22 Moody's: A2 Tr Date: 2/6/17	Cpn: 2.66% S&P: A- St Date: 2/13/17	Fitch: A+	949746SP7	121,000.00 0.00	118,705.32 447.18	(2,294.68)	98.104	0.08%
650,000.000	WELLS FARGO Mat: 3/8/22 Moody's: A2 Tr Date: 7/29/19	Cpn: 3.50% S&P: A- St Date: 7/31/19	Fitch: A+	94974BFC9	668,089.50 9,036.81	663,617.50 1,453.47	(4,472.00)	102.095	0.42%
660,000.000	AMERIPRISE FINAN Mat: 3/22/22 Moody's: A3 Tr Date: 3/12/19	ICIAL Cpn: 3.00% S&P: A St Date: 3/22/19	Fitch:	03076CAJ5	658,320.30 0.00	672,375.00 495.00	14,054.70	101.875	0.43%
510,000.000	CITIGROUP FRN Mat: 4/25/22 Moody's: A3 Tr Date: 4/18/17	Cpn: 2.75% S&P: BBB+ St Date: 4/25/17	Fitch: A	172967LH2	510,000.00 0.00	494,324.88 2,536.09	(15,675.12)	96.926	0.31%
500,000.000	NATL RURAL UTILI Mat: 4/25/22 Moody's: A1 Tr Date: 7/30/19	TIES Cpn: 2.40% S&P: A St Date: 8/1/19	Fitch: A+	637432NM3	503,355.00 3,200.00	478,165.00 5,200.00	(25,190.00)	95.633	0.31%
460,000.000	BANK OF AMERICA Mat: 5/17/22 Moody's: A2 Tr Date: 5/14/18	Cpn: 3.50% S&P: A- St Date: 5/17/18	Fitch: A+	06051GHH5	460,000.00 0.00	465,874.20 5,991.07	5,874.20	101.277	0.30%
785,000.000	TRUIST BANK Mat: 5/17/22 Moody's: A2 Tr Date: 5/14/19	Cpn: 2.80% S&P: A St Date: 5/17/19	Fitch: A+	86787EBE6	784,599.65 0.00	797,230.30 8,181.44	12,630.65	101.558	0.51%
620,000.000	AMERICAN EXPRES Mat: 5/20/22 Moody's: A3 Tr Date: 5/15/19	S Cpn: 2.75% S&P: BBB+ St Date: 5/20/19	Fitch: A	025816CD9	619,256.00 0.00	630,177.30 6,204.31	10,921.30	101.642	0.40%



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
375,000.000	CITIBANK Mat: 5/20/22 Moody's: Aa3 Tr Date: 7/29/19	Cpn: 2.84% S&P: A+ St Date: 7/31/19	Fitch: A+	17325FAY4	377,793.75 2,044.13	375,416.25 3,880.88	(2,377.50)	100.111	0.24%
175,000.000	RYDER SYSTEM Mat: 6/1/22 Moody's: Baa1 Tr Date: 5/15/19	Cpn: 2.88% S&P: BBB St Date: 5/22/19	Fitch: BBB+	78355HKM0	174,898.50 0.00	175,685.13 1,677.08	786.63	100.392	0.11%
580,000.000	JOHN DEERE CAPIT Mat: 6/13/22 Moody's: A2 Tr Date: 9/9/19	TAL CORP Cpn: 1.95% S&P: A St Date: 9/12/19	Fitch: A	24422EVA4	579,251.80 0.00	576,692.26 3,393.00	(2,559.54)	99.430	0.37%
775,000.000	FIFTH THIRD BANK Mat: 6/15/22 Moody's: Baa1 Tr Date: 12/12/19	Cpn: 2.60% S&P: BBB+ St Date: 12/16/19	Fitch: A-	316773CU2	783,021.25 55.97	766,644.73 5,933.06	(16,376.53)	98.922	0.49%
920,000.000	PNC BANK Mat: 7/22/22 Moody's: A2 Tr Date: 7/18/19	Cpn: 2.23% S&P: A St Date: 7/23/19	Fitch: A+	69353RFP8	920,000.00 0.00	921,090.20 3,935.76	1,090.20	100.119	0.59%
405,000.000	HONEYWELL Mat: 8/8/22 Moody's: A2 Tr Date: 7/30/19	Cpn: 2.15% S&P: A St Date: 8/8/19	Fitch: A	438516BT2	404,590.95 0.00	409,165.83 1,281.94	4,574.88	101.029	0.26%
550,000.000	PACCAR FINANCIAL Mat: 8/10/22 Moody's: A1 Tr Date: 7/12/19	- Cpn: 2.30% S&P: A+ St Date: 7/16/19	Fitch:	69371RN77	550,335.50 5,481.67	554,017.75 1,792.08	3,682.25	100.731	0.35%
290,000.000	BNY MELLON Mat: 8/23/22 Moody's: A1 Tr Date: 8/20/19	Cpn: 1.95% S&P: A St Date: 8/23/19	Fitch: AA-	06406RAK3	289,907.20 0.00	291,761.75 596.92	1,854.55	100.608	0.19%
410,000.000	WALT DISNEY COM Mat: 9/1/22 Moody's: A2 Tr Date: 9/3/19	IPANY Cpn: 1.65% S&P: A St Date: 9/6/19	Fitch: A	254687FJ0	409,110.30 0.00	412,683.45 563.75	3,573.15	100.655	0.26%
545,000.000	CATERPILLAR FINA Mat: 9/6/22 Moody's: A3 Tr Date: 9/3/19	NCIAL Cpn: 1.90% S&P: A St Date: 9/6/19	Fitch: A	14913Q3A5	544,242.45 0.00	542,852.70 719.10	(1,389.75)	99.606	0.34%



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
430,000.000	KEYBANK Mat: 9/14/22 Moody's: A3 Tr Date: 8/15/19	Cpn: 2.30% S&P: A- St Date: 8/19/19	Fitch: A-	49327M2T0	433,091.70 4,258.19	431,098.65 467.03	(1,993.05)	100.256	0.27%
285,000.000	PACCAR FINANCIAL Mat: 9/26/22 Moody's: A1 Tr Date: 9/23/19	- Cpn: 2.00% S&P: A+ St Date: 9/26/19	Fitch:	69371RQ33	284,652.30 0.00	282,641.63 79.17	(2,010.68)	99.173	0.18%
730,000.000	GOLDMAN SACHS F Mat: 10/31/22 Moody's: A3 Tr Date: 11/14/17	FRN Cpn: 2.56% S&P: BBB+ St Date: 11/16/17	Fitch: A	38148YAB4	729,284.60 700.83	703,514.14 3,163.03	(25,770.46)	96.372	0.45%
475,000.000	CITIGROUP Mat: 11/4/22 Moody's: A3 Tr Date: 10/28/19	Cpn: 2.31% S&P: BBB+ St Date: 11/4/19	Fitch: A	17308CC46	475,000.00 0.00	475,617.50 4,484.32	617.50	100.130	0.30%
655,000.000	PNC BANK Mat: 12/9/22 Moody's: A2 Tr Date: 12/4/19	Cpn: 2.03% S&P: A St Date: 12/9/19	Fitch: A+	69353RFS2	655,000.00 0.00	653,297.00 4,132.61	(1,703.00)	99.740	0.42%
800,000.000	WAL-MART STORES Mat: 12/15/22 Moody's: Aa2 Tr Date: 3/6/20	S Cpn: 2.35% S&P: AA St Date: 3/10/20	Fitch: AA	931142DU4	827,264.00 4,438.89	823,076.00 5,535.56	(4,188.00)	102.885	0.52%
800,000.000	PRECISION CASTPA Mat: 1/15/23 Moody's: A2 Tr Date: 7/30/19	ARTS Cpn: 2.50% S&P: AA- St Date: 8/1/19	Fitch:	740189AG0	806,160.00 888.89	805,456.00 4,222.22	(704.00)	100.682	0.51%
865,000.000	BNY MELLON Mat: 1/27/23 Moody's: A1 Tr Date: 1/21/20	Cpn: 1.85% S&P: A St Date: 1/28/20	Fitch: AA-	06406RAM9	864,394.50 0.00	866,366.70 2,800.44	1,972.20	100.158	0.55%
595,000.000	CAPITAL ONE Mat: 1/27/23 Moody's: Baa1 Tr Date: 1/23/20	Cpn: 2.01% S&P: BBB+ St Date: 1/28/20	Fitch: A-	14042TCS4	595,000.00 0.00	581,877.28 2,097.08	(13,122.73)	97.795	0.37%
570,000.000	FIFTH THIRD BANK Mat: 1/30/23 Moody's: A3 Tr Date: 1/28/20	Cpn: 1.80% S&P: A- St Date: 1/31/20	Fitch: A-	31677QBS7	569,521.20 0.00	566,477.40 1,738.50	(3,043.80)	99.382	0.36%



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
430,000.000	ADOBE Mat: 2/1/23 Moody's: A2 Tr Date: 1/22/20	Cpn: 1.70% S&P: A St Date: 2/3/20	Fitch:	00724PAA7	429,410.90 0.00	433,932.35 1,177.72	4,521.45	100.915	0.28%
610,000.000	HUNTINGTON NATI Mat: 2/3/23 Moody's: A3 Tr Date: 1/28/20	L BANK Cpn: 1.80% S&P: A- St Date: 2/4/20	Fitch: A-	44644MAA9	609,487.60 0.00	599,212.15 1,738.50	(10,275.45)	98.232	0.38%
435,000.000	PNC BANK Mat: 2/24/23 Moody's: A2 Tr Date: 2/20/20	Cpn: 1.74% S&P: A St Date: 2/25/20	Fitch: A+	69353RFT0	435,000.00 0.00	416,612.55 758.21	(18,387.45)	95.773	0.26%
790,000.000	TRUIST BANK Mat: 3/9/23 Moody's: A2 Tr Date: 3/4/20	Cpn: 1.25% S&P: A St Date: 3/9/20	Fitch: A+	89788JAB5	789,447.00 0.00	773,729.95 603.47	(15,717.05)	97.941	0.49%
985,000.000	DUKE ENERGY CAR Mat: 3/15/23 Moody's: Aa2 Tr Date: 7/29/19	OLINAS Cpn: 2.50% S&P: A St Date: 7/31/19	Fitch: WD	26442CAQ7	995,766.05 9,302.78	998,834.33 1,094.44	3,068.28	101.405	0.63%
775,000.000	TRUIST FIN CORP Mat: 3/16/23 Moody's: A3 Tr Date: 9/9/19	Cpn: 2.20% S&P: A- St Date: 9/16/19	Fitch: A+	05531FBJ1	774,426.50 0.00	775,038.75 710.42	612.25	100.005	0.49%
375,000.000	JPMORGAN CHASE Mat: 4/1/23 Moody's: A2 Tr Date: 3/15/19	Cpn: 3.21% S&P: A- St Date: 3/22/19	Fitch: AA-	46647PBB1	375,000.00 0.00	381,810.00 6,013.13	6,810.00	101.816	0.25%
200,000.000	JOHN DEERE CAPIT Mat: 4/6/23 Moody's: A2 Tr Date: 3/4/20	FAL CORP Cpn: 1.20% S&P: A St Date: 3/9/20	Fitch: A	24422EVE6	199,952.00 0.00	195,990.00 146.67	(3,962.00)	97.995	0.12%
780,000.000	COMERICA Mat: 7/31/23 Moody's: A3 Tr Date: 2/19/20	Cpn: 3.70% S&P: BBB+ St Date: 2/21/20	Fitch: A	200340AS6	826,807.80 1,683.50	802,113.00 4,890.17	(24,694.80)	102.835	0.51%
250,000.000	FIRST REPUBLIC BANGE Mat: 2/12/24 Moody's: Baa1 Tr Date: 2/5/20	ANK Cpn: 1.91% S&P: A- St Date: 2/12/20	Fitch: A-	33616CHQ6	250,000.00 0.00	240,911.25 650.61	(9,088.75)	96.365	0.15%



Portfolio Positio Currency: USD	ons							a	s of March 31, 2020
•	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
50,000.000	NIKE Mat: 3/27/25 Moody's: A1 Tr Date: 3/25/20	Cpn: 2.40% S&P: AA- St Date: 3/27/20	Fitch:	654106AH6	49,932.00 0.00	52,021.50 13.33	2,089.50	104.043	0.03%
385,000.000	ORACLE Mat: 4/1/25 Moody's: Tr Date: 3/30/20	Cpn: 2.50% S&P: A+ St Date: 4/1/20	Fitch:	68389XBT1	384,857.55 0.00	389,594.98 0.00	4,737.43	101.194	0.25%
Total for Credit					37,372,264.82 70,672.66	37,207,601.03 192,032.55	(164,663.79)		23.69%
Mortgage-Backed									
627,659.635	FHMS K504 A2 CM Mat: 9/25/20 Moody's: Aaa Tr Date: 5/29/18	BS Cpn: 2.57% S&P: AA+u St Date: 6/1/18	Fitch: AAA	3137BMLC8	625,564.01 634.75	627,576.78 1,342.15	2,012.77	99.987	0.40%
184,058.070	FNA 2011-M5 A2 C Mat: 7/25/21 Moody's: Aaa Tr Date: 9/26/18	CMBS Cpn: 2.94% S&P: AA+u St Date: 9/28/18	Fitch: AAA	3136A07H4	183,022.74 405.85	187,641.31 450.94	4,618.57	101.947	0.12%
396,278.759	FNA 2018-M5 A2 C Mat: 9/25/21 Moody's: Aaa Tr Date: 4/10/18	CMBS Cpn: 3.56% S&P: AA+u St Date: 4/30/18	Fitch: AAA	3136B1XP4	404,161.14 1,136.44	402,607.73 1,175.63	(1,553.41)	101.597	0.26%
1,200,000.000	FHMS K020 A2 CM Mat: 5/25/22 Moody's: Aaa Tr Date: 7/25/19	BS Cpn: 2.37% S&P: AA+u St Date: 7/30/19	Fitch: AAA	3137ATRW4	1,220,943.75 1,467.31	1,229,862.00 2,373.00	8,918.25	102.489	0.78%
541,541.515	FNA 2013-M1 A2 C Mat: 8/25/22 Moody's: Aaa Tr Date: 10/28/19	CMBS Cpn: 2.36% S&P: AA+u St Date: 10/31/19	Fitch: AAA	3136ABPW7	545,180.00 1,067.13	554,857.48 1,067.12	9,677.48	102.459	0.35%
1,540,000.000	FHMS KSMC A2 CM Mat: 1/25/23 Moody's: Aaa Tr Date: 2/24/20	1BS Cpn: 2.62% S&P: AA+u St Date: 2/27/20	Fitch: AAA	3137B04Y7	1,580,425.00 2,908.46	1,615,592.44 3,355.92	35,167.44	104.909	1.03%
623,907.452	FHMS KS01 A2 CM Mat: 1/25/23 Moody's: Aaa Tr Date: 11/22/19	BS Cpn: 2.52% S&P: AA+u St Date: 11/27/19	Fitch: AAA	3137B1U75	631,365.10 1,136.41	646,519.73 1,311.25	15,154.63	103.624	0.41%



**Portfolio Positions** as of March 31, 2020 Currency: USD Units Security Identifier Original Principal Cost Principal Market Value Gain / (Loss) Market Percent of Portfolio Purchased Accrued Price Accrued Income from Cost 0.47% 720,000,000 FHMS KJ06 A CMBS 3137BOR90 722,362,50 746,182.08 23,819,58 103.636 Mat: 1/25/23 Cpn: 2.27% 0.00 1,363.20 Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/29/19 St Date: 8/1/19 1,452,627.44 21,197.36 106.031 0.92% 1,370,000.000 FHMS K029 A2 CMBS 3137B36J2 1,431,430.08 Mat: 2/25/23 Cpn: 3.32% 2,245,61 3,790.33 Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/14/19 St Date: 8/19/19 433,632.967 FHMS K724 A1 CMBS 3137BTTZ4 430,719.50 447,293.71 16,574.21 103.150 0.28% Mat: 3/25/23 Cpn: 2.78% 367.82 1,003.14 Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/9/18 St Date: 7/12/18 1,380,000.000 FHMS K031 A2 3137B3NX2 1,470,239.06 1,474,120.14 3,881.08 106.820 0.94% Mat: 4/25/23 Cpn: 3.30% 1,138.50 3,795.00 Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/5/20 St Date: 3/10/20 0.18% 278,108.958 FHMS J22F A1 CMBS 3137FJYA1 278,101.45 285,221.59 7,120.15 102.558 Mat: 5/25/23 Cpn: 3.45% 480.29 800.49 Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/7/18 St Date: 11/19/18 1,410,000.000 FHMS K033 A2 3137B4WB8 0.95% 1,479,839.06 1,500,443.04 20,603.98 106.414 Mat: 7/25/23 Cpn: 3.06% 239.70 3,595.50 Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/27/20 St Date: 3/3/20 820,000.000 FHMS K034 A2 3137B5JM6 881,500.00 884,953.84 3,453.84 107.921 0.56% Mat: 7/25/23 Cpn: 3.53% 804.28 2,412.85 Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/6/20 St Date: 3/11/20 700,000.000 FHMS KI05 A 700,000.00 700,000.00 0.00 100.000 0.44% 3137FQXG3 Mat: 7/25/24 Cpn: 1.29% 0.00 175.12

798,286.11

13.383.139.50

15,050.72

1,018.18

828,132.55

13.583.631.86

1,174.82

29,186.45

29,846.44

200,492.36

103.738

Asset-Backed



0.53%

8.62%

**Total for Mortgage-Backed** 

Moody's: Aaa

Mat: 2/25/25

Moody's: Aaa

Tr Date: 2/19/20

798,289.304 FHMS KJ28 A1

Tr Date: 1/16/20

S&P: AA+u

Cpn: 1.77%

S&P: AA+u

St Date: 1/28/20

St Date: 2/27/20

Fitch: AAA

Fitch: AAA

3137FREB3

Percent of Portfol	Market Price	Gain / (Loss) from Cost	Principal Market Value Accrued Income	Original Principal Cost Purchased Accrued	Identifier		Security	Currency: USD Units
0.019	99.906	(12.00)	15,011.12 11.89	15,023.12 0.00	47787XAC1	Fitch: AAA	OOHN DEERE 2017-A A3 EQP  Mat: 4/15/21	15,025.262
0.179	100.190	549.99	270,512.46 268.95	269,962.47 0.00	05586CAC8	Fitch: 8	BMW 2018-1 A3 LEASE Mat: 7/20/21 Cpn: 3.26% Moody's: Aaa S&P: AAA Tr Date: 10/10/18 St Date: 10/17/18	
0.139	99.758	(485.92)	204,922.70 98.15	205,408.62 0.00	43814TAC6	Fitch: AAA	HONDA 2017-1 A3 CAR Mat: 7/21/21 Cpn: 1.72% Moody's: Aaa S&P: Tr Date: 3/21/17 St Date: 3/28/17	205,420.841
0.199	99.964	(75.47)	304,592.48 196.96	304,667.95 0.00	43814PAC4	Fitch: AAA	HONDA 2017-3 A3 CAR  Mat: 9/20/21	·
0.079	99.682	(355.91)	114,047.84 92.55	114,403.75 0.00	47788BAD6	Fitch: AAA	JOHN DEERE 2017-B A3 EQP Mat: 10/15/21 Cpn: 1.82% Moody's: Aaa S&P: Tr Date: 7/11/17 St Date: 7/18/17	114,412.125
0.179	101.023	2,765.58	272,763.18 277.20	269,997.60 0.00	05586CAD6	Fitch:	BMW 2018-1 A4 LEASE Mat: 3/21/22 Cpn: 3.36% Moody's: Aaa S&P: AAA Tr Date: 10/10/18 St Date: 10/17/18	270,000.000
0.359	100.262	1,450.85	553,413.35 576.50	551,962.50 0.00	89238BAD4	Fitch:	TOYOTA 2018-A A3 CAR  Mat: 5/16/22 Cpn: 2.35%  Moody's: Aaa S&P: AAA  Tr Date: 1/23/18 St Date: 1/31/18	551,968.852
0.644	101.057	10,774.93	1,017,339.04 824.94	1,006,564.11 0.00	43815HAC1	Fitch: AAA	HONDA 2018-3 A3 CAR Mat: 8/22/22 Cpn: 2.95% Moody's: Aaa S&P: Tr Date: 8/21/18 St Date: 8/28/18	
0.229	101.569	5,338.61	345,333.24 206.74	339,994.63 0.00	92867XAD8	Fitch: AAA	VOLKSWAGEN 2019-A A3 LEASE Mat: 11/21/22 Cpn: 1.99% Moody's: S&P: AAA Tr Date: 10/1/19 St Date: 10/4/19	340,000.000
0.25	100.376	1,558.32	401,505.60 327.11	399,947.28 0.00	58770FAC6	Fitch:	MBALT 2020-A A3 CAR LEASE  Mat: 12/15/22	400,000.000



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,600,000.000	CITI 2014-A1 A1 Cl Mat: 1/23/23 Moody's: Aaa Tr Date: 4/18/19	DT Cpn: 2.88% S&P: St Date: 4/23/19	Fitch: AAA	17305EFM2	1,607,250.00 11,776.00	1,616,585.60 8,960.00	9,335.60	101.037	1.03%
755,000.000	JOHN DEERE 2019- Mat: 7/17/23 Moody's: Aaa Tr Date: 3/5/19	-A A3 EQP Cpn: 2.91% S&P: St Date: 3/13/19	Fitch: AAA	47789JAD8	754,907.21 0.00	770,559.04 976.47	15,651.83	102.061	0.49%
970,000.000	TOYOTA 2019-A A3 Mat: 7/17/23 Moody's: Aaa Tr Date: 2/5/19	3 CAR Cpn: 2.91% S&P: AAA St Date: 2/13/19	Fitch:	89239AAD5	969,823.27 0.00	988,842.25 1,254.53	19,018.98	101.943	0.63%
720,000.000	HONDA 2019-3 A3 Mat: 8/15/23 Moody's: Aaa Tr Date: 8/20/19	CAR Cpn: 1.78% S&P: AAA St Date: 8/27/19	Fitch:	43815NAC8	719,994.02 0.00	726,297.12 569.60	6,303.10	100.875	0.46%
730,000.000	TOYOTA 2019-C A3 Mat: 9/15/23 Moody's: Aaa Tr Date: 8/6/19	3 CAR Cpn: 1.91% S&P: AAA St Date: 8/14/19	Fitch:	89238UAD2	729,994.01 0.00	733,475.53 619.69	3,481.52	100.476	0.47%
550,000.000	FIFTH THIRD 2019 Mat: 12/15/23 Moody's: Aaa Tr Date: 4/30/19	-1 A3 CAR Cpn: 2.64% S&P: AAA St Date: 5/8/19	Fitch:	31680YAD9	549,879.11 0.00	552,204.95 645.33	2,325.84	100.401	0.35%
1,490,000.000	TOYOTA 2019-D A3 Mat: 1/16/24 Moody's: Aaa Tr Date: 11/5/19	3 CAR Cpn: 1.92% S&P: AAA St Date: 11/13/19	Fitch:	89233MAD5	1,489,892.42 0.00	1,492,451.05 1,271.47	2,558.63	100.165	0.95%
950,000.000	BMW 2019-A A3 CA Mat: 1/25/24 Moody's: Tr Date: 9/10/19	AR Cpn: 1.92% S&P: AAA St Date: 9/18/19	Fitch: AAA	05588CAC6	949,872.32 0.00	962,301.55 304.00	12,429.23	101.295	0.61%
1,440,000.000	AMEX 2018-6 A CD Mat: 2/15/24 Moody's: Aaa Tr Date: 4/18/19	T Cpn: 3.06% S&P: St Date: 4/23/19	Fitch: AAA	02582JJF8	1,453,443.75 979.20	1,470,448.80 1,958.40	17,005.05	102.115	0.93%
400,000.000	CAPITAL ONE 2018 Mat: 2/15/24 Moody's: NR Tr Date: 4/23/19	-A1 A1 CDT Cpn: 3.01% S&P: AAA St Date: 4/25/19	Fitch: AAA	14041NFR7	403,281.25 334.44	405,077.60 535.11	1,796.35	101.269	0.26%



Portfolio Position Currency: USD	ons							a	s of March 31, 2020
,	s Security			Identifier	Original Principal Cost P Purchased Accrued	rincipal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfoli
1,710,000.000	HARLEY 2019-A A Mat: 2/15/24 Moody's: Aaa Tr Date: 6/19/19	3 CYCLE Cpn: 2.34% S&P: St Date: 6/26/19	Fitch: AAA	41284WAC4	1,709,867.65 0.00	1,700,025.57 1,778.40	(9,842.08)	99.417	1.089
790,000.000	MERCEDES 2019- Mat: 3/15/24 Moody's: Aaa Tr Date: 9/18/19		Fitch:	58769TAD7	789,891.22 0.00	791,317.72 681.16	1,426.50	100.167	0.50%
850,000.000	VERIZON 2019-C Mat: 4/22/24 Moody's: Tr Date: 10/1/19	A1A PHONE Cpn: 1.94% S&P: AAA St Date: 10/8/19	Fitch: AAA	92348AAA3	849,934.47 0.00	813,788.30 503.86	(36,146.17)	95.740	0.524
1,230,000.000	JOHN DEERE 2020 Mat: 8/15/24 Moody's: Aaa Tr Date: 3/4/20	O-A A3 EQP Cpn: 1.10% S&P: St Date: 3/11/20	Fitch: AAA	47789KAC7	1,229,924.85 0.00	1,213,526.61 751.67	(16,398.24)	98.661	0.77
830,000.000	CAPTAIL ONE 202 Mat: 11/15/24 Moody's: Tr Date: 2/11/20	0-1 A3 AUTO Cpn: 1.60% S&P: AAA St Date: 2/19/20	Fitch: AAA	14043MAC5	829,823.54 0.00	821,232.71 590.22	(8,590.83)	98.944	0.529
Total for Asset-Back	ed				18,515,711.13 13,089.64	18,557,575.41 24,280.88	41,864.28		11.779
and Total					155,492,115.60 270,512.16	157,133,006.41 731,879.20	1,640,890.82		100.00%



Reporting Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	3135G0S38	FEDERAL NATL MTG ASSN	2.000% 01/05/2022 DD 01/09/17	Agency	3,400,000.0000	3,404,553.87		3,497,418.80	92,864.93	0.00	2.24	Agency	AA+	Agency
CALOPTIMA S1-3	3135G0S38	FEDERAL NATL MTG ASSN	2.000% 01/05/2022 DD 01/09/17	Agency	2,250,000.0000	2,257,750.83	10,750.00	2,314,468.33	56,717.50	0.00	1.48	Agency	AA+	Agency
CALOPTIMA S1-3	3137EADB2	FEDERAL HOME LN MTG CORP	2.375% 01/13/2022 DD 01/13/12	Agency	, ,	2,272,144.95	,		56,752.07	0.00	1.49	Agency	AA+	Agency
CALOPTIMA S1-3 CALOPTIMA S1-3	3137EADB2 4581X0CN6	FEDERAL HOME LN MTG CORP INTER-AMERICAN DEVELOPMENT BAN	2.375% 01/13/2022 DD 01/13/12 1.750% 04/14/2022 DD 04/15/15	Agency Agency	2,250,000.0000 315,000.0000	2,282,756.56 315,655.62		2,328,897.01 322,611.83	46,140.45 6,956.21	0.00	1.49 0.21	Agency Aaa	AA+ AAA	Agency AAA
CALOPTIMA S1-3	4581X0CN6	INTER-AMERICAN DEVELOPMENT BAN	1.750% 04/14/2022 DD 04/15/15	Agency	460,000.0000	460,965.52	3,734.31	471,115.69	10,150.17	0.00	0.30	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0CN6	INTER-AMERICAN DEVELOPMENT BAN	1.750% 04/14/2022 DD 04/15/15	Agency	755,000.0000	756,625.52	6,129.13	773,244.24	16,618.72	0.00	0.50	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0CZ9	INTER-AMERICAN DEVELOPMENT BAN	1.750% 09/14/2022 DD 09/14/17	Agency	750,000.0000	744,895.70	619.79	772,450.68	27,554.98	0.00	0.50	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0CZ9	INTER-AMERICAN DEVELOPMENT BAN	1.750% 09/14/2022 DD 09/14/17	Agency	3,000,000.0000			3,089,802.72	93,237.78	0.00	1.98	Aaa	AAA	AAA
CALOPTIMA S1-3 CALOPTIMA S1-3	459058DT7 459058GK3	INTERNATIONAL BANK FOR RECONST INTERNATIONAL BANK FOR RECONST	2.250% 06/24/2021 DD 06/25/14 VAR RT 08/21/2020 DD 08/21/18	Agency Agency	1,525,000.0000 100,000.0000	1,534,900.32 100,003.95	9,245.31 122.69	1,556,478.07 100,030.11	21,577.75 26.16	0.00	1.00 0.06	Aaa Aaa	aaa aaa	AAA AAA
CALOPTIMA S1-3	459058GK3	INTERNATIONAL BANK FOR RECONST	VAR RT 08/21/2020 DD 08/21/18	Agency		1,000,138.19	1,226.95	1,000,301.08	162.89	0.00	0.64	Aaa	AAA	AAA
CALOPTIMA S1-3	459058GX5	INTERNATIONAL BANK FOR RECONST	1.875% 06/19/2023 DD 06/19/19	Agency	,,	1,114,430.35			28,070.04	0.00	0.73	Aaa	AAA	NR
CALOPTIMA S1-3	02582JJH4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	614,000.0000	627,532.31	867.79	629,171.45	1,639.14	0.00	0.40	NR	AAA	AAA
CALOPTIMA S1-3	02582JJH4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	389,000.0000	397,559.53	549.79	398,611.88	1,052.35	0.00	0.26	NR	AAA	AAA
CALOPTIMA S1-3 CALOPTIMA S1-3	05522RCZ9 05522RCZ9	BA CREDIT CARD TRUST A2 A2 BA CREDIT CARD TRUST A2 A2	3.000% 09/15/2023 DD 05/17/18 3.000% 09/15/2023 DD 05/17/18	Asset Backed Asset Backed	1,200,000.0000 430,000.0000	1,216,689.69 435,980.36	1,600.00 573.33	1,217,942.16 436,429.27	1,252.47 448.91	0.00	0.78 0.28	Aaa Aaa	aaa aaa	NR NR
CALOPTIMA S1-3	17305EFM2		2.880% 01/23/2023 DD 01/24/14	Asset Backed	855,000.0000	853,964.00	4,788.00	862,429.61	8,465.61	0.00	0.55	Aaa	NR	AAA
CALOPTIMA S1-3	17305EGK5	CITIBANK CREDIT CARD ISS A1 A1	2.490% 01/20/2023 DD 01/31/18	Asset Backed	365,000.0000	366,845.74	1,792.45	367,664.54	818.80	0.00	0.24	Aaa	NR	AAA
CALOPTIMA S1-3	26208RAD7	DRIVE AUTO RECEIVABLES TR 2 A3	3.040% 03/15/2023 DD 03/20/19	Asset Backed	475,000.0000	474,965.48	641.78	476,284.59	1,319.11	0.00	0.31	Aaa	AAA	NR
CALOPTIMA S1-3	26209AAE1	DRIVE AUTO RECEIVABLES TRU 4 B	2.230% 01/16/2024 DD 09/18/19	Asset Backed	585,000.0000	584,930.12	579.80	574,967.48	0.00	-9,962.64	0.37	Aa1	AA	NR
CALOPTIMA S1-3 CALOPTIMA S1-3	31680YAB3 47787XAC1	FIFTH THIRD AUTO TRUST 2 1 A2A JOHN DEERE OWNER TRUST 20 A A3	2.660% 05/16/2022 DD 05/08/19 1.780% 04/15/2021 DD 03/02/17	Asset Backed Asset Backed	677,770.2000 7,771.6700	677,743.63 7,771.68	801.27 6.15	679,590.08 7,763.68	1,846.45 0.00	0.00 -8.00	0.44 0.00	Aaa Aaa	aaa NR	NR AAA
CALOPTIMA S1-3	47788BAD6	JOHN DEERE OWNER TRUST 20 B A3	1.820% 10/15/2021 DD 07/18/17	Asset Backed	177,066.3700	175,818.12	143.23	176,418.48	600.36	0.00	0.11	Aaa	NR	AAA
CALOPTIMA S1-3	47789JAB2	JOHN DEERE OWNER TRUST 20 A A2	2.850% 12/15/2021 DD 03/13/19	Asset Backed	765,762.1800	765,740.45	969.97	767,791.14	2,050.69	0.00	0.49	Aaa	NR	AAA
CALOPTIMA S1-3	65478LAB5	NISSAN AUTO LEASE TRUST B A2A	2.270% 10/15/2021 DD 07/24/19	Asset Backed	540,175.9100	540,142.52	544.98	539,923.59	0.00	-218.93	0.35	Aaa	AAA	AAA
CALOPTIMA S1-3	02582JJH4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	243,000.0000	248,373.06	343.43	249,004.33	631.27	0.00	0.16	NR	AAA	AAA
CALOPTIMA S1-3 CALOPTIMA S1-3	05586VAD4 80286GAB7	BMW VEHICLE LEASE TRUST 2 1 A4 SANTANDER DRIVE AUTO RECE 2 A2	2.920% 08/22/2022 DD 03/20/19 2.630% 07/15/2022 DD 05/22/19	Asset Backed Asset Backed	1,900,000.0000 480,242.5400	1,922,345.21 480,216.03	1,695.22 561.35	1,921,309.26 479,380.36	0.00	-1,035.95 -835.67	1.23 0.31	Aaa Aaa	aaa NR	NR AAA
CALOPTIMA S1-3	GL-110000	CASH	2.030 /0 01/ 13/2022 DD 03/22/ 19	CASH	0.0000	854,503.78	0.00	854,503.78	0.00	0.00	0.00	Лаа	INIX	7777
CALOPTIMA S1-3	GL-120010	RECEIVABLE FOR INVESTMENTS SOLD		CASH		2,345,745.28		2,345,745.28	0.00	0.00	0.00			
CALOPTIMA S1-3	GL-220010	PAYABLE FOR INVESTMENTS PURCHASED		CASH		-2,910,255.13		-2,910,255.13	0.00	0.00	0.00			
CALOPTIMA S1-3	3137APP61	FHLMC MULTICLASS MTG K018 A2	2.789% 01/25/2022 DD 05/01/12	CMBS	34,636.4640	35,025.82	80.50	35,593.32	567.50	0.00	0.02	Agency	AA+	AAA
CALOPTIMA S1-3 CALOPTIMA S1-3	3137APP61 3137AXHP1	FHLMC MULTICLASS MTG K018 A2 FHLMC MULTICLASS MTG K024 A2	2.789% 01/25/2022 DD 05/01/12 2.573% 09/25/2022 DD 01/01/13	CMBS CMBS	128,649.7260 965,000.0000	130,181.76 972,732.05	299.00 2,069.12	132,203.77 992,904.42	2,022.01 20,172.37	0.00	0.08 0.64	Agency Aaa	AA+ AA+	AAA Agency
CALOPTIMA S1-3	3137AXHP1	FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS	700,000.0000	705,360.10	1,500.92	720,241.55	14,881.45	0.00	0.46	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AYCE9	FHLMC MULTICLASS MTG K025 A2	2.682% 10/25/2022 DD 02/01/13	CMBS	1,425,000.0000	1,449,952.62	3,184.88	1,471,362.23	21,409.61	0.00	0.94	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AYCE9	FHLMC MULTICLASS MTG K025 A2	2.682% 10/25/2022 DD 02/01/13	CMBS	200,000.0000	203,499.21	447.00	206,506.98	3,007.77	0.00	0.13	Aaa	AA+	Agency
CALOPTIMA S1-3 CALOPTIMA S1-3	3137B04Y7	FHLMC MULTICLASS MTG KSMC A2	2.615% 01/25/2023 DD 03/01/13	CMBS	750,000.0000	760,770.94	1,634.38	782,002.20	21,231.26	0.00	0.50	Agency	AA+	Agency
CALOPTIMA S1-3	3137B1UG5 3137B1UG5		2.637% 01/25/2023 DD 05/01/13 2.637% 01/25/2023 DD 05/01/13	CMBS CMBS	840,000.0000 1,000,000.0000	840,467.12 1,000,146.93	1,845.90 2,197.50	868,472.89 1,033,896.30	28,005.77 33,749.37	0.00 0.00	0.56 0.66	Agency Agency	AA+ AA+	AAA AAA
CALOPTIMA S1-3		FHLMC MULTICLASS MTG K047 A1	2.827% 12/25/2024 DD 07/01/15	CMBS	351,417.1370	358,564.90	827.88	367,575.09	9,010.19	0.00	0.24	Agency	AA+	AAA
CALOPTIMA S1-3	3137BWVV3	FHLMC MULTICLASS MTG KJ13 A2	2.864% 08/25/2022 DD 04/01/17	CMBS	180,421.3500	183,241.07	430.61	187,173.13	3,932.06	0.00	0.12	Agency	AA+	Agency
CALOPTIMA S1-3	31381PAU2		3.230% 11/01/2020 DD 11/01/10	CMBS	902,068.5670	904,640.90	2,509.00	902,083.12	0.00	-2,557.78	0.58	Agency	AA+	Agency
CALOPTIMA S1-3 CALOPTIMA S1-3	31381PEB0 31381QB54	FNMA POOL #0466430 FNMA POOL #0467260	3.370% 11/01/2020 DD 11/01/10 4.410% 03/01/2021 DD 03/01/11	CMBS CMBS	369,380.3420 1,053,379.3520	370,024.91 1,062,280.36	1,071.92 4,000.21	369,785.72 1,067,877.83	0.00 5,597.47	-239.19 0.00	0.24 0.69	Agency	AA+ AA+	Agency Agency
CALOPTIMA S1-3	31381R5T7	FNMA POOL #0468958	3.770% 09/01/2021 DD 09/01/11	CMBS	1,805,000.0000	1,823,494.77	5,859.73	1,861,311.00	37,816.23	0.00	1.19	Agency Agency	AA+	Agency
CALOPTIMA S1-3	3138EKXL4	FNMA POOL #0AL3382	VAR RT 03/01/2023 DD 03/01/13	CMBS	330,110.8050	334,201.32	662.90	341,348.80	7,147.48	0.00	0.22	Agency	AA+	Agency
CALOPTIMA S1-3	3138L0MH1	FNMA POOL #0AM0359	2.310% 08/01/2022 DD 08/01/12	CMBS		1,046,318.19	2,064.58	1,065,244.33	18,926.14	0.00	0.68	Agency	AA+	Agency
CALOPTIMA S1-3	3138L2GH4	FNMA POOL #0AM1999	1.870% 07/01/2021 DD 01/01/13	CMBS	984,712.8820	971,231.13	1,585.66	994,230.45	22,999.32	0.00	0.64	Agency	AA+	Agency
CALOPTIMA S1-3 CALOPTIMA S1-3	3138L2GH4 3138NJAE8	FNMA POOL #0AM1999 FNMA POOL #0FN0004	1.870% 07/01/2021 DD 01/01/13 VAR RT 12/01/2020 DD 03/01/11	CMBS CMBS	251,506.7510 99,529.5340	250,617.55 105,240.98	405.00 318.91	253,937.65 99,467.38	3,320.10 0.00	0.00 -5,773.60	0.16 0.06	Agency Agency	AA+ AA+	Agency Agency
CALOPTIMA S1-3	3136A72D3	FNMA GTD REMIC P/T 12-M9 A2	2.482% 04/25/2022 DD 08/01/12	CMBS	178,798.3330	179,596.56	369.82	181.745.79	2,149.23	0.00	0.12	Agency	AA+	Agency
CALOPTIMA S1-3	3136A72D3	FNMA GTD REMIC P/T 12-M9 A2	2.482% 04/25/2022 DD 08/01/12	CMBS	35,217.8520	35,374.04	72.84	35,798.41	424.37	0.00	0.02	Agency	AA+	Agency
CALOPTIMA S1-3	31397UPF0	FNMA GTD REMIC P/T 11-M1 A3	3.763% 06/25/2021 DD 05/01/11	CMBS	118,001.1300	118,940.17	370.03	119,883.65	943.48	0.00	0.08	Agency	AA+	Agency
CALOPTIMA S1-3	04609QAC3	ASSOCIATION OF AMERICAN MEDICA	1.926% 10/01/2022 DD 01/29/20	Corporates	1,170,000.0000	1,170,000.00	3,880.89	1,181,556.38	11,556.38	0.00	0.76	NR	A+	AA
CALOPTIMA S1-3 CALOPTIMA S1-3	023135AM8 05531FBG7	AMAZON.COM INC TRUIST FINANCIAL CORP	3.300% 12/05/2021 DD 12/05/14 3.050% 06/20/2022 DD 03/18/19	Corporates Corporates	1,110,000.0000 750,000.0000	1,127,350.60 778,922.14	11,803.00 6,417.71	1,148,317.58 765,139.81	20,966.98	0.00 -13,782.33	0.74 0.49	A2 A3	AA- A-	A+ A+
CALOPTIMA S1-3	05531FBJ1	TRUIST FINANCIAL CORP	2.200% 03/16/2023 DD 09/16/19	Corporates	1,175,000.0000			1,175,711.64	1,450.46	0.00	0.75	A3	A-	A+
CALOPTIMA S1-3		BANK OF AMERICA CORP	VAR RT 10/01/2021 DD 09/18/17		970,000.0000	970,000.00	11,290.80	968,565.97	0.00	-1,434.03	0.62	A2	A-	A+
CALOPTIMA S1-3		BANK OF AMERICA CORP	VAR RT 10/01/2021 DD 09/18/17	•	800,000.0000	800,005.00		798,817.30	0.00	-1,187.70	0.51	A2	A-	A+
CALOPTIMA S1-3 CALOPTIMA S1-3		BANK OF NEW YORK MELLON CORP/T CAPITAL ONE FINANCIAL CORP	2.050% 05/03/2021 DD 05/02/16	Corporates	1,345,000.0000	1,331,108.06 899,705.84		1,351,241.51	20,133.45	0.00	0.87	A1	A	AA-
CALOPTIMA S1-3		CATERPILLAR FINANCIAL SERVICES	3.450% 04/30/2021 DD 04/30/18 VAR RT 03/15/2021 DD 03/15/18	Corporates Corporates	900,000.0000 1,065,000.0000	969,636.82		901,565.76 1,042,400.70	1,859.92 72,763.88	0.00 0.00	0.58 0.67	Baa1 A3	BBB A	A- A
CALOPTIMA S1-3		CITIGROUP INC	2.900% 12/08/2021 DD 12/08/16	Corporates	1,355,000.0000				3,559.42	0.00	0.88	A3	BBB+	A
CALOPTIMA S1-3		CITIGROUP INC	VAR RT 11/04/2022 DD 11/04/19	Corporates	1,260,000.0000	1,260,000.00	11,895.24	1,255,203.67	0.00	-4,796.33	0.81	A3	BBB+	Α
CALOPTIMA S1-3		CITIZENS BANK NA/PROVIDENCE RI	2.250% 10/30/2020 DD 11/01/17	Corporates	900,000.0000	894,394.88		902,119.88	7,725.00	0.00	0.58	Baa1	A-	BBB+
CALOPTIMA S1-3 CALOPTIMA S1-3		CITIZENS BANK NA/PROVIDENCE RI FIFTH THIRD BANK/CINCINNATI OH	2.250% 10/30/2020 DD 11/01/17 2.200% 10/30/2020 DD 10/30/17	Corporates	250,000.0000	248,206.08		250,588.85	2,382.77	0.00	0.16	Baa1 A3	A- ^	BBB+
CALOPTIMA S1-3		FIFTH THIRD BANK/CINCINNATI OH	2.200% 10/30/2020 DD 10/30/17 2.200% 10/30/2020 DD 10/30/17	Corporates Corporates	850,000.0000 700,000.0000	845,077.64 695,559.22	7,843.61 6,459.45	847,269.47 697,751.33	2,191.83 2,192.11	0.00 0.00	0.54 0.45	A3 A3	A- A-	A- A-
CALOPTIMA S1-3		GOLDMAN SACHS GROUP INC/THE	5.250% 07/27/2021 DD 07/27/11	Corporates	525,000.0000	543,399.74	4,900.00	541,839.19	0.00	-1,560.55	0.35			
CALOPTIMA S1-3	38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250% 07/27/2021 DD 07/27/11	Corporates	525,000.0000	537,760.65	4,900.00	541,839.18	4,078.53	0.00	0.35	A9'	67 <sup>88</sup> 7 <sup>*</sup> 12 888+	. O A
CALOPTIMA S1-3		GOLDMAN SACHS BANK USA/NEW YOR	3.200% 06/05/2020 DD 06/07/18	Corporates	500,000.0000	499,989.43		500,089.45	100.02	0.00	0.32	A1	A+	A+
CALOPTIMA S1-3	Back to Ag	endarCONTINENTAL EXCHANGE INC	2.750% 12/01/2020 DD 11/24/15	Corporates	1,150,000.0000	1,140,147.91	10,541.67	1,152,875.00	12,727.09	0.00	0.74	A2	Α	NR



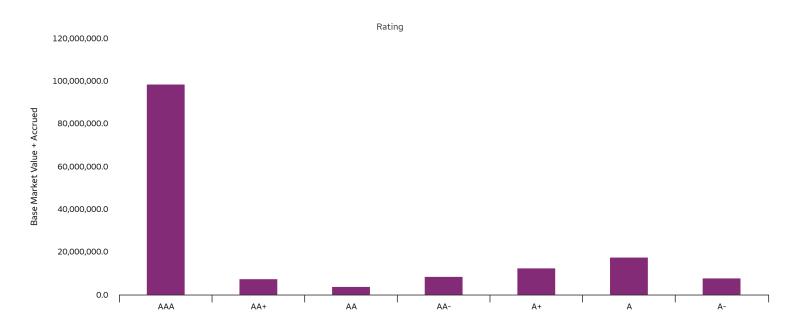
Reporting Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	46623EKG3	JPMORGAN CHASE & CO	2.295% 08/15/2021 DD 08/08/16	Corporates	2,900,000.0000	2,901,566.00		2,897,002.04	0.00	-4,563.96	1.86	A2	A-	AA-
CALOPTIMA S1-3	49327M2Q6	KEYBANK NA/CLEVELAND OH	2.500% 11/22/2021 DD 11/22/16	Corporates	500,000.0000	494,563.78	4,479.17	501,083.49	6,519.71	0.00	0.32	A3	A-	A-
CALOPTIMA S1-3	49327M2Y9	KEYBANK NA/CLEVELAND OH	VAR RT 02/01/2022 DD 02/01/19	Corporates	1,670,000.0000	1,670,000.00	6,744.71	1,569,980.23	0.00	-100,019.77	1.01	A3	A-	A-
CALOPTIMA S1-3		MORGAN STANLEY	VAR RT 04/21/2021 DD 04/21/16	Corporates	1,297,000.0000	1,309,203.83	8,234.45	1,287,953.15	0.00	-21,250.68	0.83	A3	BBB+	Α
CALOPTIMA S1-3		MORGAN STANLEY	2.625% 11/17/2021 DD 11/17/16	Corporates	1,085,000.0000	1,071,725.04	10,601.35	1,089,055.48	17,330.44	0.00	0.70	A3	BBB+	Α
CALOPTIMA S1-3		PNC BANK NA	2.300% 06/01/2020 DD 06/01/15	Corporates	490,000.0000	489,358.36	3,756.67	490,024.50	666.14	0.00	0.31	A2	A	A+
CALOPTIMA S1-3		PNC BANK NA	VAR RT 02/24/2023 DD 02/25/20	Corporates	250,000.0000	250,000.00	435.75	246,016.75	0.00	-3,983.25	0.16	A2	A	A+
CALOPTIMA S1-3 CALOPTIMA S1-3		PACCAR FINANCIAL CORP	3.100% 05/10/2021 DD 05/10/18	Corporates	1,515,000.0000	1,514,847.89	18,394.63	1,522,416.74	7,568.85	0.00	0.98	A1	A+	NR NA
CALOPTIMA S1-3		PACCAR FINANCIAL CORP PRUDENTIAL FINANCIAL INC	VAR RT 05/10/2021 DD 05/10/18 4.500% 11/15/2020 DD 11/18/10	Corporates	1,500,000.0000 835,000.0000	1,501,042.00 841,766.42	4,237.53 14,195.00	1,438,873.55 840,760.20	0.00 0.00	-62,168.45 -1,006.22	0.92 0.54	A1 A3	A+ A	
CALOPTIMA S1-3		PUBLIC SERVICE ELECTRIC & GAS	1.900% 03/15/2021 DD 03/03/16	Corporates Corporates	735,000.0000	722,309.15	620.67	727,720.55	5,411.40	0.00	0.34	A3 Aa3	A	A- A+
CALOPTIMA S1-3		WELLS FARGO & CO	2.625% 07/22/2022 DD 07/24/17	Corporates	1,500,000.0000	1,527,143.25	7,546.87	1,504,864.26	0.00	-22,278.99	0.97	A2	A-	A+
CALOPTIMA S1-3		WELLS FARGO & CO	2.625% 07/22/2022 DD 07/24/17	Corporates	750,000.0000	763,656.01	3,773.44	752,432.13	0.00	-11,223.88	0.48	A2	A-	A+
CALOPTIMA S1-3		BAY AREA CA TOLL AUTH TOLL BRI	2.128% 04/01/2022 DD 09/26/19	Municipal Securities	1,145,000.0000			1,151,171.55	6,171.55	0.00	0.74	A1	AA-	AA-
CALOPTIMA S1-3	130179RQ9	CALIFORNIA ST EDUCTNL FACS AUT	3.258% 10/01/2020 DD 11/21/18	Municipal Securities	820,000.0000	820,000.00	13,357.80	828,068.80	8,068.80	0.00	0.53	A2	NR	NR
CALOPTIMA S1-3		CALIFORNIA ST HLTH FACS FING A	1.896% 06/01/2021 DD 11/25/19	Municipal Securities	860,000.0000	860,000.00	5,706.96	859,587.20	0.00	-412.80	0.55	Aa3	AA-	AA-
CALOPTIMA S1-3		CALIFORNIA ST HSG FIN AGY REVE	2.300% 08/01/2020 DD 06/29/17	Municipal Securities	1,000,000.0000	1,000,000.00	3,833.33	1,002,350.00	2,350.00	0.00	0.64	A1	AA	NR
CALOPTIMA S1-3		CALIFORNIA ST	3.000% 04/01/2024 DD 04/04/19	Municipal Securities	1,235,000.0000	1,288,737.24	18,525.00	1,300,059.80	11,322.56	0.00	0.83	Aa2	AA-	AA
CALOPTIMA S1-3		CALIFORNIA ST DEPT OF WTR RESO	1.713% 05/01/2021 DD 09/28/16	Municipal Securities	1,119,450.3300	1,119,450.33	7,990.08	1,123,110.93	3,660.60	0.00	0.72	Aa1	AA+	AA+
CALOPTIMA S1-3		CHAFFEY CA CMNTY CLG DIST	1.606% 06/01/2022 DD 09/24/19	Municipal Securities	285,000.0000	285,000.00	2,377.55	287,391.15	2,391.15	0.00	0.18	Aa2	AA	NR
CALOPTIMA S1-3 CALOPTIMA S1-3		COAST CA CMNTY CLG DIST HAWAII ST ARPTS SYS CUSTOMER F	1.556% 08/01/2021 DD 08/31/16 1.819% 07/01/2022 DD 08/27/19	Municipal Securities  Municipal Securities	585,000.0000 285,000.0000	585,000.00 285,000.00	1,517.10 1,296.04	586,058.85 285,829.35	1,058.85 829.35	0.00 0.00	0.38 0.18	Aa1 A2	AA+ A+	NR A
CALOPTIMA S1-3		HAWAII ST ARPTS SYS CUSTOMER F	2.008% 07/01/2024 DD 08/27/19	Municipal Securities	285,000.0000	285,000.00	1,430.70	286,328.10	1,328.10	0.00	0.18	A2 A2	A+	A
CALOPTIMA S1-3		LA VERNE CA PENSN OBLIG	2.992% 06/01/2020 DD 08/15/18	Municipal Securities	1,245,000.0000	1,245,000.00		1,248,647.85	3,647.85	0.00	0.80	NR	AA+	NR
CALOPTIMA S1-3		MASSACHUSETTS ST SCH BLDG AUTH	1.963% 10/15/2022 DD 11/20/19	Municipal Securities	720,000.0000	720,000.00	5,143.06	729,511.20	9,511.20	0.00	0.47	Aa3	AA	AA+
CALOPTIMA S1-3		MASSACHUSETTS ST WTR RESOURCES	1.772% 08/01/2023 DD 11/01/19	Municipal Securities	945,000.0000	945,000.00	2,790.90	956,377.80	11,377.80	0.00	0.61	Aa1	AA+	AA+
CALOPTIMA S1-3	677521DA1	OHIO ST	4.424% 05/01/2020 DD 04/27/10	Municipal Securities	2,195,000.0000	2,197,423.92		2,201,058.20	3,634.28	0.00	1.41	Aa1	AAA	AA+
CALOPTIMA S1-3	713575SZ2	PERALTA CA CMNTY CLG DIST	6.159% 08/01/2020 DD 10/28/11	Municipal Securities	400,000.0000	404,602.76	4,106.00	405,920.00	1,317.24	0.00	0.26	A3	AA-	NR
CALOPTIMA S1-3		SAN DIEGO CA CMNTY CLG DIST	1.936% 08/01/2022 DD 10/16/19	Municipal Securities	600,000.0000	600,000.00	1,936.00	610,248.00	10,248.00	0.00	0.39	Aaa	AAA	NR
CALOPTIMA S1-3		UNIV OF CALIFORNIA CA RGTS MED	1.620% 05/15/2021 DD 08/17/16	Municipal Securities	485,000.0000	481,743.62	2,968.20	488,152.50	6,408.88	0.00	0.31	Aa3	AA-	AA-
CALOPTIMA S1-3		UTAH ST HSG CORP SF MTGE REVEN	2.100% 01/01/2022 DD 10/02/19	Municipal Securities	690,000.0000	690,000.00	7,204.75	691,104.00	1,104.00	0.00	0.44	Aa2	NR	NR
CALOPTIMA S1-3 CALOPTIMA S1-3		UTAH ST HSG CORP SF MTGE REVEN	2.150% 07/01/2022 DD 10/02/19	Municipal Securities	285,000.0000	285,000.00	3,046.73	286,142.85	1,142.85	0.00	0.18	Aa2	NR	NR
CALOPTIMA S1-3		FHLMC MULTICLASS MTG 3760 BA FHLMC MULTICLASS MTG 4221 HJ	1.500% 09/15/2022 DD 11/01/10 1.500% 07/15/2023 DD 06/01/13	RMBS RMBS	161,028.6320 238,883.0080	158,898.08 237,326.78	201.29 298.60	162,628.47 240,882.65	3,730.39 3,555.87	0.00 0.00	0.10 0.15	Agency	AA+ AA+	Agency
CALOPTIMA S1-3		FHLMC POOL #G1-1964	5.000% 04/01/2021 DD 03/01/06	RMBS	9,031.5630	9,032.82	37.63	9,479.22	446.40	0.00	0.13	Agency Agency	AA+	Agency Agency
CALOPTIMA S1-3		FHLMC POOL #G1-2952	6.000% 12/01/2022 DD 12/01/07	RMBS	100,942.0510	103,480.49	504.71	105,141.98	1,661.49	0.00	0.07	Agency	AA+	Agency
CALOPTIMA S1-3		FHLMC POOL #G1-8303	4.500% 03/01/2024 DD 03/01/09	RMBS	199,603.7690	205,899.20	748.51	210,542.74	4,643.54	0.00	0.14	Agency	AA+	Agency
CALOPTIMA S1-3	3136A1HC2	FNMA GTD REMIC P/T 11-98 VC	3.500% 01/25/2023 DD 09/01/11	RMBS	155,162.2640	156,212.77	452.56	156,726.94	514.17	0.00	0.10	Agency	AA+	Agency
CALOPTIMA S1-3		FNMA GTD REMIC P/T 12-31 AD	1.750% 10/25/2022 DD 03/01/12	RMBS	194,990.9110	192,950.88	284.36	195,761.30	2,810.42	0.00	0.13	Agency	AA+	Agency
CALOPTIMA S1-3		FNMA GTD REMIC P/T 12-31 AD	1.750% 10/25/2022 DD 03/01/12	RMBS	489,955.5630	485,270.04	714.52	491,891.33	6,621.29	0.00	0.32	Agency	AA+	Agency
CALOPTIMA S1-3		FNMA GTD REMIC P/T 12-50 VA	4.000% 07/25/2023 DD 04/01/12	RMBS	123,525.4160	126,308.70	411.75	127,880.07	1,571.37	0.00	0.08	Agency	AA+	Agency
CALOPTIMA S1-3		FNMA GTD REMIC P/T 12-76 VA	4.000% 09/25/2023 DD 06/01/12	RMBS	244,856.2740	248,643.55	816.19	249,087.34	443.79	0.00	0.16	Agency	AA+	Agency
CALOPTIMA S1-3		FNMA GTD REMIC P/T 13-136 CV	3.500% 06/25/2023 DD 12/01/13	RMBS	167,865.9350	171,015.03	489.61	173,328.51	2,313.48	0.00	0.11	Agency	AA+	Agency
CALOPTIMA S1-3 CALOPTIMA S1-3		FNMA GTD REMIC P/T 03-38 MP FNMA GTD REMIC P/T 03-64 HQ	5.500% 05/25/2023 DD 04/01/03 5.000% 07/25/2023 DD 06/01/03	RMBS RMBS	134,867.0240 209,545.0850	139,086.51 215,023.09	618.14 873.10	142,003.03 219,852.54	2,916.52 4,829.45	0.00 0.00	0.09 0.14	Agency	AA+ AA+	Agency
CALOPTIMA S1-3		NCUA GUARANTEED NOTES TR R2 2A	VAR RT 11/05/2020 DD 11/17/10	RMBS	292,086.9370	310,225.05	301.47	292,119.97	0.00	-18,105.08	0.14	Agency Aaa	AA+	Agency Agency
CALOPTIMA S1-3		VENDEE MORTGAGE TRUST 201 1 DV	3.750% 06/15/2022 DD 04/01/11	RMBS	118,038.4650	119,582.24	368.87	122,231.53	2,649.29	0.00	0.13	Agency	AA+	Agency
CALOPTIMA S1-3		US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Government		2,350,022.24		2,353,507.75	3,485.51	0.00	1.51	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	1,518,739.2000	1,537,553.48	3,506.37	1,540,677.34	3,123.86	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	1,518,739.2000	1,539,236.32	3,506.38	1,540,677.34	1,441.02	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-3		US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	756,812.8000	769,693.29	1,747.29	767,744.94	0.00	-1,948.35	0.49	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government				1,580,978.13	45,848.16	0.00	1.01	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	4,560,000.0000	4,603,655.89	,	4,742,934.39	139,278.50	0.00	3.04	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	760,000.0000	768,401.45 2.852.065.26	6,122.80	790,489.06	22,087.61	0.00	0.51	Govt	AA+	Govt
CALOPTIMA S1-3 CALOPTIMA S1-3		U S TREASURY NOTE U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19 2.125% 05/15/2022 DD 05/15/19	US Government US Government	2,810,000.0000 300,000.0000	304,311.67	22,638.26 2,416.90	2,922,729.30 312,035.16	70,664.04 7,723.49	0.00	1.87 0.20	Govt Govt	AA+ AA+	Govt Govt
CALOPTIMA S1-3		U S TREASURY NOTE	2.125% 01/31/2021 DD 01/31/14	US Government	985.000.0000	980,435.05		1.002.006.64	21,571.59	0.00	0.64	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	3,815,000.0000	3,815,941.99	. ,	3,926,469.53	110,527.54	0.00	2.52	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	3,055,000.0000			3,144,263.28	82,004.17	0.00	2.02	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	460,000.0000	461,079.84	717.97	473,440.63	12,360.79	0.00	0.30	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,835,000.0000	1,839,371.10	2,864.09	1,888,616.41	49,245.31	0.00	1.21	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	465,000.0000	466,091.99	725.78	478,586.72	12,494.73	0.00	0.31	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,530,000.0000			1,574,704.69	41,469.60	0.00	1.01	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	2,295,000.0000			2,362,057.03	58,050.90	0.00	1.52	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,525,000.0000			1,569,558.59	41,670.92	0.00	1.01	Govt	AA+	Govt
CALOPTIMA S1-3 CALOPTIMA S1-3		U S TREASURY NOTE U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15 1.750% 09/30/2022 DD 09/30/15	US Government US Government	1,510,000.0000 3,740,000.0000			1,566,212.11 3,879,227.33	48,289.24 122,477.36	0.00 0.00	1.00 2.49	Govt Govt	AA+ AA+	Govt Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15 1.750% 09/30/2022 DD 09/30/15	US Government	3,100,000.0000			3,215,402.34	99,431.46	0.00	2.49	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15 1.750% 09/30/2022 DD 09/30/15	US Government	4,675,000.0000			4,849,034.17	143,317.97	0.00	3.11	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	500,000.0000	501,965.69	23.91	518,613.28	16,647.59	0.00	0.33	Govt	AA+	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	765,000.0000	767,007.06	36.58	793,478.31	26,471.25	0.00	0.51			
CALOPTIMA S1-3		U S TREASURY NOTE	1.250% 10/31/2021 DD 10/31/16	US Government	1,300,000.0000			1,321,734.37	27,214.59	0.00	0.85	GWE	68 <mark>40</mark> ‡12	Govt
CALOPTIMA S1-3		U S TREASURY NOTE	1.250% 10/31/2021 DD 10/31/16	US Government	1,535,000.0000			1,560,663.28	33,307.22	0.00	1.00	Govt	AA+	Govt
CALOPTIMA S1-3	B2282876Xae	NSTREASURY NOTE	1.250% 10/31/2021 DD 10/31/16	US Government	3,075,000.0000	3,052,201.16	16,156.42	3,126,410.16	74,209.00	0.00	2.01	Govt	AA+	Govt



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Reporting Account	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued	Base Market	Base Unrealized	Base Unrealized	Percent of	Moody's	S&P	Fitch
Name	Security ID	Security Description 1	Security Description 2	Sector	Silai es/i ai	Dase Cost	Interest	Value	Gain	Loss	Asset	Rating	Rating	Rating
CALOPTIMA S1-3	912828T67	U S TREASURY NOTE	1.250% 10/31/2021 DD 10/31/16	US Government	1,200,000.0000	1,197,271.32	6,304.95	1,220,062.50	22,791.18	0.00	0.78	Govt	AA+	Govt
CALOPTIMA S1-3	912828UH1	US TREAS-CPI INFLAT	0.125% 01/15/2023 DD 01/15/13	US Government	1,564,472.0000	1,553,135.44	413.68	1,545,612.82	0.00	-7,522.62	0.99	Govt	AA+	Govt
CALOPTIMA S1-3	912828UH1	US TREAS-CPI INFLAT	0.125% 01/15/2023 DD 01/15/13	US Government	1,592,409.0000	1,560,646.05	421.07	1,573,213.05	12,567.00	0.00	1.01	Govt	AA+	Govt
CALOPTIMA S1-3	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	1,235,000.0000	1,226,357.93	7,841.07	1,269,830.85	43,472.92	0.00	0.81	Govt	AA+	Govt
CALOPTIMA S1-3	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	2,350,000.0000	2,347,144.04	14,920.25	2,416,277.34	69,133.30	0.00	1.55	Govt	AA+	Govt

US Dollar As of 31 March 2020 WC-CalOptima - Tier One
Account: XXXX2501
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index





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ldentifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	
02582JJF8 AMXCA 186 A	2,900,000.00	USD 02/15/2024	ABS	AAA	Aaa	NA	AAA	2,957,523.24	1.88%
05522RCZ9 BACCT 18A2 A	1,000,000.00	USD 09/15/2021	ABS	AAA	Aaa	AAA	NA	1,016,285.13	0.65%
05588CAC6 BMWOT 19A A3	730,000.00	USD 01/25/2024	ABS	AAA	NA	AAA	AAA	737,244.23	0.47%
14041NFU0 COMET 192 A	1,000,000.00	USD 09/15/2022	ABS	AAA	NA	AAA	AAA	1,010,401.24	0.64%
14042WAC4 COPAR 191 A3	1,500,000.00	USD 11/15/2023	ABS	AAA	Aaa	AAA	AAA	1,517,944.13	0.97%
14043MAC5 COPAR 201 A3	1,000,000.00	USD 11/15/2024	ABS	AAA	NA	AAA	AAA	985,390.31	0.63%
233854AC2 DTRT 201 A3	3,000,000.00	USD 09/15/2023	ABS	AAA	Aaa	NA	AAA	3,018,284.27	1.92%
3130AF5B9 FEDERAL HOME LOAN BANKS	1,000,000.00	USD 10/12/2021	AGCY BOND	AAA	Aaa	AA+	AAA	1,054,170.65	0.67%
313380GJ0 FEDERAL HOME LOAN BANKS	2,950,000.00	USD 09/09/2022	AGCY BOND	AAA	Aaa	AA+	AAA	3,059,240.54	1.95%

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio and portfolio an

**US** Dollar As of 31 March 2020 WC-CalOptima - Tier One Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
3133EJ5P0 FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00	USD 01/18/2022	AGCY BOND	AAA	Aaa	AA+	AAA	3,129,014.74	1.99%
3133EJW70 FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00	USD 05/26/2021	AGCY BOND	AAA	Aaa	AA+	AAA	3,112,543.77	1.98%
3133EKVD5 FEDERAL FARM CREDIT BANKS FUNDING CORP	4,400,000.00	USD 01/18/2022	AGCY BOND	AAA	Aaa	AA+	AAA	4,528,469.67	2.88%
3137AN2K0 FHR 4019D EV	1,006,512.05	USD 06/15/2023	FHLMC CMO	AAA	Aaa	AA+	AAA	1,050,789.08	0.67%
3137APP61 FHMS K018 A2	1,286,497.23	USD 01/25/2022	FHLMC	AAA	Aaa	AA+	AAA	1,325,027.65	0.84%
3137BFDQ1 FHMS K717 A2	1,142,923.23	USD 09/25/2021	FHLMC	AAA	Aaa	AA+	AAA	1,173,860.79	0.75%
316175108 FIDELITY IMM:GOVT I	306,437.13	USD 03/31/2020	MMFUND	AAA	Aaa	AAAm	AAA	306,437.13	0.19%
43814WAC9 HAROT 191 A3	1,330,000.00	USD 03/20/2023	ABS	AAA	NA	AAA	AAA	1,352,772.05	0.86%
459058GH0 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	1,500,000.00	USD 07/23/2021	SUPRANATIONAL	AAA	Aaa	AAA	NA	1,550,950.30	0.99%
47789JAD8 JDOT 2019 A3	2,100,000.00	USD 07/17/2023	ABS	AAA	Aaa	NA	AAA	2,140,116.37	1.36%
58770FAC6 MBALT 20A A3	1,295,000.00	USD 12/15/2022	ABS	AAA	Aaa	AAA	NA	1,296,901.81	0.83%
65479GAD1 NAROT 18B A3	1,875,000.00	USD 03/15/2023	ABS	AAA	Aaa	AAA	NA	1,907,023.69	1.21%
797272QL8 SAN DIEGO CALIF CMNTY COLLEGE DIST	1,500,000.00	USD 08/01/2021	MUNI	AAA	Aaa	AAA	NA	1,520,377.50	0.97%
89231AAD3 TAOT 18C A3	1,850,000.00	USD 12/15/2022	ABS	AAA	Aaa	AAA	NA	1,876,683.33	1.19%
9128284W7 UNITED STATES TREASURY	3,020,000.00	USD 08/15/2021	US GOV	AAA	Aaa	AA+	AAA	3,137,376.15	2.00%
9128285A4 UNITED STATES TREASURY	4,000,000.00	USD 09/15/2021	US GOV	AAA	Aaa	AA+	AAA	4,152,581.52	2.64%
9128285L0 UNITED STATES TREASURY	2,200,000.00	USD 11/15/2021	US GOV	AAA	Aaa	AA+	AAA	2,319,283.40	1.48%
9128285V8 UNITED STATES TREASURY	3,000,000.00	USD 01/15/2022	US GOV	AAA	Aaa	AA+	AAA	3,138,208.38	2.00%
9128285V8 UNITED STATES TREASURY	4,000,000.00	USD 01/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,184,277.85	2.66%
9128286C9 UNITED STATES TREASURY	2,950,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	3,085,270.30	1.96%
9128286C9 UNITED STATES TREASURY	2,160,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,259,045.38	1.44%
9128286C9 UNITED STATES TREASURY	2,500,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,614,635.85	1.66%

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US Dollar As of 31 March 2020 WC-CalOptima - Tier One Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
9128286M7 UNITED STATES TREASURY	475,000.00	USD 04/15/2022	US GOV	AAA	Aaa	AA+	AAA	499,510.16	0.32%
9128286U9 UNITED STATES TREASURY	1,800,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,886,711.97	1.20%
9128286U9 UNITED STATES TREASURY	2,700,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,830,067.96	1.80%
9128286U9 UNITED STATES TREASURY	900,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	943,355.99	0.60%
9128286U9 UNITED STATES TREASURY	1,400,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,467,442.65	0.93%
9128286U9 UNITED STATES TREASURY	4,800,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	5,031,231.93	3.20%
912828P38 UNITED STATES TREASURY	1,300,000.00	USD 01/31/2023	US GOV	AAA	Aaa	AA+	AAA	1,357,741.70	0.86%
912828P38 UNITED STATES TREASURY	5,100,000.00	USD 01/31/2023	US GOV	AAA	Aaa	AA+	AAA	5,326,525.13	3.39%
912828TY6 UNITED STATES TREASURY	2,000,000.00	USD 11/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,083,103.43	1.33%
912828TY6 UNITED STATES TREASURY	1,500,000.00	USD 11/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,562,327.57	0.99%
912828YA2 UNITED STATES TREASURY	1,900,000.00	USD 08/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,960,527.55	1.25%
912828YW4 UNITED STATES TREASURY	4,500,000.00	USD 12/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,686,813.37	2.98%
92868LAD3 VALET 181 A3	2,600,000.00	USD 11/21/2022	ABS	AAA	NA	AAA	AAA	2,647,516.50	1.68%
CCYUSD Cash	0.88	USD 03/31/2020	CASH	AAA	Aaa	AAA	AAA	0.88	0.00%
CCYUSD Receivable	219.46	USD 03/31/2020	CASH	AAA	Aaa	AAA	AAA	219.46	0.00%
===	95,477,589.98	USD 07/07/2022		AAA	Aaa	AA+	AAA	98,801,226.71	62.87%
AA+									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
037833DL1 APPLE INC	250,000.00	USD 09/11/2022	CORP	AA+	Aa1	AA+	NA	254,573.73	0.16%
037833DL1 APPLE INC	500,000.00	USD 09/11/2022	CORP	AA+	Aa1	AA+	NA	509,147.47	0.32%
212204JB8 CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,365,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	NA	1,377,612.60	0.88%

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US Dollar As of 31 March 2020 WC-CalOptima - Tier One Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
212204JC6 CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,000,000.00	USD 08/01/2022	MUNI	AA+	Aa1	AA+	NA	1,011,253.33	0.64%
677765GS2 OHLONE CALIF CMNTY COLLEGE DIST	1,000,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	NA	1,011,343.33	0.64%
80168ACPO SANTA CLARA VY CALIF WTR DIST WTR SYS REV	570,000.00	USD 06/01/2022	MUNI	AA+	Aa1	NA	AA+	580,930.46	0.37%
92348XAC9 VZOT 18A B	2,925,000.00	USD 04/20/2023	ABS	AA+	Aa1	AA+	AA	2,828,466.45	1.80%
	7,610,000.00	USD 07/14/2022		AA+	Aa1	AA+	AA	7,573,327.38	4.82%
AA									
ldentifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
13063DGA0 CALIFORNIA ST	1,250,000.00	USD 04/01/2021	MUNI	AA	Aa2	AA-	AA	1,285,425.00	0.82%
30231GBB7 EXXON MOBIL CORP	530,000.00	USD 08/16/2022	CORP	AA	Aaa	AA	NA	533,069.53	0.34%
931142EJ8 WALMART INC	2,000,000.00	USD 06/23/2021	CORP	AA	Aa2	AA	AA	2,060,566.17	1.31%
	3,780,000.00	USD 07/23/2021		AA	Aa2	AA	AA	3,879,060.70	2.47%
AA-									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
032556GN6 ANAHEIM CALIF HSG & PUB IMPT AUTH REV	630,000.00	USD 10/01/2022	MUNI	AA-	NA	AA-	AA-	637,242.01	0.41%
072024WW8 BAY AREA TOLL AUTH CALIF TOLL BRDG REV	2,000,000.00	USD 04/01/2022	MUNI	AA-	A1	AA-	AA-	2,032,651.11	1.29%
376087FX5 GILROY CALIF UNI SCH DIST	500,000.00	USD 08/01/2022	MUNI	AA-	Aa3	AA-	NA	506,418.33	0.32%
738850SV9 POWAY CALIF UNI SCH DIST	1,140,000.00	USD 08/01/2022	MUNI	AA-	NA	AA-	NA	1,159,144.40	0.74%
769059ZY5 RIVERSIDE CALIF UNI SCH DIST	1,000,000.00		MUNI	AA-	Aa2	AA-	NA	1,017,721.56	0.65%
90331HPA5 US BANK NA	1,750,000.00		CORP	AA-	A1	AA-	AA-	1,769,515.65	1.13%
90331HPA5 US BANK NA	400,000.00		CORP	AA-	A1	AA-	AA-	404,460.72	0.26%

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US Dollar As of 31 March 2020 WC-CalOptima - Tier One Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
913366HW3 UNIV CALIF REGTS MED CTR POOLED REV	1,000,000.00	USD 05/15/2022	MUNI	AA-	Aa3	AA-	AA-	1,025,488.67	0.65%
	8,420,000.00	USD 01/20/2022		AA-	Aa3	AA-	AA-	8,552,642.44	5.44%
A+									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
06406RAM9 BANK OF NEW YORK MELLON	2,250,000.00	USD 01/27/2023	CORP	A+	A1	Α	AA-	2,243,011.70	1.43%
17325FAL2 CITIBANK NA	1,200,000.00	USD 02/12/2021	CORP	A+	Aa3	A+	A+	1,210,470.20	0.77%
69371RP42 PACCAR FINANCIAL CORP	2,000,000.00	USD 08/09/2021	CORP	A+	A1	A+	NA	1,986,238.94	1.26%
79766DLQ0 SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	1,000,000.00	USD 05/01/2021	MUNI	A+	A1	A+	A+	1,027,085.83	0.65%
857477AV5 STATE STREET CORP	2,000,000.00	USD 05/19/2021	CORP	A+	A1	Α	AA-	2,005,514.44	1.28%
89236TCZ6 TOYOTA MOTOR CREDIT CORP	2,000,000.00	USD 04/08/2021	CORP	A+	A1	AA-	A+	2,009,019.07	1.28%
899154AT5 TULARE CNTY CALIF PENSION OBLIG	2,000,000.00	USD 06/01/2021	MUNI	A+	A1	AA-	NA	2,057,833.33	1.31%
	12,450,000.00	USD 09/04/2021		A+	A1	A+	AA-	12,539,173.52	7.98%
A									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
06051GEE5 BANK OF AMERICA CORP	1,700,000.00	USD 01/05/2021	CORP	А	A2	A-	A+	1,757,987.21	1.12%
14913Q3C1 CATERPILLAR FINANCIAL SERVICES CORP	2,250,000.00	USD 11/18/2022	CORP	А	A3	Α	А	2,251,857.53	1.43%
24422ETZ2 JOHN DEERE CAPITAL CORP	500,000.00	USD 01/08/2021	CORP	А	A2	А	А	503,507.64	0.32%
24422ETZ2 JOHN DEERE CAPITAL CORP	1,200,000.00	USD 01/08/2021	CORP	А	A2	А	А	1,208,418.33	0.77%
369550BE7 GENERAL DYNAMICS CORP	1,000,000.00	USD 05/11/2021	CORP	А	A2	А	WR	1,019,360.92	0.65%
369550BE7 GENERAL DYNAMICS CORP	500,000.00	USD 05/11/2021	CORP	А	A2	А	WR	509,680.46	0.32%

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US Dollar As of 31 March 2020 WC-CalOptima - Tier One Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units		Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	
44932HAK9 IBM CREDIT LLC	1,000,000.00	USD 11/30/2020	CORP	Α	A2	А	WR	1,022,960.07	0.65%
45866FAE4 INTERCONTINENTAL EXCHANGE INC	2,300,000.00	USD 09/15/2022	CORP	А	A2	А	NA	2,322,090.22	1.48%
46625HJD3 JPMORGAN CHASE & CO	2,300,000.00	USD 01/24/2022	CORP	А	A2	A-	AA-	2,421,659.05	1.54%
63743HER9 NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1,000,000.00	USD 03/15/2021	CORP	Α	A2	А	A	1,002,967.45	0.64%
69353REYO PNC BANK NA	945,000.00	USD 12/09/2021	CORP	А	A2	А	A+	949,680.12	0.60%
69353REY0 PNC BANK NA	925,000.00	USD 12/09/2021	CORP	А	A2	А	A+	929,581.07	0.59%
797330AD9 SAN DIEGO CALIF TOB SETTLEMENT REV FDG CORP	1,010,000.00	USD 06/01/2020	MUNI	А	NA	А	NA	1,022,227.73	0.65%
808513AW5 CHARLES SCHWAB CORP	950,000.00	USD 05/21/2021	CORP	Α	A2	А	Α	968,266.19	0.62%
	17,580,000.00	USD 09/23/2021		Α	A2	Α	A+	17,890,243.99	11.38%

ldentifier, Description	Ending Base Current Units		Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	
02665WBG5 AMERICAN HONDA FINANCE CORP	856,000.00	USD 09/09/2021	CORP	A-	A3	А	NA	842,854.90	0.54%
02665WDC2 AMERICAN HONDA FINANCE CORP	1,000,000.00	USD 01/10/2023	CORP	A-	А3	А	NA	989,847.66	0.63%
05531FBG7 BB&T CORP	2,000,000.00	USD 06/20/2022	CORP	A-	А3	A-	A+	2,057,486.71	1.31%
31677QBS7 FIFTH THIRD BANK NA (OHIO)	2,000,000.00	USD 01/30/2023	CORP	A-	А3	Α-	A-	1,981,189.02	1.26%
44644AAD9 HUNTINGTON NATIONAL BANK	1,000,000.00	USD 05/14/2021	CORP	A-	А3	Α-	Α-	1,020,078.22	0.65%
44644AAHO HUNTINGTON NATIONAL BANK	1,000,000.00	USD 04/01/2022	CORP	A-	A3	A-	A-	1,034,652.26	0.66%
	7,856,000.00	USD 06/09/2022	CORP	A-	A3	A-	Α	7,926,108.77	5.04%

Summary

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US Dollar As of 31 March 2020 WC-CalOptima - Tier One
Account: XXXX2501
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Currency, Units Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
	153,173,589.98 USD 04/22/2022		AA+	Aa1	AA	AA+	157,161,783.51	100.00%

<sup>\*</sup> Grouped by: Rating. \* Groups Sorted by: Rating. \* Weighted by: Base Market Value + Accrued.



Reporting Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-5	3135G0S38	FEDERAL NATL MTG ASSN	2.000% 01/05/2022 DD 01/09/17	Agency	2,250,000.0000	2,252,983.82	10,750.00	2,314,468.33	61,484.51	0.00	2.22	Agency	AA+	Agency
CALOPTIMA S1-5		FEDERAL NATL MTG ASSN	2.000% 01/05/2022 DD 01/09/17	Agency	1,500,000.0000			1,542,978.88	37,848.10	0.00		Agency	AA+	Agency
CALOPTIMA S1-5		FEDERAL NATL MTG ASSN	1.750% 07/02/2024 DD 07/08/19	Agency	1,100,000.0000	, ,		1,150,534.88	44,229.45	0.00		Agency	AA+	Agency
CALOPTIMA S1-5 CALOPTIMA S1-5		FEDERAL NATL MTG ASSN FEDERAL HOME LN MTG CORP	1.750% 07/02/2024 DD 07/08/19 2.375% 01/13/2022 DD 01/13/12	Agency Agency	1,010,000.0000 1,500,000.0000			1,056,400.21 1,552,598.01	42,115.86 37,961.19	0.00		Agency Agency	AA+ AA+	Agency Agency
CALOPTIMA S1-5		INTER-AMERICAN DEVELOPMENT BAN	1.750% 09/14/2022 DD 09/14/17	Agency	1,000,000.0000	993,338.51		1,029,934.24	36,595.73	0.00	0.99		AAA	AAA
CALOPTIMA S1-5		INTER-AMERICAN DEVELOPMENT BAN	1.750% 09/14/2022 DD 09/14/17	Agency	1,500,000.0000			1,544,901.36	46,619.62	0.00	1.48		AAA	AAA
CALOPTIMA S1-5	459058GX5	INTERNATIONAL BANK FOR RECONST	1.875% 06/19/2023 DD 06/19/19	Agency	750,000.0000	759,826.30	3,984.38	778,977.54	19,151.24	0.00	0.75	Aaa	AAA	NR
CALOPTIMA S1-5		CITIBANK CREDIT CARD ISS A1 A1	2.880% 01/23/2023 DD 01/24/14	Asset Backed	565,000.0000	564,289.08	3,164.00		5,620.54	0.00	0.55		NR	AAA
CALOPTIMA S1-5 CALOPTIMA S1-5		DRIVE AUTO RECEIVABLES TR 2 A3 DRIVE AUTO RECEIVABLES TRU 2 B	3.040% 03/15/2023 DD 03/20/19 3.170% 11/15/2023 DD 03/20/19	Asset Backed Asset Backed	315,000.0000 450,000.0000	314,977.37 449,971.98	425.60 634.00	315,851.89 448,085.61	874.52 0.00	0.00 -1,886.37	0.30 0.43	Aaa Aaa	AAA AA	NR NR
CALOPTIMA S1-5		JOHN DEERE OWNER TRUST 20 B A2	2.280% 05/16/2022 DD 07/24/19	Asset Backed	437,317.7400	437,316.13	443.15		612.63	0.00	0.43		NR	AAA
CALOPTIMA S1-5	47787XAC1	JOHN DEERE OWNER TRUST 20 A A3	1.780% 04/15/2021 DD 03/02/17	Asset Backed	5,181.1100	5,181.11	4.10	5,175.78	0.00	-5.33	0.00		NR	AAA
CALOPTIMA S1-5		NISSAN AUTO LEASE TRUST 2 A A2	2.710% 07/15/2021 DD 04/15/19	Asset Backed	721,596.6900	721,584.60	869.12		1,972.88	0.00	0.69	Aaa	AAA	NR
CALOPTIMA S1-5 CALOPTIMA S1-5		SANTANDER DRIVE AUTO RECE 2 A2	2.630% 07/15/2022 DD 05/22/19	Asset Backed CASH	320,161.7000	320,144.40 278,739.46	374.23		0.00 0.00	-557.49	0.31	Aaa	NR	AAA
CALOPTIMA S1-5	GL-110000 31381PAU2	CASH FNMA POOL #0466319	3.230% 11/01/2020 DD 11/01/10	CMBS	0.0000 164,012.4640	164.475.43	0.00 456.18		0.00	0.00 -460.32	0.00 0.16	Agency	AA+	Agency
CALOPTIMA S1-5	31381Q6B7		4.295% 06/01/2021 DD 06/01/11	CMBS	1,120,675.3300	. ,		1,153,891.91	5,043.52	0.00		Agency	AA+	Agency
CALOPTIMA S1-5	31381R5T7	FNMA POOL #0468958	3.770% 09/01/2021 DD 09/01/11	CMBS	1,190,000.0000			1,227,124.70	25,278.46	0.00		Agency	AA+	Agency
CALOPTIMA S1-5	3138EJRP5		VAR RT 06/01/2021 DD 08/01/12	CMBS	405,161.2160	434,306.53	1,519.41	419,753.32	0.00	-14,553.21		Agency	AA+	Agency
CALOPTIMA S1-5 CALOPTIMA S1-5	3138EJRP5		VAR RT 06/01/2021 DD 08/01/12	CMBS	27,290.6510	29,125.47	102.34	28,273.54	0.00	-851.93		Agency	AA+	Agency
CALOPTIMA S1-5 CALOPTIMA S1-5	3138EJRP5 3138EJRP5		VAR RT 06/01/2021 DD 08/01/12 VAR RT 06/01/2021 DD 08/01/12	CMBS CMBS	41,985.6170 102,864.7600	43,849.91 107,431.98	157.45 385.76	,	0.00 0.00	-352.16 -862.49		Agency Agency	AA+ AA+	Agency Agency
CALOPTIMA S1-5	3138EK7G4		VAR RT 04/01/2023 DD 05/01/13	CMBS	502,977.8940	514,468.76	1,167.69		12,075.80	0.00		Agency	AA+	Agency
CALOPTIMA S1-5	3138EKXL4		VAR RT 03/01/2023 DD 03/01/13	CMBS	221,056.3430	223,747.74	443.91	228,581.78	4,834.04	0.00		Agency	AA+	Agency
CALOPTIMA S1-5		FNMA POOL #0AM0359	2.310% 08/01/2022 DD 08/01/12	CMBS	716,652.7030	722,444.30	1,425.54		13,081.55	0.00		Agency	AA+	Agency
CALOPTIMA S1-5 CALOPTIMA S1-5		FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS CMBS	640,000.0000	644,990.25	1,372.26		13,516.31	0.00	0.63		AA+	Agency
CALOPTIMA S1-5 CALOPTIMA S1-5		FHLMC MULTICLASS MTG K024 A2 FHLMC MULTICLASS MTG K026 A2	2.573% 09/25/2022 DD 01/01/13 2.510% 11/25/2022 DD 05/01/13	CMBS	460,000.0000 2,005,000.0000	463,427.83 2 020 903 32	986.32 4 193 79	2,063,421.89	9,873.76 42,518.57	0.00	0.45 1.98	Aaa Agency	AA+ AA+	Agency AAA
CALOPTIMA S1-5		FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	CMBS	560,000.0000	560,309.01	1,230.60		18,672.92	0.00		Agency	AA+	AAA
CALOPTIMA S1-5		FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	CMBS	700,000.0000	700,100.72	1,538.25	723,727.41	23,626.69	0.00	0.69	Agency	AA+	AAA
CALOPTIMA S1-5		FHLMC MULTICLASS MTG K047 A1	2.827% 12/25/2024 DD 07/01/15	CMBS	184,956.3870	188,710.26	435.73		4,750.31	0.00		Agency	AA+	AAA
CALOPTIMA S1-5 CALOPTIMA S1-5		AMAZON.COM INC ASSOCIATION OF AMERICAN MEDICA	3.300% 12/05/2021 DD 12/05/14	Corporates	740,000.0000 710,000.0000	751,827.42	7,868.67 2,478.57		13,717.63 0.00	0.00 -1,254.88	0.73 0.68	A2 NR	AA- A+	A+ AA
CALOPTIMA S1-5		TRUIST FINANCIAL CORP	2.027% 10/01/2023 DD 01/29/20 2.200% 03/16/2023 DD 09/16/19	Corporates Corporates	790,000.0000	710,000.00 789,506.32	724.17		972.14	0.00	0.76	A3	A-	A+
CALOPTIMA S1-5		BANK OF AMERICA CORP	3.300% 01/11/2023 DD 01/11/13	Corporates	370,000.0000	368,560.55	2,713.33		14,774.21	0.00	0.37	A2	A-	A+
CALOPTIMA S1-5		BANK OF AMERICA CORP	3.300% 01/11/2023 DD 01/11/13	Corporates	1,000,000.0000			1,036,039.90	0.00	-4,372.55	0.99	A2	A-	A+
CALOPTIMA S1-5		BANK OF NEW YORK MELLON CORP/T	2.950% 01/29/2023 DD 01/29/18	Corporates	882,000.0000	879,470.86	4,481.05		22,242.74	0.00	0.87	A1	A	AA-
CALOPTIMA S1-5 CALOPTIMA S1-5		CAPITAL ONE FINANCIAL CORP CATERPILLAR FINANCIAL SERVICES	3.450% 04/30/2021 DD 04/30/18 VAR RT 03/15/2021 DD 03/15/18	Corporates Corporates	600,000.0000 700,000.0000	599,810.71 637,319.87	8,682.50 343.23		1,233.13 47,826.13	0.00	0.58 0.66	Baa1 A3	BBB A	A- A
CALOPTIMA S1-5		CITIGROUP INC	2.900% 12/08/2021 DD 12/08/16	Corporates	900,000.0000	904,526.57	8,192.50		2,397.02	0.00	0.87	A3	BBB+	A
CALOPTIMA S1-5		CITIGROUP INC	2.900% 12/08/2021 DD 12/08/16	Corporates	710,000.0000	701,073.09	6,462.97		14,388.86	0.00	0.69	A3	BBB+	Α
CALOPTIMA S1-5		DTE ELECTRIC CO	3.900% 06/01/2021 DD 05/18/11	Corporates	750,000.0000	761,854.79	9,750.00		0.00	-7,361.66	0.72	Aa3	Α	A+
CALOPTIMA S1-5		FIFTH THIRD BANK/CINCINNATI OH	2.250% 06/14/2021 DD 06/14/16	Corporates	215,000.0000	216,033.80	1,437.81	215,200.65	0.00	-833.15	0.21	A3	A-	A-
CALOPTIMA S1-5 CALOPTIMA S1-5		FIFTH THIRD BANK/CINCINNATI OH GOLDMAN SACHS GROUP INC/THE	2.250% 06/14/2021 DD 06/14/16 5.250% 07/27/2021 DD 07/27/11	Corporates Corporates	500,000.0000 750,000.0000	501,934.03 771,748.83	3,343.75 7,000.00		0.00 2,307.15	-1,467.41 0.00	0.48 0.74	A3 A3	A- BBB+	A- A
CALOPTIMA S1-5		GOLDMAN SACHS GROUP INC/THE	3.200% 02/23/2023 DD 01/23/18	Corporates	1,000,000.0000			1,018,616.94	0.00	-15,352.55	0.98	A3	BBB+	A
CALOPTIMA S1-5		HUNTINGTON NATIONAL BANK/THE	2.500% 08/07/2022 DD 08/07/17	Corporates	445,000.0000	435,931.57	1,668.75		10,264.11	0.00	0.43	A3	A-	A-
CALOPTIMA S1-5	46625HJE1	JPMORGAN CHASE & CO	3.250% 09/23/2022 DD 09/24/12	Corporates	920,000.0000	934,679.63	664.44		14,126.99	0.00	0.91	A2	A-	AA-
CALOPTIMA S1-5		JPMORGAN CHASE & CO	3.200% 01/25/2023 DD 01/25/13	Corporates	1,000,000.0000	991,182.27		1,028,767.58	37,585.31	0.00	0.99	A2	A- A	AA-
CALOPTIMA S1-5 CALOPTIMA S1-5		MANUFACTURERS & TRADERS TRUST MORGAN STANLEY	2.500% 05/18/2022 DD 05/18/17 2.625% 11/17/2021 DD 11/17/16	Corporates Corporates	900,000.0000 715,000.0000	902,319.41 706,460.39	8,312.50 6,986.15		0.00 11,212.12	-31,138.58 0.00	0.84 0.69	A3 A3	BBB+	A A
CALOPTIMA S1-5		MORGAN STANLEY	5.750% 01/25/2021 DD 01/25/11	Corporates	730,000.0000	748,126.40	7,695.42		1,161.09	0.00	0.72	A3	BBB+	Α
CALOPTIMA S1-5		ORACLE CORP	2.625% 02/15/2023 DD 11/09/17	Corporates	1,000,000.0000	983,050.83	3,354.17	1,026,595.70	43,544.87	0.00	0.99	A3	A+	A-
CALOPTIMA S1-5		PNC BANK NA	VAR RT 02/24/2023 DD 02/25/20	Corporates	750,000.0000	750,000.00	1,307.25		0.00	-11,949.75	0.71	A2	Α	A+
CALOPTIMA S1-5 CALOPTIMA S1-5		PACCAR FINANCIAL CORP PRUDENTIAL FINANCIAL INC	3.100% 05/10/2021 DD 05/10/18 4.500% 11/15/2020 DD 11/18/10	Corporates Corporates	1,000,000.0000 365,000.0000	999,908.18 367,854.94	6,205.00	1,004,895.54 367,517.93	4,987.36 0.00	0.00 -337.01	0.96 0.35	A1 A3	A+ A	NR A-
CALOPTIMA S1-5		PUBLIC SERVICE ELECTRIC & GAS	1.900% 03/15/2021 DD 03/03/16	Corporates	495,000.0000	486,453.10	418.00		3,644.41	0.00	0.33		Ä	A+
CALOPTIMA S1-5		SSM HEALTH CARE CORP	3.688% 06/01/2023 DD 05/08/18	Corporates	100,000.0000	100,363.65			1,205.63	0.00	0.10	A1	A+	AA-
CALOPTIMA S1-5		SSM HEALTH CARE CORP	3.688% 06/01/2023 DD 05/08/18	Corporates	500,000.0000	497,786.82	6,146.67		10,059.59	0.00	0.49	A1	A+	AA-
CALOPTIMA S1-5		SIMON PROPERTY GROUP LP	2.000% 09/13/2024 DD 09/13/19	Corporates	260,000.0000	256,188.98	260.00		0.00	-5,836.09	0.24	A2	A	A
CALOPTIMA S1-5 CALOPTIMA S1-5		SIMON PROPERTY GROUP LP TRUIST BANK	2.000% 09/13/2024 DD 09/13/19 VAR RT 10/26/2021 DD 10/26/18	Corporates Corporates	525,000.0000 390,000.0000	517,278.10 390,000.00	525.00 5,919.06		0.00 727.70	-11,757.85 0.00	0.49 0.37	A2 A2	A A	A A+
CALOPTIMA S1-5		WELLS FARGO & CO	3.500% 03/08/2022 DD 03/08/12	Corporates	1,000,000.0000			1,019,435.58	0.00	-12,520.74	0.98	A2	A-	A+
CALOPTIMA S1-5		WELLS FARGO & CO	2.625% 07/22/2022 DD 07/24/17	Corporates	750,000.0000	763,641.11	3,773.44		0.00	-11,208.98	0.72		A-	A+
CALOPTIMA S1-5		CALIFORNIA ST	3.000% 04/01/2024 DD 04/04/19	Municipal Securities	680,000.0000	709,335.53	10,200.00		6,486.87	0.00	0.69	Aa2	AA-	AA
CALOPTIMA S1-5		CALIFORNIA ST DEPT OF WTR RESO	1.713% 05/01/2021 DD 09/28/16	Municipal Securities	798,257.8300	798,257.83	5,697.57		2,610.30	0.00	0.77		AA+	AA+
CALOPTIMA S1-5 CALOPTIMA S1-5		COAST CA CMNTY CLG DIST CONTRA COSTA CA CMNTY CLG DIST	1.556% 08/01/2021 DD 08/31/16 1.774% 08/01/2024 DD 09/12/19	Municipal Securities Municipal Securities	415,000.0000 410,000.0000	415,000.00 410,000.00	1,076.23 1,212.23	415,751.15 414,924.10	751.15 4,924.10	0.00 0.00	0.40 0.40		AA+ AA+	NR NR
CALOPTIMA S1-5		LA VERNE CA PENSN OBLIG	3.216% 06/01/2022 DD 08/15/18	Municipal Securities	1,000,000.0000	996,309.33		1,035,270.00	38,960.67	0.00				
CALOPTIMA S1-5		MASSACHUSETTS ST SCH BLDG AUTH	1.963% 10/15/2022 DD 11/20/19	Municipal Securities	480,000.0000	480,000.00	3,428.71		6,340.80	0.00	0.47	ge <sup>N</sup> 77 (	of <b>^1/2</b> 76	AA+
CALOPTIMA S1-5		MASSACHUSETTS ST WTR RESOURCES		Municipal Securities	830,000.0000	830,000.00	2,575.77		11,271.40	0.00	0.81		AA+	AA+
CALOPTIMA S1-5	B <b>ack to Ag</b> e	NEBRASKA ST PUBLIC PWR DIST RE	2.216% 01/01/2024 DD 10/29/19	Municipal Securities	295,000.0000	295,000.00	2,760.15	298,734.70	3,734.70	0.00	0.29	A1	A+	A+



Reporting Account Name	Security IE	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-5	63968A2K0	NEBRASKA ST PUBLIC PWR DIST RE	2.216% 01/01/2024 DD 10/29/19	Municipal Securities	220,000.0000	220,000.00	2,058.42	222,785.20	2,785.20	0.00	0.21	A1	A+	A+
CALOPTIMA S1-5	677765GV5	OHLONE CA CMNTY CLG DIST	1.814% 08/01/2024 DD 09/26/19	Municipal Securities	1,000,000.0000	1,000,000.00	3,023.33	1,021,720.00	21,720.00	0.00	0.98	Aa1	AA+	NR
CALOPTIMA S1-5	762326AD8	RHODE ISLAND ST TURNPIKE & BRI	2.232% 12/01/2023 DD 12/10/19	Municipal Securities	680,000.0000	680,000.00	4,679.76	692,994.80	12,994.80	0.00	0.67	NR	A-	Α
CALOPTIMA S1-5	786073AA4	SACRAMENTO CA TRANSIENT OCCUPA	3.455% 06/01/2021 DD 11/01/18	Municipal Securities	805,000.0000	805,000.00	9,270.92	822,259.20	17,259.20	0.00	0.79	A1	NR	NR
CALOPTIMA S1-5	796720ME7	SAN BERNARDINO CA CMNTY CLG DI	1.883% 08/01/2022 DD 12/12/19	Municipal Securities	735,000.0000	735,000.00	2,306.68	739,049.85	4,049.85	0.00	0.71	Aa1	AA	NR
CALOPTIMA S1-5	797272QP9		2.046% 08/01/2024 DD 10/16/19	Municipal Securities	760,000.0000	760,000.00	2,591.60	781,310.40	21,310.40	0.00	0.75	Aaa	AAA	NR
CALOPTIMA S1-5 CALOPTIMA S1-5	797669ZJ0	SAN FRANCISCO CA BAY AREA RAPI SAN FRANCISCO CALIF CITY &CNTY	1.971% 07/01/2024 DD 10/31/19	Municipal Securities	750,000.0000	750,000.00 510.000.00	3,695.63	766,875.00	16,875.00 810.90	0.00	0.74	NR	AA+	AA+
CALOPTIMA S1-5 CALOPTIMA S1-5	79766DSU4 835569GR9		1.977% 05/01/2024 DD 09/10/19	Municipal Securities	510,000.0000		5,629.51	510,810.90		0.00	0.49	A1	A+ AA	A+ NR
CALOPTIMA S1-5	88278PZA5		2.061% 08/01/2024 DD 11/12/19 2.103% 03/15/2024 DD 11/21/19	Municipal Securities Municipal Securities	750,000.0000 490,000.0000	750,000.00 490,000.00	2,576.25 457.99	771,825.00 493,552.50	21,825.00 3,552.50	0.00 0.00	0.74 0.47	Aa2 Aa2	NR	AA
CALOPTIMA S1-5	899154AV0		3.348% 06/01/2023 DD 06/25/18	Municipal Securities	1,000,000.0000			1,052,280.00	52,280.00	0.00	1.01	A1	AA-	NR
CALOPTIMA S1-5	9174367M3	UTAH ST HSG CORP SF MTGE REVEN	2.340% 01/01/2024 DD 10/02/19	Municipal Securities	500,000.0000	500,000.00	5,817.50	502,600.00	2,600.00	0.00	0.48	Aa2	NR	NR
CALOPTIMA S1-5	977100DA1	WISCONSIN ST GEN FUND ANNUAL A	2.183% 05/01/2024 DD 08/16/16	Municipal Securities	760,000.0000	764.465.37	6,912.83	772.114.40	7,649.03	0.00	0.74	Aa2	AA-	AA
CALOPTIMA S1-5		FNMA GTD REMIC P/T 12-31 AD	1.750% 10/25/2022 DD 03/01/12	RMBS	128,622.6240	127,287.90	187.58	129,130.80	1,842.90	0.00		Agency	AA+	Agency
CALOPTIMA S1-5	3136A5KR6	FNMA GTD REMIC P/T 12-31 AD	1.750% 10/25/2022 DD 03/01/12	RMBS	324,158.7480	321,081.51	472.73	325,439.47	4,357.96	0.00	0.31	Agency	AA+	Agency
CALOPTIMA S1-5	3137A1LC5	FHLMC MULTICLASS MTG 3710 AB	2.000% 08/15/2020 DD 08/01/10	RMBS	802.0100	802.15	1.34	801.95	0.00	-0.20		Agency	AA+	Agency
CALOPTIMA S1-5	3137B2ZH6	FHLMC MULTICLASS MTG 4221 HJ	1.500% 07/15/2023 DD 06/01/13	RMBS	111,675.9580	110,376.64	139.59	112,610.78	2,234.14	0.00	0.11	Agency	AA+	Agency
CALOPTIMA S1-5	3137GAUY1	FHLMC MULTICLASS MTG 3737 MA	1.500% 10/15/2022 DD 10/01/10	RMBS	200,529.0840	196,553.94	250.66	202,056.61	5,502.67	0.00	0.19	Agency	AA+	Agency
CALOPTIMA S1-5	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Government	1,012,757.6560	1,018,601.89	2,922.75	1,020,134.05	1,532.16	0.00	0.98	Govt	AA+	Govt
CALOPTIMA S1-5	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Government	508,556.9440	510,219.66	1,467.66	512,261.00	2,041.34	0.00	0.49	Govt	AA+	Govt
CALOPTIMA S1-5	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	1,508,512.0000			1,530,302.41	3,333.24	0.00	1.47	Govt	AA+	Govt
CALOPTIMA S1-5	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	506,246.4000	514,849.90	1,168.79	513,559.11	0.00	-1,290.79	0.49	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56	U S TREASURY NOTE	2.375% 08/15/2024 DD 08/15/14	US Government	690,000.0000	715,605.88	2,070.95	750,294.14	34,688.26	0.00	0.72	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56	U S TREASURY NOTE	2.375% 08/15/2024 DD 08/15/14	US Government	1,465,000.0000			1,593,015.82	74,479.16	0.00	1.53	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56	U S TREASURY NOTE	2.375% 08/15/2024 DD 08/15/14	US Government	1,470,000.0000			1,598,452.73	78,259.12	0.00	1.53	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56		2.375% 08/15/2024 DD 08/15/14	US Government	640,000.0000	659,041.92	1,920.88	695,925.00	36,883.08	0.00	0.67	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56		2.375% 08/15/2024 DD 08/15/14	US Government	1,475,000.0000			1,603,889.64	86,312.34	0.00	1.54	Govt	AA+	Govt
CALOPTIMA S1-5 CALOPTIMA S1-5	912828G38 912828G38		2.250% 11/15/2024 DD 11/15/14 2.250% 11/15/2024 DD 11/15/14	US Government US Government	750,000.0000 495,000.0000	769,855.32 508,083.96	6,397.66 4,222.46	814,394.53 537,500.39	44,539.21	0.00 0.00	0.78 0.52	Govt Govt	AA+ AA+	Govt Govt
CALOPTIMA S1-5	912828G38		2.250% 11/15/2024 DD 11/15/14 2.250% 11/15/2024 DD 11/15/14	US Government	995,000.0000			1,080,430.08	29,416.43 63,028.01	0.00	1.04	Govt	AA+	Govt
CALOPTIMA S1-5		U S TREASURY NOTE	2.250% 11/15/2024 DD 11/15/14 2.250% 11/15/2024 DD 11/15/14	US Government	950.000.0000	987.239.34		1,031,566.42	44,327.08	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-5	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	575.000.0000	571.098.12	897.46	591.800.78	20,702.66	0.00	0.57	Govt	AA+	Govt
CALOPTIMA S1-5	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	150,000.0000	148,966.22	234.12	154,382.81	5,416.59	0.00	0.15	Govt	AA+	Govt
CALOPTIMA S1-5	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	600,000.0000	595,836.11	936.49	617,531.25	21,695.14	0.00	0.59	Govt	AA+	Govt
CALOPTIMA S1-5	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,800,000.0000			1,852,593.75	65,215.20	0.00	1.78	Govt	AA+	Govt
CALOPTIMA S1-5	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	405,000.0000	406,327.81	632.13	416,833.60	10,505.79	0.00	0.40	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	350,000.0000	347,777.36	16.74	363,029.30	15,251.94	0.00	0.35	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	625,000.0000	621,078.45	29.88	648,266.60	27,188.15	0.00	0.62	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	1,000,000.0000	991,543.41	47.81	1,037,226.56	45,683.15	0.00	1.00	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	770,000.0000	762,600.07	36.82	798,664.45	36,064.38	0.00	0.77	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	990,000.0000	978,858.56		1,026,854.29	47,995.73	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	2,850,000.0000			2,956,095.70	166,659.16	0.00	2.84	Govt	AA+	Govt
CALOPTIMA S1-5	912828S76	U S TREASURY NOTE	1.125% 07/31/2021 DD 07/31/16	US Government	3,325,000.0000			3,367,341.82	70,986.44	0.00	3.23	Govt	AA+	Govt
CALOPTIMA S1-5	912828S76		1.125% 07/31/2021 DD 07/31/16	US Government	3,850,000.0000			3,899,027.36	136,756.14	0.00	3.74	Govt	AA+	Govt
CALOPTIMA S1-5	912828T26	U S TREASURY NOTE	1.375% 09/30/2023 DD 09/30/16	US Government	1,035,000.0000			1,073,408.21	47,060.99	0.00	1.03	Govt	AA+	Govt
CALOPTIMA S1-5	912828T26	U S TREASURY NOTE	1.375% 09/30/2023 DD 09/30/16	US Government	1,200,000.0000			1,244,531.25	46,113.14	0.00	1.19	Govt	AA+	Govt
CALOPTIMA S1-5		US TREAS-CPI INFLAT	0.375% 07/15/2023 DD 07/15/13	US Government	3,048,045.0000			3,065,517.00	0.00	-7,118.92	2.94	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0		1.375% 10/15/2022 DD 10/15/19	US Government	820,000.0000	814,276.92	5,206.22	843,126.56	28,849.64	0.00	0.81	Govt	AA+	Govt
CALOPTIMA S1-5 CALOPTIMA S1-5		U S TREASURY NOTE U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government US Government	770,000.0000	765,225.35 511,807.19	4,888.76 3,269.76	791,716.40 529,524.61	26,491.05 17,717.42	0.00 0.00	0.76 0.51	Govt Govt	AA+ AA+	Govt
CALOPTIMA S1-5 CALOPTIMA S1-5		U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19 1.375% 10/15/2022 DD 10/15/19	US Government	515,000.0000 1.030.000.0000			1.059.049.21	35.435.91	0.00	1.02	Govt	AA+	Govt Govt
CALOPTIMA S1-5 CALOPTIMA S1-5	912828YK0		1.375% 10/15/2022 DD 10/15/19 1.375% 10/15/2022 DD 10/15/19	US Government	1,800,000.0000	, ,	.,	1,850,765.62	61,353.24	0.00	1.02	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0		1.375% 10/15/2022 DD 10/15/19	US Government	925,000.0000	919,430.79	5,872.87	951,087.89	31,657.10	0.00	0.91	Govt	AA+	Govt
CALOPTIMA S1-5		U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	1,030,000.0000			1,059,049.21	36,708.64	0.00	1.02		AA+	Govt
2. 20					.,,	.,,	0,000.01	.,,	30,. 33.04	3.00	1.02		,	J

Portfolio Positio	ns							a	s of March 31, 2020
Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash									
	CASH OR STIF			USD	12,366,370.10	12,366,370.10	0.00	1.000	4.04%
Total for Cash					12,366,370.10	12,366,370.10	0.00		4.04%
Money Markets									
1,720,000.000	SUMITOMO MITSU Mat: 4/2/20 Moody's: P-1 Tr Date: 10/2/19	I BANK YCD FRN 9 Cpn: 0.34% S&P: A-1 St Date: 10/2/19	SOFR+33 Fitch: F1	86565BT27	1,720,000.00 0.00	1,720,000.00 1,418.04	0.00	100.000	0.56%
2,000,000.000	CT YALE UNIVERSI Mat: 4/9/20 Moody's: NR Tr Date: 3/12/20	TY CP TXB Cpn: 0.00% S&P: NR St Date: 3/12/20	Fitch: NR	98459RD98	1,998,287.96 0.00	1,997,733.26 1,222.89	(554.70)	99.945	0.65%
790,000.000	BNP PARIBAS YCD Mat: 4/17/20 Moody's: P-1 Tr Date: 4/16/19	FRN 3ML+5 Cpn: 1.89% S&P: A-1 St Date: 4/17/19	Fitch: F1+	05586FF28	790,000.00 0.00	790,419.12 3,104.26	419.12	100.053	0.26%
1,000,000.000	BANK OF MONTRE Mat: 5/8/20 Moody's: P-1 Tr Date: 5/8/19	AL YCD FRN SOFR Cpn: 0.24% S&P: A-1 St Date: 5/9/19	+23 Fitch: F1+	06370RZZ5	1,000,000.00 0.00	998,177.95 1,798.33	(1,822.05)	99.818	0.33%
2,000,000.000	CREDIT AGRICOLE Mat: 5/8/20 Moody's: P-1 Tr Date: 11/7/19	YCD FRN Cpn: 1.22% S&P: A-1 St Date: 11/8/19	Fitch: F1	22532XNH7	2,000,000.00 0.00	1,997,524.38 1,552.67	(2,475.62)	99.876	0.65%
19,000,000.000	U.S. TREASURY BII Mat: 5/14/20 Moody's: Aaa Tr Date: 2/12/20	LL Cpn: 0.00% S&P: AA+u St Date: 2/13/20	Fitch: AAA	912796TV1	18,925,893.14 0.00	18,960,647.52 39,089.33	34,754.38	99.994	6.21%
15,000,000.000	U.S. TREASURY BII Mat: 5/21/20 Moody's: Aaa Tr Date: 2/19/20	LL Cpn: 0.00% S&P: AA+u St Date: 2/20/20	Fitch: AAA	912796SR1	14,941,229.17 0.00	14,973,303.92 26,479.17	32,074.75	99.994	4.90%
25,000,000.000	U.S. TREASURY BII Mat: 5/28/20 Moody's: Aaa Tr Date: 2/26/20	LL Cpn: 0.00% S&P: AA+u St Date: 2/27/20	Fitch: AAA	912796TW9	24,906,630.21 0.00	24,964,537.57 34,885.42	57,907.36	99.994	8.17%



urrency: USD Units	s Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfoli
14,400,000.000	U.S. TREASURY BI Mat: 6/18/20 Moody's: Aaa Tr Date: 6/19/19	LL Cpn: 0.00% S&P: AA+u St Date: 6/20/19	Fitch: AAA	912796SV2	14,234,097.22 0.00	14,285,864.69 113,686.11	51,767.47	99.992	4.719
10,000,000.000	U.S. TREASURY BI Mat: 7/9/20 Moody's: Aaa Tr Date: 1/8/20		Fitch: AAA	912796WW5	9,923,534.72 0.00	9,964,181.94 34,871.53	40,647.22	99.986	3.279
20,000,000.000	U.S. TREASURY BI Mat: 8/20/20 Moody's: Aaa Tr Date: 2/19/20	LL Cpn: 0.00% S&P: AA+u St Date: 2/20/20	Fitch: AAA	912796XF1	19,847,069.44 0.00	19,960,472.22 34,451.39	113,402.78	99.970	6.53%
1,800,000.000	OVERSEA-CHINESE Mat: 8/21/20 Moody's: Tr Date: 2/26/20	E BANKING NY FRN Cpn: 0.96% S&P: St Date: 2/27/20	YCD Fitch:	69033MMY0	1,800,041.89 503.81	1,790,358.35 433.63	(9,683.54)	99.464	0.59%
2,300,000.000	LLOYDS BANK FRN Mat: 9/24/20 Moody's: Tr Date: 1/3/20	I YCD Cpn: 1.70% S&P: St Date: 1/6/20	Fitch:	53947BAC4	2,305,938.10 2,285.96	2,281,575.09 871.00	(24,363.01)	99.199	0.75%
1,550,000.000	SKANDINAV ENSKI Mat: 10/16/20 Moody's: Tr Date: 2/19/20	ILDA BK YCD FRN Cpn: 2.01% S&P: St Date: 2/20/20	Fitch:	83050PEX3	1,551,963.85 3,032.92	1,537,724.25 6,585.77	(14,239.60)	99.208	0.50%
5,000,000.000	U.S. TREASURY BI Mat: 11/5/20 Moody's: Aaa Tr Date: 11/29/19	Cpn: 0.00% S&P: AA+u	Fitch: AAA	912796TP4	4,927,256.25 0.00	4,972,808.25 25,964.58	45,552.00	99.971	1.63%
2,000,000.000	BANK OF NOVA SC Mat: 11/13/20 Moody's: P-1 Tr Date: 11/14/19	Cpn: 1.84% S&P: A-1	Fitch: F1+	06417MEQ4	2,000,000.00	1,986,397.52 4,899.33	(13,602.48)	99.320	0.65%
5,000,000.000	U.S. TREASURY BI Mat: 12/3/20 Moody's: Aaa Tr Date: 12/19/19	LL Cpn: 0.00% S&P: AA+u St Date: 12/20/19	Fitch: AAA	912796TU3	4,928,382.29 0.00	4,977,603.90 21,136.46	49,221.61	99.971	1.63%
2,000,000.000	WESTPAC BANK FF Mat: 12/11/20 Moody's: P-1 Tr Date: 12/11/19	RN YCD Cpn: 0.92% S&P: A-1+ St Date: 12/12/19	Fitch: F1+	96130AES3	2,000,000.00	1,981,694.48 1,071.15	(18,305.52)	99.085	0.65%



s of March 31, 2020	as						ns	Portfolio Positio Currency: USD
Percent of Portfol	Market Price	Gain / (Loss) from Cost	Principal Market Value Accrued Income	Original Principal Cost Purchased Accrued	Identifier		Security	
0.484	96.999	(45,291.15)	1,454,988.86 5,400.77	1,500,280.00 304.66	0727MAX30	BANK FRN YCD on: 1.99% &P: Fitch: Date: 1/29/20	Moody's: S8	1,500,000.000
0.494	100.306	4,589.85	1,504,589.85 5,100.00	1,500,000.00 0.00	22549LZD0	D on: 1.80% &P: A-1 Fitch: F1 Date: 1/24/20	Moody's: P-1 S8	1,500,000.000
0.339	100.249	2,490.60	1,002,490.60 3,267.78	1,000,000.00 0.00	60710AJP8	on: 1.73% &P: A-1 Fitch: F1 Date: 1/24/20	Moody's: P-1 S8	1,000,000.000
0.669	100.282	5,631.84	2,005,631.84 6,686.67	2,000,000.00 0.00	63873QDQ4	on: 1.77% &P: A-1 Fitch: F1 Date: 1/24/20	Moody's: P-1 S8	2,000,000.000
0.659	100.351	6,903.85	1,976,903.85 6,509.21	1,970,000.00 0.00	05966DXF4	CD on: 1.83% &P: A-1 Fitch: F1 Date: 1/27/20	Moody's: P-1 S8	1,970,000.000
0.669	100.293	5,858.64	2,005,858.64 6,355.56	2,000,000.00 0.00	22535CKZ3	D on: 1.76% &P: A-1 Fitch: F1 Date: 1/27/20	Moody's: P-1 S8	2,000,000.000
45.91		320,883.80	140,091,488.04 386,841.04	139,770,604.24 6,127.35			ets	Total for Money Mark
								Treasuries
1.669	101.256	50,683.57	5,062,792.95 27,663.93	5,012,109.38 1,280.74	9128283L2	on: 1.88% &P: AA+u Fitch: AAA Date: 12/20/19	Moody's: Aaa S8	5,000,000.000
1.75	101.484	57,216.80	5,327,929.69 22,211.54	5,270,712.89 50,788.04	9128283Q1	on: 2.00% &P: AA+u Fitch: AAA Date: 1/9/20	Moody's: Aaa S8	5,250,000.000
3.35	102.180	116,015.67	10,217,968.80 21,739.13	10,101,953.13 118,818.68	9128286D7	on: 2.50% &P: AA+u Fitch: AAA Date: 2/20/20	Moody's: Aaa S	10,000,000.000



ortfolio Positio	ons						a	s of March 31, 2020
•	s Security		Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfoli
10,000,000.000	U.S. TREASURY NO Mat: 5/31/21 Moody's: Aaa Tr Date: 2/4/20	OTE  Cpn: 2.13%  S&P: AA+u Fitch: AAA  St Date: 2/5/20	9128286V7	10,080,468.75 38,900.27	10,230,859.40 71,413.93	150,390.65	102.309	3.379
10,000,000.000	U.S. TREASURY FR Mat: 10/31/21 Moody's: Aaa Tr Date: 12/19/19	N Cpn: 0.39% S&P: AA+u Fitch: AAA St Date: 12/20/19	912828YN4	10,013,683.86 25,767.90	10,028,282.50 22,404.13	14,598.64	100.283	3.289
Total for Treasuries				40,478,928.01 235,555.63	40,867,833.34 165,432.67	388,905.33		13.41%
Government Relate	d							
2,370,000.000	IBRD FRN SOFR+2 Mat: 8/21/20 Moody's: Aaa Tr Date: 8/14/18	22 Cpn: 0.23% S&P: AAA Fitch: St Date: 8/21/18	459058GK3	2,370,000.00 0.00	2,366,560.51 2,907.86	(3,439.49)	99.855	0.77%
3,000,000.000	INTL FINANCE COP Mat: 8/23/21 Moody's: Aaa Tr Date: 1/29/20	RP FRN Cpn: 1.05% S&P: AAA Fitch: St Date: 2/4/20	45950VNE2	3,003,810.00 1,789.50	3,002,539.29 790.22	(1,270.71)	100.085	0.98%
4,000,000.000	INTER-AMERICAN Mat: 1/15/22 Moody's: Aaa Tr Date: 1/16/20	DEVELOPMENT BANK FRN Cpn: 1.83% S&P: AAA Fitch: St Date: 1/21/20	45818WBA3	4,000,870.00 1,220.83	3,997,689.40 15,667.36	(3,180.60)	99.942	1.31%
1,000,000.000	INTER-AMERICAN Mat: 3/15/22 Moody's: Aaa Tr Date: 1/30/20	DEVELOPMENT BANK FRN Cpn: 0.77% S&P: AAA Fitch: St Date: 2/3/20	45818WCM6	1,000,852.00 2,620.00	998,855.32 342.44	(1,996.68)	99.886	0.33%
Total for Governmen	t Related			10,375,532.00 5,630.33	10,365,644.52 19,707.89	(9,887.48)		3.39%
Agencies								
2,000,000.000	FHLB FRN SOFR+3 Mat: 9/4/20 Moody's: Aaa Tr Date: 2/28/20	Cpn: 0.04% S&P: AA+u Fitch: F1+ St Date: 3/4/20	3130AJC56	2,000,000.00 0.00	1,998,921.26 968.33	(1,078.74)	99.946	0.65%
2,000,000.000	FFCB FRN Mat: 3/29/21 Moody's: Aaa Tr Date: 3/30/20	Cpn: 1.02% S&P: AA+ Fitch: AAA St Date: 3/31/20	3133EKEX0	2,001,666.28 112.88	2,001,666.28 169.31	0.00	100.083	0.65%



s of March 31, 2020	as						ns	Portfolio Positio Currency: USD
Percent of Portfoli	Market Price	Gain / (Loss) from Cost	Principal Market Value Accrued Income	Original Principal Cost Purchased Accrued	Identifier		Security	
1.31%		(1,078.74)	4,000,587.54 1,137.65	4,001,666.28 112.88				Total for Agencies
								Tax-Exempt
0.69%	101.386	(688.44)	2,098,684.86 18,112.50	2,099,373.30 14,490.00	54438CPB2	CD GO/ULT PRE-20 Cpn: 5.25% S&P: AA+ Fitch: St Date: 3/19/20		2,070,000.000
0.69%		(688.44)	2,098,684.86 18,112.50	2,099,373.30 14,490.00				Total for Tax-Exempt
								Taxable Muni
0.59%	100.000	(6,158.66)	1,770,000.94 23,010.00	1,776,159.60 4,346.33	13063DFZ6	TXB Cpn: 2.60% S&P: AA- Fitch: AA St Date: 11/5/19	CA STATE GO/ULT T Mat: 4/1/20 Moody's: Aa2 Tr Date: 11/1/19	1,770,000.000
0.49%	99.998	(34.50)	1,499,965.50 6,463.11	1,500,000.00 0.00	13068BEU7	CP TXB Cpn: 1.90% S&P: A-1+ Fitch: F1+ St Date: 1/9/20	CA STATE GO/ULT ( Mat: 4/8/20 Moody's: P-1 Tr Date: 1/9/20	1,500,000.000
0.649	99.998	(44.57)	1,937,955.43 7,619.26	1,938,000.00 0.00	79815QFJ5		CA SAN JOSE FIN A Mat: 4/8/20 Moody's: P-1	1,938,000.000
0.65%	99.994	(128.00)	1,999,872.00 1,234.97	2,000,000.00	54531HBE6	ETRO TRANS AUTH CP TXB Cpn: 1.13% S&P: A-1 Fitch: St Date: 3/12/20	Mat: 4/9/20 Moody's: P-1	2,000,000.000
0.47%	100.062	(5,622.46)	1,430,884.04 20,605.90	1,436,506.50 0.00	20772KGJ2	IECTICUT GO/ULT-TXBL Cpn: 3.13% S&P: A Fitch: A+ St Date: 4/11/19	Mat: 4/15/20 Moody's: A1	1,430,000.000
0.66%	99.977	(462.00)	1,999,538.00 4,750.68	2,000,000.00	13068PDR4	CP TXB Cpn: 1.70% S&P: A-1+ Fitch: F1 St Date: 2/10/20	CA STATE GO/ULT ( Mat: 5/7/20 Moody's: P-1 Tr Date: 2/10/20	2,000,000.000
0.349	100.182	1,150.92	1,031,871.92 3,095.15	1,030,721.00 1,599.16	157411TF6	HIGH SCH DIST TXB Cpn: 1.80% S&P: AA- Fitch: St Date: 3/2/20	Mat: 8/1/20 Moody's: Aa1	1,030,000.000



#### Portfolio Positions as of March 31, 2020

Currency: USD Identifier Original Principal Cost Principal Market Value Gain / (Loss) Percent of Portfolio Units Security Market Purchased Accrued Price Accrued Income from Cost 330,000.000 CA SAN BERNARDINO CCD TXB 796720MC1 330,000.00 330,731.75 731.75 100.222 0.11% Mat: 8/1/20 Cpn: 1.75% 0.00 964.70 Moody's: Aa1 S&P: AA Fitch: Tr Date: 11/21/19 St Date: 12/12/19 995,250.00 6,687.41 100.194 0.33% 1,000,000.000 CA SAN JOSE REDEV AGY TAB TXB 798170AC0 1,001,937.41 Mat: 8/1/20 Cpn: 2.26% 4,016.00 3,765.00 S&P: AA Fitch: AA Moody's: Tr Date: 4/3/19 St Date: 4/5/19 500,000.000 CA SONOMA CNTY CLG DIST TXB 835569GM0 500,000.00 501,998.71 1,998.71 100.400 0.16% Mat: 8/1/20 Cpn: 1.84% 0.00 1,530.83 Moody's: Aa2 S&P: AA Fitch: Tr Date: 10/23/19 St Date: 11/12/19 635,000.000 CA MADERA SUCCESSOR AGY TAB TXB 55645HAX5 639,806.95 639,346.20 (460.75)100.684 0.21% Mat: 9/1/20 Cpn: 2.98% 6,623.05 1,576.92 Moody's: S&P: AA-Fitch: Tr Date: 1/3/20 St Date: 1/7/20 1,000,000.000 CA SANTA CRUZ REDEV AGY TAB TXB PRE-20 801825GV6 1,067,410.00 1,040,964.36 (26,445.64)104.096 0.34% Mat: 9/1/20 Cpn: 7.40% 10,483,33 6,166.67 Moody's: A2 S&P: AA Fitch: Tr Date: 10/18/19 St Date: 10/22/19 765,000.000 CA PALM DESERT REDEV AGY TAB TXB 696624AT2 0.25% 767,669.85 767,418.06 (251.79)100.316 Mat: 10/1/20 Cpn: 2.25% 3,633.75 8,606.25 Moody's: S&P: AA Fitch: Tr Date: 12/13/19 St Date: 12/17/19 1,500,000,000 CA SAN BERNARDINO CNTY COPS TXBL 796815ZE1 1,502,445.00 1,503,661.20 1,216.20 100.244 0.50% Mat: 10/1/20 Cpn: 2.00% 3,666.67 15,000.00 S&P: AA Moody's: Aa2 Fitch: Tr Date: 11/13/19 St Date: 11/15/19 575,000.00 574,906.74 (93.27)99.984 0.19% 575,000.000 CA SAN FRAN PUB UTIL WATER-GREEN TXB 79765R4K2 Cpn: 1.81% Mat: 11/1/20 0.00 2,375.84 S&P: AA-Moody's: Aa2 Fitch: Tr Date: 12/13/19 St Date: 1/9/20 360,000.000 BAYLOR SCOTT & WHITE TAXABLE 072863AA1 360,079.20 358,964.99 99.713 0.12% (1,114.21)Mat: 11/15/20 Cpn: 2.12% 2,080.54 2,887.28 Moody's: Aa3 S&P: AA-Fitch: Tr Date: 8/21/19 St Date: 8/23/19 3,193,031.272 CA DEPT WTR RESOURCES-PWR SUPPLY TXB 13066YTY5 3,187,067.27 3,197,034.25 9,966.98 100.125 1.05% Mat: 5/1/21 Cpn: 1.71% 13,114.96 22,790.26 Fitch: AA+ Moody's: Aa1 S&P: AA+ Tr Date: 6/18/19 St Date: 6/20/19



s of March 31, 2020	as						ns	ortfolio Positio Currency: USD
Percent of Portfoli	Market Price	Gain / (Loss) from Cost	Principal Market Value Accrued Income	Original Principal Cost Purchased Accrued	Identifier		Security	,
0.33%	100.540	524.67	1,005,394.67 6,762.22	1,004,870.00 5,320.28	91412GD51	ALIFORNIA TXB cpn: 1.79% &P: AA Fitch: AA ct Date: 3/2/20	CA UNIVERSITY OF Mat: 5/15/21 Moody's: Aa2 Tr Date: 2/27/20	1,000,000.000
0.62%	99.893	(2,042.46)	1,897,957.54 12,608.40	1,900,000.00 0.00	13032UUY2	PLACE LIKE HOME-TXB cpn: 1.90% &P: AA- Fitch: AA- ct Date: 11/25/19	Mat: 6/1/21 Moody's: Aa3	1,900,000.000
0.20%	100.962	5,866.61	615,866.61 1,854.40	610,000.00 0.00	796720MD9	0 CCD TXB Spn: 1.82% &P: AA Fitch: it Date: 12/12/19	CA SAN BERNARDIN Mat: 8/1/21 Moody's: Aa1 Tr Date: 11/21/19	610,000.000
0.33%	99.444	(5,559.16)	994,440.84 1,235.25	1,000,000.00 0.00	032556GM8	PUB IMPT AUTH TXB Spn: 1.65% &P: AA- Fitch: AA- it Date: 3/4/20	CA ANAHEIM HSG 8 Mat: 10/1/21 Moody's: Tr Date: 2/7/20	1,000,000.000
8.58%		(20,274.23)	26,100,711.14 154,903.10	26,120,985.37 54,884.07			i	Total for Taxable Mur
0.120	00.003	(67.01)	404 022 00	405.000.00	174010417		CITIZENC DANK EDI	Credit
0.13%	99.983	(67.91)	404,932.09 872.80	405,000.00 0.00	17401QAK7	cpn: 2.22% &P: A- Fitch: BBB+ ct Date: 5/26/17	CITIZENS BANK FRI Mat: 5/26/20 Moody's: Baa1 Tr Date: 5/22/17	405,000.000
0.65%	99.692	(8,331.24)	1,993,848.76 2,196.38	2,002,180.00 569.43	437076BR2	Spn: 1.46% &P: A Fitch: Au it Date: 3/12/20	HOME DEPOT FRN Mat: 6/5/20 Moody's: A2 Tr Date: 3/10/20	2,000,000.000
0.33%	100.031	(2,575.00)	1,000,305.00 5,055.56	1,002,880.00 2,600.00	69353RES3	cpn: 2.60% &P: A Fitch: A+ ct Date: 2/27/20	PNC BANK Mat: 7/21/20 Moody's: A2 Tr Date: 2/25/20	1,000,000.000
0.33%	99.520	(8,962.81)	995,197.19 3,095.70	1,004,160.00 647.94	857477AR4	Cpn: 2.59% &P: A Fitch: AA- tt Date: 2/27/20	STATE STREET FRN Mat: 8/18/20 Moody's: A1 Tr Date: 2/25/20	1,000,000.000
0.219	99.387	(14,884.36)	646,016.14 560.59	660,900.50 300.13	38141GVQ4	N Cpn: 1.94% &P: BBB+ Fitch: A it Date: 3/20/18	GOLDMAN SACHS F Mat: 9/15/20 Moody's: A3 Tr Date: 3/16/18	650,000.000



Percent of Portfo	Market	Gain / (Loss)	Principal Market Value	Original Principal Cost	Identifier			Security	urrency: USD Units
	Price	from Cost	Accrued Income	Purchased Accrued					
0.25	99.752	(5,722.50)	748,140.00 5,893.75	753,862.50 5,082.29	69371RN85	Fitch:	L Cpn: 2.05% S&P: A+ St Date: 3/12/20	PACCAR FINANCIAL Mat: 11/13/20 Moody's: A1 Tr Date: 3/10/20	750,000.000
0.33	100.145	(991.00)	1,001,449.00 7,562.50	1,002,440.00 9,687.50	723484AG6	Fitch: A-	APITAL Cpn: 2.25% S&P: BBB+ St Date: 11/5/19	PINNACLE WEST CA Mat: 11/30/20 Moody's: A3 Tr Date: 11/1/19	1,000,000.000
0.51	98.429	(24,908.28)	1,560,091.73 7,665.95	1,585,000.00 0.00	05348EBD0	Fitch:	1UNITIES FRN Cpn: 2.26% S&P: A- St Date: 11/15/17	AVALONBAY COMM Mat: 1/15/21 Moody's: A3 Tr Date: 11/8/17	1,585,000.000
0.34	102.650	(18,610.00)	1,026,500.00 10,541.67	1,045,110.00 14,854.17	61747WAF6	Fitch: A 9	Cpn: 5.75% S&P: BBB+ St Date: 10/28/19	MORGAN STANLEY Mat: 1/25/21 Moody's: A3 Tr Date: 10/24/19	1,000,000.000
0.21	97.775	(14,354.38)	630,645.62 2,060.93	645,000.00 0.00	05531FBA0	Fitch: A+ 7	FRN Cpn: 1.98% S&P: A- St Date: 10/26/17	TRUIST FIN CORP I Mat: 2/1/21 Moody's: A3 Tr Date: 10/23/17	645,000.000
0.32	97.905	(20,950.00)	979,050.00 5,723.45	1,000,000.00 0.00	759187CC9	Fitch: BBB+	N Cpn: 2.29% S&P: A- St Date: 1/26/18	REGIONS BANK FRI Mat: 4/1/21 Moody's: Baa2 Tr Date: 1/23/18	1,000,000.000
0.40	98.491	(18,632.45)	1,216,367.56 4,714.22	1,235,000.00 0.00	90331HNQ2	Fitch: AA-	ATI FRN Cpn: 2.11% S&P: AA- St Date: 4/26/18	US BANK CINCINNA Mat: 4/26/21 Moody's: A1 Tr Date: 4/24/18	1,235,000.000
0.33	100.318	(5,905.00)	1,003,175.00 9,125.00	1,009,080.00 7,375.00	0258M0EB1	Fitch: A	SS Cpn: 2.25% S&P: A- St Date: 3/3/20	AMERICAN EXPRES Mat: 5/5/21 Moody's: A2 Tr Date: 2/28/20	1,000,000.000
0.27	101.795	(2,235.60)	824,539.50 9,298.13	826,775.10 7,951.50	037833AR1	Fitch:	Cpn: 2.85% S&P: AA+ St Date: 3/10/20	APPLE Mat: 5/6/21 Moody's: Aa1 Tr Date: 3/6/20	810,000.000
0.33	99.909	(2,350.00)	999,090.00 8,029.17	1,001,440.00 9,566.67	05531FAV5	Fitch: A+ 9	Cpn: 2.05% S&P: A- St Date: 10/28/19	TRUIST FIN CORP Mat: 5/10/21 Moody's: A3 Tr Date: 10/24/19	1,000,000.000



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Percent of Portfoli	Market Price	Gain / (Loss) from Cost	Accrued Income	Original Principal Cost Purchased Accrued	Identifier			Security	Units
0.339	99.957	(8,370.00)	999,570.00 9,775.00	1,007,940.00 12,183.33	17401QAE1	Fitch: BBB+	Cpn: 2.55% S&P: A- St Date: 11/5/19	CITIZENS BANK Mat: 5/13/21 Moody's: Baa1 Tr Date: 11/1/19	1,000,000.000
0.429	100.804	(13,557.50)	1,260,050.00 15,460.07	1,273,607.50 19,138.89	44644AAD9	Fitch: A-	Cpn: 3.25% S&P: A-	HUNTINGTON NAT Mat: 5/14/21 Moody's: A3 Tr Date: 10/24/19	1,250,000.000
0.279	97.306	(22,896.45)	827,103.55 2,250.62	850,000.00 0.00	025816BV0	Fitch: A	SS FRN Cpn: 2.22% S&P: BBB+ St Date: 5/17/18	AMERICAN EXPRES Mat: 5/17/21 Moody's: A3 Tr Date: 5/14/18	850,000.000
0.329	98.156	(18,436.62)	981,563.38 2,089.22	1,000,000.00 0.00	06050TML3	Fitch: AA-	A FRN Cpn: 2.03% S&P: A+ St Date: 5/24/19	BANK OF AMERICA Mat: 5/24/21 Moody's: Aa2 Tr Date: 5/20/19	1,000,000.000
0.55%	97.317	(47,625.43)	1,688,447.82 3,821.65	1,736,073.25 2,860.58	3814267X7	Fitch: A+	FRN Cpn: 2.14% S&P: A+ St Date: 5/24/19	GOLDMAN SACHS F Mat: 5/24/21 Moody's: A1 Tr Date: 5/20/19	1,735,000.000
0.089	98.058	(4,854.09)	245,145.91 184.25	250,000.00 0.00	69353RFN3	Fitch: A+	Cpn: 1.21% S&P: A St Date: 6/10/19	PNC BANK FRN Mat: 6/10/21 Moody's: A2 Tr Date: 6/5/19	250,000.000
0.219	101.865	(3,276.60)	646,842.75 4,078.11	650,119.35 5,697.36	17325FAQ1	Fitch: A+	Cpn: 3.40% S&P: A+ St Date: 10/28/19	CITIGROUP Mat: 7/23/21 Moody's: Aa3 Tr Date: 10/24/19	635,000.000
0.339	100.637	2,188.80	1,006,365.00 2,454.17	1,004,176.20 1,248.61	037833CC2	Fitch:	Cpn: 1.55% S&P: AA+ St Date: 3/3/20	APPLE Mat: 8/4/21 Moody's: Aa1 Tr Date: 2/28/20	1,000,000.000
0.339	100.908	4,535.00	1,009,075.00 2,281.94	1,004,540.00 1,076.39	594918BP8	Fitch: AA+u	Cpn: 1.55% S&P: AAA St Date: 3/3/20	MICROSOFT Mat: 8/8/21 Moody's: Aaa Tr Date: 2/28/20	1,000,000.000
0.439	98.005	(26,926.82)	1,323,073.18 1,103.03	1,350,000.00 0.00	14913Q2P3	Fitch: A	ANCIAL FRN Cpn: 1.28% S&P: A St Date: 9/7/18	CATERPILLAR FINA Mat: 9/7/21 Moody's: A3 Tr Date: 9/4/18	1,350,000.000



