



**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS’
FINANCE AND AUDIT COMMITTEE**

**THURSDAY, SEPTEMBER 17, 2020
2:00 P.M.**

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

BOARD OF DIRECTORS’ FINANCE AND AUDIT COMMITTEE

Isabel Becerra, Chair
Clayton Corwin
Scott Schoeffel

INTERIM
CHIEF EXECUTIVE OFFICER
Richard Sanchez

CHIEF COUNSEL
Gary Crockett

CLERK OF THE BOARD
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 www.caloptima.org. Board meeting audio is streamed live on the CalOptima website at www.caloptima.org.

To ensure public safety and compliance with emergency declarations and orders related to the COVID-19 pandemic, individuals are encouraged not 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: 426-029-585 or**
- 2) Participate via Webinar at <https://attendee.gotowebinar.com/register/5317601480282729227> rather than attending in person. Webinar instructions are provided below.**

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](#)
 - a. Private Hospital Directed Payment Status Update
 - b. CalOptima Real Estate Update – Development Agreement Extension Request with City of Orange
 - c. Potential Uses of IGT 10 Funds

INVESTMENT ADVISORY COMMITTEE UPDATE

2. [Treasurer's Report](#)

CONSENT CALENDAR

3. [Minutes](#)
 - a. Approve Minutes of the May 21, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee
 - b. Receive and File Minutes of the April 20, 2020 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

REPORTS

4. [Consider Recommending that the Board of Directors' Accept and Receive and File the Fiscal Year 2019-20 CalOptima Audited Financial Statements](#)
5. [Consider Recommending Reappointment to the CalOptima Board of Directors' Investment Advisory Committee](#)
6. [Consider Recommending Appointments to the CalOptima Board of Directors' Investment Advisory Committee](#)
7. [Consider Recommending that the Board of Directors' Ratification and Authorize Authorization of Expenditures COVID-19 Related to the Coronavirus Pandemic Unbudgeted Expenditures](#)
8. [Consider Recommending Board of Directors' Authorization of Proposed Budget Allocation Changes in the CalOptima Fiscal Year 2020-2021 Operating Budget](#)
9. [Consider Recommending that the Board of Directors' Authorizing Authorize the Ratification of Budget Reallocation Reapportionment Changes in the CalOptima Fiscal Year 2020-21 Capital Budget for Various Information Services Capital Projects](#)

Rev.
9/17/2020

10. Consider Recommending that the Board of Directors' Authorize Employee and Retiree Group Health Insurance and Wellness Benefits for Calendar Year 2021

INFORMATION ITEMS

11. Intergovernmental Transfer Overview
12. July 2020 Financial Summary
13. CalOptima Information Security Update
14. Quarterly Operating and Capital Budget Update
15. Quarterly Reports to the Finance and Audit Committee
 - a. Shared Risk Pool Performance
 - b. Whole-Child Model Financial Report
 - c. Health Homes Financial Report
 - d. Reinsurance Report
 - e. Health Network Financial Report
 - f. Contingency Contract Report

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

CalOptima Board of Directors' Finance and Audit Committee

How to Join

1. Please register for CalOptima Board of Directors' Finance and Audit Committee on September 17, 2020 2:00 PM PDT at:

<https://attendee.gotowebinar.com/register/5317601480282729227>

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 [check system requirements](#) 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: 426-029-585

Audio PIN: Shown after joining the webinar

MEMORANDUM

DATE: September 9, 2020
TO: CalOptima Board Finance and Audit Committee Members
FROM: Nancy Huang, Chief Financial Officer
SUBJECT: CFO Report – September 17, 2020, Finance and Audit Committee Meeting
COPY: Sharon Dwiers, Clerk of the Board

Hospital Directed Payment Status Update

CalOptima received nearly \$96.9 million from the California Department of Health Care Services (DHCS) on September 8, 2020, that included funding for three (3) Hospital Directed Payment programs. The Private Hospital Directed Payments (PHDP) and Enhanced Payment Program (EPP) payments were based on encounter data submitted for Phase 1 Fiscal Year (FY) 2018-19 for dates of service from July 1, 2018, through December 31, 2018, and adjustments for Phases 1 and 2 FY 2017-18 for dates of service from July 1, 2017, through June 30, 2018. The Quality Improvement Program (QIP) payment was for the period covering July 2018 through June 2019. Staff anticipates releasing payments to hospitals before the end of this month.

CalOptima Real Estate Project Update – Development Rights Extension

In January 2011, CalOptima purchased the 505 City Parkway Building and assumed the development rights with the City of Orange to build an office tower and parking structure. The current development rights agreement expires in December 2020. At the December 7, 2017, meeting, the Board authorized the Chief Executive Officer to contact the City of Orange to extend the existing agreement.

CalOptima is working with the City of Orange to finalize documents to request a six (6) year extension under the current terms and conditions. The extension is tentatively scheduled for consideration at the Planning Commission meeting on October 19, 2020, and City Council meeting on either November 10, 2020, or December 8, 2020. Staff anticipates submitting a report to authorize the extension of the development rights agreement and request unbudgeted funds for any associated fees to the November 19, 2020, Finance and Audit Committee meeting, and the December 3, 2020, Board of Directors meeting.

Potential Use of Intergovernmental Transfer (IGT) 10

CalOptima anticipates receipt of approximately \$66 million in IGT 10 funds during the Spring and Fall of 2021. IGT 10 will cover an eighteen (18) month period from July 1, 2019, through December 31, 2020. Pursuant to DHCS requirements, the use of the funds is limited to cover Medi-Cal benefits for existing CalOptima members.

Staff is evaluating the option to use IGT 10 funds to address funding shortfalls that may arise from potential revenue reduction due to:

- Medi-Cal Expansion (MCE) rate reduction: DHCS and its actuarial consultant, Mercer, contacted CalOptima at the end of July to discuss the MCE rate for the upcoming

calendar year, noting that CalOptima's rates are substantially higher than other comparable health plans; and

- Managed Long-Term Services and Supports (MLTSS) services adjustment: DHCS requested data from 2015 to Present that may lead to a downward adjustment in the acuity level of eligible members that qualified for MLTSS services, including both Duals and Non-duals

As of September 1, 2020, CalOptima has not received final details on these reductions from DHCS. The use of IGT 10 funds to create a glidepath to lower rates would protect health networks and providers from experiencing an unanticipated sharp decline in their capitation rates and give providers additional time to make necessary operational changes.

Board of Directors' Finance and Audit Committee September 17, 2020

Quarterly Treasurer's Report April 1, 2020, through June 30, 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 April 1, 2020, through June 30, 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 June 30, 2020, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows:

	Payden & Rygel	MetLife	Wells Capital	Total
Short-Term Operating	\$369,667,076	\$370,018,822	\$369,295,619	\$1,108,981,517
Board Designated Reserves				
Tier 1	\$160,116,170	\$158,842,359	\$159,246,689	\$478,205,218
Tier 2	--	\$106,678,675	--	\$106,678,675
Total	\$529,783,246	\$635,539,856	\$528,542,308	\$1,693,865,410

Six Month Cash Sufficiency

Based upon a review of forecasted revenues and expenses, CalOptima has sufficient cash on-hand 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 June 30, 2020, demonstrating funds in excess to satisfy minimum requirements.

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

Reserve Name	Market Value	Benchmark		Variance	
		Low 1.4	High 2.0	Low 1.4	High 2.0
Tier 1 - Payden & Rygel	\$160,116,170				
Tier 1 - MetLife	\$158,842,359				
Tier 1 - Wells Capital	\$159,246,689				
	\$478,205,218	\$317,952,800	\$497,321,395	\$160,252,418	(\$19,116,177)

B) CalOptima's Regulatory Compliance Requirements

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		TNE	TNE	TNE	TNE
Tier 2 – MetLife	\$106,678,675	\$100,573,921	\$100,573,921	\$6,104,754	\$6,104,754
Consolidated:	\$584,883,893	\$418,526,722	\$597,895,316	\$166,357,172	(\$13,011,423)
<i>Compliance Level</i>	<i>1.96</i>	<i>1.40</i>	<i>2.00</i>	-	-

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of \$166,357,172 as of June 30, 2020. At the end of June 2020, CalOptima's Board-designated reserve compliance level was 1.96.

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 Quarter's Cash Flow Forecast

CalOptima is currently working with DHCS on the Phase 1 of Directed Payment calculations for fiscal year 2018-19. Staff anticipates that the funding from DHCS will be received in September 2020.

Attachment

Quarterly Investment Report – April 1, 2020, through June 30, 2020

CalOptima

Meeting Materials

July 20, 2020

Fund Evaluation Report

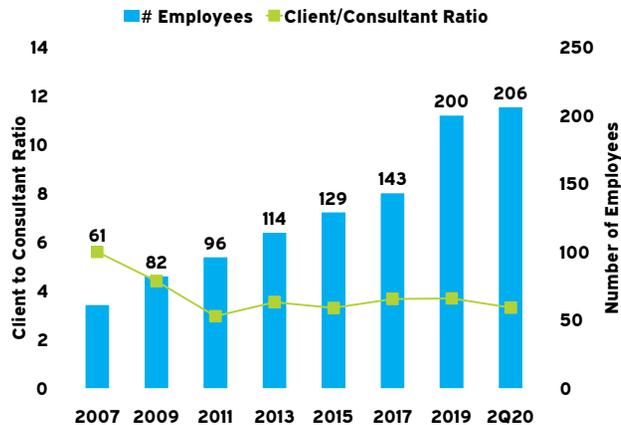
Agenda

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

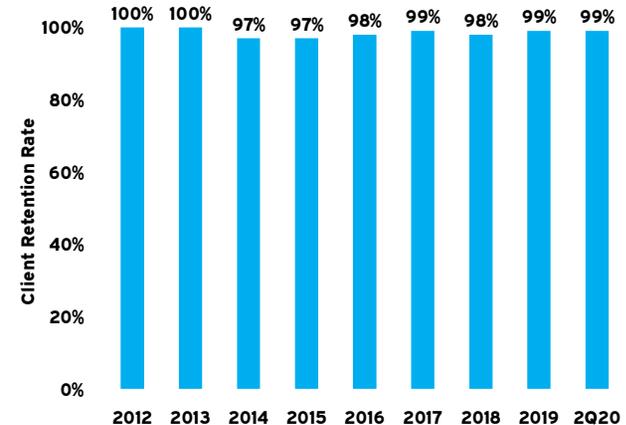
Meketa Investment Group Corporate Update

- Staff of 206, including 141 investment professionals and 41 CFA Charterholders
- 215 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 \$125 billion in assets committed to alternative investments
 - Private Equity
 - Real Estate
 - Infrastructure
 - Hedge Funds
 - Natural Resources
 - Commodities

Client to Consultant Ratio¹



Client Retention Rate²



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

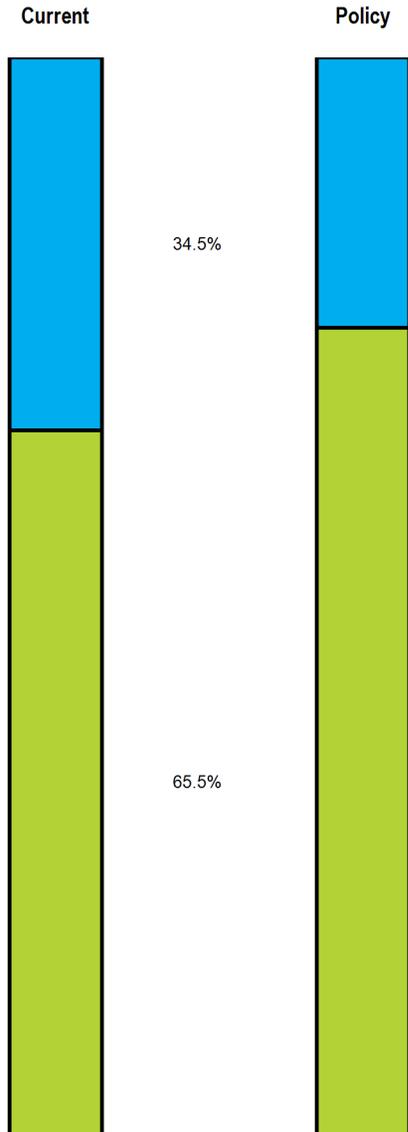
¹ On March 15, 2019, 31 employees joined the firm as part of the merger of Meketa Investment Group and Pension Consulting Alliance.

² 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

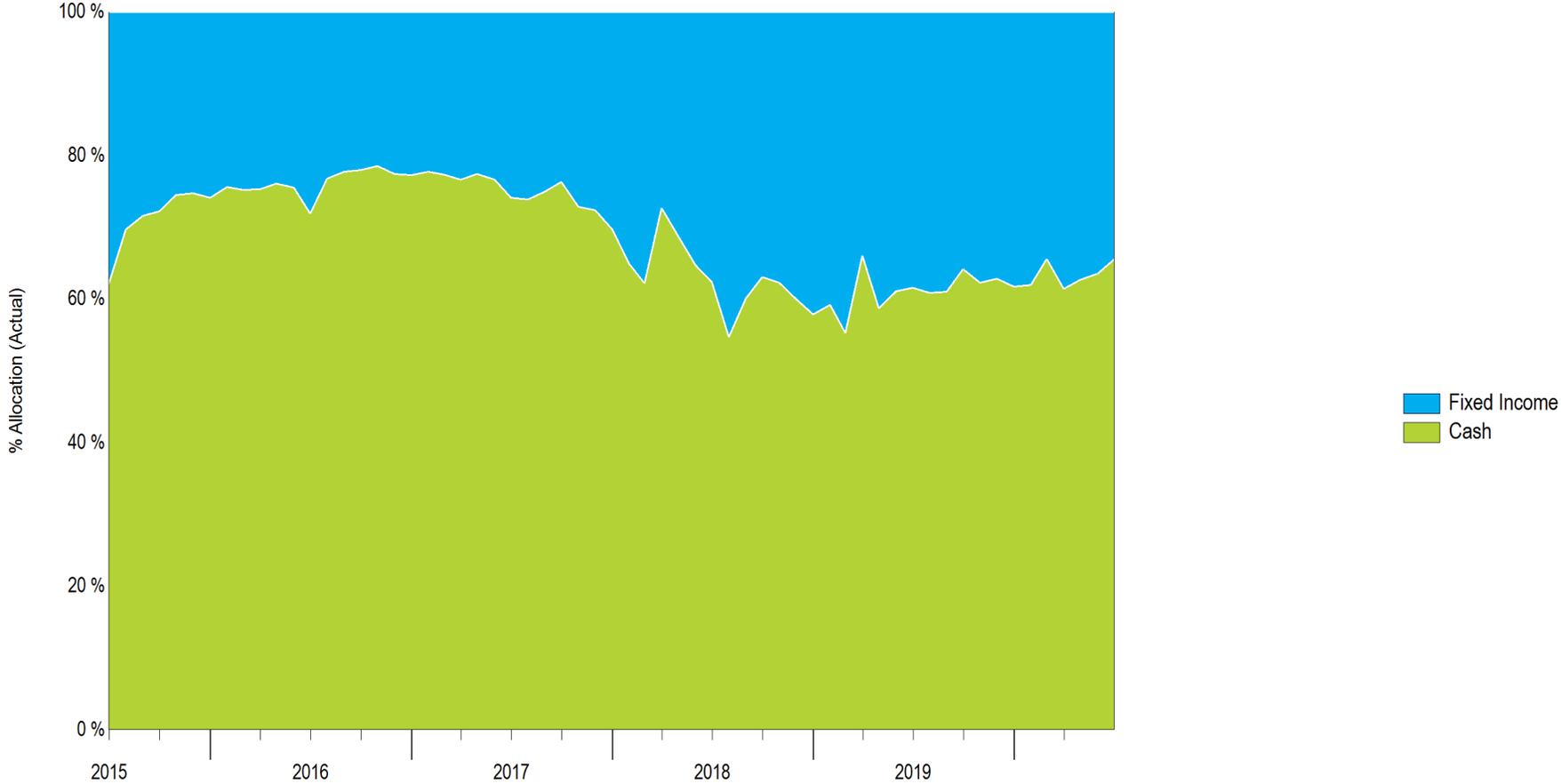
Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> - Passive - Enhanced Index - Large Cap - Midcap - Small Cap - Microcap - 130/30 	<ul style="list-style-type: none"> - Large Cap Developed - Small Cap Developed - Emerging Markets - Frontier Markets 	<ul style="list-style-type: none"> - Buyouts - Venture Capital - Private Debt - Special Situations - Secondaries - Fund of Funds 	<ul style="list-style-type: none"> - Public REITs - Core Real Estate - Value Added Real Estate - Opportunistic Real Estate - Infrastructure - Timber - Natural Resources - Commodities 	<ul style="list-style-type: none"> - Short-Term - Core - Core Plus - TIPS - High Yield - Bank Loans - Distressed - Global - Emerging Markets 	<ul style="list-style-type: none"> - Long/Short Equity - Event Driven - Relative Value - Fixed Income Arbitrage - Multi Strategy - Market Neutral - Global Macro - Fund of Funds - Portable Alpha

2Q20 Review



Allocation vs. Targets and Policy		
	Current Balance	Current Allocation
Fixed Income	\$584,883,893	35%
Cash	\$1,108,981,517	65%
Total	\$1,693,865,410	100%

Asset Allocation History
5 Years Ending June 30, 2020



Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	1,693,865,410	100.000	0.944	2.901	2.434	1.777	--	1.608	Oct-14
Total Fund(Net)			0.923	2.815	2.353	1.697	--	1.524	
Fixed Income(Gross)	584,883,893	34.530	1.398	4.416	3.006	2.239	--	2.105	Oct-14
Fixed Income(Net)			1.376	4.324	2.919	2.153	--	2.043	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>			<i>0.133</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>1.754</i>	<i>Oct-14</i>
Cash(Gross)	1,108,981,517	65.470	0.679	2.022	2.028	1.488	0.815	1.977	Jul-99
Cash(Net)			0.659	1.940	1.951	1.409	0.711	--	
<i>FTSE T-Bill 3 Months TR</i>			<i>0.135</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.752</i>	<i>Jul-99</i>

Trailing Period Performance										
	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	1,693,865,410	100.000	--	0.944	2.901	2.434	1.777	--	1.608	Oct-14
Fixed Income(Gross)	584,883,893	34.530	34.530	1.398	4.416	3.006	2.239	--	2.105	Oct-14
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.133</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>1.754</i>	<i>Oct-14</i>
Tier One: Payden Low Duration(Gross)	160,116,170	9.453	27.376	1.426	4.313	3.069	2.245	1.640	3.072	Jul-99
Tier One: Payden Low Duration(Net)				1.406	4.230	2.990	2.168	1.537	--	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.133</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.935</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>				<i>1.215</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>3.253</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>				<i>0.692</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>3.146</i>	<i>Jul-99</i>
Tier One: MetLife STAMP 1-3 Year(Gross)	158,842,359	9.378	27.158	1.250	4.192	2.849	--	--	2.267	May-16
Tier One: MetLife STAMP 1-3 Year(Net)				1.230	4.108	2.772	--	--	2.187	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.133</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.024</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>				<i>1.215</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>2.290</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>				<i>0.692</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>2.192</i>	<i>May-16</i>
Tier One: Wells Capital Reserve Account(Gross)	159,246,689	9.401	27.227	1.326	4.236	2.945	--	--	2.330	May-16
Tier One: Wells Capital Reserve Account(Net)				1.307	4.153	2.868	--	--	2.256	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.133</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.024</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>				<i>1.215</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>2.290</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>				<i>0.692</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>2.192</i>	<i>May-16</i>
Tier Two: MetLife STAMP 1-5 Year(Gross)	106,678,675	6.298	18.239	1.682	5.177	3.238	2.568	--	2.110	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)				1.651	5.048	3.110	2.441	--	1.983	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>				<i>0.289</i>	<i>5.254</i>	<i>3.237</i>	<i>2.310</i>	<i>1.838</i>	<i>1.844</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs US Corp & Govt TR</i>				<i>1.836</i>	<i>5.332</i>	<i>3.487</i>	<i>2.641</i>	<i>2.272</i>	<i>2.168</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR</i>				<i>1.028</i>	<i>5.350</i>	<i>3.392</i>	<i>2.505</i>	<i>2.098</i>	<i>2.034</i>	<i>Apr-13</i>

Total Fund | As of June 30, 2020

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cash(Gross)	1,108,981,517	65.470	65.470	0.679	2.022	2.028	1.488	0.815	1.977	Jul-99
<i>FTSE T-Bill 3 Months TR</i>				<i>0.135</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.752</i>	<i>Jul-99</i>
Operating: Payden Enhanced Cash(Gross)	369,667,076	21.824	33.334	0.613	2.049	2.075	1.535	0.838	1.988	Jul-99
Operating: Payden Enhanced Cash(Net)				0.593	1.965	1.990	1.455	0.734	--	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.135</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.752</i>	<i>Jul-99</i>
Operating: MetLife Enhanced Cash(Gross)	370,018,822	21.845	33.366	0.923	1.967	2.023	--	--	1.695	May-16
Operating: MetLife Enhanced Cash(Net)				0.902	1.881	1.938	--	--	1.610	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.135</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.359</i>	<i>May-16</i>
Operating: Wells Capital Enhanced Cash(Gross)	369,295,619	21.802	33.300	0.519	2.030	2.007	--	--	1.672	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.500	1.953	1.932	--	--	1.597	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.135</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.382</i>	<i>Jun-16</i>

Asset Class Performance Summary

	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
Total Fund(Gross)	2.901	3.191	1.221	0.754	0.842	--	--	--
Total Fund(Net)	2.815	3.107	1.147	0.666	0.778	--	--	--
Fixed Income(Gross)	4.416	4.064	0.582	0.427	1.775	--	--	--
Fixed Income(Net)	4.324	3.982	0.495	0.336	1.699	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
Cash(Gross)	2.022	2.573	1.492	0.858	0.509	0.166	0.131	0.112
Cash(Net)	1.940	2.489	1.427	0.758	0.446	0.058	0.018	-0.023
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>

Trailing Period Performance

	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
Total Fund(Gross)	2.901	3.191	1.221	0.754	0.842	--	--	--
Fixed Income(Gross)	4.416	4.064	0.582	0.427	1.775	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
Tier One: Payden Low Duration(Gross)	4.313	4.239	0.695	0.583	1.461	0.893	1.048	0.534
Tier One: Payden Low Duration(Net)	4.230	4.167	0.615	0.508	1.388	0.783	0.933	0.399
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>	<i>0.861</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>4.184</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>	<i>0.656</i>
Tier One: MetLife STAMP 1-3 Year(Gross)	4.192	3.544	0.842	0.478	--	--	--	--
Tier One: MetLife STAMP 1-3 Year(Net)	4.108	3.478	0.761	0.395	--	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>	<i>0.861</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>4.184</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>	<i>0.656</i>
Tier One: Wells Capital Reserve Account(Gross)	4.236	4.223	0.425	0.403	--	--	--	--
Tier One: Wells Capital Reserve Account(Net)	4.153	4.145	0.353	0.330	--	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>	<i>0.861</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>4.184</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>	<i>0.656</i>
Tier Two: MetLife STAMP 1-5 Year(Gross)	5.177	4.347	0.258	0.140	3.021	1.494	2.095	--
Tier Two: MetLife STAMP 1-5 Year(Net)	5.048	4.217	0.131	0.016	2.894	1.367	1.969	--
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>5.254</i>	<i>4.903</i>	<i>-0.351</i>	<i>-0.532</i>	<i>2.426</i>	<i>1.376</i>	<i>1.157</i>	<i>-0.027</i>
<i>ICE BofA 1-5 Yrs US Corp & Govt TR</i>	<i>5.332</i>	<i>5.384</i>	<i>-0.156</i>	<i>0.134</i>	<i>2.649</i>	<i>1.344</i>	<i>2.000</i>	<i>0.718</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR</i>	<i>5.350</i>	<i>5.143</i>	<i>-0.220</i>	<i>-0.172</i>	<i>2.570</i>	<i>1.376</i>	<i>1.641</i>	<i>0.409</i>

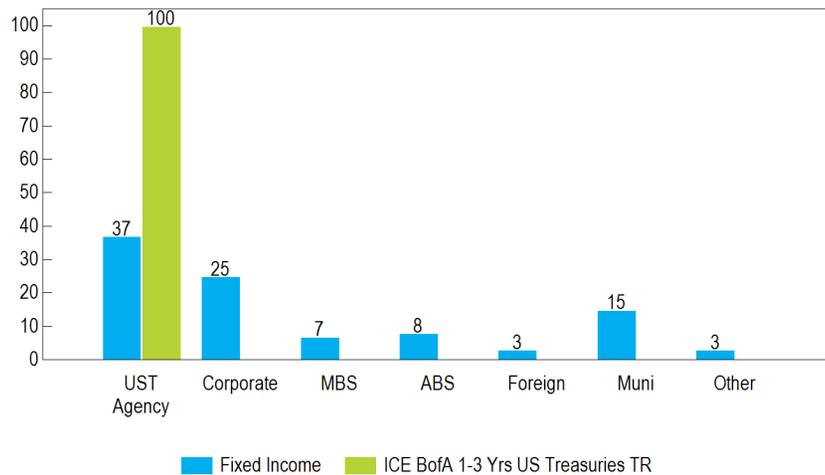
Total Fund | As of June 30, 2020

	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
Cash(Gross)	2.022	2.573	1.492	0.858	0.509	0.166	0.131	0.112
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>
Operating: Payden Enhanced Cash(Gross)	2.049	2.597	1.580	0.887	0.573	0.166	0.131	0.112
Operating: Payden Enhanced Cash(Net)	1.965	2.508	1.500	0.812	0.505	0.058	0.018	-0.023
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>
Operating: MetLife Enhanced Cash(Gross)	1.967	2.605	1.501	0.898	--	--	--	--
Operating: MetLife Enhanced Cash(Net)	1.881	2.519	1.416	0.814	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>
Operating: Wells Capital Enhanced Cash(Gross)	2.030	2.550	1.443	0.721	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	1.953	2.474	1.370	0.649	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>

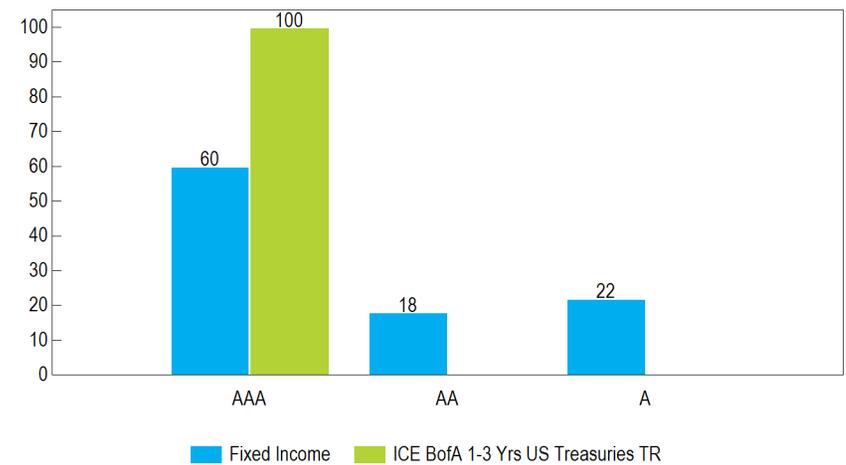
Asset Allocation on June 30, 2020		
	Actual	Actual
Tier One: Payden Low Duration	\$160,116,170	27.4%
Tier One: MetLife STAMP 1-3 Year	\$158,842,359	27.2%
Tier One: Wells Capital Reserve Account	\$159,246,689	27.2%
Tier Two: MetLife STAMP 1-5 Year	\$106,678,675	18.2%
Total	\$584,883,893	100.0%

Fixed Income Characteristics vs. ICE BofA 1-3 Yrs US Treasuries TR			
	Portfolio	Index	Portfolio
	Q2-20	Q2-20	Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.5	0.2	1.2
Average Duration	1.9	1.9	1.9
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Allocation weights may not add to 100% due to rounding.

Tier One: Payden Low Duration | As of June 30, 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 BofA 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary

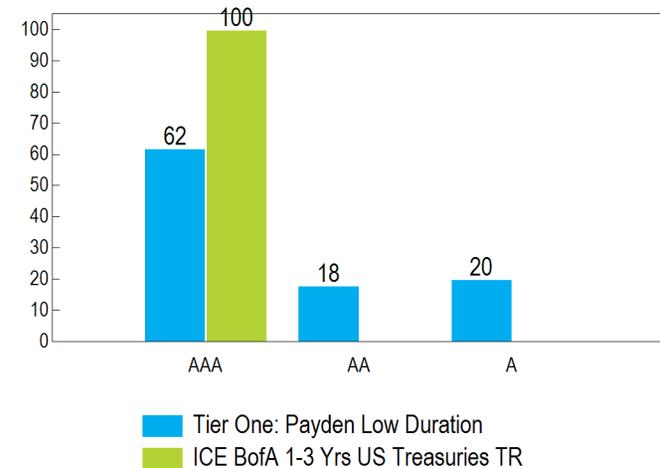
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	1.426	3.015	4.313	3.069	2.245	1.640	3.072	Jul-99
Tier One: Payden Low Duration(Net)	1.406	2.974	4.230	2.990	2.168	1.537	--	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.133</i>	<i>2.944</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.935</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>1.215</i>	<i>2.829</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>3.253</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>0.692</i>	<i>2.932</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>3.146</i>	<i>Jul-99</i>

Tier One: Payden Low Duration Fixed Income Characteristics vs. ICE BofA 1-3 Yrs US Treasuries TR

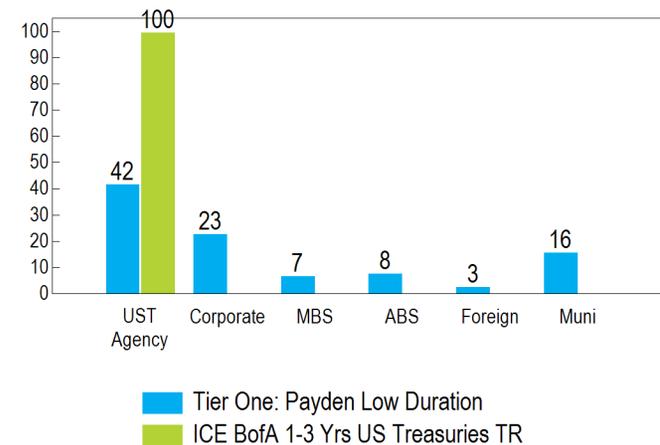
	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.55	0.18	1.31
Average Duration	1.89	1.89	1.87
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account | As of June 30, 2020

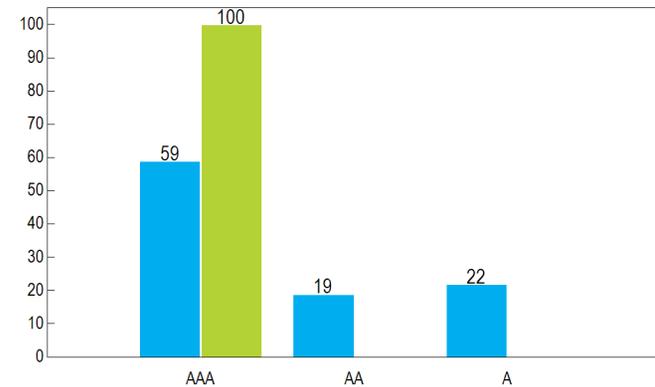
Account Information

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 BofA 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary

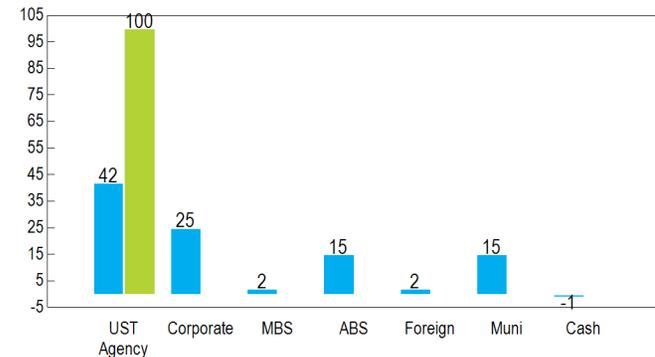
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	1.326	2.934	4.236	2.945	--	--	2.330	May-16
Tier One: Wells Capital Reserve Account(Net)	1.307	2.893	4.153	2.868	--	--	2.256	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.133</i>	<i>2.944</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.024</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>1.215</i>	<i>2.829</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>2.290</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>0.692</i>	<i>2.932</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>2.192</i>	<i>May-16</i>

Credit Quality Allocation



■ Tier One: Wells Capital Reserve Account
■ ICE BofA 1-3 Yrs US Treasuries TR

US Sector Allocation



■ Tier One: Wells Capital Reserve Account
■ ICE BofA 1-3 Yrs US Treasuries TR

Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofA 1-3 Yrs US Treasuries TR

Fixed Income Characteristics	Portfolio	Index	Portfolio
	Q2-20	Q2-20	Q1-20
Yield to Maturity	0.48	0.18	1.18
Average Duration	1.67	1.89	1.72
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Tier One: MetLife STAMP 1-3 Year | As of June 30, 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 BofA 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary

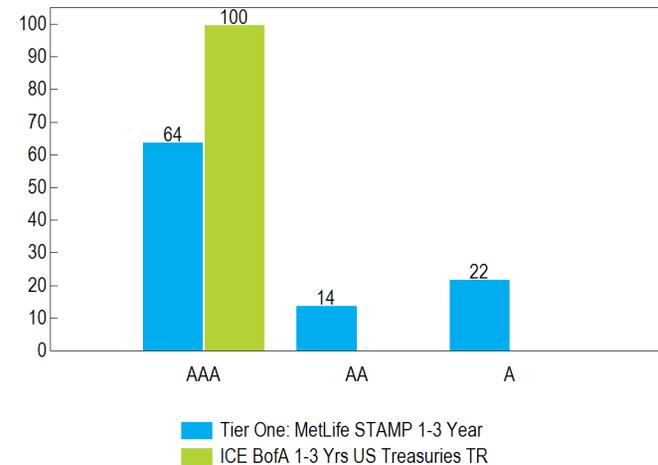
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	1.250	2.944	4.192	2.849	--	--	2.267	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	1.230	2.902	4.108	2.772	--	--	2.187	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.133</i>	<i>2.944</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.024</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>1.215</i>	<i>2.829</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>2.290</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>0.692</i>	<i>2.932</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>2.192</i>	<i>May-16</i>

Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofA 1-3 Yrs US Treasuries TR

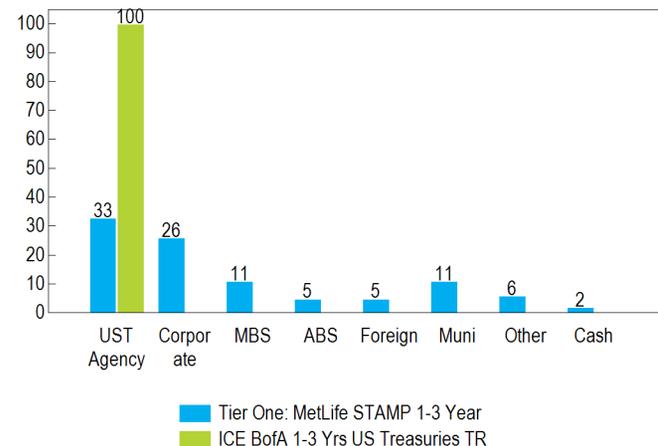
	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.52	0.18	1.13
Average Duration	1.59	1.89	1.71
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Credit Quality Allocation



US Sector Allocation



Tier Two: MetLife STAMP 1-5 Year | As of June 30, 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 BofA 1-5 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary

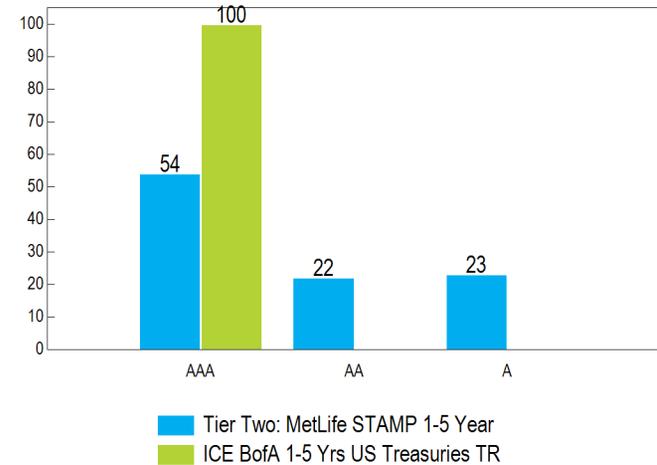
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	1.682	3.932	5.177	3.238	2.568	--	2.110	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	1.651	3.868	5.048	3.110	2.441	--	1.983	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>0.289</i>	<i>4.100</i>	<i>5.254</i>	<i>3.237</i>	<i>2.310</i>	<i>1.838</i>	<i>1.844</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs US Corp & Govt TR</i>	<i>1.836</i>	<i>3.826</i>	<i>5.332</i>	<i>3.487</i>	<i>2.641</i>	<i>2.272</i>	<i>2.168</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR</i>	<i>1.028</i>	<i>4.025</i>	<i>5.350</i>	<i>3.392</i>	<i>2.505</i>	<i>2.098</i>	<i>2.034</i>	<i>Apr-13</i>

Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofA 1-5 Yrs US Treasuries TR

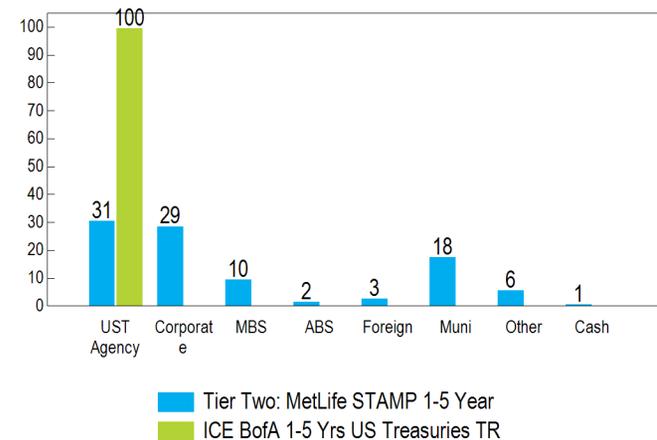
Fixed Income Characteristics	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Yield to Maturity	0.61	0.21	1.09
Average Duration	2.53	2.64	2.49
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Credit Quality Allocation



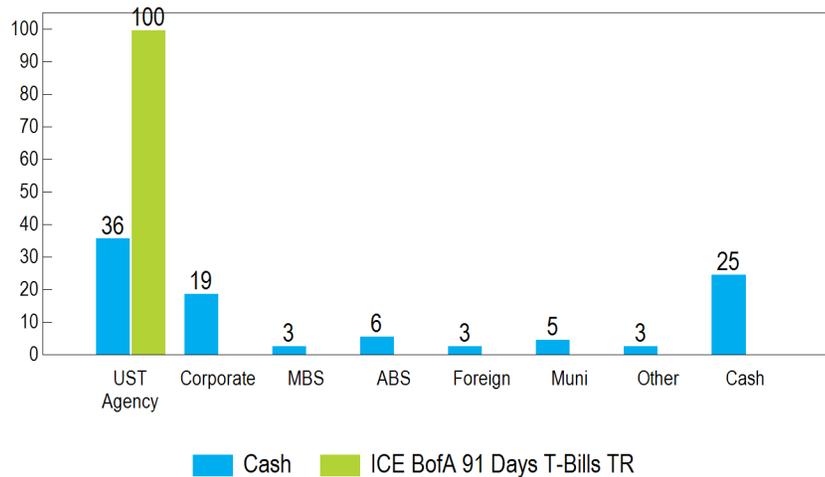
US Sector Allocation



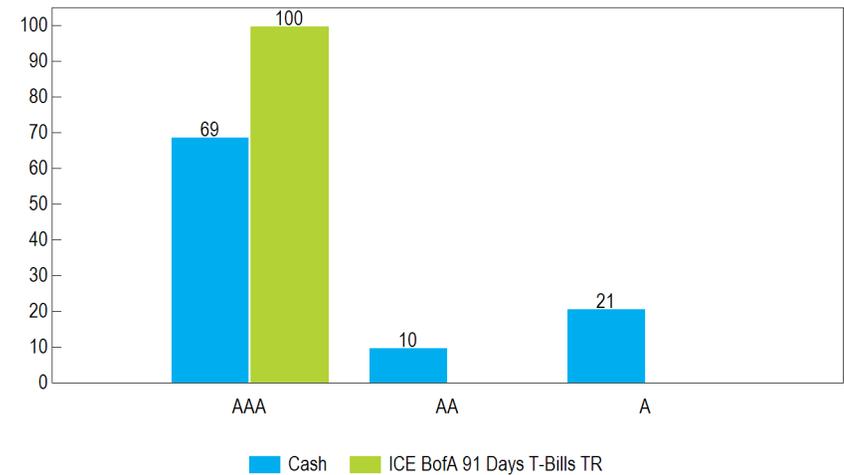
Asset Allocation on June 30, 2020		
	Actual	Actual
Operating: MetLife Enhanced Cash	\$370,018,822	33.4%
Operating: Payden Enhanced Cash	\$369,667,076	33.3%
Operating: Wells Capital Enhanced Cash	\$369,295,619	33.3%
Total	\$1,108,981,517	100.0%

Cash Characteristics vs. ICE BofA 91 Days T-Bills TR			
	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.3	0.1	1.1
Average Duration	0.2	0.2	0.2
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Allocation weights may not add to 100% due to rounding.

Operating: Payden Enhanced Cash | As of June 30, 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

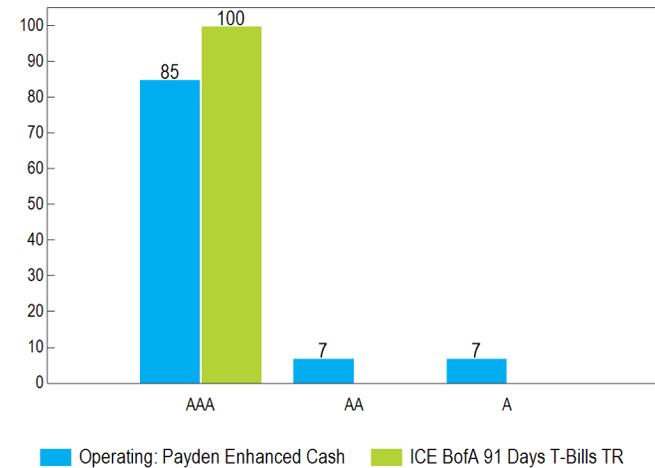
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Payden Enhanced Cash(Gross)	0.613	0.966	2.049	2.075	1.535	0.838	1.988	Jul-99
Operating: Payden Enhanced Cash(Net)	0.593	0.925	1.965	1.990	1.455	0.734	--	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.135</i>	<i>0.523</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.752</i>	<i>Jul-99</i>

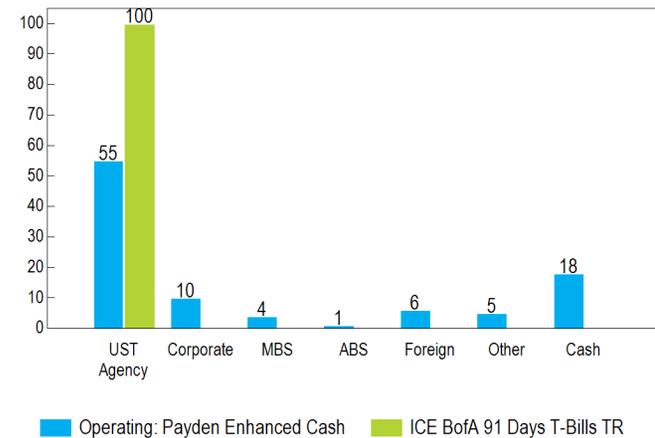
Operating: Payden Enhanced Cash Fixed Income Characteristics vs. ICE BofA 91 Days T-Bills TR

Fixed Income Characteristics	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Yield to Maturity	0.26	0.13	1.09
Average Duration	0.12	0.23	0.34
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Allocation weights may not add to 100% due to rounding.

Operating: MetLife Enhanced Cash | As of June 30, 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

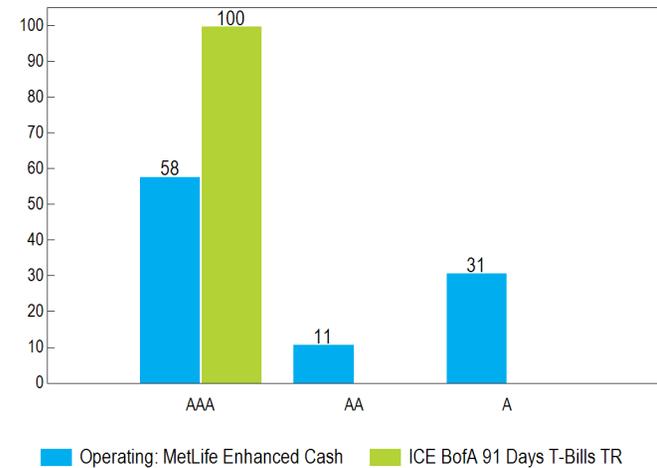
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: MetLife Enhanced Cash(Gross)	0.923	0.826	1.967	2.023	--	--	1.695	May-16
Operating: MetLife Enhanced Cash(Net)	0.902	0.784	1.881	1.938	--	--	1.610	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.135</i>	<i>0.523</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.359</i>	<i>May-16</i>

Operating: MetLife Enhanced Cash Fixed Income Characteristics

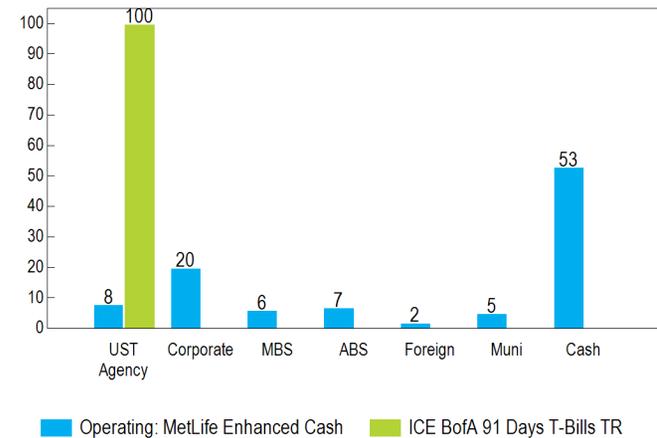
vs. ICE BofA 91 Days T-Bills TR

	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.38	0.13	1.48
Average Duration	0.14	0.23	0.19
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Allocation weights may not add to 100% due to rounding.

Operating: Wells Capital Enhanced Cash | As of June 30, 2020

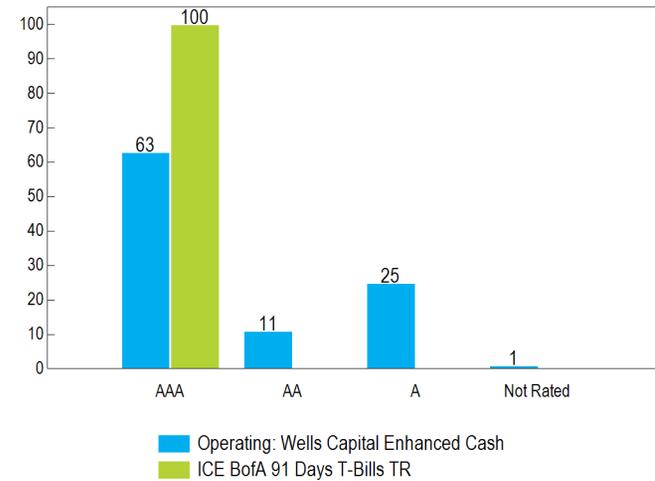
Account Information

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

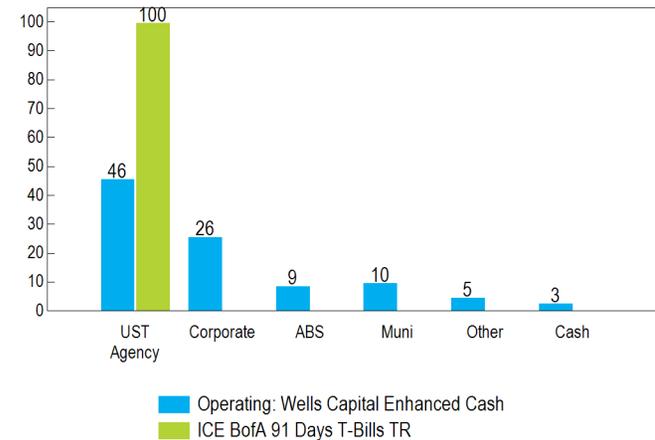
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Wells Capital Enhanced Cash(Gross)	0.519	0.884	2.030	2.007	--	--	1.672	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.500	0.847	1.953	1.932	--	--	1.597	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.135</i>	<i>0.523</i>	<i>1.558</i>	<i>1.725</i>	<i>1.151</i>	<i>0.606</i>	<i>1.382</i>	<i>Jun-16</i>

Credit Quality Allocation



US Sector Allocation



Operating: Wells Capital Enhanced Cash Fixed Income Characteristics vs. ICE BofA 91 Days T-Bills TR

Fixed Income Characteristics	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Yield to Maturity	0.33	0.13	0.88
Average Duration	0.44	0.23	0.15
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Annual Investment Expense Analysis		
As Of June 30, 2020		
Name	Fee Schedule	Market Value
Fixed Income		\$584,883,893
Tier One: Payden Low Duration	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$160,116,170
Tier One: MetLife STAMP 1-3 Year	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$158,842,359
Tier One: Wells Capital Reserve Account	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$159,246,689
Tier Two: MetLife STAMP 1-5 Year	0.15% of First 50.0 Mil, 0.10% of Next 250.0 Mil, 0.07% Thereafter	\$106,678,675
Cash		\$1,108,981,517
Operating: Payden Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$369,667,076
Operating: MetLife Enhanced Cash	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$370,018,822
Operating: Wells Capital Enhanced Cash	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$369,295,619
Total		\$1,693,865,410

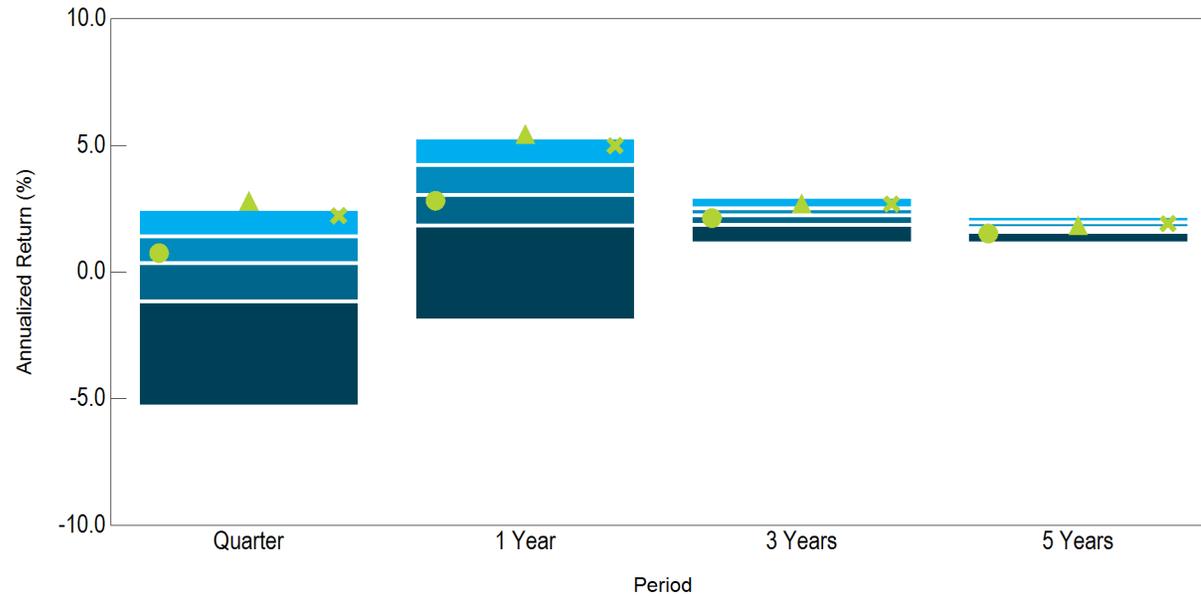
Please note that MetLife, Payden, and Wells Capital charge their investment management fees on an aggregate basis across Operating Cash, Tier One and Tier Two portfolios.

Statistics Summary 1 Year Ending June 30, 2020	
	Sharpe Ratio
Fixed Income	2.88
ICE BofA 1-3 Yrs US Treasuries TR	1.70
Tier One: Payden Low Duration	2.65
ICE BofA 1-3 Yrs US Treasuries TR	1.70
Tier One: MetLife STAMP 1-3 Year	3.37
ICE BofA 1-3 Yrs US Treasuries TR	1.70
Tier One: Wells Capital Reserve Account	2.57
ICE BofA 1-3 Yrs US Treasuries TR	1.70
Tier Two: MetLife STAMP 1-5 Year	2.88
ICE BofA 1-5 Yrs US Treasuries TR	1.79
Cash	1.48
FTSE T-Bill 3 Months TR	1.29
Operating: Payden Enhanced Cash	1.79
FTSE T-Bill 3 Months TR	1.29
Operating: MetLife Enhanced Cash	0.76
FTSE T-Bill 3 Months TR	1.29
Operating: Wells Capital Enhanced Cash	2.56
FTSE T-Bill 3 Months TR	1.29

Statistics Summary 3 Years Ending June 30, 2020	
	Sharpe Ratio
Fixed Income	1.33
ICE BofA 1-3 Yrs US Treasuries TR	0.83
Tier One: Payden Low Duration	1.41
ICE BofA 1-3 Yrs US Treasuries TR	0.83
Tier One: MetLife STAMP 1-3 Year	1.45
ICE BofA 1-3 Yrs US Treasuries TR	0.83
Tier One: Wells Capital Reserve Account	1.23
ICE BofA 1-3 Yrs US Treasuries TR	0.83
Tier Two: MetLife STAMP 1-5 Year	1.18
ICE BofA 1-5 Yrs US Treasuries TR	0.88
Cash	1.01
FTSE T-Bill 3 Months TR	0.40
Operating: Payden Enhanced Cash	1.27
FTSE T-Bill 3 Months TR	0.40
Operating: MetLife Enhanced Cash	0.62
FTSE T-Bill 3 Months TR	0.40
Operating: Wells Capital Enhanced Cash	1.19
FTSE T-Bill 3 Months TR	0.40

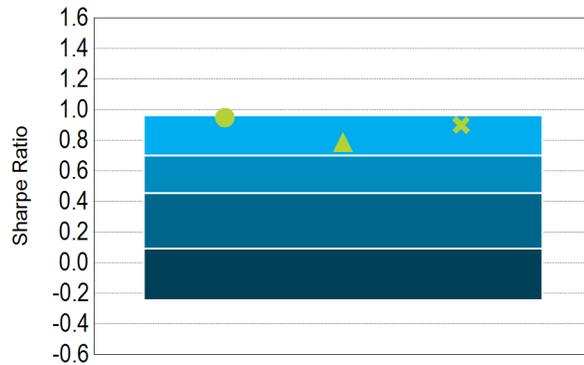
Statistics Summary 5 Years Ending June 30, 2020	
	Sharpe Ratio
Fixed Income	1.14
ICE BofA 1-3 Yrs US Treasuries TR	0.64
Tier One: Payden Low Duration	1.21
ICE BofA 1-3 Yrs US Treasuries TR	0.64
Tier One: MetLife STAMP 1-3 Year	--
ICE BofA 1-3 Yrs US Treasuries TR	0.64
Tier One: Wells Capital Reserve Account	--
ICE BofA 1-3 Yrs US Treasuries TR	0.64
Tier Two: MetLife STAMP 1-5 Year	1.03
ICE BofA 1-5 Yrs US Treasuries TR	0.71
Cash	0.92
FTSE T-Bill 3 Months TR	0.08
Operating: Payden Enhanced Cash	1.11
FTSE T-Bill 3 Months TR	0.08
Operating: MetLife Enhanced Cash	--
FTSE T-Bill 3 Months TR	0.08
Operating: Wells Capital Enhanced Cash	--
FTSE T-Bill 3 Months TR	0.08

**eV US Short Duration Fixed Inc Net Return Comparison
Ending March 31, 2020**



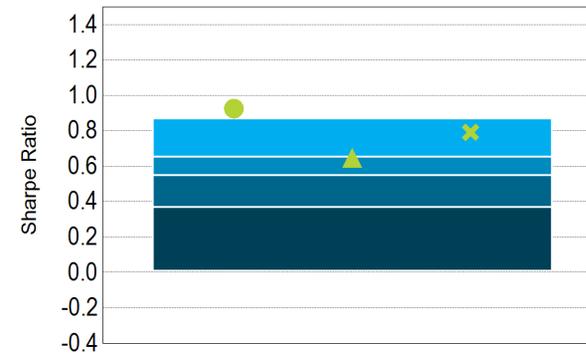
	Return (Rank)			
	Quarter	1 Year	3 Years	5 Years
5th Percentile	2.5	5.3	3.0	2.2
25th Percentile	1.4	4.2	2.5	2.0
Median	0.4	3.1	2.3	1.8
75th Percentile	-1.1	1.9	1.9	1.6
95th Percentile	-5.3	-1.9	1.2	1.1
# of Portfolios	145	145	141	131
● Total Fund	0.7 (42)	2.8 (56)	2.1 (64)	1.5 (85)
▲ ICE BofA 1-3 Yrs US Treasuries TR	2.8 (2)	5.4 (4)	2.7 (14)	1.9 (38)
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	2.2 (8)	5.0 (10)	2.7 (16)	1.9 (32)

**3 Year Sharpe Ratio as of 3/31/2020
vs. eV US Short Duration Fixed Inc Net**



● Total Fund	
Value	0.9
Rank	7
▲ ICE BofA 1-3 Yrs US Treasuries TR	
Value	0.8
Rank	17
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	
Value	0.9
Rank	8
Universe	
5th %tile	1.0
25th %tile	0.7
Median	0.5
75th %tile	0.1
95th %tile	-0.2

**5 Year Sharpe Ratio as of 3/31/2020
vs. eV US Short Duration Fixed Inc Net**



● Total Fund	
Value	0.9
Rank	3
▲ ICE BofA 1-3 Yrs US Treasuries TR	
Value	0.6
Rank	28
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	
Value	0.8
Rank	12
Universe	
5th %tile	0.9
25th %tile	0.7
Median	0.6
75th %tile	0.4
95th %tile	0.0

¹Statistics are for the 3-year and 5 -year period ending March 31, 2020

Quarterly Investment Report Supplement

Annual Investment Policy (2020)

Maturity and Quality Requirements

Allowable Instruments	Maximum Permitted Maturity			Actual Maximum Maturity							Compliance
	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	0.17 years	0.06 years	0.29 years	3.78 years	2.96 years	2.79 years	4.82 years	Yes
US Agencies	2 years	5 years	5 years	N/A	0.04 years	0.88 years	1.54 years	4.13 years	2.19 years	4.00 years	Yes
State & Local Obligations ¹	2 years	5 years	5 years	0.67 years	1.25 years	1.79 years	3.99 years	3.17 years	3.09 years	4.74 years	Yes
Supranationals	2 years	5 years	5 years	0.04 years	N/A	0.20 years	2.96 years	2.90 years	2.90 years	2.96 years	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	0.14 years	0.57 years ²	N/A	N/A	N/A	N/A	N/A	Yes
Commercial Paper	270 days	270 days	270 days	44 days	36 days	146 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	0.88 years	1.56 years	1.88 years	3.20 years	4.67 years	3.04 years	4.86 years	Yes
Mortgage/ Asset-Backed	2 years	5 years	5 years	1.46 years	1.07 years ³	1.72 years	4.48 years	2.84 years	4.38 years	4.48 years	Yes
Variable & Floating Rate	2 years	5 years	5 years	0.21 years	0.32 years	0.25 years	1.67 years	2.62 years	N/A	1.34 years	Yes
Manager Confirmed Adherence to 5% Issuer Limit				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.

¹ Includes CA and any other state in the US.

² FRN CDs included in Variable & Floating Rate Securities section totaling 2.11% of the combined portfolio.

³ MBS & ABS minimum for security rating AA-, minimum issuer rating A- despite Code change 1/2019.

Annual Investment Policy (2020)

Diversification Compliance¹

Allowable Instruments	Maximum (%)	MetLife (%)	MetLife (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
US Treasuries	100	16.3	103.3	37.3	197.8	11.6	61.4	21.4	362.5
US Agencies	100	2.8	18.1	9.4	50.0	33.2	175.3	14.4	243.3
State & Local Obligations ²	30	9.0	56.9	9.5	50.4	11.5	60.6	9.9	167.9
Supranationals	30	3.2	20.4	1.0	5.3	0.9	4.8	1.8	30.5
Negotiable Certificate of Deposit	30	8.9	56.6	1.6	8.6	0.0	0.0	3.9	65.3
Commercial Paper	25	3.8	24.3	0.4	2.0	3.6	19.0	2.7	45.2
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	12.6	79.9	7.9	41.6	20.4	108.0	13.5	229.5
Money Market Funds	20	19.2	121.8	12.1	64.2	1.7	9.1	11.5	195.1
Mortgage/Asset-Backed	20	9.8	62.4	5.9	31.5	9.3	49.3	8.4	143.1
Variable & Floating Rate	30	14.5	91.9	14.8	78.5	7.8	41.1	12.5	211.5
Total		100.0	635.5	100.0	529.8	100.0	528.5	100.0	1693.9

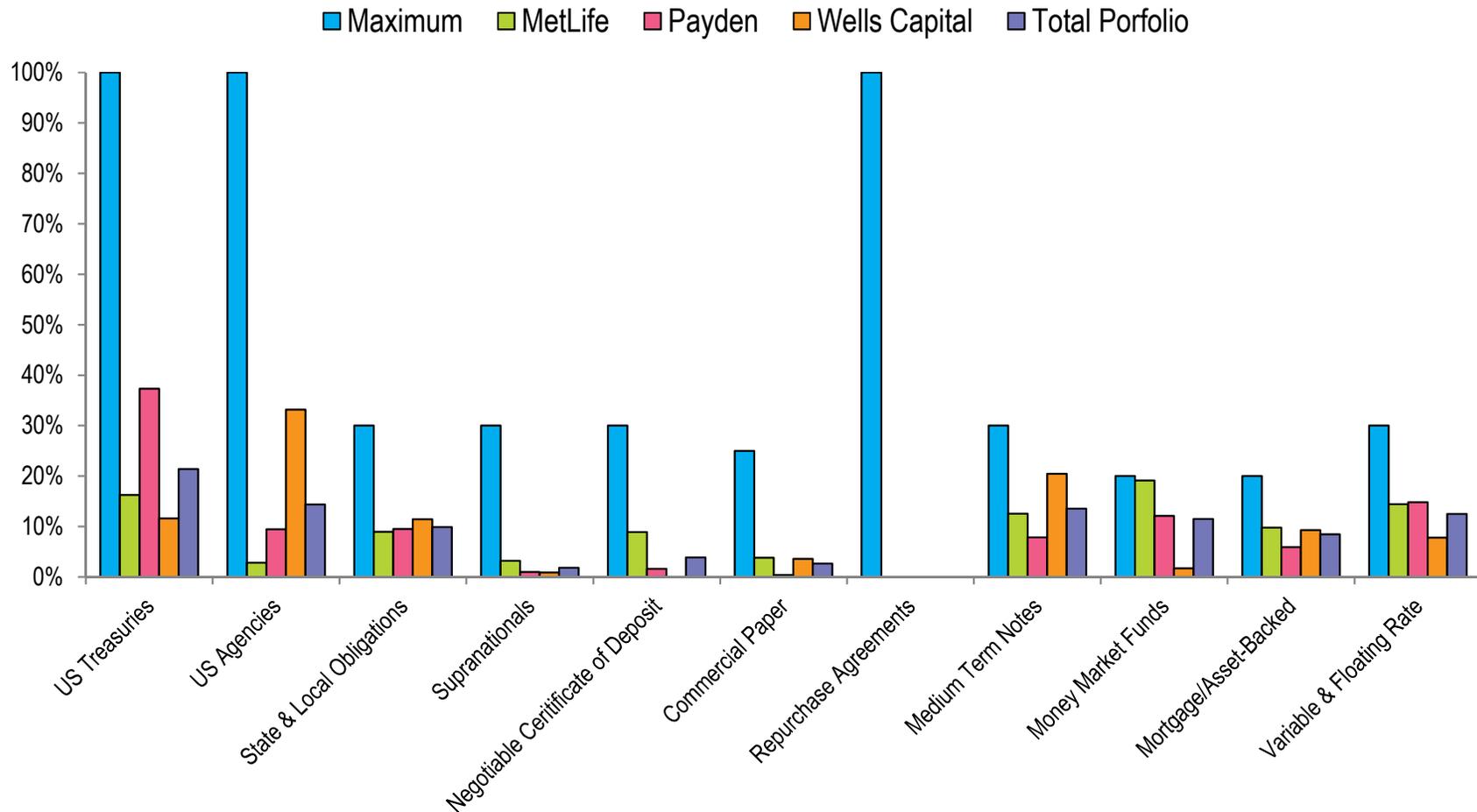
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2020.

¹ Blended allocations for Payden & Rygel, MetLife, and Wells Capital accounts.

² Includes CA and any other state in the US.

Annual Investment Policy (2020)

Actual vs. Diversity Requirements
As of June 30, 2020



Custom Peer Group

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.¹
 - 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 1.78 years, while the Tier Two peer group consists of eight strategies with a median effective duration of 2.16 years as of March 31, 2020.
- Please note that the analysis is as of March 31, 2020, as the universe of investment managers that had reported data as of June 30, 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.

¹ 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 3/31/2020 ¹	1Q 2020 (%)	1 Year (%)	3 Years (%)	Since Inception ² (%)
Tier One: MetLife STAMP 1-3 Year	1.67	4.01	2.55	2.09
Peer Group Median Return	1.38	4.28	2.58	2.13
Peer Group Rank (percentile)	44	55	53	64

Standard Deviation as of 3/31/2020 ³	3 Years (%)
Tier One: MetLife STAMP 1-3 Year	0.74
Median Standard Deviation	1.09
Peer Group Rank (percentile)	6

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

¹ 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.

² Formal inception date is May 2016.

³ 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 3/31/2020 ¹	1Q 2020 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	1.57	4.34	2.70	1.98	1.58
Peer Group Median Return	1.38	4.28	2.58	1.91	1.74
Peer Group Rank (percentile)	47	49	32	21	84

Standard Deviation as of 3/31/2020 ²	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.91	0.82	0.75
Median Standard Deviation	1.09	1.00	0.88
Peer Group Rank (percentile)	18	14	7

- The Payden Tier One portfolio’s trailing returns rank in the second quartile of the peer group in the first quarter of 2020, one-, and three-year time periods, and in the first quartile over the five-year trailing period. Trailing returns underperformed the custom peer group over the ten-year trailing period.
- Standard deviation has ranked very favorably versus peers over all trailing periods.

¹ 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.

² 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 3/31/2020 ¹	1Q 2020 (%)	1 Year (%)	3 Years (%)	Since Inception ² (%)
Tier One: Wells Capital Reserve Account	1.59	4.32	2.61	2.14
Peer Group Median Return	1.38	4.28	2.58	2.13
Peer Group Rank (percentile)	47	49	46	46

Standard Deviation as of 3/31/2020 ³	3 Years (%)
Tier One: Wells Capital Reserve Account	0.95
Median Standard Deviation	1.09
Peer Group Rank (percentile)	21

- The Wells Capital Tier One portfolio outperformed the custom peer group over all trailing periods.
- Standard deviation has ranked very favorably versus peers over the trailing three-year period.

¹ 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.

² Formal inception date is May 2016.

³ 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 3/31/2020 ¹	1Q 2020 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	2.21	4.89	2.85	2.22
Peer Group Median Return	2.19	4.99	2.99	2.10
Peer Group Rank (percentile)	37	69	58	24

Standard Deviation as of 3/31/2020 ²	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	1.20	1.25
Median Standard Deviation	1.42	1.34
Peer Group Rank (percentile)	35	40

- MetLife’s Tier Two portfolio outperformed the peer group in the first quarter of 2020 and over the trailing five-year period, but underperformed over the trailing one- and three-year time periods.
- Standard deviation for the strategy ranks in the second quartile of the peer group over the trailing three- and five-year periods.

¹ 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.

² 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

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 June 30, 2020. Attribution data fields will vary slightly across investment managers.

MetLife Tier One Performance Attribution¹

Gross of Fees as of 6/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	2Q 2020	1 Year	2Q 2020	1 Year
Duration	44	-19	33	-13
Yield Curve	0	-5	0	-5
Sector Selection	68	36	23	19
Treasury	0	0	0	0
Agency	-1	2	-5	-1
Corporate	50	30	9	16
Financial	34	14	8	4
Industrial	14	13	1	10
Utilities	2	3	0	2
MBS	0	1	0	1
CMBS	4	0	4	0
ABS	6	2	6	2
Municipal	9	1	9	1
Total Excess Return²	112	12	56	1
MetLife Tier One Return	125	419	125	419
Benchmark Return	13	407	69	418

¹ Performance attribution provided by MetLife.

² May not add to actual out/underperformance due to rounding.

Payden & Rygel Tier One Performance Attribution¹

Gross of Fees as of 6/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	2Q 2020	1 Year	2Q 2020	1 Year
Duration	0	0	0	0
Yield Curve	4	1	3	3
Sector Selection	126	24	70	11
Treasury	1	0	23	4
Agency	4	1	-1	0
Corporate	74	18	21	7
Financial	47	10	13	2
Industrial	17	7	7	4
Utilities	10	1	1	1
ABS/MBS	31	6	20	4
Municipal	16	-1	7	-4
Residual	0	0	0	0
Total Excess Return ²	130	25	73	14
Payden & Rygel Tier One Return	143	432	143	432
Benchmark Return	13	407	69	418

¹ Performance attribution provided by Payden.

² May not add to actual out/underperformance due to rounding.

Wells Capital Tier One Performance Attribution¹

Gross of Fees as of 6/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	2Q 2020	1 Year	2Q 2020	1 Year
Duration	1	-2	24	3
Sector Selection	118	19	39	3
Treasury ²	NA	NA	NA	NA
Agency	4	2	-2	-2
Corporate	69	12	13	-3
Financial	42	10	8	-4
Industrial	25	2	7	2
Utilities	1	0	-1	-1
MBS	1	1	-1	1
CMBS	0	0	0	0
ABS	35	7	26	4
Municipal	8	-4	2	2
Error Factor	1	1	1	1
Total Excess Return³	119	17	63	6
Wells Capital Tier One Return (%)	133	424	133	424
Benchmark Return (%)	13	407	69	418

¹ Performance attribution provided by Wells Capital.

² Treasury sector selection attribution is included in Duration figure.

³ May not add to actual out/underperformance due to rounding.

MetLife Tier Two Performance Attribution¹

Gross of Fees as of 6/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-5 Year US Treasury		ICE BofA Merrill Lynch 1-5 Year AAA-A US Corp & Govt	
	2Q 2020	1 Year	2Q 2020	1 Year
Duration	43	-32	32	-23
Yield Curve	2	-4	2	-4
Sector Selection	94	29	31	11
Treasury	0	0	0	0
Agency	0	3	-6	-2
Corporate	75	34	18	20
Financial	56	18	21	10
Industrial	16	13	-3	9
Utilities	3	3	0	1
MBS	0	0	0	0
CMBS	4	1	4	1
ABS	2	1	2	1
Municipal	13	-10	13	-9
Total Excess Return²	139	-7	65	-16
MetLife Tier Two Return	168	518	168	518
Benchmark Return	29	525	103	534

¹ Performance attribution provided by MetLife.

² May not add to actual out/underperformance due to rounding.

Appendix

Characteristics

Tier One: Payden Low Duration | As of June 30, 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 BofA 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary

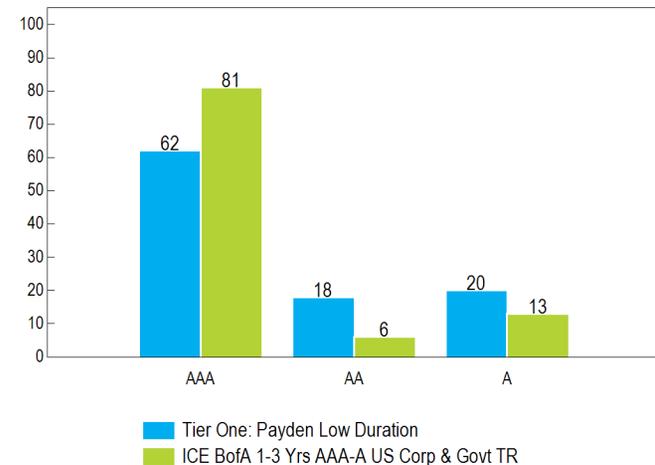
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	1.426	3.015	4.313	3.069	2.245	1.640	3.072	Jul-99
Tier One: Payden Low Duration(Net)	1.406	2.974	4.230	2.990	2.168	1.537	--	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.133</i>	<i>2.944</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.935</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>1.215</i>	<i>2.829</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>3.253</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>0.692</i>	<i>2.932</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>3.146</i>	<i>Jul-99</i>

Tier One: Payden Low Duration Fixed Income Characteristics vs. ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR

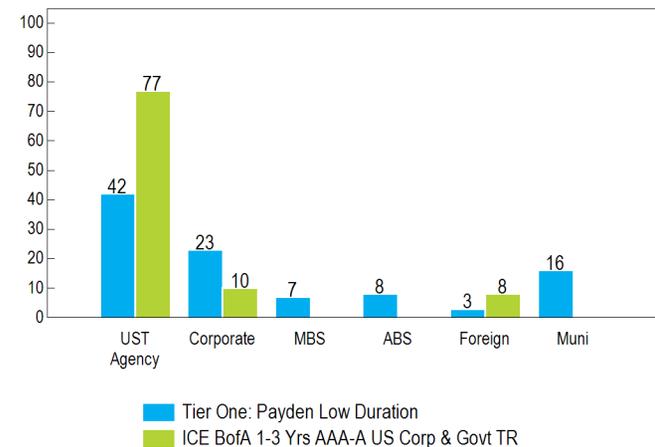
	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.55	0.31	1.31
Average Duration	1.89	1.90	1.87
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account | As of June 30, 2020

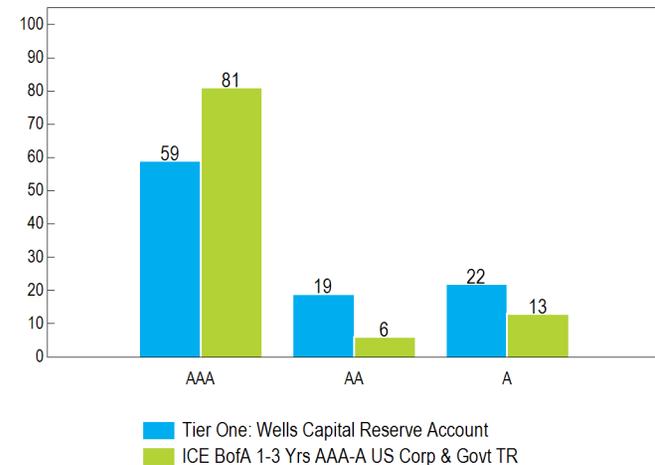
Account Information

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 BofA 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

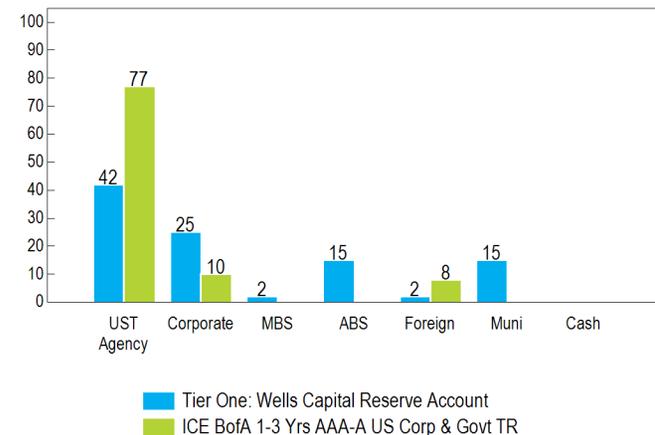
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	1.326	2.934	4.236	2.945	--	--	2.330	May-16
Tier One: Wells Capital Reserve Account(Net)	1.307	2.893	4.153	2.868	--	--	2.256	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.133</i>	<i>2.944</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.024</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>1.215</i>	<i>2.829</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>2.290</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>0.692</i>	<i>2.932</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>2.192</i>	<i>May-16</i>

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR

Fixed Income Characteristics	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Yield to Maturity	0.48	0.31	1.18
Average Duration	1.67	1.90	1.72
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Tier One: MetLife STAMP 1-3 Year | As of June 30, 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 BofA 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary

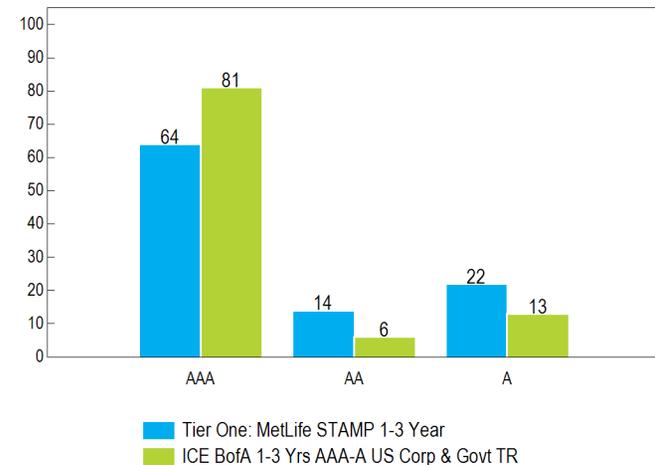
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	1.250	2.944	4.192	2.849	--	--	2.267	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	1.230	2.902	4.108	2.772	--	--	2.187	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.133</i>	<i>2.944</i>	<i>4.071</i>	<i>2.691</i>	<i>1.848</i>	<i>1.330</i>	<i>2.024</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp & Govt TR</i>	<i>1.215</i>	<i>2.829</i>	<i>4.185</i>	<i>2.900</i>	<i>2.118</i>	<i>1.670</i>	<i>2.290</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR</i>	<i>0.692</i>	<i>2.932</i>	<i>4.184</i>	<i>2.833</i>	<i>2.022</i>	<i>1.554</i>	<i>2.192</i>	<i>May-16</i>

Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR

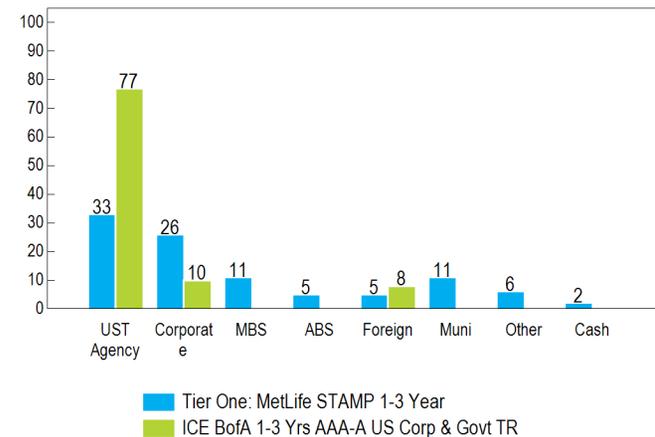
	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.52	0.31	1.13
Average Duration	1.59	1.90	1.71
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Credit Quality Allocation



US Sector Allocation



Tier Two: MetLife STAMP 1-5 Year | As of June 30, 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 BofA 1-5 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

Portfolio Performance Summary

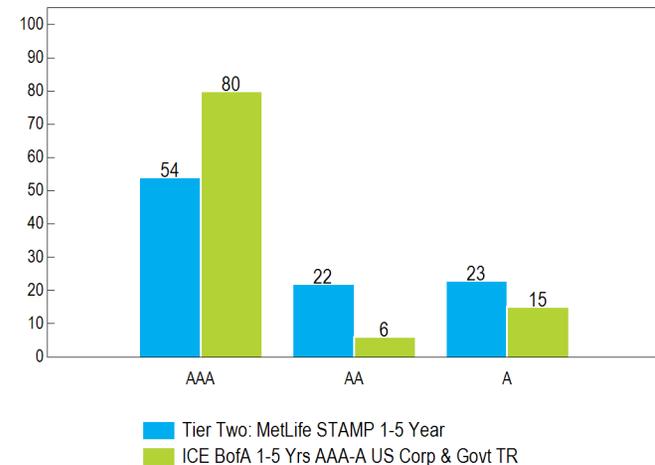
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	1.682	3.932	5.177	3.238	2.568	--	2.110	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	1.651	3.868	5.048	3.110	2.441	--	1.983	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>0.289</i>	<i>4.100</i>	<i>5.254</i>	<i>3.237</i>	<i>2.310</i>	<i>1.838</i>	<i>1.844</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs US Corp & Govt TR</i>	<i>1.836</i>	<i>3.826</i>	<i>5.332</i>	<i>3.487</i>	<i>2.641</i>	<i>2.272</i>	<i>2.168</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR</i>	<i>1.028</i>	<i>4.025</i>	<i>5.350</i>	<i>3.392</i>	<i>2.505</i>	<i>2.098</i>	<i>2.034</i>	<i>Apr-13</i>

Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR

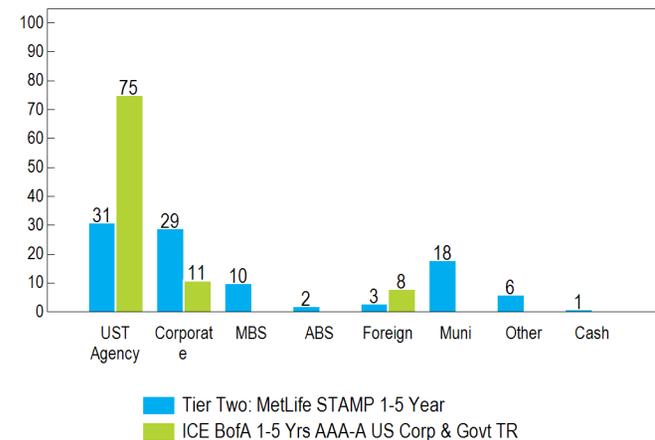
	Portfolio Q2-20	Index Q2-20	Portfolio Q1-20
Fixed Income Characteristics			
Yield to Maturity	0.61	0.37	1.09
Average Duration	2.53	2.67	2.49
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

Credit Quality Allocation



US Sector Allocation



Holdings

CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of June 30, 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	(290,173.81)		(290,173.81)	0.00	1.000	(0.18)%
Total for Cash			(290,173.81)		(290,173.81)	0.00		(0.18)%
Treasuries								
8,384,000.000	U.S. TREASURY NOTE	912828ZR4	8,373,301.25		8,378,596.26	5,295.01	99.936	5.23%
	Mat: 5/31/22			Cpn: 0.13%	538.58	887.65		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 6/16/20			St Date: 6/17/20				
4,000,000.000	U.S. TREASURY NOTE	912828ZX1	3,997,531.25		3,997,734.36	203.11	99.943	2.50%
	Mat: 6/30/22			Cpn: 0.13%	10.87	13.59		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 6/24/20			St Date: 6/30/20				
15,294,000.000	U.S. TREASURY NOTE	912828TY6	15,298,666.00		15,824,510.63	525,844.63	103.469	9.90%
	Mat: 11/15/22			Cpn: 1.63%	9,376.65	31,741.28		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 11/21/19			St Date: 11/22/19				
1,889,000.000	U.S. TREASURY NOTE	912828Z29	1,894,505.78		1,952,753.75	58,247.97	103.375	1.23%
	Mat: 1/15/23			Cpn: 1.50%	1,367.68	13,077.69		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 1/15/20			St Date: 1/16/20				
1,812,000.000	U.S. TREASURY NOTE	912828P79	1,858,361.72		1,876,340.15	17,978.43	103.551	1.18%
	Mat: 2/28/23			Cpn: 1.50%	1,181.74	9,084.62		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 3/13/20			St Date: 3/16/20				
14,143,000.000	U.S. TREASURY NOTE	912828ZP8	14,111,172.69		14,123,663.83	12,491.14	99.863	8.82%
	Mat: 5/15/23			Cpn: 0.13%	854.88	2,257.88		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 5/29/20			St Date: 6/1/20				
741,000.000	U.S. TREASURY NOTE	9128284S6	768,985.11		796,517.11	27,532.01	107.492	0.50%
	Mat: 5/31/23			Cpn: 2.75%	2,449.75	1,725.96		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 1/10/20			St Date: 1/13/20				
4,241,000.000	U.S. TREASURY NOTE	912828ZU7	4,249,144.61		4,250,442.84	1,298.23	100.223	2.65%
	Mat: 6/15/23			Cpn: 0.25%	371.06	463.50		
	Moody's: Aaa			S&P: AA+u				Fitch: AAA
	Tr Date: 6/17/20			St Date: 6/18/20				
Total for Treasuries			50,551,668.40		51,200,558.93	648,890.53		32.01%
			16,151.22		59,252.18			



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of June 30, 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
Government Related								
910,000.000	INTL FINANCE CORP	45950KCM0	907,324.60		920,336.12	13,011.52	101.136	0.58%
	Mat: 1/25/21	Cpn: 2.25%	0.00		8,872.50			
	Moody's: Aaa	S&P: AAA		Fitch:				
	Tr Date: 1/18/18	St Date: 1/25/18						
1,350,000.000	INTL BANK RECON & DEVELOP	459058GH0	1,346,841.00		1,385,921.58	39,080.58	102.661	0.88%
	Mat: 7/23/21	Cpn: 2.75%	0.00		16,293.75			
	Moody's: Aaa	S&P: AAA		Fitch:				
	Tr Date: 7/18/18	St Date: 7/25/18						
1,560,000.000	IBRD C 1/27/21 1X	45905U5U4	1,560,000.00		1,573,920.99	13,920.99	100.892	0.99%
	Mat: 1/27/23	Cpn: 1.75%	75.83		11,678.33			
	Moody's: Aaa	S&P: AAA		Fitch:				
	Tr Date: 1/24/20	St Date: 1/28/20						
510,000.000	INTER-AMERICAN DEVELOPMENT BANK	4581X0DM7	509,826.60		513,312.06	3,485.46	100.649	0.32%
	Mat: 5/24/23	Cpn: 0.50%	0.00		262.08			
	Moody's: Aaa	S&P: AAA		Fitch:				
	Tr Date: 4/17/20	St Date: 4/24/20						
840,000.000	IBRD C 12/14/20 1X	45905U5S9	845,863.20		846,741.81	878.61	100.803	0.53%
	Mat: 12/12/24	Cpn: 2.00%	5,086.67		886.67			
	Moody's: Aaa	S&P: AAA		Fitch:				
	Tr Date: 3/31/20	St Date: 4/1/20						
Total for Government Related			5,169,855.40		5,240,232.56	70,377.16		3.30%
			5,162.50		37,993.33			
Agencies								
280,000.000	HOUSING URBAN DEVELOPMENT	911759MU9	280,000.00		286,582.10	6,582.10	102.351	0.18%
	Mat: 8/1/21	Cpn: 2.57%	0.00		2,998.33			
	Moody's: Aaa	S&P: AA+u		Fitch: AAA				
	Tr Date: 3/20/19	St Date: 3/28/19						
1,790,000.000	FHLB	3130AF5B9	1,788,836.50		1,854,785.49	65,948.99	103.619	1.17%
	Mat: 10/12/21	Cpn: 3.00%	0.00		11,784.17			
	Moody's: Aaa	S&P: AA+		Fitch: AAA				
	Tr Date: 10/11/18	St Date: 10/12/18						
1,340,000.000	FHLB	3130AHJY0	1,337,708.60		1,366,877.85	29,169.25	102.006	0.86%
	Mat: 11/19/21	Cpn: 1.63%	0.00		2,540.42			
	Moody's: Aaa	S&P: AA+		Fitch: AAA				
	Tr Date: 11/7/19	St Date: 11/8/19						
1,710,000.000	FNMA	3135G0W33	1,704,049.20		1,752,843.43	48,794.23	102.506	1.10%
	Mat: 9/6/22	Cpn: 1.38%	0.00		7,510.94			
	Moody's: Aaa	S&P: AA+		Fitch: AAA				
	Tr Date: 9/5/19	St Date: 9/6/19						



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of June 30, 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
1,560,000.000	FNMA C 7/30/20 Q Mat: 1/30/23 Cpn: 1.75% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 1/28/20 St Date: 1/30/20	3135G0X73	1,560,000.00	0.00	1,561,943.31 11,450.83	1,943.31	100.125	0.98%
1,620,000.000	FHLMC Mat: 4/20/23 Cpn: 0.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 4/17/20 St Date: 4/20/20	3137EAEQ8	1,615,950.00	0.00	1,625,489.99 1,198.13	9,539.99	100.339	1.02%
1,870,000.000	FHLMC Mat: 5/5/23 Cpn: 0.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/5/20 St Date: 5/7/20	3137EAER6	1,869,214.60	0.00	1,875,751.78 1,051.88	6,537.18	100.308	1.17%
1,690,000.000	FNMA Mat: 5/22/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/20/20 St Date: 5/22/20	3135G04Q3	1,684,913.10	0.00	1,689,018.75 457.71	4,105.65	99.942	1.06%
1,540,000.000	FHLMC Mat: 6/26/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/24/20 St Date: 6/26/20	3137EAES4	1,535,503.20	0.00	1,538,152.88 53.47	2,649.68	99.880	0.96%
435,000.000	FHLB Mat: 8/15/24 Cpn: 1.50% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/15/19 St Date: 8/16/19	3130AGWK7	433,977.75	0.00	455,906.14 2,465.00	21,928.39	104.806	0.29%
1,430,000.000	FHLB C 7/21/20 Q Mat: 1/21/25 Cpn: 2.00% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 1/23/20 St Date: 1/24/20	3130AHWB5	1,430,000.00	238.33	1,431,286.60 12,711.11	1,286.60	100.090	0.90%
Total for Agencies			15,240,152.95	238.33	15,438,638.33	198,485.38		9.68%

Taxable Muni

850,000.000	CA SAN FRANCISCO REDEV AGY-TXBL Mat: 8/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 11/10/17 St Date: 11/30/17	79770GGM2	848,886.50	0.00	850,533.39 7,083.33	1,646.89	100.063	0.54%
550,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/20 Cpn: 2.26% Moody's: S&P: AA Fitch: AA Tr Date: 12/8/17 St Date: 12/21/17	798170AC0	550,000.00	0.00	550,664.13 5,176.88	664.13	100.121	0.35%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of June 30, 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
220,000.000	CA BRENTWOOD INFRA FIN AUTH REV TXB Mat: 9/2/20 Cpn: 2.59% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVB1	220,000.00	0.00	220,584.12 1,884.23	584.12	100.266	0.14%
310,000.000	CA SAN MARCOS REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 12/1/17 St Date: 12/14/17	79876CBQ0	307,904.40	0.00	310,604.81 1,550.00	2,700.41	100.195	0.19%
500,000.000	CA SAN DIEGO PUBLIC FACS LEASE REV TXB Mat: 10/15/20 Cpn: 2.82% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LS1	500,000.00	0.00	502,549.33 2,974.56	2,549.33	100.510	0.32%
310,000.000	CA CENTURY HOUSING CORP TXB Mat: 11/1/20 Cpn: 3.82% Moody's: S&P: AA- Fitch: Tr Date: 2/1/19 St Date: 2/7/19	156549AA5	310,000.00	0.00	312,899.88 1,975.73	2,899.88	100.935	0.20%
350,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/20 Cpn: 3.15% Moody's: S&P: AA- Fitch: AA- Tr Date: 4/26/17 St Date: 5/1/17	544587C30	360,734.50	0.00	352,291.78 1,835.17	(8,442.72)	100.655	0.22%
735,000.000	CA INLAND VLY REDEV AGY TAB TXB Mat: 3/1/21 Cpn: 3.98% Moody's: S&P: AA Fitch: Tr Date: 6/12/18 St Date: 6/14/18	45750TAJ2	750,993.60	8,363.30	744,322.53 9,743.65	(6,671.07)	101.268	0.47%
410,000.000	CA ST EDU FACS AUTH REV-CHAPMAN UNV TXB Mat: 4/1/21 Cpn: 2.26% Moody's: A2 S&P: Fitch: Tr Date: 11/9/17 St Date: 11/16/17	130179KQ6	410,000.00	0.00	411,205.67 2,313.43	1,205.67	100.294	0.26%
1,400,000.000	CA STATE GO/ULT TXBL Mat: 4/1/21 Cpn: 2.80% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 4/18/18 St Date: 4/25/18	13063DGA0	1,400,056.00	0.00	1,425,438.98 9,800.00	25,382.98	101.817	0.90%
230,064.132	CA DEPT WTR RESOURCES-PWR SUPPLY TXB Mat: 5/1/21 Cpn: 1.71% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 9/22/17 St Date: 9/26/17	13066YTY5	227,747.38	1,587.35	232,318.75 656.83	4,571.37	100.980	0.15%
1,100,000.000	CA SAN FRANCISCO AIRPORT COMMN TXB Mat: 5/1/21 Cpn: 2.93% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/11/19 St Date: 2/7/19	79766DLQ0	1,100,000.00	0.00	1,113,713.83 5,366.17	13,713.83	101.247	0.70%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of June 30, 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
545,000.000	CA SACRAMENTO TRANSIENT OCC TAX REV TXB Mat: 6/1/21 Cpn: 3.46% Moody's: A1 S&P: Fitch: Tr Date: 10/18/18 St Date: 11/1/18	786073AA4	545,000.00	0.00	556,905.03 1,569.15	11,905.03	102.184	0.35%
450,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/21 Cpn: 2.48% Moody's: S&P: AA Fitch: AA Tr Date: 5/16/18 St Date: 5/18/18	798170AD8	440,883.00	3,317.00	458,274.39 4,650.00	17,391.39	101.839	0.29%
450,000.000	CA HESPERIA REDEV AGY SUCCESSOR TXB Mat: 9/1/21 Cpn: 3.00% Moody's: S&P: AA Fitch: Tr Date: 9/12/18 St Date: 10/2/18	42806KAQ6	446,715.00	0.00	459,353.04 4,500.00	12,638.04	102.079	0.29%
1,025,000.000	CA LA QUINTA REDEV AGY TAB TXB Mat: 9/1/21 Cpn: 4.45% Moody's: S&P: AA Fitch: Tr Date: 4/30/19 St Date: 5/2/19	50420BBD3	1,067,814.25	7,728.78	1,065,748.35 15,204.17	(2,065.90)	103.975	0.68%
520,000.000	CA OAKLAND REDEV AGY PRE-21 TXB Mat: 9/1/21 Cpn: 9.25% Moody's: WR S&P: AA- Fitch: Tr Date: 5/24/18 St Date: 5/29/18	67232PBB8	618,259.20	11,757.78	571,783.94 16,033.33	(46,475.26)	109.959	0.37%
220,000.000	CA BRENTWOOD INFR FIN AUTH REV TXB Mat: 9/2/21 Cpn: 2.81% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVC9	220,000.00	0.00	224,594.72 2,043.49	4,594.72	102.089	0.14%
330,000.000	CT STATE GO/ULT TXB Mat: 10/15/21 Cpn: 2.40% Moody's: A1 S&P: A Fitch: A+ Tr Date: 6/13/19 St Date: 6/17/19	20772JKP6	330,594.00	1,364.57	335,038.65 1,672.70	4,444.65	101.527	0.21%
560,000.000	CA SAN DIEGO CITY PUB FACS LEASE TXB Mat: 10/15/21 Cpn: 2.99% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LT9	560,000.00	0.00	573,792.02 3,539.57	13,792.02	102.463	0.36%
540,000.000	HI STATE GO/ULT TXB Mat: 1/1/22 Cpn: 2.77% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 2/7/19 St Date: 2/21/19	419792YL4	540,000.00	0.00	560,072.56 7,479.00	20,072.56	103.717	0.35%
640,000.000	CA POMONA REDEV AGY TAX ALLOCATION TXB Mat: 2/1/22 Cpn: 3.55% Moody's: S&P: A+ Fitch: Tr Date: 9/27/18 St Date: 10/11/18	73209MAD9	640,000.00	0.00	659,538.14 9,472.00	19,538.14	103.053	0.42%



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655,000.000	CA STATE GO/ULT-TXBL BABS Mat: 3/1/22 Cpn: 6.65% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 7/16/19 St Date: 7/18/19	13063BFS6	715,364.80	16,576.05	702,496.30 14,519.17	(12,868.50)	107.251	0.45%
930,000.000	CA SAN FRANCISCO AIRPORT COMMN TXB Mat: 5/1/22 Cpn: 3.05% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/11/19 St Date: 2/7/19	79766DLR8	930,000.00	0.00	957,153.36 4,721.30	27,153.36	102.920	0.60%
820,000.000	CA UNIV OF CALIFORNIA REV TXB Mat: 5/15/22 Cpn: 3.28% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 12/13/18 St Date: 12/17/18	91412HDJ9	822,878.20	2,392.94	856,198.75 3,439.85	33,320.55	104.415	0.54%
1,500,000.000	CA HEALTH FACS-NO PLACE LIKE HOME-TXB Mat: 6/1/22 Cpn: 1.89% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 11/20/19 St Date: 11/25/19	13032UUZ9	1,500,000.00	0.00	1,512,741.17 2,366.25	12,741.17	100.849	0.95%
340,000.000	CT STATE OF CONNECTICUT GO/ULT TXB Mat: 7/1/22 Cpn: 2.50% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/29/20 St Date: 6/11/20	20772KJU4	345,718.80	0.00	348,639.53 472.22	2,920.73	102.541	0.22%
350,000.000	CA SAN DIEGO REDEV AGY TAB TXB Mat: 9/1/22 Cpn: 3.25% Moody's: S&P: AA Fitch: Tr Date: 4/20/20 St Date: 4/22/20	79730WAY6	364,962.50	1,611.46	363,651.05 3,791.67	(1,311.45)	103.900	0.23%
500,000.000	CA MANTECA REDEV AGY TAB TXB Mat: 10/1/22 Cpn: 1.64% Moody's: S&P: AA Fitch: Tr Date: 2/20/20 St Date: 2/28/20	56453RAW4	500,000.00	0.00	496,852.00 2,801.67	(3,148.01)	99.370	0.31%
435,000.000	CA PALM DESERT REDEV AGY TAB TXB Mat: 10/1/22 Cpn: 2.75% Moody's: S&P: AA Fitch: Tr Date: 7/23/19 St Date: 7/25/19	696624AV7	442,577.70	3,788.13	441,000.37 2,990.63	(1,577.33)	101.379	0.28%
810,000.000	CA SACRAMENTO CNTY SANTN DIST REV TXB Mat: 12/1/22 Cpn: 0.63% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 6/18/20 St Date: 7/14/20	786134WD4	810,000.00	0.00	811,539.02 0.00	1,539.02	100.190	0.51%
500,000.000	CA RIVERSIDE CNTY PENSN OBLG TXB Mat: 2/15/23 Cpn: 2.36% Moody's: A2 S&P: AA Fitch: Tr Date: 4/23/20 St Date: 5/6/20	76913CAX7	500,000.00	0.00	510,817.00 1,805.07	10,817.00	102.163	0.32%



