



L.A. Care
HEALTH PLAN®

For All of L.A.

FINANCE & BUDGET COMMITTEE MEETING

BOARD OF GOVERNORS

August 23, 2022 • 1:00 PM

L.A. Care Health Plan

1055 W. 7th Street, Los Angeles, CA 90017



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



AGENDA

Finance & Budget Committee Meeting Board of Governors

Tuesday, August 23, 2022, 1:00 P.M.

L.A. Care Health Plan, 1055 West 7th Street, 10th Floor, Los Angeles

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Please recheck these directions for updates prior to the start of the meeting.

This meeting will be conducted in accordance with the provisions of the Ralph M. Brown Act, allowing members of the Board, members of the public and staff to participate via teleconference, because State and Local officials are recommending measures to promote social distancing. Accordingly, members of the public should join this meeting via teleconference as follows:

<https://lacare.webex.com/lacare/j.php?MTID=m0842cbfd53a086c692234c2eb181adda>

To join and LISTEN ONLY via teleconference please dial: (213) 306-3065

Access code: 2484 675 5299 Password: lacare

Members of the Finance & Budget Committee or staff may participate in this meeting via teleconference. *The public is encouraged to submit public comments or comments on Agenda items in writing by e-mail to BoardServices@lacare.org, or by sending a text or voicemail to (213) 628-6420.*

Attendees who log on to lacare.webex using the URL above will be able to use “chat” during the meeting for public comment. You must be logged into Webex to use the “chat” feature. The log in information is at the top of the meeting Agenda.

We continue to use different ways to submit public comment live and direct during the meeting.

1. The “chat” will be available during the public comment periods before each item.
2. To use the “chat” during public comment periods, look at the bottom right of your screen for the icon that has the word, “chat” on it.
3. Click on the chat icon. It will open two small windows.
4. Select “Everyone” in the To: window,
5. The chat message, text, voicemail, or email must indicate if you wish to be identified or remain anonymous, and must also include the name of the item to which your comment relates.
6. Type your public comment in the box that says “Enter chat message here”.
7. When you hit the enter key, your message is sent and everyone can see it.
8. L.A. Care staff will read the chat messages for up to three minutes during public comment so people who are on the phone can hear the comment.

Your comments can also be sent by voicemail, email or text. If we receive your comments by 1:00 pm on August 23, 2022, it will be provided to the members of the Finance & Budget Committee at the beginning of the meeting. **The chat message, text, voicemail, or email must indicate if you wish to be identified or remain anonymous, and must also include the name of the item to which your comment relates.** Public comments submitted will be read for up to three minutes during the meeting.

Once the meeting has started, public comment must be received before the agenda item is called by the meeting Chair and staff will read those comments for up to three minutes. Chat messages submitted will be read for up to three minutes during the public comment period for each item. If your public comment is not related to any of the agenda item topics, your public comment will be read in the general public comment agenda item.

These are extraordinary circumstances, and the process for public comment is evolving and may change at future meetings. We thank you for your patience.

There may be some delay in the digital transmittal of emails, texts and voicemail. The Chair will announce when public comment period is over for each item. If your public comments are not received in time for the specific agenda item you want to address, your public comments will be read at the public comment section prior to the closed session.

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The purpose of public comment is that it is an opportunity for members of the public to inform the governing body about their views. The Board appreciates hearing the input as it considers the business on the Agenda.

All votes in a teleconferenced meeting shall be conducted by roll call.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (ADA) please contact L.A. Care Board Services staff prior to the meeting for assistance by text to 213 628-6420 or by email to BoardServices@lacare.org.