Currency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,250,000.000	JOHN DEERE CAPT Mat: 9/10/21 Moody's: A2 Tr Date: 9/5/18	TAL CORP FRN Cpn: 1.16% S&P: A St Date: 9/10/18	Fitch: A	24422EUJ6	1,250,000.00 0.00	1,212,916.20 883.06	(37,083.80)	97.033	0.40%
1,785,000.000	BANK OF AMERICA Mat: 10/1/21 Moody's: A2 Tr Date: 9/13/17	FRN Cpn: 2.56% S&P: A- St Date: 9/18/17	Fitch: A+	06051GGU7	1,785,000.00 0.00	1,745,265.90 11,421.23	(39,734.10)	97.774	0.57%
660,000.000	COMCAST FRN Mat: 10/1/21 Moody's: A3 Tr Date: 10/2/18	Cpn: 2.35% S&P: A- St Date: 10/5/18	Fitch: A-	20030NCW9	660,000.00	645,595.50 3,919.55	(14,404.50)	97.818	0.21%
1,185,000.000	WELLS FARGO FRM Mat: 10/22/21 Moody's: Aa2 Tr Date: 10/16/18	N Cpn: 2.31% S&P: A+ St Date: 10/23/18	Fitch: AA-	94988J5U7	1,185,000.00 0.00	1,154,201.86 5,327.53	(30,798.14)	97.401	0.38%
1,000,000.000	TRUIST BANK Mat: 10/26/21 Moody's: A2 Tr Date: 11/1/19	Cpn: 3.53% S&P: A St Date: 11/5/19	Fitch: A+	86787EBA4	1,014,060.00 881.25	1,005,000.00 15,177.08	(9,060.00)	100.500	0.33%
1,215,000.000	TD AMERITRADE F Mat: 11/1/21 Moody's: A2 Tr Date: 10/30/18	RN Cpn: 2.19% S&P: A St Date: 11/1/18	Fitch:	87236YAG3	1,215,000.00 0.00	1,192,370.63 4,441.33	(22,629.38)	98.138	0.39%
960,000.000	CATERPILLAR FINA Mat: 11/12/21 Moody's: A3 Tr Date: 1/9/20	ANCIAL FRN Cpn: 1.91% S&P: A St Date: 1/13/20	Fitch: A	14913Q3D9	960,000.00 0.00	937,513.58 2,499.82	(22,486.42)	97.658	0.31%
545,000.000	DUKE ENERGY FLC Mat: 11/26/21 Moody's: A3 Tr Date: 11/21/19	ORIDA FRN Cpn: 1.90% S&P: A- St Date: 11/26/19	Fitch:	26444HAG6	545,000.00 0.00	524,895.22 1,004.95	(20,104.78)	96.311	0.17%
377,000.000	MORGAN STANLEY Mat: 1/20/22 Moody's: A3 Tr Date: 1/17/17	FRN Cpn: 3.00% S&P: BBB+ St Date: 1/20/17	Fitch: A	61746BEE2	377,000.00 0.00	375,104.44 2,229.94	(1,895.56)	99.497	0.12%
1,904,000.000	NATL RURAL UTILI Mat: 1/21/22 Moody's: A2 Tr Date: 1/22/20	TTIES Cpn: 1.75% S&P: A St Date: 2/5/20	Fitch: A	63743HET5	1,902,324.48 0.00	1,906,427.60 5,183.11	4,103.12	100.128	0.62%



## Portfolio Positions as of March 31, 2020 Currency: USD

rency: USD Units	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,030,000.000	US BANK CINCINNA Mat: 1/21/22 Moody's: A1 Tr Date: 1/16/20	ATI Cpn: 1.80% S&P: AA- St Date: 1/21/20	Fitch: AA-	90331HPJ6	1,029,639.50 0.00	1,029,891.85 3,605.00	252.35	99.990	0.349
·	WELLS FARGO FRN Mat: 2/11/22 Moody's: A2 Tr Date: 10/3/17	Cpn: 2.66% S&P: A- St Date: 10/5/17	Fitch: A+	949746SP7	557,944.56 1,027.10	541,531.70 2,040.01	(16,412.86)	98.104	0.189
1,330,000.000	CAPITAL ONE FINL Mat: 3/9/22 Moody's: Baa1 Tr Date: 3/6/17	FRN Cpn: 1.95% S&P: BBB St Date: 3/9/17	Fitch: A-	14040HBM6	1,330,000.00 0.00	1,274,512.32 1,656.01	(55,487.68)	95.828	0.429
	CITIGROUP FRN Mat: 4/25/22 Moody's: A3 Tr Date: 4/18/17	Cpn: 2.75% S&P: BBB+ St Date: 4/25/17	Fitch: A	172967LH2	1,325,000.00 0.00	1,284,275.44 6,588.87	(40,724.56)	96.927	0.42%
1,300,000.000	UNITED PARCEL SE Mat: 5/16/22 Moody's: A2 Tr Date: 8/17/17	ERVICE FRN Cpn: 2.07% S&P: A St Date: 8/22/17	Fitch:	911312BB1	1,306,617.00 367.07	1,275,811.58 3,366.40	(30,805.42)	98.139	0.42%
	WELLS FARGO FRN Mat: 5/27/22 Moody's: Aa2 Tr Date: 5/20/19	Cpn: 2.26% S&P: A+ St Date: 5/28/19	Fitch: AA-	94988J5W3	1,000,000.00	982,090.00 2,132.21	(17,910.00)	98.209	0.32%
1,240,000.000	JPMORGAN CHASE Mat: 6/18/22 Moody's: A2 Tr Date: 6/11/18	FRN Cpn: 1.50% S&P: A- St Date: 6/18/18	Fitch: AA-	46647PAT3	1,240,000.00 0.00	1,192,593.56 723.03	(47,406.44)	96.177	0.39%
	PNC BANK FRN Mat: 12/9/22 Moody's: A2 Tr Date: 12/4/19	Cpn: 1.43% S&P: A St Date: 12/9/19	Fitch: A+	69353RFR4	1,015,000.00 0.00	959,318.18 926.59	(55,681.82)	94.514	0.31%
1,015,000.000	MORGAN STANLEY Mat: 1/20/23 Moody's: A3 Tr Date: 1/16/20	FRN Cpn: 2.25% S&P: BBB+ St Date: 1/22/20	Fitch: A	6174468K8	1,015,000.00 0.00	948,226.92 4,446.37	(66,773.08)	93.421	0.31%
745,000.000	PNC BANK FRN Mat: 2/24/23 Moody's: A2 Tr Date: 2/20/20	Cpn: 2.00% S&P: A St Date: 2/25/20	Fitch: A+	69353RFU7	745,000.00 0.00	702,605.48 1,493.17	(42,394.52)	94.310	0.23%



s of March 31, 2020	as						ns	Portfolio Positio Currency: USD
Percent of Portfoli	Market Price	Gain / (Loss) from Cost	Principal Market Value Accrued Income	Original Principal Cost Purchased Accrued	Identifier		Security	
15.07%		(856,137.84)	45,906,732.10 204,959.09	46,762,869.94 103,115.21				Total for Credit
								Mortgage-Backed
0.18%	99.951	(1,129.91)	550,773.79 583.53	551,903.70 219.54	62888VAA6	MOFRN NCUA GNTD Cpn: 1.47% S&P: AA+ Fitch: AAA St Date: 6/12/19	NGN 2010-R1 1A 1 Mat: 10/7/20 Moody's: Aaa Tr Date: 6/10/19	551,042.699
0.42%	100.027	(1,963.60)	1,285,528.20 1,379.52	1,287,491.80 1,894.65	62888UAB6	MOFRN NCUA GNTD  Cpn: 1.49%  S&P: AA+ Fitch: AAA  St Date: 9/27/19	NGN 2010-R2 2A 1 Mat: 11/5/20 Moody's: Aaa Tr Date: 9/25/19	1,285,182.483
1.89%	100.017	(18,692.69)	5,778,830.96 6,577.51	5,797,523.65 4,183.36	62888WAB2	MOFRN NCUA GNTD Cpn: 1.58% S&P: AA+u Fitch: AAA St Date: 10/20/16	Mat: 12/8/20 Moody's: Aaa	5,777,837.170
0.02%	98.436	(848.25)	51,844.25 17.16	52,692.51 94.17	3137FEC81	S 1MOFRN Cpn: 1.68% S&P: AA+u Fitch: AAA St Date: 3/22/18	FHMS KI01 A CMBS Mat: 9/25/22 Moody's: Aaa Tr Date: 3/19/18	52,667.817
0.12%	98.486	(5,752.44)	374,122.31 126.70	379,874.75 0.00	3137FGZN8		FHMS KI02 A 1MOF Mat: 2/25/23 Moody's: Aaa Tr Date: 8/1/18	379,874.749
0.06%	98.456	(2,922.49)	186,333.49 64.96	189,255.98 0.00	3137FJXN4	FRN CMBS  Cpn: 1.77%  S&P: AA+u Fitch: AAA  St Date: 10/31/18	FHMS KI03 A 1MOF Mat: 2/25/23 Moody's: Aaa Tr Date: 10/23/18	189,255.982
0.28%	98.298	(14,991.05)	865,643.77 223.74	880,634.81 0.00	3137FNAV2	FRN CMBS  Cpn: 1.31%  S&P: AA+u Fitch: AAA  St Date: 8/21/19	FHMS KI04 A 1MOF Mat: 7/25/24 Moody's: Aaa Tr Date: 8/8/19	880,634.812
0.59%	100.000	0.00	1,800,000.00 450.32	1,800,000.00 0.00	3137FQXG3	Cpn: 1.29% S&P: AA+u Fitch: AAA St Date: 1/28/20	FHMS KI05 A Mat: 7/25/24 Moody's: Aaa Tr Date: 1/16/20	1,800,000.000
3.56%		(46,300.44)	10,893,076.76 9,423.43	10,939,377.20 6,391.72			ncked	Total for Mortgage-B



Portfolio Positio Currency: USD	ons							a	s of March 31, 2020
,	Security			Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
650,793.708	VOLKSWAGEN 20 Mat: 10/20/20 Moody's:	Cpn: 2.13% S&P: A-1+	Fitch: F1+	92867XAA4	650,793.71 0.00	650,734.49 461.71	(59.22)	99.991	0.21%
2,232,617.667	Tr Date: 10/1/19 DRIVE 2020-1 A1 Mat: 1/15/21 Moody's: P-1 Tr Date: 1/13/20	St Date: 10/4/19 CAR Cpn: 1.74% S&P: A-1+ St Date: 1/22/20	Fitch:	26208QAA5	2,232,617.67 0.00	2,229,934.06 1,729.36	(2,683.61)	99.880	0.73%
1,481,574.573	CAPITAL ONE 202 Mat: 2/16/21 Moody's: Tr Date: 2/11/20		Fitch: F1+	14043MAA9	1,481,574.57 0.00	1,479,725.57 1,078.09	(1,849.01)	99.875	0.48%
1,550,000.000	JOHN DEERE 2020 Mat: 3/15/21 Moody's: P-1 Tr Date: 3/4/20	0-A A1 EQP Cpn: 1.10% S&P: St Date: 3/11/20	Fitch: F1+	47789KAA1	1,550,000.00 0.00	1,544,296.00 994.58	(5,704.00)	99.632	0.51%
660,523.415	BMW 2019-1 A2 L Mat: 3/22/21 Moody's: Aaa Tr Date: 3/12/19	EASE Cpn: 2.79% S&P: AAA St Date: 3/20/19	Fitch:	05586VAB8	660,505.91 0.00	660,926.33 563.10	420.42	100.061	0.22%
770,000.000	TOYOTA 2019-C A Mat: 4/15/22 Moody's: Aaa Tr Date: 8/6/19	A2B CAR 1MOFRN Cpn: 0.90% S&P: AAA St Date: 8/14/19	Fitch:	89238UAC4	770,000.00 0.00	764,748.60 309.58	(5,251.40)	99.318	0.25%
5,000,000.000	DRYROCK 2017-1 Mat: 3/15/23 Moody's: Tr Date: 1/29/20	A CDT 1MOFRN Cpn: 1.03% S&P: AAA St Date: 1/31/20	Fitch: AAA	06742LAN3	5,004,296.88 4,458.33	4,992,425.00 2,299.18	(11,871.88)	99.849	1.63%
Total for Asset-Backe	ed				12,349,788.74 4,458.33	12,322,790.05 7,435.60	(26,998.69)		4.03%
and Total					305,265,495.18 430,765.52	305,013,918.45 967,952.95	(251,576.73)		100.00%





Configure   Conf	Source Account	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized	Base Unrealized	Percent I	Reporting Date	Moody's Rating	S&P Rating	Fitch Rating
DATE   March		313/GVDW5	FEDERAL HOME LNIMTG CORP	1 550% 08/26/2021 DD 02/26/20	Δαρηςν	6 600 000 0000	6 600 000 00							•	•	-
DALPHY INC.   CHAPTER					0 ,									0 ,		
CALCHITIMATE   SERVICTOR   INTERNATIONAL PIOLE PROPERTY   AMAN	CALOPTIMA EC	45818WBM7	INTER-AMERICAN DEVELOPMENT BAN					6,516.93	1,501,583.28	0.00	-85,120.67					
CALCETTIME   CONTINUE   CONTINU																
CALOPTION   CONTROL   CO																
CADPTIANE C   SERSON   INTERNATIONAL BONNETOR ECONOMIC   CADPTIANE C																
CALOFFIANC   DISSPECIAL BIRD WITHOUT & LEASE TRUST 21 AS   3.98 (0.700007)   10 (10 (17) AS   1,700 (17) AS																
CALOFFIANC   SISSECULAD BIM WEIGHT (ELASE TIRIST 2)   As   As   NE																
CALOPTIMA C																
CALOFFINAC   1997-1997-1997-1997-1997-1997-1997-1997																
CALOPIPMAC   SINTHIND   CHASE SISTAN   CALOPIPMAC   CAL																
CALOPTIMAE   CHISTOPHINA   C																
CALOPTIMAC   STATUTE   STATUT								,	, ,							
CALOPTIMAC   CAL																
CALOPTIMA EC   ASSINTANO   MINISTANCE   CALOPTIMA EC   ASSINTANO   ASSISTANCE   A	CALOPTIMA EC			2.050% 11/22/2021 DD 11/29/17	Asset Backed							0.13 3	/31/2020			AAA
CALOPTIMACE																
CALOPTIANE C.   ASTRUMANE   HONDA AUTO RECEIVABLES 01 1/2   2.799% (0070002710)   Asset Basked   4.995.5200   Asset Basked   4.995.5200   Asset Basked   4.995.5200   Asset Basked   4.995.5200   Asset Basked   Asset Basked   4.995.5200   Asset Basked   Asset B																
CALOFFIME C																
CALOPTIMA EC   47786AAL   JOHN DEETE COWNET TRUST 20 A 2   2,5976 (11/19/2015)   1,5974	CALOPTIMA EC	47787XAC1	JOHN DEERE OWNER TRUST 20 A A3	1.780% 04/15/2021 DD 03/02/17	Asset Backed			32.41		7.18	0.00			Aaa	NR	AAA
CALOPTIMACE OF ATRIGHAM IN CREATED MAY 1.00% CALOPTIMACE OF ATRIGH																
CALOPTIMA EC 6 STANCA AL SAMA ALTO LEGES BA 22 ALTO MET 1978/2022 DO 1977/20 Asset Basked 59.99 1978 0 59.09 17.00 1978/00 Asset Basked 59.99 1978 0 59.09 17.00 1978/00 Asset Basked 59.99 1978 0 59.09 17.00 1978 0 1978						·										
CALOPTIMA EC   CALO																
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CALOPTIMA EC 68578EINS NORTHEAL CHI INSTIL CID 1, 190% 64449220 DD 1/15/20 CD 13,000,000,000 13,000,000 00 14,987,78 13,000,000 00 00 00 00 00 00 00 00 00 00 0				1.722% 02/16/2021 DD 01/27/20										NR	NR	NR
CALOPTIMA EC 68973-08P 7 ATUSI NY INSTIT. CDD 17699 04142009 DD 0111520 CD 13,000,00000 0 1,300,00000 0 1,300,00000 0 0 0 0 0 0 0 0 0 0 0 0 4.29 3317200 P-1 A-1 NR CALOPTIMA EC 65607XXS0 NORNO-LOKINIB CDD 177409 041772009 DD 01171720 CD 10 12700 0000000 0 1,300,00000 0 1,300,00000 0 1,300,00000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 2.9 3313000 P-1 A-1 NR CALOPTIMA EC 65607XXS0 NORNO-LOKINIB CDD 10 12719 CD 10				1 800% 04/03/2020 DD 01/03/20					, ,					P-1	Δ_1	NR
CALOPTIMA EC 85602/XSD NORINCH-IMM RIC CID 1.740/S 64/17/2020 D 0 10/21/19 CID 10/2																
CALOPTIMA EC 89114N327 TOKONTO-DOMINION C/D CALOPTIMA EC 3137A2287 FINAM MULTICLASS NOTE KOUN AZ 3.9881/9.082/25020 D 11/01/10 MBS 750,000.000 783,895.99 42,985.14 78,900.000 0.1 33,910.00 0.2 33,910.00 0.0 0.2 33,910.00 0.0 0.2 33,910.00 0.0 0.2 33,910.00 0.0 0.2 33,910.00 0.0 0.2 33,910.00 0.0 0.0 0.2 33,910.00 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.						-,,	.,,					4.29 3	/31/2020		A-1+	
CALOPTIMA EC 31374287 FILMS MULTICLASS MTG KARV 2, 3889% 0825/2021 DD 08/01/11 CMBS 98.00 00.00 33 3889% 0825/2021 DD 08/01/11 CMBS 98.00 00.00 00.00 33 3889% 0825/2021 DD 08/01/11 CMBS 98.00 00.00																
CALOPTIMA EC 31378EP18 FHLMM MULTICLASS MTG K014 A2 VAR RT 102520221 D0 8010111 CMBS 981,485,7200 20 31376202 A9 3175000 A9 3175000 A9 3175000 A9 3175000 A9 3175000 A9 AP A9																
CALOPTIMA EC 313762MS FILLION MULTICLASS MTG K072 A VAR RT 102252023 DD 1031/18 CMBS 949,688.79 976,526.21 316.74 92.20.21 316																
CALOPTIMA EC 313FZ/NAF   FILLOX MULTICLASS MTG KIOS A VAR RT 0225/2023 DD 103/118 CMBS																
CALOPTIMA EC 313FJXNN FHLMC MULTICLASS MTG KI03 A VAR RT 02/25/2023 D 10/3/118 CMBS 234,577.804 234,67																
CALOPTIMA EC 31375/JANN   FHLMC MULTICLASS MTG (303 A VAR RT 02/25/2023 DD 10/31/18   CMBS   88,080.9710   88,64.397   304.8   871.326.6   0.00   -9.244.72   0.00   3/31/2020   Agency   AA- Agency   CALOPTIMA EC 31375/FMTV   FHLMC MULTICLASS MTG (300 A VAR RT 04/25/2024 DD 07/19/19   CMBS   5.000,000.000   1.000.0000   1.000.0000   1.000.000   1.000.0000   1.000.0000   1.000.0000   1.000.0000   1.00																
CALOPTIMA CC 313F7KM72 FHLMC MULTICLASS MTG K106 A VAR RT 04/25/2024 DD 07/19/19 CMBS 5,000,000.000 12/302 CMBS 5,000,000 12/302 CMBS 5,000,00																
CALOPTIMA CS 3138179CAS3 FHLMC MULTICLASS MTG K105 A VAR RT 07/25/2024 DD 101/20/11 CIMBS 1,481,816.3999 1,375,828.31 1,475,822.31 1,45 2,43,977.52 5,967.87 0.00 3.591.50 1,017/2021 DD 101/20/11 CIMBS 1,481,816.3999 1,475,828.31 1,475,828.																
CALOPTIMA EC 3138EJNP2 FNMA POCI, M0409916 3,500% 11/01/2021 DD 11/01/11 CMBS 1,348 186.3980 1,375.828.31 4,083.28 1,382.989.76 7,161.45 0,00 0.46 3/31/2020 Agency AA Agency CALOPTIMA EC 3139FURG9 FNMA POCI, M04012293 VAR TO 60/12/02/201 DD 05/25/11 CMBS 588.766.6440 598.236.99 20.72 5966,644.56 0,00 -2,592.43 0,20 3/31/2020 Agency AA Agency CALOPTIMA EC 1/401/0AXC CITIZENS BANK NA/PROVIDED DD 05/11/18 Corporates 1,000.000.000 1,000.854.74 2,155.06 0,00 -2,592.43 0,20 3/31/2020 Agency AA Agency CALOPTIMA EC 05/81/6BUL AMERICAN EXPRESS CO VAR TO 56/26/2020 DD 05/25/11 CMBS 588.766.6440 598.236.99 20.72 5966,644.56 0,00 -2,592.43 0,20 3/31/2020 Agency AA Agency CALOPTIMA EC 05/81/6BUL AMERICAN EXPRESS CO VAR TO 56/26/2020 DD 05/21/18 Corporates 1,000.000.000 5,007.921.04 62.812.50 5,058.756.00 0,00 -2,1125.44 1,67 3/31/2020 A3 BBB A CALOPTIMA EC 06/51/GECS BANK OF AMERICAN EXPRESS CO VAR TO 56/26/2022 DD 05/21/19 Corporates 1,425.000.000 0,000 5,272.21 1,918.17.11 B 0,00 -818.828.2 0.63 3/31/2020 A3 BBB A CALOPTIMA EC 08/51/GECS BANK OF AMERICAN EXPRESS CO VAR TO 56/26/2020 DD 04/21/15 Corporates 1,425.000.000 1,300.3451.58 3,300.000 0,00 -2,738.99 0,47 3/31/2020 A3 BBB A CALOPTIMA EC 08/51/GECS BANK OF AMERICA CORP 2,269% 04/21/2020 DD 04/21/15 Corporates 1,500.000.000 1,501.921.41 3 1,503.690.80 82.00 0,00 -2,738.99 0,47 3/31/2020 A2 A-A-CALOPTIMA EC 08/51/GECS BANK OF NEW YORK MELLON CORP/T 2,509% 04/21/2020 DD 04/21/15 Corporates 1,500.000.000 1,501.921.41 3 1,523.300.00 0.00 -2,738.99 0,47 3/31/2020 A3 BBB A CALOPTIMA EC 200339DW6 CMERICA BANK VAR PROFESS CO VAR RT 11/04/2022 DD 16/02/15 Corporates 2,500.000.000 2,500.000 1,501.921.41 3 1,523.300 0 0,00 -30.556.13 1,553.31/2020 A3 A-A-CALOPTIMA EC 3/400.0000 2,500.00																
CALOPTIMAE C 1389TUPS FNMA POOL #0AL2293																
CALOPTIMA EC 0258160E7 AMERICA CORP CALOPTIMA EC 080516FN4 BANK NAMPROVIDENCE RI 3375% 05171/2021 D 0517/2021 D 05	CALOPTIMA EC				CMBS			1,574.52			0.00				AA+	
CALOPTIMA EC 025816BUZ AMERICAN EXPRESS CO 3,375% 05/17/2021 DD 05/17/18 Corporates 5,000,000.0000 5,079,921.04 62,812.50 5,058,795.60 0.00 -21,125.44 1,67 3/31/2020 A3 BBB+ A CALOPTIMA EC 06051GEC9 BANK OF AMERICA CORP 5,625% 07/01/2020 DD 06/22/10 Corporates 1,000.000.0000 1,438,676.22 20,030.00 1,438,393.21 0.00 -2,736.99 0,47 3/31/2020 A2 A- A+ CALOPTIMA EC 06051GFNB BANK OF AMERICA CORP 2,250% 04/21/2020 DD 04/21/15 Corporates 1,000.000.000 1,506,134.80 1,200.000.000 2,999,520.00 0.00 -441.56 0.99 3/31/2020 A2 A- A+ CALOPTIMA EC 06061GFNB BANK OF NEW YORK MELLON CORP/T 2,250% 04/21/2020 DD 04/21/15 Corporates 1,500.000.0000 1,506,134.80 1,200.000.000 1,506,034.60 0.00 0,000.345.72 0.00 -30,331/2020 A2 A- A+ CALOPTIMA EC 2033980% COMBRICA BANK CORP 2,500% 06/02/2020 DD 06/02/20 DD 06									,							
CALOPTIMA EC CALOP																
CALOPTIMA EC 06051GFM BANK OF AMERICA CORP 2 250% 04/21/2020 DD 04/21/15 Corporates 1,500,000.000 3,003,315 3,000.000 2,999,520.00 0,00 -841,56 0,99 3/31/2020 A1 A A-A-CALOPTIMA EC 17308CC38 CTIGROUP INC VAR RT 11/04/2022 DD 11/04/19 Corporates 5,000,000.000 5,019;214:13 19,233.07 4,688,564.00 -0.00 -355,661.33 153 3/31/2020 A3 BBB+ A-CALOPTIMA EC 2550UAA9 CMERICA BANK 2,500% 660/2/2022 DD 06/02/202 DD 06																
CALOPTIMA EC O6406FAB9 BANK OF NEW YORK MELLON CORP/T CALOPTIMA EC CALOPTIMA EC COMPRICA BANK CALOPTIMA EC COMPRICA BANK CALOPTIMA EC COMPRICA BANK CALOPTIMA EC COMPRICA CALOPTIMA EC CALOPTIMA EC COMPRICA CALOPTIMA EC CALOPTIMA EC COMPRICA CALOPTIMA EC COMPRICA CALOPTIMA EC CALOPTIMA EC COMPRICA CALOPTIMA EC CALOPTIMA EC COMPRICA CAL																
CALOPTIMA EC 2003390W COMERICA BANK 2.500% 06/02/2020 DD 06/02/15 Corporates 5,000,000.000 5,019,214.13 19,233.07 4,683,564.00 0.00 -335,650.13 1,55 3/31/2020 A3 BBB+ A CALOPTIMA EC 2003390W CREDIT SUISSE AG/NEW YORK NY VAR RT 02/04/2022 DD 05/07/19 Corporates 2,550,000.000 2,550,000.00 4,462.95 2,200,693.97 0.00 -149,306.03 0,73 3/31/2020 A1 A A A CALOPTIMA EC 31/04/16/10/24 COLDMAN SACHS GROUP INC/THE VAR RT 05/06/2022 DD 05/07/19 Corporates 2,550,000.000 2,550,000.00 4,462.95 2,200,693.97 0.00 -149,306.03 0,73 3/31/2020 A1 A A A CALOPTIMA EC 38141GWD2 GOLDMAN SACHS GROUP INC/THE VAR RT 05/06/2022 DD 01/26/17 Corporates 2,550,000.000 2,500,000.0									, ,							
CALOPTIMA EC 20339DW6 COMERICA BANK 2,500% 06/02/2020 D 06/02/15 Corporates 2,350,000.000 6,006,326.60 49,883.33 6,000.345.72 0.00 -5,980.88 1,98 3/31/2020 A3 A- A CALOPTIMA EC 24550UA49 CREDIT SUISSE AG/NEW YORK NY VAR RT 02/04/2022 D D 05/07/19 Corporates 2,350,000.000 2,050,000.00 6,694.16 1,393,255.99 0.00 -116,744.01 0.64 3/31/2020 A1 A+ NR CALOPTIMA EC 38141GVO4 GOLDMAN SACHS GROUP INC/THE VAR RT 09/15/2020 D D 09/15/15 Corporates 2,550,000.000 2,500,000.00 6,694.16 1,393,255.99 0.00 -116,744.01 0.64 3/31/2020 A1 A+ NR CALOPTIMA EC 38141GVO4 GOLDMAN SACHS GROUP INC/THE VAR RT 09/15/2020 D D 09/15/15 Corporates 2,550,000.000 2,500,000.00 0,689.16 1,2370.95 2,498,194.08 0.00 -10,902.53 0.83 3/31/2020 A3 BBB+ A CALOPTIMA EC 49326EEF6 KEYCORP 2,900/00/15/2020 D D 09/15/15 Corporates 5,869,000.000 6,646,889.09 106,314.49 6,003/31,469.94 0.00 -15,419.15 1.99 3/31/2020 A2 A- A-CALOPTIMA EC 49326EEF6 KEYCORP 2,900/00/15/2020 D D 09/15/15 Corporates 3,673,000.000 3,682,563.46 4,734.09 3,664,571.27 0.00 -125,934.99 3.00 -115,419.15 1.99 3/31/2020 A3 BBB+ A-CALOPTIMA EC 617468H5 MORGAN STANLEY VAR RT 06/10/2022 D D 06/10/17 Corporates 3,000,000.000 3,012,897.41 4,333.60 2,863,535.61 0.00 -149,361.80 0.95 3/31/2020 A3 BBB+ A-CALOPTIMA EC 617468H5E MORGAN STANLEY VAR RT 01/20/2022 D D 06/10/17 Corporates 2,000,000.000 2,078,809.81 12,054.00 2,056,355.95 0.00 -22,454.86 0.68 3/31/2020 A3 BBB+ A-CALOPTIMA EC 617468H5E MORGAN STANLEY VAR RT 01/20/2022 D D 01/20/17 Corporates 1,530,000.000 1,507,125.85 13,616.67 1,500,497.49 0.00 -6,628.36 0.50 3/31/2020 A3 BBB+ A-CALOPTIMA EC 69353RFD6 MORGAN STANLEY VAR RT 05/19/2020 D D 01/6/17 Corporates 2,000,000.000 2,000,412.99 4,790.05 1,997,021.54 0.00 -33,894.64 0.66 3/31/2020 A3 BBB+ A-CALOPTIMA EC 69353RFD6 MORGAN STANLEY VAR RT 05/19/2020 D D 01/6/17 Corporates 2,000,000.000 3,708,899.81 12,054.00 0.96,635.50 1.00 -33,894.64 0.66 3/31/2020 A3 BBB+ A-CALOPTIMA EC 69353RFD6 MORGAN STANLEY VAR RT 05/19/2020 D D 01/6/17 Corporates 2,000,000.000 3,708,899.81 12,054.00 0.00 -6,628.																
CALOPTIMA EC 341081FW2 FLORIDA POWER & LIGHT CO VAR RT 05/06/2022 DD 05/07/19 Corporates 2,050,000.000 2,050,000.00 6,694.16 1,933,255.99 0.00 -116,744.01 0.64 3/31/2020 A3 BBB+ A CALOPTIMA EC 3414/GWD2 GOLDMAN SACHS GROUP INC/THE VAR RT 09/15/2020 DD 09/10/11 Corporates 2,794,000.000 2,818,692 2,717,807.62 0.00 -100,490.14 0.00 -15,419.15 1.99 3/31/2020 A3 BBB+ A CALOPTIMA EC 46625HLZ6 JPMORGAN CHASE & CO 4,625% 05/10/2021 DD 05/10/11 Corporates 2,794.000.0000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,818,692 2,794.000.000 2,794.000 2,794.000 2,794.000.000 2,794.000																
CALOPTIMA EC 38141GVVQ GOLDMAN SACHS GROUP INC/THE VAR RT 09/15/2020 DD 09/15/15 Corporates 2,500,000.0000 2,509,096.61 2,370.95 2,498,194.08 0.00 -10,902.53 0.83 3/31/2020 A3 BBB+ A CALOPTIMA EC 46625HHZ6 JPMORGAN CHASE & CO 4,625% 05/10/2021 DD 05/10/11 Corporates 2,794,000.0000 2,818,297.76 14,886.92 2,717,807.62 0.00 -100,490.14 0.99 3/31/2020 A2 AA BBB+ A CALOPTIMA EC 49326EEF6 KEYCORP 2,900% 09/15/2020 DD 09/15/15 Corporates 3,673,000.0000 3,682,563.46 4,734.09 3,664,571.27 0.00 -17,992.19 1.21 3/31/2020 Baa1 BBB+ A CALOPTIMA EC 5279HAMD MANUFACTURERS & TRADERS TRUST VAR RT 05/18/2022 DD 05/18/17 Corporates 2,740,000.0000 2,768,809.81 12,054.09 0.00 -14,9361.80 0.95 3/31/2020 A3 BBB+ A CALOPTIMA EC 61746BEE2 MORGAN STANLEY VAR RT 01/20/2022 DD 01/20/17 Corporates 2,000,000.0000 3,012,897.41 4,333.60 2,863,535.61 0.00 -14,9361.80 0.95 3/31/2020 A3 BBB+ A CALOPTIMA EC 61746BEE2 MORGAN STANLEY VAR RT 01/20/2022 DD 01/20/17 Corporates 2,067,000.0000 3,012,897.41 4,333.60 2,863,535.61 0.00 -14,9361.80 0.95 3/31/2020 A3 BBB+ A CALOPTIMA EC 69353RFU5 PNC BANK NA VAR RT 01/20/2022 DD 01/20/17 Corporates 1,538,000.0000 1,550,224.10 8,969.07 1,530,079.30 0.00 -22,454.86 0.86 3/31/2020 A3 BBB+ A CALOPTIMA EC 69353RFU5 PNC BANK NA VAR RT 05/19/2020 DD 05/19/17 Corporates 1,500,000.0000 1,550,725.85 13,616.67 1,500,497.49 0.00 -6,628.36 0.50 3/31/2020 A2 A A+CALOPTIMA EC 69353RFU5 PNC BANK NA VAR RT 05/19/2020 DD 05/17/19 Corporates 1,500,000.0000 1,500,000																
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CALOPTIMA EC CALOP	CALOPTIMA EC	46625HHZ6	JPMORGAN CHASE & CO			5,869,000.0000	6,046,889.09	106,314.49	6,031,469.94			1.99 3	/31/2020		A-	AA-
CALOPTIMA EC 6174468H5 MORGAN STANLEY VAR RT 06/10/2022 DD 01/20/17 Corporates 2,067,000.0000 3,012,897.41 4,333.60 2,863,535.61 0.00 -149,361.80 0.95 3/31/2020 A3 BBB+ A CALOPTIMA EC 61746BEE2 MORGAN STANLEY VAR RT 01/20/2022 DD 01/20/17 Corporates 2,067,000.0000 1,550,224.10 8,969.01 1,550,249.10 0.00 -22,454.86 0.65 3/31/2020 A3 BBB+ A CALOPTIMA EC 69353REW4 PNC BANK NA 2.150% 04/29/2021 DD 04/29/16 Corporates 1,530,000.0000 1,550,224.10 8,969.01 1,500,497.90 0.00 -6,628.36 0.50 3/31/2020 A2 A A+ CALOPTIMA EC 69353REDB TRUIST BANK VAR RT 05/19/2020 DD 05/19/17 Corporates 2,000,000.0000 2,004.12.89 4,790.05 1,997,021.54 0.00 -3,391.35 0.66 3/31/2020 A2 A A+ CALOPTIMA EC CALOPTIMA EC 9243VXDV VERIZON COMMUNICATIONS INC CALOPTIMA EC 949746SBB WELLS FARGO & CO VAR RT 07/26/2021 DD 07/25/16 Corporates 2,000,000.000 2,434,680 1,344.80 1,344.88 1,344.459.47 0.00 -33,368.46 0 4.4 1,344.459.47 0.00 -2,043.65 0.80 3/31/2020 A2 A A+ A																
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CALOPTIMA EC 61746BEE2 MORGAN STANLEY VAR RT 01/20/2022 DD 01/20/17 Corporates 1,538,000.0000 1,550,224.10 8,969.07 1,530,079.30 0.00 -20,144.80 0.51 3/31/2020 A3 BBB+ A CALOPTIMA EC 69353RFU5 PNC BANK NA 2.150% 04/29/2021 DD 04/29/16 Corporates 1,500,000.0000 2,000,412.89 4,790.05 1,997,021.54 0.00 -6,628.36 0.50 3/31/2020 A2 A A+ CALOPTIMA EC 69353RFU5 PNC BANK NA VAR RT 05/19/2020 DD 05/19/17 Corporates 2,000,000.0000 3,500,000.00 9,760.31 3,413,075.02 0.00 -86,924.98 1.13 3/31/2020 A2 A A+ CALOPTIMA EC 949746SB8 VEILLS FARGO & CO VAR RT 05/16/2022 DD 03/16/17 Corporates 2,000,000.0000 2,000,412.89 4,969.48.47 0.00 -233,926.33 1.16 3/31/2020 A2 A A+ CALOPTIMA EC 949746SB8 WELLS FARGO & CO VAR RT 07/26/2021 DD 07/22/16 Corporates 2,000,000.0000 2,016,259.64 10,344.68 1,982,575.00 0.00 -33,684.64 0.66 3/31/2020 A2 A A+ CALOPTIMA EC 949746SB8 WELLS FARGO & CO 2.600% 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,434,459.34 0.00 -2,043.65 0.80 3/31/2020 A2 A A+ A																
CALOPTIMA EC 69353RFD5 PNC BANK NA VAR RT 05/19/2020 DD 05/19/17 Corporates 2,000,000.0000 2,004;12.89 4,790.05 1,997,021.54 0.00 -3,391.35 0.66 3/31/2020 A2 A A+ CALOPTIMA EC 86787EBD8 TRUIST BANK VAR RT 05/17/2022 DD 05/17/19 Corporates 3,500,000.000 0,760.31 3,413,075.02 0.00 -86,924.98 1.13 3/31/2020 A2 A A+ CALOPTIMA EC 949746SB8 WELLS FARGO & CO VAR RT 07/26/2021 DD 07/25/16 Corporates 2,000,000.000 0 2,016,259.64 10,826,503.12 12,129.43 2,434,459.47 0.00 -233,963.63 1.00 -33,91.35 0.66 3/31/2020 A2 A A+ CALOPTIMA EC 949746SB8 WELLS FARGO & CO VAR RT 07/26/2021 DD 07/25/16 Corporates 2,000,000.000 0 2,016,259.64 10,826,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 A2 A A+ A+ CALOPTIMA EC 94974BGM8 WELLS FARGO & CO 2.600% 07/22/2020 DD 07/25/16 Corporates 2,434,000.000 0 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 A2 A- A+	CALOPTIMA EC	61746BEE2	MORGAN STANLEY	VAR RT 01/20/2022 DD 01/20/17	Corporates	1,538,000.0000	1,550,224.10	8,969.07	1,530,079.30	0.00	-20,144.80	0.51 3	/31/2020	A3	BBB+	
CALOPTIMA EC 86787EBD8 TRUIST BANK VAR RT 05/17/2022 DD 05/17/19 Corporates 3,500,000.000 3,500,000.00 9,760.31 3,413,075.02 0.00 -86,924.98 1.13 3/31/2020 A2 A A+ CALOPTIMA EC 949746SB8 WELLS FARGO & CO VAR RT 07/26/2021 DD 07/22/16 Corporates 2,434,000.000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 A2 A A+ CALOPTIMA EC 949746SB8 WELLS FARGO & CO VAR RT 07/26/2021 DD 07/22/15 Corporates 2,434,000.000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 A2 A- A+																
CALOPTIMA EC 92343VDX9 VERIZON COMMUNICATIONS INC CALOPTIMA EC 949746SB8 WELLS FARGO & CO VAR RT 07/26/2021 DD 07/25/16 Corporates 2,000,000.0000 2,016,259.64 10,344.68 1,982,575.00 0.00 -33,684.64 0.66 3/31/2020 PM 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -233,926.33 1.16 3/31/2020 PM 07/26/2021 DD 07/22/16 PM 07/26/2021 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 CORPORATION DEC 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 CORPORATION DEC 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 CORPORATION DEC 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 CORPORATION DEC 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 CORPORATION DEC 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 CORPORATION DEC 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 PM 07/22/2020 DD 07/22/15 CORPORATION DEC 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 0.00 -2,043.65 0.80 3/31/																
CALOPTIMA EC 949746SB8 WELLS FARGO & CO VAR RT 07/26/2021 DD 07/25/16 Corporates 2,000,000.0000 2,016,259.64 10,344.68 1,982,575.00 0.00 -33,684.64 0.66 3/31/2020 A2 A- A+ CALOPTIMA EC 94974BGM6 WELLS FARGO & CO 2.600% 07/22/2020 DD 07/22/15 Corporates 2,434,000.0000 2,436,503.12 12,129.43 2,434,459.47 0.00 -2,043.65 0.80 3/31/2020 A2 A- A+																
	CALOPTIMA EC	949746SB8	WELLS FARGO & CO	VAR RT 07/26/2021 DD 07/25/16		2,000,000.0000	2,016,259.64	10,344.68	1,982,575.00	0.00	-33,684.64	0.66 3	/31/2020		74-UI	A+
CALOPTIMA EC 4836K4to Agentia over DISC 04/20/2020 CP 4,000,000.0000 3,993,350.00 0.00 3,993,350.00 0.00 1.32 3/31/2020 P-1 A-1 F2																
	CALUPTINA EC	"Back Ho	Agenda	U4/ZU/ZUZU	CP	4,000,000.0000	ა,ყყა,კნს.სს	0.00	ა,ყყა,კ50.00	0.00	0.00	1.32 3	13112020	P-1	A-T	ΓZ



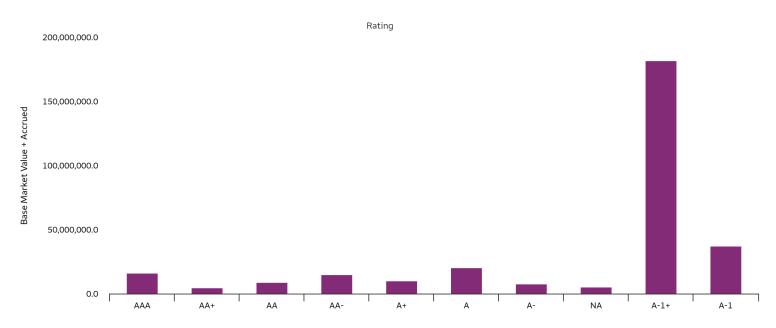
Source Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Reporting Date	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC		KOCH INDUSTRIES DISC	04/13/2020	CP	6,000,000.0000	.,		5,995,800.00	0.00	0.00		3/31/2020	P-1	A-1+	NR
CALOPTIMA EC			04/01/2020	CP	8,500,000.0000	., ,		8,499,999.99	0.00	0.00		3/31/2020	P-2	A-1	F1
CALOPTIMA EC			04/01/2020	CP	4,000,000.0000	, ,		4,000,000.02	0.00	0.00		3/31/2020	P-1	A-2	F1
CALOPTIMA EC	072024WU2	BAY AREA CA TOLL AUTH TOLL BRI	2.025% 04/01/2020 DD 09/26/19	Municipal Securities	1,815,000.0000	1,815,000.00	18,887.34	1,815,000.00	0.00	0.00	0.60	3/31/2020	A1	AA-	AA-
CALOPTIMA EC	7092243K3	PENNSYLVANIA ST TURNPIKE COMMI	1.812% 12/01/2020 DD 02/26/20	Municipal Securities	1,500,000.0000	1,500,000.00	2,642.50	1,500,000.00	0.00	0.00	0.50	3/31/2020	A3	NR	A-
CALOPTIMA EC	796720MC1	SAN BERNARDINO CA CMNTY CLG DI	1.754% 08/01/2020 DD 12/12/19	Municipal Securities	1,500,000.0000	1,500,000.00	4,385.00	1,500,000.00	0.00	0.00	0.50	3/31/2020	Aa1	AA	NR
CALOPTIMA EC	796720MU1	SAN BERNARDINO CA CMNTY CLG DI	1.754% 08/01/2020 DD 12/12/19	Municipal Securities	1,650,000.0000	1,650,000.00	4,823.50	1,650,000.00	0.00	0.00	0.55	3/31/2020	Aa1	AA	NR
CALOPTIMA EC	797272QK0	SAN DIEGO CA CMNTY CLG DIST	1.935% 08/01/2020 DD 10/16/19	Municipal Securities	1,460,000.0000	1,460,000.00	4,708.50	1,460,000.00	0.00	0.00	0.48	3/31/2020	Aaa	AAA	NR
CALOPTIMA EC	3137AFT77	FHLMC MULTICLASS MTG 3938 BE	2.000% 10/15/2021 DD 10/01/11	RMBS	3,279,827.8600	3,281,358.62	5,466.38	3,300,238.56	18,879.94	0.00	1.09	3/31/2020	Agency	AA+	Agency
CALOPTIMA EC	62888UAB6	NCUA GUARANTEED NOTES TR R2 2A	VAR RT 11/05/2020 DD 11/17/10	RMBS	3,436,316.8450	3,649,703.99	3,546.68	3,436,705.49	0.00	-212,998.50	1.14	3/31/2020	Aaa	AA+	Agency
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	1,355,191.5390	1,520,111.43	1,379.89	1,354,339.67	0.00	-165,771.76	0.45	3/31/2020	Aaa	AA+	AAA
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	391,333.7270	404,429.06	398.47	391,087.73	0.00	-13,341.33	0.13	3/31/2020	Aaa	AA+	AAA
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	398,805.4890	406,368.86	406.08	398,554.80	0.00	-7,814.06	0.13	3/31/2020	Aaa	AA+	AAA
CALOPTIMA EC	9127962A6	U S TREASURY BILL	0.000% 04/07/2020 DD 02/11/20	US Government	14,000,000.0000	13,996,390.32	0.00	13,996,390.32	0.00	0.00	4.62	3/31/2020	Govt	A-1+	Govt
CALOPTIMA EC	912796TT6	U S TREASURY BILL	0.000% 05/07/2020 DD 11/07/19	US Government	5,000,000.0000	4,992,485.00	0.00	4,992,485.00	0.00	0.00	1.65	3/31/2020	Govt	A-1+	Govt
CALOPTIMA EC	912796TV1	U S TREASURY BILL	0.000% 05/14/2020 DD 11/14/19	US Government	20,000,000.0000	19,962,972.08	0.00	19,962,972.08	0.00	0.00	6.60	3/31/2020	Govt	A-1+	Govt
CALOPTIMA EC	912828VV9	U S TREASURY NOTE	2.125% 08/31/2020 DD 08/31/13	US Government	8,500,000.0000	8,519,552.52	16,109.79	8,570,722.63	51,170.11	0.00	2.83	3/31/2020	Govt	AA+	Govt
CALOPTIMA EC	912828VV9	U S TREASURY NOTE	2.125% 08/31/2020 DD 08/31/13	US Government	9,500,000.0000	9,522,692.05	18,005.07	9,579,042.94	56,350.89	0.00	3.16	3/31/2020	Govt	AA+	Govt
CALOPTIMA EC	912828VV9	U S TREASURY NOTE	2.125% 08/31/2020 DD 08/31/13	US Government	10,625,000.0000	10,650,625.25	20,137.25	10,713,403.30	62,778.05	0.00	3.54	3/31/2020	Govt	AA+	Govt
CALOPTIMA EC	912828Y53	U S TREASURY NOTE	VAR RT 07/31/2020 DD 07/31/18	US Government	6,500,000.0000	6,497,955.26	11,726.67	6,499,846.27	1,891.01	0.00	2.15	3/31/2020	Govt	AA+	Govt
CALOPTIMA EC	912828Y53	U S TREASURY NOTE	VAR RT 07/31/2020 DD 07/31/18	US Government	5,500,000.0000	5,499,156.78	9,922.56	5,499,869.93	713.15	0.00	1.82	3/31/2020	Govt	AA+	Govt

US Dollar As of 31 March 2020 WC-CalOptima Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index





AAA									
Identifier, Description	Ending Base Current Units		Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	
14041NEW7 COMET 153A A	1,000,000.00	USD 05/15/2020	ABS	AAA	NR	AAA	AAA	999,932.95	0.32%
17305EGC3 CCCIT 17A4 A4	850,000.00	USD 04/07/2020	ABS	AAA	NR	AAA	AAA	850,360.33	0.28%
3137BAHA3 FHMS K715 A2	1,844,667.97	USD 01/25/2021	FHLMC	AAA	Aaa	AA+	AAA	1,866,726.51	0.61%
316175108 FIDELITY IMM:GOVT I	410,635.82	USD 03/31/2020	MMFUND	AAA	Aaa	AAAm	AAA	410,635.82	0.13%
43814WAB1 HAROT 191 A2	988,578.72	USD 09/20/2021	ABS	AAA	NA	AAA	AAA	987,177.86	0.32%
43814WAB1 HAROT 191 A2	621,747.62	USD 09/20/2021	ABS	AAA	NA	AAA	AAA	620,866.58	0.20%
58769QAB7 MBALT 19B A2	1,000,000.00	USD 12/15/2021	ABS	AAA	NA	AAA	AAA	999,832.10	0.32%
58772QAD8 MBALT 18A A3	276,251.00	USD 02/16/2021	ABS	AAA	NA	AAA	AAA	276,665.79	0.09%
58772QAD8 MBALT 18A A3	241,719.62	USD 02/16/2021	ABS	AAA	NA	AAA	AAA	242,082.57	0.08%

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US Dollar As of 31 March 2020 WC-CalOptima Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
58772QAD8 MBALT 18A A3	276,251.00	USD 02/16/2021	ABS	AAA	NA	AAA	AAA	276,665.79	0.09%
654747AD6 NAROT 17A A3	591,468.33	USD 08/16/2021	ABS	AAA	Aaa	NA	AAA	591,110.04	0.19%
65479PAB5 NALT 19A A2	2,179,222.03	USD 07/15/2021	ABS	AAA	Aaa	AAA	NA	2,187,768.38	0.71%
817409YB5 SEQUOIA CALIF UN HIGH SCH DIST	1,360,000.00	USD 07/01/2021	MUNI	AAA	Aaa	NA	NA	1,446,353.20	0.47%
89231AAB7 TAOT 18C A2A	680,244.73	USD 08/16/2021	ABS	AAA	Aaa	AAA	NA	681,685.97	0.22%
89231AAB7 TAOT 18C A2A	1,004,041.22	USD 08/16/2021	ABS	AAA	Aaa	AAA	NA	1,006,168.50	0.33%
89237RAD0 TAOT 17C A3	1,501,796.87	USD 11/15/2021	ABS	AAA	Aaa	AAA	NA	1,497,148.97	0.49%
89238MAD0 TAOT 17A A3	60,914.28	USD 02/16/2021	ABS	AAA	Aaa	AAA	NA	60,917.60	0.02%
89238TAB9 TAOT 18B A2A	39,217.87	USD 03/15/2021	ABS	AAA	Aaa	AAA	NA	39,274.90	0.01%
89238TAC7 TAOT 18B A2B	265,407.53	USD 03/15/2021	ABS	AAA	Aaa	AAA	NA	265,468.84	0.09%
92868LAC5 VALET 181 A2B	74,828.31	USD 07/20/2021	ABS	AAA	NA	AAA	AAA	74,684.75	0.02%
92869BAC6 VALET 182 A2B	943,584.42	USD 08/20/2021	ABS	AAA	Aaa	AAA	NA	941,441.12	0.31%
CCYUSD Cash	1.27	USD 03/31/2020	CASH	AAA	Aaa	AAA	AAA	1.27	0.00%
CCYUSD Receivable	45,064.97	USD 03/31/2020	CASH	AAA	Aaa	AAA	AAA	45,064.97	0.01%
	16,255,643.56	USD 05/16/2021		AAA	Aaa	AAA	AAA	16,368,034.81	5.32%
AA+									

Identifier, Description	Ending Base Current Currency, Units Ending Fin Maturity	Security Type I	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
231237N46 CUPERTINO CALIF UN SCH DIST	2,025,000.00 USD 08/01/202	MUNI C	AA+	Aa1	AA+	NA	2,034,463.50	0.66%
797398DJ0 SAN DIEGO CNTY CALIF PENSION OBLIG	2,500,000.00 USD 08/15/202	MUNI C	AA+	Aa2	AAA	AA+	2,562,911.81	0.83%
	4,525,000.00 USD 08/09/202	MUNI	AA+	Aa2	AAA	AA+	4,597,375.31	1.49%

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US Dollar As of 31 March 2020 WC-CalOptima Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



AA

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
06405LAB7 BANK OF NEW YORK MELLON	1,125,000.00	USD 06/04/2021	CORP	AA	Aa2	AA-	AA	1,109,916.75	0.36%
084664BQ3 BERKSHIRE HATHAWAY FINANCE CORP	3,000,000.00	USD 01/15/2021	CORP	AA	Aa2	AA	A+	3,090,841.51	1.00%
189342G51 CLOVIS CALIF UNI SCH DIST	1,750,000.00	USD 08/01/2020	MUNI	AA	NA	AA	NA	1,758,866.67	0.57%
48125LRN4 JPMORGAN CHASE BANK NA	3,000,000.00	USD 04/26/2021	CORP	AA	Aa2	A+	AA	3,038,633.92	0.99%
	8,875,000.00	USD 02/03/2021		AA	Aa2	AA-	AA-	8,998,258.85	2.92%

AA-

AA-									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	
032556GL0 ANAHEIM CALIF HSG & PUB IMPT AUTH REV	1,000,000.00	USD 10/01/2020	MUNI	AA-	NA	AA-	AA-	1,004,807.75	0.33%
06050TMN9 BANK OF AMERICA NA	3,000,000.00	USD 07/26/2021	CORP	AA-	Aa2	A+	AA-	2,947,671.54	0.96%
06050TMN9 BANK OF AMERICA NA	1,000,000.00	USD 07/26/2021	CORP	AA-	Aa2	A+	AA-	982,557.18	0.32%
072024WV0 BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4,000,000.00	USD 04/01/2021	MUNI	AA-	A1	AA-	AA-	4,054,772.78	1.32%
119144AS2 BUENA PK CALIF CMNTY REDEV AGY SUCCESSOR AGY TAX A	1,000,000.00	USD 09/01/2020	MUNI	AA-	NA	AA-	NA	1,004,813.33	0.33%
684133KY6 ORANGE CALIF UNI SCH DIST ORANGE CNTY	2,000,000.00	USD 05/01/2020	MUNI	AA-	Aa3	AA	NA	2,011,260.00	0.65%
79765R4L0 SAN FRANCISCO CALIF CITY & CNTY PUB UTILS COMMN WT	1,000,000.00	USD 11/01/2021	MUNI	AA-	Aa2	AA-	NA	999,445.78	0.32%
90331HNP4 US BANK NA	1,000,000.00	USD 04/26/2021	CORP	AA-	A1	AA-	AA-	1,021,988.20	0.33%
90331HNU3 US BANK NA	1,250,000.00	USD 07/24/2020	CORP	AA-	A1	AA-	AA-	1,259,146.59	0.41%
	15,250,000.00	USD 02/15/2021		AA-	Aa3	AA-	AA-	15,286,463.14	4.97%

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US Dollar As of 31 March 2020 WC-CalOptima Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
06406HDD8 BANK OF NEW YORK MELLON CORP	1,000,000.00	USD 08/17/2020	CORP	A+	A1	Α	AA-	1,005,050.80	0.33%
06406HDE6 BANK OF NEW YORK MELLON CORP	1,000,000.00	USD 08/17/2020	CORP	A+	A1	А	AA-	1,003,198.05	0.33%
17325FAN8 CITIBANK NA	1,500,000.00	USD 05/01/2020	CORP	A+	Aa3	A+	A+	1,518,463.11	0.49%
69371RN85 PACCAR FINANCIAL CORP	750,000.00	USD 11/13/2020	CORP	A+	A1	A+	NA	752,523.19	0.24%
857477AG8 STATE STREET CORP	950,000.00	USD 03/07/2021	CORP	A+	A1	А	AA-	974,308.02	0.32%
857477AS2 STATE STREET CORP	1,250,000.00	USD 08/18/2020	CORP	A+	A1	А	AA-	1,255,831.93	0.41%
857477AS2 STATE STREET CORP	1,385,000.00	USD 08/18/2020	CORP	A+	A1	А	AA-	1,391,461.78	0.45%
89236TGS8 TOYOTA MOTOR CREDIT CORP	2,250,000.00	USD 08/13/2021	CORP	A+	A1	AA-	NA	2,157,348.96	0.70%
	10,085,000.00	USD 11/13/2020	CORP	A+	A1	A+	AA-	10,058,185.83	3.27%

		Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
2,000,000.00	USD 09/14/2020	CORP	Α	A2	A-	А	1,990,762.72	0.65%
819,000.00	USD 01/05/2021	CORP	Α	A2	A-	A+	846,936.19	0.28%
2,000,000.00	USD 09/04/2020	CORP	А	А3	А	А	1,998,018.84	0.65%
1,000,000.00	USD 09/07/2021	CORP	А	А3	А	А	963,841.20	0.31%
1,000,000.00	USD 08/26/2020	CORP	А	A3	А	А	1,000,277.74	0.33%
2,000,000.00	USD 10/09/2020	CORP	А	A2	А	А	1,985,914.46	0.65%
2,250,000.00	USD 05/11/2021	CORP	А	A2	А	WR	2,203,180.26	0.72%
4,000,000.00	USD 12/01/2020	CORP	А	A2	А	NA	4,063,786.67	1.32%
800,000.00	USD 03/01/2021	CORP	А	A2	Α-	AA-	803,613.26	0.26%
1,215,000.00	USD 07/21/2020	CORP	А	A2	А	A+	1,219,271.13	0.40%
	2,000,000.00 819,000.00 2,000,000.00 1,000,000.00 2,000,000.00 2,000,000.00 4,000,000.00 800,000.00	2,000,000.00 USD 09/14/2020  819,000.00 USD 01/05/2021  2,000,000.00 USD 09/04/2020  1,000,000.00 USD 09/07/2021  1,000,000.00 USD 08/26/2020  2,000,000.00 USD 10/09/2020  2,250,000.00 USD 05/11/2021  4,000,000.00 USD 12/01/2020  800,000.00 USD 03/01/2021  1,215,000.00 USD	Units Ending Final Maturity  2,000,000.00 USD CORP 09/14/2020  819,000.00 USD CORP 01/05/2021  2,000,000.00 USD CORP 09/04/2020  1,000,000.00 USD CORP 09/07/2021  1,000,000.00 USD CORP 08/26/2020  2,000,000.00 USD CORP 10/09/2020  2,250,000.00 USD CORP 05/11/2021  4,000,000.00 USD CORP 05/11/2021  4,000,000.00 USD CORP 12/01/2020  800,000.00 USD CORP 03/01/2021  1,215,000.00 USD CORP	Units Ending Final Maturity  2,000,000.00 USD CORP A 09/14/2020 CORP A  819,000.00 USD CORP A 01/05/2021 CORP A  2,000,000.00 USD CORP A  1,000,000.00 USD CORP A 09/07/2021  1,000,000.00 USD CORP A 08/26/2020 CORP A  2,250,000.00 USD CORP A 10/09/2020 CORP A  800,000.00 USD CORP A  800,000.00 USD CORP A  1,215,000.00 USD CORP A  1,215,000.00 USD CORP A  1,215,000.00 USD CORP A	Units Ending Final Maturity  2,000,000.00 USD CORP A A2  819,000.00 USD CORP A A2  2,000,000.00 USD CORP A A3  2,000,000.00 USD CORP A A3  1,000,000.00 USD CORP A A3  1,000,000.00 USD CORP A A3  2,000,000.00 USD CORP A A3  2,000,000.00 USD CORP A A3  2,000,000.00 USD CORP A A2  2,000,000.00 USD CORP A A2  4,000,000.00 USD CORP A A2  800,000.00 USD CORP A A2  1,215,000.00 USD CORP A A2  1,215,000.00 USD CORP A A2  1,215,000.00 USD CORP A A2	Units Ending Final Maturity  2,000,000.00 USD CORP A A2 A-  819,000.00 USD CORP A A2 A-  2,000,000.00 USD CORP A A3 A3 A  1,000,000.00 USD CORP A A3 A3 A  1,000,000.00 USD CORP A A3 A3 A  1,000,000.00 USD CORP A A3 A3 A  2,000,000.00 USD CORP A A3 A3 A  2,000,000.00 USD CORP A A3 A3 A  2,000,000.00 USD CORP A A2 A3 A  2,000,000.00 USD CORP A A2 A4  4,000,000.00 USD CORP A A2 A2 A  800,000.00 USD CORP A A2 A2 A  1,215,000.00 USD CORP A A2 A2 A  1,215,000.00 USD CORP A A2 A2 A-  1,215,000.00 USD CORP A A2 A2 A-	Units         Ending Final Maturity         CORP         A         A2         A-         A           2,000,000.00         USD 09/14/2020         CORP         A         A2         A-         A+           819,000.00         USD 01/05/2021         CORP         A         A2         A-         A+           2,000,000.00         USD 09/04/2020         CORP         A         A3         A         A           1,000,000.00         USD 09/07/2021         CORP         A         A3         A         A           2,000,000.00         USD 08/26/2020         CORP         A         A3         A         A           2,250,000.00         USD 05/11/2021         CORP         A         A2         A         WR           4,000,000.00         USD 05/11/2021         CORP         A         A2         A         NA           800,000.00         USD 03/01/2021         CORP         A         A2         A         AA-           1,215,000.00         USD 03/01/2021         CORP         A         A2         A         A+	Units         Ending Final Maturity         Accrued           2,000,000.00         USD 09/14/2020         CORP         A         A2         A-         A         1,990,762.72           819,000.00         USD 01/05/2021         CORP         A         A2         A-         A+         846,936.19           2,000,000.00         USD 09/04/2020         CORP         A         A3         A         A         1,998,018.84           1,000,000.00         USD 09/07/2021         CORP         A         A3         A         A         963,841.20           1,000,000.00         USD 08/26/2020         CORP         A         A3         A         A         1,000,277.74           2,000,000.00         USD 10/09/2020         CORP         A         A2         A         A         1,985,914.46           2,250,000.00         USD 05/11/2021         CORP         A         A2         A         WR         2,203,180.26           4,000,000.00         USD 05/11/2021         CORP         A         A2         A         NA         4,063,786.67           800,000.00         USD 03/01/2021         CORP         A         A2         A         NA         4,063,786.67           1,215,000.00 <td< td=""></td<>

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio and the contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio and the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations may not be available for all time periods. Please refer to your custody statement for official portfolio and the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment calculations. On the contained in this report represents estimated trade date investment c

US Dollar As of 31 March 2020 WC-CalOptima Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
808513AD7 CHARLES SCHWAB CORP	2,000,000.00	USD 07/22/2020	CORP	Α	A2	Α	А	2,012,396.17	0.65%
91324PDG4 UNITEDHEALTH GROUP INC	1,500,000.00	USD 06/15/2021	CORP	А	А3	A+	Α	1,488,949.74	0.48%
	20,584,000.00	USD 12/04/2020	CORP	Α	A2	Α	Α	20,576,948.37	6.69%
A-									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
172967KB6 CITIGROUP INC	4,000,000.00	USD 10/26/2020	CORP	A-	А3	BBB+	Α	4,052,659.61	1.32%
20030NCW9 COMCAST CORP	1,600,000.00	USD 10/01/2021	CORP	A-	А3	A-	Α-	1,574,168.21	0.51%
20030NCW9 COMCAST CORP	1,000,000.00	USD 10/01/2021	CORP	A-	А3	A-	Α-	983,855.13	0.32%
6174467P8 MORGAN STANLEY	1,000,000.00	USD 07/24/2020	CORP	A-	А3	BBB+	А	1,019,679.38	0.33%
	7,600,000.00	USD 02/04/2021	CORP	A-	A3	BBB+	Α	7,630,362.33	2.48%
NA									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
58942PF16 Mercy Health	4,000,000.00	USD 06/01/2020	СР	NA	NA	NA	NA	3,991,388.88	1.30%
835631MU3 SONOMA VALLEY CALIF UNI SCH DIST	1,200,000.00	USD 05/01/2020	MUNI	NA	NA	NA	NA	1,203,232.00	0.39%
	5,200,000.00	USD 05/25/2020		NA	NA	NA	NA	5,194,620.88	1.69%
A-1+									
Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
30229AEC9 Exxon Mobil Corporation	10,000,000.00	USD 05/12/2020	СР	A-1+	P-1	A-1+	NA	9,976,900.00	3.24%
313312VH0 FEDERAL FARM CREDIT BANKS	23,000,000.00	USD 04/08/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	22,999,686.97	7.47%

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US Dollar As of 31 March 2020 WC-CalOptima Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch		% of Base Market Value + Accrued
10,000,000.00	USD 04/08/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,999,863.90	3.25%
40,000,000.00	USD 04/08/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	39,999,455.60	13.00%
50,000,000.00	USD 04/14/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	49,998,736.00	16.25%
30,000,000.00	USD 04/20/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	29,998,891.80	9.75%
5,000,000.00	USD 07/10/2020	СР	A-1+	P-1	A-1+	NA	4,981,272.90	1.62%
4,000,000.00	USD 04/20/2020	СР	A-1+	P-1	A-1+	F1+	3,996,728.88	1.30%
10,000,000.00	USD 06/15/2020	СР	A-1+	P-1	A-1+	F1	9,962,211.10	3.24%
182,000,000.00			A-1+	P-1	A-1+	AAA	181,913,747.15	59.12%
		Security Type	Rating	Moody's	S&P	Fitch		
5,000,000.00	USD 04/01/2020	СР	A-1	P-1	A-1	NA	5,000,002.35	1.62%
4,000,000.00	USD 05/20/2020	СР	A-1	P-1	A-1	NA	3,991,761.12	1.30%
10,000,000.00	USD 05/15/2020	СР	A-1	P-1	A-1	F1	9,985,000.00	3.25%
1,000,000.00	USD 04/02/2020	СР	A-1	P-1	A-1	F1	1,000,007.28	0.32%
8,902,000.00	USD 04/03/2020	СР	A-1	P-1	A-1	F1	8,902,003.74	2.89%
8,200,000.00	USD 04/08/2020	СР	A-1	P-1	A-1	NA	8,198,941.30	2.66%
37,102,000.00	USD 04/20/2020	СР	A-1	P-1	A-1	A+	37,077,715.79	12.05%
- "	Cumana	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value +	% of Base
Ending Base Current Units	Ending Final Maturity	Security Type	Rating	Wioddy 5				Market Value + Accrued
	Ending Base Current Units  5,000,000.00  4,000,000.00  10,000,000.00  4,000,000.00  10,000,000.00  4,000,000.00  30,000,000.00  30,000,000.00  10,000,000.00  30,000,000.00  4,000,000.00  30,000,000.00  10,000,000.00  30,000,000.00  4,000,000.00  30,000,000.00  30,000,000.00  30,000,000.00  30,000,000.00  30,000,000.00  30,000,000.00  30,000,000.00  30,000,000.00	10,000,000.00 USD 04/08/2020 40,000,000.00 USD 04/08/2020 50,000,000.00 USD 04/14/2020 30,000,000.00 USD 04/20/2020 5,000,000.00 USD 07/10/2020 4,000,000.00 USD 06/15/2020 10,000,000.00 USD 06/15/2020  Ending Base Current Units Ending Final Maturity 5,000,000.00 USD 04/01/2020 4,000,000.00 USD 05/20/2020 10,000,000.00 USD 05/20/2020 10,000,000.00 USD 05/20/2020 10,000,000.00 USD 05/15/2020 1,000,000.00 USD 04/02/2020 8,902,000.00 USD 04/03/2020 8,200,000.00 USD 04/08/2020 37,102,000.00 USD 04/20/2020	Units Ending Final Maturity  10,000,000.00 USD 04/08/2020 AGCY DISC 04/14/2020 AGCY DISC 04/14/2020 AGCY DISC 04/14/2020 AGCY DISC 04/14/2020 AGCY DISC 04/20/2020 CP 04/20/2020 CP 04/20/2020 CP 04/20/2020 CP 04/20/2020 CP 06/15/2020 CP 06/15/2020 CP 04/20/2020 CP 04/20/2020 CP 04/20/2020 CP 04/20/2020 CP 04/20/2020 CP 04/20/2020 CP 04/01/2020 CP 05/20/2020 CP 05/20/2020 CP 05/20/2020 CP 05/20/2020 CP 05/20/2020 CP 05/20/2020 CP 04/03/2020 CP 04/20/2020 CP 04/2	Units   Ending Final Maturity   10,000,000.00   USD 04/08/2020   AGCY DISC   A-1+	Units Ending Final Maturity  10,000,000.00 USD 04/08/2020 AGCY DISC A-1+ P-1  40,000,000.00 USD 04/08/2020 AGCY DISC A-1+ P-1  50,000,000.00 USD 04/14/2020 AGCY DISC A-1+ P-1  30,000,000.00 USD 04/20/2020 AGCY DISC A-1+ P-1  5,000,000.00 USD CP A-1+ P-1  10,000,000.00 USD CP A-1+ P-1  10,000,000.00 USD CP A-1+ P-1  182,000,000.00 USD CP A-1+ P-1  182,000,000.00 USD CP A-1+ P-1  Ending Base Current Currency, Units Ending Final Maturity  5,000,000.00 USD CP A-1 P-1  Ending Base Current Currency, Units Condition Maturity  5,000,000.00 USD CP A-1 P-1  10,000,000.00 USD CP A-1 P-1  10,000,000.00 USD CP A-1 P-1  10,000,000.00 USD CP A-1 P-1  8,902,000.00 USD CP A-1 P-1  8,902,000.00 USD CP A-1 P-1  8,200,000.00 USD CP A-1 P-1	Units   Ending Final Maturity   10,000,000.00   USD	Units   Ending Finial Maturity   10,000,000.00   USD 04/08/2020   AGCY DISC   A-1+   P-1   A-1+   F1+   F1+   A0,000,000.00   USD 04/08/2020   AGCY DISC   A-1+   P-1   A-1+   F1+   F1+   A0,000,000.00   USD 04/14/2020   AGCY DISC   A-1+   P-1   A-1+   F1+   F1+   A0,000,000.00   USD 04/20/2020   AGCY DISC   A-1+   P-1   A-1+   F1+   A0,000,000.00   USD 07/10/2020   CP   A-1+   P-1   A-1+   F1+   A0,000,000.00   USD 06/15/2020   CP   A-1+   P-1   A-1+   F1+   A0,000,000.00   USD 06/15/2020   CP   A-1+   P-1   A-1+   A0,000,000.00   A1,000,000.00   USD 06/15/2020   A-1+   A-1+   A-1+   A0,000,000.00   USD 06/15/2020   A-1+   A-1+   A-1+   A0,000,000.00   USD 06/20/2020   A-1+   A-1+   A-1+   A-1+   A0,000,000.00   USD 06/20/2020   A-1+   A-1+   A-1+   A-1+   A-1+   A0,000,000.00   USD 06/20/2020   A-1+   A-1+   A-1+   A-1+   A-1+   A-1+   A0,000,000.00   USD 06/20/2020   A-1+   A-1+   A-1+   A-1+   A-1+   A-1+   A0,000,000.00   USD 06/20/2020   A-1+   A-	Units   Ending Final Maturity   10,000,000.00   USD   04/86/2020   AGCY DISC   A-1+   P-1   A-1+   F1+   9,999,863.90

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio po

US Dollar As of 31 March 2020 WC-CalOptima Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



\* Grouped by: Rating. \* Groups Sorted by: Rating. \* Weighted by: Base Market Value + Accrued.

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# **Economy and Market Update**

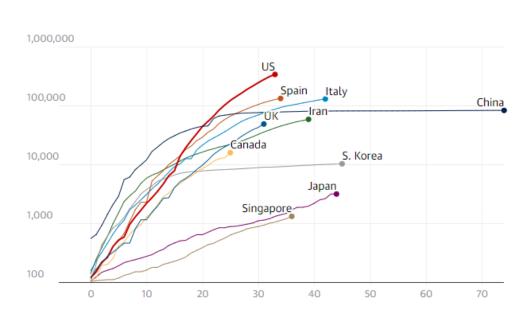
Data as of April 3, 2020

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#### Case Count by Select Country: Flattening the Curve<sup>1</sup>





- There are now close to 1.4 million cases globally across 184 countries with the death toll well over 75,000.
- What was originally a China-focused issue is now a global issue with the fastest spread of the virus in the US and Europe.
- Cases have leveled off in China and South Korea, with Europe and the United States experiencing the fastest growth rate of new cases.

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<sup>1</sup> Source: Johns Hopkins CSSE via the Guardian UK. Virus data is as of April 5 2020. Non virus data throughout the rest of the document is through April 3, 2020.



#### 2020 Market Returns<sup>1</sup>

Indices	YTD
S&P 500	-22.6%
MSCI EAFE	-26.4%
MSCI Emerging Markets	-25.1%
MSCI China	-13.7%
KOSPI Index (South Korea)	-25.8%
MSCI Italy	-33.9%
Bloomberg Barclays Aggregate	3.4%
Bloomberg Barclays TIPS	3.8%
Bloomberg Barclays High Yield	-14.5%
10-year US Treasury	12.8%
30-year US Treasury	28.9%

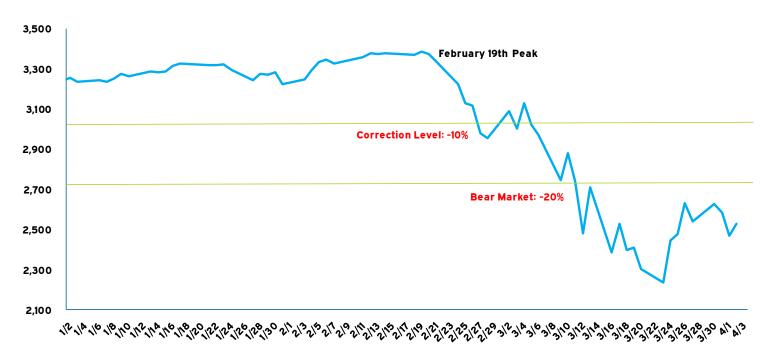
- Given uncertainty related to the ultimate impact of the virus on economic growth, company profitability, and societal norms, investors have sought perceived safe haven assets like US Treasuries.
- Stocks have experienced large declines globally, particularly in areas like Europe where the virus is actively spreading, but fiscal and monetary authorities across the globe are deploying emergency measures to offset huge economic losses.

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<sup>&</sup>lt;sup>1</sup> Source: InvestorForce and Bloomberg. Data is as of April 3, 2020







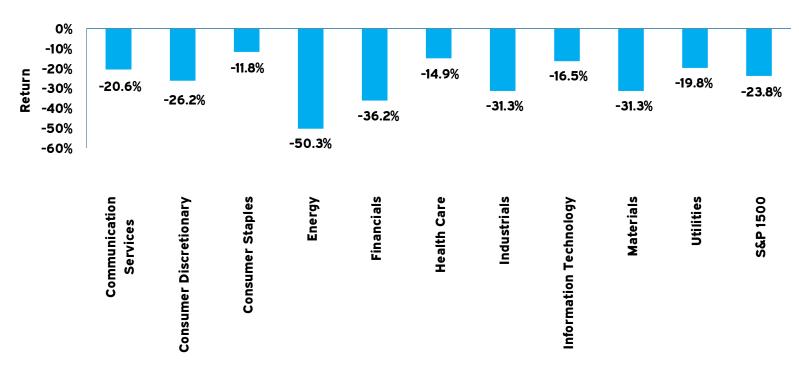
- Given all the uncertainty, US stocks declined from their recent peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 declined 34%, or 1,149 points, in a matter of 24 trading days.
- The index has recovered recently from its lows likely due to the unprecedented monetary and fiscal stimulus announced in the US.

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<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. Data is as of April 3, 2020.



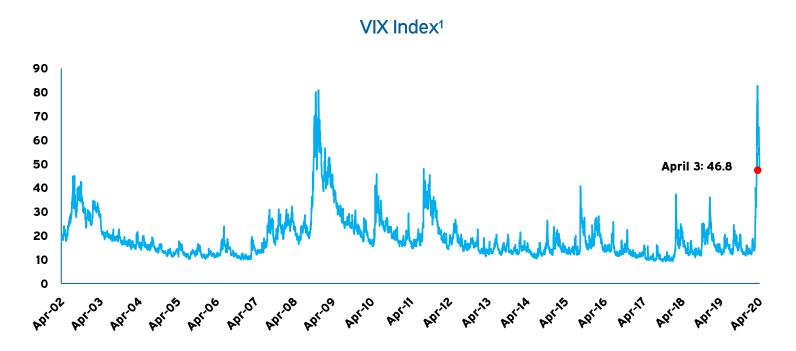




- The energy sector has experienced the largest declines given the fall in oil prices.
- Financials (-36.2%), materials (-31.3%), and industrials (-31.3%) experienced the next largest declines, while defensive sectors like consumer staples and health care experienced the smallest declines.

<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. Data is as of April 3, 2020.





- Given the recent fiscal and monetary support and cooresponding modest improvement in investor risk sentiment, expectations of short-term volatility, as measured by the VIX index, declined from record levels but still remains elevated.
- At the recent height, the VIX index reached 82.7, a level surpassing the pinnacle of volatility during the GFC, showing the magnitude of investor fear.
- As investors continue to process the impacts of COVID-19 and the effectiveness of the policy response, it is likely that volatility will remain high.

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<sup>&</sup>lt;sup>1</sup> Source: Chicago Board of Exchange. Data is as of April 3, 2020.



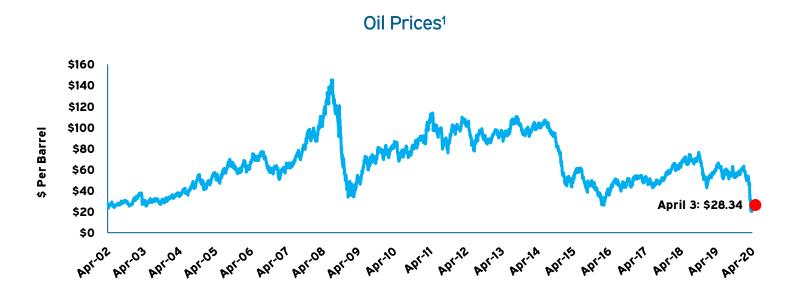


- The price of gold over the last few years has been heavily influenced by central bank demand, particularly from Russia, amidst heighted geopolitical and economic uncertainty; other emerging markets (central banks and private investors) have also been actively purchasing gold.
- However, as risk assets and oil markets declined over the last two months, and liquidity broadly deteriorated, demand for gold declined with its apparently increasing use as a source of funds, and then recovered modestly as markets stabilized.

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<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. Data is as of April 3, 2020.





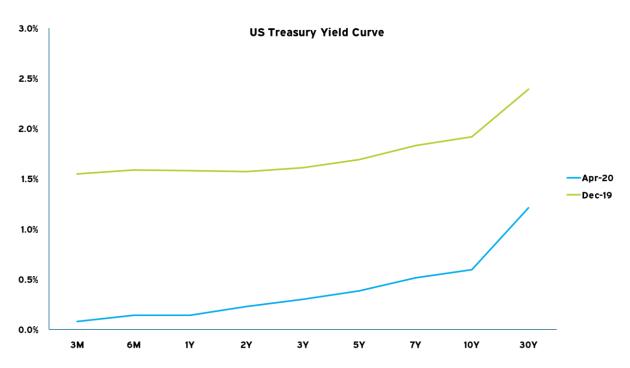
- Oil markets came under pressure as the virus started to lower global growth expectations, but prices deteriorated further when Saudi Arabia initiated a price war due to Russia's decision to not participate in the proposed OPEC+ supply cuts.
- President Trump announced that he intends to build US oil reserves in an attempt to support the domestic industry and capitalize on lower oil prices.
- During the volatility and aggressive supplier actions, oil prices (as measured by West Texas Intermediate) traded below \$21 per barrel. This represented a decline of over 55% since February 19, to reach levels not seen since 2001. Subsequently, we have seen a modest recovery given the potential for a coordinated supply cut between Saudi Arabia and Russia.

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 $<sup>^{</sup>m 1}$  Source: Bloomberg. Represents first available futures contract. Data is as of April 3, 2020.







• The US Treasury yield curve has declined materially since last year, driven by notable cuts in monetary policy rates impacting the shorter-dated maturities, and flight-to-quality flows, low inflation, and declining growth expectations driving longer-dated maturities.

<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. Data is as of April 3, 2020.





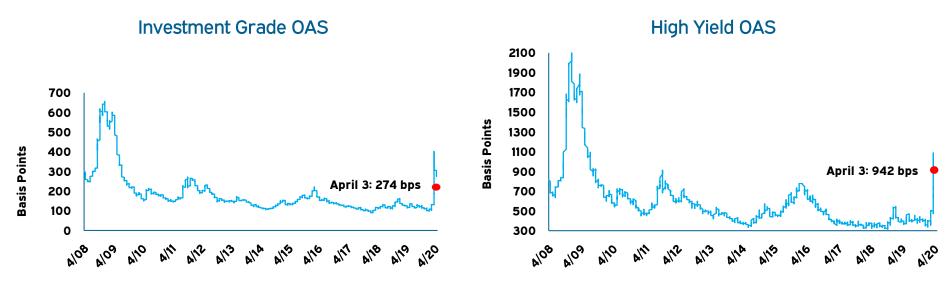


- Inflation breakeven rates declined sharply over the last two months, due to a combination of declines in inflation expectations and liquidity dynamics in TIPS during the height of rate volatility.
- Breakeven rates have not traded near these levels since the GFC, and when they did, the Federal Reserve responded with large-scale asset purchases; this is consistent with recent policy actions.
- Inflation expectation levels have come off of their recent lows as liquidity improved and given the potential inflationary impacts of the unprecedented US fiscal and monetary responses.

<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. Data is as of April 3, 2020.



#### Credit Spreads (High Yield & Investment Grade)<sup>1</sup>



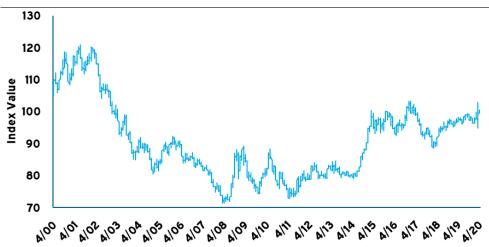
- Credit spreads (the spread between a comparable Treasury bond) for investment grade and high yield corporate debt expanded sharply as investors preferred perceived safe-haven bonds.
- Investment grade bonds have held up much better than high yield bonds, which have a far greater risk of
  default in this environment. The Federal Reserve's recently announced corporate debt purchase program
  for investment grade securities has also provided support.
- Corporate debt issuance has more than doubled since 2008, which magnifies the impact of deterioration in the corporate debt market. This is particularly true for the energy sector, which represents a large portion of the high yield bond market.

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<sup>&</sup>lt;sup>1</sup> Source: Federal Reserve Bank of St. Louis Economic Research. Data is as of April 3, 2020.





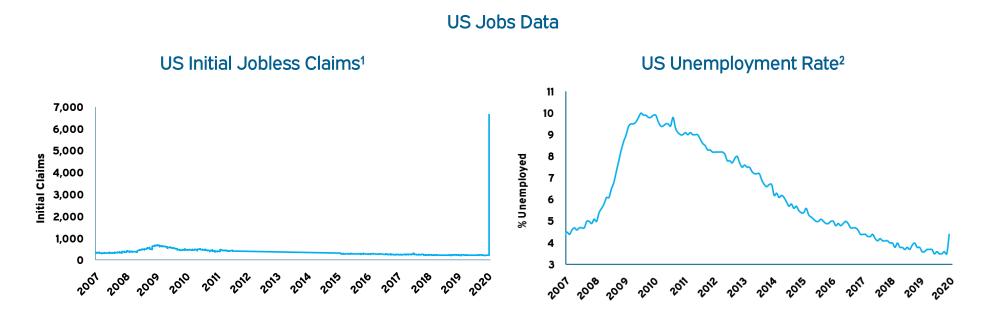


- When financial markets began aggressively reacting to COVID-19 developments, the US dollar came under selling pressure as investors sought safe-haven exposure in currencies like the Japanese yen.
- As the crisis grew into a pandemic, investors' preferences shifted to holding US dollars and highly liquid, short-term securities like US Treasury bills. This global demand for US dollars has resulted in an appreciation against most major currencies.
- A relatively strong US dollar makes US goods more expensive for overseas consumers and causes commodity prices outside the US to rise, negatively impacting foreign countries, and particularly emerging markets.
- To help ease global demand for US dollars, the Federal Reserve, working with a number of global central banks, re-established the US dollar swap program, providing some recent relief to other currencies.

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<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. Represents the DXY Index. Data is as of April 3, 2020.





- Layoffs have risen dramatically as businesses have been forced to close in an effort to stop the spread of the disease.
- In addition to the 3.3 million claims last week, an additional 6.6 million people filed claims for initial unemployment benefits, showing just how immediate and unprecedented the impact of the virus is.
- Last week data released showed over 700,000 jobs lost in March and an increase in the unemployment rate to 4.4% from 3.5%.

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<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of March 28, 2020.

<sup>&</sup>lt;sup>2</sup> Source: Bloomberg. U-3 US Employment Rate, total in labor force, seasonally adjusted. Data is as of March 31, 2020



#### Historic \$2T US Fiscal Stimulus

Destination	Amount (\$ Billion)
Individuals	\$560
Large Corporations	\$500
Small Business	\$377
State & Local Governments	\$340
Public Health	\$154
Student Loans	\$44
Safety Net	\$26

- Recently, a historic \$2 trillion fiscal package was approved in the US, representing close to 10% of GDP and including support across the economy.
- Individuals will receive a package of cash payments of up to \$1,200 per adult and \$500 per child, and extended and higher weekly unemployment benefits (+\$600/week).
- The package also includes a \$500 billion lending program for distressed industries, like airlines, and \$377 billion in loans to small businesses.
- Other parts of the package include allocations to state and local governments, support for public health, student loan relief, and a safety net.
- The next round of fiscal stimulus is already under discussion in the US and could include money for infrastructure, healthcare equipment, and expanded paid leave.

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### Policy Responses

	Fiscal	Monetary
United States	\$50 billion to states for virus related support, interest waived on student loans, flexibility on tax payments and filings, expanded COVID-19 testing, paid sick leave for hourly workers, \$2 trillion package for individuals, businesses, and state/local governments.	Cut policy rates to zero, unlimited QE4, offering trillions in repo market funding, restarted CPFF, PDCF, MMMF programs to support lending and financing market, expanded US dollar swap lines with foreign central banks, announced IG corporate debt buying program, Main Street Lending program, repo facility with foreign central banks, and easing of some financial regulations for lenders.
Euro Area	Germany: Launched 750 billion euro stimulus package.  France: 45 billion euro for workers, guaranteed up to 300 billion euro in corporate borrowing.  Italy: 25 billion euro emergency decree, suspending mortgage payments for impacted workers.  Spain: 200 billion euro and 700 million euro loan and aid package, respectively.	Targeted longer-term refinancing operations aimed at small and medium sized businesses, under more favorable pricing, and announced the 750 billion euro Pandemic Emergency Purchase Program.
Japan	\$20 billion in small business loans, direct funding program to stop virus spread among nursing homes and those affected by school closures, discussion of additional relief in the coming months.	Increase in QE purchases (ETFs, corporate bonds, and CP), and 0% interest loans to businesses hurt by virus.
China	Tax cuts, low-interest business loans, extra payments to gov't benefit recipients.	Expanded repo facility, policy rate cuts, lowered reserve requirements.
Canada	\$7.1 billion in loans to businesses to help with virus damage.	Cut policy rates, expanded bond-buying and repos, lowered bank reserve requirements.
UK (BOE)	Tax cut for retailers, small business cash grants, benefits for those infected with virus, expanded access to gov't benefits for self and un-employed.	Lowered policy rates and capital requirements for UK banks, restarts QE program.
Australia	\$11.4 billion, subsidies for impacted industries like tourism, one-time payment to gov't benefit recipients.	Policy rate cut, started QE.

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#### **Coronavirus Comparison**

	Flu in US <sup>1</sup>	SARS (Global)	Coronavirus (Global) <sup>2</sup>
Confirmed Cases	~32,000,000	8,098	1,407,123
Deaths	~18,000	774	79,091
Mortality Ratio	<0.1%	9.6%	5.6%
Infectivity Ratio <sup>3</sup>	1.3	3.0	2.2

- While confirmed cases are notably lower than reported cases of the flu, the number of reported COVID-19 infections continues to rise and infectious disease experts do not see that stopping over the near-term.
- The mortality rate of the COVID-19 virus is a focal point in assessing the severity of the illness versus other viruses, and while higher than the flu, it is expected that as nationwide testing becomes more readily available, the measured ratio should decline.

<sup>&</sup>lt;sup>1</sup> Source: CDC. Reflects medians of estimates for flu season October 2019 – February 2020.

<sup>&</sup>lt;sup>2</sup> Source: Johns Hopkins CSSE. As of April 7, 2020. Infectivity Ratio from WHO.

 $<sup>^{</sup>m 3}$  Ratio represents the amount of people infected on average from one patient.



#### **Potential Economic Impacts**

#### **Supply Chain Disruptions:**

- Factories closing, increased cost of stagnant inventory, and disrupted supply agreements.
- Reduced travel, tourism, and separation policies including closed borders: Significant impact on service based economies.

#### Labor Force Impacts:

- Huge layoffs are extremely likely, across both service and manufacturing economies.
- Increased strains as workforce productivity declines throughout increased societal responsibilities (e.g., home schooling of children) and decreased functionality working from home.
- Illnesses from the disease will also reduce portions of the labor force temporarily.

#### **Declines in Business and Consumer Sentiment:**

• Sentiment drives investment and consumption, which leads to increased recessionary pressures if sentiment slips.

#### Wealth Effect:

• As financial markets decline and wealth deteriorates, consumer spending will be impacted.



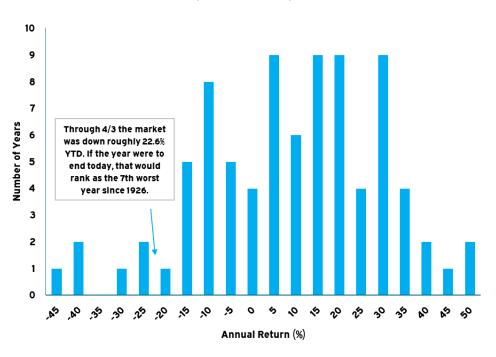
#### Looking Forward...

- There will definitely be economic impacts, and likely a recession.
  - How deep it will be and how long it will last depend on a number of factors (below) that are unknowable at this time.
- The length of the virus and country responses will be key considerations.
  - As of now, it is not clear the end is in sight; however, impacted countries are attempting to lay the groundwork to support a recovery.
- Central banks and governments are pledging support, but will it be enough?
  - Based on initial market reactions to announced policies, the answer is no, until the virus gets better contained.
- Expect heightened market volatility given the virus and previous high valuations.
  - This has been a consistent theme over the last few weeks, and volatility is likely to remain elevated for some time.
- It is important to continue to have a long-term focus.
  - History supports the argument that maintaining a long-term focus will ultimately prove positive for diversified portfolios.

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# Distribution of Annual S&P 500 Returns<sup>1</sup> (1926-2020)



- The 22.6% year-to-date decline (through 4/3) in the S&P 500 would be the seventh largest in history if it ended the year at this level.
- With around nine months remaining in 2020, and trillions of dollars in fiscal and monetary stimulus being deployed, we expect asset prices to experience notable volatility over the near term.

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<sup>&</sup>lt;sup>1</sup> Source: Bloomberg. Data is as of April 3, 2020.



#### Prior Drawdowns and Recoveries from 1929-20201

Period	Peak-to-Trough Decline of the S&P 500	Approximate Time to Recovery
Sept 1929 to June 1932	-85%	266 months
February 1937 to April 1942	-57%	48 months
May 1946 to February 1948	-25%	27 months
August 1956 to October 1957	-22%	11 months
December 1961 to June 1962	-28%	14 months
February 1966 to October 1966	-22%	7 months
November 1968 to May 1970	-36%	21 months
January 1973 to October 1974	-48%	69 months
September 1976 to March 1978	-19%	17 months
November 1980 to August 1982	-27%	3 months
August 1987 to December 1987	-32%	19 months
July 1990 to October 1990	-20%	4 months
July 1998 to August 1998	-19%	3 months
March 2000 to October 2002	-49%	56 months
October 2007 to March 2009	-57%	49 months
February 2020 to April 2020	-27%	TBD
Average	-36%	41 months
Average ex. Great Depression	-33%	25 months

- Markets are continuing to reprice amidst the uncertain impact of the virus on markets and the global economy, which means this drawdown is still being defined in the context of history.
- That said, financial markets have experienced material declines with some frequency, and while certain declines took a meaningful time to recover, in all cases they eventually did.
- The current decline is severe, and it is still too early to tell how long a full recovery might take.

<sup>&</sup>lt;sup>1</sup> Source: Goldman Sachs. Recent peak to trough declines are through April 3, 2020.



#### **Implications for Clients**

- Be prepared to rebalance and take advantage of the age-old wisdom "buy low, sell high".
  - Before rebalancing, consider changes in liquidity needs given the potential for inflows to decline in some cases.
  - Also, consider the cost of rebalancing as investment liquidity declines.
- Diversification works. The latest decline was an example of a flight to quality.

# Performance YTD (through April 3, 2020)

S&P 500	ACWI (ex. US)	Aggregate Bond Index	Balanced Portfolio <sup>1</sup>
- 22.6%	- 26.3%	3.4%	-14.9%

- Meketa will continue to monitor the situation and communicate frequently.
  - The situation is fluid and the economic impact is uncertain at this stage.
- Please feel free to reach out with any questions.
  - We would be glad to assist with performance estimates, memorandums, or phone calls.

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<sup>&</sup>lt;sup>1</sup> Source: InvestorForce. Balanced Portfolio represents 60% MSCI ACWI and 40% Bloomberg Barclays Global Aggregate.



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Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta\*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

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Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account**: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

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Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI)**: Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.

The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

The Russell Indices, TM, SM are trademarks/service marks of the Frank Russell Company.

Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.

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#### **MINUTES**

# REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE

#### CALOPTIMA 505 CITY PARKWAY WEST ORANGE, CALIFORNIA

#### February 20, 2020

#### **CALL TO ORDER**

Chair Lee Penrose called the meeting to order at 2:02 p.m. Director Schoeffel led the Pledge of Allegiance.

Members Present: Lee Penrose, Chair; Ria Berger; Scott Schoeffel

**Members Absent:** None

**Others Present:** Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel;

Nancy Huang, Chief Financial Officer; Sharon Dwiers, Clerk of the Board

#### **PUBLIC COMMENT**

There were no requests for public comment.

#### **MANAGEMENT REPORTS**

#### 1. Chief Financial Officer Report

Nancy Huang, Chief Financial Officer, provided a final update on the dissolution of the CalOptima Foundation and noted the final tax return has been sent to the CalOptima Foundation Audit Committee for review and will be filed with IRS in March.

Ms. Huang also provided an update on the Department of Health Care Services (DHCS) Medi-Cal capitation rates. Current Medi-Cal capitation rates covers July 2019 to December 2020, which is an 18-month bridge period. Going forward, DHCS will set rates on a calendar year basis. Next year's Medi-Cal rates will be released during the 3rd or 4th quarters of 2020. This change will affect our next fiscal year's budget process. We will be using the existing rates for the first six months of FY 2020-21, which is July through December 2020. For the second half of the year, staff will calculate the rates based on internal projections since the draft rates will not be released until after the new fiscal year has begun.

#### INVESTMENT ADVISORY COMMITTEE UPDATE

#### 2. Treasurer's Report

Ms. Huang presented the Treasurer's Report for the period October 1, 2019 through December 31, 2019.

The portfolio totaled \$1.5 billion dollars at December 31, 2019. Of this amount, \$900 million was in CalOptima's operating account and \$567 million was included in CalOptima's Board-designated reserves.

Meketa Investment Group, Inc. completed an independent review of the investment reports prepared by CalOptima's three investment managers: MetLife, Payden & Rygel and Wells Capital. The review found that all investments were compliant with California Government Code section 53600 *et seq.*, and CalOptima's 2019 Annual Investment Policy.

Ms. Huang also provided an update on Phase 2 of Private Hospital Directed Payments (PHDP), noting that approximately \$100 million will be released by DHCS by the end of March. CalOptima plans to make distributions to qualifying hospitals within 30 days after the funding is received.

#### **CONSENT CALENDAR**

3. Approve the Minutes of the November 15, 2019 Special Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the October 21, 2019 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Director Schoeffel, seconded and carried, the Committee

approved the Consent Calendar as presented. (Motion carried 3-0-0)

#### **REPORTS**

4. Consider Recommending Board of Directors' Approval of Reappointment to the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Director Schoeffel, seconded and carried, the Finance and Audit

Committee recommended the reappointment of Susan Munson to the Board of Directors' Investment Advisory Committee for a two-year term beginning

March 5, 2020. (Motion carried 3-0-0)

5. Consider Recommending Board of Directors Authorize Proposed Budget Allocation Change in the CalOptima Fiscal Year (FY) 2019-20 Operating Budget for Translation Expenses
Belinda Abeyta, Executive Director, Operations, introduced this item.

Action: On motion of Director Berger, seconded and carried, the Committee

recommends that the Board of Directors' authorize reallocation of budgeted, but unused funds in the amount of \$200,000 within Cultural & Linguistic Services from Printing and Postage to Translation Expense through June 30,

2020. (Motion carried 3-0-0)

6. Consider Recommending Board of Directors' Authorization of Expenditures in the CalOptima Fiscal Year 2019-20 Operating Budget for Claims Editing Solution and Recovery Services

Ms. Abeyta introduced the item and noted that the recommended action in the PowerPoint presentation should have read "in an amount not to exceed \$1,395,000", instead of \$1.4 million from existing

reserves.

Action:

On motion of Director Berger, seconded and carried, the Committee Recommended that the Board of Directors' authorize unbudgeted operating expenditures within the Medi-Cal program Purchased Services expense category in an amount not to exceed \$1,395,000 \$1.4 million-from existing reserves for the following: 1.) An increase of up to \$645,000 to fund contingency fees for pre-payment claims editing solutions of professional services claims; 2.) An increase of up to \$750,000 to fund contingency fees for overpayment recoveries related to inpatient Diagnosis Related Group (DRG) and outpatient Ambulatory Payment Classification (APC) paid claims and non-pursuit fees. (Motion carried 3-0-0)

Rev. 2/20/20

7. Consider Recommending Board of Directors' Allocation of Intergovernmental Transfer (IGT) 9 Funds

Candice Gomez, Executive Director, Program Implementation, provided an update on the allocation of IGT 9 Funds. It was noted that beginning with IGT 8 through 10 these funds are counted as part of the capitation revenue CalOptima receives from the DHCS, so any expenditure of these IGT funds that do not qualify as medical expenses become part of CalOptima's Administrative Loss Ratio (ALR). Ms. Gomez reviewed the four primary focus areas: Member Access and Engagement - \$6.5 million; Quality Performance - \$3.4 million; Data Exchange and Support - \$2.0 million, and Other Identified Priority Areas - \$33.1 million. Ms. Gomez also noted that the last focus area of Other Identified Priority Areas includes support for the Whole Child Model (WCM) Program, which is projected to generate an operating loss of \$31.1 million for FY 2019-20.

Committee members expressed concern about the WCM program operating losses and questioned how these would be addressed in the absence of IGT funds prospectively.

CEO Michael Schrader shared that the other WCM plans are also losing money and most plans are funding operating losses from reserves. He also indicated that though the state will not adjust CalOptima's rates for FY 2019-20, it is anticipated that the state will address the rates prospectively.

After considerable discussion, the Committee took the following action:

Action:

On motion of Director Schoeffel, seconded and carried, the Committee recommended Board of Directors' 1.) Approve the recommend allocation of IGT 9 funds in the amount of \$45 million for initiatives for quality performance, access to care, data exchange and support and other priority areas; and 2.) Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to take actions necessary to implement the proposed initiative, subject to staff first returning to the Board for approval of; a.) Additional initiative(s) related to member access and engagement; and b.) New and/or

## modified policies and procedures, and contracts/contract amendments, as applicable. (Motion carried 3-0-0)

8. Consider Extension of Altruista Health Contract for Comprehensive Medical Management System Mr. Schrader and Nora Onishi, Director, Information Services, introduced this item, noting that staff is recommending an extension for the contract rather than going out with a request for proposal (RFP) as CalOptima is currently going through an upgrade and hopes the upgrade will include the enhancements that staff has been requesting from Altruista.

After discussion on this item the Committee agreed to approve the action contingent on a successful upgrade.

Action:

On motion of Director Schoeffel, seconded and carried, the Committee recommended Board of Directors' authorize the Chief Executive Officer (CEO) to 1.) Extend the Altruista Contract through April 6, 2024, with the existing terms and conditions; and 2.) Authorize payment of maintenance and support fees to Altruista through the contract end-date at currently contracted rates, contingent on a successful upgrade. (Motion carried 3-0-0)

*Rev.* 2/20/20

#### **INFORMATION ITEMS**

#### 9. November and December 2019 Financials

Ms. Huang provided an overview of enrollment, operating performance, liquidity, Board-Designated Reserves, and CalOptima's tangible net equity (TNE) requirements as of November 30, 2019.

#### 12. Proposed Change to Health Network Capitation Rate Structure

Ms. Huang provided an overview of the health network capitation rate structure, noting that staff is evaluating reimbursement levels for both fee-for-service and capitation. Ms. Huang reported that CalOptima has engaged Milliman for rebasing services and reported that this will be an opportunity to better align CalOptima's health network capitation rate categories to how CalOptima receives revenue.

#### 13. Update on Business Insurance Renewal for Policy Year 2021

Kelly Klipfel, Director, Financial Compliance, provided an update on CalOptima's business insurance for Policy Year 2021. Ms. Klipfel noted that carriers are hesitant to issue quotes prior to approximately two months before the policy expiration date. Ms. Klipfel also reviewed the mandatory coverage and additional coverage categories as well as the process and timeline.

Ms. Huang responded to Chair Penrose's request for a primer on the upcoming budget process, noting that CalOptima staff is working with contracted actuaries at Milliman on health network capitation and on the rebasing. Ms. Huang noted that staff has been communicating with our health networks and hospitals to communicate information they may need for their budgeting processes. Budget primers will be presented at the April and May Board meetings and then the full budget will be brought to May 21, 2020 Finance and Audit Committee (FAC) for consideration. Following review by the FAC, the FY 2020-21 budget will be presented in June to the full Board for approval.

The following Information Items were accepted as presented:

- 10. CalOptima Information Security Update
- 11. The Future of CalOptima Core Administrative System
- 14. Update on the Department of Health Care Services and the Center for Medicare & Medicaid Services Recoupments
- 15. Quarterly Operating and Capital Budget Update
- 16. Quarterly Reports to the Finance and Audit Committee
  - a. Shared Risk Pool Performance
  - b. Whole-Child Model Financial Report
  - c. Reinsurance Report
  - d. Health Network Financial Report
  - e. Contingency Contract Report

#### **COMMITTEE MEMBER COMMENTS**

Committee members thanked staff for their work in preparing the committee materials.

#### **ADJOURNMENT**

Hearing no further business, Chair Penrose adjourned the meeting at 3:47 p.m.

/s/ Sharon Dwiers
Sharon Dwiers
Clerk of the Board

*Approved:* May 21, 2020

#### **MINUTES**

#### MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' INVESTMENT ADVISORY COMMITTEE

#### **January 27, 2020**

A meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC) was held on Monday, January 27, 2020, at CalOptima, 505 City Parkway West, Orange, California.

#### **CALL TO ORDER**

Chair Patrick Moore called the meeting to order at 3:06 p.m. and led the Pledge of Allegiance.

**ROLL CALL** 

Members Present: Chair Patrick Moore, Caroline Harkins, Nancy Huang, David Young

Members Absent: Rodney Johnson

Others Present: Hannah Schriner, Stephanie Sorg, Meketa Investment Group; Asha

Joshi, Payden & Rygel; Scott Pavlak, Erin Klepper, Juan Peruyero, MetLife Investment Management; Seth Takata, Tony Mellville, Wells Capital Management; Gary Crockett, Chief Counsel; Eric Rustad, Director, Financial Analysis; Joyce Mellinger, Accounting Manager; Faye Heidari, Accounting Supervisor; Hong-Ha Do, Accountant, Senior;

Pamela Reichardt, Executive Assistant

#### **MINUTES**

Approve Minutes of the October 21, 2019, Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Chair Moore, seconded and carried, the Minutes of the

October 21, 2019, Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion

carried 4-0-0, Member Johnson Absent).

#### **PUBLIC COMMENT**

There were no requests for public comment.

Minutes of the Meeting of the CalOptima Board of Directors' Investment Advisory Committee January 27, 2020 Page 2

#### MANAGEMENT REPORTS

#### **Chief Executive Officer (CEO) Report**

No report.

#### **Chief Financial Officer (CFO) Report**

CFO Nancy Huang reported that the Department of Health Care Services (DHCS) released CalAIM, a proposal that contains changes that could significantly impact the future of the Medi-Cal delivery system framework. DHCS is seeking to integrate delivery systems and align funding, data reporting, quality and infrastructure to incentivize plans and providers toward common goals. Staff is closely monitoring these proposed changes and the impact on CalOptima's future programs and funding.

Ms. Huang reported that staff received notification from DHCS that the Phase II Private Hospital Directed Payment (PHDP) will arrive in March. The total dollar amount is estimated at \$100 million. CalOptima is planning to make the distribution to hospitals within 30 days of receipt.

Ms. Huang provided an update on the 5% limits for credit counter party discussion at the January 2020 meeting. Staff had completed the proposed update to the Annual Investment Policy and forwarded it to CalOptima's internal policy review committee for review. Staff plans to bring proposed updates to the Annual Investment Policy to the April IAC meeting, the May Finance and Audit Committee meeting, and the June Board meeting for approval. As proposed, effective date for the revised policy will be July 1, 2020, after receiving Board approval.

#### **REPORTS**

#### **Consider the Investment Advisory Committee 2020 Meeting Schedule**

Action: On motion of Member Caroline Harkins, seconded and

carried, the Investment Advisory Committee approved IAC Meeting

Dates for Calendar Year 2020.

(Motion carried 4-0-0, Member Rodney Johnson Absent)

## Consider Recommending Reappointment to the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Member David Young, seconded and carried, the

Investment Advisory Committee recommended the reappointment of Susan Munson to the Board of

Directors' Investment Advisory Committee for a two-year term ending March 5, 2022. (Motion Carried 4-0, Member Johnson

absent)

Minutes of the Meeting of the CalOptima Board of Directors' Investment Advisory Committee January 27, 2020 Page 3

#### **INFORMATION ITEMS**

#### **Presentation by Meketa Investment Group**

Hannah Schriner, Vice President, provided a company and staff update. Ms. Schriner reported that as of Q4 2019, CalOptima's total fund market value was \$1.47 billion. She reported that CalOptima's investment portfolio was in compliance with CalOptima's Annual Investment Policy for the quarter.

#### Presentation by Payden & Rygel

Asha Joshi, Managing Principal, Payden & Rygel, provided a firm update and discussed overall themes within the U.S. economy and the fund performance summary.

Jeffrey Cleveland, Chief Economist, reported on current economic themes, and provided a U.S. and global economic update.

#### Presentation by Wells Capital Management

Seth Takata, Director, Asset Management, introduced himself to the Committee and provided a firm update.

Tony Mellville provided an operating portfolio update and a summary of market themes.

#### Presentation by MetLife Investment Management

Erin Klepper, Associate Director, gave a firm and portfolio update.

Ms. Klepper introduced Juan Peruyero, Portfolio Manager, who gave a portfolio and economic update.

#### **Financial Update**

Ms. Huang provided a summary of CalOptima's October 2019 financials. Overall, enrollment was slightly below budget by 0.6%. CalOptima's change in net assets for the month of October was \$2.4 million, which includes \$3.9 million from investment income and a \$1.5 million loss from operations. The year-to-date change in net assets was \$15 million. Also, on a year-to-date basis, the Medical Loss Ratio (MLR) is 96%, and the Administrative Loss Ratio (ALR) is 3.7%.

#### **Committee Members' Comments**

Chair Moore and Committee members thanked Peggy Eckroth for her years of service to the IAC, as she was retiring from the committee. Ms. Huang noted that if any committee members would like to refer a potential IAC committee member to please contact staff.

Minutes of the Meeting of the CalOptima Board of Directors' Investment Advisory Committee January 27, 2020 Page 4

#### **ADJOURNMENT**

Hearing no further business, Chair Moore adjourned the meeting at 4:43 p.m.

/s/ Pamela Reichardt\_\_\_\_\_

Pamela Reichardt Executive Assistant

Approved: April 20, 2020

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

#### **Report Item**

4. Consider Recommending Board of Director's Approval of the CalOptima Fiscal Year 2020-21 Capital Budget

#### **Contact**

Nancy Huang, Chief Financial Officer, (714) 246-8400

#### **Recommended Actions**

Recommend that the Board of Directors:

- 1. Approve the CalOptima Fiscal Year (FY) 2020-21 Capital Budget; and
- 2. Authorize the expenditures and appropriate the funds for the items listed in Attachment A: Fiscal Year 2020-21 Capital Budget by Project, which shall be procured in accordance with CalOptima's Board-approved policies.

#### **Background**

As of March 31, 2020, CalOptima recorded gross capital assets of \$92.8 million in the 505 Building, building improvements, furniture, equipment, and information systems. To account for these fixed assets wearing out over time, Staff has charged against the cost of these assets an accumulated depreciation totaling \$51.4 million. Staff will record capital assets acquired in FY 2020-21 at acquisition cost and will depreciate the value on a straight-line basis over their estimated useful lives as follows:

- Five (5) years for office furniture and fixtures;
- Three (3) years for computer equipment and software;
- The lesser of fifteen (15) years or remaining term of lease for leasehold improvements; and
- Ten (10) to twenty (20) years based on components for building improvements.

The resulting net book value of these fixed assets was \$41.4 million as of March 31, 2020. Prior Board-approved capital budgets were \$11.0 million in FY 2019-20, and \$9.8 million in FY 2018-19.

Pursuant to CalOptima Policies GA. 3202: CalOptima Signature Authority, GA. 5002: Purchasing Policy, and GA. 5003: Budget and Operations Forecasting, the Board's approval of the budget authorizes the expenditure of the item and appropriates the funds requested without further Board action to the extent the Board has or is, as indicated in the budget attachments, delegating authority to Management.

#### **Discussion**

Management proposes a Capital Budget of \$16.2 million for FY 2020-21 for the following asset types within three (3) asset categories summarized in the following table and detailed below:

Category	Amount	% of Total
1. Information Systems		
Hardware	\$3,883,000	23.9%
Software	\$7,719,000	47.6%
Professional fees related to implementation	\$2,879,000	<u>17.7%</u>
Subtotal	\$14,481,000	89.2%
2. 505 Building Improvements	\$1,636,000	10.1%
3. PACE	\$119,000	0.7%
Total	\$16,236,000	100.0%

#### 1. Information Systems

Information Systems represent nearly \$14.5 million or 89.2% of the proposed Capital Budget. This asset category primarily addresses CalOptima's information technology infrastructure needs.

Project Type	Amount	% of Total
Infrastructure	\$2,198,000	15.2%
Applications Management	\$10,370,000	71.6%
Applications Development	\$1,913,000	13.2%
Total	\$14,481,000	100.0%

The Capital Budget includes hardware, software, and professional fees related to implementation to fund multiple systems upgrades. More detailed information is provided in Attachment A: Fiscal Year 2020-21 Capital Budget by Project. These upgrades are necessary to support internal operations, and to continue to comply with state and federal statutory, regulatory and contractual requirements.

#### 2. 505 Building Improvements

Proposed 505 Building Improvements represent \$1.6 million or 10.1% of the Capital Budget. The largest item of \$415,000 or 25.4% of the 505 Building capital expenditures is to fund Office Renovations.

Project Type	Amount	% of Total
Office Renovations (Cubicle Reconfigurations)	\$415,000	25.4%
Multiple Bathroom Upgrades (Original Bathrooms on 2nd and 4th	\$375,000	22.9%
Floors)		
Lobby Security Improvements (Safety Barrier and Customer	\$300,000	18.4%
Service Room Reconfiguration)		
1st Floor Conference Rooms Audio Visual System Upgrade	\$135,000	8.3%
Cooling Tower Continuation	\$80,000	4.9%
Copier Replacements and Lease	\$75,000	4.6%
Sink Heating Installation for Restrooms Floors 5-10	\$50,000	3.1%
Conference Rooms Audio Visual System Upgrade (5th and 9th	\$42,000	2.6%
Floors)		
Ground Floor Corridor Heating and Cooling Boxes Replacement	\$35,000	2.1%

CalOptima Board Action Agenda Referral Consider Recommending Approval of the CalOptima Fiscal Year 2020-21 Capital Budget Page 3

Project Type	Amount	% of Total
IDF Room HVAC Continuation	\$25,000	1.5%
Ceiling Replacement in Passenger Elevators	\$25,000	1.5%
Building Security Cameras Upgrade	\$22,000	1.3%
1st Floor Card Reader Addition	\$20,000	1.2%
Replacement of Trash Room Double Doors with Fire Rated Doors	\$15,000	0.9%
Domestic Water Circulation Pump Replacement	\$12,000	0.7%
Recording Studio	\$10,000	0.6%
Total	\$1,636,000	100.0%

#### 3. Program for All-Inclusive Care for the Elderly (PACE)

The remaining portion of \$119,000 or 0.7% of the proposed Capital Budget is for capital expenditures at the PACE Center.

Project Type	Amount	% of Total
Workspace Efficiency and Expansion	\$57,000	47.9%
Rehab Equipment	\$15,000	12.6%
Audiovisual and Conference Room	\$12,000	10.1%
Lobby Refurbishment	\$10,000	8.4%
Clinic Doors Handicap Access	\$7,000	5.9%
Internal Staff Communication	\$6,000	5.0%
Clinic Spirometer	\$5,000	4.2%
Commercial Freezer	\$5,000	4.2%
Exterior Electricity	\$2,000	1.7%
Total	\$119,000	100.0%

#### **Fiscal Impact**

Investment in the proposed Capital Budget will reduce CalOptima's investment principal by \$16,236,000. At a 1% return rate, this would reduce annual interest income by approximately \$162,360. Depreciation expense for Information Systems and 505 Building Improvements is reflected in CalOptima's Operating Budget.

#### **Rationale for Recommendation**

The proposed FY 2020-21 Capital Budget will enable necessary system upgrades, enhance operational efficiencies, support strategic initiatives, comply with federal and state requirements, and improve and upgrade the 505 Building and the PACE Center.

CalOptima Board Action Agenda Referral Consider Recommending Approval of the CalOptima Fiscal Year 2020-21 Capital Budget Page 4

# Concurrence

Gary Crockett, Chief Counsel

**Attachments** 

Attachment A: Fiscal Year 2020-21 Capital Budget by Project

/s/ Richard Sanchez
Authorized Signature

05/14/2020
Date

INFRASTRUCTURE	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Internet Firewall Protection Server Upgrade	450,000			450,000
505 Building Wireless System Upgrade	430,000			430,000
New IT Asset Management Application	100,000	150,000	50,000	300,000
User Identity and Access Management Application	70,000		200,000	270,000
Core Operational Server Upgrade (Blade Servers)	200,000			200,000
Business Partner End to End Virtual Private Network Upgrade	160,000			160,000
CalOptima Internal Network Firewall Protection Server Upgrade	150,000			150,000
Remote Work Secure Connection Token Upgrade	93,000			93,000
Data Warehouse Disk Storage Array Upgrade and Replacement	54,000			54,000
Call Center Telephony Upgrade	25,000	25,000		50,000
PACE Network Router Replacement	19,000			19,000
Storage Area Network Switch Ports Expansion	13,000			13,000
Virtual Machine VM Blade Switch Enclosures Upgrade	9,000			9,000
TOTAL INFRASTRUCTURE	\$ 1,773,000	\$ 175,000	\$ 250,000	\$ 2,198,000

APPLICATIONS MANAGEMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
CMS Interoperability and Patient Access System Implementation	250,000	1,750,000	500,000	2,500,000
Care Management System Implementation	250,000	1,500,000	500,000	2,250,000
Core Administration System Enhancement	125,000	1,150,000	500,000	1,775,000
Claims Pricer Integration Software		1,000,000	200,000	1,200,000
Provider Data Management Solution	250,000	750,000	125,000	1,125,000
Claims Payment Automation System Upgrade		450,000	100,000	550,000
Managed Care Predictive Analytics and Data Modeling		400,000	100,000	500,000
Hardware Upgrade for Computer Robotic Workflow	200,000			200,000
Provider Credentialing Integration to the Core Administration System	70,000		100,000	170,000
Additional Memory, CPU and Disc Space	50,000			50,000
Additional Storage Server Equipment	50,000			50,000
TOTAL APPLICATIONS MANAGEMENT	\$ 1,245,000	\$ 7,000,000	\$ 2,125,000	\$ 10,370,000

APPLICATIONS DEVELOPMENT	HAR	DWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Provider Portal Referral Documentation File Server Infrastructure		550,000	35,000	60,000	645,000
CalOptima.org Web Content Management Server Upgrade		125,000	100,000	200,000	425,000
Litigation Hold and Discovery Applications			350,000		350,000
Enterprise Content Management System Consultation and Build				200,000	200,000
Data Governance and Meta Data Management Enhancement		60,000	50,000	24,000	134,000
Hardware to Support Portal Security Audit Reporting		60,000			60,000
Hardware to Support Financial HIPAA X12 Data Analysis		60,000			60,000
Application Development Source Code Foundation Server Replacement		10,000	9,000	20,000	39,000
TOTAL APPLICATIONS DEVELOPMENT	S	865,000	\$ 544,000	\$ 504,000	\$ 1,913,000

505 BUILDING IMPROVEMENTS	BUILDING	EQUIPMENT	PROFESSIONAL FEES	TOTAL CAPITAL
Office Renovations (Cubicle Reconfigurations)	380,000		35,000	415,000
Multiple Bathroom Upgrades (Original Bathrooms on 2nd and 4th Floors)	300,000		75,000	375,000
Lobby Security Improvements (Safety Barrier and Customer Service Room Reconfiguration)	250,000		50,000	300,000
1st Floor Conference Rooms Audio Visual System Upgrade	110,000		25,000	135,000
Cooling Tower Continuation	80,000			80,000
Copier Replacements and Lease	75,000			75,000
Sink Heating Installation for Restrooms Floors 5-10	50,000			50,000
Conference Rooms Audio Visual System Upgrade (5th and 9th Floors)	37,000		5,000	42,000
Ground Floor Corridor Heating and Cooling Boxes Replacement	35,000			35,000
IDF Room HVAC Continuation	20,000		5,000	25,000
Ceiling Replacement in Passenger Elevators	25,000			25,000
Building Security Cameras Upgrade	22,000			22,000
1st Floor Card Reader Addition	20,000			20,000
Replacement of Trash Room Double Doors with Fire Rated Doors	15,000			15,000
Domestic Water Circulation Pump Replacement	12,000			12,000
Recording Studio	10,000			10,000
TOTAL 505 BUILDING IMPROVEMENTS	\$ 1,441,000	s -	\$ 195,000	\$ 1,636,000

PACE	EQUIPMENT		PROFESSIONAL FEES	TOTAL CAPITAL
Workspace Efficiency and Expansion	57,000	-	-	\$57,000
Rehab Equipment	15,000	-	-	\$15,000
Audiovisual and Conference Room	12,000	-	-	\$12,000
Lobby Refurbishment	10,000	-	-	\$10,000
Clinic Doors Handicap Access	7,000	-	-	\$7,000
Internal Staff Communication	6,000	-	-	\$6,000
Clinic Spirometer	5,000	-	-	\$5,000
Commercial Freezer	5,000	-	-	\$5,000
Exterior Electricity	2,000	-	-	\$2,000
TOTAL PACE	\$ 119,000	s -	s -	\$ 119,000

5,443,000 \$

7,719,000 \$

3,074,000 \$

16,236,000

TOTAL FY 2020-21 CAPITAL BUDGET

# FY 2020-21 Capital Budget

# **Capital Budget by Category**



# **Overview of Capital Budget**

Category	FY 2020-21 Budget	% of Total
Information Systems		
Hardware	\$3,883,000	23.9%
Software	\$7,719,000	47.6%
Professional fees related to implementation	\$2,879,000	<u>17.7%</u>
Subtotal	\$14,481,000	89.2%
505 Building Improvements	\$1,636,000	10.1%
PACE	\$119,000	0.7%
Total	\$16,236,000	100.0%

- Departments submit requests for capital projects based on strategic and operational needs
- Information Services Department reviews technology requests



# Information Systems Budget

Project Type	FY 2020-21 Budget
Infrastructure (e.g., Network, Server, Storage, Security)	\$2,198,000
Applications Management (e.g., CMS Interoperability and Patient Access System Implementation, Care Management System Implementation, Core Administration System Enhancement)	\$10,370,000
Applications Development (e.g., Provider Portal Referral Documentation File Server Infrastructure, CalOptima.org Web Content Management Server Upgrade, Litigation Hold and Discovery Applications)	\$1,913,000
Total	\$14,481,000

- Represents nearly 89.2% of total Capital Budget
- Addresses information technology infrastructure needs
- Supports internal operations
- Ensures compliance with state and federal statutory, regulatory and contractual requirements



# **505 Building Improvements**

Project Type	FY 2020-21
	Budget
Office Renovations (Cubicle Reconfigurations)	\$415,000
Multiple Bathroom Upgrades (Original Bathrooms on 2nd and 4th Floors)	\$375,000
Lobby Security Improvements (Safety Barrier and Customer Service Room Reconfiguration)	\$300,000
1st Floor Conference Rooms Audio Visual System Upgrade	\$135,000
Cooling Tower Continuation	\$80,000
Copier Replacements and Lease	\$75,000
Sink Heating Installation for Restrooms Floors 5-10	\$50,000
Conference Rooms Audio Visual System Upgrade (5th and 9th Floors)	\$42,000
Ground Floor Corridor Heating and Cooling Boxes Replacement	\$35,000
IDF Room HVAC Continuation	\$25,000
Ceiling Replacement in Passenger Elevators	\$25,000
Building Security Cameras Upgrade	\$22,000
1st Floor Card Reader Addition	\$20,000
Replacement of Trash Room Double Doors with Fire Rated Doors	\$15,000
Domestic Water Circulation Pump Replacement	\$12,000
Recording Studio	\$10,000
Total	\$1,636,000



# **PACE Center Budget**

Project Type	FY 2020-21 Budget
Workspace Efficiency and Expansion	\$57,000
Rehab Equipment	\$15,000
Audiovisual and Conference Room	\$12,000
Lobby Refurbishment	\$10,000
Clinic Doors Handicap Access	\$7,000
Internal Staff Communication	\$6,000
Clinic Spirometer	\$5,000
Commercial Freezer	\$5,000
Exterior Electricity	\$2,000
Total	\$119,000



# **Recommended Actions**

- 1. Approve the CalOptima FY 2020-21 Capital Budget
- Authorize the expenditure and appropriate the funds for items listed in Attachment A: Fiscal Year 2020-21 Capital Budget by Project
  - > Items will be procured in accordance with CalOptima policies



#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

#### **Report Item**

5. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2020-21 Operating Budget

#### **Contact**

Nancy Huang, Chief Financial Officer, (714) 246-8400

#### **Recommended Actions**

Recommend that the Board of Directors:

- 1. Approve the CalOptima Fiscal Year (FY) 2020-21 Operating Budget; and
- 2. Authorize the expenditures and appropriate the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing Policy.

#### **Background**

The CalOptima FY 2020-21 Operating Budget provides revenues and appropriations for the period of July 1, 2020, through June 30, 2021, and includes the following budget categories:

- Medi-Cal:
- OneCare Connect;
- OneCare;
- Program for All-Inclusive Care for the Elderly (PACE);
- Multipurpose Senior Services Program (MSSP);
- Facilities; and
- Investment income.

Staff is submitting the complete budget for all lines of business for approval with assumptions based on available information to date. Pursuant to CalOptima Policies GA.3202: CalOptima Signature Authority, GA.5002: Purchasing Policy, and GA.5003: Budget and Operations Forecasting, the Board's approval of the budget authorizes the expenditure and appropriates the funds requested for the item without further Board action to the extent the Board has or is, as indicated in the budget attachments, delegating authority to Management.

The primary revenue source is the State of California. The COVID-19 pandemic has led to a national recession, sharp decline in state revenues, and rapid increases to health and human services caseloads and medical expenses. On May 14, 2020, the Governor released the revised state budget (May Revise) that projects a budget deficit of approximately \$54.3 billion for FY 2019-20 and FY 2020-21 combined. The Governor's budget proposes to close this gap with a combination of (1) Cancelled expansions and other reductions; (2) reserves; (3) borrowing, transfers, and deferrals; (4) new revenues; (5) federal funds; and (6) trigger cuts, if federal funding does not materialize.

The May Revise contains several proposals that will impact CalOptima's lines of business directly.

• New budget proposals in the May Revise

- o 1.5% rate reduction for the Medi-Cal managed care rates from July 1, 2019, through December 31, 2020 (i.e., Bridge Period). DHCS will implement a risk corridor; and
- Managed care capitation rate adjustments effective for rate year beginning January 1,
   2021. DHCS will make acuity, efficiency and cost containment downward revenue adjustments.
- Cancelled expansions or other reductions from January Budget
  - o Delayed implementation of CalAIM; DHCS noted the Whole Person Care pilot and Health Homes Program will continue as authorized;
  - o Cancelled Medi-Cal eligibility expansion to undocumented adults 65 and older; and
  - o Cancelled Medi-Cal eligibility expansion to seniors and persons with disabilities (SPD) with incomes between 123% and 138% FPL.
- Trigger cuts, if federal funding does not materialize
  - o Reduce adult dental benefits to partial restoration levels in 2014;
  - o Eliminate Medi-Cal optional benefits;
  - o Eliminate CBAS effective 1/1/21;
  - o Eliminate MSSP effective 7/1/20; and
  - Shift \$1.2B in Prop 56 funding to pay for Medi-Cal program caseload growth effective July 1, 2020.

The State Legislature is required to pass a balanced budget by June 15, 2020. CalOptima will have a high level of uncertainty until the final budget is passed. Staff has included the new budget proposals from the May Revise and cancelled expansions or other reductions from the Governor's January Budget in the current Operating Budget. At this time, the Newsom Administration has not provided a timeline for when they will decide on the proposed trigger cuts. Staff will continue to monitor the discussions between the Legislature and Newsom Administration to assess the likelihood of implementation.

Given the current COVID-19 environment, CalOptima staff continues to work to protect the health and safety of our members and to preserve Orange County's safety net health system. The proposed FY 2020-21 Consolidated CalOptima Operating Budget reflects management's efforts balance state funding constraints while upholding CalOptima's mission to ensure member access to quality care.

#### **CalOptima Budget Overview**

#### I. Consolidated Operating Budget

The FY 2020-21 Consolidated Operating Budget is a combined income and spending plan for all CalOptima programs and activities.

Table 1: FY 2020-21 Consolidated Operating Budget

	FY 2020-21 Budget
Average Monthly Enrollment	800,302
Revenue	\$3,555,013,609
Medical Costs	\$3,465,429,294
Administrative Expenses	\$166,306,834
Operating Income/Loss	(\$76,722,518)
Investments, Net	\$15,000,000
Change in Net Assets	(\$61,722,518)
Medical Loss Ratio (MLR)	97.5%
Administrative Loss Ratio (ALR)	4.7%

#### **Budget Assumptions**

<u>Medical Cost</u>: Several methods were utilized to develop the medical cost forecasts. Predominantly, projections were based on trends calculated from historical experience. In addition, adjustments were applied to account for known changes to operations, program structure, benefits, and regulatory policies. For newly implemented programs, staff used historical data, proxy data and industry benchmarks, and checked results for reasonability.

Administrative Expenses: To take into consideration seasonal and cyclical spending patterns, FY 2020-21 was forecasted utilizing a 12-month historical run-rate. To ensure inclusion in the budget, Staff reviewed all contract encumbrances. Lastly, internal departments identified resource requirements based on changes to enrollment, regulatory and organizational needs. Staff considered:

- Salaries, Wages & Benefits for current staff, unfilled budgeted positions and new budgeted positions;
- Professional Fees, Purchased Services, Printing & Postage and Other Operating Costs based on the needs and priorities of providing care to members;
- Depreciation & Amortization on current assets and projected assets according to Generally Accepted Accounting Principles (GAAP); and
- Indirect Cost Allocation primarily based on revenue and adjusted where necessary.

Of note, CalOptima has several contracts for claims administration, credit balance recovery, and Social Security Income conversion that are paid on a contingency basis. The following table provides a comparison of consolidated general and administrative expenses from the budgeted and previous fiscal years.

Table 2: Comparison of Consolidated General and Administrative Expenses

	ISON OF COMPONE			1
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21
	Actual	Forecast*	Budget	Budget vs.
			C	FY 2019-20
				<b>Forecast</b>
Revenues	\$3,474,634,378	\$3,642,286,855	\$3,555,013,609	(\$87,273,246)
Salaries, Wages & Benefits	\$84,008,424	\$88,405,275	\$108,502,832	\$20,097,557
Non-Salaries & Wages	\$45,940,773	\$45,987,131	\$57,804,002	\$11,816,871
Professional Fees	\$3,167,619	\$3,212,922	\$4,687,662	\$1,474,740
Purchased Services	\$12,584,719	\$12,272,285	\$15,305,052	\$3,032,767
Printing & Postage	\$5,212,810	\$4,964,763	\$7,173,171	\$2,208,408
Depreciation &	\$7,226,723	\$6,007,358	\$7,653,840	\$1,646,482
Amortization				
Other Operating	\$17,748,901	\$19,529,803	\$22,984,277	\$3,454,474
Exp/Indirect Cost				
Allocation, Occupancy				
Total G&A	\$129,949,196	\$134,392,406	\$166,306,834	\$31,914,428
ALR	3.7%	3.7%	4.7%	1.0%
ALR Breakdown:				
Salaries, Wages &	2.4%	2.4%	3.1%	0.7%
Benefits				
Non-Salaries & Wages	1.3%	1.3%	1.6%	0.3%

<sup>\*</sup> Forecasted as of March 2020; Revenue excludes directed payments

Note: FY 2019-20 forecasted figures do not include unfilled open positions

Attachment B: Administrative Budget Details provides additional information regarding all general and administrative expenses included in the FY 2020-21 Operating Budget.

## II. Enrollment by Line of Business

The following table provides a comparison of total average enrollment for the past two (2) fiscal years with the projected enrollment for FY 2020-21.

**Table 3: Total Enrollment by Program** 

Tuble ev Total Emiliant by Trogram							
Program <sup>[1]</sup>	FY 2018-19	FY 2019-20	FY 2020-21	% Change			
	Actual <sup>[2]</sup>	Forecast <sup>[2]</sup>	Budget <sup>[2]</sup>	21 v. 20			
Medi-Cal	739,858	744,413	800,875	7.6%			
OneCare Connect	14,201	14,159	13,843	-2.2%			
OneCare	1,535	1,378	1,378	0.0%			
PACE	327	401	472	17.7%			
Total	755,921	760,351	816,568	7.4%			

<sup>[1]</sup>MSSP enrollment included in Medi-Cal

<sup>&</sup>lt;sup>[2]</sup>Enrollment as of June of every fiscal year when available

## III. Operating Budget by Line of Business

# A. Medi-Cal Program

Through a contract with the California Department Health Care Services (DHCS), CalOptima has administered the Medi-Cal program for Orange County since October 1995. CalOptima's current contract expires on December 31, 2020. The table below illustrates the Consolidated Medi-Cal Operating Budget.

Table 4: FY 2020-21 Medi-Cal Consolidated Operating Budget

	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Forecast*	Budget
Average Monthly Enrollment	751,409	721,719	784,502
Revenue	\$3,134,181,617	\$3,289,166,019	\$3,185,809,324
Medical Costs	\$2,881,181,629	\$3,144,826,354	\$3,109,457,616
Administrative Expenses	\$106,944,388	\$111,931,109	\$140,862,456
Operating Income/Loss	\$146,155,600	\$32,408,556	(\$64,510,748)
MLR	92.0%	95.6%	97.6%
ALR	3.4%	3.4%	4.4%

<sup>\*</sup> Forecasted as of March 2020; Revenue excludes directed payments Change in net assets excludes net investment and other income Includes MSSP from July to December 2020

For FY 2020-21, Medi-Cal membership is comprised of three (3) main categories: Classic, Expansion, and Whole Child Model (WCM). The following table illustrates the Medi-Cal Operating Budget by each of these categories.

Table 5: FY 2020-21 Medi-Cal Operating Budget by Group

	Medi-Cal Classic	Medi-Cal Expansion	Medi-Cal WCM	Total			
Average Monthly Enrollment	521,582	250,988	11,931	784,502			
Revenue	\$1,706,161,985	\$1,228,272,960	\$251,374,380	\$3,185,809,324			
Medical Costs	\$1,673,099,928	\$1,185,649,334	\$250,708,354	\$3,109,457,616			
Administrative Expenses				\$140,862,456			
Operating Income/Loss				(\$64,510,748)			
MLR	98.1%	96.5%	99.7%	97.6%			
ALR				4.4%			

DHCS uses Category of Aid (COA) to classify Medi-Cal enrollment into cohorts of similar acuity. DHCS develops CalOptima's capitation rates based on these cohorts. The following table shows the projected enrollment distribution by COA.

Table 6: FY 2020-21 Medi-Cal Enrollment Projection

	FY 2019-20	FY 2020-21	Varia	ance		
	Forecast*	<b>Budget*</b>	Diff	%		
BCCTP	498	460	(38)	-7.6%		
Disabled	44,811	44,804	(8)	0.0%		
Long Term Care	3,503	3,503	3,503	3,527	24	0.7%
Aged	65,927	66,404	477	0.7%		
Child (TANF $\leq 18$ )	292,233	320,582	28,349	9.7%		
Adult (TANF > 18)	88,003	96,335	8,331	9.5%		
Medi-Cal Classic Subtotal	494,975	532,111	37,136	7.5%		
Medi-Cal Expansion	237,506	256,832	19,326	8.1%		
WCM	11,931	11,931	-	0.0%		
TOTAL	744,413	800,875	56,462	7.6%		

<sup>\*</sup> Enrollment as of June of every fiscal year; figures may not add due to rounding

#### **General Budget Assumptions – Medi-Cal**

DHCS will implement several policy and program changes during FY 2020-21 that will directly impact CalOptima's revenues and medical expenses. The following initiatives have been considered in the budget:

- Delayed implementation of CalAIM;
- Carve-out of prescription drug benefit effective January 1, 2021, including Hepatitis C medications;
- Expansion of Proposition 56 directed payments program;
- Expansion of the Health Homes Program; and
- Carve-out of MSSP program effective January 1, 2021.

<u>Enrollment</u>: Enrollment projections are based on actual data through March 2020 and trended through June 2021. Because of the effects on personal income from the COVID-19 pandemic, the budget assumes an increase in Temporary Assistance for Needy Families (TANF) (Adult and Child) and the Medi-Cal Expansion members.

Revenue: DHCS will transition its rate year to begin on January 1, instead of July 1. With this change, Staff applied the draft 18-month bridge period rates received in March 2020 for the period of July 1, 2020, through December 31, 2020 adjusted for the 1.5% rate reduction of the Medi-Cal managed care base rates per the Governor's May Revise. Staff anticipates receipt of Calendar Year (CY) 2021 draft rates in October 2020. As such, Staff has forecasted capitation rates for the period of January 1, 2021, through June 30, 2021, based on available information.

Medical Cost: The budget anticipates the following trends in benefits for FY 2020-21:

- Increase in Non-Medical Transportation (NMT) utilization;
- Expansion of vision benefits and higher administration fee;
- Increase in unit cost for Skilled Nursing Facilities;

- Increase in unit cost for Mental Health Services;
- Increase in Pay for Value (P4V) program funding; and
- Increase in Obstetrics supplemental payments.

#### **Medi-Cal Classic**

<u>Classic Enrollment</u>: The budget projects an 8.0% increase in total member months.

<u>Classic Revenue</u>: The budget estimates that base rates effective January 2021 will be reduced by an additional 3% to account for potential acuity, efficiency and cost containment adjustments in the Governor's May Revise.

<u>Classic Medical Cost</u>: Provider capitation payments were based on capitation rates and enrollment distribution as of March 2020. Milliman, CalOptima's actuarial consultant, completed a rebasing analysis to update capitation rates and rate structure to Health Networks for the Medi-Cal Classic population. The results of this analysis are included in the rate adjustments effective July 1, 2020.

Fee-for-service (FFS) costs were based on historical claims trended to June 2021, and were developed by network type, COA, and category of service.

Table 7: Updates to Provider Reimbursement Rates for Classic Members

Medical Cost	<b>Unit Cost Change</b>	Detail
Provider Capitation	Decrease (-2.0%)	Average adjustment for both TANF and SPD categories of aid
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
P4V Program	Increase	From \$2.00 PMPM maximum to \$5.00 PMPM maximum

#### **Medi-Cal Expansion**

Expansion Enrollment: The budget projects a 9.5% increase in total member months.

<u>Expansion Revenue</u>: DHCS continues to make material adjustments to the Medi-Cal Expansion capitation rate. The budget estimates that base rates effective January 2021 will be reduced by an additional 5% to account for potential acuity, efficiency and cost containment adjustments in the Governor's May Revise.

Expansion Medical Cost: Provider capitation payments were reduced 7% for Professional services and 14% for Hospital services. Milliman completed a rebasing analysis to update capitation rates to Health Networks for the Medi-Cal Expansion population. The results of this analysis support the rate adjustments effective July 1, 2020. The budget also assumes the implementation of Chronic Illness and Disability Payment System (CDPS) risk adjustment effective July 1, 2020.

FFS cost trends were developed by network type, COA, and category of service. Staff maintained current FFS reimbursement levels for inpatient hospital, clinic, primary care and specialist contract rates. The budget includes projected expenses for quality improvement programs.

**Table 8: Updates to Provider Reimbursement Rates for Expansion Members** 

Medical Cost	<b>Unit Cost Change</b>	Detail
Provider Capitation	Decrease (-10.6%)	<ul><li>Professional: -7%</li><li>Hospital: -14%</li></ul>
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
P4V Program	Increase	From \$2.00 PMPM maximum to \$5.00 PMPM maximum

#### Medi-Cal Whole Child Model

WCM Enrollment: The budget projects enrollment will remain relatively flat.

<u>WCM Revenue</u>: The budget assumes that rates will increase by 5.7% in January 2021. Rates reflect reimbursement for both California Children's Services (CCS) and non-CCS services.

<u>WCM Medical Cost</u>: Staff has begun analyzing experience data for the WCM population as it becomes available. Staff continues to utilize draft rates as a proxy for actual experience. CalOptima provides capitation with a risk corridor to Health Networks. The budget assumes that the primary drivers for higher than expected medical costs within the WCM population are due to expenses within Facilities, LTC, and Pharmacy services.

#### B. OneCare Connect

Through a three-way contract with the Center for Medicare & Medicaid Services (CMS), DHCS, and CalOptima, CalOptima began the OneCare Connect Program in July 2015. The Cal MediConnect program is a joint Medicare and Medicaid demonstration program that promotes coordinated health care delivery to SPD members who are dually eligible for Medicare and Medi-Cal services. The initial demonstration period was October 1, 2013, through December 31, 2019. On April 24, 2019, CMS

approved a three (3) year extension of the program through December 31, 2022. The table below illustrates the OneCare Connect Operating Budget.