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1,470,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/23 Cpn: 2.18% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 9/20/19 St Date: 9/26/19	072024WN8	1,470,000.00	0.00	1,522,700.16 8,026.20	52,700.16	103.585	0.96%
320,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/23 Cpn: 2.23% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 9/20/19 St Date: 9/26/19	072024WX6	320,000.00	0.00	329,075.34 1,787.20	9,075.34	102.836	0.21%
570,000.000	CT STATE OF CONNECTICUT TXB Mat: 4/15/23 Cpn: 2.92% Moody's: A1 S&P: A Fitch: A+ Tr Date: 3/29/19 St Date: 4/11/19	20772KGM5	570,000.00	0.00	596,023.69 3,514.94	26,023.69	104.566	0.37%
370,000.000	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	010831DQ5	386,298.50	2,449.35	394,250.82 954.29	7,952.32	106.554	0.25%
1,110,000.000	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	544290JC4	1,110,000.00	0.00	1,111,646.97 9,911.38	1,646.97	100.148	0.70%
300,000.000	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	576051VW3	300,000.00	0.00	306,316.50 2,215.00	6,316.50	102.106	0.19%
1,050,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/23 Cpn: 1.96% Moody's: Aa1 S&P: AA Fitch: Tr Date: 11/21/19 St Date: 12/12/19	796720MF4	1,050,000.00	0.00	1,090,283.27 8,592.50	40,283.27	103.837	0.69%
450,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/23 Cpn: 0.73% Moody's: Aa1 S&P: AA Fitch: Tr Date: 6/17/20 St Date: 7/7/20	796720NP1	450,000.00	0.00	450,447.76 0.00	447.76	100.100	0.28%
240,000.000	CA SAN DIEGO PUBLIC FACS WTR REV TXB Mat: 8/1/23 Cpn: 1.33% Moody's: Aa2 S&P: Fitch: AA Tr Date: 4/30/20 St Date: 5/11/20	79730CJG0	240,000.00	0.00	244,388.40 442.33	4,388.40	101.829	0.15%
350,000.000	CA GLENDALE USD GO/ULT TXB Mat: 9/1/23 Cpn: 1.18% Moody's: Aa1 S&P: Fitch: Tr Date: 5/13/20 St Date: 6/2/20	378460YC7	350,000.00	0.00	350,243.72 333.26	243.72	100.070	0.22%



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500,000.000	CA MOUNTAIN VIEW-WHISMAN SD TXB Mat: 9/1/23 Cpn: 1.16% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 5/1/20 St Date: 5/19/20	62451FKG4	500,000.00 0.00	504,514.09 679.00	4,514.09	100.903	0.32%
Total for Taxable Muni			26,073,388.33 60,936.71	26,393,207.27 189,887.30	319,818.93		16.60%
Credit							
685,000.000	AMERICAN EXPRESS Mat: 10/30/20 Cpn: 2.20% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/23/17 St Date: 10/30/17	025816BP3	684,109.50 0.00	688,017.43 2,553.53	3,907.93	100.441	0.43%
505,000.000	GOLDMAN SACHS Mat: 12/27/20 Cpn: 2.60% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWG5	504,651.55 0.00	510,322.70 145.89	5,671.15	101.054	0.32%
710,000.000	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	55279HAR1	709,041.50 0.00	718,165.00 8,076.25	9,123.50	101.150	0.45%
725,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 1.31% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/24/18 St Date: 4/26/18	90331HNQ2	725,000.00 0.00	726,558.03 1,716.63	1,558.03	100.215	0.45%
85,000.000	BNY MELLON Mat: 5/3/21 Cpn: 2.05% Moody's: A1 S&P: A Fitch: AA- Tr Date: 7/30/19 St Date: 8/1/19	06406FAB9	84,758.60 425.94	86,082.90 280.74	1,324.30	101.274	0.05%
300,000.000	PACCAR FINANCIAL FRN Mat: 5/10/21 Cpn: 0.71% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/7/18 St Date: 5/10/18	69371RP34	300,000.00 0.00	300,058.50 300.74	58.50	100.020	0.19%
1,030,000.000	CITIZENS BANK Mat: 5/13/21 Cpn: 2.55% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 7/25/19 St Date: 7/29/19	17401QAE1	1,032,575.00 5,544.83	1,047,206.15 3,502.00	14,631.15	101.671	0.66%
500,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 0.91% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/14/18 St Date: 5/17/18	025816BV0	500,000.00 0.00	501,317.00 556.50	1,317.00	100.263	0.31%



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845,000.000	BANK OF AMERICA Mat: 7/21/21 Cpn: 2.37% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 7/18/17 St Date: 7/21/17	06051GGP8	845,000.00	0.00	845,794.30 8,896.91	794.30	100.094	0.53%
770,000.000	WELLS FARGO Mat: 7/23/21 Cpn: 3.33% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 7/16/18 St Date: 7/23/18	94988J5P8	770,000.00	0.00	777,973.35 11,236.65	7,973.35	101.036	0.49%
180,000.000	CITIGROUP Mat: 8/2/21 Cpn: 2.35% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/25/19 St Date: 7/29/19	172967KV2	179,911.80	2,079.75	183,555.00 1,750.75	3,643.20	101.975	0.12%
775,000.000	NEXTERA ENERGY CAPITAL Mat: 9/1/21 Cpn: 2.40% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/28/19 St Date: 8/30/19	65339KAS9	779,960.00	1,138.09	792,596.38 6,207.75	12,636.38	102.271	0.50%
730,000.000	CATERPILLAR FINANCIAL Mat: 9/7/21 Cpn: 3.15% Moody's: A3 S&P: A Fitch: A Tr Date: 9/4/18 St Date: 9/7/18	14913Q2N8	729,437.90	0.00	753,863.70 7,281.75	24,425.80	103.269	0.48%
490,000.000	JOHN DEERE CAPITAL CORP Mat: 9/10/21 Cpn: 3.13% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUK3	489,848.10	0.00	505,543.78 4,721.35	15,695.68	103.172	0.32%
360,000.000	BANK OF AMERICA Mat: 10/1/21 Cpn: 2.33% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	06051GGS2	360,000.00	0.00	361,485.00 2,095.20	1,485.00	100.413	0.23%
325,000.000	HONEYWELL INTL Mat: 11/1/21 Cpn: 1.85% Moody's: A2 S&P: A Fitch: A Tr Date: 7/30/19 St Date: 8/1/19	438516BM7	322,686.35	1,503.13	331,615.38 1,002.08	8,929.03	102.036	0.21%
800,000.000	MORGAN STANLEY Mat: 11/17/21 Cpn: 2.63% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/19 St Date: 7/23/19	61746BED4	803,872.00	3,850.00	822,248.00 2,566.67	18,376.00	102.781	0.52%
126,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.32% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/3/17 St Date: 3/8/17	61746BEE2	127,401.12	363.56	126,524.79 583.44	(876.33)	100.417	0.08%



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740,000.000	NATL RURAL UTILITIES Mat: 1/21/22 Cpn: 1.75% Moody's: A2 S&P: A Fitch: A Tr Date: 1/22/20 St Date: 2/5/20	63743HET5	739,348.80	0.00	756,072.80 5,251.94	16,724.00	102.172	0.48%
800,000.000	US BANK CINCINNATI Mat: 1/21/22 Cpn: 1.80% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/16/20 St Date: 1/21/20	90331HPJ6	799,720.00	0.00	816,556.00 6,400.00	16,836.00	102.070	0.51%
680,000.000	BANK OF AMERICA Mat: 1/23/22 Cpn: 2.74% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 1/18/18 St Date: 1/23/18	06051GGY9	680,000.00	0.00	687,639.80 8,171.41	7,639.80	101.124	0.43%
650,000.000	PACIFICORP Mat: 2/1/22 Cpn: 2.95% Moody's: A1 S&P: A+ Fitch: WD Tr Date: 7/26/19 St Date: 7/30/19	695114CP1	660,484.50	9,534.24	673,237.50 7,989.58	12,753.00	103.575	0.43%
121,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.38% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	121,000.00	0.00	121,357.33 236.15	357.33	100.295	0.08%
650,000.000	WELLS FARGO Mat: 3/8/22 Cpn: 3.50% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 7/29/19 St Date: 7/31/19	94974BFC9	668,089.50	9,036.81	681,762.25 7,140.97	13,672.75	104.887	0.43%
660,000.000	AMERIPRISE FINANCIAL Mat: 3/22/22 Cpn: 3.00% Moody's: A3 S&P: A Fitch: Tr Date: 3/12/19 St Date: 3/22/19	03076CAJ5	658,320.30	0.00	687,360.30 5,445.00	29,040.00	104.146	0.43%
510,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 1.95% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	510,000.00	0.00	512,235.23 1,796.90	2,235.23	100.438	0.32%
500,000.000	NATL RURAL UTILITIES Mat: 4/25/22 Cpn: 2.40% Moody's: A1 S&P: A Fitch: A+ Tr Date: 7/30/19 St Date: 8/1/19	637432NM3	503,355.00	3,200.00	516,277.50 2,200.00	12,922.50	103.256	0.32%
460,000.000	BANK OF AMERICA Mat: 5/17/22 Cpn: 3.50% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 5/14/18 St Date: 5/17/18	06051GHH5	460,000.00	0.00	471,272.30 1,967.22	11,272.30	102.451	0.30%



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785,000.000	TRUIST BANK Mat: 5/17/22 Cpn: 2.80% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/14/19 St Date: 5/17/19	86787EBE6	784,599.65	0.00	817,322.38 2,686.44	32,722.73	104.118	0.51%
620,000.000	AMERICAN EXPRESS Mat: 5/20/22 Cpn: 2.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/15/19 St Date: 5/20/19	025816CD9	619,256.00	0.00	644,356.70 1,941.81	25,100.70	103.929	0.40%
375,000.000	CITIBANK Mat: 5/20/22 Cpn: 2.84% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 7/29/19 St Date: 7/31/19	17325FAY4	377,793.75	2,044.13	382,400.63 1,214.63	4,606.88	101.974	0.24%
580,000.000	JOHN DEERE CAPITAL CORP Mat: 6/13/22 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 9/9/19 St Date: 9/12/19	24422EVA4	579,251.80	0.00	596,774.18 565.50	17,522.38	102.892	0.37%
775,000.000	FIFTH THIRD BANK Mat: 6/15/22 Cpn: 2.60% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 12/12/19 St Date: 12/16/19	316773CU2	783,021.25	55.97	803,861.00 895.56	20,839.75	103.724	0.50%
920,000.000	PNC BANK Mat: 7/22/22 Cpn: 2.23% Moody's: A2 S&P: A Fitch: A+ Tr Date: 7/18/19 St Date: 7/23/19	69353RFP8	920,000.00	0.00	935,952.80 9,069.36	15,952.80	101.734	0.59%
405,000.000	HONEYWELL Mat: 8/8/22 Cpn: 2.15% Moody's: A2 S&P: A Fitch: A Tr Date: 7/30/19 St Date: 8/8/19	438516BT2	404,590.95	0.00	419,884.97 3,458.81	15,294.02	103.675	0.26%
550,000.000	PACCAR FINANCIAL Mat: 8/10/22 Cpn: 2.30% Moody's: A1 S&P: A+ Fitch: Tr Date: 7/12/19 St Date: 7/16/19	69371RN77	550,335.50	5,481.67	570,432.50 4,954.58	20,097.00	103.715	0.36%
290,000.000	BNY MELLON Mat: 8/23/22 Cpn: 1.95% Moody's: A1 S&P: A Fitch: AA- Tr Date: 8/20/19 St Date: 8/23/19	06406RAK3	289,907.20	0.00	298,921.85 2,010.67	9,014.65	103.077	0.19%
545,000.000	CATERPILLAR FINANCIAL Mat: 9/6/22 Cpn: 1.90% Moody's: A3 S&P: A Fitch: A Tr Date: 9/3/19 St Date: 9/6/19	14913Q3A5	544,242.45	0.00	562,404.58 3,307.85	18,162.13	103.194	0.35%



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430,000.000	KEYBANK Mat: 9/14/22 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A- Tr Date: 8/15/19 St Date: 8/19/19	49327M2T0	433,091.70 4,258.19	446,163.70 2,939.53	13,072.00	103.759	0.28%
285,000.000	PACCAR FINANCIAL Mat: 9/26/22 Cpn: 2.00% Moody's: A1 S&P: A+ Fitch: Tr Date: 9/23/19 St Date: 9/26/19	69371RQ33	284,652.30 0.00	294,315.23 1,504.17	9,662.93	103.269	0.18%
730,000.000	GOLDMAN SACHS FRN Mat: 10/31/22 Cpn: 1.54% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 11/14/17 St Date: 11/16/17	38148YAB4	729,284.60 700.83	729,934.30 1,936.29	649.70	99.991	0.46%
475,000.000	CITIGROUP Mat: 11/4/22 Cpn: 2.31% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/28/19 St Date: 11/4/19	17308CC46	475,000.00 0.00	485,081.88 1,738.82	10,081.88	102.123	0.30%
655,000.000	PNC BANK Mat: 12/9/22 Cpn: 2.03% Moody's: A2 S&P: A Fitch: A+ Tr Date: 12/4/19 St Date: 12/9/19	69353RFS2	655,000.00 0.00	667,274.70 811.76	12,274.70	101.874	0.42%
800,000.000	WAL-MART STORES Mat: 12/15/22 Cpn: 2.35% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 3/6/20 St Date: 3/10/20	931142DU4	827,264.00 4,438.89	838,344.00 835.56	11,080.00	104.793	0.52%
800,000.000	PRECISION CASTPARTS Mat: 1/15/23 Cpn: 2.50% Moody's: A2 S&P: AA- Fitch: Tr Date: 7/30/19 St Date: 8/1/19	740189AG0	806,160.00 888.89	838,420.00 9,222.22	32,260.00	104.803	0.53%
865,000.000	BNY MELLON Mat: 1/27/23 Cpn: 1.85% Moody's: A1 S&P: A Fitch: AA- Tr Date: 1/21/20 St Date: 1/28/20	06406RAM9	864,394.50 0.00	892,995.73 6,801.06	28,601.23	103.237	0.56%
570,000.000	FIFTH THIRD BANK Mat: 1/30/23 Cpn: 1.80% Moody's: A3 S&P: A- Fitch: A- Tr Date: 1/28/20 St Date: 1/31/20	31677QBS7	569,521.20 0.00	585,865.95 4,303.50	16,344.75	102.784	0.37%
430,000.000	ADOBE Mat: 2/1/23 Cpn: 1.70% Moody's: A2 S&P: A Fitch: Tr Date: 1/22/20 St Date: 2/3/20	00724PAA7	429,410.90 0.00	445,593.95 3,005.22	16,183.05	103.627	0.28%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

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Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
610,000.000	HUNTINGTON NATL BANK Mat: 2/3/23 Cpn: 1.80% Moody's: A3 S&P: A- Fitch: A- Tr Date: 1/28/20 St Date: 2/4/20	44644MAA9	609,487.60	0.00	627,650.35 4,483.50	18,162.75	102.894	0.39%
435,000.000	PNC BANK Mat: 2/24/23 Cpn: 1.74% Moody's: A2 S&P: A Fitch: A+ Tr Date: 2/20/20 St Date: 2/25/20	69353RFT0	435,000.00	0.00	441,103.05 2,653.72	6,103.05	101.403	0.28%
790,000.000	TRUIST BANK Mat: 3/9/23 Cpn: 1.25% Moody's: A2 S&P: A Fitch: A+ Tr Date: 3/4/20 St Date: 3/9/20	89788JAB5	789,447.00	0.00	802,008.00 3,072.22	12,561.00	101.520	0.50%
985,000.000	DUKE ENERGY CAROLINAS Mat: 3/15/23 Cpn: 2.50% Moody's: Aa2 S&P: A Fitch: WD Tr Date: 7/29/19 St Date: 7/31/19	26442CAQ7	995,766.05	9,302.78	1,033,954.50 7,250.69	38,188.45	104.970	0.65%
775,000.000	TRUIST FIN CORP Mat: 3/16/23 Cpn: 2.20% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 9/9/19 St Date: 9/16/19	05531FBJ1	774,426.50	0.00	805,899.25 4,972.92	31,472.75	103.987	0.51%
375,000.000	JPMORGAN CHASE Mat: 4/1/23 Cpn: 3.21% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 3/15/19 St Date: 3/22/19	46647PBB1	375,000.00	0.00	390,438.75 3,006.56	15,438.75	104.117	0.25%
200,000.000	JOHN DEERE CAPITAL CORP Mat: 4/6/23 Cpn: 1.20% Moody's: A2 S&P: A Fitch: A Tr Date: 3/4/20 St Date: 3/9/20	24422EVE6	199,952.00	0.00	203,828.00 746.67	3,876.00	101.914	0.13%
800,000.000	EXXON MOBIL Mat: 4/15/23 Cpn: 1.57% Moody's: Aa1 S&P: AA Fitch: Tr Date: 4/13/20 St Date: 4/15/20	30231GBL5	800,000.00	0.00	821,420.00 2,653.24	21,420.00	102.678	0.51%
490,000.000	PEPSICO Mat: 5/1/23 Cpn: 0.75% Moody's: A1 S&P: A+ Fitch: Au Tr Date: 4/29/20 St Date: 5/1/20	713448EY0	489,029.80	0.00	494,191.95 612.50	5,162.15	100.856	0.31%
560,000.000	APPLE Mat: 5/11/23 Cpn: 0.75% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/20 St Date: 5/11/20	037833DV9	558,476.80	0.00	565,269.60 583.33	6,792.80	100.941	0.35%



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Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
175,000.000	CHEVRON Mat: 5/11/23 Cpn: 1.14% Moody's: Aa2 S&P: AA Fitch: Tr Date: 5/7/20 St Date: 5/11/20	166764BV1	175,000.00	0.00	178,160.50 277.33	3,160.50	101.806	0.11%
780,000.000	COMERICA Mat: 7/31/23 Cpn: 3.70% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 2/19/20 St Date: 2/21/20	200340AS6	826,807.80	1,683.50	841,324.38 12,105.17	14,516.58	107.862	0.53%
250,000.000	FIRST REPUBLIC BANK Mat: 2/12/24 Cpn: 1.91% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 2/5/20 St Date: 2/12/20	33616CHQ6	250,000.00	0.00	256,265.00 1,845.61	6,265.00	102.506	0.16%
50,000.000	NIKE Mat: 3/27/25 Cpn: 2.40% Moody's: A1 S&P: AA- Fitch: Tr Date: 3/25/20 St Date: 3/27/20	654106AH6	49,932.00	0.00	53,972.00 313.33	4,040.00	107.944	0.03%
180,000.000	ORACLE Mat: 4/1/25 Cpn: 2.50% Moody's: A3 S&P: A Fitch: A- Tr Date: 3/30/20 St Date: 4/1/20	68389XBT1	179,933.40	0.00	193,155.30 1,125.00	13,221.90	107.309	0.12%
Total for Credit			35,183,608.22	65,531.21	35,967,640.01	784,031.79		22.60%

Mortgage-Backed

45,519.364	FHMS K504 A2 CMBS Mat: 9/25/20 Cpn: 2.57% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/29/18 St Date: 6/1/18	3137BMLC8	45,367.38	46.03	45,584.18 97.34	216.80	100.142	0.03%
144,321.500	FNA 2011-M5 A2 CMBS Mat: 7/25/21 Cpn: 2.94% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/28/18	3136A07H4	143,509.69	318.23	146,987.41 353.59	3,477.71	101.847	0.09%
350,371.515	FNA 2018-M5 A2 CMBS Mat: 9/25/21 Cpn: 3.56% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/10/18 St Date: 4/30/18	3136B1XP4	357,340.75	1,004.79	355,092.42 1,039.44	(2,248.33)	101.347	0.22%
1,200,000.000	FHMS K020 A2 CMBS Mat: 5/25/22 Cpn: 2.37% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/25/19 St Date: 7/30/19	3137ATRW4	1,220,943.75	1,467.31	1,236,274.80 2,373.00	15,331.05	103.023	0.77%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio	
496,225.399	FNA 2013-M1 A2 CMBS Mat: 8/25/22 Cpn: 2.36% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/28/19 St Date: 10/31/19	3136ABPW7	499,559.42	977.83	509,251.32	977.82	9,691.90	102.625	0.32%
1,540,000.000	FHMS KSMC A2 CMBS Mat: 1/25/23 Cpn: 2.62% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/24/20 St Date: 2/27/20	3137B04Y7	1,580,425.00	2,908.46	1,617,659.12	3,355.92	37,234.12	105.043	1.01%
618,626.444	FHMS KS01 A2 CMBS Mat: 1/25/23 Cpn: 2.52% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/22/19 St Date: 11/27/19	3137B1U75	626,020.97	1,126.79	641,417.26	1,300.15	15,396.29	103.684	0.40%
1,370,000.000	FHMS K029 A2 CMBS Mat: 2/25/23 Cpn: 3.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/14/19 St Date: 8/19/19	3137B36J2	1,431,430.08	2,245.61	1,459,086.99	3,790.33	27,656.91	106.503	0.91%
423,450.516	FHMS K724 A1 CMBS Mat: 3/25/23 Cpn: 2.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/9/18 St Date: 7/12/18	3137BTTZ4	420,605.46	359.18	434,125.70	979.58	13,520.24	102.521	0.27%
1,380,000.000	FHMS K031 A2 Mat: 4/25/23 Cpn: 3.30% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/5/20 St Date: 3/10/20	3137B3NX2	1,470,239.06	1,138.50	1,478,645.16	3,795.00	8,406.10	107.148	0.93%
175,264.025	FHMS J22F A1 CMBS Mat: 5/25/23 Cpn: 3.45% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/7/18 St Date: 11/19/18	3137FJYA1	175,259.29	302.68	178,463.64	504.47	3,204.35	101.826	0.11%
1,410,000.000	FHMS K033 A2 Mat: 7/25/23 Cpn: 3.06% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/27/20 St Date: 3/3/20	3137B4WB8	1,479,839.06	239.70	1,508,530.80	3,595.50	28,691.74	106.988	0.94%
820,000.000	FHMS K034 A2 Mat: 7/25/23 Cpn: 3.53% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/6/20 St Date: 3/11/20	3137B5JM6	881,500.00	804.28	888,689.76	2,412.85	7,189.76	108.377	0.56%
672,756.909	FHMS KI05 A Mat: 7/25/24 Cpn: 0.52% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/16/20 St Date: 1/28/20	3137FQXG3	672,756.91	0.00	675,645.05	58.81	2,888.15	100.429	0.42%



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Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
793,846.435	FHMS KJ28 A1 Mat: 2/25/25 Cpn: 1.77% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/19/20 St Date: 2/27/20	3137FREB3	793,843.26	1,012.51	822,438.40	1,168.28	103.602	0.51%
Total for Mortgage-Backed			11,798,640.09	13,951.90	11,997,892.02	25,802.07	199,251.94	7.51%

Asset-Backed

237,931.831	BMW 2018-1 A3 LEASE Mat: 7/20/21 Cpn: 3.26% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/10/18 St Date: 10/17/18	05586CAC8	237,898.76	0.00	239,762.24	237.01	100.769	0.15%
95,024.767	HONDA 2017-1 A3 CAR Mat: 7/21/21 Cpn: 1.72% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/21/17 St Date: 3/28/17	43814TAC6	95,019.11	0.00	95,170.82	45.40	100.154	0.06%
194,542.936	HONDA 2017-3 A3 CAR Mat: 9/20/21 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/25/17 St Date: 9/29/17	43814PAC4	194,521.87	0.00	195,263.33	125.75	100.370	0.12%
50,725.262	JOHN DEERE 2017-B A3 EQP Mat: 10/15/21 Cpn: 1.82% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/11/17 St Date: 7/18/17	47788BAD6	50,721.55	0.00	50,825.44	41.03	100.198	0.03%
270,000.000	BMW 2018-1 A4 LEASE Mat: 3/21/22 Cpn: 3.36% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/10/18 St Date: 10/17/18	05586CAD6	269,997.60	0.00	274,442.58	277.20	101.645	0.17%
818,189.818	HONDA 2018-3 A3 CAR Mat: 8/22/22 Cpn: 2.95% Moody's: Aaa S&P: Fitch: AAA Tr Date: 8/21/18 St Date: 8/28/18	43815HAC1	818,077.57	0.00	832,591.60	670.46	101.760	0.52%
340,000.000	VOLKSWAGEN 2019-A A3 LEASE Mat: 11/21/22 Cpn: 1.99% Moody's: S&P: AAA Fitch: AAA Tr Date: 10/1/19 St Date: 10/4/19	92867XAD8	339,994.63	0.00	346,176.78	206.74	101.817	0.22%
400,000.000	MERCEDES 2020-A A3 CAR LEASE Mat: 12/15/22 Cpn: 1.84% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/21/20 St Date: 1/29/20	58770FAC6	399,947.28	0.00	406,306.00	327.11	101.577	0.25%



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Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
755,000.000	JOHN DEERE 2019-A A3 EQP Mat: 7/17/23 Cpn: 2.91% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/5/19 St Date: 3/13/19	47789JAD8	754,907.21	0.00	775,178.89 976.47	20,271.68	102.673	0.48%
970,000.000	TOYOTA 2019-A A3 CAR Mat: 7/17/23 Cpn: 2.91% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/5/19 St Date: 2/13/19	89239AAD5	969,823.27	0.00	998,767.29 1,254.53	28,944.02	102.966	0.62%
720,000.000	HONDA 2019-3 A3 CAR Mat: 8/15/23 Cpn: 1.78% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/20/19 St Date: 8/27/19	43815NAC8	719,994.02	0.00	735,186.24 569.60	15,192.22	102.109	0.46%
730,000.000	TOYOTA 2019-C A3 CAR Mat: 9/15/23 Cpn: 1.91% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/6/19 St Date: 8/14/19	89238UAD2	729,994.01	0.00	745,628.57 619.69	15,634.56	102.141	0.47%
550,000.000	FIFTH THIRD 2019-1 A3 CAR Mat: 12/15/23 Cpn: 2.64% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/30/19 St Date: 5/8/19	31680YAD9	549,879.11	0.00	564,858.80 645.33	14,979.69	102.702	0.35%
950,000.000	BMW 2019-A A3 CAR Mat: 1/25/24 Cpn: 1.92% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/10/19 St Date: 9/18/19	05588CAC6	949,872.32	0.00	972,731.60 304.00	22,859.28	102.393	0.61%
1,710,000.000	HARLEY 2019-A A3 CYCLE Mat: 2/15/24 Cpn: 2.34% Moody's: Aaa S&P: Fitch: AAA Tr Date: 6/19/19 St Date: 6/26/19	41284WAC4	1,709,867.65	0.00	1,746,368.28 1,778.40	36,500.63	102.127	1.09%
790,000.000	MERCEDES 2019-1 A3 CAR Mat: 3/15/24 Cpn: 1.94% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/18/19 St Date: 9/25/19	58769TAD7	789,891.22	0.00	808,541.30 681.16	18,650.08	102.347	0.51%
850,000.000	VERIZON 2019-C A1A PHONE Mat: 4/22/24 Cpn: 1.94% Moody's: S&P: AAA Fitch: AAA Tr Date: 10/1/19 St Date: 10/8/19	92348AAA3	849,934.47	0.00	872,713.70 503.86	22,779.23	102.672	0.55%
250,000.000	DRIVE 2020-2 A3 CAR Mat: 5/15/24 Cpn: 0.83% Moody's: Aaa S&P: AAA Fitch: Tr Date: 6/10/20 St Date: 6/17/20	26208VAD8	249,990.45	0.00	250,812.00 80.69	821.55	100.325	0.16%



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Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,230,000.000	JOHN DEERE 2020-A A3 EQP Mat: 8/15/24 Cpn: 1.10% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/4/20 St Date: 3/11/20	47789KAC7	1,229,924.85	0.00	1,242,141.33	12,216.48	100.987	0.78%
830,000.000	CAPTAIN ONE 2020-1 A3 CAR Mat: 11/15/24 Cpn: 1.60% Moody's: S&P: AAA Fitch: AAA Tr Date: 2/11/20 St Date: 2/19/20	14043MAC5	829,823.54	0.00	847,361.11	17,537.57	102.092	0.53%
570,000.000	MERCEDES 2020-1 A3 CAR Mat: 2/18/25 Cpn: 0.55% Moody's: S&P: AAA Fitch: AAA Tr Date: 6/16/20 St Date: 6/23/20	58769VAC4	569,955.48	0.00	570,605.34	649.86	100.106	0.36%
Total for Asset-Backed			13,310,035.96	0.00	13,571,433.23	261,397.27		8.48%
Grand Total			157,037,175.55	161,971.86	159,519,428.54	2,482,252.99		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	GL-110000	CASH		CASH	0.0000	3,589,932.07	0.00	3,589,932.07	0.00	0.00	0.00			
CALOPTIMA S1-3	GL-220010	PAYABLE FOR INVESTMENTS PURCHASED		CASH	0.0000	-2,899,933.62	0.00	-2,899,933.62	0.00	0.00	0.00			
CALOPTIMA S1-3	3135G0S38	FEDERAL NATL MTG ASSN	2.000% 01/05/2022 DD 01/09/17	Agency	3,400,000.0000	3,403,917.78	33,244.44	3,493,168.53	89,250.75	0.00	2.22	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	2,256,667.02	22,000.00	2,311,655.65	54,988.63	0.00	1.47	Agency	AA+	Agency
CALOPTIMA S1-3	3137EADB2	FEDERAL HOME LN MTG CORP	2.375% 01/13/2022 DD 01/13/12	Agency	2,250,000.0000	2,269,086.44	24,937.50	2,325,008.41	55,921.97	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	2,250,000.0000	2,278,222.94	24,937.50	2,325,008.41	46,785.47	0.00	1.48	Agency	AA+	Agency
CALOPTIMA S1-3	4581X0C96	INTER-AMERICAN DEVELOPMENT BAN	1.750% 04/14/2022 DD 04/15/15	Agency	315,000.0000	315,576.84	1,179.06	323,166.11	7,589.27	0.00	0.21	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0C96	INTER-AMERICAN DEVELOPMENT BAN	1.750% 04/14/2022 DD 04/15/15	Agency	460,000.0000	460,849.56	1,721.81	471,925.12	11,075.56	0.00	0.30	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0C96	INTER-AMERICAN DEVELOPMENT BAN	1.750% 04/14/2022 DD 04/15/15	Agency	755,000.0000	756,429.87	2,826.01	774,572.75	18,142.88	0.00	0.49	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0C29	INTER-AMERICAN DEVELOPMENT BAN	1.750% 09/14/2022 DD 09/14/17	Agency	750,000.0000	745,399.84	3,901.04	774,295.86	28,896.02	0.00	0.49	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0C29	INTER-AMERICAN DEVELOPMENT BAN	1.750% 09/14/2022 DD 09/14/17	Agency	3,000,000.0000	2,996,905.28	15,604.17	3,097,183.44	100,278.16	0.00	1.97	Aaa	AAA	AAA
CALOPTIMA S1-3	459058DT7	INTERNATIONAL BANK FOR RECONST	2.250% 06/24/2021 DD 06/25/14	Agency	1,525,000.0000	1,532,917.92	667.19	1,555,103.50	22,185.58	0.00	0.99	Aaa	AAA	AAA
CALOPTIMA S1-3	459058DT7	INTERNATIONAL BANK FOR RECONST	1.875% 06/19/2023 DD 06/19/19	Agency	1,100,000.0000	1,113,335.38	687.50	1,149,753.14	36,417.76	0.00	0.73	Aaa	AAA	NR
CALOPTIMA S1-3	02582JH4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	614,000.0000	626,739.03	867.78	638,071.13	8,332.10	0.00	0.40	NR	AAA	AAA
CALOPTIMA S1-3	02582JH4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	243,000.0000	248,058.11	343.44	251,339.23	3,281.12	0.00	0.16	NR	AAA	AAA
CALOPTIMA S1-3	02582JH4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	389,000.0000	397,057.68	549.79	402,349.62	5,291.94	0.00	0.26	NR	AAA	AAA
CALOPTIMA S1-3	05522RC29	BA CREDIT CARD TRUST A2 A2	3.000% 09/15/2023 DD 05/17/18	Asset Backed	430,000.0000	435,567.11	573.33	438,765.21	3,198.10	0.00	0.28	Aaa	AAA	NR
CALOPTIMA S1-3	05522RC29	BA CREDIT CARD TRUST A2 A2	3.000% 09/15/2023 DD 05/17/18	Asset Backed	1,200,000.0000	1,215,536.88	1,600.00	1,224,461.04	8,924.16	0.00	0.78	Aaa	AAA	NR
CALOPTIMA S1-3	05586VAD4	BMW VEHICLE LEASE TRUST 2 1 A4	2.920% 08/22/2022 DD 03/20/19	Asset Backed	1,900,000.0000	1,920,083.12	1,695.22	1,938,978.50	18,895.38	0.00	1.23	Aaa	AAA	NR
CALOPTIMA S1-3	17305EFM2	CITIBANK CREDIT CARD ISS A1 A1	2.880% 01/23/2023 DD 01/24/14	Asset Backed	855,000.0000	854,052.27	10,944.00	867,313.62	13,261.35	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	366,686.49	4,064.58	369,359.01	2,672.52	0.00	0.23	Aaa	NR	AAA
CALOPTIMA S1-3	26208RAD7	DRIVE AUTO RECEIVABLES TR 2 A3	3.040% 03/15/2023 DD 03/20/19	Asset Backed	264,241.4800	264,223.95	357.02	265,206.20	982.25	0.00	0.17	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	584,934.67	579.80	592,614.77	7,680.10	0.00	0.38	Aa1	AAA	NR
CALOPTIMA S1-3	31680YAB3	FIFTH THIRD AUTO TRUST 2 1 A2A	2.660% 05/16/2022 DD 05/08/19	Asset Backed	445,626.7900	445,611.38	526.83	448,110.71	2,499.33	0.00	0.28	Aaa	AAA	NR
CALOPTIMA S1-3	47788BAD6	JOHN DEERE OWNER TRUST 20 B A3	1.820% 10/15/2021 DD 07/18/17	Asset Backed	78,503.3700	78,038.13	63.50	78,652.35	614.22	0.00	0.05	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	458,583.3300	458,572.04	580.87	460,670.43	2,098.39	0.00	0.29	Aaa	NR	AAA
CALOPTIMA S1-3	65478LAB5	NISSAN AUTO LEASE TRUST B A2A	2.270% 10/15/2021 DD 07/24/19	Asset Backed	443,773.5200	443,750.61	447.72	446,533.04	2,782.43	0.00	0.28	Aaa	AAA	AAA
CALOPTIMA S1-3	80286GAB7	SANTANDER DRIVE AUTO RECE 2 A2	2.630% 07/15/2022 DD 05/22/19	Asset Backed	116,238.1600	116,232.38	135.87	116,340.75	108.37	0.00	0.07	Aaa	NR	AAA
CALOPTIMA S1-3	3136A72D3	FNMA GTD REMIC P/T 12-M9 A2	2.482% 04/25/2022 DD 08/01/12	CMBS	30,229.7070	30,347.73	62.53	30,847.12	499.39	0.00	0.02	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	153,473.9080	154,078.03	317.43	156,608.48	2,530.45	0.00	0.10	Agency	AA+	Agency
CALOPTIMA S1-3	3137AFP61	FHLMC MULTICLASS MTG K018 A2	2.789% 01/25/2022 DD 05/01/12	CMBS	119,672.1460	120,904.36	278.14	122,700.83	1,796.47	0.00	0.08	Agency	AA+	AAA
CALOPTIMA S1-3	3137AFP61	FHLMC MULTICLASS MTG K018 A2	2.789% 01/25/2022 DD 05/01/12	CMBS	32,219.4240	32,532.59	74.88	33,034.84	502.25	0.00	0.02	Agency	AA+	AAA
CALOPTIMA S1-3	3137AXHP1	FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS	700,000.0000	704,833.94	1,500.92	728,964.84	22,130.90	0.00	0.46	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AXHP1	FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS	965,000.0000	971,972.99	2,069.12	1,002,172.96	30,199.97	0.00	0.64	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	203,166.23	447.00	208,470.90	5,304.67	0.00	0.13	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	1,447,577.48	3,184.88	1,485,355.16	37,777.68	0.00	0.94	Aaa	AA+	Agency
CALOPTIMA S1-3	3137B04Y7	FHLMC MULTICLASS MTG KSMC A2	2.615% 01/25/2023 DD 03/01/13	CMBS	750,000.0000	759,840.23	1,634.38	786,645.15	26,804.92	0.00	0.50	Agency	AA+	Agency
CALOPTIMA S1-3	3137B1UG5	FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	CMBS	840,000.0000	840,427.09	1,845.90	838,586.58	38,159.49	0.00	0.56	Agency	AA+	AAA
CALOPTIMA S1-3	3137B1UG5	FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	CMBS	1,000,000.0000	1,000,134.50	2,197.50	1,045,936.40	45,801.90	0.00	0.66	Agency	AA+	AAA
CALOPTIMA S1-3	3137BKRH5	FHLMC MULTICLASS MTG K047 A1	2.827% 12/25/2024 DD 07/01/15	CMBS	337,882.0370	344,410.49	799.99	355,028.54	10,618.05	0.00	0.23	Agency	AA+	AAA
CALOPTIMA S1-3	3137BWWV3	FHLMC MULTICLASS MTG KJ13 A2	2.864% 08/25/2022 DD 04/01/17	CMBS	160,677.1600	162,932.79	383.48	166,395.82	3,463.03	0.00	0.11	Agency	AA+	Agency
CALOPTIMA S1-3	31381PAU2	FNMA POOL #0466319	3.230% 11/01/2020 DD 11/01/10	CMBS	895,645.0270	897,109.51	2,410.78	895,034.46	0.00	-2,075.05	0.57	Agency	AA+	Agency
CALOPTIMA S1-3	31381PEB0	FNMA POOL #0466430	3.370% 11/01/2020 DD 11/01/10	CMBS	367,467.5720	367,835.25	1,031.97	367,310.10	0.00	-525.15	0.23	Agency	AA+	Agency
CALOPTIMA S1-3	31381OB54	FNMA POOL #0467260	4.410% 03/01/2021 DD 03/01/11	CMBS	1,047,063.4620	1,053,525.85	3,847.96	1,055,933.84	2,407.99	0.00	0.67	Agency	AA+	Agency
CALOPTIMA S1-3	31381R577	FNMA POOL #0468958	3.770% 09/01/2021 DD 09/01/11	CMBS	1,805,000.0000	1,820,288.09	5,670.71	1,859,378.55	39,094.46	0.00	1.18	Agency	AA+	Agency
CALOPTIMA S1-3	3138EXKL4	VAR RT 03/01/2023 DD 03/01/13		CMBS	294,720.6550	297,232.67	571.02	306,251.32	9,018.65	0.00	0.19	Agency	AA+	Agency
CALOPTIMA S1-3	3138L0MH1	FNMA POOL #0AM0359	2.310% 08/01/2022 DD 08/01/12	CMBS	1,032,724.6870	1,040,212.02	1,988.00	1,060,727.30	20,515.28	0.00	0.67	Agency	AA+	Agency
CALOPTIMA S1-3	3138L2GH4	FNMA POOL #0AM1999	1.870% 07/01/2021 DD 01/01/13	CMBS	978,003.8770	967,252.16	1,524.06	989,978.25	22,726.09	0.00	0.63	Agency	AA+	Agency
CALOPTIMA S1-3	3138L2GH4	FNMA POOL #0AM1999	1.870% 07/01/2021 DD 01/01/13	CMBS	249,793.1960	249,084.85	389.26	252,851.58	3,766.73	0.00	0.16	Agency	AA+	Agency
CALOPTIMA S1-3	3138NJAEB	FNMA POOL #0FN0004	VAR RT 12/01/2020 DD 03/01/11	CMBS	91,338.5240	91,729.30	282.77	91,363.57	0.00	-365.73	0.06	Agency	AA+	Agency
CALOPTIMA S1-3	31397UPP0	FNMA GTD REMIC P/T 11-M1 A3	3.763% 06/25/2021 DD 05/01/11	CMBS	98,050.9400	98,675.49	307.47	99,631.46	955.97	0.00	0.06	Agency	AA+	Agency
CALOPTIMA S1-3	3140JAU97	FNMA POOL #0BM6007	VAR RT 05/01/2023 DD 05/01/19	CMBS	760,187.4260	789,350.42	1,581.19	782,634.67	0.00	-6,715.75	0.50	Agency	AA+	Agency
CALOPTIMA S1-3	025816BM0	AMERICAN EXPRESS CO	2.500% 08/01/2022 DD 08/01/17	Corporates	1,100,000.0000	1,124,740.64	11,458.33	1,139,205.99	14,465.35	0.00	0.72	A3	BBB+	A
CALOPTIMA S1-3	0258MOE8	AMERICAN EXPRESS CREDIT CORP	VAR RT 03/03/2022 DD 03/03/17	Corporates	1,000,000.0000	1,001,658.00	806.66	1,003,965.40	2,307.40	0.00	0.64	#N/A	#N/A	#N/A
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	5,633.55	1,178,780.85	8,780.85	0.00	0.75	NR	A+	AA
CALOPTIMA S1-3	05531FBG7	TRUIST FINANCIAL CORP	3.050% 06/20/2022 DD 03/18/19	Corporates	750,000.0000	775,607.38	698.96	783,945.96	8,338.58	0.00	0.50	A3	A-	A+
CALOPTIMA S1-3	05531FBJ1	TRUIST FINANCIAL CORP	2.200% 03/16/2023 DD 09/16/19	Corporates	1,175,000.0000	1,174,321.24	7,539.58	1,219,846.23	45,524.99	0.00	0.77	A3	A-	A+
CALOPTIMA S1-3	06051GGS2	BANK OF AMERICA CORP	VAR RT 10/01/2021 DD 09/18/17	Corporates	970,000.0000	970,000.00	5,645.40	973,946.88	3,946.88	0.00	0.62	A2	A-	A+

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	38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250% 07/27/2021 DD 07/27/11	Corporates	525,000,000	539,968.13	11,790.62	551,253.51	11,285.38	0.00	0.35	A3	BBB+	A
CALOPTIMA S1-3	38141GGQ2	GOLDMAN SACHS GROUP INC/THE	5.250% 07/27/2021 DD 07/27/11	Corporates	525,000,000	535,391.92	11,790.63	551,253.51	15,861.59	0.00	0.35	A3	BBB+	A
CALOPTIMA S1-3	459200KD2	INTERNATIONAL BUSINESS MACHINE	VAR RT 05/13/2021 DD 05/15/19	Corporates	868,000,000	867,366.21	984.73	870,961.79	3,595.58	0.00	0.55	A2	A	NR
CALOPTIMA S1-3	46623EKG3	JPMORGAN CHASE & CO	2.295% 08/15/2021 DD 08/08/16	Corporates	2,900,000,000	2,900,522.00	25,143.00	2,906,061.00	5,539.00	0.00	1.85	A2	A-	AA-
CALOPTIMA S1-3	49327M2Q6	KEYBANK NA/CLEVELAND OH	2.500% 11/22/2021 DD 11/22/16	Corporates	500,000,000	495,370.22	1,354.17	514,013.22	18,643.00	0.00	0.33	A3	A-	A-
CALOPTIMA S1-3	49327M2Y9	KEYBANK NA/CLEVELAND OH	VAR RT 02/01/2022 DD 02/01/19	Corporates	1,670,000,000	1,670,000.00	3,810.59	1,675,517.81	5,517.81	0.00	1.06	A3	A-	A-
CALOPTIMA S1-3	61746BE8B	MORGAN STANLEY	VAR RT 04/21/2021 DD 04/21/16	Corporates	1,297,000,000	1,306,340.16	6,417.95	1,308,311.97	1,971.81	0.00	0.83	A3	BBB+	A
CALOPTIMA S1-3	61746BED4	MORGAN STANLEY	2.625% 11/17/2021 DD 11/17/16	Corporates	1,085,000,000	1,073,709.23	3,481.04	1,115,308.67	41,599.44	0.00	0.71	A3	BBB+	A
CALOPTIMA S1-3	65339KBF6	NEXTERA ENERGY CAPITAL HOLDING	2.900% 04/01/2022 DD 04/04/19	Corporates	1,500,000,000	1,547,142.55	10,875.00	1,561,334.25	14,191.70	0.00	0.99	Baa1	BBB+	A-
CALOPTIMA S1-3	69353RFT0	PNC BANK NA	VAR RT 02/24/2023 DD 02/25/20	Corporates	250,000,000	250,000.00	1,525.13	254,177.53	4,177.53	0.00	0.16	A2	A	A+
CALOPTIMA S1-3	69371RP26	PACCAR FINANCIAL CORP	3.100% 05/10/2021 DD 05/10/18	Corporates	1,515,000,000	1,514,880.65	6,653.38	1,549,910.11	35,029.46	0.00	0.98	A1	A+	NR
CALOPTIMA S1-3	69371RP34	PACCAR FINANCIAL CORP	VAR RT 05/10/2021 DD 05/10/18	Corporates	1,500,000,000	1,500,809.33	1,586.80	1,500,164.46	0.00	-644.87	0.95	A1	A+	NA
CALOPTIMA S1-3	74432QB9P	PRUDENTIAL FINANCIAL INC	4.500% 11/15/2020 DD 11/18/10	Corporates	835,000,000	839,069.88	4,801.25	847,757.81	8,687.93	0.00	0.54	A3	A	A-
CALOPTIMA S1-3	74456QBPO	PUBLIC SERVICE ELECTRIC AND GA	1.900% 03/15/2021 DD 03/03/16	Corporates	735,000,000	725,566.95	4,111.92	742,012.95	16,446.00	0.00	0.47	Aa3	A	NR
CALOPTIMA S1-3	87236YAG3	TD AMERITRADE HOLDING CORP	VAR RT 11/01/2021 DD 11/01/18	Corporates	1,875,000,000	1,855,622.19	3,547.63	1,870,761.69	15,139.50	0.00	1.19	A2	A	NR
CALOPTIMA S1-3	92343VBR4	VERIZON COMMUNICATIONS INC	5.150% 09/15/2023 DD 09/18/13	Corporates	1,200,000,000	1,356,936.60	18,196.67	1,366,469.38	9,532.78	0.00	0.87	Baa1	BBB+	A-
CALOPTIMA S1-3	92343VC06	VERIZON COMMUNICATIONS INC	3.450% 03/15/2021 DD 03/17/14	Corporates	1,350,000,000	1,370,231.38	13,713.75	1,372,243.82	7,012.44	0.00	0.87	Baa1	BBB+	A-
CALOPTIMA S1-3	95000U288	WELLS FARGO & CO	2.625% 07/22/2022 DD 07/24/17	Corporates	1,500,000,000	1,524,290.40	17,390.63	1,562,714.67	38,424.27	0.00	0.99	A2	A-	A+
CALOPTIMA S1-3	95000U288	WELLS FARGO & CO	2.625% 07/22/2022 DD 07/24/17	Corporates	750,000,000	762,220.94	8,695.31	781,357.34	19,136.40	0.00	0.50	A2	A-	A+
CALOPTIMA S1-3	912796WU5	U S TREASURY BILL	0.000% 07/09/2020 DD 01/09/20	US Government	2,900,000,000	2,899,933.62	0.00	2,899,933.62	0.00	0.00	1.84	Govt	A-1+	Govt
CALOPTIMA S1-3	072024WV8	BAY AREA CA TOLL AUTH TOLL BRI	2.128% 04/01/2022 DD 09/26/19	Municipals	1,145,000,000	1,145,000.00	6,091.40	1,165,083.30	20,083.30	0.00	0.74	A1	AA-	AA-
CALOPTIMA S1-3	072024WV8	BAY AREA CA TOLL AUTH TOLL BRI	2.128% 04/01/2022 DD 09/26/19	Municipals	425,000,000	426,903.84	2,261.00	432,454.50	5,550.66	0.00	0.27	A1	AA-	AA-
CALOPTIMA S1-3	130179RQ9	CALIFORNIA ST EDUCNTL FACLS AUT	3.258% 10/01/2020 DD 11/21/18	Municipals	820,000,000	820,000.00	6,678.90	824,067.20	4,067.20	0.00	0.52	A2	NR	NR
CALOPTIMA S1-3	13032JUY2	CALIFORNIA ST HLTH FACS FING A	1.896% 06/01/2021 DD 11/25/19	Municipals	860,000,000	860,000.00	1,358.80	865,484.40	6,484.40	0.00	0.55	Aa3	AA-	AA-
CALOPTIMA S1-3	13063DL29	CALIFORNIA ST	3.000% 04/01/2024 DD 04/04/19	Municipals	1,235,000,000	1,285,504.92	9,262.50	1,335,133.80	49,628.88	0.00	0.85	Aa2	AA-	AA-
CALOPTIMA S1-3	13066TYT5	CALIFORNIA ST DEPT OF WTR RESO	1.713% 05/01/2021 DD 09/28/16	Municipals	879,438.710	879,438.71	2,510.80	885,233.10	8,794.39	0.00	0.56	Aa1	AA+	AA+
CALOPTIMA S1-3	157432KA2	CHAFFEY CA CMNTY CLG DIST	1.606% 06/01/2022 DD 09/24/19	Municipals	285,000,000	285,000.00	381.43	289,118.25	4,118.25	0.00	0.18	Aa2	AA	NR
CALOPTIMA S1-3	190335HF9	COAST CA CMNTY CLG DIST	1.556% 08/01/2021 DD 08/31/16	Municipals	585,000,000	585,000.00	3,792.75	590,335.20	5,335.20	0.00	0.37	Aa1	AA+	NR
CALOPTIMA S1-3	28306ZDL8	EL DORADO CA IRR DIST REVENUE	0.871% 03/01/2023 DD 06/23/20	Municipals	280,000,000	280,000.00	54.20	281,708.00	1,708.00	0.00	0.18	Aa3	AA-	NR
CALOPTIMA S1-3	28306ZDM6	EL DORADO CA IRR DIST REVENUE	1.080% 03/01/2024 DD 06/23/20	Municipals	280,000,000	280,000.00	67.20	283,992.80	3,992.80	0.00	0.18	Aa3	AA-	NR
CALOPTIMA S1-3	41978CAV7	HAWAII ST ARPTS SYS CUSTOMER F	1.819% 07/01/2022 DD 08/27/19	Municipals	285,000,000	285,000.00	2,592.08	287,094.75	2,094.75	0.00	0.18	A2	A+	A
CALOPTIMA S1-3	41978CAX3	HAWAII ST ARPTS SYS CUSTOMER F	2.008% 07/01/2024 DD 08/27/19	Municipals	285,000,000	285,000.00	2,861.40	287,151.75	2,151.75	0.00	0.18	A2	A+	A
CALOPTIMA S1-3	576000XB4	MASSACHUSETTS ST SCH BLDG AUTH	1.963% 10/15/2022 DD 11/20/19	Municipals	720,000,000	720,000.00	2,983.76	736,610.40	16,610.40	0.00	0.47	Aa3	AA+	AA+
CALOPTIMA S1-3	576051VW3	MASSACHUSETTS ST WTR RESOURCES	1.722% 08/01/2023 DD 11/01/19	Municipals	945,000,000	945,000.00	6,977.25	968,161.95	23,161.95	0.00	0.61	Aa1	AA+	AA+
CALOPTIMA S1-3	713575S22	PERALTA CA CMNTY CLG DIST	6.159% 08/01/2020 DD 10/28/11	Municipals	400,000,000	401,170.24	10,265.00	401,816.00	645.76	0.00	0.26	A3	AA-	NR
CALOPTIMA S1-3	76913CAW9	RIVERSIDE CNTY CA PENSUN OBLG	2.265% 02/15/2022 DD 05/06/20	Municipals	945,000,000	945,000.00	3,270.09	955,754.10	10,754.10	0.00	0.61	A2	NR	NR
CALOPTIMA S1-3	797272QM6	SAN DIEGO CA CMNTY CLG DIST	1.936% 08/01/2022 DD 10/16/19	Municipals	600,000,000	600,000.00	4,840.00	613,458.00	13,458.00	0.00	0.39	Aaa	AAA	NR
CALOPTIMA S1-3	797669XV5	SAN FRANCISCO CA BAY AREA RAPI	2.537% 07/01/2022 DD 12/28/17	Municipals	570,000,000	578,788.95	2,730.45	588,724.50	9,935.55	0.00	0.37	NR	AA+	AA+
CALOPTIMA S1-3	79766DS59	SAN FRANCISCO CALIF CITY &CNTY	1.782% 05/01/2022 DD 09/10/19	Municipals	845,000,000	839,292.33	2,509.65	845,752.05	6,459.72	0.00	0.54	A1	A+	A+
CALOPTIMA S1-3	79766DS77	SAN FRANCISCO CALIF CITY &CNTY	1.867% 05/01/2022 DD 09/10/19	Municipals	645,000,000	637,770.21	2,007.03	645,567.60	7,797.39	0.00	0.41	A1	A+	A+
CALOPTIMA S1-3	798189RC2	SAN JOSE CA EVERGREEN CMNTY CL	0.598% 09/01/2021 DD 06/16/20	Municipals	110,000,000	110,000.00	27.41	110,132.00	132.00	0.00	0.07	Aa1	AA+	NR
CALOPTIMA S1-3	798189RD0	SAN JOSE CA EVERGREEN CMNTY CL	0.698% 09/01/2022 DD 06/16/20	Municipals	170,000,000	170,000.00	49.44	170,622.20	622.20	0.00	0.11	Aa1	AA+	NR
CALOPTIMA S1-3	88274QX8	TEXAS ST	1.614% 10/01/2022 DD 04/23/20	Municipals	915,000,000	915,000.00	2,789.53	931,771.95	16,771.95	0.00	0.59	Aaa	AAA	NR
CALOPTIMA S1-3	913366HV5	UNIV OF CALIFORNIA CA RGTS MED	1.620% 05/15/2021 DD 08/17/16	Municipals	485,000,000	482,458.88	1,003.95	486,852.70	4,393.82	0.00	0.31	Aa3	AA-	AA-
CALOPTIMA S1-3	9174367H4	UTAH ST HSG CORP SF MTGE REVEN	2.100% 01/01/2022 DD 10/02/19	Municipals	690,000,000	690,000.00	10,827.25	697,852.20	7,852.20	0.00	0.44	Aa2	NR	NR
CALOPTIMA S1-3	9174367J0	UTAH ST HSG CORP SF MTGE REVEN	2.150% 07/01/2022 DD 10/02/19	Municipals	285,000,000	285,000.00	4,578.60	289,847.85	4,847.85	0.00	0.18	A2	NR	NR
CALOPTIMA S1-3	923078C56	VENTURA CNTY CA PUBLIC FING AU	0.848% 11/01/2022 DD 06/11/20	Municipals	220,000,000	220,000.00	103.64	220,389.40	389.40	0.00	0.14	Aa1	AA+	NR
CALOPTIMA S1-3	923078CT4	VENTURA CNTY CA PUBLIC FING AU	1.048% 11/01/2023 DD 06/11/20	Municipals	280,000,000	280,000.00	163.02	281,064.00	1,064.00	0.00	0.18	Aa1	AA+	NR
CALOPTIMA S1-3	923078CT4	VENTURA CNTY CA PUBLIC FING AU	1.048% 11/01/2023 DD 06/11/20	Municipals	280,000,000	281,081.18	163.02	281,064.00	0.00	-17.18	0.18	Aa1	AA+	NR
CALOPTIMA S1-3	3128M1B99	FHLMC POOL #G1-1964	5.000% 04/01/2021 DD 03/01/06	RMBS	5,040,793.00	5,041.50	21.00	5,297.69	256.19	0.00	0.00	Agency	AA+	Agency
CALOPTIMA S1-3	3128MBQD2	FHLMC POOL #G1-2952	6.000% 12/01/2022 DD 12/01/07	RMBS	84,422,231.00	86,357.96	422.11	87,798.55	1,440.59	0.00	0.06	Agency	AA+	Agency
CALOPTIMA S1-3	3128MMKR3	FHLMC POOL #G1-8303	4.500% 03/01/2024 DD 03/01/09	RMBS	181,153,389.00	186,525.96	679.33	193,035.75	6,509.79	0.00	0.12	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	83,884,254.00	84,403.77	244.66	83,991.73	0.00	-412.04	0.05	Agency	AA+	Agency
CALOPTIMA S1-3	3136A5KR6	FNMA GTD REMIC P/T 12-31 AD	1.750% 10/25/2022 DD 03/01/12	RMBS	145,463,030.00	144,085.78	212.13	145,851.50	1,765.72	0.00	0.09	Agency	AA+	Agency
CALOPTIMA S1-3	3136A5KR6	FNMA GTD REMIC P/T 12-31 AD	1.750% 10/25/2022 DD 03/01/12	RMBS	365,506,374.00	362,343.22	533.03	366,482.50	4,139.28	0.00	0.23	Agency	AA+	Agency
CALOPTIMA S1-3	3136A5X68	FNMA GTD REMIC P/T 12-50 VA	4.000% 07/25/2023 DD 04/01/12	RMBS	114,401,506.00	116,794.37	381.34	117,640.40	846.03	0.00	0.07	Agency	AA+	Agency
CALOPTIMA S1-3	3136A6M27	FNMA GTD REMIC P/T 12-76 VA	4.000% 09/25/2023 DD 06/01/12	RMBS	227,699,784.00	230,983.02	759.00	228,528.75	0.00	-2,454.27	0.15	Agency	AA+	Agency
CALOPTIMA S1-3	3136AHVQ0	FNMA GTD REMIC P/T 13-136 CV	3.500% 06/25/2023 DD 12/01/13	RMBS	155,248,155.00	157,945.04	452.81	159,260.89	1,315.85	0.00	0.10	Agency	AA+	Agency
CALOPTIMA S1-3	3137A2P7													

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	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	2,810,000.0000	2,847,205.01	7,626.33	2,912,411.32	65,206.31	0.00	1.85	Govt	AA+	Govt
CALOPTIMA S1-3	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	300,000.0000	303,813.90	814.20	310,933.59	7,119.69	0.00	0.20	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	2,675,000.0000	2,675,576.69	15,688.52	2,744,696.30	69,119.61	0.00	1.74	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	3,055,000.0000	3,061,336.37	17,917.16	3,134,597.08	73,260.71	0.00	1.99	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	465,000.0000	465,952.76	2,727.16	477,115.43	11,162.67	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	1,530,000.0000	1,532,823.77	8,973.24	1,569,863.68	37,039.91	0.00	1.00	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	1,838,816.00	10,762.03	1,882,810.36	43,994.36	0.00	1.20	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	460,942.43	2,697.84	471,985.16	11,042.73	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	2,295,000.0000	2,302,861.35	13,459.86	2,354,795.51	51,934.16	0.00	1.50	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,525,000.0000	1,527,520.94	8,943.92	1,564,733.39	37,212.45	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	750,000.0000	753,549.34	3,299.19	776,572.27	23,022.93	0.00	0.49	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	3,740,000.0000	3,755,108.33	16,451.91	3,872,507.04	117,398.71	0.00	2.46	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	3,100,000.0000	3,114,404.77	13,636.61	3,209,832.04	95,427.27	0.00	2.04	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	4,675,000.0000	4,702,703.19	20,564.89	4,840,633.80	137,930.61	0.00	3.07	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	500,000.0000	501,772.77	2,199.45	517,714.85	15,942.08	0.00	0.33	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	765,000.0000	766,810.50	3,365.16	792,103.71	25,293.21	0.00	0.50	Govt	AA+	Govt
CALOPTIMA S1-3	912828UH1	US TREAS-CPI INFLAT	0.125% 01/15/2023 DD 01/15/13	US Government	1,555,414.0000	1,545,088.45	897.35	1,593,282.69	48,194.24	0.00	1.01	Govt	AA+	Govt
CALOPTIMA S1-3	912828UH1	US TREAS-CPI INFLAT	0.125% 01/15/2023 DD 01/15/13	US Government	1,583,189.2500	1,554,243.16	913.38	1,621,734.16	67,491.00	0.00	1.03	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	1,227,189.88	3,572.56	1,268,866.02	41,676.14	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	2,347,422.29	6,797.98	2,414,441.42	67,019.13	0.00	1.53	Govt	AA+	Govt

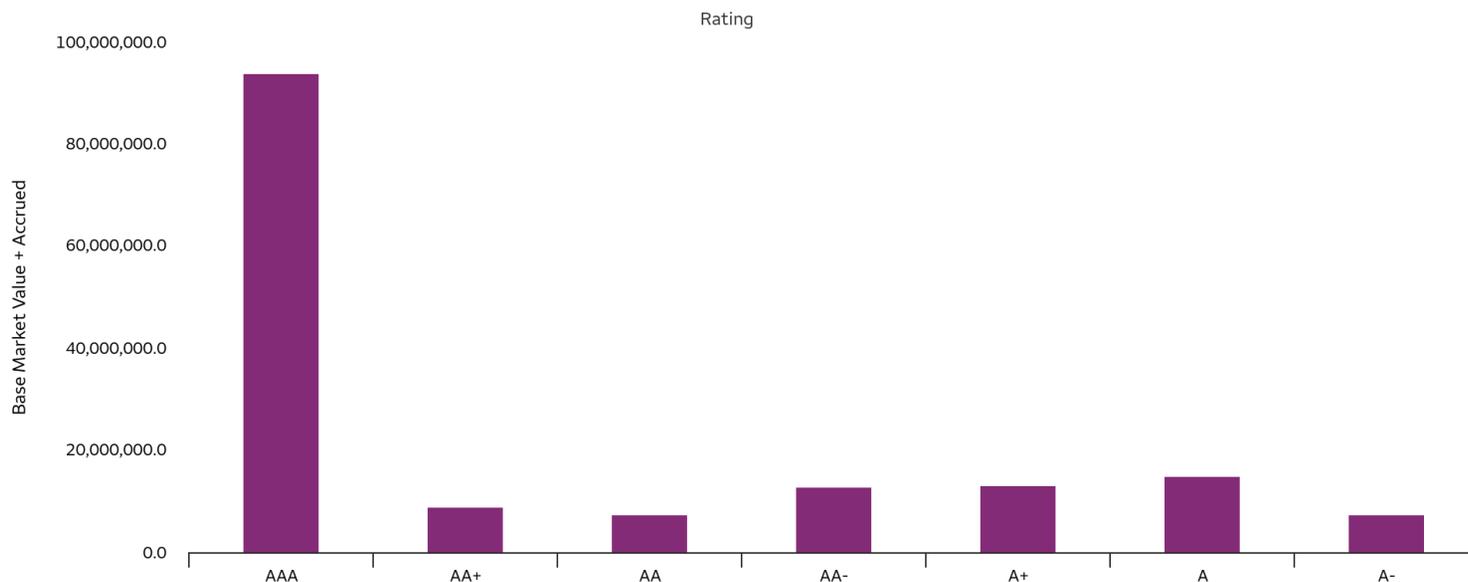
Credit Rating

US Dollar
As of 30 June 2020

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

WELLS
FARGO

Asset
Management



AAA

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
02582JJF8 AMXCA 2018-6 A	2,900,000.00	USD 02/15/2024	ABS	AAA	Aaa	NA	AAA	2,983,715.17	1.87%
05522RCZ9 BACCT 2018-2 A	1,000,000.00	USD 09/15/2021	ABS	AAA	Aaa	AAA	NA	1,021,717.53	0.64%
05588CAC6 BMWOT 2019-A A3	730,000.00	USD 01/25/2024	ABS	AAA	NA	AAA	AAA	747,573.22	0.47%
14041NFU0 COMET 2019-2 A	1,000,000.00	USD 09/15/2022	ABS	AAA	NA	AAA	AAA	1,028,576.14	0.65%
14042WAC4 COPAR 2019-1 A3	1,500,000.00	USD 11/15/2023	ABS	AAA	Aaa	AAA	AAA	1,540,941.68	0.97%
14043MAC5 COPAR 2020-1 A3	1,000,000.00	USD 11/15/2024	ABS	AAA	NA	AAA	AAA	1,020,894.81	0.64%
233854AC2 DTRT 2020-1 A3	3,000,000.00	USD 09/15/2023	ABS	AAA	Aaa	NA	AAA	3,035,701.87	1.91%
3130AF5B9 FEDERAL HOME LOAN BANKS	1,000,000.00	USD 10/12/2021	AGCY BOND	AAA	Aaa	AA+	AAA	1,042,582.72	0.65%
313380GJ0 FEDERAL HOME LOAN BANKS	2,950,000.00	USD 09/09/2022	AGCY BOND	AAA	Aaa	AA+	AAA	3,082,508.58	1.94%

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Credit Rating

US Dollar
As of 30 June 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	3,146,469.91	1.98%
3133EJW70 FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00	USD 05/26/2021	AGCY BOND	AAA	Aaa	AA+	AAA	3,081,166.29	1.93%
3133EKVD5 FEDERAL FARM CREDIT BANKS FUNDING CORP	4,400,000.00	USD 01/18/2022	AGCY BOND	AAA	Aaa	AA+	AAA	4,550,427.13	2.86%
3137AN2K0 FHR 4019 EV	932,989.60	USD 06/15/2023	FHLMC CMO	AAA	Aaa	AA+	AAA	973,736.59	0.61%
3137APP61 FHMS K-018 A2	1,196,721.36	USD 01/25/2022	FHLMC	AAA	Aaa	AA+	AAA	1,229,789.60	0.77%
3137BFDQ1 FHMS K-717 A2	1,138,080.58	USD 09/25/2021	FHLMC	AAA	Aaa	AA+	AAA	1,165,751.31	0.73%
316175108 FIDELITY IMM:GOVT I	962,990.74	USD 06/30/2020	MMFUND	AAA	Aaa	AAAm	AAA	962,990.74	0.60%
43814WAC9 HAROT 2019-1 A3	1,330,000.00	USD 03/20/2023	ABS	AAA	NA	AAA	AAA	1,367,800.52	0.86%
4581XODM7 INTER-AMERICAN DEVELOPMENT BANK	2,000,000.00	USD 05/24/2023	SUPRANATIONAL	AAA	Aaa	AAA	NA	2,012,867.78	1.26%
459058GH0 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	1,500,000.00	USD 07/23/2021	SUPRANATIONAL	AAA	Aaa	AAA	NA	1,557,959.17	0.98%
47789JAD8 JDOT 2019 A3	2,100,000.00	USD 07/17/2023	ABS	AAA	Aaa	NA	AAA	2,157,643.39	1.35%
58770FAC6 MBALT 2020-A A3	1,295,000.00	USD 12/15/2022	ABS	AAA	Aaa	AAA	NA	1,315,912.54	0.83%
797272QL8 SAN DIEGO CALIF CMNTY COLLEGE DIST	1,500,000.00	USD 08/01/2021	MUNI	AAA	Aaa	AAA	NA	1,531,068.75	0.96%
89231AAD3 TAOT 2018-C A3	1,850,000.00	USD 12/15/2022	ABS	AAA	Aaa	AAA	NA	1,890,166.50	1.19%
9128285A4 UNITED STATES TREASURY	4,000,000.00	USD 09/15/2021	US GOV	AAA	Aaa	AA+	AAA	4,156,346.61	2.61%
9128285L0 UNITED STATES TREASURY	2,200,000.00	USD 11/15/2021	US GOV	AAA	Aaa	AA+	AAA	2,289,288.92	1.44%
9128285V8 UNITED STATES TREASURY	3,000,000.00	USD 01/15/2022	US GOV	AAA	Aaa	AA+	AAA	3,141,373.38	1.97%
9128285V8 UNITED STATES TREASURY	4,000,000.00	USD 01/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,188,497.85	2.63%
9128286C9 UNITED STATES TREASURY	2,950,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	3,088,612.65	1.94%
9128286C9 UNITED STATES TREASURY	2,160,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,261,492.66	1.42%
9128286C9 UNITED STATES TREASURY	2,500,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,617,468.35	1.64%
9128286M7 UNITED STATES TREASURY	475,000.00	USD 04/15/2022	US GOV	AAA	Aaa	AA+	AAA	494,856.71	0.31%

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Credit Rating

US Dollar
As of 30 June 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
9128286U9 UNITED STATES TREASURY	1,670,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,735,395.52	1.09%
9128286U9 UNITED STATES TREASURY	2,700,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,805,729.29	1.76%
9128286U9 UNITED STATES TREASURY	900,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	935,243.10	0.59%
9128286U9 UNITED STATES TREASURY	1,400,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,454,822.59	0.91%
9128286U9 UNITED STATES TREASURY	4,800,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,987,963.17	3.13%
912828P38 UNITED STATES TREASURY	1,300,000.00	USD 01/31/2023	US GOV	AAA	Aaa	AA+	AAA	1,362,059.00	0.86%
912828P38 UNITED STATES TREASURY	5,100,000.00	USD 01/31/2023	US GOV	AAA	Aaa	AA+	AAA	5,343,462.23	3.36%
912828TY6 UNITED STATES TREASURY	2,000,000.00	USD 11/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,072,900.82	1.30%
912828TY6 UNITED STATES TREASURY	1,500,000.00	USD 11/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,554,675.61	0.98%
912828YA2 UNITED STATES TREASURY	1,900,000.00	USD 08/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,964,460.55	1.23%
912828YW4 UNITED STATES TREASURY	4,500,000.00	USD 12/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,663,860.22	2.93%
912828ZH6 UNITED STATES TREASURY	250,000.00	USD 04/15/2023	US GOV	AAA	Aaa	AA+	AAA	250,658.74	0.16%
92868LAD3 VALET 2018-1 A3	2,600,000.00	USD 11/21/2022	ABS	AAA	NA	AAA	AAA	2,650,307.34	1.66%
CCYUSD Cash	0.90	USD 06/30/2020	CASH	AAA	Aaa	AAA	AAA	0.90	0.00%
CCYUSD Receivable	35.44	USD 06/30/2020	CASH	AAA	Aaa	AAA	AAA	35.44	0.00%
CCYUSD Payable	-2,445,000.00	USD 06/30/2020	CASH	AAA	Aaa	AAA	AAA	-2,445,000.00	-1.54%
---	90,745,818.62	USD 08/05/2022	---	AAA	Aaa	AA+	AAA	94,022,473.58	59.04%

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	258,764.12	0.16%
037833DL1 APPLE INC	500,000.00	USD 09/11/2022	CORP	AA+	Aa1	AA+	NA	517,528.25	0.32%

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Credit Rating

US Dollar
As of 30 June 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
037833DV9 APPLE INC	1,200,000.00	USD 05/11/2023	CORP	AA+	Aa1	AA+	NA	1,213,892.23	0.76%
212204JB8 CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,365,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	NA	1,383,263.70	0.87%
212204JC6 CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,000,000.00	USD 08/01/2022	MUNI	AA+	Aa1	AA+	NA	1,017,253.33	0.64%
677765GS2 OHLONE CALIF CMNTY COLLEGE DIST	1,000,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	NA	1,016,843.33	0.64%
80168ACP0 SANTA CLARA VY CALIF WTR DIST WTR SYS REV	570,000.00	USD 06/01/2022	MUNI	AA+	Aa1	NA	AA+	581,318.78	0.37%
92348XAC9 VZOT 2018-A B	2,925,000.00	USD 04/20/2023	ABS	AA+	Aa1	AA+	AA	3,021,741.97	1.90%
---	8,810,000.00	USD 08/29/2022	---	AA+	Aa1	AA+	AA	9,010,605.71	5.66%

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
13063DGA0 CALIFORNIA ST	1,250,000.00	USD 04/01/2021	MUNI	AA	Aa2	AA-	AA	1,279,662.50	0.80%
30231GBB7 EXXON MOBIL CORP	530,000.00	USD 08/16/2022	CORP	AA	Aa1	AA	NA	550,299.79	0.35%
30231GBL5 EXXON MOBIL CORP	1,500,000.00	USD 04/15/2023	CORP	AA	Aa1	AA	NA	1,544,448.58	0.97%
702274CN9 PASADENA CALIF PUB FING AUTH LEASE REV	1,100,000.00	USD 12/01/2022	MUNI	AA	NA	AA+	AA	1,152,317.83	0.72%
79730CJF2 SAN DIEGO CALIF PUB FACS FING AUTH WTR REV	1,000,000.00	USD 08/01/2022	MUNI	AA	Aa2	NA	AA	1,011,079.72	0.63%
931142EJ8 WALMART INC	2,000,000.00	USD 06/23/2021	CORP	AA	Aa2	AA	AA	2,057,135.59	1.29%
---	7,380,000.00	USD 04/03/2022	---	AA	Aa2	AA	AA	7,594,944.01	4.77%

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-	639,880.13	0.40%
072024WW8 BAY AREA TOLL AUTH CALIF TOLL BRDG REV	2,000,000.00	USD 04/01/2022	MUNI	AA-	A1	AA-	AA-	2,045,720.00	1.28%

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Credit Rating

US Dollar
As of 30 June 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
376087FX5 GILROY CALIF UNI SCH DIST	500,000.00	USD 08/01/2022	MUNI	AA-	Aa3	AA-	NA	509,435.83	0.32%
544647BE9 LOS ANGELES CALIF UNI SCH DIST	1,575,000.00	USD 07/01/2023	MUNI	AA-	Aa3	NA	AA+	1,806,323.75	1.13%
738850SV9 POWAY CALIF UNI SCH DIST	1,140,000.00	USD 08/01/2022	MUNI	AA-	NA	AA-	NA	1,166,183.90	0.73%
769059ZY5 RIVERSIDE CALIF UNI SCH DIST	1,000,000.00	USD 02/01/2022	MUNI	AA-	Aa2	AA-	NA	1,022,451.56	0.64%
79727LBO1 SAN DIEGO CALIF CONVENTION CTR EXPANSION FING AUTH	2,445,000.00	USD 04/15/2023	MUNI	AA-	NA	AA-	NA	2,444,559.90	1.54%
90331HPA5 US BANK NA	1,750,000.00	USD 02/04/2021	CORP	AA-	A1	AA-	AA-	1,794,834.04	1.13%
90331HPA5 US BANK NA	400,000.00	USD 02/04/2021	CORP	AA-	A1	AA-	AA-	410,247.78	0.26%
913366HW3 UNIV CALIF REGTS MED CTR POOLED REV	1,000,000.00	USD 05/15/2022	MUNI	AA-	Aa3	AA-	AA-	1,013,721.17	0.64%
---	12,440,000.00	USD 06/28/2022	---	AA-	Aa3	AA-	AA-	12,853,358.06	8.07%

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 CORP	2,250,000.00	USD 01/27/2023	CORP	A+	A1	A	AA-	2,344,676.08	1.47%
17325FAL2 CITIBANK NA	600,000.00	USD 02/12/2021	CORP	A+	Aa3	A+	A+	614,393.61	0.39%
69371RP42 PACCAR FINANCIAL CORP	2,000,000.00	USD 08/09/2021	CORP	A+	A1	A+	NA	2,083,076.82	1.31%
79766DLQ0 SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	1,000,000.00	USD 05/01/2021	MUNI	A+	A1	A+	A+	1,015,278.33	0.64%
857477AV5 STATE STREET CORP	2,000,000.00	USD 05/19/2021	CORP	A+	A1	A	AA-	2,033,257.86	1.28%
89236TCZ6 TOYOTA MOTOR CREDIT CORP	2,000,000.00	USD 04/08/2021	CORP	A+	A1	A+	A+	2,031,671.41	1.28%
899154AT5 TULARE CNTY CALIF PENSION OBLIG	2,000,000.00	USD 06/01/2021	MUNI	A+	A1	AA-	NA	2,031,493.33	1.28%
9523472D3 WEST CONTRA COSTA CALIF UNI SCH DIST	1,000,000.00	USD 08/01/2023	MUNI	A+	A1	NA	NA	1,019,575.58	0.64%
---	12,850,000.00	USD 11/10/2021	---	A+	A1	A+	AA-	13,173,423.03	8.27%

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Credit Rating

US Dollar
As of 30 June 2020

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



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
023135BP0 AMAZON.COM INC	1,000,000.00	USD 06/03/2023	CORP	A	A2	NA	A+	998,390.31	0.63%
06051GEE5 BANK OF AMERICA CORP	1,700,000.00	USD 01/05/2021	CORP	A	A2	A-	A+	1,794,264.78	1.13%
14913Q3C1 CATERPILLAR FINANCIAL SERVICES CORP	2,250,000.00	USD 11/18/2022	CORP	A	A3	A	A	2,333,446.01	1.47%
369550BE7 GENERAL DYNAMICS CORP	1,000,000.00	USD 05/11/2021	CORP	A	A2	A	WR	1,027,255.15	0.65%
369550BE7 GENERAL DYNAMICS CORP	500,000.00	USD 05/11/2021	CORP	A	A2	A	WR	513,627.57	0.32%
45866FAE4 INTERCONTINENTAL EXCHANGE INC	2,300,000.00	USD 09/15/2022	CORP	A	A2	A	NA	2,404,625.72	1.51%
46625HJD3 JPMORGAN CHASE & CO	2,300,000.00	USD 01/24/2022	CORP	A	A2	A-	AA-	2,486,087.37	1.56%
69353REY0 PNC BANK NA	945,000.00	USD 12/09/2021	CORP	A	A2	A	A+	973,697.13	0.61%
69353REY0 PNC BANK NA	925,000.00	USD 12/09/2021	CORP	A	A2	A	A+	953,089.78	0.60%
76913CAX7 RIVERSIDE CNTY CALIF PENSION OBLIG	500,000.00	USD 02/15/2023	MUNI	A	A2	AA	NA	511,435.07	0.32%
808513AW5 CHARLES SCHWAB CORP	950,000.00	USD 05/21/2021	CORP	A	A2	A	A	975,363.88	0.61%
---	14,370,000.00	USD 03/01/2022	---	A	A2	A	A+	14,971,282.78	9.40%

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
05531FBG7 TRUIST FINANCIAL CORP	2,000,000.00	USD 06/20/2022	CORP	A-	A3	A-	A+	2,092,386.45	1.31%
31677QBS7 FIFTH THIRD BANK NA (OHIO)	2,000,000.00	USD 01/30/2023	CORP	A-	A3	A-	A-	2,068,636.36	1.30%
44644AAD9 HUNTINGTON NATIONAL BANK	1,000,000.00	USD 05/14/2021	CORP	A-	A3	A-	A-	1,026,496.72	0.64%
44644AAH0 HUNTINGTON NATIONAL BANK	1,000,000.00	USD 04/01/2022	CORP	A-	A3	A-	A-	1,050,327.57	0.66%
46124HAA4 INTUIT INC	1,380,000.00	USD 07/15/2023	CORP	A-	A3	A-	NA	1,382,755.12	0.87%
---	7,380,000.00	USD 08/25/2022	CORP	A-	A3	A-	A	7,620,602.21	4.79%

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Credit Rating

US Dollar
As of 30 June 2020

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



**Asset
Management**

Summary

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
---	153,975,818.62	USD 06/22/2022	---	AA+	Aa2	AA	AA+	159,246,689.38	100.00%

* 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	GL-110000	CASH		Cash	0.0000	2,578,071.00	0.00	2,578,071.00	0.00	0.00	0.00			
CALOPTIMA S1-5	GL-220010	PAYABLE FOR INVESTMENTS PURCHASED		Cash	0.0000	-2,164,987.41	0.00	-2,164,987.41	0.00	0.00	0.00			
CALOPTIMA S1-5	912796VWV5	U S TREASURY BILL	0.0000 07/09/2020 DD 01/09/20	US Governments	550,000.0000	549,987.41	0.00	549,987.41	0.00	0.00	0.52	Govt	A-1+	Govt
CALOPTIMA S1-5	17305EFM2	CITIBANK CREDIT CARD ISS A1 A1	2.8800 01/23/2023 DD 01/24/14	ABS	565,000.0000	564,359.15	7,232.00	573,137.07	8,777.92	0.00	0.54	Aaa	NR	AAA
CALOPTIMA S1-5	26208RAD7	DRIVE AUTO RECEIVABLES TRU 2 A3	3.0400 03/15/2023 DD 03/20/19	ABS	175,233.8300	175,222.28	236.76	175,873.59	651.31	0.00	0.17	Aaa	AAA	NR
CALOPTIMA S1-5	26208RAE5	DRIVE AUTO RECEIVABLES TRU 2 B	3.1700 11/15/2023 DD 03/20/19	ABS	450,000.0000	449,974.08	634.00	454,971.24	4,997.16	0.00	0.43	Aaa	Aa	NR
CALOPTIMA S1-5	477870AB5	JOHN DEERE OWNER TRUST 20 B A2	2.2800 05/16/2022 DD 07/24/19	ABS	284,516.8100	284,515.86	288.31	286,258.08	1,742.22	0.00	0.27	Aaa	NR	AAA
CALOPTIMA S1-5	65479PAB5	NISSAN AUTO LEASE TRUST 2 A A2	2.7100 07/15/2021 DD 04/15/19	ABS	481,234.4000	481,228.02	579.62	483,155.20	1,927.18	0.00	0.46	Aaa	AAA	NR
CALOPTIMA S1-5	80286GAB7	SANTANDER DRIVE AUTO RECE 2 A2	2.6300 07/15/2022 DD 05/22/19	ABS	77,492.1000	77,488.27	90.58	77,560.49	72.22	0.00	0.07	Aaa	NR	AAA
CALOPTIMA S1-5	3137EADB2	FEDERAL HOME LN MTG CORP	2.3750 01/13/2022 DD 01/13/12	Agency	1,500,000.0000	1,512,642.10	16,625.00	1,550,005.61	37,363.51	0.00	1.47	Agency	AA+	Agency
CALOPTIMA S1-5	3135G0S38	FEDERAL NATL MTG ASSN	2.0000 01/05/2022 DD 01/09/17	Agency	2,250,000.0000	2,252,590.70	22,000.00	2,311,655.65	59,064.95	0.00	2.19	Agency	AA+	Agency
CALOPTIMA S1-5	3135G0S38	FEDERAL NATL MTG ASSN	2.0000 01/05/2022 DD 01/09/17	Agency	1,500,000.0000	1,504,431.90	14,666.67	1,541,103.76	36,671.86	0.00	1.46	Agency	AA+	Agency
CALOPTIMA S1-5	3135G0V75	FEDERAL NATL MTG ASSN	1.7500 07/02/2024 DD 07/08/19	Agency	1,100,000.0000	1,105,958.72	9,571.53	1,161,310.98	55,352.26	0.00	1.10	Agency	AA+	Agency
CALOPTIMA S1-5	3135G0V75	FEDERAL NATL MTG ASSN	1.7500 07/02/2024 DD 07/08/19	Agency	1,010,000.0000	1,014,050.48	8,788.40	1,066,294.62	52,244.14	0.00	1.01	Agency	AA+	Agency
CALOPTIMA S1-5	4581X0CZ9	INTER-AMERICAN DEVELOPMENT BAN	1.7500 09/14/2022 DD 09/14/17	Agency	1,000,000.0000	993,996.44	5,201.39	1,032,394.48	38,398.04	0.00	0.98	Aaa	AAA	AAA
CALOPTIMA S1-5	4581X0CZ9	INTER-AMERICAN DEVELOPMENT BAN	1.7500 09/14/2022 DD 09/14/17	Agency	1,500,000.0000	1,498,452.82	7,802.08	1,548,591.72	50,138.90	0.00	1.46	Aaa	AAA	AAA
CALOPTIMA S1-5	459058GX5	INTERNATIONAL BANK FOR RECONST	1.8750 06/19/2023 DD 06/19/19	Agency	750,000.0000	759,092.62	468.75	783,922.60	24,829.98	0.00	0.74	Aaa	AAA	NR
CALOPTIMA S1-5	30231GBL5	EXXON MOBIL CORP	1.5715 04/15/2023 DD 04/15/20	Corporates	1,300,000.0000	1,300,000.00	4,311.52	1,334,210.58	34,210.58	0.00	1.26	Aa1	AA	NR
CALOPTIMA S1-5	69371RP26	PACCAR FINANCIAL CORP	3.1000 05/10/2021 DD 05/10/18	Corporates	1,000,000.0000	999,943.28	4,391.67	1,003,042.98	23,099.70	0.00	0.97	A1	A+	NR
CALOPTIMA S1-5	025816BR9	AMERICAN EXPRESS CO	3.0000 10/30/2024 DD 10/30/17	Corporates	500,000.0000	526,361.00	2,541.67	540,742.51	14,381.51	0.00	0.51	A3	BBB+	A
CALOPTIMA S1-5	05531FBJ1	TRUIST FINANCIAL CORP	2.2000 03/16/2023 DD 09/16/19	Corporates	790,000.0000	789,547.27	5,069.17	820,151.93	30,604.66	0.00	0.78	A3	A-	A+
CALOPTIMA S1-5	06051GEU9	BANK OF AMERICA CORP	3.3000 01/11/2023 DD 01/11/13	Corporates	370,000.0000	368,693.41	5,765.83	394,892.36	26,198.95	0.00	0.37	A2	A-	A+
CALOPTIMA S1-5	06051GEU9	BANK OF AMERICA CORP	3.3000 01/11/2023 DD 01/11/13	Corporates	1,000,000.0000	1,036,898.94	15,583.34	1,067,276.64	30,377.70	0.00	1.01	A2	A-	A+
CALOPTIMA S1-5	06406RAE7	BANK OF NEW YORK MELLON CORP/T	2.9500 01/29/2023 DD 01/29/18	Corporates	882,000.0000	879,698.36	10,985.80	937,784.80	58,086.44	0.00	0.89	A1	A	AA-
CALOPTIMA S1-5	14040HBY0	CAPITAL ONE FINANCIAL CORP	3.4500 04/30/2021 DD 04/30/18	Corporates	600,000.0000	599,862.68	3,507.50	612,557.83	12,695.15	0.00	0.58	Baa1	BBB	A-
CALOPTIMA S1-5	14913QZH1	CATERPILLAR FINANCIAL SERVICES	VAR RT 03/15/2021 DD 03/15/18	Corporates	700,000.0000	652,939.03	169.05	707,560.47	47,421.44	0.00	0.66	A3	A	A
CALOPTIMA S1-5	172967LC3	CITIGROUP INC	2.9000 12/08/2021 DD 12/08/16	Corporates	900,000.0000	903,858.98	1,667.50	927,126.00	23,267.02	0.00	0.88	A3	BBB+	A
CALOPTIMA S1-5	172967LC3	CITIGROUP INC	2.9000 12/08/2021 DD 12/08/16	Corporates	710,000.0000	702,364.84	1,315.47	731,399.40	29,034.56	0.00	0.69	A3	BBB+	A
CALOPTIMA S1-5	31677QBG3	FIFTH THIRD BANK NA	2.2500 06/14/2021 DD 06/14/16	Corporates	215,000.0000	215,809.49	228.44	218,447.38	2,637.89	0.00	0.21	A3	A-	A-
CALOPTIMA S1-5	31677QBG3	FIFTH THIRD BANK NA	2.2500 06/14/2021 DD 06/14/16	Corporates	500,000.0000	501,516.18	531.25	508,017.17	6,500.99	0.00	0.48	A3	A-	A-
CALOPTIMA S1-5	38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.2500 07/27/2021 DD 07/27/11	Corporates	750,000.0000	767,738.46	16,843.75	787,505.02	19,766.56	0.00	0.74	A3	BBB+	A
CALOPTIMA S1-5	38141GWT7	GOLDMAN SACHS GROUP INC/THE	3.2000 02/23/2023 DD 01/23/18	Corporates	1,000,000.0000	1,031,053.85	11,377.78	1,061,053.91	30,000.06	0.00	1.00	A3	BBB+	A
CALOPTIMA S1-5	44644AAB3	HUNTINGTON NATIONAL BANK/THE	2.5000 08/07/2022 DD 08/07/17	Corporates	445,000.0000	436,857.95	4,450.00	461,841.77	24,983.82	0.00	0.44	A3	A-	A-
CALOPTIMA S1-5	46625HJE1	JPMORGAN CHASE & CO	3.2500 09/23/2022 DD 09/24/12	Corporates	920,000.0000	933,253.66	8,139.44	971,478.87	38,225.21	0.00	0.92	A2	A-	AA-
CALOPTIMA S1-5	46625HJH4	JPMORGAN CHASE & CO	3.2000 01/25/2023 DD 01/25/13	Corporates	1,000,000.0000	991,947.58	13,866.67	1,063,185.23	71,237.65	0.00	1.01	A2	A-	AA-
CALOPTIMA S1-5	55279HAL4	MANUFACTURERS & TRADERS TRUST	2.5000 05/18/2022 DD 05/18/17	Corporates	900,000.0000	902,055.93	2,687.50	931,006.67	28,950.74	0.00	0.88	A3	A	A
CALOPTIMA S1-5	61746BED4	MORGAN STANLEY	2.6250 11/17/2021 DD 11/17/16	Corporates	715,000.0000	707,744.95	2,293.96	734,973.00	27,228.05	0.00	0.70	A3	BBB+	A
CALOPTIMA S1-5	61747WAF6	MORGAN STANLEY	5.7500 01/25/2021 DD 01/25/11	Corporates	730,000.0000	742,660.94	18,189.17	751,799.15	9,138.21	0.00	0.71	A3	BBB+	A
CALOPTIMA S1-5	69353RFT0	PNC BANK NA	VAR RT 02/24/2023 DD 02/25/20	Corporates	750,000.0000	750,000.00	4,575.38	762,532.58	12,532.58	0.00	0.72	A2	A	A+
CALOPTIMA S1-5	86787EBA4	TRUIST BANK	VAR RT 10/26/2021 DD 10/26/18	Corporates	390,000.0000	390,000.00	2,482.19	393,680.67	3,680.67	0.00	0.37	A2	A	A+
CALOPTIMA S1-5	87236YAG3	TD AMERITRADE HOLDING CORP	VAR RT 11/01/2021 DD 11/01/18	Corporates	1,250,000.0000	1,237,081.27	2,365.08	1,247,174.46	10,093.19	0.00	1.18	A2	A	NR
CALOPTIMA S1-5	91159HHZ6	US BANCORP	1.4500 05/12/2025 DD 05/12/20	Corporates	1,000,000.0000	1,001,939.33	1,973.61	1,029,987.46	28,048.13	0.00	0.97	A1	A+	AA-
CALOPTIMA S1-5	94974BFC9	WELLS FARGO & CO	3.5000 03/08/2022 DD 03/08/12	Corporates	1,000,000.0000	1,027,944.13	10,986.11	1,047,410.00	19,465.87	0.00	0.99	A2	A+	A+
CALOPTIMA S1-5	95000U2B8	WELLS FARGO & CO	2.6250 07/22/2022 DD 07/24/17	Corporates	750,000.0000	762,206.95	8,695.31	781,357.34	19,150.39	0.00	0.74	A2	A-	A+
CALOPTIMA S1-5	04609QAD1	ASSOCIATION OF AMERICAN MEDICA	2.0270 10/01/2023 DD 01/29/20	Corporates	710,000.0000	710,000.00	3,597.93	705,790.24	0.00	-4,209.76	0.67	NR	AA	AA
CALOPTIMA S1-5	072722AD3	BAYCARE HEALTH SYSTEM INC	2.6950 11/15/2023 DD 04/16/20	Corporates	655,000.0000	655,000.00	3,677.55	675,394.17	20,394.17	0.00	0.64	Aa2	NR	AA
CALOPTIMA S1-5	784710AB1	SSM HEALTH CARE CORP	3.6888 06/01/2023 DD 05/08/18	Corporates	100,000.0000	100,337.89	307.33	107,373.00	7,035.11	0.00	0.10	A1	A+	AA-
CALOPTIMA S1-5	784710AB1	SSM HEALTH CARE CORP	3.6888 06/01/2023 DD 05/08/18	Corporates	500,000.0000	497,966.78	1,536.67	536,865.00	38,898.22	0.00	0.51	A1	A+	AA-
CALOPTIMA S1-5	74432QB9P	PRUDENTIAL FINANCIAL INC	4.5000 11/15/2020 DD 11/18/10	Corporates	365,000.0000	366,730.08	2,098.75	370,576.77	3,846.69	0.00	0.35	A3	A	A-
CALOPTIMA S1-5	828807DG9	SIMON PROPERTY GROUP LP	2.0000 09/13/2024 DD 09/13/19	Corporates	525,000.0000	517,687.60	3,150.00	538,555.58	20,867.98	0.00	0.51	A2	A	A
CALOPTIMA S1-5	828807DG9	SIMON PROPERTY GROUP LP	2.0000 09/13/2024 DD 09/13/19	Corporates	260,000.0000	256,391.00	1,560.00	266,713.24	10,322.24	0.00	0.25	A2	A	A
CALOPTIMA S1-5	458140BP4	INTEL CORP	3.4000 03/25/2025 DD 03/25/20	Corporates	1,000,000.0000	1,102,695.25	9,066.67	1,121,895.31	19,200.06	0.00	1.06	A1	A+	A+
CALOPTIMA S1-5	68389XBR5	ORACLE CORP	2.6250 02/15/2023 DD 11/09/17	Corporates	1,000,000.0000	984,463.15	9,916.67	1,051,735.68	67,272.53	0.00	0.99	A3	A+	A+
CALOPTIMA S1-5	250847EG1	DXE ELECTRIC CO	3.9000 06/01/2022 DD 05/18/11	Corporates	750,000.0000	758,704.12	2,437.50	766,403.14	7,699.02	0.00	0.72	Aa3	A	A+
CALOPTIMA S1-5	65339KBF6	NEXTERA ENERGY CAPITAL HOLDING	2.9000 04/01/2022 DD 04/04/19	Corporates	1,000,000.0000	1,031,428.55	7,250.00	1,040,889.50	9,460.95	0.00	0.98	Baa1	BBB+	A+
CALOPTIMA S1-5	74456QBPO	PUBLIC SERVICE ELECTRIC AND GA	1.9000 03/15/2023 DD 03/03/16	Corporates	495,000.0000	488,647.11	2,769.25	499,723.01	11,075.90	0.00	0.47	Aa3	A	NR
CALOPTIMA S1-5	92343VBR4	VERIZON COMMUNICATIONS INC	5.1500 09/15/2023 DD 09/18/13	Corporates	1,000,000.0000	1,130,780.50	15,163.89	1,138,724.48	7,943.98	0.00	1.08	Baa1	BBB+	A-
CALOPTIMA S1-5	31381PAU2	FNMA POOL #0466319	3.2300 11/01/2020 DD 11/01/10	CMBS	162,844.5440	163,109.05	438.32	162,733.53	0.00	-375.52	0.15	Agency	AA+	Agency
CALOPTIMA S1-5	31381Q6B7	FNMA POOL #0468066	4.2950 06/01/2021 DD 06/01/11	CMBS	1,115,033.9300	1,137,130.								