WELCOME

Ilan Shapiro, MD, MBA, FAAP, FACHE
Chair

1. Approve today's meeting Agenda *Chair*
2. Public Comment (*please see instructions above*) *Chair*
3. Approve Consent Agenda *Chair*
 - June 28, 2022 meeting minutes **p.5**
 - Quarterly Investment Report **(FIN 100)** **p.14**
 - Consolidated Allocation of Funds for Non-Travel Meals and Catering & Other Expenses **(FIN 101)** **p.43**
 - OptumInsight, Inc. Contract Amendment SOW #6 **(FIN 102)** **p.44**
 - Verizon Business Contract Amendment **(FIN 103)** **p.46**
 - UpHealth, Inc. (formerly Thrasys, Inc.) Contract Amendment **(FIN 104)** **p.47**
 - North Star Alliances, LLC Contract Amendment **(FIN 105)** **p.48**
 - Center for the Study of Services Contract **(FIN A)** **p.49**
 - Iron Mountain Contract **(FIN B)** **p.50**
4. Chairperson's Report *Chair*
5. Chief Executive Officer's Report

John Baackes
Chief Executive Officer

COMMITTEE ITEMS

6. Chief Financial Officer's Report **p.51**

Marie Montgomery
Chief Financial Officer

 - Financial Report - June 2022 **(FIN 106)** **p.82**
 - 9+3 Forecast Update
 - FY 2022-23 Operating and Capital Budget **(FIN 107)** **p.93**
 - Monthly Investment Transactions Reports **p.128**
 - Quarterly Internal Policy Reports **p.152**
7. Cognizant Technology Solutions and Solugenix Corporation Contract Amendment for Staff Augmentation **(FIN 108)** **p.158**

Tom MacDougall
Chief Information & Technology Officer
8. Public Comment on Closed Session Items (*Please read instructions above.*)

ADJOURN TO CLOSED SESSION (Est. time: 10 mins.)

Chair

9. CONTRACT RATES
Pursuant to Welfare and Institutions Code Section 14087.38(m)
 - Plan Partner Rates
 - Provider Rates
 - DHCS Rates

DRAFT

10. REPORT INVOLVING TRADE SECRET

Pursuant to Welfare and Institutions Code Section 14087.38(n)

Discussion Concerning New Service, Program, Technology, Business Plan

Estimated date of public disclosure: *June 2024*

RECONVENE IN OPEN SESSION

ADJOURN

Chair

Due to religious holiday, the next Finance & Budget Committee meeting is scheduled on
Tuesday, September 20, 2022 at 1:00 p.m.

and may be conducted as a teleconference meeting.

Public comments will be read for up to three minutes.

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

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

THE PUBLIC MAY SUBMIT COMMENTS TO THE BOARD OF GOVERNORS BEFORE DISCUSSION OF EACH ITEM LISTED ON THE AGENDA BY SUBMITTING THE COMMENT BY VOICE MESSAGE OR IN WRITING BY TEXT MESSAGE TO 213 628 6420, OR IN WRITING BY EMAIL TO BoardServices@lacare.org. Please follow additional instructions on the first page of this Agenda.

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

NOTE: THE BOARD OF GOVERNORS CURRENTLY MEETS ON THE FIRST THURSDAY OF MOST MONTHS AT 2:00 P.M. AGENDA and PRINTED MEETING MATERIALS ARE AVAILABLE FOR INSPECTION AT <http://www.lacare.org/about-us/public-meetings/board-meetings> and by email request to BoardServices@lacare.org

Any documents distributed to a majority of the Board Members regarding any agenda item for an open session after the agenda has been posted will be available for public inspection at <http://www.lacare.org/about-us/public-meetings/board-meetings> and can be requested by email to BoardServices@lacare.org.

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

Meetings are accessible to people with disabilities. Individuals who may require any accommodations (alternative formats - i.e., large print, audio, translation of meeting materials, interpretation, etc.) to participate in this meeting and wish to request an alternative format for the agenda, meeting notice, and meeting packet may contact L.A. Care's Board Services Department at (213) 628 6420. Notification at least one week before the meeting will enable us to make reasonable arrangements to ensure accessibility to the meetings and to the related materials.