Table 9: FY 2020-21 OneCare Connect Operating Budget

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	14,398	14,415	13,988
Revenue	\$292,428,410	\$296,342,072	\$306,323,384
Medical Costs	\$293,947,462	\$286,650,446	\$298,464,108
Administrative Expenses	\$19,863,775	\$18,706,540	\$20,882,292
Operating Income/Loss	(\$21,382,827)	(\$9,014,914)	(\$13,023,016)
MLR	100.5%	96.7%	97.4%
ALR	6.8%	6.3%	6.8%

<sup>\*</sup> Forecasted as of March 2020

#### **General Budget Assumptions – OneCare Connect**

<u>Enrollment</u>: Average OneCare Connect membership is projected to decline by approximately 1.5% from FY 2019-20 through FY 2020-21.

Revenue: The FY 2020-21 Operating Budget utilizes the most current county benchmark base rates from CY 2020 for Medicare Parts C and D. Rates were not developed from a bid process that uses actual plan data. Staff assumed a 0.7% increase to Part C revenue and a 2% decrease to Part D revenue effective January 2021. The budget includes a small increase to Part D revenue from the projected Risk Adjustment Factor (RAF) score. The budget includes a Year 3+ savings target of 5.5% and a quality withhold of 4.0%. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021. In addition, disenrollment rate penalties will continue to apply.

Staff applied Medi-Cal CY 2019 draft rates from DHCS and adjusted forecasted enrollment in the specified population cohorts. The budget includes lower Medi-Cal revenue due to a decrease in Long Term Care (LTC) enrollment. The final Medi-Cal revenue will be adjusted to reflect the actual population mix.

Medical Cost: Provider capitation payments were based on Percent of Premium (POP) rates for the Medicare component and fixed per member per month (PMPM) rates for the Medi-Cal component. Milliman completed a rebasing analysis on Health Network POP percentages. Since the program began in 2015, the POP rates had remained unchanged. The budget includes adjustments to the Institutional capitation rate from 50.9% to 45% beginning January 1, 2021.

FFS expenses were projected based on actual OneCare Connect experience, trended through June 2021. Staff applied the projected enrollment mix for Physician Hospital Consortia (PHC), Shared Risk Groups (SRG), Health Maintenance Organizations (HMO), and the CalOptima Community Network (CCN). The budget includes projected increases in NMT utilization, specialist services, acute inpatient facility utilization, pharmacy and a decrease in LTC expenses. It also includes costs for MLTSS services, as well as quality improvement programs. Approved existing and new supplemental benefits effective

January 2021, such as an enhanced Part D benefit, increased coverage for emergency room (ER) services worldwide, and an increased allowance for over-the-counter drugs are also included.

#### C. OneCare

Through a contract with the CMS, CalOptima has administered a Medicare Advantage Dual Eligible Special Needs Plan since October 2005. CalOptima's current contract expires on December 31, 2020. OneCare will continue to provide services for beneficiaries not eligible for the OneCare Connect program. The table below illustrates the OneCare Operating Budget.

Table 10: FY 2020-21 OneCare Operating Budget

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Avenue as Monthly Ennellment			U
Average Monthly Enrollment	1,448	1,481	1,378
Revenue	\$20,613,605	\$20,496,838	\$19,472,782
Medical Costs	\$18,272,702	\$18,295,185	\$17,858,477
Administrative Expenses	\$1,375,766	\$1,710,002	\$1,705,518
Operating Income/Loss	\$965,137	\$491,651	(\$91,213)
MLR	88.6%	89.3%	91.7%
ALR	6.7%	8.3%	8.8%

<sup>\*</sup> Forecasted as of March 2020

## **General Budget Assumptions – OneCare**

<u>Enrollment</u>: Average OneCare membership is projected to decrease approximately 5.4% from FY 2019-20 through FY 2020-21.

Revenue: Staff based Medicare Parts C and D rates on CY 2020 Monthly Membership Report (MMR) actuals. The budget includes a 4.0% decrease to Part C base rates effective January 2021 due to the projected decrease in utilization included in the CY 2021 bid submission. Staff anticipates Part D revenue approximately 6.0% higher than prior year assumptions primarily due to a higher RAF score. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021.

<u>Medical Cost</u>: Professional provider capitation payments were based on an average 38.6% POP, inclusive of quality incentive payments. FFS medical costs were based on historical claims incurred through February 2020. The budget includes a 5.4% inpatient trend and a 1.7% increase in pharmacy costs from FY 2019-20 through FY 2020-21. In addition, the budget includes expenses for approved existing and new supplemental benefits effective January 2021, such as enhanced Part D benefit, increased coverage for ER services worldwide, and an increased allowance for over-the-counter drugs.

#### D. PACE

Through a contract with CMS, CalOptima began Orange County's first PACE program on October 1, 2013. The PACE contract is renewed through one-year extensions. CalOptima's current contract expires on December 31, 2020. The PACE program provides coordinated care for persons age 55 and

older who need a higher level of care to remain in their homes. The table below illustrates the PACE Operating Budget.

Table 11:	FY	2020-21	PACE	<b>Operating</b>	<b>Budget</b>
I WOLU III				Operating	Duage

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	303	374	434
Revenue	\$27,410,747	\$36,281,926	\$42,189,583
Medical Costs	\$23,297,733	\$29,410,640	\$38,762,257
Administrative Expenses	\$1,765,267	\$2,044,756	\$2,407,903
Operating Income/Loss	\$2,347,747	\$4,826,530	\$1,019,423
MLR	85.0%	81.1%	91.9%
ALR	6.4%	5.6%	5.7%

<sup>\*</sup> Forecasted as of March 2020

Though PACE continues to run efficiently, Management will continue to focus on several areas of opportunities to improve the PACE program, including:

- Continue implementation of service area expansion through Alternative Care Settings (ACS) for improved member access;
- Ensure accurate reporting of experience and cost data through the Rate Development Template filing;
- Improve medical cost containment efforts;
- Implement initiatives to gain greater administrative efficiencies and operational economies of scale; and
- Improve coding and submission of diagnostic data.

#### **General Budget Assumptions – PACE**

<u>Enrollment</u>: Due to the COVID-19 pandemic, the budget forecasts flat enrollment growth from the current through July 2020, growth by 4 members per month for August and September 2020, and a return to growth of 7 members per month from October 2020 through June 2021. Enrollment is forecasted to end at 472 members by June 2021. The member population is projected to consist of 48% dual eligible members and 52% Medi-Cal only members.

Revenue: The budget applies rates from CY 2020 actuals for Medicare Parts C and D, and projects a 7.1% increase to Part C base rates effective January 2021. Medicare Part D rates and subsidies were based on CY 2020 payments. No additional trend assumptions were applied. Medi-Cal PMPM rates reflect a 2.2% increase and are based on CY 2019 rates provided by DHCS on December 13, 2019. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021.

<u>Medical Cost</u>: Medical costs were projected using actual experience. The budget includes sufficient utilization trends in Community-Based Adult Services due to ACS enrollment, dialysis, professional specialist services, transportation and pharmacy utilization. Staff reclassified 96% of some administrative expenses as medical costs to better reflect the actual costs of delivering medical care.

#### E. Investment Income

The table below illustrates projected net investment income.

#### **Table 12: Investment Income**

	FY 2018-19 Actual	FY 2019-20 YTD Forecast*	FY 2020-21 Budget
Investment Income	\$43,639,175	\$38,925,807	\$15,000,000

<sup>\*</sup> Forecasted as of March 2020

## **Budget Assumptions – Investment Income**

The FY 2020-21 Operating Budget projects \$15,000,000 in net investment income. The budget is lower than the FY 2019-20 Forecast due to the uncertainty of COVID-19's impact on the value of CalOptima's portfolio and the projected return on investments in FY 2020-21.

#### **Fiscal Impact**

As outlined above and more in the additional detail contained in Attachment A: FY 2020-21 Budget for all Lines of Business, the FY 2020-21 Operating Income reflects a projected loss of \$76.7 million. In addition, the budget includes projected investment income of \$15 million, resulting in a projected total decrease of \$61.7 million in net assets. Management proposes to use reserves to address the projected FY 2020-21 budget shortfall.

#### **Rationale for Recommendation**

Management submits the FY 2020-21 Operating Budget for all program areas using the best available assumptions to provide health care services to CalOptima's forecasted enrollment.

#### Concurrence

Gary Crockett, Chief Counsel

#### **Attachments**

Attachment A: FY 2020-21 Budget for all Lines of Business

Attachment B: Administrative Budget Details

/s/ Richard Sanchez 05/20/2020 Authorized Signature Date

### CalOptima Fiscal Year 2020-21 Budget

#### By Line of Business

	Medi-Cal (Classic)	Medi-Cal (Expansion)	Medi-Cal (WCM)		Total		осс		OneCare	PACE		MSSP		Facilities	(	Consolidated
Member Months	6,258,987	3,011,857	143,178		9,414,022		167,856		16,536	5,2	11	2,730		-		9,603,625
Avg Members	521,582	250,988	11,931		784,502		13,988		1,378	43	34	455		-		800,302
Revenues																
Capitation revenue	\$ 1,706,161,985	\$ 1,228,272,960	\$ 251,374,380	\$	3,185,809,324	\$	306,323,384	\$	19,472,782 \$	42,189,5	83 \$	1,218,536	\$	-	\$	3,555,013,609
Total	\$ 1,706,161,985	\$ 1,228,272,960	\$ 251,374,380	\$	3,185,809,324	\$	306,323,384	\$	19,472,782 \$	42,189,5	83 \$	1,218,536	\$	-	\$	3,555,013,609
Medical Costs																
1 Provider capitation	\$ 525,065,237	\$ 544,737,283	\$ 101,059,284	\$	1,170,861,804	\$	132,514,946	\$	5,220,667 \$	-	\$	-	\$	-	\$	1,308,597,418
2 Claims Payments	\$ 557,986,264	\$ 422,990,239	\$ 97,076,012	\$	1,078,052,514	\$	59,102,790	\$	6,184,669 \$	18,272,20	9 \$	-	\$	-	\$	1,161,612,182
3 LTC/Skilled Nursing Facilities	\$ 432,568,164	\$ 37,233,712	\$ 13,282,179	\$	483,084,055	\$	18,145,318	\$	- \$	826,4	06 \$	158,410	\$	-	\$	502,214,188
4 Prescription Drugs	\$ 103,242,805	\$ 143,275,777	\$ 34,466,289	\$	280,984,871	\$	70,776,758	\$	5,897,339 \$	3,427,2	59 \$	-	\$	-	\$	361,086,227
5 Case Mgmt & Oth Medical	\$ 54,237,458	\$ 37,412,324	\$ 4,824,591	\$	96,474,372	\$	17,924,296	\$	555,802 \$	16,236,3	84 \$	728,425	\$	-	\$	131,919,279
Total	\$ 1,673,099,928	\$ 1,185,649,334	\$ 250,708,354	\$	3,109,457,616	\$	298,464,108	\$	17,858,477 \$	38,762,2:	57 \$	886,835	\$	-	\$	3,465,429,294
MLR	98.1%	96.5%	99.7%		97.6%		97.4%		91.7%	91.9	0%	72.8%				97.5%
Gross Margin	\$ 33,062,057	\$ 42,623,626	\$ 666,026	\$	76,351,708	\$	7,859,275	\$	1,614,305 \$	3,427,32	26 \$	331,700	\$	-	\$	89,584,315
Administrative Expenses Salaries, Wages, & Employee Benefits				•	94,995,648	¢	10,489,935	\$	848,531 \$	1,803,9	35 <b>\$</b>	364,783	¢	_	\$	108,502,832
Professional Fees				¢		\$	481,000		192,000 \$	2,0			\$	_	\$	4,687,662
Purchased services				\$	12,913,530	\$	1,320,950		117,000 \$		24 \$		\$	660,000	\$	15,305,052
Printing & Postage				\$	5,530,302	\$	1,368,221	\$	97,000 \$		00 \$		\$	2,000	\$	7,173,171
Depreciation & Amortization				\$	5,502,000	\$	-	\$	- \$		40 \$		\$	2,127,000	\$	7,653,840
Other Operating Expenses				\$	20,210,957	\$	229,281	\$	6,450 \$	51,2			\$	2,094,000	\$	22,639,794
Indirect Cost Allocation, Occupancy Expense				\$			6,992,905	\$	444,537 \$	57,1			\$	(4,883,000)	\$	344,483
Total				\$	140,862,456		20,882,292	\$	1.705.518 \$	2,407,90			\$	-	\$	166,306,834
ALR					4.4%	Ψ	6.8%	Ψ	8.8%	5.7		36.8%	Ψ		Ψ	4.7%
Operating Income/(Loss)				\$	(64,510,748)	\$	(13,023,016)	\$	(91,213) \$	1,019,42	23 \$	(116,964)	\$		\$	(76,722,518
Investment Income															\$	15,000,000
MCO Tax Revenue				\$	182,255,794										\$	182,255,794
MCO Tax Expense				\$	(182,255,794)										\$	(182,255,794
CHANGE IN NET ASSETS				\$	(64,510,748)	\$	(13,023,016)	\$	(91,213) \$	1,019,4	23 \$	(116,964)	\$	-	\$	(61,722,518

	Medi-Cal: Professional Fees			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Legal	General and Adversarial Legal Fees	1,200,000	X	X
Consulting	Internal Audit on Operations	300,000	X	X
Consulting	Rebasing, Network Support and Other Related Actuarial Consulting Services	250,000	X	X
Consulting	Government Affairs Contract and Management of State and Federal Lobbyists	240,000	X	X
Audit Fees	Medical Loss Ratio Audit	225,000	X	X
Addit i des	Consultant to Assess CalOpima Professional Growth Strategic Plan including External	223,000		^
Professional Fees	Investigations, HR Consulting Services, Outsourcing Leaves of Absence Processing and Others	205,000	X	Х
	Consulting Fees To Support Program Outreach and Social Media Efforts, Acquiring Data for			
Consulting	Strategic Direction	200,000	Χ	Х
Audit Fees	Financial Audit Annual Contract	195.000	Х	Х
	Employee Engagement and Feedback, Executive Recruiter Expenses, Compensation and	100,000		
Professional Fees	Classification and Ad Hoc Consulting	165,500	Χ	Х
	Health Insurance Portability and Accountability Act (HIPAA) Security Compliance, including Risk	100,000		
Consulting	Management and Network Penetration	150,000	Χ	Х
Professional Fees	Core Systems Upgrade Consultation and Technical Training and Other Core Application Support	143,764	Х	Х
Consulting	Consulting Fees to Assist in Developing a System to Support Behavioral Health Functions	100,000	Х	Х
Consulting	Investment Advisory Annual Contract	90,000	Х	Х
- 3	Professional Fees for Other Post Employment Benefits (OPEB) and Various Accounting and Related	,		
Professional Fees	Consulting Services	79,000	X	Х
Professional Fees	Professional Services Required for Corporate Applications and Systems	74,000	Х	Х
	Chronic Illness and Disability Payment System (CDPS) Renormalization and Coefficient	,		
Consulting	Development	70,000	X	Х
Consulting	Data Loss Prevention and Miscellaneous Consulting/Professional Services	62,000	Х	Х
	Consultants to Assist in Program Readiness, Implementation of Homeless Health and Other	·		
Consulting	Initiatives	60,000	X	X
	Support for Implementation of Strategic Plan, Initiatives Aligned with Strategic Plan and Other	·		
Consulting	Programs	50,000	X	X
Consulting	Consultant for Medi-Cal Mock Audit and Other Required Audits	45,000	Х	Х
Professional Fees	Professional Fees for Budget and Procurement Support	40,000	Χ	Х
Consulting	Space Planning Services	18,000	Х	Х
Consulting	Annual IBNR Certification Review	18,000	Х	Х
-	Consulting Fees to Assist in Improving Efficiencies in Implementing Programs, Business Initiatives			
Consulting	and Compliance with Regulatory Requirements	15,000	X	Х
-	Consultant to Support Improving Section 508 Accessibility Compliance of the Website for Use by			
Consulting	People with Disabilities	8,800	Χ	X
Consulting	Required Annual A-133 Audit	4,300	Х	Х
		4 000 004		

Total Professional Fees 4,008,364

	Medi-Cal: Purchased Services			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Claims Review	Claims Prepayment Editing Services	2,080,000	X	X
Claims Review	Overpayment Identification Services	1,687,500	Х	Х
Claims Review	Coordination Of Benefits (COB) Project	1,510,000	Х	Х
Purchased Services	Pharmacy Benefits Management	1,254,000	Х	Х
EDI Claims Clearinghouse	Electronic Data Interchange Institutional Claims	1,149,000	Х	Х
Interpretive Services	Face to Face Interpreter Services	677,000	X	X
Purchased Services	Conversion of Temporary Assistance for Needy Families (TANF) to Supplemental Security Income (SSI)	620,000	X	Х
Interpretive Services	Telephonic Interpreter Services	450,500	Х	Х
Claims Review	Long-Term Care Rate Adjustments	405,000	Χ	Х
Bank Fees	Business Bank Fees	400,000	Χ	Х
Imaging Services	Claims Imaging and Indexing Services	396,000	Х	Х
Purchased Services	Third Party Check Printing and Mailing Fees	384,000	Х	Х
Purchased Services	Disaster Recovery Technology Services	300,000	Х	Х
Advertising	Radio, Television, Print, Outdoor, Digital Advertising and Other Media to Promote and Support Enrollment and Participation	190,000	Х	Х
Purchased Services	Healthcare Productivity Automation Services	140,040	Χ	Х
Advertising	Recruitment Advertisement and Sourcing	140,000	Χ	Х
Broker Services	Insurance Broker Services	115,500	Χ	Х
Purchased Services	Benefit Broker Services	115,000	Х	Х
Interpretive Services	Translation Services for Threshold Languages	114,000	Х	Х
Purchased Services	Service to Provide Security Protocol for Data Migration to Microsoft Cloud	80,000	Х	Х
Employee Benefits	Flexible Spending Accounts (FSA)/Consolidated Omnibus Budget Reconciliation Act (COBRA)	55,000	Х	Х
Purchased Services	Offsite Backup Tape Storage and Services	54,000	Х	Х
Purchased Services	Regulatory 508 Compliance Remediation Services for PDF Files to Make Them Accessible to People with Disabilities on the Website as Required by CMS, Department of Health Care Services (DHCS) and Section 508 Regulations	54,000	Х	Х
Purchased Services	Imaging Services	51,480	Χ	Х
Purchased Services	Telework, Handling, and Deliveries	50,000	Χ	Х
Purchased Services	Executive Coaching	50,000	Χ	Х
Purchased Services	Retirement Funds Advisory	50,000	Χ	Х
Purchased Services	Background Screening	38,000	Χ	Х
Purchased Services	Closed Captioning of Board Meeting Videos and Other Website Videos for Section 508 Accessibility Compliance. Outside Evaluation of Website Section 508 Compliance and Recommendations	36.000	Х	Х
Purchased Services	Member Experience Survey and Workforce Enhancement	35,000	X	X
Purchased Services	TB Shots and Other General Purchased Services  Video Interpreting, Translation Audit Review, Annual Translation Skills Assessment, New Hire	32,004	X	X
Interpretive Services	Bilingual Testing and In-Design License	30,600	Х	Х
Purchased Services	Employee Assistance Program	30,000	X	X
Purchased Services	Online Phishing Testing Service, Security Newsletter Subscription and Other Services	24,000	X	X

	Medi-Cal: Purchased Services			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Purchased Services	Tax Form Processing Fees and Other General Purchased Services	22,200	Х	Х
Purchased Services	Employee Wellness and Ad Hoc Programs	17,100	Х	Х
Purchased Services	Salary Survey	16,400	Х	Х
Purchased Services	Destruction of Electronic Media	12,000	X	Х
Purchased Services	Claims Pricing Automation Enhancements	11,250	X	Х
Purchased Services	Photography Services and Stock Photograph Purchases for Use in Member, Provider Outreach and Other Community Oriented Materials	10,000	Х	Х
Purchased Services	Drug Screenings	10,000	X	X
License fees	Compensation System Subscription Fee	9,000	X	X
Purchased Services	Promotional Activity (October Cyber Security Awareness Month) Annually	5,000	Х	Х
Purchased Services	General Services for Customer Services, Operations Management, Executive Office, Audit & Oversight, and Other Various Departments	2,956	Х	X

Total Purchased Services 12,913,530

	Medi-Cal: Printing & Postage			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Printing	Print, Fulfillment and Postage for Regular Mailings of Daily/Monthly Packets	3,256,800	X	X
Printing	Print Fulfillment and Postage for Ad Hoc Member Notices Mailings	691,200	Χ	Х
Postage	General Postage for Outgoing Mail	674,000	Х	Х
Printing	Print Fulfillment and Postage for Newsletters	612,000	Х	Х
Printing & Postage	Provider Relations Annual Mailing and Postage Required to Ensure Provider Training and Education Compliance	75,000	Х	Х
Courier	Mail Services Charges, Courier/Delivery of Print Materials	50,700	X	X
Printing	Printing of the Annual Report to the Community, Holiday Cards, Provider Press Newsletter and CalOptima Quality Care Campaign Outreach Materials	46,000	X	X
Printing	Strategic Plan and Other Initiatives Reporting to Community	32,000	Х	Х
Printing	Annual Contract Renewal Letters to the Providers and Member Materials for New Programs and Initiatives	26,400	Х	Х
Printing	Miscellaneous Member Materials, Printing Expenses and Supplies for Various Departments	22,202	Х	Х
Printing	CalOptima Brochures, Infographic, CalOptima Programs and Services and CalOptima Posters for Community Outreach Events	20,000	Х	Х
Printing	Printing Services for Facilities Projects and Events, Safety and Security, Other CalOptima Departments' Printing Needs	20,000	Х	Х
Printing & Postage	Letters to Providers to Obtain Clinical Records for Utilization Review, Letters to Members Regarding Behavioral Health Services	4,000	Х	X
<del>.</del>	Total Printing & Postage	5,530,302		·

	Medi-Cal: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
	CalOptima Link Software Licenses, an Online System for Provider Networks to Submit and View	·		
Maintenance	Authorizations, Check Claim Status and Remittance Payment Advice and to Verify Member Eligibility for Point of Service and Care	1,584,000	Х	Х
	Telecommunications and Network Connectivity Expenses, Business Telephones and Accessories		.,	
Equipment	(Desk Phones, Headsets, Tablets and Accessories)  Facets Core System (Enrollment, Claims, Authorizations and Other Modules) License Renewal and	1,660,000	Х	Х
Maintananaa	Maintenance	1 550 400	V	V
Maintenance	Insurance Premiums	1,558,408	Х	Х
	- Errors and Omissions Professional Liability - General and Property Liabilities			
	- Excess Liabilities			
	- Commercial Auto			
	- Directors and Officers (D&O)			
	- Network/Privacy (Cyber), Crime, Employment Practices Liability (EPL)			
	- Earthquake, Pollution and Umbrella		.,	.,
Insurance	- Wage and Hour Coverage	1,310,500	X	X
Maintenance	Operating Systems and Office Software Suite License Costs to Support Entire Organization	1,377,500	Χ	Х
	Corporate Software Maintenance (Provider Sanctioning and Analytics, Data Warehouse Cleansing,			
NA = i t =	Analytics, Business Application Workflow, Website Content Management, Compliance and Other	4 000 000	V	V
Maintenance	Corporate Applications)  Network Connectivity Maintenance and Support for CalOptima Sites (Network Monitoring Tools, Web	1,302,699	Х	Х
	Filters, All Main Distribution Frame and Intermediate Distribution Frame Batteries, Internet			
Maintananaa	Optimizers, Routers, Wireless Application Protocol Devices, Other Tools)	1 200 002	X	
Maintenance Maintenance	Information Security Data Loss Prevention Solution Annual Maintenance	1,209,002 955.901	X	X
Maintenance	User Licenses for Claims Medicare Pricing Software	875,004	X	X
Mailiteriarice	Server Connectivity Maintenance and Support for Server Equipment (Servers, Storage, Virtual	075,004		^
Maintenance	Machine Licenses, Backup Software)	727,000	Х	X
Walltonanoe	Association Membership Dues (Provide Advocacy, Program Support, Technical Support Regarding	121,000		
Professional Dues	State and Federal Regulatory Issues)	686,550	Х	X
T TOTOGOTOTIAL DAGG	Replacement Hardware for Operating System Upgrade, Desktop Software Licenses, and Other	000,000		
Equipment	Minor Computer Equipment, Laptop and Desktop Replacements	605,000	Χ	X
— <del>1</del>	Training & Seminar			
	- Professional Development and Education			
	- System and Software Update Training			
	- Process Improvement Training			
	- Financial and Reporting Software Upgrade and Training			
	- Training Classes for Facility Management, Environmental and Safety Issues			
Training & Seminar	- Training Classes for Professional Certifications and Continuing Legal Education	602,775	Χ	X
Subscriptions	Cloud Government/Storage Subscription	500,000	Х	Х

	Medi-Cal: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
	Human Resources Corporate Application Software Maintenance (Training, Recruitment,			
Maintenance	Performance Evaluation, HR Benefits, Employee Time and Attendance and Payroll)	395,001	Χ	X
Maintenance Maintenance	Application Software Maintenance - IT Development Tools (Data Modeling, Architecture, Technical Libraries, Documentation, Technical Frameworks, Electronic Data Interchange, Software Development Testing)  Contract Management System	382,601 333,180	X X	X X
	Healthcare Information Research and Analysis, Information Systems Audit and Control, Association	333,133		
Subscriptions	Subscription Renewal	324,310	Χ	X
Maintenance	Maintenance and Support Annual Renewal for the Telecommunications Network Systems	323,951	Х	Х
Maintenance	Finance Corporate Applications Software Maintenance (Accounting, Finance and Procurement Systems)	309,000	Х	Х
Maintenance	Provider and Physician Credentialing System Maintenance and License Renewal	308,273	X	X
	, , ,	· ·		
Maintenance	Additional Software License and Upgrade Costs for Operating Systems and Office Software Suite	300,000	Х	Х
Office Supplies	Office Supplies (Paper, Toner, Batteries, Mouse Pads, Keyboards, Environmental Health And Safety, Disaster Recovery, Other Miscellaneous Items) for Company-Wide Usage	260,000	Χ	Х
Equipment	Purchases and Installation of Office Furniture for Adds, Moves, Furniture, Fixture and Equipment, and Various Other Articles of Minor Equipment	240,000	Х	Х
Maintenance	24/7 Support to Assist CalOptima's Operating Systems and Office Software Suite Related Questions and Issues	200,000	Χ	Х
Repair & Maintenance	Maintenance for Windows and Carpet Cleaning, Furniture Repair, Doors, Audio Visual Equipment, Plumbing and Other General Maintenance Needs	190,000	Х	Х
Maintenance	Maintenance and Support for the Production/Development of Citrix Operating System/Software Environments	165,000	Х	Х
Maintenance	Software to Generate and Interface with Facets Letters	150,000	Χ	X
Education	Tuition Reimbursement for Staff Development and Organizational Development Programs (CalOptima Special Speakers, Trainers, Computer Classes, Other Training Events)	150,000	Х	Х
Public Activities*	Sponsorship, Registration Fees and Other Related Costs for New and Anticipated Community Events and Health Fairs	150,000	Х	Х
Training	Board Member Stipends, Memberships, Conferences, Training and Travel	97,550	Χ	Х
Office Supplies	Office Supplies for Various Departments' Needs for Everyday Operations	87,591	Χ	Х
Professional Dues	Professional Dues and Member Fees for Various Professional Associations	81,365	Χ	Х
Maintenance	Capital Project Related Maintenance	75,000	Χ	Х
Travel	Travel - Conferences/Seminars and Meetings for Managers and Staff - State Meetings Related to Regulatory and Legislative Issues, Strategic Development - Association Meetings - Vendor Site Visits, Field Staff Visits - Mileage and Parking Reimbursement for Community Events and Presentations, Provider Offices and Member Enrollment	64,644	X	x

	Medi-Cal: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Maintenance	Database Administrator License Renewals, Maintenance, and Support	68,000	X	X
	Information Services Corporate Software Maintenance - Enterprise Help Desk Management			
Maintenance	Application	66,000	Χ	X
Maintenance	Subscription Renewal for Standard Medical Coding Schedules and Multiple User Licenses	59,100	Х	X
Maintenance	Annual Maintenance for MSSP Software License	25,000	Х	Х
Food Services	Employee Appreciation Events	48,500	Х	Х
Public Activities	Employee Engagement Events	46,600	Χ	X
Public Activities	Orange County Community Indicators Report, New and Expanded Strategic Planning Engagement and Rollout and Affiliation Fees	40,000	Х	Х
Maintenance	Maintenance and Support for Batch Scheduler System	35.000	X	X
Subscriptions	Subscription Fees for Various Licenses, Literature and Organizations	34,542	X	X
Maintenance	Maintenance and Support for Printers	30,000	X	X
Maintenance	Maintenance of Computer Software and Hardware	27.400	X	X
Food Services	Food Services Allowances, as Needed, for Sponsoring Member and Provider Meetings, Conferences, Department Meetings and Other Events	23,468	Х	х
Subscriptions	Subscriptions for Existing Software and Databases	23,292	Χ	Х
Telephone	Field Staff Phone Service and Other Telephone Expenses	10,300	Х	Х
Food Services	Food Services for Community Events and Supporting New Initiatives	15,000	Х	Х
Food Services	General Supplies for CalOptima Staff	15,000	Х	Х
Public Activities	Supplies and Costs Associated with Various Outreach, Community Events, Sponsorships and Health Fairs	12,000	Х	х
Public Activities	Promotional and Outreach Activities to Help Support CalOptima Progams and Initiatives	12,000	Х	X
Maintenance	Accounting Software Annual Maintenance	12,000	Х	X
Subscriptions	Subscription Fees for Electronic Surveys and Education Videos for Members	10,000	Х	X
Software	Computer Software for Medical Coding and Design of Print Materials and Other Related Expenses	10,650	Х	Х
Food Services	Food Services for Provider Advisory Committee, CalOptima Community Network Lunch and Learn Events and CCN Anniversary Event	9,000	Х	х
Professional Dues	Medical Licenses and Required Certifications	8,400	Χ	Х
Maintenance	Maintenance and Renewal for Procurement Software	8,000	Х	Х

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	Medi-Cal: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
, , ,	Subscription Fees for Both Clinical and Programmatic Support, and Normal Maintenance of	·		,
Subscriptions	Certification Licensure	7,200	X	X
Food Services	Food Services for Annual CalOptima Event to Promote Mental Health Awareness and Other Events	4,000	Х	Х
Food Services	Food Services for Advisory Committees, Existing and New Collaboratives, Stakeholder Engagement for New Initiatives	3,600	Х	Х
	Food Services for CalOptima Informational Series, Legislative Luncheon Events, Member and			
Food Services	Provider Meetings/Conferences, Board Meetings and Other Events	3,500	X	X
Other Expenses	State Non-Reimbursable Funds for Services and Items for MSSP Clients	1,600	Χ	Х

**Total Other Operating Expenses** 

20,210,957

<sup>\*</sup> All Community Events and Activities Involving Financial Support from CalOptima of Over \$1,000 Requires Prior Explicit Board Approval

	OneCare Connect: Professional Fees			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	noitszirontuA	noi₃ŝirqorqqA
Consulting	Centers for Medicare & Medicaid Services (CMS) Program Audit for Onecare and OneCare Connect	300,000	×	×
Consulting	Annual Compliance Program Effectiveness (CPE) Audit	000'06	×	×
Actuary	Percentage of Premium Sufficiency, Fully-Integrated Special Needs Plans (FIDE SNP) Consideration and Other Related Actuarial Consulting Services	64,000	×	×
Consulting	CMS Data Validation Audit	27,000	×	×
	Total Professional Fees	481,000		
	OneCare Connect: Purchased Services			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	noitsztronthuA	noitsirqorqqA
Purchased Services	Pharmacy Benefits Management	876,000	×	×
Advertising	Advertising and Media Buys (Newspapers, Magazines, Radio, Bus Shelter, Other Media)	210,000	×	×
Interpreter Services	Language Interpretation and Translation of Member Materials	100,000	×	×
Data Transmission	Claims Processing through Automation Data Flow	42,000	×	×
Purchased Services	Compliance and Ethics Hotline	40,000	×	×
Purchased Services	Exclusion Monitoring Software	26,000	×	×
	Data Submission To and From CMS for Enrollment and Regulatory Reporting and Hierarchical			
Data Transmission	Condition Category (HCC) Scores Analytics	24,000	×	×
Purchased Services	Purchased Services Need for Customer Service and Financial Analysis	2,950	×	×
	Total Purchased Services	1,320,950		

	OneCare Connect: Printing & Postage			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Printing & Postage	Marketing Materials Including Sales Brochures, Posters, Handouts and Other Member and Provider	iiiput		
I mang a r colage	Oriented Materials and Postage	646,500	Χ	X
Member Communications	Maintenance of Enrolled Members (Printing, Fulfillment, Postage), Member Routine Annual and	,		
	Quarterly Mailings, Other Related Printing and Postage Expenses	598,000	X	Х
Printing & Postage	Printing of Enrollment Materials and Other Related Printing Expenses	85,000	Х	Х
Member Communications	Member and Provider Materials, Compliance Week Printing and Fulfillment and Other Printing Fees			
	for Various Departments	38,721	X	Х
	Total Printing & Postago	1 269 221		•

Total Printing & Postage 1,368,221

	OneCare Connect: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Public Activities	Fees for Registration, Sponsorships, Promotional Items for Community Events, Resource Fairs,	118,500	Х	Х
	Health Fairs and Other Events; Costs Tied to Supplies to Prepare and Participate			
Public Activities	Marketing and Outreach Activities and Promotional Items for Various Events	48,506	X	X
Travel	Travel Expenses for Visits to Provider Offices, Presentations, Health Fairs, Community Events,	17,200	Χ	X
	Annual Audits and Conferences			
Food Services	Food Services Allowances, as Needed, for Sponsoring Member and Provider Meetings,	16,200	Χ	X
	Conferences, Community Events, Compliance Week, and Department Training and Meeting			
Subscriptions	Subscriptions and Professional Dues	15,215	X	X
Training & Seminars	Training and Seminars for Professional Development and Education	9,760	Х	Х
Office Supplies	Office Supplies Needed for Everyday Department Operations and Compliance Week Supplies	3,900	Χ	Х

Total Other Operating Expenses

229,281

	OneCare: Professional Fees			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Consulting	Annual Contract Bid for OneCare	192,000	Х	Х

**Total Professional Fees** 

192,000

	OneCare: Purchased Services			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Purchased Services	Pharmacy Benefits Management	90,000	Х	Х
Interpreter Services	Language Interpretation and Translation of Member Materials	27,000	Х	X

Total Purchased Services

117,000

	OneCare: Printing & Postage			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	λppropriation
. ,,	Maintenance of Enrolled Members (Printing, Fulfillment, Postage)	82.000	X	X
	Member Enrollment and Other Required Materials	15,000	X	X

**Total Printing & Postage** 

97,000

	OneCare: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Travel	Travel Expenses for Conferences/Seminars and Meetings	3,000	) X	Х
Professional Dues	Professional Certifications	3,000	) X	X
Food Services	Food Services for Department Training and Other Events	350	) X	X
Office Supplies	Office Supplies Needed for Daily Operations	100	) X	X

**Total Other Operating Expenses** 

6,450

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	PACE: Professional Fees			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Professional Fees	Part D Actuarial Services and Other Financial Consulting Fees	2,000	Х	Х

Total Professional Fees 2,000

	PACE: Purchased Services			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Purchased Services	Advertising (Radio, Television, Print, Outdoor, Digital and Other Mediums) to Promote and Support			
	Enrollment and Participation	290,000	X	X
Purchased Services	Health Outcomes and Satisfaction Surveys, Encounter Data File Formatting, Sterilization of Medical			
	Equipment, Provider Communication, Appointment Services and Other Related Expenses	3,324	X	X

Total Purchased Services 293,324

	PACE: Printing & Postage			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
	Participant Newsletter, Typesetting for Translated Materials, Printing, Fulfillment and Postage Costs			
Printing & Postage	for Direct Mail Campaign, Marketing Materials and Other Printing Expenses	175,400	X	Х

Total Printing & Postage 175,400

	PACE: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
. ,,	Software License and Support, Repairs and Maintenance of Minor Equipment, Building and	'		,
Repairs & Maintenance	Unforeseen Incidentals and Building Security Services	19,920	X	X
Public Activities	Outreach Events and Promotional Marketing Items to Help Elevate PACE Center and Support Program Enrollment and Expansion	15,868	Х	Х
Food Services	Food Services Allowances, as Needed, for Sponsoring Member and Provider Meetings, Conferences and Trainings	6,100	Х	X
Utilities	Electricity, Gas, Water and Other Related Expenses	3,120	Х	Х
Insurance	General Liability, Property, Earthquake and Other Insurance Fees	2,080	Х	Х
Training	Staff Development Training (Registration Fees, Travel, Accommodations, Incidentals)	1,346	Х	Х
Property Tax	Property Tax Assessment	932	Х	Х
	Minor Equipment and Supplies (Kitchen, Rehab, Social Day, Staff Break Room, Clinic Small			
Minor Equipment & Supplies	Equipment)	560	X	Χ
Travel	Staff Travel and Mileage for Home Visits, Marketing, Conferences and Enrollment	492	Х	Х
Supplies	Office Supplies for Staff	412	Х	Х
Subscriptions	Subscriptions, Membership, Registration for Dietetic and Other Discipline Specific Memberships	386	Х	Х

**Total Other Operating Expenses** 

51,216

	MSSP: Professional Fees			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Consulting	A-133 Annual Audit Requirement	4,298	Х	X

**Total Professional Fees** 

4,298

	MSSP: Purchased Services			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Interpreter Services	Language Interpretation and Translation of Member Materials	248	X	Х

Total Purchased Services

248

	MSSP: Printing & Postage			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Member Communications	Return Envelopes & Brochures for Members	248	Χ	X

Total Printing & Postage

248

#### **Attachment B**

	MSSP: Other Operating Expenses							
Specific Type	Authorization	Appropriation						
Maintenance	Information Management Software for Long Term Care	24,998	X	X				
Telephone	Cell Phones and Data Plans for Field Staff and Management Team who Complete Onsite Home							
·	Assessments	9,998	X	X				
Travel	Regular Home Visits with Members for Field Staff	5,648	Х	Х				
Professional Dues	Professional Certifications	3,150	Х	Х				
Other Expenses	Member Services Provided by Care Managers	1,598	Х	Х				
Training & Seminar	Professional Development and Education	1,500	Х	Х				
Office Supplies	Routine Office Supplies for Field and Office Staff	900	Х	Х				
Food Services	Food Services for Department Training and Other Events	98	X	X				

**Total Other Operating Expenses** 

47,890

#### **Attachment B**

	Facilities: Purchased Services			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Fire/Life Safety Security	Security Contract	381,110	X	X
Building Administration	Property Management, Administration Fee and Other Related Expenses	278,890	Χ	X

Total Purchased Services 660,000

	Facilities: Printing & Postage			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Postage	Postage and Courier	2,000	Х	Х

Total Printing & Postage 2,000

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#### **Attachment B**

	Facilities: Other Operating Expenses			
Specific Type	Objective of the Item Proposed	Budget FY 2021 Input	Authorization	Appropriation
Utilities	Electricity	426,722	X	X
Janitorial	Janitorial Night Contract	353,296	Χ	X
Repairs & Maintenance	Engineering Contract	222,099	Χ	X
Insurance	Property, Liability and Earthquake Insurance	222,000	Χ	Х
Janitorial	Janitorial Day Contract	130,091	Χ	X
Danaina () Maintanana	Other Repair and Maintenance (Signage, Steam Cleaning, Roof, Locksmith, Pest Control Contract,	04.640	V	V
Repairs & Maintenance	Other Maintenance) HVAC Miscellaneous	94,640	X	X
Repairs & Maintenance		92,054		
Janitorial	Janitorial Supplies	90,000	X	X
Repairs & Maintenance	Plumbing  Flooting   Province and Compliance	56,940	X	X
Repairs & Maintenance	Electrical Repairs and Supplies	45,250	X	X
Landscape	Exterior Landscape Contract	45,000	X	Х
Repairs & Maintenance	Water Treatment	33,920	X	X
Repairs & Maintenance	Windows	32,172	X	Х
Landscape	Landscape Extras	30,400	X	X
Fire/Life Safety Security	Other Fire/Life Safety Expenses (Phone, Emergency Generator, Other Expenses)	30,000	X	Х
Repairs & Maintenance	Elevator Maintenance Contract	27,600	X	X
Repairs & Maintenance	HVAC Maintenance Contract	25,078	Χ	X
Fire/Life Safety Security	Security Equipment and Maintenance	22,780	Χ	X
Repairs & Maintenance	Walls/Ceilings/Floors/Sidewalks/Railings	21,800	Χ	X
Property Tax	Property Tax Assessments	21,000	Χ	X
Utilities	Water-Building	18,339	Χ	X
Building Expenses	Various Building Expenses (Trash, Water for Irrigation, Interior Plants)	16,003	Χ	X
Utilities	Gas	11,816	Χ	X
Parking Lot Maintenance	Parking Lot Maintenance	10,200	Χ	X
Repairs & Maintenance	Door Maintenance and Repair	8,800	Х	X
Repairs & Maintenance	Painting Total Other Operating Expanses	6,000	Χ	X

Total Other Operating Expenses

2,094,000

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# Fiscal Year 2020-21 Proposed Operating and Capital Budget

CalOptima Board of Directors' Finance and Audit Committee Meeting May 21, 2020

Nancy Huang, Chief Financial Officer

### **Overview**

- May Revise Updates
  - ➤ State budget proposal highlights
  - Estimated impact to Medi-Cal managed care plans
- FY 2020-21 Consolidated Budget Overview
  - > Program changes and operational updates
  - > Budget comparison reports
- Operating Budget Details by Line of Business
- Capital Budget



## **May Revise Updates**

- 5/14/20: Governor released May Revise
  - ➤ General Fund Budget: \$133.9 billion
  - ➤ Total reserves: \$8.35 billion
  - > \$54.3 billion budget deficit for FY 2019-20 and FY 2020-21
  - ➤ Assumes Medi-Cal caseload will hit 14.5 million by July 2020
    - 2 million higher than levels without COVID-19
- Mid-May to Mid-June: State Senate and Assembly will hold budget hearings, meet in conference committee to resolve any differences and negotiate with Administration
- 6/15/20: Deadline for State Legislature to enact a balanced budget



## May Revise Updates (cont.)

- \$54.3 billion budget gap for FY 2019-20 and FY 2020-21
  - > Gap addressed through a combination of cost savings proposals
- New Medi-Cal budget proposals in May Revise
  - ➤ 1.5% rate reduction from 7/1/19 12/31/20 (i.e., Bridge Period)
  - Capitation rate adjustments effective rate year beginning 1/1/21
    - Projected 3% decrease to Medi-Cal base rates for acuity, efficiency and cost containment adjustments
- Cancelled expansions or other reductions from January Budget
  - Delayed implementation of CalAIM
  - Cancelled Medi-Cal eligibility expansion for:
    - Undocumented adults 65 and older; and
    - SPDs with incomes between 123% and 138% FPL



## May Revise Updates (cont.)

- Trigger cuts, if federal funding does not materialize
  - ➤ Reduce adult dental benefits to partial restoration levels in 2014
  - ➤ Eliminate Medi-Cal optional benefits
  - ➤ Eliminate CBAS effective 1/1/21
  - ➤ Eliminate MSSP effective 7/1/20
  - ➤ Shift \$1.2 billion in Proposition 56 funding to pay for Medi-Cal caseload growth effective 7/1/20



## May Revise Impact on Medi-Cal Budget

	Medi-Cal Budget –	Balanced	Medi-Cal Budget - Revise	Medi-Cal Budget – Post May Revise				
	Trends	Revenue Change	Trends	Revenue Change	Variance			
Classic	0%	\$0M	-1.5% July to June 2021 Additional: -3% Jan to June 2021	-\$43M	-\$43M			
Expansion	-5% Jan to June 2021	-\$25M	-1.5% July to June 2021 Additional: -5% Jan to June 2021	-\$42M	-\$17M			
WCM	+9% Jan to June 2021	+\$9M	-1.5% July to June 2021 Additional: +5.7% Jan to June 2021	+\$2M	-\$7M			
Forecasted Revenue Change		-\$16M		-\$83M	-\$67M			
Total Revenue	\$3,252,680,4	\$3,252,680,471		324	-\$66,871,147			
Operating Income/(Loss)	\$0M		-\$64,510,7	-\$64,510,748				



## CalOptima Budget Outlook

- Reductions are deeper than originally anticipated
- Uncertainty remains on size of next year's revenue reduction; current reduction is an estimate
- Potential impact of trigger cuts significant to members, providers and Orange County safety net system
  - ➤ Risk to several existing programs and services
- Proposed Medi-Cal revenue reductions are accounted for in the Operating Budget
  - ➤ Given current COVID-19 environment and strain on provider community, full impact of estimated May Revise reductions was not passed on to providers
- Uphold CalOptima's mission: Ensure member access to quality care



## FY 2020-21 Budget Overview

### Program Updates

- ➤ January 2021: Pharmacy benefit carve-out
- ➤ January 2021: MSSP carve-out of Medi-Cal
  - MSSP elimination part of the May Revise proposed trigger cut

#### Operational Updates

- ➤ July 2020: Medi-Cal Classic capitation adjustments resulting from rebasing
- ➤ July 2020: Medi-Cal Expansion capitation adjustments
- ➤ July 2020: CDPS risk adjustment for Medi-Cal Expansion
- ➤ January 2021: Percent of premium adjustments to OneCare Connect hospital capitation



## FY 2020-21 Budget Overview (cont.)

#### Enrollment trends

- ➤ Significant increase in Medi-Cal TANF (Adult and Child) and Expansion members due to COVID-19
- Slight decrease in OneCare Connect and OneCare
- Moderate increase in PACE
- Revenue assumptions (CY21 vs. CY20)
  - Medi-Cal Classic: Decrease of 3%
  - Medi-Cal Expansion: Decrease of 5% or approximately \$25 million
  - Medi-Cal WCM: Increase of 5.7% or approximately \$5 million
  - Medicare Revenue (OneCare Connect, OneCare, PACE): Slight increase, in aggregate



## FY 2020-21 Budget Overview (cont.)

#### Medical Costs

- Hospital and Professional capitation
  - Medi-Cal Classic: Align capitation with risk
    - Exclude CCS from Medi-Cal Classic experience
  - Expansion: Continued reduction to capitation
    - Right size to levels supported by membership and utilization data
- Fee-For-Service cost and utilization trends
  - Continued increase in non-medical transportation utilization
  - Increasing pharmacy unit cost trends
  - Trend adjustments for newly eligible Medi-Cal members
- ➤ Pay for Value (P4V) program funding increase
- ➤ SNF and ancillary providers rate increase



## **Comparative Budget - Consolidated**

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	789,202	767,558	737,719	800,302
Revenue	\$3,445,300,918	\$3,474,634,378	\$3,642,286,855	\$3,555,013,609
Medical Costs	\$3,290,853,863	\$3,216,699,526	\$3,479,182,625	\$3,465,429,294
Administrative Expenses	\$131,739,047	\$129,949,196	\$134,392,406	\$166,306,834
Operating Income/Loss	\$22,708,008	\$127,985,656	\$28,711,824	(\$76,722,518)
Investments, Net	\$21,660,838	\$43,639,175	\$38,925,807	\$15,000,000
Change in Net Assets**	\$44,368,846	\$171,624,832	\$67,637,631	(\$61,722,518)
Medical Loss Ratio	95.5%	92.6%	95.5%	97.5%
Administrative Loss Ratio	3.8%	3.7%	3.7%	4.7%

<sup>\*</sup> Forecasted as of March 2020; Revenue excludes directed payments



<sup>\*\*</sup> Change in net assets excludes net investment and other income Figures may not add due to rounding

# Consolidated Income Statement FY 19-20 Budget vs FY 20-21 Budget

	FY 2019-20 Budget**	FY 2020-21 Budget	FY 2020-21 Budget vs. FY 2019-20 Budget
Average Monthly Enrollment	743,485	800,302	56,817
Revenue	\$3,565,765,952	\$3,555,013,609	(\$10,752,343)
Medical Costs	\$3,399,171,169	\$3,465,429,294	\$66,258,125
Administrative Expenses	\$157,173,246	\$166,306,834	\$9,133,588
Operating Income/Loss	\$9,421,537	(\$76,722,518)	(\$86,144,055)
Investments, Net	\$15,000,000	\$15,000,000	\$0
Change in Net Assets*	\$24,421,537	(\$61,722,518)	(\$86,144,055)
MLR	95.3%	97.5%	2.2%
ALR	4.4%	4.7%	0.3%

<sup>\*</sup>Change in net assets excludes investment and other income



<sup>\*\*</sup> Includes Board actions on budget adjustments as of March 2020

# **Consolidated General and Administrative Expenses**

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget	FY 2020-21 Budget vs. FY 2019-20 Forecast
Revenues	\$3,474,634,378	\$3,642,286,855	\$3,555,013,609	\$(87,273,246)
Salaries, Wages & Benefits	\$84,008,424	\$88,405,275	\$108,502,832	\$20,097,557
Non-Salaries & Wages	\$45,940,773	\$45,987,131	\$57,804,002	\$11,816,871
Professional Fees	\$3,167,619	\$3,212,922	\$4,687,662	\$1,474,740
Purchased Services	\$12,584,719	\$12,272,285	\$15,305,052	\$3,032,767
Printing & Postage	\$5,212,810	\$4,964,763	\$7,173,171	\$2,208,408
Depreciation & Amortization	\$7,226,723	\$6,007,358	\$7,653,840	\$1,646,482
Other Operating Exp/Indirect Cost Allocation, Occupancy	\$17,748,901	\$19,529,803	\$22,984,277	\$3,454,474
Total G&A	\$129,949,196	\$134,392,406	\$166,306,834	\$31,914,428
ALR	3.7%	3.7%	4.7%	1.0%

- Forecasted as of March 2020; Revenue excludes directed payments
- FY 2019-20 forecasted figures do not include unfilled open positions



# General and Administrative Expenses Bridge for FY 19-20 Forecast vs FY 20-21 Budget

G&A Expense	Bridge	Description
Salaries, Wages &	\$20.1M	Compensation study [\$7.0M], Open positions (100 FTEs) and
Employee Benefits		new positions (16 FTEs) [\$7.0M], Merit increase (3%) [\$2.4M], Overtime [\$2.4M], Upgrades and retention bonus [\$1.3M]
Professional Fees	\$1.5M	Internal audit, legal fees, consulting for new initiatives and
		software applications, financial and other required audits
Purchased Services	\$3.0M	Increase in EDI clearinghouse, forensic review, and
		prepayment edit, member interpretation and translation,
		advertising and regulatory compliance services
Printing & Postage	\$2.2M	Increase in mailing and processing of member packages and
		notices, postage costs, direct mail campaign, increased
		support in marketing and outreach materials for members and
		providers
Other Operating Expenses	\$2.7M	Increase in software licenses and maintenance agreements,
		insurance policy increase, planned outreach activities for
		members, providers and community events, building
		maintenance and supplies, staff education and development
Depreciation & Amortization	\$1.7M	FY 2019-20 and FY 2020-21 capital items placed in service
Occupancy/Indirect Cost	\$0.7M	Lease funding for space capacity need
Allocation		
Total:	\$31.9M	



# CalOptima Consolidated Income Statement: Attachment A

Attachment A

CalOptima Fiscal Year 2020-21 Budget

-			
Byl	line	of Business	

	Medi-Cal (Classic)	Medi-Cal (Expansion)	Medi-Cal (WCM)		Total		осс		OneCare		PACE		MSSP	]	Facilities		Consolidated
Member Months	6,258,987	3,011,857	143,178		9,414,022		167,856		16,536		5,211		2,730		-		9,603,625
Avg Members	521,582	250,988	11,931		784,502		13,988		1,378		434		455		-		800,302
Revenues																	
Capitation revenue	\$ 1,706,161,985	\$ 1,228,272,960	\$ 251,374,380	\$	3,185,809,324	\$	306,323,384	\$	19,472,782	\$	42,189,583	\$	1,218,536	\$	-	\$	3,555,013,609
Total	\$ 1,706,161,985	\$ 1,228,272,960	\$ 251,374,380	\$	3,185,809,324	\$	306,323,384	\$	19,472,782	\$	42,189,583	\$	1,218,536	\$	-	\$	3,555,013,609
Medical Costs																	
1 Provider capitation	\$ 525,065,237	\$ 544,737,283	\$ 101,059,284	\$	1,170,861,804	\$	132,514,946	\$	5,220,667	\$	-	\$	-	\$	-	\$	1,308,597,418
2 Claims Payments	\$ 557,986,264	\$ 422,990,239	\$ 97,076,012	\$	1,078,052,514	\$	59,102,790	\$	6,184,669	\$	18,272,209	\$	-	\$	-	\$	1,161,612,182
3 LTC/Skilled Nursing Facilities	\$ 432,568,164	\$ 37,233,712	\$ 13,282,179	\$	483,084,055	\$	18,145,318	\$	-	\$	826,406	\$	158,410	\$	-	\$	502,214,188
4 Prescription Drugs	\$ 103,242,805	\$ 143,275,777	\$ 34,466,289	\$	280,984,871	\$	70,776,758	\$	5,897,339	\$	3,427,259	\$	-	\$	-	\$	361,086,227
5 Case Mgmt & Oth Medical	\$ 54,237,458	\$ 37,412,324	\$ 4,824,591	\$	96,474,372	\$	17,924,296	\$	555,802	\$	16,236,384	\$	728,425	\$	-	\$	131,919,279
Total	\$ 1,673,099,928	\$ 1,185,649,334	\$ 250,708,354	\$	3,109,457,616	\$	298,464,108	\$	17,858,477	\$	38,762,257	\$	886,835	\$	_	s	3,465,429,294
MLR	 98.1%	96.5%	99.7%		97.6%		97.4%		91.7%		91.9%		72.8%				97.5%
Gross Margin Administrative Expenses	\$ 33,062,057	\$ 42,623,626	\$ 666,026	\$	76,351,708	\$	7,859,275	\$	1,614,305	\$	3,427,326	\$	331,700	\$	-	\$	89,584,315
Salaries, Wages, & Employee Benefits				\$	94,995,648	ø	10,489,935	e	848,531	e	1,803,935	\$	364,783	e		s	108,502,832
Professional Fees				φ Φ	4,008,364		481,000		192,000		2,000		4,298		-	\$	4,687,662
Purchased services				φ Φ	12,913,530		1,320,950		117,000		2,000				660,000	\$	15,305,052
Printing & Postage				o.	5,530,302	\$			97,000		175,400			\$	2,000	\$	7,173,171
Depreciation & Amortization				o.	5,502,000		1,300,221	\$		\$	24,840		240	\$		\$	7,653,840
Other Operating Expenses				o.	20,210,957	\$	229,281	\$		\$	51,216		47,890		2,094,000	9	22,639,794
Indirect Cost Allocation, Occupancy Expense				o C	(2,298,345)				444,537		57,188		31,198		(4,883,000)	9	344,483
Total				•	140,862,456	\$	20,882,292			\$	2,407,903		448,665		(4,003,000)	\$	166,306,834
ALR				<u> </u>	4.4%	Þ	6.8%	φ	8.8%	Þ	5.7%	Φ	36.8%	<u>.</u>		J	4.7%
Operating Income/(Loss)				\$	(64,510,748)	\$	(13,023,016)	\$	(91,213)	\$	1,019,423	\$	(116,964)	\$	-	\$	(76,722,518)
Investment Income MCO Tax Revenue MCO Tax Expense				\$	182,255,794 (182,255,794)											\$ \$ \$	15,000,000 182,255,794
CHANGE IN NET ASSETS				<u>\$</u>	(64,510,748)	<b>c</b>	(12.022.014)	e	(01.212)	•	1 010 422	•	(116.064)	e.		\$ \$	(182,255,794) (61,722,518)
CHANGE IN INEI ASSEIS				ð	(04,510,748)	Þ	(13,023,016)	Ð	(91,213)	3	1,019,423	Þ	(110,904)	Þ		Þ	(01,/22,518)



## **FY 2020-21 Operating Budget**

# **Budgets by Line of Business**



## **Medi-Cal Program**

Start Date	October 1995						
Program Type	California's Medicaid Program						
Contractor/ Regulator	California Department of Health Care Services (DHCS)						
Eligibility	<ul> <li>Child and family</li> <li>Senior</li> <li>Persons with disabilities</li> <li>Low-income (includes Medi-Cal Expansion)</li> </ul>						
Services	<ul> <li>Comprehensive health</li> <li>Prescriptions</li> <li>Vision</li> <li>Mental Health</li> <li>MLTSS</li> <li>(Dental provided by DHCS)</li> </ul>						



## **Medi-Cal Budget**

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	751,409	721,719	784,502
Revenue	\$3,134,181,617	\$3,289,166,019	\$3,185,809,324
Medical Costs	\$2,881,181,629	\$3,144,826,354	\$3,109,457,616
Administrative Expenses	\$106,944,388	\$111,931,109	\$140,862,456
Operating Income/Loss**	\$146,155,600	\$32,408,556	(\$64,510,748)
Medical Loss Ratio	92.0%	95.6%	97.6%
Administrative Loss Ratio	3.4%	3.4%	4.4%

<sup>\*</sup> Forecasted as of March 2020; Revenue excludes directed payments



<sup>\*\*</sup> Change in net assets excludes net investment and other income Includes MSSP from July to December 2020

## **Medi-Cal Revenue**

### Medi-Cal Rate Assumptions

	Medi-Cal Classic	Medi-Cal Expansion	Medi-Cal WCM	
Capitation rates	<ul> <li>Draft 18-month bridge period rates for 7/1/20 – 12/31/20 with incorporated 1.5% reduction</li> <li>Draft Calendar Year (CY) 2021 rates expected Oct 2020</li> </ul>			
	Additional 3% reduction (total of -4.5%)	Additional 5% reduction (total of -6.5%)	<ul> <li>Assumes 5.7% increase</li> <li>Includes CCS and non-CCS services</li> </ul>	
BHT/ Hepatitis C Rates	FY 2019-20 rates			
CCI Rates	<ul> <li>Draft CY 2019 rates for duals</li> <li>Reweighted for projected cohort mix</li> <li>Reduced by 1.5% July 2020 and additional 3% January 2021</li> </ul>		NA	



## Medical Costs: Provider Rate Updates for Medi-Cal Classic

Medical Cost	Unit Cost Change	Detail
Provider Capitation	Decrease (-2.0%)	TANF/SPD categories of aid: -12.8% Child and +7.2%     Non-Child
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
Pay for Value (P4V)	Increase	From \$2 PMPM maximum to \$5 PMPM maximum



## Medi-Cal Classic Rebasing Results

- Proposed capitation rates includes:
  - ➤ Budget neutrality adjustment
  - ➤ Additional trend across all COA / Risk
  - > Potential completion of encounters
- Though WCM has been separately reimbursable since July 1, 2019, the current Medi-Cal Classic capitation rates include the higher experience
  - ➤ Health Networks have benefited from higher revenue for the past 12 months
- CalOptima has accounted for all unit cost increases that were implemented in the current fiscal year



## Medi-Cal Classic: Proposed Capitation Change

### Fiscal impact of rate reduction

Cost Type	% Change	\$ Change	Impacted Entities
Professional Capitation	-0.5%	-\$1M	Health Networks
Hospital Capitation	-3.9%	-\$7M	Capitated Hospitals/ HMO Networks
Shared Risk Pool	Results from decrease to Hospital Capitation	-\$0M	SRG Health Networks
Total	-2.0%	-\$8M	



## Medical Costs: Provider Rate Updates for Medi-Cal Expansion

Medical Cost	Unit Cost Change	Detail
Provider Capitation	Decrease (-10.6%)	<ul><li>Professional: -7%</li><li>Hospital: -14%</li></ul>
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
Pay for Value (P4V)	Increase	From \$2 PMPM maximum to \$5 PMPM maximum



## **Medi-Cal Expansion: Capitation History**

- Expansion health network capitation rates
  - ➤ Professional rates originally derived from a 50/50 blend of Disabled and Adult TANF populations
  - ➤ Hospital rates based on 100% of the Disabled population
  - Expectation of high risk for Expansion population when program began
  - ➤ Incentive to develop sufficient provider networks

#### Expansion Capitation Rates

Service Type	Jan 2014	Sept 2014	Sept 2015	July 2016	July 2017	July 2019	*Proposed July 2020
Professional Capitation	\$147.97	\$199.91	\$170.17	\$144.64	\$144.64	\$133.07	\$123.76
Hospital Capitation	\$267.66	\$361.61	\$307.81	\$261.64	\$185.76	\$146.75	\$126.21
Total Capitation	\$415.63	\$561.52	\$477.98	\$406.28	\$330.41	\$279.82	\$249.96
% Change	+20%	+35.1%	-15.0%	-15.0%	-18.7%	-15.31%	-10.67%

<sup>\*</sup> Figures may not add due to rounding



# Medi-Cal Expansion: Proposed Capitation Change

Proposed Expansion rate change

Service Type	July 2019	Proposed (FY 20-21)	PMPM Change	% Change
Professional Capitation	\$133.07	\$123.76	-\$9.31	-7.0%
Hospital Capitation	\$146.75	\$126.21	-\$20.54	-14.0%
Total Capitation	\$279.82	\$249.96	-\$29.86	-10.7%

Proposed Expansion rate comparison to Adult TANF Classic

Service Type	Adult TANF Classic (FY 19-20)	Proposed (FY 20-21)	PMPM Difference	% Over Adult TANF Classic
Professional Capitation	\$86.67	\$123.76	\$37.09	42.8%
Hospital Capitation	\$65.17	\$126.21	\$61.04	93.7%
Total Capitation	\$151.84	\$249.96	\$98.12	64.6%

<sup>\*</sup> Figures may not add due to rounding



## **FFS Comparison**

### Current FFS Comparison - % Medi-Cal Equivalent

Service Type	Classic	Expansion	% Over Classic
Professional PCP	129%	129%	0.0%
Professional Specialist	133%	156%	17.3%
Hospital Inpatient	108%	117.3%	8.6%
Hospital Outpatient	133%	133%	0.0%



# Medi-Cal Expansion: Proposed Capitation Change

#### Fiscal impact of rate reduction

Cost Type	% Change	\$ Change	Impacted Entities
Professional Capitation	-7.0%	-\$21M	Health Networks
Hospital Capitation	-14.0%	-\$25M	Capitated Hospitals/ HMO Networks
Shared Risk Pool	Results from decrease to Hospital Capitation	-\$5M	SRG Health Networks
Total	-10.6%	-\$50M	



<sup>\*</sup> Figures may not add due to rounding

### **Medical Costs: Medi-Cal WCM**

- Continued to use draft rates as a proxy for actual experience
- Staff will analyze experience data as it becomes available
- Provides capitation with a risk corridor to Health Networks
- Higher than expected medical costs in Facilities, Long Term Care,
   Pharmacy services

Category	Jul-Dec 2020	Jan-Jun 2021	Total
Total Revenue	\$141,887,812	\$109,486,568	\$251,374,380
Provider Capitation	\$51,631,747	\$49,427,537	\$101,059,284
Medical Claims Cost	\$48,010,557	\$49,065,455	\$97,076,012
Prescription Drugs	\$34,466,289	\$0	\$34,466,289
Long Term Care	\$6,446,537	\$6,835,642	\$13,282,179
Medical Management & Other	\$2,485,314	\$2,339,276	\$4,824,591
Total Medical Costs	\$143,040,444	\$107,667,910	\$250,708,354
MLR	100.8%	98.3%	99.7%

<sup>\*</sup> Figures may not add due to rounding



## **OneCare Connect Program**

Start Date	July 2015
Program Type	Medicare and Medicaid Duals Demonstration
Contractor/ Regulator	CMS and DHCS
Eligibility	Medi-Cal member who also has Medicare (i.e., dual eligible)
Services	<ul> <li>Comprehensive health</li> <li>Prescriptions</li> <li>Vision</li> <li>MLTSS</li> <li>Assessment</li> <li>Care planning</li> <li>Care coordination</li> <li>Supplemental benefits</li> </ul>



## **OneCare Connect Budget**

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	14,398	14,145	13,988
Revenue	\$292,428,410	\$296,342,072	\$306,323,384
Medical Costs	\$293,947,462	\$286,650,446	\$298,464,108
Administrative Expenses	\$19,863,775	\$18,706,540	\$20,882,292
Operating Income/Loss	(\$21,382,827)	(\$9,014,914)	(\$13,023,016)
Medical Loss Ratio	100.5%	96.7%	97.4%
Administrative Loss Ratio	6.8%	6.3%	6.8%

<sup>\*</sup> Forecasted as of March 2020



### **OneCare Connect Revenue**

- OneCare Connect rate assumptions
  - ➤ Applies Year 3+ savings targets of 5.5%, quality withhold of 4%, and 2% sequestration reduction from January through June 2021

Medicare Part C	Medicare Part D	Medi-Cal**
CMS CY 2019 rate report*	CMS CY 2019 rate report	N/A
<ul> <li>Draft CY 2020 rates</li> <li>Forecasted a 0.7% increase in revenue</li> </ul>	<ul> <li>Draft CY 2020 rates</li> <li>Forecasted a 2.0% decrease in revenue</li> </ul>	<ul><li>Draft CY 2019 rates</li><li>Adjusts for forecasted population mix</li></ul>

<sup>\*</sup> OCC Medicare rates are not developed from a bid process that uses actual plan data; used most current county benchmark base rate available



<sup>\*\*</sup> DHCS plan rates uses Rate Development Template (RDT) base data that has a two-year lag

## **OneCare Connect Assumptions**

 Enrollment: Applied projected mix for PHC, SRG, HMO, and CCN networks

#### Medical Costs

- ➤ Provider Capitation
  - Medicare component: Based on percent of premium (POP) rates
  - Reduced Institutional POP% per Milliman rebasing results from 50.9% to 45%. Annual impact of \$7.4 million (\$3.7 million for FY 2020-21)
  - Medi-Cal component: Based on fixed PMPM rates
- > FFS expenses: Based on actual experience trended through June 2020

#### Other adjustments

- ➤ Includes projected increases in NMT, specialist services, acute inpatient, facility, pharmacy, and projected decrease in LTC expenses.
- ➤ Includes expenses for Medicare supplemental benefits to align with OneCare supplemental benefits



## **OCC Current Challenges**

#### Challenges

- ➤ CMS applies revenue reductions, including savings targets, a quality withhold and sequestration
- ➤ No formal bid process; rates are set at the county FFS benchmark and do not reflect actual plan costs
- Risk Adjustment Factors reflect difficulties with proper data submission processes
- Increased costs due to additional supplemental benefits
- Disenrollment rate greater than enrollment rate
- CMS will continue to apply disenrollment penalties

#### Current initiatives and actions

- Implemented capitation rate adjustments to Health Networks through rebasing
- Outsource CMS data submissions using an external vendor
- ➤ Implementing the Primary Care Engagement and Clinical Documentation Integrity Program



## **OneCare Program**

Start Date	October 2005
Program Type	Medicare Advantage Special Needs Plan (SNP)
Contractor/ Regulator	Centers for Medicare & Medicaid Services (CMS)
Eligibility	Medi-Cal member who also has Medicare (i.e., dual eligible)
Services	<ul> <li>Comprehensive health</li> <li>Prescriptions</li> <li>Vision</li> <li>Mental Health</li> <li>Supplemental Benefits</li> </ul>



## **OneCare Budget**

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	1,448	1,481	1,378
Revenue	\$20,613,605	\$20,496,838	\$19,472,782
Medical Costs	\$18,272,702	\$18,295,185	\$17,858,477
Administrative Expenses	\$1,375,766	\$1,710,002	\$1,705,518
Operating Income/Loss	\$965,137	\$491,651	(\$91,213)
Medical Loss Ratio	88.6%	89.3%	91.7%
Administrative Loss Ratio	6.7%	8.3%	8.8%

<sup>\*</sup> Forecasted as of March 2020



## **OneCare Assumptions**

### OneCare rate assumptions

Medicare Part C	Medicare Part D
CMS CY 2020 Monthly Membership Report actuals • Forecasted 4% decrease to revenue as lower utilization last year will translate to lower revenue in bid process	CMS CY 2020 Monthly Membership Report actuals • Forecasted 6% increase as compared to prior year (primarily RAF score driven)

Note: Used most current rate available

### Medical Costs

- ➤ Professional provider capitation: Based on 38.6% POP
- > Includes expenses for approved supplemental benefits



# **PACE Program**

Start Date	October 2013
Program Type	Medicare and Medicaid Program
Contractor/ Regulator	CMS and DHCS
Eligibility	<ul> <li>Member who is:</li> <li>• ≥ 55;</li> <li>• Meet nursing facility level of care; and</li> <li>• Live in a PACE service area</li> </ul>
Services	<ul> <li>All Medicare and Medicaid services</li> <li>16 additional services, such as social services, nursing facility care, personal care, nutritional counseling and recreational therapy</li> </ul>



# **PACE Budget**

Program	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	303	374	434
Revenue	\$27,410,747	\$36,281,926	\$42,189,583
Medical Costs	\$23,297,733	\$29,410,640	\$38,762,257
Administrative Expenses	\$1,765,267	\$2,044,756	\$2,407,903
Operating Income/Loss	\$2,347,747	\$4,826,530	\$1,019,423
Medical Loss Ratio	85.0%	81.1%	91.9%
Administrative Loss Ratio	6.4%	5.6%	5.7%

<sup>\*</sup> Forecasted as of March 2020



## **PACE Assumptions**

### PACE rate assumptions

Medicare Part C	Medicare Part D	Medi-Cal
<ul> <li>2020 Actuals</li> <li>Forecasted a 7.1% increase in revenue due to both base rates and RAF score</li> </ul>	<ul> <li>2020 Actuals</li> <li>Rates and subsidies based on CY 2020 payment</li> <li>No additional trend applied</li> </ul>	PMPM rates based on CY 2019 rates and reflect a 2.2% increase

Note: Used most current rate available

### Medical costs

- Based on mix of actual experience and industry benchmarks
- ➤ Reclassifies 96% of some administrative expenses as medical costs to better reflect the actual costs of delivering medical care



## **Recommended Actions**

### Recommend that the Board of Directors:

- 1. Approve CalOptima FY 2020-21 Operating Budget
- Authorize the expenditure and appropriate the funds for items listed in Attachment B: Administrative Budget Details
  - ➤ Items will be procured in accordance with CalOptima Policy GA.5002: Purchasing Policy













#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

#### **Report Item**

5. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2020-21 Operating Budget

#### **Contact**

Nancy Huang, Chief Financial Officer, (714) 246-8400

#### **Recommended Actions**

Recommend that the Board of Directors:

- 1. Approve the CalOptima Fiscal Year (FY) 2020-21 Operating Budget; and
- 2. Authorize the expenditures and appropriate the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing Policy.

#### **Background**

The CalOptima FY 2020-21 Operating Budget provides revenues and appropriations for the period of July 1, 2020, through June 30, 2021, and includes the following budget categories:

- Medi-Cal:
- OneCare Connect;
- OneCare:
- Program for All-Inclusive Care for the Elderly (PACE);
- Multipurpose Senior Services Program (MSSP);
- Facilities; and
- Investment income.

Staff is submitting the complete budget for all lines of business for approval with assumptions based on available information to date. Pursuant to CalOptima Policies GA.3202: CalOptima Signature Authority, GA.5002: Purchasing Policy, and GA.5003: Budget and Operations Forecasting, the Board's approval of the budget authorizes the expenditure and appropriates the funds requested for the item without further Board action to the extent the Board has or is, as indicated in the budget attachments, delegating authority to Management.

The primary revenue source is the State of California. The COVID-19 pandemic has led to a national recession, sharp decline in state revenues, and rapid increases to health and human services caseloads and medical expenses. On May 714, 2020, the California Department of Finance projected Governor released the revised state budget (May Revise) that projects a budget deficit of approximately \$54.3 billion for FY 2019-20 and FY 2020-21 combined. The Governor will release the revised state budget (May Revise) on May 14, 2020. This The Governor's budget will provide additional information on the state's fiscal outlook proposes to close this gap with a combination of (1) Cancelled expansions and any budget adjustments that are specific to the Medi-Cal program. The State Legislature is expected to pass the State's budget by June 15, 2020 other reductions; (2) reserves; (3) borrowing, transfers, and deferrals; (4) new revenues; (5) federal funds; and (6) trigger cuts, if federal funding does not

materialize.

The May Revise contains several proposals that will impact CalOptima's lines of business directly.

- New budget proposals in the May Revise
  - 1.5% rate reduction for the Medi-Cal managed care rates from July 1, 2019, through
     December 31, 2020 (i.e., Bridge Period). DHCS will implement a risk corridor; and
  - Managed care capitation rate adjustments effective for rate year beginning January 1,
     2021. DHCS will make acuity, efficiency and cost containment downward revenue adjustments.
- Cancelled expansions or other reductions from January Budget
  - Delayed implementation of CalAIM; DHCS noted the Whole Person Care pilot and Health Homes Program will continue as authorized;
  - o Cancelled Medi-Cal eligibility expansion to undocumented adults 65 and older; and
  - Cancelled Medi-Cal eligibility expansion to seniors and persons with disabilities (SPD)
     with incomes between 123% and 138% FPL.
- Trigger cuts, if federal funding does not materialize
  - o Reduce adult dental benefits to partial restoration levels in 2014;
  - o Eliminate Medi-Cal optional benefits;
  - o Eliminate CBAS effective 1/1/21;
  - o Eliminate MSSP effective 7/1/20; and
  - Shift \$1.2B in Prop 56 funding to pay for Medi-Cal program caseload growth effective July 1, 2020.

The State Legislature is required to pass a balanced budget by June 15, 2020. CalOptima will have a high level of uncertainty until the final budget is passed. Staff has included the new budget proposals from the May Revise and cancelled expansions or other reductions from the Governor's January Budget in the current Operating Budget. At this time, the Newsom Administration has not provided a timeline for when they will decide on the proposed trigger cuts. Staff will continue to monitor the discussions between the Legislature and Newsom Administration to assess the likelihood of implementation.

Given the current COVID-19 environment, CalOptima staff continues to work to protect the health and safety of our members and to preserve Orange County's safety net health system. The proposed FY 2020-21 Consolidated CalOptima Operating Budget reflects management's efforts balance state funding constraints while upholding CalOptima's mission to ensure member access to quality care.

#### **CalOptima Budget Overview**

#### I. Consolidated Operating Budget

The FY 2020-21 Consolidated Operating Budget is a combined income and spending plan for all CalOptima programs and activities.

**Table 1: FY 2020-21 Consolidated Operating Budget** 

	FY 2020-21 Budget
Average Monthly Enrollment	800,302
Revenue	\$3, <del>621,884,756</del> <u>555,013,609</u>
Medical Costs	\$3, <del>467,755,838</del> <u>465,429,294</u>
Administrative Expenses	\$166, <del>322,248</del> <u>306,834</u>
Operating Income/Loss	(\$ <del>12,193,330</del> <u>76,722,518</u> )
Investments, Net	\$15,000,000
Change in Net Assets	<del>\$2,806,670</del> (\$61,722,518)
Medical Loss Ratio (MLR)	<del>95.7</del> 97.5%
Administrative Loss Ratio (ALR)	4. <u>67</u> %

#### **Budget Assumptions**

<u>Medical Cost</u>: Several methods were utilized to develop the medical cost forecasts. Predominantly, projections were based on trends calculated from historical experience. In addition, adjustments were applied to account for <u>any</u> known changes to operations, program structure, benefits, and regulatory policies. For newly implemented programs, staff used historical data, proxy data and industry benchmarks, and checked results for reasonability.

Administrative Expenses: To take into consideration seasonal and cyclical spending patterns, FY 2020-21 was forecasted utilizing a 12-month historical run-rate. To ensure inclusion in the budget, Staff reviewed all contract encumbrances. Lastly, internal departments identified resource requirements based on changes to enrollment, regulatory and organizational needs. Staff considered:

- Salaries, Wages & Benefits for current staff, unfilled budgeted positions and new budgeted positions;
- Professional Fees, Purchased Services, Printing & Postage and Other Operating Costs based on the needs and priorities of providing care to members;
- Depreciation & Amortization on current assets and projected assets according to Generally Accepted Accounting Principles (GAAP); and
- Indirect Cost Allocation primarily based on revenue and adjusted where necessary.

Of note, CalOptima has several contracts for claims administration, credit balance recovery, and Social Security Income conversion that are paid on a contingency basis. The following table provides a comparison of consolidated general and administrative expenses from the budgeted and previous fiscal years.

**Table 2: Comparison of Consolidated General and Administrative Expenses** 

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21	
	Actual	Forecast*	Budget	Budget vs.	
				FY 2019-20	
				Forecast	
Revenues	\$3,474,634,378	\$3,642,286,855	\$3, <del>621,884,756</del>	\$(20,402,099 <u>(</u> \$	
			555,013,609	87,273,246)	
Salaries, Wages & Benefits	\$84,008,424	\$88,405,275	\$108,502,832	\$20,097,557	
Non-Salaries & Wages	\$45,940,773	\$45,987,131	\$57, <del>819,416</del> 804		
			<u>,002</u>	\$11, <del>832,285</del> <u>816</u>	
				<u>,871</u>	
Professional Fees	\$3,167,619	\$3,212,922	\$4,687,662	\$1,474,740	
Purchased Services	\$12,584,719	\$12,272,285	\$15,305,052	\$3,032,767	
Printing & Postage	\$5,212,810	\$4,964,763	\$7,173,171	\$2,208,408	
Depreciation &	\$7,226,723	\$6,007,358	\$7,653,840	\$1,646,482	
Amortization					
Other Operating	\$17,748,901	\$19,529,803	\$22,999,691984		
Exp/Indirect Cost			,277	\$3, <del>469,888</del> <u>454,</u>	
Allocation, Occupancy				<u>474</u>	
Total G&A	\$129,949,196	\$134,392,406	\$166, <del>322,248</del> <u>30</u>	\$31, <del>929,8</del> 42 <u>914</u>	
			<u>6,834</u>	,428	
ALR	3.7%	3.7%	4. <u>67</u> %	1. <b>2</b> <u>0</u> %	
ALR Breakdown:					
Salaries, Wages &	2.4%	2.4%	3. <u>01</u> %	0.7%	
Benefits					
Non-Salaries & Wages	1.3%	1.3%	1.6%	0.53%	

<sup>\*</sup> Forecasted as of March 2020; Revenue excludes directed payments

Note: FY 2019-20 forecasted figures do not include unfilled open positions

Attachment B: Administrative Budget Details provides additional information regarding all general and administrative expenses included in the FY 2020-21 Operating Budget.

#### II. Enrollment by Line of Business

The following table provides a comparison of total average enrollment for the past two (2) fiscal years with the projected enrollment for FY 2020-21.

**Table 3: Total Enrollment by Program** 

Program <sup>[1]</sup>	FY 2018-19	FY 2019-20	FY 2020-21	% Change
	Actual <sup>[2]</sup>	Forecast <sup>[2]</sup>	Budget <sup>[2]</sup>	21 v. 20
Medi-Cal	739,858	744,413	800,875	7.6%
OneCare Connect	14,201	14,159	13,843	-2.2%
OneCare	1,535	1,378	1,378	0.0%
PACE	327	401	472	17.7%
Total	755,921	760,351	816,568	7.4%

<sup>[1]</sup>MSSP enrollment included in Medi-Cal

<sup>[2]</sup>Enrollment as of June of every fiscal year when available

#### **III.** Operating Budget by Line of Business

#### A. Medi-Cal Program

Through a contract with the California Department Health Care Services (DHCS), CalOptima has administered the Medi-Cal program for Orange County since October 1995. CalOptima's current contract expires on December 31, 2020. The table below illustrates the Consolidated Medi-Cal Operating Budget.

Table 4: FY 2020-21 Medi-Cal Consolidated Operating Budget

	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Forecast*	Budget
Average Monthly Enrollment	751,409	721,719	784,502
Revenue	\$3,134,181,617	\$3,289,166,019	\$3,252,680,471185,
	, , ,	. , ,	809,324
Medical Costs	\$2,881,181,629	\$3,144,826,354	\$3, <del>111,799,575</del> <u>109,</u>
- Tricalcul Costs	Ψ2,001,101,02	Ψ3,111,020,331	<u>457,616</u>
Administrative Expenses	\$106,944,388	\$111,931,109	\$ <del>141,015,833</del> <u>140,86</u> <u>2,456</u>
Operating Income/Loss	\$146,155,600	\$32,408,556	(\$\frac{134,937}{64,510,74}
1.57	0.000	0 =	8)
MLR	92.0%	95.6%	<del>95.7</del> 97.6%
ALR	3.4%	3.4%	4. <u>34</u> %

<sup>\*</sup> Forecasted as of March 2020; Revenue excludes directed payments Change in net assets excludes net investment and other income Includes MSSP from July to December 2020

For FY 2020-21, Medi-Cal membership is comprised of three (3) main categories: Classic, Expansion, and Whole Child Model (WCM). The following table illustrates the Medi-Cal Operating Budget by each of these categories.

Table 5: FY 2020-21 Medi-Cal Operating Budget by Group

	Medi-Cal Classic	Medi-Cal Expansion	Medi-Cal WCM	Total
Average Monthly Enrollment	521,582	250,988	11,931	784,502
Revenue	\$1, <del>748,979,420</del> <u>706,161,985</u>	\$1, <del>245,651,603</del> 228,272,960	\$258,049,448 <u>2</u> 51,374,380	\$3, <del>252,680,471</del> 185,809,324
Medical Costs	\$1, <del>674,718,293</del> <u>673,099,928</u>	\$1, <del>186,313,388</del> <u>185,649,334</u>	\$250, <del>767,894</del> <u>7</u> 08,354	\$3, <del>111,799,575</del> <u>109,457,616</u>
Administrative Expenses				\$141,015,833 <u>1</u> 40,862,456
Operating Income/Loss				(\$ <del>134,937</del> <u>64,51</u> <u>0,748</u> )
MLR	<del>95.8</del> 98.1%	<del>95.2</del> 96.5%	<del>97.2</del> <u>99.7</u> %	<del>95.7</del> <u>97.6</u> %

ALR 4.349	ALR			4. <del>3</del> 4%
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DHCS uses Category of Aid (COA) to classify Medi-Cal enrollment into cohorts of similar acuity. DHCS develops CalOptima's capitation rates based on these cohorts. The following table shows the projected enrollment distribution by COA.

Table 6: FY 2020-21 Medi-Cal Enrollment Projection

	FY 2019-20	FY 2020-21	Variance	
	Forecast*	<b>Budget*</b>	Diff	%
BCCTP	498	460	(38)	-7.6%
Disabled	44,811	44,804	(8)	0.0%
Long Term Care	3,503	3,527	24	0.7%
Aged	65,927	66,404	477	0.7%
Child (TANF $\leq$ 18)	292,233	320,582	28,349	9.7%
Adult (TANF > 18)	88,003	96,335	8,331	9.5%
Medi-Cal Classic Subtotal	494,975	532,111	37,136	7.5%
Medi-Cal Expansion	237,506	256,832	19,326	8.1%
WCM	11,931	11,931	-	0.0%
TOTAL	744,413	800,875	56,462	7.6%

<sup>\*</sup> Enrollment as of June of every fiscal year; figures may not add due to rounding

#### **General Budget Assumptions – Medi-Cal**

DHCS will implement several policy and program changes during FY 2020-21 that will directly impact CalOptima's revenues and medical expenses. The following initiatives have been considered in the budget:

- Delayed implementation of CalAIM;
- Carve-out of prescription drug benefit effective January 1, 2021, including Hepatitis C medications:
- Expansion of Proposition 56 directed payments program;
- Expansion of the Health Homes Program; and
- Carve-out of MSSP program effective January 1, 2021.

<u>Enrollment</u>: Enrollment projections are based on actual data through March 2020 and trended through June 2021. Because of the effects on personal income from the COVID-19 pandemic, the budget assumes an increase in Temporary Assistance for Needy Families (TANF) (Adult and Child) and the Medi-Cal Expansion members.

<u>Revenue</u>: DHCS will transition theirits rate year to begin on January 1, instead of July 1. With this change, Staff applied the draft 18-month bridge period rates received in March 2020 for the period of July 1, 2020, through December 31, 2020, adjusted for the 1.5% rate reduction of the Medi-Cal managed care base rates per the Governor's May Revise. Staff anticipates receipt of Calendar Year (CY) 2021 draft rates in October 2020. As such, Staff has forecasted capitation rates for the period of January 1, 2021, through June 30, 2021, based on available information.

Medical Cost: The budget anticipates the following trends in benefits for FY 2020-21:

- Increase in Non-Medical Transportation (NMT) utilization;
- Expansion of vision benefits and higher administration fee;
- Increase in unit cost for Skilled Nursing Facilities;

- Increase in unit cost for Mental Health Services;
- Increase in Pay for Value (P4V) program funding; and
- Increase in Obstetrics supplemental payments.

#### **Medi-Cal Classic**

<u>Classic Enrollment</u>: The budget projects an 8.0% increase in total member months.

<u>Classic Revenue</u>: The budget <u>assumesestimates</u> that <u>base</u> rates effective January 2021 will <u>remainbe</u> reduced by an additional 3% to account for potential acuity, efficiency and cost containment adjustments in the <u>same as current rates</u> Governor's May Revise.

<u>Classic Medical Cost</u>: Provider capitation payments were based on capitation rates and enrollment distribution as of March 2020. Milliman, CalOptima's actuarial consultant, completed a rebasing analysis to update capitation rates and rate structure to Health Networks for the Medi-Cal Classic population. The results of this analysis are included in the rate adjustments effective July 1, 2020.

Fee-for-service (FFS) costs were based on historical claims trended to June 2021, and were developed by network type, COA, and category of service.

**Table 7: Updates to Provider Reimbursement Rates for Classic Members** 

Medical Cost	<b>Unit Cost Change</b>	Detail
Provider Capitation	Decrease (-2.0%)	Average adjustment for both TANF and SPD categories of aid
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
P4V Program	Increase	From \$2.00 PMPM maximum to \$5.00 PMPM maximum

#### **Medi-Cal Expansion**

Expansion Enrollment: The budget projects a 9.5% increase in total member months.

<u>Expansion Revenue</u>: DHCS continues to make material adjustments to the Medi-Cal Expansion capitation rate. The budget <u>assumes a 5% decrease estimates that base rates</u> effective January 2021 <u>will be reduced by an additional 5% to account for potential acuity, efficiency and cost containment adjustments in the Governor's May Revise</u>.

Expansion Medical Cost: Provider capitation payments were reduced 7% for Professional services and 14% for Hospital services. Milliman completed a rebasing analysis to update capitation rates to Health Networks for the Medi-Cal Expansion population. The results of this analysis support the rate adjustments effective July 1, 2020. The budget also assumes the implementation of Chronic Illness and Disability Payment System (CDPS) risk adjustment effective July 1, 2020.

FFS cost trends were developed by network type, COA, and category of service. Staff maintained current FFS reimbursement levels for inpatient hospital, clinic, primary care and specialist contract rates. The budget includes projected expenses for quality improvement programs.

**Table 8: Updates to Provider Reimbursement Rates for Expansion Members** 

Medical Cost	<b>Unit Cost Change</b>	Detail
Provider Capitation	Decrease (-10.6%)	<ul><li>Professional: -7%</li><li>Hospital: -14%</li></ul>
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
P4V Program	Increase	From \$2.00 PMPM maximum to \$5.00 PMPM maximum

#### **Medi-Cal Whole Child Model**

WCM Enrollment: The budget projects enrollment will remain relatively flat.

<u>WCM Revenue</u>: The budget assumes that rates will increase by <u>95.7</u>% in January 2021. Rates reflect reimbursement for both California Children's Services (CCS) and non-CCS services.

<u>WCM Medical Cost</u>: Staff has begun analyzing experience data for the WCM population as it becomes available. Staff <u>continued\_continues</u> to utilize draft rates as a proxy for actual experience. CalOptima provides capitation with a risk corridor to Health Networks. The budget assumes that the primary drivers for higher than expected medical costs within the WCM population are due to expenses within Facilities, LTC, and Pharmacy services.

#### **B.** OneCare Connect

Through a three-way contract with the Center for Medicare & Medicaid Services (CMS), DHCS, and CalOptima, CalOptima began the OneCare Connect Program in July 2015. The Cal MediConnect program is a joint Medicare and Medicaid demonstration program that promotes coordinated health care delivery to seniors and persons with disabilities (SPD)SPD members who are dually eligible for Medicare and Medi-Cal services. The initial demonstration period was October 1, 2013, through

December 31, 2019. On April 24, 2019, CMS approved a three (3) year extension of the program through December 31, 2022. The table below illustrates the OneCare Connect Operating Budget.

Table 9: FY 2020-21 OneCare Connect Operating Budget

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	14,398	14,415	13,988
Revenue	\$292,428,410	\$296,342,072	\$306,323,384
Medical Costs	\$293,947,462	\$286,650,446	\$298,464,108
Administrative Expenses	\$19,863,775	\$18,706,540	\$20, <del>753,181</del> 882,292
Operating Income/Loss	(\$21,382,827)	(\$9,014,914)	(\$12,893,905 <u>13,023,</u> <u>016</u> )
MLR	100.5%	96.7%	97.4%
ALR	6.8%	6.3%	6.8%

<sup>\*</sup> Forecasted as of March 2020

#### **General Budget Assumptions – OneCare Connect**

<u>Enrollment</u>: Average OneCare Connect membership is projected to decline by approximately 1.5% from FY 2019-20 through FY 2020-21.

Revenue: The FY 2020-21 Operating Budget utilizes the most current county benchmark base rates from CY 2020 for Medicare Parts C and D. Rates were not developed from a bid process that uses actual plan data. Staff assumed a 0.7% increase to Part C revenue and a 2% decrease to Part D revenue effective January 2021. The budget includes a small increase to Part D revenue from the projected Risk Adjustment Factor (RAF) score. The budget includes a Year 3+ savings target of 5.5% and a quality withhold of 4.0%. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021. In addition, disenrollment rate penalties will continue to apply.

Staff applied Medi-Cal CY 2019 draft rates from DHCS and adjusted forecasted enrollment in the specified population cohorts. The budget includes lower Medi-Cal revenue due to a decrease in Long Term Care (LTC) enrollment. The final Medi-Cal revenue will be adjusted to reflect the actual population mix.

<u>Medical Cost</u>: Provider capitation payments were based on Percent of Premium (POP) rates for the Medicare component and fixed per member per month (PMPM) rates for the Medi-Cal component. Milliman completed a rebasing analysis on Health Network POP percentages. Since the program began in 2015, the POP rates had remained unchanged. The budget includes adjustments to the Institutional capitation rate from 50.9% to 45% beginning January 1, 2021.

FFS expenses were projected based on actual OneCare Connect experience, trended through June 2021. Staff applied the projected enrollment mix for Physician Hospital Consortia (PHC), Shared Risk Groups (SRG), Health Maintenance Organizations (HMO), and the CalOptima Community Network (CCN). The budget includes projected increases in NMT utilization, specialist services, acute inpatient facility utilization, pharmacy and a decrease in LTC expenses. It also includes costs for MLTSS services, as well as quality improvement programs. Approved existing and new supplemental benefits effective January 2021, such as an enhanced Part D benefit, increased coverage for emergency room (ER) services worldwide, and an increased allowance for over-the-counter drugs are also included.

#### C. OneCare

Through a contract with the CMS, CalOptima has administered a Medicare Advantage Dual Eligible Special Needs Plan since October 2005. CalOptima's current contract expires on December 31, 2020. OneCare will continue to provide services for beneficiaries not eligible for the OneCare Connect program. The table below illustrates the OneCare Operating Budget.

Table 10: FY 2020-21 OneCare Operating Budget

-	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	1,448	1,481	1,378
Revenue	\$20,613,605	\$20,496,838	\$19,472,782
Medical Costs	\$18,272,702	\$18,295,185	\$17,858,477
Administrative Expenses	\$1,375,766	\$1,710,002	\$1, <del>697,308</del> <u>705,518</u>
Operating Income/Loss	\$965,137	\$491,651	(\$ <del>83,003</del> <u>91,213</u> )
MLR	88.6%	89.3%	91.7%
ALR	6.7%	8.3%	8.7 <u>8</u> %

<sup>\*</sup> Forecasted as of March 2020

#### **General Budget Assumptions – OneCare**

<u>Enrollment</u>: Average OneCare membership is projected to decrease approximately 5.4% from FY 2019-20 through FY 2020-21.

Revenue: Staff based Medicare Parts C and D rates on CY 2020 Monthly Membership Report (MMR) actuals. The budget includes a 4.0% decrease to Part C base rates effective January 2021 due to the projected decrease in utilization included in the CY 2021 bid submission. Staff anticipates Part D revenue approximately 6.0% higher than prior year assumptions primarily due to a higher RAF score. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021.

Medical Cost: Professional provider capitation payments were based on an average 38.6% POP, inclusive of quality incentive payments. FFS medical costs were based on historical claims incurred through February 2020. The budget includes a 5.4% inpatient trend and a 1.7% increase in pharmacy costs from FY 2019-20 through FY 2020-21. In addition, the budget includes expenses for approved existing and new supplemental benefits effective January 2021, such as enhanced Part D benefit, increased coverage for ER services worldwide, and an increased allowance for over-the-counter drugs.

#### D. PACE

Through a contract with CMS, CalOptima began Orange County's first PACE program on October 1, 2013. The PACE contract is renewed through one-year extensions. CalOptima's current contract expires on December 31, 2020. The PACE program provides coordinated care for persons age 55 and older who need a higher level of care to remain in their homes. The table below illustrates the PACE Operating Budget.

**Table 11: FY 2020-21 PACE Operating Budget** 

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	303	374	434
Revenue	\$27,410,747	\$36,281,926	\$42,189,583
Medical Costs	\$23,297,733	\$29,410,640	\$38, <del>746,843</del> <u>762,257</u>
Administrative Expenses	\$1,765,267	\$2,044,756	\$2,407, <del>261</del> 903
Operating Income/Loss	\$2,347,747	\$4,826,530	\$1, <del>035,479</del> 019,423
MLR	85.0%	81.1%	91. <u>89</u> %
ALR	6.4%	5.6%	5.7%

<sup>\*</sup> Forecasted as of March 2020

Though PACE continues to run efficiently, Management will continue to focus on several areas of opportunities to improve the PACE program, including:

- Continue implementation of service area expansion through Alternative Care Settings (ACS) for improved member access;
- Ensure accurate reporting of experience and cost data through the Rate Development Template filing;
- Improve medical cost containment efforts;
- Implement initiatives to gain greater administrative efficiencies and operational economies of scale; and
- Improve coding and submission of diagnostic data.

#### **General Budget Assumptions – PACE**

<u>Enrollment</u>: Due to the COVID-19 pandemic, the budget forecasts flat enrollment growth from the current through July 2020, growth by 4 members per month for August and September 2020, and a return to growth of 7 members per month from October 2020 through June 2021. Enrollment is forecasted to end at 472 members by June 2021. The member population is projected to consist of 48% dual eligible members and 52% Medi-Cal only members.

Revenue: The budget applies rates from CY 2020 actuals for Medicare Parts C and D, and projects a 7.1% increase to Part C base rates effective January 2021. Medicare Part D rates and subsidies were based on CY 2020 payments. No additional trend assumptions were applied. Medi-Cal PMPM rates reflect a 2.2% increase and are based on CY 2019 rates provided by DHCS on December 13, 2019. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021.

<u>Medical Cost</u>: Medical costs were projected using actual experience. The budget includes sufficient utilization trends in Community-Based Adult Services due to ACS enrollment, dialysis, professional specialist services, transportation and pharmacy utilization. Staff reclassified 96% of some administrative expenses as medical costs to better reflect the actual costs of delivering medical care.

#### **E.** Investment Income

The table below illustrates projected net investment income.

#### **Table 12: Investment Income**

	FY 2018-19 Actual	FY 2019-20 YTD Forecast*	FY 2020-21 Budget
Investment Income	\$43,639,175	\$38,925,807	\$15,000,000

<sup>\*</sup> Forecasted as of March 2020

#### **Budget Assumptions – Investment Income**

The FY 2020-21 Operating Budget projects \$15,000,000 in net investment income. The budget is lower than the FY 2019-20 Forecast due to the uncertainty of COVID-19's impact on the value of CalOptima's portfolio and the projected return on investments in FY 2020-21.

#### **Fiscal Impact**

As outlined above and more detailed information in the additional detail contained in Attachment A: FY 2020-21 Budget for all Lines of Business, the FY 2020-21 Operating Income reflects a projected loss of \$12.276.7 million. In addition, the budget includes projected investment income of \$15 million, resulting in a projected total increased of \$2.861.7 million in changes to net assets. Management proposes to use reserves to address the projected FY 2020-21 budget shortfall.

#### **Rationale for Recommendation**

Management submits the FY 2020-21 Operating Budget for all program areas using the best available assumptions to provide health care services to CalOptima's forecasted enrollment.

#### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

Attachment A: FY 2020-21 Budget for all Lines of Business

Attachment B: Administrative Budget Details

<u>/s/ Richard Sanchez</u> <u>05/1420/2020</u> **Authorized Signature Date** 

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

#### **Report Item**

5. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2020-21 Operating Budget

#### **Contact**

Nancy Huang, Chief Financial Officer, (714) 246-8400

#### **Recommended Actions**

Recommend that the Board of Directors:

- 1. Approve the CalOptima Fiscal Year (FY) 2020-21 Operating Budget; and
- 2. Authorize the expenditures and appropriate the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing Policy.

#### **Background**

The CalOptima FY 2020-21 Operating Budget provides revenues and appropriations for the period of July 1, 2020, through June 30, 2021, and includes the following budget categories:

- Medi-Cal:
- OneCare Connect;
- OneCare;
- Program for All-Inclusive Care for the Elderly (PACE);
- Multipurpose Senior Services Program (MSSP);
- Facilities; and
- Investment income.

Staff is submitting the complete budget for all lines of business for approval with assumptions based on available information to date. Pursuant to CalOptima Policies GA.3202: CalOptima Signature Authority, GA.5002: Purchasing Policy, and GA.5003: Budget and Operations Forecasting, the Board's approval of the budget authorizes the expenditure and appropriates the funds requested for the item without further Board action to the extent the Board has or is, as indicated in the budget attachments, delegating authority to Management.

The primary revenue source is the State of California. The COVID-19 pandemic has led to a national recession, sharp decline in state revenues, and rapid increases to health and human services caseloads and medical expenses. On May 7, 2020, the California Department of Finance projected a budget deficit of approximately \$54.3 billion for FY 2019-20 and FY 2020-21 combined. The Governor will release the revised state budget (May Revise) on May 14, 2020. This budget will provide additional information on the state's fiscal outlook and any budget adjustments that are specific to the Medi-Cal program. The State Legislature is expected to pass the State's budget by June 15, 2020.

#### **CalOptima Budget Overview**

#### I. Consolidated Operating Budget

The FY 2020-21 Consolidated Operating Budget is a combined income and spending plan for all CalOptima programs and activities.

Table 1: FY 2020-21 Consolidated Operating Budget

	FY 2020-21 Budget
Average Monthly Enrollment	800,302
Revenue	\$3,621,884,756
Medical Costs	\$3,467,755,838
Administrative Expenses	\$166,322,248
Operating Income/Loss	(\$12,193,330)
Investments, Net	\$15,000,000
Change in Net Assets	\$2,806,670
Medical Loss Ratio (MLR)	95.7%
Administrative Loss Ratio (ALR)	4.6%

#### **Budget Assumptions**

<u>Medical Cost</u>: Several methods were utilized to develop the medical cost forecasts. Predominantly, projections were based on trends calculated from historical experience. In addition, adjustments were applied to account for any known changes to operations, program structure, benefits, and regulatory policies. For newly implemented programs, staff used historical data, proxy data and industry benchmarks, and checked results for reasonability.

<u>Administrative Expenses</u>: To take into consideration seasonal and cyclical spending patterns, FY 2020-21 was forecasted utilizing a 12-month historical run-rate. To ensure inclusion in the budget, Staff reviewed all contract encumbrances. Lastly, internal departments identified resource requirements based on changes to enrollment, regulatory and organizational needs. Staff considered:

- Salaries, Wages & Benefits for current staff, unfilled budgeted positions and new budgeted positions;
- Professional Fees, Purchased Services, Printing & Postage and Other Operating Costs based on the needs and priorities of providing care to members;
- Depreciation & Amortization on current assets and projected assets according to Generally Accepted Accounting Principles (GAAP); and
- Indirect Cost Allocation primarily based on revenue and adjusted where necessary.

Of note, CalOptima has several contracts for claims administration, credit balance recovery, and Social Security Income conversion that are paid on a contingency basis. The following table provides a comparison of consolidated general and administrative expenses from the budgeted and previous fiscal years.

Table 2: Comparison of Consolidated General and Administrative Expenses

	FY 2018-19 FY 2019-20 FY 2020-21			FY 2020-21
	Actual	Forecast*	Budget	Budget vs.
			C	FY 2019-20
				Forecast
Revenues	\$3,474,634,378	\$3,642,286,855	\$3,621,884,756	\$(20,402,099)
Salaries, Wages & Benefits	\$84,008,424	\$88,405,275	\$108,502,832	\$20,097,557
Non-Salaries & Wages	\$45,940,773	\$45,987,131	\$57,819,416	\$11,832,285
Professional Fees	\$3,167,619	\$3,212,922	\$4,687,662	\$1,474,740
Purchased Services	\$12,584,719	\$12,272,285	\$15,305,052	\$3,032,767
Printing & Postage	\$5,212,810	\$4,964,763	\$7,173,171	\$2,208,408
Depreciation &	\$7,226,723	\$6,007,358	\$7,653,840	\$1,646,482
Amortization				
Other Operating	\$17,748,901	\$19,529,803	\$22,999,691	\$3,469,888
Exp/Indirect Cost				
Allocation, Occupancy				
Total G&A	\$129,949,196	\$134,392,406	\$166,322,248	\$31,929,842
ALR	3.7%	3.7%	4.6%	1.2%
ALR Breakdown:				
Salaries, Wages &	2.4%	2.4%	3.0%	0.7%
Benefits				
Non-Salaries & Wages	1.3%	1.3%	1.6%	0.5%

Non-Salaries & Wages | 1.3% | 1.3 \* Forecasted as of March 2020; Revenue excludes directed payments

Note: FY 2019-20 forecasted figures do not include unfilled open positions

Attachment B: Administrative Budget Details provides additional information regarding all general and administrative expenses included in the FY 2020-21 Operating Budget.

#### II. Enrollment by Line of Business

The following table provides a comparison of total average enrollment for the past two (2) fiscal years with the projected enrollment for FY 2020-21.

**Table 3: Total Enrollment by Program** 

Program <sup>[1]</sup>	FY 2018-19	FY 2019-20	FY 2020-21	% Change
	Actual <sup>[2]</sup>	Forecast <sup>[2]</sup>	Budget <sup>[2]</sup>	21 v. 20
Medi-Cal	739,858	744,413	800,875	7.6%
OneCare Connect	14,201	14,159	13,843	-2.2%
OneCare	1,535	1,378	1,378	0.0%
PACE	327	401	472	17.7%
Total	755,921	760,351	816,568	7.4%

<sup>[1]</sup>MSSP enrollment included in Medi-Cal

<sup>[2]</sup> Enrollment as of June of every fiscal year when available

#### III. Operating Budget by Line of Business

#### A. Medi-Cal Program

Through a contract with the California Department Health Care Services (DHCS), CalOptima has administered the Medi-Cal program for Orange County since October 1995. CalOptima's current contract expires on December 31, 2020. The table below illustrates the Consolidated Medi-Cal Operating Budget.

Table 4: FY 2020-21 Medi-Cal Consolidated Operating Budget

	FY 2018-19	FY 2019-20	FY 2020-21
	Actual	Forecast*	Budget
Average Monthly Enrollment	751,409	721,719	784,502
Revenue	\$3,134,181,617	\$3,289,166,019	\$3,252,680,471
Medical Costs	\$2,881,181,629	\$3,144,826,354	\$3,111,799,575
Administrative Expenses	\$106,944,388	\$111,931,109	\$141,015,833
Operating Income/Loss	\$146,155,600	\$32,408,556	(\$134,937)
MLR	92.0%	95.6%	95.7%
ALR	3.4%	3.4%	4.3%

<sup>\*</sup> Forecasted as of March 2020; Revenue excludes directed payments Change in net assets excludes net investment and other income Includes MSSP

For FY 2020-21, Medi-Cal membership is comprised of three (3) main categories: Classic, Expansion, and Whole Child Model (WCM). The following table illustrates the Medi-Cal Operating Budget by each of these categories.

Table 5: FY 2020-21 Medi-Cal Operating Budget by Group

	Medi-Cal Classic	Medi-Cal Expansion	Medi-Cal WCM	Total
Average Monthly Enrollment	521,582	250,988	11,931	784,502
Revenue	\$1,748,979,420	\$1,245,651,603	\$258,049,448	\$3,252,680,471
Medical Costs	\$1,674,718,293	\$1,186,313,388	\$250,767,894	\$3,111,799,575
Administrative Expenses				\$141,015,833
Operating Income/Loss				(\$134,937)
MLR	95.8%	95.2%	97.2%	95.7%
ALR				4.3%

DHCS uses Category of Aid (COA) to classify Medi-Cal enrollment into cohorts of similar acuity. DHCS develops CalOptima's capitation rates based on these cohorts. The following table shows the projected enrollment distribution by COA.

Table 6: FY 2020-21 Medi-Cal Enrollment Projection

	FY 2019-20	FY 2020-21	Varia	ance
	Forecast*	<b>Budget*</b>	Diff	%
BCCTP	498	460	(38)	-7.6%
Disabled	44,811	44,804	(8)	0.0%
Long Term Care	3,503	3,527	24	0.7%
Aged	65,927	66,404	477	0.7%
Child (TANF $\leq 18$ )	292,233	320,582	28,349	9.7%
Adult (TANF > 18)	88,003	96,335	8,331	9.5%
Medi-Cal Classic Subtotal	494,975	532,111	37,136	7.5%
Medi-Cal Expansion	237,506	256,832	19,326	8.1%
WCM	11,931	11,931	-	0.0%
TOTAL	744,413	800,875	56,462	7.6%

<sup>\*</sup> Enrollment as of June of every fiscal year; figures may not add due to rounding

#### **General Budget Assumptions – Medi-Cal**

DHCS will implement several policy and program changes during FY 2020-21 that will directly impact CalOptima's revenues and medical expenses. The following initiatives have been considered in the budget:

- Delayed implementation of CalAIM;
- Carve-out of prescription drug benefit effective January 1, 2021, including Hepatitis C medications;
- Expansion of Proposition 56 directed payments program;
- Expansion of the Health Homes Program; and
- Carve-out of MSSP program effective January 1, 2021.

Enrollment: Enrollment projections are based on actual data through March 2020 and trended through June 2021. Because of the effects on personal income from the COVID-19 pandemic, the budget assumes an increase in Temporary Assistance for Needy Families (TANF) (Adult and Child) and the Medi-Cal Expansion members.

Revenue: DHCS will transition their rate year to begin on January 1, instead of July 1. With this change, Staff applied the draft 18-month bridge period rates received in March 2020 for the period of July 1, 2020, through December 31, 2020. Staff anticipates receipt of Calendar Year (CY) 2021 draft rates in October 2020. As such, Staff has forecasted capitation rates for the period of January 1, 2021, through June 30, 2021, based on available information.

Medical Cost: The budget anticipates the following trends in benefits for FY 2020-21:

- Increase in Non-Medical Transportation (NMT) utilization;
- Expansion of vision benefits and higher administration fee;
- Increase in unit cost for Skilled Nursing Facilities;
- Increase in unit cost for Mental Health Services;
- Increase in Pay for Value (P4V) program funding; and

• Increase in Obstetrics supplemental payments.

#### **Medi-Cal Classic**

<u>Classic Enrollment</u>: The budget projects an 8.0% increase in total member months.

<u>Classic Revenue</u>: The budget assumes that rates effective January 2021 will remain the same as current rates.

<u>Classic Medical Cost</u>: Provider capitation payments were based on capitation rates and enrollment distribution as of March 2020. Milliman, CalOptima's actuarial consultant, completed a rebasing analysis to update capitation rates and rate structure to Health Networks for the Medi-Cal Classic population. The results of this analysis are included in the rate adjustments effective July 1, 2020.

Fee-for-service (FFS) costs were based on historical claims trended to June 2021, and were developed by network type, COA, and category of service.

**Table 7: Updates to Provider Reimbursement Rates for Classic Members** 

Medical Cost	<b>Unit Cost Change</b>	Detail
Provider Capitation	Decrease (-2.0%)	Average adjustment for both TANF and SPD categories of aid
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
P4V Program	Increase	From \$2.00 PMPM maximum to \$5.00 PMPM maximum

#### **Medi-Cal Expansion**

Expansion Enrollment: The budget projects a 9.5% increase in total member months.

<u>Expansion Revenue</u>: DHCS continues to make material adjustments to the Medi-Cal Expansion capitation rate. The budget assumes a 5% decrease effective January 2021.

Expansion Medical Cost: Provider capitation payments were reduced 7% for Professional services and 14% for Hospital services. Milliman completed a rebasing analysis to update capitation rates to Health Networks for the Medi-Cal Expansion population. The results of this analysis support the rate adjustments effective July 1, 2020. The budget also assumes the implementation of Chronic Illness and Disability Payment System (CDPS) risk adjustment effective July 1, 2020.

FFS cost trends were developed by network type, COA, and category of service. Staff maintained current FFS reimbursement levels for inpatient hospital, clinic, primary care and specialist contract rates. The budget includes projected expenses for quality improvement programs.

**Table 8: Updates to Provider Reimbursement Rates for Expansion Members** 

Medical Cost	Unit Cost Change	Detail
Provider Capitation	Decrease (-10.6%)	<ul><li>Professional: -7%</li><li>Hospital: -14%</li></ul>
Skilled Nursing Facility	Increase	Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget
Ancillary Provider Rate	Increase	<ul> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul>
P4V Program	Increase	From \$2.00 PMPM maximum to \$5.00 PMPM maximum

#### Medi-Cal Whole Child Model

WCM Enrollment: The budget projects enrollment will remain relatively flat.

<u>WCM Revenue</u>: The budget assumes that rates will increase by 9% in January 2021. Rates reflect reimbursement for both California Children's Services (CCS) and non-CCS services.

<u>WCM Medical Cost</u>: Staff has begun analyzing experience data for the WCM population as it becomes available. Staff continued to utilize draft rates as a proxy for actual experience. CalOptima provides capitation with a risk corridor to Health Networks. The budget assumes that the primary drivers for higher than expected medical costs within the WCM population are due to expenses within Facilities, LTC, and Pharmacy services.

#### **B.** OneCare Connect

Through a three-way contract with the Center for Medicare & Medicaid Services (CMS), DHCS, and CalOptima, CalOptima began the OneCare Connect Program in July 2015. The Cal MediConnect program is a joint Medicare and Medicaid demonstration program that promotes coordinated health care delivery to seniors and persons with disabilities (SPD) who are dually eligible for Medicare and Medi-Cal services. The initial demonstration period was October 1, 2013, through December 31, 2019. On April 24, 2019, CMS approved a three (3) year extension of the program through December 31, 2022. The table below illustrates the OneCare Connect Operating Budget.

Table 9: FY 2020-21 OneCare Connect Operating Budget

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	14,398	14,415	13,988
Revenue	\$292,428,410	\$296,342,072	\$306,323,384
Medical Costs	\$293,947,462	\$286,650,446	\$298,464,108
Administrative Expenses	\$19,863,775	\$18,706,540	\$20,753,181
Operating Income/Loss	(\$21,382,827)	(\$9,014,914)	(\$12,893,905)
MLR	100.5%	96.7%	97.4%
ALR	6.8%	6.3%	6.8%

<sup>\*</sup> Forecasted as of March 2020

#### **General Budget Assumptions – OneCare Connect**

<u>Enrollment</u>: Average OneCare Connect membership is projected to decline by approximately 1.5% from FY 2019-20 through FY 2020-21.

Revenue: The FY 2020-21 Operating Budget utilizes the most current county benchmark base rates from CY 2020 for Medicare Parts C and D. Rates were not developed from a bid process that uses actual plan data. Staff assumed a 0.7% increase to Part C revenue and a 2% decrease to Part D revenue effective January 2021. The budget includes a small increase to Part D revenue from the projected Risk Adjustment Factor (RAF) score. The budget includes a Year 3+ savings target of 5.5% and a quality withhold of 4.0%. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021. In addition, disenrollment rate penalties will continue to apply.

Staff applied Medi-Cal CY 2019 draft rates from DHCS and adjusted forecasted enrollment in the specified population cohorts. The budget includes lower Medi-Cal revenue due to a decrease in Long Term Care (LTC) enrollment. The final Medi-Cal revenue will be adjusted to reflect the actual population mix.

Medical Cost: Provider capitation payments were based on Percent of Premium (POP) rates for the Medicare component and fixed per member per month (PMPM) rates for the Medi-Cal component. Milliman completed a rebasing analysis on Health Network POP percentages. Since the program began in 2015, the POP rates had remained unchanged. The budget includes adjustments to the Institutional capitation rate from 50.9% to 45% beginning January 1, 2021.

FFS expenses were projected based on actual OneCare Connect experience, trended through June 2021. Staff applied the projected enrollment mix for Physician Hospital Consortia (PHC), Shared Risk Groups (SRG), Health Maintenance Organizations (HMO), and the CalOptima Community Network (CCN). The budget includes projected increases in NMT utilization, specialist services, acute inpatient facility utilization, pharmacy and a decrease in LTC expenses. It also includes costs for MLTSS services, as well as quality improvement programs. Approved existing and new supplemental benefits effective January 2021, such as an enhanced Part D benefit, increased coverage for emergency room (ER) services worldwide, and an increased allowance for over-the-counter drugs are also included.

#### C. OneCare

Through a contract with the CMS, CalOptima has administered a Medicare Advantage Dual Eligible Special Needs Plan since October 2005. CalOptima's current contract expires on December 31, 2020. OneCare will continue to provide services for beneficiaries not eligible for the OneCare Connect program. The table below illustrates the OneCare Operating Budget.

Table 10: FY 2020-21 OneCare Operating Budget

	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	1,448	1,481	1,378
Revenue	\$20,613,605	\$20,496,838	\$19,472,782
Medical Costs	\$18,272,702	\$18,295,185	\$17,858,477
Administrative Expenses	\$1,375,766	\$1,710,002	\$1,697,308
Operating Income/Loss	\$965,137	\$491,651	(\$83,003)
MLR	88.6%	89.3%	91.7%
ALR	6.7%	8.3%	8.7%

<sup>\*</sup> Forecasted as of March 2020

#### **General Budget Assumptions – OneCare**

<u>Enrollment</u>: Average OneCare membership is projected to decrease approximately 5.4% from FY 2019-20 through FY 2020-21.

Revenue: Staff based Medicare Parts C and D rates on CY 2020 Monthly Membership Report (MMR) actuals. The budget includes a 4.0% decrease to Part C base rates effective January 2021 due to the projected decrease in utilization included in the CY 2021 bid submission. Staff anticipates Part D revenue approximately 6.0% higher than prior year assumptions primarily due to a higher RAF score. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021.

Medical Cost: Professional provider capitation payments were based on an average 38.6% POP, inclusive of quality incentive payments. FFS medical costs were based on historical claims incurred through February 2020. The budget includes a 5.4% inpatient trend and a 1.7% increase in pharmacy costs from FY 2019-20 through FY 2020-21. In addition, the budget includes expenses for approved existing and new supplemental benefits effective January 2021, such as enhanced Part D benefit, increased coverage for ER services worldwide, and an increased allowance for over-the-counter drugs.

#### D. PACE

Through a contract with CMS, CalOptima began Orange County's first PACE program on October 1, 2013. The PACE contract is renewed through one-year extensions. CalOptima's current contract expires on December 31, 2020. The PACE program provides coordinated care for persons age 55 and older who need a higher level of care to remain in their homes. The table below illustrates the PACE Operating Budget.

	Table 11:	FY	2020-21	<b>PACE</b>	<b>Operating</b>	<b>Budget</b>
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		1 8 8	
	FY 2018-19 Actual	FY 2019-20 Forecast*	FY 2020-21 Budget
Average Monthly Enrollment	303	374	434
Revenue	\$27,410,747	\$36,281,926	\$42,189,583
Medical Costs	\$23,297,733	\$29,410,640	\$38,746,843
Administrative Expenses	\$1,765,267	\$2,044,756	\$2,407,261
Operating Income/Loss	\$2,347,747	\$4,826,530	\$1,035,479
MLR	85.0%	81.1%	91.8%
ALR	6.4%	5.6%	5.7%

<sup>\*</sup> Forecasted as of March 2020

Though PACE continues to run efficiently, Management will continue to focus on several areas of opportunities to improve the PACE program, including:

- Continue implementation of service area expansion through Alternative Care Settings (ACS) for improved member access;
- Ensure accurate reporting of experience and cost data through the Rate Development Template filing;
- Improve medical cost containment efforts;
- Implement initiatives to gain greater administrative efficiencies and operational economies of scale; and
- Improve coding and submission of diagnostic data.

#### **General Budget Assumptions – PACE**

Enrollment: Due to the COVID-19 pandemic, the budget forecasts flat enrollment growth from the current through July 2020, growth by 4 members per month for August and September 2020, and a return to growth of 7 members per month from October 2020 through June 2021. Enrollment is forecasted to end at 472 members by June 2021. The member population is projected to consist of 48% dual eligible members and 52% Medi-Cal only members.

Revenue: The budget applies rates from CY 2020 actuals for Medicare Parts C and D, and projects a 7.1% increase to Part C base rates effective January 2021. Medicare Part D rates and subsidies were based on CY 2020 payments. No additional trend assumptions were applied. Medi-Cal PMPM rates reflect a 2.2% increase and are based on CY 2019 rates provided by DHCS on December 13, 2019. A suspension of the 2% sequestration reduction from July 1, 2020, through December 31, 2020, has been accounted for, and assumes the reduction will resume on January 1, 2021.

<u>Medical Cost</u>: Medical costs were projected using actual experience. The budget includes sufficient utilization trends in Community-Based Adult Services due to ACS enrollment, dialysis, professional specialist services, transportation and pharmacy utilization. Staff reclassified 96% of some administrative expenses as medical costs to better reflect the actual costs of delivering medical care.

#### **E.** Investment Income

The table below illustrates projected net investment income.

#### **Table 12: Investment Income**

	FY 2018-19 Actual	FY 2019-20 YTD Forecast*	FY 2020-21 Budget
Investment Income	\$43,639,175	\$38,925,807	\$15,000,000

<sup>\*</sup> Forecasted as of March 2020

#### **Budget Assumptions – Investment Income**

The FY 2020-21 Operating Budget projects \$15,000,000 in net investment income. The budget is lower than the FY 2019-20 Forecast due to the uncertainty of COVID-19's impact on the value of CalOptima's portfolio and the projected return on investments in FY 2020-21.

#### **Fiscal Impact**

As outlined above and more detailed information contained in Attachment A: FY 2020-21 Budget for all Lines of Business, the FY 2020-21 Operating Income reflects a projected loss of \$12.2 million. In addition, the budget includes projected investment income of \$15 million, resulting in a projected total increase of \$2.8 million in changes to net assets.

#### **Rationale for Recommendation**

Management submits the FY 2020-21 Operating Budget for all program areas using the best available assumptions to provide health care services to CalOptima's forecasted enrollment.

#### Concurrence

Gary Crockett, Chief Counsel

#### **Attachments**

Attachment A: FY 2020-21 Budget for all Lines of Business

Attachment B: Administrative Budget Details

/s/ Richard Sanchez 05/14/2020
Authorized Signature Date

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

#### **Report Item**

6. Consider Recommending Board of Directors' Ratification of Expenditures Related to Emergency Repairs for CalOptima Facilities

#### **Contact**

Nancy Huang, Chief Financial Officer, (714) 246-8400

#### **Recommended Action**

Recommend that the Board of Directors ratify unbudgeted expenditures from existing reserves for emergency repairs at CalOptima facilities located at 505 City Parkway West in Orange (505 Building) in the amount of \$19,877.55

#### **Background**

CalOptima owns a 10-story commercial office building located at 505 City Parkway West in Orange, with all floors occupied by CalOptima staff. CalOptima is responsible to ensure that the facilities are secure, clean and fully operational in order to safely accommodate the needs of employees, members, and other visitors.

#### **Discussion**

Staff recommends that the Board ratify unbudgeted expenditures for emergency repairs to the 505 Building. Upon inspection of the logo signs located on the 505 Building on February 4, 2020, staff found that the trim caps and screws were failing, falling off or breaking in some spots, representing a potential safety issue. The screws and caps required replacement on the signs on both elevations of the 505 Building. Without prompt replacement, the signs, due to their weight, could fall to the ground and cause serious personal injury or property damage. On March 24, 2020, to avoid potential property damage and endangering others, staff utilized a bid exception, staff made an emergency purchase of \$19,877.55 through CalOptima's currently contracted vendor to repair the sign. CalOptima contracted with the same vendor to ensure continuity of service, compatibility with existing equipment, and the protection and security of CalOptima's building, its employees, members and guests.

The emergency purchases with the contracted vendor were completed with an emergency bidding exception in accordance with section II.P. of CalOptima Policy GA.5002: Purchasing Policy.

#### **Fiscal Impact**

The recommended action to authorize ratification of expenditures for emergency repairs at the 505 Building are unbudgeted items. An allocation of up to \$19,877.55 from existing reserves will fund this action.

#### **Rationale for Recommendation**

Staff recommends approval of the recommended action in furtherance of efforts to protect the CalOptima's property and assets and to avoid potential loss in the event life or property is endangered

CalOptima Board Action Agenda Referral Consider Recommending Board of Directors' Ratification of Expenditures Related to Emergency Repairs for CalOptima Facilities Page 2

due to the conditions of the signs. Authorization of the expenditures will allow CalOptima to provide a secure and professional work environment for our employees and a safe environment for our members and guests.

# **Concurrence**

Gary Crockett, Chief Counsel

# **Attachment**

Contracted Entities Covered by this Recommended Board Action

/s/ Richard Sanchez
Authorized Signature

05/14/2020 **Date** 

# CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Sign Specialist Corporation	111 West Dyer Road, Unit F	Santa Ana	CA	92707

### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

# **Report Item**

7. Consider Recommending Board of Directors' Approval of Proposed Changes to CalOptima Policy GA.3400: Annual Investments

# **Contact**

Nancy Huang, Chief Financial Officer, (714) 246-8400

# **Recommended Action**

Recommend that the Board of Directors approve proposed changes to CalOptima Policy GA.3400: Annual Investments.

# **Background**

At the February 27, 1996, meeting, the CalOptima Board of Directors (Board) approved the Annual Investment Policy (AIP) covering investments made between March 1, 1996 and February 28, 1997. In September 1996, the Board authorized the creation of the Investment Advisory Committee (IAC). The IAC reviews the AIP each year and recommends changes in said policy to the FAC and the Board for their respective approvals.

At the December 5, 2019, meeting, the Board approved changes to CalOptima Policy GA.3400: Annual Investments for Calendar Year 2020. Staff noted they received a recommended change for a 5% portfolio maximum limitation per credit counterparty and by instrument type to clarify the requirement in the current AIP. This change would be considered for possible adoption in a future policy update after further vetting by CalOptima's investment managers and committee members.

# **Discussion**

CalOptima Policy GA.3400: Annual Investment gives investment guidelines for all Operating Funds and Board-Designated Reserve Funds invested on or after January 10, 2006. These guidelines ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve capital, provide necessary liquidity, and achieve a market-average rate of return through economic cycles. Each annual review takes effect upon its adoption by the Board of Directors.

Staff proposes to revise this policy to clarify counterparty diversification limits. This policy change noted in the December 5, 2019, Board action was discussed with CalOptima's investment advisor, Meketa Investment Group, Inc., in December 2019. Staff recommends revising the policy for a 5% portfolio maximum limitation per credit counterparty and by instrument type to include all permitted investments except for U.S. Government or Agency securities. The proposed effective date for the policy change is July 1, 2020.

CalOptima Board Action Agenda Referral Consider Recommending Board of Directors' Approval of Proposed Changes to CalOptima Policy GA.3400: Annual Investments Page 2

At its April 21, 2020, meeting, the IAC recommended that the Finance and Audit Committee recommend Board approval of the proposed revisions to CalOptima Policy GA.3400: Annual Investments.

# **Fiscal Impact**

There is no immediate fiscal impact.

# **Rationale for Recommendation**

The proposed changes to CalOptima Policy GA.3400: Annual Investments reflect the recommendations of CalOptima's investment managers, Payden & Rygel, MetLife, and Wells Capital Management and CalOptima's investment adviser, Meketa Investment Group, Inc. The recommended changes will continue to support CalOptima's goals to maintain safety of principal and achieve a market rate of return while maintaining necessary liquidity during periods of uncertainty.

# **Concurrence**

Meketa Investment Group, Inc. Gary Crockett, Chief Counsel Board of Directors' Investment Advisory Committee

# **Attachments**

Policy GA.3400: Annual Investment Policy – redline and clean versions.

/s/ Richard Sanchez 05/14/2020 Authorized Signature ate



Policy: GA.3400

Title: Annual Investments
Department: CalOptima Administrative

Section: Finance

CEO Approval:

Effective Date: 01/01/2018 Revised Date: TBD

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PACE

Administrative

# I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.

### II. POLICY

- A. CalOptima investments may only be made as authorized by this Policy.
  - 1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
  - 2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large Capital losses are avoided from securities or Broker-Dealer default.
    - a. Caloptima shall seek to ensure that Capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of Risk: Credit Risk and Market Risk.
      - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the Investment Portfolio, in accordance with this Policy.
      - ii. Market Risk shall be mitigated by matching Maturity Dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
    - b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.

- 3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that each portfolio contain investments for which there is a secondary market and which offer the flexibility to be easily sold at any time with minimal Risk of loss of either the principal or interest based upon then prevailing rates.
- 4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average Rate of Return through Economic Cycles given an acceptable level of Risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.
  - a. The performance Benchmark for each Investment Portfolio shall be based upon published Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for short-term investments of comparable Risk and duration.
    - i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and quarterly by CalOptima's Treasurer and the Investment Advisory Committee members and shall be reported to the Board of Directors.
- B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code, Section 53608.
- C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other than themselves) or financial institutions in compliance with California Government Code, Section 53601.5 and this Policy.
- D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined in the Code, which shall be applied in the context of managing an overall portfolio.
- E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to fulfill their roles in the investment process.
  - CalOptima's Officers and employees involved in the investment process are not permitted to
    have any material financial interests in financial institutions, including state or federal credit
    unions, that conduct business with CalOptima, and are not permitted to have any personal
    financial, or investment holdings, that could be materially related to the performance of
    CalOptima's investments.
- F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for review and adoption by the Board, to ensure that all investments made are following this Policy.
  - 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code, Section 53646, Subdivision (a).
  - 2. This policy may only be changed by the Board of Directors.

# III. PROCEDURE

A. Delegation of Authority

- 1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.
  - a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.
    - i. The Board of Directors may renew the delegation of authority annually.
  - b. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by CalOptima's Treasurer.

# B. CalOptima Treasurer Responsibilities

- 1. The Treasurer shall be responsible for:
  - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board-approved Investment Managers;
  - b. The oversight of CalOptima's Investment Portfolio;
  - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
  - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
- 2. The Treasurer shall also be responsible for ensuring that:
  - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
  - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
    - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause or other appropriate remedies or sanctions, as determined by the Board of Directors.
  - c. Investment diversification and portfolio performance is reviewed monthly to ensure that Risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
  - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

### C. Investment Advisory Committee

1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any particular investment, purchase any particular investment product, or conduct business with any particular investment companies, or brokers.

- a. It shall not be the purpose of the Investment Advisory Committee to advise on particular investment decisions of CalOptima.
- 2. The Investment Advisory Committee shall be responsible for the following functions:
  - a. Annual review of this Policy before its consideration by the Board of Directors and revision recommendations, as necessary, to the Finance and Audit Committee of the Board of Directors.
  - b. Quarterly review of CalOptima's Investment Portfolio for conformance with this Policy's diversification and maturity guidelines, and recommendations to the Finance and Audit Committee of the Board of Directors, as appropriate.
  - c. Provision of comments to CalOptima's staff regarding potential investments and potential investment strategies.
  - d. Performance of such additional duties and responsibilities pertaining to CalOptima's investment program as may be required from time to time by specific action and direction of the Board of Directors.

### D. Permitted Investments

- 1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations of this Policy.
  - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of two (2) years. Note that the Code allows for up to five (5) years.
  - b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
  - c. Private placement (144a) securities are prohibited.
  - d. The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
- 2. Permitted investments shall include:
  - a. U.S. Treasuries
    - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
    - ii. U.S. Government securities include:
      - a) Treasury Bills: U.S. Government securities issued and traded at a discount;

Revised: 01/01/2020

b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;

- c) Treasury Separate Trading of Registered Interest and Principal Securities
   (STRIPS): U.S. Treasury securities that have been separated into their component
   parts of principal and interest payments and recorded as such in the Federal Reserve
   book-entry record-keeping system;
- d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or Bonds, that offer protection from Inflation. Coupon payments and underlying principal are automatically increased to compensate for Inflation, as measured by the Consumer Price Index (CPI); and
- e) Treasury Floating Rate Notes (FRNs): U.S. Treasury Bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.

### iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds  Tier One (1) Tier Two (2)	5 years 5 years	5 years 5 years

- b. Federal Agencies and U.S. Government Sponsored Enterprises
  - i. These investments represent obligations, participations, or other Instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
  - ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
    - a) Federal Home Loan Banks (FHLB);
    - b) Federal Home Loan Mortgage Corporation (FHLMC);
    - c) Federal National Mortgage Association (FNMA);
    - d) Federal Farm Credit Banks (FFCB);
    - e) Government National Mortgage Association (GNMA);
    - f) Small Business Administration (SBA);
    - g) Export-Import Bank of the United States;
    - h) U.S. Maritime Administration;
    - i) Washington Metro Area Transit Authority (WMATA);

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- U.S. Department of Housing & Urban Development;
- Tennessee Valley Authority;
- Federal Agricultural Mortgage Company (FAMC); 1)
- m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

### iii. Maximum Term:

Fund Type Terr	Assigned Term Allowed by the Code
Operating Funds 2 ye	rs 5 years
Board-Designated Reserve Funds Tier One (1) 5 ye Tier Two (2) 5 ye	

- iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.
- c. State and California Local Agency Obligations
  - Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or equivalent or better for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public agency Bonds issued for private purposes (e.g., industrial development Bonds) are specifically excluded as permitted investments.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds		
■ Tier One (1)	5 years	5 years
■ Tier Two (2)	5 years	5 years

# Banker's Acceptances

- Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance Banker's Acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:
  - a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-l for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and.

May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.

# ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	180 days	180 days
Board-Designated Reserve Funds		
■ Tier One (1)	180 days	180 days <b>4</b>
■ Tier Two (2)	180 days	180 days

# e. Commercial Paper (CP)

- i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:
  - a) CP of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO);
  - b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):
    - (1) The entity meets the following criteria:
      - (A) Is organized and operating in the United States as a general corporation.
      - (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
      - (C) Has debt other than commercial paper, if any, that is rated in a Rating Category of "A" or its equivalent or higher by an NRSRO.
    - (2) The entity meets the following criteria:
      - (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      - (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
      - (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO; and
  - c) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	270 days	270 days

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Board-Designated Reserve Funds
Tier One (1)
Tier Two (2)

270 days
270 days
270 days
270 days

# f. Negotiable Certificates of Deposit

i. Negotiable Certificates of Deposit must be issued by a Nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	1 year	5 years
Board-Designated Reserve Funds		
■ Tier One (1)	1 year	5 years
■ Tier Two (2)	1 year	5 years

# g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary Broker-Dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by Fitch Ratings Service provided:
  - a) A Broker-Dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
  - b) The securities are held free and clear of any Lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined Capital, Surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any Lien, as agent for CalOptima's custodian;
  - c) A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
  - d) The Agent will notify CalOptima's custodian and CalOptima if the Valuation of the Collateral Securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the Collateral Securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such Valuation.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	30 days	1 year
Board-Designated Reserve Funds		
■ Tier One (1)	30 days	1 year
■ Tier Two (2)	30 days	1 year

iii. Reverse Repurchase Agreements are not allowed.

# h. Corporate Securities

- i. For the purpose of this Policy, permissible Corporate Securities shall be rated in a Rating Category of "A" or its equivalent or better by an NRSRO and:
  - a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
  - b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to CP, i.e., Medium Term Notes (MTNs).
  - c) Under no circumstance can the MTNs or any other corporate security of any one (1) corporate issuer represent more than five percent (5%) of the portfolio.

# ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds		
<ul><li>Tier One (1)</li></ul>	5 years	5 years
• Tier Two (2)	5 years	5 years

# i. Money Market Funds

- i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):
  - a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
  - b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

# j. Joint Powers Authority Pool

i. A joint powers authority formed pursuant to California Government Code, Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint

powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:

- a) Registered or exempt from registration with the Securities and Exchange Commission;
- b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and
- c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
- iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.

### iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	Not Applicable	Not Applicable
Board-Designated Reserve Funds Tier One (1) Tier Two (2)	Not Applicable Not Applicable	Not Applicable Not Applicable

- k. Mortgage or Asset-backed Securities
  - i. Pass-through securities are instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.
  - ii. Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt Instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.
  - iii Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:
    - a) Are rated AA or better- or equivalent.

### iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds • Tier One (1)	5 years stated final maturity	5 years
■ Tier Two (2)	5 years stated final maturity	5 years

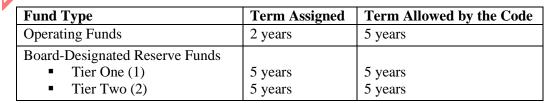
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### Variable and Floating Rate Securities

- i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce Risk.
  - a) They should have the same stability, Liquidity, and quality as traditional money market securities.
  - b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.
  - c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that predetermined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.
- ii. Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and California Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, federal funds, CP, London Interbank Offered Rate (MBOR), the Secured Overnight Financing Rate (SOFR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security.
  - a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.
  - b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.
  - c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.

# Maximum Term:



Revised: 01/01/2020

# m. Supranational Obligations

- i. The three (3) Supranational Institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
  - a) International Bank for Reconstruction and Development (IBRD);

- b) International Finance Corporation (IFC); and
- c) Inter-American Development Bank (IADB).
- ii. Supranational obligations shall be rated in a Rating Category of "AA" or its equivalent or better by a Nationally Statistical Rating Organization (NRSRO).

### iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds Tier One (1) Tier Two (2)	5 years 5 years	5 years 5 years

### n. Pooled Investments

 Pooled investments include deposits, or investments pooled with those of other local agencies consistent with the requirements of California Government Code, Section 53635 et seq. Such pools may contain a variety of investments but are limited to those permissible under the Code.

# E. Diversification Guidelines

- 1. Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one (1) type, industry, or entity, thereby assuring adequate portfolio Liquidity should one (1) sector or company experience difficulties.
- 2. CalOptima's Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima's diversification guidelines on a continuous basis.
- 3. Table 1: Maximum Percentage (%) of Investment Portfolio, by Instrument Type

	MAXIMUM % OF
INSTRUMENTS	PORTFOLIO AT TIME OF
	PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon	100% (Code)
and principal STRIPS as well as TIPs)	
B. Federal Agencies and U.S. Government Sponsored	100% (Code)
Enterprises	
C. State and California Local Agency Obligations	30% (Code 100%)
D. Bankers Acceptances	30% (Code 40%)
E. Commercial Paper	25% (Code)
F. Negotiable Certificates of Deposit	30% (Code)
G. Repurchase Agreements	100% (Code)
H. Corporate Securities	30% (Code)
I. Money Market Funds	20% (Code)
J. Joint Powers Authority Pool	100% (Code)
K. Mortgage or Asset-backed Securities	20% (Code)
L. Variable and Floating Rate Securities	30% (Code)



INSTRUMENTS	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
M. Supranational Obligations	30% (Code)

- 4. Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
  - a. Any one (1) Federal Agency or Government Sponsored Enterprise: None
  - b. Any one (1) repurchase agreement counterparty name:

If maturity/term is  $\leq 7$  days: 50% If maturity/term is > 7 days: 25%

- 5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.
  - a. Any one (1) corporation, bank, local agency, or other corporate name for one (1) or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage or asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer limits apply at the deal level.
  - b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the Portfolio's market value will be invested in securities of a single issuer.
- 6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.
  - a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform Cal Optima's Treasurer and Investment Advisory consultant (if any) by close of business on the day of the occurrence.
  - b. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in the context of.
    - i. The amount in relation to the total portfolio concentration;
    - ii. Market and security specific conditions contributing to a breach of this Policy; and
    - iii. The Investment Managers' actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.
- F. Maximum Stated Term
  - 1. Maximum stated terms for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security.
- G. Rating Downgrades
  - 1. CalOptima may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this Policy.

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- 2. If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business days of the downgrade.
  - a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or Designee, within five (5) business days of the downgrade.