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	3137AXHP1	FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS	460,000,000.00	463,091.82	986.32	477,719.75	14,627.93	0.00	0.45	Aaa	AA+	Agency
CALOPTIMA S1-5	3137B1BS0	FHLMC MULTICLASS MTG K026 A2	2.510% 11/25/2022 DD 05/01/13	CMBS	2,005,000,000.00	2,019,443.42	4,193.79	2,085,230.48	65,787.06	0.00	1.97	Agency	AA+	AAA
CALOPTIMA S1-5	3137B1UG5	FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	CMBS	700,000,000.00	700,091.93	1,538.25	732,155.48	32,063.55	0.00	0.69	Agency	AA+	AAA
CALOPTIMA S1-5	3137B1UG5	FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	CMBS	560,000,000.00	560,282.93	1,230.60	585,724.38	25,441.45	0.00	0.55	Agency	AA+	AAA
CALOPTIMA S1-5	3137BKRH5	FHLMC MULTICLASS MTG K047 A1	2.827% 12/25/2024 DD 07/01/15	CMBS	177,832,647.0	181,261.63	418.94	186,857.12	5,595.49	0.00	0.18	Agency	AA+	AAA
CALOPTIMA S1-5	3136A5KR6	FNMA GTD REMIC P/T 12-31 AD	1.750% 10/25/2022 DD 03/01/12	RMBS	95,952,352.0	95,050.85	139.93	96,208.60	1,157.75	0.00	0.09	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	241,822,110.0	239,744.60	352.66	242,467.92	2,723.32	0.00	0.23	Agency	AA+	Agency
CALOPTIMA S1-5	3137B2ZH6	FHLMC MULTICLASS MTG 4221 HJ	1.500% 07/15/2023 DD 06/01/13	RMBS	99,829,688.0	98,753.82	124.79	100,257.69	1,503.87	0.00	0.09	Agency	AA+	Agency
CALOPTIMA S1-5	3137GAUY1	FHLMC MULTICLASS MTG 3737 MA	1.500% 10/15/2022 DD 10/01/10	RMBS	183,011,274.0	179,730.94	228.76	184,202.73	4,471.79	0.00	0.17	Agency	AA+	Agency
CALOPTIMA S1-5	072024WX6	BAY AREA CA TOLL AUTH TOLL BRI	2.234% 04/01/2023 DD 09/26/19	Municipals	790,000,000.00	795,521.44	4,412.15	812,388.60	16,867.16	0.00	0.77	A1	AA-	AA-
CALOPTIMA S1-5	13063DLZ9	CALIFORNIA ST	3.000% 04/01/2024 DD 04/04/19	Municipals	680,000,000.00	707,571.95	5,100.00	735,134.40	27,562.45	0.00	0.70	Aa2	AA-	AA
CALOPTIMA S1-5	190335HF9	COAST CA CMNTY CLG DIST	1.556% 08/01/2021 DD 08/31/16	Municipals	415,000,000.00	415,000.00	2,690.58	418,784.80	3,784.80	0.00	0.40	Aa1	AA+	NR
CALOPTIMA S1-5	212204JE2	CONTRA COSTA CA CMNTY CLG DIST	1.774% 08/01/2024 DD 09/12/19	Municipals	410,000,000.00	410,000.00	3,030.58	416,781.40	6,781.40	0.00	0.39	Aa1	AA+	NR
CALOPTIMA S1-5	283062DN4	EL DORADO CA IRR DIST REVENUE	1.280% 03/01/2025 DD 06/23/20	Municipals	1,000,000,000.00	1,000,000.00	284.44	1,024,570.00	24,570.00	0.00	0.97	Aa3	AA-	NR
CALOPTIMA S1-5	50520PAD2	LA VERNE CA PENSN OBLIG	3.216% 06/01/2022 DD 08/15/18	Municipals	1,000,000,000.00	996,741.70	2,680.00	1,033,720.00	36,978.30	0.00	0.98	NR	AA+	NR
CALOPTIMA S1-5	576000XB4	MASSACHUSETTS ST SCH BLDG AUTH	1.963% 10/15/2022 DD 11/20/19	Municipals	480,000,000.00	480,000.00	1,989.17	491,073.60	11,073.60	0.00	0.46	Aa3	AA	AA+
CALOPTIMA S1-5	576051VX1	MASSACHUSETTS ST WTR RESOURCES	1.862% 08/01/2024 DD 11/01/19	Municipals	830,000,000.00	830,000.00	6,439.42	856,983.30	26,983.30	0.00	0.81	Aa1	AA+	AA+
CALOPTIMA S1-5	63968A2A2	NEBRASKA ST PUBLIC PWR DIST RE	2.216% 01/01/2024 DD 10/29/19	Municipals	295,000,000.00	295,000.00	4,394.45	300,569.60	5,569.60	0.00	0.28	A1	A+	A+
CALOPTIMA S1-5	63968A2K0	NEBRASKA ST PUBLIC PWR DIST RE	2.216% 01/01/2024 DD 10/29/19	Municipals	220,000,000.00	220,000.00	3,277.22	224,153.60	4,153.60	0.00	0.21	A1	A+	A+
CALOPTIMA S1-5	658289J87	NORTH CAROLINA ST UNIV AT RALE	1.069% 10/01/2024 DD 07/07/20	Municipals	850,000,000.00	850,000.00	0.00	850,824.50	824.50	0.00	0.80	Aa1	AA	NR
CALOPTIMA S1-5	677765GV5	OHLONE CA CMNTY CLG DIST	1.814% 08/01/2024 DD 09/26/19	Municipals	1,000,000,000.00	1,000,000.00	7,558.33	1,028,170.00	28,170.00	0.00	0.97	Aa1	AA+	NR
CALOPTIMA S1-5	762326AD8	RHODE ISLAND ST TURNPIKE & BRI	2.232% 12/01/2023 DD 12/10/19	Municipals	680,000,000.00	680,000.00	1,264.80	695,476.80	15,476.80	0.00	0.66	NR	A-	NR
CALOPTIMA S1-5	76913CAW9	RIVERSIDE CNTY CA PENSN OBLG	2.265% 02/15/2022 DD 05/06/20	Municipals	635,000,000.00	635,000.00	2,197.36	642,226.30	7,226.30	0.00	0.61	A2	AA	NR
CALOPTIMA S1-5	786073AA4	SACRAMENTO CA TRANSIENT OCCUPA	3.455% 06/01/2021 DD 11/01/18	Municipals	805,000,000.00	805,000.00	2,317.73	819,119.70	14,119.70	0.00	0.77	A1	NR	NR
CALOPTIMA S1-5	796720ME7	SAN BERNARDINO CA CMNTY CLG DI	1.883% 08/01/2022 DD 12/12/19	Municipals	735,000,000.00	735,000.00	5,766.69	754,220.25	19,220.25	0.00	0.71	Aa1	AA	NR
CALOPTIMA S1-5	796720NQ9	SAN BERNARDINO CA CMNTY CLG DI	0.942% 08/01/2024 DD 07/07/20	Municipals	765,000,000.00	765,000.00	0.00	768,541.95	3,541.95	0.00	0.73	Aa1	AAA	NR
CALOPTIMA S1-5	797272QP9	SAN DIEGO CA CMNTY CLG DIST	2.046% 08/01/2024 DD 10/16/19	Municipals	760,000,000.00	760,000.00	6,479.00	790,160.00	30,901.60	0.00	0.75	AA	AAA	NR
CALOPTIMA S1-5	797669ZJ0	SAN FRANCISCO CA BAY AREA RAPI	1.971% 07/01/2024 DD 10/31/19	Municipals	750,000,000.00	750,000.00	7,391.25	775,140.00	25,140.00	0.00	0.73	NR	AA+	AA+
CALOPTIMA S1-5	79766DSU4	SAN FRANCISCO CALIF CITY & CNTY	1.977% 05/01/2024 DD 09/10/19	Municipals	510,000,000.00	510,000.00	1,680.45	508,949.40	0.00	-1,050.60	0.48	A1	A+	A+
CALOPTIMA S1-5	798189RE8	SAN JOSE CA EVERGREEN COMMUNITY CL	3.500% 09/01/2023 DD 06/16/20	Municipals	500,000,000.00	541,516.30	729.17	544,130.00	2,613.70	0.00	0.51	Aa1	AA+	NR
CALOPTIMA S1-5	835569GR9	SONOMA CNTY CA JNR CLG DIST	2.061% 08/01/2024 DD 11/12/19	Municipals	750,000,000.00	750,000.00	6,440.63	774,547.50	24,547.50	0.00	0.73	Aa2	AA	NR
CALOPTIMA S1-5	88278PZA5	TEXAS ST UNIV SYS FING REVENUE	2.103% 03/15/2024 DD 11/21/19	Municipals	490,000,000.00	490,000.00	3,034.16	502,970.30	12,970.30	0.00	0.48	Aa2	NR	AA
CALOPTIMA S1-5	899154AV0	TULARE CNTY CA PENSN OBLG	3.348% 06/01/2023 DD 06/25/18	Municipals	1,000,000,000.00	1,000,000.00	2,790.00	1,045,270.00	45,270.00	0.00	0.99	A1	AA-	NR
CALOPTIMA S1-5	914455UC2	UNIV OF MICHIGAN MI	1.004% 04/01/2025 DD 06/16/20	Municipals	695,000,000.00	695,000.00	290.74	701,505.20	6,505.20	0.00	0.66	Aa1	AA-	NR
CALOPTIMA S1-5	9174367M3	UTAH ST HSG CORP SF MTGE REVEN	2.340% 01/01/2024 DD 10/02/19	Municipals	500,000,000.00	500,000.00	7,780.83	514,115.00	14,115.00	0.00	0.49	Aa2	NR	NR
CALOPTIMA S1-5	923078CU1	VENTURA CNTY CA PUBLIC FING AU	1.223% 11/01/2024 DD 06/11/20	Municipals	505,000,000.00	505,000.00	343.12	509,100.60	4,100.60	0.00	0.48	Aa1	AA	NR
CALOPTIMA S1-5	977100DA1	WISCONSIN ST GEN FUND ANNUAL A	2.183% 05/01/2024 DD 08/16/16	Municipals	760,000,000.00	764,210.50	-2,765.13	792,740.80	28,530.30	0.00	0.75	Aa2	AA-	AA
CALOPTIMA S1-5	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Governments	1,006,896,290.0	1,012,265.79	1,323.96	1,046,937.61	34,671.82	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-5	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Governments	505,613,660.0	507,141.83	664.83	525,720.44	18,578.61	0.00	0.50	Govt	AA+	Govt
CALOPTIMA S1-5	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Governments	1,499,780,000.0	1,517,105.41	1,577.64	1,576,231.53	59,126.12	0.00	1.49	Govt	AA+	Govt
CALOPTIMA S1-5	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Governments	503,316,000.0	511,390.79	529.44	528,972.61	17,581.82	0.00	0.50	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56	U S TREASURY NOTE	2.375% 08/15/2024 DD 08/15/14	US Governments	1,055,000,000.0	1,091,421.74	9,430.51	1,147,807.03	56,385.29	0.00	1.09	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56	U S TREASURY NOTE	2.375% 08/15/2024 DD 08/15/14	US Governments	1,470,000,000.0	1,517,421.75	13,140.14	1,599,314.06	81,892.31	0.00	1.51	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56	U S TREASURY NOTE	2.375% 08/15/2024 DD 08/15/14	US Governments	640,000,000.00	657,993.60	5,720.88	696,300.00	38,306.40	0.00	0.66	Govt	AA+	Govt
CALOPTIMA S1-5	912828D56	U S TREASURY NOTE	2.375% 08/15/2024 DD 08/15/14	US Governments	1,475,000,000.0	1,515,234.05	13,184.84	1,604,753.91	89,519.86	0.00	1.52	Govt	AA+	Govt
CALOPTIMA S1-5	912828G38	U S TREASURY NOTE	2.250% 11/15/2024 DD 11/15/14	US Governments	750,000,000.00	768,830.10	2,155.24	815,361.33	46,531.23	0.00	0.77	Govt	AA+	Govt
CALOPTIMA S1-5	912828G38	U S TREASURY NOTE	2.250% 11/15/2024 DD 11/15/14	US Governments	495,000,000.00	507,408.21	1,422.45	538,138.48	30,730.27	0.00	0.51	Govt	AA+	Govt
CALOPTIMA S1-5	912828G38	U S TREASURY NOTE	2.250% 11/15/2024 DD 11/15/14	US Governments	995,000,000.00	1,016,248.92	2,859.27	1,081,712.70	65,463.78	0.00	1.02	Govt	AA+	Govt
CALOPTIMA S1-5	912828G38	U S TREASURY NOTE	2.250% 11/15/2024 DD 11/15/14	US Governments	950,000,000.00	985,300.13	2,729.96	1,032,791.01	47,490.88	0.00	0.98	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Governments	75,000,000.00	74,427.54	329.91	77,657.23	3,229.69	0.00	0.07	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Governments	770,000,000.00	763,320.79	3,387.16	797,280.86	33,960.07	0.00	0.75	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Governments	990,000,000.00	979,942.37	4,354.92	1,025,075.39	45,133.02	0.00	0.97	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Governments	2,850,000,000.0	2,795,303.31	12,536.89	2,950,974.62	155,671.31	0.00	2.79	Govt	AA+	Govt
CALOPTIMA S1-5	912828T26	U S TREASURY NOTE	1.375% 09/30/2023 DD 09/30/16	US Governments	1,035,000,000.0	1,026,946.91	3,577.26	1,074,984.96	48,038.05	0.00	1.02	Govt	AA+	Govt
CALOPTIMA S1-5	912828T26	U S TREASURY NOTE	1.375% 09/30/2023 DD 09/30/16	US Governments	1,200,000,000.0	1,198,528.22	4,147.54	1,246,359.37	47,831.15	0.00	1.18	Govt	AA+	Govt
CALOPTIMA S1-5	912828VM9	US TREAS-CPI INFLAT	0.375% 07/15/2023 DD 07/15/13	US Governments	3,030,390,000.0	3,053,117.24	5,244.91	3,155,673.69	102,556.45	0.00	2.99	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Governments	820,000,000.00	814,828.73	2,372.07	842,485.94	27,657.21	0.00	0.80	Govt	AA+</	

REVISED

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units Security

Identifier	Original Principal Cost Purchased	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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Cash					
CASH OR STIF	USD	64,520,506.99	0.00	1.000	17.45%
Total for Cash		64,520,506.99	0.00		17.45%

Money Markets

50,000,000.000	U.S. TREASURY BILL	912796UB3	49,999,890.28	49,999,732.50	(157.78)	100.000	13.53%
	Mat: 7/2/20		0.00	54.86			
	Moodys: Aaa						
	S&P: AA+u						
	Fitch: AAA						
	Tr Date: 6/30/20						
50,000,000.000	U.S. TREASURY BILL	9127963C1	49,999,110.42	49,998,960.69	(149.73)	99.998	13.53%
	Mat: 7/7/20		0.00	127.08			
	Moodys: Aaa						
	S&P: AA+u						
	Fitch: AAA						
	Tr Date: 6/30/20						
34,500,000.000	TVA DISCOUNT NOTE	880592ZK9	34,498,131.25	34,498,562.50	431.25	99.996	9.33%
	Mat: 7/15/20		0.00	124.58			
	Moodys: Aaa						
	S&P: AA+u						
	Fitch: AAA						
	Tr Date: 6/30/20						
46,500,000.000	U.S. TREASURY BILL	9127963F4	46,489,324.37	46,488,315.33	(1,009.05)	99.993	12.58%
	Mat: 7/21/20		0.00	8,428.13			
	Moodys: Aaa						
	S&P: AA+u						
	Fitch: AAA						
	Tr Date: 4/17/20						
2,000,000.000	CT YALE UNIVERSITY CP TXB	98459RH52	1,995,873.90	1,997,074.30	1,200.40	99.985	0.54%
	Mat: 8/5/20		0.00	2,667.38			
	Moodys: NR						
	S&P: NR						
	Fitch: NR						
	Tr Date: 4/28/20						
1,800,000.000	OVERSEA-CHINESE BANKING NY FRN YCD	69033MMY0	1,800,041.89	1,797,741.27	(2,300.62)	99.875	0.49%
	Mat: 8/21/20		503.81	103.50			
	Moodys:						
	S&P:						
	Fitch:						
	Tr Date: 2/26/20						
2,300,000.000	LLOYDS BANK FRN YCD	53947BAC4	2,305,938.10	2,303,001.43	(2,936.67)	100.131	0.62%
	Mat: 9/24/20		2,285.96	356.27			
	Moodys:						
	S&P:						
	Fitch:						
	Tr Date: 1/3/20						
1,550,000.000	SKANDINAV ENSKILDA BK YCD FRN	83050PEX3	1,551,963.85	1,550,461.73	(1,502.12)	100.030	0.42%
	Mat: 10/16/20		3,032.92	4,404.84			
	Moodys:						
	S&P:						
	Fitch:						
	Tr Date: 2/19/20						



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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Table with columns: Units Security, Identifier, Original Principal Cost, Principal Market Value, Accrued Income, Gain / (Loss) from Cost, Market Price, Percent of Portfolio. Rows include various bonds like BANK OF NOVA SCOTIA YCD FRN, WESTPAC BANK FRN YCD, BAYERISCHE LANDESBANK FRN YCD, CREDIT SUISSE NY YCD, MIZUHO BANK YCD, NATIXIS NY YCD, BANCO SANTANDER YCD, CREDIT AGRICOLE YCD.

Total for Money Markets 202,610,554.06 202,670,908.88 6,127.35 60,354.82 54.85%

Agencies

Table with columns: Units Security, Identifier, Original Principal Cost, Principal Market Value, Accrued Income, Gain / (Loss) from Cost, Market Price, Percent of Portfolio. Rows include FHLB FRN.



REVISED

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units Security

Units Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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3,000,000.000 FFCB FRN Mat: 11/5/21 Moody's: Aaa Tr Date: 5/4/20	3133EK5T9	3,006,024.00 108.35	3,006,926.85 657.87	902.85	100.231	0.81%
10,000,000.000 FHLMC FRN Mat: 3/4/22 Moody's: Aaa Tr Date: 6/30/20	3134GVFL7	9,998,295.30 1,658.33	9,998,295.30 1,722.22	0.00	99.983	2.71%

Total for Agencies		23,008,504.60 3,724.18	23,009,407.45 4,405.09	902.85		6.23%
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Tax-Exempt

2,070,000.000 CA LOS ANGELES CCD GO/ULT PRE-20 Mat: 8/1/20 Moody's: Aaa Tr Date: 3/13/20	54438CPB2	2,099,373.30 14,490.00	2,078,440.49 45,281.25	(20,932.81)	100.408	0.57%
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Total for Tax-Exempt

		2,099,373.30 14,490.00	2,078,440.49 45,281.25	(20,932.81)		0.57%
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Taxable Muni

850,000.000 CA LOS ANGELES USD GO/ULT TXB Mat: 7/1/20 Moody's: Aa3 Tr Date: 4/24/20	544647BY5	851,181.50 0.00	850,025.94 3,420.66	(1,155.56)	100.003	0.23%
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1,400,000.000 CA STATE GO/ULT CP TXB Mat: 7/7/20 Moody's: P-1 Tr Date: 4/8/20	13068BFH5	1,400,000.00 0.00	1,400,225.40 4,819.67	225.40	100.016	0.38%
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1,030,000.000 CA SHAFEEY UNION HIGH SCH DIST TXB Mat: 8/1/20 Moody's: Aa1 Tr Date: 2/27/20	157411TF6	1,030,721.00 1,599.16	1,031,048.06 7,737.88	327.06	100.102	0.28%
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1,090,000.000 CA PERALTA CCD GO/ULT TXB Mat: 8/1/20 Moody's: Tr Date: 4/23/20	713575XC7	1,090,000.00 0.00	1,091,370.73 3,815.00	1,370.73	100.126	0.30%
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330,000.000 CA SAN BERNARDINO CCD TXB Mat: 8/1/20 Moody's: Aa1 Tr Date: 11/21/19	796720MC1	330,000.00 0.00	330,332.49 2,411.75	332.49	100.101	0.09%
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REVISED

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units Security	Identifier	Original Principal Cost Purchased	Accrued Income	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
500,000.000 CA SAN BERNARDINO CCD TXB Mat: 8/1/20 Cpn: 0.50% Moody's: Aa1 S&P: AA Fitch: Tr Date: 6/17/20 St Date: 7/7/20	796720NLO	500,000.00 0.00	500,003.78 0.00	100.001	3.78	100.001	0.14%
370,000.000 CA SAN DIEGO PUBLIC FACS WTR REV TXB Mat: 8/1/20 Cpn: 1.03% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 4/30/20 St Date: 5/11/20	79730CID7	370,000.00 0.00	370,135.98 529.82	100.037	135.98	100.037	0.10%
1,000,000.000 CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/20 Cpn: 2.26% Moody's: AA S&P: AA Fitch: AA Tr Date: 4/3/19 St Date: 4/5/19	798170AC0	995,250.00 4,016.00	1,001,207.50 9,412.50	100.121	5,957.50	100.121	0.27%
500,000.000 CA SONOMA CNTY CLG DIST TXB Mat: 8/1/20 Cpn: 1.84% Moody's: Aa2 S&P: AA Fitch: Tr Date: 10/23/19 St Date: 11/12/19	835569GM0	500,000.00 0.00	500,398.75 3,827.08	100.080	398.75	100.080	0.14%
2,000,000.000 CA LOS ANGELES MTA CP TXB Mat: 8/11/20 Cpn: 0.38% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 5/13/20 St Date: 5/13/20	54531HBH9	2,000,000.00 0.00	2,000,680.00 1,017.49	100.034	680.00	100.034	0.54%
635,000.000 CA MADERA SUCCESSOR AGY TAB TXB Mat: 9/1/20 Cpn: 2.98% Moody's: AA S&P: AA Fitch: Tr Date: 1/3/20 St Date: 1/7/20	55645HAX5	639,806.95 6,623.05	636,831.67 6,307.67	100.289	(2,975.28)	100.289	0.17%
1,000,000.000 CA SANTA CRUZ REDEV AGY TAB PRE-20 Mat: 9/1/20 Cpn: 7.40% Moody's: A2 S&P: AA Fitch: Tr Date: 10/18/19 St Date: 10/22/19	801825GV6	1,067,410.00 10,483.33	1,030,304.49 24,666.67	103.031	(37,105.51)	103.031	0.29%
765,000.000 CA PALM DESERT REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.25% Moody's: AA S&P: AA Fitch: Tr Date: 12/13/19 St Date: 12/17/19	696624AT2	767,669.85 3,633.75	765,245.54 4,303.13	100.032	(2,424.31)	100.032	0.21%
1,500,000.000 CA SAN BERNARDINO CNTY COPS TXBL Mat: 10/1/20 Cpn: 2.00% Moody's: Aa2 S&P: AA Fitch: Tr Date: 11/13/19 St Date: 11/15/19	796815ZE1	1,502,445.00 3,666.67	1,505,866.47 7,500.00	100.391	3,421.47	100.391	0.41%
575,000.000 CA SAN FRAN PUB UTIL WATER-GREEN TXB Mat: 11/1/20 Cpn: 1.81% Moody's: Aa2 S&P: AA Fitch: Tr Date: 12/13/19 St Date: 1/9/20	79765R4K2	575,000.00 0.00	577,718.57 4,983.46	100.473	2,718.57	100.473	0.16%



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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units Security

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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360,000.000	BAYLOR SCOTT & WHITE TAXABLE	072863AA1	360,079.20	360,496.61	417.41	100.138	0.10%
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	Mat: 11/15/20 Cpn: 2.12%			976.58			
	Moodys: Aa3 S&P: AA- Fitch:						
	Tr Date: 8/21/19 St Date: 8/23/19						

510,000.000	CA RIVERSIDE CNTY PENNS OBLG TXB	76913CAV1	510,000.00	512,221.56	2,221.56	100.436	0.14%
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	Mat: 2/15/21 Cpn: 2.17%		0.00	1,686.90			
	Moodys: A2 S&P: AA Fitch:						
	Tr Date: 4/23/20 St Date: 5/6/20						

2,508,441.179	CA DEPT WTR RESOURCES-PWR SUPPLY TXB	13066YTY5	2,503,755.87	2,533,023.80	29,267.94	100.980	0.69%
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	Mat: 5/1/21 Cpn: 1.71%		10,303.10	7,161.60			
	Moodys: Aa1 S&P: AA+ Fitch: AA+						
	Tr Date: 6/18/19 St Date: 6/20/19						

1,000,000.000	CA UNIVERSITY OF CALIFORNIA TXB	91412GD51	1,004,870.00	1,010,384.83	5,514.83	101.039	0.27%
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	Mat: 5/15/21 Cpn: 1.79%		5,320.28	2,287.22			
	Moodys: Aa2 S&P: AA Fitch: AA						
	Tr Date: 2/27/20 St Date: 3/2/20						

1,900,000.000	CA HEALTH FACS-NO PLACE LIKE HOME-TXB	13032LUY2	1,900,000.00	1,908,595.75	8,595.75	100.452	0.52%
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	Mat: 6/1/21 Cpn: 1.90%		0.00	3,002.00			
	Moodys: Aa3 S&P: AA- Fitch: AA-						
	Tr Date: 11/20/19 St Date: 11/25/19						

610,000.000	CA SAN BERNARDINO CCD TXB	796720MD9	610,000.00	618,550.71	8,550.71	101.402	0.17%
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	Mat: 8/1/21 Cpn: 1.82%		0.00	4,636.00			
	Moodys: Aa1 S&P: AA Fitch:						
	Tr Date: 11/21/19 St Date: 12/12/19						

1,000,000.000	CA ANAHEIM HSG & PUB IMPT AUTH TXB	032556GM8	1,000,000.00	1,008,570.94	8,570.94	100.857	0.27%
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	Mat: 10/1/21 Cpn: 1.65%		0.00	5,352.75			
	Moodys: S&P: AA- Fitch: AA-						
	Tr Date: 2/7/20 St Date: 3/4/20						

Total for Taxable Muni			21,508,189.37	21,543,239.56	35,050.20		5.86%
			47,725.88	109,855.81			

Credit

1,000,000.000	STATE STREET FRN	857477AR4	1,004,160.00	1,001,334.59	(2,825.41)	100.134	0.27%
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	Mat: 8/18/20 Cpn: 1.29%		647.94	1,571.33			
	Moodys: A1 S&P: A Fitch: AA-						
	Tr Date: 2/25/20 St Date: 2/27/20						

2,000,000.000	GILEAD SCIENCES	3755588B8	2,005,380.00	2,007,160.00	1,780.00	100.358	0.55%
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	Mat: 9/1/20 Cpn: 2.55%		5,950.00	17,000.00			
	Moodys: A3 S&P: A Fitch:						
	Tr Date: 4/8/20 St Date: 4/13/20						



REVISED

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued Income	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
650,000.000	GOLDMAN SACHS FRN Mat: 9/15/20 Cpn: 1.51% Moody's: A3 S&P: BBB+ Tr Date: 3/16/18 St Date: 3/20/18 Fitch: A	38141GVQ4	660,900.50 300.13	650,860.03 437.20	100.132	(10,040.47)	100.132	0.18%
750,000.000	PACCAR FINANCIAL Mat: 11/13/20 Cpn: 2.05% Moody's: A1 S&P: A+ Tr Date: 3/10/20 St Date: 3/12/20 Fitch:	69371RN85	753,862.50 5,082.29	754,728.75 2,050.00	100.631	866.25	100.631	0.20%
1,000,000.000	MORGAN STANLEY Mat: 1/25/21 Cpn: 5.75% Moody's: A3 S&P: BBB+ Tr Date: 10/24/19 St Date: 10/28/19 Fitch: A	61747WAF6	1,045,110.00 14,854.17	1,030,015.00 24,916.67	103.002	(15,095.00)	103.002	0.29%
645,000.000	TRUIST FIN CORP FRN Mat: 2/1/21 Cpn: 0.91% Moody's: A3 S&P: A- Tr Date: 10/23/17 St Date: 10/26/17 Fitch: A+	05531FBA0	645,000.00 0.00	645,275.88 990.87	100.043	275.88	100.043	0.17%
1,235,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 1.31% Moody's: A1 S&P: AA- Tr Date: 4/24/18 St Date: 4/26/18 Fitch: AA-	90331HNQ2	1,235,000.00 0.00	1,237,654.02 2,924.20	100.215	2,654.02	100.215	0.34%
1,000,000.000	AMERICAN EXPRESS Mat: 5/5/21 Cpn: 2.25% Moody's: A2 S&P: A- Tr Date: 2/28/20 St Date: 3/3/20 Fitch: A	0258M0EB1	1,009,080.00 7,375.00	1,013,785.00 3,500.00	101.379	4,705.00	101.379	0.28%
810,000.000	APPLE Mat: 5/6/21 Cpn: 2.85% Moody's: Aa1 S&P: AA+ Tr Date: 3/6/20 St Date: 3/10/20 Fitch:	037833AR1	826,775.10 7,951.50	827,771.40 3,526.88	102.194	996.30	102.194	0.22%
1,000,000.000	TRUIST FIN CORP Mat: 5/10/21 Cpn: 2.05% Moody's: A3 S&P: A- Tr Date: 10/24/19 St Date: 10/28/19 Fitch: A+	05531FAV5	1,001,440.00 9,566.67	1,012,715.00 2,904.17	101.272	11,275.00	101.272	0.27%
1,000,000.000	CITIZENS BANK Mat: 5/13/21 Cpn: 2.55% Moody's: Baa1 S&P: A- Tr Date: 11/1/19 St Date: 11/5/19 Fitch: BBB+	17401QAE1	1,007,940.00 12,183.33	1,016,705.00 3,400.00	101.671	8,765.00	101.671	0.28%
1,250,000.000	HUNTINGTON NATL BANK Mat: 5/14/21 Cpn: 3.25% Moody's: A3 S&P: A- Tr Date: 10/24/19 St Date: 10/28/19 Fitch: A-	44644AAD9	1,273,607.50 19,138.89	1,277,737.50 5,303.82	102.219	4,130.00	102.219	0.35%



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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Purchased	Principal Cost Accrued	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
850,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 0.91% Moody's: A3 S&P: BBB+ Tr Date: 5/17/18 Fitch: A	025816BV0	850,000.00	0.00	852,238.90 946.04	2,238.90	100.263	0.23%
635,000.000	CITIGROUP Mat: 7/23/21 Cpn: 3.40% Moody's: Aa3 S&P: A+ Tr Date: 10/24/19 Fitch: A+	17325FAQ1	650,119.35	5,697.36	653,951.58 9,475.61	3,832.23	102.985	0.18%
1,000,000.000	APPLE Mat: 8/4/21 Cpn: 1.55% Moody's: Aa1 S&P: AA+ Tr Date: 2/28/20 Fitch:	037833CC2	1,004,176.20	1,248.61	1,012,570.00 6,329.17	8,393.80	101.257	0.28%
1,000,000.000	MICROSOFT Mat: 8/8/21 Cpn: 1.55% Moody's: Aaa S&P: AAA Tr Date: 2/28/20 Fitch: AA+u	594918BP8	1,004,540.00	1,076.39	1,014,130.00 6,156.94	9,590.00	101.413	0.28%
1,350,000.000	CATERPILLAR FINANCIAL FRN Mat: 9/7/21 Cpn: 0.60% Moody's: A3 S&P: A Tr Date: 9/4/18 Fitch: A	14913Q2P3	1,350,000.00	0.00	1,352,595.09 515.46	2,595.09	100.192	0.37%
1,250,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 9/10/21 Cpn: 0.57% Moody's: A2 S&P: A Tr Date: 9/5/18 Fitch: A	24422EJ6	1,250,000.00	0.00	1,251,904.80 415.44	1,904.80	100.152	0.34%
1,785,000.000	BANK OF AMERICA FRN Mat: 10/1/21 Cpn: 2.08% Moody's: A2 S&P: A- Tr Date: 9/13/17 Fitch: A+	06051GGJ7	1,785,000.00	0.00	1,786,470.84 9,400.38	1,470.84	100.082	0.49%
1,185,000.000	WELLS FARGO FRN Mat: 10/22/21 Cpn: 1.61% Moody's: Aa2 S&P: A+ Tr Date: 10/16/18 Fitch: AA-	94988J5U7	1,185,000.00	0.00	1,186,104.91 3,704.25	1,104.91	100.093	0.32%
1,000,000.000	TRUIST BANK Mat: 10/26/21 Cpn: 3.53% Moody's: A2 S&P: A Tr Date: 11/1/19 Fitch: A+	86787EBA4	1,014,060.00	881.25	1,009,250.00 6,364.58	(4,810.00)	100.925	0.27%
1,215,000.000	TD AMERITRADE FRN Mat: 11/1/21 Cpn: 1.12% Moody's: A2 S&P: A Tr Date: 10/30/18 Fitch:	87236YAG3	1,215,000.00	0.00	1,212,535.98 2,298.86	(2,464.02)	99.797	0.33%



REVISED

Portfolio 2480

as of June 30, 2020

CALOPTIMA - OPERATING FUND**Portfolio Positions**

Currency: USD

Units	Security	Identifier	Original Principal Purchased	Principal Cost Accrued	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
960,000.000	CATERPILLAR FINANCIAL FRN Mat: 11/12/21 Cpn: 0.63% Moody's: A3 S&P: A Fitch: A Tr Date: 1/9/20 St Date: 1/13/20	14913Q3D9	960,000.00 0.00	959,636.91 846.17	(363.09)	99.962	0.26%	
377,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.32% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	377,000.00 0.00	378,570.21 1,745.70	1,570.21	100.417	0.10%	
1,904,000.000	NATL RURAL UTILITIES Mat: 1/21/22 Cpn: 1.75% Moody's: A2 S&P: A Fitch: A Tr Date: 1/22/20 St Date: 2/5/20	63743HET5	1,902,324.48 0.00	1,945,354.88 13,513.11	43,030.40	102.172	0.53%	
1,030,000.000	US BANK CINCINNATI Mat: 1/21/22 Cpn: 1.80% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/16/20 St Date: 1/21/20	90331HPJ6	1,029,639.50 0.00	1,051,315.85 8,240.00	21,676.35	102.070	0.29%	
552,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.38% Moody's: A2 S&P: A Fitch: A+ Tr Date: 10/3/17 St Date: 10/5/17	949746SP7	557,944.56 1,027.10	553,630.13 1,077.31	(4,314.43)	100.295	0.15%	
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 1.26% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	1,330,000.00 0.00	1,328,906.26 1,026.44	(1,093.74)	99.918	0.36%	
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 1.95% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00 0.00	1,330,807.22 4,668.41	5,807.22	100.438	0.36%	
1,300,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 0.77% Moody's: A2 S&P: A- Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	1,306,617.00 367.07	1,303,242.62 1,271.80	(3,374.38)	100.249	0.35%	
1,000,000.000	WELLS FARGO FRN Mat: 5/27/22 Cpn: 0.99% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 5/20/19 St Date: 5/28/19	9498815W3	1,000,000.00 0.00	1,002,187.27 961.77	2,187.27	100.219	0.27%	
1,240,000.000	JPMORGAN CHASE FRN Mat: 6/18/22 Cpn: 0.92% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 6/11/18 St Date: 6/18/18	46647PAT3	1,240,000.00 0.00	1,242,148.92 411.01	2,148.92	100.173	0.34%	

REVISED**CALOPTIMA - OPERATING FUND**

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued Income	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,015,000.000	PNC BANK FRN Mat: 12/9/22 Moody's: A2 Cpn: 0.74% S&P: A Fitch: A+ Tr Date: 12/4/19 St Date: 12/9/19	69353RFR4	1,015,000.00 0.00	1,016,987.41 460.79	1,016,987.41	1,987.41	100.196	0.28%
1,015,000.000	MORGAN STANLEY FRN Mat: 1/20/23 Moody's: A3 Cpn: 1.61% S&P: BBB+ Fitch: A Tr Date: 1/16/20 St Date: 1/22/20	6174468K8	1,015,000.00 0.00	1,011,683.86 3,186.14	1,011,683.86	(3,316.14)	99.673	0.27%
745,000.000	PNC BANK FRN Mat: 2/24/23 Moody's: A2 Cpn: 0.68% S&P: A Fitch: A+ Tr Date: 2/20/20 St Date: 2/25/20	69353RFU7	745,000.00 0.00	744,346.31 524.12	744,346.31	(653.69)	99.912	0.20%
610,000.000	CHEVRON FRN Mat: 5/11/23 Moody's: Aa2 Cpn: 1.35% S&P: AA Fitch: Tr Date: 5/7/20 St Date: 5/11/20	166764BU3	610,000.00 0.00	618,887.94 1,164.58	618,887.94	8,887.94	101.457	0.17%

Total for Credit

38,189,676.69 **38,295,200.05** **105,523.36** **10.40%**
93,347.70 **153,229.19**

Mortgage-Backed

496,770.934	NGN 2010-R1 1A IMOFRN NCUA GNTD Mat: 10/7/20 Moody's: Aaa Cpn: 0.62% S&P: AA+ Fitch: AAA Tr Date: 6/10/19 St Date: 6/12/19	62888VAA6	497,547.14 197.92	496,118.67 223.75	496,118.67	(1,428.47)	99.869	0.13%
1,225,742.260	NGN 2010-R2 2A IMOFRN NCUA GNTD Mat: 11/5/20 Moody's: Aaa Cpn: 0.64% S&P: AA+ Fitch: AAA Tr Date: 9/25/19 St Date: 9/27/19	62888UAB6	1,227,944.77 1,807.02	1,225,938.38 569.78	1,225,938.38	(2,006.39)	100.016	0.33%
5,562,790.978	NGN 2010-R3 2A IMOFRN NCUA GNTD Mat: 12/8/20 Moody's: Aaa Cpn: 0.73% S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	5,581,744.75 4,027.66	5,563,369.51 2,947.41	5,563,369.51	(18,375.24)	100.010	1.51%
2,841,866.510	FHMS K015 A2 CMBS Mat: 7/25/21 Moody's: Aaa Cpn: 3.23% S&P: AA+u Fitch: AAA Tr Date: 6/30/20 St Date: 7/6/20	3137AH6C7	2,905,808.50 1,274.89	2,905,808.51 1,274.89	2,905,808.51	0.01	102.250	0.79%
52,667.817	FHMS K101 A CMBS IMOFRN Mat: 9/25/22 Moody's: Aaa Cpn: 0.34% S&P: AA+u Fitch: AAA Tr Date: 3/19/18 St Date: 3/22/18	3137FEC81	52,692.51 94.17	52,627.47 3.01	52,627.47	(65.03)	99.923	0.01%

REVISED

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units Security

Units	Security	Identifier	Original Principal Cost	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
53,944.795	FHMS KI02 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 0.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/18 St Date: 8/14/18	3137FGZN8	53,944.80 0.00	53,919.17 3.44	(25.62)	99.953	0.01%
17,064.956	FHMS KI03 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 0.43% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/23/18 St Date: 10/31/18	3137FJXN4	17,064.96 0.00	17,042.79 1.23	(22.17)	99.870	0.00%
864,843.353	FHMS KI04 A 1MOFRN CMBS Mat: 7/25/24 Cpn: 0.54% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/8/19 St Date: 8/21/19	3137FNAV2	864,843.35 0.00	862,290.33 78.48	(2,553.02)	99.705	0.23%
1,729,946.338	FHMS KI05 A Mat: 7/25/24 Cpn: 0.52% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/16/20 St Date: 1/28/20	3137FQXG3	1,729,946.34 0.00	1,737,373.00 151.23	7,426.66	100.429	0.47%

Total for Mortgage-Backed 12,931,537.10 12,914,487.83 (17,049.27) 3.49%

7,401.66 5,253.21

Asset-Backed

574,564.065	CAPITAL ONE 2020-1 CAR Mat: 2/16/21 Cpn: 1.64% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 2/11/20 St Date: 2/19/20	14043MAA9	574,564.06 0.00	575,205.28 418.09	641.21	100.112	0.16%
786,144.993	JOHN DEERE 2020-A A1 EQP Mat: 3/15/21 Cpn: 1.10% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/4/20 St Date: 3/11/20	47789KAA1	786,144.99 0.00	787,071.86 384.34	926.87	100.118	0.21%
342,468.428	BMW 2019-1 A2 LEASE Mat: 3/22/21 Cpn: 2.79% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/12/19 St Date: 3/20/19	05586VAB8	342,459.35 0.00	343,258.85 291.95	799.49	100.231	0.09%
792,212.574	TOYOTA 2020-B A1 CAR Mat: 5/17/21 Cpn: 1.14% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 4/20/20 St Date: 4/29/20	89239RAA4	792,212.57 0.00	793,265.42 401.86	1,052.85	100.133	0.21%
1,125,293.038	TOYOTA 2019-B A2A CAR Mat: 2/15/22 Cpn: 2.59% Moody's: Aaa S&P: AAA Fitch: Tr Date: 5/5/20 St Date: 5/7/20	89239JAB0	1,132,457.99 1,781.09	1,132,463.41 1,295.34	5.41	100.637	0.31%



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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of June 30, 2020

Currency: USD

Units Security	Identifier	Original Principal Cost	Principal Market Value	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
594,400.188 TOYOTA 2019-C A2B CAR 1MOFRN Mat: 4/15/22 Cpn: 0.38% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/6/19 St Date: 8/14/19	89238UAC4	594,400.19 0.00	594,524.42 101.64	124.23	100.021	0.16%
Total for Asset-Backed		4,222,239.16 1,781.09	4,225,789.23 2,893.22	3,550.06		1.14%
Grand Total		369,090,581.27 174,597.85	369,257,980.48 409,095.66	167,399.21		100.00%



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	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC	GL-110000	CASH		Cash	0.0000	1,203,630.23	0.00	1,203,630.23	0.00	0.00	0.00			
CALOPTIMA EC	0727MA6B2	BAYERISCHE LANDESBK INSTL C/D	0.350% 07/08/2020 DD 05/08/20	CD	10,000,000.0000	10,000,000.00	5,250.00	10,000,000.00	0.00	0.00	2.72	P-1	NR	F1
CALOPTIMA EC	22549L4J1	CREDIT SUISSE GROUP INSTL C/D	1.170% 07/14/2020 DD 04/15/20	CD	10,000,000.0000	10,000,000.00	25,025.00	10,000,000.00	0.00	0.00	2.72	P-1	A-1	F1
CALOPTIMA EC	63873QFZ2	NATIXIS NY INSTL C/D	1.020% 07/15/2020 DD 04/15/20	CD	10,000,000.0000	10,000,348.85	21,816.67	10,000,348.85	0.00	0.00	2.72	P-1	A-1	F1
CALOPTIMA EC	86565CBD0	SUMITOMO MTSU BKG INSTL C/D	1.150% 07/14/2020 DD 04/14/20	CD	10,000,000.0000	10,000,252.17	24,916.67	10,000,252.17	0.00	0.00	2.72	P-1	A-1	F1
CALOPTIMA EC	65602VF76	NORINCHUKIN BK C/D	0.300% 08/19/2020 DD 05/06/20	CD	8,000,000.0000	8,000,217.31	3,733.33	8,000,217.31	0.00	0.00	2.17	P-1	A-1	NR
CALOPTIMA EC	65602VZZ2	NORINCHUKIN BK C/D	0.750% 08/07/2020 DD 03/09/20	CD	1,000,000.0000	1,000,461.77	2,375.00	1,000,461.77	0.00	0.00	2.27	P-1	A-1	NR
CALOPTIMA EC	50000DHD1	KOCH INDUSTRIES DISC	08/13/2020	CP	6,500,000.0000	6,498,214.41	0.00	6,498,214.41	0.00	0.00	1.77	P-1	A-1+	NR
CALOPTIMA EC	30229AG86	EXXON CORP DISC	07/08/2020	CP	6,500,000.0000	6,498,811.79	0.00	6,498,811.79	0.00	0.00	1.77	P-1	A-1+	NR
CALOPTIMA EC	30229AGV5	EXXON CORP DISC	07/29/2020	CP	5,000,000.0000	4,997,253.22	0.00	4,997,253.22	0.00	0.00	1.36	P-1	A-1+	NR
CALOPTIMA EC	30229AH77	EXXON CORP DISC	08/07/2020	CP	3,000,000.0000	2,998,550.98	0.00	2,998,550.98	0.00	0.00	0.81	P-1	A-1+	NR
CALOPTIMA EC	45818WBM7	INTER-AMERICAN DEVELOPMENT BAN	VAR RT 07/15/2021 DD 07/21/16	Agency	1,500,000.0000	1,503,708.89	4,552.24	1,501,990.02	0.00	-1,718.87	0.41	Aaa	NA	AAA
CALOPTIMA EC	45818WCP9	INTER-AMERICAN DEVELOPMENT BAN	VAR RT 09/16/2022 DD 09/18/19	Agency	6,440,000.0000	6,440,000.00	1,034.59	6,419,907.20	0.00	-20,092.80	1.74	Aaa	AAA	AAA
CALOPTIMA EC	45818WCP9	INTER-AMERICAN DEVELOPMENT BAN	VAR RT 09/16/2022 DD 09/18/19	Agency	1,000,000.0000	1,000,227.97	160.65	996,880.00	0.00	-3,347.97	0.27	Aaa	AAA	AAA
CALOPTIMA EC	02587AAL8	AMERICAN EXPRESS CREDIT AC 2 A	VAR RT 09/16/2024 DD 02/21/17	Asset Backed	3,255,000.0000	3,269,958.63	918.27	3,267,611.82	0.00	-2,346.81	0.89	Aaa	NR	AAA
CALOPTIMA EC	05586CAC8	BMW VEHICLE LEASE TRUST 2 1 A3	3.260% 07/20/2021 DD 10/17/18	Asset Backed	1,585,330.9710	1,596,109.25	1,579.17	1,597,387.57	1,278.32	0.00	0.43	Aaa	AAA	NR
CALOPTIMA EC	05586CAC8	BMW VEHICLE LEASE TRUST 2 1 A3	3.260% 07/20/2021 DD 10/17/18	Asset Backed	1,057,474.7990	1,064,664.10	1,053.36	1,065,517.00	852.90	0.00	0.29	Aaa	AAA	NR
CALOPTIMA EC	05586VAC6	BMW VEHICLE LEASE TRUST 2 1 A3	2.840% 11/22/2021 DD 03/20/19	Asset Backed	1,200,000.0000	1,207,698.07	1,041.33	1,213,378.32	5,680.25	0.00	0.33	Aaa	AAA	NR
CALOPTIMA EC	05586VAC6	BMW VEHICLE LEASE TRUST 2 1 A3	2.840% 11/22/2021 DD 03/20/19	Asset Backed	86,000.0000	86,431.60	74.63	86,958.78	527.18	0.00	0.02	Aaa	AAA	NR
CALOPTIMA EC	05586VAC6	BMW VEHICLE LEASE TRUST 2 1 A3	2.840% 11/22/2021 DD 03/20/19	Asset Backed	295,000.0000	296,841.11	256.00	298,288.84	1,447.73	0.00	0.08	Aaa	AAA	NR
CALOPTIMA EC	161571HD9	CHASE ISSUANCE TRUST A3 A3	VAR RT 06/15/2023 DD 06/23/16	Asset Backed	2,400,000.0000	2,413,199.02	783.73	2,408,663.04	0.00	-4,535.98	0.65	NR	AAA	AAA
CALOPTIMA EC	161571HN7	CHASE ISSUANCE TRUST A1 A1	VAR RT 04/17/2023 DD 05/10/18	Asset Backed	2,000,000.0000	2,001,289.42	342.00	2,001,582.80	293.38	0.00	0.54	NR	AAA	AAA
CALOPTIMA EC	26209WAC7	DRIVE AUTO RECEIVABLES T 3 A2B	VAR RT 09/15/2022 DD 06/19/19	Asset Backed	496,895.4320	497,108.59	124.72	496,934.84	0.00	-173.75	0.13	Aaa	AAA	NR
CALOPTIMA EC	43813FAC7	HONDA AUTO RECEIVABLES 20 4 A3	2.050% 11/22/2021 DD 11/29/17	Asset Backed	258,150.2840	258,300.92	147.00	259,335.94	1,035.02	0.00	0.07	Aaa	NR	AAA
CALOPTIMA EC	43814PAC4	HONDA AUTO RECEIVABLES 20 3 A3	1.790% 09/20/2021 DD 09/29/17	Asset Backed	1,757,918.0470	1,758,763.70	1,136.30	1,764,381.91	5,618.21	0.00	0.48	NR	AAA	AAA
CALOPTIMA EC	43814TAC6	HONDA AUTO RECEIVABLES 20 1 A3	1.720% 07/21/2021 DD 03/28/17	Asset Backed	475,123.8040	474,745.38	227.00	475,884.04	1,102.66	0.00	0.13	NR	AAA	AAA
CALOPTIMA EC	43814WAB1	HONDA AUTO RECEIVABLES 20 1 A2	2.750% 09/20/2021 DD 02/27/19	Asset Backed	726,020.1550	728,687.65	720.97	729,785.80	1,098.15	0.00	0.20	NR	AAA	AAA
CALOPTIMA EC	43814WAB1	HONDA AUTO RECEIVABLES 20 1 A2	2.750% 09/20/2021 DD 02/27/19	Asset Backed	36,499.3740	36,598.37	36.25	36,688.69	90.32	0.00	0.01	NR	AAA	AAA
CALOPTIMA EC	47789KAA1	JOHN DEERE OWNER TRUST 20 A A1	1.100% 03/15/2021 DD 03/11/20	Asset Backed	1,521,570.9300	1,521,570.93	743.88	1,523,221.53	1,650.60	0.00	0.41	Aaa	NR	AAA
CALOPTIMA EC	58769QAB7	MERCEDES-BENZ AUTO LEASE B A2	2.010% 11/22/2021 DD 11/21/19	Asset Backed	2,727,894.3200	2,729,823.64	2,436.92	2,741,067.05	11,243.41	0.00	0.74	NR	AAA	AAA
CALOPTIMA EC	65479KAC4	NISSAN AUTO RECEIVABLES A A2B	VAR RT 01/18/2022 DD 02/13/19	Asset Backed	379,033.0150	379,078.09	56.39	378,989.16	0.00	-88.93	0.10	Aaa	NR	AAA
CALOPTIMA EC	65479NAA2	NISSAN AUTO LEASE TRUST 2 A A1	1.722% 02/16/2021 DD 01/27/20	Asset Backed	904,113.2100	904,113.21	691.88	904,951.78	838.57	0.00	0.25	NR	NR	NR
CALOPTIMA EC	80287AAA1	SANTANDER DRIVE AUTO RECE 1 A1	1.650% 04/15/2021 DD 04/22/20	Asset Backed	2,566,341.3900	2,566,341.39	1,881.98	2,566,341.39	0.00	0.00	0.70	NR	NR	NR
CALOPTIMA EC	89239RAA4	TOYOTA AUTO RECEIVABLES 2 B A1	1.141% 05/17/2021 DD 04/29/20	Asset Backed	1,473,122.5400	1,473,122.54	747.25	1,475,054.54	1,932.00	0.00	0.40	NR	NR	NR
CALOPTIMA EC	3137A2B26	FHLMC MULTICLASS MTG K009 A2	3.808% 08/25/2020 DD 11/01/10	CMBS	169,899.3730	170,129.82	539.15	169,984.54	0.00	-145.28	0.05	Agency	AA+	Agency
CALOPTIMA EC	3137ABFH9	FHLMC MULTICLASS MTG KAIW A2	3.989% 06/25/2021 DD 06/01/11	CMBS	750,000.0000	761,112.87	2,493.13	767,071.50	5,958.63	0.00	0.21	Agency	AA+	Agency
CALOPTIMA EC	3137ADTJ6	FHLMC MULTICLASS MTG K014 A2	3.871% 04/25/2021 DD 08/01/11	CMBS	956,111.1700	965,481.04	3,084.26	970,571.01	5,089.97	0.00	0.26	Agency	AA+	Agency
CALOPTIMA EC	3137B6ZM6	FHLMC MULTICLASS MTG K714 A2	VAR RT 10/25/2020 DD 01/01/14	CMBS	427,415.0640	453,316.73	1,080.65	427,830.51	0.00	-25,486.22	0.12	Aaa	AA+	Agency
CALOPTIMA EC	3137FGZN8	FHLMC MULTICLASS MTG KI02 A	VAR RT 02/25/2023 DD 08/14/18	CMBS	134,861.9900	134,816.63	8.60	134,764.70	0.00	-51.93	0.04	Agency	AA+	Agency
CALOPTIMA EC	3137FJXN4	FHLMC MULTICLASS MTG KI03 A	VAR RT 02/25/2023 DD 10/31/18	CMBS	20,792.2870	20,780.06	1.58	20,761.26	0.00	-18.80	0.01	Agency	AA+	Agency
CALOPTIMA EC	3137FJXN4	FHLMC MULTICLASS MTG KI03 A	VAR RT 02/25/2023 DD 10/31/18	CMBS	21,151.5490	21,136.36	1.61	21,119.98	0.00	-16.38	0.01	Agency	AA+	Agency
CALOPTIMA EC	3137FJXN4	FHLMC MULTICLASS MTG KI03 A	VAR RT 02/25/2023 DD 10/31/18	CMBS	80,070.5140	80,059.80	6.10	79,951.03	0.00	-108.77	0.02	Agency	AA+	Agency
CALOPTIMA EC	3137FMTW2	FHLMC MULTICLASS MTG Q009 A	VAR RT 04/25/2024 DD 07/19/19	CMBS	2,402,184.3000	2,402,184.30	223.01	2,398,349.45	0.00	-3,834.85	0.65	Agency	AA+	Agency
CALOPTIMA EC	3137FQXG3	FHLMC MULTICLASS MTG KI05 A	VAR RT 07/25/2024 DD 01/28/20	CMBS	4,805,406.5400	4,805,406.45	417.90	4,815,891.85	10,485.40	0.00	1.31	Agency	AA+	Agency
CALOPTIMA EC	31381Q6B7	FNMA POOL #0468066	4.295% 06/01/2021 DD 06/01/11	CMBS	446,013.6150	454,311.02	1,596.36	457,266.26	2,955.24	0.00	0.12	Agency	AA+	Agency
CALOPTIMA EC	31381TBJ8	FNMA POOL #0469941	3.300% 12/01/2021 DD 12/01/11	CMBS	1,535,322.6900	1,575,955.53	4,222.14	1,569,275.18	0.00	-6,680.35	0.43	Agency	AA+	Agency
CALOPTIMA EC	3138EJRP5	FNMA POOL #0AL2293	VAR RT 06/01/2021 DD 08/01/12	CMBS	367,912.9500	378,111.84	1,330.31	379,594.93	1,483.09	0.00	0.10	Agency	AA+	Agency
CALOPTIMA EC	31397UPG8	FNMA GTD REMIC P/T 11-M1 FA	VAR RT 06/25/2021 DD 05/25/11	CMBS	469,111.7440	469,058.89	48.34	468,295.72	0.00	-763.17	0.13	Agency	AA+	Agency
CALOPTIMA EC	025816B2U	AMERICAN EXPRESS CO	3.375% 05/17/2021 DD 05/17/18	Corporates	5,000,000.0000	5,060,992.31	20,625.00	5,116,458.00	55,465.69	0.00	1.39	A3	BBB+	A
CALOPTIMA EC	025816CE7	AMERICAN EXPRESS CO	VAR RT 05/20/2022 DD 05/20/19	Corporates	2,000,000.0000	2,000,000.00	3,235.47	2,003,394.58	3,394.58	0.00	0.54	A3	BBB+	A
CALOPTIMA EC	06051GEC9	BANK OF AMERICA CORP	5.625% 07/01/2020 DD 06/22/10	Corporates	1,425,000.0000	1,424,999.08	40,078.13	1,425,000.00	0.92	0.00	0.39	A2	A-	A+
CALOPTIMA EC	06051GFT1	BANK OF AMERICA CORP	2.625% 10/19/2020 DD 10/19/15	Corporates	1,930,000.0000	1,939,793.76	10,132.50	1,943,117.73	3,323.97	0.00	0.53	A2	A-	A+
CALOPTIMA EC	06051GGN3	BANK OF AMERICA CORP	VAR RT 07/21/2021 DD 07/21/17	Corporates	1,925,000.0000	1,919,495.56	6,716.06	1,925,445.89	5,950.33	0.00	0.52	A2	A-	A+
CALOPTIMA EC	06046HDE6	BANK OF NEW YORK MELLON CORP/T	VAR RT 08/17/2020 DD 08/17/15	Corporates	2,040,000.0000	2,041,387.57	3,275.87	2,041,910.83	523.26	0.00	0.55	A1	A	AA-
CALOPTIMA EC	14913Q2B4	CATERPILLAR FINANCIAL SERVICES	VAR RT 09/04/2020 DD 09/07/17	Corporates	2,360,000.0000	2,358,931.31	1,098.29	2,361,206.90	2,275.59	0.00	0.64	A3	A	A
CALOPTIMA EC	17308CC38	CITIGROUP INC	VAR RT 11/04/2022 DD 11/04/19	Corporates	5,000,000.0000	5,016,767.88	12,075.39	4,980,140.55	0.00	-36,627.33	1.35	A3	BBB+	A+
CALOPTIMA EC	17401QAN1	CITIZENS BANK NA/PROVIDENCE RI	2.250% 10/30/2020 DD 11/01/17	Corporates	3,500,000.0000	3,510,477.07	13,343.75	3,515,290.35	4,813.28	0.00	0.95	Baa1	A-	BBB+
CALOPTIMA EC	22550UA9A	CREDIT SUISSE AG/NEW YORK NY	VAR RT 02/04/2022 DD 02/04/20	Corporates	2,350,000.0000	2,350,000.00	4,551.78	2,339,455.69	0.00	-10,544.31	0.64	A1	A+	NR
CALOPTIMA EC	31677QB3P	FIFTH THIRD BANK NA	VAR RT 07/26/2021 DD 07/26/18	Corporates	2,200,000.0000	2,188,234.86	5,822.29	2,204,465.34	16,230.48	0.00	0.60	A3	A-	A-
CALOPTIMA														

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	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC	86787EBD8	TRUIST BANK	VAR RT 05/17/2022 DD 05/17/19	Corporates	3,500,000.0000	3,500,000.00	4,268.38	3,510,768.24	10,768.24	0.00	0.95	A2	A	A+
CALOPTIMA EC	92343VDX9	VERIZON COMMUNICATIONS INC	VAR RT 03/16/2022 DD 03/16/17	Corporates	3,674,000.0000	3,723,750.81	2,022.05	3,723,371.21	0.00	-379.60	1.01	Baa1	BBB+	A-
CALOPTIMA EC	949746SB8	WELLS FARGO & CO	VAR RT 07/26/2021 DD 07/25/16	Corporates	2,000,000.0000	2,013,210.71	7,437.99	2,015,417.66	2,206.95	0.00	0.55	A2	A-	A+
CALOPTIMA EC	94974BGM6	WELLS FARGO & CO	2.600% 07/22/2020 DD 07/22/15	Corporates	2,434,000.0000	2,434,468.36	27,950.43	2,436,969.48	2,501.12	0.00	0.66	A2	A-	AA+
CALOPTIMA EC	544647BY5	LOS ANGELES CA UNIF SCH DIST	2.375% 07/01/2020 DD 04/30/20	Municipals	3,500,000.0000	3,500,077.26	14,085.07	3,500,077.26	0.00	0.00	0.95	Aa3	NR	AA+
CALOPTIMA EC	283062DJ3	EL DORADO CA IRR DIST REVENUE	0.639% 03/01/2021 DD 06/23/20	Municipals	1,380,000.0000	1,380,000.00	195.96	1,380,000.00	0.00	0.00	0.37	Aa3	AA-	NR
CALOPTIMA EC	7092243K3	PENNSYLVANIA ST TURNPIKE COMMI	1.812% 12/01/2020 DD 02/26/20	Municipals	1,500,000.0000	1,500,000.00	2,265.00	1,500,000.00	0.00	0.00	0.41	A3	NR	A-
CALOPTIMA EC	796720MC1	SAN BERNARDINO CA CMNTY CLG DI	1.754% 08/01/2020 DD 12/12/19	Municipals	1,500,000.0000	1,500,000.00	10,962.50	1,500,000.00	0.00	0.00	0.41	Aa1	AA	NR
CALOPTIMA EC	796720MU1	SAN BERNARDINO CA CMNTY CLG DI	1.754% 08/01/2020 DD 12/12/19	Municipals	1,650,000.0000	1,650,000.00	12,058.75	1,650,000.00	0.00	0.00	0.45	Aa1	AA	NR
CALOPTIMA EC	797272QK0	SAN DIEGO CA CMNTY CLG DIST	1.935% 08/01/2020 DD 10/16/19	Municipals	1,460,000.0000	1,460,000.00	11,771.25	1,460,000.00	0.00	0.00	0.40	Aaa	AAA	NR
CALOPTIMA EC	79730CJD7	SAN DIEGO CA PUBLIC FACS FING	1.031% 08/01/2020 DD 05/11/20	Municipals	1,000,000.0000	1,000,000.00	1,431.94	1,000,000.00	0.00	0.00	0.27	Aa2	NR	AA
CALOPTIMA EC	882724QV2	TEXAS ST	1.514% 10/01/2020 DD 04/23/20	Municipals	3,470,000.0000	3,470,000.00	9,923.43	3,470,000.00	0.00	0.00	0.94	Aaa	AAA	NR
CALOPTIMA EC	923078CQ0	VENTURA CNTY CA PUBLIC FING AU	0.598% 11/01/2020 DD 06/11/20	Municipals	1,250,000.0000	1,250,000.00	415.28	1,250,000.00	0.00	0.00	0.34	Aa1	AA+	NR
CALOPTIMA EC	3137AFTT7	FHLMC MULTICLASS MTG 3938 BE	2.000% 10/15/2021 DD 10/01/11	RMBS	2,425,824.5900	2,426,775.12	4,043.04	2,436,290.57	9,515.45	0.00	0.66	Agency	AA+	Agency
CALOPTIMA EC	62888UAB6	NCUA GUARANTEED NOTES TR R2 2A	VAR RT 11/05/2020 DD 11/17/10	RMBS	3,277,385.8550	3,278,462.24	1,406.28	3,277,609.37	0.00	-852.87	0.89	Aaa	AA+	Agency
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	1,221,719.8080	1,221,788.15	507.94	1,220,013.92	0.00	-1,774.23	0.33	Aaa	AA+	AAA
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	352,791.5820	352,758.00	146.67	352,298.98	0.00	-459.02	0.10	Aaa	AA+	AAA
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	359,527.4550	359,569.53	149.47	359,025.45	0.00	-544.08	0.10	Aaa	AA+	AAA
CALOPTIMA EC	9127963D9	U S TREASURY BILL	0.000% 07/14/2020 DD 04/03/20	US Government	6,500,000.0000	6,499,694.83	0.00	6,499,694.83	0.00	0.00	1.77	Govt	A-1+	Govt
CALOPTIMA EC	9127963F4	U S TREASURY BILL	0.000% 07/21/2020 DD 04/09/20	US Government	20,000,000.0000	19,998,705.55	0.00	19,998,705.55	0.00	0.00	5.43	Govt	A-1+	Govt
CALOPTIMA EC	9127963M9	U S TREASURY BILL	0.000% 08/04/2020 DD 04/23/20	US Government	16,500,000.0000	16,497,896.36	0.00	16,497,896.36	0.00	0.00	4.48	Govt	A-1+	Govt
CALOPTIMA EC	9127963Q0	U S TREASURY BILL	0.000% 08/25/2020 DD 05/12/20	US Government	3,500,000.0000	3,499,251.38	0.00	3,499,251.38	0.00	0.00	0.95	Govt	A-1+	Govt
CALOPTIMA EC	9127963Z3	U S TREASURY BILL	0.000% 07/16/2020 DD 07/18/19	US Government	20,000,000.0000	19,999,162.51	0.00	19,999,162.51	0.00	0.00	5.43	Govt	A-1+	Govt
CALOPTIMA EC	912796TD1	U S TREASURY BILL	0.000% 08/13/2020 DD 08/15/19	US Government	10,000,000.0000	9,998,684.77	0.00	9,998,684.77	0.00	0.00	2.72	Govt	A-1+	Govt
CALOPTIMA EC	912796WX3	U S TREASURY BILL	0.000% 07/23/2020 DD 01/23/20	US Government	21,500,000.0000	21,498,436.47	0.00	21,498,436.47	0.00	0.00	5.84	Govt	A-1+	Govt
CALOPTIMA EC	912796XF1	U S TREASURY BILL	0.000% 08/20/2020 DD 02/20/20	US Government	13,000,000.0000	12,997,741.05	0.00	12,997,741.05	0.00	0.00	3.53	Govt	A-1+	Govt
CALOPTIMA EC	912796XG9	U S TREASURY BILL	0.000% 08/27/2020 DD 02/27/20	US Government	14,000,000.0000	13,997,118.50	0.00	13,997,118.50	0.00	0.00	3.80	Govt	A-1+	Govt
CALOPTIMA EC	912828V9	U S TREASURY NOTE	2.125% 08/31/2020 DD 08/31/13	US Government	8,500,000.0000	8,507,847.19	60,533.78	8,527,378.25	19,531.06	0.00	2.32	Govt	AA+	Govt
CALOPTIMA EC	912828V9	U S TREASURY NOTE	2.125% 08/31/2020 DD 08/31/13	US Government	9,500,000.0000	9,509,106.66	67,655.41	9,530,599.22	21,492.56	0.00	2.59	Govt	AA+	Govt
CALOPTIMA EC	912828V9	U S TREASURY NOTE	2.125% 08/31/2020 DD 08/31/13	US Government	10,625,000.0000	10,635,283.56	75,667.23	10,659,222.80	23,939.24	0.00	2.90	Govt	AA+	Govt

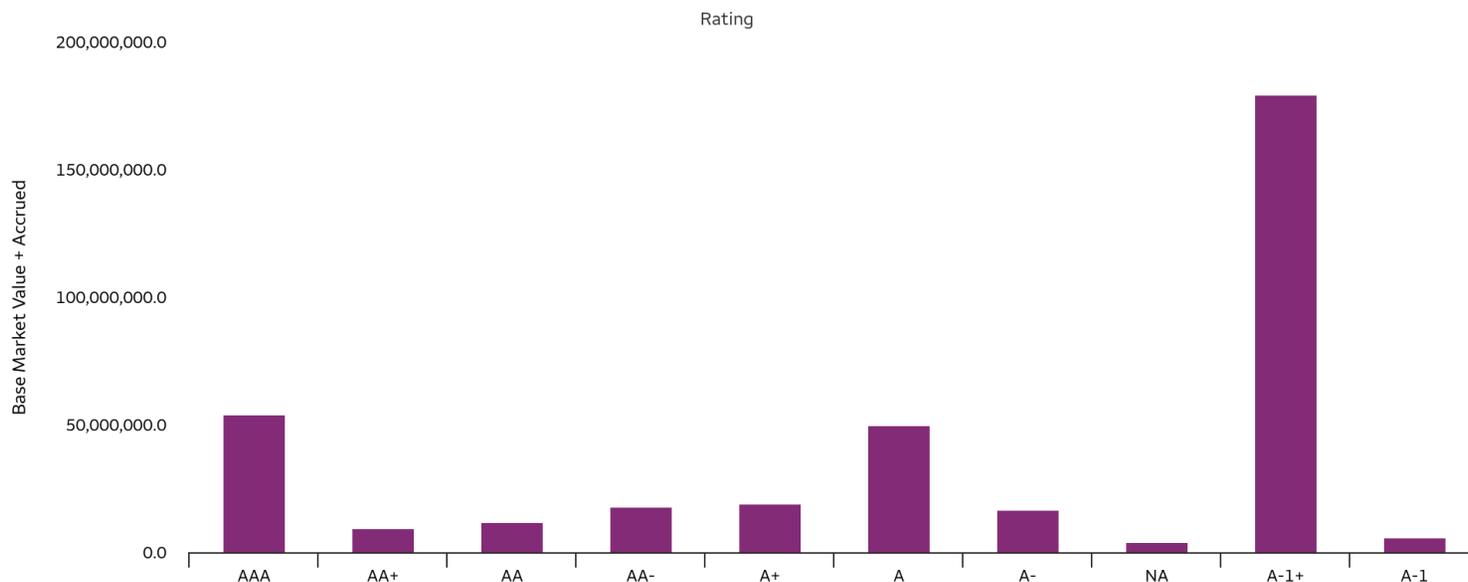
Credit Rating

US Dollar
As of 30 June 2020

WC-CalOptima
Account: XXXX2500
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management



AAA

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
02587AAL8 AMXCA 2017-2 A	5,580,000.00	USD 02/15/2022	ABS	AAA	Aaa	NA	AAA	5,603,194.45	1.52%
05586VAC6 BMWLT 2019-1 A3	5,690,000.00	USD 11/22/2021	ABS	AAA	Aaa	AAA	NA	5,758,373.19	1.56%
17305EFY6 CCCIT 2016-A3 A3	4,380,000.00	USD 12/07/2021	ABS	AAA	Aaa	AAA	NA	4,403,609.61	1.19%
3137BAHA3 FHMS K-715 A2	1,760,910.08	USD 01/25/2021	FHLMC	AAA	Aaa	AA+	AAA	1,780,785.12	0.48%
316175108 FIDELITY IMM:GOVT I	70,798,830.86	USD 06/30/2020	MMFUND	AAA	Aaa	AAA	AAA	70,798,830.86	19.17%
34153P7G7 FLORIDA ST BRD ED PUB ED	5,000,000.00	USD 06/01/2021	MUNI	AAA	Aaa	AAA	AAA	5,239,383.33	1.42%
43814UAC3 HAROT 2018-1 A3	3,829,258.36	USD 02/15/2022	ABS	AAA	Aaa	AAA	NA	3,866,920.00	1.05%
43814WAB1 HAROT 2019-1 A2	630,804.39	USD 09/20/2021	ABS	AAA	NA	AAA	AAA	634,702.61	0.17%
43814WAB1 HAROT 2019-1 A2	396,732.32	USD 09/20/2021	ABS	AAA	NA	AAA	AAA	399,184.03	0.11%

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Credit Rating

US Dollar
As of 30 June 2020

WC-CalOptima
Account: XXXX2500
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



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45905UP32 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	1,250,000.00	USD 09/12/2020	SUPRANATIONAL	AAA	Aaa	NA	AAA	1,260,695.29	0.34%
58769QAB7 MBALT 2019-B A2	847,172.16	USD 12/15/2021	ABS	AAA	NA	AAA	AAA	852,019.87	0.23%
58772TAC4 MBALT 2019-A A3	2,425,000.00	USD 11/15/2021	ABS	AAA	Aaa	AAA	NA	2,451,838.39	0.66%
817409YB5 SEQUOIA CALIF UN HIGH SCH DIST	1,360,000.00	USD 07/01/2021	MUNI	AAA	Aaa	NA	NA	1,460,599.20	0.40%
89231AAB7 TAOT 2018-C A2A	302,845.36	USD 08/16/2021	ABS	AAA	Aaa	AAA	NA	303,894.06	0.08%
89231AAB7 TAOT 2018-C A2A	446,999.75	USD 08/16/2021	ABS	AAA	Aaa	AAA	NA	448,547.63	0.12%
89231AAC5 TAOT 2018-C A2B	242,276.29	USD 08/16/2021	ABS	AAA	Aaa	AAA	NA	242,331.59	0.07%
89237RAD0 TAOT 2017-C A3	976,343.60	USD 11/15/2021	ABS	AAA	Aaa	AAA	NA	980,394.26	0.27%
92349GAB7 VZOT 2019-B A1B	3,110,000.00	USD 12/20/2023	ABS	AAA	Aaa	AAA	NA	3,118,172.11	0.84%
92867XAB2 VWALT 2019-A A2A	4,606,725.60	USD 03/21/2022	ABS	AAA	NA	AAA	AAA	4,647,075.04	1.26%
92868LAC5 VALET 2018-1 A2B	1,415.97	USD 07/20/2021	ABS	AAA	NA	AAA	AAA	1,416.08	0.00%
92869BAC6 VALET 2018-2 A2B	159,301.05	USD 08/20/2021	ABS	AAA	Aaa	AAA	NA	159,320.30	0.04%
CCYUSD Cash	-18,982,194.52	USD 06/30/2020	CASH	AAA	Aaa	AAA	AAA	-18,982,194.52	-5.14%
CCYUSD Receivable	631.68	USD 06/30/2020	CASH	AAA	Aaa	AAA	AAA	631.68	0.00%
CCYUSD Payable	-41,256,764.96	USD 06/30/2020	CASH	AAA	Aaa	AAA	AAA	-41,256,764.96	-11.17%
---	53,556,287.99	USD 09/09/2021	---	AAA	Aaa	AAA	AAA	54,172,959.22	14.67%

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
231237N46 CUPERTINO CALIF UN SCH DIST	2,025,000.00	USD 08/01/2020	MUNI	AA+	Aa1	AA+	NA	2,040,457.50	0.55%
544647BY5 LOS ANGELES CALIF UNI SCH DIST	2,025,000.00	USD 07/01/2020	MUNI	AA+	NA	NA	AA+	2,033,149.22	0.55%
677521BD7 OHIO STATE	2,600,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	AA+	2,787,650.67	0.75%

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WC-CalOptima
Account: XXXX2500
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



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797398DJ0 SAN DIEGO CNTY CALIF PENSION OBLIG	2,500,000.00	USD 08/15/2020	MUNI	AA+	Aa2	AAA	AA+	2,569,130.56	0.70%
---	9,150,000.00	USD 11/14/2020	MUNI	AA+	Aa1	AA+	AA+	9,430,387.94	2.55%

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
084664BQ3 BERKSHIRE HATHAWAY FINANCE CORP	3,000,000.00	USD 01/15/2021	CORP	AA	Aa2	AA	A+	3,121,867.90	0.85%
166764BU3 CHEVRON CORP	2,000,000.00	USD 05/11/2023	CORP	AA	Aa2	AA	NA	2,031,386.91	0.55%
189342G51 CLOVIS CALIF UNI SCH DIST	1,750,000.00	USD 08/01/2020	MUNI	AA	NA	AA	NA	1,763,617.92	0.48%
542424WH5 LONG BEACH CALIF HBR REV	2,500,000.00	USD 07/15/2021	MUNI	AA	Aa2	NA	AA	2,598,016.67	0.70%
798736AS3 SAN LUIS UNIT/WESTLANDS WTR DIST FING AUTH CALIF R	1,250,000.00	USD 09/01/2020	MUNI	AA	NA	AA	NA	1,250,894.44	0.34%
798736AT1 SAN LUIS UNIT/WESTLANDS WTR DIST FING AUTH CALIF R	1,500,000.00	USD 09/01/2021	MUNI	AA	NA	AA	NA	1,503,901.67	0.41%
---	12,000,000.00	USD 07/03/2021	---	AA	Aa2	AA	AA-	12,269,685.50	3.32%

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
032556GLO ANAHEIM CALIF HSG & PUB IMPT AUTH REV	1,000,000.00	USD 10/01/2020	MUNI	AA-	NA	AA-	AA-	1,006,610.25	0.27%
06050TMN9 BANK OF AMERICA NA	3,000,000.00	USD 07/26/2021	CORP	AA-	Aa2	A+	AA-	3,008,690.40	0.81%
06050TMN9 BANK OF AMERICA NA	1,000,000.00	USD 07/26/2021	CORP	AA-	Aa2	A+	AA-	1,002,896.80	0.27%
072024WV0 BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4,000,000.00	USD 04/01/2021	MUNI	AA-	A1	AA-	AA-	4,051,070.00	1.10%
09247XAH4 BLACKROCK INC	2,000,000.00	USD 05/24/2021	CORP	AA-	Aa3	AA-	NA	2,075,636.83	0.56%
09247XAH4 BLACKROCK INC	1,050,000.00	USD 05/24/2021	CORP	AA-	Aa3	AA-	NA	1,089,709.34	0.30%

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Credit Rating

US Dollar
As of 30 June 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
119144AS2 BUENA PK CALIF CMNTY REDEV AGY SUCCESSOR AGY TAX A	1,000,000.00	USD 09/01/2020	MUNI	AA-	NA	AA-	NA	1,007,423.33	0.27%
79727LBN8 SAN DIEGO CALIF CONVENTION CTR EXPANSION FING AUTH	500,000.00	USD 04/15/2021	MUNI	AA-	NA	AA-	NA	499,880.00	0.14%
79727LBP3 SAN DIEGO CALIF CONVENTION CTR EXPANSION FING AUTH	1,000,000.00	USD 04/15/2022	MUNI	AA-	NA	AA-	NA	999,970.00	0.27%
79765R4L0 SAN FRANCISCO CALIF CITY & CNTY PUB UTILS COMMN WT	1,000,000.00	USD 11/01/2021	MUNI	AA-	Aa2	AA-	NA	1,026,285.78	0.28%
84247PLG4 SOUTHERN CALIF PUB PWR AUTH REV	1,000,000.00	USD 07/01/2021	MUNI	AA-	Aa2	NA	AA-	1,052,212.22	0.28%
90331HNP4 US BANK NA	1,000,000.00	USD 04/26/2021	CORP	AA-	A1	AA-	AA-	1,026,403.05	0.28%
---	17,550,000.00	USD 05/25/2021	---	AA-	Aa3	AA-	AA-	17,846,788.00	4.83%

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
06406HDD8 BANK OF NEW YORK MELLON CORP	1,000,000.00	USD 08/17/2020	CORP	A+	A1	A	AA-	1,010,571.22	0.27%
06406HDE6 BANK OF NEW YORK MELLON CORP	1,000,000.00	USD 08/17/2020	CORP	A+	A1	A	AA-	1,002,471.34	0.27%
17325FAQ1 CITIBANK NA	1,500,000.00	USD 07/23/2021	CORP	A+	Aa3	A+	A+	1,567,116.45	0.42%
69371RN85 PACCAR FINANCIAL CORP	750,000.00	USD 11/13/2020	CORP	A+	A1	A+	NA	756,738.10	0.20%
69371RN93 PACCAR FINANCIAL CORP	3,740,000.00	USD 03/01/2021	CORP	A+	A1	A+	NA	3,834,844.92	1.04%
857477AG8 STATE STREET CORP	950,000.00	USD 03/07/2021	CORP	A+	A1	A	AA-	989,110.15	0.27%
857477AG8 STATE STREET CORP	1,000,000.00	USD 03/07/2021	CORP	A+	A1	A	AA-	1,041,168.58	0.28%
857477AS2 STATE STREET CORP	1,250,000.00	USD 08/18/2020	CORP	A+	A1	A	AA-	1,265,326.95	0.34%
857477AS2 STATE STREET CORP	1,385,000.00	USD 08/18/2020	CORP	A+	A1	A	AA-	1,401,982.27	0.38%
857477AV5 STATE STREET CORP	825,000.00	USD 05/19/2021	CORP	A+	A1	A	AA-	838,763.55	0.23%
89236TFQ3 TOYOTA MOTOR CREDIT CORP	1,500,000.00	USD 01/08/2021	CORP	A+	A1	A+	A+	1,543,253.87	0.42%

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US Dollar
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WC-CalOptima
Account: XXXX2500
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



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89236TGS8 TOYOTA MOTOR CREDIT CORP	2,250,000.00	USD 08/13/2021	CORP	A+	A1	A+	NA	2,248,432.90	0.61%
91159HHA1 U.S. BANCORP	2,000,000.00	USD 05/24/2021	CORP	A+	A1	A+	AA-	2,070,123.61	0.56%
---	19,150,000.00	USD 02/17/2021	CORP	A+	A1	A+	AA-	19,569,903.90	5.30%

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
0258M0DY2 AMERICAN EXPRESS CREDIT CORP	2,000,000.00	USD 09/14/2020	CORP	A	A2	A-	A	2,003,547.53	0.54%
06051GEE5 BANK OF AMERICA CORP	819,000.00	USD 01/05/2021	CORP	A	A2	A-	A+	864,413.45	0.23%
14913Q2A6 CATERPILLAR FINANCIAL SERVICES CORP	2,000,000.00	USD 09/04/2020	CORP	A	A3	A	A	2,017,383.68	0.55%
14913Q2P3 CATERPILLAR FINANCIAL SERVICES CORP	1,000,000.00	USD 09/07/2021	CORP	A	A3	A	A	1,000,991.82	0.27%
14913Q2U2 CATERPILLAR FINANCIAL SERVICES CORP	1,000,000.00	USD 08/26/2020	CORP	A	A3	A	A	1,001,055.15	0.27%
15189XAP3 CENTERPOINT ENERGY HOUSTON ELECTRIC LLC	5,465,000.00	USD 06/01/2021	CORP	A	A2	A	A	5,543,888.13	1.50%
24422ESL4 JOHN DEERE CAPITAL CORP	2,000,000.00	USD 03/04/2021	CORP	A	A2	A	A	2,051,600.82	0.56%
24422EUL1 JOHN DEERE CAPITAL CORP	2,000,000.00	USD 10/09/2020	CORP	A	A2	A	A	2,007,450.00	0.54%
24422EUV9 JOHN DEERE CAPITAL CORP	715,000.00	USD 06/07/2021	CORP	A	A2	A	A	728,346.60	0.20%
24422EUV9 JOHN DEERE CAPITAL CORP	1,000,000.00	USD 06/07/2021	CORP	A	A2	A	A	1,018,666.57	0.28%
369550BF4 GENERAL DYNAMICS CORP	2,250,000.00	USD 05/11/2021	CORP	A	A2	A	WR	2,257,968.70	0.61%
459200KD2 INTERNATIONAL BUSINESS MACHINES CORP	4,260,000.00	USD 05/13/2021	CORP	A	A2	A	WR	4,279,368.88	1.16%
46625HJC5 JPMORGAN CHASE & CO	3,500,000.00	USD 08/15/2021	CORP	A	A2	A-	AA-	3,710,093.43	1.00%
46625HQJ2 JPMORGAN CHASE & CO	800,000.00	USD 03/01/2021	CORP	A	A2	A-	AA-	816,789.52	0.22%
69353REY0 PNC BANK NA	3,470,000.00	USD 12/09/2021	CORP	A	A2	A	A+	3,575,374.65	0.97%
69353REY0 PNC BANK NA	1,250,000.00	USD 12/09/2021	CORP	A	A2	A	A+	1,287,959.17	0.35%

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76913CAV1 RIVERSIDE CNTY CALIF PENSION OBLIG	3,500,000.00	USD 02/15/2021	MUNI	A	A2	AA	NA	3,524,666.74	0.95%
808513AD7 CHARLES SCHWAB CORP	2,000,000.00	USD 07/22/2020	CORP	A	A2	A	A	2,043,713.15	0.55%
808513AD7 CHARLES SCHWAB CORP	1,000,000.00	USD 07/22/2020	CORP	A	A2	A	A	1,021,856.58	0.28%
86787EBE6 TRUIST BANK	4,300,000.00	USD 05/17/2022	CORP	A	A2	A	A+	4,489,640.20	1.22%
91324PBV3 UNITEDHEALTH GROUP INC	3,000,000.00	USD 03/15/2022	CORP	A	A3	A+	A	3,130,571.63	0.85%
91324PDG4 UNITEDHEALTH GROUP INC	1,500,000.00	USD 06/15/2021	CORP	A	A3	A+	A	1,500,911.44	0.41%
--- ---	48,829,000.00	USD 06/04/2021	---	A	A2	A	A	49,876,257.83	13.51%

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-	A3	BBB+	A	4,047,060.97	1.10%
31677QBG3 FIFTH THIRD BANK NA (OHIO)	1,850,000.00	USD 06/14/2021	CORP	A-	A3	A-	A-	1,881,629.15	0.51%
31677QBG3 FIFTH THIRD BANK NA (OHIO)	4,000,000.00	USD 06/14/2021	CORP	A-	A3	A-	A-	4,068,637.36	1.10%
44644AAD9 HUNTINGTON NATIONAL BANK	1,500,000.00	USD 05/14/2021	CORP	A-	A3	A-	A-	1,539,745.07	0.42%
6174467P8 MORGAN STANLEY	1,000,000.00	USD 07/24/2020	CORP	A-	A3	BBB+	A	1,027,047.43	0.28%
61746BEB8 MORGAN STANLEY	1,400,000.00	USD 04/21/2021	CORP	A-	A3	BBB+	A	1,419,137.92	0.38%
911312BH8 UNITED PARCEL SERVICE INC	2,800,000.00	USD 04/01/2021	CORP	A-	A2	A-	NA	2,811,318.78	0.76%
--- ---	16,550,000.00	USD 03/11/2021	CORP	A-	A3	A-	A-	16,794,576.69	4.55%

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
58942PG15 Mercy Health	4,000,000.00	USD 07/01/2020	CP	NA	NA	NA	NA	3,999,992.24	1.08%

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Credit Rating

US Dollar
As of 30 June 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
58942PG15 Mercy Health	4,000,000.00	USD 07/01/2020	CP	NA	NA	NA	NA	3,999,992.24	1.08%

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
30229ALP2 Exxon Mobil Corporation	4,000,000.00	USD 11/23/2020	CP	A-1+	P-1	A-1+	NA	3,995,425.32	1.08%
313312J27 FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	USD 10/02/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,996,125.00	2.71%
313312K66 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00	USD 10/14/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	4,997,812.50	1.35%
313312K66 FEDERAL FARM CREDIT BANKS FUNDING CORP	20,000,000.00	USD 10/14/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	19,991,250.00	5.41%
313312L73 FEDERAL FARM CREDIT BANKS FUNDING CORP	20,000,000.00	USD 10/23/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	19,990,500.00	5.41%
313312M56 FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	USD 10/29/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,995,000.00	2.71%
313312N30 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00	USD 11/04/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	1,998,810.00	0.54%
313312P79 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00	USD 11/16/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	4,996,741.65	1.35%
313312T42 FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	USD 12/15/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,991,650.00	2.71%
313313AN8 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00	USD 01/13/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	4,995,100.00	1.35%
313313DN5 FEDERAL FARM CREDIT BANKS FUNDING CORP	14,000,000.00	USD 03/26/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	13,982,282.16	3.79%
313313DU9 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00	USD 04/01/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	1,997,412.22	0.54%
313313DY1 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00	USD 04/05/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	1,997,374.44	0.54%
313313FS2 FEDERAL FARM CREDIT BANKS FUNDING CORP	750,000.00	USD 05/17/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	748,933.33	0.20%
313384C56 FEDERAL HOME LOAN BANKS	5,000,000.00	USD 08/18/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	4,999,000.00	1.35%
313384ZH5 FEDERAL HOME LOAN BANKS	5,000,000.00	USD 07/13/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	4,999,800.00	1.35%
313384ZQ5 FEDERAL HOME LOAN BANKS	10,000,000.00	USD 07/20/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,999,366.70	2.71%
313385AN6 FEDERAL HOME LOAN BANKS	10,000,000.00	USD 01/13/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	9,990,200.00	2.71%

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Credit Rating

US Dollar
As of 30 June 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
313385EA0 FEDERAL HOME LOAN BANKS	3,000,000.00	USD 04/07/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	2,996,033.34	0.81%
313385EQ5 FEDERAL HOME LOAN BANKS	5,000,000.00	USD 04/21/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	4,993,058.35	1.35%
313385ER3 FEDERAL HOME LOAN BANKS	5,000,000.00	USD 04/22/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	4,993,034.70	1.35%
313396G31 FEDERAL HOME LOAN MORTGAGE CORP	1,700,000.00	USD 09/17/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	1,699,484.34	0.46%
313396L35 FEDERAL HOME LOAN MORTGAGE CORP	10,000,000.00	USD 10/19/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,995,416.70	2.71%
63763PGA1 National Securities Clearing Corporation	5,000,000.00	USD 07/10/2020	CP	A-1+	P-1	A-1+	NA	4,999,897.20	1.35%
9127964H9 UNITED STATES TREASURY	10,000,000.00	USD 10/13/2020	T-BILL	A-1+	P-1	A-1+	F1+	9,995,380.00	2.71%
---	179,450,000.00	USD 11/16/2020	---	A-1+	P-1	A-1+	AAA	179,335,087.95	48.56%

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
38346LG18 Gotham Funding Corporation	6,000,000.00	USD 07/01/2020	CP	A-1	P-1	A-1	F1	5,999,980.02	1.62%
38346LG18 Gotham Funding Corporation	6,000,000.00	USD 07/01/2020	CP	A-1	P-1	A-1	F1	5,999,980.02	1.62%

Summary

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
---	366,235,287.99	USD 02/18/2021	---	AA+	Aa1	AA	AA+	369,295,619.29	100.00%

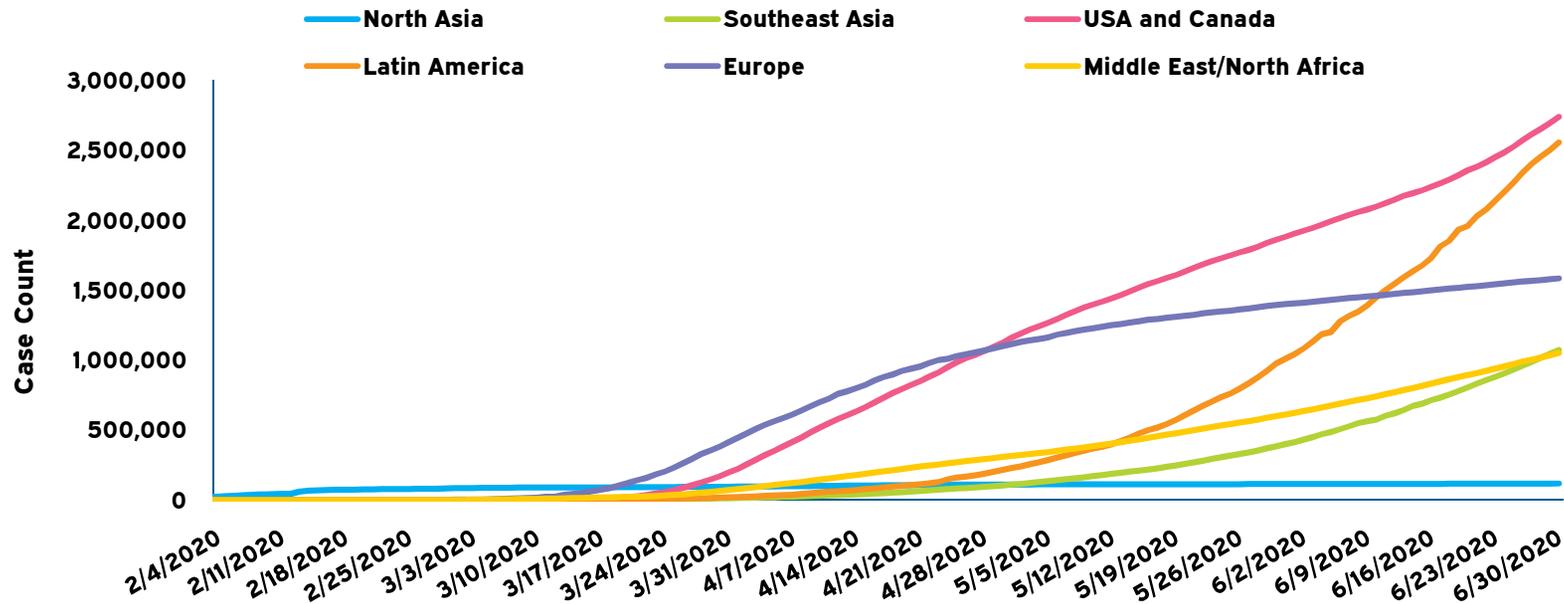
* Grouped by: Rating. * Groups Sorted by: Rating. * Weighted by: Base Market Value + Accrued.

Economic and Market Update

Data as of June 30, 2020



Case Count by Select Region^{1,2}

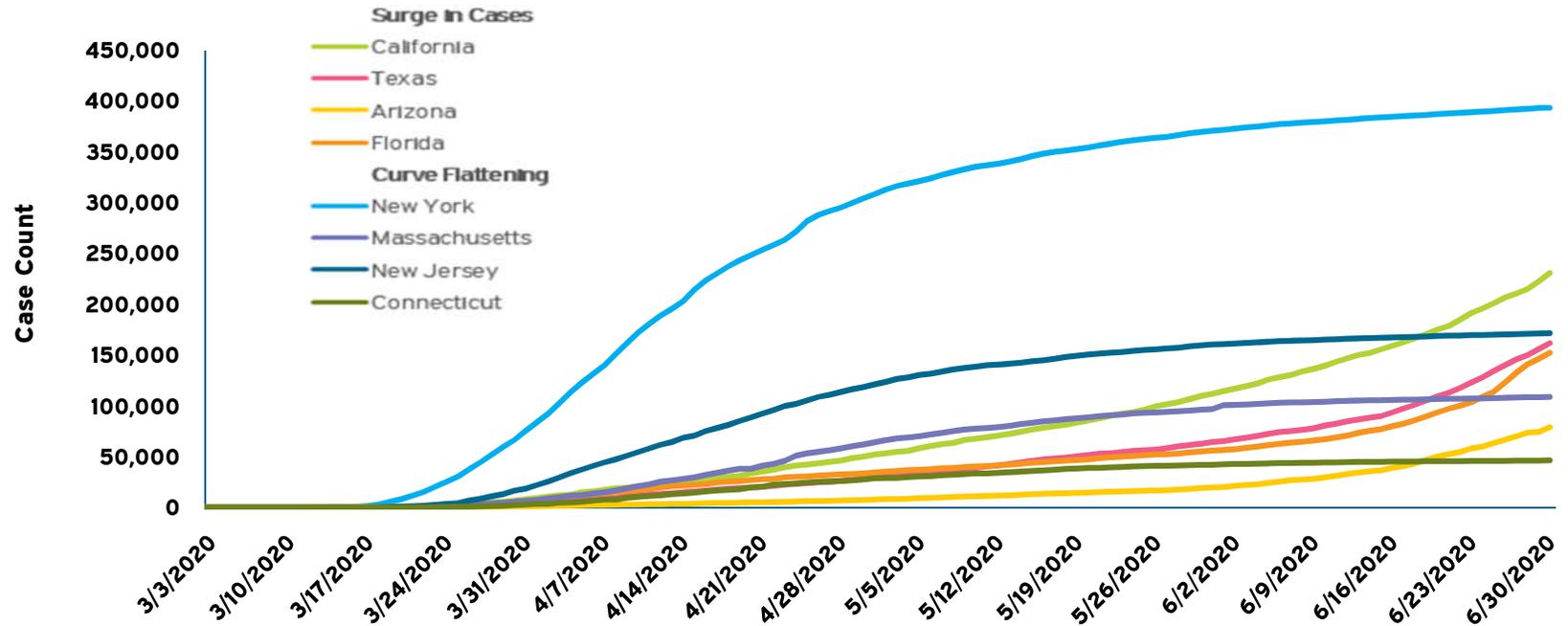


- Cases of COVID-19 continue to grow globally with now over 11.5 million reported cases across 188 countries.
- The US remains the epicenter with numbers in Latin America surging, driven by Brazil, which now has the second highest case count.

¹ Source: Bloomberg. Data is as of June 30, 2020.

² North Asia: China, Hong Kong, Japan, South Korea, and Taiwan. Southeast Asia: Singapore, India, Indonesia, Malaysia, Pakistan, Philippines, Thailand, Bangladesh, Sri Lanka, and Vietnam. Europe: Austria, Belarus, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, United Kingdom, Switzerland, and Ukraine. Latin America: Chile, Brazil, Mexico, Argentina, Colombia, Peru, Venezuela, Ecuador, Panama, Paraguay, Costa Rica, Bolivia, Uruguay, El Salvador, Honduras, Cuba, Dominican Republic, Haiti, and Nicaragua. Middle East/North Africa: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Turkey, Tunisia, United Arab Emirates, and Yemen.

COVID-19 Cases by State¹



- As the US economy slowly reopens, there has been a spike in cases in certain states that is creating stress on their healthcare systems, leading to officials slowing, or reversing, reopening plans.
- Some of the states that were hardest hit in the early stages continue to make progress on containing it.
- Looking forward, a continued trend of rising cases could significantly weigh on economic growth.

¹ Source: Bloomberg. Data is as of June 30, 2020.

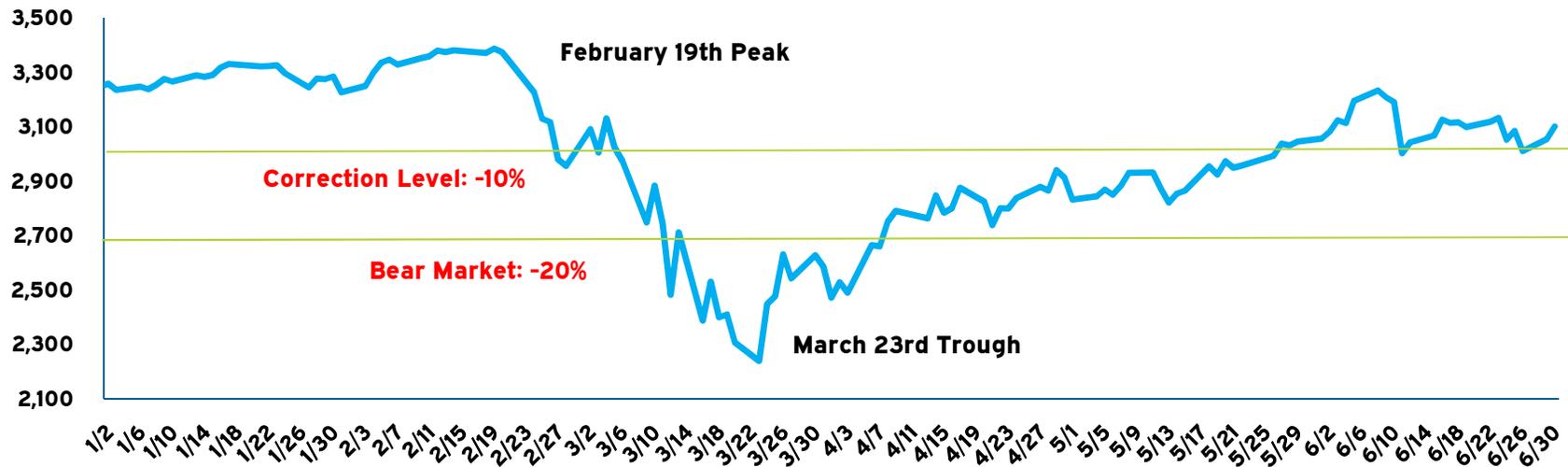
Market Returns¹

Indices	Q2	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	20.5%	-3.1%	7.5%	10.7%	10.7%	14.0%
MSCI EAFE	14.9%	-11.3%	-5.1%	0.8%	2.1%	5.7%
MSCI Emerging Markets	18.1%	-9.8%	-3.4%	1.9%	2.9%	3.3%
MSCI China	15.3%	3.5%	13.1%	8.6%	5.3%	6.4%
Bloomberg Barclays Aggregate	2.9%	6.1%	8.7%	5.3%	4.3%	3.8%
Bloomberg Barclays TIPS	4.2%	6.0%	8.3%	5.0%	3.7%	3.5%
Bloomberg Barclays High Yield	10.2%	-3.8%	0.0%	3.3%	4.8%	6.7%
10-year US Treasury	0.7%	12.7%	14.2%	6.6%	4.8%	4.7%
30-year US Treasury	-0.7%	24.9%	29.8%	12.4%	9.7%	8.5%

- Global risk assets have recovered meaningfully from their lows, largely driven by record fiscal and monetary policy stimulus; the S&P 500 recovered by over 39% from the mid-March lows.
- Risk assets have reacted positively to the gradual re-opening of the global economy, some economic data beating expectations, and the potential for a vaccine being developed sooner than initially expected.
- Despite the recovery in risk assets, yields on safe-haven assets like US Treasuries remain at record lows due to expectations for extremely accommodative monetary policy for the foreseeable future.

¹ Source: InvestorForce and Bloomberg. Data is as of June 30, 2020.

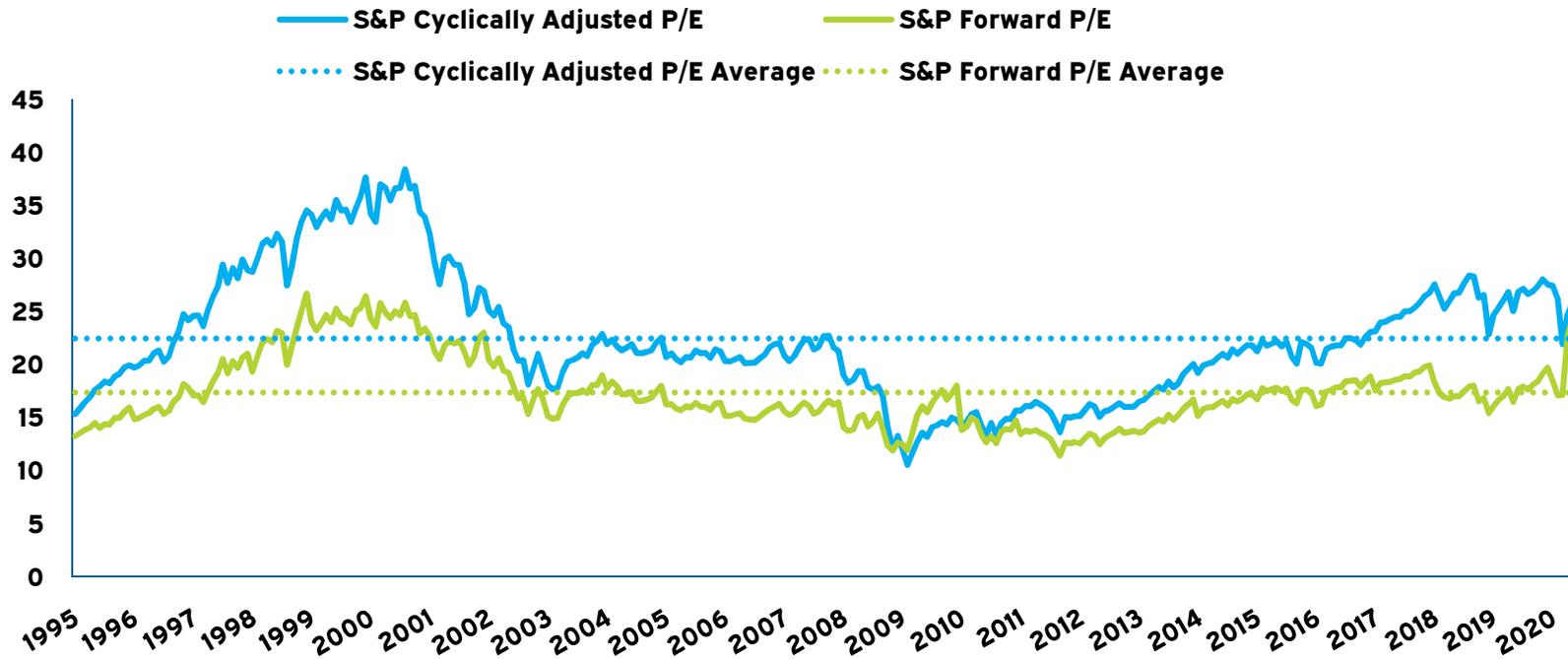
S&P 500 Continues to Recover¹



- Given the anticipated economic carnage surrounding the pandemic, US stocks declined from a February peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 plunged 34% in just 24 trading days.
- The index rebounded from its lows, and is only down around 3% year-to-date through the end of June, primarily due to the unprecedented monetary and fiscal stimulus announced in the US, as well as improvements in virus data, and the economy slowly reopening.
- It is unclear whether the US equity market's recovery is temporary, particularly given the recent surge in cases.