BOARD OF GOVERNORS

Finance & Budget Committee

Meeting Minutes – June 28, 2022

1055 W. 7th Street, Los Angeles, CA 90017

Members

Ilan Shapiro MD, MBA, FAAP, FACHE, *Chairperson*

Stephanie Booth, MD

Hector De La Torre

Hilda Perez

G. Michael Roybal, MD



L.A. Care
HEALTH PLAN

Management/Staff

John Baackes, *Chief Executive Officer*

Terry Brown, *Chief of Human Resources*

Augustavia Haydel, *General Counsel*

James Kyle, MD, *Chief of Equity & Quality Medical Director*

Tom MacDougall, *Chief Technology & Information Officer*

Marie Montgomery, *Chief Financial Officer*

Noah Paley, *Chief of Staff*

Acacia Reed, *Chief Operating Officer*

Richard Seidman, MD, MPH, *Chief Medical Officer*

*Absent ** Via Teleconference

State and local officials continue to impose or recommend measures to promote social distancing to reduce transmission of the COVID 19 virus. It is prudent to use caution in protecting the health of the public, L.A. Care's employees and its members where adequate virtual means exist to permit the meeting to occur by teleconference/videoconference with the public being afforded the ability to comment in real time. The Board of Governors and all legislative bodies of the L.A. Care Health Plan, and the Board of Directors and all legislative bodies of the Joint Powers Authority will continue to meet virtually and the Boards will review that decision on an on-going basis as provided in the Brown Act. Members of the public had the opportunity to listen to the meeting via teleconference, and share their comments via voicemail, email, or text.

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
CALL TO ORDER	<p>Ilan Shapiro MD, <i>Committee Chairperson</i>, called the L.A. Care and JPA Finance & Budget Committee meetings to order at 1:06 p.m. He welcomed everyone and summarized the process for public comment during this meeting.</p> <p>Board Meetings are conducted electronically so that everyone participating can be safe and practice social distancing. L.A. Care members need us to continue the work of the Board, and the meetings are run so that members of the public can hear the meeting and can participate by submitting comments.</p> <p>Comments from anyone who would like to address the Board and its committees are welcome and there are instructions on the Agenda. Staff sends all comments received before the meeting to the Board members in writing. All public comment is included in the minutes of the meeting, and any comments received that were not read during the meeting are added at the end of the minutes.</p>	

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AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Submitters of public comment must identify the Agenda item which the comment is addressing. If the submitter does not identify an agenda item for the comment to be read, the submitter's comment will be read for three minutes at the "Public Comment" item. At the appropriate item on the Agenda, staff will read for three minutes the public comment from each submitter. Depending on how many comments are submitted, the three-minute time could be adjusted to allow for more submitters to have their comments read. The Board will continue reviewing and improving how public comments are received and distributed to Board members.</p>	
APPROVE MEETING AGENDA	The Agenda for today's meeting was approved.	Approved unanimously by roll call. 3 AYES (Booth, Roybal and Shapiro)
PUBLIC COMMENTS	There were no public comments.	
APPROVE CONSENT AGENDA	<ul style="list-style-type: none"> • May 24, 2022 meeting minutes • ImageNet, LLC Contract Amendment <u>Motion FIN 100.0722</u> To authorize staff to create amendment #3 of SOW #1 to increase the contract amount from \$1,400,000 to \$4,101,233 (incremental increase of \$2,701,233) and extend the term through September 30, 2025. This amendment will allow ImageNet, LLC continue to support L.A. Care Claims Processing Services as well as adding Provider Dispute Resolutions (PDR) Processing Services. • OptumInsight, Inc. Contract Amendment <u>Motion FIN 101.0722</u> To authorize staff to create amendment #1 of SOW #25 to increase the contract amount from \$1,380,000 to \$4,522,887 (incremental increase of \$3,142,887) and extend the term through December 31, 2025. This amendment will allow OptumInsight, Inc. continue to support L.A. Care Itemized Bill Review services. • North Star Alliances Contract Amendment <u>Motion FIN A.0622</u> To authorize staff to increase the total funds available in the existing \$1,600,000 contract with North Star Alliances, LLC by \$250,000 for a new total amount of 	<p>Approved unanimously by roll call. 3 AYES</p> <p>The Committee approved including FIN 100 and FIN 101 on the Consent Agenda for the July 28, 2022 Board of Governors' meeting.</p> <p>FIN A.0622 and FIN B.0622 do not require full Board approval.</p>