### H. Investment Restrictions

- 1. Investment securities shall not be lent to an Investment Manager, or Broker-Dealer.
- 2. The Investment Portfolio or Investment Portfolios, managed by an Investment Manager, shall not be used as collateral to obtain additional investable funds.
- 3. Any investment not specifically referred to herein shall be considered a prohibited investment.
- 4. CalOptima reserves the right to prohibit its Investment Managers from making investments in organizations which have a line of business that conflicts with the interests of public health, as determined by the Board of Directors.
- 5. CalOptima reserves the right to prohibit investments in organizations with which it has a business relationship through contracting, purchasing, or other arrangements.
- 6. Except as expressly permitted by this Policy, investments in derivative securities shall not be allowed.
- 7. A list of prohibited investments does not currently exist, however, the Board of Directors shall provide CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and Investment Advisory Committee with a list, should such a list be adopted by CalOptima in the future, of organizations that do not comply with this Policy and shall immediately notify CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment Advisory Committee of any changes.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S

- A. California Government Code, §6509.7
- B. California Government Code, §53600 et seq.
- C California Government Code, §53601(h), (k), (q)
- D. California Government Code, §53635 et seq.
- E. California Government Code. §53646, Subdivision (a) and Subdivision (b)
- F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seg.

#### VI. **REGULATORY AGENCY APPROVAL(S)**

A. None to Date

VII. **BOARD ACTION(S)** 

Date	Meeting
10/30/2017	Special Meeting of the CalOptima Investment Advisory Committee
11/16/2017	Regular Meeting of the CalOptima Finance and Audit Committee
12/07/2017	Regular Meeting of the CalOptima Board of Directors
11/05/2018	Special Meeting of the CalOptima Investment Advisory Committee
11/15/2018	Regular Meeting of the CalOptima Finance and Audit Committee
12/06/2018	Regular Meeting of the CalOptima Board of Directors
10/21/2019	Regular Meeting of the CalOptima Investment Advisory Committee
11/15/2019	Regular Meeting of the CalOptima Finance and Audit Committee
12/05/2019	Regular Meeting of the CalOptima Board of Directors
	Regular Meeting of the CalOptima Investment Advisory Committee
	Regular Meeting of the CalOptima Finance and Audit Committee
	Regular Meeting of the CalOptima Board of Directors

# VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2018	GA.3400	Annual Investments	Administrative
Revised	01/01/2019	GA.3400 GA.3400	Annual Investments	Administrative
Revised	01/01/2019	GA.3400	Annual Investments	Administrative
Revised	TBD	GA.3400	Annual Investments  Annual Investments	Administrative
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ge 15 of 19 GA.3400: Annual Investments Revised: 01/01/2020

# IX. GLOSSARY

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Term	Definition
Banker's Acceptance (BA)	Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:  • Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-l for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and  • May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.
Benchmark	Benchmarks are usually constructed using unmanaged indices, exchange-traded Funds or mutual fund categories to represent each asset class.  Benchmarks are often used as a tool to assess the allocation, Risk and return of a portfolio.
Board-Designated Reserve Funds	Funds established to address unexpected agency needs and not intended for use in the normal course of business. The amount of Board-Designated Reserve Funds should be offset by any working Capital or net current asset deficits. The desired level for these funds is a minimum of 1.4 and maximum of 2.0 months of capitation revenues as specified by CalOptima Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:
	<ol> <li>Tier One         <ul> <li>Used for the benefit and protection of CalOptima's long-term financial viability;</li> <li>Used to cover "Special Purposes" as defined in CalOptima Policy GA.3001: Board-Designated Reserve Funds; or</li> <li>May be used for operational cash flow needs in lieu of a bank line of credit in the event of disruption of monthly capitation revenue receipts from the State, subject to the Board-Designated Reserve</li> </ul> </li> </ol>
ROT	Funds having a "floor" equal to Tier Two requirements.  2. Tier Two a. Used to meet CalOptima's regulatory compliance requirements; or b. Currently defined as CalOptima's tangible net equity requirements as defined by Subdivision (e) of Section 1300.76 of Title 28 of the California Code of Regulations.
Bonds	A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest (the coupon) and/or to repay the principal at a later date, termed the maturity date.

Term	Definition
Broker-Dealer	In financial services, a Broker-Dealer is a natural person, a company or
	other organization that engages in the business of trading securities for its
	own account or on behalf of its customers.
CalOptima Treasurer	Appointed by CalOptima's Board of Directors, the treasurer is a person
1	responsible for overseeing CalOptima's investment funds.
Capital	Capital refers to financial assets or the financial value of assets, in the form
_	of money or other assets owned by an organization.
Cash Flow Draws	Amount of cash needs to support CalOptima business operation.
Chief Officers	For the purposes of this policy, may include, but is not limited to, the Chief
	Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief
	Counsel.
Collateral Securities	A security given in addition to the direct security, and subordinate to it,
	intended to guarantee its validity or convertibility or insure its performance;
	so that, if the direct security fails, the creditor may fall back upon
	the collateral security.
Commercial Paper	Unsecured promissory notes issued by companies and government entities
(CP)	at a discount.
Consumer Price Index	The Consumer Price Indexes (CPI) program produces monthly data on
(CPI)	changes in the prices paid by urban consumers for a representative basket of
	goods and services.
Corporate Securities	Notes issued by corporations organized and operating within the U.S. or by
	depository institutions licensed by the U.S. or any state, and operating
C 1': D' 1	within the U.S.
Credit Risk	The Risk of loss due to failure of the issuer of a security.
Custodian Bank	A specialized financial institution responsible for safeguarding a firm's or
	individual's financial assets and is not engaged in "traditional" commercial
	or consumer/retail banking such as mortgage or personal lending, branch
	banking, personal accounts, automated teller machines (ATMs) and so forth.
Custom Peer Group	Developed based on a small peer universe with similar investment
Report	guidelines. The Purpose of the report is to provide more accurate
Кероп	performance comparison.
Designee	For purposes of this policy, a person who has been designated to act on
Besignee	behalf of the CalOptima Treasurer.
Economic Cycles	The natural fluctuation of the economy between periods of expansion
	(growth) and contraction (recession).
Finance and Audit	A standing committee of the CalOptima Board of Directors with oversight
Committee (FAC)	responsibilities for all financial matters of CalOptima including but not
	limited to: budget development and approval, financial reporting,
	investment practices and policies, purchasing and procurement practices
	and policies, insurance issues, and capitation and claims. The Committee
	serves as the primary level of Board review for any finance-related issues or
7	policies affecting the CalOptima program.
Inflation	Inflation is the rate at which the general level of prices for goods and
	services is rising and, consequently, the purchasing power of currency is
	falling.
Instrument	Refers to a financial Instrument or asset that can be traded. These assets
	can be cash, Bonds, or shares in a company
Investment Advisor(s)	Registered or non-registered person or group that makes investment
	recommendations or conducts securities analysis in return for a fee.

Term	Definition
Investment Advisory	A standing committee of the CalOptima Board of Directors who provide
Committee (IAC)	advice and recommendations regarding CalOptima's Investment Policies,
	Procedures and Practices
Investment	A person or organization that makes investments in portfolios of securities
Manager(s)	on behalf of clients, in accordance with the investment objectives and
	parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, Bonds and cash equivalents,
	as well as their funds counterparts, including mutual, exchange-traded and
	closed funds. Portfolios are held directly by investors and/or managed by
	financial professionals.
Joint Powers	Shares of beneficial interest issued by a joint powers authority organized
Authority Pool	pursuant to California Government Code, Section 6509.7; each share
	represents an equal proportional interest in the Underlying Pool of
	Securities owned by the joint powers authority.
Lien	A legal right granted by the owner of property, by a law or otherwise
Eich	acquired by a creditor
Liquidity	Liquidity describes the degree to which an asset or security can be quickly
Elquidity	bought or sold in the market without affecting the asset's price.
Market Indices	Measurements of the value of a section of the stock market. It is computed
Warket mulces	
Market Risk	from the prices of selected stocks (typically a weighted average).
Market Kisk	The Risk of market value fluctuations due to overall changes in the general
No. 11 Dec	level of interest rates.
Maturity Dates	The date on which the principal amount of a note, draft, acceptance bond or
	another debt Instrument becomes due and is repaid to the investor and
	interest payments stop. It is also the termination or due date on which an
	installment loan must be paid in full.
Medium Term Notes	A debt note that usually matures (is paid back) in five (5) – ten (10) years,
(MTN)	but the term may be less than one (1) year or as long as one hundred (100)
	years. They can be issued on a fixed or floating coupon basis.
Nationally Recognized	A credit rating agency that the Securities and Exchange Commission in the
Statistical Ratings	United States registers and uses for regulatory purposes. Current NRSROs
Organization	listed at www.sec.gov/ocr/ocr-current-nrsros.html.
(NRSRO)	
Negotiable	A negotiable (i.e., marketable or transferable) receipt for a time deposit at a
Certificates of Deposit	bank or other financial institution, for a fixed time and interest rate.
Operating Funds	Funds intended to serve as a money market account for CalOptima to meet
	daily operating requirements. Deposits to this fund are comprised of State
'	warrants that represent CalOptima's monthly capitation revenues from its
	State contracts. Disbursements from this fund to CalOptima's operating
	cash accounts are intended to meet operating expenses, payments to
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Prudent Person	When investing, reinvesting, purchasing, acquiring, exchanging, selling, or
Standard	managing public funds, a trustee shall act with care, skill, prudence, and
	diligence under the circumstances then prevailing, including but not limited
	to, the general economic conditions and the anticipated needs of the agency,
	that a prudent person acting in a like capacity and familiarity with those
	matters would use in the conduct of funds of a like character and with like
	aims, to safeguard the principal and maintain the Liquidity needs of the
	agency (California Government Code, Section 53600.3)
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	Definition
Rate of Return	The gain or loss on an investment over a specified time period, expressed a percentage of the investment's cost. Gains on investments are defined as income received plus any Capital gains realized on the sale of the investment.
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase	A purchase of securities under a simultaneous agreement to sell these
Agreements	securities back at a fixed price on some future date.
Risk	Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.
State and California Local Agency Obligations	Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.
Supranational Institutions	International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.
Surplus	Assets beyond liabilities.
Underlying Pool of Securities	Those securities and obligations that are eligible for direct investment by local public agencies.
Valuation	An estimation of the worth of a financial Instrument or asset. CalOptima'



Policy: GA.3400

Title: Annual Investments
Department: CalOptima Administrative

Section: Finance

CEO Approval:

Effective Date: 01/01/2018 Revised Date: TBD

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# I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.

### II. POLICY

- A. CalOptima investments may only be made as authorized by this Policy.
  - 1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
  - 2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large Capital losses are avoided from securities or Broker-Dealer default.
    - CalOptima shall seek to ensure that Capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of Risk: Credit Risk and Market Risk.
    - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the Investment Portfolio, in accordance with this Policy.
    - ii. Market Risk shall be mitigated by matching Maturity Dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
    - b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.

- 3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that each portfolio contain investments for which there is a secondary market and which offer the flexibility to be easily sold at any time with minimal Risk of loss of either the principal or interest based upon then prevailing rates.
- 4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average Rate of Return through Economic Cycles given an acceptable level of Risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.
  - a. The performance Benchmark for each Investment Portfolio shall be based upon published Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for short-term investments of comparable Risk and duration.
    - i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and quarterly by CalOptima's Treasurer and the Investment Advisory Committee members and shall be reported to the Board of Directors.
- B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code, Section 53608.
- C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other than themselves) or financial institutions in compliance with California Government Code, Section 53601.5 and this Policy.
- D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined in the Code, which shall be applied in the context of managing an overall portfolio.
- E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to fulfill their roles in the investment process.
  - CalOptima's Officers and employees involved in the investment process are not permitted to
    have any material financial interests in financial institutions, including state or federal credit
    unions, that conduct business with CalOptima, and are not permitted to have any personal
    financial, or investment holdings, that could be materially related to the performance of
    CalOptima's investments.
- F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for eview and adoption by the Board, to ensure that all investments made are following this Policy.
  - 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code, Section 53646, Subdivision (a).
  - 2. This policy may only be changed by the Board of Directors.

### III. PROCEDURE

A. Delegation of Authority

- 1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.
  - a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.
    - i. The Board of Directors may renew the delegation of authority annually.
  - b. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by CalOptima's Treasurer.

# B. CalOptima Treasurer Responsibilities

- 1. The Treasurer shall be responsible for:
  - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board-approved Investment Managers;
  - b. The oversight of CalOptima's Investment Portfolio;
  - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
  - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
- 2. The Treasurer shall also be responsible for ensuring that:
  - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
  - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
    - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause or other appropriate remedies or sanctions, as determined by the Board of Directors.
  - c. Investment diversification and portfolio performance is reviewed monthly to ensure that Risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
  - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

### C. Investment Advisory Committee

1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any particular investment, purchase any particular investment product, or conduct business with any particular investment companies, or brokers.



- a. It shall not be the purpose of the Investment Advisory Committee to advise on particular investment decisions of CalOptima.
- 2. The Investment Advisory Committee shall be responsible for the following functions:
  - a. Annual review of this Policy before its consideration by the Board of Directors and revision recommendations, as necessary, to the Finance and Audit Committee of the Board of Directors.
  - b. Quarterly review of CalOptima's Investment Portfolio for conformance with this Policy's diversification and maturity guidelines, and recommendations to the Finance and Audit Committee of the Board of Directors, as appropriate.
  - c. Provision of comments to CalOptima's staff regarding potential investments and potential investment strategies.
  - d. Performance of such additional duties and responsibilities pertaining to CalOptima's investment program as may be required from time to time by specific action and direction of the Board of Directors.

### D. Permitted Investments

- 1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations of this Policy.
  - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of two (2) years. Note that the Code allows for up to five (5) years.
  - b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
  - c. Private placement (144a) securities are prohibited.
  - d. The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
- 2. Permitted investments shall include:
  - a. U.S. Treasuries
    - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
    - ii. U.S. Government securities include:
      - a) Treasury Bills: U.S. Government securities issued and traded at a discount;
      - b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;



- c) Treasury Separate Trading of Registered Interest and Principal Securities
   (STRIPS): U.S. Treasury securities that have been separated into their component
   parts of principal and interest payments and recorded as such in the Federal Reserve
   book-entry record-keeping system;
- d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or Bonds, that offer protection from Inflation. Coupon payments and underlying principal are automatically increased to compensate for Inflation, as measured by the Consumer Price Index (CPI); and
- e) Treasury Floating Rate Notes (FRNs): U.S. Treasury Bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.

### iv. Maximum Term:

Fund Type	Term Assigned	<b>Term Allowed by the Code</b>
Operating Funds	2 years	5 years
Board-Designated Reserve Funds Tier One (1) Tier Two (2)	5 years 5 years	5 years 5 years

- b. Federal Agencies and U.S. Government Sponsored Enterprises
  - i. These investments represent obligations, participations, or other Instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
  - ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
    - a) Federal Home Loan Banks (FHLB);
    - b) Federal Home Loan Mortgage Corporation (FHLMC);
    - c) Federal National Mortgage Association (FNMA);
    - d) Federal Farm Credit Banks (FFCB);
    - e) Government National Mortgage Association (GNMA);
    - f) Small Business Administration (SBA);
    - g) Export-Import Bank of the United States;
    - h) U.S. Maritime Administration;
    - i) Washington Metro Area Transit Authority (WMATA);

- j) U.S. Department of Housing & Urban Development;
- k) Tennessee Valley Authority;
- 1) Federal Agricultural Mortgage Company (FAMC);
- m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

### iii. Maximum Term:

Fund Type Terr	Assigned Term Allowed by the Code
Operating Funds 2 ye	rs 5 years
Board-Designated Reserve Funds Tier One (1) 5 ye Tier Two (2) 5 ye	

- iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.
- c. State and California Local Agency Obligations
  - i. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or equivalent or better for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public agency Bonds issued for private purposes (e.g., industrial development Bonds) are specifically excluded as permitted investments.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds		
■ Tier One (1)	5 years	5 years
■ Tier Two (2)	5 years	5 years

# Banker's Acceptances

- i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the Banker's Acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:
  - a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-l for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	180 days	180 days
Board-Designated Reserve Funds		
■ Tier One (1)	180 days	180 days
■ Tier Two (2)	180 days	180 days

# e. Commercial Paper (CP)

- i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:
  - a) CP of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO);
  - b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):
    - (1) The entity meets the following criteria:
      - (A) Is organized and operating in the United States as a general corporation.
      - (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
      - (C) Has debt other than commercial paper, if any, that is rated in a Rating Category of "A" or its equivalent or higher by an NRSRO.
    - (2) The entity meets the following criteria:
      - (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      - (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
      - (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO; and
  - c) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	270 days	270 days

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Board-Designated Reserve Funds		
■ Tier One (1)	270 days	270 days
■ Tier Two (2)	270 days	270 days

# Negotiable Certificates of Deposit

i. Negotiable Certificates of Deposit must be issued by a Nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-l for shortterm deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	1 year	5 years
Board-Designated Reserve Funds		
■ Tier One (1)	1 year	5 years
■ Tier Two (2)	1 year	5 years

# Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary Broker-Dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A longterm, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by Fitch Ratings Service provided:
  - a) A Broker-Dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
  - The securities are held free and clear of any Lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined Capital, Surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any Lien, as agent for CalOptima's custodian;
  - c) A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
  - d) The Agent will notify CalOptima's custodian and CalOptima if the Valuation of the Collateral Securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the Collateral Securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such Valuation.

# 

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	30 days	1 year
Board-Designated Reserve Funds		
■ Tier One (1)	30 days	1 year
■ Tier Two (2)	30 days	1 year

iii. Reverse Repurchase Agreements are not allowed.

# h. Corporate Securities

- i. For the purpose of this Policy, permissible Corporate Securities shall be rated in a Rating Category of "A" or its equivalent or better by an NRSRO and:
  - a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
  - b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to CP, i.e., Medium Term Notes (MTNs).

### ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds		
■ Tier One (1)	5 years	5 years
• Tier Two (2)	5 years	5 years

# i. Money Market Funds

- i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):
  - a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
  - b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

# j. Joint Powers Authority Pool

 A joint powers authority formed pursuant to California Government Code; Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:

- a) Registered or exempt from registration with the Securities and Exchange Commission:
- b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and
- c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
- iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.

# iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	Not Applicable	Not Applicable
Board-Designated Reserve Funds		
■ Tier One (1)	Not Applicable	Not Applicable
■ Tier Two (2)	Not Applicable	Not Applicable

# k. Mortgage or Asset-backed Securities

- i. Pass-through securities are Instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.
- ii. Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt Instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.
- iii. Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:
  - Are rated AA or better- or equivalent.

# iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds • Tier One (1)	5 years stated final maturity	5 years
■ Tier Two (2)	5 years stated final maturity	5 years

1. Variable and Floating Rate Securities

- i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce Risk.
  - a) They should have the same stability, Liquidity, and quality as traditional money market securities.
  - b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.
  - c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that predetermined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.
- ii. Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and California Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, federal funds, CP, London Interbank Offered Rate (LIBOR), the Secured Overnight Financing Rate (SOFR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security.
  - a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.
  - b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.
  - c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.

# iii. Maximum Term:

Fund Type	Term Assigned	<b>Term Allowed by the Code</b>
Operating Funds	2 years	5 years
Board-Designated Reserve Funds		
■ Tier One (1)	5 years	5 years
■ Tier Two (2)	5 years	5 years

# m. Supranational Obligations

- i. The three (3) Supranational Institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
  - a) International Bank for Reconstruction and Development (IBRD);
  - b) International Finance Corporation (IFC); and

- c) Inter-American Development Bank (IADB).
- ii. Supranational obligations shall be rated in a Rating Category of "AA" or its equivalent or better by a Nationally Statistical Rating Organization (NRSRO).

### iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds Tier One (1) Tier Two (2)	5 years 5 years	5 years 5 years

# n. Pooled Investments

i. Pooled investments include deposits, or investments pooled with those of other local agencies consistent with the requirements of California Government Code, Section 53635 et seq. Such pools may contain a variety of investments but are limited to those permissible under the Code.

### E. Diversification Guidelines

- 1. Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one (1) type, industry, or entity, thereby assuring adequate portfolio Liquidity should one (1) sector or company experience difficulties.
- 2. CalOptima's Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima's diversification guidelines on a continuous basis.
- 3. Table 1: Maximum Percentage (%) of Investment Portfolio, by Instrument Type

INSTRUMENTS  PORTFOLIO AT TIME OF PURCHASE  A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs)  B. Federal Agencies and U.S. Government Sponsored  100% (Code)
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs)  100% (Code)
and principal STRIPS as well as TIPs)
B. Federal Agencies and U.S. Government Sponsored 100% (Code)
2 1 decial 1 2 decide and Class Covermitted Sponsored 10070 (Code)
Enterprises
State and California Local Agency Obligations 30% (Code 100%)
D. Bankers Acceptances 30% (Code 40%)
E. Commercial Paper 25% (Code)
F. Negotiable Certificates of Deposit 30% (Code)
G. Repurchase Agreements 100% (Code)
H. Corporate Securities 30% (Code)
I. Money Market Funds 20% (Code)
J. Joint Powers Authority Pool 100% (Code)
K. Mortgage or Asset-backed Securities 20% (Code)
L. Variable and Floating Rate Securities 30% (Code)
M. Supranational Obligations 30% (Code)



- 4. Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
  - a. Any one (1) Federal Agency or Government Sponsored Enterprise: None
  - b. Any one (1) repurchase agreement counterparty name:

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If maturity/term is \leq 7 days: 50% If maturity/term is > 7 days: 25%
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- 5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.
  - a. Any one (1) corporation, bank, local agency, or other corporate name for one (1) or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage or asset-backed securities, the maximum issuer limits apply at the deal level.
  - b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the Portfolio's market value will be invested in securities of a single issuer.
- 6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.
  - a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's Treasurer and Investment Advisory consultant (if any) by close of business on the day of the occurrence.
  - b. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in the context of.
    - i. The amount in relation to the total portfolio concentration;
    - ii. Market and security specific conditions contributing to a breach of this Policy; and
    - iii. The Investment Managers' actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.

# F. Maximum Stated Term

1. Maximum stated terms for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security.

# G. Rating Downgrades

- 1. CalOptima may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this Policy.
- 2. If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business days of the downgrade.

a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or Designee, within five (5) business days of the downgrade.

#### H. Investment Restrictions

- 1. Investment securities shall not be lent to an Investment Manager, or Broker-Dealer.
- 2. The Investment Portfolio or Investment Portfolios, managed by an Investment Manager, shall not be used as collateral to obtain additional investable funds.
- 3. Any investment not specifically referred to herein shall be considered a prohibited investment.
- 4. CalOptima reserves the right to prohibit its Investment Managers from making investments in organizations which have a line of business that conflicts with the interests of public health, as determined by the Board of Directors.
- 5. CalOptima reserves the right to prohibit investments in organizations with which it has a business relationship through contracting, purchasing, or other arrangements.
- 6. Except as expressly permitted by this Policy, investments in derivative securities shall not be allowed.
- 7. A list of prohibited investments does not currently exist, however, the Board of Directors shall provide CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and Investment Advisory Committee with a list, should such a list be adopted by CalOptima in the future, of organizations that do not comply with this Policy and shall immediately notify CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment Advisory Committee of any changes.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. California Government Code, §6509.7
- B. California Government Code, §53600 et seq.
- C. California Government Code, §53601(h), (k), (q)
- D. California Government Code, §53635 et seq.
- E. California Government Code. §53646, Subdivision (a) and Subdivision (b)
- F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.

## VI. REGULATORY AGENCY APPROVAL(S)

A. None to Date

#### VII. BOARD ACTION(S)

Date	Meeting
10/30/2017	Special Meeting of the CalOptima Investment Advisory Committee
11/16/2017	Regular Meeting of the CalOptima Finance and Audit Committee
12/07/2017	Regular Meeting of the CalOptima Board of Directors
11/05/2018	Special Meeting of the CalOptima Investment Advisory Committee

11/15/2018	Regular Meeting of the CalOptima Finance and Audit Committee
12/06/2018	Regular Meeting of the CalOptima Board of Directors
10/21/2019	Regular Meeting of the CalOptima Investment Advisory Committee
11/15/2019	Regular Meeting of the CalOptima Finance and Audit Committee
12/05/2019	Regular Meeting of the CalOptima Board of Directors
	Regular Meeting of the CalOptima Investment Advisory Committee
	Regular Meeting of the CalOptima Finance and Audit Committee
	Regular Meeting of the CalOptima Board of Directors

## VIII. REVISION HISTORY

Effective 01/01/2018 Revised 01/01/2019 Revised 01/01/2020		Policy Title Annual Investments	Administrative
	GA 3400		
Revised 01/01/2020		Annual Investments	Administrative
		Annual Investments	Administrative
Revised TBD	GA.3400	Annual Investments	Administrative

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Term	Definition
Banker's Acceptance	Time drafts which a bank "accepts" as its financial responsibility as part of a
(BA)	trade finance process. These short-term notes are sold at a discount, and are
	obligations of the drawer (i.e., the bank's trade finance client) as well as the
	bank. Once accepted, the bank is irrevocably obligated to pay the banker's
	acceptance (BA) upon maturity, if the drawer does not. Eligible banker's
	acceptances:
	<ul> <li>Are eligible for purchase by the Federal Reserve System, and are</li> </ul>
	drawn on and accepted by a bank rated F1, or better, by Fitch
	Ratings Service, or are rated A-l for short-term deposits by Standard
	& Poor's, or P-1 for short-term deposits by Moody's, or are
	comparably rated by a nationally recognized rating agency;
	and
	<ul> <li>May not exceed the five percent (5%) limit of any one (1)</li> </ul>
	commercial bank and may not exceed the five percent (5%) limit for
	any security of any bank.
Benchmark	Benchmarks are usually constructed using unmanaged indices, exchange-
	traded Funds or mutual fund categories to represent each asset class.
	Benchmarks are often used as a tool to assess the allocation, Risk and return
	of a portfolio.
Board-Designated	Funds established to address unexpected agency needs and not intended for
Reserve Funds	use in the normal course of business. The amount of Board-Designated
	Reserve Funds should be offset by any working Capital or net current asset
	deficits. The desired level for these funds is a minimum of 1.4 and
	maximum of 2.0 months of capitation revenues as specified by CalOptima
	Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:
	Reserve Funds sharr be managed and invested as follows.
	1. Tier One
	a. Used for the benefit and protection of CalOptima's long-term
	financial viability;
	b. Used to cover "Special Purposes" as defined in CalOptima Policy
	GA.3001: Board-Designated Reserve Funds;
	or
	c. May be used for operational cash flow needs in lieu of a bank line
	of credit in the event of disruption of monthly capitation revenue
	receipts from the State, subject to the Board-Designated Reserve
	Funds having a "floor" equal to Tier Two requirements.
	2. Tier Two
	2. Tier Two a. Used to meet CalOptima's regulatory compliance requirements; or
	b. Currently defined as CalOptima's tangible net equity requirements
<b>y</b>	as defined by Subdivision (e) of Section 1300.76 of Title 28 of the
	California Code of Regulations.
Bonds	A debt security, under which the issuer owes the holders a debt and,
	depending on the terms of the bond, is obliged to pay them interest (the
	coupon) and/or to repay the principal at a later date, termed the maturity
	date.

Term	Definition
Broker-Dealer	In financial services, a Broker-Dealer is a natural person, a company or
Broner Bearer	other organization that engages in the business of trading securities for its
	own account or on behalf of its customers.
CalOptima Treasurer	Appointed by CalOptima's Board of Directors, the treasurer is a person
Caropinia Treasurer	responsible for overseeing CalOptima's investment funds.
Capital	Capital refers to financial assets or the financial value of assets, in the form
	of money or other assets owned by an organization.
Cash Flow Draws	Amount of cash needs to support CalOptima business operation.
Chief Officers	For the purposes of this policy, may include, but is not limited to, the Chief
	Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief
	Counsel.
Collateral Securities	A security given in addition to the direct security, and subordinate to it,
	intended to guarantee its validity or convertibility or insure its performance;
	so that, if the direct security fails, the creditor may fall back upon
	the collateral security.
Commercial Paper	Unsecured promissory notes issued by companies and government entities
(CP)	at a discount.
Consumer Price Index	The Consumer Price Indexes (CPI) program produces monthly data on
(CPI)	changes in the prices paid by urban consumers for a representative basket of
	goods and services.
Corporate Securities	Notes issued by corporations organized and operating within the U.S. or by
	depository institutions licensed by the U.S. or any state, and operating
	within the U.S.
Credit Risk	The Risk of loss due to failure of the issuer of a security.
Custodian Bank	A specialized financial institution responsible for safeguarding a firm's or
	individual's financial assets and is not engaged in "traditional" commercial
	or consumer/retail banking such as mortgage or personal lending, branch
	banking, personal accounts, automated teller machines (ATMs) and so
Custom Poor Group	forth.  Developed based on a small poor universe with similar investment
Custom Peer Group	Developed based on a small peer universe with similar investment guidelines. The Purpose of the report is to provide more accurate
Report	performance comparison.
Designee	For purposes of this policy, a person who has been designated to act on
Designee	behalf of the CalOptima Treasurer.
Economic Cycles	The natural fluctuation of the economy between periods of expansion
Leonomic Cycles	(growth) and contraction (recession).
Finance and Audit	A standing committee of the CalOptima Board of Directors with oversight
Committee (FAC)	responsibilities for all financial matters of CalOptima including but not
	limited to: budget development and approval, financial reporting,
	investment practices and policies, purchasing and procurement practices
NO'	and policies, insurance issues, and capitation and claims. The Committee
	serves as the primary level of Board review for any finance-related issues or
<b>y</b>	policies affecting the CalOptima program.
Inflation	Inflation is the rate at which the general level of prices for goods and
	services is rising and, consequently, the purchasing power of currency is
	falling.
Instrument	Refers to a financial Instrument or asset that can be traded. These assets
	can be cash, Bonds, or shares in a company
Investment Advisor(s)	Registered or non-registered person or group that makes investment
	recommendations or conducts securities analysis in return for a fee.

Term	Definition
Investment Advisory	A standing committee of the CalOptima Board of Directors who provide
Committee (IAC)	advice and recommendations regarding CalOptima's Investment Policies,
	Procedures and Practices.
Investment	A person or organization that makes investments in portfolios of securities
Manager(s)	on behalf of clients, in accordance with the investment objectives and
Trianager(s)	parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, Bonds and cash equivalents,
	as well as their funds counterparts, including mutual, exchange-traded and
	closed funds. Portfolios are held directly by investors and/or managed by
	financial professionals.
Joint Powers	Shares of beneficial interest issued by a joint powers authority organized
Authority Pool	pursuant to California Government Code, Section 6509.7; each share
	represents an equal proportional interest in the Underlying Pool of
	Securities owned by the joint powers authority.
Lien	A legal right granted by the owner of property, by a law or otherwise
2.011	acquired by a creditor
Liquidity	Liquidity describes the degree to which an asset or security can be quickly
	bought or sold in the market without affecting the asset's price.
Market Indices	Measurements of the value of a section of the stock market. It is computed
	from the prices of selected stocks (typically a weighted average).
Market Risk	The Risk of market value fluctuations due to overall changes in the general
	level of interest rates.
Maturity Dates	The date on which the principal amount of a note, draft, acceptance bond or
	another debt Instrument becomes due and is repaid to the investor and
	interest payments stop. It is also the termination or due date on which an
	installment loan must be paid in full.
Medium Term Notes	A debt note that usually matures (is paid back) in five (5) – ten (10) years,
(MTN)	but the term may be less than one (1) year or as long as one hundred (100)
	years. They can be issued on a fixed or floating coupon basis.
Nationally Recognized	A credit rating agency that the Securities and Exchange Commission in the
Statistical Ratings	United States registers and uses for regulatory purposes. Current NRSROs
Organization	listed at www.sec.gov/ocr/ocr-current-nrsros.html.
(NRSRO)	
Negotiable	A negotiable (i.e., marketable or transferable) receipt for a time deposit at a
Certificates of Deposit	bank or other financial institution, for a fixed time and interest rate.
Operating Funds	Funds intended to serve as a money market account for CalOptima to meet
	daily operating requirements. Deposits to this fund are comprised of State
	warrants that represent CalOptima's monthly capitation revenues from its
	State contracts. Disbursements from this fund to CalOptima's operating
	cash accounts are intended to meet operating expenses, payments to
$\langle \mathcal{O}' \rangle$	providers and other payments required in day-to-day operations.
Prudent Person	When investing, reinvesting, purchasing, acquiring, exchanging, selling, or
Standard	managing public funds, a trustee shall act with care, skill, prudence, and
	diligence under the circumstances then prevailing, including but not limited
	to, the general economic conditions and the anticipated needs of the agency,
	that a prudent person acting in a like capacity and familiarity with those
	matters would use in the conduct of funds of a like character and with like
	aims, to safeguard the principal and maintain the Liquidity needs of the
	agency (California Government Code, Section 53600.3)

a percentage of the investment's cost. Gains on investments are defined income received plus any Capital gains realized on the sale of the investment.  Rating Category  With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numeric modifier, plus or minus sign or other modifier.  Repurchase  A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.  Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.  State and California  Local Agency  Obligations  Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing propert owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State of California, including Bonds payable solely out of revenues from a revenue producing propert owned, controlled, or operated by the state or local agency.  International Institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.  Surplus  Assets beyond liabilities.  Those securities and obligations that are eligible for direct investment b local public agencies.  Valuation  An estimation of the worth of a financial Instrument or asset. CalOptim	Term	Definition
Rating Category  With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numeric modifier, plus or minus sign or other modifier.  Repurchase  A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.  Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.  State and California  Local Agency  Obligations  Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, includir Bonds payable solely out of revenues from a revenue producing propert owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.  International Institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.  Surplus  Assets beyond liabilities.  Underlying Pool of  Securities  Valuation  An estimation of the worth of a financial Instrument or asset. CalOptim	Rate of Return	* * * *
Repurchase Agreements  Risk  Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.  State and California Local Agency Obligations  Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, includir Bonds payable solely out of revenues from a revenue producing propert owned, controlled, or operated by the State or local agency, or by a department, board, agency or authority of the State or local agency.  Supranational International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.  Surplus  Assets beyond liabilities.  Underlying Pool of Securities  Valuation  A purchase of securities and obligations that are eligible for direct investment b local public agencies.	Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical
Agreements Risk Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.  State and California Local Agency Obligations Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, includir Bonds payable solely out of revenues from a revenue producing propert owned, controlled, or operated by the State or local agency, or by a department, board, agency or authority of the State or local agency.  Supranational International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.  Surplus  Assets beyond liabilities.  Underlying Pool of Securities Valuation  An estimation of the worth of a financial Instrument or asset. CalOptim	Repurchase	
occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.  State and California Local Agency Obligations  Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing propert owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.  Supranational International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.  Surplus  Assets beyond liabilities.  Those securities and obligations that are eligible for direct investment b local public agencies.  Valuation  An estimation of the worth of a financial Instrument or asset. CalOptim	_	securities back at a fixed price on some future date.
State and California Local Agency Obligations Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, includir Bonds payable solely out of revenues from a revenue producing propert owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.  Supranational International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.  Surplus  Assets beyond liabilities.  Underlying Pool of Securities Underlying Pool of Securities An estimation of the worth of a financial Instrument or asset. CalOptim	Risk	occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the
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Surplus Assets beyond liabilities. Underlying Pool of Securities and obligations that are eligible for direct investment b local public agencies. Valuation An estimation of the worth of a financial Instrument or asset. CalOptim		International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social
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Valuation An estimation of the worth of a financial Instrument or asset. CalOptim	Underlying Pool of	Those securities and obligations that are eligible for direct investment by
	Valuation	An estimation of the worth of a financial Instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the Valuation of each financial Instrument that they own on behalf of CalOptima. Each

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

#### Report Item

8. Consider Recommending Board of Directors' Approval of Proposed Revisions to CalOptima Finance Policies

#### **Contact**

Nancy Huang, Chief Financial Officer, (714) 246-8400

#### **Recommended Actions**

Recommend Board of Directors approval of proposed revisions to the following Finance policies:

- 1. CalOptima Policy FF.1006: Financial Risk Arrangement;
- 2. CalOptima Policy FF.1009: Health-based Risk Adjusted Capitation Payment System; and
- 3. CalOptima Policy FF.3002: Financial Oversight.
- 4. CalOptima Policy FF.1010: Shared Risk Pool

#### **Background**

CalOptima establishes new or modifies existing policies and procedures to implement federal and state laws, regulations, contracts and business practices. In addition, CalOptima staff performs an annual policy review to update internal policies and procedures to ensure compliance with applicable requirements.

#### **Discussion**

Staff recommends revisions to the following CalOptima policies:

- CalOptima Policy FF.1006: Financial Risk Arrangement. This policy describes the process by which CalOptima ensures that financial risk arrangements in Hospital Risk Pool Arrangements and Other Risk Arrangements are fair, equitable and appropriate for members assigned to a Physician-Hospital Consortium (PHC) health network. CalOptima staff recommends revisions to this policy pursuant to the CalOptima annual review process to ensure alignment with current operations and regulatory requirements. In the proposed update, CalOptima staff clarified the risk settlement submission deadline, as well as when the risk pool arrangements are required to be submitted for review.
- CalOptima Policy FF.1009: Health-based Risk Adjusted Capitation Payment System. This policy outlines the process by which CalOptima adjusts capitation payments to a health network based on the health status of the member population assigned to that health network. CalOptima staff recommends revisions to this policy pursuant to the CalOptima annual review process to ensure alignment with current operations and regulatory requirements. CalOptima staff recommends incorporating clarifying language regarding member risk scores and health network risk factors, adding Affordable Care Act Expansion as a covered Aid Category effective July 1, 2020, and updating months of services used in calculations.

CalOptima Board Action Agenda Referral Consider Recommending Board of Directors' Approval of Proposed Revisions to CalOptima Finance Policies Page 2

- CalOptima Policy FF.3002: Financial Oversight. This policy outlines the process by which CalOptima monitors a health network's financial position and financial security reserves to ensure contract compliance and financial integrity. CalOptima staff recommends revising this policy pursuant to the CalOptima annual review process to incorporate relevant definitions and ensure alignment with current operations and regulatory requirements. CalOptima staff added recommends adding language clarifying that the fixed deposit of \$50,000 applies to all lines of business.
- CalOptima Policy FF.1010: Shared Risk Pool. This policy outlines the process for CalOptima's administration of the shared risk pool with a shared risk group (SRG). CalOptima staff revised this policy pursuant to the CalOptima annual review process to ensure alignment with current operations and regulatory requirements. CalOptima staff incorporated clarifying language regarding the management and reporting of money related to shared risk. CalOptima Finance staff coordinated with CalOptima Contracting staff to ensure SRG contracts are updated concurrently to reflect the changes in this policy. Staff also intends to seek authority from the Board in June to amend CalOptima's Medi-Cal shared risk group contracts to be consistent with these proposed policy changes.

During Calendar Year 2020, CalOptima staff plans to re-evaluate the financial security reserves and capitation withholds processes for each line of business and health network contract type and will return to the Board with further recommendations in the future.

#### Fiscal Impact

There is no fiscal impact.

#### **Rationale for Recommendation**

The recommended action is intended to keep CalOptima Finance policies in alignment with regulatory guidance and operational practices.

#### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

- 1. CalOptima Policy FF.1006: Financial Risk Arrangement (redlined and clean)
- 2. CalOptima Policy FF.1009: Health-based Risk Adjusted Capitation Payment System (redlined and clean)
- 3. CalOptima Policy FF.3002: Financial Oversight (redlined and clean)
- 4. CalOptima Policy FF.1010: Shared Risk Pool (redlined and clean)

/s/ Richard Sanchez 05/14/2020 Authorized Signature Date



Policy#: FF.1006

Title: Financial Risk Arrangement

Department: Finance

Section: Not Applicable

CEO Approval: Michael Schrader\_

Effective Date: 09/01/02

Last Review Date: 07/01/18

Last Revised Date: TBD

Applicable to: Medi-Cal

OneCare Connect

#### I. PURPOSE

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This policy describes the process by which CalOptima ensures that financial risk arrangements set forth in **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are fair, equitable, and appropriately reward **Providers** for cost-effective, high quality services to **Members** assigned to a **Physician Hospital Consortium (PHC).** 

#### II. POLICY

#### A. Hospital Risk Pool Arrangements

- 1. If CalOptima requires a **PHC** to establish a **Hospital Risk Pool Arrangement**, the **PHC** shall do so pursuant to the terms and conditions of this Policy.
- 2. A **PHC** shall establish a hospital risk pool funded by hospital capitation dollars paid by CalOptima.
- 3. A **Primary Physician Group** shall be entitled to a minimum of fifty percent (50%) of any hospital risk pool surplus.
- 4. A **Primary Physician Group's** downside risk shall be limited to five percent (5%) of the **Primary Physician Group's** total **Capitation Payment**.
- 5. CalOptima shall ensure **PHC** compliance with **Hospital Risk Pool Arrangements** and may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima policies HH.2002Δ: **Sanctions** and HH.2005Δ: **Corrective Action Plan**.
- B. All Hospital Risk Pool Arrangements and Other Risk Arrangements developed by a PHC shall comply with the following:
  - 1. A PHC shall design Hospital Risk Pool Arrangements and Other Risk Arrangements primarily to create incentives for Providers;
  - A PHC shall facilitate a common understanding and high level of trust between the various parties of Hospital Risk Pool Arrangements and Other Risk Arrangements and shall make such Hospital Risk Pool Arrangements and Other Risk Arrangements as administratively simple as possible;

- 3. A PHC shall ensure that Hospital Risk Pool Arrangements and Other Risk Arrangements are compliant with federal and state law;
- 4. A PHC shall not structure Hospital Risk Pool Arrangements or Other Risk Arrangements to deny or limit access or jeopardize quality of care;
- 5. A **PHC** shall ensure that each contracting **Provider** has the administrative and financial capacity to meet its contractual obligations; and
- 6. A **PHC** shall have a mechanism to detect and correct under-service by an at-risk **Provider**, including possible underutilization of specialist services and preventive health care services.
- C. A PHC shall ensure that Hospital Risk Pool Arrangements and Other Risk Arrangements are agreed to by written contract and signed by all parties, and shall submit signed Hospital Risk Pool Arrangements and Other Risk Arrangements to CalOptima in accordance with Section III.C of this Policyand its Contracted Vendor upon initial set-up, following subsequent revisions, and upon request.
- D. CalOptima or its Contracted Vendor shall review and provide comments, as necessary, on the appropriateness of a **PHC's Hospital Risk Pool Arrangements** and **Other Risk Arrangements** pursuant to the terms and conditions of this Policy.

#### III. PROCEDURE

- A. A **PHC** shall document a **Hospital Risk Pool Arrangement** in a risk pool agreement. The risk pool agreement shall be agreed to, and signed by, both the **Primary Physician Group** and **Primary Hospital**, and shall delineate the following minimum provisions:
  - 1. Risk pool funding sources (i.e., hospital **Capitation Payments**, reinsurance recoveries, coordination of benefit collections);
  - 2. Services that are debited against the risk pool;
  - 3. Valuation of services debited against the risk pool;
  - 4. Surplus sharing;
  - 5. Deficit sharing;
  - 6. Calculation period and settlements; and
  - 7. Dispute resolution.
- B. Calculations and settlements related to Hospital Risk Pool Arrangements
  - 1. A **PHC** shall perform risk pool settlement calculations on a quarterly basis, and shall obtain signatures from the **Primary Physician Group**, **Primary Hospital**, and any other participating entities on the calculations.

- 2. A **PHC** shall provide copies of all quarterly or other interim settlement calculations to CalOptima or its Contracted Vendor as requested during any annual financial audits and/or reviews.
- 3. A PHC shall calculate final annual settlements for a given contract year, acquire signatures from representatives of the applicable parties participating entities, issue payment per the timeline defined in the Hospital Risk Pool Arrangement, and submit the final annual settlements and proof of the payments to CalOptima or its Contracted Vendor within one hundred eighty (180) calendar days following the end of the applicable contract year as part of the annual review of the PHC's Medical Loss Ratio calculation.
- C. Written communication to a **Provider** regarding **Other Risk Arrangements** 
  - 1. A PHC shall provide clear, written communication to a **Provider** regarding **Other Risk Arrangements** and any risk pool settlements.
  - 2. A PHC shall provide a Provider with a copy of the risk pool settlement calculation, and
    - a. The calculation of the **Provider's** particular risk pool dollar share amount; or
    - b. A written explanation as to why the **Provider** is not eligible for a distribution under the **Other Risk Arrangement**.
- D. CalOptima's oversight of **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** 
  - 1. CalOptima or its Contracted Vendor shall receive and review, upon request or as part of any financial audit and/or review, all settlement calculations and payment distributions to ensure that a **PHC** is compliant with the terms of the approved **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** and the provisions of this policy.
  - 2. If a **PHC** is non-compliant with any of the provisions in Section II of this policy, CalOptima shall require a **PHC** to submit a **Corrective Action Plan** (**CAP**) as appropriate, in accordance with CalOptima Policy HH.2005Δ **Corrective Action Plan**. CalOptima may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima Policy HH.2002Δ: **Sanctions**, if **PHC** continues to be non-compliant with any of the provisions in Section II of this policy.
- IV. ATTACHMENT(S)

Not Applicable

- V. REFERENCE(S)
  - A. CalOptima Health Network Service Agreement
  - B. CalOptima Policy HH.2002Δ: Sanctions
  - C. CalOptima Policy HH.2005Δ: Corrective Action Plan
  - D. Title 28, California Code of Regulations (C.C.R.), §§1300.70(b)(2)(H)(1) and (2)
  - E. This policy supersedes:
    - a. CalOptima Financial Letter dated August 11, 1995: Financial issues update
    - b. CalOptima Financial Bulletin #1: Schedule and process of capitation payments

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c. CalOptima Financial Bulletin #2: Risk pool guidelines

d. CalOptima Financial Bulletin #9: CalOptima survey of physician compensation

e. CalOptima Financial Bulletin #11: Risk pool agreements and settlements

f. CalOptima Financial Bulletin #12: Financial arrangements with subcontractors

g. CalOptima Financial Bulletin #20: CalOptima hospital risk pool surplus withhold

<u>a.</u>

#### VI. REGULATORY AGENCY APPROVAL(S)

#### VII. **BOARD ACTION(S)**

#### VIII. **REVIEW/REVISION HISTORY**

Version	Date	Policy Number	Policy Title	Line(s) of Busine
Effective	01/01/2002	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	03/01/2003	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	07/01/2007	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	01/01/2008	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	08/01/2010	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	09/01/2014	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	08/01/2016	FF.1006	Financial Risk Arrangements	Medi-Cal OneCare Connect
Reviewed	05/01/2017	FF.1006	Financial Risk Arrangements	Medi-Cal OneCare Connect
Revised	07/01/2018	FF 1006	Financial Risk Arrangements	Medi-Cal OneCare Connect
Revised	TBD	FF.1006	Financial Risk Arrangements	Medi-Cal OneCare Connect

#### IX. GLOSSARY

Term	Definition	
Aid Code	The two (2) character code, defined by the State of California, which identifies the aid category under which a Member is eligible to receive Medi-Cal Covered Services.	
Capitation Payment	The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age and gender.	
Capitation Rate	The per capita rate set by CalOptima for the delivery of Covered Services to Members based upon Aid Code, age, and gender.	
Corrective Action Plan (CAP)	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. FDRs and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory or contractual obligations and other requirements identified by CalOptima and its regulators.	
Covered Services	Those services provided in the Fee-For-Service Medi-Cal program, as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301, and Title 17, CCR, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840, which are included as Covered Services under CalOptima's Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), and speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), which shall be covered for Members not withstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program.	
Health Network	A Physician Hospital Consortium (PHC), Physician Medical Group (PMG)physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.	
Hospital Risk Pool Arrangements	A risk arrangement contractually required by CalOptima between a physician and hospital partner funded by hospital capitation dollars paid by CalOptima.	
Member	A Medi Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program. An enrollee-beneficiary of a CalOptima program.	
Other Risk Arrangements	A risk arrangement between Health Network partner or Health Network participants outside of a Hospital Risk Pool Arrangement.	

Term	Definition
Physician Hospital Consortium (PHC)	A Physician Group or Physician Groups contractually aligned with at least one (1) hospital, as described in CalOptima's Contract for Health Care Services.
Primary Hospital	A hospital contracted with CalOptima on a capitated and delegated basis a the hospital partner of a Physician Hospital Consortium (PHC).
Primary Physician Group	A physician group contracted with CalOptima on a capitated and delegate basis as the physician partner of a Physician Hospital Consortium (PHC).
Program	Any of CalOptima's programs including the CalOptima Medi-Cal Program OneCare, OneCare Connect, PACE, or the Multipurpose Senior Services Program.
Provider	A physician, nurse, nurse mid-wife, nurse practitioner, medical technician physician assistant, hospital, laboratory, ancillary provider, health maintenance organization, or other person or institution that furnishes Covered Services.
Sanction	An action taken by CalOptima including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on FDR's or its agent's failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs.



Policy: FF.1006

Title: Financial Risk Arrangement

Department: Finance

Section: Not Applicable

CEO Approval:

Effective Date: 09/01/02 Revised Date: TBD

Applicable to: Medi-Cal

OneCare Connect

#### I. PURPOSE

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This policy describes the process by which CalOptima ensures that financial risk arrangements set forth in **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are fair, equitable, and appropriately reward **Providers** for cost-effective, high quality services to **Members** assigned to a **Physician Hospital Consortium (PHC).** 

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- 5. CalOptima shall ensure **PHC** compliance with **Hospital Risk Pool Arrangements** and may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima policies HH.2002Δ: **Sanctions** and HH.2005Δ: **Corrective Action Plan**.
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- 3. A PHC shall ensure that Hospital Risk Pool Arrangements and Other Risk Arrangements are compliant with federal and state law;
- 4. A PHC shall not structure Hospital Risk Pool Arrangements or Other Risk Arrangements to deny or limit access or jeopardize quality of care;
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- C. A PHC shall ensure that Hospital Risk Pool Arrangements and Other Risk Arrangements are agreed to by written contract and signed by all parties, and shall submit signed Hospital Risk Pool Arrangements and Other Risk Arrangements to CalOptima and its Contracted Vendor upon initial set-up, following subsequent revisions, and upon request.
- D. CalOptima or its Contracted Vendor shall review and provide comments, as necessary, on the appropriateness of a **PHC's Hospital Risk Pool Arrangements** and **Other Risk Arrangements** pursuant to the terms and conditions of this Policy.

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  - 4. Surplus sharing
  - 5. Deficit sharing:
  - 6. Calculation period and settlements; and
  - 7. Dispute resolution.
- B Calculations and settlements related to Hospital Risk Pool Arrangements
  - 1. A **PHC** shall perform risk pool settlement calculations on a quarterly basis, and shall obtain signatures from the **Primary Physician Group**, **Primary Hospital**, and any other participating entities on the calculations.
  - 2. A **PHC** shall provide copies of all quarterly or other interim settlement calculations to CalOptima or its Contracted Vendor as requested during any annual financial audits and/or reviews.

Revision Date: TBD

- 3. A **PHC** shall calculate annual settlements for a given contract year, acquire signatures from representatives of the participating entities, issue payment per the timeline defined in the Hospital Risk Pool Arrangement, and submit the annual settlements and proof of the payments to CalOptima or its Contracted Vendor as part of the annual review of the **PHC's** Medical Loss Ratio calculation.
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  - 1. A PHC shall provide clear, written communication to a **Provider** regarding **Other Risk Arrangements** and any risk pool settlements.
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  - 2. If a **PHC** is non-compliant with any of the provisions in Section II of this policy, CalOptima shall require a **PHC** to submit a **Corrective Action Plan** (**CAP**) as appropriate, in accordance with CalOptima Policy HH.2005 **Corrective Action Plan**. CalOptima may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima Policy HH.2002 Δ: **Sanctions**, if **PHC** continues to be non-compliant with any of the provisions in Section II of this policy.
- IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. CalOptima Health Network Service Agreement
- B. CalOptima Policy HH.2002Δ: Sanctions
- C. Cal Optima Policy HH.2005Δ: Corrective Action Plan
- D. Title 28, California Code of Regulations (C.C.R.), §§1300.70(b)(2)(H)(1) and (2)

#### VI. REGULATORY AGENCY APPROVAL(S)

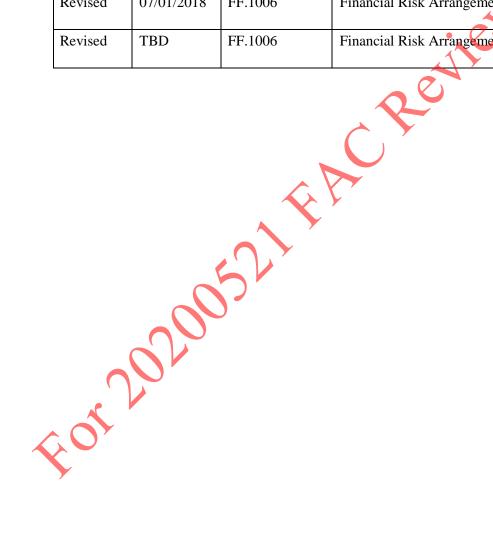
None to Date

#### VII. BOARD ACTION(S)

None to Date

Revision Date: TBD

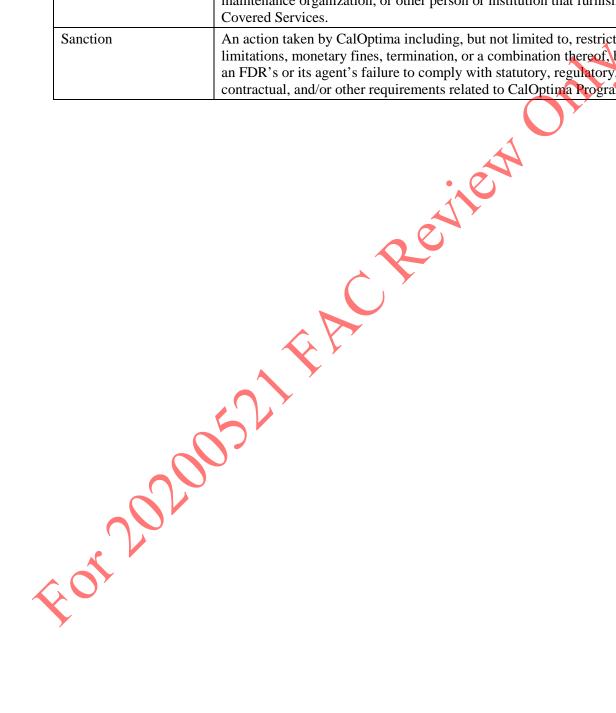
Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	01/01/2002	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	03/01/2003	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	07/01/2007	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	01/01/2008	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	08/01/2010	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	09/01/2014	FF.1006	Financial Risk Arrangements	Medi-Cal
Revised	08/01/2016	FF.1006	Financial Risk Arrangements	Medi-Cal OneCare Connect
Reviewed	05/01/2017	FF.1006	Financial Risk Arrangements	Medi-Cal OneCare Connect
Revised	07/01/2018	FF.1006	Financial Risk Arrangements	Medi-Cal OneCare Connect
Revised	TBD	FF.1006	Financial Risk Arrangements	Medi-Cal OneCare Connect



Term	Definition	
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Member	An enrollee-beneficiary of a CalOptima program.	
Other Risk Arrangements	A risk arrangement between Health Network partner or Health Network participants outside of a Hospital Risk Pool Arrangement.	
Physician Hospital Consortium (PHC)	A Physician Group or Physician Groups contractually aligned with at least one (1) hospital, as described in CalOptima's Contract for Health Care Services.	
Primary Hospital	A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).	
Primary Physician Group	A physician group contracted with CalOptima on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).	

Revision Date: TBD

Term	Definition
Program	Any of CalOptima's programs including the CalOptima Medi-Cal Program, OneCare, OneCare Connect, PACE, or the Multipurpose Senior Services Program.
Provider	A physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory, ancillary provider, health maintenance organization, or other person or institution that furnishes Covered Services.
Sanction	An action taken by CalOptima including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs.





Policy: FF.1009

Title: Health-based Risk Adjusted

**Capitation Payment System** 

Department: Finance

Section: Not Applicable

CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 07/01/2008

Revised Date: 1007/01/20192020

I. PURPOSE

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41 42 This policy outlines the process for CalOptima's Health-based Risk Adjusted (HRA) **Health Network** Capitation Payment\* system.

II. POLICY

- A. CalOptima shall adjust a **Health Network's Capitation Payment** to a Health-based Risk Adjusted (HRA) **Capitation Payment** based on the health status of the **Health Network's Member** population, in accordance with the terms and conditions of this Policy.
- B. CalOptima shall utilize the **Chronic Illness and Disability Payment System (CDPS)** to adjust a **Health Network's Capitation Payment** to an HRA **Capitation Payment**.
- C. Effective on the Department of Health Care Services (DHCS) approved Whole Child Model (WCM) program implementation date, no sooner than July 1, 2019, Members who are eligible for services under the California Children's Services (CCS) Program shall not qualify for risk adjustment under this Policy.
- D. CalOptima shall risk-adjust a payment for a **Member** who:
  - 1. Has an Aged, Blind, Disabled, <u>Affordable Care Act (ACA) Expansion (effective July 1, 2020)</u>, or Temporary Assistance for Needy Families (TANF) **Aid Code**;
  - 2. Is enrolled in CalOptima for at least six (6) months during a twelve (12) month risk adjustment period as described in Section III.B. of this Policy; and
  - 3. Is enrolled in a **Health Network** during the periods described in Section III.C. of this Policy.
- E. CalOptima shall develop a **Risk Assignment Database** to contain medical and diagnostic data for **Members** eligible for risk-adjustment pursuant to Section II.C. of this policy. CalOptima shall utilize the data in the **Risk Assignment Database** to determine a **Member's** Risk Score in accordance with Section III.B. of this Policy.
- F. CalOptima shall calculate a **Health Network's** risk factor every six (6) months.
- G. CalOptima shall apply a **Health Network's** risk factor in determining the **Health Network's Capitation Payment** for the following six (6) month **Payment Period**.

III. PROCEDURE

A. Risk Assignment Database

- 1. The **Risk Assignment Database** shall contain information including, but not limited to:
  - a. **Member** identification number;
  - b. Aid Code:
  - c. Diagnosis codecodes; and
  - d. Procedure codes.
- 2. CalOptima shall extract information for the **Risk Assignment Database** from the following service categories:
  - a. Inpatient services;
  - b. Outpatient services; and
  - c. Physician services.

#### B. Calculation of Member's Risk Score

- 1. CalOptima or its contracted vendor shall utilize the **Risk Assignment Database** to assign a **Members** a Risk Score using **CDPS**—and a; each Member's Risk Score is then normalized using the Member's Health Network's capitation age and gender factors. A **Health Network's** capitation age and gender factors are adjustments that take into account a **Health Network's** membership's age and gender mix.
- 2. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** every six (6) months, in April and October.
- 3. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** based on **Encounter** and claims data submitted for dates of service over a twelve (12) month risk adjustment period.
  - a. For the Risk Score calculated in April ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by March 20 ("year 3") for dates of service December October ("year 1") through November September ("year 2").
  - b. For the Risk Score calculated in October ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by September 20 ("year 3") for dates of service JuneApril ("year 2") through MayMarch ("year 3").
  - If a **Member** is eligible with CalOptima for less than six (6) months during a risk adjustment period, CalOptima or its contracted vendor shall not calculate a Risk Score for that **Member**.

#### C. Calculation of Health Network Risk Factor

- 1. A **Health Network's** raw risk factor is the weighted average of all Risk Scores for **Members** assigned to that **Health Network** at a defined time, as identified in Section III.C.4. of this policy.
- 2. CalOptima or its contracted vendor shall apply actuarial methodologies to derive statistically significant risk factors for each **Health Network**.

Page 2 of 6

- 3. CalOptima or its contracted vendor shall calculate a **Health Network's** risk factor every six (6) months, in April and October.
- 4. CalOptima or its contracted vendor shall calculate the average Risk Score for **Members** assigned to that **Health Network**.
  - a. For the risk factor calculated in April, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of April.
  - b. For the risk factor calculated in October, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of October.
  - c. CalOptima or its contracted vendor shall only use Risk Scores for **Members** who are eligible as of the months described in Subsections III.C.4.a and III.C.4 b of this Section, to calculate a **Health Networks'** risk factor.
- 5. CalOptima or its contracted vendor shall normalize the average risk factor for each **Health Network** based on eligible **Members** in accordance with Section III.-C.4 of this Policy, to
  ensure that the aggregate total **Capitation Payments** to all **Health Networks** remains budget
  neutral to CalOptima.
- 6. CalOptima shall notify a **Health Network** of its risk factor on May 15<sup>th</sup> and November 15<sup>th</sup> of each year.

#### D. Calculation of HRA Capitation Payment

- 1. CalOptima shall multiply a **Health Network's** monthly base **Capitation Payment** for eligible **Members** as set forth in Section III.C of this Policy, by the **Health Network's** risk factor to determine the **Health Network's** HRA **Capitation Payment**.
- 2. CalOptima shall apply a **Health Network's** risk factor in determining the **Health Network's** HRA **Capitation Payment** for the following six (6) month **Payment Period** as follows:
  - a. The risk factor calculated in April shall apply to **Capitation Payments** for July through December of the same year; and
  - b. The risk factor calculated in October shall apply to **Capitation Payments** for January through June of the following year.

## IV. ATTACHMENT(S)

Not Applicable

#### V. RÉFERENCE(S)

- A. CalOptima Contract with the California Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Health Network Service Agreement
- C. CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements
- D. CalOptima Policy FF.1001: Capitation Payments

# VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency
09/30/2009	Department of Health Care Services (DHCS)

# VII. BOARD ACTION(S)

Date	<u>MeetingMeetings</u>
06/03/2008	Regular Meeting of the CalOptima Board of Directors
05/05/2009	Regular Meeting of the CalOptima Board of Directors
06/04/2009	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors

#### VIII. REVISION HISTORY

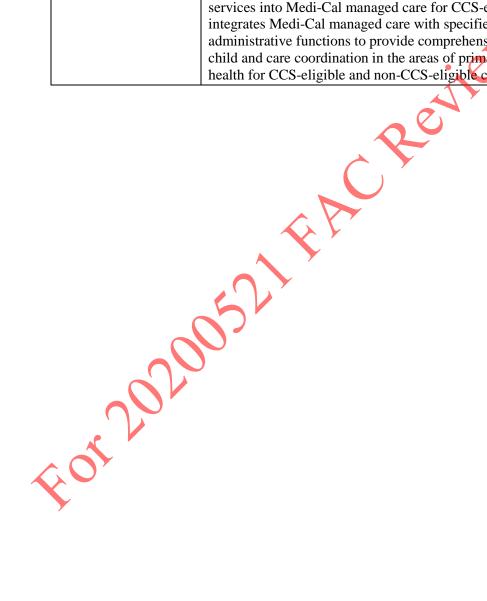
Action	Date	Policy	Policy Title	Program(s)
Effective	07/01/2008	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	07/01/2009	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	09/01/2014	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	06/01/2016	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	05/01/2017	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	10/04/2018	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	12/01/2018	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	10/01/2019	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	07/01/2020	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal

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Term	Definition
Aid Code	The two (2) character code, defined by the State of California, which identifies the aid category under which a member is eligible to receive Medi-Cal Covered Services.
California Children's Services (CCS) Program	The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible persons under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.
CalOptima Direct	A direct health care program operated by CalOptima that includes both COD- Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in CalOptima Policy DD.2006.
Capitation Payment	The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age, and gender.
Chronic Illness and Disability Payment System (CDPS)	A diagnostic classification system that Medicaid programs utilize to make health-based capitated payments for Temporary Assistance to Needy Families (TANF) and disabled Medicaid beneficiaries.
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.
Encounter	Any unit of Covered Services provided to a Member by a Health Network regardless of Health Network reimbursement methodology. Such Covered Services include any service provided to a Member regardless of the service location or provider, including out-of-network services and sub-capitated and delegated Covered Services.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.
Health Network Risk Factor	The weighted average of all Member Risk Scores for Members assigned to that Health Network at a defined time, normalized across all Health Networks to ensure that the aggregate total Capitation Payments to all Health Networks is budget neutral to CalOptima.
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.
Member Risk Score	A measurement of a Member's health status according to a minimum of one (1) diagnostic code.
Payment Period	For the purpose of this policy, payment period refers to a set interval of time in which CalOptima provides payment to Health Networks for Covered Services furnished to Members.

Term	Definition
Risk Assignment Database	A database that contains Members' diagnostic and medical information as reported on the facility and professional Encounter data submitted by a Health Network in accordance with CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements, and claims data collected by CalOptima for CalOptima Direct and Shared Risk Groups.
Shared Risk Group	A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.
Whole-Child Model (WCM)	An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare & Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty, and behavioral health for CCS-eligible and non-CCS-eligible conditions.





Policy: FF.1009

Title: Health-based Risk Adjusted

**Capitation Payment System** 

Department: Finance

Section: Not Applicable

CEO Approval:

Effective Date: 07/01/2008 Revised Date: 07/01/2020

I. PURPOSE

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41 42 This policy outlines the process for CalOptima's Health-based Risk Adjusted (HRA) **Health Network** Capitation Payment system.

II. POLICY

- A. CalOptima shall adjust a **Health Network's Capitation Payment** to a Health-based Risk Adjusted (HRA) **Capitation Payment** based on the health status of the **Health Network's Member** population, in accordance with the terms and conditions of this Policy.
- B. CalOptima shall utilize the **Chronic Illness and Disability Payment System (CDPS)** to adjust a **Health Network's Capitation Payment** to an HRA **Capitation Payment**.
- C. **Members** who are eligible for services under the **California Children's Services** (**CCS**) **Program** shall not qualify for risk adjustment under this Policy.
- D. CalOptima shall risk-adjust a payment for a **Member** who:
  - 1. Has an Aged, Blind, Disabled, Affordable Care Act (ACA) Expansion (effective July 1, 2020), or Temporary Assistance for Needy Families (TANF) **Aid Code**;
  - 2. Is enrolled in Cal Optima for at least six (6) months during a twelve (12) month risk adjustment period as described in Section III.B. of this Policy; and
  - 3. Is enrolled in a **Health Network** during the periods described in Section III.C. of this Policy.
- E. CalOptima shall develop a **Risk Assignment Database** to contain medical and diagnostic data for **Members** eligible for risk-adjustment pursuant to Section II.C. of this policy. CalOptima shall utilize the data in the **Risk Assignment Database** to determine a **Member's** Risk Score in accordance with Section III.B. of this Policy.
- CalOptima shall calculate a **Health Network's** risk factor every six (6) months.
- G. CalOptima shall apply a **Health Network's** risk factor in determining the **Health Network's Capitation Payment** for the following six (6) month **Payment Period**.

#### III. PROCEDURE

- A. Risk Assignment Database
  - 1. The **Risk Assignment Database** shall contain information including, but not limited to:

- a. **Member** identification number;
- b. Aid Code;
- c. Diagnosis codes; and
- d. Procedure codes.
- 2. CalOptima shall extract information for the **Risk Assignment Database** from the following service categories:
  - a. Inpatient services;
  - b. Outpatient services; and
  - c. Physician services.

#### B. Calculation of Member's Risk Score

- CalOptima or its contracted vendor shall utilize the Risk Assignment Database to assign
  Members a Risk Score using CDPS; each Member's Risk Score is then normalized using the
  Member's Health Network's capitation age and gender factors. A Health Network's
  capitation age and gender factors are adjustments that take into account a Health Network's
  membership's age and gender mix.
- 2. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** every six (6) months, in April and October.
- 3. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** based on **Encounter** and claims data submitted for dates of service over a twelve (12) month risk adjustment period.
  - a. For the Risk Score calculated in April ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by March 20 ("year 3") for dates of service October ("year 1") through September ("year 2").
  - b. For the Risk Score calculated in October ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by September 20 ("year 3") for dates of service April ("year 2") through March ("year 3").
- 4. If a **Member** is eligible with CalOptima for less than six (6) months during a risk adjustment period, CalOptima or its contracted vendor shall not calculate a Risk Score for that **Member**.

#### Calculation of **Health Network Risk Factor**

- 1. A **Health Network's** raw risk factor is the weighted average of all Risk Scores for **Members** assigned to that **Health Network** at a defined time, as identified in Section III.C.4. of this policy.
- 2. CalOptima or its contracted vendor shall apply actuarial methodologies to derive statistically significant risk factors for each **Health Network**.

- 3. CalOptima or its contracted vendor shall calculate a **Health Network's** risk factor every six (6) months, in April and October.
- 4. CalOptima or its contracted vendor shall calculate the average Risk Score for **Members** assigned to that **Health Network**.
  - a. For the risk factor calculated in April, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of April.
  - b. For the risk factor calculated in October, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of October.
  - c. CalOptima or its contracted vendor shall only use Risk Scores for **Members** who are eligible as of the months described in Subsections III.C.4.a and III.C.4.b of this Section, to calculate a **Health Networks'** risk factor.
- 5. CalOptima or its contracted vendor shall normalize the average risk factor for each **Health**Network based on eligible **Members** in accordance with Section III.C.4 of this Policy, to ensure that the aggregate total **Capitation Payments** to all **Health Networks** remains budget neutral to CalOptima.
- 6. CalOptima shall notify a **Health Network** of its risk factor on May 15<sup>th</sup> and November 15<sup>th</sup> of each year.
- D. Calculation of HRA Capitation Payment
  - 1. CalOptima shall multiply a **Health Network's** monthly base **Capitation Payment** by the **Health Network's** risk factor to determine the **Health Network's** HRA **Capitation Payment**.
  - 2. CalOptima shall apply a **Health Network's** risk factor in determining the **Health Network's** HRA **Capitation Payment** for the following six (6) month **Payment Period** as follows:
    - a. The risk factor calculated in April shall apply to **Capitation Payments** for July through December of the same year; and
    - b. The risk factor calculated in October shall apply to **Capitation Payments** for January through June of the following year.
- IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. CalOptima Contract with the California Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Health Network Service Agreement
- C. CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements
- D. CalOptima Policy FF.1001: Capitation Payments

## VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency
09/30/2009	Department of Health Care Services (DHCS)

# VII. BOARD ACTION(S)

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Date	Meetings
06/03/2008	Regular Meeting of the CalOptima Board of Directors
05/05/2009	Regular Meeting of the CalOptima Board of Directors
06/04/2009	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors

#### VIII. REVISION HISTORY

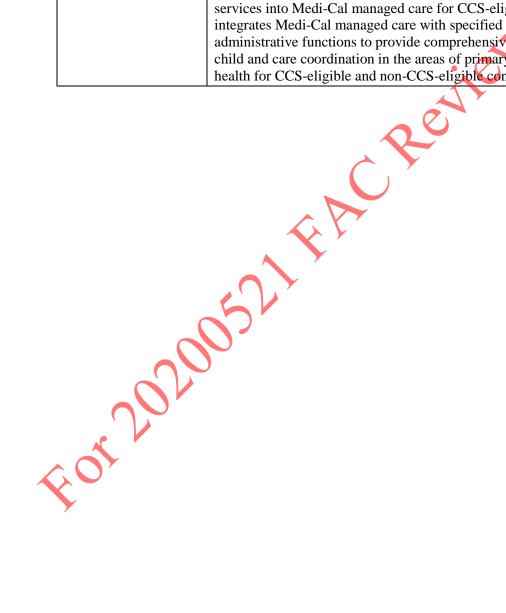
Action	Date	Policy	Policy Title	Program(s)
Effective	07/01/2008	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	07/01/2009	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	09/01/2014	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	06/01/2016	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	05/01/2017	FF.1009	Health Based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	10/04/2018	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	12/01/2018	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	10/01/2019	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal
Revised	07/01/2020	FF.1009	Health-based Risk Adjusted Capitation Payment System	Medi-Cal

Revised: 07/01/2020

Term	Definition
Aid Code	The two (2) character code, defined by the State of California, which identifies the aid category under which a member is eligible to receive Medi-Cal Covered Services.
California Children's Services (CCS) Program	The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible persons under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.
CalOptima Direct	A direct health care program operated by CalOptima that includes both COD- Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in CalOptima Policy DD.2006.
Capitation Payment	The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age, and gender.
Chronic Illness and Disability Payment System (CDPS)	A diagnostic classification system that Medicaid programs utilize to make health-based capitated payments for Temporary Assistance to Needy Families (TANF) and disabled Medicaid beneficiaries.
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.
Encounter	Any unit of Covered Services provided to a Member by a Health Network regardless of Health Network reimbursement methodology. Such Covered Services include any service provided to a Member regardless of the service location or provider, including out-of-network services and sub-capitated and delegated Covered Services.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.
Health Network Risk Factor	The weighted average of all Member Risk Scores for Members assigned to that Health Network at a defined time, normalized across all Health Networks to ensure that the aggregate total Capitation Payments to all Health Networks is budget neutral to CalOptima.
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.
Member Risk Score	A measurement of a Member's health status according to a minimum of one (1) diagnostic code.
Payment Period	For the purpose of this policy, payment period refers to a set interval of time in which CalOptima provides payment to Health Networks for Covered Services furnished to Members.

Revised: 07/01/2020

Term	Definition
Risk Assignment Database	A database that contains Members' diagnostic and medical information as reported on the facility and professional Encounter data submitted by a Health Network in accordance with CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements, and claims data collected by CalOptima for CalOptima Direct and Shared Risk Groups.
Shared Risk Group	A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.
Whole-Child Model (WCM)	An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare & Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty, and behavioral health for CCS-eligible and non-CCS-eligible conditions.



Revised: 07/01/2020



Policy: FF.3002

Title: Financial Oversight

Department: Finance

Section: Not Applicable

CEO Approval:

Effective Date: 01/01/2007 Last Revised 07/01/18TBD

Date:

Applicable to: Medi-Cal

OneCare

OneCare Connect

\_\_\_ PACE

Administrative - Internal
Administrative - External

#### I. PURPOSE

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20 21 This policy outlines the process by which CalOptima monitors a Health Network's financial position and financial security reserves to ensure Contract compliance and financial integrity.

#### II. POLICY

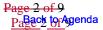
- A. CalOptima shall conduct Health Network financial reviews and periodic Focused Reviews as it deems necessary. CalOptima shall monitor a Health Network's financial position to promote:
  - 1. Access to quality care for Members enrolled in the Health Network;
  - 2. Appropriate and timely payment to Providers that render Covered Services to Members enrolled in the Health Network:
  - 3. Financial integrity of CalOptima and its contractors; and
  - 4. Financially prudent utilization of <u>capitation</u> revenues received from the State of California.
- B. Pursuant to the Contract for Health Care Services, CalOptima shall ensure that a Health Network complies with Financial Solvency Reserve requirements.
  - Hospital, andor Shared Risk Group (SRG) shall—each establish and maintain financial security reserves in the form of time certificates of deposit, irrevocable standby letters of credit, or surety bonds naming CalOptima as beneficiary, equal to fifty-thousand dollars (\$50,000) plus a minimum of twenty-five percent (25%) of one (1) month's average Capitation Payment, typically computed at the end of each quarter. CalOptima may require a greater amount based upon its assessment of the operational readiness and financial condition of the Primary Physician Group, Primary Hospital, or SRG. If the entity meets the fifty thousand dollars (\$50,000) element of the financial security reserve requirement for participation as a contract holder with CalOptima for OneCare or OneCare Connect Members, the entity shall be deemed

 to have met the fifty-thousand dollars (\$50,000) element of the financial security reserve requirement for Medi-Cal.

- 2. <u>Capitation Payment Withhold</u> CalOptima shall withhold from <u>aeach</u> Health Maintenance Organization (HMO), Primary Physician Group, Primary Hospital, and <u>Shared Risk Group</u> (SRG) an amount equal to twenty-five percent (25%) of a monthly Capitation Payment, typically computed at the end of each quarter. CalOptima may adjust the Capitation Payment <u>should the current withheld amount fall beloweach quarter to reflect</u> twenty-five percent (25%) of the current <u>monthmonth's</u> Capitation Payment. CalOptima may increase this withhold rate based upon its assessment of the operational readiness and financial condition of the HMO, Primary Physician Group, Primary Hospital, or SRG.
- 3. An HMO contracted on a capitated basis to provide Covered Services to Members shall retain at all times a valid Knox-Keene license issued by the California Department of Managed Health Care (DMHC). CalOptima shall waive financial security reserves required for an HMO should the HMO meet the statutory requirement and maintain required Tangible Net Equity (TNE) in accordance with Title 28, California Code of Regulations, Section 1300.76.

#### III. PROCEDURE

- A. Health Network Reporting of Financial Information
  - 1. A Health Network shall report financial information to CalOptima on a quarterly and annual basis in accordance with CalOptima Policy FF.3001: Financial Reporting.
  - 2. A Health Network shall report immediately to CalOptima any event that materially alters the Health Network's financial situation or threatens its solvency, pursuant to Title 28, California Code of Regulations; Sections 1300.75.4 through 1300.75.4.8. In such instances, CalOptima may require monthly reporting until such time that the Health Network's solvency is no longer in question.
- B. CalOptima Review of Financial Information
  - 1. CalOptima shall review a Health Network's Financial Statements and other financial information on a quarterly and annual basis to evaluate the data, trend indicators for the Health Network, and compare similar indicators between Health Networks including:
    - a. Current ratio (must be greater than 1.0);
    - b. Cash to claims ratio (must be greater than 0.75);
    - c. Tangible Net Equity (TNE) (must be positive);
    - d. Operating cash and equivalents position;
    - e. Medical claims liability;
    - f. Incurred but not reported But Not Reported (IBNR) claims;
    - g. Debt to equity ratio;
    - h. Excess of revenues over expenses;

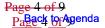


- i. Medical Loss Ratio (MLR); and
- j. Administrative cost percentage.
- 2. CalOptima shall ensure that an HMO and a Risk Bearing Organization (RBO) complies with the DMHC TNE and fiscal solvency requirements by:
  - a. Reviewing the HMO's Orange Blank filings;
  - b. Reviewing the HMO's and RBO's audited Financial Statements and other reports submitted quarterly and annually to DMHC; and
  - c. Making appropriate inquiries of the HMO's and RBO's key financial personnel during any review.
- 3. CalOptima shall ensure that a contracting Health Network is in compliance with CalOptima fiscal solvency requirements by determining if it has established and maintained Financial Solvency Reserves in accordance with the provisions in this policy.
- C. CalOptima Monitoring of Financial Solvency Reserves
  - 1. A<u>Each entity contracted as a</u> Primary Physician Group, Primary Hospital, <u>andor</u> SRG shall establish financial security reserves in the form of Financial Security Instruments, as described in Section II.B.1.
    - a. The Financial Security Instruments, in the form of time certificates of deposit, irrevocable standby letters of credit or surety bonds, shall designate CalOptima as the sole beneficiary for the duration of the Primary Physician Group, Primary Hospital, or SRG's participation in the CalOptima program. CalOptima shall access these funds only in the event such funds are needed to protect the interests of, and ensure the continuation of Covered Services to, Members, or for administrative costs directly attributed to a conservatorship, receivership, or liquidation.
    - b. The Financial Security Instruments shall require the signature of an authorized CalOptima Officer in order to withdraw or transfer funds.
    - c. CalOptima shall monitor the financial security reserves and review their adequacy quarterly.
    - d. In the event the monthly Capitation Payments to a Primary Physician Group, Primary Hospital, or SRG materially increase due to membership or rate increases, CalOptima shall inform the Primary Physician Group, Primary Hospital, or SRG in writing that an increase in financial security reserves is required.
    - e. CalOptima shall not grant an adjustment to the financial security reserves for decreased monthly Capitation Payments to the Primary Physician Group, Primary Hospital, or SRG unless the decrease is material and only upon receiving a formal written request from the Primary Physician Group, Primary Hospital, or SRG.
    - f. In the event a Primary Physician Group, Primary Hospital, or SRG requests a substitution of a Financial Security Instrument, they shall submit the new Financial Security Instrument to

Financial Oversight

CalOptima. CalOptima shall not release the old Financial Security Instrument prior to the receipt of the new Financial Security Instrument.

- g. Release of Financial Security Reserves upon Health Network Termination
  - i. CalOptima shall release a Financial Security Instrument no earlier than six (6) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program unless the termination is the result of the Primary Physician Group, Primary Hospital, or SRG's insolvency, in which case CalOptima shall release a Financial Security Instrument no earlier than twelve (12) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program. Release shall only occur after the Primary Physician Group, Primary Hospital, or SRG has met all operational requirements.
  - ii. CalOptima shall inform the Primary Physician Group, Primary Hospital or SRG, in writing, of the expected date CalOptima will release a Financial Security Instrument following the Health Network's termination in the CalOptima Medi-Cal program.
- 2. CalOptima shall establish a Capitation Payment withhold for a Health Network.
  - a. CalOptima shall monitor Capitation Payment withholds and review their adequacy quarterly as described in Section II.B.2.
  - b. In the event the monthly Capitation Payments to a Health Network materially increase due to membership or rate increases, CalOptima shall inform the Health Network in writing that an increase in <a href="mailto:capitation">capitation</a> withhold is required and shall deduct the additional withhold amount in a future Capitation Payment.
  - c. In the event the monthly Capitation Payments to a Health Network materially decrease due to membership or rate decreases, CalOptima shall release the Capitation Payment withhold surplus to the Health Network in a future Capitation Payment.
  - d. Release of the Capitation Payment Withhold upon Health Network Termination
    - i. CalOptima shall release a Capitation Payment withhold not earlier than nine (9) months after a Health Network's termination in the CalOptima program unless the termination is the result of the Health Network's insolvency, in which case CalOptima shall release a Capitation Payment withhold no earlier than twelve (12) months following Health Network's termination in the CalOptima program. Release shall only occur after the Health Network has met all operational requirements.
    - ii. CalOptima shall inform the Health Network in writing of the expected date CalOptima will release a Capitation Payment withhold following the Health Network's termination in the CalOptima program.
- D. CalOptima Summary and Reporting of Findings
  - 1. CalOptima shall prepare summaries of the following:
    - a. Financial ratios and other financial elements by Health Network, trended quarterly;
    - b. Financial security reserves; and



Financial Oversight

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- - REFERENCE(S)
    - A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
    - B. Contract for Health Care Services

- c. Capitation Payment withhold amounts.
- 2. CalOptima shall utilize the summaries described in Section III.D.1 of this Policy to:
  - Monitor the financial position of a Health Network during the Health Network financial review process; and
  - b. Assess Health Network compliance on an ongoing basis.
- 3. CalOptima shall summarize and report the results of any financial review and Focused Review to the Health Network, the Audit and Oversight Committee, CalOptima executive management, and CalOptima Finance & Audit Committee (FAC), as needed.
- E. Corrective Action and Sanctions
  - 1. If a Health Network fails to comply or meet any of the standards of requirements outlined in this policy, CalOptima may take the following actions:
    - a. Require a Health Network to submit a Corrective Action Plan (CAP) as appropriate, in accordance with CalOptima Policy HH.2005\Delta: Corrective Action Plan.
    - b. Place the Health Network in a contractual cure for breach of contract, including the following:
      - i. CalOptima may seize any Capitation and/or monies owed and place the Health Network under financial supervision until breach is cured. Financial supervision to include:
        - a) Withholding of monthly Capitation; and
        - Managing and releasing withheld Capitation to the Health Network to fund administrative expenses, Primary Care Provider (PCP) Capitation Payments and/or claims payments (limited specifically to months/dates of service that such withheld Capitation was intended to be used for payment);
      - CalOptima may review the Health Network's financial statements, bank statements, and/or other records to ensure payments are made.
  - 2. CalOptima may impose Sanctions in accordance with CalOptima Policy HH.2002Δ: Sanctions.

Not Applicable

ATTACHMENT(S)

- C. CalOptima Policy FF.3001: Financial Reporting
- D. CalOptima Policy HH.2005Δ: Corrective Action Plan
- E. CalOptima Policy HH.2002Δ: Sanctions
- F. This policy supersedes:

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- - CalOptima Financial Letter dated August 11, 1995: Financial issues update
  - CalOptima Financial Bulletin #1: Schedule and process of capitation payments
  - CalOptima Financial Bulletin #13: 1997-98 Contract Year financial requirements
  - G. Title 10, California Code of Regulations (C.C.R), § 1300.76
  - H. Title 22, California Code of Regulations (C.C.R), § 51301 et seq.
  - Title 28, California Code of Regulations (C.C.R), §§ 1300.75.4 through 1300.75.4.8

## **V.VI.** REGULATORY AGENCY APPROVALS APPROVAL(S)

#### A. 03/07/16: Department of Health Care Services

<u>Date</u>	Regulatory Agency	
03/07/16	Department of Health Care Services	
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# **VI.VII.**BOARD ACTIONSACTION(S)

## **VII. VIII. REVIEW/**REVISION HISTORY

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<u>.</u> BOARD <del>ACTIO</del>	<del>NS</del> ACTION(S	<u>)</u>				
None to Date						
II. REVIEW/REVISION HISTORY						
<b>Version</b> Action	Date	Policy	Policy Title	LineProgram(s)-of		
		Number	, <b>y</b>	Business		
Effective	12/01/1998	FF.1101	Monitoring Contractor's	Medi-Cal		
			Financial Position			
Revised	06/01/2001	FF.1101	Monitoring Contractor's	Medi-Cal		
		$\langle \lambda \rangle$	Financial Position			
Revised	09/01/2005	FF.1101	Monitoring Contractor's	Medi-Cal		
			Financial Position			
Effective	06/01/2001	FF.1102	Monitoring Contractor's	Medi-Cal		
		<b>)</b>	Financial Security			
			Reserves			
Effective	01/01/2007	FF.3002	Financial Oversight	Medi-Cal		
Revised	01/01/2008	FF.3002	Financial Oversight	Medi-Cal		
Revised	02/01/2016	FF.3002	Financial Oversight	Medi-Cal		
Revised	03/01/2017	FF.3002	Financial Oversight	Medi-Cal		
Revised	07/01/2018	FF.3002	Financial Oversight	Medi-Cal		
Revised	TBD	FF.3002	Financial Oversight	Medi-Cal		

## **VIII.IX.** GLOSSARY

Term	Definition
Aid Code	The two (2) character code, defined by the State of California, which
	identifies the aid category under which a Member is eligible to receive
	Medi-Cal Covered Services.
Capitation Payment	The monthly amount paid to a Health Network by CalOptima for delivery
	of Covered Services to Members, which is determined by multiplying the
	applicable Capitation Rate by a Health Network's monthly enrollment
	based upon Aid Code, age, and gender.
Capitation Rate	The per capita rate set by CalOptima for the delivery of Covered Services to
Cupitation Rate	Members based upon Aid Code, age and gender.
Contract for Health Care	The written instrument between CalOptima and Physicians, Hospitals,
Services	Health Maintenance Organizations (HMO), or other entities. Contract shall
<u>Bervices</u>	include any Memoranda of Understanding entered into by CalOptima that is
	binding on a Physician Hospital Consortium (PHC), a physician group
	under a shared risk contract, or HMO, and DHCS Medi-Cal Managed Care
	Division Policy Letters
Corrective Action Plan	A plan delineating specific identifiable activities or undertakings that
(CAP)	address and are designed to correct program deficiencies or problems
(C/H)	identified by formal audits or monitoring activities by CalOptima, the
	Centers of Medicare & Medicaid Services (CMS), Department of Health
	Care Services (DHCS), or designated representatives. FDRs and/or
	CalOptima departments may be required to complete CAPs to ensure
	compliance with statutory, regulatory, or contractual obligations and any
	other requirements identified by CalOptima and its regulators.
Covered Services	Those services provided in the Fee-For-Service Medi-Cal program, (as set
Covered Services	forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning
	with Section 51301-,), the Child Health and Disability Prevention program
	(as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article
	4, beginning with Section 6840, which section 6842), and the California
	Children's Services (as set forth in Title 22, CCR, Division 2, subdivision
	7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article
	2.985, beginning with section 14094.4) under the Whole-Child Model
	program effective July 1, 2019, to the extent those services are included as
	Covered Services under CalOptima's Medi-Cal Contract with DHCS and
	are Medically Necessary, along with chiropractic services (as defined in
	Section 51308 of Title 22, CCR), podiatry services (as defined in Section
	51310 of Title 22, CCR), and speech pathology services and audiology
	services (as defined in Section 51309 of Title 22, CCR), which and Health
	Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-
	012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7,
	Article 3.9, beginning with section 14127), effective January 1, 2020 for
	HHP Members with eligible physical chronic conditions and substance use
	disorders, or other services as authorized by the CalOptima Board of
	Directors, which shall be covered for Members not-withstanding whether
	such benefits are provided under the Fee-For-Service Medi-Cal program.
Department of Managed	The State Agency responsible for licensing and regulating health care
Health Care (DMHC)	services plans/health maintenance organizations in accordance with the
meanin care (DMITE)	Knox Keene Health Care Service Plan Act of 1975 as amended.
	MIOA Medic Ficatui Care Service Fian Act Of 1973 as anienueu.

Term	Definition
Financial Solvency	Funds comprised of security reserves and/or capitation withhold that are
Reserves	required for the duration of a Physician Hospital Consortium's (PHC)'s,
Treserves	Shared Risk Group's (SRG)'s, or Health Maintenance Organization's
	(HMO)'s participation in the CalOptima program. These funds are used to
	protect the interests of and ensure the continuation of health care services to
	the Members assigned to the PHC, SRG or HMO; they may also be used
	for administrative costs directly attributable to a conservatorship,
	receivership or liquidation.
Financial Statement	Financial reports including balance sheets, income statements, statements of
T manetar Statement	cash flows, statements of equity, and accompanying footnotes prepared in
	accordance with generally accepted accounting principles.
Financial Security	Time certificate of deposit, irrevocable standby letter of credit, or surety
Instrument	bond naming CalOptima as the beneficiary.
Focused Review	
Health Maintenance	An audit that specifically targets areas of potential deficiency.  A health care service plan, as defined in the Knox-Keene Health Care
	Service Plan Act of 1975, as amended, commencing with Section 1340 of
Organization (HMO)	
Health Network	the California Health and Safety Code.  A Physician Hospital Consortium (PHC), Physician Medical Group
Health Network	
	(PMG)physician group under a shared risk contract, or health care service
	plan, such as a Health Maintenance Organization (HMO) that contracts with
	CalOptima to provide Covered Services to Members assigned to that Health Network.
Incurred But Not	IBNR means "incurred but not reported," and refers to anAn estimate of
Reported (IBNR)	claims that have been incurred for medical services provided, but for which
<u>Reported (IBNR)</u>	claims have not yet been received by the Health Network.
Knox-Keene Health	The law that regulates HMOs and is administrated by the Department of
Care Services Plan Act	Managed Health Care (DMHC), commencing with Section 1340 of the
of 1975 (Knox-Keene)	California Health and Safety Code.
Medical Loss Ratio	The percentage calculated by dividing the Health Network's total medical
(MLR)	costs paid on behalf of CalOptima Members by the total revenue received
(WILK)	from CalOptima. Health Network medical costs would include payments to
	physicians (i.e. capitation, fee-for-service, or salary), medical groups/
	independent practice Associations (IPAs), hospitals, labs, ambulance
	companies, and other providers of service.
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange
Wichiber	Social Services Agency, the California Department of Health Care Services
	(DHCS) Medi-Cal Program, or the United States Social Security
	Administration, who is enrolled in the CalOptima program.
Primary Care Provider	A person responsible for supervising, coordinating, and providing initial
(PCP)	and Primary Care to patients; for initiating referrals; and, for maintaining
	the continuity of patient care. A Primary Care Provider may be a Primary
	Care Physician or Non-Physician Medical Practitioner.
Primary Hospital	A hospital contracted with CalOptima on a capitated and delegated basis as
Timary Hospital	the hospital partner of a Physician Hospital Consortium (PHC).
Primary Physician	A physician group contracted with CalOptima on a capitated and delegated
Group	basis as the physician partner of a Physician Hospital Consortium (PHC).
Provider	All contracted Providers including physicians, Non-physician Medical
1 TO VICE	Practitioners, ancillary providers, and facilities or institutions who furnish
	covered services.
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Term	Definition
Risk Bearing	A professional medical corporation, other form of corporation controlled by
Organization (RBO)	physicians and surgeons, a medical partnership, or another lawfully
	organized group of physicians that:
	1. Delivers, furnishes, or otherwise arranges for or provides health
	care services; and
	2. Does all the following:
	a. Contracts directly with a health care service plan or arranges for
	health care services for the health care service plan's enrollees;
	b. Receives compensation for those services on a capitated or
	fixed periodic payment basis; and
	c. Is responsible for the processing and payment of claims made
	by providers for services rendered by those providers on behalf
	of a health care service plan that are covered under the
	capitation payment made by the plan to the risk bearing
	organization.
Sanction	Action taken by CalOptima including, but not limited to, restrictions,
	limitations, monetary fines, termination, or a combination thereof, based on
	an FDR's or its agent's failure to comply with statutory, regulatory,
	contractual, CalOptima policy, or other requirements related to CalOptima
	programs.
Shared Risk Group	A Health Network who accepts delegated clinical and financial
(SRG)	responsibility for professional services for assigned Members, as defined by
	written contract and enters into a risk sharing agreement with CalOptima as
	the responsible partner for facility services.
Tangible Net Equity	Net equity reduced by the value assigned to intangible assets including, but
(TNE)	not limited to, goodwill; going concern value; organizational expense;
	starting-up costs; obligations of officers, directors, owners, or affiliates
	which are not fully secured, except short-term obligations of affiliates for
	goods or services arising in the normal course of business which are
	payable on the same terms as equivalent transactions with non-affiliates and
	which are not past due; long term prepayments of deferred charges, and
	non-returnable deposits.
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Policy: FF.3002

Title: Financial Oversight

Department: Finance

Section: Not Applicable

CEO Approval:

Effective Date: 01/01/2007 Revised Date: TBD

Applicable to: Medi-Cal

OneCare
OneCare Connect

PACE

Administrative - Internal
Administrative - External

## I. PURPOSE

This policy outlines the process by which CalOptima monitors a Health Network's financial position and financial security reserves to ensure contract compliance and financial integrity.

#### II. POLICY

- A. CalOptima shall conduct Health Network financial reviews and periodic Focused Reviews as it deems necessary. CalOptima shall monitor a Health Network's financial position to promote:
  - 1. Access to quality care for Members enrolled in the Health Network;
  - 2. Appropriate and timely payment to Providers that render Covered Services to Members enrolled in the Health Network;
  - 3. Financial integrity of CalOptima and its contractors; and
  - 4. Financially prudent utilization of Capitation revenues received from the State of California.
- B. Pursuant to the Contract for Health Care Services, CalOptima shall ensure that a Health Network complies with Financial Solvency Reserve requirements.
  - Financial Security Reserves Each entity contracted as a Primary Physician Group, Primary Hospital, or Shared Risk Group (SRG) shall establish and maintain financial security reserves in the form of time certificates of deposit, irrevocable standby letters of credit, or surety bonds naming CalOptima as beneficiary, equal to fifty-thousand dollars (\$50,000) plus a minimum of twenty-five percent (25%) of one (1) month's average Capitation Payment, typically computed at the end of each quarter. CalOptima may require a greater amount based upon its assessment of the operational readiness and financial condition of the Primary Physician Group, Primary Hospital, or SRG. If the entity meets the fifty thousand dollars (\$50,000) element of the financial security reserve requirement for participation as a contract holder with CalOptima for OneCare or OneCare Connect Members, the entity shall be deemed to have met the fifty-thousand dollars (\$50,000) element of the financial security reserve requirement for Medi-Cal.

- 2. <u>Capitation Payment Withhold</u> CalOptima shall withhold from each Health Maintenance Organization (HMO), Primary Physician Group, Primary Hospital, and SRG an amount equal to twenty-five percent (25%) of a monthly Capitation Payment, typically computed at the end of each quarter. CalOptima may adjust the Capitation Payment each quarter to reflect twenty-five percent (25%) of the current month's Capitation Payment. CalOptima may increase this withhold rate based upon its assessment of the operational readiness and financial condition of the HMO, Primary Physician Group, Primary Hospital, or SRG.
- 3. An HMO contracted on a capitated basis to provide Covered Services to Members shall retain at all times a valid Knox-Keene license issued by the California Department of Managed Health Care (DMHC). CalOptima shall waive financial security reserves required for an HMO should the HMO meet the statutory requirement and maintain required Tangible Net Equity (TNE) in accordance with Title 28, California Code of Regulations, Section 1300.76.

#### III. PROCEDURE

- A. Health Network Reporting of Financial Information
  - 1. A Health Network shall report financial information to CalOptima on a quarterly and annual basis in accordance with CalOptima Policy FF.3001: Financial Reporting.
  - 2. A Health Network shall report immediately to Cal Optima any event that materially alters the Health Network's financial situation or threatens its solvency, pursuant to Title 28, California Code of Regulations; Sections 1300.75.4 through 1300.75.4.8. In such instances, Cal Optima may require monthly reporting until such time that the Health Network's solvency is no longer in question.
- B. CalOptima Review of Financial Information
  - 1. CalOptima shall review a Health Network's Financial Statements and other financial information on a quarterly and annual basis to evaluate the data, trend indicators for the Health Network, and compare similar indicators between Health Networks including:
    - a. Current ratio (must be greater than 1.0);
    - b. Cash to claims ratio (must be greater than 0.75);
    - c. Tangible Net Equity (TNE) (must be positive);
    - d. Operating cash and equivalents position;
    - e. Medical claims liability;
    - f. Incurred But Not Reported (IBNR) claims;
    - g. Debt to equity ratio;
    - h. Excess of revenues over expenses;
    - i. Medical Loss Ratio (MLR); and
    - j. Administrative cost percentage.

- 2. CalOptima shall ensure that an HMO and a Risk Bearing Organization (RBO) complies with the DMHC TNE and fiscal solvency requirements by:
  - a. Reviewing the HMO's Orange Blank filings;
  - b. Reviewing the HMO's and RBO's audited Financial Statements and other reports submitted quarterly and annually to DMHC; and
  - c. Making appropriate inquiries of the HMO's and RBO's key financial personnel during any review.
- 3. CalOptima shall ensure that a contracting Health Network is in compliance with CalOptima fiscal solvency requirements by determining if it has established and maintained Financial Solvency Reserves in accordance with the provisions in this policy.
- C. CalOptima Monitoring of Financial Solvency Reserves
  - 1. Each entity contracted as a Primary Physician Group, Primary Hospital, or SRG shall establish financial security reserves in the form of Financial Security Instruments, as described in Section II.B.1.
    - a. The Financial Security Instruments, in the form of time certificates of deposit, irrevocable standby letters of credit or surety bonds, shall designate CalOptima as the sole beneficiary for the duration of the Primary Physician Group, Primary Hospital, or SRG's participation in the CalOptima program. CalOptima shall access these funds only in the event such funds are needed to protect the interests of and ensure the continuation of Covered Services to Members, or for administrative costs directly attributed to a conservatorship, receivership, or liquidation.
    - b. The Financial Security Instruments shall require the signature of an authorized CalOptima Officer in order to withdraw or transfer funds.
    - c. CalOptima shall monitor the financial security reserves and review their adequacy quarterly.
    - d. In the event the monthly Capitation Payments to a Primary Physician Group, Primary Hospital, or SRG materially increase due to membership or rate increases, CalOptima shall inform the Primary Physician Group, Primary Hospital, or SRG in writing that an increase in financial security reserves is required.
    - e. CalOptima shall not grant an adjustment to the financial security reserves for decreased monthly Capitation Payments to the Primary Physician Group, Primary Hospital, or SRG unless the decrease is material and only upon receiving a formal written request from the Primary Physician Group, Primary Hospital, or SRG.
    - f. In the event a Primary Physician Group, Primary Hospital, or SRG requests a substitution of a Financial Security Instrument, they shall submit the new Financial Security Instrument to CalOptima. CalOptima shall not release the old Financial Security Instrument prior to the receipt of the new Financial Security Instrument.
    - g. Release of Financial Security Reserves upon Health Network Termination

- i. CalOptima shall release a Financial Security Instrument no earlier than six (6) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program unless the termination is the result of the Primary Physician Group, Primary Hospital, or SRG's insolvency, in which case CalOptima shall release a Financial Security Instrument no earlier than twelve (12) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program. Release shall only occur after the Primary Physician Group, Primary Hospital, or SRG has met all operational requirements.
- ii. CalOptima shall inform the Primary Physician Group, Primary Hospital or SRG, in writing, of the expected date CalOptima will release a Financial Security Instrument following the Health Network's termination in the CalOptima Medi-Cal program.
- 2. CalOptima shall establish a Capitation Payment withhold for a Health Network.
  - a. CalOptima shall monitor Capitation Payment withholds and review their adequacy quarterly as described in Section II.B.2.
  - b. In the event the monthly Capitation Payments to a Health Network materially increase due to membership or rate increases, CalOptima shall inform the Health Network in writing that an increase in Capitation withhold is required and shall deduct the additional withhold amount in a future Capitation Payment.
  - c. In the event the monthly Capitation Payments to a Health Network materially decrease due to membership or rate decreases, CalOptima shall release the Capitation Payment withhold surplus to the Health Network in a future Capitation Payment.
  - d. Release of the Capitation Payment Withhold upon Health Network Termination
    - i. CalOptima shall release a Capitation Payment withhold not earlier than nine (9) months after a Health Network's termination in the CalOptima program unless the termination is the result of the Health Network's insolvency, in which case CalOptima shall release a Capitation Payment withhold no earlier than twelve (12) months following Health Network's termination in the CalOptima program. Release shall only occur after the Health Network has met all operational requirements.
    - ii. CalOptima shall inform the Health Network in writing of the expected date CalOptima will release a Capitation Payment withhold following the Health Network's termination in the CalOptima program.
- D. CalOptima Summary and Reporting of Findings
  - 1. CalOptima shall prepare summaries of the following:
    - a. Financial ratios and other financial elements by Health Network, trended quarterly;
    - b. Financial security reserves; and
    - c. Capitation Payment withhold amounts.
  - 2. CalOptima shall utilize the summaries described in Section III.D.1 of this Policy to:

- a. Monitor the financial position of a Health Network during the Health Network financial review process; and
- b. Assess Health Network compliance on an ongoing basis.
- 3. CalOptima shall summarize and report the results of any financial review and Focused Review to the Health Network, the Audit and Oversight Committee, CalOptima executive management, and CalOptima Finance & Audit Committee (FAC), as needed.

#### E. Corrective Action and Sanctions

- 1. If a Health Network fails to comply or meet any of the standards or requirements outlined in this policy, CalOptima may take the following actions:
  - a. Require a Health Network to submit a Corrective Action Plan (CAP) as appropriate, in accordance with CalOptima Policy HH.2005Δ: Corrective Action Plan
  - b. Place the Health Network in a contractual cure for breach of contract, including the following:
    - i. CalOptima may seize any Capitation and/or monies owed and place the Health Network under financial supervision until breach is cured. Financial supervision to include:
      - a) Withholding of monthly Capitation; and
      - b) Managing and releasing withheld Capitation to the Health Network to fund administrative expenses, Primary Care Provider (PCP) Capitation Payments and/or claims payments (limited specifically to months/dates of service that such withheld Capitation was intended to be used for payment);
    - ii. CalOptima may review the Health Network's financial statements, bank statements, and/or other records to ensure payments are made.
- 2. CalOptima may impose Sanctions in accordance with CalOptima Policy HH.2002Δ: Sanctions.

## IV. ATTACHMENT(S)

Not Applicable

## V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. Contract for Health Care Services
- . C. CalOptima Policy FF.3001: Financial Reporting
- D. CalOptima Policy HH.2005Δ: Corrective Action Plan
- E. CalOptima Policy HH.2002Δ: Sanctions
- F. This policy supersedes:
  - 1. CalOptima Financial Letter dated August 11, 1995: Financial issues update
  - 2. CalOptima Financial Bulletin #1: Schedule and process of capitation payments
  - 3. CalOptima Financial Bulletin #13: 1997-98 Contract Year financial requirements
- G. Title 10, California Code of Regulations (C.C.R), § 1300.76
- H. Title 22, California Code of Regulations (C.C.R), § 51301 et seq.
- I. Title 28, California Code of Regulations (C.C.R), §§ 1300.75.4 through 1300.75.4.8

#### VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency	
03/07/16	Department of Health Care Services	

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#### VII. **BOARD ACTION(S)**

None to Date

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## VIII. REVISION HISTORY

Effective 12/01/1998 FF.1101 Monitoring Contractor's Financial Position  Revised 06/01/2001 FF.1101 Monitoring Contractor's Financial Position  Revised 09/01/2005 FF.1101 Monitoring Contractor's Financial Position  Effective 06/01/2001 FF.1102 Monitoring Contractor's Financial Position  Effective 01/01/2007 FF.3002 Financial Security Reserves  Effective 01/01/2008 FF.3002 Financial Oversight Medi-Cal Revised 02/01/2016 FF.3002 Financial Oversight Medi-Cal Revised 03/01/2017 FF.3002 Financial Oversight Medi-Cal Revised 07/01/2018 FF.3002 Financial Oversight Medi-Cal Revised 07/01/2018 FF.3002 Financial Oversight Medi-Cal Revised TBD FF.3002 Financial Oversight Medi-Cal	Effective	Date	Policy	Policy Title	Program(s)
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Term	Definition
Aid Code	The two (2) character code, defined by the State of California, which
	identifies the aid category under which a Member is eligible to receive
	Medi-Cal Covered Services.
Capitation Payment	The monthly amount paid to a Health Network by CalOptima for delivery
Cupitation I aymon	of Covered Services to Members, which is determined by multiplying the
	applicable Capitation Rate by a Health Network's monthly enrollment
	based upon Aid Code, age, and gender.
Conitation Pata	The per capita rate set by CalOptima for the delivery of Covered Services to
Capitation Rate	Members based upon Aid Code, age and gender.
Contract for Health Care	The written instrument between CalOptima and Physicians, Hospitals,
Services	Health Maintenance Organizations (HMO), or other entities. Contract shall
	include any Memoranda of Understanding entered into by CalOptima that is
	binding on a Physician Hospital Consortium (PHC), a physician group
	under a shared risk contract, or HMO, and DHCS Medi-Cal Managed Care
	Division Policy Letters
Corrective Action Plan	A plan delineating specific identifiable activities or undertakings that
(CAP)	address and are designed to correct program deficiencies or problems
()	identified by formal audits or monitoring activities by CalOptima, the
	Centers of Medicare & Medicaid Services (CMS), Department of Health
	Care Services (DHCS), or designated representatives. FDRs and/or
	CalOptima departments may be required to complete CAPs to ensure
	compliance with statutory, regulatory, or contractual obligations and any
	other requirements identified by CalOptima and its regulators.
Covered Services	Those services provided in the Fee-For-Service Medi-Cal program (as set
Covered Services	forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning
	with Section 51301), the Child Health and Disability Prevention program
	(as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article
	4, beginning with section 6842), and the California Children's Services (as
	set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and
	Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning
	with section 14094.4) under the Whole-Child Model program effective July
	1, 2019, to the extent those services are included as Covered Services under
	CalOptima's Medi-Cal Contract with DHCS and are Medically Necessary,
	along with chiropractic services (as defined in Section 51308 of Title 22,
	CCR), podiatry services (as defined in Section 51310 of Title 22, CCR),
	speech pathology services and audiology services (as defined in Section
` <b>\</b>	51309 of Title 22, CCR), and Health Homes Program (HHP) services (as
	set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions
	Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section
	14127), effective January 1, 2020 for HHP Members with eligible physical
	chronic conditions and substance use disorders, or other services as
	authorized by the CalOptima Board of Directors, which shall be covered for
	Members not-withstanding whether such benefits are provided under the
	Fee-For-Service Medi-Cal program.
Department of Managed	The State Agency responsible for licensing and regulating health care
Health Care (DMHC)	services plans/health maintenance organizations in accordance with the
( -)	Knox Keene Health Care Service Plan Act of 1975 as amended.
	Knox Keene Health Care Service Plan Act of 1975 as amended.

Term	Definition
Financial Solvency	Funds comprised of security reserves and/or capitation withhold that are
Reserves	required for the duration of a Physician Hospital Consortium's (PHC)'s,
	Shared Risk Group's (SRG)'s, or Health Maintenance Organization's
	(HMO)'s participation in the CalOptima program. These funds are used to
	protect the interests of and ensure the continuation of health care services to
	the Members assigned to the PHC, SRG or HMO; they may also be used
	for administrative costs directly attributable to a conservatorship,
	receivership or liquidation.
Financial Statement	Financial reports including balance sheets, income statements, statements of
	cash flows, statements of equity, and accompanying footnotes prepared in
	accordance with generally accepted accounting principles.
Financial Security	Time certificate of deposit, irrevocable standby letter of credit, or surety
Instrument	bond naming CalOptima as the beneficiary.
Focused Review	An audit that specifically targets areas of potential deficiency.
Health Maintenance	A health care service plan, as defined in the Knox-Keene Health Care
Organization (HMO)	Service Plan Act of 1975, as amended, commencing with Section 1340 of
	the California Health and Safety Code.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared
	risk contract, or health care service plan, such as a Health Maintenance
	Organization (HMO) that contracts with CalOptima to provide Covered
	Services to Members assigned to that Health Network.
Incurred But Not	An estimate of claims that have been incurred for medical services
Reported (IBNR)	provided, but for which claims have not yet been received by the Health
Knox-Keene Health	Network.  The law that regulates HMOs and is administrated by the Department of
Care Services Plan Act	Managed Health Care (DMHC), commencing with Section 1340 of the
of 1975 (Knox-Keene)	California Health and Safety Code.
Medical Loss Ratio	The percentage calculated by dividing the Health Network's total medical
(MLR)	costs paid on behalf of CalOptima Members by the total revenue received
(IVIZIV)	from CalOptima. Health Network medical costs would include payments to
	physicians (i.e. capitation, fee-for-service, or salary), medical groups/
	independent practice Associations (IPAs), hospitals, labs, ambulance
	companies, and other providers of service.
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange
	Social Services Agency, the California Department of Health Care Services
	(DHCS) Medi-Cal Program, or the United States Social Security
	Administration, who is enrolled in the CalOptima program.
Primary Care Provider	A person responsible for supervising, coordinating, and providing initial
(PCP)	and Primary Care to patients; for initiating referrals; and, for maintaining
~ "	the continuity of patient care. A Primary Care Provider may be a Primary
· · · · ·	Care Physician or Non-Physician Medical Practitioner.
Primary Hospital	A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).
Primary Physician	A physician group contracted with CalOptima on a capitated and delegated
Group	basis as the physician partner of a Physician Hospital Consortium (PHC).
Provider	All contracted Providers including physicians, Non-physician Medical
	Practitioners, ancillary providers, and facilities or institutions who furnish
	covered services.

Term	Definition
Risk Bearing Organization (RBO)	A professional medical corporation, other form of corporation controlled by physicians and surgeons, a medical partnership, or another lawfully organized group of physicians that:
	1. Delivers, furnishes, or otherwise arranges for or provides health care services; and
	2. Does all the following:
	<ul> <li>a. Contracts directly with a health care service plan or arranges f health care services for the health care service plan's enrollees</li> </ul>
	b. Receives compensation for those services on a capitated or fixed periodic payment basis; and
	c. Is responsible for the processing and payment of claims made by providers for services rendered by those providers on behal
	of a health care service plan that are covered under the
	capitation payment made by the plan to the risk bearing organization.
Sanction	Action taken by CalOptima including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based or
	an FDR's or its agent's failure to comply with statutory, regulatory,
	contractual, CalOptima policy, or other requirements related to CalOptima
	programs.
Shared Risk Group	A Health Network who accepts delegated clinical and financial
(SRG)	responsibility for professional services for assigned Members, as defined
	written contract and enters into a risk sharing agreement with CalOptima
T 11-1 - N-4 F 14	the responsible partner for facility services.
Tangible Net Equity (TNE)	Net equity reduced by the value assigned to intangible assets including, but not limited to, goodwill; going concern value; organizational expense;
(IIIL)	starting-up costs; obligations of officers, directors, owners, or affiliates
	which are not fully secured, except short-term obligations of affiliates for
	goods or services arising in the normal course of business which are
	payable on the same terms as equivalent transactions with non-affiliates at
31797	which are not past due; long term prepayments of deferred charges, and
	non-returnable deposits.



Policy: FF.1010

Title: Shared Risk Pool

Department: Finance Section: Accounting

CEO Approval:

Effective Date: 07/01/08
Last Review Date: 10/04/18
Last Revised Date: 10/04/18

**Board Approved Policy** 

#### I. PURPOSE

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36 37 This policy outlines the process for CalOptima's administration of the Shared Risk Pool with a Shared Risk Group.

## II. POLICY

- A. CalOptima shall establish a Shared Risk Pool for a Shared Risk Group in accordance with the Contract for Health Care Services and the terms and conditions of this Policy.
- B. CalOptima shall establish a Shared Risk Pool each fiscal year (July 1 through June 30) during the term of a Shared Risk Group's Contract for Health Care Services.
- C. The Shared Risk Budget shall include:
  - 1. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within the applicable period;
  - 2. Monies recovered by CalOptima or a Provider from Coordination of Benefits for Shared Risk Services provided to Members assigned to the Shared Risk Group, in accordance with CalOptima Policy FF.2003: Coordination of Benefits;
  - 3.2. Reinsurance recovery amounts as set forth in CalOptima Policy FF.1007: Health Network Reinsurance Coverage; and
  - 4.3. Supplemental OB Delivery Care payments as set forth in CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment.
- D. Effective on the Department of Health Care Services (DHCS) approved Whole Child Model (WCM) program implementation date, no sooner than July 1, 2019, the The Shared Risk Budget shall not include any amounts for Health Network Members eligible for the California Children's Services (CCS) Program.
- E. Shared Risk Expenses shall include:
  - 1. Claims paid for Shared Risk Services provided to Members assigned to the Shared Risk Group;
  - 2. An estimate of Incurred But Not Reported (IBNR) expenses for Shared Risk Services; and
  - 3. Administrative expenses at a rate established in the Contract for Health Care Services; and.

4. Any reinsurance premiums paid by CalOptima allocable to the Shared Risk Group.

- F. Shared Risk Expenses shall not include:
  - 1. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments High Cost Exclusion Items.
  - 2. Any expenses attributable to the Health Network Members who are eligible for the CCS Program.
- G. Quarterly Reporting CalOptima shall report the status of the Shared Risk Pool to its corresponding Shared Risk Group within forty-five (45) calendar days following the end of each quarter as follows:
  - 1. Quarter Ending September 30: Due November 15.
  - 2. Quarter Ending December 31: Due February 15.
  - 3. Quarter Ending March 31: Due May 15.
  - 4. Quarter Ending June 30: Due August 15.
- H. <u>Semi-Annual Reconciliation and Settlement</u> CalOptima shall reconcile and settle the Shared Risk Pool by February 28 following the immediately preceding semi-annual period of July 1 through December 31.
  - 1. If, at the end of the first semi-annual period of the fiscal year, CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any deficits carried forward from the previous annual settlement. Any surplus distributions are an advance against the projected final surplus. The remaining forty percent (40%) of the surplus shall remain in the Shared Risk Pool.
  - 2. If, at the end of that semi-annual period, CalOptima determines that the Shared Risk Pool is in deficit, no advance payment shall be made to the Shared Risk Group.
- I. <u>Annual Reconciliation and Settlement</u> CalOptima shall reconcile and report the status of the Shared Risk Pool by October 31 following the end of each fiscal year. The Shared Risk Group will have thirty (30) calendar days from the date of receipt of the annual report to notify CalOptima of any objections to the calculations of the surplus or deficit, as detailed in Section III.C.4. of this Policy.
  - 1. After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual reconciliation period as described in Section II.H.1. of this Policy, and less any deficits carried forward from the previous annual settlement. CalOptima shall retain the balance of the Shared Risk Pool.

- 2. After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that the Shared Risk Pool is in deficit, CalOptima shall carry forward an amount equal to sixty percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation, along with any additional deficits carried forward from the previous annual settlement, except as otherwise established in the Contract for Health Care Services.
- J. If there is a significant change in risk pool performance, CalOptima reserves the right to meet with the Shared Risk Group in order to discuss and understand the reason for the significant change.
- K. If there is continued deterioration of performance of the Shared Risk Pool, CalOptima may request a Corrective Action Plan (CAP) from the Shared Risk Group.
- L. If CalOptima determines that a Shared Risk Group has Shared Risk Pool deficits in two (2) successive fiscal years, CalOptima may terminate the Shared Risk Group's Contract for Health Care Services.
- M. In the event that CalOptima or a Shared Risk Group terminates the Contract for Health Care Services, CalOptima shall settle the Shared Risk Pool within one hundred twenty (120) calendar days following the date of contract termination, in accordance with Section III.D. of this Policy.
- N. Upon identification of a payment error, Shared Risk Groups must submit written notification on a timely basis in order for CalOptima to seek necessary provider recoupment. CalOptima cannot request recoupment from a provider provider after more than three hundred sixty-five (365) calendar days from the date of CalOptima's original claims payment.
- O. If a Health Network identifies an overpayment of a semi-annual or annual settlement payment, the Health Network shall return the overpayment within sixty (60) calendar days after the date on which the overpayment was identified, and shall notify CalOptima's Accounting Department in writing of the reason for the overpayment. CalOptima shall coordinate with the Health Network on the process to return the overpayment.

#### III. PROCEDURE

- A. Quarterly Shared Risk Pool Reporting
  - 1. Within forty-five (45) calendar days following the end of each quarter, as detailed in section II.G. of this Policy, CalOptima shall provide a Shared Risk Group with a written report of the status of the Shared Risk Pool.
    - . The report shall include:
      - a. An annualization of the aggregate amount of the Shared Risk Budget and Shared Risk Expenses for all months to date during that fiscal year; and
      - b. An estimate of the projected Shared Risk Pool deficit or surplus at the end of the fiscal year.
- B. Semi-Annual Shared Risk Pool Reconciliation and Settlement

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- 1. No later than February 28 of each year, CalOptima shall settle the Shared Risk Pool for the immediately preceding semi-annual period July 1 through December 31.
  - a. CalOptima shall calculate the Shared Risk Budget for the semi-annual period July 1 through December 31. The Shared Risk Budget shall include all components detailed in Sections II.C. and II.D. of this Policy related to Members assigned to the Shared Risk Group within the semi-annual period, and for dates of service within the semi-annual period.
  - b. CalOptima shall calculate Shared Risk Expenses for the semi-annual period July 1 through December 31. The Shared Risk Expenses shall include all components detailed in Sections II.E. and II.F. of this Policy for dates of service within the semi-annual period.
  - c. CalOptima shall reduce Shared Risk Expenses for the semi-annual period by:
    - i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group within the semi-annual period; and
    - ii. Any recoveries, including overpayments, for dates of service within the semi-annual period related to Shared Risk Services provided to Members assigned to the Shared Risk Group.
- 2. CalOptima shall compute and settle the semi-annual Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the semi-annual period.
  - If CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any deficits from the previous annual settlement. Any surplus distributions are an advance against the projected final surplus. The remaining forty percent (40%) of the surplus shall remain in the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, no advance payment shall be made to the Shared Risk Group.
- C. Annual Shared Risk Pool Reconciliation and Settlement
  - 1. No later than October 31 of each year, CalOptima shall provide the Shared Risk Group with an Annual Shared Risk Program Report. The Annual Shared Risk Program Report shall show reconciliation of allocations, deposits, expenses, and disbursements during the immediately preceding fiscal year, and the status of the Shared Risk Pool.
    - CalOptima shall calculate the Shared Risk Budget for the annual reconciliation in accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the fiscal year shall include:

- i. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within that fiscal year, including any retroactivity within (90) calendar days after the end of the fiscal year;
- ii. Monies recovered by CalOptima or a Provider from Coordination of Benefits for dates of service within that fiscal year and recovered within ninety (90) calendar days after the end of the fiscal year;
- Reinsurance recovery amounts for dates of service within that fiscal year and identified within ninety (90) calendar days after the end of the fiscal year; and
- Supplemental OB Delivery Care payments for dates of service within that fiscal year and identified within ninety (90) calendar days after the end of the fiscal year.
- b. CalOptima shall calculate Shared Risk Expenses for the annual reconciliation in accordance with Sections II.E. and II.F. of this Policy. Shared Risk Expenses for the fiscal year shall include:
  - i. Claims for Shared Risk Services for dates of service within that fiscal year and paid within ninety (90) calendar days following the end of the fiscal year;
  - ii. An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal year, based on historical claims for Shared Risk Services for dates of service within that fiscal year and paid up to ninety (90) calendar days following the end of the fiscal year; and
  - iii. Administrative expenses as established in the Contract for Health Care Services; and
  - iv.<u>iii.</u> Any reinsurance premiums paid by CalOptima within that fiscal year allocable to the Shared Risk Group.
- c. Shared Risk Expenses shall not include:
  - i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments High Cost Exclusion Items.
- d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
  - 1. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group during that fiscal year within ninety (90) calendar days after the end of the fiscal year; and
  - ii. Any recoveries, including overpayments, for dates of service within that fiscal year related to Shared Risk Services provided to Members assigned to the Shared Risk Group and received within ninety (90) calendar days after the end of the fiscal year.

- e. If CalOptima identifies any Shared Risk Expenses past ninety (90) calendar days following the end of the fiscal year, CalOptima shall deduct such Shared Risk Expenses from the Shared Risk Budget as part of the subsequent fiscal year's update for that Shared Risk Period pursuant to Section III.C.3. of this Policy.
- 2. CalOptima shall compute the annual Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the fiscal year.
  - a. If CalOptima determines that the Shared Risk Pool is in surplus, the Annual Shared Risk Program Report shall reflect that the amount payable to the Shared Risk Group will be an amount equal to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual reconciliation period as described in Section III.B.2.a. of this Policy, and less any deficits carried forward from the previous annual settlement. CalOptima shall retain the balance of the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, the Annual Shared Risk Program Report shall reflect that CalOptima shall carry forward an amount equal to sixty percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation, along with any additional deficits carried forward from the previous annual settlement, except as otherwise established in the Contract for Health Care Services.
- 3. Each Annual Shared Risk Program Report shall include refreshed reports from the previous two (2) annual shared risk periods. CalOptima shall refresh the Annual Shared Risk Program Report at the time of the following Shared Risk Period's shared risk period's annual settlement to update IBNR and actual claims payment for previous shared risk periods. After two (2) years, the refreshed Annual Shared Risk Program Report should not contain IBNR and shall be considered final. (e.g., FY16 Shared Risk Period [July 1, 2015-June 30, 2016] will be final October 31, 2018).
- 4. If, upon review of the Annual Shared Risk Program Report, the Shared Risk Group objects to the calculations and determination, the Shared Risk Group may complete and submit the Risk Pool Claims Objection Form and any supporting documentation to the CalOptima Accounting Department within thirty (30) calendar days from the date of receipt of the Annual Shared Risk Program Report.
  - a. If CalOptima does not receive any written objection from the Shared Risk Group within thirty (30) calendar days of receipt of the Annual Shared Risk Program Report, CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen (15) calendar days after the expiration of the review period, no later than December 15. Such settlement shall be considered final.
  - b. If CalOptima receives written notice of objection from a Shared Risk Group within the objection period, CalOptima shall re-evaluate its calculations based on additional documentation provided by the Shared Risk Group and provide a final Annual Shared Risk Program Report to the Shared Risk Group within forty-five (45) calendar days after receipt of the written objection.

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Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the final Annual Shared Risk Program Report.

- D. Shared Risk Pool Settlement upon Termination
  - 1. Within one-hundred-twenty (120) calendar days after the effective date of termination of the Contract for Health Care Services with a Shared Risk Group, CalOptima shall provide the terminated Shared Risk Group with a Final Reconciliation and Settlement Report.
    - CalOptima shall calculate the Shared Risk Budget for the reconciliation upon termination in accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the reconciliation upon termination shall include:
      - The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within that fiscal year and up to the effective date of termination, including any retroactivity within ninety (90) calendar days after the effective date of termination;
      - ii. Monies recovered by CalOptima or a Provider from Coordination of Benefits for dates of service within that fiscal year and up to the effective date of termination, recovered within ninety (90) calendar days after the effective date of termination;
      - Reinsurance coverage amounts for dates of service within the fiscal year and up to the effective date of termination, identified no later than ninety (90) calendar days after the effective date of termination; and
      - Supplemental OB Delivery Care payments for dates of service within that fiscal year and up to the effective date of termination, identified within ninety (90) calendar days after the effective date of termination.
    - b. CalOptima shall calculate Shared Risk Expenses for the reconciliation upon termination in accordance with Sections II.E and II.F of this Policy. Shared Risk Expenses for the reconciliation upon termination shall include:
      - i. Claims for Shared Risk Services for dates of service within that fiscal year and up to the effective date of termination, paid within ninety (90) calendar days following the effective date of termination;
      - An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal year and up to the effective date of termination, based on historical claims for Shared Risk Services for dates of service within that fiscal year and paid up to ninety (90) calendar days following the effective date of termination; and
      - iii.—Administrative expenses as established in the Contract for Health Care Services; and
      - Any reinsurance premiums paid by CalOptima within that fiscal year and up to the effective date of termination allocable to the Shared Risk Group.

c. Shared Risk Expenses shall not include:

- i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005.c: Special Payments High Cost Exclusion Items.
- d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
  - Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group during that fiscal year within ninety (90) calendar days after the effective date of termination; and
  - ii. Any recoveries, including overpayments, for dates of service within that fiscal year and up to the effective date of termination related to Shared Risk Services provided to Members assigned to the Shared Risk Group and received within ninety (90) calendar days after the effective date of termination.
- 2. CalOptima shall compute the final Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the final fiscal year.
  - a. If CalOptima determines that the Shared Risk Pool is in surplus, the Final Shared Risk Program Report shall reflect that the amount payable to the Shared Risk Group will be an amount equal to sixty percent (60%) of that surplus, less amounts paid at the semi-annual reconciliation period (if applicable), and less any deficits from the previous annual settlement, if not already subtracted at the semi-annual reconciliation period. CalOptima shall retain the balance of the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, the Final Shared Risk Program Report shall reflect that the Shared Risk Group shall not be responsible for any portion of that deficit.
- 3. If, upon review of the Final Shared Risk Program Report, the Shared Risk Group objects to the calculations and determination, the Shared Risk Group may complete and submit the Risk Pool Claims Objection Form and any supporting documentation to the CalOptima Accounting Department within thirty (30) calendar days from the date of receipt of the Final Shared Risk Program Report.
  - a. If CalOptima does not receive any written objection from the Shared Risk Group within thirty (30) calendar days from the date of receipt of the Final Shared Risk Program Report, CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen (15) calendar days after the expiration of the review period. Such settlement shall be considered final.
  - b. If CalOptima receives written notice of objection from the Shared Risk Group, CalOptima shall re-evaluate its calculations based on additional documentation provided by the Shared Risk Group and provide any revisions to the Final Shared Risk Program Report to the Shared Risk Group within forty-five (45) calendar days after receipt of the written objection.

Policy#: FF.1010

Title: Shared Risk Pool Revised Date: 10/04/18

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c. CalOptima shall settle the Shared Risk Pool based on the revised Final Shared Risk Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the revised Final Shared Risk Program Report.

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#### IV. ATTACHMENT(S)

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A. Risk Pool Claims Objection Form

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## V. REFERENCE(S)

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- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Contract for Health Care Services
- C. CalOptima Policy FF.1007: Health Network Reinsurance Coverage
- D. CalOptima Policy FF.1005c: Special Payments High Cost Exclusion Items
- E. CalOptima Policy FF.2003: Coordination of Benefits

F. CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment

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## VI. REGULATORY AGENCY APPROVAL(S)

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Date	Regulatory Agency	
03/14/11	Department of Health Care Services	

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## VII. BOARD ACTION(S)

	<b>Date</b>	Meeting
	10/04/18	Regular Meeting of the CalOptima Board of Directors
10/02/14 Regular Meeting of the Cal Optima Board of Directors		Regular Meeting of the CalOptima Board of Directors

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## VIII. REVISION HISTORY

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Action	Date	<b>Policy</b>	Policy Title	Program(s)
Effective	07/01/2008	FF.1010	Shared Risk Pool	Medi-Cal
Revised _	07/01/2009	FF.1010	Shared Risk Pool	Medi-Cal
Revised	07/01/2010	FF.1010	Shared Risk Pool	Medi-Cal
Revised	09/01/2014	FF.1010	Shared Risk Pool	Medi-Cal
Revised	08/01/2016	FF.1010	Shared Risk Pool	Medi-Cal
Revised	05/01/2017	FF.1010	Shared Risk Pool	Medi-Cal
Revised	10/04/2018	FF.1010	Shared Risk Pool	Medi-Cal
Revised		FF.1010	Shared Risk Pool	Medi-Cal

Policy#: FF.1010

Title: Shared Risk Pool Revised Date: 10/04/18

## IX. GLOSSARY

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Term	Definition
California Children's	The public health program that assures the delivery of specialized
Services (CCS)	diagnostic, treatment, and therapy services to financially and medically
Program	eligible persons under the age of twenty-one (21) years who have CCS
	Eligible Conditions, as defined in Title 22, California Code of Regulations
	(CCR), Sections 41515.2 through 41518.9.
Contract for Health	The written instrument between CalOptima and Physicians, Hospitals,
Care Services	Health Maintenance Organizations (HMO), or other entities. Contract shall
	include any Memoranda of Understanding entered into by CalOptima that
	is binding on a Physician Hospital Consortium (PHC) or HMO, DHCS
	Medi-Cal Managed Cared Division Policy Letters, Contract Interpretation,
	and Financial Bulletins issued pursuant to the Contract.
Contracted CalOptima	A hospital that has entered into a CalOptima Hospital Services Contract to
Hospital	provide hospital services to CalOptima Direct Members.
Coordination of	A method for determining the order of payment for medical or other
Benefits (COB)	care/treatment benefits where the primary health plan pays for covered
,	benefits as it would without the presence of a secondary health plan.
Corrective Action Plan	A plan delineating specific and identifiable activities or undertakings that
(CAP)	address and are designed to correct program deficiencies or problems
	identified by formal audits or monitoring activities by CalOptima, the
	State, or designated representatives. Health Networks and Providers may
	be required to complete a CAP to ensure that they are in compliance with
	statutory, regulatory, contractual, CalOptima policy, and other
	requirements identified by CalOptima and its regulators.
Department of Health	The single State Department responsible for administration of the Medi-
Care Services (DHCS)	Cal program, California Children Services (CCS), Genetically
	Handicapped Persons Program (GHPP), Child Health and Disabilities
	Prevention (CHDP), and other health related programs.
Division of Financial	A matrix that identifies how CalOptima identifies the responsible parties
Responsibility (DOFR)	for components of medical associated with the provision of Covered
	Services. The responsible parties include, but are not limited to, Physician,
	Hospital, CalOptima and the County of Orange.
High Cost Exclusion	Specific high-cost items that are excluded from a Contracted Hospital's
Item	outpatient reimbursement or inpatient per diem rate.
Hospital Budget	The amount equal to the Hospital Risk Pool Capitation (PMPM) set forth
Capitation Allocation	in the contract multiplied by the number of Members assigned to the
	Shared Risk Physician.
Incurred But Not	IBNR means "incurred but not reported," and refers to an estimate of
Reported (IBNR)	claims that have been incurred for medical services provided, but for
	which claims have not yet been received by the Health Network.
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange
	Social Services Agency, the California Department of Health Care
	Services (DHCS) Medi-Cal Program, or the United States Social Security
	Administration, who is enrolled in the CalOptima program.



Policy#: FF.1010
Title: Shared Risk Pool

Term	Definition
Provider	A physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory, ancillary provider, health maintenance organization, or other person or institution that furnishes Covered Services.
Shared Risk Budget	The total amount that CalOptima allocates to the Shared Risk Pool to pay for Shared Risk Services set forth in the DOFR of the contract.
Shared Risk Expenses	Includes: Amounts paid for Shared Risk Services provided to Members assigned to the Shared Risk Group; An estimate of Incurred But Not Reported (IBNR) expenses; and Administrative expenses at a rate established in the Contract for Health Care Services; and. Any reinsurance premiums paid by CalOptima alfocable to the Shared Risk Group.
Shared Risk Group	A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.
Shared Risk Pool	The risk sharing program, under which the risk for the provision of Shared Risk Services to Members is shared and allocated between CalOptima and the contracted Health Network.
Whole-Child Model (WCM)	An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare & Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty,

Hospital Shared Risk Pool	
Shared Risk Group:	
Risk Pool Period	
Date of Service:	
Date of Payment:	

Į	Line Of Business			
Γ	Medi-Cal			
	OneCare			
	OneCare Connect			

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Item #	Payment Question/Issue	CalOptima Claim No.	Member Name	Provider Name	Start Date of Service	End Date of Service	Amount Paid	Date of Payment	Requested Credit	CalOptima Review	2nd Level CalOptima GARS Appeal Review	CalOptima Potential Claim Overpayment
							\$ -		<b>5</b> -			\$ -
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Policy: FF.1010

Title: Shared Risk Pool

Department: Finance Section: Accounting

CEO Approval:

Effective Date:

07/01/08

Revised Date:

#### I. PURPOSE

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36 37 This policy outlines the process for CalOptima's administration of the Shared Risk Pool with a Shared Risk Group.

#### II. POLICY

- A. CalOptima shall establish a Shared Risk Pool for a Shared Risk Group in accordance with the Contract for Health Care Services and the terms and conditions of this Policy.
- B. CalOptima shall establish a Shared Risk Pool each fiscal year (July 1 through June 30) during the term of a Shared Risk Group's Contract for Health Care Services.
- C. The Shared Risk Budget shall include:
  - 1. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within the applicable period;
  - 2. Reinsurance recovery amounts as set forth in CalOptima Policy FF.1007: Health Network Reinsurance Coverage; and
  - 3. Supplemental OB Delivery Care payments as set forth in CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment.
- D. The Shared Risk Budget shall not include any amounts for Health Network Members eligible for the California Children's Services (CCS) Program.
- E. Shared Risk Expenses shall include:
  - 1. Claims paid for Shared Risk Services provided to Members assigned to the Shared Risk Group;
  - 2. An estimate of Incurred But Not Reported (IBNR) expenses for Shared Risk Services; and
  - 3. Administrative expenses at a rate established in the Contract for Health Care Services.
- F. Shared Risk Expenses shall not include:
  - 1. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments High Cost Exclusion Items.

- 2. Any expenses attributable to the Health Network Members who are eligible for the CCS Program.
- G. <u>Quarterly Reporting</u> CalOptima shall report the status of the Shared Risk Pool to its corresponding Shared Risk Group within forty-five (45) calendar days following the end of each quarter as follows:
  - 1. Quarter Ending September 30: Due November 15.
  - 2. Quarter Ending December 31: Due February 15.
  - 3. Quarter Ending March 31: Due May 15.
  - 4. Quarter Ending June 30: Due August 15.
- H. <u>Semi-Annual Reconciliation and Settlement</u> CalOptima shall reconcile and settle the Shared Risk Pool by February 28 following the immediately preceding semi-annual period of July 1 through December 31.
  - 1. If, at the end of the first semi-annual period of the fiscal year, CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any deficits carried forward from the previous annual settlement. Any surplus distributions are an advance against the projected final surplus. The remaining forty percent (40%) of the surplus shall remain in the Shared Risk Pool.
  - 2. If, at the end of that semi-annual period, CalOptima determines that the Shared Risk Pool is in deficit, no advance payment shall be made to the Shared Risk Group.
- I. <u>Annual Reconciliation and Settlement</u> CalOptima shall reconcile and report the status of the Shared Risk Pool by October 31 following the end of each fiscal year. The Shared Risk Group will have thirty (30) calendar days from the date of receipt of the annual report to notify CalOptima of any objections to the calculations of the surplus or deficit, as detailed in Section III.C.4. of this Policy.
  - 1. After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual reconciliation period as described in Section II.H.1. of this Policy, and less any deficits carried forward from the previous annual settlement. CalOptima shall retain the balance of the Shared Risk Pool.
  - After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that the Shared Risk Pool is in deficit, CalOptima shall carry forward an amount equal to sixty percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation, along with any additional deficits carried forward from the previous annual settlement, except as otherwise established in the Contract for Health Care Services.
- J. If there is a significant change in risk pool performance, CalOptima reserves the right to meet with the Shared Risk Group in order to discuss and understand the reason for the significant change.
- K. If there is continued deterioration of performance of the Shared Risk Pool, CalOptima may request a Corrective Action Plan (CAP) from the Shared Risk Group.

- L. If CalOptima determines that a Shared Risk Group has Shared Risk Pool deficits in two (2) successive fiscal years, CalOptima may terminate the Shared Risk Group's Contract for Health Care Services.
- M. In the event that CalOptima or a Shared Risk Group terminates the Contract for Health Care Services, CalOptima shall settle the Shared Risk Pool within one hundred twenty (120) calendar days following the date of contract termination, in accordance with Section III.D. of this Policy.
- N. Upon identification of a payment error, Shared Risk Groups must submit written notification on a timely basis in order for CalOptima to seek necessary Provider recoupment. CalOptima cannot request recoupment from a Provider after more than three hundred sixty-five (365) calendar days from the date of CalOptima's original claims payment.
- O. If a Health Network identifies an overpayment of a semi-annual or annual settlement payment, the Health Network shall return the overpayment within sixty (60) calendar days after the date on which the overpayment was identified and shall notify CalOptima's Accounting Department in writing of the reason for the overpayment. CalOptima shall coordinate with the Health Network on the process to return the overpayment.