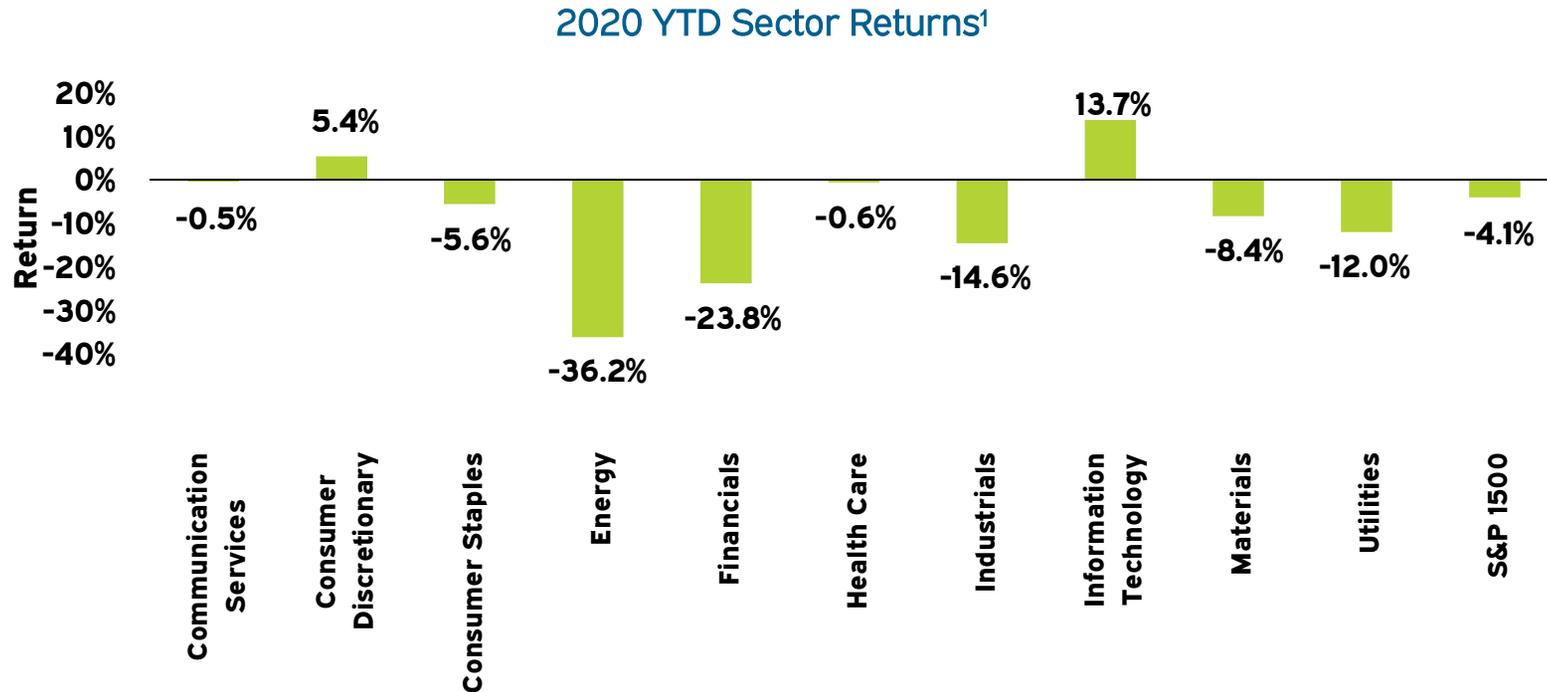
¹ Source: Bloomberg. Data is as of June 30, 2020.

S&P Equity Valuations¹



- Valuations based on both forward and backward looking earnings for the US stock market remain well above long-term averages, driven by the recent run.
- Many are looking to improvements in earnings to support market levels as the US economy continues to reopen.
- The key risk remains that a spike in COVID-19 cases could slow, or reverse, the reopening plans.

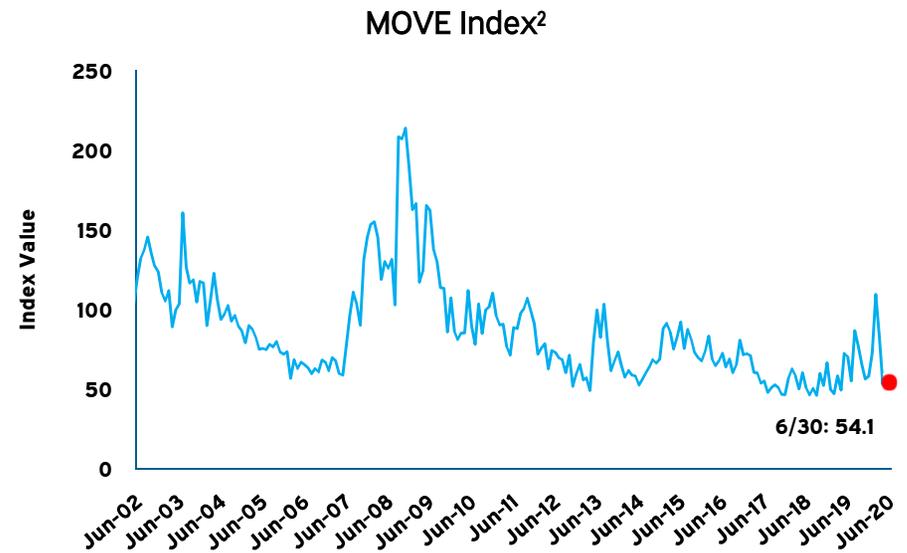
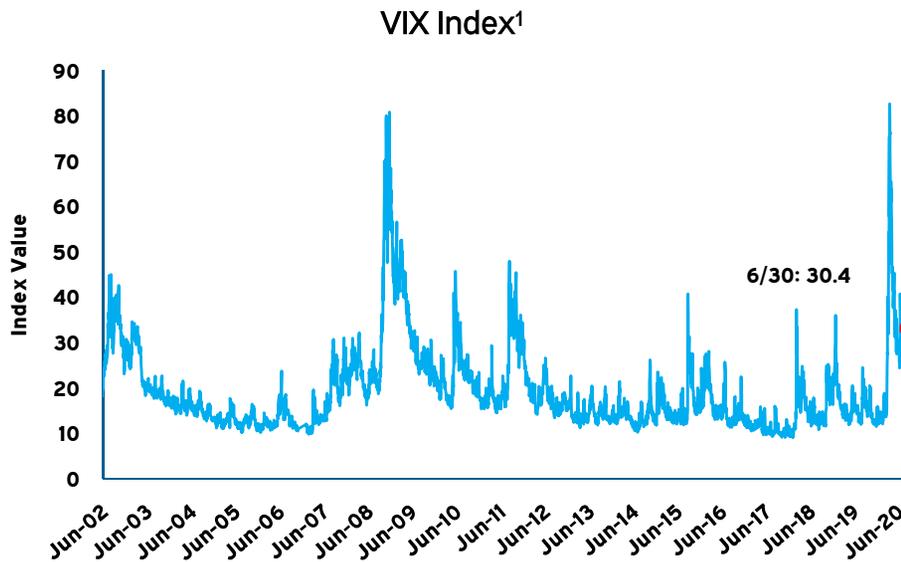
¹ Source: Bloomberg. Data is as of June 30, 2020.



- Information technology is the best performing sector, with a narrow group of companies like Amazon and Netflix largely driving market gains. The outperformance has been due to consumers moving to online purchases and entertainment.
- The consumer discretionary sector also experienced gains as the economy slowly reopens, people return to work, and as stimulus checks are spent.
- The energy sector has seen some improvements given supply cuts and economies starting to reopen, but it remains the sector with the greatest decline, triggered by the fall in oil prices.

¹ Source: Bloomberg. Data is as of June 30, 2020.

Volatility has Declined



- Given the recent fiscal and monetary support and corresponding improvement in investor risk sentiment, expectations of short-term equity volatility, as measured by the VIX index, continues to decline from record levels but remains elevated.
- At the recent height, the VIX reached 82.7, surpassing the pinnacle of volatility during the GFC, showing the magnitude of the crisis, and of investor fear.
- Expectations of volatility within fixed income, represented by the MOVE index, remain near historic lows given the broad monetary support including interest rate cuts, funding programs, quantitative easing, and forward guidance.

¹ Source: Chicago Board of Exchange. Data is as of June 30, 2020.

² Source: Bloomberg. Data is as of June 30, 2020.

Global Financial Crisis Comparison

	2007-2009 Global Financial Crisis	COVID-19 Crisis
Primary Causes	<p>Excess Risk Taking Due to:</p> <ul style="list-style-type: none"> Deregulation, un-constrained securitization, shadow banking system, fraud 	<p>Pandemic/Natural Disaster:</p> <ul style="list-style-type: none"> Large scale global restrictions on businesses and individuals leading to immediate and significant deterioration in economic fundamentals
Fiscal Measures	<ul style="list-style-type: none"> American Recovery Reinvestment Act of 2009: \$787 billion Economic Stimulus Act of 2008: \$152 billion 	<ul style="list-style-type: none"> PPP Act: \$659 billion CARES Act of 2020: \$2.3 trillion Families First Coronavirus Response Act: \$150 billion Coronavirus Preparedness & Response Supplemental Appropriations Act 2020: \$8.3 billion National Emergency: \$50 billion
	2007-2009 Global Financial Crisis	COVID-19 Crisis
Monetary Measures		
Lowering Fed Funds Rate	X	X
Quantitative Easing	X	X
Primary Dealer Repos	X	X
Central Bank Swap Lines	X	X
Commercial Paper Funding Facility	X	X
Primary Dealers Credit Facility	X	X
Money Market Lending Facility	X	X
Term Auction Facility	X	
TALF	X	X
TSLF	X	
FIMA Repo Facility		X
Primary & Secondary Corp. Debt		X
PPP Term Facility		X
Municipal Liquidity Facility		X
Main Street Loan Facility		X

Global Financial Crisis Comparison (continued)

- The US **fiscal** response to the COVID-19 Crisis has been materially larger than the response to the 2007-2009 Global Financial Crisis (GFC), and stimulus is acutely focused on areas of the economy showing the greatest need, including small and mid-sized companies. For example, the Paycheck Protection Program (PPP) helps small businesses keep employees working by offering forgivable loans to cover salaries.
- On the **monetary** side, markets targeted during both crises represent those most in need, but for the COVID-19 Crisis the policy response was dramatically faster, measured in weeks, not years, as in the GFC.
- Of the monetary stimulus measures, the corporate debt (Primary & Secondary Corporate Debt) programs and Main Street Loan Facility are new and garnered much attention from market participants.
- Through the end of June, Fed programs have experienced various degrees of usage. However, at this point, none has come close to reaching program limits. Still, the psychological value of knowing the programs are available, if necessary, likely supports market sentiment.

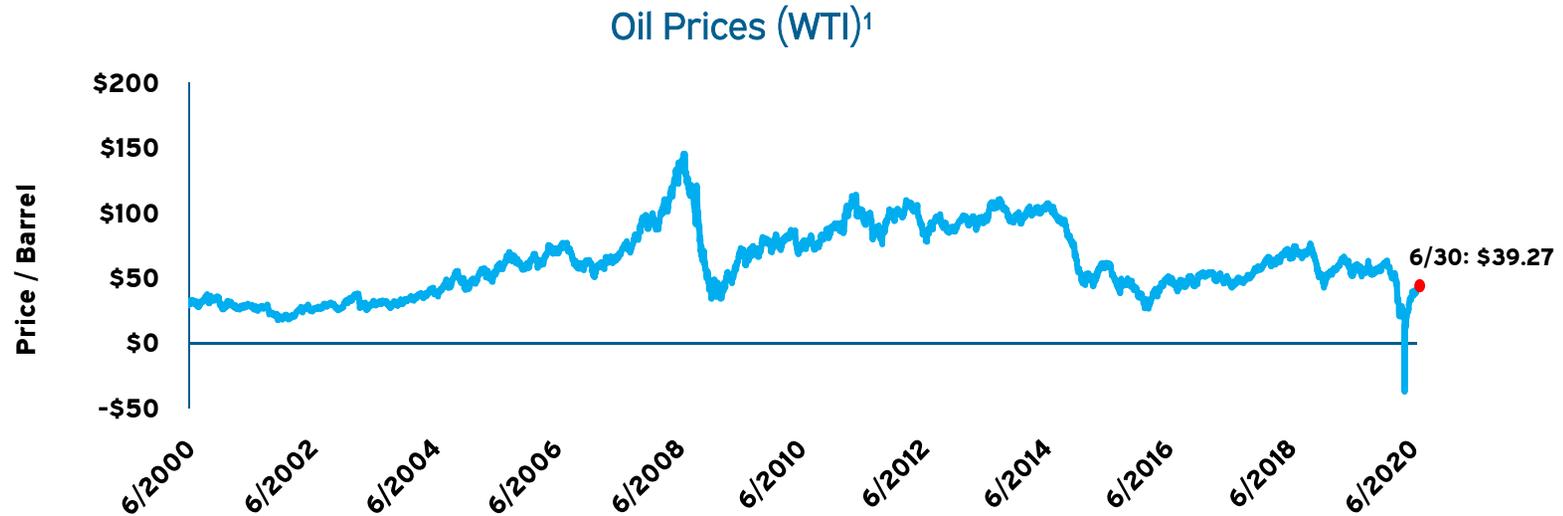
Historic \$2T US Fiscal Stimulus

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

- Late in March, a historic \$2 trillion fiscal package was approved in the US, representing close to 10% of GDP and including support across the economy.
- Individuals received 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 (this program was recently extended).
- Other parts of the package include allocations to state and local governments, support for public health, student loan relief, and a safety net.
- With certain programs scheduled to expire, active discussions are going on now related to the next round of fiscal stimulus, with various extensions and expansions being considered.

Policy Responses

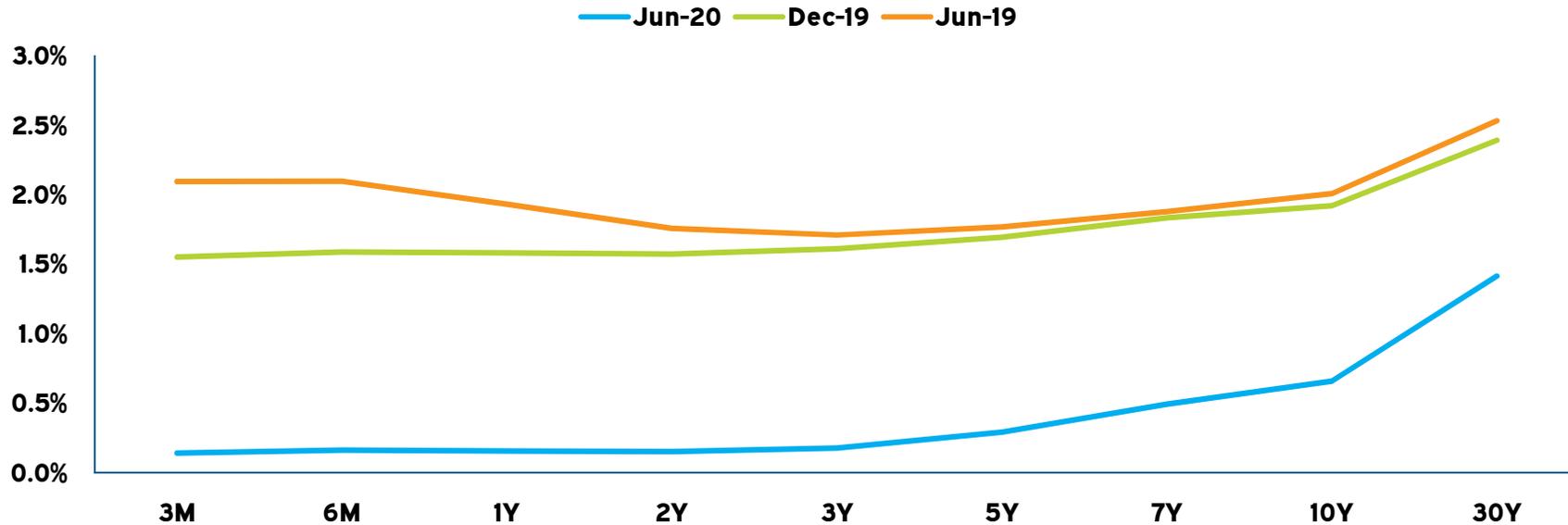
	Fiscal	Monetary
United States	\$50 billion to states for virus related support, interest waived on student loans, flexibility on tax payments and filings, expanded COVID-19 testing, paid sick leave for hourly workers, \$2 trillion package for individuals, businesses, and state/local governments. Additional \$484 billion package to replenish small business loans, provide funding to hospitals, and increase testing.	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 with subsequent amendment for certain HY securities, Main Street Lending program, Muni liquidity facility, 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. and then expanded the purchases to 1.53 trillion and including lower-quality corporate debt
Japan	\$1.1 trillion in small business loans, direct funding program to stop virus spread among nursing homes and those affected by school closures, and direct payments to individuals	Initially increased QE purchases (ETFs, corporate bonds, and CP) and then expanded to unlimited purchases and doubling of corporate debt and commercial paper, expanded collateral and liquidity requirements, 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, purchase of small business loans, and 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 and subsequently increased the purchase amounts.
Australia	\$11.4 billion, subsidies for impacted industries like tourism, one-time payment to gov't benefit recipients.	Policy rate cut, started QE.



- Global oil markets rallied from April lows, including from the technically-induced negative levels that saw the May futures contract trade at nearly -\$40 per barrel.
- In addition to improvements in sentiment as the global economy begins to reopen and some measures of economic fundamentals reporting better than expected numbers, OPEC+ recently agreed to extend supply cuts of 9.7 million barrels/day (~10% of global output) through July.
- Counterbalancing the OPEC+ production cut agreement, US oil producers (particularly shale output) are reportedly turning wells back on as the price of oil rises.

¹ Source: Bloomberg. Represents WTI first available futures contract. Data is as of June 30, 2020.

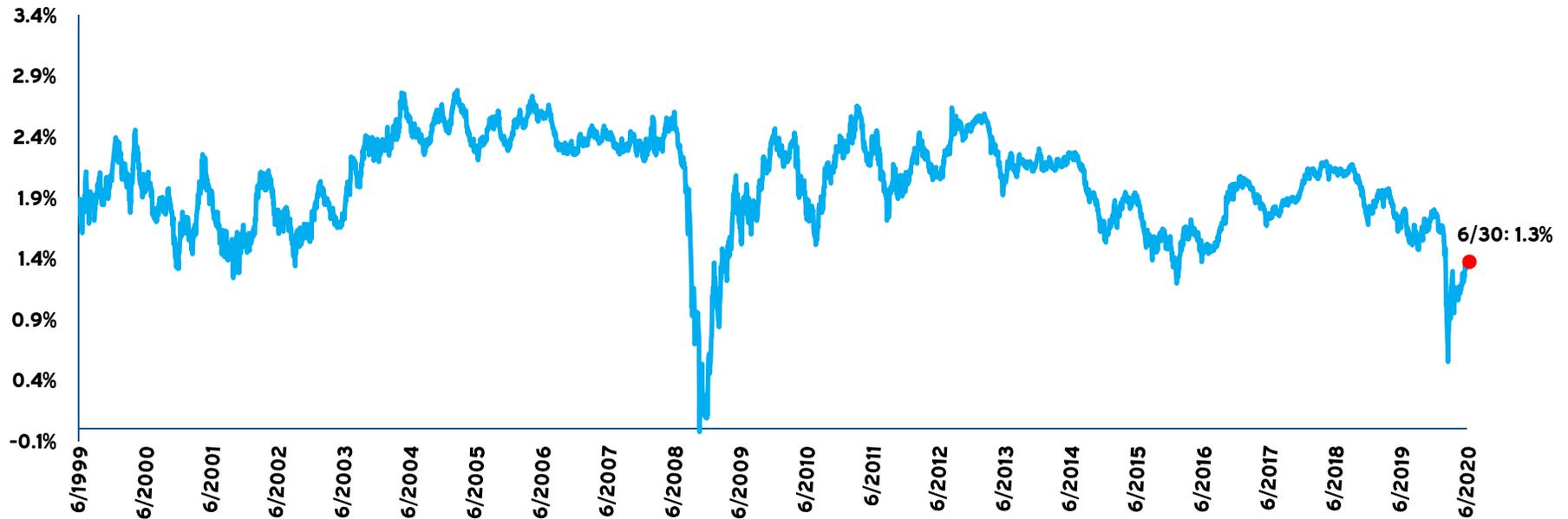
US Yield Curve Declines¹



- The US Treasury yield curve has declined materially since 2019, largely due to central bank policy actions, safe-haven demand, and weak economic expectations.
- Yields out to the 5-year maturity point have been principally driven by cuts to monetary policy rates, the Federal Reserve’s ongoing purchase program, and commitments by policy makers to keep policy rates accommodative for the foreseeable future.
- Longer-dated yields have also been heavily influenced by monetary policy actions, but have recently risen on modest increases in longer-term inflation expectations.

¹ Source: Bloomberg. Data is as of June 30, 2020.

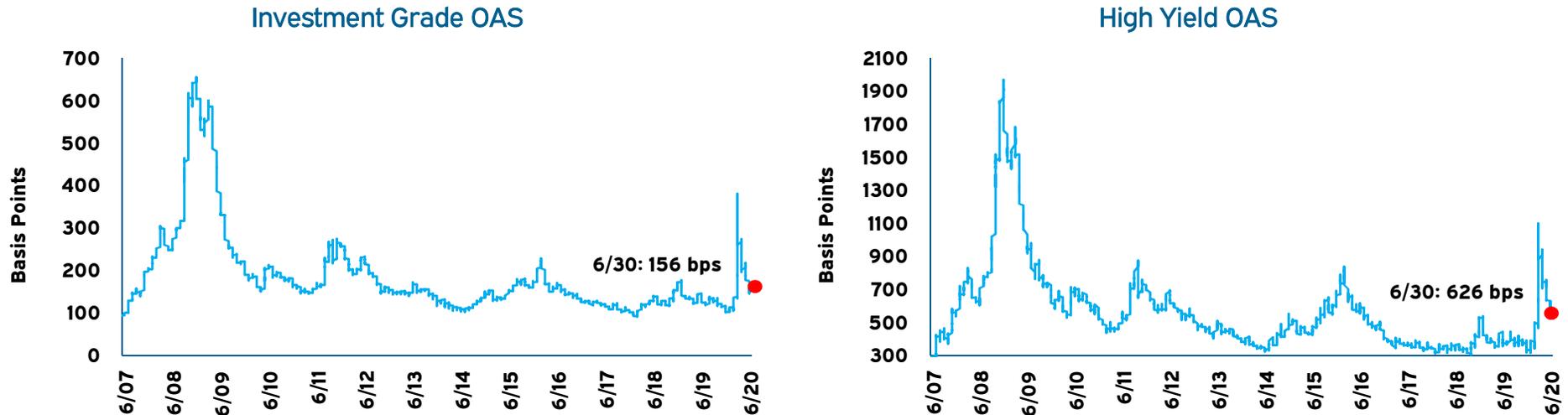
10-Year Breakeven Inflation¹



- Inflation breakeven rates initially declined sharply, due to a combination of lower growth and inflation expectations, as well as liquidity dynamics in TIPS during the height of rate volatility.
- Liquidity eventually improved and breakeven rates increased, but given the uncertainty regarding economic growth and the inflationary effects of the unprecedented US fiscal and monetary responses, inflation expectations remain well below historical averages.

¹ Source: Bloomberg. Data is as of June 30, 2020.

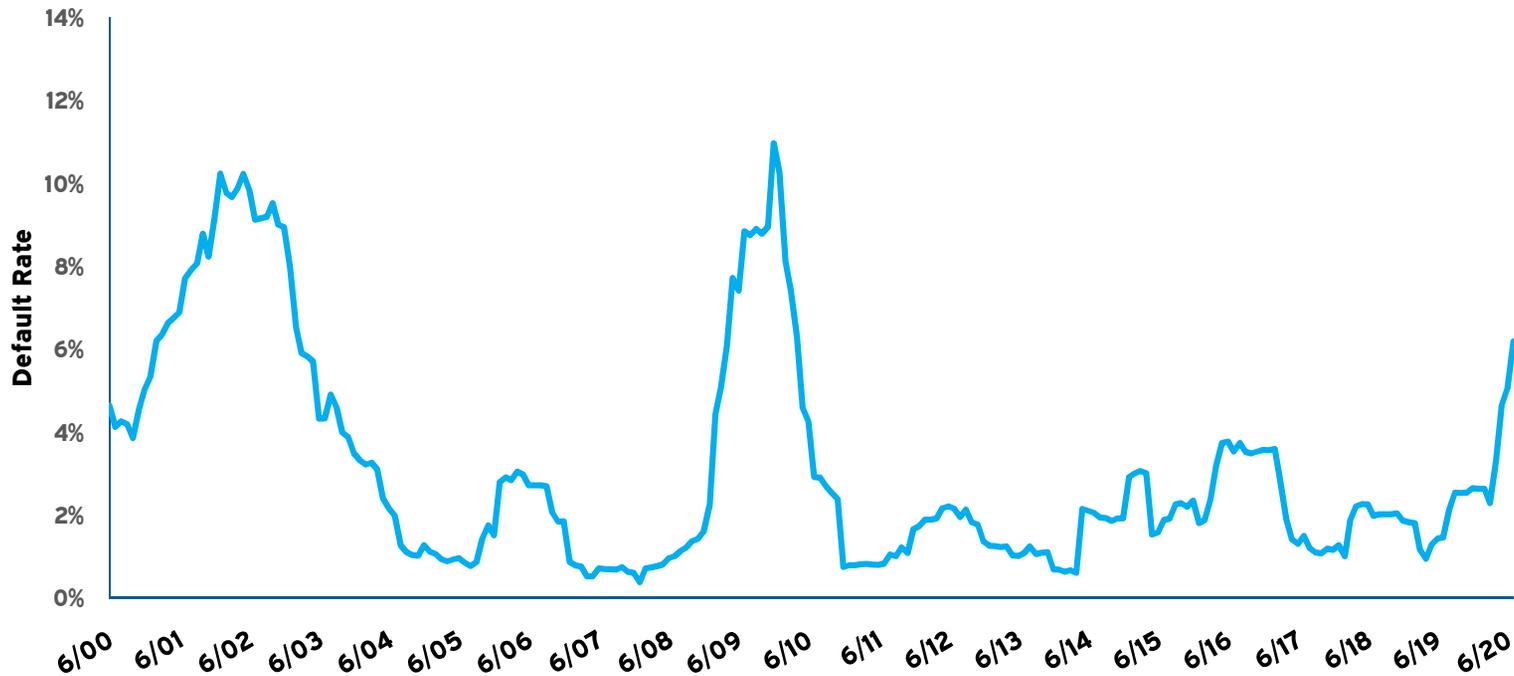
Credit Spreads (High Yield & Investment Grade)¹



- Credit spreads (the spread above a comparable Treasury bond) for investment grade and high yield corporate debt expanded sharply as investors sought safety.
- Investment grade bonds held up better than high yield bonds. The Federal Reserve’s corporate debt purchase program for investment grade and certain high yield securities that were recently downgraded from investment grade, was well received by investors, leading to a decline in spreads.
- Overall, corporate debt issuance has more than doubled since 2008, which magnifies the impact of deterioration in the corporate debt market. This is particularly true in the energy sector, which represents over 10% of the high yield bond market.

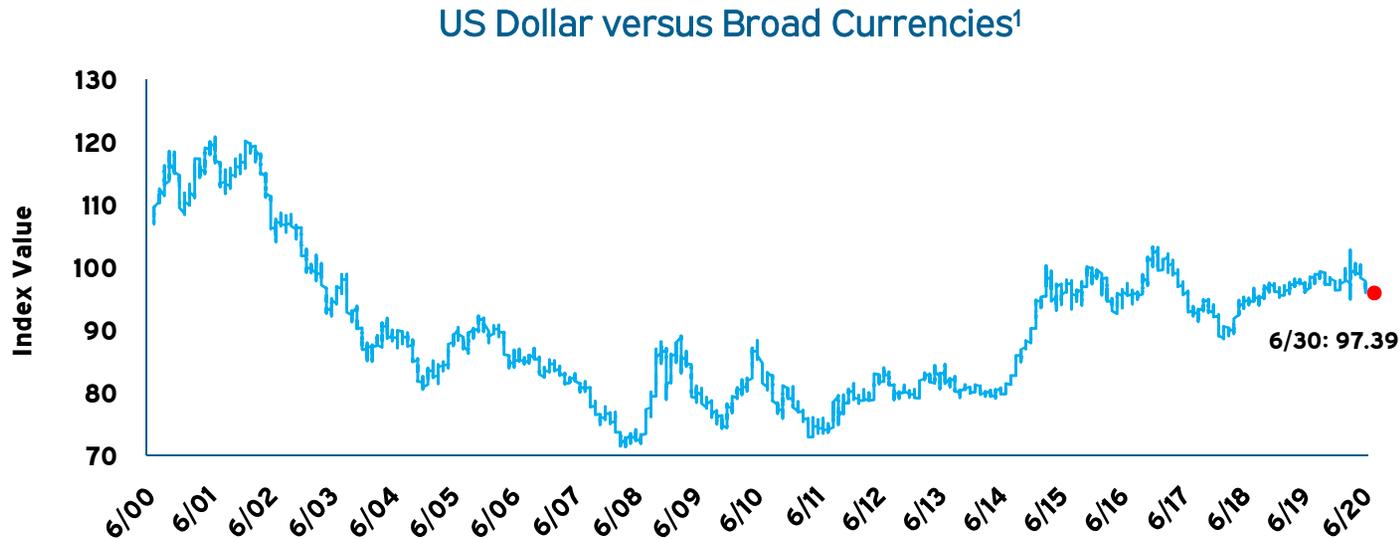
¹ Source: Federal Reserve Bank of St. Louis Economic Research. Data is as of June 30, 2020.

US High Yield Credit Defaults¹



- Even though spreads have declined given the Federal Reserve’s support, defaults, particularly in the high yield sector, increased dramatically.
- The energy sector has been hard hit given the decline in oil prices, with defaults reaching double-digit levels and expectations for them to increase.

¹ Source: J.P. Morgan; S&P LCD. Data is as of June 30, 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 given its current account surplus and its status as the largest creditor globally.
- 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 led to appreciation versus 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, affecting 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 relief to other currencies. Usage of the program continues to decline as dollar funding demands have eased.

¹ Source: Bloomberg. Represents the DXY Index. Data is as of June 30, 2020.

Economic Impact

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 across service and manufacturing economies.
- Increased strains as workforce productivity declines from increased societal responsibilities (e.g., home schooling of children) and lower functionality working from home.
- Illnesses from the disease will also depress the labor force.

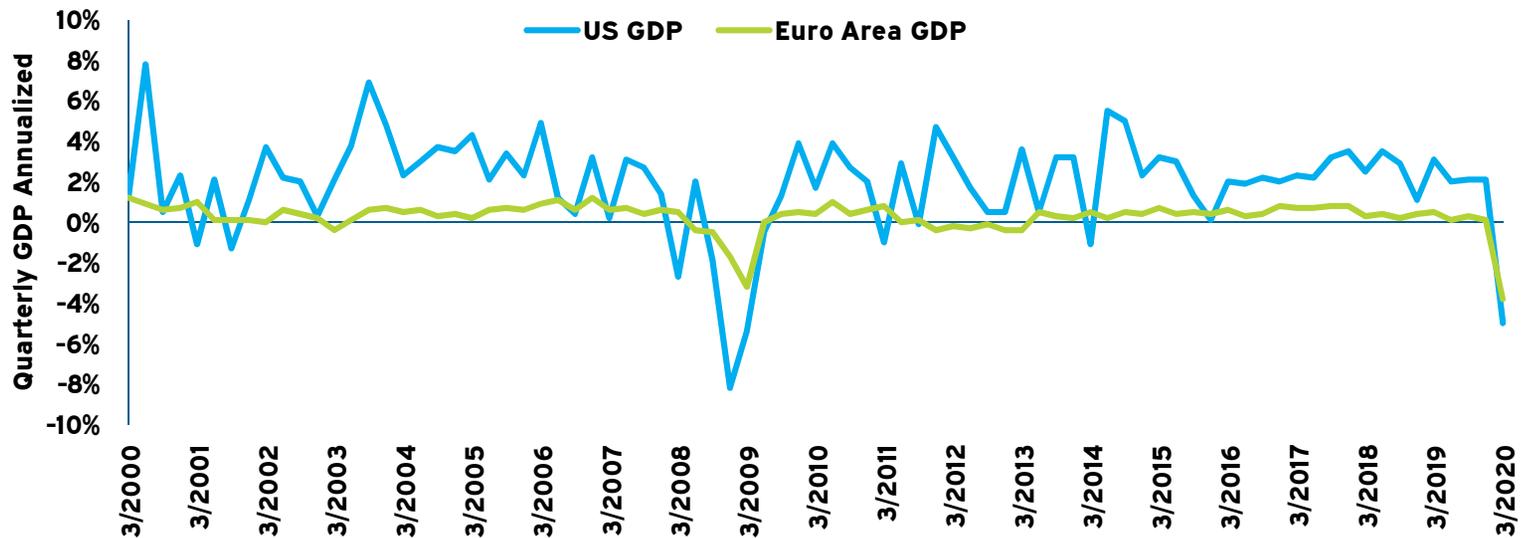
Declines in Business and Consumer Sentiment:

- Sentiment drives investment and consumption, which leads to increased recessionary pressures as sentiment slips.

Wealth Effect:

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

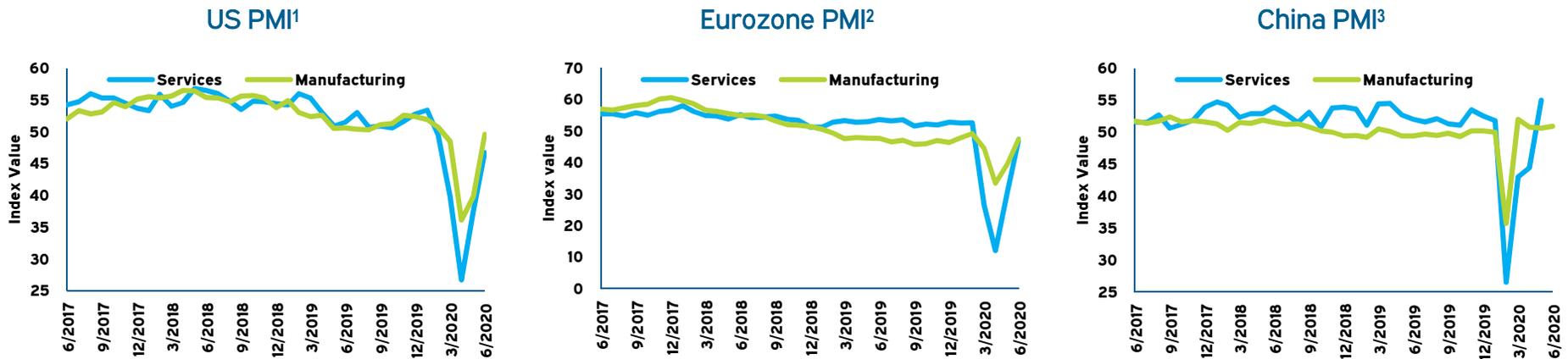
GDP Data Shows First Signs of Crisis¹



- The global economy faces major recessionary pressures this year, but optimism remains for improvements in 2021, as economies are expected to gradually reopen.
- In the US, the third estimate for first quarter GDP came in at -5.0%, with personal consumption declining the most since 1980. Eurozone GDP fell (-3.6%) with the major economies in France, Spain, and Italy experiencing historic declines.
- Bloomberg Economics estimates that second quarter US GDP could be as low as -5.6% (YoY).

¹ Source: Bloomberg. Q1 2020 data represents third estimate of GDP for Euro Area and third estimate of GDP for United States.

Global PMIs



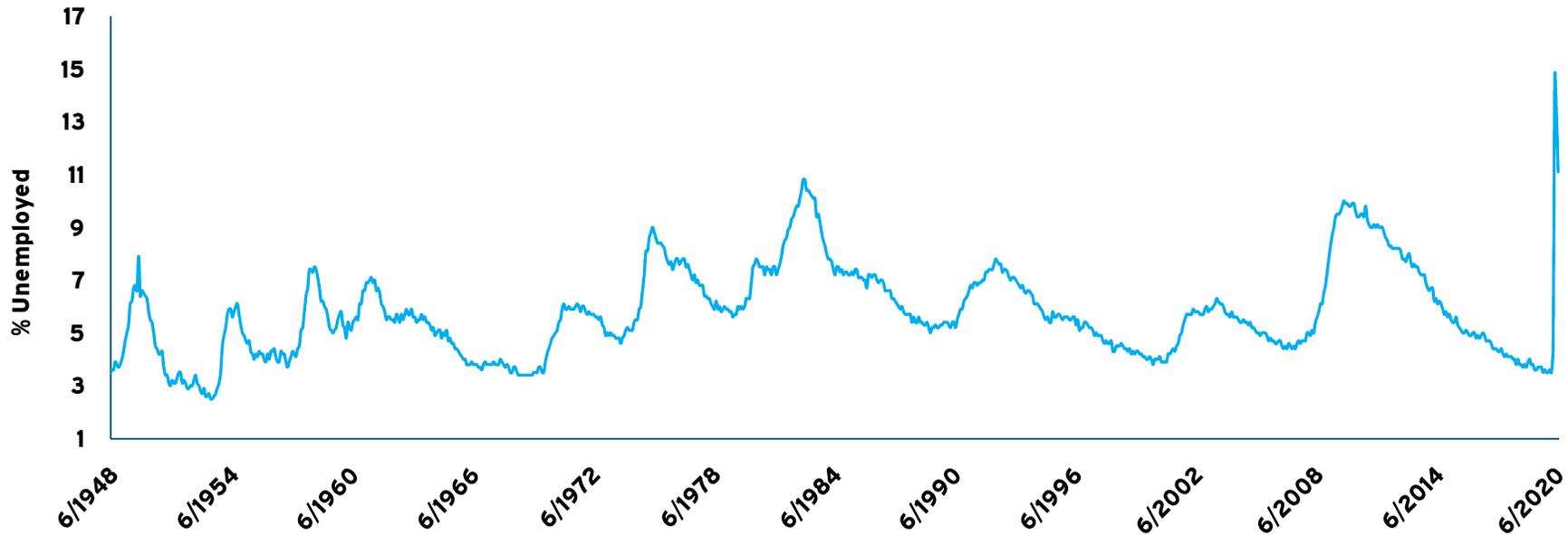
- Purchasing Managers Indices (PMI), based on surveys of private sector companies, collapsed across the world to record lows, as output, new orders, production, and employment have been materially impacted by closed economies. The service sector was particularly hard hit by the stay at home orders.
- Readings below 50 represent contractions across underlying components and act as a leading indicator of economic activity, including the future paths of GDP, employment, and industrial production.
- Recently, there have been improvements in data as economies reopen, contributing to the optimism in equity markets.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI. Data is as of June 2020.

² Source: Bloomberg. Eurozone Markit Services and Manufacturing PMI. Data is as of June 2020.

³ Source: Bloomberg. Caixin Manufacturing PMI data is as of June 2020. Caixin Services PMI as of May 2020

US Unemployment Rate¹

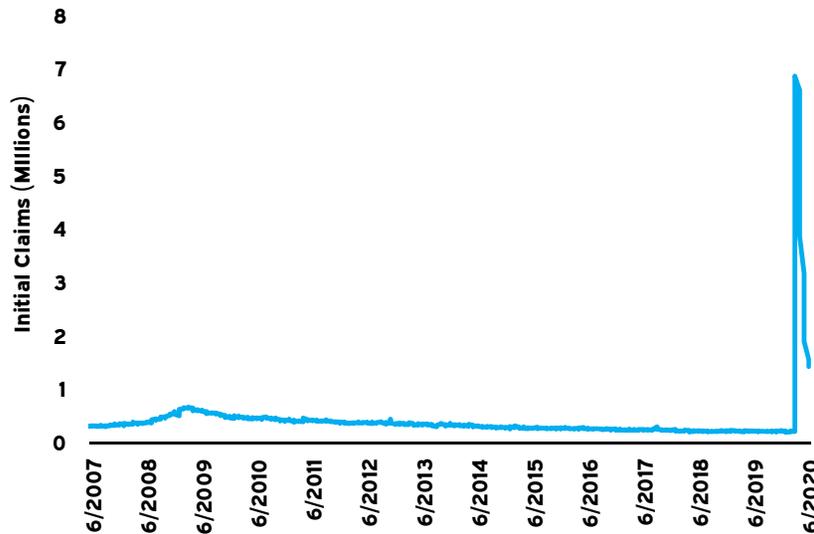


- In May, the unemployment rate continued its decline from the recent April 14.7% peak, falling to 11.1%.
- Despite the improvement, unemployment levels remain well above pre-virus readings and are likely higher than reported due to issues related to some workers being misclassified. According to the Bureau of Labor Statistics, absent the misclassification issue, the June unemployment rate would be higher by 1.0%.
- The recent increase in COVID-19 cases could lead to an increase in the unemployment rate going forward.

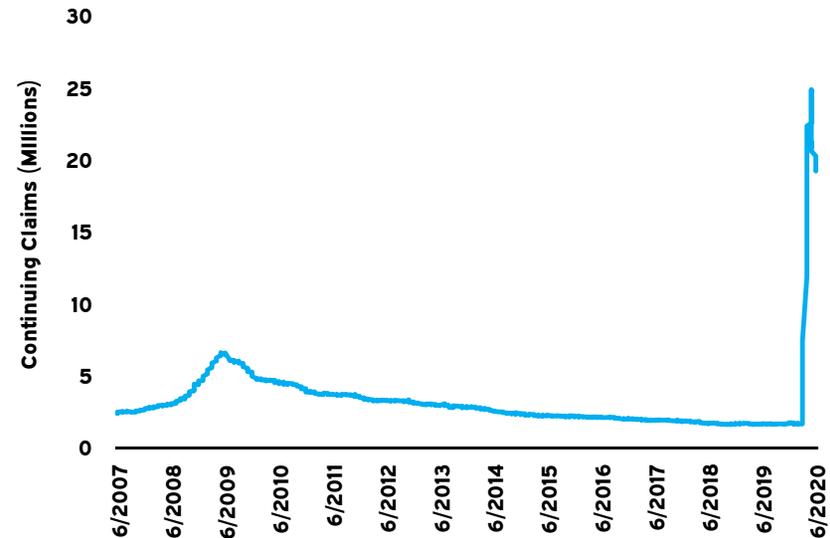
¹ Source: Bloomberg. Data is as of June 30, 2020.

US Jobless Claims

US Initial Jobless Claims¹



Continuing Claims²

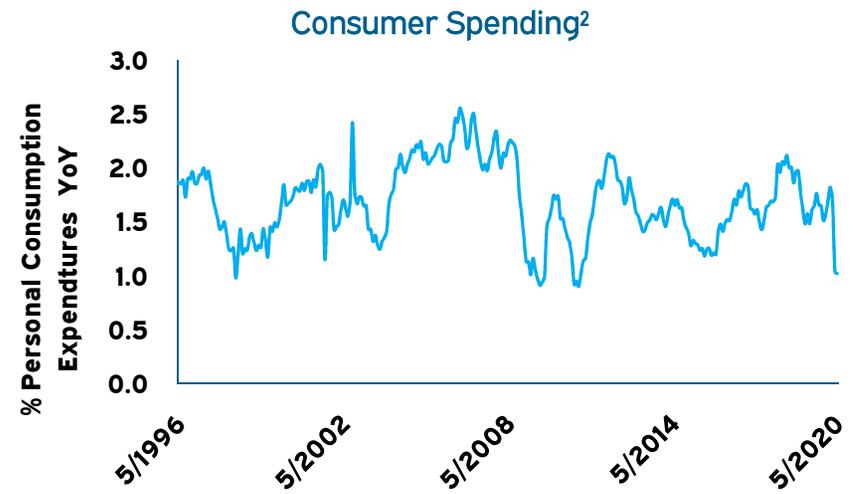


- Over the last 15 weeks, close to 49 million people filed for initial unemployment. This level far exceeds the 22 million jobs added since the GFC, highlighting the unprecedented impact of the virus.
- Despite the continued decline in initial jobless claims, the 1.4 million level of the last reading remains many multiples above the worst reading during the Global Financial Crisis.
- Continuing jobless claims (i.e., those currently receiving benefits) has also declined from record levels, but remains elevated.

¹ Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of June 26, 2020.

² Source: Bloomberg. US Continuing Jobless Claims SA. Data is as of June 19, 2020.

Savings and Spending



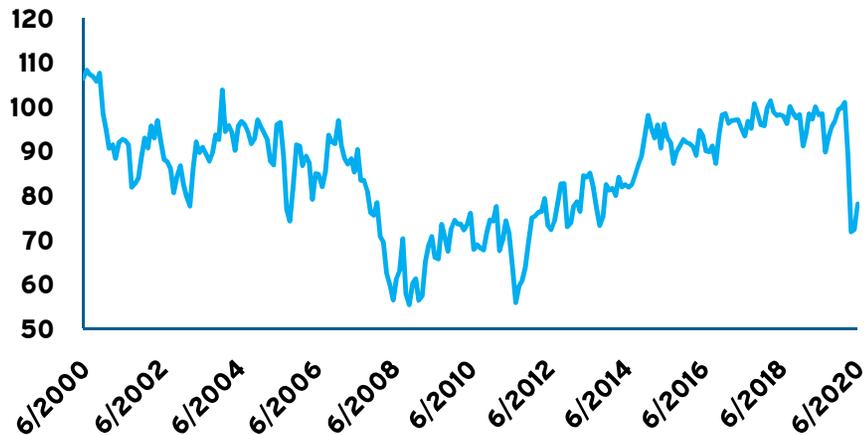
- Fiscal programs including stimulus checks, enhanced unemployment benefits, and loans to small businesses through the Paycheck Protection Program (PPP) have largely supported income levels through the shutdown.
- Despite the income support, the savings rate has increased at the expense of spending, driven by uncertainties related to the future of the job market and stimulus programs.

¹ Source: Bloomberg. Data is as of June 30, 2020.

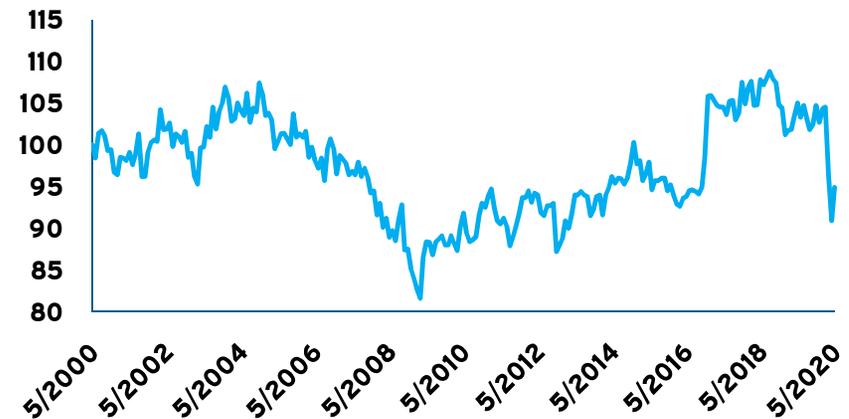
² Source: Bloomberg. Data is as of May 31, 2020.

Sentiment Indicators

University of Michigan Consumer Sentiment¹



Small Business Confidence²



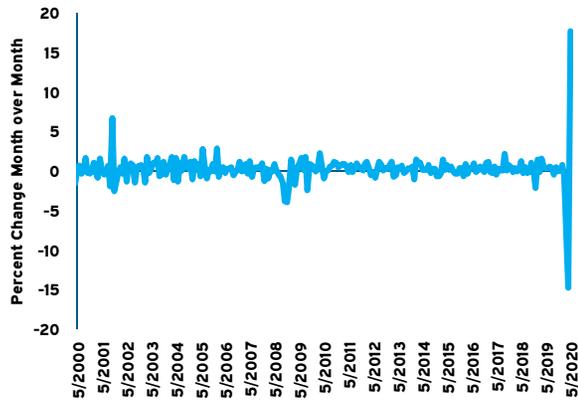
- A strong indicator of future economic activity are the attitudes of businesses and consumers today.
- Consumer spending comprises close to 70% of US GDP, making the attitudes of consumers an important driver of economic growth. Additionally, small businesses comprise a majority of the economy, making sentiment in that segment important too.
- Sentiment indicators have shown some improvements as the economy re-opens, but they remain well below prior levels.

¹ Source: Bloomberg. University of Michigan Consumer Sentiment Index. Data is as of June 30, 2020.

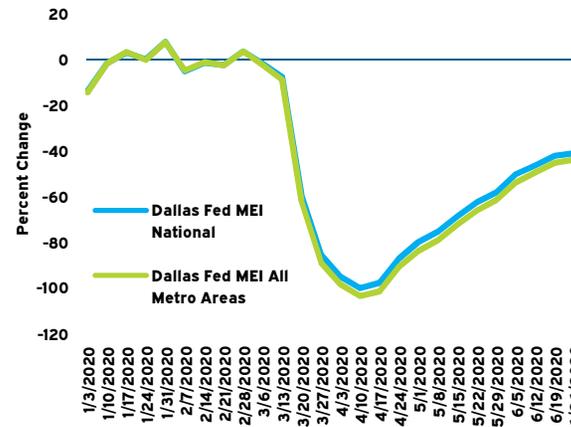
² Source: Bloomberg. NFIB Small Business Optimism Index. Data is as of May 30, 2020.

Some US Data has Improved

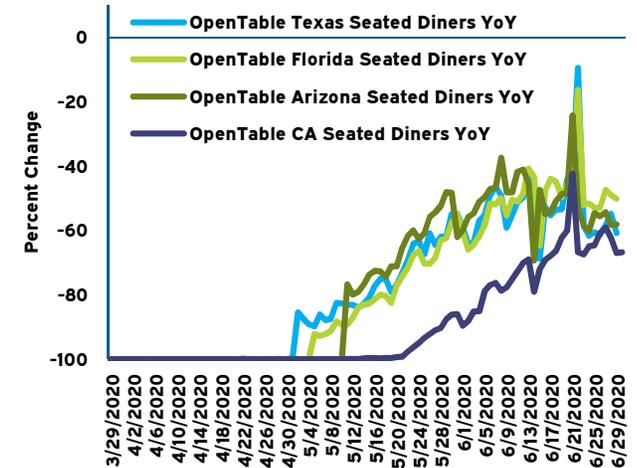
Retail Sales¹



Dallas Fed Mobility and Engagement Index²



OpenTable Seated Diners YoY % Change³



- There have been improvements in high frequency data, but overall levels remain well below prior readings.
- Generally, people have become more active as restrictions eased and stores reopened. Retail sales recovered from a record decline with a record increase, more than double the forecast.
- States that eased restrictions on restaurants saw initial improvements before declining, as in-store dining has been cited as a key contributor to increases in cases.

¹ Source: Bloomberg. Data is as of May 31, 2020 and represents the US Retail Sales SA MoM%

² Source: Bloomberg. Data is as of June 26, 2020 and represents the deviation from normal mobility behaviors induced by COVID-19 (formerly the "Social Distancing Index").

³ Source Bloomberg. Data is as of June 30, 2020 and represents some states that eased restaurant restrictions.

Government Re-Opening Recommendation¹

Phase One	Phase Two	Phase Three
<ul style="list-style-type: none"> • Vulnerable individuals continue to stay at home. • Avoid groups of more than 10 people if social distancing is not possible. • Minimize non-essential travel. • Work remotely if possible with restrictions in the office for those businesses that open. • Schools remain closed, but some larger venues can open with strict protocols. • Outpatient elective surgeries can resume. 	<ul style="list-style-type: none"> • Vulnerable individuals continue to stay at home. • Avoid groups of more than 50 people if social distancing is not possible. • Non-essential travel resumes. • Continue to work remotely if possible with restrictions in the office for those businesses that open. • Schools can reopen. • Inpatient elective surgeries can resume 	<ul style="list-style-type: none"> • Vulnerable individuals can return to public life with social distancing. • Workplaces can reopen without restrictions. • Larger venues can operate under reduced social distancing protocols.
<ul style="list-style-type: none"> • The Trump administration announced guidelines for re-opening the US economy. • Guidelines recommend states document a “downward trajectory” in new cases for two weeks before beginning a three-phase process to scale back distancing measures and reopen local economies. • States should also document an additional two-week period decline in instances between each of the three phases, and be prepared to reinstate social distancing measures should cases rebound. • The recent spike in cases in certain states, and the potential for similar increases elsewhere, remains a significant headwind to the re-opening plans in the US. 		

¹ Source: <https://www.whitehouse.gov/openingamerica/>

Looking Forward...

- There will be significant economic impact and a global recession.
 - How deep it will be and how long it will last depend on 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, particularly given the recent increases in cases in certain areas; however, individual countries are attempting to lay the groundwork to support a recoveries in their economies.
- Central banks and governments are pledging support, but will it be enough?
 - Market reactions to announced policies have been positive, but additional support will likely be required until the virus gets better contained.
- Expect heightened market volatility given the recent spike in cases and valuation levels.
 - This has been a consistent theme recently; volatility is likely to remain elevated for some time.
- It is important to retain a long-term focus.
 - History supports the argument that maintaining a long-term focus will ultimately prove beneficial for diversified portfolios.

Prior Drawdowns and Recoveries from 1926-2020¹

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 May 2020	-34%	TBD
Average	-36%	41 months
Average ex. Great Depression	-33%	25 months

- As markets continue to recover questions remain about whether the ultimate low has been seen.
- Markets are continuing to reprice amid the uncertain impact of the virus on companies and the broader 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.

¹ Source: Goldman Sachs. Recent peak to trough declines are through June 30, 2020.

Implications for Clients

- Portfolios have generally experienced significant improvements from the March lows.
- Even though equity markets have recovered from their lows, it is important to remain vigilant and be prepared to rebalance if volatility increases again.
 - Before rebalancing, consider changes in liquidity needs given the potential for cash inflows to decline in some cases.
 - Also, consider the cost of rebalancing if investment liquidity declines.
- Diversification works. The latest decline was an example of a flight to quality leading to gains in very high quality bonds.

Performance YTD (through June 30, 2020)

S&P 500	ACWI (ex. US)	Aggregate Bond Index	Balanced Portfolio ¹
-3.1%	-11.2%	6.1%	-2.6%

- 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.

¹ Source: InvestorForce. Balanced Portfolio represents 60% MSCI ACWI and 40% Bloomberg Barclays Global Aggregate.

Disclaimer, Glossary, and Notes

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

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. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

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.

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 its 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.

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%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

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

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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.

MINUTES

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

CALOPTIMA
505 CITY PARKWAY WEST
ORANGE, CALIFORNIA

May 21, 2020

A Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee was held on May 21, 2020 at CalOptima, 505 City Parkway West, Orange, California and via teleconference (Go-to-Webinar) in light of the COVID-19 public health emergency and consistent with Governor Newsom's executive orders EO-N-25-20 and EO-N-29-20, which temporarily relax the teleconferencing limitations of the Brown Act.

CALL TO ORDER

Chair Lee Penrose called the meeting to order at 2:03 p.m. Director Schoeffel led the Pledge of Allegiance.

Members Present: Lee Penrose, Chair; Ria Berger; Scott Schoeffel
(All members at teleconference locations)

Members Absent: None

Others Present: Richard Sanchez, Interim Chief Executive Officer; Gary Crockett, Chief Counsel; Nancy Huang, Chief Financial Officer; Ladan Khamseh, Chief Operating Officer; David Ramirez, Chief Medical Officer; Sharon Dwiers, Clerk of the Board

PUBLIC COMMENT

Teri Miranti, Executive Director, Government Programs, Monarch Healthcare, representing Optum Care affiliated networks which include Arta Western Medical Group, Talbert Medical Group and Monarch HealthCare -- Oral: Re: Agenda Item 5., Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2020-21 Operating Budget.

Chair Penrose noted that Agenda Item 10 is continued to a future meeting.

Chair Penrose reordered to hear Agenda Item 5 before Agenda Item 4, and to hear Agenda Item 13 right after the Consent Calendar.

MANAGEMENT REPORTS

1. Chief Financial Officer Report

Nancy Huang, Chief Financial Officer, reported that an updated Operating Budget was prepared based on the Governor's revised budget, which included deeper than anticipated Medi-Cal cuts.

Ms. Huang also provided an update on the real estate project which initially had three main components: market research for office space and parking; PACE building lease extension negotiations; and 505 building development agreement. Due to the COVID-19 pandemic, staff is planning to reprioritize the components of this project. The consultants will continue to monitor the market for office space and parking, but postpone decisions to allow management to reevaluate future office space and parking business needs. Regarding the lease for the PACE building, which expires at the end of 2021, the real estate consultants have met with the PACE management team, reviewed the current lease terms and conditions, and are ready to start negotiations with the PACE landlord. Any future proposals or recommendations related to this and other potential PACE sites will be brought back to the Board in the coming months. The last update for the real estate project is the 505 building development rights. In 2011 when CalOptima purchased the 505 building, a development agreement with the City of Orange, was in place that includes an option to construct an office building and parking structure. That agreement has been extended until October 2020. Ms. Huang noted that CalOptima management has met with the city representatives to discuss the development rights agreement. The city suggested a two-phase approach: Phase one is to extend the development rights without any modifications; Phase two would be to attempt to broaden the rights consistent with prior Board direction.

INVESTMENT ADVISORY COMMITTEE UPDATE

2. Treasurer's Report

Ms. Huang presented an overview of the Treasurer's Report for the period January 1, 2020 through March 31, 2020. Based on a review by the Board of Directors' Investment Advisory Committee, all investments were compliant with Government Code section 53600 *et seq.*, and with CalOptima's Annual Investment Policy.

CONSENT CALENDAR

3. Approve the Minutes of the February 20, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the January 27, 2020 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)

INFORMATION ITEM

13. Health Network Rebasing Update – Milliman

Craig Keizur and Aaron Gates of CalOptima's consultant Milliman, Inc. reviewed the CalOptima rebasing process and provided an overview of the results. The goal of the project was to develop actuarially sound health care facility and professional services capitation rates. The process outline involved data analysis of millions of claim lines of data and incorporating current definitions for Category of Aid and Age/Gender. The project also involved consideration of health networks' recent facility and professional experience and included an allowance for non-medical expenses. The analysis factored in many indicators, as well as historical data and current rates. The consultants noted that CalOptima Community Network and Kaiser were not included in the rebasing exercise and reviewed the recommended rate adjustments for capitation for all categories and lines of business reviewed.

REPORTS

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

Ms. Huang reviewed the proposed Fiscal Year (FY) 2020-21 Operating Budget, explaining that Governor Newsom's May Revise reflects the Administration's efforts to close a \$54.3 billion deficit due to the COVID-19 pandemic. Part of the State's cost saving strategies included a 1.5 percent reduction in CalOptima's current rates starting July 1, 2019 through December 31, 2020, which was part of CalOptima's bridge funding. For the 2021 calendar year, the Governor's May Revise include a proposed statewide additional 3 percent reduction in Medi-Cal rates. Ms. Huang noted that final draft rates will not be released until September or October 2020, so the FY 2020-21 budget assumes these rate reductions. The Governor's Budget proposes delaying the CalAIM initiatives and the cancellation of Medi-Cal Expansion for certain categories of members. The budget also included several trigger cuts, including a reduction in adult dental benefits and elimination of the Medi-Cal optional Community Based Adult Services (CBAS) effective January 1, 2021 and elimination the Multipurpose Senior Services Program (MSSP) effective July 2020 unless offsetting federal funding is received. Ms. Huang also noted that because many of the proposed reductions have not been finalized, both the CBAS and MSSP Programs are included in CalOptima's proposed FY2020-21 budget. Based on current assumptions, CalOptima is looking at a total projected FY 2020-21 deficit of approximately \$65 million for Medi-Cal. Due to the COVID-19 pandemic and to assist providers who are also struggling, staff recommends moving forward with rebasing, but suggests that CalOptima absorb the additional reductions using reserves.

After reviewing the projections for the other lines of business, which included a projected loss of \$18 million for the OneCare Program, the Finance and Audit Committee directed staff to prepare an updated version of the proposed budget with a number of adjustments to the administration budget, including scaling back dollars related to the Compensation study and funding for position upgrades and retention bonuses. FAC Members also recommended increasing the vacancy factor from 5 percent to 7 percent and to get closer to a flat administrative budget. The Committee also directed staff to look at all non-medical and non-quality items that could be cut from the budget and bring a revised draft Operating Budget back to the full Board for consideration.

No Action Taken: ***Finance and Audit Committee members directed staff to conduct further study and make additional reductions to non-member, non-quality budget items and bring back a proposed budget to the full Board for consideration.***

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

Ms. Huang reviewed the Fiscal Year 2020-21 Capital Budget.

Action: ***On motion of Director Schoeffel, seconded and carried, the Committee recommended that the Board of Directors approve the CalOptima Fiscal Year (FY) 2020-21 Capital Budget and authorize the expenditures and appropriate the funds for 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. (Motion carried 3-0-0)***

6. Consider Recommending Board of Directors' Ratification of Expenditures Related to Emergency Repairs for CalOptima Facilities

Ms. Huang introduced this item, noting that it related to repair of CalOptima building signage, and that the work has been completed.

Action: ***On motion of Director Penrose, seconded and carried, the Committee recommended 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. (Motion carried 3-0-0)***

7. Consider Recommending Board of Directors' Approval of Proposed Changes to CalOptima Policy GA.3400: Annual Investments

Ms. Huang briefly introduced the item.

Action: ***On motion of Director Penrose, seconded and carried, the Committee recommended that the Board of Directors approve proposed changes to CalOptima Policy GA.3400: Annual Investments. (Motion carried 3-0-0)***

8. Consider Recommending Board of Directors' Approval of Proposed Revisions to CalOptima Finance Policies

Ms. Huang noted that these policies are being updated as part of the annual review process of policies to ensure compliance with regulatory requirements.

Action: ***On motion of Director Penrose, seconded and carried, the Committee recommended Board of Directors approval of proposed revisions to the following Finance polices: 1). CalOptima Policy FF.1006: Financial Risk Arrangement; 2). CalOptima Policy FF.1009: Health-based Risk Adjusted Capitation Payment System; 3). CalOptima Policy FF.3002: Financial***

Oversight; and 4). CalOptima Policy FF.1010: Shared Risk Pool. (Motion carried 3-0-0)

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
The Clerk noted for the record, that staff would like to strike recommendation number 4 from the recommended actions.

After discussion, the Committee approved the amended action below.

Action: On motion of Director Penrose, seconded and carried, the Committee Recommended 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. (Motion carried 3-0-0)

Amended
5/21/2020

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
This item was continued to future meeting.

11. Consider Recommend Board of Directors Approve Remedial Actions Related to Health Network and Provider Overpayments Arising from Medi-Cal Member Eligibility Reporting Error
Director Schoeffel did not participate in this item due to potential conflicts of interest.

Action: On motion of Director Berger, seconded and carried, the Committee recommended Board of Directors 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. (Motion carried 2-0-0; Director Schoeffel recused)

INFORMATION ITEMS

12. Moss Adams 2020 Financial Audit Planning

Stacy Stelzriede, Engagement Partner, Moss Adams LLP, presented a review of the scope of services for the annual financial audit for the year ending June 30, 2020 and provided a brief overview of recent changes in accounting standards. For the FY2019-20 audit, interim fieldwork is scheduled to begin on May 20, 2020, and final fieldwork will begin on July 22, 2020. The draft audited financial statements will be presented to the Finance and Audit Committee for review at the September 2020 meeting.

Aparna Venkateswaran, Engagement Senior Manager, briefly reviewed the various reports that are produced during this audit as well as new standards that will affect CalOptima beginning in fiscal year 2021.

The following Information Items were accepted as presented:

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

Committee Chair Lee Penrose noted that this is his last Finance and Audit Committee meeting and thanked staff for their work, adding he was glad to be a part of the FAC since joining the CalOptima Board of Directors.

ADJOURNMENT

Hearing no further business, Chair Penrose adjourned the meeting at 5:02 p.m.

/s/ Sharon Dwiars

Sharon Dwiars
Clerk of the Board

Approved: September 17, 2020

MINUTES

MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' INVESTMENT ADVISORY COMMITTEE

April 20, 2020

A meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC) was held on Monday, April 20, 2020, at CalOptima, 505 City Parkway West, Orange, California. The meeting was held via teleconference in light of the COVID-19 public health emergency and consistent with Governor Newsom's executive orders EO-N-25-20 and EO-N-29-20, which temporarily relax the teleconferencing limitations of the Brown Act.

CALL TO ORDER

Chair Patrick Moore called the meeting to order at 3:00 p.m. and led the Pledge of Allegiance.

ROLL CALL

Members Present: Chair Patrick Moore, Caroline Harkins, Nancy Huang, Rodney Johnson, Susan Munson, David Young

Others Present: Hannah Schriener, Laura Wirick, Jared Pratt, Meketa Investment Group; Asha Joshi, Darren Marco, Payden & Rygel; Scott Pavlak, Erin Klepper, Juan Peruyero, MetLife Investment Management; Seth Takata, Tony Mellville, Gary Schlossberg, Wells Capital Management; Richard Sanchez, Interim Chief Executive Officer; Gary Crockett, Chief Counsel; Jason Kaing, Controller; Eric Rustad, Director, Financial Analysis; Kelly Klipfel, Director, Financial Compliance; Joyce Mellinger, Accounting Manager; Faye Heidari, Accounting Supervisor; Junna Yeo, Project Manager Senior; Pamela Reichardt, Executive Assistant.

MINUTES

Approve Minutes of the January 20, 2020, Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Chair Moore, seconded and carried, the Minutes of the January 20, 2020, Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0).

PUBLIC COMMENT

There were no requests for public comment.

MANAGEMENT REPORTS

Chief Executive Officer (CEO) Report

Interim CEO Richard Sanchez introduced himself to the IAC and spoke briefly about his background.

Chief Financial Officer (CFO) Report

CFO Nancy Huang welcomed Richard Sanchez, Interim CEO, to the IAC meeting. Ms. Huang provided a CalOptima personnel update announcing that Jason Kaing was recently promoted to Controller in CalOptima's Accounting Department. He will oversee cash and investments and has been working for CalOptima for three years. Ms. Huang welcomed Jason to the meeting and congratulated him on his promotion.

Ms. Huang gave a COVID-19 update. Staff has been working closely with providers and the Orange County Health Care Agency to ensure that CalOptima members have access and care during this global pandemic. To assist providers, the Board of Directors approved a temporary capitation rate increase for a three-month period, April through June 2020. This Board action will increase CalOptima's funding to contracted health networks by \$3 million to \$4 million per month, or approximately \$14 million dollars in current fiscal year (FY). In addition, CalOptima has updated contracts with local Community-Based Adult Services (CBAS) centers to allow more flexibility to provide alternative services to members outside of the centers. Staff has been monitoring cash outflows from the State closely on a weekly basis. If there are any significant changes, staff will notify the investment managers accordingly.

Ms. Huang provided an update on the FY 2020-21 State Budget. She included information on the delay of the CalAIM program, the upcoming transition of the Medi-Cal pharmacy benefit from the managed care plans to the state, and the potential increase of Medi-Cal enrollment due to the COVID-19 public health emergency.

Ms. Huang reported on the IAC member recruitment process. Staff placed an advertisement in the Orange County Business Journal and asked the Board of Directors and IAC members for referrals. Staff continues to seek applicants and asked the IAC members and Chair for guidance on next steps.

Chair Patrick Moore thanked the IAC members for their assistance in providing referrals and asked for volunteers to participate in next step of interviewing potential candidates. The Chair appointed an Ad Hoc Committee of Patrick Moore, Nancy Huang and Susan Munson who will return to the committee with recommendations.

REPORTS

Consider the Recommending Proposed Changes to the CalOptima Policy GA.3400 Annual Investments

Action: On motion of Member Rodney Johnson, seconded and carried, the Investment Advisory Committee approved the proposed changes to the CalOptima Policy GA.3400 Annual Investments (Motion carried 6-0-0)

INFORMATION ITEMS

Presentation by Meketa Investment Group

Hannah Schriener, Vice President, provided a COVID-19 update, as well as a Meketa staff update. Ms. Schriener introduced Jared Pratt, a new Investment Manager who is taking over responsibility for the CalOptima fund from Stephanie Sorg. Ms. Schriener reported that as of Q1 2020, CalOptima's total fund market value was \$1.49 billion. She reported that CalOptima's investment portfolio was in compliance with CalOptima's Annual Investment Policy for the quarter.

Laura Wirick, Principal, reported on the custom peer groups, performance attributions, and the individual managers fund updates, as of March 31, 2020.

Presentation by Wells Capital Management

Seth Takata, Director, Insurance, gave a COVID-19 update and provided a firm update.

Gary Schlossberg, Senior Economist, provided a global economic update.

Tony Mellville, Senior Portfolio Manager, provided an operating portfolio update and a summary of market themes.

Presentation by MetLife Investment Management

Scott Pavlak, Portfolio Manager, provided a performance and operating portfolio strategy update.

Presentation by Payden & Rygel

Asha Joshi, Managing Principal, provided a firm update, discussed overall themes within the U.S. economy.

Darren Marco, Vice President, gave an operating portfolio update.

Financial Update

Ms. Huang provided highlights of CalOptima's February 2020 financials. Overall enrollment was approximately 721,000. The month-to-date enrollment was below budget by 2.7%, and the year-to-date budget variance is 1.1%. Due to rising unemployment rates, Staff anticipates an increase in the number of Medi-Cal TANF adult and children members, and Medi-Cal Expansion members.

Ms. Huang reported that the change in net assets for the month of February was \$10 million, with \$6.2 million from investment activities. The year-to-date change in net assets was \$41 million, with \$26 million from investment income. The Medical Loss Ratio (MLR) was 95.0% for the month and 96.0% for the year-to-date. The Administrative Loss Ratio (ALR) was 3.7% year-to-date, which includes direct payments received from the Department of Health Care Services.

Ms. Huang reported that CalOptima's total reserves in Tier One and Tier Two accounts was \$576 million, with Board designated reserves equivalent to 1.92 months capitation.

Chair Moore reminded committee members to submit their completed Form 700s to the Clerk of the Board.

ADJOURNMENT

Hearing no further business, Chair Moore adjourned the meeting at 5:04 p.m.

/s/ Pamela Reichardt
Pamela Reichardt
Executive Assistant

Approved: July 20, 2020

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 17, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

Report Item

4. Consider Recommending that the Board of Directors Accept and Receive and File Fiscal Year 2019-20 CalOptima Audited Financial Statements

Rev.
9/17/2020

Contact

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

Recommended Action

Recommend that the CalOptima Board of Directors accept and receive and file the Fiscal Year (FY) 2019-20 CalOptima consolidated audited financial statements as submitted by independent auditors Moss-Adams, LLP

Background

CalOptima has contracted with financial auditors Moss-Adams, LLP since May 21, 2015, to complete CalOptima's annual financial audit. At the May 21, 2020 meeting of the CalOptima Finance and Audit Committee, Moss-Adams presented the 2020 Audit Plan. The plan includes performing the mandatory annual consolidated financial statement audit and drafting the consolidated financial statements for the year ending June 30, 2020.

Discussion

Moss-Adams conducted the interim audit from May 18, 2020 through May 22, 2020 and the year-end audit remotely during July to August 2020. The significant audit areas that Moss-Adams reviewed included:

- Medical claims liability and claims expense;
- Capitation revenue and receivables;
- Amounts due to State of California or the California Department of Health Care Services;
- Pension and other post-employment benefits (OPEB) liabilities; and
- Impact of COVID-19.

Proposed Adjustment

During this year's review, Moss-Adams recommended one proposed adjustment to reclassify approximately \$92 million to properly reflect Cash and Cash Equivalents (CCE) and Investments within the Current Assets category of CalOptima's June 30, 2020, Balance Sheet. CalOptima concurred with the auditor's recommendation and recorded the proposed adjustment. Since this reclassification is made within the same asset category, it does not impact CalOptima's overall financial position.

Following are the auditor's recommendation, Staff will use Trade Date instead of Report Date to determine the classification between CCE and Investment going forward.

Category	Account Name	Debit	Credit
Balance Sheet - Current Assets	Cash and Cash Equivalents (CCE)		\$92 million
Balance Sheet - Current Assets	Investment	\$92 million	

Unmodified Opinion

Overall, the results from FY 2020 audit were positive with Moss-Adams issuing an Unmodified Opinion that CalOptima's Financial Statements are presented fairly and in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The auditor made no additional changes in CalOptima's approach to applying critical accounting policies, noted no material weaknesses, nor reported having encountered any significant difficulties during the audit. As such, Management recommends that the Board accept the CalOptima FY 2020 audited financial statements, as presented.

Fiscal Impact

There is no fiscal impact related to this recommended action.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. FY 2019-20 CalOptima Audited Financial Statements
2. Presentation by Moss-Adams, LLP

/s/ Richard Sanchez
Authorized Signature

09/10/2020
Date

REPORT OF INDEPENDENT AUDITORS AND
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

**ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC
AGENCY/DBA ORANGE PREVENTION AND TREATMENT
INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA**

June 30, 2020 and 2019

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**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Management's Discussion and Analysis**

The intent of management's discussion and analysis of CalOptima's financial performance is to provide readers with an overview of the agency's financial activities for the fiscal years ended June 30, 2020, 2019, and 2018. Readers should review this summation in conjunction with CalOptima's financial statements and accompanying notes to the financial statements to enhance their understanding of CalOptima's financial performance.

Key Operating Indicators

The table below compares key operating indicators for CalOptima for the fiscal years ended June 30, 2020, 2019, and 2018:

Key Operating Indicators	2020	2019	2018
Members (at end of fiscal period):			
Medi-Cal program	742,769	743,936	763,824
OneCare	1,452	1,537	1,418
OneCare Connect	14,358	14,123	14,768
PACE	391	327	267
Average member months			
Medi-Cal program	724,049	751,409	772,511
OneCare	1,463	1,448	1,372
OneCare Connect	14,144	14,398	15,079
PACE	380	303	239
Operating revenues (in millions)	\$ 3,833	\$ 3,475	\$ 3,446
Operating expenses (in millions)			
Medical expenses	3,644	3,217	3,292
Administrative expenses	142	131	132
Operating income (in millions)	<u>\$ 47</u>	<u>\$ 127</u>	<u>\$ 22</u>
Operating revenues PMPM (per member per month)	\$ 432	\$ 377	\$ 364
Operating expenses PMPM			
Medical expenses PMPM	410	349	348
Administrative expenses PMPM	16	14	14
Operating income PMPM	<u>\$ 6</u>	<u>\$ 14</u>	<u>\$ 2</u>
Medical loss ratio	95%	93%	96%
Administrative expenses ratio	4%	4%	4%
Premium tax revenue and expenses not included above			
Operating revenues (in millions)	\$ 67	\$ 137	\$ 143
Administrative expenses (in millions)	\$ 75	\$ 137	\$ 143

Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Management's Discussion and Analysis

Overview of the Financial Statements

This annual report consists of financial statements and notes to those statements, which reflect CalOptima's financial position as of June 30, 2020, 2019, and 2018, and results of its operations for the fiscal years ended June 30, 2020, 2019, and 2018. The financial statements of CalOptima, including the statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows, represent the accounts and transactions of the five (5) programs – Medi-Cal, OneCare, OneCare Connect, Program of All-Inclusive Care for the Elderly ("PACE"), and CalOptima Foundation.

- The statements of net position include all of CalOptima's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting, as well as an indication about which assets and deferred outflows of resources are utilized to fund obligations to providers and which are restricted as a matter of the Board of Directors' policy.
- The statements of revenues, expenses, and changes in net position present the results of operating activities during the fiscal year and the resulting increase or decrease in net position.
- The statements of cash flows report the net cash provided by or used in operating activities, as well as other sources and uses of cash from investing and capital and related financing activities.

The following discussion and analysis addresses CalOptima's overall program activities. CalOptima's Medi-Cal program accounted for 90.3 percent, 90.2 percent, and 89.8 percent of its annual revenues during fiscal years 2020, 2019, and 2018, respectively. CalOptima's OneCare program accounted for 0.4 percent, 0.6 percent, and 0.5 percent of its annual revenues during fiscal years 2020, 2019, and 2018, respectively. CalOptima's OneCare Connect program accounted for 8.3 percent, 8.4 percent, and 9.1 percent of its annual revenues during fiscal years 2020, 2019, and 2018, respectively. All other programs consolidated accounted for 1.0 percent, 0.8 percent, and 0.6 percent of CalOptima's annual revenues during fiscal years 2020, 2019, and 2018, respectively.

CalOptima Foundation (the "Foundation") was formed as a not-for-profit benefit corporation in 2010 dedicated to the betterment of public health care services in Orange County. During the year ended June 30, 2019, the Foundation was dissolved and all assets were transferred to CalOptima.

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Management's Discussion and Analysis**

2020 and 2019 Financial Highlights

As of June 30, 2020 and 2019, total assets and deferred outflows of resources were approximately \$2,256.8 million and \$1,957.2 million, respectively, and exceeded liabilities and deferred inflows of resources by approximately \$1,025.1 and \$935.5 million, respectively.

Net position increased by approximately \$89.6 million, or 9.6 percent, during fiscal year 2020 and increased by approximately \$171.1 million, or 22.4 percent, during fiscal year 2019, including the transfer of Foundation assets of approximately \$2.9 million.

Table 1a: Condensed Statements of Net Position as of June 30,
(Dollars in Thousands)

Financial Position	2020	2019	Change from 2019	
			Amount	Percentage
ASSETS				
Current assets	\$ 1,556,053	\$ 1,279,064	\$ 276,989	21.7%
Board-designated assets and restricted cash	642,383	620,445	21,938	3.5%
Capital assets, net	46,655	46,625	30	0.1%
Total assets	2,245,091	1,946,134	298,957	15.4%
DEFERRED OUTFLOWS OF RESOURCES				
	11,661	11,090	571	5.1%
Total assets and deferred outflows of resources	\$ 2,256,752	\$ 1,957,224	\$ 299,528	15.3%
LIABILITIES				
Current liabilities	\$ 1,171,997	\$ 965,968	\$ 206,029	21.3%
Other liabilities	52,947	48,307	4,640	9.6%
Total liabilities	1,224,944	1,014,275	210,669	20.8%
DEFERRED INFLOWS OF RESOURCES				
	6,677	7,407	(730)	-9.9%
NET POSITION				
Net investment in capital assets	46,494	46,580	(86)	-0.2%
Restricted by legislative authority	100,574	84,930	15,644	18.4%
Unrestricted	878,064	804,032	74,032	9.2%
Total net position	1,025,132	935,542	89,590	9.6%
Total liabilities, deferred inflows of resources and net position	\$ 2,256,753	\$ 1,957,224	\$ 299,529	15.3%

Current assets increased \$277.0 million from \$1,279.1 million in 2019 to \$1,556.1 million in 2020, primarily in cash and premium receivables. Cash increased \$165.9 million due to delays in the submission, processing, and reimbursement of medical claims during the novel coronavirus ("COVID-19") pandemic. The increase in premium receivables is primarily due to unpaid Managed Care Organization (MCO) tax. Current liabilities increased \$206.0 million from \$966.0 million in 2019 to \$1,171.0 million in 2020, primarily due to an increase in payables due to the State of California (the "State") for to the Gross Medical Expense (GME) and Coordinated Care Initiative (CCI) risk corridors. The GME risk corridor was enacted on June 29, 2020, through the Fiscal Year 2020-21 State Budget.

Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Management's Discussion and Analysis

2020 and 2019 Financial Highlights (continued)

Board-designated assets and restricted cash increased by \$.022 million and \$81.9 million in fiscal years 2020 and 2019, respectively. In fiscal year 2019, in addition to the existing Board-designated reserve, the Board of Directors designated a \$60 million funding initiative for homeless health.

The Board of Directors' policy is to augment the rest of Board-designated assets to provide a desired level of funds between 1.4 months and 2.0 months of premium revenue to meet future contingencies. CalOptima's reserve level of tier one and two investment portfolios as of June 30, 2020, is at 1.96 times of monthly average premium revenue.

CalOptima is also required to maintain a \$300,000 restricted deposit as a part of the Knox-Keene Health Care Service Plan Act of 1975.

2019 and 2018 Financial Highlights

As of June 30, 2019 and 2018, total assets and deferred outflows of resources were approximately \$1,957.2 million and \$1,879.1 million, respectively, and exceeded liabilities and deferred inflows of resources by approximately \$935.5 and \$764.5 million, respectively.

Net position increased by approximately \$171.1 million, or 22.4 percent, during fiscal year 2019, including the transfer of Foundation assets of approximately \$2.9 million, and increased by approximately \$45.8 million, or 6.4 percent, during fiscal year 2018.

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Management's Discussion and Analysis**

2019 and 2018 Financial Highlights (continued)

Table 1b: Condensed Statements of Net Position as of June 30,
(Dollars in Thousands)

Financial Position	2019	2018	Change from 2018	
			Amount	Percentage
ASSETS				
Current assets	\$ 1,279,064	\$ 1,278,680	\$ 384	0.0%
Board-designated assets and restricted cash	620,445	538,548	81,897	15.2%
Capital assets, net	46,625	50,758	(4,133)	-8.1%
Total assets	1,946,134	1,867,986	78,148	4.2%
DEFERRED OUTFLOWS OF RESOURCES				
	11,090	11,133	(43)	-0.4%
Total assets and deferred outflows of resources	\$ 1,957,224	\$ 1,879,119	\$ 78,105	4.2%
LIABILITIES				
Current liabilities	\$ 965,968	\$ 1,061,545	\$ (95,577)	-9.0%
Other liabilities	48,307	49,766	(1,459)	-2.9%
Total liabilities	1,014,275	1,111,311	(97,036)	-8.7%
DEFERRED INFLOWS OF RESOURCES				
	7,407	3,329	4,078	122.5%
NET POSITION				
Net investment in capital assets	46,580	50,637	(4,057)	-8.0%
Restricted by legislative authority	84,930	89,037	(4,107)	-4.6%
Unrestricted	804,032	624,805	179,227	28.7%
Total net position	935,542	764,479	171,063	22.4%
Total liabilities, deferred inflows of resources and net position	\$ 1,957,224	\$ 1,879,119	\$ 78,105	4.2%

Current assets increased \$0.4 million from \$1,278.7 million in 2018 to \$1,279.1 million in 2019. Current liabilities decreased \$95.6 million from \$1,061.5 million in 2018 to \$966.0 million in 2019. The decrease is mostly due to a remittance back to the California DHCS for the Medi-Cal expansion medical loss ratio ("MLR") reconciliation for fiscal year 2014 through 2016 and recognition of previously unearned revenue.

Board-designated assets and restricted cash increased by \$81.9 million and \$3.1 million in fiscal years 2019 and 2018, respectively. In fiscal year 2019, in addition to the existing Board-designated reserve, the Board of Directors designated a \$60 million funding initiative for homeless health.

The Board of Directors' policy is to augment the rest of Board-designated assets to provide a desired level of funds between 1.4 months and 2.0 months of premium revenue to meet future contingencies. CalOptima's reserve level of tier one and two investment portfolios as of June 30, 2019, is at 1.98 times of monthly average premium revenue.

CalOptima is also required to maintain a \$300,000 restricted deposit as a part of the Knox-Keene Health Care Service Plan Act of 1975.

Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Management's Discussion and Analysis

2020 and 2019 Results of Operations

CalOptima's fiscal year 2020 operations and non-operating revenues resulted in a \$89.6 million increase in net position, \$81.5 million less compared to a \$171.1 million increase in fiscal year 2019. The following table reflects the changes in revenues and expenses for 2020 compared to 2019:

Table 2a: Revenues, Expenses, and Changes in Net Position for
Fiscal Years Ended June 30,
(Dollars in Thousands)

Results of Operations	2020	2019	Change from 2019	
			Amount	Percentage
PREMIUM REVENUES	\$ 3,833,145	\$ 3,474,634	\$ 358,511	10.3%
Total operating revenues	3,833,145	3,474,634	358,511	10.3%
MEDICAL EXPENSES	3,644,419	3,216,673	427,746	13.3%
ADMINISTRATIVE EXPENSES	142,142	130,574	11,568	8.9%
Total operating expenses	3,786,561	3,347,247	439,314	13.1%
OPERATING INCOME	46,584	127,387	(80,803)	-63.4%
NONOPERATING REVENUES AND EXPENSES	43,004	43,676	(672)	-1.5%
Increase in net position	89,588	171,063	(81,475)	-47.6%
NET POSITION, beginning of year	935,543	764,480	171,063	22.4%
NET POSITION, end of year	\$ 1,025,131	\$ 935,543	\$ 89,588	9.6%

2020 and 2019 Operating Revenues

The increase in operating revenues of \$358.5 million in fiscal year 2020 is primarily attributable to the addition of the new Whole Child Model (WCM) program which began on July 1, 2019, Hospital Directed Payments, Intergovernmental Transfers ("IGT"), and expansion of Proposition 56 (The Research and Prevention Tobacco Tax Act of 2016). The increase in revenue is offset by a 1.5 percent GME rate reduction and risk corridor for the period of July 1, 2019 through December 31, 2020, (i.e., Bridge Period) that is approved in State's Fiscal Year (FY) 2020-21 budget and overall lower enrollment in FY 2020 compared to FY 2019.

2020 and 2019 Medical Expenses

Overall medical expenses increased by \$427.7 million or 13 percent in fiscal year 2020, totaling \$3,644.4 million, compared to \$3,216.7 million in fiscal year 2019. CalOptima's MLR, or medical expenses as a percentage of operating revenues, increased 2.5 percent to 95.1 percent in 2020 from 92.6 percent in fiscal year 2019.

Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Management's Discussion and Analysis

2020 and 2019 Medical Expenses (continued)

Medi-Cal provider capitation, comprised of capitation payments to CalOptima's contracted health networks, increased by 3.5 percent from fiscal year 2019 to fiscal year 2020. Capitated member enrollment accounted for approximately 74.9 percent of CalOptima's enrollment, averaging 542,204 members during fiscal year 2020, and 76.3 percent of CalOptima's enrollment, averaging 573,455 members during fiscal year 2019. Included in the capitated environment are 175,704 or 32.4 percent and 192,011 or 33.5 percent members in a shared risk network for fiscal years 2020 and 2019, respectively. Shared risk networks receive capitation for professional services and are claims-based for hospital services.

Medi-Cal provider capitation expenses totaled \$1,133.1 million in fiscal year 2020, compared to \$1,094.3 million in fiscal year 2019. The increase reflects additional capitation expenses relating to WCM and expansion of Proposition 56 program which authorizes additional supplemental payments to impacted physician services compared to fiscal year 2019.

Medi-Cal claims expense to providers and facilities, including Long-Term Care ("LTC") services increased by 5.3 percent from fiscal year 2019 to fiscal year 2020 primarily driven by increase in price and utilization trends.

Prescription drug costs increased by 24.3 percent in fiscal year 2020, compared to fiscal year 2019. Results from fiscal year 2020 reflects additional prescription drugs utilization from new WCM program.

In addition to items mentioned above, total Quality Assurance Fee ("QAF") payments received and passed through to hospitals decreased from \$297.4 million to \$154.6 million from fiscal year 2019 to fiscal year 2020. These receipts and payments are not included in the statements of revenues, expenses, and changes in net position.

2020 and 2019 Administrative Expenses

Total administrative expenses were \$142.1 million in 2020 compared to \$130.6 million in 2019. Overall administrative expenses increased by 8.9 percent or \$11.6 million, corresponding to higher salaries and benefits due additional staffing and California Public Employees Retirement Systems ("CalPERS") expense, along with inflation increases in other expense categories. During fiscal years 2020 and 2019, respectively, CalOptima's administrative expenses remained at 3.8 percent of total operating revenues.

Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Management's Discussion and Analysis

2019 and 2018 Results of Operations

CalOptima's fiscal year 2019 operations and nonoperating revenues resulted in a \$171.1 million increase in net position, \$125.2 million more compared to a \$45.8 million decrease in fiscal year 2018. The following table reflects the changes in revenues and expenses for 2019 compared to 2018:

Table 2b: Revenues, Expenses and Changes in Net Position for
Fiscal Years Ended June 30,
(Dollars in Thousands)

Results of Operations	2019	2018	Change from 2018	
			Amount	Percentage
CAPITATION REVENUES	\$ 3,474,634	\$ 3,445,699	\$ 28,935	0.8%
Total operating revenues	3,474,634	3,445,699	28,935	0.8%
MEDICAL EXPENSES	3,216,673	3,291,712	(75,039)	-2.3%
ADMINISTRATIVE EXPENSES	130,574	131,847	(1,273)	-1.0%
Total operating expenses	3,347,247	3,423,559	(76,312)	-2.2%
OPERATING INCOME	127,387	22,140	105,247	475.4%
NONOPERATING REVENUES AND EXPENSES	43,676	23,700	19,976	84.3%
Increase in net position	171,063	45,840	125,223	273.2%
NET POSITION, beginning of year	764,480	718,640	45,840	6.4%
NET POSITION, end of year	\$ 935,543	\$ 764,480	\$ 171,063	22.4%

2019 and 2018 Operating Revenues

The increase in operating revenues of \$28.9 million in fiscal year 2019 is attributable to an overall capitation rate increase, Intergovernmental Transfers ("IGT"), expansion of Proposition 56, recognition of net increase to Coordinated Care Initiative ("CCI") revenue after an update made to enrollment logic (offset by decreased blended paid rate from DHCS). Overall lower enrollment in fiscal year 2019 compared to fiscal 2018 offsets part of the revenue increase.

2019 and 2018 Medical Expenses

Overall medical expenses decreased by \$75.0 million or 2.3 percent in fiscal year 2019, totaling \$3,216.7 million, compared to \$3,291.7 million in fiscal year 2018. CalOptima's MLR, or medical expenses as a percentage of operating revenues, decreased 2.9 percent from 95.5 to 92.6 percent in fiscal year 2018 to 2019.

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Management's Discussion and Analysis**

2019 and 2018 Medical Expenses (continued)

Medi-Cal provider capitation, comprised of capitation payments to CalOptima's contracted health networks, increased by 2.4 percent from fiscal year 2018 to fiscal year 2019. Capitated member enrollment accounted for approximately 76.3 percent of CalOptima's enrollment, averaging 573,455 members during fiscal year 2019, and 76.4 percent of CalOptima's enrollment, averaging 590,204 members during fiscal year 2018. Included in the capitated environment are 192,011 or 33.5 percent and 198,508 or 33.6 percent members in a shared risk network for fiscal years 2019 and 2018, respectively. Shared risk networks receive capitation for professional services and are claims-based for hospital services.

Medi-Cal provider capitation expenses totaled \$1,094.3 million in fiscal year 2019, compared to \$1,068.4 million in fiscal year 2018. The increase reflects additional capitation expenses relating to Proposition 56 compared to 2018.

Medi-Cal claims expense to providers and facilities, including Long-Term Care ("LTC") services decreased by 8.3 percent from fiscal year 2018 to fiscal year 2019. This decrease is attributable to lower enrollment and the discontinuation of In-Home Supportive Services ("IHSS") services beginning January 2018.

Prescription drugs costs increased by 0.8 percent in fiscal year 2019, compared to fiscal year 2018. Results from fiscal year 2019 reflects an increase in prescription drug prices.

In addition to items mentioned above, total Quality Assurance Fee ("QAF") payments received and passed through to hospitals decreased from \$307.8 million to \$297.4 million from fiscal year 2018 to fiscal year 2019. These receipts and payments are not included in the statements of revenues, expenses, and changes in net position.

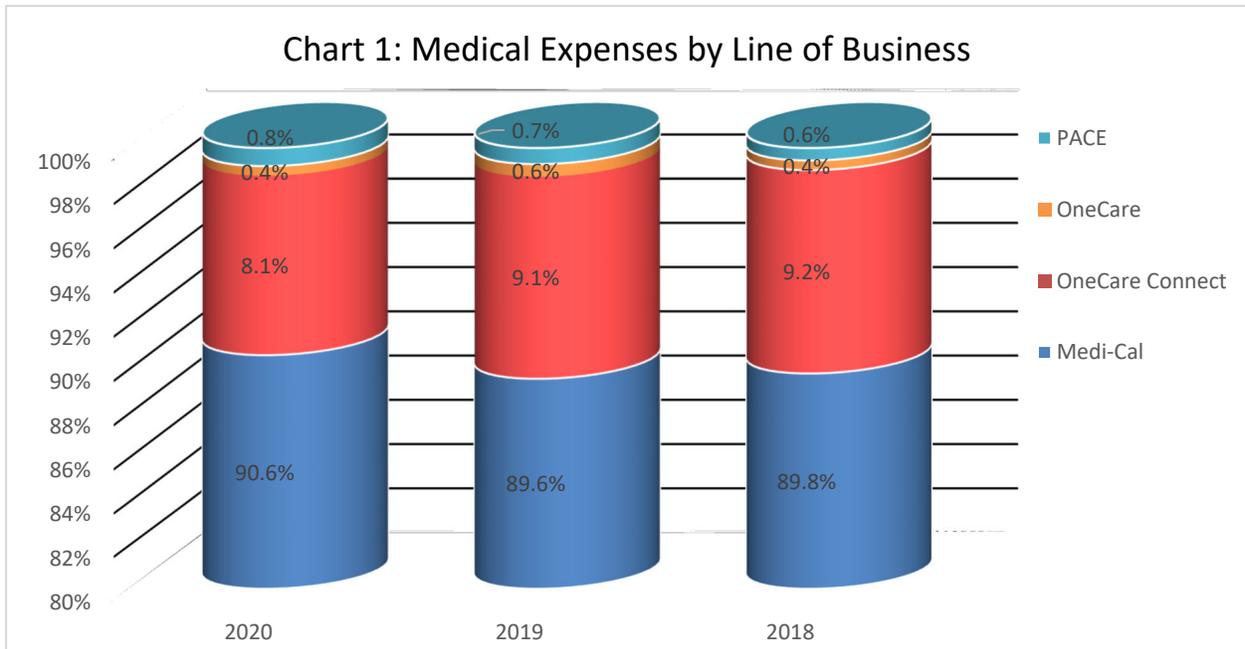
2019 and 2018 Administrative Expenses

Total administrative expenses were \$130.6 million in 2019 compared to \$131.8 million in 2018. Overall administrative expenses decreased by 1.0 percent or \$1.3 million, corresponding to lower salaries and benefits due to the effect of a non-recurring CalPERS discount rate reduction from 7.7 percent to 7.2 percent, with offsetting inflation increases in other expense categories. During fiscal years 2019 and 2018, respectively, CalOptima's administrative expenses remained at 3.8 percent of total operating revenues.

**Orange County Health Authority, a Public Agency/
 dba Orange Prevention and Treatment Integrated
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 Management’s Discussion and Analysis**

2020, 2019, and 2018 Medical Expenses by Line of Business

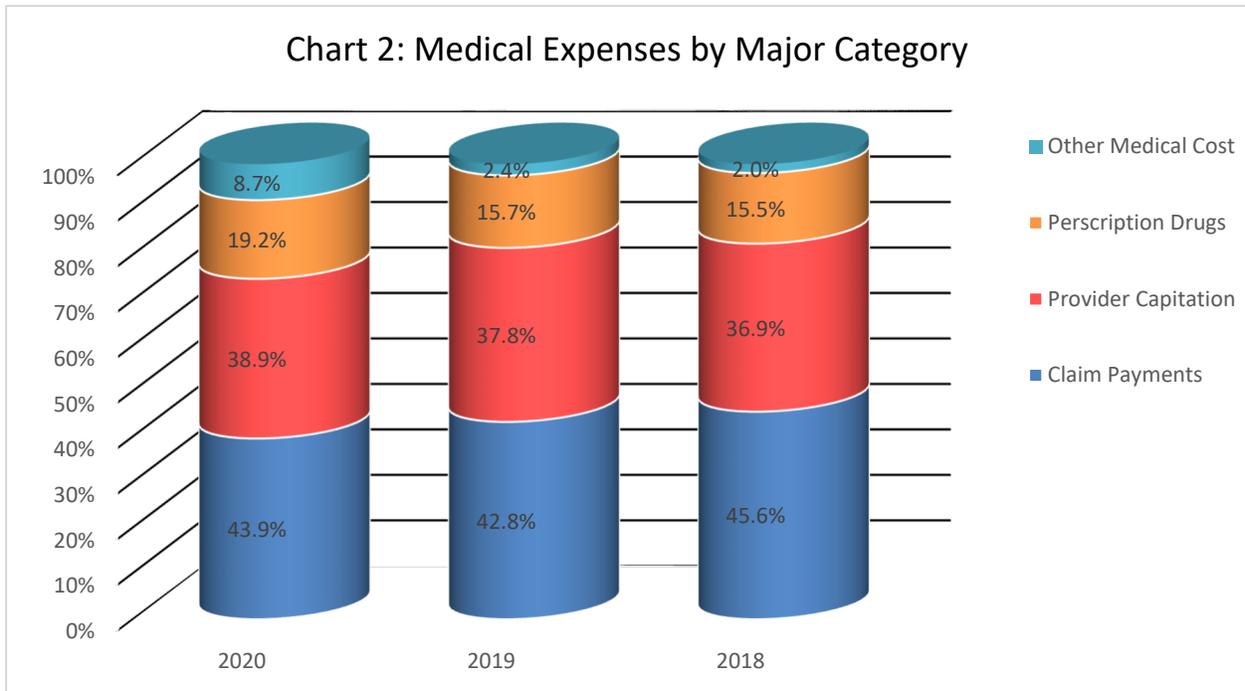
Below is a comparison chart of total medical expenses by line of business and their respective percentages of the overall medical expenditures by fiscal year.



**Orange County Health Authority, a Public Agency/
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Management's Discussion and Analysis**

2020, 2019, and 2018 Medical Expenses by Major Category

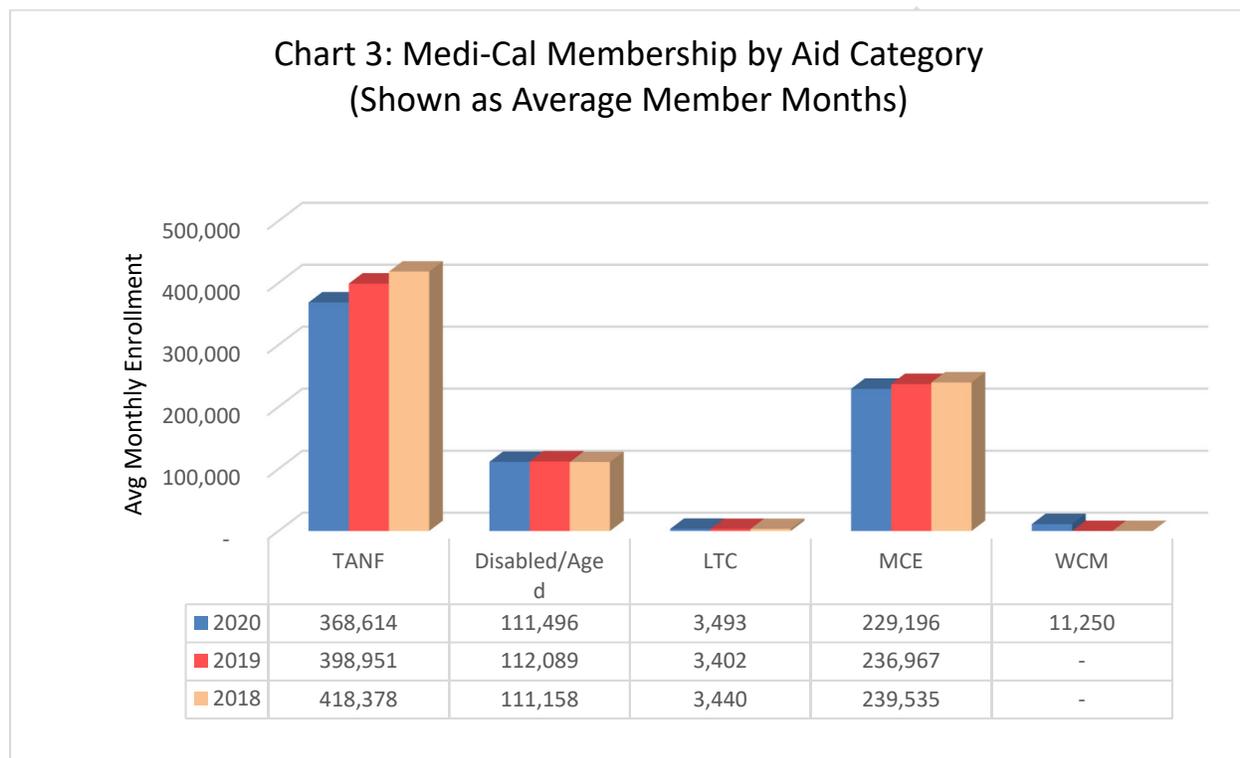
Below is a comparison chart of medical expenses by major category and their respective percentages of the overall medical expenditures by fiscal year.



Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Management’s Discussion and Analysis

2020, 2019, and 2018 Enrollment

During fiscal year 2020, CalOptima served an average of 724,049 Medi-Cal members per month compared to an average of 751,409 members per month in 2019 and 772,511 members per month in 2018. The chart below displays a comparative view of average monthly membership by Medi-Cal aid category during 2020, 2019, and 2018:



Significant aid categories are defined as follows:

Temporary Assistance to Needy Families (“TANF”) includes families, children, and poverty-level members who qualify for the TANF federal welfare program, which provides cash aid and job-search assistance to poor families. TANF also includes members who migrated from CalOptima, Health Net, and Kaiser Healthy Family programs.

Disabled and Aged includes individuals who have met the criteria for disability set by the Social Security Administration, and individuals of 65 years of age and older who receive supplemental security income (“SSI”) checks, or are medically needy, or have an income of 100 percent or less of the federal poverty level.

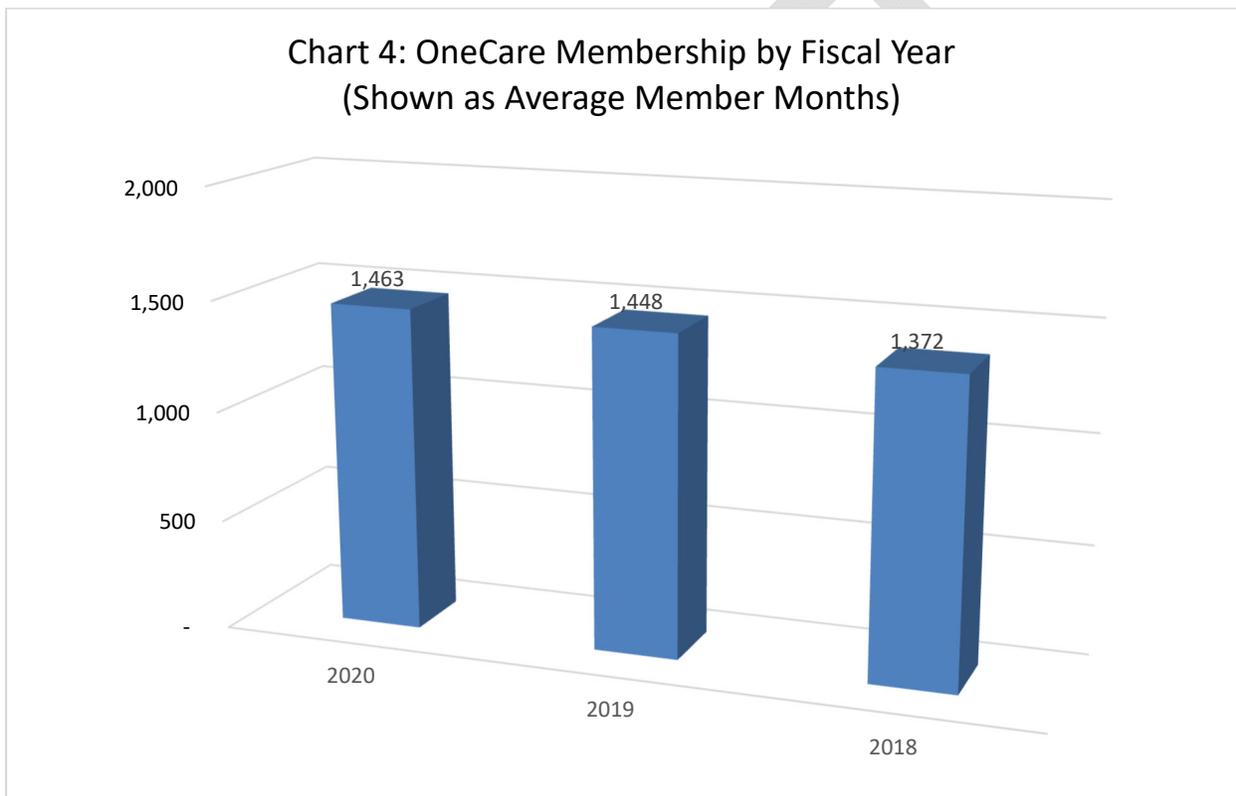
LTC includes frail elderly adults, nonelderly adults with disabilities, and children with developmental disabilities and other disabling conditions requiring long-term care services.

**Orange County Health Authority, a Public Agency/
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Management’s Discussion and Analysis**

2020, 2019, and 2018 Enrollment (continued)

Medi-Cal Expansion (“MCE”) program includes adults without children, ages 19–64, qualified based upon income, as required by the Patient Protection and Affordable Care Act (“ACA”).

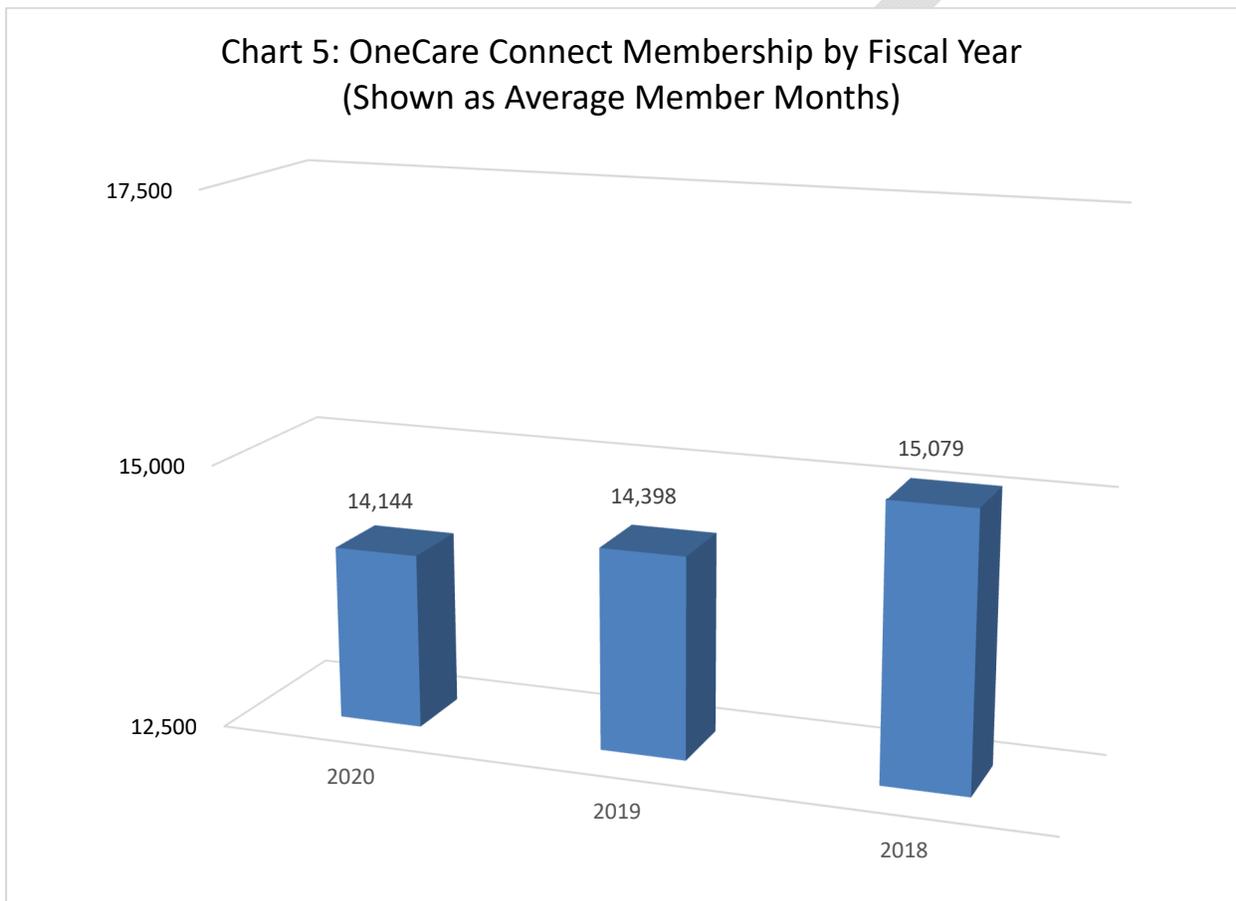
OneCare was introduced in fiscal year 2006 to service the unique Medicare Advantage Special Needs Plan. It provides a full range of health care services to average member months of 1,463, 1,448, and 1,372 for the years ended June 30, 2020, 2019, and 2018, respectively. Members are eligible for both the Medicare and Medi-Cal programs. The chart below displays the average member months for the past three years.



**Orange County Health Authority, a Public Agency/
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Management’s Discussion and Analysis**

2020, 2019, and 2018 Enrollment (continued)

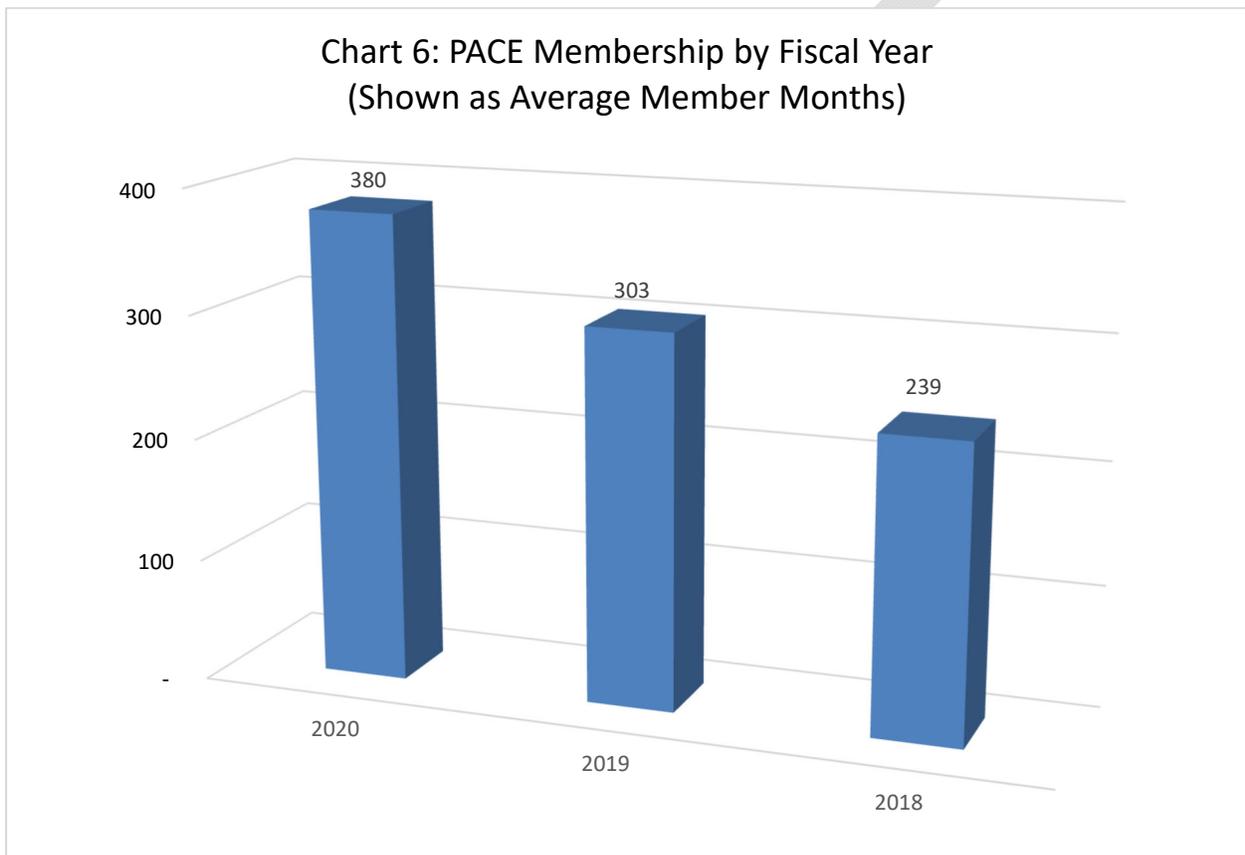
CalOptima launched OneCare Connect (“OCC”) program to serve dual eligible members in Orange County on July 1, 2015. This program combines members’ Medicare and Medi-Cal coverage and adds other benefits and supports. The average member months of 14,144, 14,398, and 15,079 for the years ended June 30, 2020, 2019, and 2018, respectively. The chart below displays the average member months for the past three years.



**Orange County Health Authority, a Public Agency/
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Management's Discussion and Analysis**

2020, 2019, and 2018 Enrollment (continued)

PACE started operations in October 2013. It is a community-based Medicare and Medi-Cal program that provides coordinated and integrated health care services to frail elders to help them continue living independently in the community. The average member months of 380, 303, and 239 for the years ended June 30, 2020, 2019, and 2018, respectively. The chart below displays the average member months for the past three years.



Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Management's Discussion and Analysis

Economic Factors and the State's Fiscal Year 2020-21 Budget

On March 4, 2020, the Governor proclaimed a state of emergency for the COVID-19 outbreak. The emergency has led to an economic recession from massive job losses, business closures and increased costs to state and local governments.

On June 29, 2020, Governor Gavin Newsom signed the Fiscal Year (FY) 2020-21 state budget. The budget addressed a \$54.3 billion budget gap primarily resulting from the COVID-19 pandemic, while protecting public health and education and promoting government efficiencies. State actions to address long-term structural deficits and reduce spending, along with federal assistance will directly impact the state's path to economic recovery.

General Fund spending in the budget package was \$133.9 billion, a decrease of \$13.0 billion or 9 percent from FY 2019-20. The budget included \$23.6 billion in General Fund spending for the Medi-Cal program. It assumed that statewide enrollment would peak at 14.5 million by July 2020, resulting in a 9.2 percent year-over-year increase in Medi-Cal enrollment. Major Medi-Cal program changes adopted in the budget include:

- Reductions to managed care plans: Acuity, efficiency, and cost containment adjustments to capitation rates beginning January 1, 2021, and a 1.5 percent rate reduction and implementation of a risk corridor calculation for the period of July 1, 2019 through December 31, 2020 (i.e., Bridge Period).
- Expansion of eligibility to aged, blind and disabled individuals with incomes between 123 percent and 138 percent FPL.
- Expansion of the Medi-Cal benefit for pregnant individuals with a maternal mental health condition.

The budget projected \$137.7 billion in General Fund revenues and transfers in FY 2020-21, an increase of \$94 million or 0.1 percent compared to last fiscal year. The three largest General Fund taxes (i.e., personal income tax, sales and use tax, corporation tax) were projected to decrease by 15 percent. The State is projected to end FY 2020-21 with \$11.4 billion in total reserves.

Coronavirus pandemic – On March 4, 2020, the Governor proclaimed a state of emergency for the novel coronavirus outbreak. The emergency has led to an economic recession from massive job losses, business closures, and increased costs to state and local governments. As of June 2020, the State projected a budget shortfall of \$54.3 billion by the end of June 2021. State actions to address long-term structural deficits and reduce spending, along with federal assistance will directly impact the state's path to economic recovery. The FY 2020-21 state budget provisions included a 1.5 percent rate reduction to Medi-Cal managed care plans and implemented a risk corridor calculation for the period of July 1, 2019 through December 31, 2020 (i.e., 18-month bridge period).

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Management's Discussion and Analysis**

Economic Factors and the State's Fiscal Year 2020-21 Budget (continued)

DHCS annual audit – DHCS conducted its annual audit of CalOptima's Medi-Cal program and the Medicaid-based services for the OneCare Connect program in late January and early February 2020. The audit review period was from February 2019 through January 2020. DHCS' draft audit report included findings in the areas of Access and Availability of Care and Member Rights. No findings were reported for the areas of State Supported Services or the OneCare Connect program. In July 2020, CalOptima notified DHCS of our acceptance of the findings in the draft audit report. CalOptima anticipates receipt of the final audit report and a request for a corrective action plan in August 2020.

Requests for information – This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of CalOptima's operations. If the reader has questions or would like additional information about CalOptima Foundation, please direct the requests to CalOptima, 505 City Parkway West, Orange, CA 92868 or call 714.347.3237.

DRAFT

Report of Independent Auditors

To the Board of Directors
Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated Medical Assistance/
dba CalOptima

Report on Financial Statements

We have audited the accompanying statements of net position of Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima (a discrete component unit of the County of Orange, California) (“CalOptima”), as of June 30, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position and cash flows for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise CalOptima’s basic financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CalOptima as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of plan contributions, and schedule of changes in total Other Post-Employment Benefits (OPEB) liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Irvine, California

[DATE]

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Statements of Net Position**

	June 30,	
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 378,797,374	\$ 347,627,785
Investments	724,186,314	573,706,297
Premiums due from the State of California and CMS	403,300,443	302,964,503
Prepaid expenses and other	49,768,791	54,765,005
Total current assets	<u>1,556,052,922</u>	<u>1,279,063,590</u>
BOARD-DESIGNATED ASSETS AND RESTRICTED CASH		
Cash and cash equivalents	59,979,769	72,711,832
Investments	582,103,037	547,433,576
Restricted deposit	300,000	300,000
Total	<u>642,382,806</u>	<u>620,445,408</u>
CAPITAL ASSETS, NET	<u>46,654,576</u>	<u>46,624,892</u>
Total assets	<u>2,245,090,304</u>	<u>1,946,133,890</u>
DEFERRED OUTFLOWS OF RESOURCES		
Net pension	10,388,070	10,534,449
Other postemployment benefit	1,273,000	556,000
Total deferred outflows of resources	<u>11,661,070</u>	<u>11,090,449</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,256,751,374</u></u>	<u><u>\$ 1,957,224,339</u></u>

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Statements of Net Position (Continued)**

	June 30,	
	2020	2019
CURRENT LIABILITIES		
Medical claims liability and capitation payable		
Medical claims liability	\$ 302,058,508	\$ 287,288,604
Provider capitation and withholds	142,981,028	108,903,139
Accrued reinsurance costs to providers	4,843,302	3,209,901
Due to the State of California and CMS	677,497,633	496,690,411
Unearned revenue	22,693,499	50,147,341
	<u>1,150,073,970</u>	<u>946,239,396</u>
Accounts payable and other	8,300,077	8,658,894
Accrued payroll and employee benefits and other	13,621,877	11,069,278
	<u>1,171,995,924</u>	<u>965,967,568</u>
POSTEMPLOYMENT HEALTH CARE PLAN	25,824,000	24,705,000
NET PENSION LIABILITY	27,122,873	23,602,064
	<u>1,224,942,797</u>	<u>1,014,274,632</u>
DEFERRED INFLOWS OF RESOURCES		
Net pension	4,235,272	4,903,835
Other postemployment benefit	2,442,000	2,503,000
	<u>6,677,272</u>	<u>7,406,835</u>
NET POSITION		
Net investment in capital assets	46,493,718	46,580,380
Restricted by legislative authority	100,573,922	84,930,126
Unrestricted	878,063,665	804,032,366
	<u>1,025,131,305</u>	<u>935,542,872</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,256,751,374</u>	<u>\$ 1,957,224,339</u>

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Statements of Revenues, Expenses, and Changes in Net Position**

	Years Ended June 30,	
	2020	2019
REVENUES		
Premium revenues	\$ 3,833,145,186	\$ 3,474,634,375
Total operating revenues	<u>3,833,145,186</u>	<u>3,474,634,375</u>
OPERATING EXPENSES		
Medical expenses		
Claims expense to providers and facilities	1,354,894,408	1,287,230,443
Provider capitation	1,133,100,408	1,094,332,595
Prescription drugs	553,908,228	445,721,355
OneCare Connect	295,701,392	293,947,460
Other medical	261,321,998	53,871,235
PACE	29,648,249	23,297,732
OneCare	15,843,762	18,272,703
Total medical expenses	<u>3,644,418,445</u>	<u>3,216,673,523</u>
Administrative expenses		
Salaries, wages, and employee benefits	92,838,076	84,618,793
Supplies, occupancy, insurance, and other	26,463,554	22,975,749
Purchased services	12,950,542	12,584,719
Depreciation	6,208,308	7,226,723
Professional fees	3,681,376	3,167,619
Total administrative expenses	<u>142,141,856</u>	<u>130,573,603</u>
Total operating expenses	<u>3,786,560,301</u>	<u>3,347,247,126</u>
OPERATING INCOME	<u>46,584,885</u>	<u>127,387,249</u>
NON-OPERATING REVENUES		
Net investment income and other	43,003,548	43,675,873
Total non-operating revenues	<u>43,003,548</u>	<u>43,675,873</u>
Increase in net position	89,588,433	171,063,122
NET POSITION, beginning of year	<u>935,542,872</u>	<u>764,479,750</u>
NET POSITION, end of year	<u>\$ 1,025,131,305</u>	<u>\$ 935,542,872</u>

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Statements of Cash Flows**

	Years Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Capitation payments received and other	\$ 3,886,162,626	\$ 3,335,206,230
Payments to providers and facilities	(3,593,937,251)	(3,180,342,695)
Payments to vendors	(37,857,991)	(61,188,697)
Payments to employees	(86,945,852)	(81,658,054)
Net cash provided by operating activities	<u>167,421,532</u>	<u>12,016,784</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	<u>(6,838,076)</u>	<u>(3,692,776)</u>
Net cash used in capital and related financing activities	<u>(6,838,076)</u>	<u>(3,692,776)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	47,645,156	49,387,239
Purchases of securities	(6,861,181,847)	(13,023,305,579)
Sales of securities	6,684,122,824	12,942,289,130
Net cash used in investing activities	<u>(129,413,867)</u>	<u>(31,629,210)</u>
Net change in cash and cash equivalents	31,169,589	(23,305,202)
CASH AND CASH EQUIVALENTS, beginning of year	<u>347,627,785</u>	<u>370,932,987</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 378,797,374</u>	<u>\$ 347,627,785</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 46,584,885	\$ 127,387,249
ADJUSTMENT TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	6,808,392	7,826,138
Changes in assets and liabilities		
Premiums due from the State of California and CMS	(100,335,940)	(6,592,863)
Prepaid expenses and other	4,996,214	(23,688,282)
Medical claims liability	14,769,904	24,231,167
Provider capitation and withholds	34,077,889	12,354,248
Accrued reinsurance costs to providers	1,633,401	(254,587)
Due to the State of California and CMS	180,807,222	(70,425,615)
Unearned revenue	(27,453,842)	(62,409,667)
Accounts payable and other	(358,817)	628,257
Accrued payroll and employee benefits and other	2,552,599	199,439
Postemployment health care plan	341,000	346,000
Net pension liability	2,998,625	2,415,300
Net cash provided by operating activities	<u>\$ 167,421,532</u>	<u>\$ 12,016,784</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING AND INVESTING ACTIVITIES		
Change in unrealized appreciation on investments	<u>\$ 14,075,788</u>	<u>\$ 4,652,813</u>

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 1 – Organization

Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima (“CalOptima”), is a County-Organized Health System (“COHS”) serving primarily Medi-Cal beneficiaries in Orange County, California. Pursuant to the California Welfare and Institutions Code, CalOptima was formed by the Orange County Board of Supervisors as a public/private partnership through the adoption of Ordinance No. 3896 in August 1992. The agency began operations in October 1995.

As a COHS, CalOptima maintains an exclusive contract with the State of California (the “State”) DHCS to arrange for the provision of health care services to Orange County’s Medi-Cal beneficiaries. Orange County had approximately 743,000 and 744,000 Medi-Cal beneficiaries for the years ended June 30, 2020 and 2019, respectively. CalOptima also offers OneCare, a Medicare Advantage Special Needs Plan, via a contract with the Centers for Medicare & Medicaid Services (“CMS”). OneCare served approximately 1,500 members eligible for both Medicare and Medi-Cal for the years ended June 30, 2020 and 2019. In January 2016, CalOptima began offering the OneCare Connect Cal MediConnect Plan (“OCC”), a Medicare-Medicaid Plan, via a contract with CMS and DHCS. OCC served approximately 14,000 members eligible for both Medicare and Medi-Cal for the years ended June 30, 2020 and 2019. In January 2016, CalOptima began transferring subscribers from OneCare to the OneCare Connect Cal MediConnect Plan. CalOptima also contracts with the California Department of Aging to provide case management of social and health care services to approximately 500 Medi-Cal eligible seniors under the State’s Multipurpose Senior Services Program (“MSSP”). PACE provides services to 55 years of age or older members who reside in the PACE service area and meet California nursing facility level of care requirements. The program receives Medicare and Medi-Cal funding.

CalOptima, in turn, subcontracts the delivery of health care services through health maintenance organizations and provider-sponsored organizations, known as Physician/Hospital Consortia, and Shared Risk Groups. Additionally, CalOptima has direct contracts with hospitals and providers for its fee-for-service network.

CalOptima is Knox-Keene licensed for purposes of its Medicare programs and is subject to certain provisions of the Knox-Keene Health Care Service Plan Act of 1975 (the “Act”) to the extent incorporated by reference into CalOptima’s contract with DHCS. As such, CalOptima is subject to the regulatory requirements of the Department of Managed Health Care (“DMHC”) under Section 1300, Title 28 of the California Administrative Code of Regulations, including minimum requirements of Tangible Net Equity (“TNE”), which CalOptima exceeded as of June 30, 2020 and 2019.

CalOptima Foundation (the “Foundation”) was formed as a not-for-profit benefit corporation in 2010 dedicated to the betterment of public health care services in Orange County. During the year ended June 30, 2019, the Foundation was dissolved and all assets were transferred to CalOptima.

Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – CalOptima is a COHS plan governed by a 10-member Board of Directors appointed by the Orange County Board of Supervisors. The CalOptima Board of Directors served as the Board of Directors of the Foundation. Effective for the fiscal year ended June 30, 2014, CalOptima began reporting as a discrete component unit of the County of Orange, California. The County made this determination based on the County Board of Supervisors' role in appointing all members of the Board of Directors.

Principle of consolidation – The financial statements include the accounts of CalOptima and the Foundation (collectively referred to herein as the "Organization"). During the year ended June 30, 2019, the Foundation was dissolved (see Note 1).

Basis of accounting – CalOptima uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The accompanying financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board (GASB).

Use of estimates – The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents – The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Investments – Investments are stated at fair value in accordance with GASB Codification Section 150. The fair value of investments is estimated based on quoted market prices, when available. For debt securities not actively traded, fair values are estimated using values obtained from external pricing services or are estimated by discounting the expected future cash flows using current market rates applicable to the coupon rate, credit, and maturity of the investments.

All investments with an original maturity of one year or less when purchased are recorded as current investments, unless designated or restricted.

Board-designated assets and restricted cash – Board-designated assets include amounts designated by the Board of Directors for the establishment of certain reserve funds for contingencies at a desired level between 1.4 and 2 months of premium revenues and amounts designated by the Board of Directors for CalOptima's homeless health initiative (see Note 3). Restricted cash represents a \$300,000 restricted deposit required by CalOptima as part of the Act (see Note 9).

**Orange County Health Authority, a Public Agency/
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Note 2 – Summary of Significant Accounting Policies (continued)

Capital assets – Capital assets are stated at cost at the date of acquisition. The costs of normal maintenance, repairs, and minor replacements are charged to expense when incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Long-lived assets are periodically reviewed for impairment. The following estimated useful lives are used:

	Years
Furniture	5 years
Vehicles	5 years
Computers and software	3 years
Leasehold improvements	15 years or life of lease, whichever is less
Building	40 years
Building components	10 to 30 years
Land improvements	8 to 25 years
Tenant improvements	7 years or life of lease, whichever is less

Fair value of financial instruments – The financial statements include financial instruments for which the fair market value may differ from amounts reflected on a historical basis. Financial instruments of the Organization consist of cash deposits, investments, premium receivable, accounts payable, and certain accrued liabilities. The Organization’s other financial instruments except for investments generally approximate fair market value based on the relatively short period of time between origination of the instruments and their expected realization.

Medical claims liability and expenses – CalOptima establishes a claims liability based on estimates of the ultimate cost of claims in process and a provision for incurred but not yet reported (“IBNR”) claims, which is actuarially determined based on historical claim payment experience and other statistics. Such estimates are continually monitored and analyzed with any adjustments made as necessary in the period the adjustment is determined. CalOptima retains an outside actuary to perform an annual review of the actuarial projections. Amounts for claims payment incurred related to prior years vary from previously estimated liabilities as the claims ultimately are settled.

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Note 2 – Summary of Significant Accounting Policies (continued)

Provider capitation and withholds – CalOptima has provider services agreements with several health networks in Orange County, whereby the health networks provide care directly to covered members or through subcontracts with other health care providers. Payment for the services provided by the health networks is on a fully capitated basis. The capitation amount is based on contractually agreed-upon terms with each health network. CalOptima withholds amounts from providers at an agreed-upon percentage of capitation payments made to ensure the financial solvency of each contract. CalOptima also records a liability related to quality incentive payments and risk-share provisions. The quality incentive liability is estimated based on member months and rates agreed upon by the Board of Directors. For the risk-share provision liability, management allocates surpluses or deficits, multiplied by a contractual rate, with the shared-risk groups. Estimated amounts due to health networks pertaining to risk-share provisions were approximately \$24,437,000 and \$40,167,000 as of June 30, 2020 and 2019, respectively, and are included in provider capitation and withholds on the statements of net position. During the years ended June 30, 2020 and 2019, CalOptima incurred approximately \$1,279,859,000 and \$1,243,391,000, respectively, of capitation expense relating to health care services provided by health networks. Capitation expense is included in the provider capitation, OneCare Connect, and OneCare line items in the statements of revenues, expenses, and changes in net position. Estimated amounts due to health networks as of June 30, 2020 and 2019, related to the capitation withhold arrangements, quality incentive payments, and risk-share provisions were approximately \$142,981,000 and \$108,903,000, respectively.

Premium deficiency reserves – CalOptima performs periodic analyses of its expected future health care costs and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. Should expected costs exceed anticipated revenues, a premium deficiency reserve is accrued. Investment income is not included in the calculation to estimate premium deficiency reserves. CalOptima's management determined that no premium deficiency reserves were necessary as of June 30, 2020 and 2019.

Accrued compensated absences – CalOptima's policy permits employees who are regularly scheduled to work more than 20 hours per week to accrue 18 days of paid time off (PTO) (23 days for exempt employees) based on their years of continuous service, with an additional week of accrual after three years of service and another after 10 years of service. In the event that available PTO is not used by the end of the benefit year, employees may carry unused time off into subsequent years, up to the maximum accrual amount equal to two (2) times the employee's annual accrual. If an employee reaches his or her maximum PTO accrual amount, the employee will stop accruing PTO. Accumulated PTO will be paid to the employees upon separation from service with CalOptima. All compensated absences are accrued and recorded in accordance with GASB Codification Section C60 and are included in accrued payroll and employee benefits.

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Note 2 – Summary of Significant Accounting Policies (continued)

Net position – Net position is reported in three categories, defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable (if any) to the acquisition, construction, or improvement of those assets.
- *Restricted by legislative authority* – This component of net position consists of external constraints placed on net asset use by creditors (such as through debt covenants), grantors, contributors, or the law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation (see Note 9).
- *Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Operating revenues and expenses – CalOptima’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with arranging for the provision of health care services. Operating expenses are all expenses incurred to arrange for the provision of health care services, as well as the costs of administration. Unpaid claims adjustment expenses are an estimate of the cost to process the IBNR claims and are included in operating expenses. Non-exchange revenues and expenses are reported as nonoperating revenues and expenses.

Revenue recognition and due to or from the State and CMS – Premium revenue is recognized in the period the members are eligible to receive health care services. Premium revenue is generally received from the State each month following the month of coverage based on estimated enrollment and capitation rates as provided for in the State contract. As such, premium revenue includes an estimate for amounts receivable from or refundable to the State for these retrospective adjustments. These estimates are continually monitored and analyzed, with any adjustments recognized in the period when determined. OneCare premium revenue is generally received from CMS each month for the month of coverage. Premiums received in advance are recorded in unearned revenue on the statements of net position. Included in premium revenue are retroactive adjustments favorable to CalOptima in the amount of approximately \$254,567,000 and \$104,724,000 related to retroactive capitation rate adjustments and receipt of new information from DHCS during the years ended June 30, 2020 and 2019, respectively.

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Note 2 – Summary of Significant Accounting Policies (continued)

The State pays CalOptima premium revenue retrospectively on an estimated basis each month. Premium revenue is recognized as revenue in the month the beneficiary is eligible for Medi-Cal services. These estimates are continually reviewed, and adjustments to the estimates are reflected currently in the statements of revenues, expenses, and changes in net position. Eligibility of beneficiaries is determined by DHCS and validated by the State. The State provides CalOptima the validated monthly eligibility file of program beneficiaries who are continuing, newly added, or terminated from the program in support of premium revenue for the respective month.

Effective with the enrollment of the Medi-Cal Expansion population per the ACA, CalOptima is subject to DHCS requirements to meet the minimum 85 percent medical loss ratio (“MLR”) for this population. Specifically, CalOptima will be required to expend at least 85 percent of the Medi-Cal premium revenue received for this population on allowable medical expenses as defined by DHCS. In the event CalOptima expends less than the 85 percent requirement, CalOptima will be required to return to DHCS the difference between the minimum threshold and the actual allowed medical expenses. CalOptima’s contract with CMS and DHCS requires for CalOptima to perform and submit the MLR calculations for periods beginning July 1, 2017, to DHCS. During 2018, DHCS completed their reconciliation of the MLR calculation for fiscal years 2014 through 2016. Based on the results of the reconciliation, CalOptima paid back premium revenue of approximately \$102,000,000 during the year ended June 30, 2019. CalOptima was notified in March 2020 that they would receive approximately \$9,830,000 for the fiscal year 2017.

In April 2019, CalOptima was notified that CMS will be performing their own reconciliation of the MLR data. As of the date the financial statements were available to be issued, CMS had not yet completed their reconciliation. As of June 30, 2020 and 2019, approximately \$135,390,000 and \$125,563,000 was accrued, respectively. This liability is presented in the Due to State of California and CMS line item in the accompanying statements of net position.

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Note 2 – Summary of Significant Accounting Policies (continued)

Premium revenue and related net receivables as a percent of the totals were as follows:

	Years Ended June 30,			
	2020		2019	
	Revenue	%	Revenue	%
Revenue				
Medi-Cal	\$ 3,462,115,218	90.3%	\$ 3,134,181,615	90.2%
OneCare	15,950,202	0.4%	20,613,604	0.6%
OneCare Connect	317,641,605	8.3%	292,428,409	8.4%
PACE	37,438,161	1.0%	27,410,747	0.8%
	<u>\$ 3,833,145,186</u>	<u>100.0%</u>	<u>\$ 3,474,634,375</u>	<u>100.0%</u>
	As of June 30,			
	2020		2019	
	Receivables	%	Receivables	%
Receivables				
Medi-Cal	\$ 382,302,317	94.9%	\$ 290,217,790	95.7%
OneCare	2,930,861	0.7%	-	0.0%
OneCare Connect	14,654,822	3.6%	10,638,887	3.5%
PACE	3,412,443	0.8%	2,107,826	0.8%
	<u>\$ 403,300,443</u>	<u>100.0%</u>	<u>\$ 302,964,503</u>	<u>100.0%</u>

Intergovernmental transfer – CalOptima entered into an agreement with DHCS and Governmental Funding Entities to receive an IGT through a capitation rate increase of approximately \$128,932,000 and \$124,714,000 during the years ended June 30, 2020 and 2019, respectively. Under the agreement, approximately \$84,971,000 and \$81,951,000 of the funds that were received from the IGT were passed through to Governmental Funding Entities and other contracted providers and organizations during the years ended June 30, 2020 and 2019, respectively. Under GASB, the amounts that will be passed through to Governmental Funding Entities are not reported in the statements of revenues, expenses, and changes in net position or the statements of net position. CalOptima accounts for the IGT transfer for CalOptima purposes as an exchange transaction requiring funds to be expended prior to revenue recognition. CalOptima retains a portion of the IGT, which must be used to enhance provider reimbursement rates and strengthen the delivery system. A retainer in the amount of approximately \$22,267,000 and \$45,565,000 as of June 30, 2020 and 2019, respectively, is included in unearned revenues in the statements of net position.

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Note 2 – Summary of Significant Accounting Policies (continued)

Directed Payments – DHCS implemented a new hospital Directed Payment program with CalOptima. The program implements enhanced reimbursement to eligible and participating network hospitals for contracted services. This hospital Directed Payment program is broken into three types: 1) Private Hospital Directed Payment Program (PHDP), 2) Public Hospital Enhanced Payment Program (EDP), and 3) Public Hospital Quality Incentive Program (QIP). Under the Directed Payment program, approximately \$195,528,000 and \$0 of the funds that were received from DHCS were passed through to hospitals as requested by DHCS during the years ended June 30, 2020 and 2019, respectively. The receipts from DHCS are included in premium revenues, and the payments made to the hospitals are included in other medical expenses in the statements of net position.

Medicare Part D – CalOptima covers prescription drug benefits in accordance with Medicare Part D under multiple contracts with CMS. The payments CalOptima receives monthly from CMS and members, which are determined from its annual bid, represent amounts for providing prescription drug insurance coverage. CalOptima recognizes premiums for providing this insurance coverage ratably over the term of its annual contract. CalOptima's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. In addition, receipts for reinsurance and low-income cost subsidies, as well as receipts for certain discounts on brand name prescription drugs in the coverage gap represent payments for prescription drug costs for which CalOptima is not at risk.

The risk corridor provisions compare costs targeted in CalOptima's bids to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to CalOptima or require CalOptima to refund to CMS a portion of the premiums CalOptima received. CalOptima estimates and recognizes an adjustment to premiums revenue related to these risk corridor provisions based upon pharmacy claims experience to date, as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience. CalOptima records a receivable or payable at the contract level and classifies the amount as current or long-term in the accompanying statements of net position based on the timing of expected settlement. As of June 30, 2020 and 2019, the Part D payable balance was approximately \$972,000 and \$1,240,000, respectively, and the Part D receivable balance was approximately \$31,628,000 and \$23,148,000, respectively.

Income taxes – CalOptima operates under the purview of the Internal Revenue Code (IRC), Section 501(a), and corresponding California Revenue and Taxation Code provisions. As such, CalOptima is not subject to federal or state taxes on related income. The Foundation is operated as a tax-exempt organization under Section 501(c)(3) of the federal Internal Revenue Code and applicable sections of the California statutes. Accordingly, no provision for income tax has been recorded in the accompanying financial statements.

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Note 2 – Summary of Significant Accounting Policies (continued)

Premium taxes – Effective July 1, 2016, Senate Bill X2-2 (“SB X2-2”) *Managed Care Organization Tax* authorized DHCS to implement a Managed Care Organization provider tax subject to approval by the federal CMS. This approved tax structure is based on enrollment (total member months) between specified tiers that are assessed different tax rates. During fiscal year 2020, the MCO tax was extended with an effective date of January 1, 2020. Using the approved structure, each MCO’s total tax liability for years ended June 30, 2020 and 2019, were calculated. CalOptima recognized premium tax expense of approximately \$74,845,000 and \$136,649,000 as a reduction of premium revenues in the statements of revenue, expenses, and change in net position for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, CalOptima’s MCO tax liability amounted to approximately \$66,535,000 and \$34,002,000, respectively, and are included in Due to the State of California and CMS on the accompanying statements of net position.

Risk corridors – During the year ended June 30, 2020, CalOptima’s contract with DHCS is subject to a risk corridor for the Managed Long-Term Services and Supports program for the period of July 1, 2015 through June 30, 2017. Additionally, the State’s fiscal year 2021-21 enacted budget includes a Gross Medical Expense (GME) risk corridor for the period of July 1, 2019 to December 31, 2020. Both risk corridors are subject to certain thresholds of medical expenses compared to premium revenues. Variances exceeding the thresholds may require CalOptima to refund premium revenues back to DHCS. CalOptima estimates and recognizes an adjustment to premium revenues based on actual membership and capitation rates in effect. As of June 30, 2020, CalOptima has recognized a reduction of premium revenues and a liability of approximately \$124,212,000 related to the risk corridors. There was no such liability recognized as of June 30, 2019.

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of CalOptima’s Miscellaneous Plan of the Orange County Health Authority (the “CalPERS Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by California Public Employees Retirement Systems (“CalPERS”). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reclassifications – Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Recent accounting pronouncements – In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. This Statement is effective for the Organization for the year ending June 30, 2021.

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Note 2 – Summary of Significant Accounting Policies (continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for the Organization for the year ending June 30, 2022.

Note 3 – Cash, Cash Equivalents, and Investments

Cash and investments are reported in the statements of net position as follows:

	June 30,	
	2020	2019
Current assets		
Cash and cash equivalents	\$ 378,797,374	\$ 347,627,785
Investments	724,186,314	573,706,297
Board-designated assets and restricted cash		
Cash and cash equivalents	59,979,769	72,711,832
Investments	582,103,037	547,433,576
Restricted deposit	300,000	300,000
	<u>\$ 1,745,366,494</u>	<u>\$ 1,541,779,490</u>

Board-designated assets and restricted cash are available for the following purposes:

	June 30,	
	2020	2019
Board-designated assets and restricted cash		
Contingency reserve fund	\$ 582,082,806	\$ 560,145,408
Homeless Health Initiative fund	60,000,000	60,000,000
Restricted deposit with DMHC	300,000	300,000
	<u>\$ 642,382,806</u>	<u>\$ 620,445,408</u>

**Orange County Health Authority, a Public Agency/
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Note 3 – Cash and Investments (continued)

Custodial credit risk deposits – Custodial credit risk is the risk that, in the event of a bank failure, the Organization may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. As of June 30, 2020 and 2019, no deposits were exposed to custodial credit risk, as the Organization has pledged collateral to cover the amounts.

Investments – CalOptima invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, money market funds, and mortgage or asset-backed securities.

Interest rate risk – In accordance with its annual investment policy (“investment policy”), CalOptima manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with CalOptima’s expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. CalOptima maintains a low-duration strategy, targeting a portfolio duration of three years or less, with the intent of reducing interest rate risk. Portfolios with low duration are less volatile because they are less sensitive to interest rate changes. As of June 30, 2020 and 2019, CalOptima’s investments, including cash equivalents, had the following modified duration:

Investment Type	June 30, 2020			
	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1–5	More Than 5
U.S. Treasury notes	\$ 298,007,777	\$ 112,195,755	\$ 185,812,022	\$ -
U.S. Agency notes	231,674,803	173,421,352	58,253,451	-
Corporate bonds	364,552,761	168,166,547	196,386,214	-
Asset-backed securities	111,283,270	8,968,371	102,314,899	-
Mortgage-backed securities	78,468,430	22,578,177	55,890,253	-
Municipal bonds	149,433,887	66,109,199	83,324,688	-
Tax exempt municipal bonds	2,078,441	2,078,441	-	-
Supranational	30,476,401	3,730,227	26,746,174	-
Commercial paper	17,490,611	17,490,611	-	-
Certificates of deposit	18,181,362	18,181,362	-	-
Cash equivalents	311,960,485	311,960,485	-	-
Cash	75,615,576	75,615,576	-	-
	<u>1,689,223,804</u>	<u>\$ 980,496,103</u>	<u>\$ 708,727,701</u>	<u>\$ -</u>
Accrued interest receivable	<u>4,641,608</u>			
	<u>\$ 1,693,865,412</u>			

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Note 3 – Cash and Investments (continued)

Investment Type	June 30, 2019			
	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1–5	More Than 5
U.S. Treasury notes	\$ 352,752,967	\$ 177,383,066	\$ 175,369,901	\$ -
U.S. Agency notes	134,989,426	74,775,657	60,213,769	-
Corporate bonds	314,560,151	104,094,228	210,465,923	-
Asset-backed securities	115,144,277	24,318,946	90,825,331	-
Mortgage-backed securities	50,497,865	8,700,919	41,796,946	-
Municipal bonds	76,245,379	32,692,354	43,553,025	-
Supranational	51,319,797	10,022,104	41,297,693	-
Commercial paper	19,932,870	19,932,870	-	-
Cash equivalents	327,611,350	303,607,437	24,003,913	-
Cash	8,572,533	8,572,533	-	-
	1,451,626,615	\$ 764,100,114	\$ 687,526,501	\$ -
Accrued interest receivable	5,711,366			
	<u>\$ 1,457,337,981</u>			

Investment with fair values highly sensitive to interest rate fluctuations – When interest rates fall, debt is refinanced and paid off early. The reduced stream of future interest payments diminishes the fair value of the investment. The mortgage-backed and asset-backed securities in the CalOptima portfolio are of high credit quality, with relatively short average lives that represent limited prepayment and interest rate exposure risk. CalOptima’s investments include the following investments that are highly sensitive to interest rate and prepayment fluctuations to a greater degree than already indicated in the information provided above:

	June 30,	
	2020	2019
Asset-backed securities	\$ 111,283,270	\$ 115,144,277
Mortgage-backed securities	78,468,430	50,497,865
	<u>\$ 189,751,700</u>	<u>\$ 165,642,142</u>

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Note 3 – Cash and Investments (continued)

Credit risk – CalOptima’s investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from the three nationally recognized rating services: Standard and Poor’s Corporation (“S&P”), Moody’s Investor Service (“Moody’s”), and Fitch Ratings (“Fitch”). For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody’s), or F-1 (Fitch), while an issuer of long-term debt shall be rated no less than an “A.”

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**Orange County Health Authority, a Public Agency/
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Note 3 – Cash and Investments (continued)

As of June 30, 2020, following are the credit ratings of investments and cash equivalents:

Investment Type	Fair Value	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year-End					
				AAA	Aa & Aa+	Aa-	A+	A	A-
U.S. Treasury notes	\$ 490,315,250	N/A	\$ 490,315,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency notes	263,976,563	N/A	263,976,563	-	-	-	-	-	-
Corporate bonds	322,967,850	A-	-	1,020,286	24,279,656	32,941,534	70,325,043	135,117,495	59,283,836
Floating-rate note securities	78,472,158	A-	-	45,454,305	3,602,221	4,991,379	10,640,919	12,195,291	1,588,043
Asset-backed securities	93,579,787	AAA	-	92,986,592	593,195	-	-	-	-
Mortgage-backed securities	85,144,612	AAA	-	85,144,612	-	-	-	-	-
Municipal bonds	164,026,121	A	-	23,391,998	81,908,281	38,646,322	12,600,146	5,977,109	1,502,265
Supranational	10,109,748	AAA	-	10,109,748	-	-	-	-	-
Certificates of deposit	29,600,401	A1/P1	-	29,600,401	-	-	-	-	-
Commercial paper	70,079,433	A1/P1	-	70,079,433	-	-	-	-	-
Money market mutual funds	85,593,489	AAA	-	85,593,489	-	-	-	-	-
Total	\$ 1,693,865,412		\$ 754,291,813	\$ 443,380,864	\$ 110,383,353	\$ 76,579,235	\$ 93,566,108	\$ 153,289,895	\$ 62,374,144

**Orange County Health Authority, a Public Agency/
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Note 3 – Cash and Investments (continued)

As of June 30, 2019, following are the credit ratings of investments and cash equivalents:

Investment Type	Fair Value	Minimum Legal Rating	Exempt from Disclosure	Rating as of Year-End					
				AAA	Aa & Aa+	Aa-	A+	A	A-
U.S. Treasury notes	\$ 399,269,103	N/A	\$ 399,269,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency notes	268,824,494	N/A	268,824,494	-	-	-	-	-	-
Corporate bonds	278,900,937	A-	-	507,778	12,097,150	40,140,811	70,968,175	91,142,880	64,044,143
Floating-rate note securities	83,274,478	A-	-	37,475,037	5,000,508	7,686,165	10,402,994	11,561,955	11,147,819
Asset-backed securities	86,471,404	AAA	-	86,014,136	457,268	-	-	-	-
Mortgage-backed securities	79,449,452	AAA	-	79,449,452	-	-	-	-	-
Municipal bonds	82,794,419	A	-	9,954,332	33,041,505	23,666,163	10,161,752	5,244,954	725,713
Supranational	17,332,313	AAA	-	17,332,313	-	-	-	-	-
Certificates of deposit	38,245,312	A1/P1	-	38,245,312	-	-	-	-	-
Commercial paper	78,248,965	A1/P1	-	78,248,965	-	-	-	-	-
Money market mutual funds	44,527,104	AAA	-	44,527,104	-	-	-	-	-
Total	\$ 1,457,337,981		\$ 668,093,597	\$ 391,754,429	\$ 50,596,431	\$ 71,493,139	\$ 91,532,921	\$ 107,949,789	\$ 75,917,675

**Orange County Health Authority, a Public Agency/
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Note 3 – Cash and Investments (continued)

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of CalOptima’s investment in a single issuer. CalOptima’s investment policy limits to no more than 5 percent of the total fair value of investments in the securities of any one issuer, except for obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises, and no more than 10 percent may be invested in one money market mutual fund unless approved by the governing board. The investment policy also places a limit of 35 percent of the amount of investment holdings with any one government-sponsored issuer and 5 percent of all other issuers. As of June 30, 2020 and 2019, all holdings complied with the foregoing limitations. The following holdings exceeded 5 percent of the portfolio as of June 30, 2020 and 2019:

Investment Type	Issuer	Percentage of Portfolio June 30,	
		2020	2019
U.S. Treasury notes	United States Treasury	29.93	29.12
U.S. Agency notes	Federal Home Loan Bank	11.24	14.11

The Organization categorizes its fair value investments within the fair value hierarchy established by U.S. GAAP. The hierarchy for fair value measurements is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 – Significant unobservable inputs.

The following is a description of the valuation methodologies used for instruments at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Marketable securities – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. These securities are classified within Level 2 of the valuation hierarchy. In certain cases, where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

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Note 3 – Cash and Investments (continued)

The following table presents the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

Investment Assets at Fair Value as of June 30, 2020				
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes	\$ 298,007,777	\$ -	\$ -	\$ 298,007,777
U.S. Agency notes	-	231,674,803	-	231,674,803
Corporate bonds	-	364,552,761	-	364,552,761
Asset-backed securities	-	111,283,270	-	111,283,270
Mortgage-backed securities	-	78,468,430	-	78,468,430
Municipal bonds	-	149,433,887	-	149,433,887
Tax exempt Municipal bonds	-	2,078,441	-	2,078,441
Supranational	-	30,476,401	-	30,476,401
Commercial paper	-	17,490,611	-	17,490,611
Certificates of deposit	-	18,181,362	-	18,181,362
	<u>\$ 298,007,777</u>	<u>\$ 1,003,639,966</u>	<u>\$ -</u>	<u>\$ 1,301,647,743</u>

Investment Assets at Fair Value as of June 30, 2019				
	Level 1	Level 2	Level 3	Total
U.S. Treasury notes	\$ 352,752,967	\$ -	\$ -	\$ 352,752,967
U.S. Agency notes	-	134,989,426	-	134,989,426
Corporate bonds	-	314,560,151	-	314,560,151
Asset-backed securities	-	115,144,277	-	115,144,277
Mortgage-backed securities	-	50,497,865	-	50,497,865
Municipal bonds	-	76,245,379	-	76,245,379
Supranational	-	51,319,797	-	51,319,797
Commercial paper	-	19,932,870	-	19,932,870
	<u>\$ 352,752,967</u>	<u>\$ 762,689,765</u>	<u>\$ -</u>	<u>\$ 1,115,442,732</u>

**Orange County Health Authority, a Public Agency/
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Note 4 – Capital Assets

Capital assets activity during the year ended June 30, 2020, consisted of the following:

	June 30, 2019	Additions	Retirements	Transfers	June 30, 2020
Capital assets not being depreciated					
Land	\$ 5,876,002	\$ -	\$ -	\$ -	\$ 5,876,002
Construction in progress	499,632	6,838,076	-	(3,959,373)	3,378,335
	<u>6,375,634</u>	<u>6,838,076</u>	<u>-</u>	<u>(3,959,373)</u>	<u>9,254,337</u>
Capital assets being depreciated					
Furniture and equipment	6,601,345	-	-	796,668	7,398,013
Computers and software	30,481,310	-	-	2,007,468	32,488,778
Leasehold improvements	5,063,118	-	-	-	5,063,118
Building	44,588,986	-	-	1,155,237	45,744,223
	<u>86,734,759</u>	<u>-</u>	<u>-</u>	<u>3,959,373</u>	<u>90,694,132</u>
Less: accumulated depreciation for					
Furniture and equipment	5,669,418	485,412	-	-	6,154,830
Computers and software	24,434,229	3,718,911	-	-	28,153,140
Leasehold improvements	3,776,978	586,863	-	-	4,363,841
Building	12,604,876	2,017,206	-	-	14,622,082
	<u>46,485,501</u>	<u>6,808,392</u>	<u>-</u>	<u>-</u>	<u>53,293,893</u>
Total depreciable assets, net	<u>40,249,258</u>	<u>(6,808,392)</u>	<u>-</u>	<u>3,959,373</u>	<u>37,400,239</u>
Capital assets, net	<u>\$ 46,624,892</u>	<u>\$ 29,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,654,576</u>

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Note 4 – Capital Assets (continued)

Capital asset activity during the year ended June 30, 2019, consisted of the following:

	June 30, 2018	Additions	Retirements	Transfers	June 30, 2019
Capital assets not being depreciated					
Land	\$ 5,876,002	\$ -	\$ -	\$ -	\$ 5,876,002
Construction in progress	2,382,706	3,692,776	-	(5,575,850)	499,632
	<u>8,258,708</u>	<u>3,692,776</u>	<u>-</u>	<u>(5,575,850)</u>	<u>6,375,634</u>
Capital assets being depreciated					
Furniture and equipment	6,420,961	-	(25,174)	205,558	6,601,345
Computers and software	27,907,888	-	(2,066,669)	4,640,091	30,481,310
Leasehold improvements	5,192,478	-	(138,515)	9,155	5,063,118
Building	43,867,940	-	-	721,046	44,588,986
	<u>83,389,267</u>	<u>-</u>	<u>(2,230,358)</u>	<u>5,575,850</u>	<u>86,734,759</u>
Less accumulated depreciation for					
Furniture and equipment	4,978,434	716,158	(25,174)	-	5,669,418
Computers and software	21,935,365	4,565,533	(2,066,669)	-	24,434,229
Leasehold improvements	3,326,488	589,005	(138,515)	-	3,776,978
Building	10,649,434	1,955,442	-	-	12,604,876
	<u>40,889,721</u>	<u>7,826,138</u>	<u>(2,230,358)</u>	<u>-</u>	<u>46,485,501</u>
Total depreciable assets, net	<u>42,499,546</u>	<u>(7,826,138)</u>	<u>-</u>	<u>5,575,850</u>	<u>40,249,258</u>
Capital assets, net	<u>\$ 50,758,254</u>	<u>\$ (4,133,362)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,624,892</u>

The Organization recognized depreciation expense of approximately \$6,808,000 and \$7,826,000 during the years ended June 30, 2020 and 2019, respectively. During the years ended June 30, 2020 and 2019, depreciation expense of approximately \$600,000 and \$599,000, respectively, was included within PACE medical expenses on the accompanying statements of revenues, expenses, and changes in net position.

Note 5 – Medical Claims Liability

Medical claims liability consisted of the following:

	June 30,	
	2020	2019
Claims payable or pending approval	\$ 20,849,394	\$ 12,621,260
Provisions for IBNR claims	281,209,114	274,667,344
	<u>\$ 302,058,508</u>	<u>\$ 287,288,604</u>

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Note 5 – Medical Claims Liability (continued)

The cost of health care services is recognized in the period in which care is provided and includes an estimate of the cost of services that has been IBNR. CalOptima estimates accrued claims payable based on historical claims payments and other relevant information. Unpaid claims adjustment expenses are an estimate of the cost to process the IBNR claims and are included in medical claims liability. Estimates are continually monitored and analyzed and, as settlements are made or estimates adjusted, differences are reflected in current operations.

Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided.

The following is a reconciliation of the medical claims liability:

	For the Years Ended June 30,	
	2020	2019
Beginning balance	\$ 287,288,604	\$ 263,057,437
Incurred		
Current	2,172,813,310	1,942,000,378
Prior	(76,706,716)	(6,343,766)
	<u>2,096,106,594</u>	<u>1,935,656,612</u>
Paid		
Current	1,870,754,802	1,669,760,655
Prior	210,581,888	241,664,790
	<u>2,081,336,690</u>	<u>1,911,425,445</u>
Ending balance	<u>\$ 302,058,508</u>	<u>\$ 287,288,604</u>

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately adjudicated and paid. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claim payments becomes known. This information is compared to the originally established prior reporting period liability. Negative amounts reported for incurred, related to prior years, result from claims being adjudicated and paid for amounts less than originally estimated. The results included a decrease of prior year incurred of approximately \$76,707,000 and \$6,344,000 for the fiscal years ended June 30, 2020 and 2019, respectively. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

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Note 5 – Medical Claims Liability (continued)

The amounts accrued in Due to the State of California and CMS represent excess payments from DHCS that are primarily due to capitation payments received that do not reflect the current Medi-Cal rates issued by DHCS. DHCS continues to process the recoupments and the remaining overpayments not yet recouped are included within Due to the State of California and CMS on the statement of net position. During the years ended June 30, 2020 and 2019, DHCS recouped approximately \$0 and \$152,799,000 related to dates of service of fiscal year 2015 through fiscal year 2019 for the Medi-Cal Expansion population, respectively. This is presented as a reduction of premium revenues in the statements of revenue, expenses, and change in net position. On January 15, 2020, DHCS recouped \$10,174,350 relating to the California Medicaid Managed Care Organizations Received Capitation Payments After Beneficiaries' Deaths audit.

Note 6 – Defined Benefit Pension Plan

Plan description – CalOptima's defined benefit pension plan, the CalPERS Plan, provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The CalPERS Plan is part of the public agency portion of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State. A menu of benefit provisions as well as other requirements is established by state statutes within the Public Employees' Retirement Law ("PERL"). CalOptima selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through the Board of Directors' approval. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CalPERS. Copies of the report can be obtained from CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Benefits provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one full year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

**Orange County Health Authority, a Public Agency/
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Note 6 – Defined Benefit Pension Plan (continued)

The CalPERS Plan’s provisions and benefits in effect as of June 30, 2020, are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 plus	52 plus
Monthly benefits as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.0%	7.3%
Required employer contribution rates	8.5%	8.5%

The following is a summary of plan participants:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Active employees	1,361	1,305
Retirees and beneficiaries		
Receiving benefits	72	72
Deferred retirement benefits		
Terminated employees	202	172
Surviving spouses	3	3
Beneficiaries	3	3

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The average active employee contribution rate is 7.75 percent and 7.25 percent of annual pay for the years ended June 30, 2020 and 2019, respectively. The employer’s contribution rate is 8.6 percent and 8.5 percent of annual payroll for the years ended June 30, 2020 and 2019, respectively.

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Note 6 – Defined Benefit Pension Plan (continued)

CalOptima's net pension liability for the CalPERS Plan is measured as the total pension liability, less the pension plan's fiduciary net position. For the measurement period ended June 30, 2019 (the "measurement date"), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. Total pension liabilities were based on the following actuarial methods and assumptions as of June 30, 2019 and June 30, 2018, respectively:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of return	7.375% net of pension plan investment and administrative expenses; includes inflation
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report based on CalPERS demographic data from 1997 to 2015 that can be found on the CalPERS website.

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Notes to Financial Statements**

Note 6 – Defined Benefit Pension Plan (continued)

Changes in the Net Pension Liability are as follows:

	Increase (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2019	\$ 161,697,511	\$ 138,095,447	\$ 23,602,064
Changes during the year			
Service cost	14,303,164	-	14,303,164
Interest on the total pension liability	12,107,314	-	12,107,314
Differences between expected and actual experience	1,904,567	-	1,904,567
Contributions from the employer	-	8,661,466	(8,661,466)
Contributions from employees	-	6,853,391	(6,853,391)
Net investment income	-	9,377,613	(9,377,613)
Benefit payments, including refunds of employee contributions	(2,841,212)	(2,841,212)	-
Administrative expenses	-	(98,234)	98,234
Net changes during the year	<u>25,473,833</u>	<u>21,953,024</u>	<u>3,520,809</u>
Balance at June 30, 2020	<u>\$ 187,171,344</u>	<u>\$ 160,048,471</u>	<u>\$ 27,122,873</u>

**Orange County Health Authority, a Public Agency/
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Note 6 – Defined Benefit Pension Plan (continued)

	Increase (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2018	\$ 142,448,307	\$ 117,347,487	\$ 25,100,820
Changes during the year			
Service cost	13,491,596	-	13,491,596
Interest on the total pension liability	10,431,464	-	10,431,464
Differences between expected and actual experience	2,812,748	-	2,812,748
Changes of assumptions	(4,737,905)	-	(4,737,905)
Contributions from the employer	-	7,588,200	(7,588,200)
Contributions from employees	-	6,213,420	(6,213,420)
Net investment income	-	10,225,467	(10,225,467)
Benefit payments, including refunds of employee contributions	(2,748,699)	(2,748,699)	-
Administrative expenses	-	(530,428)	530,428
Net changes during the year	19,249,204	20,747,960	(1,498,756)
Balance at June 30, 2019	\$ 161,697,511	\$ 138,095,447	\$ 23,602,064

Discount rate and long term rate of return – The discount rate used to measure the total pension liability for PERF C was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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Note 6 – Defined Benefit Pension Plan (continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

New Strategic Asset Class	Real Return Allocation	Real Return Years 1–10 (a)	Real Return Years 11+ (b)
Global equity	50.0%	4.80%	5.98%
Global fixed income	28.0%	1.00%	2.62%
Inflation sensitive	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(a) An expected inflation of 2.00% was used for this period

(b) An expected inflation of 2.92% was used for this period

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Note 6 – Defined Benefit Pension Plan (continued)

The following presents the net pension liability of the CalPERS Plan calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Net pension liability	\$ 58,702,340	\$ 27,122,873	\$ 1,654,408

	June 30, 2019		
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Net pension liability	\$ 50,790,772	\$ 23,602,064	\$ 1,662,185

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Note 6 – Defined Benefit Pension Plan (continued)

Pension expense and deferred outflows/inflows of resources related to pensions – CalOptima recognized pension expense of approximately \$13,356,000 and \$11,422,000, presented within salaries, wages, and employee benefits in the statements of revenue, expenses, and change in net position for the years ended June 30, 2020 and 2019, respectively. As of June 30, 2020 and 2019, CalOptima recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions from employers subsequent to the measurement date	\$ 1,047,297	\$ -
Changes in assumptions	5,060,465	3,728,725
Differences between expected and actual experiences	4,280,308	506,547
	<u>\$ 10,388,070</u>	<u>\$ 4,235,272</u>
	June 30, 2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions from employers subsequent to the measurement date	\$ 686,962	\$ -
Net differences between projected and actual earnings on plan investments	-	156,330
Changes in assumptions	6,428,159	4,747,505
Differences between expected and actual experiences	3,419,328	-
	<u>\$ 10,534,449</u>	<u>\$ 4,903,835</u>

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Note 6 – Defined Benefit Pension Plan (continued)

The deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ended June 30, 2020. The net differences reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Years Ending June 30,	<u>Deferred Outflows of Resources</u>
2020	\$ 1,760,624
2021	493,584
2022	1,361,066
2023	1,208,115
2024	83,129
Thereafter	<u>198,983</u>
	<u>\$ 5,105,501</u>

Note 7 – Employee Benefit Plans

Deferred compensation plan – CalOptima sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the “457 Plan”) under which employees are permitted to defer a portion of their annual salary until future years. CalOptima may make discretionary contributions to the 457 Plan as determined by the Board of Directors. For the years ended June 30, 2020 and 2019, no discretionary employer contributions were made.

Defined contribution plan – Effective January 1, 1999, CalOptima established a supplemental retirement plan for its employees called the CalOptima Public Agency Retirement System Defined Contribution Supplemental Retirement Plan (“PARS Plan”). All regular and limited-term employees are eligible to participate in the PARS Plan. The current PARS Plan design does not require employee contributions. CalOptima makes discretionary employer contributions to the PARS Plan as authorized by the Board of Directors. Vesting occurs over 16 quarters of service. For the years ended June 30, 2020 and 2019, CalOptima contributed approximately \$3,533,000 and \$3,256,000, respectively.

Note 8 – Postemployment Health Care Plan

Plan description – CalOptima sponsors and administers a single-employer, defined benefit postemployment health care plan to provide medical and dental insurance benefits to eligible retired employees and their beneficiaries. Benefit provisions are established and may be amended by the Board of Directors.

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 8 – Postemployment Health Care Plan (continued)

Effective January 1, 2004, CalOptima terminated postemployment health care benefits for employees hired on or after January 1, 2004. For employees hired prior to January 1, 2004, the employee’s eligibility for retiree health benefits remains similar to the eligibility requirements for the defined benefit pension plan.

During the year ended June 30, 2006, CalOptima modified the benefit offered to eligible participants, requiring participants to enroll in Medicare and specifying that CalOptima would be responsible only for the cost of Medicare supplemental coverage, subject to a cost sharing between the participant and CalOptima.

For purposes of measuring the total postemployment retirement liability, deferred outflows of resources and deferred inflows of resources related to Other Post-Employment Benefits (“OPEB”), and OPEB expense, information about the fiduciary net position of the CalOptima’s plan and additions to/deductions from the OPEB plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

U.S. GAAP requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Measurement date	June 30, 2019
Measurement period	July 1, 2018 – June 30, 2019
Valuation date	January 1, 2020

Covered employees – The following numbers of participants were covered by the benefit terms:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inactives currently receiving benefits	72	66
Inactives entitled to but not yet receiving benefits	-	-
Active employees	<u>76</u>	<u>83</u>
Total	<u><u>148</u></u>	<u><u>149</u></u>

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 8 – Postemployment Health Care Plan (continued)

Contributions – The contribution requirements of plan members and CalOptima are established and may be amended by the Board of Directors. CalOptima’s contribution is based on projected pay-as-you-go financing requirements, with no additional amount to prefund benefits. CalOptima contributed \$570,000, including \$532,000 in premium payments for retirees and \$38,000 for implied subsidies, for the year ended June 30, 2020. CalOptima contributed \$556,000, including \$523,000 in premium payments for retirees and \$33,000 for implied subsidies, for the year ended June 30, 2019. The most recent actuarial report for the postemployment health care plan was June 30, 2019. As of that point, the actuarial accrued liability and unfunded actuarial accrued liability for benefits were approximately \$25,824,000.

Actuarial assumptions – CalOptima’s total postemployment retirement liability was measured as of June 30, 2018, and the total postemployment retirement liability used to calculate the total postemployment retirement liability was determined by an actuarial valuation dated June 30, 2018, that was rolled forward to determine the June 30, 2019 total postemployment retirement liability, based on the following actuarial methods and assumptions:

Salary increases	3% per annum, in aggregate
Medical trend	Non-Medicare – 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare – 6.5% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Discount rate	3.50% at June 30 2019, Bond Buyer 20 Index 3.87% at June 30 2018, Bond Buyer 20 Index
Mortality, retirement, disability, termination	CalPERS 1997-2015 Experience Study Post-retirement mortality projection Scale MP-2019
General inflation	2.75% per annum

Discount rate and long-term rate of return – The discount rate used to measure the total OPEB liability was 3.5 percent for June 30, 2019. There were no plan investments; as such, the expected long-term rate of return on investment is not applicable.

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 8 – Postemployment Health Care Plan (continued)

Changes in the net OPEB liability – Changes in the net OPEB liability were as follows:

Balance at June 30, 2019	<u>\$ 24,705,000</u>
Changes for the year	
Service cost	832,000
Interest	977,000
Actual vs. expected experience	(1,072,000)
Assumption changes	938,000
Benefit payments	<u>(556,000)</u>
Net changes	<u>1,119,000</u>
Balance at June 30, 2020	<u>\$ 25,824,000</u>
Balance at June 30, 2018	<u>\$ 24,565,000</u>
Changes for the year	
Service cost	867,000
Interest	900,000
Assumption changes	(1,067,000)
Benefit payments	<u>(560,000)</u>
Net changes	<u>140,000</u>
Balance at June 30, 2019	<u>\$ 24,705,000</u>

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB liability	\$ 29,885,000	\$ 25,824,000	\$ 22,533,000

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 8 – Postemployment Health Care Plan (continued)

Sensitivity of the net OPEB liability to changes in health care cost trend rates – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current health care cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 22,056,000	\$ 25,824,000	\$ 30,564,000

For the years ended June 30, 2020 and 2019, CalOptima recognized OPEB expense of approximately \$911,000 and \$902,000, respectively. As of June 30, 2020 and 2019, the reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>June 30, 2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 804,000
Changes in assumptions	703,000	1,638,000
Employer contributions made subsequent to measurement date	<u>570,000</u>	<u>-</u>
Total	<u>\$ 1,273,000</u>	<u>\$ 2,442,000</u>
	<u>June 30, 2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	2,503,000
Employer contributions made subsequent to measurement date	<u>556,000</u>	<u>-</u>
Total	<u>\$ 556,000</u>	<u>\$ 2,503,000</u>

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 8 – Postemployment Health Care Plan (continued)

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

	<u>Deferred Inflows of Resources</u>
Years Ending June 30, 2021	\$ (898,000)
2022	(711,000)
2023	<u>(130,000)</u>
	<u>\$ (1,739,000)</u>

The required schedule of changes in total OPEB liability immediately following the notes to the financial statements presents multiyear trend information about the actuarial accrued liability for benefits.

Note 9 – Restricted Net Position

On June 28, 2000, CalOptima became a fully licensed health care service plan under the Act, as required by statutes governing the Healthy Families program. Under the Act, CalOptima is required to maintain and meet a minimum level of TNE as of June 30, 2020 and 2019, of \$100,573,921 and \$84,930,126, respectively. As of June 30, 2020 and 2019, the Organization is in compliance with its TNE requirement.

The Act further required that CalOptima maintain a restricted deposit in the amount of \$300,000. CalOptima met this requirement as of June 30, 2020 and 2019.

Note 10 – Lease Commitments

CalOptima leases office space and equipment under noncancelable, long-term operating leases, with minimum annual payments as follows:

	<u>Minimum Lease Payments</u>
Years Ending June 30, 2021	\$ 547,353
2022	<u>277,721</u>
	<u>\$ 825,074</u>

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 10 – Lease Commitments (continued)

Rental expense under operating leases was approximately \$471,000 for the years ended June 30, 2020 and 2019.

Note 11 – Contingencies

Litigation – CalOptima is party to various legal actions and is subject to various claims arising in the ordinary course of business. Management believes that the disposition of these matters will not have a material adverse effect on CalOptima’s financial position or results of operations.

Regulatory matters – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties. Management believes that CalOptima is in compliance with fraud and abuse, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

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Orange County Health Authority, a Public Agency/ dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima

Notes to Financial Statements

Note 12 – Consolidating Information

The consolidating assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2019, are as follows:

	ASSETS			
	CalOptima	CalOptima Foundation	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 347,627,785	\$ -	\$ -	\$ 347,627,785
Investments	573,706,297	-	-	573,706,297
Premiums due from the State of California and CMS	302,964,503	-	-	302,964,503
Prepaid expenses and other	54,765,005	-	-	54,765,005
Total current assets	1,279,063,590	-	-	1,279,063,590
BOARD-DESIGNATED ASSETS AND RESTRICTED CASH				
Cash and cash equivalents	72,711,832	-	-	72,711,832
Investments	547,433,576	-	-	547,433,576
Restricted deposit	300,000	-	-	300,000
	620,445,408	-	-	620,445,408
CAPITAL ASSETS, NET	46,624,892	-	-	46,624,892
Total assets	1,946,133,890	-	-	1,946,133,890
DEFERRED OUTFLOWS OF RESOURCES				
Net pension	10,534,449	-	-	10,534,449
Other postemployment benefit	556,000	-	-	556,000
Total deferred outflows of resources	11,090,449	-	-	11,090,449
Total assets and deferred outflows of resources	\$ 1,957,224,339	\$ -	\$ -	\$ 1,957,224,339
	LIABILITIES AND NET POSITION			
CURRENT LIABILITIES				
Medical claims liability and capitation payable				
Medical claims liability	\$ 287,288,604	\$ -	\$ -	\$ 287,288,604
Provider capitation and withholds	108,903,139	-	-	108,903,139
Accrued reinsurance costs to providers	3,209,901	-	-	3,209,901
Due to the State of California and CMS	496,690,411	-	-	496,690,411
Unearned revenue	50,147,341	-	-	50,147,341
	946,239,396	-	-	946,239,396
Accounts payable and other	8,658,894	-	-	8,658,894
Accrued payroll and employee benefits and other	11,069,278	-	-	11,069,278
Total current liabilities	965,967,568	-	-	965,967,568
POSTEMPLOYMENT HEALTH CARE PLAN	24,705,000	-	-	24,705,000
NET PENSION LIABILITY	23,602,064	-	-	23,602,064
Total liabilities	1,014,274,632	-	-	1,014,274,632
DEFERRED INFLOWS OF RESOURCES				
Net pension	4,903,835	-	-	4,903,835
Other postemployment benefit	2,503,000	-	-	2,503,000
Total deferred inflows of resources	7,406,835	-	-	7,406,835
NET POSITION				
Net investment in capital assets	46,580,380	-	-	46,580,380
Restricted by legislative authority	84,930,126	-	-	84,930,126
Unrestricted	804,032,366	-	-	804,032,366
Total net position	935,542,872	-	-	935,542,872
Total liabilities, deferred inflows of resources, and net position	\$ 1,957,224,339	\$ -	\$ -	\$ 1,957,224,339

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 12 – Consolidating Information (continued)

The consolidating statements of revenues, expenses, and changes in net position for the year ended June 30, 2019, are as follows:

	CalOptima	CalOptima Foundation	Eliminations	Consolidated
REVENUES				
Premium revenues	\$ 3,474,634,375	\$ -	\$ -	\$ 3,474,634,375
Total operating revenues	3,474,634,375	-	-	3,474,634,375
OPERATING EXPENSES				
Medical expenses				
Claims expense to providers and facilities	1,287,230,443	-	-	1,287,230,443
Provider capitation	1,094,332,595	-	-	1,094,332,595
Prescription drugs	445,721,355	-	-	445,721,355
OneCare Connect	293,947,460	-	-	293,947,460
Other medical	53,871,235	-	-	53,871,235
Pace	23,297,732	-	-	23,297,732
OneCare	18,272,703	-	-	18,272,703
Total medical expenses	3,216,673,523	-	-	3,216,673,523
Administrative expenses				
Salaries, wages, and employee benefits	84,618,793	-	-	84,618,793
Supplies, occupancy, insurance, and other	22,963,749	12,000	-	22,975,749
Purchased services	12,584,719	-	-	12,584,719
Depreciation	7,226,723	-	-	7,226,723
Professional fees	3,167,619	-	-	3,167,619
Total administrative expenses	130,561,603	12,000	-	130,573,603
Total operating expenses	3,347,235,126	12,000	-	3,347,247,126
OPERATING INCOME (LOSS)	127,399,249	(12,000)	-	127,387,249
NON-OPERATING REVENUES				
Net investment income and other	43,640,102	35,771	-	43,675,873
Total non-operating revenues	43,640,102	35,771	-	43,675,873
Increase in net position	171,039,351	23,771	-	171,063,122
NET POSITION, beginning of year	761,636,611	2,843,139	-	764,479,750
Transfer of Foundation assets to CalOptima	2,866,910	(2,866,910)	-	-
NET POSITION, end of year	\$ 935,542,872	\$ -	\$ -	\$ 935,542,872

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Notes to Financial Statements**

Note 12 – Consolidating Information (continued)

The consolidating statement of cash flows for the year ended June 30, 2019, is as follows:

	CalOptima	CalOptima Foundation	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Capitation payments received and other	\$ 3,335,206,230	\$ -	\$ -	\$ 3,335,206,230
Payments to providers and facilities	(3,180,342,695)	-	-	(3,180,342,695)
Payments to vendors	(61,176,697)	(12,000)	-	(61,188,697)
Payments to employees	(81,658,054)	-	-	(81,658,054)
Net cash provided by (used in) operating activities	12,028,784	(12,000)	-	12,016,784
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(3,692,776)	-	-	(3,692,776)
Net cash used in capital and related financing activities	(3,692,776)	-	-	(3,692,776)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	49,351,468	35,771	-	49,387,239
Purchases of securities	(13,023,305,579)	-	-	(13,023,305,579)
Sales of securities	12,942,289,130	-	-	12,942,289,130
Net cash (used in) provided by investing activities	(31,664,981)	35,771	-	(31,629,210)
Net (decrease) increase in cash and cash equivalents	(23,328,973)	23,771	-	(23,305,202)
CASH AND CASH EQUIVALENTS, beginning of year	368,089,848	2,843,139	-	370,932,987
Transfer of Foundation assets to CalOptima	2,866,910	(2,866,910)	-	-
CASH AND CASH EQUIVALENTS, end of year	\$ 347,627,785	\$ -	\$ -	\$ 347,627,785

Supplementary Information

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**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Schedule of Changes in Net Pension Liability and Related Ratios**

	June 30,					
	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 14,303,164	\$ 13,491,596	\$ 13,118,795	\$ 10,272,406	\$ 8,363,183	\$ 6,464,105
Interest	12,107,314	10,431,464	9,136,725	7,702,198	6,620,025	5,661,111
Differences between expected and actual experience	1,904,567	2,812,748	632,642	102,384	1,444,808	-
Changes in assumptions	-	(4,737,905)	9,163,547	-	(1,963,270)	-
Benefit payments, including refunds of employee contributions	<u>(2,841,212)</u>	<u>(2,748,699)</u>	<u>(2,068,356)</u>	<u>(2,111,578)</u>	<u>(1,676,666)</u>	<u>(1,326,364)</u>
Net change in total pension liability	25,473,833	19,249,204	29,983,353	15,965,410	12,788,080	10,798,852
Total pension liability – beginning	<u>161,697,511</u>	<u>142,448,307</u>	<u>112,464,954</u>	<u>96,499,544</u>	<u>83,711,464</u>	<u>72,912,613</u>
Total pension liability – ending	<u>187,171,344</u>	<u>161,697,511</u>	<u>142,448,307</u>	<u>112,464,954</u>	<u>96,499,544</u>	<u>83,711,465</u>
Plan fiduciary net position						
Contributions – employer	8,661,466	7,588,200	5,234,580	3,787,544	3,033,171	3,119,804
Contributions – employee	6,853,391	6,213,420	5,793,911	4,951,820	4,142,126	3,385,296
Net investment income	9,377,613	10,225,467	11,496,425	498,498	1,913,380	12,062,654
Benefit payments, including refunds of employee contributions	(2,841,212)	(2,748,699)	(2,068,356)	(2,111,578)	(1,676,666)	(1,326,364)
Other changes in fiduciary net position	<u>(98,234)</u>	<u>(530,428)</u>	<u>(143,264)</u>	<u>(54,828)</u>	<u>(101,246)</u>	<u>-</u>
Net change in fiduciary net position	21,953,024	20,747,960	20,313,296	7,071,456	7,310,765	17,241,390
Plan fiduciary net position – beginning	138,095,447	117,347,487	97,034,191	89,962,735	82,651,970	65,410,580
Plan fiduciary net position – ending	<u>160,048,471</u>	<u>138,095,447</u>	<u>117,347,487</u>	<u>97,034,191</u>	<u>89,962,735</u>	<u>82,651,970</u>
Plan net pension liability – ending	<u>\$ 27,122,873</u>	<u>\$ 23,602,064</u>	<u>\$ 25,100,820</u>	<u>\$ 15,430,763</u>	<u>\$ 6,536,809</u>	<u>\$ 1,059,495</u>
Plan fiduciary net position as percentage of the total liability	85.51%	85.40%	82.38%	86.28%	93.23%	98.73%
Covered-employee payroll	\$ 91,587,145	\$ 85,764,390	\$ 80,217,654	\$ 68,583,296	\$ 55,676,606	\$ 40,940,556
Plan net pension liability as a percentage of covered employee payroll	29.61%	27.52%	31.29%	22.50%	11.74%	2.59%

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Schedule of Plan Contributions**

	Years Ended June 30,					
	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 8,661,466	\$ 7,588,200	\$ 5,234,580	\$ 3,787,544	\$ 3,033,171	\$ 3,119,804
Contributions in relation to the actuarially determined contribution	<u>(8,661,466)</u>	<u>(7,588,200)</u>	<u>(5,234,580)</u>	<u>(3,787,544)</u>	<u>(3,033,171)</u>	<u>(3,119,804)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 91,587,145	\$ 85,764,390	\$ 80,217,654	\$ 68,583,296	\$ 55,676,606	\$ 40,940,556
Contributions as a percentage of covered-employee payroll	9.46%	8.85%	6.53%	5.52%	5.45%	7.62%

**Orange County Health Authority, a Public Agency/
dba Orange Prevention and Treatment Integrated
Medical Assistance/dba CalOptima
Schedule of Changes in Total OPEB Liability and Related Ratios**

	2019–2020 (Measurement Period 2018–2019)	2018–2019 (Measurement Period 2017–2018)
Changes in total OPEB liability		
Service cost	\$ 832,000	\$ 867,000
Interest	977,000	900,000
Actual vs. expected experience	(1,072,000)	-
Assumption changes	938,000	(1,067,000)
Benefit payments	<u>(556,000)</u>	<u>(560,000)</u>
Net changes	1,119,000	140,000
Total OPEB liability (beginning of year)	<u>24,705,000</u>	<u>24,565,000</u>
Total OPEB liability (end of year)	<u>\$ 25,824,000</u>	<u>\$ 24,705,000</u>
Total OPEB liability	\$ 25,824,000	\$ 24,705,000
Covered employee payroll	8,353,000	8,150,000
Total OPEB liability as a percentage of covered employee payroll	309.2%	303.1%



Audit Results – CalOptima

Prepared by the Moss Adams Health Care Group

September 17, 2020

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Finance and Audit Committee

CalOptima



Dear Finance and Audit Committee (FAC) Members:

Thank you for your continued engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the financial statements of CalOptima (the “Organization”) for the year ended June 30, 2020.

The accompanying report, which is intended solely for the use of the FAC and management, presents important information regarding the financial statements of the Organization and our audit that we believe will be of interest to you. It is not intended for, and should not be, used by anyone other than these specified parties.

We received the full support and assistance of the Organization’s personnel. We are pleased to serve and be associated with the Organization as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.



Agenda

1. Auditor Opinions and Reports
2. Communications with the Finance and Audit Committee
3. Other Information

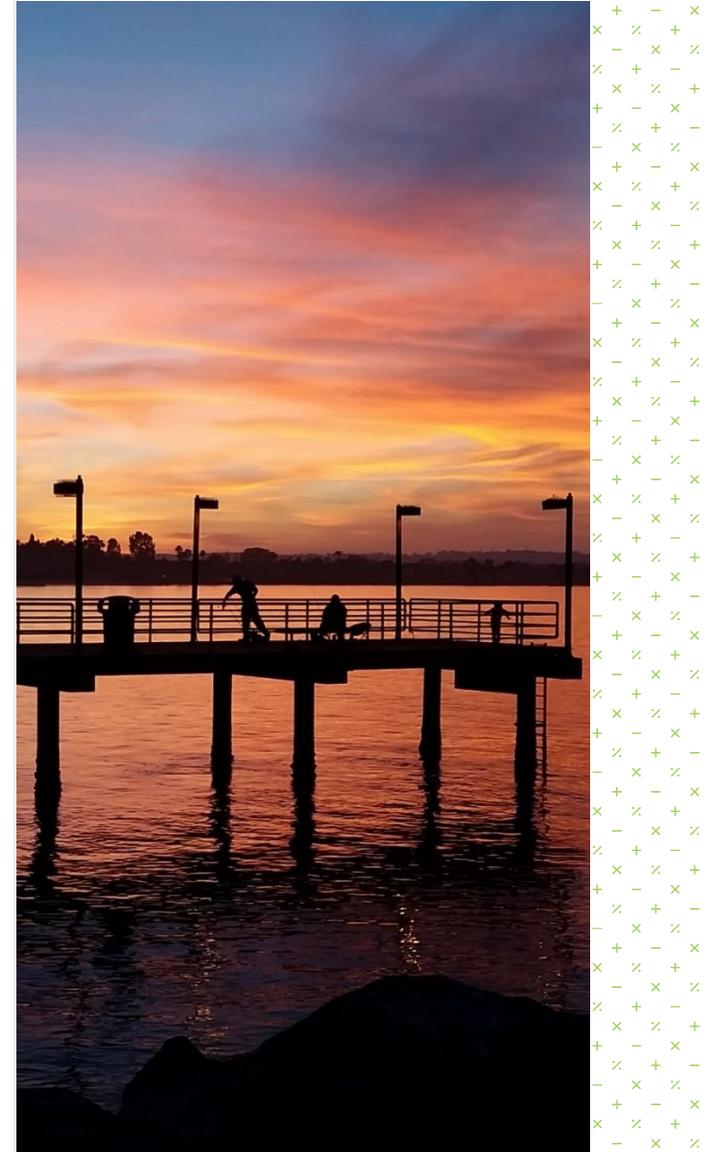




Auditor Opinions & Reports

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Scope of Services

We have performed the following services for CalOptima:

- Annual financial statement audit as of and for the year ended June 30, 2020

We have also performed the following nonattest services:

- Assisted in the drafting the financial statements of CalOptima, excluding Management's Discussion and Analysis
- Assisted in the completion of the Auditee portion of the Data Collection Form



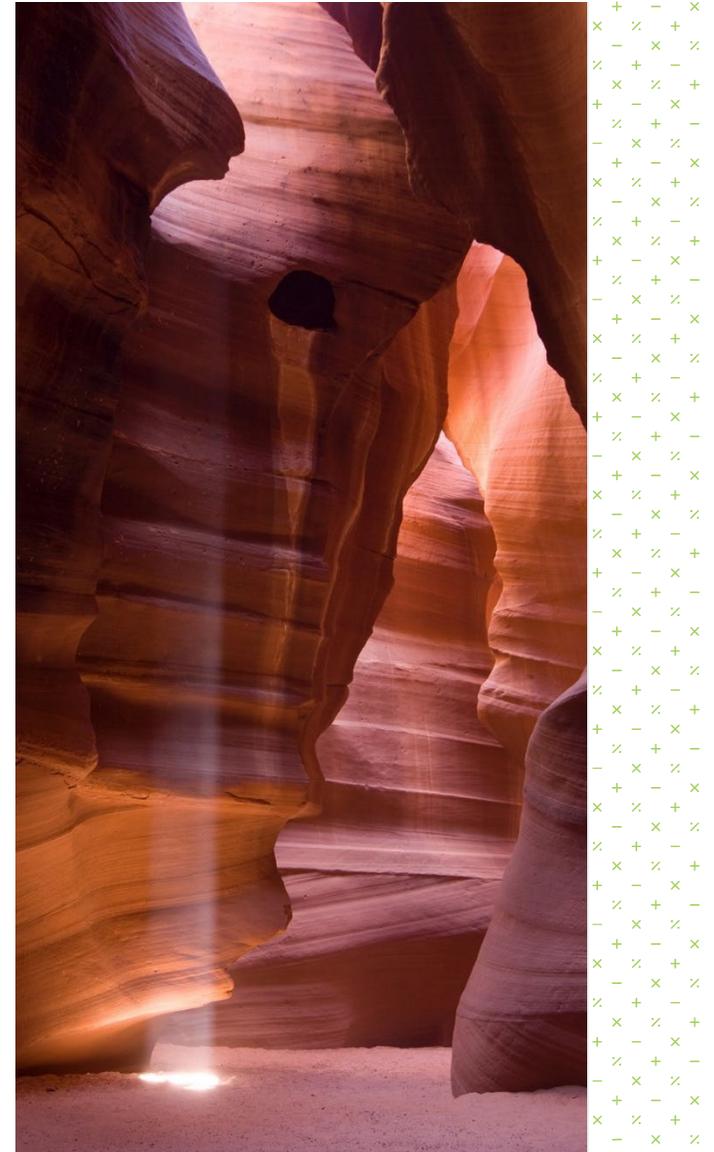
Auditor Report on the Financial Statements

Unmodified Opinion

- Financial statements are presented fairly and in accordance with U.S. Generally Accepted Accounting Principles (GAAP)



Communications with the Finance and Audit Committee (FAC)



Our Responsibility



To express our opinion on 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 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 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. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Planned Scope & Timing of the Audit

It is the auditor's responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence and to communicate with the FAC an overview of the planned scope and timing of the audit.

Our Comments

The planned scope and timing of the audit was communicated to the FAC at the audit entrance meeting on May 21, 2020.



Significant Accounting Policies & Unusual Transactions

The auditor should determine that the FAC is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine that the FAC is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Our Comments

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in the footnotes to the financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies. There were no changes to significant accounting policies for the year ended June 30, 2020.

We believe management has selected and applied significant accounting policies appropriately and consistent with those of the prior year.



Management Judgements & Accounting Estimates

The FAC should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basis for the auditor's conclusions regarding the reasonableness of those estimates.

Our Comments

Management's judgements and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the financial statements.

Significant management estimates impacted the financial statements including the following: **fair value of investments; fixed asset lives; actuarially determined accruals for incurred but not reported (IBNR), medical claims liabilities, other non-IBNR medical liabilities, pension, and other postemployment liabilities.**

We deem them to be reasonable.



Areas of Audit Emphasis



Medical Claims Liability and Claims Expense



Capitation Revenue and Receivables



Amounts due to the State of California or DHCS



Pension Liability



Other Postemployment Benefits (OPEB) Liability



Management Judgments & Accounting Estimates

Our views about the quantitative aspects of the entity's significant accounting policies, accounting estimates, and financial statement disclosures.

Our Comments

The disclosures in the financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users. We call your attention to the following notes:

- Note 2 – Summary of Significant Accounting Policies
- Note 3 – Cash and Investments
- Note 5 – Medical Claims Liability
- Note 6 – Defined Benefit Pension Plan
- Note 8 – Postemployment Health Care Plan



Significant Audit Adjustments & Unadjusted Differences Considered by Management to Be Immaterial

The FAC should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in the Organization's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future financial statements to be materially misstated.

The FAC should also be informed of uncorrected misstatements aggregated by the auditor during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

Our Comments

CORRECTED ADJUSTMENTS:

- We proposed, and the Organization recorded, a reclassifying entry of approximately \$92 million to properly reflect cash and cash equivalents and investments.

UNCORRECTED ADJUSTMENTS:

- There were no uncorrected audit adjustments.



Deficiencies in Internal Control and in Internal Control over Compliance

Any material weaknesses and significant deficiencies in the design or operation of internal control or of internal control over compliance that came to the auditor's attention during the audit must be reported to the FAC.

Our Comments

MATERIAL WEAKNESS:

- None noted

SIGNIFICANT DEFICIENCIES:

- Nothing to communicate

NONCOMPLIANCE:

- Nothing to communicate



Potential Effect on the Financial Statements of Any Significant Risks & Exposures

The FAC should be adequately informed of the potential effect on financial statements of significant risks and exposures and uncertainties that are disclosed in the financial statements.

Our Comments

The Organization is subject to potential legal proceedings and claims that arise in the ordinary course of business, which are disclosed in the notes to the financial statements.



Difficulties Encountered in Performing the Audit

The FAC should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit, including disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Organization's financial statements, or the auditor's report.

Our Comments

No significant difficulties were encountered during the audit.

We are pleased to report that there were no disagreements with management.



Material Uncertainties Related to Events & Conditions/ Fraud & Noncompliance with Laws and Regulations

Any doubt regarding the Organization's ability to continue, as a going concern, should be communicated to the FAC.

Fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements should be communicated. We are also required to communicate any noncompliance with laws and regulations involving senior management that come to our attention, unless clearly inconsequential.

Our Comments

No such matters came to our attention.

We have not become aware of any instances of fraud or noncompliance with laws and regulations.



Other Material Written Communications

Report to the FAC significant written communications between the auditor and management.

Our Comments

We have requested certain representations from management that will be included in the representation letter, which we will receive prior to issuance.

Other than the engagement letter, management representation letter, and communication to the FAC, there have been no other significant communications.



Management's Consultation with Other Accountants

In some cases, management may decide to consult about auditing and accounting matters. If management has consulted with other accountants about an auditing and accounting matter that involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

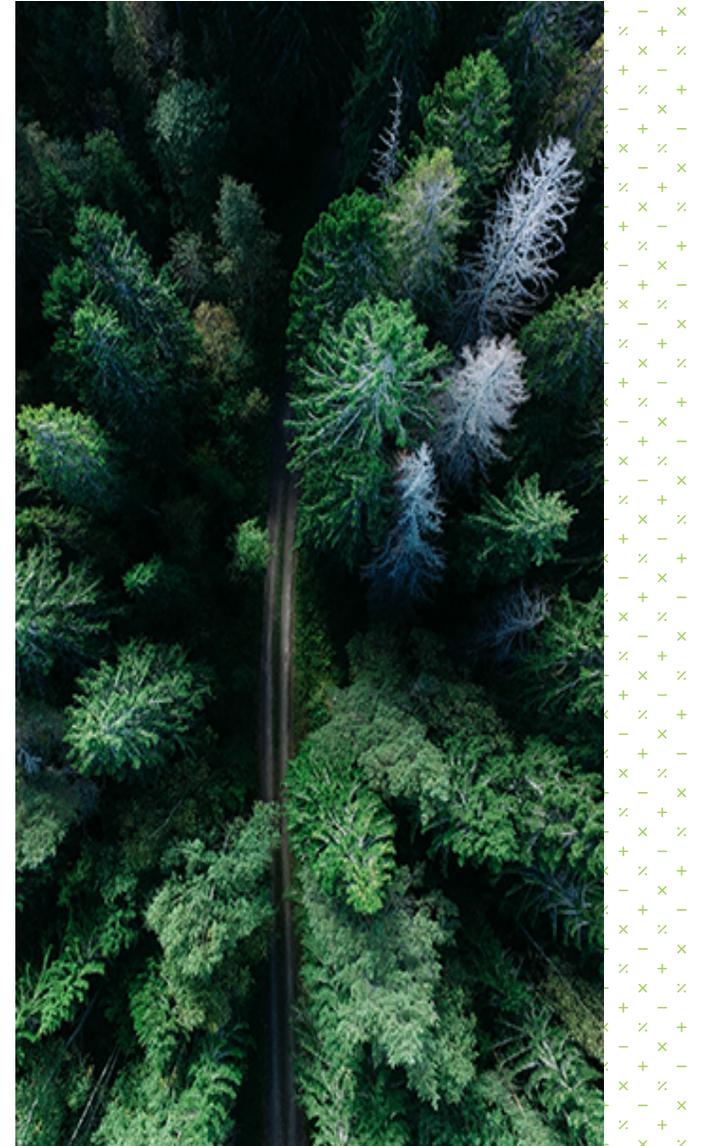
Our Comments

We are not aware of any significant accounting or auditing matters for which management consulted other accountants.





About Moss Adams

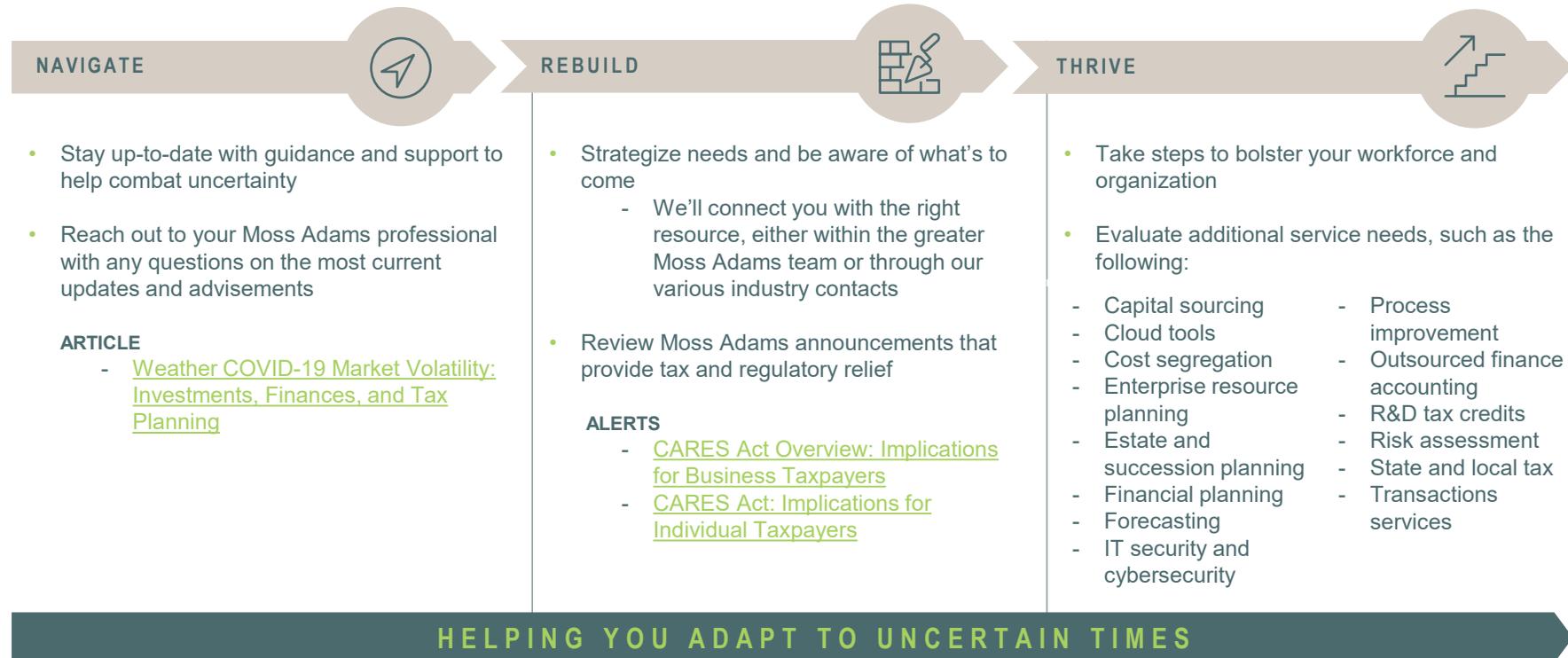


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Our Response to COVID-19

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.



HELPING YOU ADAPT TO UNCERTAIN TIMES

Find more information and resources here: <https://mossadams.com/covid-19-implications>

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**THANK
YOU**

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 17, 2020 Meeting of the CalOptima Board of Directors' Finance and Audit Committee

Report Item

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

Contact

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

Recommended Action

Recommend that the Board of Directors reappoint David Young to the Board of Directors' Investment Advisory Committee for a two-year term beginning October 1, 2020.

Background

At a Special Meeting of the CalOptima Board of Directors held on September 10, 1996, the Board authorized the creation of the IAC, established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the Committee.

When creating the IAC, the Board stipulated that the Committee would consist of five (5) members, one (1) member would automatically serve by virtue of his or her position as CalOptima's Chief Financial Officer. The remaining four (4) members would be Orange County residents who possessing experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima on its investment activities.

Discussion

The following candidate recommended for reappointment has consistently provided leadership and service to CalOptima's investment strategies through his participation as a member of the IAC.