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>\$1,850,000 to provide event planning, logistics, staffing and execution services through October 1, 2022.</p> <ul style="list-style-type: none"> Cognizant Contract to provide Healthcare Effectiveness Data and Information Set (HEDIS) & Align. Measure. Perform (AMP) software and services (FIN B) <u>Motion FIN B.0622</u> To authorize staff to execute a contract with Cognizant to provide Healthcare Effectiveness Data and Information Set (HEDIS) & Align. Measure. Perform (AMP) software and services for the period of August 2022 through July 2023 with fees not to exceed \$1,184,500. 	
CHAIRPERSON'S REPORT	<p>Chairperson Shapiro noted that these are troubling times, with many things happening in the financial world as well as in our community. Fuel prices are going up, families are hurting and our patients are feeling it. L.A. Care is working to secure a financial structure and resources to move forward. Marie Montgomery, <i>Chief Financial Officer</i>, will be reporting on next steps for the projects being implemented and key aspects of financial decisions.</p>	
CHIEF EXECUTIVE OFFICER'S REPORT	<p><i>(Board Member Perez joined the meeting.)</i></p> <p>John Baackes, <i>Chief Executive Officer</i>, reported that enrollment for income-eligible Los Angeles County residents aged 50 and up (regardless of immigration status) has started with a few hundred added in May and around 16,000 new members in June. Preliminary enrollment in July indicates 92,000 new Medi-Cal members, and it is expected that 70-80,000 of those are in this newly-eligible category. Most of the new members have received care at Los Angeles County Department of Health Services (DHS) provider sites or at federally qualified health centers (FQHCs). L.A. Care will make sure these new members are assigned to the same primary care provider from which they previously received care. This is an important part of Chairperson Shapiro's comments about financial stability. Adding new members brings increased revenue and increased responsibility. L.A. Care has prepared for the new enrollment. Additional details will be provided at future meetings.</p>	
COMMITTEE ITEMS		
Chief Financial Officer's Report <ul style="list-style-type: none"> SAP Project Update 	<p><i>(Board Chairperson De La Torre joined the meeting.)</i></p> <p>Ms. Montgomery reported that typically the May Financial report would be presented. There is a change in plans, as there is claims correction activity for the private hospitals directed payments pools. The distribution for each contracted hospital is calculated on encounters</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>accepted by California Department of Health Care Services (DHCS). In the reconciliation for January through June of 2021 there are claims that were not accepted by DHCS. The corrected claims process reviews attributes on previously paid claims so they can be accepted by DHCS, and the original paid claim is reversed. June 30 is the deadline to submit all corrected claims to DHCS for the next round of payments to those facilities. Given the tight timeline, L.A. Care prioritized the submissions of the corrected claims and not the reversal of the original paid claims. Additional time will be required to determine the amount of a receivable for May for the reversal of the original claims, and the recalculation of the impact on L.A. Care's reserves. It was the right thing to process the corrected claims so the facilities will receive credit for those services in the next round of payments, but it caused additional challenges for L.A. Care in closing the books for May. The May and June financials will be presented for review and approval by the Board at the meeting on July 28, 2022.</p> <p>Ms. Montgomery announced that an update on the SAP project, a multi-phase project to improve financial systems, will be presented. She introduced Angela Bergman, <i>Controller (a copy of her presentation can be obtained by contacting Board Services)</i>.</p> <p>Ms. Bergman described the SAP strategic project to implement a software system that is transformational for the Finance Department. She noted that prior to the beginning of the Finance modules, there were SAP modules implemented for time and attendance, payroll and Human Resources functions. Ms. Bergman described the status of each phase of the implementation and planning and evaluating additional deployments.</p> <p>1. Deployed- Live</p> <ul style="list-style-type: none"> • Phase 1: Premium Billing. Deployed on October 1, 2020 for CY 2021 L.A. Care Covered (LACC) Enrollment. • Phase 2: Disbursements (Claims and provider capitation payments). Deployed on June 1, 2021. <p>2. In-Flight: Expected deployment date June 30, 2022</p> <ul style="list-style-type: none"> • Phase 3: Enterprise Resource Planning (ERP). Core Financial System for the General Ledger, Fixed Assets, Project Cost, Accounts Payables, and Managerial Reporting. • Phase 4: Revenue automation for Medi-Cal and Medicare including retroactive rate and enrollment recalculations. Automation of Plan Partner capitation. 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> Enhancements: For phases 1 & 2, which include provider capitation process and interface redesign, (LACC) - zero dollar invoices, electronic bank statements, and system enhancements for the CalAIM program. <p>3. Planning and Evaluating</p> <ul style="list-style-type: none"> Budget and Forecast - Planning Phase – Target first quarter 2023 Ariba – SciQuest replacement - Future Phase Cadillux - Broker Commission Calculations - Future Phase <p>Ms. Bergman noted that the implementation is proceeding on the appropriate timeline, and she reviewed accomplishments in phase 1, when L.A. Care replaced a third-party contractor with in-house SAP billing and automated payments for LACC. This included providing a portal for members with more options for payment and a function for real-time feedback from members. There was automation of many processes that had previously been conducted manually. Ms. Bergman described the manual payment and journal entry processes that were automated in phase 2.