#### III. PROCEDURE

- A. Quarterly Shared Risk Pool Reporting
  - 1. Within forty-five (45) calendar days following the end of each quarter, as detailed in section II.G. of this Policy, CalOptima shall provide a Shared Risk Group with a written report of the status of the Shared Risk Pool.
  - 2. The report shall include:
    - a. An annualization of the aggregate amount of the Shared Risk Budget and Shared Risk Expenses for all months to date during that fiscal year; and
    - b. An estimate of the projected Shared Risk Pool deficit or surplus at the end of the fiscal year.
- B. Semi-Annual Shared Risk Pool Reconciliation and Settlement
  - 1. No later than February 28 of each year, CalOptima shall settle the Shared Risk Pool for the immediately preceding semi-annual period July 1 through December 31.
    - a. CalOptima shall calculate the Shared Risk Budget for the semi-annual period July 1 through December 31. The Shared Risk Budget shall include all components detailed in Sections II.C. and II.D. of this Policy related to Members assigned to the Shared Risk Group within the semi-annual period, and for dates of service within the semi-annual period.
    - b. CalOptima shall calculate Shared Risk Expenses for the semi-annual period July 1 through December 31. The Shared Risk Expenses shall include all components detailed in Sections II.E. and II.F. of this Policy for dates of service within the semi-annual period.
    - c. CalOptima shall reduce Shared Risk Expenses for the semi-annual period by:

- i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group within the semi-annual period; and
- ii. Any recoveries, including overpayments, for dates of service within the semi-annual period related to Shared Risk Services provided to Members assigned to the Shared Risk Group.
- 2. CalOptima shall compute and settle the semi-annual Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the semi-annual period.
  - a. If CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any deficits from the previous annual settlement. Any surplus distributions are an advance against the projected final surplus. The remaining forty percent (40%) of the surplus shall remain in the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, no advance payment shall be made to the Shared Risk Group.
- C. Annual Shared Risk Pool Reconciliation and Settlement
  - 1. No later than October 31 of each year, CalOptima shall provide the Shared Risk Group with an Annual Shared Risk Program Report. The Annual Shared Risk Program Report shall show reconciliation of allocations, deposits, expenses, and disbursements during the immediately preceding fiscal year, and the status of the Shared Risk Pool.
    - a. CalOptima shall calculate the Shared Risk Budget for the annual reconciliation in accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the fiscal year shall include:
      - i. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within that fiscal year, including any retroactivity within (90) calendar days after the end of the fiscal year;
      - ii. Reinsurance recovery amounts for dates of service within that fiscal year and identified within ninety (90) calendar days after the end of the fiscal year; and
      - Supplemental OB Delivery Care payments for dates of service within that fiscal year and identified within ninety (90) calendar days after the end of the fiscal year.
    - b. CalOptima shall calculate Shared Risk Expenses for the annual reconciliation in accordance with Sections II.E. and II.F. of this Policy. Shared Risk Expenses for the fiscal year shall include:
      - i. Claims for Shared Risk Services for dates of service within that fiscal year and paid within ninety (90) calendar days following the end of the fiscal year;
      - ii. An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal year, based on historical claims for Shared Risk Services for dates of service within that fiscal year and paid up to ninety (90) calendar days following the end of the fiscal year; and

- iii. Administrative expenses as established in the Contract for Health Care Services.
- c. Shared Risk Expenses shall not include:
  - i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments High Cost Exclusion Items.
- d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
  - i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group during that fiscal year within ninety (90) calendar days after the end of the fiscal year; and
  - ii. Any recoveries, including overpayments, for dates of service within that fiscal year related to Shared Risk Services provided to Members assigned to the Shared Risk Group and received within ninety (90) calendar days after the end of the fiscal year.
- e. If CalOptima identifies any Shared Risk Expenses past ninety (90) calendar days following the end of the fiscal year, CalOptima shall deduct such Shared Risk Expenses from the Shared Risk Budget as part of the subsequent fiscal year's update for that Shared Risk Period pursuant to Section III.C.3. of this Policy.
- 2. CalOptima shall compute the annual Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the fiscal year.
  - a. If CalOptima determines that the Shared Risk Pool is in surplus, the Annual Shared Risk Program Report shall reflect that the amount payable to the Shared Risk Group will be an amount equal to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual reconciliation period as described in Section III.B.2.a. of this Policy, and less any deficits carried forward from the previous annual settlement. CalOptima shall retain the balance of the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, the Annual Shared Risk Program Report shall reflect that CalOptima shall carry forward an amount equal to sixty percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation, along with any additional deficits carried forward from the previous annual settlement, except as otherwise established in the Contract for Health Care Services.
  - Each Annual Shared Risk Program Report shall include refreshed reports from the previous two (2) annual shared risk periods. CalOptima shall refresh the Annual Shared Risk Program Report at the time of the following shared risk period's annual settlement to update IBNR and actual claims payment for previous shared risk periods. After two (2) years, the refreshed Annual Shared Risk Program Report should not contain IBNR and shall be considered final. (e.g., FY16 Shared Risk Period [July 1, 2015-June 30, 2016] will be final October 31, 2018).
- 4. If, upon review of the Annual Shared Risk Program Report, the Shared Risk Group objects to the calculations and determination, the Shared Risk Group may complete and submit the Risk Pool Claims Objection Form and any supporting documentation to the CalOptima Accounting Department within thirty (30) calendar days from the date of receipt of the Annual Shared Risk Program Report.

- a. If CalOptima does not receive any written objection from the Shared Risk Group within thirty (30) calendar days of receipt of the Annual Shared Risk Program Report, CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen (15) calendar days after the expiration of the review period, no later than December 15. Such settlement shall be considered final.
- b. If CalOptima receives written notice of objection from a Shared Risk Group within the objection period, CalOptima shall re-evaluate its calculations based on additional documentation provided by the Shared Risk Group and provide a final Annual Shared Risk Program Report to the Shared Risk Group within forty-five (45) calendar days after receipt of the written objection.
- c. CalOptima shall settle the Shared Risk Pool based on this final Annual Shared Risk Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the final Annual Shared Risk Program Report.

#### D. Shared Risk Pool Settlement upon Termination

- 1. Within one-hundred-twenty (120) calendar days after the effective date of termination of the Contract for Health Care Services with a Shared Risk Group, CalOptima shall provide the terminated Shared Risk Group with a Final Reconciliation and Settlement Report.
  - a. CalOptima shall calculate the Shared Risk Budget for the reconciliation upon termination in accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the reconciliation upon termination shall include:
    - i. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within that fiscal year and up to the effective date of termination, including any retroactivity within ninety (90) calendar days after the effective date of termination;
    - ii. Reinsurance coverage amounts for dates of service within the fiscal year and up to the effective date of termination, identified no later than ninety (90) calendar days after the effective date of termination; and
    - iii. Supplemental OB Delivery Care payments for dates of service within that fiscal year and up to the effective date of termination, identified within ninety (90) calendar days after the effective date of termination.
  - b. CalOptima shall calculate Shared Risk Expenses for the reconciliation upon termination in accordance with Sections II.E and II.F of this Policy. Shared Risk Expenses for the reconciliation upon termination shall include:
    - i. Claims for Shared Risk Services for dates of service within that fiscal year and up to the effective date of termination, paid within ninety (90) calendar days following the effective date of termination;
    - ii. An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal year and up to the effective date of termination, based on historical claims for Shared Risk Services for dates of service within that fiscal year and paid up to ninety (90) calendar days following the effective date of termination; and

- iii. Administrative expenses as established in the Contract for Health Care Services.
- c. Shared Risk Expenses shall not include:
  - i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005.c: Special Payments High Cost Exclusion Items.
- d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
  - i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group during that fiscal year within ninety (90) calendar days after the effective date of termination; and
  - ii. Any recoveries, including overpayments, for dates of service within that fiscal year and up to the effective date of termination related to Shared Risk Services provided to Members assigned to the Shared Risk Group and received within ninety (90) calendar days after the effective date of termination.
- 2. CalOptima shall compute the final Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the final fiscal year.
  - a. If CalOptima determines that the Shared Risk Pool is in surplus, the Final Shared Risk Program Report shall reflect that the amount payable to the Shared Risk Group will be an amount equal to sixty percent (60%) of that surplus, less amounts paid at the semi-annual reconciliation period (if applicable), and less any deficits from the previous annual settlement, if not already subtracted at the semi-annual reconciliation period. CalOptima shall retain the balance of the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, the Final Shared Risk Program Report shall reflect that the Shared Risk Group shall not be responsible for any portion of that deficit.
- 3. If, upon review of the Pinal Shared Risk Program Report, the Shared Risk Group objects to the calculations and determination, the Shared Risk Group may complete and submit the Risk Pool Claims Objection Form and any supporting documentation to the CalOptima Accounting Department within thirty (30) calendar days from the date of receipt of the Final Shared Risk Program Report.
  - a. If CalOptima does not receive any written objection from the Shared Risk Group within thirty (30) calendar days from the date of receipt of the Final Shared Risk Program Report, CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen (15) calendar days after the expiration of the review period. Such settlement shall be considered final.
  - b. If CalOptima receives written notice of objection from the Shared Risk Group, CalOptima shall re-evaluate its calculations based on additional documentation provided by the Shared Risk Group and provide any revisions to the Final Shared Risk Program Report to the Shared Risk Group within forty-five (45) calendar days after receipt of the written objection.

Page 7 of 10 FF.1010: Shared Risk Pool Revised:

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c. CalOptima shall settle the Shared Risk Pool based on the revised Final Shared Risk Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the revised Final Shared Risk Program Report.

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## IV. ATTACHMENT(S)

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A. Risk Pool Claims Objection Form

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## V. REFERENCE(S)

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- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Contract for Health Care Services
- C. CalOptima Policy FF.1007: Health Network Reinsurance Coverage
- D. CalOptima Policy FF.1005c: Special Payments High Cost Exclusion Items
- E. CalOptima Policy FF.2003: Coordination of Benefits
- F. CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment

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## VI. REGULATORY AGENCY APPROVAL(S)

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D	<b>D</b> ate	Regulatory Agency	
0.	3/14/11	Department of Health Care Services	

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## VII. BOARD ACTION(S)

	Date	Meeting
	10/04/18	Regular Meeting of the CalOptima Board of Directors
Ī	10/02/14	Regular Meeting of the CalOptima Board of Directors

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#### VIII. REVISION HISTORY

24

Action	<b>Date</b>	<b>Policy</b>	Policy Title	Program(s)
Effective	07/01/2008	FF.1010	Shared Risk Pool	Medi-Cal
Revised	07/01/2009	FF.1010	Shared Risk Pool	Medi-Cal
Revised	07/01/2010	FF.1010	Shared Risk Pool	Medi-Cal
Revised	09/01/2014	FF.1010	Shared Risk Pool	Medi-Cal
Revised _	08/01/2016	FF.1010	Shared Risk Pool	Medi-Cal
Revised	05/01/2017	FF.1010	Shared Risk Pool	Medi-Cal
Revised	10/04/2018	FF.1010	Shared Risk Pool	Medi-Cal
Revised		FF.1010	Shared Risk Pool	Medi-Cal

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Page 8 of 10 FF.1010: Shared Risk Pool Revised:

Term	Definition
California Children's	The public health program that assures the delivery of specialized
Services (CCS)	diagnostic, treatment, and therapy services to financially and medically
1	eligible persons under the age of twenty-one (21) years who have CCS-
Program	
	Eligible Conditions, as defined in Title 22, California Code of Regulations
Contract for Health	(CCR), Sections 41515.2 through 41518.9.
Contract for Health	The written instrument between CalOptima and Physicians, Hospitals,
Care Services	Health Maintenance Organizations (HMO), or other entities. Contract shall
	include any Memoranda of Understanding entered into by CalOptima that
	is binding on a Physician Hospital Consortium (PHC) or HMO, DHCS
	Medi-Cal Managed Cared Division Policy Letters, Contract Interpretation,
G 1 G 10	and Financial Bulletins issued pursuant to the Contract.
Contracted CalOptima	A hospital that has entered into a CalOptima Hospital Services Contract to
Hospital	provide hospital services to CalOptima Direct Members.
Coordination of	A method for determining the order of payment for medical or other
Benefits (COB)	care/treatment benefits where the primary health plan pays for covered
	benefits as it would without the presence of a secondary health plan.
Corrective Action Plan	A plan delineating specific and identifiable activities or undertakings that
(CAP)	address and are designed to correct program deficiencies or problems
	identified by formal audits or monitoring activities by CalOptima, the
	State, or designated representatives. Health Networks and Providers may
	be required to complete a CAP to ensure that they are in compliance with
	statutory, regulatory, contractual, CalOptima policy, and other
	requirements identified by CalOptima and its regulators.
Department of Health	The single State Department responsible for administration of the Medi-
Care Services (DHCS)	Cal program, California Children Services (CCS), Genetically
	Handicapped Persons Program (GHPP), Child Health and Disabilities
	Prevention (CHDP), and other health related programs.
Division of Financial	A matrix that identifies how CalOptima identifies the responsible parties
Responsibility (DOFR)	for components of medical associated with the provision of Covered
	Services. The responsible parties include, but are not limited to, Physician,
	Hospital, CalOptima and the County of Orange.
High Cost Exclusion	Specific high-cost items that are excluded from a Contracted Hospital's
Item	outpatient reimbursement or inpatient per diem rate.
Hospital Budget	The amount equal to the Hospital Risk Pool Capitation (PMPM) set forth
Capitation Allocation	in the contract multiplied by the number of Members assigned to the
	Shared Risk Physician.
Incurred But Not	IBNR means "incurred but not reported," and refers to an estimate of
Reported (IBNR)	claims that have been incurred for medical services provided, but for
	which claims have not yet been received by the Health Network.
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange
	Social Services Agency, the California Department of Health Care
1	Services (DHCS) Medi-Cal Program, or the United States Social Security
	Administration, who is enrolled in the CalOptima program.
Provider	A physician, nurse, nurse mid-wife, nurse practitioner, medical technician,
	physician assistant, hospital, laboratory, ancillary provider, health
	maintenance organization, or other person or institution that furnishes
	Covered Services.
Shared Risk Budget	The total amount that CalOptima allocates to the Shared Risk Pool to pay
	for Shared Risk Services set forth in the DOFR of the contract.
	1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2

Term	Definition
Shared Risk Expenses	Includes: Amounts paid for Shared Risk Services provided to Members assigned to the Shared Risk Group; An estimate of Incurred But Not Reported (IBNR) expenses; and Administrative expenses at a rate established in the Contract for Health Care Services.
Shared Risk Group	A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.
Shared Risk Pool	The risk sharing program, under which the risk for the provision of Shared Risk Services to Members is shared and allocated between CalOptima and the contracted Health Network.
Whole-Child Model (WCM)	An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare & Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty, and behavioral health for CCS-eligible and non-CCS-eligible conditions.

Page 10 of 10 FF.1010: Shared Risk Pool Revised:

Hospital Shared Risk Poo	<b>)</b>
Shared Risk Group:	
Risk Pool Period	
Date of Service:	
Date of Payment:	

į	Line Of Business				
	Medi-Cal				
	OneCare				
	OneCare Connect				

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Item #	Payment Question/Issue	CalOptima Claim No.	Member Name	Provider Name	Start Date of Service	End Date of Service	Amount Paid	Date of Payment	Requested Credit	CalOptima Review	2nd Level CalOptima GARS Appeal Review	CalOptima Potential Claim Overpayment
							\$ -		•			\$ -
	FOR 2020521 FAC Revilen											

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action to Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

### **Report Item**

9. Consider Recommending Board of Directors' Approval of CalOptima Medi-Cal Directed Payments Policy, Modifications to Claims Administrations Policies and Procedures, and Actions Related to the CalOptima Medi-Cal Fee-For-Service Physician Services Contracts and Shared Risk Group Contracts

# **Contact**

Belinda Abeyta, Executive Director, Operations (714) 246-8400 Ladan Khamseh, Chief Operations Officer, (714) 246-8400

# **Recommended Actions**

Recommend that the Board of Directors:

- 1. Approve CalOptima Medi-Cal Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying Services to align with current operational processes and comply with the Department of Health Care Services (DHCS) Directed Payment programs guidance;
- 2. Authorize the advance funding of the Directed Payments, as necessary and appropriate, for the Directed Payment programs identified in CalOptima Policy FF.2012
- 3. Authorize the Chief Executive Officer, to approve as necessary and appropriate, the continuation of payment of Directed Payments to eligible providers for qualifying services before the release of DHCS final guidance, if instructed, in writing, by DHCS, and the State Plan Amendment (SPA) has been filed with the Centers for Medicare & Medicaid Services (CMS) for an extension of the Directed Payment program identified in CalOptima Policy FF.2012;
- 4. Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to amend, as necessary and appropriate, CalOptima Medi-Cal Fee-For-Service Physician Services Contracts and Shared Risk Group Contracts to reflect that Directed Payments will be made pursuant to CalOptima Policy and Procedures; and
- 5. Approve modifications of the following Claims Administration Policies and Procedures:
  - A. FF. 1002: CalOptima Medi-Cal Fee Schedule
  - B. FF. 1003: Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group

# **Background/Discussion**

DHCS has implemented Directed Payment programs aimed at specified expenditures for existing health care services through different funding mechanisms. The current DHCS Directed Payments programs are funded by the Quality Assurance Fee (QAF) and Proposition 56. DHCS operationalizes these Directed Payments programs by either adjusting the existing Medi-Cal fee Schedule by establishing a

minimum fee schedule payment or through a specific add-on (supplemental) payment administered by the Medi-Cal Managed Care Plans (MCPs). DHCS releases Directed Payments guidance to the MCPs through All Plan Letters (APLs). The APLs include guidance regarding providers eligible for payment, service codes eligible for reimbursement, timeliness requirements to make payments, and MCP reporting requirements.

CalOptima staff has established processes to meet regulatory timeliness and payment requirements for Proposition 56 physician payments and ground emergency medical transportation (GEMT. On June 7, 2018, the CalOptima Board of Directors (Board) approved the methodology for the disbursement of Proposition 56 physician services payments to eligible Medi-Cal providers and services rendered for dates of service (DOS) in SFY 2017-18. On June 6, 2019, the Board ratified implementation of the standardized annual Proposition 56 provider payment process for physician services extended into future DOS. On September 5, 2019, the Board approved the implementation of the statutorily-mandated rate increase for GEMT. While staff initially planned for these initial Directed Payment initiatives to be time limited, additional Directed Payment provisions are anticipated and expected to be on-going. DHCS has also released information for additional Directed Payments programs to be implemented. The existing and new Directed Payment programs are as follows:

Program Name	Effective DOS	Eligible Providers	Final DHCS Guidance as of December 26, 2019
Physician Services	7/1/2017 to 12/31/2020	Contracted	APL 18-010 released 05/01/2018 APL 19-006 released 06/13/2019 APL 19-015 released 12/24/2019
Abortion Services (Hyde)	7/1/2017 to 6/30/2020	All Providers	APL 19-013 released 10/17/2019
Developmental Screening Services	On or after 1/1/2020	Contracted	APL 19-016 released 12/26/2019
ACE (Trauma) Screening Services	On or after 1/1/2020	Contracted	APL 19-018 released 12/26/2019
GEMT	7/1/2018 to 6/30/2019	Non- Contracted	APL 19-007 released 6/14/2019 State Plan Amendment: 19-0020 released 09/06/2019 APL 20-002 released January 31, 2020

In order to meet timeliness and payment requirements, CalOptima staff recommends adoption of Medi-Cal policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying Services, which has been drafted to address the above-listed qualifying services. This new policy defines Directed Payments and establishes requirements pursuant to which CalOptima will administer Directed Payments for qualifying services rendered to CalOptima Direct and shared risk group members. For shared risk group members, the policy will only apply to Directed Payments for

GEMT services for which CalOptima is financially responsible in accordance with the Division of Financial Responsibility (DOFR). CalOptima will follow DHCS guidelines, including APLs or as specified by DHCS through other correspondence, regarding qualifying services, eligible providers, and payment requirements for applicable DOS. Staff anticipates that this policy will need to be updated periodically, subject to Board approval, as new Directed Payment programs are established by DHCS or when DHCS subsequently changes existing Directed Payment program requirements, rates, and/or codes.

Staff seeks authority to amend, as necessary and appropriate, CalOptima Medi-Cal Fee-For-Service Physician Contracts and Shared Risk Group Contracts to reflect that Directed Payments will be made pursuant to CalOptima Policy and Procedures.

Staff also seeks authority to implement funding for Directed Payment programs identified in CalOptima Policy FF.2012 before funding is received from DHCS. For certain Directed Payments, such as the new Proposition 56 program for developmental screening services, DHCS expected managed care health plans, including CalOptima, to make Directed Payments for dates of service on or after January 1, 2020 before receipt of funding from DHCS. DHCS final APL for developmental screening services was released in December 2019, however, CalOptima did not receive funding from DHCS until April 2020. Further, per the APL, DHCS intends to renew the directed payment arrangement on an annual basis for the duration of the program. Considering that APLs for subsequent years might include changes in rates or codes, staff believes issuance of Directed Payments prior to CalOptima's receipt of funding from DHCS is appropriate when subsequent final APLs are issued.

Periodically, CalOptima establishes new or modifies existing Policies and Procedures to implement new or modified laws, regulatory guidance, contracts, business practices and benefits. CalOptima has an annual policy review process by which Policies and Procedures are updated and implemented to comply with new laws, regulations, guidelines or programs as required. The following current Policies and Procedures have been impacted and staff is recommending approval of proposed updates:

1. FF.1002: CalOptima Medi-Cal Fee Schedule outlines the process by which CalOptima establishes and maintains the CalOptima Medi-Cal Fee Schedule for covered services for which CalOptima is financially responsible, in accordance with the DOFR. CalOptima staff proposes revisions to the policy pursuant to the CalOptima annual review process to address DHCS FFS reimbursement rates based on prospective and retroactive rate revisions as referenced in the published DHCS APLs, Medi-Cal Bulletins and NewsFlash when DHCS provides sufficient information to implement the rate revisions, including the effective date, reimbursement rate, current procedural terminology, CPT codes and any modifiers, as necessary. CalOptima shall implement FFS reimbursement rates received via published DHCS APLs, Medi-Cal Bulletins and NewsFlash to the extent the FFS reimbursement rate is not reflected in the Medi-Cal Fee Schedule. Proposed revisions also include basing DHCS FFS reimbursement rates on expected rates referenced in the pending State Plan Amendment filed

with CMS for Proposition 56 directed payments if instructed in writing by DHCS and removing Operating Instruction Letters as a source for rate changes. Additional proposed changes are intended to include contracted providers' right to file a complaint, as well as updating definitions and several grammatical changes.

2. FF.1003: Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group outlines CalOptima's payment methodologies for a provider or practitioner that provides covered services to a member of CalOptima Direct or a member enrolled in a shared risk group. For those members enrolled in a shared risk group, The policy only applies to covered services for which CalOptima is financially responsible, in accordance with the DOFR. Revisions to the policy are being proposed pursuant to the CalOptima annual review process to address directed payments under policy FF.2012, licensed midwives services, and reimbursement for a 12-month supply of FDA-approved, self-administered hormonal contraceptives under specified circumstances. Proposed revisions also include the addition of language requiring a health network that authorizes an inpatient admission to retain financial responsibility for the entire stay notwithstanding a member's change in health network. Additional proposed updates include adding and updating definitions, as well as minor grammatical changes.

#### **Fiscal Impact**

The recommended action to approve CalOptima Policy FF.2012 and implement the other recommended change are projected to be budget neutral to CalOptima. Staff anticipates funding provided by DHCS will be sufficient to cover the costs related to Directed Payment program. As DHCS releases additional guidance and performs payment reconciliation, including application of risk corridors, Staff will closely monitor the potential fiscal impact to CalOptima.

The recommended action to revise CalOptima Policies FF.1002 and FF.1003 is operational in nature and has no additional fiscal impact beyond what was incorporated in the CalOptima Fiscal Year 2020-21 Operating Budget pending Board approval.

# **Rationale for Recommendation**

The recommended action will ensure that CalOptima continues to be compliant with regulatory guidance provided by DHCS.

# **Concurrence**

Gary Crockett, Chief Counsel

# **Attachment**

- 1. FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying Services
- 2. FF.1002: CalOptima Medi-Cal Fee Schedule

- 3. FF.1003: Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group
- 4. Entities Covered by this Recommended Board Action
- 5. Board Action dated June 7, 2018, Consider Actions for the Implementation of Proposition 56 Provider Payment
- 6. Board Action dated June 6, 2019, Consider Ratification of Standardized Annual Proposition 56 Provider Payment Process
- 7. Board Action dated September 5, 2019, Consider Actions Related to the Implementation of Statutorily Mandated Rate Increases for Medi-Cal Non-Contracted Ground Emergency Medical Transport (GEMT) Provider Services

/s/ Richard Sanchez

*05/14/2020* 

**Authorized Signature** 

**Date** 



Policy: FF.2012

Title: **Directed Payments for** 

Qualifying Services Rendered to CalOptima Direct Members or to Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying

**Services** 

Department: Claims Administration

Section: Not Applicable

CEO Approval:

Effective Date: Revised Date:

Applicable to:

Medi-Cal
 OneCare

OneCare Connect

PACE

Administrative

# I. PURPOSE

This Policy establishes requirements pursuant to which CalOptima shall administer Directed Payments for Qualifying Services rendered to CalOptima Direct or Shared Risk Group Members. For Qualifying Services rendered to Shared Risk Group Members, this Policy shall only apply to Directed Payments for Ground Emergency Medical Transport (GEMT) Services for which CalOptima is financially responsible in accordance with the Division of Financial Responsibility (DOFR).

# II. POLICY

- A. CalOptima shall process and pay Directed Payments for Qualifying Services to a Designated Provider in compliance with this Policy, and applicable statutory, regulatory, and contractual requirements, as well as Department of Health Care Services (DHCS) guidance and Centers for Medicare and Medicaid Services (CMS) Approved Preprint.
- B. A Designated Provider shall qualify for reimbursement of Directed Payments for Qualifying Services if the requirements of this Policy are met. These requirements include, but are not limited to, the following:
  - The Qualifying Services were eligible for reimbursement (e.g., based on coverage, coding, and billing requirements), in accordance with all applicable CalOptima claims and utilization management policies, including but not limited to CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.
  - 2. The Member or Eligible Member, as applicable and as those terms are defined in this Policy, was enrolled in CalOptima Direct or a Shared Risk Group on the date of service.

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- 3. The Designated Provider was eligible to receive the Directed Payment.
- 4. The Qualifying Services were rendered by a Designated Provider on an eligible date of service.
- C. For Qualifying Services rendered to Shared Risk Group Members, only GEMT Services are eligible for Directed Payments pursuant to this Policy. Such eligibility is subject to change based on whether CalOptima is financially responsible under the Shared Risk Group contract DOFR.
- D. CalOptima shall make timely Directed Payments to Designated Providers for the following Qualifying Services, in accordance with Sections III.A. and III.B. of this Policy, including Attachment A of this Policy:
  - 1. An Add-On Payment for Physician Services and Developmental Screening Services.
  - 2. A Minimum Fee Payment for Adverse Childhood Experiences (ACEs) Screening Services, Abortion Services, and GEMT Services.
- E. CalOptima shall ensure that Qualifying Services reported using specified Current Procedural Terminology (CPT) Codes, Healthcare Common Procedure Coding System (HCPCS) Codes, and Procedure Codes, as well as the encounter data reported to DHCS, are appropriate for the services being provided, and are not reported for non-Qualifying Services or any other services.
- F. CalOptima shall submit encounter data and all other data necessary to ensure compliance with DHCS reporting requirements in accordance with Section III.D. of this Policy.
- G. CalOptima Provider Relations Department shall communicate the requirements of this Policy for Directed Payments, including applicable DHCS guidance, to Designated Providers. This communication must, at a minimum, include:
  - 1. A description of the minimum requirements for a Qualifying Service.
  - 2. How Directed Payments will be processed.
  - 3. Identify the payer of Directed Payments (i.e., CalOptima is financially responsible for specified Directed Payments for Qualifying Services provided to a CalOptima Direct Member and GEMT Services provided to a Shared Risk Group Member).
  - 4. For CalOptima Direct, how to file a grievance and second level appeal with CalOptima. For a Shared Risk Group, a grievance must be filed with the Shared Risk Group before a second level appeal may be filed with CalOptima.
- H. CalOptima Provider Relations Department is the point of contact for provider questions and technical assistance for Directed Payments.
- I. A Designated Provider may file a complaint related to the processing or non-payment of a Directed Payment from CalOptima, in accordance with CalOptima Policy HH.1101: CalOptima Provider Complaint and/or FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group, as applicable.

#### III. PROCEDURE

A. Directed Payments for Qualifying Services

- 1. Physician Services: For dates of service on or after July 1, 2017, CalOptima shall make an Add-On Payment, in the amount and for the applicable CPT Code as specified in Attachment A of this Policy, to Eligible Contracted Providers rendering Physician Services to an Eligible Member.
  - a. Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), American Indian Health Services Programs, and cost-based reimbursement clinics are not eligible to receive this Add-On Payment for Physician Services.
- 2. Developmental Screening Services: For dates of service on or after January 1, 2020, Cal Optima shall make an Add-On Payment, in the amount and for the applicable CPT Code as specified in Attachment A of this Policy, to Eligible Contracted Providers that are FQHCs, RHCs, and Indian Health Services Memorandum of Agreement (IHS-MOA) 638 clinics rendering Developmental Screening Services to an Eligible Member. A Developmental Screening Service must be provided in accordance with the American Academy of Pediatrics/Bright Futures periodicity schedule and guidelines and must be performed using a standardized tool that meets CMS Criteria.
  - The following Developmental Screening Services are eligible for an Add-On Payment:
    - i. A routine screening when provided:
      - a) On or before the first birthday;
      - After the first birthday and before or on the second birthday; or
      - c) After the second birthday and on or before the third birthday.
    - ii. Developmental Screening Services provided when Medically Necessary, in addition to routine screenings.
  - b. Development Screening Services are not subject to any Prior Authorization requirements.
  - Eligible Contracted Providers identified in Section III.A.2 of this Policy shall document the completion of the Development Screening Service with the applicable CPT Code without the modifier as specified in Attachment A of this Policy.
  - d. Eligible Contracted Providers identified in Section III.A.2. of this Policy shall document the following information in the Eligible Member's medical records:
    - The tool that was used to perform the Developmental Screening Service;
    - That the completed screen was reviewed;
    - iii. The interpretation of results;
    - iv. Discussion with the Eligible Member and/or the Eligible Member's family; and
    - Any appropriate actions taken.
  - e. Eligible Contracted Providers shall make the information set forth in Section III.A.2.d. of this Policy available to CalOptima and/or DHCS upon request.

- f. In the event any of the provisions of Section III.A.2. of this Policy conflicts with the applicable requirements of DHCS guidance, CMS-Approved Preprint, regulations, and/or statutes, such requirements shall control.
- 3. ACEs Screening Services: For dates of service on or after January 1, 2020, CalOptima shall reimburse Eligible Contracted Providers a Minimum Fee Payment, as specified in Attachment A of this Policy for the applicable HCPCS Code, for rendering ACEs Screening Services to an Eligible Member, who is a child or an adult through sixty-four (64) years of age.
  - a. A Minimum Fee Payment for ACEs Screening Services shall only be made to rendering Eligible Contracted Providers that:
    - i. Utilize either the PEARLS tool or a qualifying ACEs questionnaire, as appropriate;
    - ii. Bill using one of the HCPCS Code specified in Attachment A of this Policy based on the screening score from the PEARLS tool or ACEs questionnaire used; and
    - iii. Are on DHCS list of providers that have completed the state-sponsored trauma-informed care training, except for dates of service prior to July 1, 2020. Commencing July 1, 2020, Eligible Contracted Providers must have taken a certified training and self-attested to completing the training to receive the Directed Payment for ACEs Screening Services.
  - b. CalOptima shall only reimburse the Minimum Fee Payment to an Eligible Contracted Provider for rendering an ACEs Screening Service, as follows:
    - i. Once per year per Eligible Member screened by that Eligible Contracted Provider, for a child Eligible Member assessed using the PEARLS tool.
    - ii. Once per lifetime per Eligible Member screened by that Eligible Contracted Provider, for an adult Eligible Member through age sixty-four (64) assessed using a qualifying ACEs questionnaire.
  - c. Eligible Contracted Providers shall document the following information in the Eligible Member's medical records:
    - i. The tool that was used to perform the ACEs Screening Service;
    - ii. That the completed screen was reviewed;
    - ii. The interpretation of results;
    - iv. Discussion with the Eligible Member and/or the Eligible Member's family; and
    - v. Any appropriate actions taken.
  - d. Eligible Contracted Providers shall make the information set forth in Section III.A.3.c. of this Policy available to CalOptima and/or DHCS upon request.
- 4. <u>Abortion Services</u>: For dates of service on or after July 1, 2017, CalOptima shall reimburse Eligible Contracted Providers and non-contracted Providers, as applicable, which are qualified to provide and bill for Abortion Services, a Minimum Fee Payment, as specified in Attachment A of this Policy for the applicable CPT Code, for providing Abortion Services to a Member.

- a. In instances where a Member is found to have other sources of health coverage, CalOptima shall take appropriate action for cost avoidance or post-payment recovery, in accordance with CalOptima Policy FF.2003: Coordination of Benefits.
- 5. <u>GEMT Services</u>: For dates of service on or after July 1, 2018, CalOptima shall reimburse non-contracted GEMT Providers a Minimum Fee Payment, as specified in Attachment A of this Policy for the applicable CPT Code, for providing GEMT Services to a Member.
  - a. CalOptima shall identify and satisfy any Medicare crossover payment obligations that may result from the increase in GEMT Services reimbursement obligations in accordance with CalOptima Policy FF.2003: Coordination of Benefits.
  - b. In instances where a Member is found to have other sources of health coverage, CalOptima shall take appropriate action for cost avoidance or post-payment recovery, in accordance with CalOptima Policy FF.2003: Coordination of Benefits.

### B. Timing of Directed Payments

- 1. <u>Timeframes with Initial Directed Payment</u>: When DHCS final guidance requires an initial Directed Payment for clean claims or accepted encounters received by CalOptima with specified dates of service (i.e., between a specific date of service and the date CalOptima receives the initial funding from DHCS for the Directed Payment), CalOptima shall ensure the initial Directed Payment required by this Policy is made, as necessary, within ninety (90) calendar days of the date CalOptima receives the initial funding from DHCS for the Directed Payment. From the date CalOptima receives the initial funding onward, CalOptima shall ensure subsequent Directed Payments required by this Policy are made within ninety (90) calendar days of receiving a clean claim or accepted encounter for Qualifying Services, for which the clean claim or accepted encounter is received by CalOptima no later than one (1) year from the date of service.
  - a. <u>Initial Directed Payment:</u> The initial Directed Payment shall include adjustments for any payments previously made by CalOptima to a Designated Provider based on the expected rates for Qualifying Services set forth in the Pending SPA or based on the established Directed Payment program criteria, rates and Qualifying Services, as applicable, pursuant to Section III.B.3. of this Policy.
  - b. <u>Abortion Services</u>: For clean claims or accepted encounters for Abortion Services with specified dates of service (i.e., between July 1, 2017 and the date CalOptima receives the initial funding for Directed Payment from DHCS) that are timely submitted to CalOptima and have not been reimbursed the Minimum Fee Payment in accordance with this Policy, CalOptima shall issue the Minimum Fee Payment required by this Policy in a manner that does not require resubmission of claims or impose any reductions or denials for timeliness.
  - <u>Timeframes without Initial Directed Payment</u>: When DHCS final guidance does not expressly require an initial Directed Payment under Section III.B.1 of this Policy, CalOptima shall ensure that Directed Payments required by this Policy are made:
    - a. Within ninety (90) calendar days of receiving a clean claim or accepted encounter for Qualifying Services, for which the clean claim or encounter is received no later than one (1) year from the date of service.
    - b. Retroactively within ninety (90) calendar days of DHCS final guidance when a clean claim or accepted encounter for Qualifying Services is received prior to such guidance.

Effective: TBD

- 3. Extension of Directed Payment Program: If DHCS files a State Plan Amendment (SPA) with CMS for an extension of a Directed Payment program ("Pending SPA") and CalOptima Board of Directors or Chief Executive Officer, pursuant to DHCS written instruction, approves the continuation of payment of the Directed Payment before DHCS final guidance is issued, CalOptima shall:
  - a. Reimburse a Designated Provider for a Directed Payment according to the expected rates and Qualifying Services for the applicable time period as set forth in the Pending SPA or, at a minimum, according to the previously established Directed Payment program criteria, rates, and Qualifying Services, as applicable, until such time as DHCS issues the final guidance.
  - b. Ensure timely reconciliation and compliance with the final payment provisions as provided in DHCS final guidance when issued.
- 4. <u>GEMT Services</u>: CalOptima is not required to pay a Minimum Fee Payment for GEMT Services for claims or encounters submitted more than one (1) year after the date of service, unless the non-contracted GEMT Provider can show good cause for the untimely submission.
  - a. Good cause is shown when the record clearly shows that the delay in submitting a claim or encounter was due to one of the following:
    - i. The Member has other sources of health coverage;
    - ii. The Member's medical condition is such that the GEMT Provider is unable to verify the Member's Medi-Cal eligibility at the time of service or subsequently verify with due diligence;
    - iii. Incorrect or incomplete information about the subject claim or encounter was furnished by CalOptima to the GEMT Provider; or
    - iv. Unavoidable circumstances that prevented the GEMT Provider from timely submitting a claim or encounter, such as major floods, fires, tornadoes, and other natural catastrophes.

# C. Overpayment

1. In the event CalOptima identifies that Directed Payments were made to a non-Designated Provider, or for non-Qualifying Services, or for services provided to a non-Member or a non-Eligible Member, as applicable, such Directed Payments shall constitute an overpayment which CalOptima shall recover from the Provider, in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled in a Shared Risk Group.

# D. Data Reporting

 CalOptima shall reconcile Directed Payment data, including those received from the Health Networks pursuant to CalOptima Policy FF.2011: Directed Payments, and submit a report to DHCS within forty-five (45) days of the end of each applicable reporting quarter as required by DHCS, including an attestation confirming the completion of the report. Reports shall include CalOptima's Health Care Plan Code, as well as CPT, HCPCS, or Procedure Code, service

1			month, payer (e.g., CalOptima or the specific Health Network, as applicable), rendering
2			Designated Provider's National Provider Identifier, and additional data if required by DHCS.
3			
4			a. CalOptima shall ensure updated quarterly reports are a replacement of all prior submissions.
5			If no updated information is available for the quarterly report, CalOptima must submit an
6			attestation to DHCS stating that no updated information is available.
7			
8			b. If updated information is available for the quarterly report, CalOptima must submit the
9			updated quarterly report in the appropriate file format and include an attestation that
10			CalOptima considers the report complete.
11			
12		2	2. CalOptima shall continue to submit encounter data for the Directed Payments as required by
13			DHCS.
14			
15	IV.	ATT	ACHMENTS
16			
17		A. I	Directed Payments Rates and Codes
18			
19	V.	REF	ERENCES
20			
21			CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
22			CalOptima Policy AA.1000: Medi-Cal Glossary of Terms
23			CalOptima Policy FF.1002: CalOptima Medi-Cal Fee Schedule
24			CalOptima Policy FF.1003: Payment for Covered Services Rendered to a Member of CalOptima
25			Direct, or a Member Enrolled in a Shared Risk Group
26			CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima
27			Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group
28			CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima
29			Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled
30			n a Shared Risk Group
31			CalOptima Policy FF.2003: Coordination of Benefits
32			CalOptima Policy FF.2011: Directed Payments
33			CalOptima Policy GG. 1500: Authorization Instructions for CalOptima Direct and CalOptima
34			Community Network Providers
35			CalOptima Policy GG.1116: Pediatric Preventive Services
36			CalOptima Policy HH.1101: CalOptima Provider Complaint
37			CalOptima Policy HH.5000∆: Provider Overpayment Investigation and Determination
38			Citle 22 of the California Code of Regulations, §§51002, 55000 and 55140(a)
39			California State Plan Amendment 19-0020: Regarding the Ground Emergency Medical Transport
40			Quality Assurance Fee Program
41			Department of Health Care Services (DHCS) All Plan Letter (APL) 17-020 (Revised): American
42			ndian Health Programs
43			Department of Health Care Services All Plan Letter (APL) 19-001: Medi-Cal Managed Care Health
44			Plan Guidance on Network Provider Status
45 46		_	Department of Health Care Services (DHCS) All Plan Letter (APL) 19-007: Non-Contract Ground
46 47			Emergency Medical Transport Payment Obligations for State Fiscal Year 2018-19  Department of Health Care Services (DHCS) All Plan Letter (APL) 10 013: Proposition 56 Hyde
47 48			Department of Health Care Services (DHCS) All Plan Letter (APL) 19-013: Proposition 56 Hyde Reimbursement Requirements for Specified Services
48 49			Department of Health Care Services (DHCS) All Plan Letter (APL) 19-015: Proposition 56
50			Physicians Directed Payments for Specified Services
50		1	hysicians Directed Layments for specified services

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53 54 T. Department of Health Care Services All Plan Letter (APL) 19-016: Proposition 56 Directed

U. Department of Health Care Services All Plan Letter (APL) 19-018: Proposition 56 Directed

Payments for Developmental Screening Services

1 V. Department of Health Care Services All Plan Letter (APL) 20-002: Non-Contracted Ground **Emergency Medical Transport Payment Obligations** 2 3 4 VI. REGULATORY AGENCY APPROVAL(S) 5 **Date Regulatory Agency** 6 7 VII. **BOARD ACTION(S)** 8 **Date** Meeting 9 10 **REVISION HISTORY** VIII. 11 **Policy Title Action Policy** Program(s) **Date** Effective 12 13 For 202000 A.B.O.

# IX. GLOSSARY

Term	Definition
Abortion Services	For purposes of this policy, these are specified medical pregnancy termination services, as listed by the CPT Codes for the applicable period in Attachment A of this Policy, that are Covered Services provided to a Member.
Add-On Payment	A Directed Payment that funds a supplemental payment for certain Qualifying Services at a rate set forth by DHCS that is in addition to any other payment, fee-for-service or capitation, a specified Designated Provider receives from CalOptima.
Adverse Childhood Experiences (ACEs) Screening Services	Specified adverse childhood experiences screening services, as listed by the HCPCS Codes for the applicable period in Attachment A of this Policy, that are Covered Services provided to an Eligible Member through the use of either the Pediatric ACEs and Related Life-events Screener (PEARLS) tool for children (ages 0 to 19 years) or a qualifying ACEs questionnaire for adults (ages 18 years and older). An ACEs questionnaire or PEARLS tool may be utilized for Eligible Members who are 18 or 19 years of age. The ACEs screening portion of the PEARLS tool (Part 1) is also valid for use to conduct ACEs screenings among adult Eligible Members ages 20 years and older. If an alternative version of the ACEs questionnaire for adult Eligible Members is used, it must contain questions on the 10 original categories of the ACEs to qualify.
American Indian Health Services Program	Programs operated with funds from the IHS under the Indian Self- Determination Act and the Indian Health Care Improvement Act, through which services are provided, directly or by contract, to the eligible Indian population within a defined geographic area.
CalOptima Direct	A direct health care program operated by CalOptima that includes both COD-Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to members who meet certain eligibility criteria as described in Policy DD.2006: Enrollment in/Eligibility with CalOptima Direct.
Centers for Medicaid and Medicare Services (CMS) Criteria	<ol> <li>For purpose of this Policy, the use of a standardized tool for Developmental Screening Services that meets all of the following CMS criteria:         <ol> <li>Developmental domains: The following domains must be included in the standardized developmental screening tool: motor, language, cognitive, and social-emotional;</li> <li>Establish Reliability: Reliability scores of approximately 0.70 or above;</li> <li>Established Findings Regarding the Validity: Validity scores for the tool must be approximately 0.70 or above. Measures of validity must be conducted on a significant number of children and using an appropriate standardized developmental or social-emotional assessment instrument(s); and</li> </ol> </li> <li>Established Sensitivity/Specificity: Sensitivity and specificity scores of approximately 0.70 or above.</li> </ol>
Centers for Medicaid and Medicare Services (CMS) Approved Preprint	For purposes of this Policy, a preprint submission by DHCS pursuant to 42 CFR Section 438.6(c) for certain Directed Payment arrangement for specified time period that is approved by the Centers for Medicare and Medicaid Services (CMS). CMS-Approved Preprints are available on DHCS Directed Payments Program website upon CMS approval.

Term	Definition
Covered Services	Those services provided in the Fee-For-Service Medi-Cal program (as set
	forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning
	with Section 51301), the Child Health and Disability Prevention program
	(as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13,
	Article 4, beginning with section 6842), and the California Children's
	Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and
	Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article
	2.985, beginning with section 14094.4) under the Whole-Child Model
	program effective July 1, 2019, to the extent those services are included
	as Covered Services under CalOptima's Medi-Cal Contract with DHCS
	and are Medically Necessary, along with chiropractic services (as defined
	in Section 51308 of Title 22, CCR), podiatry services (as defined in
	Section 51310 of Title 22, CCR), speech pathology services and
	audiology services (as defined in Section 51309 of Title 22, CCR), and
	Health Homes Program (HHP) services (as set forth in DHCS All Plan
	Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3,
	Chapter 7, Article 3.9, beginning with section 14127), effective January 1,
	2020 for HHP Members with eligible physical chronic conditions and
	substance use disorders, or other services as authorized by the CalOptima
	Board of Directors, which shall be covered for Members notwithstanding
	whether such benefits are provided under the Fee-For-Service Medi-Cal
	program.
Department of Health	The single State Department responsible for administration of the Medi-
Care Services (DHCS)	Cal program, California Children Services (CCS), Genetically
2410 201 (1102)	Handicapped Persons Program (GHPP), Child Health and Disabilities
	Prevention (CHDP), and other health related programs.
Designated Providers	Include the following Providers that are eligible to receive a Directed
8	Payment in accordance with this Policy and applicable DHCS All Plan
	Letter or other regulatory guidance for specified Qualifying Services for
	the applicable State fiscal years or calendar years:
	1. Eligible Contracted Providers for Physician Services, ACEs
	Screening Services, and Abortion Services;
	2. Eligible Contracted Providers that are FQHCs, RHCs, and Indian
	Health Services Memorandum of Agreement (IHS-MOA) 638 clinics
	for Developmental Screening Services;
	3. Non-contracted GEMT Providers for GEMT Services; and
	4. Non-contracted Providers for Abortion Services.
Developmental Screening	Specified developmental screening services, as listed by the CPT Code
Services	for the applicable period in Attachment A of this Policy, that are Covered
Services	Services provided to an Eligible Member, in accordance with the
	American Academy of Pediatrics (AAP)/Bright Futures periodicity
	schedule and guidelines for pediatric periodic health visits at nine (9)
	months, eighteen (18) months, and thirty (30) months of age and when
_	medically necessary based on Developmental Surveillance and through
	use of a standardized tool that meets CMS Criteria.
Developmental	A flexible, longitudinal, and continuous process that includes eliciting and
Surveillance	attending to concerns of an Eligible Member's parents, maintaining a
Sai veilianee	developmental history, making accurate and informed observations,
	identifying the presence of risk and protective factors, and documenting
	the process and findings.
	the process and midnigs.

Term	Definition
Directed Payment	An Add-On Payment or Minimum Fee Payment required by DHCS to be made to a Designated Provider for Qualifying Services with specified
	dates of services, as prescribed by applicable DHCS All Plan Letter or
	other regulatory guidance and is inclusive of supplemental payments.
Division of Financial	A matrix that identifies how CalOptima identifies the responsible parties
Responsibility (DOFR)	for components of medical services associated with the provision of
nesponsionity (2 of it)	Covered Services. The responsible parties include, but are not limited to,
	Physician, Hospital, CalOptima and the County of Orange.
Eligible Contracted	An individual rendering Provider who is contracted with CalOptima to
Provider	provide Medi-Cal Covered Services to Members, including Eligible
110,1001	Members, assigned to CalOptima Direct and is qualified to provide and
	bill for the applicable Qualifying Services (excluding GEMT Services) on
	the date of service. Notwithstanding the above, if the Provider's written
	contract with CalOptima does not meet the network provider criteria set
	forth in DHCS APL 19-001: Medi-Cal Managed Care Health Plan
	Guidance on Network Provider Status and/or in DHCS guidance
	regarding Directed Payments, the services provided by the Provider under
	that contract shall not be eligible for Directed Payments for rating periods
	commencing on or after July 1, 2019.
Eligible Member	For purpose of this Policy, a Medi Cal Member who is not dually eligible
	for Medi-Cal and Medicare Part B (regardless of enrollment in Medicare
	Part A or Part D).
Federally Qualified	A type of provider defined by the Medicare and Medicaid statutes.
Health Center (FQHC)	FQHCs include all organizations receiving grants under Section 330 of
	the Public Health Service Act, certain tribal organizations, and FQHC
	Look-Alikes. An FQHC must be a public entity or a private non-profit
	organization. FQHCs must provide primary care services for all age
	groups.
Ground Emergency	For purposes of this Policy, specified ground emergency medical
Medical Transport	transport services, as listed by the CPT Codes for the applicable period in
(GEMT) Services	Attachment A of this Policy, that are Covered Services and defined as the
	act of transporting a Member from any point of origin to the nearest
	medical facility capable of meeting the emergency medical needs of the
	Member, by an ambulance licensed, operated, and equipped, in
	accordance with applicable state or local statutes, ordinances, or
	regulations, excluding transportation by an air ambulance and/or any
	transports billed when, following evaluation of a Member, a transport is
	not provided.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared
	risk contract, or health care service plan, such as a Health Maintenance
	Organization (HMO) that contracts with CalOptima to provide Covered
7	Services to Members assigned to that Health Network.

Term	Definition
Medically Necessary or	Reasonable and necessary Covered Services to protect life, to prevent
Medical Necessity	illness or disability, alleviate severe pain through the diagnosis or
-	treatment of disease, illness, or injury, achieve age-appropriate growth
	and development, and attain, maintain, or regain functional capacity. For
	Medi-Cal Members receiving managed long term services and support
	(MLTSS), Medical Necessity is determined in accordance with Member's
	current needs assessment and consistent with person-centered planning.
	When determining the Medical Necessity of Covered Services for Medi-
	Cal Members under the age of 21, Medical Necessity is expanded to
	include the standards set forth in 42 U.S.C. Section 1396d(r) and
	California Welfare and Institutions Code Section 14132(v).
Member	For purpose of this Policy, a Medi-Cal eligible beneficiary as determined
	by the County of Orange Social Services Agency, the California
	Department of Health Care Services (DHCS) Medi-Cal Program, or the
	United States Social Security Administration, who is enrolled in the
	CalOptima Medi-Cal program and assigned to CalOptima Direct at the
	time Qualifying Services are rendered or assigned to a Shared Risk
	Group at the time GEMT Services are provided.
Minimum Fee Payment	A Directed Payment that sets the minimum rate, as prescribed by DHCS,
,	for which a specified Designated Provider must be reimbursed fee-for-
	service for certain Qualifying Services. If a Designated Provider is
	capitated for such Qualifying Services, payments should meet the
	differential between the Medi-Cal fee schedule rate and the required
	Directed Payment amount.
Pending State Plan	A State Plan Amendment (SPA) to the California Medicaid State Plan
Amendment (SPA)	(Title XIX of the Social Security Act) for an extension of a Directed
,	Payment program that has been submitted by DHCS to CMS for review
	and is currently pending approval. A Pending SPA, which has not yet
	been approved by CMS, may change if required for CMS approval.
Physician Services	For purposes of this Policy, specified physician services, as listed by the
	CPT Codes for the applicable period in Attachment A of this Policy, that
	are Covered Services provided to an Eligible Member.
Prior Authorization	A formal process requiring a health care Provider to obtain advance
	approval to provide specific services or procedures.
Provider	For purpose of this Policy, an individual or entity that furnishes Medi-Cal
	Covered Services to Members and is licensed or certified to do so.
Qualifying Services	Include only the following Covered Services: Physician Services,
	Developmental Screening Services, Adverse Childhood Experiences
	(ACEs) Screening Services, Abortion Services, and GEMT Services.
Rural Health Clinic	An organized outpatient clinic or hospital outpatient department located
(RHC)	in a rural shortage area, which has been certified by the Secretary, United
<b>7</b>	States Department of Health and Human Services
Shared Risk Group	A Health Network who accepts delegated clinical and financial
*	responsibility for professional services for assigned Members, as defined
	by written contract and enters into a risk sharing agreement with

# Attachment A: Directed Payments Rates and Codes

# Proposition 56: Physician Services

1) **Program**: Proposition 56 Physician Services

2) Source: DHCS APL 19-015: Proposition 56 Directed Payments for Physician Services (Supersedes APL 19-006)

3) Dates of Service (DOS): July 1, 2017 – December 31, 2020

			Add-On Payment			
CPT Code	Description	7/1/19-				
er i code	Bescription	SFY 17-18	SFY 18-19	12/31/20		
99201	Office/Outpatient Visit New	\$10.00	\$18.00	\$18.00		
99202	Office/Outpatient Visit New	\$15.00	\$35.00	\$35.00		
99203	Office/Outpatient Visit New	\$25.00	\$43.00	\$43.00		
99204	Office/Outpatient Visit New	\$25.00	\$83.00	\$83.00		
99205	Office/Outpatient Visit New	\$50.00	\$107.00	\$107.00		
99211	Office/Outpatient Visit Est	\$10.00	\$10.00	\$10.00		
99212	Office/Outpatient Visit Est	\$15.00	\$23.00	\$23.00		
99213	Office/Outpatient Visit Est	\$15.00	\$44.00	\$44.00		
99214	Office/Outpatient Visit Est	\$25.00	\$62.00	\$62.00		
99215	Office/Outpatient Visit Est	\$25.00	\$76.00	\$76.00		
90791	Psychiatric Diagnostic Eval	\$35.00	\$35.00	\$35.00		
90792	Psychiatric Diagnostic Eval with Medical Services	\$35.00	\$35.00	\$35.00		
90863	Pharmacologic Management	\$5.00	\$5.00	\$5.00		
99381	Initial Comprehensive Preventive Med E&M (<1 year old)	N/A	\$77.00	\$77.00		
99382	Initial comprehensive preventive med E&M (1-4 years old)	N/A	\$80.00	\$80.00		
99383	Initial comprehensive preventive med E&M (5-11 years old)	N/A	\$77.00	\$77.00		
99384	Initial comprehensive preventive med E&M (12-17 years old)	N/A	\$83.00	\$83.00		
99385	Initial comprehensive preventive med E&M (18-39 years old)	N/A	\$30.00	\$30.00		
99391	Periodic comprehensive preventive med E&M (<1 year old)	N/A	\$75.00	\$75.00		
99392	Periodic comprehensive preventive med E&M (1-4 years old)	N/A	\$79.00	\$79.00		
99393	Periodic comprehensive preventive med E&M (5-11 years old)	N/A	\$72.00	\$72.00		
99394	Periodic comprehensive preventive med E&M (12-17 years old)	N/A	\$72.00	\$72.00		
99395	Periodic comprehensive preventive med E&M (18-39 years old)	N/A	\$27.00	\$27.00		

Note: This communication is for reference only and is subject to future changes as directed by DHCS.

# Proposition 56: Developmental Screening Services

- 1) Program: Proposition 56 Developmental Screening Services
- 2) Source: DHCS APL 19-016: Proposition 56 Directed Payments for Developmental Screening Services
- 3) Dates of Service (DOS): On or after January 1, 2020

CPT Code	Description	Add-On Payment <sup>2</sup>
96110 without modifier KX	Developmental screening, with scoring and documentation, per standardized instrument <sup>2</sup>	\$59.90

<sup>2</sup>KX modifier denotes screening for Autism Spectrum Disorder (ASD). Add-On Payments for Developmental Screening Services are not payable for ASD Screening using modifier KX.

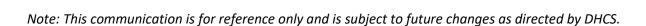


# Proposition 56: Adverse Childhood Experiences (ACEs) Screening Services

- 1) Program: Proposition 56 Adverse Childhood Experiences (ACEs) Screening Services
- 2) **Source**: DHCS APL 19-018: Proposition 56 Directed Payments for Adverse Childhood Experiences Screening Services
- 3) Dates of Service (DOS): On or after January 1, 2020

HCPCS Code	Description	Minimum Fee Payment <sup>3</sup>	Notes
G9919	Screening performed – results positive and provision of recommendations provided	\$29.00	Providers must bill this HCPCS code when the patient's ACE score is 4 or greater (high risk).
G9920	Screening performed – results negative	\$29.00	Providers must bill this HCPCS code when the patient's ACE score is between 0 – 3 (lower risk).

<sup>&</sup>lt;sup>3</sup>Payment obligations for rates of at least \$29 for eligible service codes



# Proposition 56: Abortion Services (Hyde)

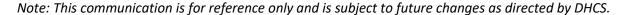
1) **Program**: Proposition 56 Abortion Services (Hyde)

2) Source: DHCS APL 19-013: Proposition 56 Hyde Reimbursement Requirements for Specified Services

3) Dates of Service (DOS): On or after July 1, 2017

CPT Code	Procedure Type	Description	Minimum Fee Payment⁴
59840	K	Induced abortion, by dilation and curettage	\$400.00
59840	0	Induced abortion, by dilation and curettage	\$400.00
59841	K	Induced abortion, by dilation and evacuation	\$700.00
59841	0	Induced abortion, by dilation and evacuation	\$700.00

<sup>4</sup>Payment obligations for rates of at least \$400 and \$700 for eligible service codes



# **Ground Emergency Medical Transport (GEMT) Services**

- 1) Program: Ground Emergency Medical Transportation (GEMT) Services
- 2) **Source**: State Plan Amendment 19-0020; DHCS APL 20-002: Non-Contract Ground Emergency Medical Transport Payment Obligations; and DHCS APL 19-007: Non-Contract Ground Emergency Medical Transport Payment Obligations for State Fiscal Year 2018-19
- 3) Dates of Service (DOS): On or after July 1, 2018 June 30, 2020

CPT Code	Description	Minimum Fee Payment <sup>6</sup>	
CP1 Code	Description	SFY 18-19	SFY 19-20
A0429	Basic Life Support, Emergency	\$339.00	\$339.00
A0427	Advanced Life Support, Level 1, Emergency	\$339.00	\$339.00
A0433	Advanced Life Support, Level 2	\$339.00	\$339.00
A0434	Specialty Care Transport	•N/A	\$339.00
A0225	Neonatal Emergency Transport	N/A	\$400.72

<sup>&</sup>lt;sup>6</sup>Payment obligations for rates of at least \$339.00 and \$400.72 for eligible service codes



Note: This communication is for reference only and is subject to future changes as directed by DHCS.



Policy: FF.1002

Title: CalOptima Medi-Cal Fee Schedule

Department: Coding Initiatives Section: Not Applicable

CEO Approval:

Effective Date: 10/01/2006 Revised Date: TBD

Applicable to: Medi-Cal

OneCare

OneCare Connect

☐ PACE ☐ Administrative

# I. PURPOSE

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This policy defines the process by which CalOptima shall establish and maintain the CalOptima Medi-Cal Fee Schedule.

### II. POLICY

A. CalOptima shall maintain a Medi-Cal Fee Schedule to determine payments to Providers and Practitioners, as applicable.

#### III. PROCEDURE

- A. The Department of Health Care Services (DHCS) provides a complete file of the Medi-Cal Fee-for-Service (FFS) Fee Schedule to the public on a monthly basis.
- B. Effective April 1, 2011, CalOptima shall update the CalOptima Medi-Cal Fee Schedule on a monthly basis based on the monthly file released by DHCS used to update the Medi-Cal Fee-for-Service (FFS) Fee Schedule.
  - 1. Monthly updates to the CalOptima Medi-Cal Fee Schedule shall be effective the first <u>day</u> of the month following <u>CalOptima's receipt of the monthly file released by DHCS</u>.
- C. DHCS provides rates for Child Health and Disability Prevention (CHDP) services and medical and incontinence supplies to the public through the Medi-Cal Provider Manuals. DHCS updates the manuals based on subsequent rate changes.
  - 2.1. For dates of service on or after July 1, 2018, rates for CHDP will be included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule rather than in the Provider Manuals.

C.D. The CalOptima Medi-Cal Fee Schedule is based on the following:

- 1. DHCS FFS reimbursement rates as included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule;
- 2. DHCS FFS reimbursement rates as referenced in the Medi-Cal Provider Manual for medical and incontinence supplies; and

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- 3. DHCS FFS reimbursement rates based on prospective and retroactive rate revisions issued by as referenced in the published DHCS through Operating Instruction All Plan Letters (OILs)., Medical Bulletins and NewsFlash when DHCS provides sufficient information to implement the rate revisions, including the effective date, reimbursement rate, healthcare common procedure coding system (HCPCS) codes, current procedural terminology (CPT) codes and any modifiers, as necessary. CalOptima shall implement FFS reimbursement rates received via OILspublished DHCS All Plan Letters, Medi-Cal Bulletins and NewsFlash to the extent the FFS reimbursement rate is not reflected in the Medi-Cal Fee Schedule, unless such OIL is related to a; and
- 3.4. DHCS FFS reimbursement rates are based on expected rates as referenced in the penance State Plan Amendment (SPA) not approved by filed with the Centers for Medicare & Medicaid Services (CMS). for Proposition 56 directed payments if instructed, in writing, by In HCS. In the event the expected rates are not approved by CMS, CalOptima shall recoup overpayments and refund underpayments, as applicable, in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.
- D.E. CalOptima shall reimburse Providers and Practitioners for Covered Services provided to CalOptima Direct members based on the CalOptima Medi-Cal Fee Schedule in effect on the date the claim is processed for date(s) of service submitted, unless otherwise required by law or contract in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.
  - In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a non-contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable.
  - 2. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate,

    CalOptima shall reprocess a contracted Provider's or Practitioner's claim and recoup

    Overpayments, to the extent possible, and refund underpayments, as applicable, as required by law or contract.
  - 1.3. A non-contracted. Provider or Practitioner, whether contracted or non-contracted, shall have the right to file a complaint in accordance with CalOptima Policies FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group, and HH.1101: CalOptima Provider Complaint.
  - 2.1. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable, as required by law or contract.
- E.F. CalOptima may, in its sole discretion, update the CalOptima Medi-Cal Fee Schedule between the regularly scheduled updates.
- F.G. A Provider and Practitioner shall submit claims for Covered Services rendered to a CalOptima Direct member in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

Revised: TBD

G.H. The Medi-Cal Fee-for-Service (FFS) Fee Schedule and Provider Manuals are available by accessing the Medi-Cal website.

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# **IV.** ATACHMENT(S)

Not Applicable

# V. REFERENCE(S)

A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal

 B. CalOptima Contract for Health Care Services

C. CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group

 D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group

E. CalOptima Policy HH.1101: CalOptima Provider Complaint

 F. Medi-Cal Fee-For-Service Rates: <a href="https://files.medi-cal.ca.gov/pubsdoco/Rates/RatesHome.asp">https://files.medi-cal.ca.gov/pubsdoco/Rates/RatesHome.asp</a>

G. Medi Cal Provider Manual: Publications; Provider Manual: https://files.medical.ca.gov/pubsdoco/manuals-menu.asp

G. Medi-Cal Provider Manual: https://files.medi-cal.ca.go.v/p.thsdoco/manuals\_menu.asp

# VI. REGULATORY AGENCY APROVAL(S)

Date	Regulatory Agency
03/14/2011	Department of Health Care Services (DHCS)

# VII. BOARD ACTION(S)

Date	Meeting	
06/07/2018	Regular Meeting	of the CalOptima Board of Directors

# VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	10/01/2006	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	04/01/2011	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	04/01/2016	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	06/01/2017	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	06/07/2018	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	05/01/2019	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	TBD	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal

Term	Definition
CalOptima Direct	A direct health care program operated by CalOptima that includes both COD-
Caroptinia Direct	Administrative (COD-A) and CalOptima Community Network (CCN) and
	provides services to Members who meet certain eligibility criteria as
	described in Policy DD.2006: Enrollment in/Eligibility with CalOptima
	Direct.
CalOptima Medi-Cal	Fee schedule adopted by CalOptima for reimbursement of Covered Services
Fee Schedule	rendered to Medi-Cal Members for which CalOptima is responsible.
Child Health and	California's Early Periodic Screening, Detection, and Treatment (EPSDT)
Disability Prevention	program as defined in the Health and Safety Code, Section 12402.5 et seq.
(CHDP) Program	and Title 17 of the California Code of Regulations, Sections 6842 through
(CHDF) Flogram	
	6852, that provides certain preventive services for children eligible for Medi-
	Cal. For CalOptima Members, the CHDP Program is incorporated into
G 10 :	CalOptima's Pediatric Preventive Services Program.
Covered Service	For purposes of this policy, those services provided in the Fee-For-Service
	Medi-Cal program, (as set forth in Title 22, CCR, Division 3, Subdivision 1,
	Chapter 3, beginning with Section 51301. the Child Health and Disability
	Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4,
	Subchapter 13, Article 4, beginning with Section 6840, which section 6842),
	and the California Children's Services (as set forth in Title 22, CCR, Division
	2, subdivision 7, and Welfare and Lastitutions Code, Division 9, Part 3,
	Chapter 7, Article 2.985 beginning with section 14094.4) under the Whole-
	Child Model program effective July 1, 2019, to the extent those services are
	included as Covered Services under CalOptima's Medi-Cal Contract with
	DHCS and are Medically Necessary, along with chiropractic services (as
	defined in Section 51308 of Title 22, CCR), podiatry services (as defined in
	Section 51310 of Title 22, CCR), and speech pathology services and
	audiology services (as defined in Section 51309 of Title 22, CCR), and Health
	Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012
	and Welffre and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9,
	Leganning with section 14127), effective January 1, 2020 for HHP Members
	vitb eligible physical chronic conditions and substance use disorders, or other
	services as authorized by the CalOptima Board of Directors, which shall be
	covered for Members not—withstanding whether such benefits are provided
	under the Fee-For-Service Medi-Cal program.
Department of Health	The single State Department responsible for administration of the Medi-Cal
Care Services (DHCS)	program, California Children Services (CCS), Genetically Handicapped
	Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP),
	and other health related programs.
Fee-For-Service	Amounts adopted by CalOptima for reimbursement to hospitals, physicians
Amounts	and other providers for medical services rendered (other than on a capitated
	payment basis) to Medi-Cal beneficiaries for which CalOptima is responsible.
Medi-Cal Fee-For-	The fee schedule used by the Department of Health Care Services (DHCS) to
Service (FFS) Fee	reimburse Medi-Cal Fee-For-Service Providers.
Schedule	
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Revised: TBD

Medi-Cal Provider Manual	
	A provider manual created and updated by the Department of Health Care Services as a reference for providers enrolled in the Medi-Cal Fee-for-Service program to include information on Medi-Cal services, programs, claim reimbursement, complete information about recipient eligibility and provider participation, program policies, code lists, claim form and follow-up instructions pertaining to specific provider communities and specialty
	programs.
Operating Instruction Letter	A letter issued by the Department of Health Care Service to its Fiscal Intermediary for purposes of administering the Medi Cal Fee For Service program.
Overpayment	For the purposes of this policy, any payment made by Cal Optima to a Provider to which the Provider is not entitled to under Title XIX of the Social Security Act, or any payment to Cal Optima by DHCS to which Cal Optima is not entitled to under Title XIX of the Social Security Act.
Practitioner	A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services.
Provider	A-All contracted Providers including physicians, Non-physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory Medical tractitioners, ancillary provider, health maintenance organization, providers, and facilities or other person or institution that furnishesinstitutions who are licensed to furnish Covered Services.

Back to Agenda



Policy: FF.1002

Title: CalOptima Medi-Cal Fee Schedule

Department: Coding Initiatives Section: Not Applicable

CEO Approval:

Effective Date: 10/01/2006 Revised Date: TBD

Applicable to: Medi-Cal

OneCare

OneCare Connect

PACE

Administrative

# I. PURPOSE

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30 31 This policy defines the process by which CalOptima shall establish and maintain the CalOptima Medi-Cal Fee Schedule.

#### II. POLICY

A. CalOptima shall maintain a Medi-Cal Fee Schedule to determine payments to Providers and Practitioners, as applicable.

### III. PROCEDURE

- A. The Department of Health Care Services (DHCS) provides a complete file of the Medi-Cal Fee-for-Service (FFS) Fee Schedule to the public on a monthly basis.
- B. Effective April 1, 2011, CalOptima shall update the CalOptima Medi-Cal Fee Schedule on a monthly basis based on the monthly file released by DHCS used to update the Medi-Cal Fee-for-Service (FFS) Fee Schedule.
  - 1. Monthly updates to the CalOptima Medi-Cal Fee Schedule shall be effective the first day of the month following CalOptima's receipt of the monthly file released by DHCS.
- C. DHCS provides rates for Child Health and Disability Prevention (CHDP) services and medical and incontinence supplies to the public through the Medi-Cal Provider Manuals. DHCS updates the manuals based on subsequent rate changes.
  - 1. For dates of service on or after July 1, 2018, rates for CHDP will be included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule rather than in the Provider Manuals.
- D. The CalOptima Medi-Cal Fee Schedule is based on the following:
  - 1. DHCS FFS reimbursement rates as included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule;
  - 2. DHCS FFS reimbursement rates as referenced in the Medi-Cal Provider Manual for medical and incontinence supplies; and

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- 3. DHCS FFS reimbursement rates based on prospective and retroactive rate revisions as referenced in the published DHCS All Plan Letters, Medi-Cal Bulletins and NewsFlash when DHCS provides sufficient information to implement the rate revisions, including the effective date, reimbursement rate, healthcare common procedure coding system (HCPCS) codes, current procedural terminology (CPT) codes and any modifiers, as necessary. CalOptima shall implement FFS reimbursement rates received via published DHCS All Plan Letters, Medi-Cal Bulletins and NewsFlash to the extent the FFS reimbursement rate is not reflected in the Medi-Cal Fee Schedule; and
- 4. DHCS FFS reimbursement rates are based on expected rates as referenced in the pending State Plan Amendment filed with the Centers for Medicare & Medicaid Services (CMS) for Proposition 56 directed payments if instructed, in writing, by DHCS. In the event the expected rates are not approved by CMS, CalOptima shall recoup overpayments and refund underpayments, as applicable, in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.
- E. CalOptima shall reimburse Providers and Practitioners for Covered Services provided to CalOptima Direct members based on the CalOptima Medi-Cal Fee Schedule in effect on the date the claim is processed for date(s) of service submitted, unless otherwise required by law or contract in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.
  - 1. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a non-contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable.
  - 2. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable, as required by law or contract.
  - 3. A Provider or Practitioner, whether contracted or non-contracted, shall have the right to file a complaint in accordance with CalOptima Policies FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group, and HH.1101: CalOptima Provider Complaint.
- F. CalOptima may, in its sole discretion, update the CalOptima Medi-Cal Fee Schedule between the regularly scheduled updates.
- G. A Provider and Practitioner shall submit claims for Covered Services rendered to a CalOptima Direct member in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.
- H. The Medi-Cal Fee-for-Service (FFS) Fee Schedule and Provider Manuals are available by accessing the Medi-Cal website.

Revised: TBD

#### IV. ATACHMENT(S)

Not Applicable

# V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Contract for Health Care Services
- C. CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group
- D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group
- E. CalOptima Policy HH.1101: CalOptima Provider Complaint
- F. Medi-Cal Fee-For-Service Rates: https://files.medi-cal.ca.gov/pubsdoco/Rates/RatesHome.asp
- G. Medi-Cal Provider Manual: https://files.medi-cal.ca.gov/pubsdoco/manuals\_menu.asp

# VI. REGULATORY AGENCY APROVAL(S)

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Date	Regulatory Agency	
03/14/2011	Department of Health Care Services (DHCS)	• (7)

# VII. BOARD ACTION(S)

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Date	Meeting
06/07/2018	Regular Meeting of the CalOptima Board of Directors

# 20 VIII. REVISION HISTORY 21

Action	Date	Policy	Policy Title	Program(s)
Effective	10/01/2006	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	04/01/2011	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	04/01/2016	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	06/01/2017	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	06/07/2018	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	05/01/2019	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal
Revised	TBD	FF.1002	CalOptima Medi-Cal Fee Schedule	Medi-Cal

Term	Definition
CalOptima Direct	A direct health care program operated by CalOptima that includes both COD-
	Administrative (COD-A) and CalOptima Community Network (CCN) and
	provides services to Members who meet certain eligibility criteria as
	described in Policy DD.2006: Enrollment in/Eligibility with CalOptima
	Direct.
CalOptima Medi-Cal	Fee schedule adopted by CalOptima for reimbursement of Covered Services
Fee Schedule	rendered to Medi-Cal Members for which CalOptima is responsible.
Child Health and	California's Early Periodic Screening, Detection, and Treatment (EPSDT)
Disability Prevention	program as defined in the Health and Safety Code, Section 12402.5 et seq.
(CHDP) Program	and Title 17 of the California Code of Regulations, Sections 6842 through
	6852, that provides certain preventive services for children eligible for Medi-
	Cal. For CalOptima Members, the CHDP Program is incorporated into
	CalOptima's Pediatric Preventive Services Program.
Covered Service	For purposes of this policy, those services provided in the Fee-For-Service
	Medi-Cal program (as set forth in Title 22, CCR, Division 3, Subdivision 1,
	Chapter 3, beginning with Section 51301), the Child Health and Disability
	Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4,
	Subchapter 13, Article 4, beginning with section 6842), and the California
	Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7,
	and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article
	2.985, beginning with section 14094.4) under the Whole-Child Model
	program effective July 1, 2019, to the extent those services are included as
	Covered Services under CalOptima's Medi-Cal Contract with DHCS and are
	Medically Necessary, along with chiropractic services (as defined in Section
	51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of
	Title 22, CCR), speech pathology services and audiology services (as defined
	in Section 51309 of Title 22, CCR), and Health Homes Program (HHP)
	services (as set forth in DHCS All Plan Letter 18-012 and Welfare and
	Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with
	section 14127), effective January 1, 2020 for HHP Members with eligible
	physical chronic conditions and substance use disorders, or other services as
	authorized by the CalOptima Board of Directors, which shall be covered for Members notwithstanding whether such benefits are provided under the Fee-
	For-Service Medi-Cal program.
Department of Health	The single State Department responsible for administration of the Medi-Cal
Care Services (DHCS)	program, California Children Services (CCS), Genetically Handicapped
Care Delition (Direct)	Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP),
	and other health related programs.
Fee-For-Service	Amounts adopted by CalOptima for reimbursement to hospitals, physicians
Amounts	and other providers for medical services rendered (other than on a capitated
<b>J</b> . 11111	payment basis) to Medi-Cal beneficiaries for which CalOptima is responsible.
Medi-Cal Fee-For-	The fee schedule used by the Department of Health Care Services (DHCS) to
Service (FFS) Fee	reimburse Medi-Cal Fee-For-Service Providers.
Schedule	
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Revised: TBD

Term	Definition
Medi-Cal Provider Manual	A provider manual created and updated by the Department of Health Care Services as a reference for providers enrolled in the Medi-Cal Fee-for-Service program to include information on Medi-Cal services, programs, claim reimbursement, complete information about recipient eligibility and provider participation, program policies, code lists, claim form and follow-up instructions pertaining to specific provider communities and specialty programs.
Overpayment	For the purposes of this policy, any payment made by CalOptima to a Provider to which the Provider is not entitled to under Title XIX of the Social Security Act, or any payment to CalOptima by DHCS to which CalOptima is not entitled to under Title XIX of the Social Security Act.
Practitioner	A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services.
Provider	All contracted Providers including physicians, Non-physician Medical Practitioners, ancillary providers, and facilities or institutions who are licensed to furnish Covered Services.



Policy: FF.1003

Title: Payment for Covered Services

Rendered to a Member of CalOptima Direct, or a Member Enrolled in a

**Shared Risk Group** 

Department: Claims Administration

Section: Not Applicable

CEO Approval:

Effective Date: 01/01/07
Revised Date: TBD

Applicable to: Medi-Cal

OneCare

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PACE

**Administrative** 

# I. PURPOSE

This policy outlines CalOptima's payment methodologies for a Provider or Practitioner that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group. For those Members enrolled in a Shared Risk Group, this policy shall only apply to Covered Services for which CalOptima is financially responsible, in accordance with the Division of Financial Responsibility (DOFR).

#### II. POLICY

- A. Hospital Payment: Subject to all applicable Claims policies and Utilization Management (UM) policies, CalOptima shall reimburse a hospital that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, as follows:
  - 1. Contracted Hospital CalOptima's reimbursement to a CalOptima Contracted Hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CCN or a Member Enrolled in a Shared Risk Group.
  - 2. Non-Contracted Hospital: CalOptima's reimbursement to a Non-Contracted Hospitalnon-contracted hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, that has received appropriate authorization, unless exempt from such authorization, shall be in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's prior authorization Prior Authorization policies, shall be based on the following as follows:
    - a. Outpatient Emergency and Non-Emergency Services: CalOptima shall reimburse non-contracted outpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at the same amount paid by the California Department of Health Care Services (DHCS) for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal Fee-for-Service (FFS) program, in accordance with Section

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- 14091.3(c)(1) of the California Welfare and Institutions Code and Section 1932(b)(2)(D) of the Social Security Act.
- b. Emergency Inpatient Services: For dates of service on or after July 1, 2013, CalOptima shall reimburse non-contracted emergency inpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group using the All Patient Refined Diagnosis Related Groups (APR-DRG) rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
  - i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
- c. Non-emergency Inpatient Services: In the absence of any negotiated rate agreed to, in writing, between CalOptima and a hospital, CalOptima shall reimburse a hospital using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code. Prior authorization authorization is required for all non-emergency inpatient services.
  - i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
- d. Out of State Hospitals: For dates of service on or after July 1, 2013, CalOptima shall reimburse a hospital located outside of California using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
- e. Border Hospitals: For dates of service after July 1, 2015, CalOptima shall apply the State Plan Amendment (SPA) 15-020 changes established in the Medi-Cal FFS system to the DRG-based rates paid to out-of-network Border Hospitals for acute care hospital inpatient emergency and post-stabilization services, with respect to admissions occurring on or after July 1, 2015. CalOptima may pay a lower negotiated rate agreed to by the hospital.
- 3. Non-Emergency Non-Authorized Services: CalOptima shall not reimburse a hospital for any services that are subject to authorization requirements, in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's authorization policies, for which such authorization has not been secured.
- 4. If a Member changes Health Networks, including CalOptima Direct, for purposes of this provision, during an inpatient stay, the Health Network that authorized the admission shall retain the financial responsibility for the entire stay.
- B. Practitioner Payment: For purposes of this policy, a Practitioner does not include those Providers who render services to Members that are not a benefit included in Covered Services provided by the CalOptima Medi-Cal program. Subject to all applicable CalOptima Claims and Utilization Management (UM) policies, CalOptima shall reimburse a Practitioner providing Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, as follows:

Revised: TBD

- 1. Contracted Practitioner: CalOptima shall reimburse a Contracted Practitioner based on the terms and conditions of the contract between such Contracted Practitioner and CalOptima.
- 2. Non-Contracted Practitioner: CalOptima's reimbursement to a Non-Contracted Practitioner. contracted Practitioner for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on the following:
  - a. Emergency Services: CalOptima shall reimburse a Non-Contracted non-contracted Practitioner that provides Emergencyemergency Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - b. Non-Emergency Services: CalOptima shall reimburse a Non-Contracted Practitioner for Covered Services rendered to a Member of Caloptima Direct, or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible on a fee-for-service basis as follows:
    - For dates of service on or after January 1, 2011, CalOptima shall reimburse professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case no-less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program. -
    - ii. Except as otherwise provided in this subsection, CalOptima shall reimburse a physician who is a California Children's Service (CCS) Program-paneled Provider, and who is recognized as a specialist physician by CCS, at one hundred forty percent (140%) of the CalOptima Medi-Cal Fee Schedule for Covered Services rendered to a Member who is less than twenty-one (21) years of age.
    - iii. CalOptima shall reimburse technical component of pathology, clinical laboratory, and radiology services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case no less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - iv. CalOptima shall reimburse Child Health and Disability Prevention (CHDP) services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case no-less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - v. CalOptima shall reimburse injectables at one hundred percent 100% of the CalOptima Medi-Cal Fee Schedule but in no case no-less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vi. For dates of service on or after January 1, 2011, CalOptima shall reimburse Surgical and Incontinence Supplies at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case no-less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vii. CalOptima shall reimburse "By Report" procedure codes in the same manner as DHCS.

- viii.CalOptima shall reimburse Family Planning Services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - a) CalOptima shall reimburse up thirteen cycles of oral contraceptives, a twelve provider, including a non-contracted provider, for a (12)-)-month supply of oral contraceptive pills, hormone-containing contraceptive transdermal patches (36) patches), and a twelve (12) month supply of, or hormone-containing contraceptive vaginal rings (12 rings), if such quantity iswhen dispensed in an onsite chair and billedat one time at a Member's request by a Qualified Family Planning Provider, including a non-contracted Qualified Family Planning Provider, or dispensed by aqualified family planning provider or pharmacist with a protocol approved by the California State Board of Pharmacy and the Medical Board of California.
- C. If a non-contracted birthing center is used for non-contracted Certified Nurse Midwife or Certified Nurse Practitioner services and licensed midwives services as permitted within each practitioner's scope of practice, CalOptima shall reimburse facility and professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
- D. Federally Qualified Health Center (FQHC) Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an FQHC that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible, as follows:
  - 1. Contracted FQHC: CalOptima shall reimburse a Contracted FQHC based on the terms and conditions of the contract between such FQHC and CalOptima. CalOptima's contracted rates for an FQHC shall not be less than CalOptima's contracted rates to any other Provider or Practitioner for the same scope of services.
  - 2. Non-contracted FOHC.
    - a. CalOptima shall reimburse a non-contracted FQHC for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
      - i. CalOptima shall reimburse a non-contracted FQHC for CHDP services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
      - ii. CalOptima shall reimburse a non-contracted FQHC based on the Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) for each procedure rendered, and not the FQHC's all-inclusive rate.

- E. American Indian Health Service Program Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an Indian Health Service Facility that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible as follows:
  - 1. Contracted American Indian Health Service Program:
    - a. If the American Indian Health Service Program is a Reural Hhealth Celinic or qualifies as an FQHC, CalOptima shall reimburse the program at the program's interim per visit rate as established by DHCS, or through an alternate reimbursement methodology approved in writing by DHCS.
    - b. If the American Indian Health Service Program is a Regural Hhealth Celinic or FQHC, and CalOptima and the program have agreed to an at-risk rate and the program has waived its rights to cost-based reimbursement under its contract with CalOptima, CalOptima shall reimburse the program at the negotiated rate.
    - c. If the American Indian Health Service Program is entitled to be reimbursed as an American Indian Health Service Provider by the federal government at a rate other than the rate described in (a) above, CalOptima shall reimburse the program at the American Indian Health Service payment rate.
  - 2. Non-contracted American Indian Health Service Program: CalOptima shall reimburse a non-contracted American Indian Health Service Program at the approved Medi-Cal per visit rate for that facility.
  - 3. Effective for dates of service on or after January 1, 2018, CalOptima shall reimburse contracted and non-contracted American Indian Health Service Programs at the current and applicable Office of Management and Budget (OMB) encounter rate, published in the Federal Register. These rates shall apply when services are provided to Members who are qualified to receive services from an American Indian Health Services Program, as set forth in Supplement 6, Attachment 4.19-B of the California Medicaid State Plan.
  - 4. CalOptima shall ensure that the following criteria are met for receipt of payments:
    - a. The American Indian Health Service Program provider must be identified by DHCS;
    - b. Service must be a Covered Service included in CalOptima's contract with DHCS;
    - c. As set forth in California Medicaid State Plan Supplemental 6. Attachment 4.19-B, only one rate payment per day, per category, shall be allowed within the following three (3) categories. This allows for a maximum of three (3) payments per day, one (1) from each category:
      - i. Medical health visit;
      - ii. Mental health visit:
      - iii. Ambulatory visit.
- F. Ancillary Service Provider Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an Ancillary Serviceancillary service Provider for Covered Services rendered to a

Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible as follows:

- 1. CalOptima shall reimburse a contracted Ancillary Services Provider ancillary service provider based on the terms and conditions of the contract between such Contracted Ancillary Service Provider and CalOptima.
- 2. CalOptima shall reimburse a Non-Contracted Ancillary Services Providernon-contracted ancillary service provider for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
- G. Directed Payment: CalOptima shall make specified directed payments to a Provide. of Practitioner eligible to receive the directed payments for qualifying Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for which CalOptima is financially responsible, in accordance with the requirements of CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to a Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services.
- G.H. Non-Contracted Hospitals, Non-Contracted Contracted Contracted Practitioners, and Non-Contracted Ancillary Service Contracted ancillary service Providers shall not be eligible to participate in any CalOptima incentive payment programs.
- H.I. A Practitioner or Provider shall not bill a Member for any portion of a Covered Service, as set forth in Title 22 of the California Code of Regulations, Section 51002.
- Ł.J. CalOptima shall recover, or reimburse, overpayments in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

#### III. PROCEDURE

A. A Provider or Practitioner that renders Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible shall submit claims to CalOptima, in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

## IV. ATTACHMENT(S)

Not Applicable

## V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Policy AA.1000: Glossary of Terms
- C.B. CalOptima Policy FF.1002: CalOptima Medi-Cal Fee Schedule
- C. CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group

- D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled in a Shared Risk Group
- E. CalOptima Policy FF.2011: Directed Payments
- F. CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima

  Direct Members or to Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services
- G. CalOptima Policy GG.1116: Pediatric Preventive Services
- F. CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group
- G.H. CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers
- H.F. CalOptima Policy GG.1116: Pediatric Preventive Services
- I. CalOptima Policy HH.2022Δ: Record Retention and Access
- J. CalOptima Policy HH.5000Δ: Provider Overpayment Investigation and Determination
- K. Title 22 of the California Code of Regulations, §§51002, 55000 and 55140(a)
- L. Section 1932(b)(2)(D)Title 42 of the Code of Federal Regulations § 422.113(c)(3)
- L.M. Social Security Act, Section 1932(b)(2)(D)
- M.N. California Welfare and Institutions Code, §§, §14105.28 and 4166.245
- N.O. California Health and Safety Code, §1797.1
- O. This policy supersedes:
- P. CalOptima Financial Letter dated August 25, 1995: Fee for service rates
- Q. CalOptima Financial Bulletin #3: Inpatient hospital reima ursement rates under "CalOptima Direct"
- R. CalOptima Financial Bulletin #5: Revised "CalOptima Direct" inpatient hospital rates
- S. CalOptima Financial Bulletin #10: Family planting services
- T. CalOptima Financial Bulletin #17: Additions to CalOptima Direct inpatient hospital rates
- U. CalOptima Financial Bulletin #19: CalOptima Direct rates effective October 1, 1999
- V. CalOptima Financial Bulletin #24: CalOptima Direct rates effective July 1, 2002
- W. CalOptima Financial Bulletin #29: CalOptima Direct rates effective March 1, 2004
- X.P. Manual of Current Procedural Terminology (CPT®), American Medical Association, Revised 2006
- ¥.Q. Department of Health Care Services (DHCS) All Plan Letter (APL) 17-020 (Revised): American Indian Health Programs
- Z.R. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-008: -Reimbursement for Non-Contracted Hospital Emergency Inpatient Services
- AA.S. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-010: -Hospital Payment for Medi-Cal Post-Stabilization Services
- BB.T. Department of Health Care Services (DHCS) Policy Letter (PL) 96-09: -Sexually Transmitted Disease Services in Medi-Cal Managed Care
- CC.U. Department of Health Care Services (DHCS) Policy Letter (PL) 13-004: -Rates Forfor Emergency and Post-Stabilization Acute Inpatient Services Provided Byby Out-Of-Network General Acute Care Hospitals Based On Diagnosis Related Groups Effective July 1, 2013
- Department of Health Care Services (DHCS) All Plan Letter (APL) 16-003(revised): 18-019: Family Planning Services Policy for Contraceptive SuppliesSelf-Administered Hormonal Contraceptives
- EE.W. Department of Health Care Services (DHCS) All Plan Letter (APL) 15-017: 18-022: Access Requirements for Freestanding Birth Centers and the Provision of Certified Nurse Midwife and Alternative Birth Center Facility Services (Revised)
- FF.X. Department of Health Care Services (DHCS) All Plan Letter (APL) 16-01619-008: Rate Changes for Emergency and Post-Stabilization Services Provided by Out-of-Network "Border" Hospitals Under the Diagnostic Related Group Payment Methodology: Outcome of Federal Court Litigation Rejecting a Challenge to State Plan Amendment 15-020

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Date	Regulatory Agency
12/10/2009	Department of Health Care Services (DHCS)
03/10/2014	Department of Health Care Services (DHCS)
07/06/2016	Department of Health Care Services (DHCS)
11/09/2017	Department of Health Care Services (DHCS)

# VII. BOARD ACTION(S)

Date	Meeting
06/04/2002	Regular Meeting of the CalOptima Board of Directors
06/05/2007	Regular Meeting of the CalOptima Board of Directors
12/04/2007	Regular Meeting of the CalOptima Board of Directors
06/03/2008	Regular Meeting of the CalOptima Board of Directors
10/02/2008	Regular Meeting of the CalOptima Board of Directors
11/06/2008	Regular Meeting of the CalOptima Board of Directors
11/05/2009	Regular Meeting of the CalOptima Board of Directors
06/06/2013	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors
06/06/2019	Regular Meeting of the CalOptima Board of Directors

## VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2007	FF.1003	Payment for Covered Services	Medi-Cal
			Rendered to CalOptima Direct	
		<b>Y</b>	Members	
Revised	01/01/2009	FF.1003	Payment for Covered Services	Medi-Cal
			Rendered to CalOptima Direct	
			Members	
Revised	01/01/2011	FF.1003	Payment for Covered Services	Medi-Cal
			Rendered to CalOptima Direct	
			Members	
Revised	06/01/2013	FF.1003	Payment for Covered Services	Medi-Cal
	,		Rendered to CalOptima Direct	
· /			Members	
Revised	03/01/2015	FF.1003	Payments for Covered Services	Medi-Cal
			Rendered to a Member of	
			CalOptima Direct, CalOptima	
,			Community Network or a Member	
			Enrolled in a Shared Risk Group	
Revised	04/01/2016	FF.1003	Payments for Covered Services	Medi-Cal
			Rendered to a Member of	
			CalOptima Direct, CalOptima	
			Community Network or a Member	
			Enrolled in a Shared Risk Group	

Action	Date	Policy	Policy Title	Program(s)
Revised	06/01/2017	FF.1003	Payments for Covered Services	Medi-Cal
			Rendered to a Member of	
			CalOptima Direct, CalOptima	
			Community Network or a Member	
l			Enrolled in a Shared Risk Group	
Revised	10/04/2018	FF.1003	Payments for Covered Services	Medi-Cal
			Rendered to a Member of	4
			CalOptima Direct, CalOptima	
			Community Network or a Member	
1			Enrolled in a Shared Risk Group	
Revised	<u>TBD</u>	FF.1003	Payments for Covered Services	Medi-Cal
			Rendered to a Member of	) '
			CalOptima Direct, CalOptima	
			Community Network or a Member	
			Enrolled in a Shared Risk Group	

Term	Definition
American Indian Health	Programs operated with funds from the IHS under the Indian Self-
Services Program	Determination Act and the Indian Health Care Improvement Act, through
	which services are provided, directly or by contract, to the eligible Indian
	population within a defined geographic area.
Border Hospital	Those hospitals located outside the State of California that are within 55
	miles' driving distance from the nearest physical <u>location</u> at which a road
	crosses the California border as defined by the U.S. Geological Survey.
California Children's	The public health program that assures the delivery of specialized
Services (CCS) Program	diagnostic, treatment, and therapy services to financially and medically
	eligible children under the age of twenty-one (21) years who have CCS-
	Eligible Conditions, as defined in Title 22, California Code of
	Regulations, Sections 41515.2 through 41518.9.
CalOptima Direct	A direct health care program operated by CalOptima that includes both
	COD- Administrative (COD-A) and CalOptima Community Network
	(CCN) and provides services to Members who meet certain eligibility
	criteria as described in Policy DD.2006: Enrollment in/Eligibility with
	CalOptima Direct.
CalOptima Medi-Cal Fee	Fee schedule adopted by CalOptima for reimbursement of Covered
Schedule	Services rendered to Medi-Cal Members for which CalOptima is
	responsible.
Certified Nurse Midwife	A registered nurse certified under Article 2.5, Chapter 6 of the California
	Business and Professions Code with additional training as a midwife who
	is certified to deliver infants and provide prenatal and postpartum care,
G 18 13	newborn care, and some routine care of woman.
Certified Nurse	A registered nurse certified under Article 2.5, Chapter 6 of the California
Practitioner	Business and Professions Code who possesses additional preparation and
	skills in physical diagnosis, psycho-social assessment, and management of
	health-illness needs in primary health care, and who has been prepared in
	a program that conforms to board standards as specified in Title 16
Child Harld and	California Code of Regulations, Section 1484.
Child Health and	California's Early Periodic Screening, Detection, and Treatment (EPSDT)
Disability Prevention (CHDP) Program	program as defined in the Health and Safety Code, Section 12402.5 et seq. and Title 17 of the California Code of Regulations, Sections 6842 through
(CIDF) Flogran	6852, that provides certain preventive services for children eligible for
	Medi-Cal. For CalOptima Members, the CHDP Program is incorporated
	into CalOptima's Pediatric Preventive Services Program.
	into Caroptinia 8 i cuiatric i reventive services i rogram.

Term	Definition
Covered Services	Those services provided in the Fee-For-Service Medi-Cal program, (as set
	forth in Title 22, California Code of Regulations (CCR), Division 3,
	Subdivision 1, Chapter 3, beginning with Section 51301, the Child
	Health and Disability Prevention program (as set forth in Title 17, CCR,
	Division 1, Chapter 4, Subchapter 13, Article 4, beginning with Section
	<del>6840, which section 6842), and the California Children's Services (as set</del>
	forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and
	Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning
	with section 14094.4) under the Whole-Child Model program, to the
	extent those services are included as Covered Services under CalOptima's
	Medi-Cal Contract with DHCS and are Medically Necessary, along with
	chiropractic services (as defined in Section 51308 of Title 22, CCR),
	podiatry services (as defined in Section 51310 of Title 22, CCR), and
	speech pathology services and audiology services (as defined in Section
	51309 of Title 22, CCR), and Health Homes Program (HHP) services (as
	set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions
	Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section
	14127), for HHP Members with eligible physical chronic conditions and
	substance use disorders, or other services as authorized by the CalOptima
	Board of Directors, which shall be covered for Members not—withstanding
	whether such benefits are provided under the Fee-For-Service Medi-Cal
	program.
Division of Financial	A matrix that identifies how CalOptima identifies the responsible parties
Responsibility (DOFR)	for components of medical services associated with the provision of
	Covered Services. The responsible parties include, but are not limited to,
	Physician, Mospital, CalOptima and the County of Orange.
Family Planning Services	Covered Services that are provided to individuals of childbearing age to
Tunning Framming Services	enable them to determine the number and spacing of their children, and to
	help reduce the incidence of maternal and infant deaths and diseases by
	promoting the health and education of potential parents. Family Planning
	includes, but is not limited to:
	1. Medical and surgical services performed by or under the direct
	supervision of a licensed Physician for the purpose of Family
	Planning;
	2. Laboratory and radiology procedures, drugs and devices
	prescribed by a license Physician and/or are associated with
	Family Planning procedures;
	3. Patient visits for the purpose of Family Planning;
	4. Family Planning counseling services provided during regular
	patient visit;
	5. IUD and IUCD insertions, or any other invasive contraceptive
	procedures or devices;
	6. Tubal ligations;
	7. Vasectomies;
	8. Contraceptive drugs or devices; and
	9. Treatment for the complications resulting from previous Family
	Planning procedures.
	Family Planning does not include services for the treatment of infertility
	or reversal of sterilization.
	or reversal of sterilization

Term	Definition
Federally Qualified	A type of provider defined by the Medicare and Medicaid statutes. FQHCs
Health Center	include all organizations receiving grants under Section 330 of the Public
	Health Service Act, certain tribal organizations, and FQHC Look-Alikes.
	An FQHC must be a public entity or a private non-profit organization.
	FQHCs must provide primary care services for all age groups.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared
	risk contract, or health care service plan, such as a Health Maintenance
	Organization (HMO) that contracts with CalOptima to provide Covered
	Services to Members assigned to that Health Network.
American Indian Health	Programs operated with funds from the IHS under the Indian Self.
Services	Determination Act and the Indian Health Care Improvement Act, through
Program Medically	which services are provided, directly or by contract, to the eligible Indian
Necessary or Medical	population within a defined geographic area. Reasonable and necessary
Necessity	Covered Services to protect life, to prevent illness or disability, alleviate
	severe pain through the diagnosis or treatment of disease, illness, or injury
	achieve age-appropriate growth and development, and attain, or regain
	functional capacity. For Medi-Cal Members receiving managed long-term
	services and supports (MLTSS), Medical Necessity is determined in
	accordance with Member's current needs assessment and consistent with
	person-centered planning. When deemining Medical Necessity of
	Covered Services for Medi-Col Members under the age of 21, Medical
	Necessity is expanded to include the standards set forth in 42 U.S.C.
	section 1396d(r) and California Welfare and Institutions Code section
	<u>14132(v).</u>
<u>Member</u>	A Medi-Cal eligible beneficiary as determined by the County of Orange
	Social Services Agency, the California Department of Health Care
	Services (D. CS) Medi-Cal Program, or the United States Social Security
	Administration, who is enrolled in the CalOptima program.
Practitioner	A licensed independent practitioner including, but not limited to, a Doctor
	of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric
	Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of
	Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed
	Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or
	MFCC), Licensed Midwife, Nurse Practitioner (NP), Nurse Midwife,
	Physician Assistant (PA), Optometrist (OD), Registered Physical
	Therapist (RPT), Occupational Therapist (OT), or Speech and Language
Drive Co. ho inchion	Therapist, furnishing Covered Services.
Prior Authorization	A formal process requiring a health care Provider to obtain advance approval to provide specific services or procedures.
Provider	For purposes of this policy, a person or institution that furnishes Covered
1 iovidei	Services to Members.
	between to twentiers.

Term	Definition
Qualified Family	A qualified provider is a provider who is licensed to furnish family
Planning Provider	planning services within their scope of practice, is an enrolled Medi-Cal
Training Trovider	provider, and is willing to furnish family planning services to an enrollee
	as specified in Title 22, California Code of Regulations, Section 51200. A
	Physician, Physician Assistant (under the supervision of a Physician),
	Certified Nurse Midwife, and Nurse Practitioner are authorized to
	dispense medications. Pursuant to California Business and Professions
	Code section 2725.2, if these contraceptives are dispensed by a Registered
	Nurse (RN), the RN must have completed required training pursuant to
	Business and Professions Code section 2725.2 and the contrace tives must
	be billed with Evaluation and Management (E&M) procedure codes
	99201, 99211, or 99212 with modifier TD (TD modifier as used for RN
	for (Behavioral Health) as found in the Medi Cal Provider Manual.
Rural Health Clinic	An organized outpatient clinic or hospital outpatient department located in
	a rural shortage area, which has been certified by the Secretary, United
	States Department of Health and Human Services.
Shared Risk Group	A Health Network who accepts delegated clinical and financial
	responsibility for professional services for assigned Members, as defined
	by written contract and enters into a risk sharing agreement with
	CalOptima as the responsible partner for facility services.





Policy: FF.1003

Title: Payment for Covered Services

Rendered to a Member of CalOptima Direct, or a Member Enrolled in a

**Shared Risk Group** 

Department: Claims Administration

Section: Not Applicable

CEO Approval:

Effective Date: 01/01/07 Revised Date: TBD

Applicable to: Medi-Cal

OneCare

OneCare Connect

] PACE

Administrative

#### I. PURPOSE

This policy outlines CalOptima's payment methodologies for a Provider or Practitioner that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group. For those Members enrolled in a Shared Risk Group, this policy shall only apply to Covered Services for which CalOptima is financially responsible, in accordance with the Division of Financial Responsibility (DOFR).

#### II. POLICY

- A. Hospital Payment: Subject to all applicable Claims policies and Utilization Management (UM) policies, CalOptima shall reimburse a hospital that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, as follows:
  - 1. Contracted Hospital CalOptima's reimbursement to a CalOptima Contracted Hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CCN or a Member Enrolled in a Shared Risk Group.
  - 2. (Non-Contracted Hospital: CalOptima's reimbursement to a non-contracted hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, that has received appropriate authorization, unless exempt from such authorization, in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's Prior Authorization policies, is as follows:
    - a. Outpatient Emergency and Non-Emergency Services: CalOptima shall reimburse non-contracted outpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at the same amount paid by the California Department of Health Care Services (DHCS) for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal Fee-for-Service (FFS) program, in accordance with Section 14091.3(c)(1) of the California Welfare and Institutions Code and Section 1932(b)(2)(D) of the Social Security Act.

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- b. Emergency Inpatient Services: For dates of service on or after July 1, 2013, CalOptima shall reimburse non-contracted emergency inpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group using the All Patient Refined Diagnosis Related Groups (APR-DRG) rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
  - i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
- c. Non-emergency Inpatient Services: In the absence of any negotiated rate agreed to, in writing, between CalOptima and a hospital, CalOptima shall reimburse a hospital using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code. Prior Authorization is required for all non-emergency inpatient services.
  - i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
- d. Out of State Hospitals: For dates of service on or after July 1, 2013, CalOptima shall reimburse a hospital located outside of California using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
- e. Border Hospitals: CalOptima shall apply the State Plan Amendment (SPA) 15-020 changes established in the Medi-Cal FFS system to the DRG-based rates paid to out-of-network Border Hospitals for acute care hospital inpatient emergency and post-stabilization services, with respect to admissions occurring on or after July 1, 2015. CalOptima may pay a lower negotiated rate agreed to by the hospital.
- 3. Non-Emergency Non-Authorized Services: CalOptima shall not reimburse a hospital for any services that are subject to authorization requirements, in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's authorization policies, for which such authorization has not been secured.
- If a Member changes Health Networks, including CalOptima Direct, for purposes of this provision, during an inpatient stay, the Health Network that authorized the admission shall retain the financial responsibility for the entire stay.
- B. Practitioner Payment: For purposes of this policy, a Practitioner does not include those Providers who render services to Members that are not a benefit included in Covered Services provided by the CalOptima Medi-Cal program. Subject to all applicable CalOptima Claims and Utilization Management (UM) policies, CalOptima shall reimburse a Practitioner providing Covered Services to a Member as follows:
  - 1. Contracted Practitioner: CalOptima shall reimburse a Contracted Practitioner based on the terms and conditions of the contract between such Contracted Practitioner and CalOptima.

- 2. Non-contracted Practitioner: CalOptima's reimbursement to a non-contracted Practitioner for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on the following:
  - a. Emergency Services: CalOptima shall reimburse a non-contracted Practitioner that provides emergency Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - b. Non-Emergency Services: CalOptima shall reimburse a non-contracted Practitioner for Covered Services rendered to a Member of CalOptima Direct, or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible on a fee-for-service basis as follows:
    - i. For dates of service on or after January 1, 2011, CalOptima shall reimburse professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - ii. Except as otherwise provided in this subsection, CalOptima shall reimburse a physician who is a California Children's Service (CCS) Program-paneled Provider, and who is recognized as a specialist physician by CCS, at one hundred forty percent (140%) of the CalOptima Medi-Cal Fee Schedule for Covered Services rendered to a Member who is less than twenty-one (21) years of age.
    - iii. CalOptima shall reimburse technical component of pathology, clinical laboratory, and radiology services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - iv. CalOptima shall reimburse Child Health and Disability Prevention (CHDP) services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vi. For dates of service on or after January 1, 2011, CalOptima shall reimburse Surgical and Incontinence Supplies at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vii. CalOptima shall reimburse "By Report" procedure codes in the same manner as DHCS.
    - viii.CalOptima shall reimburse Family Planning Services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by

DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

- a) CalOptima shall reimburse a provider, including a non-contracted provider, for a (12)-month supply of oral contraceptive pills, hormone-containing contraceptive transdermal patches, or hormone-containing contraceptive vaginal rings when dispensed at one time at a Member's request by a qualified family planning provider or pharmacist with a protocol approved by the California State Board of Pharmacy and the Medical Board of California.
- C. If a non-contracted birthing center is used for non-contracted Certified Nurse Midwife and licensed midwives services as permitted within each practitioner's scope of practice, CalOptima shall reimburse facility and professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
- D. Federally Qualified Health Center (FQHC) Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an FQHC that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible, as follows:
  - Contracted FQHC: CalOptima shall reimburse a Contracted FQHC based on the terms and
    conditions of the contract between such FQHC and CalOptima. CalOptima's contracted rates
    for an FQHC shall not be less than CalOptima's contracted rates to any other Provider or
    Practitioner for the same scope of services.

#### 2. Non-contracted FOHC:

- a. CalOptima shall reimburse a non-contracted FQHC for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - i. CalOptima shall reimburse a non-contracted FQHC for CHDP services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - ii. CalOptima shall reimburse a non-contracted FQHC based on the Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) for each procedure rendered, and not the FOHC's all-inclusive rate.

Revised: TBD

- E. American Indian Health Service Program Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an Indian Health Service Facility that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible as follows:
  - 1. Contracted American Indian Health Service Program:

- a. If the American Indian Health Service Program is a Rural Health Clinic or qualifies as an FQHC, CalOptima shall reimburse the program at the program's interim per visit rate as established by DHCS, or through an alternate reimbursement methodology approved in writing by DHCS.
- b. If the American Indian Health Service Program is a Rural Health Clinic or FQHC, and CalOptima and the program have agreed to an at-risk rate and the program has waived its rights to cost-based reimbursement under its contract with CalOptima, CalOptima shall reimburse the program at the negotiated rate.
- c. If the American Indian Health Service Program is entitled to be reimbursed as an American Indian Health Service Provider by the federal government at a rate other than the rate described in (a) above, CalOptima shall reimburse the program at the American Indian Health Service payment rate.
- 2. Non-contracted American Indian Health Service Program: CalOptima shall reimburse a non-contracted American Indian Health Service Program at the approved Medi-Cal per visit rate for that facility.
- 3. Effective for dates of service on or after January 1, 2018. CalOptima shall reimburse contracted and non-contracted American Indian Health Service Programs at the current and applicable Office of Management and Budget (OMB) encounter rate, published in the Federal Register. These rates shall apply when services are provided to Members who are qualified to receive services from an American Indian Health Services Program, as set forth in Supplement 6, Attachment 4.19-B of the California Medicaid State Plan.
- 4. CalOptima shall ensure that the following criteria are met for receipt of payments:
  - a. The American Indian Health Service Program provider must be identified by DHCS;
  - b. Service must be a Covered Service included in CalOptima's contract with DHCS;
  - c. As set forth in California Medicaid State Plan Supplemental 6. Attachment 4.19-B, only one rate payment per day, per category, shall be allowed within the following three (3) categories. This allows for a maximum of three (3) payments per day, one (1) from each category:
    - i. Medical health visit;
    - ii. Mental health visit;
    - iii. Ambulatory visit.
- F. Ancillary Service Provider Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an ancillary service Provider for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible as follows:
  - 1. CalOptima shall reimburse a contracted ancillary service provider based on the terms and conditions of the contract between such contracted ancillary service provider and CalOptima.

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rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

2. CalOptima shall reimburse a non-contracted ancillary service provider for Covered Services

- G. Directed Payment: CalOptima shall make specified directed payments to a Provider or Practitioner eligible to receive the directed payments for qualifying Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for which CalOptima is financially responsible, in accordance with the requirements of CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to a Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services.
- H. Non-contracted hospitals, non-contracted Practitioners, and non-contracted ancillary service Providers shall not be eligible to participate in any CalOptima incentive payment programs.
- I. A Practitioner or Provider shall not bill a Member for any portion of a Covered Service, as set forth in Title 22 of the California Code of Regulations, Section 51002.
- J. CalOptima shall recover, or reimburse, overpayments in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

#### III. PROCEDURE

A. A Provider or Practitioner that renders Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible shall submit claims to CalOptima, in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

#### IV. ATTACHMENT(S)

Not Applicable

#### REFERENCE(S)

- A. Cal Optima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Policy FF.1002: CalOptima Medi-Cal Fee Schedule
- C. CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group
- D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled in a Shared Risk Group
- E. CalOptima Policy FF.2011: Directed Payments
- F. CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services

- G. CalOptima Policy GG.1116: Pediatric Preventive Services
- H. CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers
- I. CalOptima Policy HH.2022Δ: Record Retention and Access

- 1 J. CalOptima Policy HH.5000Δ: Provider Overpayment Investigation and Determination
  - K. Title 22 of the California Code of Regulations, §§51002, 55000 and 55140(a)
  - L. Title 42 of the Code of Federal Regulations, § 422.113(c)(3)
    - M. Social Security Act, Section 1932(b)(2)(D)
    - N. California Welfare and Institutions Code, §14105.28
    - O. California Health and Safety Code, §1797.1
    - P. Manual of Current Procedural Terminology (CPT®), American Medical Association
    - Q. Department of Health Care Services (DHCS) All Plan Letter (APL) 17-020 (Revised): American Indian Health Programs
    - R. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-008: Reimbursement for Non-Contracted Hospital Emergency Inpatient Services
    - S. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-010: Hospital Payment for Medi-Cal Post-Stabilization Services
    - T. Department of Health Care Services (DHCS) Policy Letter (PL) 96-09: Sexually Transmitted Disease Services in Medi-Cal Managed Care
    - U. Department of Health Care Services (DHCS) Policy Letter (PL) 13-004: Rates for Emergency and Post-Stabilization Acute Inpatient Services Provided by Out-Of-Network General Acute Care Hospitals Based On Diagnosis Related Groups Effective July 1, 2013
    - V. Department of Health Care Services (DHCS) All Plan Letter (APL) 18-019: Family Planning Services Policy for Self-Administered Hormonal Contraceptives
    - W. Department of Health Care Services (DHCS) All Plan Letter (APL) 18-022: Access Requirements for Freestanding Birth Centers and the Provision of Midwife Services
    - X. Department of Health Care Services (DHCS) All Plan Letter (APL) 19-008: Rate Changes for Emergency and Post-Stabilization Services Provided by Out-of-Network Border Hospitals Under the Diagnostic Related Group Payment Methodology: Outcome of Federal Court Litigation Rejecting a Challenge to State Plan Amendment 15-020

## VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency
12/10/2009	Department of Health Care Services (DHCS)
03/10/2014	Department of Health Care Services (DHCS)
07/06/2016	Department of Health Care Services (DHCS)
11/09/2017	Department of Health Care Services (DHCS)

# VII. BOARD ACTION(S)

Date	Meeting
06/04/2002	Regular Meeting of the CalOptima Board of Directors
06/05/2007	Regular Meeting of the CalOptima Board of Directors
12/04/2007	Regular Meeting of the CalOptima Board of Directors
06/03/2008	Regular Meeting of the CalOptima Board of Directors
10/02/2008	Regular Meeting of the CalOptima Board of Directors
11/06/2008	Regular Meeting of the CalOptima Board of Directors
11/05/2009	Regular Meeting of the CalOptima Board of Directors
06/06/2013	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors
06/06/2019	Regular Meeting of the CalOptima Board of Directors

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Back to Agenda

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2007	FF.1003	Payment for Covered Services Rendered to CalOptima Direct Members	Medi-Cal
Revised	01/01/2009	FF.1003	Payment for Covered Services Rendered to CalOptima Direct Members	Medi-Cal
Revised	01/01/2011	FF.1003	Payment for Covered Services Rendered to CalOptima Direct Members	Medi-Cal
Revised	06/01/2013	FF.1003	Payment for Covered Services Rendered to CalOptima Direct Members	Medi-Cal
Revised	03/01/2015	FF.1003	Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group	Medi-Cal
Revised	04/01/2016	FF.1003	Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group	Medi-Cal
Revised	06/01/2017	FF.1003	Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group	Medi-Cal
Revised	10/04/2018	FF.1003	Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group	Medi-Cal
Revised	TBD	FF.1003	Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group	Medi-Cal

Term	Definition
American Indian Health	Programs operated with funds from the IHS under the Indian Self-
Services Program	Determination Act and the Indian Health Care Improvement Act, through
	which services are provided, directly or by contract, to the eligible Indian
	population within a defined geographic area.
Border Hospital	Those hospitals located outside the State of California that are within 55
	miles' driving distance from the nearest physical location at which a road
	crosses the California border as defined by the U.S. Geological Survey.
California Children's	The public health program that assures the delivery of specialized
Services (CCS) Program	diagnostic, treatment, and therapy services to financially and medically
	eligible children under the age of twenty-one (21) years who have CCS-
	Eligible Conditions, as defined in Title 22, California Code of
	Regulations, Sections 41515.2 through 41518.9.
CalOptima Direct	A direct health care program operated by CalOptima that includes both
	COD- Administrative (COD-A) and CalOptima Community Network
	(CCN) and provides services to Members who meet certain eligibility
	criteria as described in Policy DD.2006; Enrollment in/Eligibility with
	CalOptima Direct.
CalOptima Medi-Cal Fee	Fee schedule adopted by CalOptima for reimbursement of Covered
Schedule	Services rendered to Medi-Cal Members for which CalOptima is
G .:G .IX .X	responsible.
Certified Nurse Midwife	A registered nurse certified under Article 2.5, Chapter 6 of the California
	Business and Professions Code with additional training as a midwife who
	is certified to deliver infants and provide prenatal and postpartum care,
C C IN	newborn care, and some routine care of woman.
Certified Nurse	A registered nurse certified under Article 2.5, Chapter 6 of the California
Practitioner	Business and Professions Code who possesses additional preparation and
	skills in physical diagnosis, psycho-social assessment, and management of
	health-illness needs in primary health care, and who has been prepared in a program that conforms to board standards as specified in Title 16
	California Code of Regulations, Section 1484.
Child Health and	California's Early Periodic Screening, Detection, and Treatment (EPSDT)
Disability Prevention	program as defined in the Health and Safety Code, Section 12402.5 et seq.
(CHDP) Program	and Title 17 of the California Code of Regulations, Sections 6842 through
(CIDI) I logram	6852, that provides certain preventive services for children eligible for
	Medi-Cal. For CalOptima Members, the CHDP Program is incorporated
	into CalOptima's Pediatric Preventive Services Program.
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Term	Definition				
Covered Services	Those services provided in the Fee-For-Service Medi-Cal program (as set				
	forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning				
	with Section 51301), the Child Health and Disability Prevention program				
	(as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13,				
	Article 4, beginning with section 6842), and the California Children's				
	Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and				
	Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article				
	2.985, beginning with section 14094.4) under the Whole-Child Model				
	program, to the extent those services are included as Covered Services				
	under CalOptima's Medi-Cal Contract with DHCS and are Medically				
	Necessary, along with chiropractic services (as defined in Section 51308				
	of Title 22, CCR), podiatry services (as defined in Section 51310 of Title				
	22, CCR), speech pathology services and audiology services (as defined in				
	Section 51309 of Title 22, CCR), and Health Homes Program (HHP)				
	services (as set forth in DHCS All Plan Letter 18-012 and Welfare and				
	Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning				
	with section 14127), for HHP Members with eligible physical chronic				
	conditions and substance use disorders, or other services as authorized by				
	the CalOptima Board of Directors, which shall be covered for Members				
	notwithstanding whether such benefits are provided under the Fee-For-				
	Service Medi-Cal program.				
Division of Financial	A matrix that identifies how Cal Optima identifies the responsible parties				
Responsibility (DOFR)	for components of medical services associated with the provision of				
	Covered Services. The responsible parties include, but are not limited to,				
	Physician, Hospital, CalOptima and the County of Orange.				
Family Planning Services	Covered Services that are provided to individuals of childbearing age to				
	enable them to determine the number and spacing of their children, and to				
	help reduce the incidence of maternal and infant deaths and diseases by				
	promoting the health and education of potential parents. Family Planning				
	includes, but is not limited to:				
	Modical and associated associates members and but on sundanthanding at				
	1. Medical and surgical services performed by or under the direct				
	supervision of a licensed Physician for the purpose of Family				
	Planning;				
	2. Laboratory and radiology procedures, drugs and devices prescribed by a license Physician and/or are associated with				
	Family Planning procedures;				
	3. Patient visits for the purpose of Family Planning;				
	4. Family Planning counseling services provided during regular				
	patient visit;				
	5. IUD and IUCD insertions, or any other invasive contraceptive				
<b>7</b>	procedures or devices;				
	6. Tubal ligations;				
	7. Vasectomies;				
	8. Contraceptive drugs or devices; and				
	9. Treatment for the complications resulting from previous Family				
	Planning procedures.				
	Family Planning does not include services for the treatment of infertility or reversal of sterilization.				
	of feversal of stermization.				

Term	Definition			
Federally Qualified	A type of provider defined by the Medicare and Medicaid statutes. FQHCs			
Health Center	include all organizations receiving grants under Section 330 of the Public			
	Health Service Act, certain tribal organizations, and FQHC Look-Alikes			
	An FQHC must be a public entity or a private non-profit organization.			
	FQHCs must provide primary care services for all age groups.			
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared			
	risk contract, or health care service plan, such as a Health Maintenance			
	Organization (HMO) that contracts with CalOptima to provide Covered			
	Services to Members assigned to that Health Network.			
Medically Necessary or	Reasonable and necessary Covered Services to protect life, to prevent			
Medical Necessity	illness or disability, alleviate severe pain through the diagnosis or			
	treatment of disease, illness, or injury achieve age-appropriate growth and			
	development, and attain, or regain functional capacity. For Medi-Cal			
	Members receiving managed long-term services and supports (MLTSS),			
	Medical Necessity is determined in accordance with Member's current			
	needs assessment and consistent with person-centered planning. When			
	determining Medical Necessity of Covered Services for Medi-Cal			
	Members under the age of 21, Medical Necessity is expanded to include			
	the standards set forth in 42 U.S.C. section 1396d(r) and California			
	Welfare and Institutions Code section 14132(v).			
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange			
	Social Services Agency, the California Department of Health Care			
	Services (DHCS) Medi-Cal Program, or the United States Social Security			
	Administration, who is enrolled in the CalOptima program.			
Practitioner	A licensed independent practitioner including, but not limited to, a Doctor			
	of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric			
	Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of			
	Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed			
	Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or			
	MFCC), Licensed Midwife, Nurse Practitioner (NP), Nurse Midwife,			
	Physician Assistant (PA), Optometrist (OD), Registered Physical			
	Therapist (RPT), Occupational Therapist (OT), or Speech and Language			
	Therapist, furnishing Covered Services.			
Prior Authorization	A formal process requiring a health care Provider to obtain advance			
	approval to provide specific services or procedures.			
Provider	For purposes of this policy, a person or institution that furnishes Covered			
	Services to Members.			
Qualified Family	A qualified provider is a provider who is licensed to furnish family			
Planning Provider	planning services within their scope of practice, is an enrolled Medi-Cal			
	provider, and is willing to furnish family planning services to an enrollee			
	as specified in Title 22, California Code of Regulations, Section 51200.			
Rural Health Clinic	An organized outpatient clinic or hospital outpatient department located in			
	a rural shortage area, which has been certified by the Secretary, United			
	States Department of Health and Human Services.			
Shared Risk Group	A Health Network who accepts delegated clinical and financial			
•	responsibility for professional services for assigned Members, as defined			
	by written contract and enters into a risk sharing agreement with			
	CalOptima as the responsible partner for facility services.			
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## ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip
Orange County Physicians IPA Medical Group, Inc dba Noble Community Medical Associates	10855 Business Center Dr Ste. C	Cypress	CA	90630
Talbert Medical Group	2175 Park Place	El Segundo	CA	90245
Arta Western Medical Group	2175 Park Place	El Segundo	CA	90245
United Care Medical Group, Inc.	600 City Parkway West	Orange	CA	92868
Alta Med Health Services Shared Risk	2040 Camfield Ave	Los Angeles	CA	90040

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken June 7, 2018 Regular Meeting of the CalOptima Board of Directors

#### **Report Item**

47. Consider Actions for the Implementation of Proposition 56 Provider Payment

#### Contact

Greg Hamblin, Chief Financial Officer, (714) 246-8400 Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

## **Recommended Action**

Approve methodology for the disbursement of Proposition 56 physician services payments to eligible Medi-Cal providers.

## **Background**

The California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) increases the excise tax rate on cigarettes and tobacco products. A portion of Proposition 56 revenue is allocated for existing health care programs administered by the Department of Health Care Services (DHCS), including reimbursement in the Denti-Cal and Medi-Cal programs. As part of the Budget Act of 2017, Proposition 56 funds were appropriated for State Fiscal Year (SFY) 2017-18. Under Proposition 56, Medi-Cal Managed Care Plans (MCPs) are required to provide additional compensation for certain Medi-Cal related services rendered in SFY 2017-18. Supplemental payments are to be made to providers based on a DHCS-provided set of procedure codes for certain physician services, Intermediate Care Facilities for the Developmentally Disabled (ICF-DDs), and women's health services for pregnancy termination. The Governor's May Revision released on May 11, 2018 proposes extension of Proposition 56 for SFY 2018-19.

DHCS released guidance related to Proposition 56 provider payment methodologies through All Plan Letter (APL) 18-010 on May 1, 2018. CalOptima began receiving initial funding for Proposition 56 payments in its monthly capitation received on April 30, 2018 and will continue to receive Proposition 56 funding in subsequent capitation payments. DHCS expects Proposition 56 payments be passed through to eligible providers for the initial payment within 90 calendar days of the MCP receiving capitation from DHCS. Subsequent payments are to be made within 90 calendar days of receiving a clean claim or accepted encounter.

Providers contracted with CalOptima or a delegated entity rendering one of the designated Medi-Cal covered services between July 1, 2017 and June 30, 2018 are eligible for Proposition 56 payments in addition to the provider's contract rate or capitation. However, the following provider types are not eligible to receive Proposition 56 payments: Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), American Indian Health Programs (AIHPs) and cost-based reimbursement clinics. The following DHCS-provided procedure codes are eligible for supplemental payments:

Medi-Cal Covered Service Code	<b>Service Code Description</b>	Directed Payment
99201	Office/Outpatient Visit New	\$10.00
99202	Office/Outpatient Visit New	\$15.00
99203	Office/Outpatient Visit New	\$25.00
99204	Office/Outpatient Visit New	\$25.00
99205	Office/Outpatient Visit New	\$50.00
99211	Office/Outpatient Visit Est	\$10.00
99212	Office/Outpatient Visit Est	\$15.00
99213	Office/Outpatient Visit Est	\$15.00
99214	Office/Outpatient Visit Est	\$25.00
99215	Office/Outpatient Visit Est	\$25.00
90791	Psychiatric Diagnostic Eval	\$35.00
90792	Psychiatric Diagnostic Eval with Medical Services	\$35.00
90863	Pharmacologic Management	\$5.00

The DHCS guidance requires MCPs to maintain a formal process for provider grievances with respect to payment and non-payment of Proposition 56 directed payments. Specific Proposition 56 reporting will be required by DHCS on a quarterly basis. MCPs are required to ensure that their delegated entities and subcontractors comply with the terms and requirements of the DHCS guidance.

## **Discussion**

Proposition 56 provider payments apply to Medi-Cal covered medical and behavioral health services. CalOptima administers medical services through its direct networks, CalOptima Community Network (CCN) and CalOptima Direct (COD), or a delegated health network. Prior to January 1, 2018, CalOptima provided behavioral health services through a delegated Managed Behavioral Healthcare Organization (MBHO). Beginning January 1, 2018, CalOptima transitioned away from using a MBHO for its Medi-Cal program and began providing these services through providers contracted directly with CalOptima. To comply with Proposition 56 requirements, CalOptima staff recommends utilizing its current direct and delegated models for both the initial and ongoing payment distributions.

## Initial Payments

Following the initial payment received from DHCS on April 30, 2018, CalOptima recommends providing an initial catch-up payment for dates of service (DOS) July 1, 2017 to the current date. In order to process the initial catch-up payment, historical claims and encounter data will be utilized to identify and process the additional payments retroactively. Initial payments must be distributed to providers no later than July 29, 2018. The following is recommended for initial payments:

• CalOptima Direct, CalOptima Community Network and behavioral health providers: CalOptima to utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date.

CalOptima Board Action Agenda Referral Consider Actions for the Implementation of Proposition 56 Provider Payment Page 3

#### Health networks:

Health networks utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date. CalOptima will prefund the health networks for estimated medical costs. Health networks will be required to submit a provider payment confirmation report to CalOptima. Once provider payment is confirmed, the remaining medical cost will be reconciled plus a 2% administrative component based on total medical costs will be remitted to the health networks

## Ongoing Processing

Once the initial payment is distributed, future Proposition 56 provider payments must be made within 90 calendar days of receipt of a clean claim or adjusted encounter. The following is recommended for ongoing processing provided that CalOptima continues to receive Proposition 56 funds:

• CalOptima Direct, CalOptima Community Network and behavioral health providers: CalOptima will pay providers within 90 calendar days of receipt of a clean claim or accepted behavioral health encounter.

#### • Health Networks:

Health networks will pay providers within 90 calendar days of receipt of a clean claim or accepted encounter. Concurrently, CalOptima will utilize existing health network reporting processes to identify claims and encounters eligible for Proposition 56 payments. Health networks will be required to submit provider payment confirmation that the eligible Proposition 56 claims and encounter payments were issued on a monthly basis or other agreed upon schedule. Reports will be due within 15 calendar days of the end of the reporting period. Once provider payment is confirmed, CalOptima will reimburse the health network medical costs plus a 2% administrative component.

Current processes will be leveraged for Proposition 56 specific reporting, provider grievances and health network claims payment audit and oversight to comply with the Proposition 56 requirements. Additionally, current policy and processes will be followed related to provider payment recoupment, where applicable.

This process applies to physician services only as outlined in Proposition 56 and APL 18-010. The same process will be leveraged should provisions under Proposition 56 be extended past SFY 2017-18. Separately, implementation of Proposition 56 will require modifications to the current health network contracts. CalOptima staff will seek subsequent Board action to the extent required.

#### **Fiscal Impact**

The recommended action to approve the Proposition 56 physician services payment methodology for eligible Medi-Cal providers is expected to be budget neutral to CalOptima. Based on the draft capitation rates provided by DHCS, Staff anticipates that Proposition 56 revenues will be sufficient to cover the total costs of the physician services payments during SFY 2017-18. However, since DHCS will not provide a retrospective reconciliation for Proposition 56 funding, plans will be at risk for any expense exceeding the funded amount. Assuming that actual utilization during the effective period will be similar to historic experience levels, Staff projects the net fiscal impact will be budget neutral.

CalOptima Board Action Agenda Referral Consider Actions for the Implementation of Proposition 56 Provider Payment Page 4

# **Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with Proposition 56 requirements.

# **Concurrence**

Gary Crockett, Chief Counsel

# **Attachments**

None

/s/ Michael Schrader
Authorized Signature

*5/30/2018* 

**Date** 

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken June 6, 2019 Regular Meeting of the CalOptima Board of Directors

## **Consent Calendar**

8. Consider Ratification of Standardized Annual Proposition 56 Provider Payment Process

## **Contact**

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

#### **Recommended Actions**

Ratify standardized annual Proposition 56 provider payment process.

#### **Background**

Proposition 56 increases the excise tax rate on cigarettes and tobacco products to fund specified expenditures for existing health care programs administered by the Department of Health Care Services (DHCS). DHCS releases guidance to Medi-Cal managed care plans (MCP) of Proposition 56 provider payments through an All Plan Letter (APL). The APLs includes guidance regarding providers eligible for payment, service codes eligible for reimbursement, timeliness requirements to make payments, and MCP reporting requirements.

Eligible Proposition 56 provider payment adjustments are applied toward specific services provided during a State Fiscal Year (SFY), which runs from July 1 through June 30. While the payment period begins at the beginning of the SFY, final Proposition 56 guidance is not provided until after the fiscal year begins. For example, Proposition 56 guidance for SFY 2017-18 was received on May 1, 2018, ten months after the start of the fiscal year. Thus, MCPs are required to make a one-time retroactive payment adjustment to catch-up for dates of service (DOS) from the beginning of the SFY to the catch-up date. Once the initial catch-up payments are distributed, future payments are made within the timeframe specific in the APL.

On June 7, 2018 the CalOptima Board of Directors (Board) authorized implementation of initial payment and ongoing processing payments for Proposition 56 SFY 2017-18. In September 2018 DHCS instructed MCPs to continue Proposition 56 SFY 2017-18 provisions for DOS in SFY 2018-19, until SFY 2018-19 guidance was finalized. DHCS released draft Proposition 56 guidance for SFY 2018-19 on April 12, 2019. Final guidance has not been released as of May 28, 2019.

#### **Discussion**

In order to meet timeliness requirements for Proposition 56 payments each SFY and anticipating that requirements will continue to be released by APL or directly by DHCS, CalOptima staff recommends establishing a standardized annual process for Proposition 56 payment distributions. Ratification of this process is requested since CalOptima is required to distribute initial SFY 2018-19 Proposition 56 funds to providers no later than June 12, 2019, even though the final APL for the current fiscal year has not been released. The standardized process will apply to covered Medi-Cal Proposition 56 benefits administered directly by CalOptima (CalOptima Community Network or CalOptima Direct), or a

CalOptima Board Action Agenda Referral Consider Ratification of Standardized Annual Proposition 56 Provider Payment Process Page 2

delegated health network. To comply with the annual Proposition requirements, CalOptima staff recommends utilizing the current direct and delegated models for both the initial and ongoing payment distributions.

#### Initial Payments

Following the receipt of initial payment from DHCS for the Proposition 56 designated SFY, CalOptima recommends an initial catch-up payment, if required, for eligible services between the beginning of the SFY to the current date, unless otherwise defined by DHCS. To process the initial catch-up payment, historical claims and encounter data will be utilized to identify the additional payments retroactively. Initial payments will be distributed no later than the timeliness requirements as defined in the APL. Similar to the previous process utilized, the following is recommended for each annual initial catch up payment:

- CalOptima Direct, which includes CalOptima Direct Administrative and CalOptima
  Community Network, and other providers paid directly by CalOptima for non-delegated MediCal covered services (e.g., behavioral health providers): CalOptima to utilize claims and
  encounter data to identify and appropriately pay providers retroactively for claims and
  encounters submitted for DOS beginning the SFY to the current date, unless otherwise defined
  by DHCS.
- Health networks: Health network to utilize claims and encounter data to identify and
  appropriately pay providers retroactively for eligible services submitted for DOS beginning the
  SFY to the current date, unless otherwise defined by DHCS. CalOptima will prefund the health
  network for estimated medical costs. Health network will be required to submit a provider
  payment confirmation report to CalOptima. Once provider payment is confirmed, the prefunded
  medical costs, negative and positive, will be reconciled towards future Proposition 56
  reimbursements. In addition, a 2% administrative component based on total medical costs will
  be remitted to the health network.

#### Ongoing Processing

Once the initial payment is distributed, future Proposition 56 provider payments must be made within the timeframe as defined in the Proposition 56 APL for eligible clean claims or adjusted encounters. The following is recommended for ongoing processing provided that CalOptima continues to receive funding for Proposition 56:

- CalOptima Direct, which includes CalOptima Direct Administrative and CalOptima
  Community Network, and other providers paid directly by CalOptima for non-delegated MediCal covered services (e.g., behavioral health providers): CalOptima will pay providers within
  the timeframe as defined by DHCS as claims or encounters are received.
- Health networks: Health network will pay providers within the timeframe defined by DHCS as claims or encounters are received. Concurrently, health network will be required to submit provider payment confirmation reports on a monthly basis that eligible Proposition 56 claims and encounter payments were issued timely. Reports will be due within 10 calendar days of the

CalOptima Board Action Agenda Referral Consider Ratification of Standardized Annual Proposition 56 Provider Payment Process Page 3

end of the reporting period. Once provider payment is confirmed, CalOptima will reimburse the health network medical costs plus a 2% administrative component. Health networks will be required to report any recouped or refunded Proposition 56 payments received from providers. CalOptima will reconcile negative Proposition 56 medical and administrative payment adjustments towards future Proposition 56 reimbursements.

CalOptima, health networks will be expected to meet all reporting requirements as defined in the Proposition 56 APL or specifically requested by DHCS. Current processes will be used for Proposition 56 specific reporting, provider grievances and health network claims payment audit and oversight to comply with all regulatory requirements and CalOptima's expectations related to Proposition 56. Additionally, current policy and procedures will be followed related to provider payment recoupment, where applicable.

This process applies to eligible services and providers as prescribed through a Proposition 56 APL or directed by DHCS. CalOptima staff will return to the Board for further approval if any future DHCS Proposition 56 requirements warrant significant changes to the proposed process. Additionally, should implementation of Proposition 56 require modifications to current health network, vendor, or provider contracts, CalOptima staff will seek separate Board action to the extent required.

## **Fiscal Impact**

The recommended action to ratify the standardized annual Proposition 56 provider payment process is projected to be budget neutral to CalOptima. Based on historical claims experience, Staff anticipates medical expenditures will be of an equivalent amount as the Proposition 56 funding provided by DHCS annually, resulting in a budget neutral impact to CalOptima's operating income.

#### **Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with Proposition 56 requirements.

## **Concurrence**

Gary Crockett, Chief Counsel Board of Directors' Finance and Audit Committee

#### Attachment

June 7, 2018 CalOptima Board Action Agenda Referral Report Item 47. Consider Actions for the Implementation of Proposition 56 Provider Payment

/s/ Michael Schrader\_

5/29/2019

**Authorized Signature** 

Date

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken June 7, 2018 Regular Meeting of the CalOptima Board of Directors

#### **Report Item**

47. Consider Actions for the Implementation of Proposition 56 Provider Payment

#### Contact

Greg Hamblin, Chief Financial Officer, (714) 246-8400 Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

#### **Recommended Action**

Approve methodology for the disbursement of Proposition 56 physician services payments to eligible Medi-Cal providers.

## **Background**

The California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) increases the excise tax rate on cigarettes and tobacco products. A portion of Proposition 56 revenue is allocated for existing health care programs administered by the Department of Health Care Services (DHCS), including reimbursement in the Denti-Cal and Medi-Cal programs. As part of the Budget Act of 2017, Proposition 56 funds were appropriated for State Fiscal Year (SFY) 2017-18. Under Proposition 56, Medi-Cal Managed Care Plans (MCPs) are required to provide additional compensation for certain Medi-Cal related services rendered in SFY 2017-18. Supplemental payments are to be made to providers based on a DHCS-provided set of procedure codes for certain physician services, Intermediate Care Facilities for the Developmentally Disabled (ICF-DDs), and women's health services for pregnancy termination. The Governor's May Revision released on May 11, 2018 proposes extension of Proposition 56 for SFY 2018-19.

DHCS released guidance related to Proposition 56 provider payment methodologies through All Plan Letter (APL) 18-010 on May 1, 2018. CalOptima began receiving initial funding for Proposition 56 payments in its monthly capitation received on April 30, 2018 and will continue to receive Proposition 56 funding in subsequent capitation payments. DHCS expects Proposition 56 payments be passed through to eligible providers for the initial payment within 90 calendar days of the MCP receiving capitation from DHCS. Subsequent payments are to be made within 90 calendar days of receiving a clean claim or accepted encounter.

Providers contracted with CalOptima or a delegated entity rendering one of the designated Medi-Cal covered services between July 1, 2017 and June 30, 2018 are eligible for Proposition 56 payments in addition to the provider's contract rate or capitation. However, the following provider types are not eligible to receive Proposition 56 payments: Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), American Indian Health Programs (AIHPs) and cost-based reimbursement clinics. The following DHCS-provided procedure codes are eligible for supplemental payments:

Medi-Cal Covered Service Code	<b>Service Code Description</b>	Directed Payment
99201	Office/Outpatient Visit New	\$10.00
99202	Office/Outpatient Visit New	\$15.00
99203	Office/Outpatient Visit New	\$25.00
99204	Office/Outpatient Visit New	\$25.00
99205	Office/Outpatient Visit New	\$50.00
99211	Office/Outpatient Visit Est	\$10.00
99212	Office/Outpatient Visit Est	\$15.00
99213	Office/Outpatient Visit Est	\$15.00
99214	Office/Outpatient Visit Est	\$25.00
99215	Office/Outpatient Visit Est	\$25.00
90791	Psychiatric Diagnostic Eval	\$35.00
90792	Psychiatric Diagnostic Eval with Medical Services	\$35.00
90863	Pharmacologic Management	\$5.00

The DHCS guidance requires MCPs to maintain a formal process for provider grievances with respect to payment and non-payment of Proposition 56 directed payments. Specific Proposition 56 reporting will be required by DHCS on a quarterly basis. MCPs are required to ensure that their delegated entities and subcontractors comply with the terms and requirements of the DHCS guidance.

## **Discussion**

Proposition 56 provider payments apply to Medi-Cal covered medical and behavioral health services. CalOptima administers medical services through its direct networks, CalOptima Community Network (CCN) and CalOptima Direct (COD), or a delegated health network. Prior to January 1, 2018, CalOptima provided behavioral health services through a delegated Managed Behavioral Healthcare Organization (MBHO). Beginning January 1, 2018, CalOptima transitioned away from using a MBHO for its Medi-Cal program and began providing these services through providers contracted directly with CalOptima. To comply with Proposition 56 requirements, CalOptima staff recommends utilizing its current direct and delegated models for both the initial and ongoing payment distributions.

## Initial Payments

Following the initial payment received from DHCS on April 30, 2018, CalOptima recommends providing an initial catch-up payment for dates of service (DOS) July 1, 2017 to the current date. In order to process the initial catch-up payment, historical claims and encounter data will be utilized to identify and process the additional payments retroactively. Initial payments must be distributed to providers no later than July 29, 2018. The following is recommended for initial payments:

• CalOptima Direct, CalOptima Community Network and behavioral health providers: CalOptima to utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date.