David Young has served as a member of the IAC since June 4, 2009. Mr. Young is founder and Chief Executive Officer of Anfield Group, LLC, a financial consulting and investment advisory firm. In 2008, he retired as Executive Vice President and Account Manager of Pacific Investment Management Company (PIMCO) and rejoined the University of California, Irvine (UCI), Paul Merage School of Business as Adjunct Professor. From 1999 to 2006, he was head of PIMCO's account management group in London. Prior to that, Mr. Young held positions at Analytic Investment Management, Smith Barney, and Harris Upham. He has over 30 years of investment experience and is a Certified Financial Advisor (CFA). In addition, Mr. Young is a member of the CFA Society of Orange County Board of Directors, and the chair of its Investment Committee. He also is board member of the UCI Paul Merage School of Business Center for Investment & Wealth Management Executive Committee and chairs its

Journal editorial board. Mr. Young received his undergraduate degree and M.B.A. from the University of California, Irvine. His current term expires on October 7, 2020.

At its July 20, 2020, meeting, the IAC recommended that the Finance and Audit Committee recommend that the Board reappoint David Young to the IAC.

Fiscal Impact

There is no fiscal impact. Individuals appointed to the IAC are responsible for assisting CalOptima in meeting the objectives of CalOptima's annual investment policy, including preservation of capital, meeting the agency's liquidity needs, and obtaining an acceptable return on investment of available funds.

Rationale for Recommendation

The individual recommended for reappointment to CalOptima's IAC has extensive experience that meets or exceeds the specified qualifications. In addition, the candidate has already provided outstanding service as a member of the IAC.

Concurrence

Board of Directors' Investment Advisory Committee
Gary Crockett, Chief Counsel

Attachments

None

/s/ Richard Sanchez
Authorized Signature

09/10/2020
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 17, 2020 Meeting of the CalOptima Board of Directors' Finance and Audit Committee

Report Item

6. Consider Recommending Appointments to the CalOptima Board of Directors' Investment Advisory Committee

Contact

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

Recommended Action

Recommend that the Board of Directors appoint the following two individuals to the Board's Investment Advisory Committee (IAC) for two-year terms beginning October 1, 2020:

1. Collen Clark; and
2. David Hutchison.

Background

At a Special Meeting of the CalOptima Board of Directors held on September 10, 1996, the Board authorized the creation of the CalOptima IAC, established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the Committee.

When creating the IAC, the Board stipulated that the Committee would consist of five (5) members; one (1) member would automatically serve by virtue of his or her position as CalOptima's Chief Financial Officer. The remaining four (4) members would be Orange County residents who possess experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima on its investment activities.

Discussion

The candidates recommended for appointment are expected to provide leadership and service to CalOptima's investment oversight through their participation as IAC members. They also have proven leadership and expertise in finance and accounting.

As part of the process of filling the vacancies, staff conducted a recruitment process intended to solicit a diverse applicant pool of candidates. The recruitment included an announcement on the CalOptima website, referrals from the Board of Directors and IAC Committee Members, and an advertisement in the local business journal. Staff received applications from three interested candidates and submitted them to the IAC Nominations Ad Hoc Committee for review and recommendation. Prior to conducting virtual interviews in early June 2020, the Ad Hoc Committee members evaluated each of the applications submitted. Based on this process, the Ad Hoc Committee, comprised of IAC Members Patrick Moore and Nancy Huang, recommended two candidates move forward to the full IAC for

consideration. At its July 20, 2020, meeting, the IAC adopted the Ad Hoc Committee's recommendation, and recommended that the Finance and Audit Committee recommend that the Board appoint the candidates to the IAC.

Candidates:

Colleen Clark*
David Hutchison*
Annie Tran

Colleen Clark has over 27 years of experience and a knowledge of public finance, investments, accounting and government and legislative processes. Ms. Clark was the Director of Public Finance for the County of Orange and worked as the Deputy Chief Executive Officer and Chief Financial Officer for the Orange County Great Park. She has held finance positions at the Transportation Corridor Agency in Irvine and is a former Certified Public Accountant.

David Hutchinson currently works for Triad Investment Management, where he is a Partner and Portfolio Manager. Mr. Hutchinson has over 15 years of experience and has previously held positions as President and Portfolio Manager for Hutchison Financial, Investment Strategist for the Chamberlin Group, and as a Senior Equity Analyst for Insight Capital Research & Management.

Annie Tran currently works for Charles Fish Investments as a Portfolio Manager. She has over 10 years of experience and previously worked as an Analyst for US Bank, as well as an Investment Analyst intern for the City of Orange.

Fiscal Impact

There is no fiscal impact. Individuals appointed to the IAC are responsible for assisting CalOptima in meeting the objectives of CalOptima's annual investment policy, including preservation of capital, meeting the agency's liquidity needs, and obtaining an acceptable return on investment of available funds.

Rationale for Recommendation

The individuals recommended for appointment to CalOptima's IAC have extensive experience that meets or exceeds the specified qualifications.

Concurrence

Board of Directors' Investment Advisory Committee
Gary Crockett, Chief Counsel

Attachments

None

/s/ Richard Sanchez
Authorized Signature

09/10/2020
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 17, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

Report Item

7. Consider Recommending Board of Directors' Ratification and Authorization of Expenditures Related to the Coronavirus Pandemic

Contact

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

Recommended Actions

Recommend that the Board of Directors' ratify and authorize unbudgeted expenditures from existing reserves for emergency purchases related to the coronavirus pandemic not to exceed \$137,802.

Background

On January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency under section 319, of the Public Health Service Act (42 U.S.C. 247) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Along with other federal, state, and local agencies, CalOptima is taking action to continue efforts to protect the health and safety of our providers and members.

At its April 2, 2020, meeting, the CalOptima Board of Directors ratified and authorized unbudgeted expenditures for emergency purchases to support coronavirus mitigation strategies, including CalOptima's Temporary Telework process, in an amount not to exceed \$915,000.

At its April 16, 2020, meeting, the Board ratified and authorized additional unbudgeted expenditures for emergency purchases related to the coronavirus pandemic not to exceed \$80,327.

Discussion

To protect employees during the pandemic, CalOptima has implemented various infection control measures consistent with the guidelines provided by the CDC and other regulatory agencies. Additional expenditures are necessary as part of CalOptima's continued efforts to provide health and safety measures to protect employees who are working in the CalOptima facilities. Staff recommends the Board ratify and authorize unbudgeted expenditures for the following emergency purchases related to the coronavirus pandemic:

Department	Description	Amount
PACE	Staff personal protective equipment	\$21,300
Facilities	Staff personal protective equipment	\$8,780
	Gloves, disinfectant products	\$11,653
	Thermometers	\$2,069

Department	Description	Amount
	Estimated expenses for disinfectant products (\$1,000/month) and other COVID-related supplies from July 1, 2020, through December 31, 2020	\$19,000
Facilities and Payroll	2 temporary staff in Facilities to perform remote workplace evaluation. 1 temporary staff in Payroll to: <ul style="list-style-type: none"> • Improve timekeeping management process during Temporary Telework deployment; and • Assist with handling and processing of paperwork, and other support during the pandemic. 	\$75,000
Total		\$137,802

CalOptima contracted with the existing vendors to ensure timely and efficient service and delivery of the required equipment and products for the protection and security of CalOptima’s employees and members. Emergency purchases with contracted vendors 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 ratify and authorize unbudgeted expenditures for emergency purchases to support CalOptima’s continued response to the public health emergency related to the coronavirus pandemic is unbudgeted. An allocation of up to \$137,802 from existing reserves will fund these actions.

Rationale for Recommendation

Ratification and authorization of the expenditures will allow CalOptima to provide a secure and professional work environment for our employees and members during the coronavirus pandemic.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Board Action dated April 2, 2020, Consider Ratification of Actions Taken in Response to the Public Health Emergency Arising from the Coronavirus (COVID-19) Pandemic
2. Board Action dated April 16, 2020, Consider Ratification and Authorization of Expenditures Related to Coronavirus Pandemic

/s/ Richard Sanchez
Authorized Signature

09/10/2020
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 2, 2020 **Regular Meeting of the CalOptima Board of Directors**

Report Item

3. Consider Ratification of Actions Taken in Response to the Public Health Emergency Arising from the Coronavirus (COVID-19) Pandemic

Contact

Candice Gomez, Executive Director Program Implementation, (714) 246-8400
Brigette Gibb, Executive Director Human Resources, (714) 246-8400

Recommended Actions

1. Ratify the implementation of mitigation strategies to slow the transmission of COVID-19 through temporary telework for CalOptima employees; and
2. Ratify unbudgeted expenditures from existing reserves for emergency purchases to support these mitigation strategies, including CalOptima's Temporary Telework process in the amount not to exceed \$915,000

Background

On January 31, 2020, the Secretary of U.S. Department of Health and Human Services declared a public health emergency under section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (COVID-19). On February 27, 2020, Orange County declared a local health emergency. The Governor of California declared a State of Emergency on March 4, 2020. On March 11, 2020, the World Health Organization declared the coronavirus a pandemic. On March 13, 2020, the President declared a national emergency based on the spread of the coronavirus.

On March 11, 2020, the Orange County Health Care Agency provided recommendations for COVID-19 community mitigation strategies. While social distancing has been encouraged to limit the spread of COVID-19, beginning on March 17, 2020, state and local agencies began implementing stay-at-home orders to prohibit professional, social, and community gatherings outside of a list of "essential activities."

Discussion

Along with federal, state, and local agencies, CalOptima management has been actively engaged in efforts to evaluate business needs and protect the health and safety of CalOptima employees, members, providers, and our community, and mitigate the spread and limit exposure to the disease. CalOptima management has been closely monitoring this public health emergency and taking preventive actions based on information and guidelines provided by federal, state, and local agencies including, but not limited to, the Centers for Disease Control and Prevention (CDC), the California Department of Public Health, and the Orange County Health Care Agency.

The health and safety of CalOptima employees is critical to ensuring business continuity and access to health care services for CalOptima members. CalOptima has considered the following objectives in evaluating the organization's response to the pandemic as the current situation constantly evolves:

- Maintaining continuity of essential services and business functions while maintaining a safe work environment for CalOptima employees;

- Maximizing social distancing and limiting group meetings and interactions that might spread COVID-19;
- Developing flexible work arrangements for employees as appropriate;
- Maintaining a unified response consistent with actions taken by state and local government; and
- Ensuring that CalOptima is transparent in its processes and communications to its employees, providers and members.

CalOptima's operations are considered part of the critical infrastructure in both the healthcare/public health sector as well as the government sector. As an essential business, CalOptima's operations must continue to be fully functioning and effective. As part of business continuity and emergency planning, CalOptima management has evaluated job functions, and categorized CalOptima staff according to the following five categories:

1. Job duties cannot be performed remotely;
2. Job duties can be performed remotely;
3. Job duties support essential functions in the 505 City Parkway West building:
 - Facility support
 - Building security
 - Building management
 - Information Services 3rd Shift
 - Information Services Help Desk
 - Mail room
 - Member enrollment and reconciliation
 - Finance accounts payable;
4. Job duties support essential functions in the PACE Center, 13300 Garden Grove Blvd:
 - PACE clinic, transportation, and reception staff
 - PACE records management; and
5. Job duties can be performed remotely, but employee's home environment is not conducive to working remotely.

To protect employees during the pandemic, CalOptima management has been implementing infection control and social distancing measures as these are released by the CDC or other regulatory agencies. Based on the guidelines provided by regulatory agencies, on March 13, 2020, CalOptima management has moved forward with its business continuity and emergency plan, and initiated temporary telework for CalOptima staff whose job duties can be performed remotely. In order to institute an orderly process for temporary telework, CalOptima management implemented phases for deployment. This process was made voluntary to employees and only applied to those with job duties that meet the requirements for temporary telework.

Phase 1: Employees identified in the high risk categories (as defined by CDC guidelines as of March 13, 2020), including those eligible for leave under the Family Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA), or those requiring a reasonable accommodation under the Americans with Disabilities Act (ADA).

Phase 2: Employees who had already been issued the necessary equipment to work remotely.

Phase 3: Employees who had not previously been issued the necessary equipment to work remotely have been and will continue to be deployed when fully equipped and according to job function with the following priority:

- a. Employees with direct member interaction (e.g., talk to Members);
- b. Employees whose job duties result in an organizational decisions or determinations (e.g., approval, denial, or appeal of medical service authorization requests);
- c. All other staff as equipment needs are met.

The temporary telework process was not contemplated as part of CalOptima Policy GA. 8044: Telework Program, and the number of employees on temporary telework exceeds the Board-authorized number of teleworkers (1/3 of CalOptima staff). Currently, approximately 82% of CalOptima employees are working remotely, and management anticipates that this number may increase to as many as 85-90%. Management is seeking Board ratification of the actions taken to respond to the COVID-19 pandemic and implement mitigation strategies by placing employees on temporary telework, which:

- (1) Reduces the number of employees present in the administration building and facilitates social distancing measures to mitigate the spread of COVID-19;
- (2) Ensures business continuity while employees are working remotely;
- (3) Protects the health and safety of CalOptima employees; and
- (4) Ensures that CalOptima is continuing to carry out its essential operations by meeting the needs of members and being responsive to providers.

To support temporary telework, CalOptima staff also recommends ratification of unbudgeted expenditures in the amount of \$915,000 for equipment and mobile ready software to allow CalOptima employees to work remotely. Expenditures also include replenishment of back-up laptop inventory plus additional laptops for urgent and unforeseeable needs due to COVID-19. The recommended amount of unbudgeted expenditures is based on estimated costs and approximately 10% contingency for unanticipated costs. Estimated itemized costs are as follows:

Item	Amount
RSA Tokens to allow connectivity outside of building	\$43,911
VPN Licenses to allow connectivity to the CalOptima network	\$76,600
IP Softphone Licenses to allow connectivity to the phone system	\$259,893
Power Cords	\$4,505
Headsets and Headset Adapters	\$42,185
Surge Protectors	\$10,532
Cables and Soundbars for Computer Monitors	\$28,458

ACD License to support phone system	\$38,510
Bluecoat Web Security Service (WSS)	\$21,970
Computer Monitors	\$184,145
Cat6 Patch Cables for Computer Parts	\$759
Back-up Laptops	\$121,879
Contingency	\$81,653
Estimated Costs	\$915,000

For employees remaining in the two CalOptima buildings, additional space planning efforts have been implemented to promote social distancing practices. Additional planning is also being evaluated should it be necessary through local, state, or federal action that employees remain locked-down at home and all essential work functions must be performed remotely. CalOptima staff will return to the CalOptima Board of Directors for consideration of future actions as appropriate.

Fiscal Impact

The recommended action to ratify unbudgeted expenditures for emergency purchases to support CalOptima's response to the public health emergency and implementation of temporary telework is unbudgeted. An allocation of up to \$915,000 from existing reserves will fund this action.

Rationale for Recommendation

Implementing temporary telework ensures that CalOptima takes appropriate action to not only protect the health and safety of our employees and community during the COVID-19 pandemic, but also ensure that CalOptima members and providers are able to access covered, medically necessary health care services during this pandemic.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Temporary Telework Agreement
2. CalOptima Policy GG.8044 Telework Program

/s/ Michael Schrader
Authorized Signature

03/26/2020
Date

Participation:

CalOptima plays a vital role in the community as a resource for care, information, and support. Our focus is to enable our employees to manage the community response and to serve the needs of CalOptima members, while also taking care of our own employees. Employee recognizes that the temporary telework option is voluntary and at the Employee's discretion. This work arrangement may be reassessed, modified and/or terminated by either the employee or CalOptima, with or without notice or cause.

Other than those duties and obligations expressly imposed on the employee under this Agreement, the duties obligations, responsibilities and conditions of Employee's employment with CalOptima remain unchanged. The employee's salary and benefits shall remain unchanged.

Approval of the temporary telework arrangement will be made based on an evaluation of the appropriateness of your position to work from home, the resources available to enable you to work, business priorities, and staffing concerns. Business continuity for critical areas is our utmost priority to ensure CalOptima is providing excellent services to our members and responding in a timely manner to all inquiries and regulatory requirements.

Application of CalOptima Policies, Procedures and Rules:

- a. Employee agrees to abide by the terms and requirements of CalOptima Policy GA. 8044: Telework Program and all other applicable CalOptima policies, including, but not limited to, liability, compliance, use of personal computer from the Remote Work Location, use of electronic mail with PHI-security of CalOptima assets, dependent care, etc.
- b. Employee understands and agrees that the temporary telework arrangement is not intended to supersede or override CalOptima's policies, procedures, rules or standards of conduct and the Employee agrees to adhere to all applicable CalOptima policies, procedures, rules and standards of conduct.

Technological Capabilities: When using CalOptima devices, the Employee understands and agrees that the Employee is expected to maintain an appropriate level of connectivity and technological capability as required by CalOptima.

Safety and Security: Employee understands and agrees that the Employee is expected to maintain an appropriate safe and secure Remote Work Location when working off-site, with particular sensitivity to any protected health information in written or oral form. In the event employee is not working from a Home Office location, any alternative Remote Work Location must be pre-approved by Employee's supervisor.

Confirmation of Agreement:

This Agreement is the entire agreement with respect to the subject-matter addressed herein. This Agreement takes precedence over any prior discussions Employee has had with any CalOptima personnel with respect to the topics addressed in this Agreement.

I understand that any violation of CalOptima's policies and procedures or any violations of state or federal law while working off-site may result in disciplinary action, up to and including termination, and/or civil or criminal prosecution.

March 2020

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I affirm by my signature below that I have read, understand and agree to comply with all of the work rules and policies described in this Agreement and Telework Program Policy. I further agree with the duties, responsibilities and conditions for temporary telework as set forth by my supervisor, including the condition that I am expected to accomplish the job tasks in accordance with the agreed upon schedule and performance standards.

CalOptima may terminate this agreement at any time, with or without notice.

Employee:

_____	_____	_____
Print Name	Signature	Date

Immediate Supervisor:

_____	_____	_____
Print Name	Signature	Date

APPROVED BY HUMAN RESOURCES:

_____	_____	_____
Print Name	Signature	Date

Policy #: GA.8044
Title: **Telework Program**
Department: Human Resources
Section: Not Applicable
CEO Approval: Michael Schrader MS

Effective Date: 03/01/12
Last Review Date: 02/01/18
Last Revised Date: 02/01/18

Board Approved Policy

I. PURPOSE

This policy describes guidelines for a work structure that: 1) permits an employee to perform their work from a Remote Work Location, unless business needs require otherwise; 2) increases quality of life for employees; 3) reduces operation and overhead costs; 4) supports recruitment and retention of skilled employees; and 5) promotes a culture of managing by results.

II. POLICY

- A. Telework is a workplace arrangement in which an eligible employee works his or her entire work schedule away from the Central Worksite at a Remote Work Location, unless business needs require otherwise.
 - 1. A partial teleworking arrangement is not allowed. A Teleworker may not elect to routinely work a portion of his or her scheduled days at the Central Worksite and the remainder from the Remote Work Location.
- B. Telework is not a universal employee benefit or entitlement, but rather, an alternative method of meeting the work needs of the organization through a flexible work structure. Department managers, at their discretion, may discontinue an individual's, group's, or department's participation in the telework program based on business needs.
- C. Telework is voluntary unless specifically stated as a condition of employment and may be terminated at any time by either the Teleworker or CalOptima, with or without cause.
- D. The total number of employees in telework positions at any point in time may equal but not exceed the maximum number telework positions as directed by the CalOptima Board of Directors.
- E. Telework positions may be identified as follows:
 - 1. Human Resources (HR) may designate a position as a telework position if it is classified as a difficult to recruit and/or retain position, and the position is appropriate for telework.
 - 2. HR may reserve a number of telework positions for use in granting reasonable work accommodations, for employees transitioning back to work after a qualifying leave of absence, or for other exigencies, which would require the approval of the Executive Director of HR.
 - 3. A department leader may designate one (1) or more positions as suitable for teleworking if the duties and responsibilities of the position can be performed remotely at the same or higher level of productivity and quality compared to working at the Central Worksite.

- F. Remote Work exception to the Telework policy: When special circumstances require it, an employee's manager has the discretion to allow an employee, to work from a Remote Work Location on an occasional basis.
1. Occasional is defined as rare, infrequent and not regularly scheduled for brief periods (usually a day or part of a day); with no specific or implied expectation from an employee that he or she will be allowed to work from a Remote Work Location routinely. This is not considered or counted as a telework position.
 2. All employees who occasionally work from a Remote Work Location must abide by the same requirements as employees who telework, including, but not limited to, the applicable conditions set forth in this policy concerning terms of employment, work schedule and accessibility, dependent care, liability, compliance, use of personal computer from the Remote Work Location, use of electronic mail with PHI, establishing a Remote Work Location, security of CalOptima assets, inspection, etc.
 3. Furthermore, for departments which permit employees to work from a Remote Work Location, to be eligible to work occasionally from a Remote Work Location, the employee must execute the CalOptima Occasional Off-site Work Agreement and submit the signed document to the Human Resources Department prior to being permitted to work from a Remote Work Location.
- G. Terms of Employment
1. The conditions of employment, such as employee salary, benefits and employer-sponsored insurance coverage, will remain the same for an employee designated as a Teleworker as for non-telework employee.
 2. CalOptima's policies, rules and practices are applicable to a Teleworker's Remote Work Location, including, but not limited to, confidentiality, internal communications, communications with the public, public records requests, employee rights and responsibilities, facilities and equipment management, financial management, information resource management, purchasing of property and services, unlawful harassment, drug and alcohol, and safety.
 3. Telework will be voluntary unless specifically stated as a condition of employment.
 4. Other than those additional duties and obligations expressly imposed on a Teleworker under this policy, the duties, obligations, responsibilities and conditions of a Teleworker's employment with CalOptima shall remain unchanged.
- H. Teleworker Selection
1. The employee's department manager, with final review and evaluation by HR, shall consider and ensure that the selected employee and their work responsibilities meet the following conditions:
 - a. The nature of the work and job responsibilities can be performed effectively away from the Central Worksite.

- b. The nature of resources and tools necessary for an employee's work assignments and job responsibilities can be accessed from the employee's Home Office location while ensuring confidentiality where necessary and compliance with all applicable laws, including, but not limited to, Health Insurance Portability and Accountability Act (HIPAA) regulations.
 - c. The nature of the work and the employee's job responsibilities do not require daily face-to-face contact with other employees or supervisors, and/or the employee and/or the employee's work does not require supervision that can only be accomplished at the Central Worksite.
 - d. The nature of the work is not dependent on accessing equipment, materials, files, etc., that are only available in the Central Worksite.
2. To be eligible for telework, the following considerations will be evaluated:
- a. Employee must be in good standing, with no prior disciplinary action in the last year or on a Performance Improvement Plan, and may be scheduled for full-time or part-time and/or may be exempt or non-exempt (hourly).
 - b. Based on business considerations and management discretion, supervisors and managers may be approved for telework only if their entire team teleworks.
 - c. If supervisors and managers have staff that does not telework and/or are not eligible for telework, they must be present in the office to supervise their non-telework staff.
 - d. Telework is not available for senior manager level positions and above, unless the position is classified as a difficult to recruit and/or retain position, and the position is appropriate for telework as determined by the Executive Director of Human Resources, with the approval of the Chief Operating Officer.
3. To participate in the telework program, an employee must meet additional eligibility and selection criteria established by CalOptima, including the suitability of performing the requirements of the job from a Remote Work Location and the ability of the employee to meet performance expectations in a work environment away from the Central Worksite.
4. To be eligible to work from a Remote Work Location the employee must obtain approval from the employee's supervisor/manager and director prior to submitting the request to HR. Employees are required to sign and submit the CalOptima Telework Agreement, along with all other required documentation, to the HR Department prior to being deployed.

I. Termination of Telework Arrangement

1. A Teleworker may elect at any time to move from working at a Remote Work Location to working at the Central Worksite, contingent on space availability.
 - a. The Teleworker must notify and discuss the change with his or her manager and receive approval.
 - b. The Teleworker's manager will notify HR of the request to terminate the telework arrangement.

2. A Teleworker's manager may change or end the teleworking arrangement at any time based on business needs, performance or productivity concerns, or changes in the Teleworker's eligibility to telework.
 - a. Requests to end the telework arrangement must go through the manager of the Teleworker and be approved by HR.
3. As needed, the Teleworker's manager, in collaboration with HR, may evaluate changes to a Teleworker's job responsibilities and determine if continued participation in the telework program or return to the Central Worksite is appropriate.

J. Work Schedule and Accessibility

1. A Teleworker's schedule of work hours, including breaks, overtime, and deviations from regular work hours, should be approved by the Teleworker's manager.
 - a. A manager shall take into consideration the overall impact of a Teleworker assignment to the department's service delivery, employee productivity, or the progress of individual or team assignments.
 - b. A manager shall also take into consideration the overall impact of the Teleworker's total time outside of the Central Worksite. Considerations include, but are not limited to: meetings, consultations, presentations and conferences.
 - c. CalOptima shall also give consideration to the overall effect of a Teleworker's and co-workers' schedules in maintaining adequate manager supervision and communication.
2. The number of hours normally scheduled to work by an employee shall not change because of telework.
3. Employees will not be eligible to participate in both the telework program and the 9/80 Work Schedule during the same period. Employees eligible for both may only request one alternative at a time.
4. Before working overtime, a non-exempt (hourly) Teleworker must receive his or her manager's written approval in advance.
5. An exempt Teleworker who plans to deviate from the Teleworker's regular work hours, including working beyond normal working hours and making up time, shall obtain his or her supervisor's approval in advance, where feasible.
6. Teleworkers will be required to complete their timecard electronically, consistent with employees at the Central Worksite.
7. Meal periods and breaks for a Teleworker will be consistent with those at the Central Worksite.
8. The Teleworker's manager should ensure that the Teleworker's schedule shall allow adequate time at the Central Worksite for meetings, access to facilities and supplies, and communication with other employees, providers or members.

9. When visiting the Central Worksite, a Teleworker will notify their direct supervisor or alternate of their presence in office building, including their physical location and tentative length of stay.
10. A Teleworker will attend job-related meetings, training sessions, and conferences, as requested by the manager. In addition, management may request a Teleworker to attend "short notice" meetings or to come into the Central Worksite for other CalOptima business related purposes. A Teleworker's manager will use telephone conference calling whenever possible as an alternative to requesting attendance at short notice meetings.
11. During telework hours, a Teleworker must be reachable via telephone, facsimile, office communicator, and/or e-mail during agreed-upon work hours or specific core hours of accessibility. The manager and Teleworker will agree on how to handle telephone messages, including the feasibility of call forwarding and frequency of checking telephone messages.
12. If the Central Worksite is closed due to an emergency or inclement weather, a Teleworker's manager will contact the Teleworker as soon as possible. A Teleworker may continue to work at the Remote Work Location. If there is an emergency at the Remote Work Location such as a power outage, a Teleworker will notify his or her manager as soon as possible. CalOptima may assign the Teleworker to the Central Worksite.

K. Dependent Care

1. A Teleworker will **not** act as a primary caregiver for dependent(s) during the agreed upon telework hours. Dependents may be present in the home during telework hours if care for the dependent will not require the Teleworker's attention. A Teleworker must make dependent care arrangements to permit concentration on performing work duties and responsibilities to the same extent as if he or she were performing work at the Central Worksite.

L. Deployment Preparation

1. All Teleworkers will complete mandatory pre-deployment documentation and telework orientation prior to final approval for telework deployment. Understanding the policies and procedures of telework is an important determinant of success in the telework program. Teleworkers may be required to complete additional educational or informational programs as deemed needed.

M. Telework Site/ Home Office

1. A Teleworker must maintain a suitable and secure designated workspace inside the Teleworker's residence that is clean, safe, and free from distractions.
 - a. A Teleworker must set up a designated workspace as required by standards set by Environmental Health and Safety (EH&S) prior to beginning the Telework assignment.
 - b. Preferably, this workspace will be a separate room that is designated as a home office.
 - c. The home office location and specified workstation and internet access must be in compliance with the EH&S standards and the safety checklists.

- d. The employee must sign and submit the CalOptima Teleworking Agreement, along with all other required documentation to HR within the required period of time.
2. A Teleworker will not hold face-to-face business meetings with providers, Members, or professional colleagues at the Home Office.
3. CalOptima may send agents of the organization to assist with equipment set-up in the Home Office.
 - a. CalOptima will provide advanced notice of any delivery.
 - b. The Teleworker must allow access to the Home Office at the designated day and time.
4. CalOptima will provide a predefined basic set of equipment as required for the Teleworker to perform his or her work duties.
5. All equipment that is provided initially for use at the telework site will be documented in the Telework Equipment Release Agreement.
 - a. The Information Systems (IS) Department will maintain a list of CalOptima's equipment and software that is located in the Home Office Locations of Teleworkers.
6. If additional equipment or supplies are required related to Telework, the Teleworker must obtain prior approval for any additional costs.
 - a. CalOptima will provide standard office supplies (i.e., pens, paper, and pencils).
 - b. CalOptima shall not reimburse out-of-pocket expenses for supplies normally available at the Central Worksite.
7. Prior to beginning the telework program, a Teleworker will provide documentation of the workspace, in the form of current photograph, and must submit such documentation to the EH &S and HR departments.
8. Teleworkers are advised to consult with an insurance agent and/or tax consultant for information regarding their home office site. Individual tax implications, auto and homeowners' insurance, and incidental residential utility costs are the responsibility of the Teleworker.

N. Teleworker Performance Management

1. The manager and Teleworker will develop and agree upon any relevant goals and performance guidelines, as well as the frequency of performance discussions.
2. The manager of the Teleworker shall:
 - a. Monitor the Teleworker's productivity and performance consistently and as business needs require.
 - b. Provide timely and specific feedback to the Teleworker on a regular basis.

- c. Plan for and use multiple channels to keep the Teleworker informed and up-to-date about departmental and CalOptima activities.
- d. Remove a Teleworker from the program if the employee does not or continues to not meet the set performance standards.

O. Program Reporting and Evaluation

- 1. Teleworkers agree to monthly reporting and analyses, at a minimum, relating to his or her performance in order to evaluate the effectiveness of the Teleworker and telework program at CalOptima.
- 2. Each manager of one or more Teleworkers shall be required to provide documentation of goals, performance standards and outcomes for the Teleworkers to HR upon request.

P. Liability

- 1. A Teleworker is responsible for ensuring the safety of his or her Remote Work Location or alternative work environment.
- 2. A Teleworker will agree to a safety inspection and photographic documentation of the Telework Remote Work Location site to comply with workers' compensation liabilities, as well as comply with all items in the EH&S safety checklists.
- 3. Because liability may arise from hazards in the Remote Work Location that might cause serious harm or injury, CalOptima reserves the right to periodically inspect the Teleworker's Remote Work Location workspace. CalOptima will precede any such inspection by advanced notice and will schedule an appointment.
- 4. All ergonomic issues must be reported to the EH&S department. It is the responsibility of a Teleworker to notify EH&S early of any potential ergonomic issues in the home office workspace in the Remote Work Location.
- 5. CalOptima is not liable for any incident or accident that occurs outside of normal job-related activities or hours.
- 6. In the event of a job-related incident or accident during telework hours, a Teleworker must immediately report the incident to his or her manager.
 - a. A Teleworker, manager, and CalOptima must follow the policies regarding the reporting of injuries for employees injured while at work.
- 7. CalOptima is not responsible for any injuries to family members, visitors, and others in a Teleworker's Remote Work Location workspace.
- 8. CalOptima is not responsible for any loss or damage to:
 - a. A Teleworker's property;

- b. Personal property owned by a Teleworker or any of the Teleworker's family members; or
 - c. Property of others in the custody of a Teleworker.
9. A Teleworker is responsible for contacting his or her insurance agent and a tax consultant and consulting local ordinances for information regarding Remote Work Location workplaces.
- Q. Compliance: Handling PHI from a Remote Work Location
- 1. The same precautions governing the treatment of PHI at the Central Worksite shall apply to the Remote Work Location.
 - 2. A Teleworker shall not leave documents including, but not limited to (electronic and/or hard copies): assessment forms, prior authorization, or other data collection forms unattended in areas accessible by unauthorized persons.
 - a. If PHI is being accessed by the Teleworker, when the Teleworker leaves the Remote Work Location or workspace, all paper PHI shall be stowed in a locked drawer designated for such storage. The Teleworker shall remain in possession of the key.
 - 3. A Teleworker shall protect all documents that contain Member PHI from the view or access by unauthorized persons during transport to and from the Central Worksite through the use of:
 - a. Binders; or
 - b. Folders or other protective cover.
 - 4. Upon their disposal, a Teleworker shall shred all PHI documents or files. A Teleworker shall transport PHI documents that are taken to the Remote Work Location and ready for destruction back to the Central Worksite for shredding.
 - 5. A Teleworker shall immediately report any security incidents or compromised PHI to the Office of Compliance, in accordance with CalOptima Policy HH.3020Δ: Reporting and Providing Notice of Security Incidents, Breaches of Unsecured PHI/PI or other Unauthorized Use or Disclosure of PHI/PI and contractual requirements, applicable federal and state statutes and regulations, and CalOptima policies.
- R. Use of Computer from Remote Work Location
- 1. CalOptima will provide a Teleworker with a CalOptima personal computer (PC) or, with the approval of IS Infrastructure Management in certain circumstances, a laptop computer (laptop), and grant access to the CalOptima network.
 - 2. A Teleworker shall adhere to the following information security procedures:
 - a. Maintain the confidentiality of his or her user sign-on identification code and password;
 - b. Keep the PC or laptop secure at all times;

- c. Log off the VPN network when the PC or laptop will be left inactive or unattended, including but not limited to, during breaks, lunch periods, and at the end of the workday;
 - d. Ensure that passwords or operating instructions are not stored with the computer; and
 - e. Ensure that any issues with CalOptima equipment or systems are referred to the Help Desk for assistance, and that no unauthorized persons, or organizations, provide technical support for any CalOptima equipment or systems.
 3. A Teleworker shall report any security incidents to the CalOptima Help Desk including, but not limited to:
 - a. Loss of a PC or laptop;
 - b. Software irregularities indicating possible virus infection; and
 - c. Access by unauthorized persons.
 4. Failure to comply with the requirements listed above will result in the termination of the employee's telework arrangement and may also include disciplinary action up to and including termination of employment.
 5. In the event of security or PHI incidents, Teleworkers are required to cooperate in internal investigations, outside investigators, law enforcement, and/or criminal and/or civil prosecution, when applicable.
- S. Use of electronic mail with PHI
 1. Internal e-mail: E-mail sent within the secure virtual private network (VPN) CalOptima system may contain PHI that is limited to the use and disclosure of the minimum necessary data to complete the required message.
 2. External e-mail: E-mail that is sent external to CalOptima via the open internet shall not contain PHI unless the e-mail is encrypted using the required encryption system and the recipient is authorized to receive it.
- T. Use of printer from Remote Work Location
 1. Teleworkers are not allowed to print anything work related to a home printer. All printing should be done at the Central Worksite when the Teleworker comes into the Central Worksite. On rare circumstances, HR, the Compliance Officer, and the Chief Security Officer may make an exception to allow for a Teleworker to receive a printer for use at home, but only if the employee is not dealing with any PHI.
- U. Security of CalOptima Assets
 1. The Teleworker must take reasonable precautions to secure and prevent damage to equipment provided and delivered to the Remote Location Worksite.

2. CalOptima's equipment must only be used by the Teleworker and may not be used by other guests or individuals for personal use.
3. If property of CalOptima is stolen or damaged in a Teleworker's home, CalOptima will repair or replace the property at CalOptima's expense, provided there is no contributory negligence on the part of the Teleworker.
4. Upon termination of employment or the telework arrangement, voluntary or otherwise, the employee shall return all CalOptima property to CalOptima.
5. CalOptima may pursue recovery from a Teleworker for CalOptima property that is:
 - a. Not returned at the conclusion of employment; or
 - b. Deliberately, or through negligence, damaged, destroyed, or lost while in the Teleworker's control.
6. In case of injury, theft, loss, or liability related to telework, a Teleworker must allow agents of the organization to investigate and/or inspect the telework site. CalOptima shall provide reasonable notice of inspection and/or investigation to the Teleworker.

V. Travel Reimbursement

1. CalOptima will not reimburse mileage for Teleworkers who come into **the Central Worksite** from a local Remote Worksite Location.
2. CalOptima will reimburse mileage when a Teleworker is required by management to drive into the Central Worksite only if the employee is required to travel two hundred fifty (250) or more miles one-way.
3. For off-site visits from the Teleworker's home, CalOptima shall base reimbursement for use of privately owned vehicles on actual mileage, to the nearest mile, less the number of miles required to drive from the Teleworker's residence to the Central Worksite, and back again, on a single day and in accordance with CalOptima GA.5004: Travel Policy.
4. Reimbursement shall be made at the mileage rate currently in effect for CalOptima, and in accordance with CalOptima GA.5004: Travel Policy. Different requirements for travel may apply to out-of-state Teleworkers, in which they should receive prior approval from their department executive before such travel arrangements are made.

W. Other Remote Work arrangements

1. In certain cases, arrangements other than those defined in this policy may be negotiated between CalOptima management, HR, and the Teleworker. All policy deviations must be approved by HR and the Teleworker's executive.

X. Failure to comply with the requirements of this Policy or follow CalOptima's policies, rules and procedures may result in: termination of the employee's telework arrangement and/or disciplinary action, up to and including termination of the employee. Certain violations of this Policy, other

applicable CalOptima policies, and/or state and federal laws may also result in criminal or civil prosecution, where applicable.

III. PROCEDURE

Not Applicable

IV. ATTACHMENTS

- A. CalOptima Telework Agreement
- B. CalOptima Occasional Off-site Work Agreement

V. REFERENCES

- A. CalOptima Employee Handbook
- B. CalOptima Policy GA.5004: Travel Policy
- C. CalOptima Policy GA.8000: Glossary of Terms
- D. CalOptima Policy GA.8020: 9/80 Work Schedule
- E. CalOptima Policy HH.3020Δ: Reporting and Providing Notice of Security Incidents, Breaches of Unsecured PHI/PI or other Unauthorized Use or Disclosure of PHI/PI

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

- A. 02/01/18: Regular Meeting of the CalOptima Board of Directors
- B. 12/03/15: Regular Meeting of the CalOptima Board of Directors
- C. 05/01/14: Regular Meeting of the CalOptima Board of Directors
- D. 06/06/13: Regular Meeting of the CalOptima Board of Directors
- E. 03/01/12: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	03/01/2012	GA.8044	Telework Program	Administrative
Revised	06/06/2013	GA.8044	Telework Program	Administrative
Revised	05/01/2014	GA.8044	Telework Program	Administrative
Revised	12/03/2015	GA.8044	Telework Program	Administrative
Revised	02/01/2018	GA.8044	Telework Program	Administrative

IX. GLOSSARY

Term	Definition
9/80 Work Schedule	The 9/80 alternate work schedule consists of eight (8) business days of nine (9) hours per day and one (1) business day of eight (8) hours, for a total of eighty (80) hours during two (2) consecutive workweeks. The eight (8) hour work day must be on the same day of the week as the employee’s regularly scheduled day off. Therefore, under the 9/80 work schedule, one calendar week will consist of forty-four (44) hours (four (4) nine (9) hour days and one (1) eight (8) hour day) and the alternating calendar week will consist of thirty-six (36) hours (four (4) nine (9) hour days and one (1) day off). However, each workweek will only consist of forty (40) hours, in accordance with the 9/80 Federal Labor Standards Act (FLSA) Workweek.
Central Worksite	CalOptima’s primary physical location of business applicable to the employee, which is either CalOptima’s administration building at 505 City Parkway West or the PACE building.
Health Insurance Portability and Accountability Act (HIPAA)	The Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, was enacted on August 21, 1996. Sections 261 through 264 of HIPAA require the Secretary of the U.S. Department of Health and Human Services (HHS) to publicize standards for the electronic exchange, privacy and security of health information, and as subsequently amended.
Home Office	A designated workspace within the Teleworker’ residence.
Protected Health Information (PHI)	<p>Has the meaning given such term in Section 160.103 of Title 45, Code of Federal Regulations. Individually identifiable health information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium.</p> <p>This information identifies the individual or there is reasonable basis to believe the information can be used to identify the individual. The information was created or received by CalOptima or Business Associates and relates to:</p> <ol style="list-style-type: none"> 1. The past, present, or future physical or mental health or condition of a Member; 2. The provision of health care to a Member; or 3. Past, present, or future Payment for the provision of health care to a Member.
Remote Work Location	The Employee’s Home Office or designated pre-approved work location.
Teleworker	An employee who meets CalOptima’s Teleworker eligibility criteria and is approved to routinely work their regularly scheduled work hours from a Remote Work Location, unless business needs require otherwise.

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 16, 2020 Special Meeting of the CalOptima Board of Directors

Report Item

4. Consider Ratification and Authorization of Expenditures Related to Coronavirus Pandemic

Contact

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

Recommended Actions

1. Ratify and authorize unbudgeted expenditures from existing reserves for emergency purchases related to the coronavirus pandemic not to exceed \$80,327; and
2. Authorize amendments to contracts with medical consultants Tanya Dansky, M.D. and Peter Scheid, M.D., who are assisting with CalOptima's response to the coronavirus pandemic, and authorize unbudgeted expenditures from existing reserves in an amount not to exceed \$48,000 to fund contract extensions through June 30, 2020.

Background

On January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency under section 319, of the Public Health Service Act (42 U.S.C. 247) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Along with other federal, state, and local agencies, CalOptima is taking action to continue efforts to protect the health and safety of our providers and members.

At its April 2, 2020, meeting, the Board ratified unbudgeted expenditures for emergency purchases to support coronavirus mitigation strategies, including CalOptima's Temporary Telework process, in an amount not to exceed \$915,000. Under a separate action, the Board also ratified contracts with medical consultants, Tanya Dansky, M.D. and Peter Scheid, M.D., to assist with CalOptima's response to the coronavirus situation, and reallocated budgeted but unused funds of \$20,000 from the Professional Fees budget to fund these contracts.

Discussion

Emergency Purchases Related to Coronavirus Pandemic

Staff recommends the Board ratify and authorize unbudgeted expenditures for the following emergency purchases related to the coronavirus pandemic:

Department	Description	Amount
PACE	Staff personal protective equipment	\$30,110
	Member personal protective equipment	\$4,734
Information Services	Remote printing, mailing for operational areas (i.e., UM, Claims, MLTSS, GARs)	\$30,000
Facilities	Staff personal protective equipment	\$11,905
	Gloves, disinfectant products	\$578

Department	Description	Amount
	Estimated expenses for disinfectant products through June 30, 2020 (\$1,000/month)	\$3,000
	Total	\$80,327

CalOptima contracted with the existing vendors to ensure timely and efficient service, compatibility with existing equipment, and the protection and security of CalOptima's employees and members. Emergency purchases with contracted vendors were completed with an emergency bidding exception in accordance with section II.P. of CalOptima Policy GA.5002: Purchasing Policy.

Contract Extensions with Medical Consultants

Staff recommends extending contracts with medical consultants, Tanya Dansky, M.D. and Peter Scheid, M.D., through June 30, 2020, in order to continue work related to coronavirus mitigation activities, including information review and dissemination, regulatory reporting, collaboration with state, county and local entities, and other support activities for the Chief Medical Officer, as needed. The additional cost for the contract extensions through June 30, 2020, is \$48,000.

Fiscal Impact

The recommended actions to ratify and authorize unbudgeted expenditures related to coronavirus pandemic and extend contracts with medical consultants are unbudgeted items. An allocation of up to \$128,327 from existing reserves will fund these actions.

Rationale for Recommendation

Ratification and authorization of the expenditures will allow CalOptima to provide a secure and professional work environment for our employees and members during the coronavirus pandemic.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Contracted Entities Covered by this Recommended Board Action
2. Board Action dated April 2, 2020, Consider Ratification of Coronavirus Disease (COVID-19) Mitigation Activities

/s/ Richard Sanchez
Authorized Signature

04/10/2020
Date

CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Tanya Dansky, M.D.	3030 Children’s Way	San Diego	CA	92123
Peter Scheid, M.D.	17 Calle Frutas	San Clemente	CA	92673

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 2, 2020 Regular Meeting of the CalOptima Board of Directors

Report Item

5. Consider Ratification of Coronavirus Disease (COVID-19) Mitigation Activities

Contact

David Ramirez, M.D., Chief Medical Officer, Medical Management, 714-246-8400

Betsy Ha, Executive Director, Quality and Population Health Management, 714-246-8400

Recommended Actions

1. Ratify CalOptima Medi-Cal Policy GG.1665: Telehealth and Other Technology-Enabled Services and Medicare Policy MA.2100: Telehealth and Other Technology-Enabled Services and authorize Staff to update the COVID-19 addendums to such policies on an ongoing basis, as necessary and appropriate to align with new government waivers and guidance;
2. Ratify contracts with a virtual care expert consultant to assess and assist with CalOptima's virtual care strategy;
3. Ratify contracts with medical consultants to assist with CalOptima's response to the COVID-19 situation; and
4. Authorize reallocation of budgeted but unused funds of \$20,000 from the Professional Fees budget to fund the contracts with medical consultants.

Background/Discussion

Telehealth Policies and Procedures (P&Ps)

One of CalOptima's primary strategic priorities is to expand the Plan's member-centric focus and improve member access to care by using telehealth (also known as virtual care) to fill gaps in provider networks and meet network certification requirements. CalOptima would like to improve member experience by incorporating new modalities to make it more convenient for members to access care on a timely basis. In addition to better assisting our members, we believe telehealth can increase value and improve care delivery by deploying innovative delivery models.

In addition, as the new novel coronavirus has emerged and continues to spread around the United States (COVID-19 Crisis), it has become more imminent that CalOptima needs to establish telehealth (virtual care) services as soon as possible to ensure safe access to care for our community, members and providers.

As a result of the COVID-19 Crisis, the Department of Health Care Services (DHCS) and the Centers for Medicare and Medicaid Services (CMS) have been issuing guidance addressing Medi-Cal and Medicare telehealth options and requirements including, DHCS All-Plan Letter (APL) 19-009: Telehealth, APL 19-009 Supplement: Emergency Telehealth Guidance - COVID-19 Pandemic and CMS' telehealth guidelines, The U.S. Department of Health and Human Services, Office for Civil Rights, has also provided guidance related to relaxation of certain enforcement actions for use of technology platforms that may not be HIPAA-complaint but are used in providing telehealth covered services during the COVID-19 crisis.

Medi-Cal and Medicare telehealth guidelines differ in some respects such that CalOptima has developed separate Medi-Cal and Medicare policies. These policies include addendums addressing criteria and requirements that are waived during the COVID-19 Crisis. Since government waivers and guidance are fluid, staff also seeks Board authority to update telehealth guidance on the COVID-19 crisis as necessary and appropriate.

Medi-Cal Telehealth Policy

CalOptima's GG.1665: Telehealth and Other Technology-Enabled Services Policy addresses coverage, billing, coding and reimbursement for Medi-Cal Telehealth and Other Technology-Enabled Covered Services including:

- CalOptima and its Health Networks shall permit Qualified Providers to render and be reimbursed for Covered Services through Telehealth when consistent with applicable laws, regulations and DHCS guidance;
- CalOptima and its Health Networks shall permit Qualified Providers to render and be reimbursed for Covered Services through Telehealth when consistent with applicable laws, regulations and DHCS guidance;
- CalOptima and its Health Networks shall ensure that Covered Services provided through Telehealth are rendered by Qualified Providers who meet appropriate licensing and regulatory requirements;
- Requirements that Qualified Providers must comply with when using Telehealth to furnish Covered Services including, but not limited to Member consent, confidentiality, setting, and documentation requirements;
- The Qualified Provider must comply with all applicable laws and regulations governing the security and confidentiality of Telehealth transmission as more particularly described in the Policy.
- CalOptima and its Health Networks may use Telehealth to satisfy network adequacy requirements as outlined in DHCS APL 20-003: Network Certification Requirements, as well as any applicable DHCS guidance.
- Other Technology-Enabled Services including Virtual Check-In Services, E-Visits, E-Consults, and Remote Monitoring Services that are commonly furnished remotely using telecommunications technology without the same restrictions that apply to Medi-Cal Telehealth Covered Services may also be furnished and reimbursed if they otherwise meet the Medi-Cal laws, regulations, and other guidance, and the requirements set forth in this Policy.
- In the event of a health-related national emergency, DHCS may request, and CMS may grant temporary waivers regarding Telehealth or Other Technology-Enabled Services requirements.

The addendum attached to this Policy contains information related to health-related national emergency waivers and specifically those applicable to the COVID-19 Crisis.

Medicare Telehealth Policy

CalOptima's MA.2100: Telehealth and Other Technology-Enabled Services Policy addresses coverage, billing, coding and reimbursement requirements for Medicare Telehealth and Other Technology-Enabled Covered Services including:

- CalOptima and its Health Networks shall permit Qualified Providers to render and be reimbursed for Covered Services through Telehealth when consistent with applicable laws, regulations, CMS guidance and this Policy.
- CalOptima and its Health Networks shall ensure that Qualified Providers using Telehealth to deliver Covered Services comply with applicable laws, regulations, guidance addressing coverage and reimbursement of Covered Services provided via Telehealth including, but not limited to:
 - CalOptima Members may receive Medicare Telehealth Covered Services if they are present at an Originating Site located in either a Rural Health Professional Shortage Area (HPSA), or in a county outside of a Metropolitan Statistical Area (MSA).
 - Covered Services normally furnished on an in-person basis to Members and included on the CMS List of Services (*e.g.*, encounters for professional consultations, office visits, office psychiatry services, and certain other Physician Fee Schedule Services) may be furnished to CalOptima OneCare and OneCare Connect Members via Telehealth, subject to compliance with other requirements for Telehealth Covered Services as set forth in this Policy and applicable laws, regulations and guidance.
 - For purposes of Covered Services furnished via Telehealth, the Originating Site must be at a location of a type approved by CMS.
 - Telehealth Covered Services Encounter must be provided at a Distant Site by Qualified Providers.
- The Qualified Provider must comply with all applicable laws and regulations governing the security and confidentiality of Telehealth transmission as more particularly described in the Policy.
- Other Technology-Enabled Services including Virtual Check-In Services, E-Visits, E-Consults, and Remote Monitoring Services that are commonly furnished remotely using telecommunications technology without the same restrictions that apply to Medicare Telehealth Covered Services may also be furnished and reimbursed if they otherwise meet the Medicare laws and regulations and the requirements set forth in this Policy.

- In the event of a health-related national emergency, CMS may temporarily waive or otherwise modify Telehealth or Other Technology-Enabled Services requirements. The Addendum attached to this Policy contains information related to health-related national emergency waivers and specifically those applicable to the COVID-19 crisis.

Virtual Care Expert Consultant

Virtual care is the use of digital information and communication technologies, such as computers and mobile devices, to access health care services remotely and manage health care. CalOptima desires to improve member's access to care by using virtual modalities to fill gaps in provider networks.

Since the release of DHCS APL 19-009: Telehealth Services Policy, CalOptima concluded that the organization needs to create a broader virtual care strategy that includes telehealth and other virtual modalities (e.g., virtual provider network).

CalOptima currently does not have staff with virtual care expertise and its executives decided to bring in a consultant with subject matter expertise with Medi-Cal managed care operational and delegated model experiences in the virtual care space.

The consultant is committed to provide strategic planning and coordination, meeting the following milestones:

- A review of past attempts CalOptima has made toward developing a telehealth strategy by March 30, 2020
- Assessment of CalOptima's proposed virtual care strategy by April 15, 2020
- A gap analysis between what currently exists, cross-functional dependency processes and the virtual care strategy implication by April 30, 2020
- Provide recommendations to fill gaps in the current care delivery system leveraging virtual care modalities by May 1, 2020
- Vet the recommendations with stakeholders by May 15, 2020
- Develop an implementation workplan for a vendor to implement the recommendations by June 30, 2020
- Provide virtual care recommendations related to emergency situations as needed to address the COVID-19 crisis until June 30, 2020

In order to meet the milestones below, CalOptima staff recommends ratification of the contract with virtual care consultant to address the COVID-19 Crisis and ensure safety of our members, providers, community and staff.

PAYMENT SCHEDULE

Milestone	Completion Date	Fee
Review Past Telehealth Attempts	March 30, 2020	\$3,500
Assessment of Virtual Care Strategy	April 17, 2020	\$10,500
Gap Analysis	May 1, 2020	\$21,000

Provide Recommendations	May 15, 2020	\$21,000
Vet Recommendations to Stakeholders	May 15, 2020	\$21,000
Present Plan to CalOptima Board on June 4, 2020	June 4, 2020	\$3,500
Develop Implementation Workplan	June 30,2020	\$14,350
TOTAL		\$94,850

Medical Consultants in Response to COVID-19 Situation

On March 11, 2020, the World Health Organization (WHO) officially declared COVID-19 as a pandemic. California’s governor also declared a state of emergency over COVID-19 in the state, while the situation has moved from containment phase to mitigation phase with documented community spread.

As the COVID-19 mitigation phase activities intensify with increasing demand for daily identification and reporting of cases to the DHCS and Orange County Health Care Agency (OC HCA), it became critical that CalOptima address its two vacant Medical Directors to support Chief Medical Officer (CMO) and provide timely direction to providers.

While Dr. Miles Masatsugu, one of CalOptima’s Medical Directors, has done a tremendous job as a clinical leader and a point of contact during the containment phase, he now needs to direct his attention to CalOptima’s PACE members who are considered the highest risk population. Therefore, the Plan’s executives decided to bring in medical consultants immediately to help the CMO mitigate the spread of COVID-19.

The medical consultants are committed to providing the following professional consultant services:

- Oversee daily COVID-19 reporting to DHCS;
- Gather and review COVID-19 related information and make recommendations related to members, staff, providers and health networks for CalOptima leadership’s considerations;
- Review and provide updates on daily information regarding the spread of COVID-19 including WHO, Centers for Disease Control and Prevention (CDC), DHCS, California Public Health Agency, OC HCA, and OC Public Health Laboratory;
- Collaborate as clinical leads on COVID-19 related projects and initiatives;
- Support CMO to prepare for COVID-19 responses in coordination with OC HCA; and
- Support CMO with additional duties related to COVID-19 containment as needed.

In order to provide accurate and timely recommendations and responses amid COVID-19, CalOptima staff recommends ratification of contracts with medical consultants to address the COVID-19 Crisis and ensure safety of our members, providers, community and staff.

PAYMENT INFORMATION

- \$10,000 for each medical consultant
- Total: \$20,000

Fiscal Impact

The recommended action to ratify CalOptima Policies GG.1665 and MA.2100 are operational in nature and does not have a fiscal impact.

The recommended action to ratify a contract with a virtual care expert consultant is a budgeted capital item. Funding of \$100,000 is included under Telehealth Professional Fees as part of the CalOptima Fiscal Year 2019-20 Capital Budget approved on June 6, 2019.

The recommended action to ratify contracts with medical consultants for an amount not to exceed \$20,000 is an unbudgeted item and budget neutral. Unspent budgeted funds from professional fees budget approved in the CalOptima FY 2019-20 Operating Budget on June 6, 2019, will fund the total cost of up to \$20,000.

Rationale for Recommendation

The recommended actions will enable CalOptima to be compliant with telehealth requirements and address the COVID-19 public health crisis.

Concurrence

Gary Crockett, Chief Counsel

Attachment

1. Entities Covered by this Recommended Action
2. GG.1665: Telehealth and Other Technology-Enabled Services P&P
3. MA.2100: Telehealth and Other Technology-Enabled Services P&P
4. APL 19-009: Telehealth
5. APL 19-009 Supplement: Emergency Telehealth Guidance - COVID-19 Pandemic
6. Virtual Care Consultant Résumé (Sajid Ahmed)
7. Medical Consultant Résumé (Dr. Peter Scheid)
8. Medical Consultant Résumé (Dr. Tanya Dansky)

/s/ Michael Schrader
Authorized Signature

03/26/2020
Date

ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Sajid Ahmed	1300 Prospect Drive	Redlands	CA	92373
Tanya Dansky M.D.	3030 Children’s Way	San Diego	CA	92123
Peter Scheid M.D.	17 Calle Frutas	San Clemente	CA	92673

Policy: GG.1665
 Title: Telehealth and Other Technology-Enabled Services
 Department: Medical Management
 Section: Population Health Management

CEO Approval:

Effective Date: 03/01/2020
 Revised Date: Not applicable

Applicable to:

- Medi-Cal
- OneCare
- OneCare Connect
- PACE
- Administrative - Internal
- Administrative – External

I. PURPOSE

This policy sets forth the requirements for coverage and reimbursement of Telehealth Covered Services rendered to CalOptima Medi-Cal Members.

II. POLICY

- A. Qualified Providers may provide Medi-Cal Covered Services to Members through Telehealth as outlined in this Policy and in compliance with applicable statutory, regulatory, contractual requirements, and Department of Health Care Services (DHCS) guidance.
- B. CalOptima and its Health Networks shall ensure that Covered Services provided through Telehealth are rendered by Qualified Providers who meet appropriate licensing and regulatory requirements as provided in Section III.A. of this Policy and in accordance with CalOptima Policies GG.1650Δ: Credentialing and Recredentialing of Practitioners, and GG.1605: Delegation and Oversight of Credentialing or Recredentialing Activities prior to providing services to any Member.
- C. Qualified Providers who use Telehealth to furnish Covered Services must comply with the following requirements:
 1. Obtain verbal or written consent from the Member for the use of Telehealth as an acceptable mode of delivering health care services;
 2. Comply with all state and federal laws regarding the confidentiality of health care information;
 3. Maintain the rights of CalOptima Members access to their own medical information for telehealth interactions;
 4. Document treatment outcomes appropriately; and
 5. Share records, as needed, with other providers (Telehealth or in-person) delivering services as part of Member’s treatment.

- D. Members shall not be precluded from receiving in-person Covered Services after agreeing to receive Covered Services through Telehealth.
- E. CalOptima and its Health Networks shall not require a Qualified Provider to be present with the Member at the Originating Site unless determined Medically Necessary by the provider at the Distant Site.
- F. CalOptima or a Health Network shall not limit the type of setting where Telehealth Covered Services are provided to the Member.
- G. CalOptima and its Health Networks shall permit Qualified Providers to render and be reimbursed for Covered Services through Telehealth when consistent with applicable laws, regulations, DHCS guidance and this Policy.
- H. CalOptima and its Health Networks shall ensure that Qualified Providers using Telehealth to deliver Covered Services comply with applicable laws, regulations, guidance addressing coverage and reimbursement of Covered Services provided via Telehealth.
- I. CalOptima and its Health Networks may use Telehealth to satisfy network adequacy requirements as outlined in DHCS All Plan Letter (APL) 20-003: Network Certification Requirements, as well as any applicable DHCS guidance.
- J. Other Technology-Enabled Services including Virtual Check-In Services, E-Visits, E-Consults, and Remote Monitoring Services that are commonly furnished remotely using telecommunications technology without the same restrictions that apply to Medi-Cal Telehealth Covered Services may also be furnished and reimbursed if they otherwise meet the Medi-Cal laws, regulations, and other guidance, and the requirements set forth in this Policy.
- K. In the event of a health-related national emergency, DHCS may request, and CMS may grant temporary waivers regarding Telehealth or Other Technology-Enabled Services requirements. Please see addenda attached to this Policy for information related to health-related national emergency waivers.

III. PROCEDURE

A. Member Consent to Telehealth Modality

1. Qualified Providers furnishing Covered Services through Telehealth must inform the Member about the use of Telehealth and obtain verbal or written consent from the Member for the use of Telehealth as an acceptable mode of delivering health care services.
2. Qualified Providers may use a general consent agreement that specifically mentions the use of Telehealth as an acceptable modality for the delivery of Covered Services as appropriate consent from the Member.
3. Qualified Providers must document consent as provided in Section III.D.

B. Qualifying Provider Requirements

1. The following requirements apply to Qualified Providers rendering Medi-Cal Covered Services via Telehealth:
 - a. The Qualified Provider meets the following licensure requirements:

- i. The Qualified Provider is licensed in the state of California and enrolled as a Medi-Cal rendering provider or non-physician medical practitioner (NMP); or
 - ii. If the Qualified Provider is out of state, the Qualified Provider must be affiliated with a Medi-Cal enrolled provider group in California (or a border community) as outlined in the Medi-Cal Provider Manual.
2. The Qualified Provider must satisfy the requirements of California Business and Professions Code (BPC) section 2290.5(a)(3), or the requirements equivalent to California law under the laws of the state in which the provider is licensed or otherwise authorized to practice (such as the California law allowing providers who are certified by the Behavior Analyst Certification Board, which is accredited by the National Commission on Certifying Agencies, to practice as Behavior Analysts, despite there being no state licensure).
3. Qualified Providers who do not have a path to enroll in fee-for-service Medi-Cal do not need to enroll with DHCS in order to provide Covered Services through Telehealth.

C. Provision of Covered Services through Telehealth

1. Qualified Providers may provide any existing Medi-Cal Covered Service, identified by Current Procedural Terminology – 4th Revision (CPT-4) or Healthcare Common Procedure Coding System (HCPCS) codes and subject to any existing utilization management treatment authorization requirements, through a Telehealth modality if all of the following criteria are satisfied:
 - a. The treating Qualified Provider at the Distant Site believes the Covered Services being provided are clinically appropriate to be delivered through Telehealth based upon evidence-based medicine and/or best clinical judgment;
 - b. The Member has provided verbal or written consent in accordance with this Policy;
 - c. The medical record documentation substantiates the Covered Services delivered via Telehealth meet the procedural definition and components of the CPT-4 or HCPCS code(s) associated with the Covered Service;
 - d. The Covered Services provided through Telehealth meet all laws regarding confidentiality of health care information and a Member's right to the Member's own medical information; and
 - e. The Covered Services provided must support the appropriateness of using the Telehealth modality based on the Member's level of acuity at the time of the service.
 - f. The Covered Services must not otherwise require the in-person presence of the Member for any reason, including, but not limited to, Covered Services that are performed:
 - i. In an operating room;
 - ii. While the Member is under anesthesia;
 - iii. Where direct visualization or instrumentation of bodily structures is required; or
 - iv. Involving sampling of tissue or insertion/removal of medical devices.

2. Telehealth Covered Services must meet Medi-Cal reimbursement requirements and the corresponding CPT or HCPCS code definition must permit the use of the technology.

D. Documentation Requirements

1. Documentation for Covered Services delivered through Telehealth are the same as documentation requirements for a comparable in-person Covered Service.
2. All Distant Site providers shall maintain appropriate supporting documentation in order to bill for Medi-Cal Covered Services delivered through Telehealth using the appropriate CPT or HCPCS code(s) with the corresponding modifier as defined in the Medi-Cal Provider Manual Part 2: Medicine: Telehealth and in accordance with CalOptima Policy GG.1603: Medical Records Maintenance.
3. CalOptima and its Health Networks shall not require providers to:
 - a. Provide documentation of a barrier to an in-person visit for Medi-Cal services provided through Telehealth; or
 - b. Document cost effectiveness of Telehealth to be reimbursed for Telehealth services or store and forward services.
4. Qualified Providers must document the Member's verbal or written consent in the Member's Medical Record. General consent agreements must also be kept in the Member's Medical Record. Consent records must be available to DHCS upon request, and in accordance with CalOptima Policy GG.1603: Medical Records Maintenance.
5. Qualified Providers must use the modifiers defined in the Medi-Cal Provider Manual with the appropriate CPT-4 or HCPCS codes when coding for services delivered through Telehealth, for both Synchronous Interactions and Asynchronous Store and Forward telecommunications. Consultations via asynchronous electronic transmission cannot be initiated directly by CalOptima Members.

E. Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs)

1. FQHC/RHC Established Member
 - a. A Member is an FQHC/RHC Established Member if the Member has a Medical Record with the FQHC or RHC that was created or updated during a visit that occurred in the clinic or during a synchronous Telehealth visit in a Member's residence or home with a clinic provider and a billable provider at the clinic. The Member's Medical Record must have been created or updated within the previous three (3) years; or,
 - b. The Member is experiencing homelessness, homebound, or a migratory or seasonal worker and has an established Medical Record that was created from a visit occurring within the last three years that was provided outside the Originating Site clinic, but within the service area of the FQHC or RHC; or,
 - c. The Member is assigned to the FQHC or RHC by CalOptima or their Health Network pursuant to a written agreement between the plan and the FQHC or RHC.
2. Services rendered through Telehealth to an FQHC/RHC Established Member must comply with Section II.C. of this Policy and be FQHC or RHC Covered Services and billable as documented

in the Medi-Cal Provider Manual Part 2: Rural Clinics (RHCs) and Federally Qualified Health Centers (FQHCs).

F. CalOptima or a Health Network shall authorize Covered Services provided through Telehealth as follows:

1. For a CalOptima Direct Member, a Qualified Provider shall submit a routine Prior Authorization Request (ARF) based on Medical Necessity for services that would require prior authorization if provided in an in-person encounter, in accordance with CalOptima Policies GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers and GG.1508: Authorization and Processing of Referrals.
2. For a Health Network Member, a Qualified Provider shall obtain authorization from the Member's Health Network, in accordance with the Health Network's authorization policies and procedures.

G. Other Technology-Enabled Services

1. E-Consults

- a. E-consults are permissible only between Qualified Providers.
- b. Consultations via asynchronous electronic transmission cannot be initiated directly by patients.
- c. E-consults are permissible using CPT-4 code 99451, and appropriate modifiers, subject to the service requirements, limitations, and documentation requirements of the Medi-Cal Provider Manual, Part 2—Medicine: Telehealth.

2. Virtual/Telephonic Communication

- a. Virtual/telephonic communication includes a brief communication with another practitioner or with a patient who cannot or should not be physically present (face-to-face).
- b. Virtual/Telephonic Communications are classified as follows:
 - i. HCPCS code G2010: Remote evaluation of recorded video and/or images submitted by an established patient (e.g., store and forward), including interpretation with follow-up with the patient within twenty-four (24) hours, not originating from a related evaluation and management (E/M) service provided within the previous seven (7) days nor leading to an E/M service or procedure within the next twenty-four (24) hours or soonest available appointment.
 - ii. HCPCS code G2012: Brief communication technology-based service, e.g., virtual check-in, by a physician or other qualified health care professional who can report evaluation and management services, provided to an established patient, not originating from a related E/M service provided within the previous seven (7) days nor leading to an E/M service or procedure within the next twenty-four (24) hours or soonest available appointment; 5-10 minutes of medical discussion. G2012 can be billed when the virtual communication occurred via a telephone call.

H. Service Requirements and Electronic Security

1. Qualified Providers must use an interactive audio, video or data telecommunications system that permits real-time communication between the Qualified Provider at the Distant Site and the Member at the Originating Site for Telehealth Covered Services.
 - a. The audio-video Telehealth system used must, at a minimum, have the capability of meeting the procedural definition of the code provided through Telehealth.
 - b. The telecommunications equipment must be of a quality or resolution to adequately complete all necessary components to document the level of service for the CPT code or HCPCS code billed.
2. The Qualified Provider must comply with all applicable laws and regulations governing the security and confidentiality of Telehealth transmission. Qualified Providers may not use popular applications that allow for video chats (including Apple FaceTime, Facebook Messenger video chat, Google Hangouts video, or Skype) when they are not HIPAA compliant except where state and federal agencies have otherwise permitted such use (e.g., public emergency declarations) and when so permitted, they may only be used for the time period such applications are allowed. In such public emergency circumstances, Qualified Providers are encouraged to notify Members that these third-party applications potentially introduce privacy risks. Qualified Providers should also enable all available encryption and privacy modes when using such applications. Under no circumstances, are public facing applications (such as Facebook Live, Twitch, TikTok, and similar video communication applications) permissible for Telehealth.
 - I. A Member shall be entitled to appeals and grievance procedures in accordance with CalOptima Policies HH.1102: Member Grievance, HH.1103: Health Network Member Grievance and Appeal Process, HH.1108: State Hearing Process and Procedures, and GG.1510: Appeals Process.
 - J. Payments for services covered by this Policy shall be made in accordance with all applicable State DHCS requirements and guidance. CalOptima shall process and pay claims for Covered Services provided through Telehealth in accordance with CalOptima Policies FF.1003: Payment for Covered Services Rendered to a Member of CalOptima Direct or a Member Enrolled in a Shared Risk Group and 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)

- A. COVID-19 Emergency Provisions Addendum

V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers
- C. CalOptima Policy GG.1508: Authorization and Processing of Referrals
- D. CalOptima Policy GG.1510: Appeals Process
- E. CalOptima Policy GG.1603: Medical Records Maintenance
- F. CalOptima Policy GG.1650Δ: Credentialing and Recredentialing of Practitioners
- G. CalOptima Policy GG.1605: Delegation and Oversight of Credentialing and Recredentialing Activities
- H. CalOptima Policy FF.1003: Payment for Covered Services Rendered to a Member of CalOptima Direct or a Member Enrolled in a Shared Risk Group

- I. 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
- J. CalOptima Policy HH.1102: Member Grievance
- K. CalOptima Policy HH.1103: Health Network Member Grievance and Appeal Process
- L. Manual of Current Procedural Terminology (CPT®), American Medical Association, Revised 2006
- M. Department of Health Care Services All Plan Letter (APL) 19-009: Telehealth Services Policy
- N. Department of Health Care Services All Plan Letter (APL) 20-003: Network Certification Requirements
- O. Medi-Cal Provider Manual Part 1: Medicine: Telehealth
- P. Medi-Cal Provider Manual Part 2: Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs)

VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency

VII. BOARD ACTION(S)

Date	Meeting
04/02/2020	Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	03/01/2020	GG.1665	Telehealth and Other Technology-Enabled Services	Medi-Cal

IX. GLOSSARY

Term	Definition
Asynchronous Store and Forward	The transmission of a Member’s medical information from an Originating Site to the health care provider at a Distant Site without the presence of the Member.
Border Community	A town or city outside, but in close proximity to, the California border.
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.
Distant Site	A site where a health care provider who provides health care services is located while providing these services via a telecommunications system. The distant site for purposes of telehealth can be different from the administrative location.
Electronic Consultations (E-consults)	Asynchronous health record consultation services that provide an assessment and management service in which the Member’s treating health care practitioner (attending or primary) requests the opinion and/or treatment advice of another health care practitioner (consultant) with specific specialty expertise to assist in the diagnosis and/or management of the Member’s health care needs without Member face-to-face contact with the consultant. E-consults between health care providers are designed to offer coordinated multidisciplinary case reviews, advisory opinions and recommendations of care. E-consults are permissible only between health care providers and fall under the auspice of store and forward.

For 202001

Term	Definition
FQHC/RHC Established Member	<p>A Medi-Cal eligible recipient who meets one or more of the following conditions:</p> <ul style="list-style-type: none"> • The patient has a health record with the FQHC or RHC that was created or updated during a visit that occurred in the clinic or during a synchronous telehealth visit in a patient’s residence or home with a clinic provider and a billable provider at the clinic. The patient’s health record must have been created or updated within the previous three years. • The patient is homeless, homebound or a migratory or seasonal worker (HHMS) and has an established health record that was created from a visit occurring within the last three years that was provided outside the Originating Site clinic, but within the FQHC’s or RHC’s service area. All consent for telehealth services for these patients must be documented. • The patient is assigned to the FQHC or RHC by their Managed Care Plan pursuant to a written agreement between the plan and the FQHC or RHC.
Federally Qualified Health Centers (FQHC)	<p>A type of provider defined by the Medicare and Medicaid statutes. 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.</p>
Health Network	<p>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.</p>
HIS-MOA Clinics	<p>Indian Health Services (IHS), Memorandum of Agreement (MOA) 638, clinics that are participating under the IHS-MOA are not affected by PPS rate determination. Refer to the Indian Health Services (IHS), Memorandum of Agreement (MOA) 638, Clinics section in this manual for billing details</p>
Medically Necessary or Medical Necessity	<p>Necessary services to protect life, to prevent significant illness or significant disability, or to alleviate severe pain through the diagnosis or Treatment of disease, illness, or injury. Services must be provided in a way that provides all protections to the Enrollee provided by Medicare and Medi-Cal. Per Medicare, services must be reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member, or otherwise medically necessary under 42 U.S.C. § 1395y. In accordance with Title XIX law and related regulations, and per Medi-Cal, medical necessity means reasonable and necessary services to protect life, to prevent significant illness or significant disability, or to alleviate severe pain through the diagnosis or treatment of disease, illness, or injury under WIC Section 14059.5.</p>
Medical Record	<p>A medical record, health record, or medical chart in general is a systematic documentation of a single individual’s medical history and care over time. The term 'Medical Record' is used both for the physical folder for each individual patient and for the body of information which comprises the total of each patient's health history. Medical records are intensely personal documents and there are many ethical and legal issues surrounding them such as the degree of third-party access and appropriate storage and disposal.</p>

For 202001

Term	Definition
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.
Originating Site	A site where a Member is located at the time health care services are provided via a telecommunications system or where the Asynchronous Store and Forward service originates.
Qualified Provider	A professional provider including physicians and non-physician practitioners (such as nurse practitioners, physician assistants and certified nurse midwives). Other practitioners, such as certified nurse anesthetists, clinical psychologists and others may also furnish Telehealth Covered Services within their scope of practice and consistent with State Telehealth laws and regulations as well as Medi-Cal and Medicare benefit, coding and billing rules. Qualified Provider may also include provider types who do not have a Medi-Cal enrollment pathway because they are not licensed by the State of California, and who are therefore exempt from enrollment, but who provide Medi-Cal Covered Services (e.g., Board Certified Behavior Analysts (BCBAs)).
Rural Health Clinic (RHC)	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.
Synchronous Interaction	A real-time interaction between a Member and a health care provider located at a Distant Site.
Telehealth	The mode of delivering health care services and public health via information and communication technologies to facilitate the diagnosis, consultation, treatment, education, care management and self-management of a Member's health care while the Member is at the Originating Site, and the health care provider is at a Distant Site. Telehealth facilitates Member self-management and caregiver support for Members and includes Synchronous Interactions and Asynchronous Store and Forward transfers.

For 2020040

Attachment A
COVID-19 Emergency Provisions Addendum

During the COVID-19 emergency declaration, certain aspects of the Medi-Cal requirements for Telehealth Covered Services have been waived or altered, as follows:

DHCS has submitted two requests to CMS regarding Section 1135 waivers. Once CMS has acted on these waivers, additional information shall be provided.

Relative to Telehealth, those requests include increased flexibility for FQHCs and RHCs

- During a public emergency declaration, additional flexibility may be granted to FQHCs and RHCs with regard to telehealth encounters, including waiver of the rules in the Medi-Cal Provider Manual, Part 2—Medical: Telehealth regarding “new” and “established” patients, “face-to-face”/in-person, and “four walls” requirements. For telehealth encounters during a public emergency declaration where these requirements have been waived:
 - For telehealth encounters that meet the Medi-Cal Provider Manual requirements, except for those identified as waived above, the encounter should be billed using HCPCS Code T1015 (T1015-SE for the PPS wrap claim), plus CPT Codes 99201-99205 for new patients or CPT codes 99211-99215 for existing patients.
 - For telehealth encounters that do not meet the Medi-Cal Provider Manual requirements, except for those identified as waived above, the encounter should be billed using HCPCS code G0071.

For the latest information on the Section 1135 waivers, please consult the DHCS website at:

<https://www.dhcs.ca.gov/>

Policy: MA.2100
Title: Telehealth and Other Technology-Enabled Services
Department: Medical Management
Section: Population Health Management

CEO Approval:

Effective Date: 03/01/2020
Revised Date: Not applicable

Applicable to: Medi-Cal
 OneCare
 OneCare Connect
 PACE
 Administrative - Internal
 Administrative – External

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I. PURPOSE

This Policy sets forth the requirements for coverage and reimbursement of Telehealth and other technology-enabled Covered Services rendered to CalOptima OneCare and OneCare Connect Members.

II. POLICY

- A. CalOptima Members may receive Telehealth Covered Services if they are present at an Originating Site located in either a Rural Health Professional Shortage Area (HPSA), or in a county outside of a Metropolitan Statistical Area (MSA).
- B. Covered Services normally furnished on an in-person basis to Members and included on the Centers for Medicare & Medicaid Services (CMS) List of Services (*e.g.*, encounters for professional consultations, office visits, office psychiatry services, and certain other Physician Fee Schedule Services) may be furnished to CalOptima OneCare and OneCare Connect Members via Telehealth, subject to compliance with other requirements for Telehealth Covered Services as set forth in this Policy and applicable laws, regulations and guidance.
- C. For purposes of Covered Services furnished via Telehealth, the Originating Site must be at a location of a type approved by CMS.
- D. Telehealth Covered Services Encounter must be provided at a Distant Site by Qualified Providers.
- E. Except as otherwise permitted under a public emergency waiver, Interactive Audio and Video telecommunications must be used for Telehealth Covered Services, permitting real-time communication between the Distant Site Qualified Provider and the Member. The Member must be present and participating in the Telehealth visit.
- F. A medical professional is not required to be present with the Member at the Originating Site unless the Qualified Provider at the Distant Site determines it is Medically Necessary.

- 1 G. CalOptima and its Health Networks shall permit Qualified Providers to render and be reimbursed
2 for Covered Services through Telehealth when consistent with applicable laws, regulations, CMS
3 guidance and this Policy.
4
- 5 H. CalOptima and its Health Networks shall ensure that Qualified Providers using Telehealth to deliver
6 Covered Services comply with applicable laws, regulations, guidance addressing coverage and
7 reimbursement of Covered Services provided via Telehealth.
8
- 9 I. Other Technology-Enabled Services including Virtual Check-In Services, E-Visits, E-Consults, and
10 Remote Monitoring Services that are commonly furnished remotely using telecommunications
11 technology without the same restrictions that apply to Medicare Telehealth Covered Services may
12 also be furnished and reimbursed if they otherwise meet the Medicare laws and regulations and the
13 requirements set forth in this Policy.
14
- 15 J. In the event of a health-related national emergency, CMS may temporarily waive or otherwise
16 modify Telehealth or Other Technology-Enabled Services requirements. Please see addendum
17 attached to this Policy for information related to health-related national emergency waivers.
18

19 **III. PROCEDURE**

20 **A. Member Consent to Telehealth Modality**

- 21
- 22
- 23 1. Members must consent to the provision of virtual Covered Services that are provided via secure
24 electronic communications including, but not limited to, Telehealth, Virtual Check-ins and E-
25 Visits, which consent shall be documented in the Member's medical records.
26

27 **B. Provision of Covered Services through Telehealth**

- 28
- 29 1. A Qualified Provider may provide Covered Services to an established Member via Telehealth
30 when all of the following criteria are met:
31
- 32 a. The Member is seen in an Originating Site;
33
- 34 b. The Originating Site is located in either a Rural Health Professional Shortage Area (HPSA)
35 or in a county outside of a Metropolitan Statistical Area (MSA);
36
- 37 c. The provider furnishing Telehealth Covered Services at the Distant Site is a Qualified
38 Provider;
39
- 40 d. The Telehealth Covered Services encounter must be provided through Interactive Audio
41 and Video telecommunication that provides real-time communication between the Member
42 and the Qualified Provider (store and forward is limited to certain demonstration projects).
43 See Section III.C. of this Policy for other Technology-Enabled services that are not
44 considered to be Telehealth, and which may be provided using other modalities; and
45
- 46 e. The type of Telehealth Covered Services fall within those identified in the CMS List of
47 Services (available at [https://www.cms.gov/Medicare/Medicare-General-
48 Information/Telehealth/Telehealth-Codes](https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes)).
49
- 50 f. The Qualified Provider must be licensed under the state law of the state in which the Distant
51 Site is located, and the Telehealth Covered Service must be within the Qualified Provider's
52 scope of practice under that state's law.
53
- 54 2. The Originating Site for Telehealth Covered Services may be any of the following:

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- a. The office of a physician or practitioner;
 - b. A hospital (inpatient or outpatient);
 - c. A critical access hospital (CAH);
 - d. A rural health clinic (RHC);
 - e. A Federally Qualified Health Center (FQHC);
 - f. A hospital-based or critical access hospital-based renal dialysis center (including satellites) (independent renal dialysis facilities are not eligible originating sites);
 - g. A skilled nursing facility (SNF); or
 - h. A community mental health center (CMHC).
3. Telehealth Service Requirements and Electronic Security
- a. Qualified Providers must use an Interactive Audio and Video telecommunications system that permits real-time communication between the Qualified Provider at the Distant Site and the Member at the Originating Site.
 - i. The audio-video Telehealth system used must, at a minimum, have the capability of meeting the procedural definition of the code provided through Telehealth.
 - ii. The telecommunications equipment must be of a quality or resolution to adequately complete all necessary components to document the level of service for the CPT code or HCPCS code billed.
 - iii. Qualified Providers must also comply with the requirements outlined in Section III.D. of this Policy.
4. CalOptima or a Health Network shall authorize Covered Services provided through Telehealth as follows:
- a. For a CalOptima Direct Member, a Qualified Provider shall submit a routine Prior Authorization Request (ARF) based on Medical Necessity for services that would require prior authorization if provided in an in-person encounter, in accordance with CalOptima Policies GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers and GG.1508: Authorization and Processing of Referrals.
 - b. For a Health Network Member, a Qualified Provider shall obtain authorization from the Member's Health Network, in accordance with the Health Network's authorization policies and procedures.
5. Medicare Telehealth Covered Services are generally billed as if the service had been furnished in-person. For Medicare Telehealth Services, the claim should reflect the designated Place of Service (POS) code 02-Telehealth, to indicate the billed service was furnished as a professional Telehealth Covered Service from a distant site. Qualified Providers must use the appropriate code for the professional service along with the Telehealth modifier GT ("via Interactive Audio and Video telecommunications systems")

1 C. Other Technology-Enabled Services

2
3 1. Virtual Check-In Services

- 4
5 a. A Qualified Provider may use brief (5-10 minute), non-face-to-face, Virtual Check-In
6 Services to connect with Members outside of the Qualified Provider's office if all of the
7 following criteria are met:
8
9 i. The Virtual Check-In Services are initiated by the Member;
10
11 ii. The Member has an established relationship with the Qualified Provider where the
12 communication is not related to a medical visit within the previous seven (7) days and
13 does not lead to a medical visit within the next twenty-four (24) hours (or soonest
14 appointment available);
15
16 iii. The provider furnishing the Virtual Check-In Services is a Qualified Provider;
17
18 iv. The Member initiates the Virtual Check-In Services (Qualified Providers may educate
19 Members on the availability of the service prior to the Member's consent to such
20 services); and
21
22 v. The Member verbally consents to Virtual Check-In Services and the verbal consent is
23 documented in the medical record prior to the Member using such services.
24
25 b. Live interactive audio, video or data telecommunications, Asynchronous Store and
26 Forward, and telephone may be used for Virtual Check-In Services subject to compliance
27 with Section III.D below.
28
29 c. Qualified Providers may bill for Virtual Check-In Services furnished through secured
30 communication technology modalities, such as telephone (HCPCS code G2012) or captured
31 video or image (HCPCS code G2010).
32

33 2. E-Visits

- 34
35 a. Qualified Providers may provide non-face-to-face E-Visit services to a Member through a
36 secure online patient portal if all of the following criteria are met:
37
38 i. The Member has an established relationship with a Qualified Provider;
39
40 ii. The provider furnishing the E-Visit is a Qualified Provider; and
41
42 iii. The Members generates the initial inquiry (communications can occur over a seven (7)-
43 day period).
44
45 b. Live interactive audio, video, or data telecommunications, Asynchronous Store and
46 Forward, and telephone may be used for Virtual Check-In Services subject to compliance
47 with Section III.D. of this Policy.
48
49 c. Qualified Providers shall use CPT codes 99421-99423 and HCPCS codes G2061-G2063, as
50 applicable, for E-Visits.
51

52 3. E-Consults

1 a. Inter-professional consults (Qualified Provider to Qualified Provider) using telephone,
2 internet and Electronic Health Record modalities are permitted where such consult services
3 meet the requirements in applicable billing codes, including time requirements.
4

5 b. Qualified Providers shall use CPT Codes 99446, 99447, 99448, 99449, 99451, and 99452
6 for E-Consults.
7

8 4. Remote Monitoring Services
9

10 a. Remote Monitoring Services are not considered Telehealth Covered Services and include
11 Care Management, Complex Chronic Care Management, Remote Physiologic Monitoring
12 and Principle Care Management services.
13

14 b. Remote Monitoring Services must meet the requirements established in applicable billing
15 codes.
16

17 D. The Qualified Provider must comply with all applicable laws and regulations governing the security
18 and confidentiality of the electronic transmission. Qualified Providers may not use popular
19 applications that allow for video chats (including Apple FaceTime, Facebook Messenger video chat,
20 Google Hangouts video, or Skype) when they are not HIPAA compliant except where state and
21 federal agencies have otherwise permitted such use (e.g., public emergency declarations) and when
22 so permitted, they may only be used for the time period such applications are allowed. In such
23 public emergency circumstances, Qualified Providers are encouraged to notify Members that these
24 third-party applications potentially introduce privacy risks. Qualified Providers should also enable
25 all available encryption and privacy modes when using such applications. Under no circumstances,
26 are public facing applications (such as Facebook Live, Twitch, TikTok, and similar video
27 communication applications) permissible for Telehealth.
28

29 E. A Member shall be entitled to appeals and grievance procedures in accordance with CalOptima
30 Policies CMC.9002: Member Grievance Process, CMC.9003: Standard Appeal, CMC.9004:
31 Expedited Appeal, MA.9002: Member Grievance Process, MA.9003: Standard Service Appeal, and
32 MA.9004: Expedited Service Appeal.
33

34 F. CalOptima shall process and pay claims for Covered Services provided through Telehealth in
35 accordance with CalOptima Policy MA.3101: Claims Processing. Payments for services covered by
36 this Policy shall be made in accordance with all applicable CMS requirements and guidance.
37

38 **IV. ATTACHMENT(S)**
39

40 A. COVID-19 Emergency Provisions Addendum
41

42 **V. REFERENCE(S)**
43

44 A. CalOptima Three-Way Contract with the Centers for Medicare & Medicaid Services (CMS) and the
45 Department of Health Care Services (DHCS) for Cal MediConnect

46 B. CalOptima Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare
47 Advantage

48 C. CalOptima Contract for Health Care Services

49 D. CalOptima Policy CMC.9002: Member Grievance Process

50 E. CalOptima Policy CMC.9003: Standard Appeal

51 F. CalOptima Policy CMC.9004: Expedited Appeal

52 G. CalOptima Policy MA.9002: Member Grievance Process

53 H. CalOptima Policy MA.9003: Standard Service Appeal

- I. CalOptima Policy MA.9004: Expedited Service Appeal
- J. Title 42 United States Code § 1395m(m)
- K. Title 42 CFR §§ 410.78 and 414.65
- L. Medicare Claims Processing Manual, Chapter 12 - Physicians/Nonphysician Practitioners, Section 190 – Medicare Payment for Telehealth Services

VI. REGULATORY AGENCY APPROVAL(S)

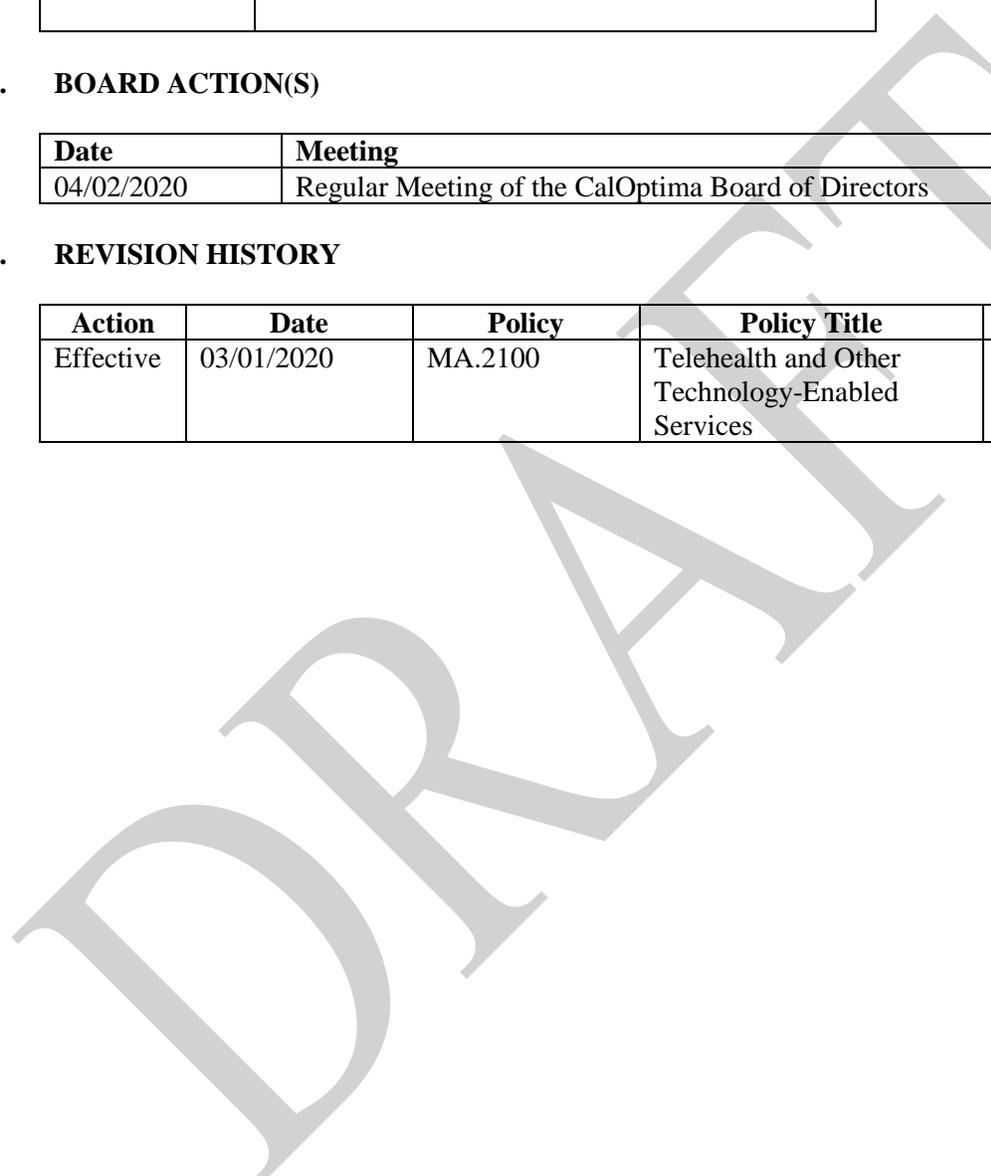
Date	Regulatory Agency

VII. BOARD ACTION(S)

Date	Meeting
04/02/2020	Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	03/01/2020	MA.2100	Telehealth and Other Technology-Enabled Services	OneCare OneCare Connect



1 IX. GLOSSARY
2

Term	Definition
Asynchronous Store and Forward	The transmission of a Member’s medical information from an Originating Site to the health care provider at a Distant Site without the presence of the Member.
CMS List of Services	CMS’ list of services identified by HCPCS codes that may be furnished via Telehealth, as modified by CMS from time to time. The CMS List of Services is currently located at https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes .
Covered Services	<p>OneCare: Those medical services, equipment, or supplies that CalOptima is obligated to provide to Members under the Centers of Medicare & Medicaid Services (CMS) Contract.</p> <p>OneCare Connect: Those medical services, equipment, or supplies that CalOptima is obligated to provide to Members under the Three-Way Agreement with the Department of Health Care Services (DHCS) and Centers for Medicare & Medicaid Services (CMS) Contract.</p>
Distant Site	A site where a health care provider who provides health care services is located while providing these services via a telecommunications system. The distant site for purposes of telehealth can be different from the administrative location.
Electronic Consultations (E-consults)	Asynchronous health record consultation services that provide an assessment and management service in which the Member’s treating health care practitioner (attending or primary) requests the opinion and/or treatment advice of another health care practitioner (consultant) with specific specialty expertise to assist in the diagnosis and/or management of the Member’s health care needs without Member face-to-face contact with the consultant. E-consults between health care providers are designed to offer coordinated multidisciplinary case reviews, advisory opinions and recommendations of care. E-consults are permissible only between health care providers and fall under the auspice of store and forward.
Federally Qualified Health Centers (FQHC)	A type of provider defined by the Medicare and Medicaid statutes. 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.
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.
Interactive Audio and Video	Telecommunications system that permits real-time communication between beneficiary and distant site provider.
Medically Necessary or Medical Necessity	Reasonable and necessary services to protect life, to prevent significant illness or significant disability, or to alleviate severe pain through the diagnosis or treatment of disease, illness, or injury.

Term	Definition
Medical Record	A medical record, health record, or medical chart in general is a systematic documentation of a single individual's medical history and care over time. The term 'Medical Record' is used both for the physical folder for each individual patient and for the body of information which comprises the total of each patient's health history. Medical records are intensely personal documents and there are many ethical and legal issues surrounding them such as the degree of third-party access and appropriate storage and disposal.
Member	An enrollee-beneficiary of a CalOptima program.
Metropolitan Statistical Area (MSA)	Areas delineated by the U.S. Office of Management and Budget as having at least one urbanized area with a minimum population of 50,000. A region that consists of a city and surrounding communities that are linked by social and economic factors.
Originating Site	A site where a Member is located at the time health care services are provided via a telecommunications system or where the Asynchronous Store and Forward service originates.
Qualified Provider	Eligible Distant Site practitioners who are: a physician, Nurse Practitioner, Physician Assistant, Nurse-midwife, Clinical Nurse Specialist, Clinical Psychologist, Clinical Social Worker, Registered Dietician or Nutrition Professional, or Certified Registered Nurse Anesthetist. However, neither a Clinical Psychologist nor a Clinical Social Worker may bill for medical evaluation and management services (CPT Codes 90805, 90807, or 90809).
Rural Health Clinic (RHC)	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.
Rural Health Professional Shortage Area (HPSA)	Designations that indicate health care provider shortages in primary care, dental health; or mental health.
Synchronous Interaction	A real-time interaction between a Member and a health care provider located at a Distant Site.
Telehealth	The mode of delivering health care services and public health via information and communication technologies to facilitate the diagnosis, consultation, treatment, education, care management and self-management of a Member's health care while the Member is at the Originating Site, and the health care provider is at a Distant Site. Telehealth facilitates Member self-management and caregiver support for Members and includes Synchronous Interactions and Asynchronous Store and Forward transfers.

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RICHARD FIGUEROA
ACTING DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: October 16, 2019

ALL PLAN LETTER 19-009 (REVISED)

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: TELEHEALTH SERVICES POLICY

PURPOSE:

The purpose of this All Plan Letter (APL) is to provide clarification to Medi-Cal managed care health plans (MCPs) on the Department of Health Care Services' (DHCS) policy on Medi-Cal services offered through a telehealth modality as outlined in the Medi-Cal Provider Manual.¹ This includes clarification on the services that are covered and the expectations related to documentation for the telehealth modality.² *Revised text is found in italics.*

BACKGROUND:

The California Telehealth Advancement Act of 2011, as described in Assembly Bill (AB) 415 (Logue, Chapter 547, Statutes of 2011),³ codified requirements and definitions for the provision of telehealth services in Business and Professions Code (BPC) Section 2290.5,⁴ Health and Safety Code (HSC) Section 1374.13,⁵ and Welfare and Institutions Code (WIC) Sections 14132.72⁶ and 14132.725.⁷ For definitions of the terms used in this APL, see the "Medicine: Telehealth" section of the Medi-Cal Provider Manual. Additional information and announcements regarding telehealth are available on the "Telehealth" web page of DHCS' website.

BPC Section 2290.5 requires: 1) documentation of either verbal or written consent for the use of telehealth from the patient; 2) compliance with all state and federal laws regarding the confidentiality of health care information; 3) that a patient's rights to the

¹ The "Medicine: Telehealth" section of the Medi-Cal Provider Manual is available at: https://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part2/mednetele_m01o03.doc

² More information on this policy clarification can be found on the "Telehealth" web page of the DHCS website, available at: <https://www.dhcs.ca.gov/provgovpart/pages/telehealth.aspx>

³ AB 415 is available at:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120AB415

⁴ BPC Section 2290.5 is available at:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=2290.5.&lawCode=BPC

⁵ HSC Section 1374.13 is available at:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1374.13.&lawCode=HSC

⁶ WIC Section 14132.72 is available at:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14132.72.&lawCode=WIC

⁷ WIC Section 14132.725 is available at:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14132.725.&lawCode=WIC

patient's own medical information apply to telehealth interactions; and 4) that the patient not be precluded from receiving in-person health care services after agreeing to receive telehealth services. HSC Section 1374.13 states there is no limitation on the type of setting between a health care provider and a patient when providing covered services appropriately through a telehealth modality.

POLICY:

Each telehealth provider must be licensed in the State of California and enrolled as a Medi-Cal rendering provider or non-physician medical practitioner (NMP). If the provider is not located in California, they must be affiliated with a Medi-Cal enrolled provider group in California (or a border community) as outlined in the Medi-Cal Provider Manual. Each telehealth provider providing Medi-Cal covered services to an MCP member via a telehealth modality must meet the requirements of BPC Section 2290.5(a)(3), or equivalent requirements under California law in which the provider is considered to be licensed, such as providers who are certified by the Behavior Analyst Certification Board, which is accredited by the National Commission on Certifying Agencies. *Providers who do not have a path to enroll in fee-for-service Medi-Cal do not need to enroll with DHCS in order to provide services via telehealth. For example, behavioral analysts do not need to enroll in Medi-Cal to provide services via telehealth.*

Existing Medi-Cal covered services, identified by Current Procedural Terminology – 4th Revision (CPT-4) or Healthcare Common Procedure Coding System (HCPCS) codes and subject to any existing treatment authorization requirements, may be provided via a telehealth modality if all of the following criteria are satisfied:

- The treating health care provider at the distant site believes the services being provided are clinically appropriate to be delivered via telehealth based upon evidence-based medicine and/or best clinical judgment;
- The member has provided verbal or written consent;
- The medical record documentation substantiates the services delivered via telehealth meet the procedural definition and components of the CPT-4 or HCPCS code(s) associated with the covered service; and
- The services provided via telehealth meet all laws regarding confidentiality of health care information and a patient's right to the patient's own medical information.

Certain types of services cannot be appropriately delivered via telehealth. These include services that would otherwise require the in-person presence of the patient for any reason, such as services performed in an operating room or while the patient is under anesthesia, where direct visualization or instrumentation of bodily structures is required, or procedures that involve sampling of tissue or insertion/removal of medical devices. A

provider must assess the appropriateness of the telehealth modality to the patient's level of acuity at the time of the service. A health care provider is not required to be present with the patient at the originating site unless determined medically necessary by the provider at the distant site.

MCP providers must use the modifiers defined in the Medi-Cal Provider Manual with the appropriate CPT-4 or HCPCS codes when coding for services delivered via telehealth, for both synchronous interactions and asynchronous store and forward telecommunications. Consultations via asynchronous electronic transmission cannot be initiated directly by patients. Electronic consultations (e-consults) are permissible using CPT-4 code 99451, modifier(s), and medical record documentation as defined in the Medi-Cal Provider Manual. E-consults are permissible only between health care providers. Telehealth may be used for purposes of network adequacy as outlined in APL 19-002: Network Certification Requirements, or any future iterations of this APL, as well as any applicable DHCS guidance.⁸

MCPs are responsible for ensuring that their delegates comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters. These requirements must be communicated by each MCP to all delegated entities and subcontractors.

If you have any questions regarding this APL, please contact your Managed Care Operations Division Contract Manager.