</p> <p>Phases 3 and 4 will be implemented on June 30, 2022. Phase 3 includes the core data system for SAP, including the chart of accounts, reporting capabilities, accounts payable, fixed assets, and project costing and reporting. This phase eliminates separate processes. Phase 4 will automate revenue processes. Enhancements for phase 1 and 2 are ongoing, with increased automation of banking and reconciliation.</p> <p>Future modules are planned for automating budget and forecasting, analytics, reporting and analysis. Evaluation is also underway for an updated and automated procurement system and a broker management system.</p> <p>Ms. Bergman presented the project benefits and impacts:</p> <ul style="list-style-type: none"> Leverage SAP functions and process automation to maximize operational efficiency and standardization which will result in cost savings. Provide senior leadership with dashboard capability and improved financial reporting. Increase collaboration among teams through process SAP integration, which motivates and requires the Finance staff to understand the process from end-to-end. Create a single integrated platform (SAP) allowing the entire Finance Organization to: <ul style="list-style-type: none"> Develop a strategic perspective for the benefit of all departments. Benefit from the fact that all data is now accessible via a common source and common toolsets. 	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<ul style="list-style-type: none"> ○ Reduce the needs for disparate skill sets and separate databases. ○ Adapt nimbly to changes in federal and state regulations and to changes in membership, providers and services. ○ Strengthen, enforce, and monitor Internal Controls. <p>Many benefits to L.A. Care and its providers, members and vendors have already been realized as the goals are achieved for this project.</p> <p>Board Member Booth asked if SAP is tracking everything needed for compliance. Ms. Bergman indicated that it will assist with tracking for compliance, and thus far results are positive. There are additional processes to be automated.</p> <p>Board Member Booth asked if any data had been lost in moving to the new system. Ms. Bergman responded that has been minimal and the data was captured and manually entered.</p> <p>Board Member Booth asked if the missing data was predicted. Ms. Bergman noted it is an ongoing process and continual improvement is needed. Staff is confident that material items are corrected.</p> <p>Board Member Booth asked what is being done to avoid the errors. Ms. Bergman indicated that parallel testing and checking expected results against actual results are conducted.</p> <p>Board Member Booth asked about the acronym, MPSS. Ms. Bergman defined this as “Medical Payment Services and Systems”, which is the area in the Finance Department that processes claims and capitation payments.</p> <p>Board Member Booth asked about the provider information used for PaySpan and printing checks. Ms. Montgomery responded the provider data used in Finance is the same that is used among L.A. Care’s other departments.</p> <p>Board Member Booth asked about interoperability, or if there are other functions that staff would like to have in the new system. Ms. Montgomery responded that as the interfaces come into the financial system, the data is vetted up front. Finance staff works closely with Information Technology on improvements in this step. SAP does not lose any transactions, but the missing attributes are flagged and corrections are made.</p> <p>Board Member Booth asked about payment for pre-authorized services where the final request for payment is not matched with the prior authorization. Ms. Montgomery indicated that the adjudication of claims occurs in the QNXT system, not in Finance. Payments are</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	made through SAP. Acacia Reed, <i>Chief Operating Officer</i> , added that denial of a claim may happen where an authorization is not found. There is not a matching issue in QNXT.	
<p>Approve Operations Motions</p> <ul style="list-style-type: none"> Health Management Systems (A Gainwell Company) Contract Amendment 	<p>Ms. Reed introduced a motion for a vendor in the payment integrity area, Health Management Systems (HMS). This vendor performs a number of services in an attempt to identify waste or abuse, and isolate the financial impact of credible allegations of fraud. This amendment would increase the contract amount from \$21.37 to \$42.8 million, extending the contract term to December 31, 2025.</p> <p>L.A. Care needs these services and are required to take affirmative steps to detect, investigate, and prevent fraud, waste, and/or abuse. See, e.g., 42 U.S.C. § 1396a, 28 CCR § 1300.71. The Payment Integrity team has designed their activities to ensure that federal and state taxpayer dollars are spent appropriately on delivering quality, necessary care, and preventing fraud, waste, and abuse from taking place. To that end, staff is implementing initiatives to ensure that:</p> <ul style="list-style-type: none"> Eligibility decisions are made correctly; Prospective and enrolled providers meet federal and state participation requirements; Services provided to enrollees are medically necessary and appropriate; and Provider payments are made in the correct amount and for appropriate services. <p>L.A. Care has contracted with this vendor since February 2016, and staff are pleased with their work as it is currently generating approximately \$55 million in savings and recoveries on an annual basis as a result of these agreements.</p> <p>Board Member Booth asked if payment is from recoupment, and about the rate of payment. Ms. Reed confirmed that payment is on a commission basis. Erik Chase, <i>Senior Director, Claims Integrity</i>, responded that HMS provides three services for coordination of benefits; two are retrospective and one is prospective. The two retrospective services are contingency based, and the prospective services is paid per record.</p> <p>Board Member Booth asked about services provided by OptumInsight. Mr. Chase indicated that OptumInsight provides services related to claims rule-based editing, which is a different service.</p> <p>Board Member Booth asked if there are any complaints from providers about delays in payment. Mr. Chase noted that happens very rarely, because DHCS also uses HMS, and that data is typically aligned.</p>	

AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<ul style="list-style-type: none"> Toney Healthcare Consulting contract amendment (FIN 103) 	<p><u>Motion FIN 102.0722</u> To authorize staff to amend the contract in the amount of \$21,454,010 (not to exceed a total contract amount of \$42,822,666) with Health Management Systems (A Gainwell Company) to provide Cost Avoidance, Direct Bill and Disallowance services through December 31, 2025.</p> <p>Ms. Reed summarized a motion related to Toney Healthcare Consulting, which provides staff augmentation for clinical services in the care management, utilization management and Managed Long Term Care Services and Supports programs. The contract amendments will extend the contract for those services until 2023.</p> <p><u>Motion FIN 103.0722</u> To authorize amendment extensions of the current contracts with Toney Health Care Consulting (SOWs 3 & 7) and execute new SOW 12 for UM and CM services through February 28, 2023, at an additional cost of \$3,308,800 for a total UM/CM contract not to exceed \$15,261,371.</p>	<p>Motions FIN 102 and FIN 103 were simultaneously approved unanimously by roll call. 5 AYES (Booth, De La Torre, Perez, Roybal and Shapiro)</p> <p>The Committee approved including FIN 102 and FIN 103 on the Consent Agenda for the July 28, 2022 Board of Governors' meeting.</p>
<p>Approve Information Technology Motions</p> <ul style="list-style-type: none"> Cognizant Technology Solutions Contract Amendment Cognizant Technology Solutions for Hosting Services for L.A. Care's core systems 	<p>Tom MacDougall, <i>Chief Information Officer</i>, summarized two motions for contracts with Cognizant Corporation. The first motion is for staff augmentation used for the Salesforce implementation in the Customer Service Center, Community Resource Centers and in the Sales & Marketing department. Salesforce is a contact system which will be implemented to record interactions with members and providers. The original contract amount was \$5.3 million and this extension will be for \$1 million to extend the term to the end of 2022.</p> <p><u>Motion FIN 104.0722</u> To amend the existing contract with Cognizant in the amount of \$1,065,000 (total contract not to exceed \$6,388,069) for continued Salesforce implementation activities through December 31, 2022.</p> <p>Mr. MacDougall summarized a motion to amend a purchase order with Cognizant in the amount of \$3,650,000 through December 31, 2022 for Cognizant hosting services. This includes the claims adjudication platform, QNX, which Ms. Montgomery mentioned earlier in the meeting.</p> <p><u>Motion FIN 105.0722</u> To amend the existing contract with Cognizant Technology Solutions in the amount of \$3,650,000 (total contract not to exceed \$99,884,459), for continued hosting services for L.A. Care's core systems through December 31, 2022.</p>	<p>Motions FIN 104 and FIN 105 were simultaneously approved unanimously by roll call. 5 AYES</p> <p>The Committee agreed by consensus that these two motions be added to the Consent Agenda for the July 28, 2022 Board of Governors meeting.</p>