CalOptima Board Action Agenda Referral Consider Actions for the Implementation of Proposition 56 Provider Payment Page 3

#### Health networks:

Health networks utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date. CalOptima will prefund the health networks for estimated medical costs. Health networks will be required to submit a provider payment confirmation report to CalOptima. Once provider payment is confirmed, the remaining medical cost will be reconciled plus a 2% administrative component based on total medical costs will be remitted to the health networks

## Ongoing Processing

Once the initial payment is distributed, future Proposition 56 provider payments must be made within 90 calendar days of receipt of a clean claim or adjusted encounter. The following is recommended for ongoing processing provided that CalOptima continues to receive Proposition 56 funds:

• CalOptima Direct, CalOptima Community Network and behavioral health providers: CalOptima will pay providers within 90 calendar days of receipt of a clean claim or accepted behavioral health encounter.

#### • Health Networks:

Health networks will pay providers within 90 calendar days of receipt of a clean claim or accepted encounter. Concurrently, CalOptima will utilize existing health network reporting processes to identify claims and encounters eligible for Proposition 56 payments. Health networks will be required to submit provider payment confirmation that the eligible Proposition 56 claims and encounter payments were issued on a monthly basis or other agreed upon schedule. Reports will be due within 15 calendar days of the end of the reporting period. Once provider payment is confirmed, CalOptima will reimburse the health network medical costs plus a 2% administrative component.

Current processes will be leveraged for Proposition 56 specific reporting, provider grievances and health network claims payment audit and oversight to comply with the Proposition 56 requirements. Additionally, current policy and processes will be followed related to provider payment recoupment, where applicable.

This process applies to physician services only as outlined in Proposition 56 and APL 18-010. The same process will be leveraged should provisions under Proposition 56 be extended past SFY 2017-18. Separately, implementation of Proposition 56 will require modifications to the current health network contracts. CalOptima staff will seek subsequent Board action to the extent required.

#### **Fiscal Impact**

The recommended action to approve the Proposition 56 physician services payment methodology for eligible Medi-Cal providers is expected to be budget neutral to CalOptima. Based on the draft capitation rates provided by DHCS, Staff anticipates that Proposition 56 revenues will be sufficient to cover the total costs of the physician services payments during SFY 2017-18. However, since DHCS will not provide a retrospective reconciliation for Proposition 56 funding, plans will be at risk for any expense exceeding the funded amount. Assuming that actual utilization during the effective period will be similar to historic experience levels, Staff projects the net fiscal impact will be budget neutral.

CalOptima Board Action Agenda Referral Consider Actions for the Implementation of Proposition 56 Provider Payment Page 4

# **Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with Proposition 56 requirements.

# **Concurrence**

Gary Crockett, Chief Counsel

# **Attachments**

None

/s/ Michael Schrader
Authorized Signature

*5/30/2018* 

**Date** 

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken September 5, 2019 Regular Meeting of the CalOptima Board of Directors

#### **Report Item**

9. Consider Actions Related to the Implementation of Statutorily-Mandated Rate Increases for Medi-Cal Non-Contracted Ground Emergency Medical Transport (GEMT) Provider Services

### **Contact**

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400 Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400

#### **Recommended Actions**

- 1. Approve payments to the capitated hospital(s) and HMOs for statutorily-mandated retrospective rate increases for specific services provided by non-contracted Ground Emergency Medical Transport providers to Medi-Cal members during the period of July 1, 2018 through June 30, 2019 and an administrative fee for claims adjustments; and
- 2. Direct the Chief Executive Officer, with the assistance of Legal Counsel, to amend the CalOptima Physician Hospital Consortium capitated Hospital and Full-Risk Health Network Medi-Cal contracts to incorporate the retrospective non-contracted Ground Emergency Medical Transport provider rate increase requirements for the July 1, 2018 through June 30, 2019 period and the additional compensation to these health networks for such services.

#### **Background/Discussion**

In accordance with Senate Bill (SB) 523 (Chapter 773, Statutes of 2017), the California Department of Health Care Services (DHCS) established increased Ground Emergency Medical Transport (GEMT) provider payments through the Quality Assurance Fee program for certain Medi-Cal related services rendered in State Fiscal Year (SFY) 2018-19. On February 7, 2019, DHCS obtained federal approval from the Centers for Medicare & Medicaid Services for GEMT provider payments through California State Plan Amendment 18-004. On April 5, 2019, CalOptima received initial funding for the retrospective non-contracted GEMT provider payment increase, separate from the standard capitation payment. Final guidance regarding distribution of non-contracted GEMT provider payments was released by DHCS through All Plan Letter (APL) 19-007, dated June 14, 2019.

Per DHCS guidance, CalOptima is required to provide increased reimbursement to out-of-network providers for GEMT service codes A0429 (Basic Life Support Emergency), A0427 (Advanced Life Support Emergency), and A0433 (Advanced Life Support, Level 2). CalOptima must reimburse out-of-network providers a total of \$339 for each designated GEMT service provided by during SFY 2018-19 (July 1, 2018 to June 30, 2019). Excluded services include those billed by air ambulance providers and services billed when transport is not provided. DHCS has mandated that payments for the above increased rates are to be distributed no later than July 3, 2019.

At this time, the total reimbursement rate of \$339 per identified service is time-limited and in effect for SFY 2018-19. Increased reimbursement for the specified GEMT services may potentially be extended into future fiscal years and may include additional GEMT transport codes. If the reimbursement

CalOptima Board Action Agenda Referral Consider Actions Related to the Implementation of Statutorily-Mandated Rate Increases for Medi-Cal Non-Contracted Ground Emergency Medical Transport (GEMT) Provider Services Page 2

increase is extended, and/or includes additional GEMT transport codes, DHCS will provide further guidance after necessary federal approval is obtained.

In order to meet timeliness requirements for non-contracted GEMT provider payment adjustments for services provided during SFY 2018-19, CalOptima and its delegated health networks followed the existing Fee Schedule change process. Through this process, eligible claims previously adjudicated and paid were adjusted to the increased reimbursement rate. New claims are paid at the appropriate fee schedule as they are received.

For the physician-hospital consortium (PHC) hospitals and health maintenance organization (HMO) health networks that are financially responsible for non-contracted GEMT services, CalOptima staff recommends reimbursing the health networks the difference between the base Medi-Cal rate for the specific service and the required \$339 enhanced rate. The health networks will be required to submit GEMT payment adjustment confirmation reports. Upon receipt of the confirmation report, CalOptima will reconcile the report against encounters and other claims reports received and reimburse each health network's medical costs, separate from their standard capitation payments, plus a 2% administrative component based on rate adjustments made by health networks.

CalOptima and its health networks will be expected to meet all reporting requirements as required by DHCS. Current processes will be leveraged for specific reporting requirements, provider grievances, and health network claims payment audit and oversight to comply with all regulatory requirements. Additionally, current policy and procedures will be followed related to provider payment recoupment, where applicable.

This process applies to eligible services and providers as directed by the DHCS. The same process will be leveraged should GEMT provisions be extended past SFY 2018-19, modified through an APL, or otherwise directed by DHCS. CalOptima staff will return to the Board for approval if any future DHCS non-contract GEMT provider payment requirements warrant significant changes to the proposed process.

#### **Fiscal Impact**

The recommended action to implement additional payment requirements for specified services provided by non-contracted GEMT providers to CalOptima Medi-Cal members in SFY 2018-19 is budget neutral. The anticipated Medi-Cal revenue is projected to be sufficient to cover the costs of the increased expense. Management included projected revenues and expenses related to non-contracted GEMT provider payment requirements in the CalOptima Fiscal Year 2019-20 Operating Budget approved by the Board on June 6, 2019.

## **Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with All-Plan Letter (APL) 19-007: Non–Contract Ground Emergency Medical Transport Payment Obligations for State Fiscal Year 2018–19.

CalOptima Board Action Agenda Referral Consider Actions Related to the Implementation of Statutorily-Mandated Rate Increases for Medi-Cal Non-Contracted Ground Emergency Medical Transport (GEMT) Provider Services Page 3

## **Concurrence**

Gary Crockett, Chief Counsel

## **Attachment**

- 1. Contracted Entities Covered by this Recommended Board Action
- 2. California State Plan Amendment (SPA) 18-004
- 3. All-Plan Letter (APL) 19-007: Non–Contract Ground Emergency Medical Transport Payment Obligations for State Fiscal Year 2018–19
- 4. Ground Emergency Medical Transport Quality Assurance Fee News Flash published on June 28, 2018

<u>/s/ Michael Schrader</u> <u>8/28/19</u> **Authorized Signature Date** 

### Attachment to the September 5, 2019 Board of Directors Meeting – Agenda Item 9

### CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Legal Name	Address	City	State	Zip
				Code
AMVI Care Health Network	600 City Parkway West, #800	Orange	CA	92868
CHOC Physicians Network + Children's	1120 West La Veta Ave, Suite 450	Orange	CA	92868
Hospital of Orange County				
Family Choice Medical Group, Inc.	15821 Ventura Blvd. #600	Encino	CA	91436
Fountain Valley Regional Hospital and	1400 South Douglass, Suite 250	Anaheim	CA	92860
Medical Center				
Heritage Provider Network, Inc.	8510 Balboa Blvd, Suite 150	Northridge	CA	91325
Kaiser Foundation Health Plan, Inc.	393 Walnut St	Pasadena	CA	91188
Monarch Health Plan, Inc.	11 Technology Dr.	Irvine	CA	92618
Prospect Health Plan, Inc.	600 City Parkway West, #800	Orange	CA	92868

DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services San Francisco Regional Office 90 Seventh Street, Suite 5-300 (5W) San Francisco, CA 94103-6706



#### DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

February 7, 2019

Mari Cantwell Chief Deputy Director, Health Care Programs California Department of Health Care Services P.O. Box 997413, MS 0000 Sacramento, CA 95899-7413

Dear Ms. Cantwell:

Enclosed is an approved copy of California State Plan Amendment (SPA) 18-004, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 11, 2018. SPA 18-004 implements a one-year Quality Assurance Fee (QAF) program and reimbursement add-on for Ground Emergency Medical Transports (GEMT) provided by emergency medical transportation providers effective for the State Fiscal Year (SFY) 2018-19 from July 1, 2018 to June 30, 2019.

The effective date of this SPA is July 1, 2018. Enclosed are the following approved SPA pages that should be incorporated into your approved state plan:

• Supplement 29 to Attachment 4.19-B, pages 1-2

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl Young@cms.hhs.gov.

Sincerely,



Richard Allen Acting Associate Regional Administrator Division of Medicaid & Children's Health Operations

#### **Enclosures**

cc: Lindy Harrington, California Department of Health Care Services (DHCS)
Connie Florez, DHCS
Angel Rodriguez, DHCS
Angeli Lee, DHCS

Amanda Font, DHCS

CENTERS FOR MEDICARE & MEDICAID SERVICES		OMB No. 0938-019	
TRANSMITTAL AND NOTICE OF ADDROVAL O	1. TRANSMITTAL NUMBER	2. STATE	
TRANSMITTAL AND NOTICE OF APPROVAL O	<u>1 8 — 0 0 4 — </u>	California	
STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITLE XI SECURITY ACT (MEDICAID) Title XIX of the Social Security Act (Medical Sec		
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE		
CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	July 1, 2018		
5. TYPE OF PLAN MATERIAL (Check One)			
☐ NEW STATE PLAN ☐ AMENDMENT TO BE CON	SIDERED ASNEW PLAN	AMENDMENT	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AM	ENDMENT (Separate transmittal for each an	nendment)	
6. FEDERAL STATUTE/REGULATION CITATION	7. FEDERAL BUDGET IMPACT	101 000	
Title 42 CFR 447 Subpart F <u>&amp; 42 CFR 433.68</u>		<u>461,892</u> 3,385,675	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	9. PAGE NUMBER OF THE SUPERSEI OR ATTACHMENT (If Applicable)		
Supplement 28, page 1, Attachment 4.19-B			
Supplement 29 to Attachment 4.19-B, pages 1-2	None		
10. SUBJECT OF AMENDMENT			
One-year reimbursement rate add-on for ground emerge	ncy medical transport services		
11. GOVERNOR'S REVIEW (Check One)			
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER, AS SPECIFIED		
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	The Governor's Office does not	: wish to	
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	review the State Plan Amendm	ent.	
12. SIGNATURE OF STATE AGENCY OFFICIAL	16. RETURN TO		
	Department of Health Care Services		
13. TYPED NAME	Attn: Director's Office P.O. Box 997413, MS 0000		
Mari Cantwell	Sacramento, CA 95899-7413		
14. TITLE State Medicaid Director			
15. DATE SUBMITTED			
July 11, 2018			
	OFFICE USE ONLY		
17. DATE RECEIVED July 11, 2018	18. DATE APPROVED February 7, 2017		
	DNE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL	20. SIGNATURE OF REGIONAL OFFICIAL	-	
July 1, 2018	/s/		
21. TYPED NAME	22. TITLE Acting Associate Regional Ac	lministrator,	
Richard Allen	Division of Medicaid & Children's H	ealth Operations	
23. REMARKS			
Box 6: CMS made a pen and ink change on 9/26/18 to add "42	CFR 433.68," the regulatory citation for p	permissible health-care	
related taxes. Box 8: CMS made a pen and ink change on 9/21/ supplement number to 29. Box 12: DHCS added signature on 2		1, and to correct	

#### STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

### ONE-YEAR REIMBURSEMENT RATE ADD-ON FOR GROUND EMERGENCY MEDICAL TRANSPORT SERVICES

#### Introduction

This program provides increased reimbursement to ground emergency medical transport providers by application of an add-on to the Medi-Cal fee-for-service (FFS) fee schedule base rates for eligible emergency medical transportation services. The reimbursement rate add-on will apply to eligible Current Procedural Terminology (CPT) Codes, between July 1, 2018 and June 30, 2019. The base rates for emergency medical transportation services will remain unchanged through this amendment.

"Emergency medical transport" means the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient by an ambulance licensed, operated, and equipped in accordance with applicable state or local statutes, ordinances, or regulations, excluding transportation by an air ambulance provider, that are billed with CPT Codes A0429, A0427, and A0433.

### Methodology

For State Fiscal Year (SFY) 2018-19, the reimbursement rate add-on is fixed for FY 2018-19. The resulting payment amounts are equal to the sum of the FFS fee schedule base rate for the SFY 2015-16 and the add-on amount for the CPT Code. The resulting total payment amount for CPT Codes A0429, A0427, and A0433 will be \$339.00. The add-on is paid on a per-claim basis.

Service Code	Description	Current Payment	Add On Amount	Resulting Total Payment
A0429	Basic Life Support	\$118.20	\$220.80	\$339.00
A0427	Advanced Life Support, Level 1	\$118.20	\$220.80	\$339.00
A0433	Advanced Life Support, Level 2	\$118.20	\$220.80	\$339.00

TN 18-004 Supersedes

TN: None Approval Date: February 7, 2019 Effective Date: July 1, 2018

### STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

The resulting total payment amount of \$339.00 is considered the Rogers rate, which is the minimum rate that managed care organizations can pay noncontract managed care emergency medical transport providers, for each state fiscal year the FFS reimbursement rate add-on is effective.

TN 18-004 Supersedes

TN: None Approval Date: February 7, 2019 Effective Date: July 1, 2018



# State of California—Health and Human Services Agency Department of Health Care Services



**DATE:** June 14, 2019

**ALL PLAN LETTER 19-007** 

**TO:** ALL MEDI-CAL MANAGED CARE HEALTH PLANS<sup>1</sup>

**SUBJECT:** NON-CONTRACT GROUND EMERGENCY MEDICAL TRANSPORT

PAYMENT OBLIGATIONS FOR STATE FISCAL YEAR 2018-19

#### **PURPOSE:**

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with information regarding increased reimbursement for Fee-For-Service (FFS) ground emergency medical transport (GEMT) for Current Procedural Terminology (CPT) codes A0429, A0427, and A0433. The increased FFS reimbursement will affect MCP reimbursement of out-of-network GEMT services as required by section 1396u-2(b)(2)(D) of Title 42 of the United States Code (USC), commonly referred to as "Rogers Rates."

#### **BACKGROUND:**

Pursuant to the Legislature's addition of Article 3.91 (Medi-Cal Emergency Medical Transportation Reimbursement Act) to the Welfare and Institutions Code (WIC) in 2017, DHCS established the GEMT Quality Assurance Fee (QAF) program. On February 7, 2019, DHCS obtained federal approval from the Centers for Medicare and Medicaid Services (CMS) for California State Plan Amendment (SPA) 18-004, with an effective date of July 1, 2018. SPA 18-004 implements a one-year QAF program and reimbursement add-on for GEMT provided by emergency medical transportation providers effective for State Fiscal Year (SFY) 2018-19 from July 1, 2018, to June 30, 2019.

### **POLICY:**

In accordance with 42 USC Section 1396u-2(b)(2)(D), Title 42 of the Code of Federal Regulations part 438.114(c), and WIC Sections 14129-14129.7, MCPs must provide increased reimbursement rates for specified GEMT services to non-contracted GEMT providers.

Under WIC Section 14129(g), emergency medical transport is defined as the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient by an ambulance licensed, operated, and equipped, in accordance with applicable state or local statutes,

<sup>1</sup> This APL does not apply to Prepaid Ambulatory Health Plans.

ordinances, or regulations, excluding transportation by an air ambulance provider, that are billed with CPT codes A0429 (BLS Emergency), A0427 (ALS Emergency), and A0433 (ALS2), excluding any transports billed when, following evaluation of a patient, a transport is not provided.

For each qualifying emergency ambulance transport billed with the specified CPT codes, the total FFS reimbursement will be \$339.00 for SFY 2018-2019. Accordingly, MCPs reimbursing non-contracted GEMT providers for those services must pay a "Rogers Rate" for a total reimbursement rate of \$339.00 for each qualifying emergency ambulance transport provided during SFY 2018-19 and billed with the specified CPT codes.

At this time, the total reimbursement rate of \$339.00 for each qualifying emergency ambulance transport billed with the specified CPT codes is time-limited, and is only in effect for SFY 2018-19 dates of service from July 1, 2018, to June 30, 2019. Increased reimbursement for the specified GEMT services may be extended into future fiscal years, and may include additional GEMT codes. If the reimbursement increase is extended, and/or includes additional GEMT codes, DHCS will provide MCPs with further guidance after necessary federal approval is obtained.

#### Timing of Payment and Claim Submission

The projected value of this payment obligation will be accounted for in the MCPs' actuarially certified risk-based capitation rates. Within 90 calendar days from the date DHCS issues the capitation payments to MCPs for GEMT payment obligations specified in this APL, MCPs must pay, as required by this APL, for all clean claims or accepted encounters with the dates of service between July 1, 2018, and the date the MCP receives such capitation payment from DHCS.

Once DHCS begins issuing the capitation payments to the MCPs for the GEMT payment obligations specified in this APL, MCPs must pay as required by this APL within 90 calendar days of receiving a qualifying clean claim or an accepted encounter.

MCPs are required to make timely payments in accordance with this APL for clean claims or accepted encounters for qualifying transports submitted to the MCPs within one year after the date of service. MCPs are not required to pay the GEMT payment obligation specified in this APL for claims or encounters submitted more than one year after the date of service unless the non-contracted GEMT provider can show good cause.

These submission and payment timing requirements may be waived only if agreed to in writing between the MCPs, the MCPs' delegated entities, or subcontractors, and the rendering GEMT provider.

### **Impacts Related to Medicare**

For dual eligible beneficiaries with Medicare Part B coverage, the increased Medi-Cal reimbursement level may result in a crossover payment obligation on the MCP, because the new Medi-Cal reimbursement amount may exceed 80 percent of the Medicare fee schedule. Based on current Medicare reimbursement rates, the only CPT code where this scenario may occur in certain geographic areas is A0429. MCPs are responsible for identifying and satisfying any Medicare crossover payment obligations that result from the increase in GEMT reimbursement obligations described in this APL.

In instances where a member is found to have other health coverage sources, MCPs must cost avoid or make a post-payment recovery in accordance with the "Cost Avoidance and Post-Payment Recovery of Other Health Coverage Sources" provision of Attachment 2 to Exhibit E of the MCP Contract.

### **Other Obligations**

MCPs are responsible for ensuring qualifying transports reported using the specified CPT codes are appropriate for the services being provided and are reported to DHCS in encounter data pursuant to APL 14-019.

MCPs are responsible for ensuring that their delegated entities and subcontractors comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs, policy letters, and duals plan letters. MCPs must communicate these requirements to all delegated entities and subcontractors.

Pursuant to the MCP Contract, MCPs must have a formal procedure to accept, acknowledge, and resolve provider grievances related to the processing or non-payment related to this APL. In addition, MCPs must identify a designated point of contact for provider questions and technical assistance.

### ALL PLAN LETTER 19-007 Page 4

If you have any questions regarding the requirements of this APL, please contact your Managed Care Operations Division contract manager.

Sincerely,

Original Signed by Sarah Brooks

Sarah Brooks, Deputy Director Health Care Delivery Systems



Home --> Newsroom Archives

### **Ground Emergency Medical Transport Quality Assurance Fee**

June 28, 2018

In accordance with Senate Bill 523 (Chapter 773, Statutes of 2017), the Department of Health Care Services (DHCS) has finalized the fiscal year 2018 – 2019 Ground Emergency Medical Transport Quality Assurance Fee (QAF) rate and add-on amount to the Medi-Cal fee-for-service fee schedule rates for the affected emergency medical transport, as listed below. The QAF is assessed on each qualified emergency medical transport, regardless of payer. The add-on will be provided in addition to the Medi-Cal fee-for-service fee schedule rates for the affected emergency medical transport billing codes. The fiscal year 2018 – 2019 QAF rate and add-on amount are as follows:

Add-on Amount: \$220.80

**QAF Rate: \$24.80** 

The resulting fiscal year 2018 – 2019 total fee-for-service reimbursement amount will be \$339 for HCPCS codes A0427, A0429 and A0433 (ground medical transportation services).

For more details regarding the Ground Emergency Medical Transport QAF Program and the reporting requirements and instructions, visit the Ground Emergency Medical Transport Quality Assurance Fee website.

Questions or comments may be submitted to the DHCS Ground Emergency Medical Transport QAF email box: GEMTQAF@dhcs.ca.gov.

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#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

### **Report Item**

10. Consider Recommending Board of Directors Receive Report from Grant Thornton on Compensation and Benefits Benchmarking and Analysis with Appendix; Consider Recommending Board of Directors Adopt Actions Related to Recommendations from Grant Thornton

#### **Contacts**

Richard Sanchez, Interim Chief Executive Officer, (714) 246-8400 Brigette Gibb, Executive Director, Human Resources, (714) 246-8400

### **Recommend that the Board of Directors:**

- 1. Receive Report from Grant Thornton on compensation and benefits benchmarking and analysis with Appendix: Custom Peer Groups;
- 2. Adopt Resolution approving CalOptima's updated Human Resources Policies GA.8057: Compensation Program, with a proposed implementation date of March 29, 2020, and GA.8058: Salary Schedule, with a proposed implementation date of June 7, 2020;
- 3. Authorize the Chief Executive Officer to administer CalOptima compensation practices in accordance with CalOptima policies and Grant Thornton recommendations; and
- 4. Direct staff to research deferred compensation plan options and return to the Board of Directors' Finance and Audit Committee with recommendations.

#### **Background/Discussion**

On November 1, 1994, the Board of Directors delegated authority to the Chief Executive Officer (CEO) to promulgate employee policies and procedures, and to amend these policies from time to time, subject to annual presentation of the policies and procedures, with specific emphasis on any changes thereto, to the Board or a committee appointed by the Board for that purpose. On December 6, 1994, the Board adopted CalOptima's Bylaws, which requires, pursuant to section 13.1, that the Board adopt by resolution, and from time to time amend, procedures, practices and policies for, among other things, hiring employees and managing personnel.

On August 1, 2013, the Board adopted the CalOptima Compensation Philosophy, which established the objectives of the compensation program to include base salary, incentive, and benefit levels competitive with the median range of CalOptima's labor market.

On March 6, 2014, the Board approved revisions to CalOptima's Compensation Administration Guidelines (Guidelines), which is a document that defines the principles upon which CalOptima's compensation practices are managed, the procedural aspects of how compensation is administered, and how the overall compensation administration function responds to changing market conditions and business demands to compete for and retain talent. The approved Guidelines reflect the results of an independent review of CalOptima's total compensation and related administration practices and established pay rates based on the market fiftieth percentile.

According to the Guidelines, CalOptima's salary structure should be reviewed on a regular basis, either annually or every other year, to continue to reflect market competitiveness. As provided in the Guidelines, market adjustments are to be applied to the salary schedule as needed, at least every two years. Following approval of the salary structure and salary schedule in the first half of 2014, on December 3, 2015, the Board approved an adjustment to CalOptima's salary schedule pay ranges up by 4% to keep pace with the then current market rates.

Consistent with the Guidelines, staff requested authorization and appropriation on May 18, 2017 for a compensation study as part of the fiscal year (FY) 2017-18 operating budget to review CalOptima's salary structure. However, the Finance and Audit Committee (FAC) directed staff to remove the compensation study from the FY 2017-18 budget in order to mitigate the then anticipated reductions from the state in Medi-Cal Classic and Medi-Cal Expansion provider rates.

Since the most recent employee compensation study was completed in 2014, CalOptima has experienced significant change and growth in terms of the number of members served, as well as a more than doubling in the number of employees. CalOptima has also seen significant expansion of its programs, bringing certain functions in-house, along with new programs and initiatives.

At the Board's May 3, 2018 meeting, staff received direction to look into conducting periodic salary surveys and include implementation funds in the budget.

At its June 7, 2018 meeting, the Board authorized and appropriated funds in the FY 2018-19 Operating Budget, which included \$300,000 in professional fees to conduct an independent compensation study, and Grant Thornton was engaged to perform a study of CalOptima's total compensation and related administration practices. The goal of the review by Grant Thornton was to determine CalOptima's competitiveness with other organizations for human capital recruitment and retention, and to make recommendations consistent with the Compensation Philosophy adopted by the Board.

At the Board's May 2, 2019 meeting, Chair Yost appointed Directors DiLuigi and Penrose to review the work of Grant Thornton, the compensation consultant.

At its June 6, 2019 meeting, the Board approved the FY 2019-20 Operating Budget, which includes \$1.5 million for compensation market adjustments and an additional \$50,000 in professional fees to complete the compensation study-related tasks.

In alignment with CalOptima's Compensation Philosophy, and building on the framework that was established by the Board for the compensation program, Grant Thornton evaluated CalOptima's total compensation and has made recommendations based on current market data to update CalOptima's current pay practices to reflect market competitiveness, including, but not limited to, base pay, incentive pay, benefits, and other supplemental pay practices.

As reflected in the Board-approved Guidelines, periodic review of CalOptima's salary structure is necessary to obtain current market compensation data as a key element in an effective recruitment and retention strategy. Grant Thornton has made recommendations to support both recruitment and retention efforts. As provided in the Guidelines, any adjustment to the salary schedule structure requires that the CEO take the recommendations to the Board for final approval. CalOptima does not have any labor unions or bargaining units and has not adopted automatic salary range adjustments. The salary structure is set by the Board, which was last approved in 2015. Where wages in Southern California increased on average 18.53% since 2015, CalOptima's salary structure has remained the same.

Based on the Compensation Philosophy, Guidelines, and Grant Thornton's recommendations, the following proposal is presented for Board approval and has been incorporated in the proposed revised policy:

- Adjust CalOptima's salary structure and salary schedule with an implementation date
  that corresponds with the first day of the next pay period, which will be June 7, 2020, to
  keep pace with the current market rates, taking into account internal evaluation of job
  responsibilities.
- Implement the compensation program policy and guidelines effective March 29, 2020 to account for the beginning of a pay period when there was an interim and separating chief executive officer.

At the February 6, 2020 Board Meeting, the Board reviewed this item and there was a request for additional information from Grant Thornton for further review and to return this item to the March 5, 2020 Board Meeting. The requested information on the custom peer groups is included in the Report.

At the March 5, 2020 Board Meeting, the Board discussed this item, but did not adopt the recommendations contained herein. Vice Chair Khatibi directed staff to return this item to the Board with the attached summary presentation to highlight key facts and objectives; however staff is bringing this to the FAC to first consider the financial impact in conjunction with the fiscal year 2020-21 proposed budget.

Upon Board authorization, the CEO, will complete the phased in implementation of CalOptima compensation practices in accordance with recommendations by Grant Thornton in FY 2019-20 and FY 2020-21.

Additionally, consistent with Grant Thornton's report, it is recommended that the FAC recommend that the Board direct staff to explore options for long-term deferred compensation in order to bring total compensation into alignment with CalOptima's compensation philosophy.

Pursuant to the California Code of Regulations, Title 2, Section 570.5, CalOptima is required to adopt a publicly available pay schedule that meets the requirements set forth by the California Public Employees' Retirement System (CalPERS) to reflect recent changes, including the addition or deletion

of positions and revisions to wage grades for certain positions.

The following table lists the Human Resources policies that have been updated and are being presented for review and approval:

Policy No./Name	Summary of Changes	Reason for Change
1. GA.8057 Compensation Program  Attachment A – Compensation Guidelines	<ul> <li>Deleted language to comply with the California Equal Pay Act requirements.</li> <li>Minor language and formatting changes to the Policy.</li> <li>Attachment A –         Compensation Guidelines updated with:         <ul> <li>Minor language and formatting changes;</li> <li>Revised merit pay calculation methodology to coincide with fiscal year;</li> <li>Provide clarifying language and modifications to reflect current operational processes and practices;</li> <li>Clarify the method for calculating salary for promotions, demotions and transfers;</li> <li>Included language allowing for a replacement to fill a budgeted position in advance of a terminating employee's separation;</li> <li>The proposed implementation date of the Compensation Guidelines is March 29,</li> </ul> </li> </ul>	<ul> <li>Revised Policy to comply with California Equal Pay Act, Labor Code section 1197.5 and Labor Code section 432.3</li> <li>Clarifying language provided for ease of comprehension and consistent application and to reflect current compensation practices</li> <li>The March 29, 2020, implementation of the Compensation Guidelines is to address the overlap of employees in a budgeted position to allow for a transition/training period</li> </ul>

	Policy No./Name	<b>Summary of Changes</b>	Reason for Change
		2020.	
2.	GA.8058 – Salary Schedule  Attachment A- Salary Schedule	<ul> <li>This policy focuses solely on CalOptima's Salary Schedule and requirements under CalPERS regulations.</li> <li>Minor language and formatting changes to the Policy</li> <li>Attachment A – Salary Schedule has been revised in order to reflect changes to the salary structure based on Grant Thornton's compensation study and internal evaluation of job responsibilities. Changes include the proposed addition of new positions and the deletion of positions that are no longer in use. A summary of the changes to the Salary Schedule is included for reference.</li> <li>Since the February 6, 2020 Board Meeting, three (3) new titles have been added to the proposed Salary Schedule, three (3) positions reflect pay grade decreases, and one (1) position reflects a pay grade increase as noted in the Summary of Changes to Salary Schedule.</li> <li>Since the March 5, 2020 Board Meeting, nine (9) positions reflect pay grade increases as noted in the Summary of Changes to Salary Schedule.</li> </ul>	<ul> <li>Pursuant to CalPERS requirement, 2 CCR §570.5, CalOptima must update the salary schedule to reflect current job titles and pay rates for each job position.</li> <li>Attachment A changes include the addition of new positions and deletion of positions which are no longer being used. Revisions to wage grades and salary ranges are made as a result of the Grant Thornton         Compensation Study and internal evaluation of job responsibilities.</li> <li>New Positions:         Creation of new Job Titles are typically due to a change in the scope of a current position or the addition of a new level in a job family.</li> <li>Implementing changes to the salary schedule with an implementation date of June 7, 2020, will coincide with the start of the pay period for ease of administration.</li> </ul>

Policy No./Name	<b>Summary of Changes</b>	Reason for Change
	• The proposed	
	implementation date of the	
	Salary Schedule updates is	
	June 7, 2020.	

### **Fiscal Impact**

The recommended action to revise CalOptima Policy GA.8058 with an updated Salary Schedule based on the results from the compensation study is a budgeted item. The CalOptima FY 2019-20 Operating Budget approved by the Board on June 6, 2019, included \$1.5 million to fund this action.

The estimated annual fiscal impact to the CalOptima FY 2020-21 Operating Budget is approximately \$11.1 million. Upon Board approval, Management will include updated medical and administrative expenses in the CalOptima FY 2020-21 Operating Budget.

### **Rationale for Recommendation**

The independent review of CalOptima's compensation structure and program will ensure that CalOptima's compensation practices are clear, consistent, and competitive. The revised policies will also address the need to respond to changing market conditions and business demands for talent in a manner that is consistent with CalOptima's status as a public agency and the Board-approved Compensation Guidelines.

### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

- 1. Compensation Study Presentation
- 2. Grant Thornton Compensation and Benefits Benchmarking and Analysis Report
- 3. Resolution No. 20-0604-01, Approve Updated Human Resources Policies
- 4. Revised CalOptima Policies:
  - a. GA. 8057: Compensation Program (redlined and clean copies) with revised Attachment A (redlined and clean copies)
  - b. GA. 8058: Salary Schedule (redlined and clean copies) with revised Attachment A (redlined and clean copies)
- 5. Summary of Changes to Salary Schedule

/s/ Richard Sanchez 05/14/2020 Authorized Signature Date



# CalOptima Compensation Study

**Board of Directors' Finance and Audit Committee May 21, 2020** 

**Brigette Gibb Executive Director, Human Resources** 

### **Compensation Philosophy**

- The compensation program at CalOptima is intended to:
  - > Attract, retain and motivate employees
  - ➤ Balance internal equity and market competitiveness to recruit and retain qualified employees
  - ➤ Instill a long-term commitment to the organization
- Compensation program objective is to establish base salary, incentives, and benefit levels that are competitive with the median range of CalOptima's labor market, defined as:
  - ➤ Organizations of similar size and scope to CalOptima in terms of revenue, number of members, number of employees, and not-for profit status in the following industries:
    - Healthcare
    - General Industry (where applicable)
    - Other county, local and city entities



# **Study Peer Groups**

Government Health Care Organizations	For-Profit Health Industry Organizations	Not For Profit Health Industry Organizations
Affinity Health Plan	CNO Financial Group Inc	Blue Cross Blue Shield
Boston Medical Center Health Plan	Envision Healthcare Corp	Capital Health Plan Inc
CareOregon	Health Net Inc	Care Wisconsin Health Plan
CareSource	Healthequity Inc	Geisinger Health Plan
Commonwealth Care Alliance	Magellan Health Inc	Group Health Cooperative
Community Health Choice	Mednax Inc	Harvard Pilgrim Health Care
Driscoll Childrens Health Plan	Stancorp Financial Group Inc	HealthFirst Health Plan
ElderPlan Inc	Team Health Holdings Inc	Medica Health Plans
Inland Empire Health Plan*	Triple-S Management Corp	Tufts Associated HMO
LA Care Health Plan	Universal American Corp	
Neighborhood Health Plan Inc	Wellcare Health Plans Inc	
Virginia Premier Health Plan		_



# **Background**

- CalOptima is a non-unionized public agency
  - ➤ No Labor Unions/Bargaining Units
  - ➤ No Collective Bargaining Negotiations
- Salary Ranges Set by the Board of Directors
  - ➤ No Cost of Living Adjustments
  - ➤ No Automatic Adjustments to Salary Ranges
- Last Compensation Study was in 2013
- Current Salary Structure Adopted in March 2014
  - ➤ One Adjustment to Salary Structure Approved in 2015



### **Impact**

- For 5 consecutive years, no changes to the Salary Structure
  - ➤ According to Bureau of Labor Statistics, Southern California wages increased on average 18.53% since 2015
  - ➤ During same time period, CalOptima's staff doubled in size and expanded its programs without any changes to the Salary Structure.
- Due to the delay in updating its Salary Structure :
  - ➤ CalOptima's pay structure has not adjusted with the increase of minimum wage or inflation;
  - ➤ It has become increasingly challenging to attract, retain and motivate employees;
  - ➤ CalOptima has not been able to meet market competitiveness to recruit and retain qualified employees;
  - ➤ Morale and long-term commitment to the organization has been impacted.



# **Compensation Study Findings**

- CalOptima is positioned below market median in total compensation at all levels within the organization.
- Executive and Director positions have the largest disparity to the market median, particularly with respect to annual incentives and long-term incentives.
- With the increased complexity and size, CalOptima should expect to see a significant impact in salary for employees in management positions and above to account for growth and greater responsibilities.
- While health and benefits program are generally above market, the health and benefits program does not offset the disparity in cash compensation.



### Recommendation

- Adopt Salary Structure developed by Grant Thornton
- Authorize the following adjustments for the remaining Fiscal year 2019-2020
  - ➤ Move employees who are below the proposed salary range minimum to the new range minimum, per current policy
  - ➤ Based on Grant Thornton's recommendation, qualifying employees with proven performance record of 3.0 or above, in the same level/position, with the following years of experience in that level/position at CalOptima, move to midpoint:
    - 6-8 years for Staff
       5-7 years for Directors & Managers
       3-5 years for Executives & Chiefs
- Consider for Fiscal Year 2020-2021 as part of the Budget Process
  - ➤ Increase the aggregate merit pool for annual performance evaluations from 3% to 5%, with increases based on proven performance
  - Apply market adjustments per current policy, if necessary



# **Financial Impact**

### (Estimated costs include benefits)

Recommendations	FY2020-21 (12 months)
Bring employees up to mimimum*	4,400,000
Performance based adjustments	1,260,000
Merit pool increase from 3% to 5%*	5,060,000
Market adjustments as needed	400,000
Total:	\$ 11,120,000

<sup>\*</sup> Include open position adjustment based on proposed salary schedule

% of Total Salary	6.0%
Impact to ALR	0.3%



# **CalOptima's Mission**

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner

















Compensation and Benefits Benchmarking and Analysis

May 21, 2020



### **Prepared by:**

**Grant Thornton LLP Human Capital Services (HCS) Practice** 

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### **Evelina Jankeviciute**

Associate

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Recommendations

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• Custom Peer Groups





### **General Overview**



### **General Overview – About Grant Thornton**

Grant Thornton LLP is the U.S. member firm of Grant Thornton International Ltd., one of the world's leading organizations of independent assurance, tax, and advisory firms. Proactive teams led by approachable partners in these firms use insights, experience and instinct to understand complex issues for not-for-profit, public sector, privately owned and publicly listed clients and help them to find solutions.

Our human capital services professionals are a senior team that possess the right mix of experience, technical skills, industry knowledge, and personal commitment to help you achieve your desired results. Not only do we know competitive benchmarking from the executive to staff level and short and long-term incentive design, but we also have the support and bench strength of national benefits and tax specialists to provide assessments on other compensation topics if needed.

We have extensive experience serving health plans similar to CalOptima. We conduct assessments of competitive compensation levels, deferred compensation and other benefits/perquisite programs using proven methodologies and relevant resources. Our ability to design and implement value-added strategies is grounded in our understanding of your business goals and value drives, as well as risk factors.



### **General Overview**

A successful total compensation program is one that promotes the ability of an organization to recruit, retain and motivate qualified employees to help the organization achieve its mission and goals. The objective for this Compensation and Benefits Study is to assess the competitiveness of CalOptima's total compensation program, measured against similar organizations from which CalOptima competes for labor. Our review includes base salary and incentive compensation, where applicable. As well as, employee benefits that are an essential component of an employee's overall compensation such as retirement, health insurance, life insurance, pension, sick leave, vacation time, etc.

In an effort to have a program that is fair, equitable, and competitive, CalOptima has undertaken an internal review on the following key items:

- Job descriptions. Updated and accurate job descriptions that describe what employees are doing within their respective roles
- Relevant markets. Revised comparison markets by functional area and classification that more accurately captures the compensation paid at organizations from which CalOptima recruits employees
- Market-based structure. Salary structure that is based on a balance between defined, specific comparison markets and internal factors
- Revised pay guidelines. Key principles that help Human Resources administer compensation in a
  disciplined way to ensure that compensation of employees is managed fairly and consistently



# **Scope of Work**Overview of Project

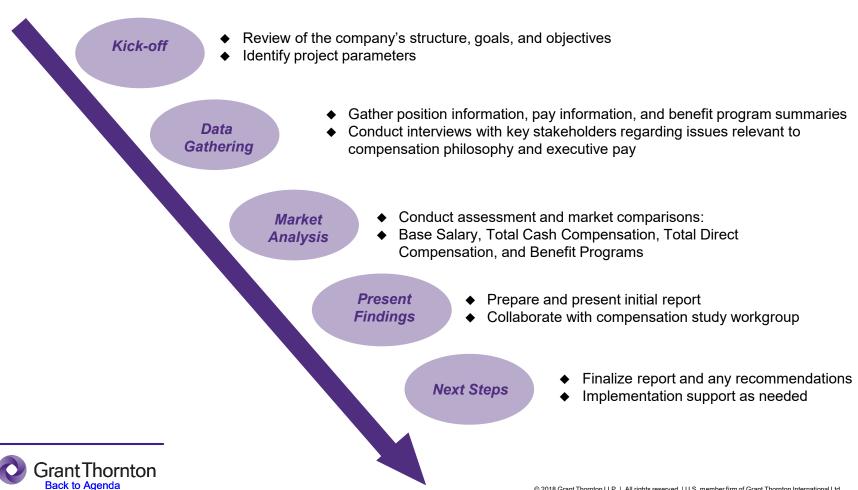
Grant Thornton was engaged to perform a Compensation Study (Salary and Benefits) to evaluate CalOptima's pay practices for human capital recruitment and retention as compared to other local, regional, and national organizations of similar size and operations i.e., hospitals (public agencies, non-profit and private), health plans (public agencies and private), health networks, and other employers (public agencies and private entities).

We reviewed and made recommendations on the appropriateness and competitiveness of CalOptima's current pay practices (Salary and Benefits) in order to remain competitive in the market, taking into account CalOptima's organization as a public agency and its obligation to remain fiscally prudent. We focused on skilled employees to fill and retain leadership roles and key positions essential to fulfilling the agency's strategic plan and operational goals.

The study included base pay, incentive pay, and other supplemental pay practices, along with all benefits offered to CalOptima employees (i.e. paid time off, employer share of health benefits, retirement benefits (CalPERS and PARS), life insurance, etc.) We benchmarked positions against internal CalOptima positions, where appropriate, to ensure fairness in its pay practices and to avoid pay compression. Some job titles with similar job functions and responsibilities were benchmarked against other CalOptima positions.



### Scope of Work **Grant Thornton's Engagement Approach**



# Scope of Work Peer Groups

CalOptima recruits and retains talent in the Southern California competitive job market for all positions, and broader regions - even national - for senior level management positions. Our peer groups have been customized to reflect the geographic pool for talent for these different positions.

Despite being a government agency, CalOptima competes with like health plan organizations, whether government, tax-exempt, or for-profit. Therefore, Grant Thornton (GT) conducted the competitive market analysis using a combined peer group of blended data from the following sectors of health plans on an equally blended basis:

- Government Peers
- Not-for-Profit Peers
- For-Profit Peers

Examples: An Accounts Payable Clerk was benchmarked using like positions, with equal weight on government, not-for-profit, and for-profit organizations regionally since this represents the labor pool. Alternatively, a senior executive position is benchmarked relative to the same peers, but looking at comparable organizations nationally.



# **Scope of Work Peer Groups/Market Data Sources**

• GT used the following peer groups and compensation surveys to assess competitive market levels:

Data Source	Description
Government Health Plan	<ul> <li>Contains government health plan organizations of similar size and business focus to CalOptima, including LA</li> <li>Care and Inland Empire</li> </ul>
Peer Group	<ul> <li>GT kept the same constituents of CalOptima's prior government health plan peer group (used in GT's 2017 CEO/CLO report)</li> </ul>
	<ul> <li>Used for comparison to CalOptima's executive team</li> </ul>
Tax Exempt	Contains tax exempt health plan organizations of similar size and business focus to CalOptima
Health Plan Peer Group	<ul> <li>GT kept the same constituents of CalOptima's prior tax exempt health plan peer group (used in GT's 2017 CEO/CLO report)</li> </ul>
	<ul> <li>Used for comparison to CalOptima's executive team</li> </ul>
For-Profit	Contains for-profit health plan organizations of similar size and business focus to CalOptima
Health Plan Peer Group	<ul> <li>GT kept the same constituents of CalOptima's prior public health plan peer group (used in GT's 2017 CEO/CLO report)</li> </ul>
	<ul> <li>Used for comparison to CalOptima's executive team</li> </ul>



# **Scope of Work Peer Groups/Market Data Sources**

• GT used the following peer groups and compensation surveys to assess competitive market levels:

Data Source	Description
ERI	■ Economic Research Institute ("ERI") is a nationally recognized for profit regression based survey
	<ul> <li>We have pulled compensation data for the "Medical, Dental, &amp; Disability Plans" sector for organizations with \$700M in assets</li> </ul>
	<ul> <li>Used for comparison to CalOptima's executive team, directors, managers, and staff level positions</li> </ul>
Health Plan Survey	<ul> <li>Lastly, we have used a confidential health plan survey that has compensation information for executives, directors, managers, and staff in tax exempt and public health plans.</li> </ul>
	<ul> <li>Used for comparison to CalOptima's executive team, directors, managers, and staff level positions</li> </ul>





## **Executive Summary**



# **Executive Summary Current Total Rewards Environment**

CalOptima reviewed their total rewards program in 2013. To provide context on the current market, we highlighted the following total rewards trends for the last five years:

- Salaries
  - 3% to 4% annual salary increase in market, totaling an average market movement of 15% to 20% over the last five years
- Annual Incentives
  - Almost universal use of incentives in the health plan market, across all ownership types, with payouts often averaging above target or expected levels
- Long-Term Incentives
  - Universal use with for-profit health plans, and majority practice for large health plans
- Total Compensation (Inclusive of Benefits)
  - Increases at a rate consistent with salaries, since benefits and incentive values are typically expressed/provided as a percent of salary
  - Generally, benefit cost increases are shared partially employees/participants
- The market's total compensation increases are above the standard levels described above for growing job levels, considering that market total compensation increases by 5% to 20% for every doubling in organizational size (e.g., \$3B health plan pay levels would tend to be 5% to 20% higher then \$1.5B health plan)
  - Leadership position pay values are more sensitive to organizational size than staff levels
- The current labor market is an employees market due to the historically low unemployment rate



# **Executive Summary Compensation Program**

- Base Salary
  - On average:
    - Executives are positioned 13% below market median
    - Directors are positioned 13% below market median
    - Managers are positioned 6% below market median
    - Staff are positioned 4% below market median
- Total Cash Compensation (Base Salary + Annual Incentives)
  - On average:
    - Executives are positioned 30% below market median
    - Directors are positioned 24% below market median
    - Managers are positioned 13% below market median
    - Staff are positioned 7% below market median
    - Disparities are due to the limited incentive compensation offered
- Total Direct Compensation (Base Salary + Annual Incentives + Long-Term Incentives)
  - On average, executives are positioned 43% below market median
  - Disparity is due to the lack of a long-term incentive plan at CalOptima



# **Executive Summary Compensation Program**

- While we used a blend of data from government, tax exempt, and for-profit health plans
  in our study, we wanted to show how CalOptima pay compares against only government
  health plan pay data.
- We looked at the median market base salaries of 5 executives, 5 managers, and 5 staff positions to see how the government data compared against the blended data and CalOptima's midpoints. The charts below and on the next slide outline our findings:

Base Salary						
Title	CalOptima Base Salary Midpoint	Blended Peer Group P50	Government Peer Group P50	% Difference		
Chief Financial Officer	\$320,216	\$397,000	\$351,640	-11%		
Chief Operating Officer	\$320,216	\$335,000	\$284,380	-15%		
Chief Medical Officer	\$320,216	\$380,000	\$374,060	-2%		
Chief Information Officer	\$266,968	\$299,000	\$260,000	-13%		
Chief Counsel	\$266,968	\$343,000	\$293,800	-14%		
			Average	-11%		

Total Cash						
Title	CalOptima Total Cash Midpoint		Government Peer Group P50	% Difference		
Chief Financial Officer	\$352,238	\$520,000	\$393,900	-24%		
Chief Operating Officer	\$352,238	\$444,000	\$318,500	-28%		
Chief Medical Officer	\$352,238	\$453,000	\$421,260	-7%		
Chief Information Officer	\$293,665	\$370,000	\$262,600	-29%		
Chief Counsel	\$293,665	\$494,000	\$382,200	-23%		
			Average	-22%		

Total Direct							
Title	CalOptima Total Direct Midpoint	Blended Peer Group P50	Government Peer Group P50	% Difference			
Chief Financial Officer	\$352,238	\$663,000	\$439,400	-34%			
Chief Operating Officer	\$352,238	\$480,000	\$352,300	-27%			
Chief Medical Officer	\$352,238	\$619,000	\$456,660	-26%			
Chief Information Officer	\$293,665	\$392,000	\$330,200	-16%			
Chief Counsel	\$293,665	\$500,000	\$442,500	-12%			
			Average	-23%			

- On average, the government peer group data is 11% lower than the blended peer group data for executive base salaries.
- On average, the government peer group data is 22% lower than the blended peer group data for executive total cash compensation.
- On average, the government peer group data is 23% lower than the blended peer group data for executive total direct compensation.



# **Executive Summary Compensation Program**

Title	CalOptima Base Salary Midpoint		Government Peer Group P50	% Difference
Manager Accounting	\$93,184	\$120,000	\$119,800	0%
Manager Communications	\$93,184	\$100,000	\$95,000	-5%
Manager Customer Service	\$93,184	\$85,000	\$83,500	-2%
Manager Facilities	\$93,184	\$89,000	\$82,200	-8%
Manager Finance	\$93,184	\$117,000	\$114,000	-3%
			Average	-3%

Title	CalOptima Base Salary Midpoint	Blended Peer Group P50	Government Peer Group P50	% Difference
Actuary	\$107,328	\$126,000	\$110,000	-13%
Accountant Intermediate	\$70,512	\$73,000	\$70,000	-4%
Accounting Clerk	\$46,384	\$42,000	\$45,000	7%
Payroll Specialist	\$53,352	\$53,000	\$52,000	-2%
Buyer Intermediate	\$61,360	\$69,000	\$65,000	-6%
		-	Average	-3%

- On average, the government peer group data is 3% lower than the blended peer group data for manager and staff base salaries.
- While government health plans tend to have lower pay levels, it is important to consider organizational size and complexity when analyzing pay levels. Due to CalOptima's expansion of programs and members, which has resulted in increased complexity and more than doubling in size since 2014, we looked at data for labor markets for bigger organizations, including a blend of government, tax exempt, and for-profit health plans, comparable in size and revenue, in our analysis.
- With the increased complexity and size, CalOptima should expect to see a significant impact in salary for employees in management positions and above to account for growth and greater responsibilities.



# **Executive Summary Benefits Program**

- Health and Welfare Programs
  - Offering four medical plans allow employees more choice and flexibility
  - The health plans offered by CalOptima offer a high level of benefits
  - HMO plans have much lower employee contributions and slightly better cost-sharing than market
  - HDHP and PPO plans have average employee contributions and cost-sharing compared to market
  - Prescription drug, dental, vision, life, LTD, and STD benefits are competitive or above market
- Retirement Programs
  - Participants receive employer contributions in both the defined contribution (PARS) and a defined benefit plan (CalPERS)
- Vacation/Paid Time-Off Programs
  - Offers more time-off than the composite benchmark, but less than other public agencies

This analysis was based on composite benchmarks of organizations of similar size, geography, and industry



# **Executive Summary Benefits Program**

- CalOptima is above market from a total benefits program perspective
- Time-off programs are above market but less than other public agencies
- The strongest benefit is the CalPERS defined benefit plan, though CalOptima adopted one of the lowest benefit formulas as compared to other public agency peers

Market Competitiveness*				
Retirement Benefits	Above Market			
Medical Benefits	Above Market			
Dental Benefits	Above Market			
Vision Benefits	At Market			
Disability Benefits	At Market			
Life Insurance Benefits	At Market			
Time-Off Programs	Above Market			
Total Benefits Program	Above Market			

<sup>\*</sup> This analysis was based on composite benchmarks of organizations of similar size, geography, and industry.



# **Executive Summary Total Compensation**

- By group, with compensation generally being below median and benefits being above median, average total compensation is as follows:
  - Executives and Directors are well below median
    - Driven primarily by aggressive incentive practices in peers
    - Compensation gap is not closed by above market benefits
  - Managers are moderately below median
    - Compensation gap is moderated based on above market benefits
  - Staff are positioned close to median
    - Compensation gap is made up due to highly competitive benefits





# Recommendations



# **Compensation Recommendations Total Compensation Philosophy**

The following are principles that can be used as the foundation of CalOptima's total compensation program:

- To reinforce the mission of the organization
- To achieve balance between the needs and concerns of CalOptima employees, and the communities it serves
- To attract and retain outstanding employees
- To motivate and reward outstanding performance
- To link compensation to consistent merit principles, including both individual and organizational performance
- To base decisions on appropriate comparability data provided by independent sources
- To ensure that compensation and benefits programs comply with all pertinent laws and regulations
- To maintain consistency and fairness, to the extent possible, without violating other principles
- To provide benefits in a manner that allows employees to participate in determining how best to meet their needs and those of their families



# Compensation Recommendations Total Rewards Competitive Positioning

- CalOptima wishes to recruit, retain, and motivate staff in order to accomplish
  organizational mission, vison, and strategic objectives. With this goal in mind,
  CalOptima intends to provide a total compensation program that is competitive with
  organizations that represent the competitive labor market for CalOptima's various staff
  positions.
- To achieve competitiveness, total compensation will be positioned at the:
  - 50<sup>th</sup> percentile for executives
  - 50<sup>th</sup> percentile for directors and managers
  - 50<sup>th</sup> percentile for most staff positions
  - Approximately the 62.5 percentile (between the 50<sup>th</sup> and 75<sup>th</sup>) for hard to fill staff positions, i.e. nursing, legal, and accounting staff.
- Base salaries, limited incentives and recognition and rewards, targeted at market median.
- Benefits targeted above market median.
- Pay for performance provides flexibility to position pay 10% to 20% above market for sustained outstanding performance.



## **Compensation Recommendations**

Overall, CalOptima compensation is positioned below market, with the executives and directors most significantly lagging the market due to a combination of low salaries and low or no incentives. Our conceptual considerations are as follows:

- Base Salary
  - Implement CalOptima's compensation philosophy with market-based salary ranges, with market adjustments for those that are below market positioning and that have performed at a "meets expectations" level for a period of years.
  - With benefits above market, target base salary as follows:
    - 10% below 50<sup>th</sup> percentile total cash executives
    - 50<sup>th</sup> percentile total cash for directors and managers
    - 50<sup>th</sup> percentile total cash for most staff
    - For hard to recruit positions, we recommend positioning between the 50<sup>th</sup> and 75<sup>th</sup> percentile (62.5 percentile)



## **Compensation Recommendations**

- Annual Incentive Compensation
  - Maintain existing annual incentive plan structure, with 10% target incentives, which would position target pay at the 50<sup>th</sup> percentile total cash
  - However, potentially add Directors and Managers to the annual incentive plan over the next two years
- Other Incentives
  - No additional incentives, for the time being, given the administrative difficulty on introducing higher incentives, either on an annual or long-term incentive basis



# **Compensation Recommendations Base Salary Administration Guidelines**

 The following is an example of competitive salary administration guidelines to help manage salaries around market-based compensation philosophy

#### **Salary Range Minimum**

- 80% of range midpoint
- Appropriate for new hires and internal promotions
- 3-5 years to move to range midpoint for executives, scaled by performance
- 5-7 years to move to range midpoint for directors and managers, scaled by performance
- 6-8 years to move to range midpoint for staff, scaled by performance

#### **Salary Range Midpoint**

- Compensation philosophy target
- Appropriate for experienced incumbents with a track record of proven performance in the position or similar role

### Salary Range Maximum

- 120% of range midpoint
- Executives don't get to range maximum absent unique facts and circumstances.
   i.e. recruitment/retention and performance considerations
- Other positions tend to get to maximum based on long tenure in addition to good or great performance
- For example, a director or manager may get to the range maximum over a 10-14 year period, while staff would over a 12-16 year period



## **Compensation Recommendations**

- Adjustments for FY 2019-20:
  - Move employees who are below proposed salary range minimum to the minimum (as required by CalPERS reporting)
  - Move employees with a track record of proven performance in the same level or position at CalOptima to midpoint based on methodology identified on the previous slide
- Ongoing for FY 2020-21:
  - Increase the aggregate merit pool from 3% to 5%
  - Apply market adjustments per current policy if necessary
- Methodology will deal with internal equity and compression issues inherently within each job, and amongst like jobs



## Other Compensation Recommendations

- Upon implementation of 50<sup>th</sup> percentile total cash salary ranges, total compensation will still lag market for the executives and some directors
- We would suggest addressing a portion of this gap by implementing a non-qualified deferred compensation plan for executives and other select leadership positions, structured either as
  - A mid-term retention plan, whereby anywhere from 5% to 20% of salary is set aside per year, subject to a three to five year cliff vest (i.e., the dollars set aside are only earned and paid out to the extent the leader is employed by the organization at the end of the vesting period, or
  - Supplemental executive retirement plan, whereby a certain amount is set aside at the same value as the qualified retirement plan for those earnings above and beyond the qualified plan limits (i.e., restoration plan)
- The above strategy would still result in leadership pay being below market but would assist in having incentives to retain key talent



## **Recommended Salary Structure**

Grade Level	N	Ninimum	ı	Midpoint	IV	laximum
х	\$	347,000	\$	434,000	\$	521,000
W	\$	295,000	\$	369,000	\$	443,000
v	\$	251,000	\$	314,000	\$	377,000
U	\$	214,000	\$	267,000	\$	320,000
Т	\$	182,000	\$	227,000	\$	272,000
S	\$	154,000	\$	193,000	\$	232,000
R	\$	144,000	\$	174,000	\$	204,000
Q	\$	130,000	\$	157,000	\$	184,000
Р	\$	117,000	\$	141,000	\$	165,000
0	\$	105,000	\$	127,000	\$	149,000
N	\$	95,000	\$	114,000	\$	133,000
М	\$	85,000	\$	103,000	\$	121,000

Grade Level	Mi	nimum	N	/lidpoint	M	laximum
L	\$	77,000	\$	93,000	\$	109,000
к	\$	70,000	\$	84,000	\$	98,000
J	\$	65,000	\$	78,000	\$	91,000
1	\$	61,000	\$	73,000	\$	85,000
н	\$	59,000	\$	68,000	\$	77,000
G	\$	55,000	\$	63,000	\$	71,000
F	\$	51,000	\$	59,000	\$	67,000
E	\$	48,000	\$	55,000	\$	62,000
D	\$	44,000	\$	51,000	\$	58,000
С	\$	41,000	\$	47,000	\$	53,000
В	\$	38,000	\$	44,000	\$	50,000
А	\$	36,000	\$	41,000	\$	46,000

<sup>\*</sup>Please note that recommendation for CEO pay range is not included as part of this study



# **Benefits Recommendations General Overview**

- Annual Strategic Analysis
  - Develop a formalized annual review process to review the goals and strategies of CalOptima's benefits program
    - Develop broad strategies and goals for CalOptima's compensation and benefits programs
    - Develop the general framework of the programs and how they will support the needs of employees and the financial constraints
    - Determine the employee's value of the benefit offerings versus the cost and, if appropriate, shift resources to items that employees value
  - Prepare a written benefit program philosophy that can create guiding principles to make benefit program decisions such as plan design changes. (For example, employees should pay low medical premiums, but have higher cost sharing.)
- Financial Modeling and Projections
  - Analyze the relative costing information for each alternative to understand financial implications of the benefit program decisions
  - Analyze advantages and disadvantages of each alternative, including the financial implications, and document them
  - Prepare a cost/benefit analysis to assess the benefits as well as the employer and employee costs. (For example, reinstituting the employer HSA contributions can increase participant enrollment and save both the employee and employer money.)



# **Benefits Recommendations Program Issues**

Overall, CalOptima benefits are positioned above market. The benefits recommendations below would not significantly change CalOptima's position in the market.

- Medical/Health Insurance
  - CalOptima offers medical plans with above market benefit levels and high employer cost share.
     CalOptima should consider reviewing its benefit strategy in order to reduce total plan costs, such as
    - Plan designs changes to encourage in-network utilization
    - Promote participant consumerism and cost-effective decisions
- Prescription Drug Programs
  - Consider pharmacy cost-saving measures, such as:
    - Excluding certain drugs with lower cost alternatives
    - Encouraging participation in the mail-order program
    - Implementing step-therapy for certain high-cost drugs
- Life and Disability Insurance Programs
  - Consider increasing the basic life insurance maximum to \$500,000 to give an increased benefit to highly paid employees
  - Consider a cost/benefit analysis to join the California Short-Term Disability Insurance
- Retirement Programs
  - Consider consolidating the 457(b) Plan and 401(a) PARS Plan to a single vendor in order to reduce administrative and investment fees that will benefit participants by increasing their investment returns



# **Appendix**Custom Peer Groups – Government Peer Group (like CalOptima)

Government Peer Organization	Industry	Total Revenues Most Recent Year (000,000)	Most Recent Year Total Assets (000,000)
Affinity Health Plan	Health-General & Financing	\$1,418,105,612	\$376,092,562
Boston Medical Center Health Plan	Health-General & Financing	\$1,640,398,973	\$429,520,379
CareOregon	Health-General & Financing	\$971,484,613	\$425,539,455
CareSource	Health-General & Financing	\$6,531,587,542	\$1,831,803,361
Commonwealth Care Alliance	Health-General & Financing	\$809,417,329	\$175,417,209
Community Health Choice	Health-General & Financing	\$851,462,290	\$239,892,454
Driscoll Childrens Health Plan	Health-General & Financing	\$438,714,445	\$83,473,281
ElderPlan Inc	Health-General & Financing	\$904,056,324	\$199,305,781
Inland Empire Health Plan*	Health-General & Financing	\$4,302,922,597	\$1,782,242,790
LA Care Health Plan	Health-General & Financing	\$8,304,109,805	\$459,986,900
Neighborhood Health Plan Inc	Health-General & Financing	\$2,536,658,776	\$456,299,895
Virginia Premier Health Plan	Health-General & Financing	\$1,063,725,747	\$386,298,189

CalOptima	\$3,800,000,000	\$1,800,000,000
Minimum	\$438,714,445	\$83,473,281
25th Percentile	\$890,907,816	\$229,745,786
Average	\$2,481,053,671	\$570,489,355
Median	\$1,240,915,680	\$405,918,822
75th Percentile	\$2,978,224,731	\$457,221,646
90th Percentile	\$6,308,721,048	\$1,650,017,201
Maximum	\$8,304,109,805	\$1,831,803,361



# **Appendix Custom Peer Groups – NFP Peer Group**

NFP Peer Organization	Industry	Total Revenues Most Recent Year (000,000)	Most Recent Year Total Assets (000,000)
Blue Cross Blue Shield	Health-General & Financing	\$512,533,419	\$650,271,510
Capital Health Plan Inc	Health-General & Financing	\$939,178,501	\$480,125,384
Care Wisconsin Health Plan	Health-General & Financing	\$123,315,773	\$34,840,468
Geisinger Health Plan	Health-General & Financing	\$2,109,272,521	\$535,769,375
Group Health Cooperative	Health-General & Financing	\$416,836,322	\$119,242,329
Harvard Pilgrim Health Care	Health-General & Financing	\$1,979,581,176	\$958,882,498
HealthFirst Health Plan	Health-General & Financing	\$2,028,384,559	\$652,104,450
Medica Health Plans	Health-General & Financing	\$2,108,568,644	\$896,765,075
Tufts Associated HMO	Health-General & Financing	\$2,995,230	\$1,126,552,016

CalOptima	\$3,800,000,000	\$1,800,000,000
Minimum	\$2,995,230	\$34,840,468
25th Percentile	\$416,836,322	\$480,125,384
Average	\$1,135,629,572	\$606,061,456
Median	\$939,178,501	\$650,271,510
75th Percentile	\$2,028,384,559	\$896,765,075
90th Percentile	\$2,108,709,419	\$992,416,402
Maximum	\$2,109,272,521	\$1,126,552,016



# **Appendix Custom Peer Groups – For-Profit Peer Group**

For-Profit Peer Organization	Industry	Total Revenues Most Recent Year (000,000)	Most Recent Year Total Assets (000,000)
CNO Financial Group Inc	Life & Health Insurance	\$3,992,400,000	\$31,975,200,000
Envision Healthcare Corp	Health Care Services	\$3,696,000,000	\$16,708,900,000
Health Net Inc	Managed Health Care	\$16,243,587,000	\$6,397,646,000
Healthequity Inc	Managed Health Care	\$178,370,000	\$279,136,000
Magellan Health Inc	Managed Health Care	\$4,836,884,000	\$2,443,687,000
Mednax Inc	Health Care Services	\$3,183,159,000	\$5,339,400,000
Stancorp Financial Group Inc	Life & Health Insurance	\$2,902,400,000	\$23,174,400,000
Team Health Holdings Inc	Health Care Services	\$3,597,247,000	\$4,060,842,000
Triple-S Management Corp	Managed Health Care	\$2,984,806,000	\$2,218,999,000
Universal American Corp	Managed Health Care	\$1,379,646,000	\$785,583,000
Wellcare Health Plans Inc	Managed Health Care	\$14,237,100,000	\$6,152,800,000

CalOptima	\$3,800,000,000	\$1,800,000,000
Minimum	\$178,370,000	\$279,136,000
25th Percentile	\$2,943,603,000	\$2,331,343,000
Average	\$5,202,872,636	\$9,048,781,182
Median	\$3,597,247,000	\$5,339,400,000
75th Percentile	\$4,414,642,000	\$11,553,273,000
90th Percentile	\$14,237,100,000	\$23,174,400,000
Maximum	\$16,243,587,000	\$31,975,200,000



## **Disclosure**

Our review was limited to the documents provided by CalOptima and did not include the underlying plan documents and summary plan descriptions. Our findings were based on the documents provided including employment agreements, policies, and summaries.

Our conclusions relate only to our understanding of the facts provided by CalOptima which are stated in this analysis. We have not independently verified these facts, and if any of these facts prove to be in error, the conclusions reached in this memorandum do not apply. Our conclusions are based on the Department of Labor, Internal Revenue Code, regulations and interpretations thereunder in their form as of the date of this analysis. We are under no obligation to update our conclusions for future changes in these authorities. Our conclusions are based on our interpretation of the tax law. Another party, such as the Internal Revenue Service or a court, hearing the same facts may reach different conclusions.

In accordance with applicable professional regulations, please understand that, unless expressly stated otherwise, any written advice contained in, forwarded with, or attached to this document is not intended or written by Grant Thornton LLP to be used, and cannot be used, by any person for the purpose of avoiding any penalties that may be imposed under the Internal Revenue Code.



### **RESOLUTION NO. 20-0604-01**

# RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY

d.b.a. CalOptima

#### APPROVE UPDATED HUMAN RESOURCES POLICIES

**WHEREAS,** section 13.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provide that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices and policies for, inter alia, hiring employees, and managing personnel; and

WHEREAS, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima employees at will, to set compensation within the boundaries of the budget limits set by the Board, to promulgate employee policies and procedures, and to amend said policies and procedures from time to time, subject to annual review by the Board of Directors, or a committee appointed by the Board for that purpose; and

**WHEREAS**, California Code of Regulations, Title 2, Section 570.5, requires CalOptima to adopt a publicly available pay schedule that identifies the position title and pay rate for every employee position, and CalOptima regularly reviews CalOptima's salary schedule accordingly.

## NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board of Directors hereby approves and adopts the attached updated Human Resources Policies: GA.8057 Compensation Program and GA.8058 Salary Schedule.

<u>Section 2.</u> That the Chief Executive Officer is authorized to implement the revised Salary Schedule with an implementation date of June 7, 2020 and the Compensation Guidelines with an implementation date of March 29, 2020.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this June 4, 2020.

AYES:
NOES:
ABSENT:
ABSTAIN:
/s/
Title: Chair, Board of Directors
Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors
Attest:
/s/
Sharon Dwiers, Clerk of the Board



Policy#: GA.8057

Title: Compensation Program

Department: Human Resources Section: Not Applicable

CEO Approval: Michael Schrader

Effective Date: 05/01/<u>20</u>14 <u>Last Review Date:</u> 07/18

Revised Date: 06/04/2020<del>06/</del>

07/18

## I. PURPOSE

This policy establishes a compensation program for CalOptima job classifications within clearly defined guidelines that promote consistent, competitive and equitable pay practices.

#### II. POLICY

- A. CalOptima's compensation program is intended to:
  - 1. Provide fair compensation based on organization and individual performance;
  - 2. Attract, retain, and motivate employees;
  - 3. Balance internal equity and market competitiveness to recruit and retain qualified employees; and
  - 4. Be mindful of CalOptima's status as a public agency.
- B. The Chief Executive Officer (CEO), in conjunction with the Executive Director of Human Resources, is directed to administer the compensation program consistent with the attached Compensation Administration Guidelines, which is a document that defines the principles upon which CalOptima's compensation practices will be managed, procedural aspects of how the compensation administration procedures will be administered, and how the overall compensation administration function will respond to changing market conditions and business demands. Some of these guidelines include, but are not limited to:
  - 1. Establishing pay rates based on the market 50<sup>th</sup> percentile.
  - 2.—Determining appropriate pay rates within the pay range for a position by assessing an employee's or applicant's knowledge, skills, experience, and eurrent pay level, as well asthe pay rates currently being paid to similarly situated incumbents. Employees may be paid anywhere within the pay range based on proficiency levels. The following criteria shall be considered:

Minimum (Min)	The rate paid to an individual possessing the minimum job	
, ,	1 1	
	qualifications & meeting minimum job performance	
	expectations	
Midpoint (Mid) aka: 50 <sup>th</sup>	The rate paid to individuals that are fully proficient in all aspects	
percentile	of the job's requirements & performance expectations	
Maximum (Max)	The maximum rate paid to individuals who possess	
	qualifications significantly above market norms & consistently	
	deliver superior performance	

- 4.3. All new hires and employees should have a pay rate equal to or greater than the pay range minimum, unless the minimum job requirements are not met, then a training rate equal to ten percent (10%) below the salary grade minimum may be used for six (6) months.
- 5.4. Base pay for all employees shall be capped at the pay range maximum, and once an employee reaches the base pay maximum, the employee will not be eligible for future base pay increases. However, in lieu of future base pay increases, these employees may be eligible for merit pay delivered as a lump sum bonus provided that the employee's performance warrants this additional compensation.
- C. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper to implement the CalOptima compensation program and the Compensation Administration Guideline Guidelines not inconsistent therewith,

#### III. PROCEDURE

Not Applicable

## IV. ATTACHMENT(S)

A. Compensation Administration Guidelines

#### V. REFERENCE(S)

Not Applicable

## VI. REGULATORY AGENCY APPROVAL(S)

None to Date

## VII. BOARD ACTION(S)

<u>Date</u>	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/04/2014	Regular Meeting of the CalOptima Board of Directors
03/05/2015	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
06/07/2018	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors

#### VIII. REVISION HISTORY

2	Action	Date	Policy	Policy Title	Program(s)
	Effective	05/01/2014	GA.8057	Compensation Program and Salary	Administrative
				Schedule	
	Revised	08/07/2014	GA.8057	Compensation Program and Salary Schedule	Administrative
	Revised	11/06/2014	GA.8057	Compensation Program and Salary Schedule	Administrative
	Revised	12/04/2014	GA.8057	Compensation Program and Salary Schedule	Administrative
	Revised	06/04/2015	GA.8057	Compensation Program	Administrative
	Revised	06/07/2018	GA.8057	Compensation Program	Administrative
	Revised	06/04/2020	GA.8057	Compensation Program	Administrative
				300 Revines	

IX. GLOSSARY

1 2 3

Not Applicable

For 202000A BOD Review Onl



# Compensation Administration Guidelines

Pay administration guidelines

Revised June 04, 2020

Implemented March 29, 2020

Page 1 of 13 Revised: 06/07/18

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1

## **Pay Administration Guidelines**

Common pay administration guidelines for CalOptima are detailed in this section. These guidelines:

 Help <u>Guidelines help</u> maintain the integrity of the base pay program by introducing a common set of standards

Assist and assist managers in ongoing compensation program administration.

## In addition, note the following administration of the Guidelines:

- Chief Executive Officer (CEO) compensation will be established by the Board of Directors.
- Chief and Executive Director compensation will be established by the CEO within proposed guidelinesthe Guidelines.
- The Board will be informed of all Chief and Executive Director hires and compensation changes.

## **Proposed Pay Administration Guidelines**

#### Pay ranges and pay levels

### Periodic pay adjustments/increases

- Pay range targets
- Range minimums and maximums
- New hire/Rehire
- Promotion

Pay ranges and pay levels•

Pay range target
Range minimums and maximums
Pay above range maximums
Pay range thirds
Pay range halves
Compa-ratio

- Pay range thirds
- Pay range halves
- Compa-ratio

- Demotion
- Temporary assignment
- Secondary job

Periodic pay	New hire/Rehire
adjustments/increases	<u>Promotion</u>
	<u>Lateral Transfer</u>
	<u>Demotion</u>
	Temporary Assignment
	Secondary job
	Job Re-evaluation
	Appeal Process
	Register/Certified Status
Y	Base pay program maintenance
	Salary structure adjustment
,	Annual competitive assessment
	Market sensitive jobs
Annual pay adjustments/increases	Market Adjustment
	Merit pay
	Step increase
Special one-time pay	Recruitment incentive
<u>considerations</u>	

• Market adjustment

Page 3 of 13 Merit pay

Step increase

- Base pay program maintenance
  - Salary structure adjustment
  - Annual competitive assessment
  - Market sensitive jobs

For 202000ABOD Review Only

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## Pay Ranges and Pay Levels

Range Target: internal "going market rate" for the job (50th percentile); represents the rate paid to individuals that are fully proficient in all aspects of the job's requirements and performance expectations.

• For benchmark jobs, the pay range (i.e. pay grade) is determined based on the comparability of values between market median base pay rates and the pay range targets.



Range Target \$40.0 is Closest to Market Median of \$41.5; job is assigned to Pay Range A

 For non-benchmark jobs, the pay range is determined based on comparability of the job to benchmark jobs within the same job family or other internal positions in terms of knowledge, skills, complexity and organizational impact.

Minimum	Target	Maximum
\$34.0	\$40.0	\$46.0

Range Minimum: represents the rate paid to individuals possessing the minimum job qualifications and meeting minimum job performance expectations.

- All employees should have a pay rate equal to or greater than the pay range minimum.
- If the minimum job requirements are not met, a training rate equal to ten percent (10%%) below the salary grade minimum may be used for six (6) months while a new incumbent is learning the skills to become proficient in the new role.

Range Maximum: represents the maximum rate paid to individuals who possesposses qualifications significantly above market norms and consistently deliver superior performance.

Base pay growth is capped at the pay range maximum.

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## Pay Above Range Maximum: as a rule, employees <u>Employees</u> are not to be paid above the range maximum.

- Employees paidwhose current pay becomes above the pay range maximum will have their base pay frozen and will not be eligible for future base pay increases until such time as their base pay falls below the pay range maximum.
- In lieu of future base pay increases, these individualsemployees may be eligible for merit pay delivered as a lump sum bonus providing their performance warrants this additional compensation.
- As the pay structures and pay ranges move (every twelve (12—) thirty-six (36) months or as necessary), the employees paid above the pay range maximum will eventually be paid below the pay range maximum and will then be eligible to receive base pay increases, as appropriate.

Pay Range: Employees may be paid anywhere within the open pay range; the pay range is divided into equal quartiles to assist in achieving competitive, equitable, and appropriate pay levels

Pay Range Quartiles Used in Ongoing Pay Adminstration	Developing	Proficient	Fully Proficient	Expert
	Minimum	Т	arget <b>↑</b>	Maximum
Market Base Pay	80% of 50th %ile	50t	h %ile	120% of 50th %ile

- Developing Area Below market pay; this area is used for employees possessing minimum
  job requirements and/or for those having significant learning curves to become fully proficient
  in the job's duties, responsibilities and performance expectations.
- Proficient/Fully Proficient Area Market competitive pay; this area is used for employees possessing preferred job requirements and consistently demonstrate one hundred percent (100%%) proficiency in all aspects of the job's duties, responsibilities and performance expectations.
- Expert Area Above market pay; this area is used for employees possessing unique knowledge, skills, or abilities that far surpass the market's typical requirements and consistently demonstrate superior performance in all aspects of the job's duties, responsibilities, and performance expectations.

Compa-Ratio: In addition to pay range quartiles, this is a metric also used to communicate pay competitiveness.

- Compa-Ratio: A compa-ratio is calculated by taking the employee's base pay divided by his/her pay range target.
- Compa-Ratio of 100%: This ratio indicates the employee's base pay equals the pay range target, or the market rate.

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- Compa-Ratio <100%: This ratio indicates the employee's base pay is less than the pay range target
- Compa-Ratio >100%: This ratio indicates the employee's base pay is greater than the pay range target.

# Illustrative Range Shown Below:

	Minimum	Target	Maximum
Compa-Ratio RNs	87.5%	100.0%	117.0%
Compa-Ratio Non-Exempt	88.0%	100.0%	117.0%
Compa-Ratio Exempt	83.0%	100.0%	118.0%

Note: Range minimums and maximums will be based on the developed salary range spreads.

	Minimum	Target	Maximum
Compa-Ratio RNs	87.5%	100.0%	117.0%
Compa-Ratio Non-Exempt	88.0%	100.0%	117.0%
Compa-Ratio Exempt	83.0%	100.0%	118.0%
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# **Annual Pay Adjustments/Increases**

Market Adjustment: A market adjustment is an increase or decrease to pay range rates grades based on market pay practices.

- A market adjustment resultsmay result in base pay increases for full-time, part-time, and some as- needed and limited term staff paid at or below the pay range target (there is no base pay increase between target and maximum for non-market sensitive jobs unless compression exists at the target).
  - For some market-sensitive jobs, a market adjustment may also be granted to fulltime, part-time, and some as-needed and limited term staff paid above the pay range target but below the pay range maximum to maintain competitiveness and minimize pay compression.
- A market adjustment may result in a base pay increase to some staff to ensure employees are paid a base pay rate at least equal to the new pay range minimum.
  - o If a market adjustment is made, employees paid below the new range minimum receive an increase to their base pay to ensure it is at least equal to the pay range minimum before any merit pay is awarded (cap at 10%)%).

# **Market Adjustment:**

- The appropriateness of a market adjustment is determined based on:
  - 1. A competitive assessment of the pay range target versus market base pay practices;
  - Market trends and practices relative to average base pay and pay range increases; and
  - 3. Current recruiting and retention issues.
- Market adjustments are made prior to determining merit pay

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Newly hired employees will be eligible for any market adjustments granted at the annual pay increase date if the employee is paid at or below the pay range target.

Base Pay Adjustment: All employees who achieve a satisfactory level of performance will be eligible for a merit pay adjustment.

- Merit Pay: Merit pay is variable pay that typically affects individuals'employees' base pay; it recognizes individuals'employees' job proficiency and performance of job duties.
  - Merit pay is applicable to full-time and part-time employees paid below, at, or above the pay range target; Per diem employees are not eligible for merit pay.
  - To be eligible for merit pay, the employee must have started work on or before March 31 to be eligible for a merit increase in July of the same year and have successfully completed the introductory period [three (3) months for transfers and new hires)] prior to the annual pay adjustment date.
  - Merit pay will typically be an increase to base pay; however, it may also be delivered as a <u>onetimeone-time</u> lump sum bonus for individuals paid above the pay range maximum.
  - The budgeted amount for merit pay, if any, is based on: 1) the organization's financial status; 2) market trends relative to average base pay increases; 3) competitiveness of current base pay practices; and, 4) recruiting and retention issues.

# Merit Pay - Staff Paid At and Above Pay Range Target

- The combination of an individual's performance rating, the position of his/her pay within the pay range, the number of months he/she has been working, and the salary earned during those months determines the individual's merit pay opportunity.
  - Merit pay is typically calculated as a percent of base pay in effect on March 31, prorated to reflect the number of months an employee worked and the salary earned during these months the twelve (12)-month period starting from the first pay period in the fiscal year and ending with the last pay period of that same fiscal year.
    - \_Managers have the discretion to determine the actual increase amount within the published <a href="mailto:guidelines">guidelines</a>; the appropriate merit pay amount will reflect the manager's internal equity, pay competitiveness, and performance recognition objectives.
  - Adjustments to employees' base pay are capped at the pay range maximums; therefore, some employees may receive a portion of their merit pay as a base pay increase up to the pay range maximum and also receive a lump sum amount for the remaining portion of the merit pay. Employees paid over the pay range maximum may be eligible to receive merit pay as a lump sum payment paid out in two (2) incremental amounts- the first half when merit pay is normally distributed; and the second half six (6) months later.

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- Merit pay may be held altogether or delayed for <u>ninety (90)</u> days if employees do not achieve a satisfactory level of performance or if a written warning or suspension/final written warning is active in their record.
- Merit pay is typically awarded once a year at a specific time.
- Full-time and part-time employees may receive both a market adjustment and a merit pay adjustment at the same time.
- Executive Directors and Chief's must approve <u>merit pay increases for all areas for which</u> they are responsible <u>for before submitting to HR.</u>
- HR has final approval of all merit increases.

A Merit Pay Grid similar to the one shown below\*\* -([assumes a three percent (3%%) merit increase budget)] is often used to provide managers with a guideline as to what merit pay increase may be appropriate based upon performance and to reflect:

- 1. The organization's financial status;
- 2. Market trends relative to average base pay increases;
- 3. Competitiveness of current base practices; and-
- 4. Recruiting and retention issues.

Pay Range Position							
Performance Rating	1 <sup>st</sup> Quartile	2 <sup>nd</sup> Quartile	3 <sup>rd</sup> Quartile	4 <sup>th</sup> Quartile	Above Max	Above Max = Lump Sum	
Highly Effective	6% - 5%	5% - 4%	4% - 3%	3% - 2%	3% - 2%	Bonus	
Effective	5% - 4%	4% - 3%	3% - 2%	3% - 2%	0%	20	
Needs Improvement	0%	0%	0%	0%	0%		

- \*\*\_\_\_\_\*\*The Merit Pay Grid is a sample only. Actual merit increase percentages will depend upon the salary distribution across the salary structure.
- Employees who do not achieve a satisfactory level of performance at the time of their annual pay increase will not receive any type of pay increase – market adjustment, or merit pay.
- The increase may be held all together withheld altogether or delayed ninety (90) days until the written performance improvement plan is complete and performance is judged to be acceptable by the manager; the pay increase will be effective at the time performance is judged to be acceptable (beginning of applicable pay period) and will not be retroactive; the manager is responsible for informing the employee in this situation and is responsible for notifying HR to initiate the increase.
- Employees on any type of leave of absence who are eligible for a market adjustment, and/or merit pay, may receive these adjustments upon their return to active status with a completed performance appraisal that is competent or above.

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### **Special One-time Pay Considerations**

#### **Recruitment Incentive**

- Recruitment incentives up to <u>fifteen percent (15%%)</u> of an employee's base pay may be provided on an exception basis to entice an employee to join CalOptima.
  - Recruitment incentives require the approval of the CEO.
  - Board approval is required for recruitment incentives offered to Executive Director and above positions.

or analysis of the service of the se Incentives are provided with a "pay-back" provision if the employee terminates within twenty

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#### **New Hires/Rehires**

- A new hire's pay level should correspond corresponds to the appropriate pay range butquartile and typically should not exceed the pay range target; offers. Offers above the pay range target require the approval of the Compensation Analyst in consultation with the Executive Director of Human Resources; and the CEO, when necessary.
- Factors to be considered in determining an appropriate pay level for a new hire include:
  - Job-related experience: what What is the estimated learning curve given the individual's prior work experience? How many years of experience does the individual have in the same or equivalent classification?
  - Market conditions: what What is the going rate of pay in the external market for the individual's skills and knowledge?
  - o Internal equity: isls the proposed pay level lower, higher or in line with the pay levels of current employees having comparable skill and experience levels?
- At hire, external service is typically valued comparable to internal service.
  - o For example, an RN having three (3) years of prior job experience is viewed comparably to an RN having three (3) years of job experience at CalOptima.
- Internal equity (how this position and compensation compares relative to existing employees) must be considered when making hiring decisions.

#### Process for Determining a New Hire Starting Pay Rate

HR determines applicable pay rate:

- Starting pay rate is at or near the minimum of the pay range for a candidate who only meets the job's minimum qualifications.
- Starting pay rate cannot be below the minimum of the pay range (unless it is viewed as a training rate).
- Determine appropriate pay rate by assessing candidate's knowledge, skills, and experience, current pay level, as well as pay rates currently being paid to similarly situated incumbents.
- Candidates with superior knowledge, skills, and experience can be paid above the pay range midpoint; starting. Starting pay rates above the pay range midpoint must have approval of the appropriate Compensation Analyst, Executive Director of Human Resources; and CEO-approval, when necessary.
  - There are certain positions that will usually be placed near the salary grade minimum (all entry level service and clerical).
- Pay rates for all management positions must beare reviewed with the Compensation
   Analyst Unit
   before an offer is made. The Compensation Analyst Unit
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- Any questions or concerns about new hire offers should be directed to the Compensation Analyst or Executive Director of Human Resources. The Compensation Analyst will review any concerns with the Executive Director of Human Resources as necessary
- Rehires to the same position classification should be paid at least the same amount they earned prior to termination, with adjustments and/or credit for recent additional career experience or education earned while away from CalOptima.
- The above policy applies to the current organization structure.
- Additional positions at the level of Chief or Executive Director require Board approval.

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#### **Promotion**

Promotion: An employee receives a promotion when he/shethe employee applies for and is selected for a job with a higher pay range target.

- An employee will receive a promotional increase to at least the pay range minimum of his/herthe new pay range.
- The amount of a promotional increase will vary and the actual amount will be determined based on the incumbent's qualifications, performance, and the internal pay practices of other similarly-situated employees. The typical promotional increase for a promotion without external competition is 4%up to 5% of five percent (5%) of the employee's base pay for per one (1) pay grade increase.
- Typically, the promotional increase should not exceed the pay range target.
- When an employee moves from non-exempt to exempt, the loss of overtime pay will be considered. However, the realization that overtime is not guaranteed must also be considered.
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Employees who are promoted after March 31, but prior to receiving their merit increase, will have their merit increase, if any, included in the base pay used to calculate their promotional pay. If the employee's performance evaluation rating and therefore merit increase amount is not known at the time the promotional pay is being calculated, a merit increase equivalent to "Fully Meets Expectations" will be included in the base pay used to calculate their promotional pay.
- The next merit pay adjustment after a promotion may be pro-rated based on the amount of time the employee has spent in the job.

#### Lateral Transfer

Lateral transfer: It is considered a lateral transfer if an employee moves to a job having the same pay range target.

• Lateral job changes will not typically result in a base pay increase or adjustment unless otherwise approved by the Compensation Analyst and Executive Director of Human Resources.

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Employees who are laterally transferred after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

#### **Demotion**

Demotion: An employee is classified as having been demoted if he/shethe employee moves to a job with a lower pay range target.

- AnThe pay of an employee demoted due to an organizational restructure, no pay decrease will not be given decreased unless the employee is above the maximum on the new pay range; if so, the employee will be reduced to the maximum of the new pay range.
  - An For an involuntary demotion, due to performance will follow the guidelines below, or for reducing base pay
  - A<u>a</u> voluntary demotion-based on an application for an open position will typically result in a pay decrease between 0 – 4% for each salary, the pay grade of the demoted
- The demoted employee will be assigned to the pay grade of the employee's new classification. The employee's base pay will typically be reduced to the next lower pay grade. Target, or up to five percent (5%) for each pay grade maximum, whichever is appropriate using the 0 4% guideline abovedemoted.
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Future merit increases and market adjustments will not be affected by a demotion unless competent performance is not achieved.
- Employees who are demoted after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

# **Temporary Assignment**

Temporary assignment: An employee who is asked to assume a full-time temporary assignment in a job having a higher pay range target is eligible for a temporary base pay increase. The employee must assume some or all of the responsibilities of the new job to qualify for a temporary assignment increase.

- The employee's base pay rate prior to the assignment will be maintained and the higher temporary assignment rate will be added as a secondary job title and pay rate.
- This increased secondary pay rate is eliminated when the temporary assignment ends.
- The amount of the temporary assignment increase should be consistent with the promotion policy.

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# **Training/Transition Overlap**

In order to provide for a transition and/or training period, CalOptima may fill a regular position with a replacement in advance of the separation of a terminating employee. For the transition and/or training period, two employees may fill the same budgeted position for up to thirty (30) calendar days during the period of overlap. The immediate supervisor will determine which employee will be designated for decision-making and regulatory reporting purposes, if applicable.

# Job Re-Evaluations

Job Re-Evaluations: Job re-evaluations will be reviewed in the following priority order:

1. New Positions.

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- 2. Change of thirty-five percent (35%%) or more of duties ([any change in responsibilities less than thirty-five percent (35%%) will not be considered).
  - Enhancements must require a higher level of skills, abilities, scope of authority, autonomy, and/or education to qualify for a re-classification.

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- Additional duties that do not require the above will not be considered for reclassification.
- All requests for job re-classification must be documented, signed by the department manager and submitted to the Compensation <u>AnalystUnit.</u>
- In the case of management positions being re-classified, the appropriate Chief must sign the documentation.
- The request must include the incumbent's current job description and revised job description with enhancements highlighted.
- The request must also include justification that the re-classification supports a business need.

# If the job is determined to be a priority, the Compensation Analyst Unit will analyze the job according to:

- 1. The job's scope against other jobs in the same discipline.
- 2. Available market data.
- 2.3. Appropriate title identification. The Compensation Analyst Unit will determine if the title fits within the hierarchy; if not, a benchmark title will be recommended.
- 3.4. Job family.
- 4.5. Fair Labor Standards Act (FLSA) status.
- 5.6. Appropriate pay grade the job will be fit into one (1) of the pay grades that currently exists there will be no. No new pay grades created.
- 6.7. A pay rate will be determined.
- 7.8. A recommendation will be made to the Executive Director of Human Resources for approval, and the decision will be communicated to the appropriate manager.
- If a job is reassigned to a higher grade, the change will be effective on the first day of the pay period following the evaluation. The pay increase is not retroactive to any earlier date
- The manager will be informed of the decision to move the job to a higher pay grade by the Compensation Analyst
- <u>Unit.</u> The amount of the pay increase should follow the guidelines in the <u>promotion</u> section

\_If the upgrade and a pay change <u>occursoccur</u> less than six\_(6) months before the annual pay increase date, the employee's next merit pay adjustment may be pro-rated\_

If the job is not reassigned to a higher pay grade, the manager will be notified. If dissatisfied with the decision, the manager may file an appeal with the Executive

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Director of Human Resources.

If a job is reassigned to a lower pay grade as a result of a job re-evaluation due to available market data, without a change in job responsibilities, the involuntary demotion due to organizational restructuring protocol will be followed.

If a job is reassigned to a lower pay grade due to a job evaluation and change in job responsibilities, the voluntary demotion protocol will be followed.

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Page 10 of 13 Revised: 06/07/18 Job evaluations and re-evaluations will occur throughout the year; all priority jobs will be evaluated within one (1) month of the request.

If a job is not a priority or does not meet the guidelines, the manager will be notified.

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# **Base Pay Program Maintenance**

# **Salary Structure Adjustment**

- The salary structure should be reviewed on a regular basis either annually or every other year to continue to reflect market competitiveness.
- The salary structure updates are designed to relieve any upward pressure on range minimums, midpoints and maximums that may impede the ability to attract, motivate, and retain the workforce.
- The salary structure is dynamic; it needs to be revised at regular intervals based upon market conditions to maintain market competitiveness. The goal is to keep the structure's market rates on track with market data.
- Market adjustments will be applied to the salary schedule as needed at least every two (2) years, using surveyed salary structure adjustment percentages.
- The salary structure adjustment approval process includes:
  - The Executive Director of Human Resources makes a recommendation to the CEO for approval.
  - CEO takes the recommendation to the Board for final approval.

# **Annual Competitive Assessment**

- On an annuala regular basis either annually or every other year, HR will identify the current competitiveness of CalOptima's pay practices by comparing: 1) current pay levels to market practices; 2) current pay levels to pay range targets; and, 3) current pay range targets to market practices.
  - CalOptima will on a regular basis either annually or every other year spot check benchmark jobs to determine market fluctuations in benchmark jobs' pay rates.
  - Based on market findings, the pay grade and ranges will be updated.
  - Any jobs in which reasonable benchmark data is not available can be slotted into the salary structure based on internal equity considerations.
- The results of these analyses, along with CalOptima's current financial performance and economic situation, will determine the appropriate market adjustments (i.e., pay range adjustments) and merit pay budgets.
  - The following criteria is typically used to determine which jobs to market price each year:
    - Review job-level turnover statistics for jobs with above-average separation rates to identify jobs with potential retention issues;.
    - o Review the time-to-fill metrics for jobs requiring above-average recruiting efforts and

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expenses to identify jobs with potential recruiting issues;

 Review the applicant tracking reports (if available) for jobs with a high level of initial/ subsequent offer rejections to identify additional potential recruiting issues;



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- Review jobs with pay-to-pay range target compa-ratios in excess of 110% or below 90%%.
- Review jobs with market-to-pay range target compa-ratios in excess of 110% or below 90%%.
- Review all market-sensitive jobs and those on the "watch list".
- Review top ten (10) highest populated jobs on an annual basis.
- Jobs are ranked by degree of severity for each of the preceding criteria; the jobs that are most frequently identified across all criteria are typically market priced.
- It is recommended that at least two (2) jobs be selected from every pay range.

Market Adjustments (Structure and Pay Range Adjustments): Market adjustments to specific pay ranges or the entire pay structure may be made on an annual or as needed basis to reflect current competitiveness or market trends.

- Each year On a regular basis either annually or every other year, the pay range targets are
  compared to the external market base pay practices and necessary adjustments are made to
  ensure alignment including job grade changes and range rate adjustments.
- Employees falling below the range minimum of the adjusted structures are typically brought to the pay range minimum, assuming the employee has a satisfactory level of performance; any pay compression resulting from structure adjustments should be addressed as part of the annual pay increase process.
  - Adjustments to pay range minimums occur prior to merit pay calculations.

# **Process for Making Market Adjustments**

- HR performs an angual, on a regular basis either annually or every other year, a review of
  compensation surveys to calculate the average market adjustment to pay structures; HR
  also analyzes the competitiveness of the current pay range targets to market practices for
  benchmarked jobs.
- HR reviews CalOptima's financial operating conditions and quantifies any recruiting/ retention issues.
- HR determines if an adjustment is appropriate (minor variations in the market may be recognized in the following year) and recommends the amount.
  - HR multiplies the current pay range target of each grade by the necessary adjustment percentage; then HR recalculates the pay range minimum and maximum based on the existing structure design (i.e., pay range minimums = 80% of the new pay range target; pay range maximums = 120% of the new pay range target, etc.).).
  - HR identifies the cost implications for the market adjustment by identifying the difference between: 1) current pay rates and new pay range minimums, and, 2) current pay rates.

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- The market adjustment approval process will work as follows:
  - The Executive Director of Human Resources recommends an adjustment to the CEO for approval.

If the CEO agrees, the CEO will seek Board approval, unless the market adjustment is within the approved pay range for the position classification as designated in the or 202000A.BOD Revilent Board-approved salary schedule. In such case(s), the CEO may approve the market adjustment and inform the Board of such change(s).

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# Market-Sensitive Jobs: Market sensitive jobs are those for which market conditions make recruiting and retention challenging.

- Premium pay is built into the pay <u>range</u> targets for these jobs.
  - Prospectively, the pay range and grade selected for these jobs will reflect the desired market target rate (i.e., 60th or 75th percentile of base pay practices) based on business need.
  - The desired market target rate is established on a job-by-job basis to reflect specific market conditions.
- Criteria used to determine if a job is classified as market-sensitive typically includes two (2)
  or more of the following:
  - Time to fill the position statistics will suggest the average amount of time required to fill a requisition for a market-sensitive position will be significantly higher than the historical norm for this position or similar positions.
  - Job offer rejections statistics will illustrate an increase in the number of employment offers rejected due to low starting rates.
  - Turnover statistics will suggest a higher than typical amount of turnover for the
    position within the last three (3) to six (6) months; turnover for the job will be
    compared to historical results for the same job and to other similarly-situated jobs.
  - Market Changes market-sensitive jobs may experience an excessively large increase in competitive pay rates over the previous year's results; specifically, jobs considered to be market-sensitive may have:
    - a year-to-year increase significantly greater than the average year-to-year increase for other jobs analyzed,
    - a competitive market rate significantly higher ([approximately ten percent (10%)%)] than its current pay range target, or
    - d competitive market rate with significantly higher pay practices [approximately ten percent (10%)%)] in the labor market than the average of current internal pay practices.
- When a job is classified as market-sensitive, typically some form of adjustment is made to employees' base pay rates and is typically referred to as a market adjustment and the pay increase policies noted under the market adjustment section apply.
  - Jobs classified as market-sensitive are reviewed annually to determine if this status still applies.
    - Once a job is classified as market-sensitive, it typically remains as such until the recruiting and retention challenges subside and/or the market pay rates adjust themselves – typically not less than one (1) year.

Page 16 of 13 When a job is no longer considered market-sensitive, the job's pay range and grade

is reassigned to reflect a market median base pay rate target; no changes are typically made to the employees' base pay rates at this time.

Throughout the year, jobs that are not yet considered market sensitive, but are showing signs of becoming so are placed on a "watch list" and monitored.

• If necessary, these jobs will be moved to the market-sensitive category and

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Policy: GA.8057

Title: Compensation Program

Department: Human Resources Section: Not Applicable

CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/2014 Revised Date: 06/04/2020

#### I. PURPOSE

This policy establishes a compensation program for CalOptima job classifications within clearly defined guidelines that promote consistent, competitive and equitable pay practices.

#### II. POLICY

- A. CalOptima's compensation program is intended to:
  - 1. Provide fair compensation based on organization and individual performance;
  - 2. Attract, retain, and motivate employees;
  - 3. Balance internal equity and market competitiveness to recruit and retain qualified employees; and
  - 4. Be mindful of CalOptima's status as a public agency.
- B. The Chief Executive Officer (CEO), in conjunction with the Executive Director of Human Resources, is directed to administer the compensation program consistent with the attached Compensation Administration Guidelines, which defines the principles upon which CalOptima's compensation practices will be managed, procedural aspects of how the compensation procedures will be administered, and how the overall compensation administration function will respond to changing market conditions and business demands. Some of these guidelines include, but are not limited to:
  - 1. Establishing pay rates based on the market 50<sup>th</sup> percentile.
  - 2. Determining appropriate pay rates within the pay range for a position by assessing an employee's or applicant's knowledge, skills, experience, and the pay rates currently being paid to similarly situated incumbents. Employees may be paid anywhere within the pay range based on proficiency levels. The following criteria shall be considered:

Minimum (Min)	The rate paid to an individual possessing the minimum job qualifications & meeting minimum job performance expectations
Midpoint (Mid) aka: 50 <sup>th</sup> percentile	The rate paid to individuals that are fully proficient in all aspects of the job's requirements & performance expectations

Maximum (Max)	The maximum rate paid to individuals who possess
	qualifications significantly above market norms & consistently
	deliver superior performance

- 3. All new hires and employees should have a pay rate equal to or greater than the pay range minimum, unless the minimum job requirements are not met, then a training rate equal to ten percent (10%) below the salary grade minimum may be used for six (6) months.
- 4. Base pay for all employees shall be capped at the pay range maximum, and once an employee reaches the base pay maximum, the employee will not be eligible for future base pay increases. However, in lieu of future base pay increases, these employees may be eligible for merit pay delivered as a lump sum bonus provided that the employee's performance warrants this additional compensation.
- C. The CEO is authorized and directed to take all steps necessary and proper to implement the CalOptima compensation program and the Compensation Administration Guidelines not inconsistent therewith.

#### III. PROCEDURE

Not Applicable

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#### IV. ATTACHMENT(S)

A. Compensation Administration Guidelines

# V. REFERENCE(S)

Not Applicable

# VI. REGULATORY AGENCY APPROVAL(S)

None to Date

# VII. BOARD ACTION(S)

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/04/2014	Regular Meeting of the CalOptima Board of Directors
03/05/2015	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
06/07/2018	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors

#### VIII. REVISION HISTORY

	Action	Date	Policy	Policy Title	Program(s)
Ī	Effective	05/01/2014	GA.8057	Compensation Program and Salary	Administrative
				Schedule	

Revised: 06/04/2020

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Action	Date	Policy	Policy Title	Program(s)
Revised	08/07/2014	GA.8057	Compensation Program and Salary	Administrative
			Schedule	
Revised	11/06/2014	GA.8057	Compensation Program and Salary	Administrative
			Schedule	
Revised	12/04/2014	GA.8057	Compensation Program and Salary	Administrative
			Schedule	
Revised	06/04/2015	GA.8057	Compensation Program	Administrative
Revised	06/07/2018	GA.8057	Compensation Program	Administrative
Revised	06/04/2020	GA.8057	Compensation Program	Administrative

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IX. GLOSSARY

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Not Applicable

For 202000A BOD Review Onl



# Compensation Administration Guidelines

Revised June 04, 2020 Implemented March 29, 2020

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# **Pay Administration Guidelines**

Common pay administration guidelines for CalOptima are detailed in this section. These Guidelines help maintain the integrity of the base pay program by introducing a common set of standards and assist managers in ongoing compensation program administration.

In addition, note the following administration of the Guidelines:

- Chief Executive Officer (CEO) compensation will be established by the Board of Directors.
- Chief and Executive Director compensation will be established by the CEO within the Guidelines.
- The Board will be informed of all Chief and Executive Director hires and compensation changes.

# **Proposed Pay Administration Guidelines**

Pay ranges and pay levels	Pay range target
	Range minimums and maximums
	Pay above range maximums
	Pay range thirds
	Pay range halves
	Compa-ratio
Periodic pay	New hire/Rehire
adjustments/increases	Promotion
	Lateral Transfer
Y	Demotion
	Temporary Assignment
	Secondary job
	Job Re-evaluation
	Appeal Process
	Register/Certified Status
	Base pay program maintenance
	Salary structure adjustment
	Annual competitive assessment
	Market sensitive jobs
Annual pay adjustments/increases	Market Adjustment
, ,	Merit pay
	Step increase
Special one-time pay	Recruitment incentive
considerations	

# Pay Ranges and Pay Levels

Range Target: internal "going market rate" for the job (50th percentile); represents the rate paid to individuals that are fully proficient in all aspects of the job's requirements and performance expectations.

 For benchmark jobs, the pay range (i.e. pay grade) is determined based on the comparability of values between market median base pay rates and the pay range targets.



Range Target \$40.0 is Closest to Market Median of \$41.5; job is assigned to Pay Range A

 For non-benchmark jobs, the pay range is determined based on comparability of the job to benchmark jobs within the same job family or other internal positions in terms of knowledge, skills, complexity and organizational impact.



Range Minimum: represents the rate paid to individuals possessing the minimum job qualifications and meeting minimum job performance expectations.

- All employees should have a pay rate equal to or greater than the pay range minimum.
- If the minimum job requirements are not met, a training rate equal to ten percent (10%) below the salary grade minimum may be used for six (6) months while a new incumbent is learning the skills to become proficient in the new role.

Range Maximum: represents the maximum rate paid to individuals who possess qualifications significantly above market norms and consistently deliver superior performance.

Base pay growth is capped at the pay range maximum.

Pay Above Range Maximum: Employees are not paid above the range maximum.

Employees whose current pay becomes above the pay range maximum will have their base pay
frozen and will not be eligible for future base pay increases until such time as their base pay
falls below the pay range maximum.

- In lieu of future base pay increases, these employees may be eligible for merit pay delivered as a lump sum bonus providing their performance warrants this additional compensation.
- As the pay structures and pay ranges move every twelve (12) thirty-six (36) months or as necessary, the employees paid above the pay range maximum will eventually be paid below the pay range maximum and will then be eligible to receive base pay increases, as appropriate.

Pay Range: Employees may be paid anywhere within the open pay range; the pay range is divided into equal quartiles to assist in achieving competitive, equitable, and appropriate pay levels

Pay Range Quartiles Used in Ongoing Pay Adminstration	Developing	Proficient	Fully Proficient	Expert
	Minimum	Ta	arget ↑	Maximum
Market Base Pay	80% of 50th %ile	50t	h %ile	120% of 50th %ile

- Developing Area Below market pay; this area is used for employees possessing minimum
  job requirements and/or for those having significant learning curves to become fully proficient
  in the job's duties, responsibilities and performance expectations.
- Proficient/Fully Proficient Area Market competitive pay; this area is used for employees
  possessing preferred job requirements and consistently demonstrate one hundred percent
  (100%) proficiency in all aspects of the job's duties, responsibilities and performance
  expectations.
- Expert Area Above market pay; this area is used for employees possessing unique knowledge, skills, or abilities that far surpass the market's typical requirements and consistently demonstrate superior performance in all aspects of the job's duties, responsibilities, and performance expectations.

Compa-Ratio: In addition to pay range quartiles, this is a metric also used to communicate pay competitiveness.

- Compa-Ratio: A compa-ratio is calculated by taking the employee's base pay divided by his/her pay range target.
- Compa-Ratio of 100%: This ratio indicates the employee's base pay equals the pay range target, or the market rate.
- Compa-Ratio <100%: This ratio indicates the employee's base pay is less than the pay range target.
  - Compa-Ratio >100%: This ratio indicates the employee's base pay is greater than the pay range target.

Illustrative Range Shown Below:

	Minimum	Target	Maximum
Compa-Ratio RNs	87.5%	100.0%	117.0%
Compa-Ratio Non-Exempt	88.0%	100.0%	117.0%
Compa-Ratio Exempt	83.0%	100.0%	118.0%

Note: Range minimums and maximums will be based on the developed salary range spreads.



# **Annual Pay Adjustments/Increases**

Market Adjustment: A market adjustment is an increase or decrease to pay range grades based on market pay practices.

- A market adjustment may result in base pay increases for full-time, part-time, and some asneeded and limited term staff paid at or below the pay range target (there is no base pay increase between target and maximum for non-market sensitive jobs unless compression exists at the target).
  - For some market-sensitive jobs, a market adjustment may also be granted to fulltime, part-time, and some as-needed and limited term staff paid above the pay range target but below the pay range maximum to maintain competitiveness and minimize pay compression.
- A market adjustment may result in a base pay increase to some staff to ensure employees are paid a base pay rate at least equal to the new pay range minimum.
  - o If a market adjustment is made, employees paid below the new range minimum receive an increase to their base pay to ensure it is at least equal to the pay range minimum before any merit pay is awarded (cap at 10%).
- The appropriateness of a market adjustment is determined based on:
  - 1. A competitive assessment of the pay range target versus market base pay practices;
  - 2. Market trends and practices relative to average base pay and pay range increases; and
  - 3. Current recruiting and retention issues.
- Market adjustments are made prior to determining merit pay.
- Newly hired employees will be eligible for any market adjustments granted at the annual pay increase date if the employee is paid at or below the pay range target.

Base Pay Adjustment: All employees who achieve a satisfactory level of performance will be eligible for a merit pay adjustment.

- Merit Pay: Merit pay is variable pay that typically affects employees' base pay; it recognizes employees' job proficiency and performance of job duties.
  - Merit pay is applicable to full-time and part-time employees paid below, at, or above the pay range target; Per diem employees are not eligible for merit pay.
  - To be eligible for merit pay, the employee must have started work on or before March 31 to be eligible for a merit increase in July of the same year and have successfully completed the introductory period [three (3) months for transfers and new hires] prior to the annual pay adjustment date.
  - Merit pay will typically be an increase to base pay; however, it may also be delivered

as a one-time lump sum bonus for individuals paid above the pay range maximum.

 The budgeted amount for merit pay, if any, is based on 1) the organization's financial status; 2) market trends relative to average base pay increases; 3) competitiveness of current base pay practices; and, 4) recruiting and retention issues.

# Merit Pay - Staff Paid At and Above Pay Range Target

- The combination of an individual's performance rating, the position of his/her pay within the pay range, the number of months he/she has been working, and the salary earned during those months determines the individual's merit pay opportunity.
  - Merit pay is typically calculated as a percent of base pay in effect on March 31, prorated to reflect the number of months an employee worked during the twelve (12)month period starting from the first pay period in the fiscal year and ending with the last pay period of that same fiscal year.
  - Managers have the discretion to determine the actual increase amount within the published Guidelines; the appropriate merit pay amount will reflect the manager's internal equity, pay competitiveness, and performance recognition objectives.
  - Adjustments to employees' base pay are capped at the pay range maximums; therefore, some employees may receive a portion of their merit pay as a base pay increase up to the pay range maximum and also receive a lump sum amount for the remaining portion of the merit pay. Employees paid over the pay range maximum may be eligible to receive merit pay as a lump sum payment paid out in two (2) incremental amounts- the first half when merit pay is normally distributed; and the second half six (6) months later.
  - Merit pay may be held altogether or delayed for ninety (90) days if employees do not achieve a satisfactory level of performance or if a written warning or suspension/final written warning is active in their record.
  - Merit pay is typically awarded once a year at a specific time.
  - Full-time and part-time employees may receive both a market adjustment and a merit pay adjustment at the same time.
  - Executive Directors and Chief's must approve merit pay increases for all areas for which they are responsible before submitting to HR.
  - HR has final approval of all merit increases.

A Merit Pay Grid similar to the one shown below\*\* [assumes a three percent (3%) merit increase budget] is often used to provide managers with a guideline as to what merit pay increase may be appropriate based upon performance and to reflect:

- 1. The organization's financial status;
- 2. Market trends relative to average base pay increases;
- 3. Competitiveness of current base practices; and

### 4. Recruiting and retention issues.

	Pay Range Position						
Performance Rating	1 <sup>st</sup> Quartile	2 <sup>nd</sup> Quartile	3 <sup>rd</sup> Quartile	4 <sup>th</sup> Quartile	Above Max	Above Max = Lump Sum	
Highly Effective	6% - 5%	5% - 4%	4% - 3%	3% - 2%	3% - 2%	Bonus	
Effective	5% - 4%	4% - 3%	3% - 2%	3% - 2%	0%	20	
<b>Needs Improvement</b>	0%	0%	0%	0%	0%		-

<sup>\*\*</sup>The Merit Pay Grid is a sample only. Actual merit increase percentages will depend upon the salary distribution across the salary structure.

- Employees who do not achieve a satisfactory level of performance at the time of their annual pay increase will not receive any type of pay increase – market adjustment, or merit pay.
- The increase may be withheld altogether or delayed ninety (90) days until the written performance improvement plan is complete and performance is judged to be acceptable by the manager; the pay increase will be effective at the time performance is judged to be acceptable (beginning of applicable pay period) and will not be retroactive; the manager is responsible for informing the employee in this situation and is responsible for notifying HR to initiate the increase.
- Employees on any type of leave of absence who are eligible for a market adjustment, and/or merit pay, may receive these adjustments upon their return to active status with a completed performance appraisal that is competent or above.

# **Special One-time Pay Considerations**

# **Recruitment Incentive**

- Recruitment incentives up to fifteen percent (15%) of an employee's base pay may be provided on an exception basis to entice an employee to join CalOptima.
  - Recruitment incentives require the approval of the CEO.

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 Board approval is required for recruitment incentives offered to Executive Director and above positions.

Incentives are provided with a "pay-back" provision if the employee terminates within twenty four (24) months of hire.

### **New Hires/Rehires**

- A new hire's pay level corresponds to the appropriate pay range quartile and typically should not exceed the pay range target. Offers above the pay range target require the approval of the Executive Director of Human Resources and the CEO, when necessary.
- Factors to be considered in determining an appropriate pay level for a new hire include:
  - Job-related experience: What is the estimated learning curve given the individual's prior work experience? How many years of experience does the individual have in the same or equivalent classification?
  - Market conditions: What is the going rate of pay in the external market for the individual's skills and knowledge?
  - Internal equity: Is the proposed pay level lower, higher or in line with the pay levels of current employees having comparable skill and experience levels?
- At hire, external service is typically valued comparable to internal service.
  - For example, an RN having three (3) years of prior job experience is viewed comparably to an RN having three (3) years of job experience at CalOptima.
- Internal equity (how this position and compensation compares relative to existing employees) must be considered when making hiring decisions.

### Process for Determining a New Hire Starting Pay Rate

HR determines applicable pay rate:

- Starting pay rate is at or near the minimum of the pay range for a candidate who only meets the job's minimum qualifications.
- Starting pay rate cannot be below the minimum of the pay range (unless it is viewed as a training rate).
- Determine appropriate pay rate by assessing candidate's knowledge, skills, and experience, as well as pay rates currently being paid to similarly situated incumbents.
- Candidates with superior knowledge, skills, and experience can be paid above the pay range midpoint. Starting pay rates above the pay range midpoint must have approval of the Executive Director of Human Resources and CEO, when necessary.
- There are certain positions that will usually be placed near the salary grade minimum (all entry level service and clerical).
- Pay rates for all positions are reviewed with the Compensation Unit before an offer is made. The Compensation Unit will review internal equity across the system to ensure that the appropriate offer is made.
  - Rehires to the same classification should be paid at least the same amount they earned prior to termination, with adjustments and/or credit for recent additional career experience

or education earned while away from CalOptima.

- The above policy applies to the current organization structure.
- Additional positions at the level of Chief or Executive Director require Board approval.

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#### **Promotion**

An employee receives a promotion when the employee applies for and is selected for a job with a higher pay range target.

- An employee will receive a promotional increase to at least the pay range minimum of the new pay range.
- The amount of a promotional increase will be determined based on the incumbent's qualifications, performance, and internal pay practices. The typical promotional increase for a promotion without external competition is up to five percent (5%) of the employee's base pay per one (1) pay grade increase.
- Typically, the promotional increase should not exceed the pay range target.
- When an employee moves from non-exempt to exempt, the loss of overtime pay will be considered. However, the realization that overtime is not guaranteed must also be considered.
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Employees who are promoted after March 31, but prior to receiving their merit increase, will have their merit increase, if any, included in the base pay used to calculate their promotional pay. If the employee's performance evaluation rating and therefore merit increase amount is not known at the time the promotional pay is being calculated, a merit increase equivalent to "Fully Meets Expectations" will be included in the base pay used to calculate their promotional pay.
- The next merit pay adjustment after a promotion may be pro-rated based on the amount of time the employee has spent in the job.

#### **Lateral Transfer**

It is considered a lateral transfer if an employee moves to a job having the same pay range target.

- Lateral job changes will not typically result in a base pay increase or adjustment unless otherwise approved by the Executive Director of Human Resources.
- Employees who are laterally transferred after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

### Demotion

An employee is classified as having been demoted if the employee moves to a job with a lower pay range target.

The pay of an employee demoted due to an organizational restructure, will not be decreased unless the employee is above the maximum on the new pay range; if so, the employee will be reduced to the maximum of the new pay range.

- For an involuntary demotion, due to performance, or for a voluntary demotion, the pay grade of the demoted employee will be assigned to the pay grade of the employee's new classification. The employee's base pay will typically be reduced up to five percent (5%) for each pay grade demoted.
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Future merit increases and market adjustments will not be affected by a demotion unless competent performance is not achieved.
- Employees who are demoted after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

### **Temporary Assignment**

An employee who is asked to assume a full-time temporary assignment in a job having a higher pay range target is eligible for a temporary base pay increase. The employee must assume some or all of the responsibilities of the new job to qualify for a temporary assignment increase.

- The employee's base pay rate prior to the assignment will be maintained and the higher temporary assignment rate will be added as a secondary job title and pay rate.
- This increased secondary pay rate is eliminated when the temporary assignment ends.
- The amount of the temporary assignment increase should be consistent with the promotion policy.

### **Training/Transition Overlap**

In order to provide for a transition and/or training period, CalOptima may fill a regular position with a replacement in advance of the separation of a terminating employee. For the transition and/or training period, two employees may fill the same budgeted position for up to thirty (30) calendar days during the period of overlap. The immediate supervisor will determine which employee will be designated for decision-making and regulatory reporting purposes, if applicable.

#### **Job Re-Evaluations**

Job re-evaluations will be reviewed in the following priority order:

- 1. New Positions.
- 2. Change of thirty-five percent (35%) or more of duties [any change in responsibilities less than thirty-five percent (35%) will not be considered].
  - Enhancements must require a higher level of skills, abilities, scope of authority, autonomy, and/or education to qualify for a re-classification.
  - Additional duties that do not require the above will not be considered for reclassification.
  - All requests for job re-classification must be documented, signed by the department manager and submitted to the Compensation Unit.
  - o In the case of management positions being re-classified, the appropriate Chief must sign the documentation.
  - The request must include the incumbent's current job description and revised job description with enhancements highlighted.
  - The request must also include justification that the re-classification supports a business need.

# If the job is determined to be a priority, the Compensation Unit will analyze the job according to:

- 1. The job's scope against other jobs in the same discipline.
- 2. Available market data.
- 3. Appropriate title identification. The Compensation Unit will determine if the title fits within the hierarchy; if not, a benchmark title will be recommended.
- 4. Job family.
- 5. Fair Labor Standards Act (FLSA) status.
- 6. Appropriate pay grade the job will be fit into one (1) of the pay grades that currently

exists. No new pay grades created.

7. A pay rate will be determined.

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8. A recommendation will be made to the Executive Director of Human Resources for approval, and the decision will be communicated to the appropriate manager.

If a job is reassigned to a higher grade, the change will be effective on the first day of the pay period following the evaluation. The pay increase is not retroactive to any earlier date. The manager will be informed of the decision to move the job to a higher pay grade by the Compensation Unit. The amount of the pay increase should follow the guidelines in the Promotion section. If the upgrade and a pay change occur less than six (6) months before the annual pay increase date, the employee's next merit pay adjustment may be pro-rated.

If the job is not reassigned to a higher pay grade, the manager will be notified. If dissatisfied with the decision, the manager may file an appeal with the Executive Director of Human Resources.

If a job is reassigned to a lower pay grade as a result of a job re-evaluation due to available market data, without a change in job responsibilities, the involuntary demotion due to organizational restructuring protocol will be followed.

If a job is reassigned to a lower pay grade due to a job evaluation and change in job responsibilities, the voluntary demotion protocol will be followed.

Job evaluations and re-evaluations will occur throughout the year; all priority jobs will be evaluated within one (1) month of the request.

If a job is not a priority or does not meet the guidelines, the manager will be notified.

### **Base Pay Program Maintenance**

#### **Salary Structure Adjustment**

- The salary structure should be reviewed on a regular basis either annually or every other year to continue to reflect market competitiveness.
- The salary structure updates are designed to relieve any upward pressure on range minimums, midpoints and maximums that may impede the ability to attract, motivate, and retain the workforce.
- The salary structure is dynamic; it needs to be revised at regular intervals based upon market conditions to maintain market competitiveness. The goal is to keep the structure's market rates on track with market data.
- Market adjustments will be applied to the salary schedule as needed at least every two (2) years, using surveyed salary structure adjustment percentages.
- The salary structure adjustment approval process includes:
  - The Executive Director of Human Resources makes a recommendation to the CEO for approval.
  - CEO takes the recommendation to the Board for final approval.

### **Annual Competitive Assessment**

- On a regular basis either annually or every other year, HR will identify the current competitiveness of CalOptima's pay practices by comparing: 1) current pay levels to market practices; 2) current pay levels to pay range targets; and, 3) current pay range targets to market practices.
  - CalOptima will on a regular basis either annually or every other year spot check benchmark jobs to determine market fluctuations in benchmark jobs' pay rates.
  - Based on market findings, the pay grade and ranges will be updated.
  - Any jobs in which reasonable benchmark data is not available can be slotted into the salary structure based on internal equity considerations.
- The results of these analyses, along with CalOptima's current financial performance and economic situation, will determine the appropriate market adjustments (i.e., pay range adjustments) and merit pay budgets.
  - The following criteria is typically used to determine which jobs to market price each year:
    - Review job-level turnover statistics for jobs with above-average separation rates to identify jobs with potential retention issues.
    - Review the time-to-fill metrics for jobs requiring above-average recruiting efforts and

expenses to identify jobs with potential recruiting issues.

- Review the applicant tracking reports (if available) for jobs with a high level of initial/ subsequent offer rejections to identify additional potential recruiting issues.
- Review jobs with pay-to-pay range target compa-ratios in excess of 110% or below 90%.
- Review jobs with market-to-pay range target compa-ratios in excess of 110% or below 90%.
- o Review all market-sensitive jobs and those on the "watch list."
- o Review top ten (10) highest populated jobs on an annual basis.
- Jobs are ranked by degree of severity for each of the preceding criteria; the jobs that are most frequently identified across all criteria are typically market priced.
- o It is recommended that at least two (2) jobs be selected from every pay range.

Market Adjustments (Structure and Pay Range Adjustments): Market adjustments to specific pay ranges or the entire pay structure may be made on an annual or as needed basis to reflect current competitiveness or market trends.

- On a regular basis either annually or every other year, the pay range targets are compared
  to the external market base pay practices and necessary adjustments are made to ensure
  alignment including job grade changes and range rate adjustments.
- Employees falling below the range minimum of the adjusted structures are typically brought to the pay range minimum, assuming the employee has a satisfactory level of performance; any pay compression resulting from structure adjustments should be addressed as part of the annual pay increase process.
  - Adjustments to pay range minimums occur prior to merit pay calculations.

### **Process for Making Market Adjustments**

- HR performs, on a regular basis either annually or every other year, a review of compensation surveys to calculate the average market adjustment to pay structures; HR also analyzes the competitiveness of the current pay range targets to market practices for benchmarked jobs.
- HR reviews CalOptima's financial operating conditions and quantifies any recruiting/retention issues.
- HR determines if an adjustment is appropriate (minor variations in the market may be recognized in the following year) and recommends the amount.
- HR multiplies the current pay range target of each grade by the necessary adjustment percentage; then HR recalculates the pay range minimum and maximum based on the existing structure design (i.e., pay range minimums = 80% of the new pay range target;

pay range maximums = 120% of the new pay range target, etc.).

- HR identifies the cost implications for the market adjustment by identifying the difference between 1) current pay rates and new pay range minimums, and, 2) current pay rates.
- The market adjustment approval process will work as follows:
  - The Executive Director of Human Resources recommends an adjustment to the CEO for approval.
  - If the CEO agrees, the CEO will seek Board approval, unless the market adjustment is within the approved pay range for the classification as designated in the Boardapproved salary schedule. In such case(s), the CEO may approve the market adjustment and inform the Board of such change(s).

Market-Sensitive Jobs: Market sensitive jobs are those for which market conditions make recruiting and retention challenging.

- Premium pay is built into the pay range targets for these jobs!
  - Prospectively, the pay range and grade selected for these jobs will reflect the desired market target rate (i.e., 60th or 75th percentile of base pay practices) based on business need.
  - The desired market target rate is established on a job-by-job basis to reflect specific market conditions.
- Criteria used to determine if a job is classified as market-sensitive typically includes two (2) or more of the following:
  - Time to fill the position statistics will suggest the average amount of time required to fill a requisition for a market-sensitive position will be significantly higher than the historical norm for this position or similar positions.
  - Job offer rejections statistics will illustrate an increase in the number of employment offers rejected due to low starting rates.
  - Turnover statistics will suggest a higher than typical amount of turnover for the
    position within the last three (3) to six (6) months; turnover for the job will be
    compared to historical results for the same job and to other similarly-situated jobs.
    - Market Changes market-sensitive jobs may experience an excessively large increase in competitive pay rates over the previous year's results; specifically, jobs considered to be market-sensitive may have:
      - a year-to-year increase significantly greater than the average year-to-year increase for other jobs analyzed,
      - a competitive market rate significantly higher [approximately ten percent (10%)] than its current pay range target, or

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a competitive market rate with significantly higher pay practices

[approximately ten percent (10%)] in the labor market than the average of current internal pay practices.

- When a job is classified as market-sensitive, typically some form of adjustment is made to employees' base pay rates and is typically referred to as a market adjustment and the pay increase policies noted under the market adjustment section apply.
- Jobs classified as market-sensitive are reviewed annually to determine if this status still applies.
  - Once a job is classified as market-sensitive, it typically remains as such until the recruiting and retention challenges subside and/or the market pay rates adjust themselves – typically not less than one (1) year.
  - When a job is no longer considered market-sensitive, the job's pay range and grade is reassigned to reflect a market median base pay rate target; no changes are typically made to the employees' base pay rates at this time.
- Throughout the year, jobs that are not yet considered market sensitive, but are showing signs of becoming so are placed on a "watch list" and monitored.

If necessary, these jobs will be moved to the market-sensitive category and handled accordingly.





Policy#: GA.8058

Title: Salary Schedule

Department: CalOptima Administrative

Section: Human Resources

CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/2014

Revised Date: 08/01/201906/04/2020

**Board Approved Policy** 

#### I. PURPOSE

- A. This policy maintains a CalOptima Salary Schedule that lists all active job classifications including job title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate amounts).
- B. This policy ensures the salary schedule is publicly available pursuant to the requirements of Title 2, California Code of Regulations (CCR) §570.5 so that employees who are members of the California Public Employees Retirement System (CalPERS) have their compensation considered qualified for pension calculation under CalPERS regulations.

#### II. POLICY

- A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) §570.5, CalOptima has established the attached salary schedule for each CalOptima job position. In order for CalPERS member's pay rates to be credited by CalPERS, the Human Resources Department (HR) shall maintain a salary schedule that meets the following eight (8) separate criteria:
  - 1. Approval and adoption by the governing body in accordance with requirements applicable to public meetings laws;
  - 2. Identification of position titles for every employee position;
  - 3. Listing of pay rate for each identified position, which may be stated as a single amount or as multiple amounts with a range;
  - 4. Specifies the time base including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
  - 5. Posted at the employer's office or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
  - 6. Indicates the effective date and date of any revisions;
  - 7. Retained by the employer and available for public inspection for not less than five (5) years; and
  - 8. Does not reference another document in lieu of disclosing the pay rate.
- B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper

to implement the salary schedule for all other employees not inconsistent therewith.

#### III. PROCEDURE

- A. The Human Resources Department (HR) will ensure that the salary schedule, meetsing the requirements above and is, are available at CalOptima's offices and immediately accessible for public review during normal business hours or posted on CalOptima's internet website.
- B. HR shall retain the salary schedule for not less than five (5) years.
- C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness of the salary schedule to market pay levels.
- D. Any adjustments to the salary schedule requires that the Executive Director of HR make a recommendation to the CEO for approval, with the CEO taking the recommendation to the CalOptima Board of Directors for final approval. No changes to the salary schedule, or CEO compensation, shall be effective unless and until approved by the CalOptima Board of Directors.