Sincerely,

Original signed by Nathan Nau

Nathan Nau, Chief
Managed Care Quality and Monitoring Division

⁸ APLs are available at: <https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx>



State of California—Health and Human Services Agency
Department of Health Care Services



BRADLEY P. GILBERT, MD, MPP
DIRECTOR

GAVIN NEWSOM
GOVERNOR

DATE: March 18, 2020

SUPPLEMENT TO ALL PLAN LETTER 19-009

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: EMERGENCY TELEHEALTH GUIDANCE - COVID-19 PANDEMIC

PURPOSE:

In response to the COVID-19 pandemic, it is imperative that members practice “social distancing.” However, members also need to be able to continue to have access to necessary medical care. Accordingly, Medi-Cal managed care health plans (MCPs) must take steps to allow members to obtain health care via telehealth when medically appropriate to do so as provided in this supplemental guidance.

REQUIREMENTS:

Pursuant to the authority granted in the California Emergency Services Act, all MCPs must, effective immediately, comply with the following:¹

- Unless otherwise agreed to by the MCP and provider, MCPs must reimburse providers at the same rate, whether a service is provided in-person or through telehealth, if the service is the same regardless of the modality of delivery, as determined by the provider’s description of the service on the claim. For example, if an MCP reimburses a provider \$100 for an in-person visit, the MCP must reimburse the provider \$100 for an equivalent visit done via telehealth unless otherwise agreed to by the MCP and provider.
- MCPs must provide the same amount of reimbursement for a service rendered via telephone as they would if the service is rendered via video, provided the modality by which the service is rendered (telephone versus video) is medically appropriate for the member.

MCPs are responsible for ensuring that their subcontractors and network providers comply with the requirements in this supplemental guidance as well as all applicable state and federal laws and regulations, contract requirements, and other Department of Health Care Services’ guidance. MCPs must communicate these requirements to all network providers and subcontractors.

This supplemental guidance will remain in effect until further notice.

¹ Government Code section 8550, et seq.

SUPPLEMENT TO ALL PLAN LETTER 19-009
Page 2

If you have any questions regarding this supplemental guidance, please contact your Managed Care Operations Division Contract Manager.

Sincerely,

Original Signed by Nathan Nau

Nathan Nau, Chief
Managed Care Quality and Monitoring Division

SAJID A. AHMED

[e] sajcookie@gmail.com [c] +1.415.377.9514 [a] 1300 Prospect Drive, Redlands, CA

EXECUTIVE PROFILE

Executive with over 25 years of healthcare experience with over three decades of a health information technology leader, ten years leadership experience in healthcare operations, innovation, telehealth, health information exchanges and electronic health record systems, 15 years as a board member for non-profits, and over two decades years as a consultant on transformation and innovation, and as lecturer and speaker

AREAS OF EXPERTISE

Health Information Technology | Telehealth | Virtual Care | Artificial Inteligence (Fuzzy Logic) | Health Information Management System | Healthcare Innovation | Health Information Exchange | Electronic Health Records Systems | Enterprise System Design | Executive Management Experience | Product Development | Interaction Design Strategy | User Interaction Architect | Data Architecture | Healthcare Informatics | Business Development | Strategic Planning |Go-to-market and Adoption Strategies| Board Management |Leadership | Mentoring | Team building

EXECUTIVE SUMMARY

I have over 25 years' experience in health information technology, and over 20 years in executive leadership positions from Executive Director, Chief Technology Officer, Chief Information and Innovation Officers positions, managing healthcare technology companies and delivering technology solutions to healthcare providers and healthcare consumers. I have expertise in business needs assessment; information architecture and usability; technical experience in human/computer Interaction; information structure and access; digital asset and content management; systems analysis and design; data modeling; database architecture and design.

SELECTED KEY ACCOMPLISHMENTS

- Achieved 2017 MostWired Award for Martin Luther King, Jr. Hospital (MLKCH).
- Achieved 2017 HIMSS Level 7 Award (less than 12% of all U.S. Hospitals Achieve)
- Over a year and a half, collaborated with California Health and Human Service, Department of Managed Care Services, CMS Region 9 and CMS in Baltimore to create an exception allowing brand new hospital organizations, like MLKCH, to participate in the Meaningful Use program, resulting in a \$5.2 million award for MLKCH.
- I helped launch a brand-new hospital organization and new facilities from the ground up, meaning: new startup healthcare company, new employees, new buildings, new technology new policies and new models of healthcare. I managed \$150 million Health IT and IT infrastructure budget, successfully launching a brand-new community-based hospital of the future in South Los Angeles on July 7, 2015, on time and budget. The CEO hired me as employee number 2 of a startup hospital, and healthcare company put together by the State of California, the University of California system and County of Los Angeles.
- Developed the \$38.8M State of California Health Information Strategic Plan for Health Information Exchange – Currently serving on the Advisory Board for the U.C. Davis, Institute for Population Management (IPHI) and its California Health eQuality (CHeQ)

Sajid A. Ahmed

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Initiative, contracted to provide access to health information exchange and statewide registries to providers and consumers

- Successfully created and launched eConsult – a telehealth and healthcare business process as an innovative new process standard and technology to enable virtual care and provide more efficient specialty care appointments. The eConsult program has successfully launched to over 67 medical facilities and with over 2500 providers in 2012. This initiative expanded to the entire county of Los Angeles in 2013 with over 300 sites and over 5,000 providers using eConsult, becoming a model for a new national standard for referrals and consults. Overall Budget and costs managed \$15M.
- Successfully awarded (now) over \$18M in federal funding to form the regional extension center for EHR adoption in Los Angeles County. Created, developed and lead all aspects of the formation of the REC, named HITEC-LA.
- Created and lectured HS 430, eHealth Innovations for Healthcare as associate professor at UCLA School of Public Health
- Successfully lead the development and deployment of consumer web portals to Fortune 500 self-insured companies with 10K employees or more portfolio example of User-Interface design and Unix-based SQL database development.
- Invented a new decision-support algorithm for use in healthcare and the US Army (implemented in IRAQ 2003/2004) patient record data mining and other business processes.
- Patented: "System and Method for Decision-Making": Patents ID #60/175,106, and "Determining tiered Outcomes using Bias Values #20020107824
- Successfully, deployed in Germany, Italy and Fort Bragg, North Carolina, Tri-Care based Healthcare record keeping and medical decision support system AD-Doc™.
- Successfully designed, built and helped deploy a Nursing Decision Support system for Kaiser (KP-On Call Inc.).
- Successfully negotiated a multi-million multiyear contract (\$128.9M over three years), deployed and customized Electronic Health Record (EHR) Patient record keeping system called CHCS 2.0 with the European Medical Command, United States Army.
- Worked at JPL (Jet Propulsion Labs, NASA) on the Galileo project using Dbase to manage all error tracking for software and hardware.
- Recruited former U.S. Secretary of Health & Human Services (2001) Tommy Thompson to Board of Directors along with other industry leaders

SELECTED BOARDS & COMMITTEES

- 2016 to present – Co-Chair/Advisory Committee on California's Provider Directory Initiative; Co-Chair, Workgroup on Technical and Business Requirements
- 2012 to 2015 – Advisory Board Member of the California Health eQuality Initiative under U.C. Davis to advise on the use \$38.8M in federal funds for the state population management and health information exchange.
- 2008 to 2014 - Vice Chair of Technical Advisory Committee (TAC) for L.A. Care reporting its Board of Governors; Advise and review innovations in healthcare technology and operations
- 2010 to Present - UCLA Health Forum Advisory Board; Development forums with eight events recruiting leading healthcare industry executives to speak at UCLA and the community
- 2009 to 2013 – Vice Chair of the Los Angeles Network for Enhanced Services (LANES), a health information exchange organization representing L.A. County Department of Health Services and other stakeholders;

- 2009 to 2010- Co-Chair of the California State Regional Extension Center Committee for the development of RECs and projects totaling over \$120M throughout the state
- 2010 to Present – Board Member for the Office of National Coordinator on EHR and Functional Interoperability Committee; Developing standards for data exchange and interoperability standards.
- 2011 to Present – Redlands YMCA Board Member

SELECTED PRESENTATIONS AND LECTURES (UPDATED 2018)

How Artificial Intelligence Will Revolutionize Healthcare

<https://itunes.apple.com/us/podcast/himss-socal-podcast/id1314101896>.

HIMSS March 15th, 2018

Keynote: Innovation through Disruption – How AI will transform Healthcare

ITC Summit, Chennai, India, March 27th, 2017

Keynote: It's Not Always About the Technology, Effective Coordinated Care Strategies for Better Outcomes;

HIMSS17 Summit, Feb 21, 2017

Keynote: The Future of the CIO

Health Information Technology Summit- January 2017

Keynote: The Building of Martin Luther King, Jr. Hospital: How to create a State-of-Art hospital

Latin American Hospital Expansion Summit – October 15, 2016

Keynote: HIE is DEAD! Long live HIE!

Idea Exchange in Digital Healthcare Summit, University of California Irvine,
Wednesday, July 10, 2013

L.A. Care's Innovative eConsult System for L.A. County Safety Net Providers - LA

Health Collaborative Meeting October 27, 2011

eConsult – Enhancing Primary Care Capacity and Access to Specialty Care;

2012 Annual Health Care Symposium

Implementing Electronic Health Records (EHRs): Where the Rubber Meets the Road - June 2, 2011

eHealth Policy Presentation

"eHealth Today – Community Impact & Reality"

A Presentation of The Edmund G. "Pat" Brown Institute of Public Affairs' Health Policy Outreach Center, California State University, Los Angeles December 12, 2011

(A full portfolio of over 25 lectures, keynotes, and presentations since 2001 are available upon request)

PROFESSIONAL EXPERIENCE

Inland Empire Health Plan (IEHP), Rancho Cucamonga, CA 6/2017-Present
Executive Lead, Virtual Care Programs
Multi-County eConsult Initiative

As the executive lead for IEHP, I am working to expand telehealth (Virtual Care) to both counties for all directly managed members of IEHP, over 550,000 members. This project represents over 350 sites and will reach over 1,500 providers, managing a \$9 Million budget.

WISE Healthcare Corporation, Redlands, CA **8/2017-Present**
Chief Executive Officer
Executive Lead, Inland Empire Health Plan

As CEO of WISE Healthcare, I work to expand the company's three major revenue centers: Innovation Strategy professional services, Artificial Intelligence (AI) products and tools and Workflow Design Engineering implementation services. WISE Healthcare delivers artificial intelligence (AI) strategy and workflow engineering to healthcare organizations looking to improve healthcare delivery. I am focused on the launch of the WISE AI based mobile healthcare tool, that will help accurately diagnose many conditions and provide convenient access to care. Currently expanding the leadership staff and increase hiring. I report to the Board of WISE and have been three years to establish a larger presence in the market place and prepare the company to attract investments from the capital markets; support in depth due diligence of all areas of the WISE portfolio, staff, management and operations.

MLK Jr. Los Angeles Healthcare Corp, Los Angeles, CA **2/2013-7/2017**
Chief Information & Innovations Officer
Executive Director, MLK Campus Innovations Hub

As Chief Information & Innovations Officer ("CIIO"), I was a member of the Executive Team and leading hospital executive with responsibility for information technology & services. I report directly to the Chief Executive Officer of Martin Luther King Jr. Community Hospital of Los Angeles ("MLKCH") which opened June 2015. As CIIO, I provide the strategic vision and leadership in the development and implementation of information technology initiatives for MLK-LA and its affiliates and acquisitions. I direct the planning and implementation of enterprise IT systems in support of business operations to improve cost effectiveness, service quality, and business development. I am responsible for managing the day-to-day functioning of the hospital as well as planning for future capacity and capabilities. Overall, I am responsible for creating and promoting a hospital information strategy that supports the hospital's strategic business goals. I oversee the execution and implementation of the leading hospital systems, including the integration of medical devices and other equipment that tie into the EMR to facilitate improvements in patient safety and real-time availability of critical information to business operation.

As the Innovations Officer, I bring to light and support new processes and technologies to help improve patient outcomes and improve efficiencies throughout the hospital and

its provider and patient community. With Molly Coye, I helped create the Los Angeles Innovators Forum, bringing together innovation leaders, officers from local diverse provider organizations, Cedars, UCLA, Motion and Television Association, Veterans Affairs, L.A. Care, Molina, WellPoint, and others.

L.A. Care Health Plan, Los Angeles, CA **9/2008 – 3/2013**
Executive Director, Health Information Technology & Innovation
Executive Director, Safety Net eConsult Program (2010 – 2013)

As Executive Director of Healthcare Information Technology (HIT) and Innovation, I was responsible for the coordination, management and integration of healthcare information technology and health initiatives both internally and externally, in line with the mission and strategic plans of LA Care. My responsibilities included collaboration and strategy development with internal and external health IT stakeholders, trading partners, health IT collaborates, providers, regulatory and government agencies and others. Also, I provided leadership and collaboration in interdepartmental and cross-functional ehealth initiatives. I worked as a liaison between Health Services and Information Services to facilitate and support ehealth initiatives and HIT activities.

Additionally, I was responsible for building relationships with diverse external HIT organizations and facilitating strategies to position LA Care as the leader in HIT adoption and health quality improvement on a local, regional and national level. I have presented in many forums such as the California eRx Consortium as co-chair; Co-chair of the Regional Extension Center Workgroup for California Health and Human Services Agency; and participate as a Board member of Health-e-LA, a HIE for Los Angeles County.

Key highlights below:

- Launched eConsult program connecting primary care physicians to specialists
- Implemented eConsult throughout Los Angeles County and its over 4 million patients, 300 clinic sites and over 5,000 providers. Helped reduce no-show rates of patients by 86% and increased access to appropriate specialty care for underserved.
- Developed a \$ 22.3 million sustainable business plan and successfully applied for the Regional Extension Center Program for Los Angeles County, as part stimulus funding opportunity through ARRA and the HITECH Act
- Successful acquired 18.6 million in regional extension center funding for L.A. Care
- Developed L.A. Care's Health Information Technology Strategic Plan 2010-2012 and revised 2013-2015, affecting over \$40 Million in HIT incentives, grants, and eHealth projects
- Developed as Co-Chair the State of California's Health Information Technology and Exchange Strategic Plan affecting over \$120 Million in projects statewide

Spot Runner, Inc., Los Angeles, CA **4/2008 – 8/2008**
Sr. Data Architect & Systems Consultant

- Lead a 15-member Data Services Team designing complex database models and the complex media exchange platform for the mid-size start-up
- Responsible for developing strategic plans and hands-on experience with business requirements gathering/analysis

- Worked with Senior Management with regards to scope and schedules of new Media Platforms initiative
- Member of Project and Product Management teams in scoping requirements and planning development in full product life-cycle
- Responsible for all aspects of the data architecture including translating business requirements into conceptual data models, logical design, and physical design
- Participating with the engineering team in all activities including architecture, design, software development, QA, performance benchmarking and optimization, as well as deployment
- Working with Business Systems Analysts (BSA) and other technical areas to determine feasibility, level of effort, timing, scheduling, and other related aspects of project proposals and planning
- Working as part of the core architecture team as well as with the system architect to design the entire system including the web tier, application tier, and database tier
- Demonstrated the ability to prioritize efforts in a rapidly changing environment

Home Box Office (HBO) Inc., Santa Monica, CA
Consultant, Sr. Data Architect

3/2007- 4/2008

- Worked to enhance data policies, including security and reporting efficiencies
- Responsibility included hands-on training of senior management and Senior Business Analyst on design standards and DBA practices.
- The major project included scoping and consulting on conversion of over 550 databases to upgrade platform both upgrading database application and upgrading hardware using ETL tools.
- Professionally interacted with all levels of staff at HBO as the conversion affects all levels of HBO business and every departments' workflow
- Aided launch of the new custom site for "This Just In" working with HBO partner AOL integrating with teams. (www.thisjustin.com)
- Lead efforts to training internal and partner end-user clients

SelfMD, Pasadena, CA
Chief Technology Officer

3/2005-3/2007

SelfMD was a consumer-centered technology delivered through web-enabled platforms and devices. I led a team of 30 team members in design, scope, engineering and execution for NowMD.com, (AD-Doc) Artificial Diagnostic Doctor and was consulting with the WebMD through acquisition phase. I managed over 60 employees with ten direct reports on two continents as part of national effort to deliver the technology.

- Lead the development of initial technology and programming of the core software engine, Managed Artistic Directors, Web Developers and a staff of over 30 employees
- Developed Enterprise-Level Database Structure and initial User Interface
- Designed and executed testing methodologies for the engine and its accuracy and data normalization
- Established standards for data entry, content management and upgrading and data normalization.
- Scoped entire project for further outsourcing for large Web site management and data warehousing.

- Managed a remote team of 12 people tasked with over 16 months of custom configuration and development with US Army integrating into their electronic medical record keeping system, CHCS 1.0 data warehouses in three major European locations.
- Creating a technical process to identify data issues and a business process to resolve them

IGP Technologies, Inc., Pasadena, CA

7/1999 –2/2007

Chief Information Officer, Healthcare Information Architecture

Worked in a Healthcare IT early-stage company to develop and deploy an enterprise level service. Some clients included Texas Instruments, US Army: TATRC, European Medical Command, US Army Medical Command, Aetna, WellPoint, AT&T, Cadbury Schweppes, California Workers Compensation Board, California Healthcare Underwriters, US Women's Chamber of Commerce.

- Professionally interacted industry C-level Officers in open presentations and analysis.
- Created numerous presentations, drafted various government-grade project proposals with budgets over \$32M.
- Managed up to 60 staff in project development stage of technology and remotely operated implementation. With an overseas team from India
- Managed project development stage of technology and remotely with implementation.
- Created, managed and supervised yearly project multimillion budgets, creating financial reports.
- Excellent communication skills developed; thorough knowledge of general software and networks.
- Performed advanced analyses, rendering business strategies and product information as detailed product requirement documents
- developed and implemented metadata and hierarchies using various asset/ content management systems
- constructed user interfaces for multifaceted technical software applications
- guided creation of data models/ maps, architectures, wireframes, process, and user flows for large-scale transactional sites in collaboration with designers, technologists, and strategists
- administered technology department: allocated resources, directed technical project managers, organized training, planned moves
- developed process methodology intranet as a senior member of Process Development Team

SELECTED AWARDS AND HONORS

2018 HIMSS LEVEL 7 Hospital Award for Martin Luther King, Jr. Hospital

2017 MostWired Hospital for Martin Luther King, Jr. Hospital

2016 Chief Technology/Information Officer of the Year, LA Business Journal

University of Southern California (USC), Cal State Long Beach, Caltech 2002-Present
 Guest Lecturer/Speaker/Course Instructor Graduate Schools, USC Price School of Public Policy and UCLA's Fielding School of Public Health

Yearly, "Distinguished Speaker Series" for various undergraduate and graduate entrepreneurial and business departments, courses involving design, development, and implementation of software and databases.

ABL Innovative Leadership (Advanced Business League) Award: Finalist for product development (bested only by Kaiser's "Thrive" website)

Awarded California Health and Human Services (CHHS) for meritorious participation in support and development of California's Health IT Strategic Plan and Regional Extension Center Committee

EDUCATION

UCLA, the University of California at Los Angeles, Los Angeles, CA, Psychology; Computer Science course work

Awarded Certificate, "Certified Health Chief Information Officer" (CHCIO), fall 2013, renewed fall 2016 by the Chief Health Information Management Executive (CHIME)

2014 LEAN Healthcare Certificate from Hospital Association of Southern California

UT Dallas, University of Texas, Dallas, Naveen Jindal School of Management, Master's in Healthcare, Healthcare Leadership Management; in progress

BOARD EXPERIENCE

Currently serving on the Board of Directors and advisory boards for three key technology startups (early and mid-stage companies) in healthcare focused on Artificial Intelligence, Pharmaceuticals, Health IT Services.

Tagnos, Inc. 2017 - Present

A member of the board of advisory, providing direction to growth and new global markets.

Electronic Health Networks, Inc.

2017 – Present

A member of the board of directors, providing direction to growth and new global markets.

California Provider Directory Advisory Board

2016 – Present

A member of the Advisory Board to establish a single state-wide provider directory. Currently co-chair of the Workgroup on data definitions and technical requirements for a state-wide request for proposals.

Advisory Board Member of SNC. Inc.

2012 – Present

Serving as an Advisory Board member of a private commercial, leading care coordination, telehealth technology company.

Board Member of the East Valley Family YMCA**2011 – Present**

On an active board of a three facility YMCA representing the cities of San Bernardino, Highland, Redlands. Participating in the Program and Development subcommittees.

Founding Board Member of LANES, the Los Angeles Network for Enhanced Services 2009 – 2013

Active board member, Co-Chair with the deputy CEO of Los Angeles County to establish a county-wide health information exchange. Procured over \$2.1 million dollars as board member for LANES. Left Board to join Martin Luther King, Jr. Hospital as Chief Information and Innovation Officer in 2013.

Chair, L.A. Care Technical Advisory Board**2008 – 2013**

A brown-act managed advisory board, legislatively required advisory board for the local initiative health plan of Los Angeles County (dba L.A. Care).

Board Member of Health-e-LA**2008 - 2012**

A local health information exchange, established to serve county and L.A. Care. Facilitated the close of organization.

PETER J. SCHEID, M.D.

EXPERIENCE

8/8/14-Present Peter J. Scheid, M.D., Inc. Capistrano Beach, CA

Addiction Medicine Physician

- Comprehensive admission evaluation
- Medical detoxification
- Medication Assisted Treatment
- Ongoing medical support
- Recovery counseling

1/14/13-5/31/13 East Valley Community Health Center W. Covina, CA

Per Diem Physician

- Direct patient care
- Oversight of Nurse Practitioner

11/1/10-5/30/13 CalOptima Orange, CA

Medical Director, Clinical Operations

- Oversight of Utilization Management Medical Directors
- Utilization Management
- Quality Management
- Management of Health Network relationships
- Grievance and Appeals oversight

1/1/08-10/31/10 CalOptima Orange, CA

Medical Director, Utilization Management

- Management of 370,000 Medi-Cal members
- Utilization Management
- Oversight of Concurrent Review and Prior Authorization activities

E-MAIL PSCHIED12@GMAIL.COM
17 CALLE FRUTAS, SAN CLEMENTE, CA 92673
(714) 227-4123 CELL
(949) 229-7684 FAX

3/07-1/08 Primary Provider Management Company San Diego, CA
*Medical Director, Family Choice Medical Group, Vantage Medical Group-
San Diego*

- Management of over 50,000 members
- Utilization Management
- Quality Management
- Case Management
- Oversight of Hospitalist Program

1/06-2/07 County of Orange Health Care Agency Santa Ana, CA
Physician Consultant, Medical Services for Indigents Program

- Utilization Management
- Program Development
- Formulary Development

10/02-7/07 Community Care Health Centers Huntington Beach, CA
Associate Medical Director

- Wrote application securing FQHC Look-Alike status for all sites
- Medical Director of Clinic for Women and El Modena Health Centers
- Oversight of Quality Management Program
- Developed specialty clinics for patients with chronic disease
- Management of clinical staff including recruitment, retention, and performance monitoring

08/01-9/02 University of California, San Diego San Diego, CA
*Clinical Instructor of Family Medicine, Department of Family and Preventive
Medicine*

E-MAIL PSCHIED12@GMAIL.COM
17 CALLE FRUTAS, SAN CLEMENTE, CA 92673
(714) 227-4123 CELL
(949) 229-7684 FAX

EDUCATION

7/2013-6/2014 Addiction Medicine Fellowship Loma Linda, CA
Loma Linda University Medical Center

12/2006-9/2008 Health Care Leadership Program San Francisco, CA
Fellow of Program Sponsored by California Health Care Foundation

7/2000-6/2001 Chief Resident San Diego, CA
UCSD Department of Family & Preventive Medicine

7/1998-6/2001 Family Medicine Residency San Diego, CA
UCSD Department of Family & Preventive Medicine

7/1994-6/1998 Medical School Detroit, MI
Wayne State University School of Medicine

- Alpha Omega Alpha Medical Honor Society

9/1987-6/1990 Bachelor of Arts in English East Lansing, MI
Michigan State University

LICENSURE & CERTIFICATION

2001-Present California A070698

2001-Present Diplomate, American Board of Family Practice

2014-Present Diplomate, American Board of Addiction Medicine

2020-Present Diplomate, American Board of Preventive Medicine,
Addiction Medicine

PROFESSIONAL ASSOCIATIONS

American Academy of Family Physicians

American Society of Addiction Medicine

California Society of Addiction Medicine

REFERENCES AVAILABLE ON REQUEST

E-MAIL PSCHEID12@GMAIL.COM
17 CALLE FRUTAS, SAN CLEMENTE, CA 92673
(714) 227-4123 CELL
(949) 229-7684 FAX

TANYA DANSKY, MD

PROFESSIONAL SUMMARY

Highly trained healthcare executive with 10+ years of clinical background and 10+ years of managed care leadership successful at leveraging career experience to enhance organizational productivity and efficiency by supporting healthcare from the payer and provider perspective.

Dedicated clinician with diverse experiences able to excel within complex systems due to my collaborative, patient centered, results oriented approach to challenges.

SKILLS/EXPERTISE

Executive Leadership
Medi-Cal and CA Commercial HMO
Quality Improvement
Utilization Management
Strategic Business Operations

Value Based Contracting
Washington State Medicaid
Population Health
Innovation
Social Determinants of Health

WORK HISTORY

Independent Consulting

Feb. 2020 – Present

Clinical Advisor, Harbage Consulting

- Projects include providing clinical leadership and expertise for:
 - the ACES Aware project (Department of Health Care Services, Medi-Cal and Office of the Surgeon General, State of California)
 - CalAIM Enhanced Case Management and In Lieu of Services

Blue Shield of California

April 2017 – Feb. 2020

VP & Chief Medical Officer, Promise Health Plan

- Direct report to Chief Health Officer with responsibility for all aspects of medical management including Utilization Management, Case Management, Social Services and Programs, Quality, Grievances and Appeals
- Medicaid managed care plan with 350,000 covered lives
- Clinical leadership during transition from Care1st Health Plan including full integration of 500+ employees, IT systems and process transformation during 2018 and 2019
- Launched Promise as first California Medi-Cal health plan to join Integrated Healthcare Association's Align Measure Perform program
- Led innovation partnerships to improve quality and access for the safety net including eConsult, a bilingual pregnancy app and a multicultural texting solution

- Experience implementing value based contracts for the Health Homes Program
- Clinical leadership for Blue Sky program: awareness, advocacy and access for youth mental health and resilience
- Success in quickly building external leadership presence at local, county and statewide levels including San Diego 211 Community Information Exchange Advisory Board and the ACES Aware Advisory Committee for the Office of the Surgeon General and DHCS

Amerigroup Washington (Anthem); Seattle, WA

November 2015 – March 2017

Chief Medical Officer

- Direct report to Plan President with responsibility for all aspects of medical management including Utilization Management, Case Management, Quality, Customer Service, and Grievances and Appeals
- Success working in highly matrixed corporate environment with local state plan responsibility
- Medicaid managed care plan with 150,000 covered lives including TANF, Adult expansion and SSI populations throughout 36 counties in Washington State.
- Currently implementing Summit care coordination program for highest risk, highest utilizers leveraging relationships with key providers and community partners to address social determinants of health

Columbia United Providers; Vancouver, WA

May 2014 – November 2015

Chief Medical Officer & Vice President

- Played essential role in CUP leadership team's remarkable 2014 accomplishments including securing direct Medicaid Contract with WA State HealthCare Authority, establishing first time commercial products for WA Health Benefit Exchange, and achieving 100% on initial NCQA Certification
- Strengthened relationships and negotiated contracts with key network providers to allow access to high quality care for 50,000+ Medicaid members
- Brought positive leadership and business acumen to an established company actively in transition due to healthcare reform pressures
- Revitalized and established the quality, compliance, network development, marketing, social media and health management departments during first 12 months at CUP

Chief Physicians Medical Group; San Diego, CA

January 2006 – May 2014

Chief Executive Officer (10/11-5/14)

Medical Director (7/06-5/14)

Inpatient Medical Director (1/06-7/06)

- Responsible for year over year financial and performance success of \$50M pediatric IPA co-owned by pediatric primary care and specialist groups representing 400+ physicians.
- Negotiated and managed contracts with 7 health plans for Commercial HMO and Medi-Cal lines of business comprising over 75,000 pediatric managed care lives.
- Experienced medical director with direct responsibility for utilization management, case management, quality, and credentialing.
- Played key role in formation of clinically integrated network comprised of IPA, hospital and physician group, Rady Children's Health Network.
- Provided leadership and key operational expertise during acquisition of MSO services for 125,000 managed care Medi-Cal lives for CHOC Health Alliance (Children's Hospital of Orange County).
- Served in interim role as Chief Medical Officer for CHOC Health Alliance in Orange County which included strategic and operational presentations to CHOC Health Alliance Board comprised of CHOC Hospital executive leadership and CHOC physician groups' executive leadership teams.

EDUCATION

California Healthcare Foundation Leadership Program
Fellow, 2010 - 2012

University of California, San Diego
Pediatric Residency and Chief Residency, 1999

University of Southern California School of Medicine (Keck), Los Angeles
MD, 1995

University of California, Davis
BS in Physiology, 1991

CLINICAL EXPERIENCE

Rady Children's Pediatric Hospitalist

Rady Children's Pediatric Urgent Care Provider

San Diego Juvenile Hall Clinic Medical Director

Chadwick Center Child Abuse Consultant

San Diego Hospice Children's Program Medical Director (including Palliative Care)

*Full Curriculum Vitae available upon request for additional awards, research, publications, community experience

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 17, 2020 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

Report Item

8. Consider Recommending Board of Directors' Authorization of Proposed Budget Allocation Changes in the CalOptima Fiscal Year 2020-2021 Operating Budget

Contacts

Ladan Khamseh, Chief Operating Officer, (714) 246-8400

Michael Herman, Director Information Services, (714) 246-8400

Recommended Actions

Recommend that the Board of Directors authorize the reallocation of the following budgeted funds from Medi-Cal: Other Operating Expenses to fund the Informatica Data Masking Software Maintenance license fee through June 30, 2021:

1. \$67,950 from the Cloud Government/Storage Subscription; and
2. \$67,950 from the Computer Equipment.

Background/Discussion

A Request for Proposal (RFP) was competed in early 2019 for a Data Masking Software solution to limit exposure of Protected Health Information (PHI) from staff working in CalOptima's non-production applications. Informatica was selected as the vendor and the first phase of the Data Masking project was implemented in early 2020. The first year software license fee was funded from the Fiscal Year (FY) 2018-19 approved Capital Budget. However, the subsequent annual Software Maintenance license fee (\$135,000) should have been transitioned to the Operating budget for the subsequent years and was inadvertently left out of the FY 2020-21 Operating Budget. To address this oversight, Management recommends reallocating funds from two other parts of the IS budget, specifically, Cloud Government/Storage Subscriptions, and Computer Equipment. To ensure that such oversights do not occur in the future, management is introducing a final step in the budget process with Vendor Management to ensure all contract agreements moving from capital to operating expenses are reviewed.

Reallocating the funds from the Cloud Government/Storage Subscription and the Computer Equipment budgets is expected to have minimal impact to CalOptima operations. The purpose of the Cloud Government/Storage Subscription budget of \$500,000 is to support our migration of data storage to CalOptima's Microsoft Azure Government Cloud. Annually, staff includes additional budget dollars to continue to move more services to the Microsoft Azure Government Cloud to support and enhance CalOptima's Business Continuity and Disaster Recovery (DR) infrastructure. The proposed reduction of funds from this budget will shift some of the data file sharing migration into the following FY 2021-22 budget expenditures. The proposed reallocation of funds from this budget category will leave a remaining balance of \$432,050. Management believes this amount will be sufficient to cover the current services in the Microsoft Azure Government Cloud, including service migrations planned for the current fiscal year.

The Computer Equipment budget of \$600,000 is to be used to replace computer and printer equipment as it nears end of its useful life. The proposed reduction of funds in this budget category will delay the replacement of a small number of computers and printers into the following fiscal year, but this is not expected to have a material impact on operations. The proposed reallocation of funds from this budget will reduce available funding for Computer Equipment to \$532,050.

Fiscal Impact

The fiscal impact for these recommended actions is budget neutral. As proposed, a reallocation of up to \$135,900 that was approved in other categories as part of the CalOptima FY 2020-21 Operating Budget on June 4, 2020, will fund the Informatica Data Masking Software Maintenance license fee through June 30, 2021.

Rationale for Recommendation

To ensure that CalOptima's IT security infrastructure continues to allow for appropriate management of protected health information (PHI) within CalOptima's non-production applications, management recommends the proposed reallocation of operating expenditures.

Concurrence

Gary Crockett, Chief Counsel

Attachment

None

/s/ Richard Sanchez
Authorized Signature

09/10/2020
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 17, 2020 Regular Meeting of the CalOptima Board of Directors’ Finance and Audit Committee

Report Item

9. Consider Recommending that the Board of Directors’ Authorize the Ratification of Budget Reapportionment Changes in the CalOptima Fiscal Year 2020-21 Capital Budget for Various Information Services Capital Projects

Contact

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

Recommended Actions

Recommend to the Board of Directors to authorize the ratification of reapportionment of budgeted funds among capital expense categories for various information services capital projects.

Background/Discussion

CalOptima Policy GA.5003: Budget and Operations Forecasting includes provisions that delegate authority to the Chief Executive Officer (CEO) to make budget allocation changes within certain parameters. Pursuant to this policy, budget allocations between different capital expense categories for the Board-approved capital project (e.g., hardware, software and professional fees related to implementation for Information Systems) require Board approval. Management is looking into the options for the Board to consider delegating authority to the CEO to make budget expense category changes within certain parameters for Board-approved capital projects as Staff may not always have sufficient information at the time of budgeting to accurately estimate actual costs by expense category within a particular project.

The CalOptima FY 2020-21 Capital Budget was approved by the CalOptima Board of Directors on June 4, 2020. Information Systems represent \$14.5 million of the total Capital Budget and were budgeted by asset categories. Staff included the best available information at the time of budgeting. During the procurement process performed in accordance with CalOptima Policy GA.5022, the quoted pricing from vendors did not fall within the Board-approved expense categories. Management recommends ratification of the reapportionment of budgeted funds among capital expense categories for the Information System capital projects summarized in the following table and detailed below:

Project Description	Hardware	Software	Professional Fee	Total Capital
Network - Business Partner VPN Upgrade				
Original Budget	\$160,000	\$0	\$0	\$160,000
Reapportionment	<u>(\$69,700)</u>	<u>\$21,200</u>	<u>\$48,500</u>	<u>\$0</u>
Revised Budget	\$90,300	\$21,200	\$48,500	\$160,000
CalOptima Internal Network Firewall Protection Server Upgrade				
Original Budget	\$150,000	\$0	\$0	\$150,000
Reapportionment	<u>(\$68,900)</u>	<u>\$45,900</u>	<u>\$23,000</u>	<u>\$0</u>

CalOptima Board Action Agenda Referral
 Consider Recommending that the Board of Directors
 Authorize the Ratification of Budget Reapportionment Changes in the
 CalOptima Fiscal Year 2020-21 Capital Budget for Various
 Information Services Capital Projects
 Page 2

Project Description	Hardware	Software	Professional Fee	Total Capital
Revised Budget	\$81,100	\$45,900	\$23,000	\$150,000
Internet Firewall Protection Server Upgrade				
Original Budget	\$450,000	\$0	\$0	\$450,000
Reapportionment	<u>(\$217,800)</u>	<u>\$100,700</u>	<u>\$117,100</u>	<u>\$0</u>
Revised Budget	\$232,200	\$100,700	\$117,100	\$450,000
Provider Portal Referral Documentation File Server Infrastructure				
Original Budget	\$550,000	\$35,000	\$60,000	\$645,000
Reapportionment	<u>(\$100,000)</u>	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>
Revised Budget	\$450,000	\$135,000	\$60,000	\$645,000
Remote Work Secure Connection Token Upgrade				
Original Budget	\$93,000	\$0	\$0	\$93,000
Reapportionment	<u>(\$33,000)</u>	<u>\$13,000</u>	<u>\$20,000</u>	<u>\$0</u>
Revised Budget	\$60,000	\$13,000	\$20,000	\$93,000
Data Warehouse Analysis by Business				
Original Budget				
Reapportionment	\$60,000	\$0	\$0	\$60,000
Revised Budget	<u>(\$3,065)</u>	<u>\$990</u>	<u>\$2,075</u>	<u>\$0</u>
	\$56,935	\$990	\$2,075	\$60,000

Fiscal Impact

The fiscal impact for the recommended action is budget neutral. If further budget reapportionment or reallocation changes are needed before the completion of the capital projects, Management will return to the Board to request authorization.

Rationale for Recommendation

Staff recommends approval of the recommended action as a budget-neutral way to better align budgeted funds with anticipated expenditures on Capital Projects in accordance with the CalOptima Policy: GA.5003 Budget and Operations Forecasting.

CalOptima Board Action Agenda Referral
Consider Recommending that the Board of Directors
Authorize the Ratification of Budget Reapportionment Changes in the
CalOptima Fiscal Year 2020-21 Capital Budget for Various
Information Services Capital Projects
Page 3

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. FY 2020-21 Capital Attachment A
2. CalOptima Policy GA.5003 Budget and Operations Forecasting

/s/ Richard Sanchez
Authorized Signature

09/10/2020
Date

Attachment A

Fiscal Year 2020-21 Capital Budget by Project

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	HARDWARE	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	\$ 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	\$ -	\$ 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	\$ -	\$ 119,000

TOTAL FY 2020-21 CAPITAL BUDGET	\$ 5,443,000	\$ 7,719,000	\$ 3,074,000	\$ 16,236,000
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Policy #: GA.5003
Title: **Budget and Operations Forecasting**
Dept.: Finance
Section: Not Applicable
CEO Approval: Michael Schrader MS
Effective Date: 1/1/10
Last Review Date: 03/01/12
Last Revised Date: 03/01/12

I. PURPOSE

This policy describes the budget and operations forecasting process agency-wide and for all lines of business.

II. POLICY

- A. CalOptima shall develop a yearly operating budget for each line of business and the consolidated agency.
- B. CalOptima shall prepare a yearly capital budget for the purchase of Fixed Assets.
- C. The development of all budgets shall reflect CalOptima's short and long-term strategic objectives.
- D. CalOptima's Board of Directors shall approve all budgets.
- E. CalOptima shall compare financial results to the operating budget each month as part of the monthly financial report to the Board of Directors.
- F. CalOptima shall reforecast revenue and expenditures periodically throughout the year.

III. PROCEDURE

- A. Operating and Capital Budgets
 1. CalOptima's Finance Department, in collaboration with other departments, shall develop an operating budget for each Line of Business and agency-wide, on an annual basis.
 2. CalOptima's Finance Department, in collaboration with other departments, shall develop an agency-wide capital budget, on an annual basis.
 3. CalOptima's Finance Department shall reference the Annual Operational Plan for strategic guidance in the development of operating and capital budgets.
 4. Presentation of Proposed Budgets to the Finance and Audit Committee of the Board of Directors
 - a. CalOptima's Chief Financial Officer (CFO) or Designee shall present the proposed operating budget to the Finance and Audit Committee of the Board of Directors. The report shall include discussion of major assumptions and a comparison with the current year forecast.

- b. CalOptima's CFO or Designee shall present the proposed capital budget by major asset type (e.g., hardware, software, tenant improvements, equipment). The report shall reference the Depreciation expense impact.
 - c. The Finance and Audit Committee of the Board of Directors shall review and approve the proposed budgets and propose changes, as necessary.
 - d. The Finance Department shall analyze the Finance and Audit Committee's proposed changes, and incorporate such changes, as necessary.
5. After the Finance and Audit Committee of the Board of Directors approves the proposed operating and capital budgets, CalOptima's CFO or Designee shall present the proposed budgets to the Board of Directors prior to beginning of each fiscal year.
 6. The Board of Directors shall approve all budgets prior to implementation.
 7. If unknown assumptions are utilized in the development of budgets (e.g. state program funding, rates), the Board of Directors may approve an interim budget to ensure that CalOptima has conditional appropriation funding. The Finance Department shall propose a revised budget when funding and rate information is confirmed.
 8. CalOptima shall make all reasonable efforts to present proposed budgets for approval prior to the beginning of each fiscal year. In the case that CalOptima is unable to present proposed budgets prior to the beginning of the fiscal year, the CFO or Chief Executive Officer (CEO) shall request extension of the current year budget into the new fiscal year as a temporary measure, until key information is available.

B. Budget Allocation Changes

1. Medical Services. To the extent that there are unexpended budgeted funds approved for a specific supplemental program in the medical services budget (e.g., quality incentive programs), the CEO may make a budget substitution under a cumulative one hundred thousand dollars (\$100,000) into or out of any supplemental program under the Medical Services Budget, subject to the conditions and limitations set forth below. Any budget substitution of one hundred thousand dollars (\$100,000) or more is subject to the approval of the Board. Payments for supplemental programs are not for base rate payments (e.g. per diems, capitation rate, etc.) but are targeted to address a specific need or activity (quality incentives, incentive grants, etc.). Substitutions the CEO may make shall be:
 - a. For a program or activity that has been explicitly approved by the Board;
 - b. Limited to the same line of business, e.g., OneCare expenditure cannot be moved to Medi-Cal;
 - c. Budget neutral in the context of the Medical Services Budget for the line of business, which establishes targets or estimates of the provider payment portion of the overall Budget; and
 - d. Reported monthly to the Board as part of the Financial Report and reported to the Finance and Audit Committee with analysis on a quarterly basis.

2. Capital Budget. The CEO may make a substitution of a capital item for a different capital item under one hundred thousand dollars (\$100,000) in the approved Capital Budget subject to the conditions and limitations set forth below. Any budget substitution of one hundred thousand dollars (\$100,000) or more is subject to the approval of the Board. Substitutions the CEO may make shall be:
 - a. For a program or activity that has been explicitly approved by the Board;
 - b. Budget neutral in the overall Capital Budget;
 - c. Reported monthly to the Board as part of the Financial Report and reported to the Finance and Audit Committee with analysis on a quarterly basis; and
 - d. Within the same capital expense category, which for purposes of the Capital Budget shall be defined as follows:
 - i. Information Systems Hardware;
 - ii. Information Systems Software, or
 - iii. Furniture, Fixtures and Equipment (FF&E).

3. Administrative Budget. The CEO may make a substitution of an administrative expense up to but less than one hundred thousand dollars (\$100,000) in the approved Administrative Budget for another subject to the conditions and limitations below. Any budget substitution of one hundred thousand dollars (\$100,000) or more is subject to the approval of the Board. Examples of programs or activities would be: ICD-10, National Committee on Quality Assurance (NCQA), MSI Transition, Health Care Reform analysis, Long-Term Care Integration, Behavioral Health integration, etc. These are in addition to maintenance of business for CalOptima's existing lines of business. The administrative portion of the Medical Services Budget (i.e., expenses for medical management, utilization management, etc.) shall have the same substitutions policy as outlined above for the Administrative Budget. Substitutions the CEO may make shall be:
 - a. For a program or activity that has been explicitly approved by the Board;
 - b. Limited to the same line of business, e.g., OneCare expenditure cannot be moved to Medi-Cal;
 - c. Budget neutral in the context of the Administrative Budget; and
 - d. Reported monthly to the Board as part of the Financial Report and reported to the Finance and Audit Committee with analysis on a quarterly basis.

4. No changes in the budget exceeding one hundred thousand dollars (\$100,000), or that would provide funding for a program or activity not approved by the Board, may be made without the prior approval of the Board of Directors.

C. Reporting and Analysis

1. On a monthly basis, CalOptima’s Accounting and Finance Department shall prepare the following standard financial reports for internal presentation to the CalOptima Executive Officers and at the Board of Directors meeting:
 - a. Financial highlights;
 - b. Enrollment summary and trend;
 - c. Balance Sheet;
 - d. Income Statement; and
 - e. Statement of Cash Flows.
2. CalOptima’s Finance Department shall compare actual capital spending against the budget on a monthly basis and shall report the results quarterly to the Finance and Audit Committee of the Board of Directors.
3. CalOptima’s Accounting and Finance Departments may present additional financial reports and updates to the Finance and Audit Committee of the Board of Directors and other associated committees, as necessary.

D. Re-forecasting

1. CalOptima’s Finance Department shall prepare periodic re-forecasts of the current fiscal year by line of business for internal review.
2. If there are significant changes due to enrollment, rates, revenue, or expenses, CalOptima’s CFO or Designee shall report this information to the Finance and Audit Committee of the Board of Directors and Board of Directors.
3. CalOptima’s Finance Department may perform forecasts and re-forecasts for the upcoming two (2) to three (3) years, both for internal planning and discussion with the Board of Directors and other associated committees.

IV. ATTACHMENTS

Not Applicable

V. REFERENCES

- A. CalOptima Contract with the Department of Health Care Services (DHCS)

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

- A. 03/01/12: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Version Date	Policy Number	Policy Title
Effective	01/01/2010	GA.5003	Budget and Operations Forecasting
Revised	03/01/2012	GA.5003	Budget and Operations Forecasting

IX. GLOSSARY

Term	Definition
Operating Budget	Expenses associated with maintenance of business.
Asset	A tangible or intangible item of value.
Capital Budget	Amounts spent to acquire or improve a long-term asset such as equipment or Buildings.
Depreciation	An expense recorded to allocate a tangible Asset's Cost over its useful life
Designee	A person selected or designated to carry out a duty or role. The assigned designee is required to be in management or hold the appropriate qualifications or certifications related to the duty or role.
Fixed Assets	Fixed Assets or capital Assets are tangible Assets with a value greater than or equal to the Capitalization Threshold and a useful life in excess of one (1) year. Fixed Assets include Buildings, machinery and equipment, computer equipment, vehicles, Improvements, and Land.
Medical Services Budget	Expenses associated with providing care for members
Member	An Enrollee-beneficiary of a CalOptima program.

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken September 17, 2020 **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

10. Consider Recommending that the Board of Directors' Authorize Employee and Retiree Group Health Insurance and Wellness Benefits for Calendar Year 2021

Contact

Brigette Gibb, Executive Director, Human Resources, (714) 246-8400

Recommended Actions

Recommend that the Board of Directors:

1. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to enter into contracts and/or amendments to existing contracts, as necessary, to continue to provide group health insurance, including medical, dental, and vision for CalOptima employees and eligible retirees (and their dependents), and basic life, accidental death and dismemberment, short-term disability (STD) and long-term disability (LTD) insurance, an employee assistance program, and flexible spending accounts for Calendar Year (CY) 2021 in an amount not to exceed \$23 million which includes the following proposed changes:
 - a. A decrease in employer contributions (based on the percentage of premium the employer pays for each plan), as a result of a 6.6% reduction in premium rates, reducing costs to CalOptima for CY 2021 in an amount of \$1,444,451;
 - b. The addition of a new option for the Cigna HealthCare (Cigna) HMO medical plan (Select Network) offered alongside the current full network Cigna HMO plan for active employees and eligible retirees with reduced premiums, which could result in an estimated cost savings of as much as \$367,464 if employees select this plan over those with more expensive employee contribution rates;
 - c. An increase in employee contributions at each tier level for the current full network Cigna HMO plan to mirror the same employee contribution schedule as the Kaiser HMO medical plan;
 - d. A continuation of employer contributions for CY 2021 in an estimated amount of \$182,500 to fund the Health Savings Accounts (HSA) monthly for employees currently enrolled in the Cigna High Deductible Health Plan (HDHP);
2. Authorize the acceptance of the premium holiday in the amount of \$125,000 received from Cigna Healthcare (Cigna); and
3. Authorize the receipt and expenditures for CalOptima staff wellness programs from \$25,000 in funding received from the Cigna Wellness/Health Improvement Fund for CY 2021.

Background

California Government Code section 53201 provides that local public agencies, including CalOptima, have the option of providing health and welfare benefits for the benefit of their officers, employees, and retired employees who elect to accept the benefits and who authorize the local agencies to deduct the premiums, dues, or other charges from their compensation. Government Code section 53200 provides that health and welfare benefits may include hospital, medical, surgical, dental, disability, group life, legal expense, and income protection insurance or benefits. While CalOptima previously contracted with the California Public Employees Retirement System (CalPERS) to provide these benefits, on August 5, 2003, the Board approved the cancellation of CalOptima’s contract with CalPERS for employee health insurance coverage effective January 1, 2004 and opted to contract directly with Aetna and Kaiser for plan year 2004. CalOptima has offered such benefits from commercial insurers since that time, purchasing group health insurance through insurance brokers on a year-to-year basis. From April 2020 thru March 2023, CalOptima will be purchasing insurance through Alliant, an insurance broker. CalOptima currently contracts with both Kaiser and Cigna to provide group health insurance coverage for all benefited employees and qualifying retirees. CalOptima also contracts with AmWins to provide Medicare supplemental coverage for qualifying Medicare eligible retirees and their dependents.

By statute, the Board may authorize payment of all, or such portion as it may elect, of premiums for these health and welfare benefits. CalOptima currently pays a portion of the premiums for health and welfare benefits for officers, employees, and eligible retired employees, as well as their eligible dependents. In plan year 2015, there was no increase to the employee contributions because CalOptima received a rate decrease, which, in effect, decreased CalOptima’s contributions towards the premiums. In plan year 2016, there was an increase in premium rates, and CalOptima shared in premium increases, paying a small portion and passing along the remaining increase to employees, averaging roughly a 3% to 4% increase to employee contributions for Kaiser HMO, Cigna HMO, Cigna HDHP, Cigna PPO and Cigna Dental PPO. In plan year 2017, there was an increase in premium rates of 2.3% or \$321,608, and CalOptima absorbed this premium increase. In plan year 2018, there was an increase in premium rates averaging roughly 10%, and CalOptima and the employees shared in the costs of premium rate increases. In plan year 2019, there was a modest increase of 0.8% or \$145,047 that CalOptima absorbed. In plan year 2020, there was an 8% increase in premium rates in the amount of \$1,605,723, and CalOptima and employees shared in the additional costs.

Discussion

On behalf of CalOptima, Alliant negotiated for the renewal of CalOptima’s health and welfare benefits which resulted in a gross decrease of 6.6% or \$1,444,451 for CY 2021. Based on the recommendations below, CalOptima’s share of the total group health and welfare benefits package will result in an annual net decrease of approximately 7.1% or \$1,414,322 for CY 2021, with CalOptima’s share of the premiums totaling approximately \$18,450,819. The proposed change in premiums falls below the regional average, which is experiencing an increase ranging from 4% to 11%. The recommended changes are summarized below:

Benefit	CY 2020	CY 2021	Difference
Medical	\$18,897,399	\$17,583,863	(\$1,313,536)
Wellness Activities	\$20,000	\$25,000	\$5,000

Benefit	CY 2020	CY 2021	Difference
Dental Insurance	\$1,576,027	\$1,440,112	(135,915)
Vision Insurance	\$193,043	\$193,043	\$0
Basic Life and Accidental Death & Dismemberment (AD&D) Insurance	\$49,140	\$49,140	\$0
STD Insurance	\$502,748	\$502,748	\$0
LTD Insurance	\$229,798	\$229,798	\$0
Employee Assistance	\$34,611	\$34,611	\$0
HSA	\$182,500	\$182,500	\$0
Medical Stipends	\$171,600	\$171,600	\$0
Total	\$21,856,866	\$20,412,415	(\$1,444,451)
CalOptima’s Share	\$19,865,141	\$18,450,819	(\$1,414,322)
Employees’ Share	\$1,991,725	\$1,961,596	(\$30,129)
Spousal Surcharge	(\$224,400)	(\$235,900)	(\$11,500)
Cigna Wellness Funding	(\$20,000)	(\$25,000)	(\$5,000)
Cigna Premium Holiday	\$0	(125,000)	(\$125,000)

Additional details are provided by benefit plan for CY 2021 in Attachment A.

Medical

Cigna: Alliant negotiated down the initial renewal offer from Cigna of a 5.5% increase to a proposed decrease of 7.0% or \$630,296 for active employees and eligible retirees. Additionally, staff is recommending that the Cigna Select HMO network plan be added in addition to the current Full Network Cigna HMO plan. Adding the Cigna Select HMO medical plan may further increase the savings to an estimated 11.1% or \$997,760. Savings assumes that current Cigna HMO Full Network enrollees whose primary care providers are part of the Cigna HMO Select plan will migrate from the Full Network to the Select Network. Although the Cigna rates decreased, staff recommends increasing the Full Network Cigna HMO employee contribution rates to align with Kaiser’s employee contribution rate schedule. Cigna has offered a \$125,000 holiday premium (which will result in a \$125,000 reduction in the premium for January).

Kaiser: Kaiser proposed a renewal decrease of 3.2% or \$306,890 in premium reduction for employees and qualifying retirees. The Senior Advantage HMO Plan received a decrease of 10.8% or \$8,850 in premium reduction. Staff recommends employee contribution rates remain the same.

AmWins PPO: AmWINS provides PPO Supplemental coverage to Medicare-eligible retirees and dependents. While AmWINS rates has not yet been released, staff recommends that the employee/retiree contribution rates remain the same level for 2021.

Wellness Funding: Cigna provides a Wellness/Health Improvement Fund to assist in improving the health and productivity of CalOptima’s employees, focusing on behavior change and health status

improvement, and creating a health and wellness program strategy leading toward a culture of well-being. Each year, Cigna informs CalOptima of the amount of funds offered for the upcoming calendar year, and for CY 2021, the provided amount is \$25,000. Cigna has specific guidelines regarding the types of events the Wellness/Health Improvement Fund can be used towards. The funds may be used to reimburse CalOptima for employee health and wellness program expenses, including but not limited to gym discount sponsorships, educational workshops, and employee wellness activities. Cigna also has specific guidelines by which proposed activities are approved and submitted for reimbursement.

For CY 2021, the proposed wellness activities recommended include:

2021 Wellness Program/Event/Activity	Estimated Cost
Wellness Programs (Walk Across America, Pick Your Challenge)	\$5,000.00
Wellness Month (Wellness activities)	\$10,000.00
Customer Service Week	\$5,000.00
Health Education/Wellness Incentives	\$5,000.00
Total	\$25,000.00

Dental

Cigna Dental: Alliant negotiated an overall 8.7% or \$136,435 decrease to premiums for both CalOptima employees and eligible retirees. Staff recommends no change to employee contribution rates, with CalOptima absorbing the savings.

Vision

VSP: Renewal came at no rate change due to a rate guarantee for 2021. Staff recommends no change to employee contributions.

Other Ancillary Plans

Cigna Life & Disability:

Basic Life/AD&D – Renewal came at no rate change due to a rate guarantee for 2021. Staff recommends no change to employee contribution rates.

Voluntary Life/AD&D: Renewal came at no rate change due to a rate guarantee for 2021. Staff recommends no change to employee contribution rates.

Cigna Short Term Disability (STD) and Long Term Disability: Renewal came at no rate change due to a rate guarantee for 2021.

Employee Assistance Program: Renewal came at no rate change due to a rate guarantee for 2021.

Health Savings Account

CalOptima offers a Health Savings Account for employees enrolled in the HDHP medical plan. CalOptima first started offering this medical plan in 2014 and funded the Health Savings Account 100% that same year as an incentive for employees to transition to the Cigna HDHP. The Cigna HDHP is more cost effective and offers the same or comparable benefits as the PPO plan CalOptima previously

offered. As part of the benefits renewal last year, staff eliminated the more expensive PPO plan for employees and retirees who reside in California. To assist with a transition period away from the PPO medical plan to the Cigna HDHP medical plan, staff recommended that CalOptima fund the Health Savings Accounts for CY 2020 on January 1, 2020 for employees who elected the Cigna HDHP medical plan. This strategy was successful as it resulted in 96 employees who enrolled in the HDHP medical plan. For 2021, the PPO plan is limited to only employees residing outside of California; therefore, there is no longer a need to incentivize movement out of the PPO plan by; frontloading CalOptima’s contribution; however, staff recommends CalOptima continue to partially fund the Health Savings Accounts monthly as a tool for attracting and retaining talent. Assuming all employees currently in the plan continue this coverage, the annual amount will be \$182,500.

Medical Stipends

CalOptima offers a medical stipend of \$100 per pay period (for 24 pay periods) as a cost saving measure to CalOptima and an incentive for employees who have medical coverage outside of CalOptima. Employees must submit proof of outside coverage in order to be eligible for this benefit.

Employer and Employee Contribution Comparison

CalOptima’s and individual employee’s share of healthcare premiums differ depending on the employee’s elections. As set forth in the attached presentation, employer premium contributions for full time employees range from 76.7% to 96.8% and the premium contribution rates for employees and retirees range from 3.2% to 23.3%. The methodology used to calculate the employer and employee contributions is intended to aid management in attracting and retaining talented employees. CalOptima’s group health benefits insurance is comparable to the County of Orange with an average of 89.6% employer contribution rate for CalOptima’s employee only coverage, in comparison to the County’s 90% employer contribution rate. However, CalOptima’s employer contribution for employees with dependents is higher than the County of Orange at an average of 87.2% employer contribution rate compared to the County’s 75% employer contribution rate.

Staff Recommendations

Except for the Cigna HMO plans, staff recommends no other changes to the employee/retiree contribution rates. The employee/retiree contribution rates for the Cigna HMO Full Network are proposed to be increased, depending on the tier selected, to align with the Kaiser rates; however, Cigna HMO Select is a new plan that will be offered to employees/retirees at rates that are approximately half of what the Cigna HMO was offered at last year in order to incentivize employees to elect this new option. The proposed employee contribution strategy enables CalOptima to benefit from the reduced premium rates (decrease in CalOptima’s costs from CY 2020 in an estimated amount at \$1,414,322) while still offering employees and eligible retirees options with rates at the same or reduced amount from last year. This recommendation, along with the other recommended actions, are made based on a thorough review by CalOptima’s Human Resources Department to ensure that CalOptima remains competitive with market trends and meets its ongoing obligation to provide a comprehensive benefits package to attract and retain talent.

Fiscal Impact

The fiscal impact for group health insurance policies for CalOptima employees and retirees in CY 2021 is estimated at a total cost not to exceed \$23.0 million. The recommended action to provide group health insurance policies for CalOptima employees and retirees for the period of January 1, 2021, through June 30, 2021, and associated anticipated expenditures are budgeted items in the CalOptima Fiscal Year (FY) 2020-21 Operating Budget approved by the Board on June 4, 2020. Management will include funding for group health insurance policies for the period July 1, 2021 through December 31, 2021, in the CalOptima FY 2021-22 Operating Budget.

Concurrence

Gary Crockett, Chief Counsel

Attachment

- A. CalOptima Presentation – January 2021 Renewal Meeting

/s/ Richard Sanchez
Authorized Signature

09/10/2020
Date



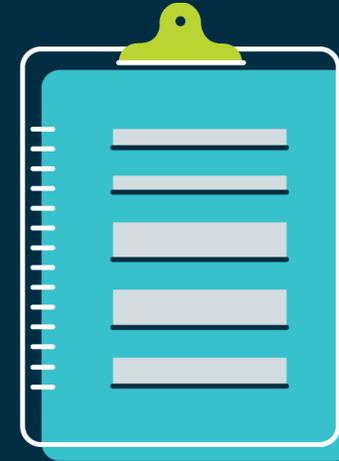
Executive Summary

CalOptima 2021 Renewal

Your partner in new possibilities.

Agenda

- I. 2021 Renewal Recommendation**
 - i. Executive Summary**
 - ii. Financial Overview**
 - iii. Cigna Dual HMO Option**
- II. Recommended Contribution Strategies**
 - I. Medical Plans**
 - II. Ancillary Plans**



2021 Renewal Recommendations

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Executive Summary



Medical Renewal:

Cigna:

- The initial renewal action proposed by Cigna was **+5.5% or \$497,012 in additional premium**. To mitigate this cost increase, CalOptima's new benefit consultant, Alliant, released a request for proposals covering the entire medical market. In response to the marketing results, after several rounds of negotiations, Cigna revised their renewal to a final **-7% decrease or \$630,296 in savings**.
- As a renewal option, Cigna is proposing its Select HMO network in addition to the current Full Network. This renewal option will further increase the savings with an estimated **-11.1% decrease or \$997,760 in savings***
- Both options include a second year rate cap of 12% on the Full HMO and PPO plans, 8% on the Select HMO plan, a \$125,000 premium holiday (or optional service credit) and a \$25,000 wellness fund.

Kaiser Permanente:

- The proposed renewal actions for the Active and Early Retiree HMO plans are a decrease of **-3.2% or \$306,890 reduction in premium**. The Senior Advantage HMO Plan received a **-10.8% or \$8,850 reduction** in premium.

AmWins:

- The AmWins Medicare renewal rates are scheduled to be released in early September.

Recommendation: Renew the current Cigna medical plan, implementing a narrow network HMO plan, in addition to the full network HMO. Renew the Kaiser and AmWins plans for another 12 months.

Executive Summary



Dental Renewal:

Cigna

- The dental plans renewed level for 2021. To ensure competitive pricing, similar to the medical coverage, Alliant released a request for proposals covering the entire dental market. In the light of the marketing results, Cigna revised its initial renewal position and proposed a -8.8% decrease on the dental PPO plan, and -6% decrease on the dental HMO plan, for an overall renewal of **-8.7% decrease or \$136,435 in savings.**

Recommendation: Renew the Cigna dental plans for another 12 months.

Vision Renewal:

- **VSP:** The VSP vision plan is currently in rate guarantee through 12/31/2021.

Recommendation: Renew with VSP for another 12 months.

Life and Disability Renewal:

- **Cigna:** The Cigna Basic Life, AD&D and LTD plans are in a rate guarantee through 12/31/2022, while the STD plan through 12/31/2021.

Recommendation: Renew the life and disability plans with Cigna through the expiration of the rate guarantees.

Executive Summary



FSA & COBRA Administration:

- **WageWorks:** The FSA & COBRA plan administration fees are renewing level for the following plan year.

Recommendation: Renew the administration of these services with WageWorks for another 12 months.

Employee Assistance Program:

- **ACI:** The Employee Assistance Program is in a rate guarantee through 12/31/2022.

Recommendation: Renew the ACI for another 12 months.

Miscellaneous Recommendations:

- **Employer HSA Contribution:** CalOptima to fund the Health Savings Accounts for employees enrolled in the Cigna HDHP with up to an annual amount of \$1,250 for single and \$2,500 for family coverage, contributed on a monthly basis.
- **Medical Waiver Benefit:** keep the benefit amount level at \$200 / month
- **Spousal Surcharge:** Keep the spousal surcharge amount at \$100 / month

Financial Overview

Line of Coverage (Actives & Retirees)	EE's	Current Cost	Final Renewal Cost	% Change
Kaiser HMO - Actives	689	\$9,467,320	\$9,163,806	-3.2%
Kaiser HMO - Early Retirees	5	\$106,354	\$102,942	-3.2%
Kaiser - KPSA	20	\$82,182	\$73,332	-10.8%
AmWins Medicare	30	\$237,892	<i>Renewal Pending</i> \$237,892	0.0%
Cigna HMO - Actives & Early Retirees	411	\$7,289,505	<i>Dual HMO Option</i> \$6,411,735	-12.0%
Cigna OAP (OOS EE's Only)	4	\$124,385	\$115,678	-7.0%
Cigna HDHP	96	\$1,589,761	\$1,478,478	-7.0%
ER Funded HSA (\$1,250 / \$2,500)	96	\$182,500	\$182,500	0.0%
Cigna Dental PPO	1074	\$1,473,522	\$1,343,752	-8.8%
Cigna DHMO	272	\$102,505	\$96,360	-6.0%
VSP Vision	1340	\$193,043	<i>Rate Guarantee</i> \$193,043	0.0%
Cigna Basic Life AD&D	1340	\$49,140	<i>Rate Guarantee</i> \$49,140	0.0%
Cigna STD	1340	\$502,748	<i>Rate Guarantee</i> \$502,748	0.0%
Cigna LTD	1340	\$229,798	<i>Rate Guarantee</i> \$229,798	0.0%
ACI EAP	1317	\$34,611	<i>Rate Guarantee</i> \$34,611	0.0%
Waiving Medical Coverage	143	\$171,600	\$171,600	0.0%
TOTAL ANNUAL PREMIUM		\$21,836,866	\$20,387,416	
<i>Cigna Premium Holiday / Optional Service Credit</i>			<i>-\$125,000</i>	
ADJUSTED ANNUAL PREMIUM		\$21,836,866	\$20,262,416	
ANNUAL DOLLAR CHANGE FROM CURRENT			\$1,574,451	
ANNUAL PERCENTAGE CHANGE FROM CURRENT			7.2%	

NOTE: ER funded HSA assumes the same funding level as current. Medical waiver benefit amount remains the same. Future cost estimated based on current enrollment.

Recommended Cigna Dual HMO Option

Cigna Dual Option HMO Plan

Medical Plan Benefits
Calendar Year Deductible Individual / Family
Annual Out-of-Pocket Maximum Individual / Family
Physician Office Visit
Specialist Copay
Preventative Care
Lab and X-Ray CT, MRI, PET scans Other lab and x-ray tests
Hospitalization Inpatient Outpatient
Emergency Room
Urgent Care Services
Durable Medical Equipment
PRESCRIPTION DRUGS
Rx Out of Pocket Maximum
Retail - 30 day supply
Mail Order - up to 100 day supply

Cigna HMO - Actives & Early Retirees Current / Renewal	
Calendar Year Deductible Individual / Family	None
Annual Out-of-Pocket Maximum Individual / Family	\$1,500 / \$3,000
Physician Office Visit	\$20
Specialist Copay	\$30
Preventative Care	No Charge
Lab and X-Ray CT, MRI, PET scans Other lab and x-ray tests	No Charge No Charge
Hospitalization Inpatient Outpatient	\$250 per admission \$125 per visit
Emergency Room	\$100 (waived if admitted)
Urgent Care Services	\$50
Durable Medical Equipment	No Charge
PRESCRIPTION DRUGS	Generic / Brand / Non- Formulary
Rx Out of Pocket Maximum	Combined with Medical
Retail - 30 day supply	\$15 / \$30 / \$50
Mail Order - up to 100 day supply	\$30 / \$60 / \$100

Dual HMO Option	
Cigna Full HMO Option	Cigna Select HMO Option
Calendar Year Deductible Individual / Family	None
Annual Out-of-Pocket Maximum Individual / Family	\$1,500 / \$3,000
Physician Office Visit	\$20
Specialist Copay	\$30
Preventative Care	No Charge
Lab and X-Ray CT, MRI, PET scans Other lab and x-ray tests	No Charge No Charge
Hospitalization Inpatient Outpatient	\$250 per admission \$125 per visit
Emergency Room	\$100 (waived if admitted)
Urgent Care Services	\$50
Durable Medical Equipment	No Charge
PRESCRIPTION DRUGS	Generic / Brand / Non- Formulary
Rx Out of Pocket Maximum	Combined with Medical
Retail - 30 day supply	\$15 / \$30 / \$50
Mail Order - up to 100 day supply	\$30 / \$60 / \$100

MONTHLY RATES
EE Only
EE + Spouse
EE + Child(ren)
EE + Family

Total	Current	Initial Renewal	Final Renewal	Total
128	\$705.66	\$744.46	\$656.26	64
43	\$1,544.15	\$1,629.05	\$1,436.06	21
97	\$1,394.72	\$1,471.41	\$1,297.09	49
143	\$2,205.93	\$2,327.23	\$2,051.51	71
411				205

Total	Option	Total
64	\$650.05	64
22	\$1,422.47	22
48	\$1,284.82	48
72	\$2,032.10	72
206		206

MONTHLY PREMIUM
ANNUAL PREMIUM

\$607,459	\$640,861	\$564,936
\$7,289,505	\$7,690,328	\$6,779,226

\$278,710
\$3,344,524

\$255,601
\$3,067,210

ANNUAL DOLLAR CHANGE
ANNUAL PERCENT CHANGE

\$400,823	-\$510,279
5.5%	-7.0%

-\$877,771
-12.0%

Enrollment as of 2021 Cigna Renewal

This document is intended as a quick reference, not a comprehensive description. Limitations and exclusions can be found in the official plan documents. In case of any discrepancies, the official plan documents will govern.

Recommended Employer Contributions

Recommended Employer Contributions – Medical Plans

Medical Plans	Lives	Current 2020 Contributions				Lives	2021 Contributions Cigna Dual HMO Option						
		Total	ER Cost	EE Cost	EE %		Total	ER Cost	EE Cost	EE %	EE Cont.		
Kaiser HMO - Actives													
EE Only	254	\$585.70	\$527.13	\$58.57	10.0%	254	\$566.93	\$508.36	\$58.57	10.3%	\$0.00		
EE + Spouse	91	\$1,171.40	\$1,054.26	\$117.14	10.0%	91	\$1,133.86	\$1,016.72	\$117.14	10.3%	\$0.00		
EE + Child(ren)	146	\$1,112.84	\$1,001.56	\$111.28	10.0%	146	\$1,077.16	\$965.88	\$111.28	10.3%	\$0.00		
EE + Family	<u>198</u>	<u>\$1,874.26</u>	<u>\$1,686.83</u>	<u>\$187.43</u>	<u>10.0%</u>	<u>198</u>	<u>\$1,814.16</u>	<u>\$1,626.73</u>	<u>\$187.43</u>	<u>10.3%</u>	\$0.00		
Annual Premium	689	\$9,467,320	\$8,520,585	\$946,734		689	\$9,163,806	\$8,217,072	\$946,734				
Kaiser HMO - Early Retirees													
EE Only	1	\$877.51	\$818.94	\$58.57	6.7%	1	\$849.36	\$790.79	\$58.57	6.9%	\$0.00		
EE + Spouse	2	\$1,755.02	\$1,637.88	\$117.14	6.7%	2	\$1,698.72	\$1,581.58	\$117.14	6.9%	\$0.00		
EE + Child(ren)	1	\$1,667.27	\$1,555.99	\$111.28	6.7%	1	\$1,613.78	\$1,502.50	\$111.28	6.9%	\$0.00		
EE + Family	<u>1</u>	<u>\$2,808.04</u>	<u>\$2,620.61</u>	<u>\$187.43</u>	<u>6.7%</u>	<u>1</u>	<u>\$2,717.94</u>	<u>\$2,530.51</u>	<u>\$187.43</u>	<u>6.9%</u>	\$0.00		
Annual Premium	5	\$106,354	\$99,256	\$7,099		5	\$102,942	\$95,844	\$7,099				
Cigna HMO - Actives & Early Retirees													
EE Only	128	\$705.66	\$668.23	\$37.43	5.3%	64	\$650.05	\$591.48	\$58.57	9.0%	\$21.14		
EE + Spouse	43	\$1,544.15	\$1,449.68	\$94.47	6.1%	21	\$1,422.47	\$1,305.33	\$117.14	8.2%	\$22.67		
EE + Child(ren)	97	\$1,394.72	\$1,309.38	\$85.34	6.1%	49	\$1,284.82	\$1,173.54	\$111.28	8.7%	\$25.95		
EE + Family	<u>143</u>	<u>\$2,205.93</u>	<u>\$2,069.17</u>	<u>\$136.76</u>	<u>6.2%</u>	<u>71</u>	<u>\$2,032.10</u>	<u>\$1,844.67</u>	<u>\$187.43</u>	<u>9.2%</u>	\$50.66		
Annual Premium	411	\$7,289,505	\$6,849,252	\$440,254		205	\$3,344,524	\$3,044,901	\$299,623				
Cigna Select HMO - Actives & Early Retirees													
EE Only	0					64	\$591.55	\$572.83	\$18.72	3.2%	-\$18.72		
EE + Spouse	0					22	\$1,294.45	\$1,247.21	\$47.24	3.6%	-\$47.24		
EE + Child(ren)	0					48	\$1,169.18	\$1,126.51	\$42.67	3.6%	-\$42.67		
EE + Family	<u>0</u>		N/A			<u>72</u>	<u>\$1,849.21</u>	<u>\$1,780.83</u>	<u>\$68.38</u>	<u>3.7%</u>	-\$68.38		
Annual Premium	0					206	\$3,067,210	\$2,956,709	\$110,501				
Cigna OAP (OOS EE's Only)													
EE Only	1	\$1,131.90	\$931.78	\$200.12	17.7%	1	\$1,052.67	\$852.55	\$200.12	19.0%	\$0.00		
EE + Spouse	0	\$2,452.10	\$1,975.61	\$476.49	19.4%	0	\$2,280.45	\$1,803.96	\$476.49	20.9%	\$0.00		
EE + Child(ren)	1	\$2,217.87	\$1,786.90	\$430.97	19.4%	1	\$2,062.62	\$1,631.65	\$430.97	20.9%	\$0.00		
EE + Family	<u>2</u>	<u>\$3,507.84</u>	<u>\$2,793.08</u>	<u>\$714.76</u>	<u>20.4%</u>	<u>2</u>	<u>\$3,262.29</u>	<u>\$2,547.53</u>	<u>\$714.76</u>	<u>21.9%</u>	\$0.00		
Annual Premium	4	\$124,385	\$99,658	\$24,727		4	\$115,678	\$90,951	\$24,727				
Cigna HDHP Actives & Early Retirees													
EE Only	46	\$813.26	\$709.61	\$103.65	12.7%	46	\$756.33	\$652.68	\$103.65	13.7%	\$0.00		
EE + Spouse	16	\$1,707.85	\$1,415.47	\$292.38	17.1%	16	\$1,588.30	\$1,295.92	\$292.38	18.4%	\$0.00		
EE + Child(ren)	17	\$1,545.19	\$1,280.65	\$264.54	17.1%	17	\$1,437.03	\$1,172.49	\$264.54	18.4%	\$0.00		
EE + Family	<u>17</u>	<u>\$2,439.78</u>	<u>\$1,911.11</u>	<u>\$528.67</u>	<u>21.7%</u>	<u>17</u>	<u>\$2,269.00</u>	<u>\$1,740.33</u>	<u>\$528.67</u>	<u>23.3%</u>	\$0.00		
Annual Premium	96	\$1,589,761	\$1,314,596	\$275,164		96	\$1,478,478	\$1,203,314	\$275,164				
Kaiser Sr. Advantage HMO - Medicare Retirees													
EE Only on Medicare	9	\$220.92	\$198.83	\$22.09	10.0%	9	\$197.13	\$175.04	\$22.09	11.2%	\$0.00		
EE + Spouse both on Medicare	<u>11</u>	<u>\$441.84</u>	<u>\$397.66</u>	<u>\$44.18</u>	<u>10.0%</u>	<u>11</u>	<u>\$394.26</u>	<u>\$350.08</u>	<u>\$44.18</u>	<u>11.2%</u>	\$0.00		
Annual Premium	20	\$82,182	\$73,964	\$8,218		20	\$73,332	\$65,114	\$8,218				
AmWins - Medicare Retirees (Renewal Pending)													
EE Only on Medicare	15	\$440.54	\$362.53	\$78.01	17.7%	15	\$440.54	\$362.53	\$78.01	17.7%	\$0.00		
EE + Spouse both on Medicare	<u>15</u>	<u>\$881.08</u>	<u>\$704.18</u>	<u>\$176.90</u>	<u>20.1%</u>	<u>15</u>	<u>\$881.08</u>	<u>\$704.18</u>	<u>\$176.90</u>	<u>20.1%</u>	\$0.00		
Annual Premium	30	\$237,892	\$192,008	\$45,883		30	\$237,892	\$192,008	\$45,883				
MEDICAL TOTAL		\$18,897,399	\$17,149,319	\$1,748,080	9.3%		\$17,583,863	\$15,865,913	\$1,717,951	9.8%			

DOLLAR CHANGE FROM CURRENT YEAR	\$-1,313,536
PERCENT CHANGE FROM CURRENT YEAR	-7.0%

DOLLAR CHANGE FROM CURRENT YEAR	\$-1,283,406
PERCENT CHANGE FROM CURRENT YEAR	-7.5%

Recommendations:

- Kaiser HMO Actives & Early Retirees:** Keep the current employee contributions level for 2021
- Cigna Full HMO (Actives & Early Retirees):** Increase the current employee contributions to match the Kaiser HMO plan.
- Cigna Select HMO (Actives & Early Retirees):** Set the employee contribution level at 50% of the current Cigna Full HMO plan. This will drive enrollment and provide savings for both employees and employer.
- Cigna OAP PPO (OOS Employees) :** Keep the current employee contributions level for 2021
- Cigna HDHP (Actives & Early Retirees):** Keep the current employee contributions level for 2021
- Kaiser Sr. Advantage & AmWins (Medicare Retirees)** Keep the current employee contributions level for 2021

Recommended Employer Contributions – Ancillary

Ancillary Plans	
Cigna Dental PPO	
EE Only	374
EE + Spouse	188
EE + Child(ren)	185
EE + Family	<u>327</u>
Annual Premium	1074
Cigna DHMO	
EE Only	91
EE + Spouse	38
EE + Child(ren)	50
EE + Family	<u>93</u>
Annual Premium	272
VSP Vision	
EE Only	506
EE + Spouse	216
EE + Child(ren)	198
EE + Family	<u>420</u>
Annual Premium	1340
ANCILLARY TOTAL	
DOLLAR CHANGE FROM CURRENT	
PERCENT CHANGE FROM CURRENT	
GRAND TOTAL	
DOLLAR CHANGE FROM CURRENT	
PERCENT CHANGE FROM CURRENT	

	Lives	Current 2020 Contributions			
		Total	ER Cost	EE Cost	EE %
Cigna Dental PPO					
EE Only	374	\$49.47	\$44.27	\$5.20	10.5%
EE + Spouse	188	\$98.28	\$82.56	\$15.72	16.0%
EE + Child(ren)	185	\$126.26	\$106.06	\$20.20	16.0%
EE + Family	<u>327</u>	<u>\$191.00</u>	<u>\$159.46</u>	<u>\$31.54</u>	16.5%
Annual Premium	1074	\$1,473,522	\$1,246,113	\$227,409	
Cigna DHMO					
EE Only	91	\$13.08	\$13.08	\$0.00	0.0%
EE + Spouse	38	\$25.98	\$25.98	\$0.00	0.0%
EE + Child(ren)	50	\$33.38	\$33.38	\$0.00	0.0%
EE + Family	<u>93</u>	<u>\$50.49</u>	<u>\$50.49</u>	<u>\$0.00</u>	0.0%
Annual Premium	272	\$102,505	\$102,505	\$0	
VSP Vision					
EE Only	506	\$7.15	\$7.15	\$0.00	0.0%
EE + Spouse	216	\$11.11	\$10.11	\$1.00	9.0%
EE + Child(ren)	198	\$11.57	\$10.07	\$1.50	13.0%
EE + Family	<u>420</u>	<u>\$18.52</u>	<u>\$16.52</u>	<u>\$2.00</u>	10.8%
Annual Premium	1340	\$193,043	\$176,807	\$16,236	
ANCILLARY TOTAL		\$1,769,070	\$1,525,425	\$243,645	13.8%
DOLLAR CHANGE FROM CURRENT		\$20,666,469	\$18,674,745	\$1,991,725	9.6%
PERCENT CHANGE FROM CURRENT					

	2021 Contributions Cigna Dual HMO Option				
	Total	ER Cost	EE Cost	EE %	EE Cont.
Cigna Dental PPO					
EE Only	\$45.11	\$39.91	\$5.20	11.5%	\$0.00
EE + Spouse	\$89.63	\$73.91	\$15.72	17.5%	\$0.00
EE + Child(ren)	\$115.14	\$94.94	\$20.20	17.5%	\$0.00
EE + Family	<u>\$174.18</u>	<u>\$142.64</u>	<u>\$31.54</u>	<u>18.1%</u>	
Annual Premium	\$1,343,752	\$1,116,343	\$227,409		
Cigna DHMO					
EE Only	\$12.30	\$12.30	\$0.00	0.0%	\$0.00
EE + Spouse	\$24.42	\$24.42	\$0.00	0.0%	\$0.00
EE + Child(ren)	\$31.38	\$31.38	\$0.00	0.0%	\$0.00
EE + Family	<u>\$47.46</u>	<u>\$47.46</u>	<u>\$0.00</u>	<u>0.0%</u>	\$0.00
Annual Premium	\$96,360	\$96,360	\$0		
VSP Vision					
EE Only	\$7.15	\$7.15	\$0.00	0.0%	\$0.00
EE + Spouse	\$11.11	\$10.11	\$1.00	9.0%	\$0.00
EE + Child(ren)	\$11.57	\$10.07	\$1.50	13.0%	\$0.00
EE + Family	<u>\$18.52</u>	<u>\$16.52</u>	<u>\$2.00</u>	<u>10.8%</u>	\$0.00
Annual Premium	\$193,043	\$176,807	\$16,236		
ANCILLARY TOTAL	\$1,633,156	\$1,389,511	\$243,645	14.9%	
DOLLAR CHANGE FROM CURRENT		-\$135,915	-\$135,915	\$0	
PERCENT CHANGE FROM CURRENT		-7.7%	-8.9%	0.0%	
GRAND TOTAL		\$19,217,019	\$17,255,423	\$1,961,595	10.2%
DOLLAR CHANGE FROM CURRENT		-\$1,449,451	-\$1,419,321	-\$30,130	
PERCENT CHANGE FROM CURRENT		-7.0%	-7.6%	-1.5%	

Recommendations:

- **Cigna Dental Plans:** Keep the current employee contributions level for 2021
- **VSP Vision Plan:** Keep the current employee contributions level for 2021



A Public Agency

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Intergovernmental Transfer Overview

Finance and Audit Committee Meeting
September 17, 2020

Candice Gomez, Executive Director, Program Implementation

Intergovernmental Transfer (IGT)

- Background
- Funding Process and Partners
- CalOptima Total to Date
- Funded Projects
- COVID-19 Impact
- IGT 10 Status

IGT Background

- CalOptima has participated in the Department of Health Care Services (DHCS) annual Rate Range IGT since 2010
- IGTs enable CalOptima and our governmental funding partners to receive additional revenue for services to Medi-Cal members
- IGT processes secure additional federal revenue to increase California's Medi-Cal managed care capitation rates
 - IGTs 1–7: Funds must be used to deliver enhanced services to existing Medi-Cal members
 - IGTs 8–10: Funds must be used for Medi-Cal covered services included in CalOptima's DHCS contract for Medi-Cal members

IGT Background (cont.)

- Contributions from eligible community funding partners can be matched through the IGT process up to upper rate range as established by the state's actuaries
- No guarantee of future availability of IGT funds
 - Best suited for one-time investments or as seed capital for new services or initiatives for the benefit of Medi-Cal beneficiaries
- Board-approved spending plans are in place for IGTs 1–9

IGT Funding Process

High-Level Steps:

1. CalOptima receives DHCS notice announcing IGT opportunity.
2. CalOptima secures funding partnership commitments.
3. CalOptima submits Letter of Interest to DHCS listing funding partners and their respective contribution amounts.
4. Funding partners wire their contribution amount and additional 20% fee to DHCS.
5. CMS provides matching funds to DHCS.
6. DHCS sends total amount to CalOptima.
7. From the total amount, CalOptima returns each funding partner's original contribution.
8. From the total amount, CalOptima also reimburses each funding partner's 20% fee and, where applicable, retained amount for Managed Care Organization tax (IGT 1–6 only).
9. Remaining balance of the total amount is split 50/50 between CalOptima and the funding partners or their designees.

Current IGT Funding Partners

- Children and Families Commission of Orange County
- Orange County Health Care Agency
- Orange Fire Department
- Newport Beach Fire Department
- University of California, Irvine

CalOptima Share Totals to Date

IGTs	CalOptima Share	Date Received
IGT 1	\$12.43 million	September 2012
IGT 2	\$8.70 million	June 2013
IGT 3	\$4.88 million	September 2014
IGT 4	\$6.97 million	October 2015 (Classic) March 2016 (MCE)**
IGT 5	\$14.42 million	December 2016
IGT 6	\$15.24 million	September 2017
IGT 7	\$15.91 million	May 2018
IGT 8	\$42.76 million	April 2019
IGT 9	\$43.96 million	April 2020
IGT 10*	TBD	TBD
Total Received	\$165.27 million	

- Estimate; Pending DHCS Guidance ** Medi-Cal Expansion
- Determining unspent funds on closed projects is in progress

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IGT 1-7 Funded Projects

- Funds are available to provide enhanced benefits to existing Medi-Cal members
- Project examples include:
 - Internal initiatives
 - Personal Care Coordinators, member and provider portal, depression screenings, etc.
 - Recuperative care and medical respite services
 - Expand safety net services to support clinics to become Federally Qualified Health Centers
 - Community grants
 - Outpatient mental health services for children, integrate mental health into primary care, medication assistance treatment services, dental services, social determinants of health and food distribution
- Unused funds from closed initiatives may be reallocated by the board to other qualifying enhanced services

IGT 8-9 Funded Projects

- Funds must be used for CalOptima Medi-Cal covered services for our Medi-Cal members, with any expenditures not qualifying as medical expenses counted by the state as part of CalOptima's administrative expenses
- Project examples include:
 - Expanded Office Hours for Member Access
 - Homeless Response Team
 - Hospital Data Exchange
 - Post Acute-Infection Prevention Quality Initiative

IGT 5-7 COVID-19 Impacts

- Staff met with grantees to discuss impacts to their organization and grant deliverables
 - Heavily relying on virtual platforms, halt/decrease in routine care and increase in food and mental health services
 - On June 4, 2020, the Board of Directors approved
 - Eight requests for no-cost extension
 - Three requests for budget line item revisions
 - Two requests for temporary modifications in scope of work
 - Targeting submission of an additional no cost extension at the September 3, 2020, Board of Directors meeting

IGT 10 Status

- On February 6, 2020, the Board of Directors approved CalOptima's pursuit of IGT 10 funding
 - Unlike prior IGTs, IGT 10 will cover an 18-month period
 - Rating period July 1, 2019–June 30, 2020 and July 1–December 31, 2020
 - Due to DHCS transition from fiscal to calendar year budget cycle
- Funder's contributions are estimated to be \$78.6 million*
 - Funders must return final signed agreements to DHCS by September 2020
 - Two separate DHCS wire transfer requests anticipated between April–September 2021
- CalOptima's share is estimated to be \$66 million*
 - CalOptima may receive funds after each rating period wire transfer

* Amounts may change based on actual enrollment and member mix.

IGT 10 Next Steps

- Identify potential focus areas and initiatives
 - Consider member needs, opportunities to enhance Medi-Cal programs and supporting providers
 - Ensure alignment with 2020–2022 Strategic Plan identified priorities and objectives
- Engage stakeholders proposed allocation of IGT 10 funds
- Present final recommendations to the Board of Directors

Our Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



A Public Agency

CalOptima

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Financial Summary

July 31, 2020

Finance and Audit Committee Meeting

September 17, 2020

Nancy Huang, Chief Financial Officer

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FY 2020-21: Consolidated Enrollment

July 2020 MTD

Overall enrollment was 767,745 members

- Actual lower than budget 2,767 or 0.4%
 - Medi-Cal unfavorable to budget 3,226 or 0.4%
 - Temporary Assistance for Needy Families (TANF) unfavorable variance of 5,053
 - Whole-Child Model (WCM) unfavorable variance of 2,858
 - Long-Term Care (LTC) unfavorable variance of 75
 - Medi-Cal Expansion (MCE) favorable variance of 3,130
 - Seniors and Persons With Disabilities (SPD) favorable variance of 1,613
 - Breast and Cervical Cancer Treatment Program (BCCTP) favorable variance of 17

FY 2020-21: Consolidated Enrollment (cont.)

July 2020 MTD

- OneCare Connect favorable to budget 331 or 2.3%
 - OneCare favorable to budget 147 or 10.7%
 - PACE unfavorable to budget 19 or 4.7%
-
- 8,775 increase or 1.2% from June
 - Medi-Cal increase of 8,604
 - OneCare Connect increase of 107
 - OneCare increase of 73
 - PACE decrease of 9

FY 2020-21: Consolidated Revenues

July 2020 MTD

- Actual lower than budget \$8.2 million or 2.6%
 - Medi-Cal unfavorable to budget \$7.0 million or 2.5%
 - Unfavorable volume related variance of \$1.2 million
 - Unfavorable price related variance of \$5.8 million due to revenue from WCM
 - OneCare Connect unfavorable to budget \$1.4 million or 5.3%
 - Favorable volume related variance of \$0.6 million
 - Unfavorable price related variance of \$2.0 million due to Coordinated Care Initiative (CCI) cohort mix and Part D payment reconciliation

FY 2020-21: Consolidated Revenues (cont.)

July 2020 MTD

- OneCare favorable to budget \$0.4 million or 21.2%
 - Favorable volume related variance of \$0.2 million
 - Favorable price related variance of \$0.2 million
- PACE unfavorable to budget \$0.1 million or 2.6%
 - Unfavorable volume related variance of \$0.2 million
 - Favorable price related variance of \$0.1 million

FY 2020-21: Consolidated Medical Expenses

July 2020 MTD

- Actual lower than budget \$6.5 million or 2.1%
 - Medi-Cal favorable variance of \$8.1 million or 2.9%
 - Favorable volume related variance of \$1.2 million
 - Favorable price related variance of \$6.9 million primarily due to decrease in utilization during COVID-19 pandemic
 - Provider Capitation expense favorable variance of \$3.9 million due to Proposition 56
 - Facilities Claims expense favorable variance of \$3.1 million
 - Managed Long Term Services and Supports (MLTSS) expense favorable variance of \$1.2 million
 - Professional Claims expense favorable variance of \$1.1 million
 - Offset by Prescription Drugs expense unfavorable variance of \$2.9 million due to increased utilization

FY 2020-21: Consolidated Medical Expenses (cont.)

