



Financial Update

Board of Governors Meeting

May 7, 2020



Agenda

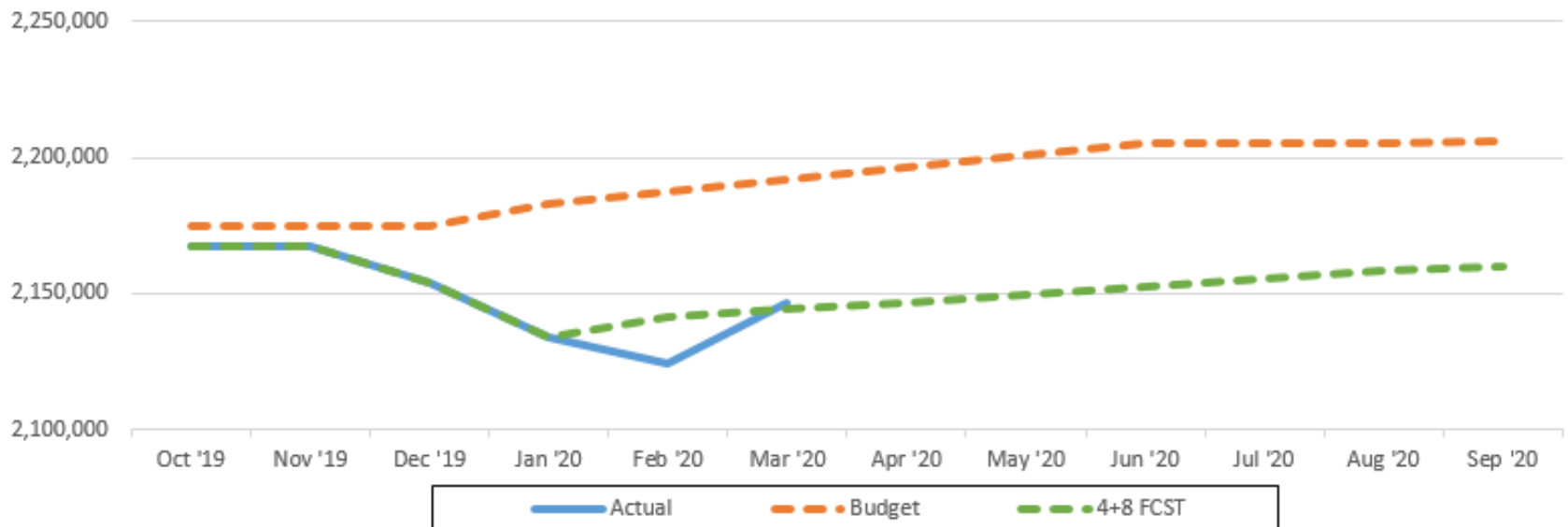
Financial Performance

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

Membership

for the 6 months ended March 2020

| Sub-Segment | March 2020 | | | Year-to-Date | | |
|---------------------|------------------|------------------|--------------|-------------------|-------------------|-----------------|
| | Actual | 4+8 FCST | Variance | Actual | 4+8 FCST | Variance |
| Plan Partners | 955,121 | 958,498 | (3,377) | 5,771,973 | 5,784,552 | (12,579) |
| SPD/CCI | 222,093 | 219,812 | 2,281 | 1,320,549 | 1,324,522 | (3,973) |
| TANF/MCE | 819,012 | 818,334 | 678 | 4,926,617 | 4,934,118 | (7,501) |
| CMC | 15,972 | 16,193 | (221) | 97,795 | 97,464 | 331 |
| Commercial | 134,445 | 131,143 | 3,302 | 776,625 | 767,283 | 9,342 |
| Consolidated | 2,146,643 | 2,143,980 | 2,663 | 12,893,559 | 12,907,938 | (14,379) |



Consolidated Financial Performance

for the 6 months ended March 2020

| March 2020 | | Year-to-Date | | |
|------------|--------------------------------|--------------|-------------|------------|
| Actual | (\$ in Thousands) | Actual | 4+8 FCST | Variance |
| 2,146,643 | Member Months | 12,893,559 | 12,907,938 | (14,379) |
| \$704,681 | Total Revenues | \$4,166,138 | \$4,176,523 | (\$10,384) |
| \$670,498 | Total Healthcare Expenses | \$3,898,799 | \$3,890,953 | (\$7,846) |
| \$34,183 | Operating Margin | \$267,340 | \$285,569 | (\$18,230) |
| \$38,998 | Total Admin Expenses | \$223,632 | \$224,325 | \$693 |
| (\$4,815) | Income from Operations | \$43,707 | \$61,244 | (\$17,537) |
| (\$5,008) | Non-Operating Income (Expense) | \$2,060 | \$3,564 | (\$1,504) |
| (\$9,822) | Net Surplus (Deficit) | \$45,767 | \$64,808 | (\$19,041) |

Operating Margin by Segment

for the 6 months ended March 2020

(\$ in Thousands)

| | Medi-Cal Plan Partners | Medi-Cal SPD/CCI | Medi-Cal TANF/MCE | CMC | Commercial | Total |
|------------------|---------------------------|---------------------|----------------------|-----------|------------|-------------|
| Revenue | \$1,501,581 | \$1,028,742 | \$1,241,439 | \$131,097 | \$263,280 | \$4,166,138 |
| Healthcare Exp. | \$1,429,079 | \$983,649 | \$1,130,894 | \$126,162 | \$229,015 | \$3,898,799 |
| Operating Margin | \$72,502 | \$45,093 | \$110,544 | \$4,935 | \$34,265 | \$267,340 |
| MCR % | 95.2% | 95.6% | 91.1% | 96.2% | 87.0% | 93.6% |
| Forecast MCR% | 94.8% | 95.7% | 90.1% | 97.7% | 86.2% | 93.2% |