### IV. ATTACHMENT(S)

A. CalOptima - Salary Schedule (Revised as of 08/01/2019 06/04/2020)

#### V. REFERENCE(S)

A. Title 2, California Code of Regulations, §570.5

### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

D-4-	Marking
Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/04/2014	Regular Meeting of the CalOptima Board of Directors
03/05/2015	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
10/01/2015	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
03/03/2016	Regular Meeting of the CalOptima Board of Directors
06/02/2016	Regular Meeting of the CalOptima Board of Directors
08/04/2016	Regular Meeting of the CalOptima Board of Directors
09/01/2016	Regular Meeting of the CalOptima Board of Directors
10/06/2016	Regular Meeting of the CalOptima Board of Directors
11/03/2016	Regular Meeting of the CalOptima Board of Directors
12/01/2016	Regular Meeting of the CalOptima Board of Directors
03/02/2017	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
06/01/2017	Regular Meeting of the CalOptima Board of Directors

Date	Meeting
08/03/2017	Regular Meeting of the CalOptima Board of Directors
09/07/2017	Regular Meeting of the CalOptima Board of Directors
11/02/2017	Regular Meeting of the CalOptima Board of Directors
02/01/2018	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
08/01/2019	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors

### VIII. REVISION HISTORY

Action	Date	Policy#	Policy Title	Program(s)		
Effective	05/01/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	08/07/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	11/06/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	12/04/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	03/05/2015	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	06/04/2015	GA.8058	Salary Schedule	Administrative		
Revised	10/01/2015	GA.8058	Salary Schedule	Administrative		
Revised	12/03/2015	GA.8058	Salary Schedule	Administrative		
Revised	03/03/2016	GA.8058	Salary Schedule	Administrative		
Revised	06/02/2016	GA.8058	Salary Schedule	Administrative		
Revised	08/04/2016	GA.8058	Salary Schedule	Administrative		
Revised	09/01/2016	GA.8058	Salary Schedule	Administrative		
Revised	10/06/2016	GA.8058	Salary Schedule	Administrative		
Revised	11/03/2016	GA.8058	Salary Schedule	Administrative		
Revised	12/01/2016	GA.8058	Salary Schedule	Administrative		
Revised	03/02/2017	GA.8058	Salary Schedule	Administrative		
Revised	05/04/2017	GA.8058	Salary Schedule	Administrative		
Revised	06/01/2017	GA.8058	Salary Schedule	Administrative		
Revised	08/03/2017	GA.8058	Salary Schedule	Administrative		
Revised	09/07/2017	GA.8058	Salary Schedule	Administrative		
Revised	11/02/2017	GA.8058	Salary Schedule	Administrative		
Revised	02/01/2018	GA.8058	Salary Schedule	Administrative		
Revised	09/06/2018	GA.8058	Salary Schedule	Administrative		
Revised	10/04/2018	GA.8058	Salary Schedule	Administrative		
Revised	02/07/2019	GA.8058	Salary Schedule Administrativ			
Revised	08/01/2019	GA.8058	Salary Schedule	Administrative		
Revised	06/04/2020	GA.8058	Salary Schedule	<u>Administrative</u>		

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PagBaklofo/Agenda GA.8058: Salary Schedule Revised: 08/01/2019 06/04/2020

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Accountant	н	39	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accountant Int	I	634	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accountant Sr	К	68	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accounting Clerk	D	334	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accounting Clerk Sr	E	TBD	\$48,000	\$55,000	\$62,000	New Position
Activity Coordinator (PACE)	E	TBD	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Actuarial Analyst	I	558	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Actuarial Analyst Sr	L	559	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Actuary	0	357	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Administrative Assistant	D	19	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Analyst	н	562	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Analyst Int	I	563	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Analyst Sr	J	564	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Applications Analyst	ı	232	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Applications Analyst Int	J	233	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Applications Analyst Sr	20	298	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Assistant Director	P	TBD	\$117,000	\$141,000	\$165,000	New Position
Associate Director Customer Service	Ó	<del>593</del>	\$ <del>82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Associate Director Information Services	Q	557	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Associate Director Provider Network	θ	<del>647</del>	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Auditor	I	565	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Auditor Sr	J	566	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Behavioral Health Manager	М	383	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Biostatistics Manager	М	418	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Board Services Specialist	E	435	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Business Analyst	J	40	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Business Analyst Sr	L	611	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Business Systems Analyst Sr	К	69	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Buyer	G	29	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Buyer Int	н	49	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Buyer Sr	I	67	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Care Manager	К	657	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Care Transition Intervention Coach (RN)	L	417	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Certified Coder	н	399	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Certified Coding Specialist	н	639	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Certified Coding Specialist Sr	J	640	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Change Control Administrator	I	499	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Change Control Administrator Int	J	500	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Change Management Analyst Sr	N	<del>465</del>	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
** Chief Counsel	×	132	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Executive Officer	Z	138	\$319,740	\$431,600	\$543,600	Wage grade letter adjustment based on Grant Thornton revised salary structure, but no changes to pay range.
** Chief Financial Officer	x	134	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Information Officer	w	131	\$295,000	\$369,000	\$443,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Medical Officer	3	137	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Operating Officer	x	136	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims - Lead	G	574	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Examiner	С	9	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Examiner - Lead	F	236	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Examiner Sr	E	20	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims QA Analyst	E	28	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims QA Analyst Sr.	F	540	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Recovery Specialist	F	283	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Resolution Specialist	F	262	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Clerk of the Board	0	59	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Auditor	L	567	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Auditor Sr	М	568	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Documentation Specialist (RN)	М	641	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Pharmacist	Р	297	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Systems Administrator	К	607	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinician (Behavioral Health)	К	513	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Communications Specialist	G	188	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Community Partner	G	575	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Community Partner Sr	н	612	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Community Relations Specialist	G	288	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Community Relations Specialist Sr	I	646	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Compliance Claims Auditor	G	222	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Compliance Claims Auditor Sr	Н	279	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contract Administrator	к	385	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Manager	М	207	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Manager, Sr.	N	TBD	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Specialist	I	257	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Specialist Int	J	469	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Specialist Sr	К	331	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Controller	т	464	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Credentialing Coordinator	E	41	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Credentialing Coordinator - Lead	F	510	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Customer Service Coordinator	E	182	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Customer Service Rep	С	5	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Customer Service Rep - Lead	E	482	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Customer Service Rep Sr	D	481	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Analyst	J	337	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Analyst Int	К	341	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Analyst Sr	L	342	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data and Reporting Analyst - Lead	М	654	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Entry Tech	A	3	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Data Warehouse Architect	N	363	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Warehouse Programmer/Analyst	N	364	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Warehouse Project Manager	θ	<del>362</del>	<del>\$82,576</del>	\$ <del>107,32</del> 8	\$131,976	Remove Position
Data Warehouse Reporting Analyst	М	412	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Warehouse Reporting Analyst Sr	N	522	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Database Administrator	L	90	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Database Administrator Sr	N	179	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Deputy Chief Counsel	w	160	\$295,000	\$369,000	\$443,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Deputy Chief Medical Officer	w	561	\$295,000	\$369,000	\$443,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Deputy Clerk of the Board	J	TBD	\$65,000	\$78,000	\$91,000	New Position
* Director Accounting	P	<del>122</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director Applications Management	R	<del>170</del>	<del>\$137,280</del>	<del>\$185,328</del>	\$ <del>233,376</del>	Remove Position
* Director Audit & Oversight	R	546	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Behavioral Health Services	Q	392	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Budget and Procurement	S	527	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Business Development	P	<del>351</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director Business Integration	Q	543	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Case Management	S	318	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Claims Administration	R	112	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Clinical Outcomes	Q	602	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Clinical Pharmacy	т	129	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Coding Initiatives	S	375	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
* Director Communications	R	361	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Community Relations	P	<del>292</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director Configuration & Coding	Q	<del>596</del>	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Contracting	R	184	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director COREC	Q	<del>369</del>	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Customer Service	R	118	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Electronic Business	P	<del>358</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director Enterprise Analytics	R	520	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Facilities	Q	428	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Finance & Procurement	P	<del>157</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
Director Financial Analysis	Т	374	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Financial Compliance	R	460	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Director Fraud Waste & Abuse and Privacy	R	581	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Government Affairs	P	<del>277</del>	<del>\$95,264</del>	\$128, <b>7</b> 52	<del>\$162,032</del>	Remove Position
* Director Grievance & Appeals	R	528	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Health Services	Q	<del>328</del>	\$114,400	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Human Resources	R	322	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Information Services	Т	547	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Long Term Support Services	s	128	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Medi-Cal Plan Operations	P	<del>370</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director Network Management	R	125	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director OneCare Operations	₽	<del>425</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director Organizational Training & Education	P	<del>579</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director PACE Program	S	449	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Population Health Management	Q	675	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Director Program and Process Management	R	447	\$144,000	\$174,000	\$204,000	Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities.
* Director Program Implementation	R	489	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Project Management	Q	447	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
Director Provider Data Management Services	Q	655	\$130,000	\$157,000	\$184,000	Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities.
* Director Provider Services	P	<del>597</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
* Director Public Policy	무	459	<del>\$95,264</del>	\$ <del>128,752</del>	\$ <del>162,032</del>	Remove Position
* Director Purchasing	Q	TBD	\$130,000	\$157,000	\$184,000	New Position
* Director Quality (LTSS)	Q	<del>613</del>	<del>\$114,400</del>	<del>\$154,440</del>	<del>\$194,480</del>	Remove Position
* Director Quality Analytics	R	591	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
* Director Quality Improvement	R	172	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Regulatory Affairs and Compliance	R	625	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Strategic Development	R	121	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Systems Development	R	<del>169</del>	<del>\$137,280</del>	<del>\$185,328</del>	\$ <del>233,376</del>	Remove Position
* Director Utilization Management	S	265	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Disease Management Coordinator	M	<del>70</del>	<del>\$62,400</del>	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
Disease Management Coordinator - Lead	M	4 <del>72</del>	<del>\$62,400</del>	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
EDI Project Manager	0	403	\$ <del>82,576</del>	\$ <del>107,328</del>	\$ <del>131,976</del>	Remove Position
Enrollment Coordinator (PACE)	F	441	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Enterprise Analytics Manager	0	582	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Executive Administrative Services Manager	J	661	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Executive Assistant	G	339	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Executive Assistant to CEO	I	TBD	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Clinical Operations	V	501	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Compliance	٧	493	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Human Resources	٧	494	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Network Operations	v	632	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Operations	5	276	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Program Implementation		490	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Public Affairs	V	290	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Quality & Population Health Management	V	676	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director, Behavioral Health Integration	V	614	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Facilities & Support Services Coord - Lead	G	631	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Facilities & Support Services Coordinator	E	10	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Facilities & Support Services Coordinator, Sr.	F	TBD	\$51,000	\$59,000	\$67,000	New Position
Facilities Coordinator	E	438	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Financial Analyst	J	51	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Financial Analyst Sr	L	84	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Financial Reporting Analyst	I	475	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Gerontology Resource Coordinator	M	<del>204</del>	<del>\$62,400</del>	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
Graphic Designer	K	387	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance & Appeals Nurse Specialist	М	226	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance Resolution Specialist	F	42	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance Resolution Specialist - Lead	ı	590	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance Resolution Specialist Sr	н	589	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Coach	К	556	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Educator	н	47	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Educator Sr	ı	355	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Network Liaison Specialist (RN)	L	524	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Network Oversight Specialist	К	323	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HEDIS Case Manager	М	443	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HEDIS Case Manager (LVN)	M	552	\$62,400	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
Help Desk Technician	E	571	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Help Desk Technician Sr	F	573	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Assistant	٥	181	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Business Partner	М	584	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Compensation Specialist Sr	Н	663	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
HR Coordinator	F	316	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Representative	J	278	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Representative Sr	L	350	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Specialist	G	505	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Specialist Sr	Н	608	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HRIS Analyst Sr	М	468	<del>\$62,400</del>	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
ICD-10 Project Manager	0	411	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Infrastructure Systems Administrator	F	541	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Infrastructure Systems Administrator Int	G	542	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Inpatient Quality Coding Auditor	ı	642	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Intern	A	237	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Investigator Sr	ı	553	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Coordinator	E	365	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Manager	N	424	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Manager Sr	0	509	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Specialist	к	549	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Specialist Sr	L	550	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Kitchen Assistant	A	585	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Legislative Program Manager	N	330	\$71,760	\$93,184	\$114,712	Remove Position
Licensed Clinical Social Worker	J	598	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Litigation Support Specialist	к	588	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
LVN (PACE)	к	533	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
LVN Specialist	к	TBD	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Mailroom Clerk	A	10	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Accounting	0	98	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Actuary	9	453	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Applications Management	P	<del>271</del>	\$95,264	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
Manager Audit & Oversight	0	539	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Behavioral Health	О	633	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Business Integration	0	544	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Case Management	P	270	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Claims	0	92	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Clinic Operations	N	551	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Clinical Pharmacist	R	296	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Coding Quality	N	382	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Communications	N	398	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Manager Community Relations	N	384	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Contracting	0	329	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Creative Branding	М	430	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Cultural & Linguistic	М	349	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Customer Service	М	94	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Decision Support	θ	454	\$ <del>82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Manager Electronic Business	N	422	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Employment Services	H	420	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Manager Encounters	М	516	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Environmental Health & Safety	N	495	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Facilities	N	<del>209</del>	<del>\$71,760</del>	\$93,184	<del>\$114,712</del>	Remove Position
Manager Finance	0	148	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Financial Analysis	Р	356	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Government Affairs	И	437	\$ <del>71,760</del>	\$93,184	<del>\$114,712</del>	Remove Position
Manager Grievance & Appeals	0	426	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Health Education	N	<del>173</del>	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Manager HEDIS	θ	<del>427</del>	\$ <del>82,576</del>	<del>\$107,328</del>	\$ <del>131,976</del>	Remove Position
Manager Human Resources	0	526	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Information Services		560	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Information Technology	P	<del>110</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
Manager Integration Government Liaison	N .	<del>455</del>	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Manager Long Term Support Services	0	200	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Marketing & Enrollment (PACE)	N	414	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Marketing & Outreach	М	477	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Medical Data Management	θ	<del>519</del>	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Manager Medi-Cal Program Operations	H	483	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Manager Member Liaison Program	М	354	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Member Outreach & Education	М	616	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Member Outreach Education & Provider Relations	θ	<del>576</del>	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Manager MSSP	0	393	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager OneCare Clinical	Р	359	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Manager OneCare Customer Service	М	429	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager OneCare Regulatory	N	<del>197</del>	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Manager OneCare Sales	θ	248	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Manager Outreach & Enrollment	N A	477	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Manager PACE Center	N	432	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Population Health Management	N	674	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Process Excellence	0	622	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Program Implementation	N	488	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Project Management	θ	<del>532</del>	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Manager Provider Data Management Services	М	653	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Provider Network	0	191	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Provider Relations	М	171	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Provider Services	Θ	656	\$ <del>82,576</del>	\$107,328	\$ <del>131,976</del>	Remove Position
Manager Purchasing	0	275	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager QI Initiatives	М	433	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Quality Analytics	N	617	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Quality Improvement	N	104	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Regulatory Affairs and Compliance	0	626	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Reporting & Financial Compliance	0	572	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Strategic Development	0	603	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Strategic Operations	N	446	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Manager Systems Development	P	<del>515</del>	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
Manager Utilization Management	Р	250	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Marketing and Outreach Specialist	F	496	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Assistant	С	535	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Authorization Asst	С	11	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Case Manager	L	72	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Case Manager (LVN)	K	444	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Medical Director	V	306	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Medical Records & Health Plan Assistant	В	548	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Records Clerk	В	523	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Services Case Manager	G	54	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Member Liaison Specialist	С	353	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
MMS Program Coordinator	G	360	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Nurse Practitioner (PACE)	О	635	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Occupational Therapist	L	531	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Occupational Therapist Assistant	н	623	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Office Clerk	Α	335	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Operations Manager	N	461	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner - Sales	F	230	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner - Sales (Lead)	G	537	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner - Service	С	231	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner (Inside Sales)	Е	371	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Outreach Specialist	c	218	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Paralegal/Legal Secretary		376	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Payroll Specialist	E	554	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Payroll Specialist, Sr.	G	TBD	\$55,000	\$63,000	\$71,000	New Position
Performance Analyst	II.	538	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Attendant	А	485	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Attendant - Lead	В	498	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Coordinator	С	525	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Coordinator, Sr.	D	TBD	\$44,000	\$51,000	\$58,000	New Position
Pharmacy Resident	G	379	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Pharmacy Services Specialist	С	23	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Pharmacy Services Specialist Int	D	35	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Pharmacy Services Specialist Sr	Е	507	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Physical Therapist	L	530	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Physical Therapist Assistant	н	624	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Policy Advisor Sr	М	580	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Privacy Manager	N	536	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Privacy Officer	0	648	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Process Excellence Manager	N	529	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Assistant	С	24	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Coordinator	С	284	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Development Analyst Sr	M	<del>492</del>	<del>\$62,400</del>	<del>\$81,120</del>	\$99,840	Remove Position
Program Manager	L	421	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Manager Sr	М	594	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Specialist	E	36	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Specialist Int	G	61	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Specialist Sr	I	508	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program/Policy Analyst		56	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program/Policy Analyst Sr	к	85	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Programmer	3	43	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Programmer Int	М	74	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Programmer Sr	N	80	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Manager	L	81	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Manager - Lead	М	467	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Manager Sr	N	105	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Specialist	E	291	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Specialist Sr	l	503	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Projects Analyst	G	254	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Data Management Services Coordinator	D	12	\$44,000	\$51,000	\$58,000	Revised position title and pay range adjustment based on internal alignment and equity analysis

Provider Network Rep Sr	F G I	586 190 391	\$51,000 \$55,000	\$59,000	\$67,000	Revised position title and pay range adjustment
Provider Network Rep Sr  Provider Network Specialist  Provider Network Specialist Sr	I		\$55,000			based on internal alignment and equity analysis
Provider Network Specialist  Provider Network Specialist Sr	Н	391		\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Network Specialist Sr	н		\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
		44	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Office Education Manager	J	595	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
	I	300	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Relations Rep	G	205	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Provider Relations Rep Sr	ı	285	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Publications Coordinator	G	293	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QA Analyst	ı	486	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QA Analyst Sr	L	380	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QI Nurse Specialist	М	82	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QI Nurse Specialist (LVN)	L	445	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Receptionist	В	140	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Records Manager	Q	TBD	\$130,000	\$157,000	\$184,000	New Position
Recreational Therapist	Н	487	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Recruiter	ŧ	<del>406</del>	<del>\$54,288</del>	<del>\$70,512</del>	<del>\$86,736</del>	Remove Position
Recruiter Sr	M	<del>497</del>	<del>\$62,400</del>	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
Registered Dietitian	I	57	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Regulatory Affairs and Compliance Analyst	I	628	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Regulatory Affairs and Compliance Analyst Sr	K	629	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Regulatory Affairs and Compliance Lead	L	630	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
RN (PACE)	М	480	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Security Analyst Int	M	534	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Security Analyst Sr	N	TBD	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Security Officer	В	311	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
SharePoint Developer/Administrator Sr	N	397	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Social Worker	J	463	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Social Worker, Sr.	K	TBD	\$70,000	\$84,000	\$98,000	New Position
* Special Counsel	т	317	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Sr Director Regulatory Affairs and Compliance	R	<del>658</del>	<del>\$137,280</del>	<del>\$185,328</del>	\$ <del>233,376</del>	Remove Position
Sr Manager Financial Analysis	Q	660	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Sr Manager Government Affairs	θ	<del>451</del>	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Sr Manager Human Resources	P	649	<del>\$95,264</del>	<del>\$128,752</del>	<del>\$162,032</del>	Remove Position
Sr Manager Information Services	Q	650	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Sr Manager Provider Network	Θ	<del>651</del>	<del>\$82,576</del>	<del>\$107,328</del>	<del>\$131,976</del>	Remove Position
Staff Attorney	Р	195	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Staff Attorney, Sr	R	TBD	\$144,000	\$174,000	\$204,000	New Position
Supervisor Accounting	М	434	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Audit and Oversight	М	618	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Behavioral Health	М	659	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Budgeting	N	466	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Case Management	М	86	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Claims	I	219	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Coding Initiatives	м	502	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Credentialing		671	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Customer Service	7	34	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Data Entry	н	192	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Day Center (PACE)	н	619	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Dietary Services (PACE)	J	643	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Encounters	I	253	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Facilities	J	162	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Finance	М	419	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Grievance and Appeals	L	620	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Health Education	M	<del>381</del>	<del>\$62,400</del>	<del>\$81,120</del>	<del>\$99,840</del>	Remove Position
Supervisor Information Services	N	457	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Supervisor Long Term Support Services	М	587	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Member Outreach and Education	K	TBD	\$70,000	\$84,000	\$98,000	New Position
Supervisor MSSP	М	348	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Nursing Services (PACE)	М	662	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor OneCare Customer Service	I	408	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Payroll	М	517	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Pharmacist	Q	610	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Population Health Management	М	673	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Provider Data Management Services	к	439	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Provider Relations	L	652	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Quality Analytics	М	609	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Quality Improvement	М	600	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Regulatory Affairs and Compliance	М	627	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Social Work (PACE)	J	636	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor-Systems-Development	θ	456	<del>\$82,576</del>	<del>\$107,328</del>	\$ <del>131,976</del>	Remove Position
Supervisor Therapy Services (PACE)	М	645	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Utilization Management	М	637	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Manager	A	<del>512</del>	<del>\$71,760</del>	<del>\$93,184</del>	<del>\$114,712</del>	Remove Position
Systems Network Administrator Int	L	63	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Network Administrator Sr	М	89	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Operations Analyst	F	32	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Operations Analyst Int	G	45	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Analyst Int	J	64	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Analyst Sr	L	75	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Writer	Н	247	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Writer Sr	J	470	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Therapy Aide	E	521	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Training Administrator	l	621	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Training Program Coordinator	Н	471	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Translation Specialist	В	241	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Web Architect	N	366	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

<sup>\*</sup> These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Diréctor level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution.

al Com, in and are a service with the property of the property \*\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution and are also Chief or Executive Director level positions.





Policy: GA.8058

Title: Salary Schedule

Department: CalOptima Administrative

Section: Human Resources

CEO Approval:

Effective Date: 05/01/2014 Revised Date: 06/04/2020

#### I. PURPOSE

- A. This policy maintains a CalOptima Salary Schedule that lists all active job classifications including job title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate amounts).
- B. This policy ensures the salary schedule is publicly available pursuant to the requirements of Title 2, California Code of Regulations (CCR) §570.5 so that employees who are members of the California Public Employees Retirement System (CalPERS) have their compensation considered qualified for pension calculation under CalPERS regulations.

#### II. POLICY

- A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) §570.5, CalOptima has established the attached salary schedule for each CalOptima job position. In order for CalPERS member's pay rates to be credited by CalPERS, the Human Resources Department (HR) shall maintain a salary schedule that meets the following eight (8) separate criteria:
  - 1. Approval and adoption by the governing body in accordance with requirements applicable to public meetings laws;
  - 2. Identification of position titles for every employee position;
  - 3. Listing of pay rate for each identified position, which may be stated as a single amount or as multiple amounts with a range;
  - 4. Specifies the time base including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
  - 5. Posted at the employer's office or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
  - 6. Indicates the effective date and date of any revisions;
  - 7. Retained by the employer and available for public inspection for not less than five (5) years; and
  - 8. Does not reference another document in lieu of disclosing the pay rate.
- B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper

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#### III. **PROCEDURE**

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- A. The Human Resources Department (HR) will ensure that the salary schedule meets the requirements above and is available at CalOptima's offices and immediately accessible for public review during
  - normal business hours or posted on CalOptima's internet website. B. HR shall retain the salary schedule for not less than five (5) years.
  - C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness of the salary schedule to market pay levels.
  - D. Any adjustments to the salary schedule requires that the Executive Director of HR make a recommendation to the CEO for approval, with the CEO taking the recommendation to the CalOptima Board of Directors for final approval. No changes to the salary schedule, or CEO compensation, shall be effective unless and until approved by the Cal Optima Board of Directors.

#### IV. ATTACHMENT(S)

A. CalOptima - Salary Schedule (Revised as of 06/04/2020)

#### V. **REFERENCE(S)**

A. Title 2, California Code of Regulations, §570.5

#### REGULATORY AGENCY APPROVAL(S) VI.

None to Date

#### **BOARD ACTION(S)** VII.

Date	Meeting
05/01/2014	Regular Meeting of the CalOptima Board of Directors
08/07/2014	Regular Meeting of the CalOptima Board of Directors
11/06/2014	Regular Meeting of the CalOptima Board of Directors
12/04/2014	Regular Meeting of the CalOptima Board of Directors
03/05/2015	Regular Meeting of the CalOptima Board of Directors
06/04/2015	Regular Meeting of the CalOptima Board of Directors
10/01/2015	Regular Meeting of the CalOptima Board of Directors
12/03/2015	Regular Meeting of the CalOptima Board of Directors
03/03/2016	Regular Meeting of the CalOptima Board of Directors
06/02/2016	Regular Meeting of the CalOptima Board of Directors
08/04/2016	Regular Meeting of the CalOptima Board of Directors
09/01/2016	Regular Meeting of the CalOptima Board of Directors
10/06/2016	Regular Meeting of the CalOptima Board of Directors
11/03/2016	Regular Meeting of the CalOptima Board of Directors
12/01/2016	Regular Meeting of the CalOptima Board of Directors
03/02/2017	Regular Meeting of the CalOptima Board of Directors
05/04/2017	Regular Meeting of the CalOptima Board of Directors
06/01/2017	Regular Meeting of the CalOptima Board of Directors

Date	Meeting
08/03/2017	Regular Meeting of the CalOptima Board of Directors
09/07/2017	Regular Meeting of the CalOptima Board of Directors
11/02/2017	Regular Meeting of the CalOptima Board of Directors
02/01/2018	Regular Meeting of the CalOptima Board of Directors
09/06/2018	Regular Meeting of the CalOptima Board of Directors
10/04/2018	Regular Meeting of the CalOptima Board of Directors
02/07/2019	Regular Meeting of the CalOptima Board of Directors
08/01/2019	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors

### VIII. REVISION HISTORY

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Action	Date	Policy	Policy Title	Program(s)		
Effective	05/01/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	08/07/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	11/06/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	12/04/2014	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	03/05/2015	GA.8057	Compensation Program and Salary	Administrative		
			Schedule			
Revised	06/04/2015	GA.8058	Salary Schedule	Administrative		
Revised	10/01/2015	GA.8058	Salary Schedule	Administrative		
Revised	12/03/2015	GA.8058	Salary Schedule	Administrative		
Revised	03/03/2016	GA.8058	Salary Schedule	Administrative		
Revised	06/02/2016	GA.8058	Salary Schedule	Administrative		
Revised	08/04/2016	GA.8058	Salary Schedule	Administrative		
Revised	09/01/2016	GA.8058	Salary Schedule	Administrative		
Revised	10/06/2016	GA.8058	Salary Schedule	Administrative		
Revised	11/03/2016	GA.8058	Salary Schedule	Administrative		
Revised	12/01/2016	GA.8058	Salary Schedule	Administrative		
Revised	03/02/2017	GA.8058	Salary Schedule	Administrative		
Revised	05/04/2017	GA.8058	Salary Schedule	Administrative		
Revised	06/01/2017	GA.8058	Salary Schedule	Administrative		
Revised	08/03/2017	GA.8058	Salary Schedule	Administrative		
Revised	09/07/2017	GA.8058	Salary Schedule	Administrative		
Revised	11/02/2017	GA.8058	Salary Schedule	Administrative		
Revised	02/01/2018	GA.8058	Salary Schedule	Administrative		
Revised	09/06/2018	GA.8058	Salary Schedule	Administrative		
Revised	10/04/2018	GA.8058	Salary Schedule	Administrative		
Revised	02/07/2019	GA.8058	Salary Schedule Administrative			
Revised	08/01/2019	GA.8058	Salary Schedule	Administrative		
Revised	06/04/2020	GA.8058	Salary Schedule	Administrative		

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Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Accountant	Н	39	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accountant Int	I	634	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accountant Sr	к	68	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accounting Clerk	D	334	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Accounting Clerk Sr	E	TBD	\$48,000	\$55,000	\$62,000	New Position
Activity Coordinator (PACE)	E	TBD	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Actuarial Analyst	ı	558	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Actuarial Analyst Sr	L	559	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Actuary	0	357	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Administrative Assistant	D	19	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Analyst	Н	562	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Analyst Int	ı	563	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Analyst Sr	J	564	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Applications Analyst	ı	232	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Applications Analyst Int	J	233	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Applications Analyst Sr	70	<b>)</b> 298	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Assistant Director	Р	TBD	\$117,000	\$141,000	\$165,000	New Position
Associate Director Information Services	Q	557	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Auditor	I	565	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Auditor Sr	J	566	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Behavioral Health Manager	М	383	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Biostatistics Manager	М	418	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Board Services Specialist	E	435	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Business Analyst	J	40	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Business Analyst Sr	L	611	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Business Systems Analyst Sr	К	69	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Buyer	G	29	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Мах	For Approval
Buyer Int	н	49	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Buyer Sr	ı	67	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Care Manager	к	657	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Care Transition Intervention Coach (RN)	L	417	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Certified Coder	Н	399	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Certified Coding Specialist	Н	639	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Certified Coding Specialist Sr	J	640	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Change Control Administrator	I	499	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Change Control Administrator Int	J	500	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Counsel	х	132	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Executive Officer	z	138	\$319,740	\$431,600	\$543,600	Wage grade letter adjustment based on Grant Thornton revised salary structure, but no changes to pay range.
** Chief Financial Officer	х	134	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Information Officer	w	131	\$295,000	\$369,000	\$443,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Medical Officer	х	137	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Chief Operating Officer	x C	136	\$347,000	\$434,000	\$521,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims - Lead	G	574	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Examiner	c	9	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Examiner - Lead	F	236	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Examiner Sr	E	20	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims QA Analyst	E	28	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims QA Analyst Sr.	F	540	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Recovery Specialist	F	283	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Claims Resolution Specialist	F	262	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clerk of the Board	0	59	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Auditor	L	567	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Clinical Auditor Sr	М	568	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Documentation Specialist (RN)	М	641	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Pharmacist	Р	297	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinical Systems Administrator	К	607	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Clinician (Behavioral Health)	К	513	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Communications Specialist	G	188	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Community Partner	G	575	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Community Partner Sr	Н	612	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Community Relations Specialist	G	288	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Community Relations Specialist Sr	ı	646	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Compliance Claims Auditor	G	222	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Compliance Claims Auditor Sr	Н	279	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contract Administrator	К	385	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Manager	М	207	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Manager, Sr.	N	TBD	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Specialist		257	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Specialist Int	)	469	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Contracts Specialist Sr	К	331	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Controller	Т	464	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Credentialing Coordinator	E	41	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Credentialing Coordinator - Lead	F	510	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Customer Service Coordinator	E	182	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Customer Service Rep	С	5	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Customer Service Rep - Lead	E	482	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Customer Service Rep Sr	D	481	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Data Analyst	J	337	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Analyst Int	К	341	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Analyst Sr	L	342	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data and Reporting Analyst - Lead	М	654	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Entry Tech	А	3	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Warehouse Architect	N	363	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Warehouse Programmer/Analyst	N	364	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Warehouse Reporting Analyst	М	412	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Data Warehouse Reporting Analyst Sr	N	522	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Database Administrator	L	90	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Database Administrator Sr	N	179	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Deputy Chief Counsel	w	160	\$295,000	\$369,000	\$443,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Deputy Chief Medical Officer	w	561	\$295,000	\$369,000	\$443,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Deputy Clerk of the Board	J	ТВР	\$65,000	\$78,000	\$91,000	New Position
* Director Audit & Oversight	R	546	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Behavioral Health Services	Q	392	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Budget and Procurement	3	527	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Case Management	s	318	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Claims Administration	R	112	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Clinical Pharmacy	Т	129	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Coding Initiatives	s	375	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Communications	R	361	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Contracting	R	184	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Customer Service	R	118	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Enterprise Analytics	R	520	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Facilities	Q	428	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
* Director Financial Analysis	т	374	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Financial Compliance	R	460	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Director Fraud Waste & Abuse and Privacy	R	581	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Grievance & Appeals	R	528	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Human Resources	R	322	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Information Services	т	547	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Long Term Support Services	s	128	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Network Management	R	125	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director PACE Program	s	449	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Population Health Management	Q	675	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Program and Process Management	R	447	\$144,000	\$174,000	\$204,000	Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities.
* Director Program Implementation	R	489	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Director Provider Data Management Services	Q	655	\$130,000	\$157,000	\$184,000	Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities.
* Director Purchasing	Q	TBD	\$130,000	\$157,000	\$184,000	New Position
* Director Quality Analytics	R	591	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Quality Improvement	R	172	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Director Regulatory Affairs and Compliance	3	625	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Strategic Development	R	121	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Director Utilization Management	s	265	\$154,000	\$193,000	\$232,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Enrollment Coordinator (PACE)	F	441	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Enterprise Analytics Manager	0	582	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Executive Administrative Services Manager	J	661	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Executive Assistant	G	339	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Executive Assistant to CEO	I	TBD	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Clinical Operations	V	501	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Compliance	V	493	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
** Executive Director Human Resources	V	494	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Network Operations	V	632	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Operations	v	276	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Program Implementation	V	490	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Public Affairs	v	290	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director Quality & Population Health Management	V	676	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
** Executive Director, Behavioral Health Integration	v	614	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Facilities & Support Services Coord - Lead	G	631	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Facilities & Support Services Coordinator	E	10	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Facilities & Support Services Coordinator, Sr.	F	TBD	\$51,000	\$59,000	\$67,000	New Position
Facilities Coordinator	E	438	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Financial Analyst	J	51	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Financial Analyst Sr	L	84	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Financial Reporting Analyst	ı	475	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Graphic Designer	к	387	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance & Appeals Nurse Specialist	M	226	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance Resolution Specialist	F	42	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance Resolution Specialist - Lead	ı	590	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Grievance Resolution Specialist Sr	Н	589	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Coach	К	556	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Educator	Н	47	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Educator Sr	I	355	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Network Liaison Specialist (RN)	L	524	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Health Network Oversight Specialist	К	323	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HEDIS Case Manager	М	443	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Help Desk Technician	E	571	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Help Desk Technician Sr	F	573	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Assistant	D	181	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Business Partner	М	584	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Coordinator	F	316	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Representative	J	278	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Representative Sr	L	350	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
HR Specialist	G	505	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
HR Specialist Sr	Н	608	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Infrastructure Systems Administrator	F	541	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Infrastructure Systems Administrator Int	G	542	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Inpatient Quality Coding Auditor	ı	642	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Intern	А	237	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Investigator Sr	ı	553	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Coordinator	E	365	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Manager	N C	424	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Manager Sr	0	509	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Specialist	К	549	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
IS Project Specialist Sr	L	550	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Kitchen Assistant	А	585	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Licensed Clinical Social Worker	J	598	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Litigation Support Specialist	К	588	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
LVN (PACE)	К	533	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
LVN Specialist	К	TBD	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Mailroom Clerk	А	1	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Accounting	О	98	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Manager Actuary	Q	453	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Audit & Oversight	0	539	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Behavioral Health	0	633	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Business Integration	0	544	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Case Management	Р	270	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Claims	0	92	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Clinic Operations	N	551	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Clinical Pharmacist	R	296	\$144,000	\$174,000	\$204,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Coding Quality	N	382	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Communications	N	398	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Community Relations	N	384	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Contracting	0	329	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Creative Branding	М	430	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Cultural & Linguistic	М	349	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Customer Service	м	94	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Electronic Business	N	422	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Encounters	М	516	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Environmental Health & Safety	N	495	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Finance	О	148	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Financial Analysis	Р	356	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Grievance & Appeals	0	426	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Human Resources	0	526	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Information Services	Р	560	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Long Term Support Services	0	200	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Marketing & Enrollment (PACE)	N	414	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Manager Marketing & Outreach	М	477	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Member Liaison Program	М	354	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Member Outreach & Education	М	616	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager MSSP	О	393	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager OneCare Clinical	Р	359	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager OneCare Customer Service	М	429	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager PACE Center	N	432	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Manager Population Health Management	N	674	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Process Excellence	О	622	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Program Implementation	N	488	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Provider Data Management Services	М	653	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Provider Network	О	191	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Provider Relations	М	171	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Purchasing	О	275	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager QI Initiatives	м	433	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Quality Analytics	N	617	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Quality Improvement	N	104	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Regulatory Affairs and Compliance	0	626	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Reporting & Financial Compliance	0	572	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Strategic Development	О	603	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Manager Utilization Management	Р	250	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Marketing and Outreach Specialist	F	496	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Assistant	С	535	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Authorization Asst	С	11	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Case Manager	L	72	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Medical Case Manager (LVN)	к	444	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
* Medical Director	V	306	\$251,000	\$314,000	\$377,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Records & Health Plan Assistant	В	548	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Records Clerk	В	523	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Medical Services Case Manager	G	54	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Member Liaison Specialist	С	353	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
MMS Program Coordinator	G	360	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Nurse Practitioner (PACE)	0	635	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Occupational Therapist	L	531	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Occupational Therapist Assistant	н	623	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Office Clerk	А	335	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Operations Manager	N	461	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner - Sales	F	230	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner - Sales (Lead)	G	537	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner - Service	c	231	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
OneCare Partner (Inside Sales)	E	371	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Outreach Specialist	С	218	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Paralegal/Legal Secretary	I	376	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Payroll Specialist	E	554	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Payroll Specialist, Sr.	G	TBD	\$55,000	\$63,000	\$71,000	New Position
Performance Analyst	ı	538	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Attendant	А	485	\$36,000	\$41,000	\$46,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Attendant - Lead	В	498	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Coordinator	С	525	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Personal Care Coordinator, Sr.	D	TBD	\$44,000	\$51,000	\$58,000	New Position
Pharmacy Resident	G	379	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Pharmacy Services Specialist	С	23	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Pharmacy Services Specialist Int	D	35	\$44,000	\$51,000	\$58,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Pharmacy Services Specialist Sr	E	507	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Physical Therapist	L	530	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Physical Therapist Assistant	Н	624	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Policy Advisor Sr	М	580	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Privacy Manager	N	536	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Privacy Officer	О	648	\$105,000	\$127,000	\$149,000	Pay range adjustment based on Grant Thornton and Internal evaluation of job responsibilities.
Process Excellence Manager	N	529	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Assistant	С	24	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Coordinator	С	284	\$41,000	\$47,000	\$53,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Manager	L	421	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Manager Sr	М	594	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Specialist	E	36	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Specialist Int	G	61	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program Specialist Sr	1	508	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program/Policy Analyst		56	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Program/Policy Analyst Sr	К	85	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Programmer	К	43	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Programmer Int	М	74	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Programmer Sr	N	80	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Manager	L	81	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Manager - Lead	М	467	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Manager Sr	N	105	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Specialist	E	291	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Project Specialist Sr	I	503	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Projects Analyst	G	254	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Data Management Services Coordinator	D	12	\$44,000	\$51,000	\$58,000	Revised position title and pay range adjustment based on internal alignment and equity analysis
Provider Data Management Services Coordinator, Sr	F	586	\$51,000	\$59,000	\$67,000	Revised position title and pay range adjustment based on internal alignment and equity analysis
Provider Enrollment Manager	G	190	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Network Rep Sr	I	391	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Network Specialist	н	44	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Network Specialist Sr	J	595	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Office Education Manager	I	300	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Relations Rep	G	205	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Provider Relations Rep Sr	ı	285	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Publications Coordinator	G	293	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QA Analyst	I	486	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QA Analyst Sr	L	380	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QI Nurse Specialist	М	82	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
QI Nurse Specialist (LVN)	\ C	445	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Receptionist	В	140	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Records Manager	Q	TBD	\$130,000	\$157,000	\$184,000	New Position
Recreational Therapist	Н	487	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Registered Dietitian	ı	57	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Regulatory Affairs and Compliance Analyst	ı	628	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Regulatory Affairs and Compliance Analyst Sr	К	629	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Regulatory Affairs and Compliance Lead	L	630	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
RN (PACE)	М	480	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Security Analyst Int	М	534	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Security Analyst Sr	N	TBD	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Security Officer	В	311	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
SharePoint Developer/Administrator Sr	N	397	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Social Worker	J	463	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Social Worker, Sr.	К	TBD	\$70,000	\$84,000	\$98,000	New Position
* Special Counsel	Т	317	\$182,000	\$227,000	\$272,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Sr Manager Financial Analysis	Q	660	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Sr Manager Information Services	Q	650	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Staff Attorney	Р	195	\$117,000	\$141,000	\$165,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Staff Attorney, Sr	R	TBD	\$144,000	\$174,000	\$204,000	New Position
Supervisor Accounting	М	434	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Audit and Oversight	М	618	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Behavioral Health	М	659	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Budgeting	N	466	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Case Management	М	86	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Claims	ı	219	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Coding Initiatives	М	502	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Credentialing	2	671	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Customer Service		34	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Data Entry	Н	192	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Day Center (PACE)	Н	619	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Dietary Services (PACE)	J	643	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Encounters	ı	253	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Facilities	J	162	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Finance	М	419	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Grievance and Appeals	L	620	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Information Services	N	457	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Long Term Support Services	М	587	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Member Outreach and Education	К	TBD	\$70,000	\$84,000	\$98,000	New Position

Job Title	Pay Grade	Job Code	Min***	Mid	Мах	For Approval
Supervisor MSSP	М	348	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Nursing Services (PACE)	М	662	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor OneCare Customer Service	I	408	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Payroll	М	517	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Pharmacist	Q	610	\$130,000	\$157,000	\$184,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Population Health Management	М	673	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Provider Data Management Services	к	439	\$70,000	\$84,000	\$98,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Provider Relations	L	652	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Quality Analytics	М	609	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Quality Improvement	М	600	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Regulatory Affairs and Compliance	М	627	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Social Work (PACE)	J	636	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Therapy Services (PACE)	М	645	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Supervisor Utilization Management	М	637	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Network Administrator Int	L 6	63	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Network Administrator Sr	М	89	\$85,000	\$103,000	\$121,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Operations Analyst	F	32	\$51,000	\$59,000	\$67,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Systems Operations Analyst Int	G	45	\$55,000	\$63,000	\$71,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Analyst Int	J	64	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Analyst Sr	L	75	\$77,000	\$93,000	\$109,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Writer	н	247	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Technical Writer Sr	J	470	\$65,000	\$78,000	\$91,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Therapy Aide	E	521	\$48,000	\$55,000	\$62,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Training Administrator	I	621	\$61,000	\$73,000	\$85,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Training Program Coordinator	Н	471	\$59,000	\$68,000	\$77,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

#### Effective as of May 1, 2014

Job Title	Pay Grade	Job Code	Min***	Mid	Max	For Approval
Translation Specialist	В	241	\$38,000	\$44,000	\$50,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.
Web Architect	N	366	\$95,000	\$114,000	\$133,000	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.

<sup>\*</sup> These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution.

\*\*\* A training rate of 10% below the minimum applies to all grades.

For an angle of the series of \*\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution and are also Chief or Executive Director level positions.

# CalOptima – Annual Base Salary Schedule – Revised June 4, 2020, to be implemented June 7, 2020. Effective as of May 1, 2014

**Summary of Changes to Salary Schedule GA.8058 Salary Schedule Attachment A** 

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	Mid		Max		Month Added/ Changed
Accountant	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$4 <del>7,112</del>	\$59,000	\$ <del>61,360</del>	\$68,000	<del>\$75,504</del>	\$77,000	March 2020
Accountant Int	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Accountant Sr	M	K	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$70,000	<del>\$81,120</del>	\$84,000	\$ <del>99,840</del>	\$98,000	March 2020
Accounting Clerk	+	D	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$44,000	\$46,384	\$51,000	\$ <del>55,640</del>	\$58,000	March 2020
Accounting Clerk, Sr (Proposed title)	N/A	E	Department requesting new title due to growth.		\$48,000		\$55,000		\$62,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	М	ax	Month Added/ Changed
Activity Coordinator (PACE)	Ą	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$48,000	\$53,35 <u>2</u>	\$55,000	\$ <del>65,624</del>	\$62,000	March 2020
Actuarial Analyst	F	1	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Actuarial Analyst Sr	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	<del>\$81,120</del>	\$93,000	<del>\$99</del> ,840	\$109,000	March 2020
Actuary	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	\$131, <del>976</del>	\$149,000	March 2020
Administrative Assistant	H	D	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$33,696	\$44,000	<del>\$42,224</del>	\$51,000	<del>\$50,648</del>	\$58,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Analyst	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47, <del>112</del>	\$59,000	\$ <del>61,360</del>	\$68,000	<del>\$75,50</del> 4	\$77,000	March 2020
Analyst Int	F	Ι	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$61,000	\$ <del>70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Analyst Sr	M	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$65,000	\$ <del>81,120</del>	\$78,000	\$ <del>99</del> ,840	\$91,000	March 2020
Applications Analyst	K		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47, <del>112</del>	\$61,000	<del>\$61,360</del>	\$73,000	<del>\$75,504</del>	\$85,000	March 2020
Applications Analyst Int	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$65,000	<del>\$70,512</del>	\$78,000	<del>\$86,736</del>	\$91,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	iid	M	ax	Month Added/ Changed
Applications Analyst Sr	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	\$ <del>81,120</del>	\$93,000	\$ <del>99,840</del>	\$109,000	March 2020
Assistant Director (Proposed title)	N/A	Р	Establishing title to assist departments organization wide with management leveling.		\$117,000		\$141,000		\$165,000	March 2020
Associate Director Customer Service	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Associate Director Information Services	Q	Q	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$130,000	\$154,44 <del>0</del>	\$157,000	\$194,48 <del>0</del>	\$184,000	March 2020
Associate Director Provider Network	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Auditor	K	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47 <u>,112</u>	\$61,000	\$ <del>61,360</del>	\$73,000	<del>\$75,50</del> 4	\$85,000	March 2020
Auditor Sr	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$65,000	<del>\$70,512</del>	\$78,000	\$86,736	\$91,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Behavioral Health Manager	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$114 <u>,712</u>	\$121,000	March 2020
Biostatistics Manager	Ŋ	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	<del>\$93,184</del>	\$103,000	\$114,712	\$121,000	March 2020
Board Services Specialist	Ą	E	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$48,000	<del>\$53,352</del>	\$55,000	<del>\$65,624</del>	\$62,000	March 2020
Business Analyst	J		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$65,000	<del>\$53,352</del>	\$78,000	<del>\$65,62</del> 4	\$91,000	March 2020
Business Analyst Sr	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	<del>\$81,120</del>	\$93,000	<del>\$99,840</del>	\$109,000	March 2020
Business Systems Analyst Sr	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$70,000	<del>\$81,120</del>	\$84,000	<del>\$99,840</del>	\$98,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Buyer	Ą	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$55,000	<del>\$53,352</del>	\$63,000	<del>\$65,624</del>	\$71,000	March 2020
Buyer Int	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$59,000	\$ <del>61,360</del>	\$68,000	\$75,504	\$77,000	March 2020
Buyer Sr	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$61,000	\$ <del>70,512</del>	\$73,000	\$86,736	\$85,000	March 2020
Care Manager	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$70,000	\$81,120	\$84,000	\$99,840	\$98,000	March 2020
Care Transition Intervention Coach (RN)	N	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71, <del>760</del>	\$77,000	\$ <del>93,184</del>	\$93,000	\$114,712	\$109,000	March 2020
Certified Coder	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$59,000	\$ <del>61,360</del>	\$68,000	\$ <del>75,50</del> 4	\$77,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Certified Coding Specialist	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$59,000	\$ <del>61,360</del>	\$68,000	<del>\$75,504</del>	\$77,000	March 2020
Certified Coding Specialist Sr	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$65,000	<del>\$70,512</del>	\$78,000	\$86,736	\$91,000	March 2020
Change Control Administrator	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Change Control Administrator Int	M	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$65,000	\$ <del>81,120</del>	\$78,000	\$99,840	\$91,000	March 2020
Change Management Analyst Sr	Н	N/A	Job title is not in use nor is it planned for use.							March 2020
Chief Counsel	Ŧ	X	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$197,704	\$347,000	\$ <del>266,968</del>	\$434,000	<del>\$336,024</del>	\$521,000	March 2020
Chief Executive Officer	¥	Z	Wage grade letter adjustment based on Grant Thornton revised salary structure, but no changes to pay range.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Chief Financial Officer	U	X	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$2 <del>37,22</del> 4	\$347,000	\$320,216	\$434,000	\$4 <del>03,312</del>	\$521,000	March 2020
Chief Information Officer	Ţ	W	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$197,704	\$295,000	\$ <del>266,968</del>	\$369,000	<del>\$336,02</del> 4	\$443,000	March 2020
Chief Medical Officer	U	X	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>237,224</del>	\$347,000	<del>\$320,216</del>	\$434,000	\$403,312	\$521,000	March 2020
Chief Operating Officer	U	X	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$237,224	\$347,000	<del>\$320,216</del>	\$434,000	\$403,312	\$521,000	March 2020
Claims - Lead	Ą	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$55,000	<del>\$53,352</del>	\$63,000	<del>\$65,624</del>	\$71,000	March 2020
Claims Examiner	Ħ	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$33,696	\$41,000	\$4 <del>2,22</del> 4	\$47,000	\$50,648	\$53,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	Ma	ax	Month Added/ Changed
Claims Examiner - Lead	Ą	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$51,000	<del>\$53,352</del>	\$59,000	<del>\$65,624</del>	\$67,000	March 2020
Claims Examiner Sr	1	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$48,000	<del>\$46,384</del>	\$55,000	<del>\$55,640</del>	\$62,000	March 2020
Claims QA Analyst	1	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$37,128</del>	\$48,000	<del>\$46,384</del>	\$55,000	<del>\$55,640</del>	\$62,000	March 2020
Claims QA Analyst Sr.	Ĵ	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$51,000	<del>\$53,352</del>	\$59,000	<del>\$65,624</del>	\$67,000	March 2020
Claims Recovery Specialist	1	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$37,128</del>	\$51,000	<del>\$46,384</del>	\$59,000	<del>\$55,640</del>	\$67,000	March 2020
Claims Resolution Specialist	1	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$37,128</del>	\$51,000	<del>\$46,384</del>	\$59,000	<del>\$55,640</del>	\$67,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id	M	ax	Month Added/ Changed
Clerk of the Board	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$1 <del>07,328</del>	\$127,000	<del>\$131,976</del>	\$149,000	March 2020
Clinical Auditor	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$62,400	\$77,000	\$ <del>81,120</del>	\$93,000	\$99,840	\$109,000	March 2020
Clinical Auditor Sr	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$93,184	\$103,000	\$114,712	\$121,000	March 2020
Clinical Documentation Specialist (RN)	0	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$85,000	\$ <del>107,328</del>	\$103,000	\$ <del>131,976</del>	\$121,000	March 2020
Clinical Pharmacist	P		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$117,000	\$ <del>128,752</del>	\$141,000	\$ <del>162,032</del>	\$165,000	March 2020
Clinical Systems Administrator	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$70,000	\$81,120	\$84,000	<del>\$99</del> ,840	\$98,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Clinician (Behavioral Health)	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$70,000	<del>\$81,120</del>	\$84,000	<del>\$99</del> ,840	\$98,000	March 2020
Communications Specialist	Ą	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$55,000	<del>\$53,352</del>	\$63,000	\$ <del>65,62</del> 4	\$71,000	March 2020
Community Partner*	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$55,000	\$ <del>61,360</del>	\$63,000	<del>\$75,50</del> 4	\$71,000	March 2020
Community Partner Sr	F	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$59,000	<del>\$70,512</del>	\$68,000	<del>\$86,736</del>	\$77,000	March 2020
Community Relations Specialist	Ą	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$55,000	<del>\$53,352</del>	\$63,000	<del>\$65,62</del> 4	\$71,000	March 2020
Community Relations Specialist Sr	K	ı	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$4 <del>7,112</del>	\$61,000	\$ <del>61,360</del>	\$73,000	<del>\$75,50</del> 4	\$85,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	lid	М	ax	Month Added/ Changed
Compliance Claims Auditor	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$4 <del>7,112</del>	\$55,000	<del>\$61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020
Compliance Claims Auditor Sr	L	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$59,000	<del>\$70,512</del>	\$68,000	<del>\$86,736</del>	\$77,000	March 2020
Contract Administrator	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$70,000	\$81,120	\$84,000	\$ <del>99,840</del>	\$98,000	March 2020
Contracts Manager	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>71,760</del>	\$85,000	\$93,184	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Contracts Manager, Sr (Proposed title)	N/A	N	Department requesting new title due to growth and to establish levels.		\$95,000		\$114,000		\$133,000	March 2020
Contracts Specialist	K	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$61,000	\$ <del>61,360</del>	\$73,000	<del>\$75,50</del> 4	\$85,000	March 2020
Contracts Specialist Int	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>54,288</del>	\$65,000	\$ <del>70,512</del>	\$78,000	\$86,736	\$91,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	Ma	ax	Month Added/ Changed
Contracts Specialist Sr	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$70,000	<del>\$81,120</del>	\$84,000	<del>\$99</del> ,840	\$98,000	March 2020
Controller	Q	T	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$182,000	<del>\$154,440</del>	\$227,000	\$194,480	\$272,000	March 2020
Credentialing Coordinator	Ą	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$48,000	\$ <del>53,352</del>	\$55,000	<del>\$65,62</del> 4	\$62,000	March 2020
Credentialing Coordinator - Lead	Ą	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$51,000	\$53,352	\$59,000	<del>\$65,624</del>	\$67,000	March 2020
Customer Service Coordinator	Ą	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$48,000	\$53,352	\$55,000	<del>\$65,624</del>	\$62,000	March 2020
Customer Service Rep	Ħ	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$33,696	\$41,000	\$4 <del>2,224</del>	\$47,000	<del>\$50,648</del>	\$53,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ах	Month Added/ Changed
Customer Service Rep - Lead	Å	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$48,000	\$ <del>53,352</del>	\$55,000	<del>\$65,624</del>	\$62,000	March 2020
Customer Service Rep Sr	1	D	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$44,000	\$46,384	\$51,000	<del>\$55,640</del>	\$58,000	March 2020
Data Analyst*	К	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$65,000	<del>\$61,360</del>	\$78,000	<del>\$75,504</del>	\$91,000	March 2020
Data Analyst Int*	L	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$70,000	<del>\$70,512</del>	\$84,000	<del>\$86,736</del>	\$98,000	March 2020
Data Analyst Sr*	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	\$ <del>81,120</del>	\$93,000	<del>\$99,840</del>	\$109,000	March 2020
Data and Reporting Analyst - Lead	θ	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$85,000	\$ <del>107,328</del>	\$103,000	\$ <del>131,976</del>	\$121,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Data Entry Tech	F	A	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$27, <del>872</del>	\$36,000	<del>\$34,840</del>	\$41,000	<del>\$41,808</del>	\$46,000	March 2020
Data Warehouse Architect	0	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$95,000	\$107,328	\$114,000	\$131, <del>976</del>	\$133,000	March 2020
Data Warehouse Programmer/Analyst	0	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Data Warehouse Project Manager	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Data Warehouse Reporting Analyst	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$114, <del>712</del>	\$121,000	March 2020
Data Warehouse Reporting Analyst Sr	0	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Database Administrator	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$77,000	\$ <del>81,120</del>	\$93,000	\$99,840	\$109,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Database Administrator Sr	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$95,000	\$1 <del>07,328</del>	\$114,000	\$131,976	\$133,000	March 2020
Deputy Chief Counsel	Ş	W	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$164,736</del>	\$295,000	\$222,352	\$369,000	\$280,072	\$443,000	March 2020
Deputy Chief Medical Officer	Ī	W	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$197,704	\$295,000	\$ <del>266,968</del>	\$369,000	<del>\$336,02</del> 4	\$443,000	March 2020
Deputy Clerk of the Board* (Proposed title)	N/A	J	Department requested new title to support Clerk duties and responsibilities.		\$65,000		\$78,000		\$91,000	March 2020
Director Accounting	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Applications Management	R	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Audit & Oversight	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$114,400</del>	\$144,000	<del>\$154,440</del>	\$174,000	<del>\$194,480</del>	\$204,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Director Behavioral Health Services	₽	Q	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$130,000	\$12 <del>8,752</del>	\$157,000	\$ <del>162,032</del>	\$184,000	March 2020
Director Budget and Procurement	Q	S	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$114,400</del>	\$154,000	<del>\$154,440</del>	\$193,000	\$ <del>194,480</del>	\$232,000	March 2020
Director Business Development	P	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Business Integration	Q	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Case Management	Q	S	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>114,400</del>	\$154,000	\$154 <u>,440</u>	\$193,000	\$ <del>194,480</del>	\$232,000	March 2020
Director Claims Administration	₽	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$144,000	\$ <del>128,752</del>	\$174,000	\$ <del>162,032</del>	\$204,000	March 2020
Director Clinical Outcomes	Q	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Clinical Pharmacy	R	Т	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$137,280	\$182,000	<del>\$185,328</del>	\$227,000	\$ <del>233,376</del>	\$272,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	N	lin	M	id	M	ax	Month Added/ Changed
Director Coding Initiatives	P	S	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$154,000	\$ <del>128,752</del>	\$193,000	\$ <del>162,032</del>	\$232,000	March 2020
Director Communications	P	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,26</del> 4	\$144,000	\$ <del>128,752</del>	\$174,000	<del>\$162,032</del>	\$204,000	March 2020
Director Community Relations	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Configuration & Coding	Ą	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Contracting	₽	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$144.000	\$128,752	\$174.000	\$1 <del>62,032</del>	\$204,000	March 2020
Director COREC	Q	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Customer Service	₽	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$144,000	<del>\$128,752</del>	\$174,000	<del>\$162,032</del>	\$204,000	March 2020
Director-Electronic Business	₽	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	lid	М	ax	Month Added/ Changed
Director Enterprise Analytics	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,4 <del>00</del>	\$144,000	\$154,440	\$174,000	\$ <del>194,480</del>	\$204,000	March 2020
Director Facilities	₽	Q	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$130,000	<del>\$128,752</del>	\$157,000	\$162,032	\$184,000	March 2020
Director Finance & Procurement	P	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Financial Analysis	R	Т	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>137,280</del>	\$182,000	\$1 <del>85,328</del>	\$227,000	\$ <del>233,376</del>	\$272,000	March 2020
Director Financial Compliance	₽	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$144,000	\$ <del>128,752</del>	\$174,000	<del>\$162,032</del>	\$204,000	March 2020
Director Fraud Waste & Abuse and Privacy	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$144,000	<del>\$154,440</del>	\$174,000	\$194,480	\$204,000	March 2020
Director Government Affairs	₽	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id		ax	Month Added/ Changed
Director Grievance & Appeals	₽	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$144,000	\$ <del>128,752</del>	\$174,000	\$ <del>162,032</del>	\$204,000	March 2020
Director Health Services	Q	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Human Resources	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$144,000	\$ <del>154,440</del>	\$174,000	\$1 <del>9</del> 4,480	\$204,000	March 2020
Director Information Services	R	T	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>137,280</del>	\$182,000	\$185,328	\$227,000	\$ <del>233,376</del>	\$272,000	March 2020
Director Long Term Support Services	Q	S	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$114,400</del>	\$154,000	<del>\$154,440</del>	\$193,000	\$ <del>194,480</del>	\$232,000	March 2020
Director Medi-Cal Plan Operations	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Network Management	₽	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,26</del> 4	\$144,000	<del>\$128,752</del>	\$174,000	<del>\$162,032</del>	\$204,000	March 2020
Director OneCare Operations	₽	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id	M	ax	Month Added/ Changed
Director Organizational Training & Education	<del>P</del>	N/A	Job title is not in use nor is it planned for use.							March 2020
Director PACE Program	Q	S	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$154,000	\$1 <del>54,440</del>	\$193,000	\$194,480	\$232,000	March 2020
Director Population Health Management	Q		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$130,000	<del>\$154,440</del>	\$157,000	\$194,480	\$184,000	March 2020
Director Process Excellence Program & Process Management (Revised)	Q	R	Title changed due to department name change Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$144,000	\$154,440	\$174,000	\$194,480	\$204,000	March 2020
Director Program Implementation	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>114,400</del>	\$144,000	<del>\$154,440</del>	\$174,000	\$ <del>194,480</del>	\$204,000	March 2020
Director Project Management	Q	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Director Provider Data Quality Management Services (Revised)	Q		Title changed due to department name change Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>114,400</del>	\$130,000	<del>\$154,440</del>		\$ <del>194,480</del>		March 2020
Director Provider Services	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Public Policy	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Purchasing*	N/A	Q	Department requested new title to provide support and oversight of this function.		\$130,000		\$157,000		\$184,000	March 2020
Director Quality (LTSS)	Q	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Quality Analytics	Ð	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$144,000	<del>\$154,440</del>	\$174,000	\$1 <del>94,480</del>	\$204,000	March 2020
Director Quality Improvement	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$114,400</del>	\$144,000	<del>\$154,440</del>	\$174,000	<del>\$194,480</del>	\$204,000	March 2020
Director Regulatory Affairs and Compliance	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>114,400</del>	\$144,000	<del>\$154,440</del>	\$174,000	<del>\$194,480</del>	\$204,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	lid	M	ax	Month Added/ Changed
Director Strategic Development	₽	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$144,000	\$1 <u>28,752</u>	\$174,000	\$ <del>162,032</del>	\$204,000	March 2020
Director Systems Development	R	N/A	Job title is not in use nor is it planned for use.							March 2020
Director Utilization Management	Q	S	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,4 <del>00</del>	\$154,000	\$154,44 <del>0</del>	\$193,000	\$194,4 <del>8</del> 0	\$232,000	March 2020
Disease Management Coordinator	M	N/A	Job title is not in use nor is it planned for use.							March 2020
Disease Management Coordinator - Lead	M	N/A	Job title is not in use nor is it planned for use.							March 2020
EDI Project Manager	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Enrollment Coordinator (PACE)	К	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$51,000	<del>\$61,360</del>	\$59,000	<del>\$75,504</del>	\$67,000	March 2020
Enterprise Analytics Manager	₽	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$95,264	\$105,000	\$ <del>128,752</del>	\$127,000	\$ <del>162,032</del>	\$149,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Executive Administrative Services Manager	M	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$65,000	\$81, <del>120</del>	\$78,000	<del>\$99,840</del>	\$91,000	March 2020
Executive Assistant	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$55,000	\$ <del>61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020
Executive Assistant to CEO	F		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.		\$61,000	<del>\$70,512</del>	\$73,000		\$85,000	March 2020
Executive Director Clinical Operations	Ş	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$164,736</del>	\$251,000	\$ <del>222,352</del>	\$314,000	\$ <del>280,072</del>	\$377,000	March 2020
Executive Director Compliance	\$	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>164,736</del>	\$251,000	\$ <del>222,352</del>	\$314,000	\$280,072	\$377,000	March 2020
Executive Director Human Resources	\$	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>164,736</del>	\$251,000	\$ <del>222,352</del>	\$314,000	\$ <del>280,072</del>	\$377,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Executive Director Network Operations	\$	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$164 <del>,736</del>	\$251,000	<del>\$222,352</del>	\$314,000	\$2 <del>80,072</del>	\$377,000	March 2020
Executive Director Operations	Ş	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>164,736</del>	\$251,000	\$ <del>222,352</del>	\$314,000	\$ <del>280,072</del>	\$377,000	March 2020
Executive Director Program Implementation	\$	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$164,736</del>	\$251,000	<del>\$222,352</del>	\$314,000	\$ <del>280,072</del>	\$377,000	March 2020
Executive Director Public Affairs	Ş	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$164,736</del>	\$251,000	<del>\$222,352</del>	\$314,000	\$280,072	\$377,000	March 2020
Executive Director Quality & Population Health Management	Ş	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$164,736</del>	\$251,000	<del>\$222,352</del>	\$314,000	\$280,072	\$377,000	March 2020
Executive Director, Behavioral Health Integration	O)	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$164, <del>736</del>	\$251,000	<del>\$222,352</del>	\$314,000	\$ <del>280,072</del>	\$377,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Facilities & Support Services Coord - Lead	Ą	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$55,000	<del>\$53,352</del>	\$63,000	<del>\$65,624</del>	\$71,000	March 2020
Facilities & Support Services Coordinator	Å	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$48,000	\$ <del>53,352</del>	\$55,000	\$ <del>65,62</del> 4	\$62,000	March 2020
Facilities & Support Services Coordinator, Sr (Proposed title)	N/A	F	Department requesting new title due to growth and to establish levels.		\$51,000		\$59,000		\$67,000	March 2020
Facilities Coordinator	Ĵ	E	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$48,000	<del>\$53,352</del>	\$55,000	<del>\$65,624</del>	\$62,000	March 2020
Financial Analyst	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$65,000	<del>\$70,512</del>	\$78,000	\$86,736	\$91,000	March 2020
Financial Analyst Sr	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$62,400	\$77,000	\$ <del>81,120</del>	\$93,000	\$ <del>99,840</del>	\$109,000	March 2020
Financial Reporting Analyst	Ŀ	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$61,000	\$ <del>70,512</del>	\$73,000	\$ <del>86,736</del>	\$85,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Gerontology Resource Coordinator	M	N/A	Job title is not in use nor is it planned for use.							March 2020
Graphic Designer	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$70,000	<del>\$81,120</del>	\$84,000	<del>\$99,840</del>	\$98,000	March 2020
Grievance & Appeals Nurse Specialist	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$93,184	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Grievance Resolution Specialist	Ą	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$51,000	<del>\$53,352</del>	\$59,000	\$ <del>65,62</del> 4	\$67,000	March 2020
Grievance Resolution Specialist - Lead	F	ı	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$61,000	<del>\$70,512</del>	\$73,000	\$86,736	\$85,000	March 2020
Grievance Resolution Specialist Sr	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$59,000	\$ <del>61,360</del>	\$68,000	<del>\$75,50</del> 4	\$77,000	March 2020
Health Coach	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$70,000	\$ <del>81,120</del>	\$84,000	\$ <del>99,8</del> 40	\$98,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	lid	M	ax	Month Added/ Changed
Health Educator	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47, <del>112</del>	\$59,000	<del>\$61,360</del>	\$68,000	<del>\$75,50</del> 4	\$77,000	March 2020
Health Educator Sr	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>54,288</del>	\$61,000	\$ <del>70,512</del>	\$73,000	\$86,736	\$85,000	March 2020
Health Network Liaison Specialist (RN)	N	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$77,000	\$ <del>93,18</del> 4	\$93,000	\$114, <del>712</del>	\$109,000	March 2020
Health Network Oversight Specialist	W	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$70,000	\$81,120	\$84,000	\$99,840	\$98,000	March 2020
HEDIS Case Manager	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$ <del>93,18</del> 4	\$103,000	\$114, <del>712</del>	\$121,000	March 2020
HEDIS Case Manager (LVN)	M	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	lid	M	ax	Month Added/ Changed
Help Desk Technician	Ĥ	E	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$48,000	<del>\$53,352</del>	\$55,000	<del>\$65,624</del>	\$62,000	March 2020
Help Desk Technician Sr	K	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <del>2</del>	\$51,000	<del>\$61,360</del>	\$59,000	<del>\$75,504</del>	\$67,000	March 2020
HR Assistant	4	D	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$37,128</del>	\$44,000	\$46,384	\$51,000	\$ <del>55,640</del>	\$58,000	March 2020
HR Business Partner	M		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$62,400	\$85,000	<del>\$81,120</del>	\$103,000	\$99,840	\$121,000	March 2020
HR Compensation Specialist Sr	N	N/A	Job title is not in use nor is it planned for use.							March 2020
HR Coordinator	<del>1</del>	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$51,000	<del>\$53,352</del>	\$59,000	<del>\$65,62</del> 4	\$67,000	March 2020
HR Representative	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$65,000	\$70,512	\$78,000	\$86,736	\$91,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
HR Representative Sr	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	<del>\$81,120</del>	\$93,000	<del>\$99,840</del>	\$109,000	March 2020
HR Specialist	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$55,000	<del>\$61,360</del>	\$63,000	<del>\$75,50</del> 4	\$71,000	March 2020
HR Specialist Sr	F	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$59,000	<del>\$70,512</del>	\$68,000	\$ <del>86,736</del>	\$77,000	March 2020
HRIS Analyst Sr	M	N/A	Job title is not in use nor is it planned for use.							March 2020
ICD-10 Project Manager	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Infrastructure Systems Administrator	f	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$51,000	<del>\$53,352</del>	\$59,000	<del>\$65,62</del> 4	\$67,000	March 2020
Infrastructure Systems Administrator Int	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$55,000	\$ <del>61,360</del>	\$63,000	\$ <del>75,50</del> 4	\$71,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Inpatient Quality Coding Auditor	F	ı	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Intern	E	A	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$25,272</del>	\$36,000	\$ <del>31,720</del>	\$41,000	<del>\$37,960</del>	\$46,000	March 2020
Investigator Sr	F	ı	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
IS Coordinator	Ą	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$48,000	\$ <del>53,352</del>	\$55,000	<del>\$65,62</del> 4	\$62,000	March 2020
IS Project Manager	0	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
IS Project Manager Sr	₽	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,26</del> 4	\$105,000	\$ <del>128,752</del>	\$127,000	\$ <del>162,032</del>	\$149,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id	M	ax	Month Added/ Changed
IS Project Specialist	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$70,000	<del>\$81,120</del>	\$84,000	<del>\$99,840</del>	\$98,000	March 2020
IS Project Specialist Sr	N	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$77,000	\$93,184	\$93,000	\$114,712	\$109,000	March 2020
Kitchen Assistant	E	A	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>25,272</del>	\$36,000	\$31,720	\$41,000	\$37,960	\$46,000	March 2020
Legislative Program Manager	N	N/A	Job title is not in use nor is it planned for use.							March 2020
Licensed Clinical Social Worker	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$65,000	<del>\$70,512</del>	\$78,000	\$86,736	\$91,000	March 2020
Litigation Support Specialist	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$70,000	\$81,120	\$84,000	\$99,840	\$98,000	March 2020
LVN PACE	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$70,000	\$ <del>81,120</del>	\$84,000	\$99,840	\$98,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	lid	M	ax	Month Added/ Changed
LVN Specialist (Proposed title, to be adjusted)	N/A	К	Department requesting new title to clearly identify roles.		\$70,000		\$84,000		\$98,000	March 2020
Mailroom Clerk	Ш	A	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$25,272</del>	\$36,000	<del>\$31,720</del>	\$41,000	<del>\$37,960</del>	\$46,000	March 2020
Manager Accounting	И	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$105,000	\$ <del>93,184</del>	\$127,000	\$114,712	\$149,000	March 2020
Manager Actuary	₽	Q	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$130,000	\$ <del>128,752</del>	\$157,000	\$ <del>162,032</del>	\$184,000	March 2020
Manager Applications Management	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Audit & Oversight	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	<del>\$107,328</del>	\$127,000	\$ <del>131,976</del>	\$149,000	March 2020
Manager Behavioral Health	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	<del>\$107,328</del>	\$127,000	\$ <del>131,976</del>	\$149,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Manager Business Integration	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$1 <del>07,328</del>	\$127,000	\$131,976	\$149,000	March 2020
Manager Case Management	θ	Р	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$117,000	\$ <del>107,328</del>	\$141,000	\$ <del>131,976</del>	\$165,000	March 2020
Manager Claims	И	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>71,760</del>	\$105,000	<del>\$93</del> ,184	\$127,000	\$114,712	\$149,000	March 2020
Manager Clinic Operations	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	<del>\$107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Manager Clinical Pharmacist	Q	R	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$144,000	<del>\$154,440</del>	\$174,000	\$194,480	\$204,000	March 2020
Manager Coding Quality	N		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$95,000	<del>\$93,184</del>	\$114,000	\$114,712	\$133,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id	M	ax	Month Added/ Changed
Manager Communications	N		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$95,000	<del>\$93,184</del>	\$114,000	\$114 <del>,712</del>	\$133,000	March 2020
Manager Community Relations	M	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$62,400	\$95,000	\$81,120	\$114,000	\$99,840	\$133,000	March 2020
Manager Contracting	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	<del>\$131,976</del>	\$149,000	March 2020
Manager Creative Branding	И	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	\$ <del>93,184</del>	\$103,000	<del>\$114,712</del>	\$121,000	March 2020
Manager Cultural & Linguistic	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$93,184	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Manager Customer Service	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>71,760</del>	\$85,000	\$93,184	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Manager Decision Support	0	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	N	lin	M	id	M	ax	Month Added/ Changed
Manager Electronic Business	Đ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Manager Employment Services	N	N/A	Job title is not in use nor is it planned for use.	<del>\$71,760</del>		<del>\$93,184</del>		<del>\$114,712</del>		March 2020
Manager Encounters	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$93,184	\$103,000	\$114,71 <u>2</u>	\$121,000	March 2020
Manager Environmental Health & Safety	N		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$95,000	\$ <del>93,184</del>	\$114,000	\$ <del>114,712</del>	\$133,000	March 2020
Manager Facilities	N	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Finance	N	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$105,000	<del>\$93,18</del> 4	\$127,000	<del>\$114,712</del>	\$149,000	March 2020
Manager Financial Analysis	θ	Р	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$117,000	\$ <del>107,328</del>	\$141,000	\$ <del>131,976</del>	\$165,000	March 2020
Manager Government Affairs	N	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	N	lin	M	iid	<b>Max</b> \$114,712 \$149,000		Month Added/ Changed
Manager Grievance & Appeals	N	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$105,000	<del>\$93,184</del>	\$127,000	\$ <del>114,712</del>	\$149,000	March 2020
Manager Health Education	И	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager HEDIS	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Human Resources	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$1 <del>07,328</del>	\$127,000	\$131, <del>976</del>	\$149,000	March 2020
Manager Information Services	Р		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$117,000	\$128,752	\$141,000	<del>\$162,032</del>	\$165,000	March 2020
Manager Information Technology	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Integration Government Liaison	N	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Long Term Support Services	Đ	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	\$ <del>131,976</del>	\$149,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason		lin	M	lid	Max 0 \$131,976 \$133,000		Month Added/ Changed
Manager Marketing & Enrollment (PACE)	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$1 <del>07,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Manager Medical Data Management	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Medi-Cal Program Operations	N	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Member Liaison Program	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$114 <del>,712</del>	\$121,000	March 2020
Manager Member Outreach & Education	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$ <del>93,184</del>	\$103,000	\$114,71 <u>2</u>	\$121,000	March 2020
Manager Member Outreach Education & Provider Relations	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager MSSP	0	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$1 <del>07,328</del>	\$127,000	\$131, <del>976</del>	\$149,000	March 2020
Manager OneCare Clinical	0	P	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$82,576	\$117,000	\$107,328	\$141,000	<del>\$131,976</del>	\$165,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id	М	ax	Month Added/ Changed
Manager OneCare Customer Service	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Manager OneCare Regulatory	Н	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager OneCare Sales	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Marketing & Outreach* (Proposed title)	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. New title requested by department to better reflect position duties.	\$ <del>71,760</del>	\$85,000	\$ <del>93,184</del>	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Manager PACE Center	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Manager Population Health Management	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	<del>\$107,328</del>	\$114,000	<del>\$131,976</del>	\$133,000	March 2020
Manager Process Excellence	Đ	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	\$ <del>131,976</del>	\$149,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	iid	M	ax	Month Added/ Changed
Manager Program Implementation	0	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$131, <del>976</del>	\$133,000	March 2020
Manager Project Management	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Provider Data Management Services	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$114, <del>712</del>	\$121,000	March 2020
Manager Provider Network	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	<del>\$131,976</del>	\$149,000	March 2020
Manager Provider Relations	4	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	\$ <del>93,184</del>	\$103,000	\$114,71 <u>2</u>	\$121,000	March 2020
Manager Provider Services	Đ	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Purchasing	N	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$105,000	\$ <del>93,184</del>	\$127,000	\$ <del>114,712</del>	\$149,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id	M	ax	Month Added/ Changed
Manager QI Initiatives	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Manager Quality Analytics	Đ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	<del>\$131,976</del>	\$133,000	March 2020
Manager Quality Improvement	0	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$131, <del>976</del>	\$133,000	March 2020
Manager Regulatory Affairs and Compliance	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	\$131,976	\$149,000	March 2020
Manager Reporting & Financial Compliance	0		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	\$ <del>131,976</del>	\$149,000	March 2020
Manager Strategic Development	θ	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$105,000	\$ <del>107,328</del>	\$127,000	\$ <del>131,976</del>	\$149,000	March 2020
Manager Strategic Operations	Н	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	N	lin	M	id	М	ax	Month Added/ Changed
Manager Systems Development	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Manager Utilization Management	θ	Р	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$117,000	\$ <del>107,328</del>	\$141,000	\$ <del>131,976</del>	\$165,000	March 2020
Marketing and Outreach Specialist	Ą	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$51,000	\$ <del>53,352</del>	\$59,000	\$ <del>65,62</del> 4	\$67,000	March 2020
Medical Assistant	Ħ	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$33,696</del>	\$41,000	\$4 <u>2,22</u> 4	\$47,000	\$50,648	\$53,000	March 2020
Medical Authorization Asst	H	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$33,696</del>	\$41,000	\$42 <u>,22</u> 4	\$47,000	\$50,648	\$53,000	March 2020
Medical Case Manager	N	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$77,000	<del>\$93</del> ,184	\$93,000	\$ <del>114,712</del>	\$109,000	March 2020
Medical Case Manager (LVN)	F	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$70,000	<del>\$70,512</del>	\$84,000	\$86,736	\$98,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Medical Director	Ş	V	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$164 <del>,736</del>	\$251,000	\$ <del>222,352</del>	\$314,000	\$ <del>280,072</del>	\$377,000	March 2020
Medical Records & Health Plan Assistant	G	В	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$30,576	\$38,000	\$38,27 <u>2</u>	\$44,000	\$45,968	\$50,000	March 2020
Medical Records Clerk	E	В	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>25,272</del>	\$38,000	<del>\$31,720</del>	\$44,000	\$ <del>37,960</del>	\$50,000	March 2020
Medical Services Case Manager	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$55,000	<del>\$61,360</del>	\$63,000	\$ <del>75,504</del>	\$71,000	March 2020
Member Liaison Specialist	1	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$41,000	\$46,384	\$47,000	<del>\$55,640</del>	\$53,000	March 2020
MMS Program Coordinator	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$55,000	\$ <del>61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Nurse Practitioner (PACE)	₽	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$105,000	\$12 <del>8,752</del>	\$127,000	\$ <del>162,032</del>	\$149,000	March 2020
Occupational Therapist	Ħ	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$77,000	<del>\$93,18</del> 4	\$93,000	\$114,712	\$109,000	March 2020
Occupational Therapist Assistant	M	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$59,000	\$ <del>81,120</del>	\$68,000	<del>\$99,840</del>	\$77,000	March 2020
Office Clerk	C	A	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$21,008</del>	\$36,000	<del>\$26,208</del>	\$41,000	<del>\$31,408</del>	\$46,000	March 2020
OneCare Operations Manager	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
OneCare Partner - Sales	K	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$4 <del>7,112</del>	\$51,000	<del>\$61,360</del>	\$59,000	<del>\$75,50</del> 4	\$67,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	N	lin	M	lid	M	ax	Month Added/ Changed
OneCare Partner - Sales (Lead)	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$47,112</del>	\$55,000	\$ <del>61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020
OneCare Partner - Service	1	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$41,000	\$46,384	\$47,000	<del>\$55,640</del>	\$53,000	March 2020
OneCare Partner (Inside Sales)	Ą	E	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$48,000	\$ <del>53,352</del>	\$55,000	\$ <del>65,624</del>	\$62,000	March 2020
Outreach Specialist	4	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$41,000	\$46,384	\$47,000	\$55,640	\$53,000	March 2020
Paralegal/Legal Secretary	K	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$61,000	\$ <del>61,360</del>	\$73,000	<del>\$75,504</del>	\$85,000	March 2020
Payroll Specialist	Ą	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$48,000	\$ <del>53,352</del>	\$55,000	<del>\$65,624</del>	\$62,000	March 2020
Payroll Specialist, Sr (Proposed title)	N/A	G	Department requesting new title due to growth and to establish levels.		\$55,000		\$63,000		\$71,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Performance Analyst	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$61,000	<del>\$70,512</del>	\$73,000	\$86,736	\$85,000	March 2020
Personal Care Attendant	E	A	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>25,272</del>	\$36,000	\$31,720	\$41,000	\$37,960	\$46,000	March 2020
Personal Care Attendant - Lead	E	В	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>25,272</del>	\$38,000	<del>\$31,720</del>	\$44,000	\$37,960	\$50,000	March 2020
Personal Care Coordinator	4	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$41,000	<del>\$46,384</del>	\$47,000	\$55,640	\$53,000	March 2020
Personal Care Coordinator, Sr (Proposed title)	N/A	D	Department requesting new title due to growth and to establish levels.		\$44,000		\$51,000		\$58,000	March 2020
Pharmacy Resident	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$55,000	<del>\$61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020
Pharmacy Services Specialist	+	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$41,000	\$46,384	\$47,000	\$55,640	\$53,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Pharmacy Services Specialist Int	f	D	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$44,000	\$ <del>53,352</del>	\$51,000	<del>\$65,624</del>	\$58,000	March 2020
Pharmacy Services Specialist Sr	K	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$48,000	\$ <del>61,360</del>	\$55,000	<del>\$75,504</del>	\$62,000	March 2020
Physical Therapist	Ŋ	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71, <del>760</del>	\$77,000	\$93,184	\$93,000	\$114,712	\$109,000	March 2020
Physical Therapist Assistant	M	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$59,000	\$81,120	\$68,000	<del>\$99</del> ,840	\$77,000	March 2020
Policy Advisor Sr	Đ	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$85,000	\$ <del>107,328</del>	\$103,000	\$ <del>131,976</del>	\$121,000	March 2020
Privacy Manager	N		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>71,760</del>	\$95,000	\$93,184	\$114,000	\$114,712	\$133,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	N	lin	M	id	M	ax	Month Added/ Changed
Privacy Officer	₽	0	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$105,000	\$128,752	\$127,000	\$1 <del>62,032</del>	\$149,000	March 2020
Process Excellence Manager	Đ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$82, <del>576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Program Assistant	1	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>37,128</del>	\$41,000	\$46,384	\$47,000	\$ <del>55,640</del>	\$53,000	March 2020
Program Coordinator	+	С	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$37,128</del>	\$41,000	<del>\$46,38</del> 4	\$47,000	<del>\$55,640</del>	\$53,000	March 2020
Program Development Analyst Sr	M	N/A	Job title is not in use nor is it planned for use.	<del>\$62,400</del>		<del>\$81,120</del>		\$99,840		March 2020
Program Manager	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	<del>\$81,120</del>	\$93,000	\$99,840	\$109,000	March 2020
Program Manager Sr	0	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$82,576</del>	\$85,000	\$ <del>107,328</del>	\$103,000	\$131, <del>976</del>	\$121,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Program Specialist	f	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$48,000	<del>\$53,352</del>	\$55,000	<del>\$65,62</del> 4	\$62,000	March 2020
Program Specialist Int	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$55,000	\$ <del>61,360</del>	\$63,000	<del>\$75,50</del> 4	\$71,000	March 2020
Program Specialist Sr	F	1	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$61,000	<del>\$70,512</del>	\$73,000	\$ <del>86,736</del>	\$85,000	March 2020
Program/Policy Analyst	K	ı	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$61,000	\$ <del>61,360</del>	\$73,000	<del>\$75,50</del> 4	\$85,000	March 2020
Program/Policy Analyst Sr	M	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$70,000	\$ <del>81,120</del>	\$84,000	<del>\$99,840</del>	\$98,000	March 2020
Programmer	F	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>54,288</del>	\$70,000	\$ <del>70,512</del>	\$84,000	\$ <del>86,736</del>	\$98,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Programmer Int	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,18</del> 4	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Programmer Sr	Đ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Project Manager	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	\$ <del>81,120</del>	\$93,000	<del>\$99,840</del>	\$109,000	March 2020
Project Manager - Lead	M		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$85,000	\$81,120	\$103,000	<del>\$99,840</del>	\$121,000	March 2020
Project Manager Sr	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Project Specialist	K	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$48,000	<del>\$61,360</del>	\$55,000	<del>\$75,504</del>	\$62,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	id	M	ax	Month Added/ Changed
Project Specialist Sr	F	l	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Projects Analyst	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$55,000	\$ <del>61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020
Provider (Enrollment) Data Management Services Coordinator (Revised)	4	D	Title changed due to department name change Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$37,128	\$44,000	\$46,384	\$51,000	\$ <del>55,640</del>	\$58,000	March 2020
Provider (Enrollment) Data Management Services Coordinator Sr (Revised)	Ą	F	Title changed due to department name change. Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40, <del>976</del>	\$51,000	\$53,352	\$59,000	\$ <del>65,624</del>	\$67,000	March 2020
Provider Enrollment Manager	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47 <u>,112</u>	\$55,000	\$ <del>61,360</del>	\$63,000	\$ <del>75,50</del> 4	\$71,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Provider Network Rep Sr	Ŧ	-	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>5</del> 4, <del>288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Provider Network Specialist	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$59,000	\$ <del>61,360</del>	\$68,000	<del>\$75,50</del> 4	\$77,000	March 2020
Provider Network Specialist Sr	₽	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>54,288</del>	\$65,000	<del>\$70,512</del>	\$78,000	<del>\$86,736</del>	\$91,000	March 2020
Provider Office Education Manager	Ŧ		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Provider Relations Rep	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$55,000	<del>\$61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020
Provider Relations Rep Sr	₽	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>54,288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	lid	M	ax	Month Added/ Changed
Publications Coordinator	<del>1</del>	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$40,976</del>	\$55,000	<del>\$53,352</del>	\$63,000	\$ <del>65,624</del>	\$71,000	March 2020
QA Analyst	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$61,000	<del>\$70,512</del>	\$73,000	\$86,736	\$85,000	March 2020
QA Analyst Sr	N	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71, <del>760</del>	\$77,000	<del>\$93,184</del>	\$93,000	\$114,712	\$109,000	March 2020
QI Nurse Specialist	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71, <del>760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$114,712	\$121,000	March 2020
QI Nurse Specialist (LVN)	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$77,000	\$ <del>81,120</del>	\$93,000	\$99,840	\$109,000	March 2020
Receptionist	F	В	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$27,872	\$38,000	\$34,840	\$44,000	\$41,808	\$50,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Records Manager* (Proposed title)	N/A	Q	Department requested new title due to growth of duties.		\$130,000		\$157,000		\$184,000	March 2020
Recreational Therapist	F	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$59,000	<del>\$70,512</del>	\$68,000	\$ <del>86,736</del>	\$77,000	March 2020
Recruiter	F	N/A	Job title is not in use nor is it planned for use.							March 2020
Recruiter Sr	M	N/A	Job title is not in use nor is it planned for use.							March 2020
Registered Dietitian	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Regulatory Affairs and Compliance Analyst	K	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$61,000	<del>\$61,360</del>	\$73,000	<del>\$75,504</del>	\$85,000	March 2020
Regulatory Affairs and Compliance Analyst Sr	F	К	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$70,000	<del>\$70,512</del>	\$84,000	<del>\$86,736</del>	\$98,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Regulatory Affairs and Compliance Lead	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	<del>\$81,120</del>	\$93,000	<del>\$99,840</del>	\$109,000	March 2020
RN (PACE)	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	\$93,184	\$103,000	\$114,712	\$121,000	March 2020
Security Analyst Int	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$93,184	\$103,000	\$114,712	\$121,000	March 2020
Security Analyst Sr	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$82,576	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020
Security Officer	E	В	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$27,872	\$38,000	\$34,840	\$44,000	\$41,808	\$50,000	March 2020
SharePoint Developer/Administrator Sr	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	id	M	ax	Month Added/ Changed
Social Worker	K	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$65,000	<del>\$61,360</del>	\$78,000	<del>\$75,50</del> 4	\$91,000	March 2020
Social Worker, Sr (Proposed title)	N/A	K	Department requesting new title due to growth and to establish levels.		\$70,000		\$84,000		\$98,000	March 2020
Special Counsel	R	T	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$1 <del>37,280</del>	\$182,000	\$ <del>185,328</del>	\$227,000	\$ <del>233,376</del>	\$272,000	March 2020
Sr Director Regulatory Affairs and Compliance	R	N/A	Job title is not in use nor is it planned for use.							March 2020
Sr Manager Financial Analysis	₽	Q	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$95,264</del>	\$130,000	\$ <del>128,752</del>	\$157,000	\$ <del>162,032</del>	\$184,000	March 2020
Sr Manager Government Affairs	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Sr Manager Human Resources	₽	N/A	Job title is not in use nor is it planned for use.							March 2020
Sr Manager Information Services	Q		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$114,400	\$130,000	\$ <del>154,440</del>	\$157,000	\$194,480	\$184,000	March 2020
Sr Manager Provider Network	0	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	N	lin	M	lid	M	ax	Month Added/ Changed
Staff Attorney	Р		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$117,000	\$ <del>128,752</del>	\$141,000	\$ <del>162,032</del>	\$165,000	March 2020
Staff Attorney, Sr. (Proposed title)	N/A	R	Department requesting new title to establish levels.		\$144,000		\$174,000		\$204,000	March 2020
Supervisor Accounting	М		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$85,000	<del>\$81,120</del>	\$103,000	<del>\$99,840</del>	\$121,000	March 2020
Supervisor Audit and Oversight	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,18</del> 4	\$103,000	<del>\$114,712</del>	\$121,000	March 2020
Supervisor Behavioral Health	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	<del>\$114,712</del>	\$121,000	March 2020
Supervisor Budgeting	M	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$95,000	\$ <del>81,120</del>	\$114,000	\$99,840	\$133,000	March 2020
Supervisor Case Management	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	<del>\$93,18</del> 4	\$103,000	<del>\$114,712</del>	\$121,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	in	M	lid	M	ax	Month Added/ Changed
Supervisor Claims	K		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$61,000	\$ <del>61,360</del>	\$73,000	<del>\$75,504</del>	\$85,000	March 2020
Supervisor Coding Initiatives	M		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$85,000	\$ <del>81,120</del>	\$103,000	\$99,840	\$121,000	March 2020
Supervisor Credentialing	F	1	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$61,000	<del>\$70,512</del>	\$73,000	\$86,736	\$85,000	March 2020
Supervisor Customer Service	K	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$61,000	<del>\$61,360</del>	\$73,000	<del>\$75,50</del> 4	\$85,000	March 2020
Supervisor Data Entry	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$59,000	<del>\$61,360</del>	\$68,000	<del>\$75,504</del>	\$77,000	March 2020
Supervisor Day Center (PACE)	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$59,000	\$ <del>61,360</del>	\$68,000	<del>\$75,50</del> 4	\$77,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	M	lin	M	lid	М	ax	Month Added/ Changed
Supervisor Dietary Services (PACE)	M	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$65,000	<del>\$81,120</del>	\$78,000	<del>\$99,840</del>	\$91,000	March 2020
Supervisor Disease Management	N	N/A	Job title is not in use nor is it planned for use.							March 2020
Supervisor Encounters	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Supervisor Facilities	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$65,000	<del>\$70,512</del>	\$78,000	\$86,736	\$91,000	March 2020
Supervisor Finance	Н	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$ <del>93,184</del>	\$103,000	\$114, <del>712</del>	\$121,000	March 2020
Supervisor Grievance and Appeals	М	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	<del>\$81,120</del>	\$93,000	\$99,840	\$109,000	March 2020
Supervisor Health Education	M	N/A	Job title is not in use nor is it planned for use.							March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	Min		Mid		Max		Month Added/ Changed	
Supervisor Information Services	N		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$95,000	<del>\$93,18</del> 4	\$114,000	<del>\$114,712</del>	\$133,000	March 2020	
Supervisor Long Term Support Services	И	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	\$93,184	\$103,000	<del>\$114,712</del>	\$121,000	March 2020	
Supervisor Member Outreach and Education (Proposed title)	N/A	K	Department requesting new title to assist with supervision of staff.		\$70,000		\$84,000		\$98,000	March 2020	
Supervisor MSSP	И	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,18</del> 4	\$103,000	<del>\$114,712</del>	\$121,000	March 2020	
Supervisor Nursing Services (PACE)	H	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	<del>\$93,18</del> 4	\$103,000	<del>\$114,712</del>	\$121,000	March 2020	
Supervisor OneCare Customer Service	K	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$61,000	\$ <del>61,360</del>	\$73,000	<del>\$75,504</del>	\$85,000	March 2020	
Supervisor Payroll	M		Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$85,000	\$81,120	\$103,000	<del>\$99,840</del>	\$121,000	March 2020	

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	Min		Mid		Max		Month Added/ Changed
Supervisor Pharmacist	₽	Q	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>95,264</del>	\$130,000	\$ <del>128,752</del>	\$157,000	\$ <del>162,032</del>	\$184,000	March 2020
Supervisor Population Health Management	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71,760	\$85,000	\$93,184	\$103,000	\$114,712	\$121,000	March 2020
Supervisor (Provider Enrollment) Provider Data Management Services (Revised)	К		Title changed due to department name change. Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,112	\$70,000	\$61,360	\$84,000	<del>\$75,504</del>	\$98,000	March 2020
Supervisor Provider Relations	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	\$ <del>81,120</del>	\$93,000	\$ <del>99,840</del>	\$109,000	March 2020
Supervisor Quality Analytics	M	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$85,000	\$ <del>81,120</del>	\$103,000	\$ <del>99,840</del>	\$121,000	March 2020
Supervisor Quality Improvement	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	Min		Mid		Max		Month Added/ Changed
Supervisor Regulatory Affairs and Compliance	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$114, <del>712</del>	\$121,000	March 2020
Supervisor Social Work (PACE)	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54,288	\$65,000	<del>\$70,512</del>	\$78,000	\$ <del>86,736</del>	\$91,000	March 2020
Supervisor Systems Development	0	N/A	Job title is not in use nor is it planned for use.							March 2020
Supervisor Therapy Services (PACE)	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$71,760</del>	\$85,000	<del>\$93,184</del>	\$103,000	\$114, <del>712</del>	\$121,000	March 2020
Supervisor Utilization Management	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71, <del>760</del>	\$85,000	\$93,184	\$103,000	\$ <del>114,712</del>	\$121,000	March 2020
Systems Manager	Н	N/A	Job title is not in use nor is it planned for use.							March 2020
Systems Network Administrator Int	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>62,400</del>	\$77,000	\$81,120	\$93,000	\$99,840	\$109,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	Min		Mid		Max		Month Added/ Changed
Systems Network Administrator Sr	N	M	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$71, <del>760</del>	\$85,000	\$ <del>93,184</del>	\$103,000	\$114 <del>,712</del>	\$121,000	March 2020
Systems Operations Analyst	Ą	F	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$51,000	<del>\$53,352</del>	\$59,000	\$ <del>65,62</del> 4	\$67,000	March 2020
Systems Operations Analyst Int	K	G	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$55,000	<del>\$61,360</del>	\$63,000	<del>\$75,504</del>	\$71,000	March 2020
Technical Analyst Int	F	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$65,000	<del>\$70,512</del>	\$78,000	<del>\$86,736</del>	\$91,000	March 2020
Technical Analyst Sr	M	L	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$77,000	\$ <del>81,120</del>	\$93,000	<del>\$99,840</del>	\$109,000	March 2020
Technical Writer	F	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$54 <u>,288</u>	\$59,000	<del>\$70,512</del>	\$68,000	<del>\$86,736</del>	\$77,000	March 2020

Job Title	Old Pay Grade	New Pay Grade	Notes / Reason	Min Mid		Max		Month Added/ Changed		
Technical Writer Sr	M	J	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$62,400</del>	\$65,000	<del>\$81,120</del>	\$78,000	<del>\$99,840</del>	\$91,000	March 2020
Therapy Aide	Ą	Е	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$40,976	\$48,000	\$ <del>53,352</del>	\$55,000	\$ <del>65,62</del> 4	\$62,000	March 2020
Training Administrator	F	I	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	<del>\$54,288</del>	\$61,000	<del>\$70,512</del>	\$73,000	<del>\$86,736</del>	\$85,000	March 2020
Training Program Coordinator	K	Н	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$47,11 <u>2</u>	\$59,000	<del>\$61,360</del>	\$68,000	<del>\$75,504</del>	\$77,000	March 2020
Translation Specialist	G	В	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$30,576	\$38,000	\$38,272	\$44,000	<del>\$45,968</del>	\$50,000	March 2020
Web Architect	θ	N	Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.	\$ <del>82,576</del>	\$95,000	\$ <del>107,328</del>	\$114,000	\$ <del>131,976</del>	\$133,000	March 2020

<sup>• \*</sup>Reflects adjustments made to the salary schedule after February 6, 2020

<sup>• \*</sup> Reflects adjustments made to the salary schedule after March 5, 2020

#### CALOPTIMA BOARD ACTION AGENDA REFERRAL

# Action To Be Taken May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

### **Report Item**

11. Consider Recommending Board of Directors' Approve Remedial Actions Related to Health Network and Provider Overpayments Arising from Medi-Cal Member Eligibility Reporting Error

#### **Contact**

Nora Onishi, Director Information Services (714) 246-8400 Michelle Laughlin, Executive Director Network Operations (714) 246-8400

### **Recommended Action**

Authorize the Chief Executive Officer (CEO) to waive the recovery of additional overpayments made to Health Networks and Providers for the period of August 1, 2014 through August 30, 2018 based on a System Coding Logic Error and make a finding that such expenditures are for a public purpose and in furtherance of CalOptima's mission and statutory purpose.

#### **Background**

The Department of Health Care Services (DHCS) regularly sends Medi-Cal Member eligibility information to CalOptima. Medi-Cal eligibility files contains current month newly eligible and terminated Members plus 12 months of historical eligibility. Based on the information provided, CalOptima processes these files as they are received from DHCS to update its member eligibility and demographic information. Once the files are processed in CalOptima's systems, staff generates Medi-Cal member eligibility reporting for contracted Health Networks.

In September 2019, CalOptima's Information Systems (IS) team identified an internal coding discrepancy ("System Coding Logic Error") that directly impacted Medi-Cal member eligibility reporting. Specifically, while the system appropriately reported retroactive terminations due to member death or that were manually processed, retroactive termination based on other criteria (e.g., loss of eligibility via reporting by DHCS) were not captured. This resulted in overstated eligibility reports that, in turn, impacted the reported number of Medi-Cal eligible members assigned to CalOptima's Health Networks and fee-for-service providers. For example, if DHCS's September 2019 eligibility file reported a member terminated as of July 1, 2019, due to loss of eligibility, the CalOptima system recorded the termination as of September 1, 2019, missing two prior months of ineligibility.

Because Health Network capitation payments are issued based on the Members assigned to that Health Network, this error ultimately resulted in the overpayment of monthly Medi-Cal capitation. Since CalOptima did not register some of the retroactive eligibility termination information and recoup capitation payments from the Health Networks, the Health Networks, in turn, did not recoup payments from their providers for the impacted members.

The State's eligibility file contains current month eligibility plus 12 months of historical eligibility and terminations information. For the 12 months prior to the issue being identified in September 2019, it is estimated that CalOptima overpaid \$2.8 million in Medi-Cal capitation to its Health Networks and \$2.4

CalOptima Board Action Agenda Referral Consider Recommending Board of Directors' Approve Remedial Actions Related to Health Network and Provider Overpayments Arising from Medi-Cal Member Eligibility Reporting Error Page 2

million in fee-for-service claims. Based on the available 12 months of historical Medi-Cal eligibility information at the time the coding discrepancy was identified, CalOptima was able to update its internal business systems with the retroactive terminations back to September 2018. Since the update, CalOptima has been following recoupment processes to recover fee-for-service claims payments issued for dates of service from September 1, 2018 forward. Recoupments for overpaid capitation to Medi-Cal Health Networks were processed for payments dating back to April 1, 2019. To ensure consistency with recoupment processes for CalOptima Direct providers, recoupments for capitation payments to the health networks similarly need to be processed going back an additional seven months to September 1, 2018.

Resolution of the Discrepancy: In response to the coding discrepancy, CalOptima's IS Department implemented two (2) sets of controls designed to prevent future reoccurrence of the issue. The controls include code changes that were programmed into CalOptima's core system and processes to validate eligibility data with the monthly eligibility file received from the State. The code changes allow the system to recognize and process all retroactive eligibility terminations timely within the normal capitation cycle, and consistent with DHCS member termination data. To ensure quality control, the IS Department simultaneously runs monthly full-file reconciliations against thirteen (13) months of DHCS member eligibility data (current month plus twelve (12) prior months).

Additionally, new data controls are currently being developed so that the eligibility data will be compared to the capitation data received by DHCS for another level of validation. The internal process for receiving and passing on the eligibility and termination information from the State to CalOptima's providers and Health Networks will be selected for a focused internal audit. These quality controls are intended to ensure that CalOptima's monthly eligibility information and Health Network capitation payments are aligned with timely updated member eligibility data received from DHCS. CalOptima staff will complete the reconciliation of corrective actions related to the System Coding Logic Error and capitation payments to the Health Networks by no later than June 30, 2020.

#### **Discussion**

When the coding discrepancy was identified, CalOptima staff began analysis of the issue and developed resolution plans. CalOptima's system has been updated so that it now captures all retroactive termination information going back twelve (12) months (consistent with DHCS's eligibility file) and passes the information on to the contracted Health Networks. However, based on the current system logic for capitation payments and the span of monthly retroactive termination information received from the State, CalOptima has only recouped capitation payment from the Health Networks back to April 2019.

In light of the System Coding Logic Error impacting reporting of the retroactive member terminations to the Health Networks, and consistent with the fee-for-service claims recoupments based on available Medi-Cal eligibility information, staff is seeking Board authorization to waive recoupments of any additional overpaid capitation or fee-for-service amounts for the period prior to September 1, 2018. The average yearly cost of waiving the recoupments is estimated at \$2.8 million per year for the Health Networks and \$2.4 million per year for fee-for-service providers over a four-year period.

CalOptima Board Action Agenda Referral Consider Recommending Board of Directors' Approve Remedial Actions Related to Health Network and Provider Overpayments Arising from Medi-Cal Member Eligibility Reporting Error Page 3

Staff is therefore requesting that the Board authorize limiting additional recoupments to the period of September 1, 2018 through June 30, 2020, when the final reconciliation of the Health Network capitation and retroactive eligibility will be completed. Staff foresees that any further recoupment efforts prior to September 2018 would likely result in the Health Networks and CalOptima having challenges identifying and recouping the funds from downstream providers. As the Health Networks, providers, and members continue to be impacted by the financial challenges resulting from the COVID 19 pandemic, staff believes these measures will mitigate the impact.

### **Fiscal Impact**

The recommended action to waive the recovery of additional overpayments made to Health Networks and providers via shared-risk and direct network fee-for-service claims related to a system coding logic error prior to September 1, 2018 will have no impact to CalOptima's prior year net assets. The recommended action is not projected to impact CalOptima's Fiscal Year 2019-20 Operating Budget, approved by the Board on June 6, 2019.

Management estimates the annual amount of overpayment is \$2.8 million in capitation to Health Networks, and \$2.4 million in fee-for-service payments. The fiscal impact over the recommended action period is approximately \$11.2 million in capitation to Health Networks, and \$9.6 million in fee-for-service payments.

#### **Rationale for Recommendation**

CalOptima staff is proposing to align the retroactive eligibility termination information received from the State (up to twelve months) with the capitation payments made to the Health Networks and limit the recoupment of the additional overpayments, going back beyond a year from the date the System Coding Logic Error was identified, in order to remain consistent with the current regulatory practice of eligibility submission. With this approach, and in light of the current public health crisis brought on by the COVID-19 pandemic, management believes the recommended action will both address the overpayment issue and ensure that Health Networks and providers are available to meet Members' healthcare needs.

#### **Concurrence**

Gary Crockett, Chief Counsel

#### Attachments

None

/s/ Richard Sanchez

**Authorized Signature** 

*05/14/2020* 

Date



## Audit Entrance: CalOptima

May 21, 2020

## Finance and Audit Committee (FAC)

CalOptima

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for health care organizations. We are pleased to present our audit plan for CalOptima (the "Health Plan") for the year ending June 30, 2020. We would also like to discuss current-year developments and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan and we look forward to working with you.



Stacy Stelzriede Engagement Partner



Chris Pritchard
Concurring Partner

Other Team Members:

Jessica Pelzman Engagement Manager





Aparna Venkateswaran Engagement Senior Manager

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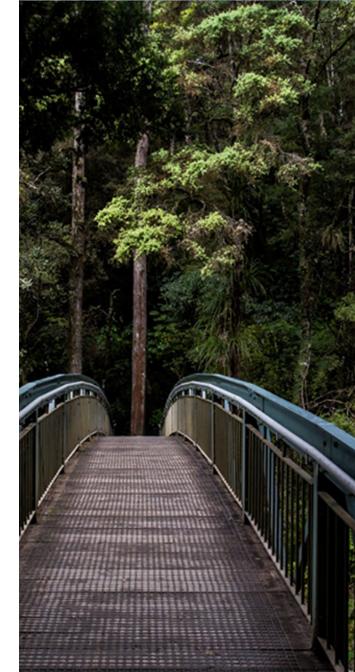
## Required Communications to Those Charged with Governance

### Now

- Auditor's responsibility under U.S. and government auditing standards
- Planned scope and timing of audit

### Later

- 1
- Significant audit findings
- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Management representations
- Management consultations with other independent accountants
- Other audit findings or issues



## Our Responsibility

Our responsibility under US Generally Accepted Auditing Standards and Government Auditing Standards.

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whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your

responsibilities.

To express our opinion on

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, Government Auditing Standards issued by the Comptroller General of the United States, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process and administering federal awards. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

## **Audit Process**

Internal Controls



Analytical Procedures



Substantive Procedures

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Includes information technology

Revenues and expenses

Trends, comparisons, and expectations

Confirmation of account balances

Vouching to supporting documentation

Representations from attorneys and management

Examining objective evidence

## What is Materiality?

The amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements.

### How It's Calculated:

 Using certain quantitative (e.g., total assets) and qualitative factors (e.g., covenants, expectations, or industry factors)

### It's Used To Identify:

- Significant risk areas
- Nature, timing, extent, and scope of test work
- Findings or misstatements

## Significant Audit Areas

Impact of COVID-19

Medical claims liability and claims expense

Capitation revenue and receivables

Amounts due to the State of California or DHCS

Pension and OPEB liabilities

## Consideration of Fraud

Auditors must consider fraud to "improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit." How we gather information to identify fraud-related risks of material misstatement:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

### Procedures to be performed:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate the business rationale for significant unusual transactions

## Deliverables

### We will issue the following reports:

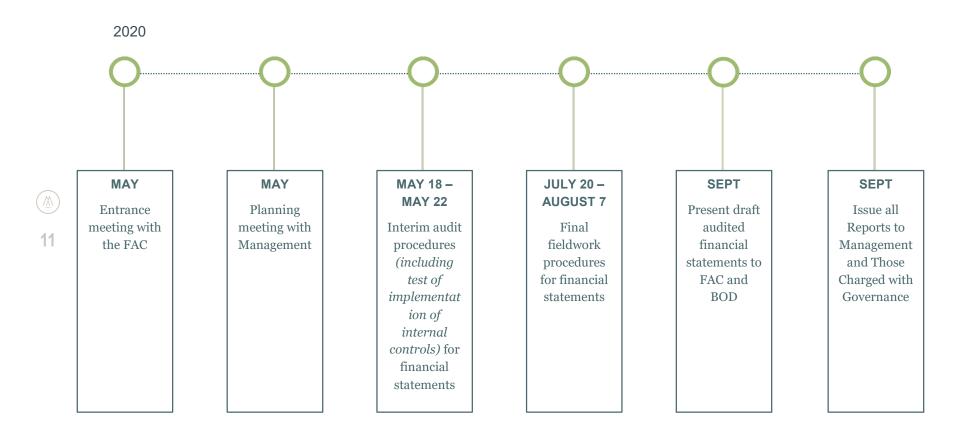
- Audit report on the financial statements of CalOptima as of and for the year ended June 30, 2020
- Report on Internal Control over Financial Reporting and on Compliance and Other Matters
- Report on Compliance for The Major Program and Report on Internal Control over Compliance Required by Uniform Guidance
- Report to Management and the FAC
  - Communicating required internal control related matters identified during the audit
- Report to the Board of Directors
  - Communicating required matters and other matters of interest

### Nonattest services:

Assist in drafting of the financial statements of CalOptima, excluding Management's Discussion and Analysis, as of and for the year ended June 30, 2020



## Timeline





## Accounting Update

### New Standards

### GASB 84 | Fiduciary Activities

Clarifies fiduciary activities as having the following characteristics:

- 1. Government controls the assets of the activity.
- 2. Those assets are not derived solely from the government's own source revenue.
- 3. One of the following:
  - > The assets result from a pass-through grant or trust agreement.
  - Assets are used to benefit individuals not typical recipients of the government's goods and services (i.e. employees receive the benefit instead of patients.)
  - > Assets are to be used to benefit other organizations or governments.
- Would require stand alone business-type entities (i.e. hospitals) with pension and OPEB trusts
  or patient custodial accounts to report separate fiduciary fund financial statements within the
  financial statements.
- Effective for CalOptima for fiscal year 2021.



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### New Standards

### GASB 87 | Leases

- Would treat all leases as financings (no classification of capital v. operating) similar to FASB ASU 2016-02.
- Includes non-cancellable period + periods covered by options to renew if reasonably certain to be exercised.
- Lessee would record an intangible asset (amortized over the shorter of its useful life or lease term) and present value of future lease payments as a liability.
- Lessor would record a lease receivable and deferred inflow of resources for cash received up front + future payments (revenue recognized over lease term in a systematic and rational basis).
- Effective for CalOptima for fiscal year 2022. Earlier application is encouraged.



## **About Moss Adams**

## Our Response to COVID-19

The COVID-19 pandemic has touched all aspects of our lives. We're here to guide you to the information and resources you need now and provide strategies for the changes to come. We'll support you as you rebuild and help you take advantage of rising opportunities.

#### **NAVIGATE**



### REBUILD



### THRIVE



- Stay up to date with guidance and support to help combat uncertainty
- Reach out to your Moss Adams professional with any questions on the most current updates and advisements

#### **ARTICLE**

- Weather COVID-19 Market Volatility: Investments, Finances, and Tax Planning

- Strategize needs and be aware of what's to come
  - We'll connect you with the right resource, either within the greater Moss Adams team or through our various industry contacts
- Review Moss Adams announcements that provide tax and regulatory relief

#### **ALERTS**

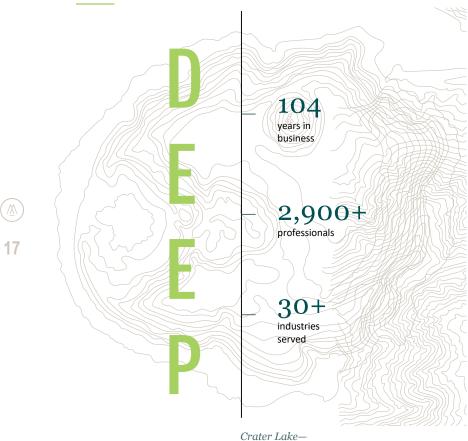
- <u>CARES Act Overview: Implications</u> for Business Taxpayers
- <u>CARES Act: Implications for</u> Individual Taxpayers

- Take steps to bolster your workforce and organization
- Evaluate additional service needs, such as the following:
- Capital sourcing
- Cloud tools
- Cost segregation
- Enterprise resource planning
- Estate and succession planning
- Financial planning
- Forecasting
- IT security and cybersecurity

- Process improvement
- Outsourced finance accounting
- R&D tax credits
- Risk assessment
- State and local tax
- Transactions services

### HELPING YOU ADAPT TO UNCERTAIN TIMES

## Our Expertise



Crater Lake— A monument to perseverance, North America's deepest lake filled to 1,949 feet over 720 years.

Data as of November 2017

### Our Reach



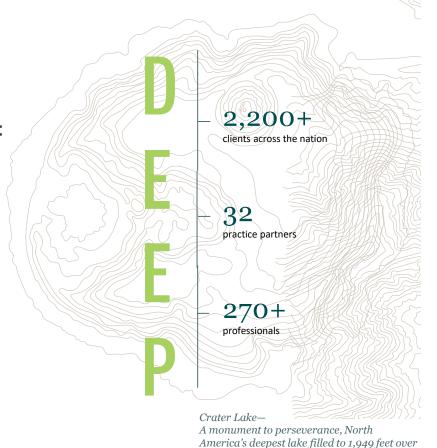
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## Health Care Industry Experience

Our health care professionals dedicate their careers to serving the industry.

We cover the full spectrum of health care including:

- · Hospitals and heath systems
- Independent practice associations
- Medical groups
- Community health centers
- Behavioral health organizations
- Long-term care
- Surgery centers
- Knox-Keene licensed health plans
- Health care ancillary services



Data as of November 2017

720 years.

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## Insights and Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key.

These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.

We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.











### Connect With Us

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.



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Twitter: <a>@Moss</a> Adams



Subscribe to our emails: www.mossadams.com/subscribe



RSS feeds: www.mossadams.com/RSS



YouTube: <a href="http://www.youtube.com/mossadamsllp">http://www.youtube.com/mossadamsllp</a>

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(949) 623-4157





# CalOptima Rebasing Process and Result Overview

MAY 21, 2020

Craig Keizur, FSA, MAAA Aaron Gates, FSA, MAAA



## **Caveats and Limitations**

- This presentation has been prepared subject to the terms and conditions of the Consulting Services Agreement between CalOptima and Milliman, Inc signed October 1, 2001. The information contained in this document is intended for the internal use of CalOptima and is only to be relied upon by your organization. No portion may be provided to any other party without Milliman, Inc.'s prior consent.
- The authors of this presentation are consulting actuaries with Milliman, Inc., are members of the American Academy of Actuaries and meet its qualification standards for performing the analysis in this report.
- In developing this presentation and capitation analysis, we relied upon detailed claims, encounter, and eligibility data, fee schedules, capitation contracts (including the Division of Financial Responsibility listing, or DoFR), reinsurance provisions, current capitation rates, network definitions, category identifications, and other information provided by CalOptima without audit. We performed general reasonableness checks on the data where possible. This analysis was prepared specifically to develop capitation rates and should not be used for other purposes.
- The analysis reflects projections, not predictions. The projected results represent our best estimate, given the underlying data and assumptions. Actual experience will vary from our models for many reasons, including differences in population health status, reimbursement levels, capitation contracts, fee schedules, and the delivery of healthcare services, as well as other non-random and random factors. It is important that actual experience be monitored and that adjustments are made, as appropriate. Results are based on Milliman research and on our experience in working with Medicaid plans similar to CalOptima.
- Milliman makes no representations or warranties regarding the contents of this presentation to third parties. Likewise, third parties are instructed that they are to place no reliance upon this presentation prepared for CalOptima by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this presentation must rely upon their own experts in drawing conclusions about the capitation rates, cost projections, and other assumptions.



## **Agenda**

- About Milliman
- Medi-Cal Rebasing
  - Project Overview
  - Methodology
  - Assumptions
  - Recommendation on Medi-Cal Classic Rates
- OneCare Connect Rebasing
  - Overview
  - Three Approaches
  - Recommendation on OneCare Connect Rates



## **About Milliman**

- Milliman, Inc. is a consulting firm of actuaries and consultants, based in Seattle
- The team working with CalOptima has significant experience with Medicaid rate setting in many states, including California
- Milliman has been involved in CalOptima's rebasing analysis since prior to 2003
  - Utilized similar process to what is employed today



## Medi-Cal Rebasing - Overview

### Goal:

Develop actuarially sound Facility and Professional Capitation Rates

### Process Outline:

- A 3+ month detailed data analysis processing over 300K claim lines
- Incorporate latest definitions for Category of Aid and Age/Gender
- Reflect networks' recent Facility and Professional experience
- Include allowance for non-medical expenses
- Final review with management

## Risk Adjustment

- Capitation rates support the CDPS risk adjustment
- Similar claims/encounter data used for CDPS, but process not incorporated into the rebasing analysis



## Medi-Cal Rebasing - Methodology

### Reconciliation

- Review against source data
- Summary of claims exclusions
- Review of output and data extracts
- Assessed reasonableness compared to several internal databases

## Encounter completeness

Review of office visit encounters vs. FFS



## Medi-Cal Rebasing - High Level Processes

## Data Processing

- Category of Service (COS) grouping
- Repricing to CalOptima Fee Schedule

## Claims projection

- Blending of prior years' experience
- Trend development

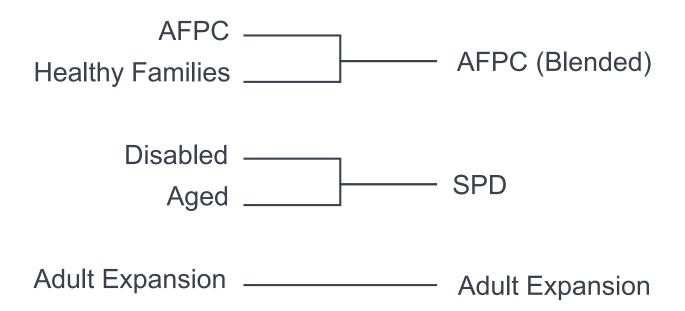
## Adjustments

- Benefit Carve-Out (e.g., High Cost Injectables, Maternity Kick Payment)
- Reinsurance
- Rates intended to cover both medical and non-medical expenses



# Medi-Cal Rebasing - Category of Aid (COA)

Updated to latest rate-based groupings





# Medi-Cal Rebasing - Age/Gender Groupings

Updated to revised rate-based groupings

FIIOI	
	Newborn
	4 4 4

FPC 1-14
Healthy 15-18 MF
Family 19-39 MF

Drior

40+

	0-14
Disabled	15-20 M/F
Adult Expansion	21-44 M/F
	45+

Adult All Ages Aged

#### Revised

	Newborn
FPC (Blended)	1-14
SPD	15-18 MF
Adult Expansion	19-39 M/F
	40-64
	65+
	19-39 M/F 40-64



### Medi-Cal Rebasing - Assumptions

- Base Data Three Years
  - Reviewed FY2017-FY2019: 33% FY2018/67% FY2019
  - Classic and Expansion
- Categories of Service Assignment (claims)
  - Utilization data processed through Milliman Health Cost Guidelines (HCG)
     Grouper to assign detailed categories of service
  - Additional service category detail provided as necessary for carve-out and DoFR considerations

#### DoFR

- Assign detailed COS claims to risk "buckets" per the DoFR
- Identify CalOptima Direct (COD)
- Service Category Carve-Outs



### Medi-Cal Rebasing - Assumptions (continued)

#### Data Exclusions

- Networks: Kaiser, CCN, COD
  - Kaiser has a separate arrangement for capitation
  - CCN and COD are internal to CalOptima and have different risk profiles than the networks
  - These networks are not included in risk adjustment
- Eligibility type: Dual-eligible
- Categories of Aid: WCM, AIDS, Transplants, ESRD, BCCTP
  - Whole Child Model has separate rate development
  - The additional aid categories have very few members and experience has low credibility



# Medi-Cal Rebasing - Assumptions (continued)

#### Repricing

- Utilizes fee schedules from DHCS and CalOptima
- Inpatient Facility Hospital per diems; APR-DRG
- Outpatient Facility
  - > 133% of Medi-Cal fee schedule
- Professional / Other
  - Classic PCP: 129%, Specialist: 133%
  - Adult Expansion PCP: 129%, Specialist: 156%
- Misc. Overrides (e.g., Prof ER = \$100 per case)
- Completed claims with Incurred But Not Paid (IBNP)
  - FY2019: Facility 97% complete, Professional 99% complete



### Medi-Cal Rebasing - Assumptions (continued)

#### Utilization and Mix Trends

- Reasonable trends applied for Facility and Professional
- Based on review of CalOptima repriced claims and other external trend publications
- Unit cost based on most current fee schedule; not explicitly trended prior to repricing
- Additional trend assumption applied in final recommendation

#### Reinsurances Threshold

Hospital: \$150,000

Professional: \$17,000

Network risk in excess of threshold: 20% coinsurance



### **Medi-Cal Rebasing - Process**

- Milliman presents rates to CalOptima with reports documenting all assumptions
  - Extensive reconciliation to base data inputs
  - Detailed cost and profitability models
  - Comparison of proposed rates to current rates
  - Comparisons of revenue by network
- Results are shared with CalOptima's management for review, discussion, and approval
- Development of an Implementation Strategy
  - Includes communication with Health Networks



# Recommended Medi-Cal Classic Rebasing Adjustments

Child Non-Child

Total

Total	Professional	Facility
-12.8%	0.3%	-37.2%
7.2%	-1.3%	15.2%
-2.0%	-0.5%	-3.9%

HMO PHC SRG **Total** 

Facility	Professional	Total
6.8%	-0.7%	2.8%
-21.4%	0.2%	-8.2%
3.6%	-1.1%	1.1%
-3.9%	-0.5%	-2.0%



# Recommended Medi-Cal Classic Rebasing Rates

	Faci	ility	Profes	ssional
Age/Gender	FPC	SPD	FPC	SPD
MF 0	\$31.74	\$42.78	\$94.68	\$147.72
MF 1-14	11.15	42.78	38.25	147.72
F 15-18	20.01	30.21	37.96	72.36
M 15-18	12.71	26.07	28.73	56.58
F19-39	110.98	143.50	93.03	137.26
M19-39	32.84	167.90	33.74	102.94
MF 40-64	82.27	444.24	95.30	247.01
MF 65+	82.27	190.10	95.30	156.81



# **OneCare Connect Rebasing - Overview**

- Adjust Capitation Rates based on underlying costs to networks
  - Reflect networks' recent Facility and Professional experience, according to Medicare fee schedule
  - Rates intended to cover medical and non-medical expenses
  - Include provision for CalOptima's financial requirements
  - OCC review of Medicare repricing/RVUs for encounters vs. FFS
- Utilized three different approaches:
  - Revenue allocation: Allocate revenue based on DoFR risk
  - Buildup approach: Build up of required revenue for networks based on repriced encounter data and administrative allowance
  - Margin analysis: Adjustment of network revenue to allow LOB to be sustainable



### **OneCare Connect - Medical Cost Methodology**

#### Data Processing

- Category of Service grouping and strict application of DoFR
- Repricing to Medicare Fee Schedule
  - Medicare allowed
  - RVU-based estimate
  - Allowed or billed based estimate

### Claims projection

- Blending of prior years' experience
- Trend development



# OneCare Connect - Revenue Allocation/ Buildup Approach

- Both methods use medical benefit cost estimates
- Revenue Allocation
  - Repriced claims and encounter data for both networks and COD
  - Medical benefit costs allocated to Hospital, Professional, COD, and other risk categories based on DoFR
  - Percent of premium (POP) capitation developed for Hospital and Professional based on proportion of costs

#### Buildup

- Based on repriced claims and Medicare revenue for network only
- Allocation between Hospital and Professional based on DoFR
- Accounts for both medical and non-medical expenses



# **OneCare Connect - Margin Analysis**

#### Summary of Financial Results

- Total revenue (MMR-based)
- Expenses
  - % of revenue capitation
  - > FFS claims
  - Quality Improvement initiatives
  - Administrative expenses
  - Buildup approach used as a reference point to establish floor

#### Adjustments

- Considered adjustment for revenue unrelated to networks (e.g., supplemental benefits)
- Facility % of revenue capitation adjusted to target improved margin
- Professional % of revenue unchanged



#### **OneCare Connect - Recommendations**

- No change to Professional percent of revenue at 34.4%
- Proposed Hospital capitation reduced from 50.9% to 45%
  - % of net revenue for proposed is similar to prior % of gross revenue

	Current					
	Capitation	Proposed Capitation				
	% of Gross	% of Gross	% of Net			
Network	Revenue	Revenue	Revenue			
SRG	N/A	N/A	N/A			
HMO	50.9%	45.0%	50.8%			
PHC	50.9%	45.0%	51.1%			

Adjusted capitation improves financial performance



#### **Contact Information**

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# **End / Questions?**



# **Financial Summary**

**March 2020** 

**Board of Directors' Finance and Audit Committee May 21, 2020** 

Nancy Huang
Chief Financial Officer

#### FY 2019-20: Consolidated Enrollment

#### March 2020 MTD

Overall enrollment was 724,149 members

- Actual lower than budget 10,105 or 1.4%
  - ➤ Medi-Cal unfavorable to budget 10,133 or 1.4%
    - o Medi-Cal Expansion (MCE) unfavorable variance of 11,162
    - o Whole Child Model (WCM) unfavorable variance of 1,778
    - o Seniors and Persons with Disabilities (SPD) favorable variance of 1,410
    - Temporary Assistance for Needy Families (TANF) favorable variance of 1,282
    - o Long-Term Care (LTC) favorable variance of 115
  - ➤ OneCare Connect favorable to budget 180 or 1.3%
  - ➤ OneCare unfavorable to budget 149 or 9.8%
  - ➤ PACE unfavorable to budget 3 or 0.7%
- 7,921 increase or 1.1% from February
  - o Medi-Cal increase of 8,029
  - OneCare Connect decrease of 94
  - OneCare decrease of 18
  - PACE increase of 4



### FY 2019-20: Consolidated Enrollment (cont.)

#### March 2020 YTD

Overall enrollment was 6,639,471 member months

- Actual lower than budget 74,470 or 1.1%
  - ➤ Medi-Cal unfavorable to budget 75,105 or 1.1%
    - MCE unfavorable variance of 68,594
    - o WCM unfavorable variance of 12,927
    - o TANF unfavorable variance 4,430
    - o SPD favorable variance of 10,139
    - LTC favorable variance of 706
  - ➤ OneCare Connect favorable to budget 807 or 0.6%
  - ➤ OneCare unfavorable to budget 197 or 1.5%
  - ➤ PACE favorable to budget 25 or 0.7%



#### FY 2019-20: Consolidated Revenues

#### March 2020 MTD

- Actual higher than budget \$105.0 million or 35.3%
  - ➤ Medi-Cal favorable to budget \$104.2 million or 38.8%
    - o Unfavorable volume variance of \$3.8 million
    - o Favorable price variance of \$108.0 million
      - \$91.0 million of Directed Payment (DP) revenue
      - \$14.4 million of acuity rate adjustment and updated MCE rates from the Department of Health Care Services (DHCS)
      - \$1.6 million of LTC revenue from non-LTC categories of aid
      - \$1.5 million of Behavioral Health Treatment (BHT) revenue
      - Offset by \$3.3 million of WCM revenue
  - ➤ OneCare Connect favorable to budget \$0.5 million or 2.1%
    - Favorable volume variance of \$0.3 million
    - Favorable price variance of \$0.2 million



# FY 2019-20: Consolidated Revenues (cont.)

#### March 2020 MTD (cont.)

- OneCare unfavorable to budget \$87.6 thousand or 5.3%
  - o Unfavorable volume variance of \$162.8 thousand
  - o Favorable price variance of \$75.2 thousand
- ➤ PACE favorable to budget \$402.6 thousand or 12.9%
  - o Unfavorable volume variance of \$23.2 thousand
  - Favorable price variance of \$425.9 thousand



### FY 2019-20: Consolidated Revenues (cont.)

#### March 2020 YTD

- Actual higher than budget \$251.5 million or 9.4%
  - ➤ Medi-Cal favorable to budget \$242.4 million or 10.0%
    - o Unfavorable volume variance of \$27.7 million
    - o Favorable price variance of \$270.1 million
      - \$195.3 million of DP revenue
      - \$53.0 million of CCI revenue due to updated rate and member mix
      - \$37.4 million of acuity rate adjustment and updated MCE rates from DHCS
      - \$12.1 million of BHT revenue
      - Offset by \$25.5 million of WCM revenue
  - ➤ OneCare Connect favorable to budget \$7.1 million or 3.3%
    - o Favorable volume variance of \$1.4 million
    - o Favorable price variance of \$5.7 million



### FY 2019-20: Consolidated Revenues (cont.)

#### March 2020 YTD (cont.)

- ➤ OneCare favorable to budget \$625.6 thousand or 4.2%
  - o Unfavorable volume variance of \$214.7 thousand
  - o Favorable price variance of \$840.4 thousand
- > PACE favorable to budget \$1.3 million or 5.0%
  - o Favorable volume variance of \$0.2 million
  - Favorable price variance of \$1.1 million



# FY 2019-20: Consolidated Medical Expenses

#### March 2020 MTD

- Actual higher than budget \$97.1 million or 33.9%
  - ➤ Medi-Cal unfavorable variance of \$96.2 million or 37.2%
    - o Favorable volume variance of \$3.6 million
    - o Unfavorable price variance of \$99.8 million
      - Reinsurance & Other expenses unfavorable variance of \$89.8 million due to DP
      - Professional Claims unfavorable variance of \$6.5 million due to crossover claims
      - Prescription Drug claims unfavorable variance of \$6.4 million due to increased utilization
      - Provider Capitation favorable variance of \$2.6 million
  - ➤ OneCare Connect unfavorable variance of \$0.7 million or 3.0%
    - o Unfavorable volume variance of \$0.3 million
    - Unfavorable price variance of \$0.4 million



# FY 2019-20: Consolidated Medical Expenses (cont.)

#### March 2020 YTD

- Actual higher than budget \$258.0 million or 10.1%
  - Medi-Cal unfavorable variance of \$254.8 million or 11.1%
    - o Favorable volume variance of \$26.3 million
    - o Unfavorable price variance of \$281.0 million
      - Reinsurance and Other Expense category unfavorable variance of \$182.9 million due to \$195.5 million of DP, offset by favorable variance in Homeless Health Initiative
      - Facilities Claims unfavorable variance of \$41.4 million
      - Professional Claims unfavorable variance of \$33.2 million
      - MLTSS unfavorable variance of \$16.7 million
  - ➤ OneCare Connect unfavorable variance of \$4.5 million or 2.2%
    - Unfavorable volume variance of \$1.3 million
    - o Unfavorable price variance of \$3.2 million

#### Medical Loss Ratio (MLR)

• March 2020 MTD: Actual: 95.4% Budget: 96.5%

• March 2020 YTD: Actual: 95.8% Budget: 95.2%



# FY 2019-20: Consolidated Administrative Expenses

#### March 2020 MTD

- Actual lower than budget \$2.1 million or 15.4%
  - Salaries, wages and benefits: favorable variance of \$0.8 million
  - ➤ Other categories: favorable variance of \$1.3 million

#### March 2020 YTD

- Actual lower than budget \$16.1 million or 13.7%
  - ➤ Salaries, wages and benefits: favorable variance of \$6.9 million
  - ➤ Other categories: favorable variance of \$9.2 million

#### Administrative Loss Ratio (ALR)

• March 2020 MTD: Actual: 2.9% Budget: 4.6%

• March 2020 YTD: Actual: 3.4% Budget: 4.4%

➤ Actual ALR (excluding DP revenue) is 3.7% MTD and 3.7% YTD



# FY 2019-20: Change in Net Assets

#### March 2020 MTD

- \$7.5 million change in net assets
- \$9.4 million favorable to budget
  - ➤ Higher than budgeted revenue of \$105.0 million
  - ➤ Higher than budgeted medical expenses of \$97.1 million
  - Lower than budgeted administrative expenses of \$2.1 million
  - Lower than budgeted investment and other income of \$0.6 million

#### March 2020 YTD

- \$48.4 million change in net assets
- \$25.6 million favorable to budget
  - ➤ Higher than budgeted revenue of \$251.5 million
  - ➤ Higher than budgeted medical expenses of \$258.0 million
  - Lower than budgeted administrative expenses of \$16.1 million
  - ➤ Higher than budgeted investment and other income of \$16.1 million



# **Enrollment Summary: March 2020**

	Month-t	to-Date				Year-to-I	Date	
		\$	%				S	%
Actual	Budget	Variance	<b>Variance</b>	Enrollment (by Aid Category)	<b>Actual</b>	Budget	<b>Variance</b>	<b>Variance</b>
66,242	66,241	1	0.0%	Aged	592,981	591,430	1,551	0.3%
502	615	(113)	(18.4%)	BCCTP	4,773	5,535	(762)	(13.8%)
45,109	43,587	1,522	3.5%	Disabled	402,888	393,538	9,350	2.4%
278,561	276,635	1,926	0.7%	TANF Child	2,536,630	2,538,817	(2,187)	(0.1%)
83,631	84,275	(644)	(0.8%)	TANF Adult	773,375	775,618	(2,243)	(0.3%)
3,519	3,404	115	3.4%	LTC	31,342	30,636	706	2.3%
224,582	235,744	(11,162)	(4.7%)	MCE	2,049,947	2,118,541	(68,594)	(3.2%)
11,162	12,940	(1,778)	(13.7%)	WCM	103,533	116,460	(12,927)	(11.1%)
713,308	723,441	(10,133)	(1.4%)	Medi-Cal Total	6,495,470	6,570,575	(75,105)	(1.1%)
14,077	13,897	180	1.3%	OneCare Connect	127,307	126,500	807	0.6%
1,364	1,513	(149)	(9.8%)	OneCare	13,332	13,529	(197)	(1.5%)
400	403	(3)	(0.7%)	PACE	3,362	3,337	25	0.7%
729,149	739,254	(10,105)	(1.4%)	CalOptima Total	6,639,471	6,713,941	(74,470)	(1.1%)



# Financial Highlights: March 2020

	Month-to-Da		Year-to-Date	e				
		\$	%	-			\$	%
Actual	Budget	Budget	Budget		Actual	Budget	Budget	Budget
729,149	739,254	(10,105)	(1.4%)	Member Months	6,639,471	6,713,941	(74,470)	(1.1%)
402,216,513	297,201,816	105,014,697	35.3%	Revenues	2,926,735,188	2,675,282,490	251,452,698	9.4%
383,903,326	286,815,601	(97,087,725)	(33.9%)	Medical Expenses	2,804,915,275	2,546,891,566	(258,023,710)	(10.1%)
11,505,316	13,604,361	2,099,045	15.4%	Administrative Expenses	100,794,302	116,852,902	16,058,600	13.7%
6,807,871	(3,218,146)	10,026,017	311.5%	Operating Margin	21,025,611	11,538,022	9,487,588	82.2%
646,007	1,250,000	(603,993)	(48.3%)	Non Operating Income (Loss)	27,334,791	11,250,000	16,084,791	143.0%
7,453,878	(1,968,146)	9,422,024	478.7%	Change in Net Assets	48,360,402	22,788,022	25,572,380	112.2%
95.4%	96.5%	1.1%		Medical Loss Ratio	95.8%	95.2%	(0.6%)	
2.9%	4.6%	1.7%		Administrative Loss Ratio	3.4%	4.4%	0.9%	
1.7%	(1.1%)	2.8%		Operating Margin Ratio	0.7%	0.4%	0.3%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
3.7%				*Administrative Loss Ratio (excluding Directed Payments)	3.7%			

<sup>\*</sup>CalOptima updated the category of Directed Payments per Department of Healthcare Services instructions



# Consolidated Performance Actual vs. Budget: March 2020 (in millions)

МО	NTH-TO-DAT	TE .		YEAR-TO-DATE			
Actual	Budget	Variance		<u>Actual</u>	Budget	Variance	
7.9	(2.0)	9.8	Medi-Cal	23.8	22.4	1.4	
(1.3)	(1.3)	0.0	occ	(6.8)	(11.5)	4.7	
(0.4)	(0.1)	(0.3)	OneCare	0.4	(1.0)	1.4	
0.6	0.2	<u>0.4</u>	PACE	<u>3.6</u>	<u>1.7</u>	<u>2.0</u>	
6.8	(3.2)	10.0	Operating	21.0	11.5	9.5	
0.6	<u>1.3</u>	(0.6)	Inv./Rental Inc, MCO tax	<u>27.3</u>	<u>11.3</u>	<u>16.1</u>	
0.6	1.3	(0.6)	Non-Operating	27.3	11.3	16.1	
7.5	(2.0)	9.4	TOTAL	48.4	22.8	25.6	



# Consolidated Revenue & Expense: March 2020 MTD

	Medi-Cal Classic*	Medi-Cal Expansion	Whole Child Mod	l Total l	Medi-Cal	OneCare Connect	Oı	neCare		PACE	Cons	olidated
MEMBER MONTHS	477,564	224,582	11,16	2	713,308	14,077		1,364		400		729,149
REVENUES												
Capitation Revenue	197,437,143	\$ 152,881,027	\$ 22,234,63	\$ 37	72,552,802	\$ 24,573,194	\$	1,565,618	\$	3,524,900	\$ 402	2,216,513
Other Income					-			-		-		-
Total Operating Revenue	197,437,143	152,881,027	22,234,63	37	72,552,802	24,573,194		1,565,618		3,524,900	402	2,216,513
MEDICAL EXPENSES												
Provider Capitation	37,925,700	41,962,965	9,736,86	8	39,625,534	10,958,029		466,521			10	1,050,083
Facilities	24,418,061	22,825,667	3,348,85	5 5	50,592,583	3,918,192		688,741		672,112	5	5,871,627
Professional Claims	19,834,363	7,997,069	1,996,29	2	29,827,726	752,954		76,380		766,374	3	1,423,433
Prescription Drugs	40,899,555	3,283,969	6,162,37	5	50,345,897	5,963,644		495,903		250,533	51	7,055,978
MLTSS	33,096,069	2,642,467	363,81	5 3	36,102,353	1,254,384		59,105		34,850	31	7,450,691
Medical Management	2,232,979	1,511,832	295,79	3	4,040,604	1,103,023		29,526		836,903	(	6,010,056
Quality Incentives	894,005	449,017	140,26	3	1,483,285	195,410				5,000		1,683,695
Reinsurance & Other	54,251,414	38,683,119	31,20	5 9	92,965,739	195,623				196,399	93	3,357,761
Total Medical Expenses	213,552,147	119,356,106	22,075,46	35	4,983,721	24,341,258		1,816,176	_	2,762,170	383	3,903,326
Medical Loss Ratio	108.2%	78.1%	99.3	6	95.3%	99.1%		116.0%		78.4%		95.4%
GROSS MARGIN	(16,115,004)	33,524,921	159,16	17	,569,081	231,936		(250,558)		762,730	18,	313,188
ADMINISTRATIVE EXPENSES												
Salaries & Benefits					6,720,461	753,261		75,825		142,914		7,692,461
Professional fees					200,988	4,000		15,000		123		220,112
Purchased services					931,229	81,189		8,823		4,820		1,026,061
Printing & Postage					278,531	70,817		5,200		23,156		377,704
Depreciation & Amortization					273,042					2,057		275,099
Other expenses					1,649,178	60,497		-		2,614		1,712,290
Indirect cost allocation & Occupancy					(353,405)	579,990		28,340		(53,336)		201,589
Total Administrative Expenses					9,700,025	1,549,755		133,188		122,348	1	1,505,316
Admin Loss Ratio					2.6%	6.3%		8.5%		3.5%		2.9%
INCOME (LOSS) FROM OPERATION	s				7,869,056	(1,317,820)		(383,747)		640,382	(	6,807,871
INVESTMENT INCOME												(476,268)
TOTAL MCO TAX					1,169,888						1	1,169,888
TOTAL GRANT INCOME					(47,663)							(47,663)
OTHER INCOME					50							50
CHANGE IN NET ASSETS				\$ 8	3,991,331	\$ (1,317,820)	\$	(383,747)	\$	640,382	\$ 7,	453,878
BUDGETED CHANGE IN NET ASSETS	S			(	(1,967,723)	(1,327,322)		(117,763)		194,662	(	1,968,146)
VARIANCE TO BUDGET - FAV (UNFA	AV)			\$ 1	10,959,053	\$ 9,502	\$	(265,984)	\$	445,720	\$ 9	9,422,024

<sup>\*</sup> Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic



# Consolidated Revenue & Expense: March 2020 YTD

	Medi-Cal Classic*	Med	li-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	_ <u>c</u>	onsolidated
MEMBER MONTHS	4,341,989		2,049,947	103,533	6,495,469	127,307	13,332	3,362		6,639,470
REVENUES Capitation Revenue	1,428,990,429	\$	1,026,843,471	\$ 206,060,661	\$ 2,661,894,561	\$ 222,256,554	\$ 15,372,629	\$ 27,211,444	\$	2,926,735,188
Other Income  Total Operating Revenue	1,428,990,429	_	1,026,843,471	206,060,661	2,661,894,561	222,256,554	15,372,629	27,211,444	_	2,926,735,188
MEDICAL EXPENSES										
Provider Capitation	349,160,189		393,943,944	90,242,437	833,346,571	98,879,547	4,309,216			936,535,334
Facilities	226,693,188		195,509,811	48,948,529	471,151,528	33,541,218	3,820,989	5,918,180		514,431,915
Professional Claims	161,739,331		63,915,929	13,278,163	238,933,422	6,804,523	466,410	5,064,571		251,268,926
Prescription Drugs	175,335,045		180,387,821	50,624,188	406,347,054	50,935,839	4,629,207	2,123,105		464,035,204
MLTSS	307,804,027		23,621,827	15,094,415	346,520,269	12,080,517	160,380	331,476		359,092,642
Medical Management	19,042,195		11,346,563	2,396,273	32,785,031	9,271,719	335,186	6,551,564		48,943,499
Quality Incentives	8,212,412		4,148,732	1,270,011	13,631,155	1,814,500		196,235		15,641,890
Reinsurance & Other	122,079,863		89,045,619	307,561	211,433,043	1,659,972		1,872,850		214,965,864
Total Medical Expenses	1,370,066,249		961,920,244	222,161,578	2,554,148,072	214,987,835	13,721,389	22,057,980		2,804,915,275
Medical Loss Ratio	95.9%		93.7%	107.8%	96.0%	96.7%	89.3%	81.1%		95.8%
GROSS MARGIN	58,924,180		64,923,227	(16,100,917)	107,746,490	7,268,719	1,651,240	5,153,464		121,819,913
ADMINISTRATIVE EXPENSES										
Salaries & Benefits					57,996,091	6,449,989	595,610	1,262,266		66,303,956
Professional fees					1,773,329	460,486	174,371	1,506		2,409,692
Purchased services					7,314,886	1,264,438	119,728	71,527		8,770,578
Printing & Postage					3,030,687	544,491	42,746	105,646		3,723,571
Depreciation & Amortization					3,006,362			18,714		3,025,075
Other expenses					13,187,130	281,948	2,237	35,160		13,506,475
Indirect cost allocation & Occupancy					(2,360,150)	5,028,550	347,805	38,749		3,054,954
Total Administrative Expenses					83,948,334	14,029,902	1,282,498	1,533,568		100,794,302
Admin Loss Ratio					3.2%	6.3%	8.3%	5.6%		3.4%
INCOME (LOSS) FROM OPERATION	s				23,798,156	(6,761,183)	368,742	3,619,896		21,025,611
INVESTMENT INCOME										29,194,355
TOTAL MCO TAX					(1,812,360)					(1,812,360)
TOTAL GRANT INCOME					(47,748)					(47,748)
OTHER INCOME					544					544
CHANGE IN NET ASSETS					\$ 21,938,591	\$ (6,761,183)	\$ 368,742	\$ 3,619,896	S	48,360,402
BUDGETED CHANGE IN NET ASSETS	8				22,396,122	(11,510,726)	(998,822)	1,651,448		22,788,022
VARIANCE TO BUDGET - FAV (UNFA	(V)				\$ (457,531)	\$ 4,749,543	\$ 1,367,564	\$ 1,968,448	\$	25,572,380

<sup>\*</sup> Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic



# Balance Sheet: As of March 2020

LIABILITIES & NET POSITION

Current Liabilities

Operating Cash Investments Capitation receivable Receivables - Other Prepaid expenses	\$382,898,813 518,455,688 387,689,990 51,102,708 6,893,911	Accounts Payable Medical Claims liability Accrued Payroll Liabilities Deferred Revenue Deferred Lease Obligations Capitation and Withholds	\$41,752,651 781,885,602 13,997,455 30,787,390 170,710 132,250,984
Total Current Assets	1,347,041,111	Total Current Liabilities	1,000,844,794
Capital Assets			
Furniture & Equipment	37,266,060		
Building/Leasehold Improvements	11,736,817		
505 City Parkway West	50,489,717		
	99,492,593		
Less: accumulated depreciation	(51,440,146)		
A 5.4	10.050.115	ed at the second	

	,,,,,,,,,		
Less: accumulated depreciation	(51,440,146)		
Capital assets, net	48,052,447	Other (than pensions) post	
		employment benefits liability	
Other Assets		Net Pension Liabilities	
Restricted Deposit & Other	300,000	Bldg 505 Development Rights	
Homeless Health Reserve	58,198,913		
Board-designated assets:		TOTAL LIABILITIES	
Cash and Cash Equivalents	7,610,600		
Long-term Investments	569,212,008	Deferred Inflows	
Total Board-designated Assets	576,822,608	Excess Earnings	

635,321,521

6,428,159

2,041,505,528

556,000

		Net Position	
TOTAL ASSETS	2,030,415,079	TNE	100,958,386
		Funds in Excess of TNE	882,944,885
Deferred Outflows		TOTAL NET POSITION	983,903,272
Contributions	686,962		
Difference in Experience	3,419,328		

Change in Assumptions

OPEB Changes in Assumptions

TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION



2,041,505,528

25,821,090 23,529,538

1,050,195,422

156,330

4,747,505

2,503,000

ASSETS

Current Assets

**Total Other Assets** 

Excess Earning Changes in Assumptions

Pension Contributions

TOTAL ASSETS & DEFERRED OUTFLOWS

# **Board Designated Reserve and TNE Analysis As of March 2020**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	157,864,886				
	Tier 1 - Logan Circle	156,881,532				
	Tier 1 - Wells Capital	157,161,784				
Board-designated Rese	rve					
		471,908,201	320,551,041	501,197,938	151,357,160	(29,289,737)
TNE Requirement	Tier 2 - Logan Circle	104,914,407	100,958,386	100,958,386	3,956,021	3,956,021
	Consolidated:	576,822,608	421,509,427	602,156,324	155,313,181	(25,333,716)
	Current reserve level	1.92	1.40	2.00		















# UNAUDITED FINANCIAL STATEMENTS March 2020

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# CalOptima - Consolidated Financial Highlights For the Nine Months Ended March 31, 2020

	Month-to-Da	ite				Year-to-Date	<b>:</b>	
		\$	%	_			\$	%
Actual	Budget	Budget	Budget		Actual	Budget	Budget	Budget
729,149	739,254	(10,105)	(1.4%)	Member Months	6,639,471	6,713,941	(74,470)	(1.1%)
402,216,513	297,201,816	105,014,697	35.3%	Revenues	2,926,735,188	2,675,282,490	251,452,698	9.4%
383,903,326	286,815,601	(97,087,725)	(33.9%)	Medical Expenses	2,804,915,275	2,546,891,566	(258,023,710)	(10.1%)
11,505,316	13,604,361	2,099,045	15.4%	Administrative Expenses	100,794,302	116,852,902	16,058,600	13.7%
6,807,871	(3,218,146)	10,026,017	311.5%	Operating Margin	21,025,611	11,538,022	9,487,588	82.2%
646,007	1,250,000	(603,993)	(48.3%)	Non Operating Income (Loss)	27,334,791	11,250,000	16,084,791	143.0%
7,453,878	(1,968,146)	9,422,024	478.7%	Change in Net Assets	48,360,402	22,788,022	25,572,380	112.2%
95.4%	96.5%	1.1%		Medical Loss Ratio	95.8%	95.2%	(0.6%)	
2.9%	4.6%	1.7%		Administrative Loss Ratio	3.4%	4.4%	0.9%	
1.7%	(1.1%)	2.8%		Operating Margin Ratio	0.7%	0.4%	0.3%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
3.7%				*Administrative Loss Ratio (excluding Directed Payments)	3.7%			

<sup>\*</sup>CalOptima updated the category of Directed Payments per Department of Healthcare Services instructions