July 2020 MTD

- OneCare Connect unfavorable variance of \$2.1 million or 8.1%
 - Unfavorable volume related variance of \$0.6 million
 - Unfavorable price related variance of \$1.5 million
- OneCare unfavorable variance of \$140,749 or 9.3 %
 - Unfavorable volume related variance of \$160,902
 - Favorable price related variance of \$20,153
- PACE favorable variance of \$0.6 million or 18.7%
 - Favorable volume related variance of \$0.1 million
 - Favorable price related variance of \$0.4 million

Medical Loss Ratio

July 2020 MTD

Actual: 97.7%

Budget: 97.2%

FY 2020-21: Consolidated Administrative Expenses

July 2020 MTD

- Actual lower than budget \$1.3 million or 10.1%
 - Salaries, wages and benefits: favorable variance of \$0.1 million
 - Other categories: favorable variance of \$1.2 million

Administrative Loss Ratio

July 2020 MTD

Actual: 3.8%

Budget: 4.1%

FY 2020-21: Change in Net Assets

July 2020 MTD

- (\$3.1) million change in net assets
- \$0.2 million unfavorable to budget
 - Lower than budgeted revenue of \$8.2 million
 - Lower than budgeted medical expenses of \$6.5 million
 - Lower than budgeted administrative expenses of \$1.3 million
 - Higher than budgeted investment and other income of \$0.1 million

Enrollment Summary: July 2020

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
<u>Actual</u>	<u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
112,390	110,777	1,613	1.5%	SPD	112,390	110,777	1,613	1.5%
510	493	17	3.4%	BCCTP	510	493	17	3.4%
288,238	297,353	(9,115)	(3.1%)	TANF Child	288,238	297,353	(9,115)	(3.1%)
93,572	89,510	4,062	4.5%	TANF Adult	93,572	89,510	4,062	4.5%
3,430	3,505	(75)	(2.1%)	LTC	3,430	3,505	(75)	(2.1%)
244,159	241,029	3,130	1.3%	MCE	244,159	241,029	3,130	1.3%
9,074	11,932	(2,858)	(24.0%)	WCM	9,074	11,932	(2,858)	(24.0%)
751,373	754,599	(3,226)	(0.4%)	Medi-Cal Total	751,373	754,599	(3,226)	(0.4%)
14,465	14,134	331	2.3%	OneCare Connect	14,465	14,134	331	2.3%
1,525	1,378	147	10.7%	OneCare	1,525	1,378	147	10.7%
382	401	(19)	(4.7%)	PACE	382	401	(19)	(4.7%)
767,745	770,512	(2,767)	(0.4%)	CalOptima Total	767,745	770,512	(2,767)	(0.4%)

Financial Highlights: July 2020

Month-to-Date			
Actual	Budget	\$ Variance	% Variance
767,745	770,512	(2,767)	(0.4%)
308,706,210	316,857,646	(8,151,436)	(2.6%)
301,473,585	307,960,102	6,486,517	2.1%
11,767,983	13,084,203	1,316,220	10.1%
(4,535,357)	(4,186,659)	(348,698)	(8.3%)
1,386,587	1,250,000	136,587	10.9%
(3,148,770)	(2,936,659)	(212,111)	(7.2%)
97.7%	97.2%	(0.5%)	
3.8%	4.1%	0.3%	
<u>(1.5%)</u>	<u>(1.3%)</u>	(0.1%)	
100.0%	100.0%		

Year-to-Date				
Actual	Budget	\$ Variance	% Variance	
Member Months	767,745	770,512	(2,767)	(0.4%)
Revenues	308,706,210	316,857,646	(8,151,436)	(2.6%)
Medical Expenses	301,473,585	307,960,102	6,486,517	2.1%
Administrative Expenses	11,767,983	13,084,203	1,316,220	10.1%
Operating Margin	(4,535,357)	(4,186,659)	(348,698)	(8.3%)
Non Operating Income (Loss)	1,386,587	1,250,000	136,587	10.9%
Change in Net Assets	(3,148,770)	(2,936,659)	(212,111)	(7.2%)
Medical Loss Ratio	97.7%	97.2%	(0.5%)	
Administrative Loss Ratio	3.8%	4.1%	0.3%	
Operating Margin Ratio	<u>(1.5%)</u>	<u>(1.3%)</u>	(0.1%)	
Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: July 2020 (in millions)

	MONTH-TO-DATE		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Medi-Cal	(1.0)	(3.3)	2.3
OCC	(4.4)	(1.1)	(3.3)
OneCare	0.2	0.0	0.2
<u>PACE</u>	<u>0.6</u>	<u>0.1</u>	<u>0.5</u>
Operating	(4.5)	(4.2)	(0.3)
<u>Inv./Rental Inc, MCO tax</u>	<u>1.4</u>	<u>1.3</u>	<u>0.1</u>
Non-Operating	1.4	1.3	0.1
TOTAL	(3.1)	(2.9)	(0.2)

Consolidated Revenue & Expenses: July 2020 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	498,140	244,159	9,074	751,373	14,465	1,525	382	767,745
REVENUES								
Capitation Revenue	147,685,707	\$ 113,197,214	\$ 17,950,465	\$ 278,833,386	\$ 24,646,229	\$ 2,051,576	\$ 3,175,020	\$ 308,706,210
Total Operating Revenue	147,685,707	113,197,214	17,950,465	278,833,386	24,646,229	2,051,576	3,175,020	308,706,210
MEDICAL EXPENSES								
Provider Capitation	37,659,860	41,694,348	11,079,395	90,433,603	11,272,044	556,918		102,262,565
Facilities	25,401,569	24,453,376	4,088,740	53,943,685	4,970,703	428,483	645,971	59,988,842
Professional Claims	20,212,494	9,755,941	1,351,304	31,319,739	1,067,892	95,750	521,466	33,004,847
Prescription Drugs	21,459,900	25,071,494	2,325,458	48,856,852	6,855,415	480,805	271,574	56,464,647
MLTSS	34,881,885	2,819,047	1,445,936	39,146,868	1,846,604	51,695	(2,845)	41,042,322
Medical Management	2,608,133	1,463,337	309,334	4,380,804	1,165,545	35,421	836,720	6,418,490
Quality Incentives	777,464	454,673	31,542	1,263,679	212,415		4,775	1,480,869
Reinsurance & Other	353,965	183,358	11,011	548,333	136,212		126,458	811,003
Total Medical Expenses	143,355,270	105,895,573	20,642,720	269,893,563	27,526,830	1,649,072	2,404,119	301,473,585
Medical Loss Ratio	97.1%	93.5%	115.0%	96.8%	111.7%	80.4%	75.7%	97.7%
GROSS MARGIN	4,330,437	7,301,640	(2,692,254)	8,939,822	(2,880,601)	402,503	770,901	7,232,626
ADMINISTRATIVE EXPENSES								
Salaries & Benefits				7,226,965	753,773	102,284	134,473	8,217,495
Professional fees				290,786	5,333	16,000	40	312,159
Purchased services				721,866	93,431	827	2,603	818,727
Printing & Postage				248,656	63,615	6,153	4,262	322,685
Depreciation & Amortization				294,845			2,089	296,934
Other expenses				1,392,334	42,544		1,405	1,436,283
Indirect cost allocation & Occupancy				(229,074)	553,492	35,185	4,097	363,700
Total Administrative Expenses				9,946,377	1,512,188	160,448	148,970	11,767,983
Admin Loss Ratio				3.6%	6.1%	7.8%	4.7%	3.8%
INCOME (LOSS) FROM OPERATIONS				(1,006,555)	(4,392,788)	242,055	621,931	(4,535,357)
INVESTMENT INCOME								2,150,661
TOTAL MCO TAX				(769,436)				(769,436)
TOTAL GRANT INCOME				5,288				5,288
OTHER INCOME				75				75
CHANGE IN NET ASSETS				\$ (1,770,629)	\$ (4,392,788)	\$ 242,055	\$ 621,931	\$ (3,148,770)
BUDGETED CHANGE IN NET ASSETS				(3,289,595)	(1,088,863)	44,208	147,591	(2,936,659)
VARIANCE TO BUDGET - FAV (UNFAV)				\$ 1,518,966	\$ (3,303,925)	\$ 197,847	\$ 474,340	\$ (212,111)

Balance Sheet: as of July 31, 2020

ASSETS

Current Assets	
Operating Cash	\$458,374,737
Investments	690,461,039
Capitation receivable	325,603,665
Receivables - Other	44,422,192
Prepaid expenses	7,166,364
Total Current Assets	<u>1,526,027,996</u>
Capital Assets	
Furniture & Equipment	39,890,502
Building/Leasehold Improvements	9,779,070
505 City Parkway West	51,620,226
	<u>101,289,798</u>
Less: accumulated depreciation	(53,811,879)
Capital assets, net	<u>47,477,919</u>
Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	57,198,913
Board-designated assets:	
Cash and Cash Equivalents	3,775,421
Long-term Investments	582,703,374
Total Board-designated Assets	<u>586,478,794</u>
Total Other Assets	<u>643,977,707</u>
TOTAL ASSETS	<u>2,217,483,622</u>
Deferred Outflows	
Contributions	1,047,297
Difference in Experience	4,280,308
Excess Earning	-
Changes in Assumptions	5,060,465
OPEB 75 Changes in Assumptions	703,000
Pension Contributions	570,000
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>2,229,144,692</u>

LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$86,044,382
Medical Claims liability	856,938,052
Accrued Payroll Liabilities	15,499,386
Deferred Revenue	47,248,663
Deferred Lease Obligations	160,858
Capitation and Withholds	141,513,332
Total Current Liabilities	<u>1,147,404,672</u>
Other (than pensions) post employment benefits liability	
	25,860,096
Net Pension Liabilities	27,220,125
Bldg 505 Development Rights	-
TOTAL LIABILITIES	<u>1,200,484,893</u>
Deferred Inflows	
Excess Earnings	506,547
OPEB 75 Difference in Experience	804,000
Change in Assumptions	3,728,725
OPEB Changes in Assumptions	1,638,000
Net Position	
TNE	101,080,707
Funds in Excess of TNE	920,901,820
TOTAL NET POSITION	<u>1,021,982,527</u>
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	<u>2,229,144,692</u>



Board Designated Reserve and TNE Analysis: as of July 31, 2020

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	160,471,248				
	Tier 1 - MetLife	159,222,998				
	Tier 1 - Wells Capital	159,645,487				
Board-designated Reserve						
		479,339,733	318,017,181	497,630,561	161,322,552	(18,290,829)
TNE Requirement	Tier 2 - MetLife	107,139,062	101,080,707	101,080,707	6,058,354	6,058,354
	Consolidated:	586,478,794	419,097,888	598,711,268	167,380,906	(12,232,474)
	<i>Current reserve level</i>	<i>1.96</i>	<i>1.40</i>	<i>2.00</i>		

Our Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



CalOptima
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UNAUDITED FINANCIAL STATEMENTS

July 31, 2020

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**CalOptima - Consolidated
Financial Highlights
For the One Month Ended July 31, 2020**

Month-to-Date			
Actual	Budget	\$ Variance	% Variance
767,745	770,512	(2,767)	(0.4%)
308,706,210	316,857,646	(8,151,436)	(2.6%)
301,473,585	307,960,102	6,486,517	2.1%
11,767,983	13,084,203	1,316,220	10.1%
(4,535,357)	(4,186,659)	(348,698)	(8.3%)
1,386,587	1,250,000	136,587	10.9%
(3,148,770)	(2,936,659)	(212,111)	(7.2%)
97.7%	97.2%	(0.5%)	
3.8%	4.1%	0.3%	
<u>(1.5%)</u>	<u>(1.3%)</u>	(0.1%)	
100.0%	100.0%		

Year-to-Date			
Actual	Budget	\$ Variance	% Variance
767,745	770,512	(2,767)	(0.4%)
308,706,210	316,857,646	(8,151,436)	(2.6%)
301,473,585	307,960,102	6,486,517	2.1%
11,767,983	13,084,203	1,316,220	10.1%
(4,535,357)	(4,186,659)	(348,698)	(8.3%)
1,386,587	1,250,000	136,587	10.9%
(3,148,770)	(2,936,659)	(212,111)	(7.2%)
97.7%	97.2%	(0.5%)	
3.8%	4.1%	0.3%	
<u>(1.5%)</u>	<u>(1.3%)</u>	(0.1%)	
100.0%	100.0%		

CalOptima
Financial Dashboard
For the One Month Ended July 31, 2020

MONTH - TO - DATE

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	751,373	754,599 ↓	(3,226)	(0.4%)
OneCare Connect	14,465	14,134 ↑	331	2.3%
OneCare	1,525	1,378 ↑	147	10.7%
PACE	382	401 ↓	(19)	(4.7%)
Total	767,745	770,512 ↓	(2,767)	(0.4%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (1,771)	\$ (3,290) ↑	\$ 1,519	46.2%
OneCare Connect	(4,393)	(1,089) ↓	(3,304)	(303.4%)
OneCare	242	44 ↑	198	450.0%
PACE	622	148 ↑	474	320.3%
505 Bldg.	-	- ↑	-	0.0%
Investment Income	2,151	1,250 ↑	901	72.1%
Total	\$ (3,149)	\$ (2,937) ↓	\$ (212)	(7.2%)

MLR	Actual	Budget	% Point Var
Medi-Cal	96.8%	97.3% ↑	0.5
OneCare Connect	111.7%	97.8% ↓	(13.8)
OneCare	80.4%	89.1% ↑	8.8

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 9,946	\$ 11,137 ↑	\$ 1,190	10.7%
OneCare Connect	1,512	1,650 ↑	138	8.3%
OneCare	160	140 ↓	(21)	(14.9%)
PACE	149	158 ↑	9	5.8%
Total	\$ 11,768	\$ 13,084 ↑	\$ 1,316	10.1%

Total FTE's Month	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,097	1,161	64
OneCare Connect	195	210	15
OneCare	10	9	(0)
PACE	88	116	28
Total	1,389	1,496	107

MM per FTE	Actual	Budget	Fav / (Unfav)
Medi-Cal	685	650	35
OneCare Connect	74	67	7
OneCare	156	148	8
PACE	4	3	1
Total	920	869	51

YEAR - TO - DATE

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	751,373	754,599 ↓	(3,226)	(0.4%)
OneCare Connect	14,465	14,134 ↑	331	2.3%
OneCare	1,525	1,378 ↑	147	10.7%
PACE	382	401 ↓	(19)	(4.7%)
Total	767,745	770,512 ↓	(2,767)	(0.4%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (1,771)	\$ (3,290) ↑	\$ 1,519	46.2%
OneCare Connect	(4,393)	(1,089) ↓	(3,304)	(303.4%)
OneCare	242	44 ↑	198	450.0%
PACE	622	148 ↑	474	320.3%
505 Bldg.	-	- ↑	-	0.0%
Investment Income	2,151	1,250 ↑	901	72.1%
Total	\$ (3,149)	\$ (2,937) ↓	\$ (212)	(7.2%)

MLR	Actual	Budget	% Point Var
Medi-Cal	96.8%	97.3% ↑	0.5
OneCare Connect	111.7%	97.8% ↓	(13.8)
OneCare	80.4%	89.1% ↑	8.8

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 9,946	\$ 11,137 ↑	\$ 1,190	10.7%
OneCare Connect	1,512	1,650 ↑	138	8.3%
OneCare	160	140 ↓	(21)	(14.9%)
PACE	149	158 ↑	9	5.8%
Total	\$ 11,768	\$ 13,084 ↑	\$ 1,316	10.1%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,097	1,161	64
OneCare Connect	195	210	15
OneCare	10	9	(0)
PACE	88	116	28
Total	1,389	1,496	107

MM per FTE	Actual	Budget	Fav / (Unfav)
Medi-Cal	685	650	35
OneCare Connect	74	67	7
OneCare	156	148	8
PACE	4	3	1
Total	920	869	51

CalOptima - Consolidated
Statement of Revenues and Expenses
For the One Month Ended July 31, 2020

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	767,745		770,512		(2,767)	
REVENUE						
Medi-Cal	\$ 278,833,386	\$ 371.10	\$ 285,872,280	\$ 378.84	\$ (7,038,894)	\$ (7.74)
OneCare Connect	24,646,229	1,703.85	26,031,993	1,841.80	(1,385,764)	(137.95)
OneCare	2,051,576	1,345.30	1,692,116	1,227.95	359,460	117.35
PACE	3,175,020	8,311.57	3,261,257	8,132.81	(86,237)	178.76
Total Operating Revenue	<u>308,706,210</u>	<u>402.09</u>	<u>316,857,646</u>	<u>411.23</u>	<u>(8,151,436)</u>	<u>(9.14)</u>
MEDICAL EXPENSES						
Medi-Cal	269,893,563	359.20	278,025,123	368.44	8,131,560	9.24
OneCare Connect	27,526,830	1,903.00	25,471,121	1,802.12	(2,055,709)	(100.88)
OneCare	1,649,072	1,081.36	1,508,323	1,094.57	(140,749)	13.21
PACE	2,404,119	6,293.51	2,955,535	7,370.41	551,416	1,076.90
Total Medical Expenses	<u>301,473,585</u>	<u>392.67</u>	<u>307,960,102</u>	<u>399.68</u>	<u>6,486,517</u>	<u>7.01</u>
GROSS MARGIN	7,232,626	9.42	8,897,544	11.55	(1,664,918)	(2.13)
ADMINISTRATIVE EXPENSES						
Salaries and benefits	8,217,495	10.70	8,324,497	10.80	107,002	0.10
Professional fees	312,159	0.41	369,346	0.48	57,187	0.07
Purchased services	818,727	1.07	1,277,205	1.66	458,478	0.59
Printing & Postage	322,685	0.42	569,735	0.74	247,050	0.32
Depreciation & Amortization	296,934	0.39	460,570	0.60	163,636	0.21
Other expenses	1,436,283	1.87	1,696,661	2.20	260,378	0.33
Indirect cost allocation & Occupancy expense	363,700	0.47	386,189	0.50	22,489	0.03
Total Administrative Expenses	<u>11,767,983</u>	<u>15.33</u>	<u>13,084,203</u>	<u>16.98</u>	<u>1,316,220</u>	<u>1.65</u>
INCOME (LOSS) FROM OPERATIONS	(4,535,357)	(5.91)	(4,186,659)	(5.43)	(348,698)	(0.48)
INVESTMENT INCOME						
Interest income	1,329,516	1.73	1,250,000	1.62	79,516	0.11
Realized gain/(loss) on investments	1,246,869	1.62	-	-	1,246,869	1.62
Unrealized gain/(loss) on investments	(425,724)	(0.55)	-	-	(425,724)	(0.55)
Total Investment Income	<u>2,150,661</u>	<u>2.80</u>	<u>1,250,000</u>	<u>1.62</u>	<u>900,661</u>	<u>1.18</u>
TOTAL MCO TAX	(769,436)	(1.00)	-	-	(769,436)	(1.00)
TOTAL GRANT INCOME	5,288	0.01	-	-	5,288	0.01
OTHER INCOME	75	-	-	-	75	-
CHANGE IN NET ASSETS	<u>(3,148,770)</u>	<u>(4.10)</u>	<u>(2,936,659)</u>	<u>(3.81)</u>	<u>(212,111)</u>	<u>(0.29)</u>
MEDICAL LOSS RATIO	97.7%		97.2%		-0.5%	
ADMINISTRATIVE LOSS RATIO	3.8%		4.1%		0.3%	

**CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended July 31, 2020**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
MEMBER MONTHS	498,140	244,159	9,074	751,373	14,465	1,525	382	767,745
REVENUES								
Capitation Revenue	147,685,707	\$ 113,197,214	\$ 17,950,465	\$ 278,833,386	\$ 24,646,229	\$ 2,051,576	\$ 3,175,020	\$ 308,706,210
Total Operating Revenue	<u>147,685,707</u>	<u>113,197,214</u>	<u>17,950,465</u>	<u>278,833,386</u>	<u>24,646,229</u>	<u>2,051,576</u>	<u>3,175,020</u>	<u>308,706,210</u>
MEDICAL EXPENSES								
Provider Capitation	37,659,860	41,694,348	11,079,395	90,433,603	11,272,044	556,918		102,262,565
Facilities	25,401,569	24,453,376	4,088,740	53,943,685	4,970,703	428,483	645,971	59,988,842
Professional Claims	20,212,494	9,755,941	1,351,304	31,319,739	1,067,892	95,750	521,466	33,004,847
Prescription Drugs	21,459,900	25,071,494	2,325,458	48,856,852	6,855,415	480,805	271,574	56,464,647
MLTSS	34,881,885	2,819,047	1,445,936	39,146,868	1,846,604	51,695	(2,845)	41,042,322
Medical Management	2,608,133	1,463,337	309,334	4,380,804	1,165,545	35,421	836,720	6,418,490
Quality Incentives	777,464	454,673	31,542	1,263,679	212,415		4,775	1,480,869
Reinsurance & Other	353,965	183,358	11,011	548,333	136,212		126,458	811,003
Total Medical Expenses	<u>143,355,270</u>	<u>105,895,573</u>	<u>20,642,720</u>	<u>269,893,563</u>	<u>27,526,830</u>	<u>1,649,072</u>	<u>2,404,119</u>	<u>301,473,585</u>
Medical Loss Ratio	97.1%	93.5%	115.0%	96.8%	111.7%	80.4%	75.7%	97.7%
GROSS MARGIN	4,330,437	7,301,640	(2,692,254)	8,939,822	(2,880,601)	402,503	770,901	7,232,626
ADMINISTRATIVE EXPENSES								
Salaries & Benefits				7,226,965	753,773	102,284	134,473	8,217,495
Professional fees				290,786	5,333	16,000	40	312,159
Purchased services				721,866	93,431	827	2,603	818,727
Printing & Postage				248,656	63,615	6,153	4,262	322,685
Depreciation & Amortization				294,845			2,089	296,934
Other expenses				1,392,334	42,544		1,405	1,436,283
Indirect cost allocation & Occupancy				(229,074)	553,492	35,185	4,097	363,700
Total Administrative Expenses				<u>9,946,377</u>	<u>1,512,188</u>	<u>160,448</u>	<u>148,970</u>	<u>11,767,983</u>
Admin Loss Ratio				3.6%	6.1%	7.8%	4.7%	3.8%
INCOME (LOSS) FROM OPERATIONS				(1,006,555)	(4,392,788)	242,055	621,931	(4,535,357)
INVESTMENT INCOME								2,150,661
TOTAL MCO TAX				(769,436)				(769,436)
TOTAL GRANT INCOME				5,288				5,288
OTHER INCOME				75				75
CHANGE IN NET ASSETS				<u>\$ (1,770,629)</u>	<u>\$ (4,392,788)</u>	<u>\$ 242,055</u>	<u>\$ 621,931</u>	<u>\$ (3,148,770)</u>
BUDGETED CHANGE IN NET ASSETS				(3,289,595)	(1,088,863)	44,208	147,591	(2,936,659)
VARIANCE TO BUDGET - FAV (UNFAV)				<u>\$ 1,518,966</u>	<u>\$ (3,303,925)</u>	<u>\$ 197,847</u>	<u>\$ 474,340</u>	<u>\$ (212,111)</u>

July 31, 2020 Unaudited Financial Statements

SUMMARY MONTHLY RESULTS:

- Change in Net Assets is (\$3.1) million, \$0.2 million unfavorable to budget
- Operating deficit is \$4.5 million, with a surplus in non-operating income of \$1.4 million

Change in Net Assets by Line of Business (LOB) (\$ millions)

	MONTH-TO-DATE		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Medi-Cal	(1.0)	(3.3)	2.3
OCC	(4.4)	(1.1)	(3.3)
OneCare	0.2	0.0	0.2
<u>PACE</u>	<u>0.6</u>	<u>0.1</u>	<u>0.5</u>
Operating	(4.5)	(4.2)	(0.3)
<u>Inv./Rental Inc, MCO tax</u>	<u>1.4</u>	<u>1.3</u>	<u>0.1</u>
Non-Operating	1.4	1.3	0.1
TOTAL	(3.1)	(2.9)	(0.2)

**CalOptima - Consolidated
Enrollment Summary
For the One Month Ended July 31, 2020**

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
112,390	110,777	1,613	1.5%	SPD	112,390	110,777	1,613	1.5%
510	493	17	3.4%	BCCTP	510	493	17	3.4%
288,238	297,353	(9,115)	(3.1%)	TANF Child	288,238	297,353	(9,115)	(3.1%)
93,572	89,510	4,062	4.5%	TANF Adult	93,572	89,510	4,062	4.5%
3,430	3,505	(75)	(2.1%)	LTC	3,430	3,505	(75)	(2.1%)
244,159	241,029	3,130	1.3%	MCE	244,159	241,029	3,130	1.3%
9,074	11,932	(2,858)	(24.0%)	WCM	9,074	11,932	(2,858)	(24.0%)
751,373	754,599	(3,226)	(0.4%)	Medi-Cal Total	751,373	754,599	(3,226)	(0.4%)
14,465	14,134	331	2.3%	OneCare Connect	14,465	14,134	331	2.3%
1,525	1,378	147	10.7%	OneCare	1,525	1,378	147	10.7%
382	401	(19)	(4.7%)	PACE	382	401	(19)	(4.7%)
767,745	770,512	(2,767)	(0.4%)	CalOptima Total	767,745	770,512	(2,767)	(0.4%)

				Enrollment (by Network)				
170,375	168,571	1,804	1.1%	HMO	170,375	168,571	1,804	1.1%
214,083	217,310	(3,227)	(1.5%)	PHC	214,083	217,310	(3,227)	(1.5%)
181,139	183,002	(1,863)	(1.0%)	Shared Risk Group	181,139	183,002	(1,863)	(1.0%)
185,776	185,716	60	0.0%	Fee for Service	185,776	185,716	60	0.0%
751,373	754,599	(3,226)	(0.4%)	Medi-Cal Total	751,373	754,599	(3,226)	(0.4%)
14,465	14,134	331	2.3%	OneCare Connect	14,465	14,134	331	2.3%
1,525	1,378	147	10.7%	OneCare	1,525	1,378	147	10.7%
382	401	(19)	(4.7%)	PACE	382	401	(19)	(4.7%)
767,745	770,512	(2,767)	(0.4%)	CalOptima Total	767,745	770,512	(2,767)	(0.4%)

CalOptima
Enrollment Trend by Network
Fiscal Year 2021

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	YTD Actual	YTD Budget	Variance
HMOs															
SPD	10,536												10,536	10,357	179
BCCTP	1												1	1	0
TANF Child	54,644												54,644	56,213	(1,569)
TANF Adult	29,033												29,033	28,268	765
LTC	(1)												(1)	2	(3)
MCE	74,441												74,441	71,685	2,756
WCM	1,721												1,721	2,045	(324)
Total	170,375												170,375	168,571	1,804
PHCs															
SPD	7,145												7,145	7,023	122
BCCTP													-		0
TANF Child	149,810												149,810	153,891	(4,081)
TANF Adult	11,688												11,688	10,952	736
LTC													-	1	(1)
MCE	39,815												39,815	38,260	1,555
WCM	5,625												5,625	7,183	(1,558)
Total	214,083												214,083	217,310	(3,227)
Shared Risk Groups															
SPD	10,264												10,264	10,207	57
BCCTP													-		0
TANF Child	58,289												58,289	61,552	(3,263)
TANF Adult	28,914												28,914	28,257	657
LTC	1												1	2	(1)
MCE	82,747												82,747	81,291	1,456
WCM	924												924	1,693	(769)
Total	181,139												181,139	183,002	(1,863)
Fee for Service (Dual)															
SPD	74,615												74,615	73,373	1,242
BCCTP	12												12	17	(5)
TANF Child	1												1	2	(1)
TANF Adult	909												909	946	(37)
LTC	3,079												3,079	3,157	(78)
MCE	1,658												1,658	1,289	369
WCM	13												13	13	0
Total	80,287												80,287	78,797	1,490
Fee for Service (Non-Dual - Total)															
SPD	9,830												9,830	9,817	13
BCCTP	497												497	475	22
TANF Child	25,494												25,494	25,695	(201)
TANF Adult	23,028												23,028	21,087	1,941
LTC	351												351	343	8
MCE	45,498												45,498	48,504	(3,006)
WCM	791												791	998	(207)
Total	105,489												105,489	106,919	(1,430)
Total Medi-Cal MM															
SPD	112,390												112,390	110,777	1,613
BCCTP	510												510	493	17
TANF Child	288,238												288,238	297,353	(9,115)
TANF Adult	93,572												93,572	89,510	4,062
LTC	3,430												3,430	3,505	(75)
MCE	244,159												244,159	241,029	3,130
WCM	9,074												9,074	11,932	(2,858)
Total Medi-Cal MM	751,373												751,373	754,599	(3,226)
OneCare Connect															
	14,465												14,465	14,134	331
OneCare															
	1,525												1,525	1,378	147
PACE															
	382												382	401	(19)
Grand Total	767,745												767,745	770,512	(2,767)

ENROLLMENT:

Overall, July enrollment was 767,745

- Unfavorable to budget 2,767 or 0.4%
- Increased 8,775 or 1.2% from prior month (PM) (June 2020)
- Increased 11,852 or 1.6% from prior year (PY) (July 2019)

Medi-Cal enrollment was 751,373

- Unfavorable to budget 3,226 or 0.4%
 - Temporary Assistance for Needy Families (TANF) unfavorable 5,053
 - Whole Child Model (WCM) unfavorable 2,858
 - Long-Term Care (LTC) unfavorable 75
 - Medi-Cal Expansion (MCE) favorable 3,130
 - Seniors and Persons with Disabilities (SPD) favorable 1,613
 - Breast and Cervical Cancer Treatment Program (BCCTP) favorable 17
- Increased 8,604 from PM

OneCare Connect enrollment was 14,465

- Favorable to budget 331 or 2.3%
- Increased 107 from PM

OneCare enrollment was 1,525

- Favorable to budget 147 or 10.7%
- Increased 73 from PM

PACE enrollment was 382

- Unfavorable to budget 19 or 4.7%
- Decreased 9 from PM

**CalOptima
Medi-Cal Total
Statement of Revenues and Expenses
For the One Month Ending July 31, 2020**

Month			
Actual	Budget	\$ Variance	% Variance
751,373	754,599	(3,226)	(0.4%)
278,833,386	285,872,280	(7,038,894)	(2.5%)
-	-	-	0.0%
278,833,386	285,872,280	(7,038,894)	(2.5%)
91,697,282	95,986,474	4,289,192	4.5%
53,943,685	57,300,716	3,357,031	5.9%
31,319,739	32,524,271	1,204,532	3.7%
48,856,852	46,148,336	(2,708,516)	(5.9%)
39,146,868	40,541,546	1,394,678	3.4%
4,380,804	4,919,774	538,970	11.0%
548,333	604,006	55,673	9.2%
269,893,563	278,025,123	8,131,560	2.9%
8,939,822	7,847,157	1,092,665	13.9%
7,226,965	7,306,672	79,707	1.1%
290,786	313,097	22,311	7.1%
721,866	1,146,267	424,401	37.0%
248,656	443,433	194,777	43.9%
294,845	458,500	163,655	35.7%
1,392,334	1,675,666	283,332	16.9%
(229,074)	(206,883)	22,191	10.7%
9,946,377	11,136,752	1,190,375	10.7%
11,699,314	14,617,725	(2,918,411)	(20.0%)
12,468,750	14,617,725	2,148,975	0.0%
(769,436)	-	(769,436)	0.0%
35,250	-	35,250	0.0%
29,963	-	(29,963)	0.0%
-	-	-	0.0%
5,288	-	5,288	0.0%
75	-	75	0.0%
(1,770,629)	(3,289,595)	1,518,966	46.2%

96.8% 97.3% 0.5% 0.5%
3.6% 3.9% 0.3% 8.4%

Year to Date			
Actual	Budget	\$ Variance	% Variance
751,373	754,599	(3,226)	(0.4%)
278,833,386	285,872,280	(7,038,894)	(2.5%)
-	-	-	0.0%
278,833,386	285,872,280	(7,038,894)	(2.5%)
91,697,282	95,986,474	4,289,192	4.5%
53,943,685	57,300,716	3,357,031	5.9%
31,319,739	32,524,271	1,204,532	3.7%
48,856,852	46,148,336	(2,708,516)	(5.9%)
39,146,868	40,541,546	1,394,678	3.4%
4,380,804	4,919,774	538,970	11.0%
548,333	604,006	55,673	9.2%
269,893,563	278,025,123	8,131,560	2.9%
8,939,822	7,847,157	1,092,665	13.9%
7,226,965	7,306,672	79,707	1.1%
290,786	313,097	22,311	7.1%
721,866	1,146,267	424,401	37.0%
248,656	443,433	194,777	43.9%
294,845	458,500	163,655	35.7%
1,392,334	1,675,666	283,332	16.9%
(229,074)	(206,883)	22,191	10.7%
9,946,377	11,136,752	1,190,375	10.7%
11,699,314	14,617,725	(2,918,411)	(20.0%)
12,468,750	14,617,725	2,148,975	0.0%
(769,436)	-	(769,436)	0.0%
35,250	-	35,250	0.0%
29,963	-	(29,963)	0.0%
-	-	-	0.0%
5,288	-	5,288	0.0%
75	-	75	0.0%
(1,770,629)	(3,289,595)	1,518,966	46.2%

96.8% 97.3% 0.5% 0.5%
3.6% 3.9% 0.3% 8.4%

MEDI-CAL INCOME STATEMENT – JULY MONTH:

REVENUES of \$278.8 million are unfavorable to budget \$7.0 million driven by:

- Unfavorable volume related variance of \$1.2 million
- Unfavorable price related variance of \$5.8 million due to revenue from WCM

MEDICAL EXPENSES of \$269.9 million are favorable to budget \$8.1 million driven by:

- Favorable volume related variance of \$1.2 million
- Favorable price related variance of \$6.9 million due to:
 - Provider Capitation expense favorable variance of \$3.9 million due to Proposition 56
 - Facilities Claims expense favorable variance of \$3.1 million due to decreased utilization during COVID-19 pandemic
 - Managed Long Term Services and Supports (MLTSS) expense favorable variance of \$1.2 million due to decreased utilization during COVID-19 pandemic
 - Professional Claims expense favorable variance of \$1.1 million
 - Offset by Prescription Drugs expense unfavorable variance of \$2.9 million due to increased utilization

ADMINISTRATIVE EXPENSES of \$9.9 million are favorable to budget \$1.2 million driven by:

- Salaries & Benefit expense favorable to budget \$0.1 million
- Other Non-Salary expense favorable to budget \$1.1 million

CHANGE IN NET ASSETS is (\$1.8) million for the month, favorable to budget \$1.5 million

**CalOptima
OneCare Connect Total
Statement of Revenue and Expenses
For the One Month Ending July 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
14,465	14,134	331	2.3%	Member Months	14,465	14,134	331	2.3%
				Revenues				
2,097,307	2,728,809	(631,502)	(23.1%)	Medi-Cal Capitation Revenue	2,097,307	2,728,809	(631,502)	(23.1%)
17,971,353	18,060,499	(89,146)	(0.5%)	Medicare Capitation Revenue Part C	17,971,353	18,060,499	(89,146)	(0.5%)
4,577,569	5,242,685	(665,116)	(12.7%)	Medicare Capitation Revenue Part D	4,577,569	5,242,685	(665,116)	(12.7%)
-	-	-	0.0%	Other Income	-	-	-	0.0%
24,646,229	26,031,993	(1,385,764)	(5.3%)	Total Operating Revenue	24,646,229	26,031,993	(1,385,764)	(5.3%)
				Medical Expenses				
11,484,459	11,539,873	55,414	0.5%	Provider Capitation	11,484,459	11,539,873	55,414	0.5%
4,970,703	4,029,234	(941,469)	(23.4%)	Facilities Claims	4,970,703	4,029,234	(941,469)	(23.4%)
1,067,892	940,435	(127,457)	(13.6%)	Ancillary	1,067,892	940,435	(127,457)	(13.6%)
1,846,604	1,575,013	(271,591)	(17.2%)	MLTSS	1,846,604	1,575,013	(271,591)	(17.2%)
6,855,415	5,921,426	(933,989)	(15.8%)	Prescription Drugs	6,855,415	5,921,426	(933,989)	(15.8%)
1,165,545	1,249,747	84,202	6.7%	Medical Management	1,165,545	1,249,747	84,202	6.7%
136,212	215,393	79,181	36.8%	Other Medical Expenses	136,212	215,393	79,181	36.8%
27,526,830	25,471,121	(2,055,709)	(8.1%)	Total Medical Expenses	27,526,830	25,471,121	(2,055,709)	(8.1%)
(2,880,601)	560,872	(3,441,473)	(613.6%)	Gross Margin	(2,880,601)	560,872	(3,441,473)	(613.6%)
				Administrative Expenses				
753,773	829,369	75,596	9.1%	Salaries, Wages & Employee Benefits	753,773	829,369	75,596	9.1%
5,333	40,083	34,750	86.7%	Professional Fees	5,333	40,083	34,750	86.7%
93,431	103,412	9,981	9.7%	Purchased Services	93,431	103,412	9,981	9.7%
63,615	106,518	42,903	40.3%	Printing and Postage	63,615	106,518	42,903	40.3%
-	-	-	0.0%	Depreciation & Amortization	-	-	-	0.0%
42,544	16,861	(25,683)	(152.3%)	Other Operating Expenses	42,544	16,861	(25,683)	(152.3%)
553,492	553,492	-	0.0%	Indirect Cost Allocation	553,492	553,492	-	0.0%
1,512,188	1,649,735	137,548	8.3%	Total Administrative Expenses	1,512,188	1,649,735	137,548	8.3%
(4,392,788)	(1,088,863)	(3,303,925)	(303.4%)	Change in Net Assets	(4,392,788)	(1,088,863)	(3,303,925)	(303.4%)
<i>111.7%</i>	<i>97.8%</i>	<i>(13.8%)</i>	<i>(14.1%)</i>	<i>Medical Loss Ratio</i>	<i>111.7%</i>	<i>97.8%</i>	<i>(13.8%)</i>	<i>(14.1%)</i>
<i>6.1%</i>	<i>6.3%</i>	<i>0.2%</i>	<i>3.2%</i>	<i>Admin Loss Ratio</i>	<i>6.1%</i>	<i>6.3%</i>	<i>0.2%</i>	<i>3.2%</i>

ONECARE CONNECT INCOME STATEMENT – JULY MONTH:

REVENUES of \$24.6 million are unfavorable to budget \$1.4 million driven by:

- Favorable volume related variance of \$0.6 million
- Unfavorable price related variance of \$2.0 million due to Coordinated Care Initiative (CCI) cohort mix and Part D payment reconciliation estimates

MEDICAL EXPENSES of \$27.5 million are unfavorable to budget \$2.1 million driven by:

- Unfavorable volume related variance of \$0.6 million
- Unfavorable price related variance of \$1.5 million due to:
 - Facilities Claims expense unfavorable variance of \$0.8 million
 - Prescription Drugs expense unfavorable variance of \$0.8 million
 - MLTSS expense unfavorable variance of \$0.2 million
 - Offset by Provider Capitation expense favorable variance of \$0.3 million

ADMINISTRATIVE EXPENSES of \$1.5 million are favorable to budget \$0.1 million

CHANGE IN NET ASSETS is (\$4.4) million, unfavorable to budget \$3.3 million

**CalOptima
OneCare
Statement of Revenues and Expenses
For the One Month Ending July 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,525	1,378	147	10.7%	Member Months	1,525	1,378	147	10.7%
				Revenues				
1,410,021	1,154,880	255,141	22.1%	Medicare Part C revenue	1,410,021	1,154,880	255,141	22.1%
641,555	537,236	104,319	19.4%	Medicare Part D revenue	641,555	537,236	104,319	19.4%
2,051,576	1,692,116	359,460	21.2%	Total Operating Revenue	2,051,576	1,692,116	359,460	21.2%
				Medical Expenses				
556,918	447,180	(109,738)	(24.5%)	Provider Capitation	556,918	447,180	(109,738)	(24.5%)
428,483	458,491	30,008	6.5%	Inpatient	428,483	458,491	30,008	6.5%
95,750	43,072	(52,678)	(122.3%)	Ancillary	95,750	43,072	(52,678)	(122.3%)
51,695	25,895	(25,800)	(99.6%)	Skilled Nursing Facilities	51,695	25,895	(25,800)	(99.6%)
480,805	488,602	7,797	1.6%	Prescription Drugs	480,805	488,602	7,797	1.6%
35,421	45,083	9,662	21.4%	Medical Management	35,421	45,083	9,662	21.4%
1,649,072	1,508,323	(140,749)	(9.3%)	Total Medical Expenses	1,649,072	1,508,323	(140,749)	(9.3%)
402,503	183,793	218,710	119.0%	Gross Margin	402,503	183,793	218,710	119.0%
				Administrative Expenses				
102,284	70,029	(32,255)	(46.1%)	Salaries, wages & employee benefits	102,284	70,029	(32,255)	(46.1%)
16,000	16,000	-	0.0%	Professional fees	16,000	16,000	-	0.0%
827	9,750	8,923	91.5%	Purchased services	827	9,750	8,923	91.5%
6,153	8,084	1,931	23.9%	Printing and postage	6,153	8,084	1,931	23.9%
-	537	537	100.0%	Other operating expenses	-	537	537	100.0%
35,185	35,185	-	0.0%	Indirect cost allocation, occupancy expense	35,185	35,185	-	0.0%
160,448	139,585	(20,863)	(14.9%)	Total Administrative Expenses	160,448	139,585	(20,863)	(14.9%)
242,055	44,208	197,847	447.5%	Change in Net Assets	242,055	44,208	197,847	447.5%
80.4%	89.1%	8.8%	9.8%	Medical Loss Ratio	80.4%	89.1%	8.8%	9.8%
7.8%	8.2%	0.4%	5.2%	Admin Loss Ratio	7.8%	8.2%	0.4%	5.2%

**CalOptima
PACE
Statement of Revenues and Expenses
For the One Month Ending July 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
382	401	(19)	(4.7%)	Member Months	382	401	(19)	-4.7%
				Revenues				
2,400,195	2,524,611	(124,416)	(4.9%)	Medi-Cal Capitation Revenue	2,400,195	2,524,611	(124,416)	(4.9%)
652,085	593,963	58,122	9.8%	Medicare Part C Revenue	652,085	593,963	58,122	9.8%
122,741	142,683	(19,942)	(14.0%)	Medicare Part D Revenue	122,741	142,683	(19,942)	(14.0%)
3,175,020	3,261,257	(86,237)	(2.6%)	Total Operating Revenue	3,175,020	3,261,257	(86,237)	(2.6%)
				Medical Expenses				
836,720	974,167	137,447	14.1%	Medical Management	836,720	974,167	137,447	14.1%
645,971	758,949	112,978	14.9%	Facilities Claims	645,971	758,949	112,978	14.9%
521,466	638,466	117,000	18.3%	Professional Claims	521,466	638,466	117,000	18.3%
126,458	242,943	116,485	47.9%	Patient Transportation	126,458	242,943	116,485	47.9%
271,574	265,006	(6,568)	(2.5%)	Prescription Drugs	271,574	265,006	(6,568)	(2.5%)
(2,845)	57,965	60,810	104.9%	MLTSS	(2,845)	57,965	60,810	104.9%
4,775	18,039	13,264	73.5%	Other Expenses	4,775	18,039	13,264	73.5%
2,404,119	2,955,535	551,416	18.7%	Total Medical Expenses	2,404,119	2,955,535	551,416	18.7%
770,901	305,722	465,179	152.2%	Gross Margin	770,901	305,722	465,179	152.2%
				Administrative Expenses				
134,473	118,427	(16,046)	(13.5%)	Salaries, wages & employee benefits	134,473	118,427	(16,046)	(13.5%)
40	166	126	75.9%	Professional fees	40	166	126	75.9%
2,603	17,776	15,173	85.4%	Purchased services	2,603	17,776	15,173	85.4%
4,262	11,700	7,438	63.6%	Printing and postage	4,262	11,700	7,438	63.6%
2,089	2,070	(19)	(0.9%)	Depreciation & amortization	2,089	2,070	(19)	(0.9%)
1,405	3,597	2,192	60.9%	Other operating expenses	1,405	3,597	2,192	60.9%
4,097	4,395	298	6.8%	Indirect Cost Allocation, Occupancy Expense	4,097	4,395	298	6.8%
148,970	158,131	9,161	5.8%	Total Administrative Expenses	148,970	158,131	9,161	5.8%
				Operating Tax				
5,669	-	5,669	0.0%	Tax Revenue	5,669	-	5,669	0.0%
5,669	-	(5,669)	0.0%	Premium Tax Expense	5,669	-	(5,669)	0.0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
621,931	147,591	474,340	321.4%	Change in Net Assets	621,931	147,591	474,340	321.4%
75.7%	90.6%	14.9%	16.4%	Medical Loss Ratio	75.7%	90.6%	14.9%	16.4%
4.7%	4.8%	0.2%	3.2%	Admin Loss Ratio	4.7%	4.8%	0.2%	3.2%

CalOptima
Building 505 - City Parkway
Statement of Revenues and Expenses
For the One Month Ending July 31, 2020

Month				Year to Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
Revenues							
-	-	-	0.0%	-	-	-	0.0%
Total Operating Revenue				Total Operating Revenue			
-	-	-	0.0%	-	-	-	0.0%
Administrative Expenses							
44,592	55,000	10,408	18.9%	44,592	55,000	10,408	18.9%
170,912	177,250	6,338	3.6%	170,912	177,250	6,338	3.6%
18,423	18,500	77	0.4%	18,423	18,500	77	0.4%
97,713	114,917	17,204	15.0%	97,713	114,917	17,204	15.0%
56,662	41,250	(15,412)	(37.4%)	56,662	41,250	(15,412)	(37.4%)
(388,302)	(406,917)	(18,615)	(4.6%)	(388,302)	(406,917)	(18,615)	(4.6%)
Total Administrative Expenses				Total Administrative Expenses			
-	-	-	0.0%	-	-	-	0.0%
Change in Net Assets				Change in Net Assets			
-	-	-	0.0%	-	-	-	0.0%

OTHER INCOME STATEMENTS – JULY MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is \$0.2 million, favorable to budget \$0.2 million

PACE INCOME STATEMENT

CHANGE IN NET ASSETS is \$0.6 million, favorable to budget \$0.5 million

**CalOptima
Balance Sheet
as of July 31, 2020**

ASSETS

Current Assets	
Operating Cash	\$458,374,737
Investments	690,461,039
Capitation receivable	325,603,665
Receivables - Other	44,422,192
Prepaid expenses	7,166,364
Total Current Assets	<u>1,526,027,996</u>
Capital Assets	
Furniture & Equipment	39,890,502
Building/Leasehold Improvements 505 City Parkway West	9,779,070
	<u>51,620,226</u>
	101,289,798
Less: accumulated depreciation	<u>(53,811,879)</u>
Capital assets, net	<u>47,477,919</u>
Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	57,198,913
Board-designated assets:	
Cash and Cash Equivalents	3,775,421
Long-term Investments	<u>582,703,374</u>
Total Board-designated Assets	586,478,794
Total Other Assets	<u>643,977,707</u>
TOTAL ASSETS	<u>2,217,483,622</u>
Deferred Outflows	
Contributions	1,047,297
Difference in Experience	4,280,308
Excess Earning	-
Changes in Assumptions	5,060,465
OPEB 75 Changes in Assumptions	703,000
Pension Contributions	570,000
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>2,229,144,692</u>

LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$86,044,382
Medical Claims liability	856,938,052
Accrued Payroll Liabilities	15,499,386
Deferred Revenue	47,248,663
Deferred Lease Obligations	160,858
Capitation and Withholds	141,513,332
Total Current Liabilities	<u>1,147,404,672</u>
Other (than pensions) post employment benefits liability	
	25,860,096
Net Pension Liabilities	27,220,125
Bldg 505 Development Rights	-
TOTAL LIABILITIES	<u>1,200,484,893</u>
Deferred Inflows	
Excess Earnings	506,547
OPEB 75 Difference in Experience	804,000
Change in Assumptions	3,728,725
OPEB Changes in Assumptions	1,638,000
Net Position	
TNE	101,080,707
Funds in Excess of TNE	<u>920,901,820</u>
TOTAL NET POSITION	<u>1,021,982,527</u>
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	<u>2,229,144,692</u>

CalOptima
Board Designated Reserve and TNE Analysis
as of July 31, 2020

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	160,471,248				
	Tier 1 - MetLife	159,222,998				
	Tier 1 - Wells Capital	159,645,487				
Board-designated Reserve						
		479,339,733	318,017,181	497,630,561	161,322,552	(18,290,829)
TNE Requirement	Tier 2 - MetLife	107,139,062	101,080,707	101,080,707	6,058,354	6,058,354
Consolidated:		586,478,794	419,097,888	598,711,268	167,380,906	(12,232,474)
<i>Current reserve level</i>		<i>1.96</i>	<i>1.40</i>	<i>2.00</i>		

CalOptima
Statement of Cash Flows
as of July 31, 2020

	Month Ended	Year-To-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(3,148,770)	(3,148,770)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	467,846	467,846
Changes in assets and liabilities:		
Prepaid expenses and other	(467,156)	(467,156)
Catastrophic reserves		
Capitation receivable	76,344,169	76,344,169
Medical claims liability	(60,213,968)	(60,213,968)
Deferred revenue	23,824,967	23,824,967
Payable to health networks	(1,467,696)	(1,467,696)
Accounts payable	11,387,936	11,387,936
Accrued payroll	2,010,856	2,010,856
Other accrued liabilities	-	-
Net cash provided by/(used in) operating activities	48,738,184	48,738,184
 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	(100,994,936)	(100,994,936)
Change in Property and Equipment	(1,291,194)	(1,291,194)
Change in Board designated reserves	(1,594,901)	(1,594,901)
Change in Homeless Health Reserve	-	-
Net cash provided by/(used in) investing activities	(103,881,031)	(103,881,031)
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(55,142,848)	(55,142,848)
 CASH AND CASH EQUIVALENTS, beginning of period	\$513,517,584	513,517,584
 CASH AND CASH EQUIVALENTS, end of period	458,374,737	458,374,737

BALANCESHEET – JULY MONTH:

ASSETS of \$2.2 billion decreased \$27.6 million from June or 1.2%

- Operating Cash decreased \$55.1 million due to the timing of cash receipts and disbursements
- Investments increased \$101.0 million due to the timing of cash receipts and month-end requirements for operating cash. The advance receipt of August Medicare capitation payment contributes to the overall increase in cash and investments combined total
- Capitation Receivables decreased \$77.7 million due to reclassification of Department of Health Care Services (DHCS) payments received from claims liability
- Board Designated Assets increased \$1.6 million

LIABILITIES of \$1.2 billion decreased \$24.5 million from June or 2.0%

- Claims Liabilities decreased \$60.2 million due to reclass of DHCS payments received to capitation receivable
- Deferred Revenue increased \$23.8 million due to August Medicare capitation received in July
- Accounts Payable increased \$11.4 million due to the payment timing of tax

NET ASSETS total \$1.0 billion

**Homeless Health Initiative and Allocated Funds
as of July 31, 2020**

	Amount
Program Commitment	\$100,000,000
Funds Allocation, approved initiatives:	
Be Well OC	\$11,400,000
Recuperative Care	8,250,000
Medical Respite	250,000
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 Mobile Unit Claims	300,000
FQHC Mobile Unit Staff	270,000
Home Clinic Access Program (HCAP) Expansion - Telehealth and Clinical Field Team (CFT) On Call Days	1,000,000
Funds Allocation Total	42,801,087
Program Commitment Balance, available for new initiatives:	\$57,198,913

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 as of July 31, 2020

Transfer Month	Department of Business	From	To	Amount	Expense Description	Fiscal Year
July	Medi-Cal	Maintenance HW/SW - Corporate Application SW - LexisNexis	Maintenance HW/SW - HR Corporate Application SW - SilkRoad	\$12,000	To repurpose funds from LexisNexis renewal to fund shortages in SilkRoad renewal and additional licenses	2021

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 September 17, 2020

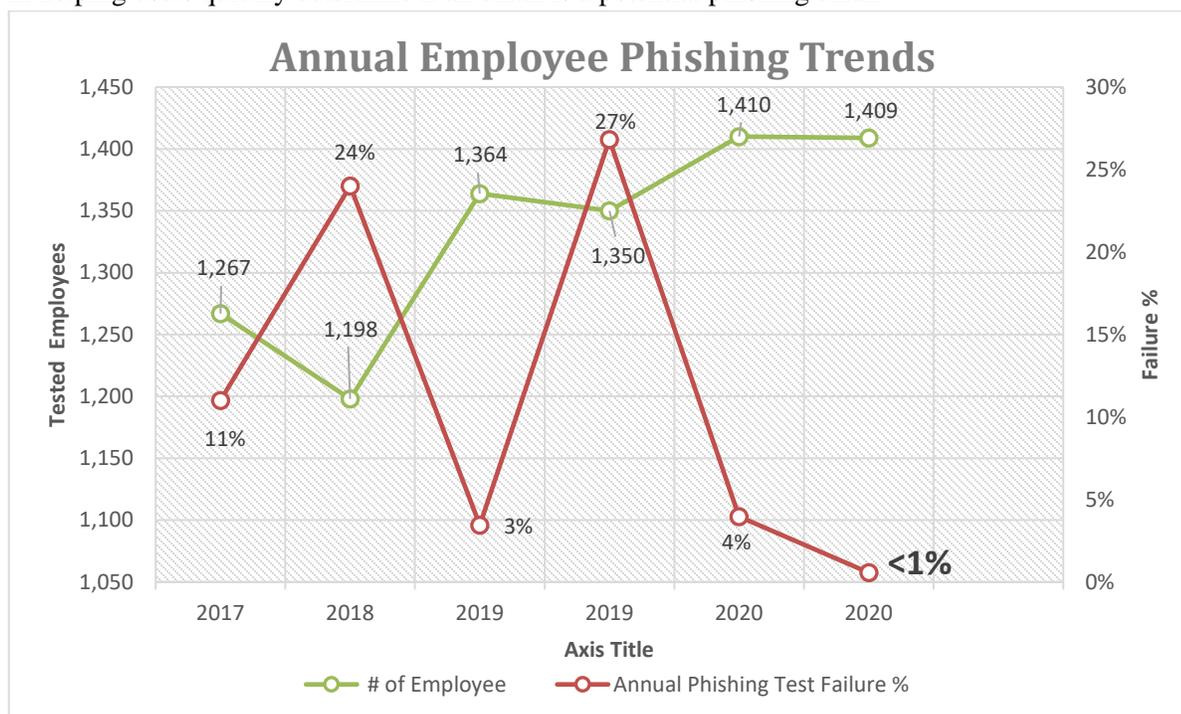
Information Systems Security Update - Quarter Ending June 30, 2020

Recent and Upcoming Activities:

- During this quarter, we experienced no downtime due to security incidents, and there were no incidents in public media.
- The Information Security team reported 16 Data Loss Prevention incidents to the Privacy team. Most of them were related to accidental emails sent by users to their personal email accounts.
- The Information Security Team completed the second bi-annual enterprise phishing exercise of 2020 in July, and only 0.57% of individuals tested did not pass.

Analysis:

The result of the second company-wide phishing exercise of 2020 was encouraging (Failure rate <1%). This indicates that the additional measure – including an external email warning label on incoming emails, is effective in helping users quickly determine if an email is a potential phishing email.



The following table illustrates the total inbound email traffic that passes through our IronPort appliance, categorized by threat type. Our goal is to ensure the delivery of clean messages to the intended CalOptima email recipients, while reducing our threat surfaces from malicious or unwelcome senders.

Analysis:

CalOptima received nearly **4.7M** email messages in the second quarter! Of these, **4.1M** were considered as dangerous and blocked (most of these messages were from senders of poor reputation (i.e. based on complaint rates, message volume statistics, and data from public blacklists and open proxy lists), while many are also from spammers. The remaining (**~600K**) were considered clean or not malicious (passing through our security filters).

Overview > Incoming Mail Summary ✕		
Message Category	%	Messages
 Stopped by Reputation Filtering	77.9%	3.6M
 Stopped as Invalid Recipients	0.0%	191
 Spam Detected	3.6%	170.5k
 Virus Detected	0.0%	51
 Detected by Advanced Malware Protection	0.0%	13
 Messages with Malicious URLs	0.0%	815
 Stopped by Content Filter	0.7%	32.8k
 Stopped by DMARC	0.0%	0
 S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:		82.3%
3.8M		
 Marketing Messages	3.5%	164.4k
 Social Networking Messages	0.1%	5,524
 Bulk Messages	2.8%	131.6k
Total Graymails:		6.5%
301.5k		
 S/MIME Verification/Decryption Successful	0.0%	0
 Clean Messages	11.2%	525.0k
Total Attempted Messages:		4.7M

Quarterly Operating and Capital Budget Update

April 1, 2020 to June 30, 2020

**Board of Directors' Finance and Audit Committee Meeting
September 17, 2020**

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Quarterly Operating Budget Update as of June 30, 2020

FY 2019-20 Board Approved Attachment A

Attachment A
Board Approved on June 6, 2019

CalOptima Fiscal Year 2019-20 Budget By Line of Business

	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	\$ -	\$ 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	\$ (7,000)	\$ -	\$ -	\$ 34,844	\$ -	\$ -	\$ 27,844
Administrative Expenses							
Salaries, Wages, & Employee Benefits	\$ 249,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,750
Professional Fees	\$ 657,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 657,000
Purchased services	\$ 1,608,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,608,000
Printing & Postage	\$ (183,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (183,000)
Depreciation & Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expenses	\$ 1,073,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,073,361
Indirect Cost Allocation, Occupancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,405,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,405,111
Net Impact	\$ 3,398,111	\$ -	\$ -	\$ 34,844	\$ -	\$ -	\$ 3,432,955

CalOptima Fiscal Year 2019-20 Budget Board Action Approval Details

Board Action Approval Details:	Medi-Cal	OCC	OneCare	PACE	Facilities	Other	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						\$ 135,000
2 BOD Date - October 3, 2019							
Report Item No. 6							
To: Other Operating Expenses	\$ 93,000						\$ 93,000
To: Professional Fees	\$ 300,000						\$ 300,000
3 BOD Date - October 3, 2019							
Report Item No. 22							
To: Other Operating Expenses	\$ 30,000						\$ 30,000
4 BOD Date - November 7, 2019							
Report Item No. 6							
To: Professional Fees	\$ 35,000						\$ 35,000
5 BOD Date - February 6, 2020							
Report Item No. 4							
To: Medical Costs	\$ 80,000						\$ 80,000
6 BOD Date - March 5, 2020							
Report Item No. 6							
From: Printing and Postage	\$ (200,000)						\$ (200,000)
To: Purchased Services	\$ 200,000						\$ 200,000
7 BOD Date - March 5, 2020							
Report Item No. 7							
To: Purchased Services	\$ 1,395,000						\$ 1,395,000
8 BOD Date - March 5, 2020							
Report Item No. 21							
To: Professional Fees	\$ 72,000						\$ 72,000
9 BOD Date - April 2, 2020							
Report Item No. 3							
To: Other Operating Expenses	\$ 915,000						\$ 915,000
9 BOD Date - April 2, 2020							
Report Item No. 24							
To: Professional Fees	\$ 250,000						\$ 250,000
10 BOD Date - April 16, 2020							
Report Item No. 4							
To: Medical Costs	\$ 48,000			\$ 34,844			\$ 82,844
To: Purchased Services	\$ 13,000						\$ 13,000
To: Printing & Postage	\$ 17,000						\$ 17,000
To: Other Operating Expenses	\$ 15,483						\$ 15,483
11 BOD Date - June 4, 2020							
Report Item No. 3							
To: Other Operating Expenses	\$ 19,878						\$ 19,878
12 BOD Date - June 4, 2020							
Report Item No. 20							
To: Salaries, Wages, & Employee Benefits	\$ 114,750						\$ 114,750

CEO Administrative Budget Allocation Changes

Administrative Budget Allocation Changes Reporting Changes as of June 30, 2020

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	Medi-Cal	IS Application Development - Maintenance HW/SW (CalOptima Link Software)	IS Application Development - Maintenance HW/SW (Human Resources Corporate Application)	\$32,700	Repurpose \$32,700 from Maintenance HW/SW (CalOptima Link Software) to Maintenance HW/SW (Human Resources Corporate Application)	2020
December	Medi-Cal	IS Infrastructure - Maintenance HW/SW - Microsoft True-Up	IS Infrastructure - Maintenance HW/SW - Network Connectivity - Extreme Networks	\$53,000	Repurpose \$53,000 from Microsoft True-Up to Network Connectivity - Extreme Networks.	2020
January	Medi-Cal	Member Survey - CG CAHPS	Inovalon Contract for HEDIS Software Training and Support Hours	\$40,000	Reallocate funds from Member Survey - CG CAHPS to Inovalon Contract for HEDIS Software Training and Support Hours.	2020
May	PACE	PACE Administrative - HW/SW Maint, Travel & Training, Membership, Food Svs/Supplies	PACE Center Support - Repair & Maint	\$27,500	Reallocate budget from PACE Administrative accounts to PACE Center Support to cover maintenance charges.	2020
June	Medi-Cal	Health Ed & Disease Mgmt - Incentives (Provider Incentives)	Health Ed & Disease Mgmt - Incentives (Member Incentives)	\$40,000	Repurpose funds from Provider Incentives to Member Incentives to provide additional funding needed for member incentives.	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

	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	<u>\$ 3,223,902,036</u>	<u>\$286,554,214</u>	<u>\$ 19,619,684</u>	<u>\$ 35,690,018</u>	<u>\$ -</u>		\$ 3,565,765,952
Medical Costs							
Provider capitation	\$ 1,158,507,475	\$130,707,492	\$ 5,293,211	\$ -	\$ -		\$ 1,294,508,178
Claims Payments	\$ 863,224,572	\$ 50,344,346	\$ 7,254,750	\$ 14,121,415	\$ -		\$ 934,945,084
LTC/Skilled Nursing Facilities	\$ 444,867,773	\$ 18,355,502	\$ -	\$ 375,861	\$ -		\$ 463,599,136
Prescription Drugs	\$ 526,829,965	\$ 64,498,845	\$ 5,972,830	\$ 2,811,393	\$ -		\$ 600,113,033
Case Mgmt & Oth Medical	\$ 75,598,620	\$ 16,186,932	\$ 663,496	\$ 13,719,535	\$ -		\$ 106,168,583
Total	<u>\$ 3,069,028,404</u>	<u>\$280,093,118</u>	<u>\$ 19,184,286</u>	<u>\$ 31,028,204</u>	<u>\$ -</u>		\$ 3,399,334,013
MLR	<i>95.2%</i>	<i>97.7%</i>	<i>97.8%</i>	<i>86.9%</i>		*	<i>95.3%</i>
	\$ 3,068,900,403	\$ 128,001					
Gross Margin	\$ 154,873,631	\$ 6,461,096	\$ 435,398	\$ 4,661,813	\$ -		\$ 166,431,939
Administrative Expenses							
Salaries, Wages, & Employee Benefits	\$ 85,950,459	\$ 9,980,046	\$ 621,380	\$ 1,719,501	\$ -		\$ 98,271,387
Professional Fees	\$ 4,881,576	\$ 933,550	\$ 257,750	\$ 1,840	\$ -		\$ 6,074,716
Purchased services	\$ 13,062,021	\$ 2,315,867	\$ 204,750	\$ 227,648	\$ 277,221		\$ 16,087,507
Printing & Postage	\$ 5,137,217	\$ 1,150,320	\$ 200,000	\$ 126,400	\$ -		\$ 6,613,937
Depreciation & Amortization	\$ 5,469,000	\$ -	\$ -	\$ 25,392	\$ 2,096,700		\$ 7,591,092
Other Operating Expenses	\$ 20,715,436	\$ 862,641	\$ 56,850	\$ 49,649	\$ 2,429,513		\$ 24,114,090
Indirect Cost Allocation, Occupancy Expense	\$ (2,145,075)	\$ 6,237,504	\$ 427,067	\$ 49,562	\$ (4,803,434)		\$ (234,376)
Total	<u>\$ 133,070,635</u>	<u>\$ 21,479,928</u>	<u>\$ 1,767,797</u>	<u>\$ 2,199,992</u>	<u>\$ -</u>		\$ 158,518,352
ALR	<i>4.1%</i>	<i>7.5%</i>	<i>9.0%</i>	<i>6.2%</i>		*	<i>4.4%</i>
Operating Income/(Loss)	<u>\$ 21,802,997</u>	<u>\$ (15,018,832)</u>	<u>\$ (1,332,399)</u>	<u>\$ 2,461,821</u>	<u>\$ -</u>	\$ -	\$ 7,913,587
Investment Income						\$15,000,000	\$ 15,000,000
CHANGE IN NET ASSETS	\$ 21,802,997	\$ (15,018,832)	\$ (1,332,399)	\$ 2,461,821	\$ -	\$15,000,000	\$ 22,913,587

Personnel Budget Summary

FY 2019 - 20 Personnel Summary

		FY 2019 - 20 Personnel (FTEs) - June 2020			
Line of Business		Filled	Open	Total	Vacancy %
Medi-Cal	MC	1,055.8	132.3	1,188.1	11.1%
OC	OC	9.3		9.3	0.0%
OCC	OCC	191.8	16.0	207.8	7.7%
PACE	PACE	86.0	21.5	107.5	20.0%
Total		1,342.9	169.8	1,512.6	11.2%

Notes:

FTE count is based on position control reconciliation.

FTE count includes both medical and administrative positions.

Salary Market Adjustments as of June 30, 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 June 30, 2020

Consolidated Administrative Expense Summary

LOB	June MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 4,782,476	\$ 4,257,489	\$ (524,988)	-12%	\$ 36,491,387	\$ 43,796,247	\$ 7,304,860	17%	\$ 43,796,247
OC	\$ 52,795	\$ 59,922	\$ 7,127	12%	\$ 451,428	\$ 719,350	\$ 267,922	37%	\$ 719,350
OCC	\$ 488,191	\$ 388,514	\$ (99,677)	-26%	\$ 3,681,610	\$ 5,262,379	\$ 1,580,769	30%	\$ 5,262,379
PACE	\$ 170,936	\$ 33,816	\$ (137,120)	-405%	\$ 418,231	\$ 405,537	\$ (12,694)	-3%	\$ 405,537
Total	\$ 5,494,399	\$ 4,739,741	\$ (754,658)	-16%	\$ 41,042,655	\$ 50,183,513	\$ 9,140,858	18%	\$ 50,183,513

Professional Fees

LOB	June MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 732,094	\$ 529,312	\$ (202,782)	-38%	\$ 2,964,642	\$ 4,881,576	\$ 1,916,934	39%	\$ 4,881,576
OC	\$ 15,000	\$ 21,470	\$ 6,470	30%	\$ 219,371	\$ 257,750	\$ 38,379	15%	\$ 257,750
OCC	\$ 4,000	\$ 77,795	\$ 73,795	95%	\$ 495,486	\$ 933,550	\$ 438,064	47%	\$ 933,550
PACE	\$ 123	\$ 153	\$ 30	19%	\$ 1,876	\$ 1,836	\$ (40)	-2%	\$ 1,836
Total	\$ 751,217	\$ 628,730	\$ (122,487)	-19%	\$ 3,681,374	\$ 6,074,712	\$ 2,393,338	39%	\$ 6,074,712

Purchased Services

LOB	June MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 881,436	\$ 1,357,317	\$ 475,881	35%	\$ 10,322,812	\$ 13,062,021	\$ 2,739,209	21%	\$ 13,062,021
OC	\$ 9,614	\$ 17,057	\$ 7,443	44%	\$ 145,390	\$ 204,750	\$ 59,360	29%	\$ 204,750
OCC	\$ 225,160	\$ 142,991	\$ (82,169)	-57%	\$ 1,690,483	\$ 2,315,867	\$ 625,384	27%	\$ 2,315,867
PACE	\$ 115,774	\$ 18,971	\$ (96,803)	-510%	\$ 216,989	\$ 227,652	\$ 10,663	5%	\$ 227,652
Total	\$ 1,231,984	\$ 1,536,336	\$ 304,352	20%	\$ 12,375,674	\$ 15,810,290	\$ 3,434,616	22%	\$ 15,810,290

Printing and Postage

LOB	June MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 790,157	\$ 398,588	\$ (391,569)	-98%	\$ 4,662,274	\$ 5,137,217	\$ 474,943	9%	\$ 5,137,217
OC	\$ 28,182	\$ 16,663	\$ (11,519)	-69%	\$ 84,194	\$ 200,000	\$ 115,806	58%	\$ 200,000
OCC	\$ 185,564	\$ 95,857	\$ (89,707)	-94%	\$ 1,064,238	\$ 1,150,320	\$ 86,082	7%	\$ 1,150,320
PACE	\$ 21,360	\$ 10,537	\$ (10,823)	-103%	\$ 122,707	\$ 126,400	\$ 3,693	3%	\$ 126,400
Total	\$ 1,025,263	\$ 521,645	\$ (503,618)	-97%	\$ 5,933,413	\$ 6,613,937	\$ 680,524	10%	\$ 6,613,937

Other Operating Expenses

LOB	June MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 2,378,790	\$ 1,972,272	\$ (406,518)	-21%	\$ 18,541,659	\$ 20,715,433	\$ 2,173,774	10%	\$ 20,715,433
OC	\$ 0	\$ 4,732	\$ 4,732	100%	\$ 2,473	\$ 56,850	\$ 54,377	96%	\$ 56,850
OCC	\$ 73,466	\$ 71,871	\$ (1,595)	-2%	\$ 431,403	\$ 862,642	\$ 431,239	50%	\$ 862,642
PACE	\$ 33,679	\$ 4,155	\$ (29,524)	-711%	\$ 76,659	\$ 49,649	\$ (27,010)	-54%	\$ 49,649
Total	\$ 2,485,936	\$ 2,053,030	\$ (432,906)	-21%	\$ 19,052,193	\$ 21,684,574	\$ 2,632,380	12%	\$ 21,684,574

Administrative expense summary by category does not include expenditures and budget for Facilities.

Quarterly Capital Budget Update as of June 30, 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	\$ 2,753,200	\$ 293,000	\$ 135,000	\$ 3,181,200

APPLICATIONS MANAGEMENT	HARDWARE	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	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	\$ 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	EQUIPMENT	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

TOTAL FY20 CAPITAL BUDGET	\$ 4,214,700	\$ 4,329,848	\$ 2,460,100	\$ 11,004,648
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Board Action and CEO Approval Details for Capital Projects

Board Approved Action Details	Project Description	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
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
5 Date - April 26, 2020					
From: Applications Development	Alternative to Microsoft Access Operational Applications	-	(3,020)	-	(3,020)
To: Applications Development	Employee Emergency Notification System	-	3,020	-	3,020
6 Date - June 28, 2020					
From:	Network - IPS Upgrades for 505 Building and OCIT Security Devices	(3,000)	-	-	(3,000)
To:	Network - 505 Building and PACE Network Access Control Devices Upgrade	1,500	-	-	1,500
To:	Network - 505 Building IDF Containers and Fabric Blade Upgrade	1,500	-	-	1,500
TOTAL CEO Approved Actions		\$ -	\$ -	\$ -	\$ -

CEO Capital Budget Allocation Changes

Capital Budget Allocation Changes Reporting Changes as of June 30, 2020

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	Medi-Cal	IS Infrastructure - Capital Project (Server 2016 Upgrade)	IS Infrastructure - Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)	\$38,300	Reallocate \$38,300 from Capital Project (Server 2016 Upgrade) to Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)	2020
July	Medi-Cal	IS Infrastructure - Capital Project (LAN Switch Upgrade)	IS Infrastructure - Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)	\$25,700	Reallocate \$25,700 from Capital Project (LAN Switch Upgrades) to Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)	2020
December	Medi-Cal	Facilities - 6th Floor Lunchroom Remodel	Facilities - Replace Conference Room AV Equipment	\$13,000	Reallocate \$13,000 from Capital Projects 6th Floor Lunchroom Remodel and Conference Room 910 Upgrades to Capital Project Replace Conference Room AV Equipment.	2020
December	Medi-Cal	Facilities - Conference Room 910 Upgrades	Facilities - Replace Conference Room AV Equipment	\$17,000	Reallocate \$17,000 from Capital Projects 6th Floor Lunchroom Remodel and Conference Room 910 Upgrades to Capital Project Replace Conference 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

Fiscal Year 2019-20 Capital Budget by Project

INFRASTRUCTURE	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Network - 505 Building IDF Containers and Fabric Blade Upgrade	1,510,300	-	-	1,510,300
Network - IPS Upgrades for 505 Building and OCIT Security Devices	204,000	-	25,000	229,000
Network - 505 Building and PACE Network Access Control Devices Upgrade	120,800	-	-	120,800
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	HARDWARE	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	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Provider Portal Continuation	-	-	750,000	750,000
Alternative to Microsoft Access Operational Applications	50,000	3,580	492,000	545,580
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	-	13,020	2,000	15,020
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	\$ -	\$ -	\$ 1,359,000
PACE	EQUIPMENT	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
TOTAL FY20 REVISED CAPITAL BUDGET	\$ 4,404,700	\$ 4,329,848	\$ 2,660,100	\$ 11,394,648

Quarterly Purchasing Report

FY 2019-20 Fourth Quarter Purchasing Report

Quarterly Purchase Report
April 1, 2020 through June 30, 2020
Completed Major Commitments over \$100,000

Nature of Services	FY20 Q4 Budgeted Current Year	Purchase or Contract Highlights	Bidding Outcome	Previous Vendor	Contract Amount	Spent Year 2020	Remaining Amount on Contract	Expires
Interpreting and Translation Services	\$ 111,433	Voiance Language Services, LLC	15 Proposals Received	Voiance	\$ 111,433	\$ 66,418	\$ 45,015	02/28/23
Internal Audit Services	\$ 120,000	Grant Thornton Public Sector LLC	Five Proposals Received	Deloitte	\$ 120,000	\$ -	\$ 120,000	06/30/22
Microsoft Software	\$ 120,275	Crayon Software Experts LLC	Renewal		\$ 120,275	\$ -	\$ 120,275	10/31/20
10th Floor Tenant Improvement	\$ 129,706	IDS Group, Inc.	Four Proposals Received	New	\$ 129,706	\$ 19,179	\$ 110,527	12/31/20
Off-Site Storage and Retrieval Services	\$ 159,160	Cor-O-Van Moving & Storage Co	Renewal		\$ 159,160	\$ 141,709	\$ 17,451	09/30/20
PACE Primary Care Physician Services	\$ 160,000	NR MEDICAL ASSOCIATES	Renewal		\$ 160,000	\$ -	\$ 160,000	06/30/21
CEO Recruitment Services	\$ 250,000	Witt/Kieffer Inc	Four Proposals Received		\$ 250,000	\$ -	\$ 250,000	06/30/21
Network Support Services	\$ 251,186	CDW Corporation	Four Proposals Received		\$ 251,186	\$ 235,238	\$ 15,948	12/31/20
PACE Specialty Physician Services	\$ 262,500	NR MEDICAL ASSOCIATES	Renewal		\$ 262,500	\$ 213,631	\$ 48,869	06/30/21
PACE Home Care Services	\$ 300,000	Cambrian Home Care	Renewal		\$ 300,000	\$ -	\$ 300,000	06/30/21
Interpreting Services	\$ 300,000	Hanna Interpreting Services LLC	15 Proposals Received	Hanna	\$ 300,000	\$ -	\$ 300,000	02/28/23
Timekeeping System Services	\$ 335,000	Ceridian	Renewal		\$ 335,000	\$ -	\$ 335,000	06/30/21
HP Hardware, Maintenance and Consulting Services	\$ 457,323	Nth Generation Computing Inc	Renewal		\$ 457,323	\$ 457,323	\$ -	06/30/21
CAHPS Member Survey Services	\$ 505,487	DataStat	Renewal		\$ 505,487	\$ 197,461	\$ 308,027	04/30/21
FWA Detection	\$ 535,500	LexisNexis Risk Solutions FL Inc.	Renewal		\$ 535,500	\$ 535,500	\$ -	03/31/21
Web Portal Consulting	\$ 646,580	Teksystems Inc.	Renewal		\$ 646,580	\$ -	\$ 646,580	03/31/21
Cooling Tower Replacement	\$ 875,140	Mesa Energy Systems Inc.	One Bid Received	Emcor	\$ 875,140	\$ 196,907	\$ 678,234	09/30/20
PACE Specialty Physician Services	\$ 900,000	NR MEDICAL ASSOCIATES	Renewal		\$ 900,000	\$ -	\$ 900,000	06/30/21

FY 2019-20 Fourth Quarter Purchasing Report (Cont'd)

Quarterly Purchasing Report
April 1, 2020 through June 30, 2020
Major Commitments Greater than \$100,000 in Process

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>Third Party Liability and Subrogation Services</u> 19-030	RFP issued 04/18/19 Three proposals received Staff is negotiating contract
<u>Hospital Data Exchange Services</u> 20-002	RFP issued 7/17/19 Nine proposals received Staff is negotiating contract(s)
<u>Internal Auditing Services</u> 20-004	RFP issued 8/7/19 Five proposals received Staff awarded contract to Grant Thornton
<u>Learning Management Content Services</u> 20-007	RFP issued 10/8/19 Five proposals received Staff is negotiating contract
<u>Member Communications Mailings</u> 20-013	RFP issued 11/13/19 Six proposals received Staff awarded contracts to Kenny the Printer and The Dot Printing
<u>Translation Services</u> 20-015	RFP issued 9/19/19 Fifteen proposals received Staff awarded contracts to four of the five finalist vendors.
<u>Cooling Tower Replacement</u> 20-027	RFP issued 11/22/19 One proposal received Staff awarded contract to Mesa Energy Systems
<u>Symantec Blue Coat Software</u> 20-036A	RFQ issued 3/19/20 Six proposals received Staff awarded contract to CDW
<u>Provider Attestation</u> 20-037	RFP issued 5/20/20 Eight proposals received RFP cancelled 8/7/20
<u>Identity Management System</u> 20-039	RFP issued 6/20/2020 Nine proposals received Staff is negotiating proposals

IGT Project Report

IGT Project Update as of June 2020

#	IGT Projects	IGT	First Payment Dispersed Date	COBAR Project End Date	Budget	Spend	% Spent	Balance	Grant Disbursement 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 Pilot 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	\$452,039	90%	\$47,961	Non-Grant Project
SUBTOTAL					\$12,504,026	\$12,411,065	99%	\$92,961	
IGT 2 (Funds Received: June 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 (Funds Received: September 2014)									
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 (Funds Received: October 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 Pilot	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 June 2020 (Cont'd)

#	IGT Projects	IGT	First Payment Dispersed Date	COBAR Project End Date	Budget	Spend	% Spent	Balance	Grant Disbursement Date
IGT 5 (Funds Received: December 2016)									
1	Be Well OC Regional Wellness Hub	5	7/10/2019	N/A	\$11,400,000	\$11,400,000	100%	\$0	12/6/2018 (COBAR)
2	Access to Adult Dental Services (Grant RFP: Korean Community Services)	5	12/5/2019	N/A	\$1,000,000	\$850,000	85%	\$150,000	Awarded on 8/1/19
3	Access to Children's Dental Services (Grant RFP)	5	1/15/2020	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	12/4/2019	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 (Funds Received: September 2017/May 2018)									
1	Clinical Field Team Pilot Program	7	4/8/2019	N/A	\$1,100,000	\$1,100,000	100%	\$0	4/8/2019
2	Post-WPC Medical Respite Program	6	TBD	N/A	\$250,000	\$250,000	100%	\$0	4/4/2019 (COBAR)
3	Whole Child Model Assistance for Implementation and Development	6	4/2/2020	N/A	\$1,750,000	\$1,617,110	92%	\$132,890	Non-Grant Project
4	Expand Access to Food Distribution Services Focused on Children and Families (Grant RFP: Serve the People)	7	12/11/2019	N/A	\$1,000,000	\$750,470	75%	\$249,530	Awarded on 8/1/19
5	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	10/28/2019	N/A	\$4,188,990	\$2,314,007	55%	\$1,874,983	Awarded on 8/1/19
6	Integrate Children's Mental Health Services Into Primary Care Settings (Grant RFP: CHOC Children's; Friends of Family Health Center)	7	12/4/2019	N/A	\$4,850,000	\$1,733,223	36%	\$3,116,777	Awarded on 8/1/19
7	Increase Access to Medication-Assisted Treatment (Grant RFP: Coalition of Orange County Community Health Center)	7	12/4/2019	N/A	\$6,000,000	\$2,000,000	33%	\$4,000,000	Awarded on 8/1/19
8	WPC Recuperative Care	6	6/20/2019	N/A	\$7,250,000	\$612,880	8%	\$6,637,120	8/2/2018 (COBAR)
9	Housing Support Services	6	TBD	N/A	\$2,500,000	\$0	0%	\$2,500,000	12/5/2019 (COBAR)
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	\$10,377,690	34%	\$19,822,310	
IGT 8 (Funds Received: March 2019/April 2019)									
1	Homeless Health Initiative	8	TBD	N/A	\$42,763,191	TBD	TBD	\$42,763,191	4/4/2019
SUBTOTAL					\$42,763,191	TBD	TBD	\$42,763,191	
IGT 9 (Funds Received: April 2020)									
1	Expanded Office Hours	9	TBD	N/A	\$2,000,000	TBD	TBD	\$2,000,000	Non-Grant Project
2	Post-Acute Infection Prevention (PIPQI)	9	TBD	N/A	\$3,400,000	TBD	TBD	\$3,400,000	Non-Grant Project
3	Hospital Data Exchange Incentive	9	TBD	N/A	\$2,000,000	TBD	TBD	\$2,000,000	Non-Grant Project
4	Whole Child Model (WCM) Program	9	TBD	N/A	\$31,100,000	TBD	TBD	\$31,100,000	Non-Grant Project
5	Text Messaging Solutions for Members	9	TBD	N/A	\$3,900,000	TBD	TBD	\$3,900,000	Non-Grant Project
6	OC COVID-19 Skilled Nursing Facility Prevention Program	9	TBD	N/A	\$629,723	TBD	TBD	\$629,723	Awarded on 5/7/2020
SUBTOTAL					\$43,029,723	TBD	TBD	\$43,029,723	
GRAND TOTAL					\$162,591,739	\$55,232,358	34%	\$107,359,381	

Source: IGT Project Report provided by the Strategic Development Department.

**Board of Directors' Finance and Audit Committee Meeting
September 17, 2020**

Shared Risk Pool Performance Update

Medi-Cal: As of June 30, 2020, Medi-Cal has five (5) Shared Risk Groups (SRGs).

Effective Dates:

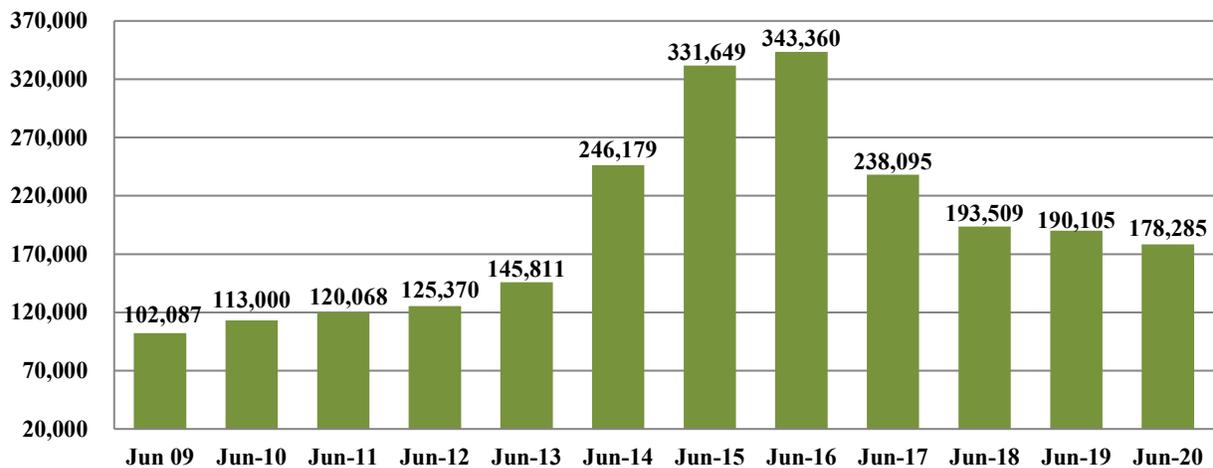
- Noble and Talbert – January 2008
- AltaMed – March 2014
- Prospect* – May 2007 to June 2017
- Arta and UCMG – July 2008
- Monarch* – July 2008 to January 2017

* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

Enrollment

SRGs are serving approximately 180,000 members. It represents about 24% of CalOptima's Medi-Cal enrollment.

**Medi-Cal Shared Risk Groups (SRG)
Enrollment**



Pool Performance - (Medi-Cal Classic + Expansion)

Fiscal Year	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2007	\$ (729,095)	\$ -	\$ (573,542)	\$ (155,553)	1	1	0
2008	(534,826)	618,829	247,532	(163,529)	3	1	2
2009	(6,786,764)	623,088	(2,465,470)	(3,698,206)	6	3	3
2010	(5,890,543)	1,636,861	(1,701,473)	(2,552,209)	6	4	2
2011	(5,127,172)	5,042,040	(34,053)	(51,079)	6	3	3
2012	(1,688,610)	7,574,810	2,354,480	3,531,720	6	3	3
One-Time Revenue		17,233,958	12,917,452	4,316,506	6	3	3

Fiscal Year	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					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
2020Q4	-	50,336,341	20,134,536	30,201,805	5	0	5
	\$(22,325,123)	\$ 1,413,598,875	\$ 562,457,823	\$ 828,815,930			

Note: IBNR is calculated based on the paid claims experience.

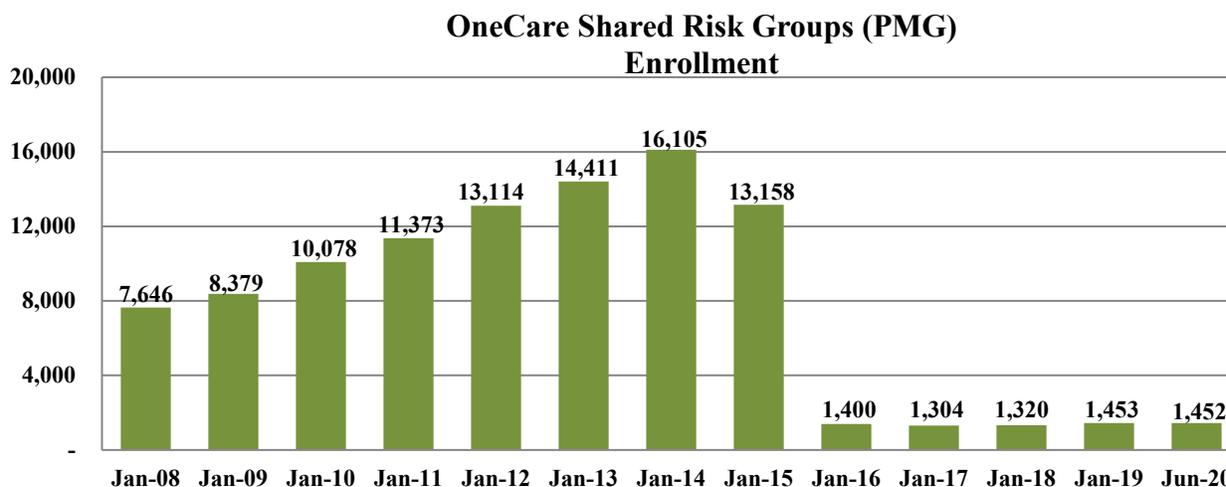
OneCare: As of June 30, 2020, OneCare has eight (8) Participating Medical Groups (PMGs).

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	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2005	\$(14,225)	\$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

Shared Risk Pool Performance Update

Page 3

Calendar Year	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2009	(313,648)	5,643,332	2,525,933	2,803,751	9	2	7
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)	127,656	8	4	4
2020Q2	(44,535)	587,601	269,343	273,723	8	2	6
	\$ (9,359,305)	\$ 84,097,601	\$ 33,979,791	\$ 40,758,503			

Note: Group share deficit limited to \$5.00 PMPM. Estimated RAPS recoupment excluded from the above data.

OneCare Connect: As of June 30, 2020, OneCare Connect has six (6) Shared Risk Groups (SRGs).

Effective Dates:

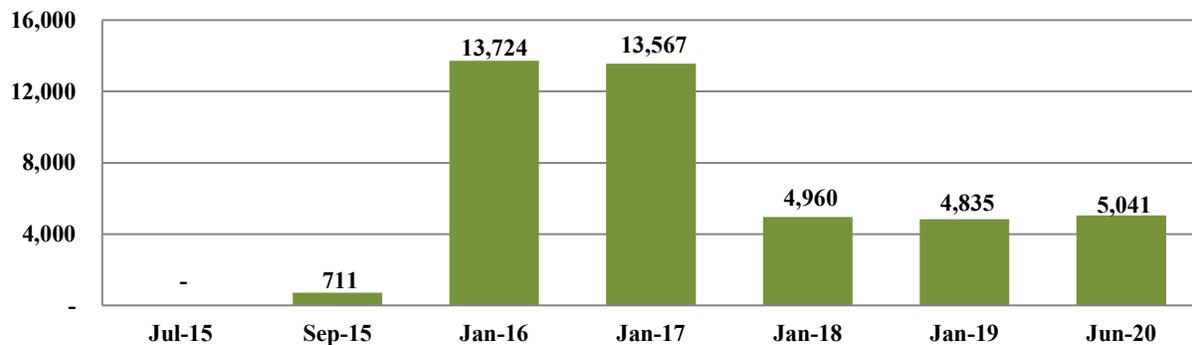
- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Monarch* – July 2015 to January 2017
- FCMG – January 2016
- Talbert – January 2016
- Arta Western – January 2016
- Prospect* – July 2015 to June 2017

* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

Enrollment

SRGs are serving approximately 5,000 members. It represents about 35% of CalOptima’s OneCare Connect enrollment.

OneCare Connect Shared Risk Groups (PMG) Enrollment



Shared Risk Pool Performance Update

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Pool Performance

Calendar Year	Gross Deficit	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
2020Q2	<u>(279,851)</u>	<u>4,657,420</u>	<u>2,080,434</u>	<u>2,297,135</u>	6	2	4
	\$ (2,449,213)	\$ 50,925,208	\$ 23,265,827	\$ 25,210,169			

Note: Group share deficit limited to \$5.00 PMPM. QI withhold reimbursement and estimated RAPS recoupment excluded from the above data.



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CalOptima

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Financial Summary – Whole Child Model – June 2020

Finance and Audit Committee

September 17, 2020

Nancy Huang

Chief Financial Officer

Whole Child Model Financial Highlights: June 2020

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
9,731	12,940	(3,209)	(24.8%)	Member Months	135,003	155,280	(20,277)	(13.1%)
21,774,250	25,523,466	(3,749,216)	(14.7%)	Revenues				
21,774,250	25,523,466	(3,749,216)	(14.7%)	Capitation Revenue	266,429,838	306,281,594	(39,851,756)	(13.0%)
				Total Operating Revenue	266,429,838	306,281,594	(39,851,756)	(13.0%)
(16,631,153)	11,327,357	27,958,509	246.8%	Medical Expenses				
9,419,570	3,590,376	(5,829,194)	(162.4%)	Provider Capitation	92,277,697	135,928,233	43,650,536	32.1%
1,323,720	1,336,840	13,120	1.0%	Facilities Claims	65,568,204	43,084,512	(22,483,692)	(52.2%)
1,303,298	627,696	(675,602)	(107.6%)	Professional Claims	17,128,121	15,977,014	(1,151,107)	(7.2%)
4,739,268	6,662,133	1,922,865	28.9%	MLTSS	19,589,781	7,532,351	(12,057,430)	(160.1%)
2,286,711	718,851	(1,567,860)	(218.1%)	Prescription Drugs	67,605,169	79,945,598	12,340,429	15.4%
22,748	869	(21,880)	(2518.7%)	Medical Management	5,103,081	8,626,210	3,523,128	40.8%
2,464,162	24,264,121	21,799,959	89.8%	Reinsurance & Other	369,687	9,920	(359,768)	(3626.8%)
19,310,088	1,259,345	18,050,743	1433.3%	Total Medical Expenses	267,641,741	291,103,838	23,462,096	8.1%
1,110,487	1,306,694	196,207	15.0%	Gross Margin	(1,211,903)	15,177,757	(16,389,660)	(108.0%)
18,199,602	(47,349)	18,246,950	38537.2%	Administrative Expenses*	13,587,922	15,680,330	2,092,408	13.3%
11.3%	95.1%	83.7%	88.1%	Change in Net Assets	(14,799,825)	(502,573)	(14,297,252)	(2844.8%)
5.1%	5.1%	0.0%	0.4%	Medical Loss Ratio	100.5%	95.0%	(5.4%)	(5.7%)
				Admin Loss Ratio	5.1%	5.1%	0.0%	0.4%

*Note: Administrative Expenses presented are based on budgeted percentages

Whole Child Model Enrollment: FY2019-2020

June 2020 MTD

WCM enrollment was 9,731 members

- Actual lower than budget 3,209 or 24.8% of which 983 was due to retroactive disenrollment

June 2020 YTD

WCM enrollment was 135,003 members

- Actual lower than budget 20,277 or 13.1%

Whole Child Model Revenue: FY2019-2020

June 2020 MTD

WCM revenue was \$21.8 million

- Actual lower than budget \$3.7 million or 14.7%
 - Unfavorable volume related variance of \$6.3 million
 - Favorable price related variance of \$2.6 million

June 2020 YTD

WCM revenue was \$266.4 million

- Actual lower than budget \$39.9 million or 13.0%
 - Unfavorable volume related variance of \$40.0 million
 - Favorable price related variance of \$0.1 million

Whole Child Model Expenses: FY2019-2020

June 2020 MTD

WCM expenses were \$2.5 million

- Actual lower than budget \$21.8 million or 89.8%
 - Favorable volume related variance of \$6.0 million
 - Favorable price related variance of \$15.8 million
 - Provider Capitation expense favorable variance of \$25.1 million due to reconciliation of WCM risk corridor
 - Prescription Drugs expense favorable variance of \$0.3 million
 - Offset by
 - Facilities Claims expense unfavorable variance of \$6.7 million
 - Medical Management expense unfavorable variance of \$1.7 million
 - MLTSS expense unfavorable variance of \$0.8 million
 - Professional Claims expense unfavorable variance of \$0.3 million

Whole Child Model Expenses: FY2019-2020 (cont.)

June 2020 YTD

WCM expenses were \$267.6 million

- Actual lower than budget \$23.5 million or 8.1%
 - Favorable volume related variance of \$38.0 million
 - Unfavorable price related variance of \$14.6 million
 - Facilities Claims expense unfavorable variance of \$28.1 million due to higher utilization, Neonatal Intensive Care Unit (NICU) estimates and a \$2.2 million Zolgensma treatment
 - MLTSS expense unfavorable variance of \$13.0 million due to higher than budgeted utilization
 - Professional Claims expense unfavorable variance of \$3.2 million

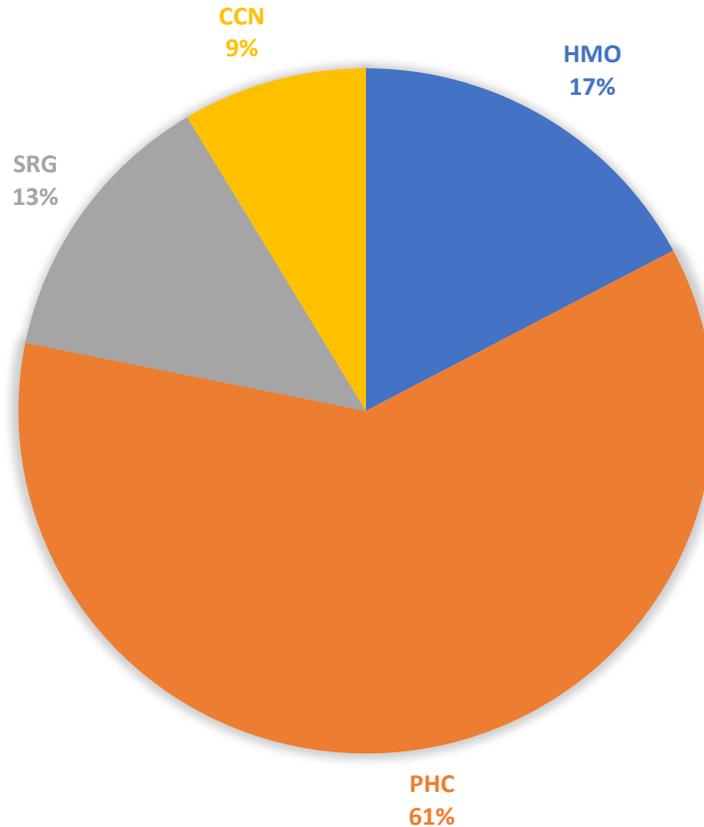
Whole Child Model Expenses: FY2019-2020 (cont.)

June YTD 2020

- Offset by:
 - Provider Capitation expense favorable variance of \$25.9 million due to reconciliation of WCM risk corridor
 - Medical Management expense favorable variance of \$2.4 million
 - Prescription Drugs expense favorable variance of \$1.9 million

Enrollment by Network

WCM NETWORK ASSIGNMENT



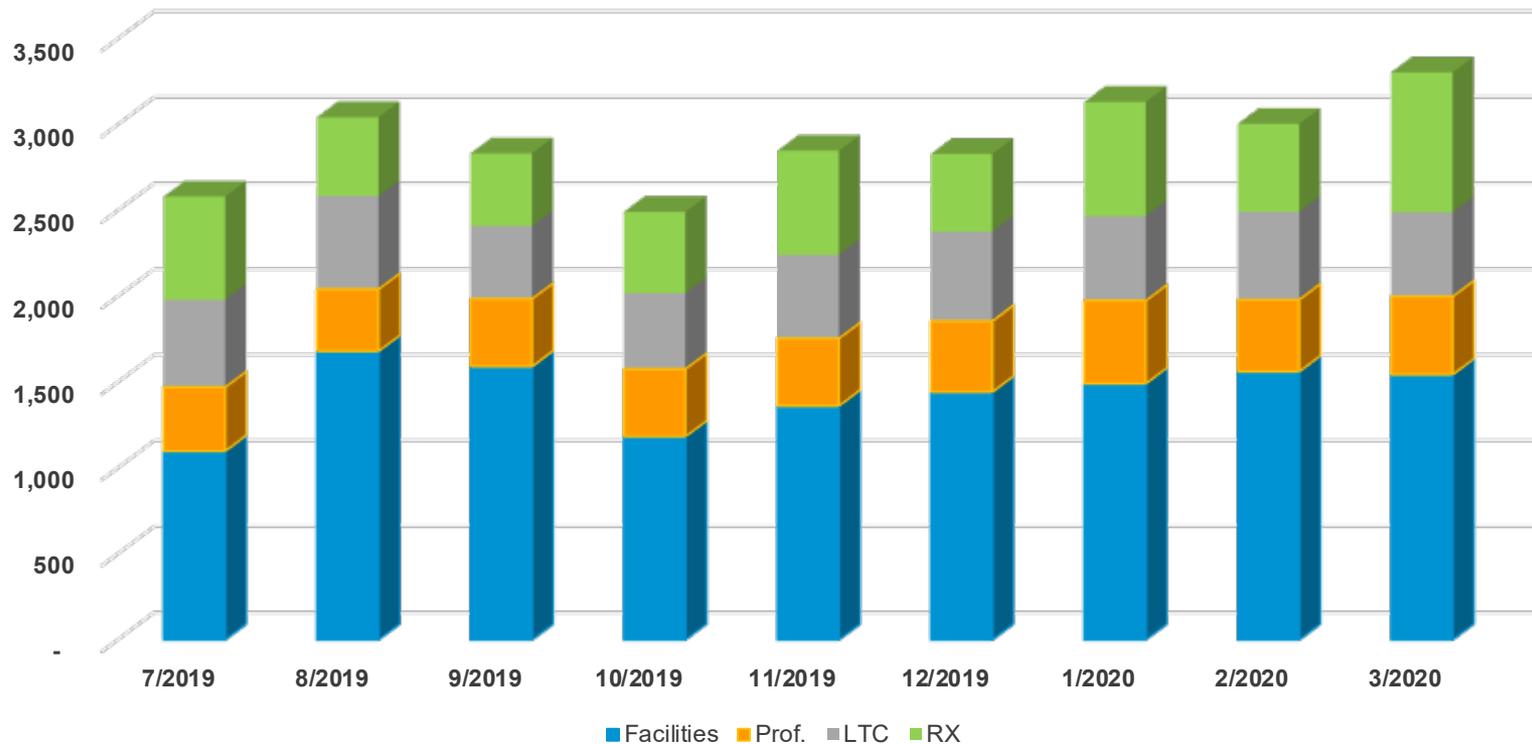
Note: % calculated based on YTD MM average

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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

Our Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



A Public Agency

CalOptima

Better. Together.

Financial Summary - Health Homes Program

June 2020

Finance and Audit Committee

September 17, 2020

Nancy Huang

Chief Financial Officer

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Health Homes Program Background

- Health Homes Program (HHP)
 - Serves eligible Medi-Cal beneficiaries with complex medical needs and chronic conditions
 - Improves care coordination and program integration
- HHP Implementation
 - Phase I began January 1, 2020, for members with chronic conditions only
 - Phase II began July 1, 2020, for members with Serious Mental Illness (SMI), with or without chronic conditions

Health Homes Program Utilization: FY2019-2020

June 2020 MTD

HHP utilization was 338

- Actual lower than budget 2,062 or 85.9%

June 2020 YTD

HHP utilization was 1,636

- Actual lower than budget 8,264 or 83.5%

Health Homes Program Revenue: FY2019-2020

June 2020 MTD

HHP revenue was \$229.9 thousand

- Actual lower than budget \$844.6 thousand or 78.6%
 - Unfavorable volume related variance of \$923.1 thousand
 - Favorable price related variance of \$78.5 thousand

June 2020 YTD

HHP revenue was \$813.9 thousand

- Actual lower than budget \$3.6 million or 81.6%
 - Unfavorable volume related variance of \$3.7 million
 - Favorable price related variance of \$81.5 thousand

Health Homes Program Expenses: FY2019-2020

June 2020 MTD

HHP expense was \$178.6 thousand

- Actual lower than budget \$895.9 thousand or 83.4%
 - Unfavorable volume related variance of \$923.1 thousand
 - Favorable price related variance of \$27.3 thousand

June 2020 YTD

HHP expense was \$638.7 thousand

- Actual lower than budget \$3.8 million or 85.6%
 - Unfavorable volume related variance of \$3.7 million
 - Unfavorable price related variance of \$93.7 thousand

Health Homes Program Financial Highlights: June 2020

Month to Date				Year to Date				
Actual*	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
338	2,400	(2,062)	(85.9%)	Member Months	1,636	9,900	(8,264)	(83.5%)
229,850	1,074,455	(844,605)	(78.6%)	Revenues	813,926	4,432,126	(3,618,200)	(81.6%)
229,850	1,074,455	(844,605)	(78.6%)	Total Operating Revenue	813,926	4,432,126	(3,618,200)	(81.6%)
46,566	1,039,535	992,969	95.5%	Medical Expenses	192,207	4,288,082	4,095,875	95.5%
27,220	-	(27,220)	0.0%	Provider Capitation	27,220	-	(27,220)	0.0%
104,815	34,920	(69,896)	(200.2%)	Professional Claims	419,261	144,044	(275,217)	(191.1%)
178,601	1,074,455	895,854	83.4%	Total Medical Expenses	638,688	4,432,126	3,793,438	85.6%
51,249	-	51,249	100.0%	Gross Margin	175,238	-	175,238	100.0%
77.7%	100.0%	22.3%	22.3%	Medical Loss Ratio	78.5%	100.0%	21.5%	21.5%

* June 2020 Actual excludes prior period adjustments

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**Board of Directors’ Finance and Audit Committee Meeting
September 17, 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 June 30, 2020.

	PY 2018	PY 2019	PY 2020
YTD Budgeted Reinsurance Expense @ 06/30/20	\$2,780,209	\$5,016,633	\$12,740,978
Reinsurance paid through 06/30/20	\$(4,038,889)	\$(2,819,558)	\$(875,813)
Estimated Reinsurance Accrual @ 06/30/20	\$(0)	\$(1,346,457)	\$(3,496,845)
Total Estimated Reinsurance Expense @ 06/30/20	\$(4,038,889)	\$(4,166,015)	\$(4,372,658)
YTD Budgeted Savings/(Deficit) @ 06/30/20	\$(1,258,680)	\$850,618	\$8,368,320

The total estimated liability at June 30, 2020, is \$4.84 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 September 17, 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 March 31, 2020.

Results of the March 31, 2020 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
Did Not Submit Statements	0	0	0

Note 1: Physician Groups and Hospitals must pass the following tests:

- a) Current Ratio - must be ≥ 1.0
- b) Tangible Net Equity - must be ≥ 1.0
- c) Cash to Claims Ratio - must be ≥ 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 = \$18.3M

Contingency Contract Report

CalOptima Active Contingency Contracts		Q4 FY20		invoiced as of 7/31/2020																	
Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid																					
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20									
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total					
MEDICAL COST																					
<i>HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/2023)</i>																					
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	\$ 4,863,112	\$ 730,121	\$ 361,347	\$ 816,488	\$ 528,041	\$ 2,435,998					
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	\$ 167,928	\$ 83,110	\$ 187,792	\$ 121,449	\$ 560,280					
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	\$ 562,193	\$ 278,238	\$ 628,696	\$ 406,592	\$ 1,875,718					
<i>Cotiviti (Verscend/Verisk/HCI) - Claims review for appropriate billing - (expires 10/07/2021)</i>																					
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	\$ 1,635,715	\$ 2,746,632	\$ 2,606,705	\$ 1,815,621	\$ 8,804,673					
Fee	\$ 37,165	\$ 483,209	\$ 691,554	\$ 559,136	\$ 595,632	\$ 727,333	\$ 1,371,137	\$ 638,601	\$ 393,455	\$ 580,345	\$ 932,051	\$ 310,786	\$ 521,860	\$ 508,307	\$ 354,046	\$ 1,695,000					
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	\$ 1,324,929	\$ 2,224,772	\$ 2,098,397	\$ 1,461,575	\$ 7,109,674					
<i>Socrates - Third party liability - (expires 9/30/2020) *</i>																					
Savings	-	-	13,783	244,770	53,141	\$ 3,108	N/A	\$ 219,258	N/A	N/A	N/A	\$ 194	\$ 12,342	\$ 3,433	\$ 4,132	\$ 20,102					
Fee	-	-	3,446	61,223	13,285	\$ 777	N/A	\$ 54,815	N/A	N/A	N/A	\$ 48	\$ 3,086	\$ 858	\$ 724	\$ 4,716					
Net Savings	-	-	10,338	183,548	39,856	2,331		164,443				\$ 145	\$ 9,257	\$ 2,575	\$ 3,408	\$ 15,385					
<i>Varis - Facility claims forensic review - (expires 9/25/2021)</i>																					
Savings	-	-	-	-	-	-	-	-	-	-	\$ 3,057,075	\$ 504,987	\$ 1,185,999	\$ 1,232,657	\$ 1,005,686	\$ 3,929,330					
Fee	-	-	-	-	-	-	-	-	-	-	\$ 764,269	\$ 126,247	\$ 296,500	\$ 308,164	\$ 251,422	\$ 982,332					
Net Savings	-	-	-	-	-	-	-	-	-	-	\$ 2,292,806	\$ 378,740	\$ 889,499	\$ 924,493	\$ 754,265	\$ 2,946,997					
<i>OptumInsight - Credit balance recovery - (expires 12/31/2021)</i>																					
Savings	-	-	-	\$ 76,715	\$ 26,203	\$ 30,246	N/A	\$ 44,834	\$ 404,824	\$ 154,308	\$ 416,557	\$ 33,322	\$ 49,791	\$ 42,042	\$ -	\$ 125,155					
Fee	-	-	-	\$ 9,206	\$ 3,144	\$ 3,630	N/A	\$ 5,380	\$ 48,579	\$ 18,517	\$ 49,987	\$ 3,999	\$ 5,975	\$ 5,045	\$ -	\$ 15,019					
Net Savings	-	-	-	\$ 67,509	\$ 23,059	\$ 26,616		\$ 39,454	\$ 356,245	\$ 135,791	\$ 366,570	\$ 29,323	\$ 43,816	\$ 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	\$ 2,904,339	\$ 4,356,112	\$ 4,701,325	\$ 3,353,481	\$ 15,315,257					
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	\$ 609,008	\$ 910,530	\$ 1,010,167	\$ 727,641	\$ 3,257,346					
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	\$ 2,295,332	\$ 3,445,581	\$ 3,691,158	\$ 2,625,840	\$ 12,057,911					
REVENUE																					
<i>Human Arc - SSI Outreach & Aid Code Conversion - (expires 6/30/2021)</i>																					
Capitation Revenue				\$ 1,723,235	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 9,281,708	\$ 11,188,354	\$ 12,961,036	\$ 3,597,055	\$ 3,757,048	\$ 3,908,787	\$ 4,080,290	\$ 15,343,180					
Fee				\$ 501,700	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 360,018	\$ 350,084	\$ 513,800	\$ 134,400	\$ 141,400	\$ 140,000	\$ 151,200	\$ 567,000					
Total Net Revenue	-	-	-	\$ 1,221,535	\$ 4,181,083	\$ 4,946,337	\$ 6,307,261	\$ 7,480,589	\$ 8,921,690	\$ 10,838,270	\$ 12,447,236	\$ 3,462,655	\$ 3,615,648	\$ 3,768,787	\$ 3,929,090	\$ 14,776,180					
* Contract currently in negotiations																					