Key Financial Ratios

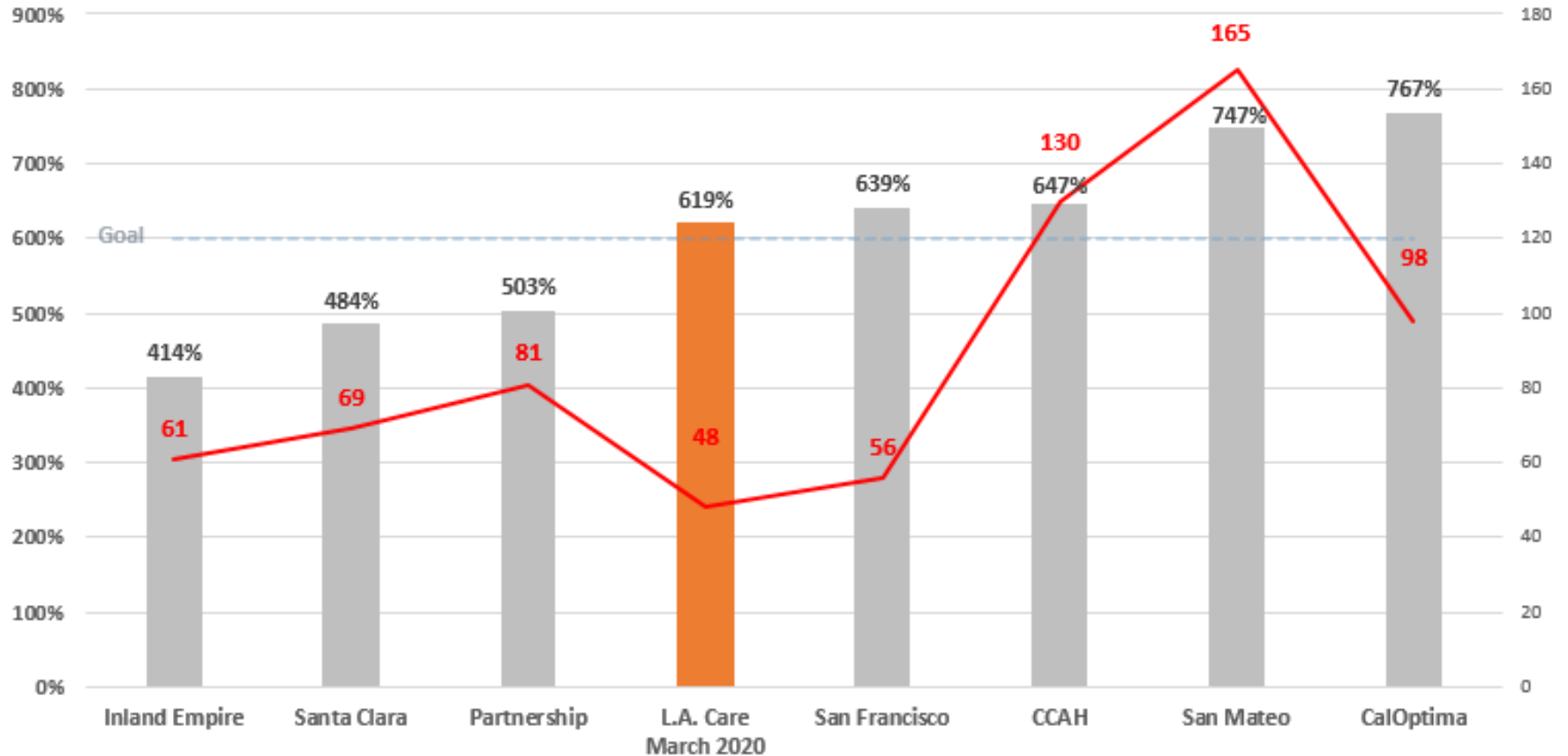
for the 6 months ended March 2020

| | Actual | | Forecast | |
|-------------|---------------|-----|-----------------|---|
| MCR | 93.6% | vs. | 93.2% | ✘ |
| Admin Ratio | 5.4% | vs. | 5.4% | ✔ |

| | Actual | | Benchmark | |
|---------------------|---------------|-----|------------------|---|
| Working Capital | 1.29 | vs. | 1.00+ | ✔ |
| Cash to Claims | 0.53 | vs. | 0.75+ | ✘ |
| Tangible Net Equity | 6.19 | vs. | 1.30+ | ✔ |

Tangible Net Equity & Days of Cash On-Hand

for the 6 months ended March 2020



• As of December 2019 Quarterly filings, unless noted otherwise.

Questions & Consideration

Motion FIN 105

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

Informational Items

Investment Transactions

- As of March 31, 2020, L.A. Care's total investment market value was \$1.5B
 - \$1.3B managed by Payden & Rygel and New England Asset Management (NEAM)
 - \$72M in Local Agency Investment Fund
 - \$106M in Los Angeles County Pooled Investment Fund