# CalOptima

# Financial Dashboard

# For the Nine Months Ended March 31, 2020

#### MONTH - TO - DATE

Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	713,308	723,441 🖖	(10,133)	(1.4%)
OneCare Connect	14,077	13,897 🏚	180	1.3%
OneCare	1,364	1,513 🖖	(149)	(9.8%)
PACE	400	403 🖖	(3)	(0.7%)
Total	729,149	739,254 🖖	(10,105)	(1.4%)

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 8,991 \$	(1,968) 👚 \$	10,959	556.9%
OneCare Connect	(1,318)	(1,327)	9	0.7%
OneCare	(384)	(118) 🖖	(266)	(225.4%)
PACE	640	195 🏚	446	228.2%
505 Bldg.	-	-	-	0.0%
Investment Income	(476)	1,250 🖖	(1,726)	(138.1%)
Total	\$ 7,454 \$	(1,968) 👚 \$	9,422	478.8%

MLR				
	Actual	Budget	% Point Var	
Medi-Cal	95.3%	96.5% 🏚	1.2	
OneCare Connect	99.1%	98.1% 🖖	(0.9)	
OneCare	116.0%	98.1% 🖖	(17.9)	

Administrative Cost (000)	)				
		Actual	Budget	Fav / (Unfav	)
Medi-Cal	\$	9,700 \$	11,490 👚 \$	1,790	15.6%
OneCare Connect		1,550	1,777	227	12.8%
OneCare		133	149 🏠	16	10.6%
PACE		122	188 🏚	66	35.1%
Total	\$	11,505 \$	13,604 👚 \$	2,099	15.4%

Total FTE's Month			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,062	1,183	121
OneCare Connect	200	211	11
OneCare	10	9	(1)
PACE	78	93	14
Total	1,351	1,496	145

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	672	612	60
OneCare Connect	70	66	5
OneCare	130	163	(33)
PACE	5	4	1
Total	877	845	33

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YEAR	- T	· O	DA	\TE
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Year To Date Enrollment				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	6,495,470	6,570,575 🖖	(75,105)	(1.1%)
OneCare Connect	127,307	126,500	807	0.6%
OneCare	13,332	13,529 🖖	(197)	(1.5%)
PACE	3,362	3,337	25	0.7%
Total	6,639,471	6,713,941 🌵	(74,470)	(1.1%)

Change in Net Assets (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 21,939 \$	22,396 🌵 \$	(458)	(2.0%)
OneCare Connect	(6,761)	(11,511) 🏠	4,750	41.3%
OneCare	369	(999) 🛖	1,368	136.9%
PACE	3,620	1,651	1,968	119.3%
505 Bldg.	-	- 🏠	-	0.0%
Investment Income	29,194	11,250	17,944	159.5%
Total	\$ 48,360 \$	22,788 🏚 \$	25,572	112.2%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	96.0%	95.0% 🖖	(0.9)
OneCare Connect	96.7%	97.8% 🧥	1.1
OneCare	89.3%	97.8% 🧥	8.5

Administrative Cost (000)				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 83,948	\$ 97,689 🏚 \$	13,741	14.1%
OneCare Connect	14,030	16,197 🏫	2,167	13.4%
OneCare	1,282	1,324 🏚	41	3.1%
PACE	1,534	1,643	109	6.7%
Total	\$ 100,794	\$ 116,853 🏚 \$	16,059	13.7%

Total FTE's YTD			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	9,339	10,497	1,158
OneCare Connect	1,733	1,851	117
OneCare	85	84	(2)
PACE	653	829	176
Total	11.810	13.260	1,449

MM per FTE				
	Actual	Budget	Fav / (Unfav)	
Medi-Cal	696	626	70	
OneCare Connect	73	68	5	
OneCare	156	162	(6)	
PACE	5	4	1	
Total	930	860	70	

# CalOptima - Consolidated Statement of Revenues and Expenses For the One Month Ended March 31, 2020

	Actua		Budg		Variance	
MEMBER MONTHS	<b>\$</b> 729,149	PMPM	\$ 739,254	PMPM	\$ (10,105)	PMPM
	723,215		755,251		(10,102)	
REVENUE						
Medi-Cal	\$ 372,552,802	\$ 522.29	\$ 268,347,082	\$ 370.93	. , ,	\$ 151.36
OneCare Connect	24,573,194	1,745.63	24,079,201	1,732.82	493,993	12.81
OneCare	1,565,618	1,147.81	1,653,248	1,092.70	(87,630)	55.11
PACE	3,524,900	8,812.25	3,122,285	7,747.61	402,615	1,064.64
Total Operating Revenue	402,216,513	551.62	297,201,816	402.03	105,014,697	149.59
MEDICAL EXPENSES						
Medi-Cal	354,983,721	497.66	258,824,402	357.77	(96,159,319)	(139.89)
OneCare Connect	24,341,258	1,729.15	23,629,977	1,700.49	(711,281)	(28.66)
OneCare	1,816,176	1,331.51	1,622,056	1,072.08	(194,120)	(259.43)
PACE	2,762,170	6,905.43	2,739,166	6,796.94	(23,004)	(108.49)
Total Medical Expenses	383,903,326	526.51	286,815,601	387.98	(97,087,725)	(138.53)
GROSS MARGIN	18,313,188	25.11	10,386,215	14.05	7,926,972	11.06
ADMINISTRATIVE EXPENSES						
Salaries and benefits	7,692,461	10.55	8,494,192	11.49	801,731	0.94
Professional fees	220.112	0.30	499,003	0.68	278,891	0.38
Purchased services	1,026,061	1.41	1,532,026	2.07	505,965	0.66
Printing & Postage	377,704	0.52	515,972	0.70	138,268	0.18
Depreciation & Amortization	275,099	0.38	457,866	0.62	182,767	0.24
Other expenses	1,712,290	2.35	1,727,417	2.34	15,127	(0.01)
Indirect cost allocation & Occupancy expense	201,589	0.28	377,885	0.51	176,296	0.23
Total Administrative Expenses	11,505,316	15.78	13,604,361	18.40	2,099,045	2.62
Total Administrative Expenses	11,505,510	13.70	13,001,301	10.10	2,077,013	2.02
INCOME (LOSS) FROM OPERATIONS	6,807,871	9.34	(3,218,146)	(4.35)	10,026,017	13.69
INVESTMENT INCOME						
Interest income	2,603,058	3.57	1,250,000	1.69	1,353,058	1.88
Realized gain/(loss) on investments	630,581	0.86	-	-	630,581	0.86
Unrealized gain/(loss) on investments	(3,709,907)	(5.09)	_	-	(3,709,907)	(5.09)
Total Investment Income	(476,268)	(0.65)	1,250,000	1.69	(1,726,268)	(2.34)
TOTAL MCO TAX	1,169,888	1.60	-	-	1,169,888	1.60
TOTAL GRANT INCOME	(47,663)	(0.07)	-	-	(47,663)	(0.07)
OTHER INCOME	50	-	-	-	50	-
CHANGE IN NET ASSETS	7,453,878	10.22	(1,968,146)	(2.66)	9,422,024	12.88
MEDICAL LOSS RATIO	95.4%		96.5%		1.1%	
ADMINISTRATIVE LOSS RATIO	2.9%		4.6%		1.7%	

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# CalOptima - Consolidated Statement of Revenues and Expenses For the Nine Months Ended March 31, 2020

	Act	ual		Budg	get		Varian	ice	
	\$	I	PMPM	\$		PMPM	\$		PMPM
MEMBER MONTHS	6,639,471			6,713,941			(74,470)		
REVENUE									
Medi-Cal	\$ 2,661,894,561	\$	409.81	\$ 2,419,477,695	\$	368.23	\$ 242,416,866	\$	41.58
OneCare Connect	222,256,554		1,745.83	215,142,423		1,700.73	7,114,131		45.10
OneCare	15,372,629		1,153.06	14,746,980		1,090.03	625,649		63.03
PACE	27,211,444		8,093.83	25,915,392		7,766.07	 1,296,052		327.76
Total Operating Revenue	2,926,735,188		440.81	 2,675,282,490		398.47	 251,452,698		42.34
MEDICAL EXPENSES									
Medi-Cal	2,554,148,072		393.22	2,299,392,424		349.95	(254,755,648)		(43.27)
OneCare Connect	214,987,835		1,688.74	210,456,183		1,663.69	(4,531,652)		(25.05)
OneCare	13,721,389		1,029.21	14,422,057		1,066.01	700,668		36.80
PACE	22,057,980		6,560.97	22,620,902		6,778.81	562,922		217.84
Total Medical Expenses	2,804,915,275		422.46	2,546,891,566		379.34	(258,023,710)		(43.12)
GROSS MARGIN	121,819,913		18.35	128,390,924		19.13	(6,571,011)		(0.78)
ADMINISTRATIVE EXPENSES									
Salaries and benefits	66,303,956		9.99	73,179,617		10.90	6,875,661		0.91
Professional fees	2,409,692		0.36	4,299,980		0.64	1,890,288		0.28
Purchased services	8,770,578		1.32	11,201,234		1.67	2,430,656		0.35
Printing & Postage	3,723,571		0.56	5,049,698		0.75	1,326,127		0.19
Depreciation & Amortization	3,025,075		0.46	4,120,794		0.61	1,095,719		0.15
Other expenses	13,506,475		2.03	15,558,303		2.32	2,051,828		0.29
Indirect cost allocation & Occupancy expense	3,054,954		0.46	3,443,276		0.51	388,322		0.05
Total Administrative Expenses	100,794,302		15.18	 116,852,902		17.40	16,058,600		2.22
INCOME (LOSS) FROM OPERATIONS	21,025,611		3.17	11,538,022		1.72	9,487,588		1.45
INVESTMENT INCOME									
Interest income	24,970,208		3.76	11,250,000		1.68	13,720,208		2.08
Realized gain/(loss) on investments	2,487,799		0.37	-		-	2,487,799		0.37
Unrealized gain/(loss) on investments	1,736,348		0.26	-		-	1,736,348		0.26
Total Investment Income	29,194,355		4.40	11,250,000		1.68	17,944,355		2.72
TOTAL MCO TAX	(1,812,360	)	(0.27)	-		-	(1,812,360)		(0.27)
TOTAL GRANT INCOME	(47,748	)	(0.01)	-		-	(47,748)		(0.01)
OTHER INCOME	544		-	-		-	544		-
CHANGE IN NET ASSETS	48,360,402		7.28	 22,788,022		3.39	 25,572,380		3.89
MEDICAL LOSS RATIO ADMINISTRATIVE LOSS RATIO Page 6 Back to Agenda	95.8% 3.4%			95.2% 4.4%			-0.6% 0.9%		

#### CalOptima - Consolidated - Month to Date Statement of Revenues and Expenses by LOB For the One Month Ended March 31, 2020

	Medi-Cal Classic*	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	477,564	224,582	11,162	713,308	14,077	1,364	400	729,149
REVENUES								
Capitation Revenue	197,437,143	\$ 152,881,027	\$ 22,234,632	\$ 372,552,802	\$ 24,573,194	\$ 1,565,618	\$ 3,524,900	\$ 402,216,513
Other Income	- 107 107 110	- 152 001 025				- 1.555.610	2.524.000	- 402 21 6 512
Total Operating Revenue	197,437,143	152,881,027	22,234,632	372,552,802	24,573,194	1,565,618	3,524,900	402,216,513
MEDICAL EXPENSES								
Provider Capitation	37,925,700	41,962,965	9,736,868	89,625,534	10,958,029	466,521		101,050,083
Facilities	24,418,061	22,825,667	3,348,855	50,592,583	3,918,192	688,741	672,112	55,871,627
Professional Claims	19,834,363	7,997,069	1,996,294	29,827,726	752,954	76,380	766,374	31,423,433
Prescription Drugs	40,899,555	3,283,969	6,162,373	50,345,897	5,963,644	495,903	250,533	57,055,978
MLTSS	33,096,069	2,642,467	363,816	36,102,353	1,254,384	59,105	34,850	37,450,691
Medical Management	2,232,979	1,511,832	295,793	4,040,604	1,103,023	29,526	836,903	6,010,056
Quality Incentives	894,005	449,017	140,263	1,483,285	195,410		5,000	1,683,695
Reinsurance & Other	54,251,414	38,683,119	31,206	92,965,739	195,623		196,399	93,357,761
Total Medical Expenses	213,552,147	119,356,106	22,075,468	354,983,721	24,341,258	1,816,176	2,762,170	383,903,326
Medical Loss Ratio	108.2%	78.1%	99.3%	95.3%	99.1%	116.0%	78.4%	95.4%
GROSS MARGIN	(16,115,004)	33,524,921	159,164	17,569,081	231,936	(250,558)	762,730	18,313,188
ADMINISTRATIVE EXPENSES								
Salaries & Benefits				6,720,461	753,261	75,825	142,914	7,692,461
Professional fees				200,988	4,000	15,000	123	220,112
Purchased services				931,229	81,189	8,823	4,820	1,026,061
Printing & Postage				278,531	70,817	5,200	23,156	377,704
Depreciation & Amortization				273,042		.,	2,057	275,099
Other expenses				1,649,178	60,497	_	2,614	1,712,290
Indirect cost allocation & Occupancy				(353,405)	579,990	28,340	(53,336)	201,589
<b>Total Administrative Expenses</b>				9,700,025	1,549,755	133,188	122,348	11,505,316
Admin Loss Ratio				2.6%	6.3%	8.5%	3.5%	2.9%
INCOME (LOSS) FROM OPERATIONS				7,869,056	(1,317,820)	(383,747)	640,382	6,807,871
INVESTMENT INCOME								(476,268)
TOTAL MCO TAX				1,169,888				1,169,888
TOTAL GRANT INCOME				(47,663)				(47,663)
OTHER INCOME				50				50
CHANGE IN NET ASSETS				\$ 8,991,331	\$ (1,317,820)	\$ (383,747)	\$ 640,382	\$ 7,453,878
BUDGETED CHANGE IN NET ASSETS				(1,967,723)	(1,327,322)	(117,763)	194,662	(1,968,146)
VARIANCE TO BUDGET - FAV (UNFAV)				\$ 10,959,053	\$ 9,502	\$ (265,984)	\$ 445,720	\$ 9,422,024

<sup>\*</sup> Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic

#### CalOptima - Consolidated - Year to Date Statement of Revenues and Expenses by LOB For the Nine Months Ended March 31, 2020

	Maki Cal Charles	3.6.	l' Cal E	***	I. Chully I.I.	T-4-1M-3' C-1	OneCare	0	DA CE		
	Medi-Cal Classic*	Med	li-Cal Expansion	Who	ole Child Model	Total Medi-Cal	Connect	 OneCare	 PACE		onsolidated
MEMBER MONTHS	4,341,989		2,049,947		103,533	6,495,469	127,307	13,332	3,362		6,639,470
REVENUES											
Capitation Revenue	1,428,990,429	\$	1,026,843,471	\$	206,060,661	\$ 2,661,894,561	\$ 222,256,554	\$ 15,372,629	\$ 27,211,444	\$ 2	2,926,735,188
Other Income			-		-			-	-		-
<b>Total Operating Revenue</b>	1,428,990,429		1,026,843,471		206,060,661	2,661,894,561	222,256,554	 15,372,629	 27,211,444		2,926,735,188
MEDICAL EXPENSES											
Provider Capitation	349,160,189		393,943,944		90,242,437	833,346,571	98,879,547	4,309,216			936,535,334
Facilities	226,693,188		195,509,811		48,948,529	471,151,528	33,541,218	3,820,989	5,918,180		514,431,915
Professional Claims	161,739,331		63,915,929		13,278,163	238,933,422	6,804,523	466,410	5,064,571		251,268,926
Prescription Drugs	175,335,045		180,387,821		50,624,188	406,347,054	50,935,839	4,629,207	2,123,105		464,035,204
MLTSS	307,804,027		23,621,827		15,094,415	346,520,269	12,080,517	160,380	331,476		359,092,642
Medical Management	19,042,195		11,346,563		2,396,273	32,785,031	9,271,719	335,186	6,551,564		48,943,499
Quality Incentives	8,212,412		4,148,732		1,270,011	13,631,155	1,814,500		196,235		15,641,890
Reinsurance & Other	122,079,863		89,045,619		307,561	211,433,043	1,659,972		1,872,850		214,965,864
<b>Total Medical Expenses</b>	1,370,066,249		961,920,244		222,161,578	2,554,148,072	214,987,835	13,721,389	 22,057,980		2,804,915,275
Medical Loss Ratio	95.9%		93.7%		107.8%	96.0%	96.7%	89.3%	81.1%		95.8%
GROSS MARGIN	58,924,180		64,923,227		(16,100,917)	107,746,490	7,268,719	1,651,240	5,153,464		121,819,913
ADMINISTRATIVE EXPENSES											
Salaries & Benefits						57,996,091	6,449,989	595,610	1,262,266		66,303,956
Professional fees						1,773,329	460,486	174,371	1,506		2,409,692
Purchased services						7,314,886	1,264,438	119,728	71,527		8,770,578
Printing & Postage						3,030,687	544,491	42,746	105,646		3,723,571
Depreciation & Amortization						3,006,362	, ,	,	18,714		3,025,075
Other expenses						13,187,130	281,948	2,237	35,160		13,506,475
Indirect cost allocation & Occupancy						(2,360,150)	5,028,550	347,805	38,749		3,054,954
<b>Total Administrative Expenses</b>						83,948,334	14,029,902	1,282,498	 1,533,568		100,794,302
Admin Loss Ratio						3.2%	6.3%	8.3%	5.6%		3.4%
INCOME (LOSS) FROM OPERATIONS						23,798,156	(6,761,183)	368,742	3,619,896		21,025,611
INVESTMENT INCOME											29,194,355
TOTAL MCO TAX						(1,812,360)					(1,812,360)
TOTAL GRANT INCOME						(47,748)					(47,748)
OTHER INCOME						544					544
CHANGE IN NET ASSETS						\$ 21,938,591	\$ (6,761,183)	\$ 368,742	\$ 3,619,896	\$	48,360,402
BUDGETED CHANGE IN NET ASSETS						22,396,122	(11,510,726)	(998,822)	1,651,448		22,788,022
VARIANCE TO BUDGET - FAV (UNFAV)						\$ (457,531)	\$ 4,749,543	\$ 1,367,564	\$ 1,968,448	\$	25,572,380

<sup>\*</sup> Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic



# March 30, 2020 Unaudited Financial Statements

# **SUMMARY MONTHLY RESULTS:**

- Change in Net Assets is \$7.5 million, \$9.4 million favorable to budget
- Operating surplus is \$6.8 million, with a surplus in non-operating income of \$0.6 million

# YEAR TO DATE RESULTS:

- Change in Net Assets is \$48.4 million, \$25.6 million favorable to budget
- Operating surplus is \$21.0 million, with a surplus in non-operating income of \$27.3 million

# Change in Net Assets by Line of Business (LOB) (\$ millions)

MONTH-TO-				YEAR-TO-		
DATE				DATE		
Actual	Budget	<u>Variance</u>		Actual	Budget	<u>Variance</u>
7.9	(2.0)	9.8	Medi-Cal	23.8	22.4	1.4
(1.3)	(1.3)	0.0	OCC	(6.8)	(11.5)	4.7
(0.4)	(0.1)	(0.3)	OneCare	0.4	(1.0)	1.4
0.6	0.2	<u>0.4</u>	<u>PACE</u>	3.6	<u>1.7</u>	<u>2.0</u>
6.8	(3.2)	10.0	Operating	21.0	11.5	9.5
0.6	1.3	(0.6)	Inv./Rental Inc, MCO tax	27.3	<u>11.3</u>	<u>16.1</u>
0.6	1.3	(0.6)	<b>Non-Operating</b>	27.3	11.3	16.1
7.5	(2.0)	9.4	TOTAL	48.4	22.8	25.6

### CalOptima - Consolidated Enrollment Summary For the Nine Months Ended March 31, 2020

	Month-					Year-to-I		
		\$	%				\$	%
<u>Actual</u>	<b>Budget</b>	<u>Variance</u>	<b>Variance</b>	Enrollment (by Aid Category)	<u>Actual</u>	<b>Budget</b>	<u>Variance</u>	<u>Variance</u>
66,24	,	1	0.0%	Aged	592,981	591,430	1,551	0.3%
50		(113)	(18.4%)	BCCTP	4,773	5,535	(762)	(13.8%)
45,10	,	1,522	3.5%	Disabled	402,888	393,538	9,350	2.4%
278,56	· · · · · · · · · · · · · · · · · · ·	1,926	0.7%	TANF Child	2,536,630	2,538,817	(2,187)	(0.1%)
83,63		(644)	(0.8%)	TANF Adult	773,375	775,618	(2,243)	(0.3%)
3,51	9 3,404	115	3.4%	LTC	31,342	30,636	706	2.3%
224,58	2 235,744	(11,162)	(4.7%)	MCE	2,049,947	2,118,541	(68,594)	(3.2%)
11,16	2 12,940	(1,778)	(13.7%)	WCM	103,533	116,460	(12,927)	(11.1%)
713,30	8 723,441	(10,133)	(1.4%)	Medi-Cal Total	6,495,470	6,570,575	(75,105)	(1.1%)
14,07	7 13,897	180	1.3%	OneCare Connect	127,307	126,500	807	0.6%
1,36	4 1,513	(149)	(9.8%)	OneCare	13,332	13,529	(197)	(1.5%)
40	0 403	(3)	(0.7%)	PACE	3,362	3,337	25	0.7%
729,14	9 739,254	(10,105)	(1.4%)	CalOptima Total	6,639,471	6,713,941	(74,470)	(1.1%)
				Enrollment (by Network)				
157,47	9 160,598	(3,119)	(1.9%)	HMO	1,431,167	1,457,896	(26,729)	(1.8%)
203,15		(2,584)	(1.3%)	PHC	1,849,881	1,878,397	(28,516)	(1.5%)
167,98		(17,161)	(9.3%)	Shared Risk Group	1,585,930	1,683,144	(97,214)	(5.8%)
184,68		12,731	7.4%	Fee for Service	1,628,491	1,551,138	77,353	5.0%
713,30	8 723,441	(10,133)	(1.4%)	Medi-Cal Total	6,495,470	6,570,575	(75,105)	(1.1%)
14,07	7 13,897	180	1.3%	OneCare Connect	127,307	126,500	807	0.6%
1,36	4 1,513	(149)	(9.8%)	OneCare	13,332	13,529	(197)	(1.5%)
40	0 403	(3)	(0.7%)	PACE	3,362	3,337	25	0.7%
729,14	9 739,254	(10,105)	(1.4%)	CalOptima Total	6,639,471	6,713,941	(74,470)	(1.1%)

#### CalOptima Enrollment Trend by Network Fiscal Year 2020

	<u>Jul-19</u>	Aug-19	Sep-19	Oct-19	Nov-19	<u>Dec-19</u>	<u>Jan-20</u>	Feb-20	<u>Mar-20</u>	YTD Actual	YTD Budget	Variance
HMOs Aged	3,723	3,740	3,754	3,821	3,827	3,743	3,768	3,625	3,679	33,680	34,162	(482)
BCCTP	1	1	2	2	1	1	1	1	1	11	9	2
Disabled	6,539	6,547	6,572	6,613	6,633	6,546	6,468	6,612	6,670	59,200	59,593	(393)
TANF Child	54,046	53,703	52,620	53,069	52,791	51,642	50,877	50,743	51,816	471,307	474,104	(2,797)
TANF Adult	27,944	27,740	27,446	27,279	27,012	27,168	25,104	25,208	25,961	240,862	248,895	(8,033)
LTC MCE	2 68,973	1 69.077	3 68,729	3 68,881	2 68,361	4 68.256	62.418	5 66,229	67,457	21 608,381	18 619,848	(11,467)
WCM	2,026	2,087	2,052	1,987	2,006	2,024	1,692	1,937	1,894	17,705	21,267	(3,562)
Total	163,254	162,896	161,178	161,655	160,633	159,384	150,328	154,360	157,479	1,431,167	1,457,896	(26,729)
PHCs												
Aged	1,548	1,540	1,524	1,542	1,577	1,579	1,516	1,448	1,474	13,748	13,704	44
BCCTP Disabled	5,416	5,499	5,323	5,425	5,500	5,474	5,244	5,422	5,436	48,739	47,975	0 764
TANF Child	148,665	148,131	143,994	146,390	145,734	140,237	143,833	140,195	142,951	1,300,130	1,316,888	(16,758)
TANF Adult	11,149	11,322	10,925	10,865	10,743	11,285	9,797	9,907	10,366	96,359	91,500	4,859
LTC			1		1	1	2	2	1	8		8
MCE	37,510	37,479	37,084	37,037	36,728	36,708	33,716	35,640	36,168	328,070	339,174	(11,104)
WCM	7,209	7,276	7,190	7,151	7,070	6,994	6,371	6,803	6,763	62,827	69,156	(6,329)
Total	211,497	211,247	206,041	208,410	207,353	202,278	200,479	199,417	203,159	1,849,881	1,878,397	(28,516)
Shared Risk Groups	2.550	2.522	2 470	2 501	2 527	2.254	2 201	2 225	2 222	20.702	22 627	(1.000
Aged BCCTP	3,569	3,523	3,470	3,501	3,527	3,364	3,301 (1)	3,225	3,223	30,703	32,627	(1,924)
Disabled	7,275	7.294	7.144	7,177	7,200	7,139	6,724	7.092	7.010	64.055	61,231	2,824
TANF Child	63,291	62,381	57,001	59,579	58,690	56,771	56,508	54,614	55,822	524,657	552,341	(27,684)
TANF Adult	28,681	28,390	27,842	27,428	26,946	27,269	24,473	24,861	25,641	241,531	255,754	(14,223)
LTC	1	3	3	2	1	1		1	1	13	9	4
MCE WCM	84,595 1,732	83,922 1,706	82,492 1,620	81,749 1,598	80,096 1,581	79,714 1,593	69,637 1.367	73,826 1,457	74,815 1,470	710,846 14,124	763,479 17,703	(52,633) (3,579)
						•						
Total	189,144	187,219	179,572	181,034	178,041	175,852	162,009	165,077	167,982	1,585,930	1,683,144	(97,214)
Fee for Service (Dual)	51,730	52,454	52,097	52,050	52,649	51,770	54,711	52,919	52,855	473,235	470,210	3,025
Aged BCCTP	15	32,434 18	32,097	52,050 18	52,649 19	20	13	32,919 10	12	142	162	(20)
Disabled	20,752	20,053	20,586	20,577	20,781	20,848	20,986	20,729	21,085	186,397	184,685	1,712
TANF Child	,	19	1	1	1	1	1	1	1	26		26
TANF Adult	964	1,923	949	941	963	938	1,528	917	847	9,970	7,928	2,042
LTC	3,044	3,097	3,061	3,161	3,204	2,971	3,389	3,142	3,157	28,226	27,441	785
MCE WCM	2,116 15	2,171 15	1,935 15	1,717 16	1,737 15	2,255 16	876 15	1,084	1,135	15,026 134	18,585 144	(3,559)
Total	78,636	79,750	78,661	78,481	79,369	78,819	81,519	78,816	79,105	713,156	709,155	4,001
Fee for Service (Non-Dual -												
Aged	4,682	4,211	4,370	4,583	4,890	3,841	4,864	5,163	5,011	41,615	40,727	888
BCCTP	550	542	484	532	525	518	506	473	489	4,619	5,364	(745)
Disabled	4,928	5,692	4,374	4,930	5,428	8,670	483	5,084	4,908	44,497	40,054	4,443
TANF Child	25,571	32,106	16,125	25,295	29,914	21,194	32,748	29,586	27,971	240,510	195,484	45,026
TANF Adult LTC	19,658 328	19,951 326	19,512 331	19,854 347	23,011 364	22,542 302	18,203 358	21,106 359	20,816 359	184,653 3,074	171,541 3,168	13,112 (94)
MCE	40,680	41,152	40,342	41,308	48,994	48,138	37,208	44,795	45,007	387,624	377,455	10,169
WCM	843	960	978	1,008	1,079	874	936	1,043	1,022	8,743	8,190	553
Total	97,240	104,940	86,516	97,857	114,205	106,079	95,306	107,609	105,583	915,335	841,983	73,352
Grand Totals												
Aged BCCTP	65,252 566	65,468 561	65,215 503	65,497 552	66,470 545	64,297 540	68,160 519	66,380 485	66,242 502	592,981 4,773	591,430 5,535	1,551 (762)
Disabled	44,910	45,085	43,999	44,722	45,542	48,677	39,905	44,939	45,109	402,888	393,538	9,350
TANF Child	291,573	296,340	269,741	284,334	287,130	269,845	283,967	275,139	278,561	2,536,630	2,538,817	(2,187)
TANF Adult	88,396	89,326	86,674	86,367	88,675	89,202	79,105	81,999	83,631	773,375	775,618	(2,243)
LTC	3,375	3,427	3,399	3,513	3,572	3,279	3,749	3,509	3,519	31,342	30,636	706
MCE	233,874	233,801	230,582	230,692	235,916	235,071	203,855	221,574	224,582	2,049,947	2,118,541	(68,594)
WCM Total MediCal MM	11,825 739,771	12,044 746,052	11,855 <b>711,968</b>	11,760 <b>727,437</b>	11,751 <b>739,601</b>	11,501 722,412	10,381 <b>689,641</b>	11,254 <b>705,279</b>	11,162 713,308	103,533 <b>6,495,470</b>	116,460 <b>6,570,575</b>	(12,927) (75,105)
Total Medical MW	739,771	740,032	711,700	121,431	739,001	722,412	005,041	103,219	713,300	0,493,470	0,370,373	(73,103)
OneCare Connect	14,257	14,090	14,186	14,093	14,065	14,264	14,104	14,171	14,077	127,307	126,500	807
OneCare	1,530	1,545	1,564	1,567	1,498	1,465	1,417	1,382	1,364	13,332	13,529	(197)
PACE	335	345	356	368	375	393	394	396	400	3,362	3,337	25
Grand Total	755,893	762,032	728,074	743,465	755,539	738,534	705,556	721,228	729,149	6,639,471	6,713,941	(74,470)

# **ENROLLMENT:**

# Overall March enrollment was 729,149

- Unfavorable to budget 10,105 or 1.4%
- Increased 7,921 or 1.1% from prior month (PM) (February 2020)
- Decreased 38,130 or 5.0% from prior year (PY) (March 2019)

# Medi-Cal enrollment was 713.308

- Unfavorable to budget 10,133 or 1.4%
  - > Medi-Cal Expansion (MCE) unfavorable 11,162
  - ➤ Whole Child Model (WCM) unfavorable 1,778
  - > Seniors and Persons with Disabilities (SPD) favorable 1,410
  - ➤ Temporary Assistance for Needy Families (TANF) favorable 1,282
  - ➤ Long-Term Care (LTC) favorable 115
- Increased 8,029 from PM

# **OneCare Connect** enrollment was 14,077

- Favorable to budget 180 or 1.3%
- Decreased 94 from PM

# OneCare enrollment was 1,364

- Unfavorable to budget 149 or 9.8%
- Decreased 18 from PM

# PACE enrollment was 400

- Unfavorable to budget 3 or 0.7%
- Increased 4 from PM

#### CalOptima Medi-Cal Total

#### Statement of Revenues and Expenses For the Nine Months Ending March 31, 2020

	Mont					Year to		
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
713,308	723,441	(10,133)	(1.4%)	Member Months	6,495,470	6,570,575	(75,105)	(1.1%)
				Revenues				
372,552,802	268,347,082	104,205,719	38.8% 0.0%	Capitation Revenue Other Income	2,661,894,561	2,419,477,695	242,416,866	10.0% 0.0%
372,552,802	268,347,082	104,205,719	38.8%	Total Operating Revenue	2,661,894,561	2,419,477,695	242,416,866	10.0%
01 100 010	95.021.988	3.913.169	4.1%	Medical Expenses	846.977.726	855.967.713	8,989,987	1.1%
91,108,819	, . ,	- / /		Provider Capitation	,,-	,,	- / /	
50,592,583	49,082,532	(1,510,051)	(3.1%)	Facilities Claims	471,151,528	434,716,769	(36,434,759)	(8.4%)
29,827,726	23,640,030	(6,187,696)	(26.2%)	Professional Claims	238,933,422	208,092,278	(30,841,144)	(14.8%)
50,345,897	44,561,605	(5,784,293)	(13.0%)	Prescription Drugs	406,347,054	395,469,483	(10,877,571)	(2.8%)
36,102,353	37,780,414	1,678,061	4.4%	MLTSS	346,520,269	333,632,341	(12,887,928)	(3.9%)
4,040,604	5,507,993	1,467,389	26.6%	Medical Management	32,785,031	42,687,499	9,902,468	23.2%
92,965,739 <b>354,983,721</b>	3,229,841 258,824,402	(89,735,898) ( <b>96,159,319</b> )	(2778.3%) (37.2%)	Reinsurance & Other Total Medical Expenses	211,433,043 2,554,148,072	28,826,341 2,299,392,424	(182,606,702) (254,755,648)	(633.5%) (11.1%)
				•				
17,569,081	9,522,680	8,046,400	84.5%	Gross Margin	107,746,490	120,085,271	(12,338,782)	(10.3%)
				Administrative Expenses				
6,720,461	7,424,257	703,796	9.5%	Salaries, Wages & Employee Benefits	57,996,091	64,010,288	6,014,197	9.4%
200,988	399,574	198,586	49.7%	Professional Fees	1,773,329	3,405,120	1,631,791	47.9%
931,229	1,353,004	421,775	31.2%	Purchased Services	7,314,886	8,990,030	1,675,144	18.6%
278,531	392,911	114,380	29.1%	Printing and Postage	3,030,687	3,942,155	911,468	23.1%
273,042	455,750	182,708	40.1%	Depreciation & Amortization	3,006,362	4,101,750	1,095,388	26.7%
1,649,178	1,646,653	(2,525)	(0.2%)	Other Operating Expenses	13,187,130	14,831,443	1,644,313	11.1%
(353,405)	(181,746)	171,659	94.4%	Indirect Cost Allocation, Occupancy Expense	(2,360,150)	(1,591,637)	768,513	48.3%
9,700,025	11,490,403	1,790,378	15.6%	<b>Total Administrative Expenses</b>	83,948,334	97,689,149	13,740,815	14.1%
				Operating Tax				
(76,134,052)	11.156.172	(87,290,224)	(782.4%)	Tax Revenue	33,946,475	101,308,581	(67,362,106)	(66.5%)
(77,303,939)	11,156,172	88,460,111	792.9%	Premium Tax Expense	35,758,834	101,308,581	65,549,747	64.7%
(77,303,939)	11,130,172	66,400,111	0.0%	Sales Tax Expense	33,736,634	101,300,361	03,349,747	0.0%
1,169,888	-	1,169,888	0.0%	Total Net Operating Tax	(1,812,360)	<u> </u>	(1,812,360)	0.0%
				Grant Income				
52,340	_	52,340	0.0%	Grant Revenue	152,532	_	152,532	0.0%
91,913	_	(91,913)	0.0%	Grant expense - Service Partner	107,425	_	(107,425)	0.0%
8,090	_	(8,090)	0.0%	Grant expense - Administrative	92,855	_	(92,855)	0.0%
(47,663)	-	(47,663)	0.0%	Total Grant Income	(47,748)	-	(47,748)	0.0%
-	-	-	0.0%	QAF and IGT - Net	0	-	0	0.0%
50	-	50	0.0%	Other income	544	-	544	0.0%
8.991.331	(1,967,723)	10,959,053	556.9%		21.938.591	22,396,122	(457,531)	(2.0%)
0,771,331	(1,707,723)	10,757,055	550.9%	Change in Net Assets	21,938,391	44,390,144	(457,531)	(2.0%)
	0.5 50/	1.20/	1.20/	M.E. II. D.C.	96.0%	05.00/	(0.00()	(1.00()
95.3%	96.5%	1.2%	1.2%	Medical Loss Ratio	90.0%	95.0%	(0.9%)	(1.0%)

# MEDI-CAL INCOMESTATEMENT – MARCH MONTH:

**REVENUES** of \$372.6 million are favorable to budget \$104.2 million driven by:

- Unfavorable volume related variance of \$3.8 million
- Favorable price related variance of \$108.0 million due to:
  - ➤ \$91.0 million of Directed Payment (DP) revenue
  - > \$14.4 million of acuity rate adjustment and updated MCE rates from the Department of Health Care Services (DHCS)
  - > \$1.6 million of LTC revenue from non-LTC categories of aid
  - ➤ \$1.5 million of Behavioral Health Treatment (BHT) revenue
  - ➤ Offset by \$3.3 million of WCM revenue

# **MEDICAL EXPENSES** of \$355.0 million are unfavorable to budget \$96.2 million driven by:

- Favorable volume related variance of \$3.6 million
- Unfavorable price related variance of \$99.8 million due to:
  - > Reinsurance & Other expenses unfavorable variance of \$89.8 million due to DP
  - > Professional Claims unfavorable variance of \$6.5 million due to crossover claims
  - > Prescription Drugs unfavorable variance of \$6.4 million due to increased utilization
  - ➤ Provider Capitation favorable variance of \$2.6 million

# **ADMINISTRATIVE EXPENSES** of \$9.7 million are favorable to budget \$1.8 million driven by:

- Salaries & Benefit expenses are favorable to budget \$0.7 million
- Other Non-Salary expenses are favorable to budget \$1.1 million

**CHANGE IN NET ASSETS** is \$9.0 million for the month, favorable to budget \$11.0 million

# CalOptima

# **OneCare Connect Total**

# Statement of Revenue and Expenses For the Nine Months Ending March 31, 2020

	Mont					Year to l	Date	
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
Actual	Duuget	variance	variance		Actual	Duuget	variance	variance
14,077	13,897	180	1.3%	Member Months	127,307	126,500	807	0.6%
				Revenues				
2,630,263	2,725,395	(95,132)	(3.5%)	Medi-Cal Capitation Revenue	22,352,001	24,928,303	(2,576,302)	(10.3%)
16,756,787	16,543,637	213,150	1.3%	Medicare Capitation Revenue Part C	151,548,615	147,048,901	4,499,714	3.1%
5,186,144	4,810,169	375,975	7.8%	Medicare Capitation Revenue Part D	48,355,938	43,165,219	5,190,719	12.0%
-	-	-	0.0%	Other Income	-	-	-	0.0%
24,573,194	24,079,201	493,993	2.1%	<b>Total Operating Revenue</b>	222,256,554	215,142,423	7,114,131	3.3%
				Medical Expenses				
11,153,439	10,924,783	(228,656)	(2.1%)	Provider Capitation	100,694,047	98,344,864	(2,349,183)	(2.4%)
3,918,192	3,585,966	(332,226)	(9.3%)	Facilities Claims	33,541,218	31,559,032	(1,982,186)	(6.3%)
752,954	710,602	(42,352)	(6.0%)	Ancillary	6,804,523	6,170,640	(633,883)	(10.3%)
1,254,384	1,539,115	284,731	18.5%	MLTSS	12,080,517	13,871,156	1,790,639	12.9%
5,963,644	5,462,161	(501,483)	(9.2%)	Prescription Drugs	50,935,839	48,483,288	(2,452,551)	(5.1%)
1,103,023	1,185,578	82,555	7.0%	Medical Management	9,271,719	10,059,542	787,823	7.8%
195,623	221,772	26,149	11.8%	Other Medical Expenses	1,659,972	1,967,661	307,689	15.6%
24,341,258	23,629,977	(711,281)		Total Medical Expenses	214,987,835	210,456,183	(4,531,652)	(2.2%)
231,936	449,224	(217,288)	(48.4%)	Gross Margin	7,268,719	4,686,240	2,582,479	55.1%
231,730	447,224	(217,200)	(40.4 /0)	G1055 Margin	7,200,719	4,000,240	2,502,479	33.170
				Administrative Expenses				
753,261	868,220	114,959	13.2%	Salaries, Wages & Employee Benefits	6,449,989	7,422,039	972,050	13.1%
4,000	77,796	73,796	94.9%	Professional Fees	460,486	700,163	239,677	34.2%
81,189	142,988	61,799	43.2%	Purchased Services	1,264,438	1,886,898	622,460	33.0%
70,817	95,861	25,044	26.1%	Printing and Postage	544,491	862,743	318,252	36.9%
-	-	-	0.0%	Depreciation & Amortization	-	-	-	0.0%
60,497	71,889	11,392	15.8%	Other Operating Expenses	281,948	646,995	365,047	56.4%
579,990	519,792	(60,198)	(11.6%)	Indirect Cost Allocation	5,028,550	4,678,128	(350,422)	(7.5%)
1,549,755	1,776,546	226,791	12.8%	<b>Total Administrative Expenses</b>	14,029,902	16,196,966	2,167,064	13.4%
				Operating Tax				
-	-	-	0.0%	Tax Revenue	-	-	-	0.0%
-	-	-	0.0%	Premium Tax Expense	-	-	-	0.0%
-	-	_	0.0%	Sales Tax Expense	-	-	-	0.0%
-	-	-	0.0%	<b>Total Net Operating Tax</b>	-	-	-	0.0%
(1,317,820)	(1,327,322)	9,502	0.7%	Change in Net Assets	(6,761,183)	(11,510,726)	4,749,543	41.3%
99.1%	98.1%	(0.9%)	(A Q Q))	Medical Loss Ratio	96.7%	97.8%	1.1%	1.1%
6.3%	7.4%	1.1%	, ,	Admin Loss Ratio	6.3%	7.5%	1.1%	16.2%
0.3%	7.4%	1.1 %	14.5%	Aumin LOSS Kallo	0.3%	7.5%	1.2%	10.2%

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# ONECARE CONNECT INCOME STATEMENT-MARCH MONTH:

**REVENUES** of \$24.6 million are favorable to budget \$0.5 million driven by:

- Favorable volume related variance of \$0.3 million
- Favorable price related variance of \$0.2 million

**MEDICAL EXPENSES** of \$24.3 million are unfavorable to budget \$0.7 million driven by:

- Unfavorable volume related variance of \$0.3 million
- Unfavorable price related variance of \$0.4 million

**ADMINISTRATIVE EXPENSES** of \$1.5 million are favorable to budget \$0.2 million

**CHANGE IN NET ASSETS** is (\$1.3) million, in line with budget

CalOptima OneCare Statement of Revenues and Expenses For the Nine Months Ending March 31, 2020

	Mon	nth			Year to Date						
		\$	%				\$	%			
Actual	Budget	Variance	Variance		Actual	Budget	Variance	Variance			
1,364	1,513	(149)	(9.8%)	Member Months	13,332	13,529	(197)	(1.5%)			
				Revenues							
1,188,961	1,129,202	59,759	5.3%	Medicare Part C revenue	10,920,939	10,066,458	854,481	8.5%			
376,657	524,046	(147,389)	(28.1%)	Medicare Part D revenue	4,451,690	4,680,522	(228,832)	(4.9%)			
1,565,618	1,653,248	(87,630)	(5.3%)	<b>Total Operating Revenue</b>	15,372,629	14,746,980	625,649	4.2%			
				Medical Expenses							
466,521	437,349	(29,172)	(6.7%)	Provider Capitation	4,309,216	3,958,600	(350,616)	(8.9%)			
688,741	515,585	(173,156)	(33.6%)	Inpatient	3,820,989	4,543,121	722,132	15.9%			
76,380	56,292	(20,088)	(35.7%)	Ancillary	466,410	496,261	29,851	6.0%			
59,105	46,254	(12,851)	(27.8%)	Skilled Nursing Facilities	160,380	407,657	247,277	60.7%			
495,903	506,505	10,602	2.1%	Prescription Drugs	4,629,207	4,487,712	(141,495)	(3.2%)			
29,526	49,151	19,625	39.9%	Medical Management	335,186	431,061	95,875	22.2%			
-	10,920	10,920	100.0%	Other Medical Expenses	-	97,645	97,645	100.0%			
1,816,176	1,622,056	(194,120)	(12.0%)	Total Medical Expenses	13,721,389	14,422,057	700,668	4.9%			
(250,558)	31,192	(281,750)	(903.3%)	Gross Margin	1,651,240	324,923	1,326,317	408.2%			
				Administrative Expenses							
75,825	53,418	(22,407)	(41.9%)	Salaries, wages & employee benefits	595,610	463,912	(131,698)	(28.4%)			
15,000	21,480	6,480	30.2%	Professional fees	174,371	193,320	18,949	9.8%			
8,823	17,063	8,240	48.3%	Purchased services	119,728	153,567	33,839	22.0%			
5,200	16,667	11,467	68.8%	Printing and postage	42,746	150,003	107,257	71.5%			
-	4,738	4,738	100.0%	Other operating expenses	2,237	42,642	40,405	94.8%			
28,340	35,589	7,249	20.4%	Indirect cost allocation, occupancy expense	347,805	320,301	(27,504)	(8.6%)			
133,188	148,955	15,767	10.6%	<b>Total Administrative Expenses</b>	1,282,498	1,323,745	41,247	3.1%			
(383,747)	(117,763)	(265,984)	(225.9%)	Change in Net Assets	368,742	(998,822)	1,367,564	136.9%			
116.0%	98.1%	(17.9%)	(18 2%)	Medical Loss Ratio	89.3%	97.8%	8.5%	8.7%			
8.5%	9.0%	0.5%	, ,	Admin Loss Ratio	8.3%	9.0%	0.6%	7.1%			
0.5 /0	2.0 /0	0.5 /0	3.0 /0	Aumin Loss Runo	0.5 /0	7.0 /0	0.070	7.1 /0			

CalOptima
PACE
Statement of Revenues and Expenses
For the Nine Months Ending March 31, 2020

Month						Year to Date						
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance				
400	403	(3)	(0.7%)	Member Months	3,362	3,337	25	0.7%				
				Revenues								
2,817,127	2,421,941	395,186	16.3%	Medi-Cal Capitation Revenue	21,321,374	20,062,637	1,258,737	6.3				
554,798	551,474	3,324	0.6%	Medicare Part C Revenue	4,651,645	4,621,701	29,944	0.69				
152,975	148,870	4,105	2.8%	Medicare Part D Revenue	1,238,425	1,231,054	7,371	0.69				
3,524,900	3,122,285	402,615	12.9%	<b>Total Operating Revenue</b>	27,211,444	25,915,392	1,296,052	5.09				
				Medical Expenses								
836,903	909,769	72,866	8.0%	Medical Management	6,551,564	7,885,247	1,333,683	16.9				
672,112	603,026	(69,086)	(11.5%)	Facilities Claims	5,918,180	4,886,537	(1,031,643)	(21.1%				
766,374	658,920	(107,454)	(16.3%)	Professional Claims	5,064,571	5,353,917	289,346	5.49				
196,399	272,113	75,714	27.8%	Patient Transportation	1,872,850	2,153,063	280,213	13.0				
250,533	251,423	890	0.4%	Prescription Drugs	2,123,105	2,037,660	(85,445)	(4.2%				
34,850	37,249	2,399	6.4%	MLTSS	331,476	244,478	(86,998)	(35.6%				
5,000	6,666	1,666	25.0%	Other Expenses	196,235	60,000	(136,235)	(227.1%				
2,762,170	2,739,166	(23,004)	(0.8%)	Total Medical Expenses	22,057,980	22,620,902	562,922	2.5				
762,730	383,119	379,611	99.1%	Gross Margin	5,153,464	3,294,490	1,858,974	56.49				
				Administrative Expenses								
142,914	148,297	5,383	3.6%	Salaries, wages & employee benefits	1,262,266	1,283,378	21,112	1.6				
123	153	30	19.4%	Professional fees	1,506	1,377	(129)	(9.4%				
4,820	18,971	14,151	74.6%	Purchased services	71,527	170,739	99,212	58.1				
23,156	10,533	(12,623)	(119.8%)	Printing and postage	105,646	94.797	(10,849)	(11.4%				
2,057	2,116	(12,023)	2.8%	Depreciation & amortization	18,714	19,044	330	1.7				
2,614	4,137	1,523	36.8%	Other operating expenses	35,160	37,223	2,063	5.5				
(53,336)	4,137	57,586	1355.0%	Indirect Cost Allocation, Occupancy Expense	38,749	36,484	(2,265)	(6.2%				
122,348	188,457	66,110	35.1%	<b>Total Administrative Expenses</b>	1,533,568	1,643,042	109,474	6.79				
-	-	•		Operating Tax								
(26,296)		(26,296)	0.0%	Tax Revenue	17,660		17,660	0.0				
(26,296)	-	26,296)	0.0%	Premium Tax Expense	17,660	-	(17,660)	0.0				
(20,290)	-	26,296	0.0%	Fremium Tax Expense	17,000	-	(17,000)	0.0				
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0				
640,382	194,662	445,720	229.0%	Change in Net Assets	3,619,896	1,651,448	1,968,448	119.2				
<b>=</b> 0.40:	0= =		***			0= 4						
78.4%	87.7%	9.4%		Medical Loss Ratio	81.1%	87.3%	6.2%	7.15				
3.5%	6.0%	2.6%	42.5%	Admin Loss Ratio	5.6%	6.3%	0.7%	11.19				

# CalOptima BUILDING 505 - CITY PARKWAY Statement of Revenues and Expenses

# For the Nine Months Ending March 31, 2020

					Year to Date						
	\$	%				\$	%				
Budget	Variance	Variance		Actual	Budget	Variance	Variance				
		]	Revenues								
-	-	0.0%	Rental Income	-	-	-	0.0%				
•	•	0.0%	<b>Total Operating Revenue</b>	-	•	-	0.0%				
			Administrative Expenses								
23,101	(23,242)	(100.6%)	Purchase services	433,635	207,910	(225,725)	(108.6%)				
174,725	10,231	5.9%	Depreciation & amortization	1,480,444	1,572,525	92,081	5.9%				
15,866	(1,611)	(10.2%)	Insurance expense	157,288	142,794	(14,494)	(10.2%)				
140,162	66,995	47.8%	Repair and maintenance	896,041	1,261,458	365,417	29.0%				
46,432	19,161	41.3%	Other Operating Expense	378,315	417,888	39,573	9.5%				
(400,286)	(71,535)	(17.9%)	Indirect allocation, Occupancy	(3,345,724)	(3,602,575)	(256,851)	(7.1%)				
-	(0)	0.0%	<b>Total Administrative Expenses</b>	(0)	-	0	0.0%				
	23,101 174,725 15,866 140,162 46,432	23,101 (23,242) 174,725 10,231 15,866 (1,611) 140,162 66,995 46,432 19,161 (400,286) (71,535)	23,101 (23,242) (100.6%) 174,725 10,231 5.9% 15,866 (1,611) (10.2%) 140,162 66,995 47.8% 46,432 19,161 41.3% (400,286) (71,535) (17.9%)	Revenues	Revenues           -         -         0.0%         Rental Income         -           -         -         0.0%         Total Operating Revenue         -           Administrative Expenses           23,101         (23,242)         (100.6%)         Purchase services         433,635           174,725         10,231         5.9%         Depreciation & amortization         1,480,444           15,866         (1,611)         (10.2%)         Insurance expense         157,288           140,162         66,995         47.8%         Repair and maintenance         896,041           46,432         19,161         41.3%         Other Operating Expense         378,315           (400,286)         (71,535)         (17.9%)         Indirect allocation, Occupancy         (3,345,724)	Rental Income	Revenues           -         -         0.0%         Rental Income         -				

# OTHER INCOME STATEMENTS – MARCH MONTH:

# ONECARE INCOME STATEMENT

 $\textbf{CHANGE IN NET ASSETS} \ is \ (\$383.7) \ thousand, unfavorable \ to \ budget \ \$266.0 \ thousand$ 

# PACE INCOME STATEMENT

**CHANGE IN NET ASSETS** is \$640.4 thousand, favorable to budget \$445.7 thousand

# CalOptima Balance Sheet March 31, 2020

#### ASSETS LIABILITIES & NET POSITION

Current Assets		Current Liabilities	
Operating Cash	\$382,898,813	Accounts Payable	\$41,752,651
Investments	518,455,688	Medical Claims liability	781,885,602
Capitation receivable	387,689,990	Accrued Payroll Liabilities	13,997,455
Receivables - Other	51,102,708	Deferred Revenue	30,787,390
Prepaid expenses	6,893,911	Deferred Lease Obligations	170,710
		Capitation and Withholds	132,250,984
Total Current Assets	1,347,041,111	Total Current Liabilities	1,000,844,794
Capital Assets			
Furniture & Equipment	37,266,060		
Building/Leasehold Improvements	11,736,817		
505 City Parkway West	50,489,717		
	99,492,593		
Less: accumulated depreciation	(51,440,146)		
Capital assets, net	48,052,447	Other (than pensions) post	
	-,,	employment benefits liability	25,821,090
Other Assets		Net Pension Liabilities	23,529,538
Restricted Deposit & Other	300,000	Bldg 505 Development Rights	-
Homeless Health Reserve	58,198,913		
Board-designated assets:		TOTAL LIABILITIES	1,050,195,422
Cash and Cash Equivalents	7,610,600		
Long-term Investments	569,212,008	Deferred Inflows	
Total Board-designated Assets	576,822,608	Excess Earnings	156,330
_		Change in Assumptions	4,747,505
Total Other Assets	635,321,521	OPEB Changes in Assumptions	2,503,000
		Net Position	
TOTAL ASSETS	2,030,415,079	TNE	100,958,386
		Funds in Excess of TNE	882,944,885
Deferred Outflows		TOTAL NET POSITION	983,903,272
Contributions	686,962		
Difference in Experience	3,419,328		
Excess Earning	-		
Changes in Assumptions	6,428,159		
Pension Contributions	556,000		
TOTAL ASSETS & DEFERRED OUTFLOWS	2,041,505,528	TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	2,041,505,528

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# CalOptima Board Designated Reserve and TNE Analysis as of March 31, 2020

Type	Reserve Name	Market Value	Benchma	ark	Variance			
			Low	High	Mkt - Low	Mkt - High		
	Tier 1 - Payden & Rygel	157,864,886						
	Tier 1 - Logan Circle	156,881,532						
	Tier 1 - Wells Capital	157,161,784						
Board-designated Reser	rve							
		471,908,201	320,551,041	501,197,938	151,357,160	(29,289,737)		
TNE Requirement	Tier 2 - Logan Circle	104,914,407	100,958,386	100,958,386	3,956,021	3,956,021		
	Consolidated:	576,822,608	421,509,427	602,156,324	155,313,181	(25,333,716)		
	Current reserve level	1.92	1.40	2.00	·			

# CalOptima Statement of Cash Flows March 31, 2020

	Month Ended	Year-To-Date		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	7,453,878	48,360,402		
Adjustments to reconcile change in net assets	7,433,676	40,300,402		
to net cash provided by operating activities				
Depreciation and amortization	439,593	4,505,520		
Changes in assets and liabilities:	737,373	4,303,320		
Prepaid expenses and other	674,119	(1,106,170)		
Catastrophic reserves	0/4,117	(1,100,170)		
Capitation receivable	28,331,814	(86,850,931)		
Medical claims liability	(131,337,538)	29,574,651		
Deferred revenue	(23,238,576)	(20,247,373)		
Payable to health networks	3,485,663	23,347,844		
Accounts payable	(76,472,206)	(914,075)		
Accounts payable  Accrued payroll	968,416	4,033,546		
Other accrued liabilities	908,410	126,198		
Net cash provided by/(used in) operating activities	(189,694,838)	829,612		
Net cash provided by/(used iii) operating activities	(189,094,838)	029,012		
GASB 68 CalPERS Adjustments	-	-		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Net Asset transfer from Foundation	-	_		
Net cash provided by (used in) in capital and related financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in Investments	85,071,297	55,250,608		
Change in Property and Equipment	(521,179)	(5,933,077)		
Change in Board designated reserves	(1,201,767)	(16,677,201)		
Change in Homeless Health Reserve	-	1,801,087		
Net cash provided by/(used in) investing activities	83,348,351	34,441,417		
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(106,346,487)	35,271,029		
CASH AND CASH EQUIVALENTS, beginning of period	\$489,245,301	347,627,784		
CASH AND CASH EQUIVALENTS, end of period	382,898,813	382,898,813		

# **BALANCE SHEET-MARCH MONTH:**

**ASSETS** of \$2.0 billion decreased \$219.1 million from February or 9.7%

- Operating Cash decreased \$106.3 million due to the disbursement of Hospital Quality Assurance Fee (HQAF) funding
- Investments decreased \$85.1 million due to HQAF funding disbursement
- Capitation Receivables decreased \$44.1 million due to timing of capitation received
- Receivables Other increased \$15.7 million due to reclassification of sales tax overpayment

**LIABILITIES** of \$1.1 billion decreased \$226.6 million from February or 17.7%

- Claims Liabilities decreased \$131.3 million due to disbursement of DP and reclassification of sales tax overpayment
- Accounts Payable decreased \$76.5 million due to release of Managed Care Organization (MCO) tax accruals
- Capitation and Withhold increased \$3.5 million due to timing of capitation payments

**NET ASSETS** total \$983.9 million

# Homeless Health Initiative and Allocated Funds as of March 31, 2020

Program Commitment		Amount \$100,000,000
Funds Allocation, approved initiatives:		
Be Well OC	\$11,400,000	
Recuperative Care	8,500,000	
Housing Supportive Services	2,500,000	
Clinical Field Team Start-Up & Federal Qualified Health Center (FQHC)	1,600,000	
Homeless Response Team (CalOptima)	6,000,000	
Homeless Coordination at Hospitals	10,000,000	
CalOptima Day & QI Program	1,231,087	
FQHC - Expansion	570,000	
Funds Allocation Total	_	41,801,087
Program Commitment Balance, available for new initiatives:	_	\$58,198,913

On June 27, 2019 at a Special Board meeting, the Board approved four funding categories. This report only lists Board approved projects.

# Budget Allocation Changes Reporting Changes for March 2020

Transfer Month	Line of Business	From	То	Amount	Expense Description
		IS Application Development - Maintenance HW/SW	IS Application Development - Maintenance HW/SW (Human		Repurpose \$32,700 from Maintenance HW/SW (CalOptima Link Software) to
July	Medi-Cal	(CalOptima Link Software)	Resources Corporate Application)	\$32,700	Maintenance HW/SW (Human Resources Corporate Application)
			IS Infrastructure - Capital Projects (505 IDF Upgrade and		Reallocate \$38,300 from Capital Project (Server 2016 Upgrade) to Capital
July	Medi-Cal	IS Infrastructure - Capital Project (Server 2016 Upgrade)	MDF Switch Upgrade)	\$38,300	Projects (505 IDF Upgrade and MDF Switch Upgrade)
			IS Infrastructure - Capital Projects (505 IDF Upgrade and		Reallocate \$25,700 from Capital Project (LAN Switch Upgrades) to Capital
July	Medi-Cal	IS Infrastructure - Capital Project (LAN Switch Upgrade)	MDF Switch Upgrade)	\$25,700	Projects (505 IDF Upgrade and MDF Switch Upgrade)
			IS Infrastructure - Maintenance HW/SW - Network		Repurpose \$53,000 from Microsoft True-Up to Network Connectivity -
December	Medi-Cal	IS Infrastructure - Maintenance HW/SW - Microsoft True-Up	Connectivity - Extreme Networks	\$53,000	Extreme Networks.
					To reallocate \$13,000 from Capital Projects 6th Floor Lunchroom Remodel
					and Conference Room 910 Upgrades to Capital Project Replace Conference
December	Medi-Cal	Facilities - 6th Floor Lunchroom Remodel	Facilities - Replace Conference Room AV Equipment	\$13,000	Room AV Equipment.
					To reallocate \$17,000 from Capital Projects 6th Floor Lunchroom Remodel
					and Conference Room 910 Upgrades to Capital Project Replace Conference
December	Medi-Cal	Facilities - Conference Room 910 Upgrades	Facilities - Replace Conference Room AV Equipment	\$17,000	Room AV Equipment.
			Inovalon Contract for HEDIS Software Training and Support		To reallocate funds from Member Survey - CG CAHPS to Inovalon Contract
January	Medi-Cal	Member Survey - CG CAHPS	hours	\$40,000	for HEDIS Software Training and Support hours.

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000. This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameters.



# **Board of Directors' Finance and Audit Committee Meeting May 21, 2020**

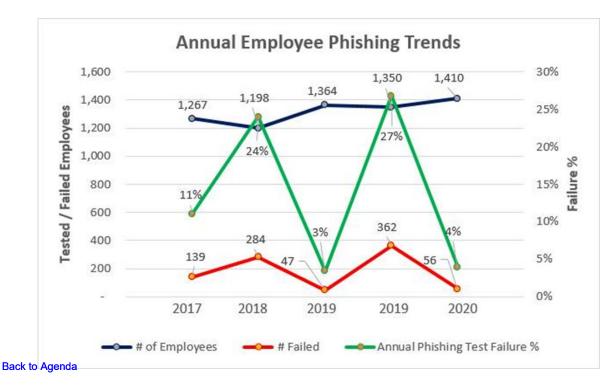
### **Information Systems Security Update - Quarter Ending March 31, 2020**

# **Recent and Upcoming Activities:**

- 1. During this quarter, there was no downtime caused by security incidents and no incident in public media.
- 2. The Information Security team reported 21 Data Loss Prevention incidents to the Privacy team. There was a new trend where remote workers were trying to email work files to personal e-mail accounts in order to print a document. To address this issue, the Privacy Officer sent a notice to management as a reminder to address with staff.
- 3. The 2019 penetration tests (i.e. internal & external) and the 2019 Annual HIPAA Risk Assessment were completed successfully by Tevora in January 2020.
- 4. The Information Security Team has completed the first bi-annual enterprise phishing test of 2020 in April and the failure rate is 4%.
- 5. The CalOptima data masking project to protect sensitive data from exposure in non-production environments was kicked off on 4/16/2020.

#### Analysis:

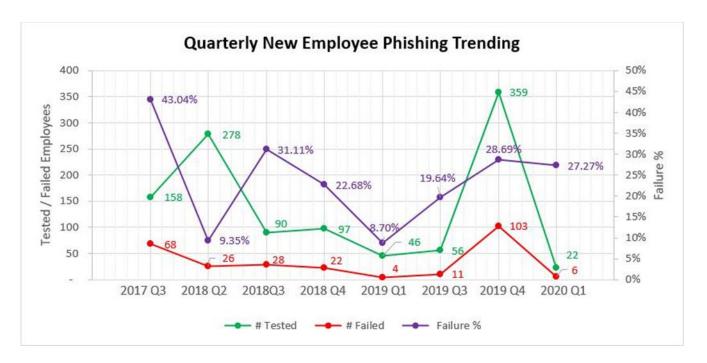
The result of the first company-wide phishing test in 2020 were encouraging (Failure rate <4 %). We found that majority deleted incoming emails that have the external warning; which greatly reduced their chance of being phished.



CalOptima Information Systems Security Update May 21, 2020 Page 2

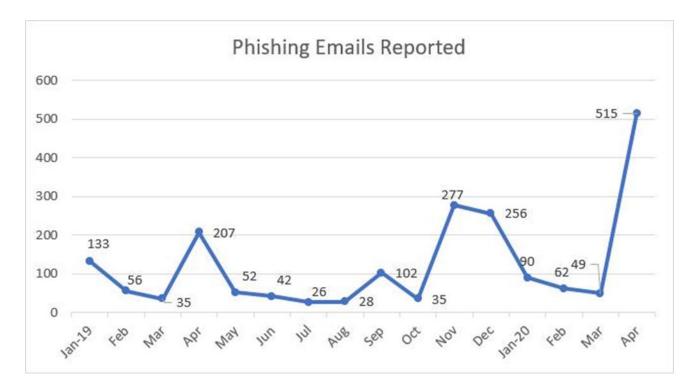
### Analysis:

The result of the last quarterly test in 2020 was as usual (about 27% failure rate). From our observation, it usually takes a user one or two tests before the user is more aware of and careful with phishing emails.



#### Analysis:

The trend is positive showing more users are reporting phishing emails via outlook "phishing reporting button".



# Incoming Emails – Q1 2020

Overview > Incoming Mail Summary									
Message Category	%	Messages							
Stopped by Reputation Filtering	75.3%	3.2M							
Stopped as Invalid Recipients	0.0%	111							
Spam Detected	3.7%	157.2k							
Virus Detected	0.0%	31							
■ Detected by Advanced Malware Protection	0.0%	17							
Messages with Malicious URLs	0.1%	4,749							
Stopped by Content Filter	1.0%	43.3k							
Stopped by DMARC	0.0%	0							
S/MIME Verification/Decryption Failed	0.0%	0							
Total Threat Messages:	80.0%	3.4M							
Marketing Messages	4.2%	179.9k							
Social Networking Messages	0.1%	5,438							
Bulk Messages	2.3%	98.1k							
Total Graymails:	6.6%	283.5k							
S/MIME Verification/Decryption Successful	0.0%	0							
Clean Messages	13.4%	573.7k							
Total Attempted Messages:		4.3M							



# Quarterly Operating and Capital Budget Update

January 1, 2020 to March 31, 2020

Board of Directors' Finance and Audit Committee Meeting May 21, 2020

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# Quarterly Operating Budget Update as of March 31, 2020

# FY 2019-20 Board Approved Attachment A

Attachment A

#### CalOptima Fiscal Year 2019-20 Budget By Line of Business

Board Approved on June 6, 2019

		Medi-Cal	OCC	OneCare	PACE	Facilities		Other	Consolidated
Member Months		8,731,182	167,957	18,081	4,600	-			8,921,820
Avg Members		727,599	13,996	1,507	383	-			743,485
Revenues									
Capitation revenue	\$	3,223,902,036	\$ 286,554,214	\$ 19,619,684	\$ 35,690,018	\$ -			\$ 3,565,765,952
Total	\$	3,223,902,036	\$ 286,554,214	\$ 19,619,684	\$ 35,690,018	\$ -			\$ 3,565,765,952
Medical Costs									
Total	\$	3,069,035,404	\$ 280,093,118	\$ 19,184,286	\$ 30,993,360	\$ -			\$ 3,399,306,169
MLR	_	95.2%	 97.7%	97.8%	86.8%			*	95.3%
Gross Margin	\$	154,866,631	\$ 6,461,096	\$ 435,398	\$ 4,696,657	\$ -			\$ 166,459,783
Administrative Expenses									
Salaries, Wages, & Employee Benefits	\$	85,700,709	\$ 9,980,046	\$ 621,380	\$ 1,719,501	\$ -			\$ 98,021,637
Professional Fees	\$	4,224,576	\$ 933,550	\$ 257,750	\$ 1,840	\$ -			\$ 5,417,716
Purchased services	\$	11,454,021	\$ 2,315,867	\$ 204,750	\$ 227,648	\$ 277,221			\$ 14,479,507
Printing & Postage	\$	5,320,217	\$ 1,150,320	\$ 200,000	\$ 126,400	\$ -			\$ 6,796,937
Depreciation & Amortization	\$	5,469,000	\$ -	\$ -	\$ 25,392	\$ 2,096,700			\$ 7,591,092
Other Operating Expenses	\$	19,642,076	\$ 862,641	\$ 56,850	\$ 49,649	\$ 2,429,513			\$ 23,040,729
Indirect Cost Allocation, Occupancy Expense	\$	(2,145,075)	\$ 6,237,504	\$ 427,067	\$ 49,562	\$ (4,803,434)			\$ (234,376)
Total	\$	129,665,524	\$ 21,479,928	\$ 1,767,797	\$ 2,199,992	\$ -			\$ 155,113,241
ALR		4.0%	7.5%	9.0%	6.2%			*	4.4%
Operating Income/(Loss)	\$	25,201,107	\$ (15,018,832)	\$ (1,332,399)	\$ 2,496,665	\$ -	\$	-	\$ 11,346,542
Investment Income							\$	15,000,000	\$ 15,000,000
CHANGE IN NET ASSETS	\$	25,201,107	\$ (15,018,832)	\$ (1,332,399)	\$ 2,496,665	\$ 	<b>\$</b> 1	15,000,000	\$ 26,346,542

# **Board Action Approval Details and Summary for Administrative Budget**

#### CalOptima Fiscal Year 2019-20 Budget Board Action Approval Summary

Board Action Approval Summary		Medi-Cal		OCC		OneCare		PACE		Facilities		Other		Net Impact	
Medical Costs	\$	(55,000)	\$		\$		\$	<u>-</u>	\$		\$		\$	(55,000)	
Administrative Expenses															
Salaries, Wages, & Employee Benefits	\$	135,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	135,000	
Professional Fees	\$	407,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	407,000	
Purchased services	\$	1,595,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,595,000	
Printing & Postage	\$	(200,000)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(200,000)	
Depreciation & Amortization	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	- '	
Other Operating Expenses	\$	123,000	\$	-	\$	_	\$	-	\$	-	\$	-	\$	123,000	
Indirect Cost Allocation, Occupancy	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Total	\$	2,060,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,060,000	
Net Impact	\$	2,005,000	\$		\$		\$		\$		\$		\$	2,005,000	

#### CalOptima Fiscal Year 2019-20 Budget Board Action Approval Details

oard Action Approval Details:	Medi-Cal	OCC	OneCare	PACE	Facilities	Other	N	Net Impact
1 BOD Date - August 1, 2019								-
Report Item No. 16								
From: Medical Costs	\$ (135,000)						\$	(135,000
To: Salaries, Wages, & Employee Benefits	\$ 135,000						\$	135,00
2 BOD Date - October 3, 2019								
Report Item No. 6								
To: Other Operating Expenses	\$ 93,000						\$	93,00
To: Professional Fees	\$ 300,000						\$	300,00
3 BOD Date - October 3, 2019								
Report Item No. 22								
To: Other Operating Expenses	\$ 30,000						\$	30,00
4 BOD Date - November 7, 2019								
Report Item No. 6								
To: Professional Fees	\$ 35,000						\$	35,00
5 BOD Date - Feburary 6, 2020								
Report Item No. 4								
To: Medical Costs	\$ 80,000						\$	80,00
6 BOD Date - March 5, 2020								
Report Item No. 6								
From: Printing and Postage	\$ (200,000)						\$	(200,00
To: Purchased Services	\$ 200,000						\$	200,00
7 BOD Date - March 5, 2020								
Report Item No. 7								
To: Purchased Services	\$ 1,395,000						\$	1,395,00
8 BOD Date - March 5, 2020								
Report Item No. 21								
To: Professional Fees	\$ 72,000						\$	72,00

# **CEO Administrative Budget Allocation Changes**

Administrative Budget Allocation Changes Reporting Changes as of March 31, 2020

Transfer	Line of					Fiscal
Month	Business	From	To	Amount	<b>Expense Description</b>	Year
					Repurpose \$32,700 from Maintenance	
		IS Application Development -	IS Application Development -		HW/SW (CalOptima Link Software) to	
		Maintenance HW/SW (CalOptima Link	Maintenance HW/SW (Human		Maintenance HW/SW (Human	
July	Medi-Cal	Software)	Resources Corporate Application)	\$32,700	Resources Corporate Application)	2020
			IS Infrastructure - Maintenance		Repurpose \$53,000 from Microsoft	
		IS Infrastructure - Maintenance	HW/SW - Network Connectivity -		True-Up to Network Connectivity -	
December	Medi-Cal	HW/SW - Microsoft True-Up	Extreme Networks	\$53,000	Extreme Networks.	2020
					To reallocate funds from Member	
					Survey - CG CAHPS to Inovalon	
			Inovalon Contract for HEDIS Software		Contract for HEDIS Software Training	
January	Medi-Cal	Member Survey - CG CAHPS	Training and Support Hours	\$40,000	and Support Hours.	2020

Board Resolution No. 12-0301-01 permits the CEO to make budget allocation changes within certain parameters.

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.

# FY 2019-20 Revised Attachment A

#### CalOptima Fiscal Year 2019-20 Budget Budgeted Statement of Revenue & Expenses By Line of Business

Attachment A - Revised

Attachment A - Neviseu			Бу Епіс	ULDU	15111055					
		Medi-Cal	occ		OneCare	PACE	1	acilities	Other	Consolidated
Member Months		8,731,182	167,957	7	18,081	4,600		_		8,921,820
Avg Members		727,599	13,996		1,507	383		-		743,485
Revenues										
Capitation revenue	\$	3,223,902,036	\$286,554,214	1 \$	19,619,684	\$ 35,690,018	\$	_		3,565,765,952
Total	\$	3,223,902,036	\$286,554,214		19,619,684	\$ 	\$	-		\$ 3,565,765,952
Medical Costs										
Total	\$	3,068,980,404	\$280,093,118	\$	19,184,286	\$ 30,993,360	\$	-		\$ 3,399,251,169
MLR		95.2%	97.79	6	97.8%	86.8%			*	95.3%
Gross Margin	\$	154,921,631	\$ 6,461,096	5 \$	435,398	\$ 4,696,657	\$	-		\$ 166,514,783
Administrative Expenses										
Salaries, Wages, & Employee Benefits	\$	85,835,709	\$ 9,980,046		621,380	\$ 1,719,501	\$	-		\$ 98,156,637
Professional Fees	\$	4,631,576	\$ 933,550		257,750	\$ 1,840	\$	-		\$ 5,824,716
Purchased services	\$	13,049,021	\$ 2,315,867		204,750	\$ 227,648	\$	277,221		\$ 16,074,507
Printing & Postage	\$	5,120,217	\$ 1,150,320		200,000	\$ 126,400	\$	-		\$ 6,596,937
Depreciation & Amortization	\$	5,469,000	\$ -	\$	-	\$ 25,392		2,096,700		\$ 7,591,092
Other Operating Expenses	\$	19,765,076	\$ 862,641		56,850	\$ 49,649		2,429,513		\$ 23,163,729
Indirect Cost Allocation, Occupancy Expense	\$	(2,145,075)	\$ 6,237,504	1 \$	427,067	\$ 49,562	\$	(4,803,434)		\$ (234,376)
Total	\$	131,725,524	\$ 21,479,928	3 \$	1,767,797	\$ 2,199,992	\$	-		\$ 157,173,241
ALR	·	4.1%	7.5%	6	9.0%	6.2%			*	4.4%
Operating Income/(Loss)	\$	23,196,107	\$ (15,018,832	2) \$	(1,332,399)	\$ 2,496,665	\$	-	\$ -	\$ 9,341,542
Investment Income									\$15,000,000	\$ 15,000,000
CHANGE IN NET ASSETS	\$	23,196,107	\$ (15,018,832	2) <u>\$</u>	(1,332,399)	\$ 2,496,665	\$		\$15,000,000	\$ 24,341,542

# **Personnel Budget Summary**

FY 2019 - 20 Personnel Summary

		FY 2019 - 20 Personnel (FTEs) - March 2020						
Line of Business		Filled	Open	Total	Vacancy %			
Medi-Cal	MC	1,026.8	160.3	1,187.1	13.5%			
OC	OC	9.3		9.3	0.0%			
OCC	OCC	194.8	14.0	208.8	6.7%			
PACE	PACE	79.5	27.0	106.5	25.4%			
Total	_	1,310.4	201.3	1,511.6	13.3%			

Notes:

FTE count is based on position control reconciliation.

FTE count includes both medical and administrative positions.

Salary Market Adjustments as of March 31, 2020

Title	Effective Date	Quarter	Market Adjustment (% Increase)
Manager, PACE Clinic	1/19/2020	Q3	4%
Quality Improvement	1/19/2020	Q3	6.63%
Project Specialist Sr	2/2/2020	Q3	27.00%
Facilities & Support Services Coordinator	2/2/2020	Q3	10.34%
Director Network Management	3/1/2020	Q3	4.90%
		Total Financial Impact	\$34,037.57

Source: Salary Market Adjustments provided by the Human Resources Department.

## **Administrative Expense Summary by Category**

#### Administrative Expense Summary by Category as of March 31, 2020

#### **Consolidated Administrative Expense Summary**

	Marcl	h M	TD	Variano	ee	$\mathbf{Y}$	ΓD		Variance	e	FY 2020
LOB	Actual		Budget	\$	%	Actual		Budget	\$	%	Budget
MC	\$ 3,059,927	\$	3,792,142	\$ 732,215	19%	\$ 25,306,032	\$	31,168,748	\$ 5,862,716	19%	\$ 42,565,886
OC	\$ 29,023	\$	59,948	\$ 30,925	52%	\$ 339,082	\$	539,532	\$ 200,450	37%	\$ 719,350
OCC	\$ 216,504	\$	388,534	\$ 172,030	44%	\$ 2,551,363	\$	4,096,799	\$ 1,545,436	38%	\$ 5,262,379
PACE	\$ 30,713	\$	33,794	\$ 3,081	9%	\$ 213,839	\$	304,136	\$ 90,297	30%	\$ 405,537
Total	\$ 3,336,167	\$	4,274,418	\$ 938,251	22%	\$ 28,410,316	\$	36,109,215	\$ 7,698,899	21%	\$ 48,953,152

#### **Professional Fees**

	Marcl	ı Mi	ΓD	Variano	ee	Y	D		Variance	9	FY 2020
LOB	Actual		Budget	\$	%	Actual		Budget	\$	%	Budget
MC	\$ 200,988	\$	399,574	\$ 198,586	50%	\$ 1,773,329	\$	3,405,120	\$ 1,631,791	48%	\$ 4,631,576
OC	\$ 15,000	\$	21,480	\$ 6,480	30%	\$ 174,371	\$	193,320	\$ 18,949	10%	\$ 257,750
OCC	\$ 4,000	\$	77,796	\$ 73,796	95%	\$ 460,486	\$	700,163	\$ 239,677	34%	\$ 933,550
PACE	\$ 123	\$	153	\$ 30	19%	\$ 1,506	\$	1,377	\$ (129)	-9%	\$ 1,836
Total	\$ 220,112	\$	499,003	\$ 278,891	56%	\$ 2,409,692	\$	4,299,980	\$ 1,890,288	44%	\$ 5,824,712

#### **Purchased Services**

	Marcl	ı M	TD	Variano	ee	Y	ſD		Varianc	e	FY 2020
LOB	Actual		Budget	\$	%	Actual		Budget	\$	%	Budget
MC	\$ 931,229	\$	1,353,004	\$ 421,775	31%	\$ 7,314,886	\$	8,990,030	\$ 1,675,144	19%	\$ 13,049,021
OC	\$ 8,823	\$	17,063	\$ 8,240	48%	\$ 119,728	\$	153,567	\$ 33,839	22%	\$ 204,750
OCC	\$ 81,189	\$	142,988	\$ 61,799	43%	\$ 1,264,438	\$	1,886,898	\$ 622,460	33%	\$ 2,315,867
PACE	\$ 4,820	\$	18,971	\$ 14,151	75%	\$ 71,527	\$	170,739	\$ 99,212	58%	\$ 227,652
Total	\$ 1,026,061	\$	1,532,026	\$ 505,965	33%	\$ 8,770,578	\$	11,201,234	\$ 2,430,656	22%	\$ 15,797,290

#### **Printing and Postage**

	March MTD			ΓD	Variance			YTD			Variance			FY 2020		
LOB		Actual		Budget		\$	%		Actual		Budget		\$	<b>%</b>		Budget
MC	\$	278,531	\$	392,911	\$	114,380	29%	\$	3,030,687	\$	3,942,155	\$	911,468	23%	\$	5,120,217
OC	\$	5,200	\$	16,667	\$	11,467	69%	\$	42,746	\$	150,003	\$	107,257	72%	\$	200,000
OCC	\$	70,817	\$	95,861	\$	25,044	26%	\$	544,491	\$	862,743	\$	318,252	37%	\$	1,150,320
PACE	\$	23,156	\$	10,533	\$	(12,623)	-120%	\$	105,646	\$	94,797	\$	(10,849)	-11%	\$	126,400
Total	\$	377,704	\$	515,972	\$	138,268	27%	\$	3,723,571	\$	5,049,698	\$	1,326,127	26%	\$	6,596,937

#### **Other Operating Expenses**

	Marcl	ı M	TD	Varianc	e	$\mathbf{Y}$	ſD		Variance	e	FY 2020
LOB	Actual		Budget	\$	<b>%</b>	Actual		Budget	\$	%	Budget
MC	\$ 1,649,178	\$	1,646,653	\$ (2,525)	0%	\$ 13,187,130	\$	14,831,443	\$ 1,644,313	11%	\$ 19,765,072
OC	\$ -	\$	4,738	\$ 4,738	100%	\$ 2,237	\$	42,642	\$ 40,405	95%	\$ 56,850
OCC	\$ 60,497	\$	71,889	\$ 11,392	16%	\$ 281,948	\$	646,995	\$ 365,047	56%	\$ 862,642
PACE	\$ 2,614	\$	4,137	\$ 1,523	37%	\$ 35,160	\$	37,223	\$ 2,063	6%	\$ 49,649
Total	\$ 1,712,290	\$	1,727,417	\$ 15,127	1%	\$ 13,506,475	\$	15,558,303	\$ 2,051,828	13%	\$ 20,734,213

Administrative expense summary by category does not include expenditures and budget for Facilities.

# Quarterly Capital Budget Update as of March 31, 2020

## FY 2019-20 Capital Attachment A

Attachment A
Fiscal Year 2019-20 Capital Budget by Project

INFRASTRUCTURE	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Network - 505 Building IDF Containers and Fabric Blade Upgrade	1,480,000	-	-	1,480,000
Network - IPS Upgrades for 505 Building and OCIT Security Devices	207,000	-	25,000	232,000
Network - 505 Building and PACE Network Access Control Devices Upgrade	145,000	-	-	145,000
Network - 505 Building MDF Network Core Switch Upgrade	300,700	-	50,000	350,700
Network - Network Time Protocol Appliance Upgrade	20,500	-	-	20,500
Security - Identity and Access Management	50,000	150,000	50,000	250,000
Server - Continuous Integration Test Automation	100,000	-	-	100,000
Server - FTP Automation File Transfer Software	-	25,000	5,000	30,000
Server - Infrastructure for DMZ (Public and Private Sites) Scaling	75,000	-	-	75,000
Server - PACE Server Refresh	50,000	-	-	50,000
Server - Citrix Upgrade	-	78,000	-	78,000
Server - Commvault Upgrade	-	20,000	-	20,000
Server - Server 2016 Upgrade	300,000	-	-	300,000
Telephony - Customer Service Satisfaction Survey Upgrade	25,000	20,000	5,000	50,000
TOTAL INFRASTRUCTURE S	3 2,753,200 S	293,000	\$ 135,000	\$ 3,181,200

APPLICATIONS MANAGEMENT	HARD	WARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
ADT RealTime Notifications		-	1,400,000	100,000	1,500,000
Hospital Data Sharing System		-	400,000	606,250	1,006,250
Hierarchical Condition Category Risk Adjustment Factor		-	781,848	-	781,848
EHR System		-	500,000	32,500	532,500
Predictive Modeling		-	300,000	75,000	375,000
Telehealth		-	250,000	100,000	350,000
Credentialing Management		-	76,000	122,850	198,850
TOTAL APPLICATIONS MANAGEMENT	\$	- S	3,707,848	\$ 1,036,600	\$ 4,744,448

APPLICATIONS DEVELOPMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Provider Portal Continuation	-	-	750,000	750,000
Alternative to Microsoft Access Operational Applications	50,000	15,000	500,000	565,000
Employee Learning Management System	-	110,000	25,000	135,000
Data Warehouse and Business Intelligence Governance and Catalog Tool	-	75,000	2,500	77,500
Threshold Language In Memory Translation Software	5,000	60,000	2,000	67,000
Vendor and Employee Exclusion Monitoring	-	30,000	-	30,000
Code Secure Software Veracode Static Analysis	-	24,000	-	24,000
Employee Emergency Notification System	-	10,000	2,000	12,000
Great Plains Accounting Automated Integration	-	5,000	1,000	6,000
TOTAL APPLICATIONS DEVELOPMENT	\$ 55,000 <b>\$</b>	329,000	\$ 1,282,500	\$ 1,666,500

505 BUILDING IMPROVEMENTS	BUILDING	EQUIPMENT	PROFESSIONAL FEES	TOTAL CAPITAL
Main Cooling Tower Replacement	881,000	-	-	881,000
New Roof Membrane	200,000	-	-	200,000
Annual Xerox Capital Lease	125,000	-	-	125,000
Conference Room 910 Upgrades	25,000	-	-	25,000
Replace HVAC Unit for Intermediate Distribution Frame Room	25,000	-	-	25,000
Replace Magnetic Starters for Motor Control Center in Basement	25,000		-	25,000
Main Fire Line Replacement	25,000		-	25,000
Replace Conference Room Audio Visual Equipment	20,000		-	20,000
Security Cameras	20,000		-	20,000
6th Floor Lunchroom Remodel	13,000		-	13,000
TOTAL 505 BUILDING IMPROVEMENTS	\$ 1,359,000 \$	-	- \$ -	\$ 1,359,000

PACE	E	QUIPMENT	PRO	FESSIONAL FEES	TOTAL CAPITAL
Food Service Kitchen		22,500	-	2,500	25,000
Dishwasher		11,000	-	-	11,000
Patio Upgrade		10,000	-	-	10,000
Electronic Patient Board		4,000	-	3,500	7,500
TOTAL PACE	\$	47,500 \$	- \$	6,000	\$ 53,500
TOTAL FY19 NEW CAPITAL BUDGET	\$	4,214,700 \$	4,329,848 \$	2,460,100	\$ 11,004,648

## **Board Action and CEO Approval Details for Capital Projects**

Board Approved Action Details	Project Description	HA	ARDWARE	SOFTWARE	PRO	FESSIONAL FEES	TOTAL C	APITAL
1 Date - October 3, 2019								
To: Infrastructure	Data Masking		120,000		-	200,000		320,000
To: Infrastructure	RightFax Tool Upgrade		70,000		-	-		70,000
TOTAL Board Approved Actions		\$	190,000 \$	-	\$	200,000	\$	390,000

CEO Approved Action Details	Project Description	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
1 Date - July 1, 2019					-
From: Infrastructure	Network - 505 Building and PACE Network				
	Access Control Devices Upgrade	(25,700)	-	-	(25,700)
From: Infrastructure	Server - Server 2016 Upgrade	(38,300)	-	-	(38,300)
To: Infrastructure	Network - 505 Building IDF Containers and				
	Fabric Blade Upgrade	28,800	-	-	28,800
To: Infrastructure	Network - 505 Building MDF Network Core				
	Switch Upgrade	35,200	-	-	35,200
2 Date - August 27, 2019					-
From: Applications Development	Alternative to Microsoft Access Operational				
	Applications	-	(5,000)	-	(5,000)
To: Applications Development	Code Secure Software Veracode Static				
	Analysis	-	5,000	-	5,000
3 Date - November 19, 2019					-
From: Applications Development	Alternative to Microsoft Access Operational				
	Applications	-	(3,400)	(8,000)	(11,400)
To: Applications Development	Great Plains Accounting Automated				
	Integration	-	3,400	8,000	11,400
4 Date - December 26, 2019		-	-	-	-
From: Facilities	6th Floor Lunchroom Remodel	(13,000)	-	-	(13,000)
From: Facilities	Conference Room 910 Upgrades	(17,000)	-	-	(17,000)
To: Facilities	Replace Conference Room Audio Visual				
	Equipment	30,000	-	-	30,000
TOTAL CEO Approved Actions	S	- \$	-	\$ -	s -

## **CEO Capital Budget Allocation Changes**

#### Capital Budget Allocation Changes Reporting Changes as of March 31, 2020

Transfer Month	Line of Business	From	То	Amount	Expense Description	Fiscal Year
					Reallocate \$38,300 from Capital	
			IS Infrastructure - Capital Projects		Project (Server 2016 Upgrade) to	
		IS Infrastructure - Capital Project	(505 IDF Upgrade and MDF Switch		Capital Projects (505 IDF Upgrade	
July	Medi-Cal	(Server 2016 Upgrade)	Upgrade)	\$38,300	and MDF Switch Upgrade)	2020
					Reallocate \$25,700 from Capital	
			IS Infrastructure - Capital Projects		Project (LAN Switch Upgrades) to	
		IS Infrastructure - Capital Project (LAN	(505 IDF Upgrade and MDF Switch		Capital Projects (505 IDF Upgrade	
July	Medi-Cal	Switch Upgrade)	Upgrade)	\$25,700	and MDF Switch Upgrade)	2020
					To reallocate \$13,000 from Capital	
					Projects 6th Floor Lunchroom Remodel	
					and Conference Room 910 Upgrades	
		Facilities - 6th Floor Lunchroom	Facilities - Replace Conference Room		to Capital Project Replace Conference	
December	Medi-Cal	Remodel	AV Equipment	\$13,000	Room AV Equipment.	2020
					To reallocate \$17,000 from Capital	
					Projects 6th Floor Lunchroom Remodel	
					and Conference Room 910 Upgrades	
		Facilities - Conference Room 910	Facilities - Replace Conference Room		to Capital Project Replace Conference	
December	Medi-Cal	Upgrades	AV Equipment	\$17,000	Room AV Equipment.	2020

Board Resolution No. 12-0301-01 permits the CEO to make budget allocation changes within certain parameters. This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.

## FY 2019-20 Revised Capital Attachment A

#### **Revised Attachment A**

INFRASTRUCTURE	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Network - 505 Building IDF Containers and Fabric Blade Upgrade	1,508,800	-	-	1,508,800
Network - IPS Upgrades for 505 Building and OCIT Security Devices	207,000	-	25,000	232,000
Network - 505 Building and PACE Network Access Control Devices Upgrade	119,300	-	-	119,300
Network - 505 Building MDF Network Core Switch Upgrade	335,900	-	50,000	385,900
Network - Network Time Protocol Appliance Upgrade	20,500	-	-	20,500
Security - Identity and Access Management	50,000	150,000	50,000	250,000
Server - Continuous Integration Test Automation	100,000	-	-	100,000
Server - FTP Automation File Transfer Software	-	25,000	5,000	30,000
Server - Infrastructure for DMZ (Public and Private Sites) Scaling	75,000	-	-	75,000
Server - PACE Server Refresh	50,000	-	-	50,000
Server - Citrix Upgrade	-	78,000	-	78,000
Server - Commvault Upgrade	-	20,000	-	20,000
Server - Server 2016 Upgrade	261,700	-	-	261,700
Telephony - Customer Service Satisfaction Survey Upgrade	25,000	20,000	5,000	50,000
Data Masking	120,000	-	200,000	320,000
RightFax Tool Upgrade	70,000	-	-	70,000
TOTAL INFRASTRUCTURE	\$ 2,943,200	\$ 293,000	\$ 335,000	\$ 3,571,200

APPLICATIONS MANAGEMENT	HARDV	VARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
ADT RealTime Notifications		-	1,400,000	100,000	1,500,000
Hospital Data Sharing System		-	400,000	606,250	1,006,250
Hierarchical Condition Category Risk Adjustment Factor		-	781,848	-	781,848
EHR System		-	500,000	32,500	532,500
Predictive Modeling		-	300,000	75,000	375,000
Telehealth		-	250,000	100,000	350,000
Credentialing Management		-	76,000	122,850	198,850
TOTAL APPLICATIONS MANAGEMENT	\$	- \$	3,707,848	\$ 1,036,600	\$ 4,744,448

APPLICATIONS DEVELOPMENT	HA	RDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Provider Portal Continuation		-	-	750,000	750,000
Alternative to Microsoft Access Operational Applications		50,000	6,600	492,000	548,600
Employee Learning Management System		-	110,000	25,000	135,000
Data Warehouse and Business Intelligence Governance and Catalog Tool		-	75,000	2,500	77,500
Threshold Language In Memory Translation Software		5,000	60,000	2,000	67,000
Vendor and Employee Exclusion Monitoring		-	30,000	-	30,000
Code Secure Software Veracode Static Analysis		-	29,000	-	29,000
Employee Emergency Notification System		-	10,000	2,000	12,000
Great Plains Accounting Automated Integration		-	8,400	9,000	17,400
TOTAL APPLICATIONS DEVELOPMENT	\$	55,000 \$	329,000	\$ 1,282,500	1,666,500

505 BUILDING IMPROVEMENTS	BUILDING	EQUIPMENT	PROFESSIONAL FEES	TOTAL CAPITAL
Main Cooling Tower Replacement	881,000	-	-	881,000
New Roof Membrane	200,000	-	-	200,000
Annual Xerox Capital Lease	125,000	-	-	125,000
Conference Room 910 Upgrades	8,000	-	-	8,000
Replace HVAC Unit for Intermediate Distribution Frame Room	25,000	-	-	25,000
Replace Magnetic Starters for Motor Control Center in Basement	25,000	-	-	25,000
Main Fire Line Replacement	25,000	-	-	25,000
Replace Conference Room Audio Visual Equipment	50,000	-	-	50,000
Security Cameras	20,000	-	-	20,000
6th Floor Lunchroom Remodel	-	-	-	-
TOTAL 505 BUILDING IMPROVEMENTS	\$ 1,359,000	s -	s -	\$ 1,359,000

PACE	E	QUIPMENT		PROFESSIONAL FEES	TOTAL CAPITAL
Food Service Kitchen		22,500	-	2,500	25,000
Dishwasher		11,000	-	-	11,000
Patio Upgrade		10,000	-	-	10,000
Electronic Patient Board		4,000	-	3,500	7,500
TOTAL PACE	\$	47,500 \$	-	\$ 6,000	\$ 53,500
MODELY WAS DEFINED OF DEPLY DATE.					

# **Quarterly Purchasing Report**

## **FY 2019-20 Third Quarter Purchasing Report**

#### Quarterly Purchase Report January 1, 2020 through March 31, 2020 Completed Major Commitments over \$100,000

Nature of Services	FY20 Q3  Budgeted  Current Year	Purchase or Contract Highlights	Bidding Outcome	Previous Vendor	Contract Amount	Spent Year 2020	Remaining Amount on Contract	Expires
Specbuilder Software License	\$ 103,542	Edifecs Inc	Renewal	Same	\$ 103,542	\$ 103,542	\$ -	03/08/21
Daily Mailings	\$ 104,37	Dome Printing	Renewal	Same	\$ 104,377	\$ 67,143	\$ 37,234	06/30/20
TANF to SSI Conversion	\$ 110,600	Human Arc Corporation of Ohio	Renewal	Same	\$ 110,600	\$ 88,200	\$ 22,400	06/30/20
Medical Newsletters	\$ 113,21	Sapphire Printing Group	Renewal	Same	\$ 113,211	\$ -	\$ 113,211	06/30/20
Cybersecurity Software	\$ 118,249	Optiv Security Inc.	Renewal	Same	\$ 118,249	\$ -	\$ 118,249	03/29/21
Dell Laptops	\$ 121,879	Dell Computers	Bid Exception/COVID-19	Dell	\$ 121,879	\$ -	\$ 121,879	04/17/20
Riverbed Software	\$ 125,16	CDW Corporation	Four Proposals received	CDW	\$ 125,161	\$ 125,161	\$ -	12/31/20
Data Co-location Services	\$ 130,000	Orange County Treasurer-Tax Collector	Renewal	Same	\$ 130,000	\$ 72,376	\$ 57,624	06/30/20
Furniture Storage	\$ 146,160	Cor-O-Van Moving & Storage Co	Renewal	Same	\$ 146,160	\$ 122,633	\$ 23,527	06/30/20
OneCare Bid Submission	\$ 180,400	Milliman USA	Bid Exception	Milliman	\$ 180,400	\$ 34,361	\$ 146,039	06/30/20
Computer Monitors	\$ 184,14:	Dell Computers	Bid Exception/COVID-19	Dell	\$ 184,145	\$ -	\$ 184,145	04/17/20
Telephone Software for Temporary Telework	\$ 195,428	Intelli-Flex Inc	Bid Exception/COVID-19	Intelli-Flex	\$ 195,428	\$ -	\$ 195,428	04/17/20
Enterprise Support	\$ 197,840	Microsoft Corporation	Bid Exception	Microsoft	\$ 197,840	\$ -	\$ 197,840	04/21/21
HEDIS Software	\$ 199,34	Inovalon Inc	Renewal	Same	\$ 199,345	\$ -	\$ 199,345	10/31/22
Actuarial Services	\$ 200,000	Milliman USA	Renewal	Same	\$ 200,000	\$ 14,634	\$ 185,366	06/30/20
Tipping Point Software	\$ 249,400	Tevora Business Solutions Inc	Seven proposals received	New	\$ 249,406	\$ -	\$ 249,406	04/17/20
Contracting Contract	\$ 278,360	Change Healthcare Solutions, LLC	Renewal	Same	\$ 278,366	\$ 278,366	\$ -	12/29/21

## FY 2019-20 Third Quarter Purchasing Report (Cont'd)

#### Quarterly Purchase Report January 1, 2020 through March 31, 2020 Completed Major Commitments over \$100,000

Nature of Services	FY20 Q3  Budgeted  Current Year	Purchase or Contract Highlights	Bidding Outcome	Previous Vendor	Contract Amount	Spent Year 2020	Remaining Amount on Contract	Expires
PACE Home Care Services	\$ 300,000	Cambrian Home Care	Renewal	Same	\$ 300,000	\$ 245,186	\$ 54,814	06/30/20
Investment Redemption	\$ 440,000	Wells Capital Management Inc	Replenishment	Same	\$ 440,000	\$ 80,902	\$ 359,098	06/30/20
PACE PCP Services	\$ 500,000	NR Medical Associates	Renewal	Same	\$ 500,000	\$ 359,596	\$ 140,404	06/30/20
Medi-Cal Surveys	\$ 504,487	DataStat	Renewal	Same	\$ 504,487	\$ 197,461	\$ 307,027	04/30/21
Investment Redemption	\$ 510,000	Payden & Rygel	Replenishment	Same	\$ 510,000	\$ 97,075	\$ 412,925	06/30/20
Reimbursement Software	\$ 523,110	Burgess Group	Renewal	Same	\$ 523,110	\$ 523,110	\$ 0	06/30/22
Electronic Health Record Software	\$ 532,500	Office Ally, LLC	Renewal	Same	\$ 532,500	\$ -	\$ 532,500	04/30/23
PACE Building Lease	\$ 547,353	Young S Kim & Soon Y Kim	Renewal	Same	\$ 547,353	\$ -	\$ 547,353	06/30/21
Over-the-Counter Member Benefits	\$ 554,089	Convey Health Solutions	Two proposals received	New	\$ 554,089	\$ -	\$ 554,089	12/31/21
Investment Redemption	\$ 655,000	Logan Circle Partners LP	Replenishment	Same	\$ 655,000	\$ 132,982	\$ 522,018	06/30/20
PACE Shuttle Services	\$ 990,000	Secure Transportation Company Inc	Renewal	Same	\$ 990,000	\$ 641,544	\$ 348,456	06/30/20
Provider Directory Mailings	\$ 1,150,171	Dome Printing	Renewal	Same	\$ 1,150,171	\$ 713,950	\$ 436,221	06/30/20

## FY 2019-20 Third Quarter Purchasing Report (Cont'd)

#### Quarterly Purchasing Report January 1, 2020 through March 31, 2020 Major Commitments Greater than \$100,000 in Process

Nature of Services	Procurement Status
Third Party Liability and Subrogation Services	RFP issued 4/18/19
19-030	Three proposals received
	Staff is negotiating Contract
Hospital Data Exchange Services	RFP issued 7/17/19
20-002	Nine proposals received
	Staff is negotiating Contract(s)
Internal Auditing Services	RFP issued 8/7/19
20-004	Five proposals received
	Staff is negotiating Contract
Learning Management Content Services	RFP issued 10/8/19
20-007	Five proposals received
	Staff is preparing Best and Final Offers
Member Communications Mailings	RFP issued 11/13/19
20-013	Six proposals received
	Staff awarded a contract to Kenny the Printer and is
	negotiating one other contract
Translation Services	RFP issued 9/19/19
20-015	Fifteen proposals received
	Contracts awarded to three of five vendors
Real Estate Services	RFP issued 10/17/19
20-022	Three proposals received
	Contract awarded to Newmark, Knight and Frank
PACE ACS Services	RFP issued 12/17/19
20-023	One proposal received
	Contract awarded to Alzheimer's Family Center
Cooling Tower Replacement	RFP issued 11/22/19
20-027	One proposal received
	Staff is negotiating Contract
Riverbed Network Support Services	RFQ issued 12/9
20-029	Four proposals received
	Contract awarded 1/7/20 to CDW
Tipping Point Cybersecurity Software	RFP issued 3/6/20
20-034	Seven proposals received
	Contract awarded to Tevora

# **IGT Project Report**

## **IGT Project Update as of March 2020**

	IGT Projects	IGT	First Payment Dispersed Date	COBAR Project End Date	Budget	Spend	% Spent	Balance	Grant Disburse- ment Date			
IGT 1 (Funds Received: September 2012)												
1	Case Management System (Altruista)	1	4/7/2014	12/31/2016	\$2,095,380	\$2,095,380	100%	\$0	Non-Grant Project			
2	Telemedicine [Funds Reallocated]	1	4/7/2014	12/1/2016	\$30,810	\$30,810	100%	\$0	Non-Grant Project			
3	Strategies to Reduce Readmission	1	12/28/2014	12/31/2016	\$611,421	\$611,421	100%	\$0	Non-Grant Project			
4	OneCare PCCs	1	4/16/2014	6/30/2017	\$3,850,000	\$3,850,000	100%	\$0	Non-Grant Project			
5	OneCare Connect PCCs	1	8/18/2015	6/30/2017	\$3,550,000	\$3,550,000	100%	\$0	Non-Grant Project			
6	Case Management Consulting	1	10/1/2014	12/31/2017	\$866,415	\$866,415	100%	\$0	Non-Grant Project			
7	Clinical Field Team Pliot Program [Reallocated Funds]	1	4/8/2019	N/A	\$500,000	\$500,000	100%	\$0	4/8/2019			
8	Depression Screenings [New Project as of December 2016]	1	2/28/2018	5/31/2019	\$500,000	\$455,000	91%	\$45,000	Non-Grant Project			
9	Shape Your Life Program	1	4/28/2017	7/1/2020	\$500,000	\$436,289	87%	\$63,711	Non-Grant Project			
	SUBTOTAL				\$12,504,026	\$12,395,315	99%	\$108,711				
	IG	Γ2(	Funds Re	ceived: J	une 2013)							
1	FQHC Support Phase 1 (to support FQHC attainment)	2	7/6/2015	8/1/2017	\$200,000	\$200,000	100%	\$0	First: 07/2015; Last: 08/2016			
2	FQHC Support Phase 2 (to support FQHC readiness analysis)	2	7/6/2015	12/31/2016	\$202,091	\$202,091	100%	\$0	First: 10/2015; Last: 11/2016			
3	FQHC Support Phase 3 (behavioral/dental expansion)	2	7/6/2015	6/30/2017	\$875,000	\$875,000	100%	\$0	First: 03/2016; Last: 05/2017			
4	Children's Dental Services	2	7/2/2015	7/1/2017	\$400,000	\$400,000	100%	\$0	First: 06/2015; Last: 08/2016			
5	Children's Vision Services	2	9/8/2015	8/1/2017	\$500,000	\$500,000	100%	\$0	First: 09/2015; Last: 08/2016			
6	Security Audit Remediation	2	6/28/2014	7/1/2015	\$98,000	\$98,000	100%	\$0	Non-Grant Project			
7	PACE EHR Implementation	2	5/16/2016	12/31/2016	\$80,000	\$80,000	100%	\$0	Non-Grant Project			
8	Facets Upgrade, Expansion, and Reconfiguration	2	6/18/2014	6/30/2017	\$1,756,620	\$1,756,620	100%	\$0	Non-Grant Project			
9	Continuation of COREC	2	11/3/2014	12/31/2017	\$970,000	\$970,000	100%	\$0	Non-Grant Project			
10	Recuperative Care	2	6/1/2015	12/31/2018	\$500,000	\$500,000	100%	\$0	Non-Grant Project			
11	OneCare Connect PCCs (Continued)	2	6/28/2017	12/31/2018	\$2,400,000	\$2,400,000	100%	\$0	Non-Grant Project			
12	Autism Screening	2	8/3/2016	Reallocated to IGT 5	\$51,600	\$51,600	100%	\$0	Non-Grant Project			
	SUBTOTAL				\$8,033,311	\$8,033,311	100%	\$0				
	IGT 3	(Fu	nds Recei	ved: Sept	ember 2014	4)						
1	Personal Care Coordinators	3	5/15/2017	5/31/2018	\$3,450,000	\$3,450,000	100%	\$0	Non-Grant Project			
2	Recuperative Care (Phase 2)	3	8/16/2018	12/31/2018	\$500,000	\$499,750	100%	\$250	Non-Grant Project			
3	Data Warehouse Expansion	3	2/14/2017	12/31/2019	\$750,000	\$544,607	73%	\$205,393	Non-Grant Project			
	SUBTOTAL				\$4,700,000	\$4,494,357	96%	\$205,643				
	IGT 4 (Fun	ds F	Received:	October 2	2015/March	2016)						
1	Member Health Needs Assessment	4	4/20/2017	12/31/2017	\$500,000	\$500,000	100%	\$0	Non-Grant Project			
2	Personal Care Coordinators	4	1/17/2018	5/31/2018	\$3,550,000	\$3,550,000	100%	\$0	Non-Grant Project			
3	UCI Observation Stay Payment Pliot	4	2/7/2018	12/31/2019	\$750,000	\$744,600	99%	\$5,400	12/1/2016 (COBAR)			
4	Provider Portal Communications & Interconnectivity	4	5/9/2017	12/31/2019	\$1,500,000	\$1,456,510	97%	\$43,490	Non-Grant Project			
5	Member Health Homes Program	4	9/7/2017	9/30/2019	\$250,000	\$103,359	41%	\$146,642	Non-Grant Project			
	SUBTOTAL				\$6,550,000	\$6,354,469	97%	\$195,532				

## IGT Project Update as of March 2020 (Cont'd)

#	IGT Projects	IGT	First Payment Dispersed Date	COBAR Project End Date	Budget	Spend	% Spent	Balance	Grant Disburse- ment Date
	IGT 5	ved: Dec	ember 2016	5)					
1	Be Well OC Regional Wellness Hub	5	TBD	N/A	\$11,400,000	\$11,400,000	100%	50	12/6/2018
2	Access to Adult Dental Services (Grant RFP: Korean Community Services)	5	TBD	N/A	\$1,000,000	\$850,000	85%	\$150,000	(COBAR) Awarded on 8/1/19
3	Access to Children's Dental Services (Grant RFP)	5	TBD	N/A	\$1,000,000	\$844,800	84%	\$155,200	Awarded on 10/3/19
4	Primary Care Services and Programs Addressing Social Determinants of Health (Grant RFP: Santa Ana Unified School District)	5	TBD	N/A	\$1,411,488	\$466,666	33%	\$944,822	Awarded on 8/1/19
	SUBTOTAL				\$14,811,488	\$13,561,466	92%	\$1,250,022	
	IGT 6 & 7 (Fu	nds	Received	l: Septem	ber 2017/M	ay 2018)			
1	Clinical Field Team Pilot Program	7	4/8/2019	N/A	\$1,100,000	\$1,020,000	93%	\$80,000	4/8/2019
2	Expand Access to Food Distribution Services Focused on Children and Families (Grant RFP: Serve the People)	7	TBD	N/A	\$1,000,000	\$750,470	75%	\$249,530	Awarded on 8/1/19
3	Expand Access to Outpatient Children's Mental Health Services (Grant RFP: Children's Bureau of Southern California; Orange County Asian & Pacific Islander Community Alliances, Inc.; Boys & Girls Clubs of Garden Grove; Jamboree Housing Corporation)	6	TBD	N/A	\$4,188,990	\$2,314,007	55%	\$1,874,983	Awarded on 8/1/19
4	Increase Access to Medication-Assisted Treatment (Grant RFP: Coalition of Orange County Community Health Center)	7	TBD	N/A	\$6,000,000	\$2,000,000	33%	\$4,000,000	Awarded on 8/1/19
5	WPC Recuperative Care	6	TBD	N/A	\$7,250,000	\$612,880	8%	\$6,637,120	8/2/2018 (COBAR)
6	Integrate Children's Mental Health Services Into Primary Care Settings (Grant RFP: CHOC Children's; Friends of Family Health Center)	7	TBD	N/A	\$4,850,000	\$400,000	8%	\$4,450,000	Awarded on 8/1/19
7	Post-WPC Medical Respite Program	6	TBD	N/A	\$250,000	\$0	0%	\$250,000	4/4/2019 (COBAR)
8	Housing Support Services	6	TBD	N/A	\$2,500,000	\$0	0%	\$2,500,000	12/5/2019 (COBAR)
9	Whole Child Model Assistance for Implementation and Development	6	TBD	N/A	\$1,750,000	\$0	0%	\$1,750,000	Non-Grant Project
10	Master Electronic Health Record System	6	TBD	N/A	\$650,000	\$0	0%	\$650,000	Non-Grant Project
11	Expand Access to Outpatient Children's Mental Health Services (Grant RFP: Children's Bureau of Southern California; Orange County Asian & Pacific Islander Community Alliances, Inc.; Boys & Girls Clubs of Garden Grove; Jamboree Housing Corporation)	7	TBD	N/A	\$661,010	\$0	0%	\$661,010	Awarded on 8/1/19
	SUBTOTAL				\$30,200,000	\$7,097,357	24%	\$23,102,643	
	GRAND TOTAL		\$76,798,825	\$51,936,275	68%	\$24,862,550			

Source: IGT Project Report provided by the Strategic Development Department.



## Board of Directors' Regular Finance and Audit Committee Meeting May 21, 2020

#### **Shared Risk Pool Performance Update**

Medi-Cal: As of March 31, 2020, Medi-Cal has five (5) Shared Risk Groups (SRGs).

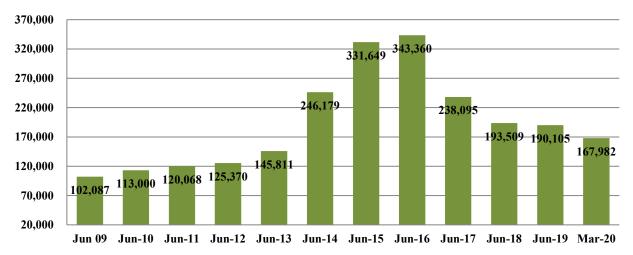
#### **Effective Dates:**

- Noble and Talbert January 2008
- AltaMed March 2014
- Prospect\* May 2007 to June 2017
- Arta and UCMG July 2008
- Monarch\* July 2008 to January 2017

#### **Enrollment**

SRGs are serving approximately 170,000 members. It represents about 24% of CalOptima's Medi-Cal enrollment.

#### Medi-Cal Shared Risk Groups (SRG) Enrollment



#### <u>Pool Performance</u> - (Medi-Cal Classic + Expansion)

					-	Νι	RGs	
	iscal Zear	<b>Gross Deficit</b>	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Total	In Deficit	In Surplus
2	2007	\$ (729,095)	\$ -	\$ (573,542)	\$ (155,553)	1	1	0
2	2008	(534,826)	618,829	247,532	(163,529)	3	1	2
2	2009	(6,786,764)	623,088	(2,465,470)	(3,698,206)	6	3	3
2	2010	(5,890,543)	1,636,861	(1,701,473)	(2,552,209)	6	4	2
2	2011	(5,127,172)	5,042,040	(34,053)	(51,079)	6	3	3
2	2012	(1,688,610)	7,574,810	2,354,480	3,531,720	6	3	3
	e-Time venue		17,233,958	12,917,452	4,316,506	6	3	3

<sup>\*</sup> Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

					Nι	ımber of S	RGs
Fiscal Year	<b>Gross Deficit</b>	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Total	In Deficit	In Surplus
2013	(1,568,113)	10,019,190	3,372,857	5,078,220	6	1	5
2014	-	57,808,875	23,123,550	34,685,325	7	0	7
2015	-	358,004,843	143,201,937	214,802,906	7	0	7
2016	-	403,276,602	161,310,641	241,965,961	7	0	7
2017	-	296,584,737	118,633,895	177,950,842	7	0	7
2018	-	109,929,867	43,971,947	65,957,920	5	0	5
2019	-	94,908,834	37,963,534	56,945,301	5	0	5
2020Q2	<del>_</del>	17,644,796	7,057,919	10,586,878	5	0	5
	\$(22,325,123)	\$ 1,380,907,330	\$ 549,381,205	\$ 809,201,004			

Note: IBNR is calculated based on the paid claims experience.

OneCare: As of March 31, 2020, OneCare has eight (8) Participating Medical Groups (PMGs).

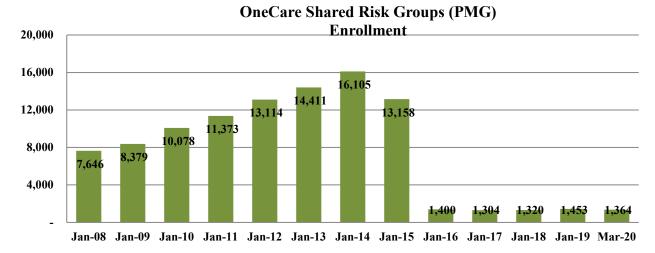
#### Effective Dates:

- AMVI/Prospect October 2005
- Talbert and Monarch October 2005
- Noble December 2012

- Family Choice October 2005
- AltaMed August 2008
- Arta and UCMG January 2013

#### **Enrollment**

Overall enrollment decrease due to transitioning of members from OneCare to OneCare Connect in January 2016.



#### Pool Performance

Calendar Year	Gross Deficit	<b>Gross Surplus</b>	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2005	\$(14,221)	\$163,580	\$67,920	\$81,435	4	1	3
2006	-	15,004,268	7,502,134	7,502,134	5	0	5
2007	(21,936)	3,759,945	1,859,817	1,878,193	8	2	6
2008	(491,522)	3,919,765	1,591,331	1,836,913	8	2	6
2009	(313,648)	5,643,332	2,525,933	2,803,751	9	2	7

Shared Risk Pool Performance Update Page 3

Calendar Year	G	ross Deficit	Gr	oss Surplus	CalOptima hare (50%)	G	roup Share (50%)	Total	In Deficit	In Surplus
2010		(566,705)		4,769,324	1,892,617		2,310,002	8	3	5
2011		-		9,406,281	4,703,141		4,703,141	8	0	8
2012		(433,732)		7,325,076	3,305,088		3,586,257	11	2	9
2013		(1,949,544)		11,124,918	4,015,560		5,159,814	13	2	11
2014		(3,485,139)		10,050,507	1,962,394		4,602,974	13	3	10
2015		(154,268)		10,372,797	5,050,405		5,168,124	8	1	7
2016		(508,749)		379,472	(288,034)		158,757	8	3	5
2017		(310,790)		360,774	(110,282)		160,266	8	4	4
2018		(677,070)		904,199	(178,235)		405,364	8	3	5
2019		(387,446)		325,762	 (189,341)		127,675	8	4	4
	\$	(9,314,770)	\$	83,510,000	\$ 33,710,448	\$	40,484,780			

Note: Group share deficit limited to \$5.00 PMPM. Estimated RAPS recoupment excluded from the above data.

**OneCare Connect:** As of March 31, 2020, OneCare Connect has six (6) Shared Risk Groups (SRGs).

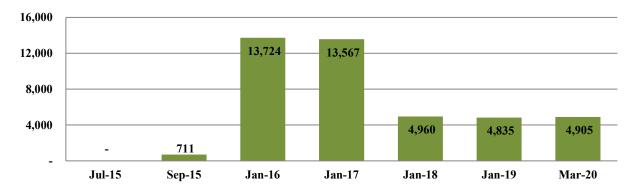
#### Effective Dates:

- Noble July 2015
- UCMG July 2015
- AltaMed July 2015
- Monarch\* July 2015 to January 2017
- FCMG January 2016
- Talbert January 2016
- Arta Western January 2016
- Prospect\* July 2015 to June 2017

#### Enrollment

SRGs are serving approximately 4,900 members. It represents about 35% of CalOptima's OneCare Connect enrollment.

## OneCare Connect Shared Risk Groups (PMG) Enrollment



<sup>\*</sup> Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

#### Pool Performance

Calendar Year	<b>Gross Deficit</b>	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2015	(261,199)	224,558	(121,755)	85,114	5	2	3
2016	(761,826)	20,200,150	9,372,994	10,065,330	8	1	7
2017	(1,020,988)	8,976,815	3,592,320	4,363,508	8	2	6
2018	-	9,926,822	4,963,411	4,963,411	6	0	6
2019	(125,349)	6,939,443	3,378,423	3,435,672	6	1	5
2020Q1	(38,348)	1,759,275	848,350	872,578	6	1	5
	\$ (2,207,710)	\$ 48,027,063	\$ 22,033,742	\$ 23,785,612			

Note: Group share deficit limited to \$5.00 PMPM. QI withhold reimbursement and estimated RAPS recoupment excluded from the above data.



# Financial Summary – Whole Child Model March 2020

Finance and Audit Committee May 21, 2020

Nancy Huang
Chief Financial Officer

# Whole Child Model Financial Highlights March 2020

Mont	th				Year to	Date	
	S	%				\$	%
Budget	Variance	Variance		Actual	Budget	Variance	Variance
12,940	(1,778)	(13.7%)	Member Months	103,533	116,460	(12,927)	(11.1%)
			Revenues				
25,523,466	(3,288,834)	(12.9%)	Capitation Revenue	206,060,661	229,711,196	(23,650,535)	(10.3%)
25,523,466	(3,288,834)	(12.9%)	<b>Total Operating Revenue</b>	206,060,661	229,711,196	(23,650,535)	(10.3%)
			Medical Expenses				
11,327,349	1,450,218	12.8%	Provider Capitation	91,512,449	101,946,171	10,433,722	10.2%
3,590,376	241,521	6.7%	Facilities Claims	48,948,529	32,313,384	(16,635,145)	(51.5%)
1,359,631	(636,663)	(46.8%)	Professional Claims	13,278,163	11,943,360	(1,334,803)	(11.2%)
627,696	263,880	42.0%	MLTSS	15,094,415	5,649,263	(9,445,152)	(167.2%)
6,662,133	499,760	7.5%	Prescription Drugs	50,624,188	59,959,199	9,335,010	15.6%
718,851	423,058	58.9%	Medical Management	2,396,273	6,469,657	4,073,384	63.0%
866	(30,339)	(3501.8%)	Reinsurance & Other	307,561	7,315	(300,246)	(4104.5%)
24,286,902	2,211,433	9.1%	Total Medical Expenses	222,161,578	218,288,349	(3,873,229)	(1.8%)
1,236,565	(1,077,401)	(87.1%)	Gross Margin	(16,100,917)	11,422,847	(27,523,764)	(241.0%)
1,306,694	172,728	13.2%	Administrative Expenses*	10,509,094	11,760,247	1,251,154	10.6%
(70,129)	(904,673)	(1290.0%)	Change in Net Assets	(26,610,011)	(337,400)	(26,272,611)	(7786.8%)
95.2%	(4.1%)	(4.3%)	Medical Loss Ratio	107.8%	95.0%	(12.8%)	(13.5%)
5.1%	0.0%	0.4%	Admin Loss Ratio	5.1%	5.1%	0.0%	0.4%
	25,523,466 25,523,466 25,523,466  11,327,349 3,590,376 1,359,631 627,696 6,662,133 718,851 866 24,286,902 1,236,565 1,306,694 (70,129)	Budget         Variance           12,940         (1,778)           25,523,466         (3,288,834)           25,523,466         (3,288,834)           11,327,349         1,450,218           3,590,376         241,521           1,359,631         (636,663)           627,696         263,880           6,662,133         499,760           718,851         423,058           866         (30,339)           24,286,902         2,211,433           1,236,565         (1,077,401)           1,306,694         172,728           (70,129)         (904,673)           95.2%         (4.1%)	Budget         Variance         Variance           12,940         (1,778)         (13.7%)           25,523,466         (3,288,834)         (12.9%)           25,523,466         (3,288,834)         (12.9%)           11,327,349         1,450,218         12.8%           3,590,376         241,521         6.7%           1,359,631         (636,663)         (46.8%)           627,696         263,880         42.0%           6,662,133         499,760         7.5%           718,851         423,058         58.9%           866         (30,339)         (3501.8%)           24,286,902         2,211,433         9.1%           1,236,565         (1,077,401)         (87.1%)           1,306,694         172,728         13.2%           (70,129)         (904,673)         (1290.0%)	S         %           Budget         Variance         Variance           12,940         (1,778)         (13.7%)         Member Months           Revenues           25,523,466         (3,288,834)         (12.9%)         Capitation Revenue           Medical Expenses           11,327,349         1,450,218         12.8%         Provider Capitation           3,590,376         241,521         6.7%         Facilities Claims           1,359,631         (636,663)         (46.8%)         Professional Claims           6,662,133         499,760         7.5%         Prescription Drugs           718,851         423,058         58.9%         Medical Management           866         (30,339)         (3501.8%)         Reinsurance & Other           24,286,902         2,211,433         9.1%         Total Medical Expenses           1,236,565         (1,077,401)         (87.1%)         Gross Margin           1,306,694         172,728         13.2%         Administrative Expenses*           (70,129)         (904,673)         (1290.0%)         Change in Net Assets	Budget         Variance         Variance         Actual           12,940         (1,778)         (13.7%)         Member Months         103,533           Revenues           25,523,466         (3,288,834)         (12.9%)         Capitation Revenue         206,060,661           25,523,466         (3,288,834)         (12.9%)         Total Operating Revenue         206,060,661           Medical Expenses           11,327,349         1,450,218         12.8%         Provider Capitation         91,512,449           3,590,376         241,521         6.7%         Facilities Claims         48,948,529           1,359,631         (636,663)         (46.8%)         Professional Claims         13,278,163           627,696         263,880         42.0%         MLTSS         15,094,415           6,662,133         499,760         7.5%         Prescription Drugs         50,624,188           718,851         423,058         58.9%         Medical Management         2,396,273           866         (30,339)         (3501.8%)         Reinsurance & Other         307,561           24,286,902         2,211,433         9.1%         Total Medical Expenses         222,161,578           1,306,694         1	Budget         Variance         Variance         Name         Actual         Budget           12,940         (1,778)         (13.7%)         Member Months         103,533         116,460           Revenues           25,523,466         (3,288,834)         (12.9%)         Capitation Revenue         206,060,661         229,711,196           Medical Expenses           11,327,349         1,450,218         12.8%         Provider Capitation         91,512,449         101,946,171           3,590,376         241,521         6.7%         Facilities Claims         48,948,529         32,313,384           1,359,631         (636,663)         (46.8%)         Professional Claims         13,278,163         11,943,360           627,696         263,880         42.0%         MLTSS         15,094,415         5,649,263           6,662,133         499,760         7.5%         Prescription Drugs         50,624,188         59,959,199           718,851         423,058         58.9%         Medical Management         2,396,273         6,469,657           866         (30,339)         (3501.8%)         Reinsurance & Other         307,561         7,315           24,286,902         2,211,433         9.1%         Total Med	Budget         Variance         Variance         Actual         Budget         S Variance           12,940         (1,778)         (13.7%)         Member Months         103,533         116,460         (12,927)           25,523,466         (3,288,834)         (12.9%)         Capitation Revenue         206,060,661         229,711,196         (23,650,535)           25,523,466         (3,288,834)         (12.9%)         Total Operating Revenue         206,060,661         229,711,196         (23,650,535)           11,327,349         1,450,218         12.8%         Provider Capitation         91,512,449         101,946,171         10,433,722           3,590,376         241,521         6.7%         Facilities Claims         48,948,529         32,313,384         (16,635,145)           1,359,631         (636,663)         (46.8%)         Professional Claims         13,278,163         11,943,360         (1,334,803)           6062,133         499,760         7.5%         Prescription Drugs         50,624,188         59,959,199         9,335,010           718,851         423,058         58.9%         Medical Management         2,396,273         6,469,657         4,073,384           866         (30,339)         (3501.8%)         Reinsurance & Other         307,561

<sup>\*</sup>Note: Administrative Expenses presented are based on budget



## FY 2019-20: Whole Child Model Enrollment

## March 2020 MTD

WCM enrollment was 11,162 members

• Actual lower than budget 1,778 or 13.7%

## March 2020 YTD

WCM enrollment was 103,533 members

• Actual lower than budget 12,927 or 11.1%



## FY 2019-20: Whole Child Model Revenue

#### March 2020 MTD

WCM revenue was \$22.2 million

- Actual lower than budget \$3.3 million or 12.9%
  - Unfavorable volume variance of \$3.5 million
  - Favorable price variance of \$0.2 million

## March 2020 YTD

WCM revenue was \$206.1 million

- Actual lower than budget \$23.7 million or 10.3%
  - Unfavorable volume variance of \$25.5 million
  - Favorable price variance of \$1.8 million



## FY 2019-20: Whole Child Model Expenses

### March 2020 MTD

WCM expenses were \$22.1 million

- Actual lower than budget \$2.2 million or 9.1%
  - Favorable volume variance of \$3.3 million
  - Unfavorable price variance of \$1.1 million
    - o Professional Claims expense unfavorable variance of \$0.8 million
    - o Prescription Drugs expense unfavorable variance of \$0.4 million
    - o Facilities Claims expense unfavorable variance of \$0.3 million
    - Offset by Medical Management expense favorable variance of \$0.3 million



## FY 2019-20: Whole Child Model Expenses

### March 2020 YTD

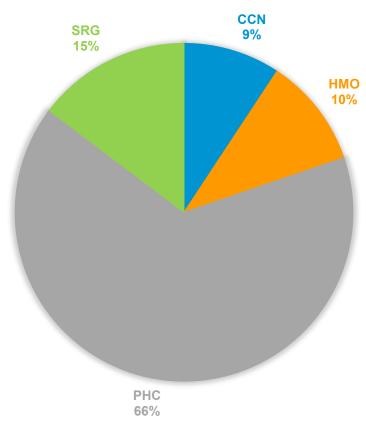
WCM expenses were \$222.2 million

- Actual higher than budget \$3.9 million or 1.8%
  - Favorable volume variance of \$24.2 million
  - Unfavorable price variance of \$28.1 million
    - Facilities Claims expense unfavorable variance of \$20.2 million due to Incurred But Not Reported (IBNR), Neonatal Intensive Care Unit (NICU) estimates and a \$2.2 million Zolgensma treatment paid in August
    - MLTSS expense unfavorable variance of \$10.1 million due to higher than budgeted utilization
    - o Professional Claims expense unfavorable variance of \$2.7 million due to higher than budgeted utilization
    - o Offset by Medical Management expense favorable variance of \$3.4 million
    - o Prescription Drugs expense favorable variance of \$2.7 million



# **Enrollment by Network**

#### WCM NETWORK ASSIGNMENT

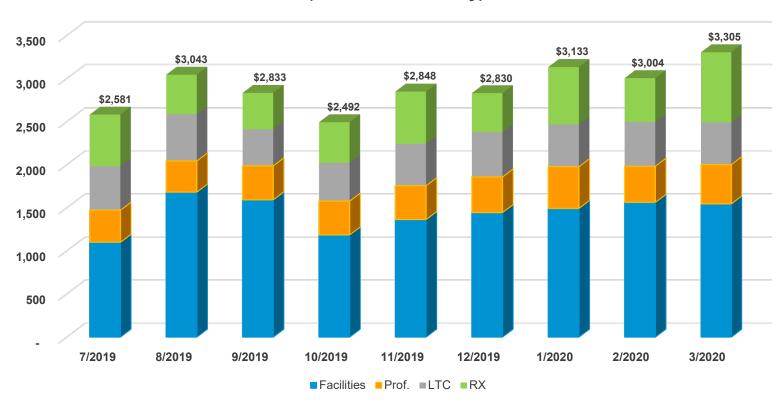


Note: % calculated based on YTD MM average



# Monthly Expenditures by Service Type

## WCM Est. PMPM by Service Types (CCN Network Only)



Note: Estimated PMPM was based on CCN network experience and includes IBNR





#### Board of Directors' Finance and Audit Committee Meeting May 21, 2020

#### **Quarterly Reinsurance Report**

#### Summary of Reinsurance Payments Made by CalOptima to Contracted Medi-Cal Providers for Policy Years (PY) 2018, 2019, and 2020

Reinsurance is an after-the-fact payment mechanism CalOptima provides that is intended to mitigate the financial impact of catastrophic claims on participating providers. CalOptima's policy allows participating providers through December 31st following the policy year end (i.e., June 30) to submit all reinsurance claims. CalOptima issues payment to providers within forty-five (45) business days after the quarter's end.

The figures reported below reflect the estimated results for PY 2018, PY 2019, and PY 2020 as of March 31, 2020.

	PY 2018	PY 2019	PY 2020
YTD Budgeted Reinsurance Expense @ 03/31/20	\$2,780,209	\$5,016,633	\$9,555,734
Reinsurance paid through 03/31/20	\$(4,038,889)	\$(2,814,794)	\$(312,992)
Estimated Reinsurance Accrual @ 03/31/20	\$(35,331)	\$(1,315,890)	\$(2,937,796)
Total Estimated Reinsurance Expense @ 03/31/20	\$(4,074,220)	\$(4,130,685)	\$(3,250,789)
YTD Budgeted Savings/(Deficit) @ 03/31/20	\$(1,294,011)	\$885,948	\$6,304,945

The total estimated liability at March 31, 2020, is \$4.3 million.

The policy thresholds are \$17,000 for Professional and \$150,000 for Hospital, coinsurance level is at 20%.

#### **Policy Years:**

PY 2018 = Fiscal Year 2018 (July 1, 2017, through June 30, 2018)

PY 2019 = Fiscal Year 2019 (July 1, 2018, through June 30, 2019)

PY 2020 = Fiscal Year 2020 (July 1, 2019, through June 30, 2020)



#### Board of Directors' Finance and Audit Committee Meeting May 21, 2020

#### **Quarterly Health Network Financial Update**

On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated Physician Groups, Hospitals and HMOs that comprise CalOptima's Health Networks. After internal review, CalOptima's financial staff makes a determination as to whether the capitated entity has the ability to assume the risk of a capitated contract.

CalOptima reviewed the unaudited financial statements for each Health Network entity for the period ending December 31, 2019.

#### Results of the December 31, 2019 Financial Review

	Physician Groups	Hospitals	HMOs
Total	9	4	4
Passed Review	9	4	4
Failed Review	0	0	0
On Notice	0	0	0
<b>Did Not Submit Statements</b>	0	0	0

Note 1: Physician Groups and Hospitals must pass the following tests:

- a) Current Ratio must be  $\geq 1.0$
- b) Tangible Net Equity must be  $\geq 1.0$
- c) Cash to Claims Ratio must be  $\geq 0.75$

#### Note 2: HMOs must pass the following test:

a) Tangible Net Equity - Greater of \$1M, % of premium revenues, or % of healthcare expenses

#### Note 3: Financial Security Reserves:

a) Medi-Cal, OneCare, and OneCare Connect Total Current Balance = \$18.4M

# **Contingency Contract Report**

CalOptima Active	Contingency Contra	cts	Q3 FY20	invoiced as of 4	/23/2020															
Quarterly & Annu	ual Medical Cost Savi	ngs or Additional	Revenue and Fee	es Paid																
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18		FY19				FY20				
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Qt	Total	Q	tr 1	Qtr 2	Qtr 3		Qtr 4		Total
MEDICAL COST																				
	ion of Benefits i.e. en	sure Medi-Cal is	the navor of last	resort - (expires	5/14/2023)															
Savings	\$ 1,189,393	\$ 2,811,751	\$ 1,937,748	\$ 2,565,125	\$ 2,346,048	\$ 1,444,807	\$ 3,336,995	\$ 3,954,564	\$ 4,067,881	\$ 5,864,338	Ś	4,863,112	\$ 7	730.121	\$ 361,34	7 \$ 816	488		Ś	1,907,957
Fee	\$ 297,348	\$ 702,938	\$ 484,359	\$ 641,281	\$ 586,762	\$ 361,202	\$ 794,557	\$ 909,550	\$ 935,613	\$ 1,348,798		1,118,516		,	\$ 83,11		_		Ś	438,830
Net Savings	\$ 892,045	\$ 2,108,813	\$ 1,453,389	\$ 1,923,843	\$ 1,759,286	\$ 1,083,605	\$ 2,542,438	\$ 3,045,014	\$ 3,132,268	\$ 4,515,540		3,744,596			\$ 278,23		-		\$	1,469,127
Cotiviti (Verscend	d/Verisk/HCI) - Claim	s review for app	ropriate billina -	(expires 10/07/20	021)															
Savings	\$ 164,913	\$ 2,397,831	\$ 3,385,560	\$ 2,517,497	\$ 2,817,113	\$ 2,647,841	\$ 3,562,859	\$ 3,524,096	\$ 2,690,597	\$ 2,571,045	\$	4,482,782	\$ 1,6	35,715	\$ 2,746,63	2 \$ 2,606	705		\$	6,989,052
Fee	\$ 37,165	\$ 483,209	\$ 691,554	\$ 559,136	\$ 595,632	\$ 727,333	\$ 1,371,137	\$ 638,601	\$ 393,455	\$ 580,345	\$				\$ 521,86				-	1,340,953
Net Savings	\$ 127,748	\$ 1,914,622	\$ 2,694,006	\$ 1,958,361	\$ 2,221,482	\$ 1,920,508	\$ 2,191,722	\$ 2,885,495	\$ 2,297,143	\$ 1,990,700		3,550,731			\$ 2,224,77		397	-		5,648,098
Verscend (Verisk)	/HCI)/ TAG - Facility	claims forensic re	eview - (services t	terminated 12/31	/2017)															
Savings		-	\$ 900,976	\$ 1,362,980	\$ 3,516,297	\$ 3,727,308	\$ 16,538,781	\$ 3,726,475	\$ 4,068,735	\$ 1,234,305	\$	-							\$	-
Fee		-	\$ 270,293	\$ 408,904	\$ 1,054,889	\$ 1,118,193	\$ 2,008,000	\$ 791,798	\$ 1,140,356	\$ 308,576	\$	-							\$	-
Net Savings	-	-	\$ 630,683	\$ 954,076	\$ 2,461,408	\$ 2,609,114	\$ 14,530,781	\$ 2,934,678	\$ 2,928,380	\$ 925,729	\$			-	-		-	-	\$	-
Socrates - Third p	party liability - (expir	es 6/30/2020)																		
Savings	-	-	13,783	244,770	53,141	\$ 3,108	N/A	\$ 219,258	N/A	N/A		N/A	\$	194	\$ 12,34	2 \$ 3	433		\$	15,969
Fee	-	-	3,446	61,223	13,285	\$ 777	N/A	\$ 54,815	N/A	N/A		N/A	\$	48	\$ 3,08	6 \$	858		\$	3,992
Net Savings	-	-	10,338	183,548	39,856	2,331		164,443					\$	145	\$ 9,25	7 \$ 2,	575	-	\$	11,977
Varis - Facility cla	ims forensic review	expires 9/24/2	020)																	
Savings	-	-	-	-	-	-	-	-	-	-	\$	3,057,075	\$ 5	04,987	\$ 1,185,99	9 \$ 1,232	657		\$	2,923,643
Fee	-										\$	764,269	\$ 1	26,247	\$ 296,50	0 \$ 308	164		\$	730,911
Net Savings	-	-	-	-	-	-	-	-	-	-	\$	2,292,806	\$ 3	78,740	\$ 889,49	9 924,	493	-	\$	2,192,732
OptumInsight - C	redit balance recove	ry - (expires 12/	31/2021)																	
Savings	-	-	-	\$ 76,715	\$ 26,203	\$ 30,246	N/A	\$ 44,834	\$ 404,824	\$ 154,308	\$	416,557	\$	33,322	\$ 49,79	1 \$ 42	042		\$	125,155
Fee				\$ 9,206	\$ 3,144	\$ 3,630	N/A	\$ 5,380	\$ 48,579	\$ 18,517	\$	49,987	\$	3,999	\$ 5,97	5 \$ 5,	045		\$	15,019
Net Savings	-	-	-	\$ 67,509	\$ 23,059	\$ 26,616		\$ 39,454	\$ 356,245	\$ 135,791	\$	366,570	\$	29,323	\$ 43,81	6 36,	997	-	\$	110,136
TOTAL																				
Savings	\$ 1,354,306	\$ 5,209,582	\$ 6,224,285	\$ 6,522,317	\$ 8,705,661	\$ 7,850,202	\$ 23,438,635	\$ 11,249,969	\$ 11,232,038	\$ 9,823,995	\$	12,819,526	\$ 2,9	04,339	\$ 4,356,11	2 \$ 4,701	325		\$ 1	11,961,776
Fee	\$ 334,514	\$ 1,186,146	\$ 1,446,206	\$ 1,618,527	\$ 2,240,427	\$ 2,210,357	\$ 4,173,694	\$ 2,345,328	\$ 2,518,002	\$ 2,256,236	\$	2,864,823	\$ 6	800,008	\$ 910,53	0 \$ 1,010	167		\$	2,529,705
Net Savings	\$ 1,019,792	\$ 4,023,436	\$ 4,778,079	\$ 4,903,791	\$ 6,465,234	\$ 5,639,844	\$ 19,264,941	\$ 8,904,640	\$ 8,714,036	\$ 7,567,760	\$	9,954,704	\$ 2,2	95,332	\$ 3,445,58	1 \$ 3,691,	158	-	\$	9,432,071
REVENUE													-							
	Outreach & Aid Code	Conversion - (e)	xpires 6/30/2020)																	
Capitation Re		(0)		\$ 1,723,235	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 9,281,708	\$ 11,188,354		12,961,036			\$ 3,757,04				-	11,262,890
Fee				\$ 501,700	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 360,018	\$ 350,084	. \$			134,400	\$ 141,40		_		\$	415,800
Total Net Revenu	ie -	-	-	\$ 1,221,535	\$ 4,181,083	\$ 4,946,337	\$ 6,307,261	\$ 7,480,589	\$ 8,921,690	\$ 10,838,270	\$	12,447,236	\$ 3,4	162,655	\$ 3,615,64	8 3,768,	787	-	\$ 1	10,847,090