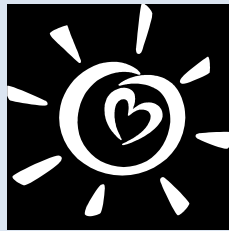
AGENDA ITEM/PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
Public Comments on the Closed Session agenda items.	There were no public comments.	
ADJOURN TO CLOSED SESSION	<p>The Joint Powers Authority Finance & Budget Committee meeting adjourned at 1:57 p.m.</p> <p>Augustavia J. Haydel, Esq., <i>General Counsel</i>, announced the items that the Committee will discuss in closed session. There was no public comment on the Closed Session items, and the meeting adjourned to closed session at 1:57 pm.</p> <p>CONTRACT RATES Pursuant to Welfare and Institutions Code Section 14087.38(m)</p> <ul style="list-style-type: none"> • Plan Partner Rates • Provider Rates • DHCS Rates <p>REPORT INVOLVING TRADE SECRET Pursuant to Welfare and Institutions Code Section 14087.38(n) Discussion Concerning New Service, Program, Technology, Business Plan Estimated date of public disclosure: <i>June 2024</i></p>	
RECONVENE IN OPEN SESSION	<p>The meeting reconvened in open session at 2:10 pm.</p> <p>Ms. Haydel advised the public that no reportable actions were taken during the closed session.</p>	
ADJOURNMENT	The meeting adjourned at 2:10 pm	

Respectfully submitted by:

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

APPROVED BY:

Ilan Shapiro MD, MBA, FAAP, FACHE, *Chairperson*
Date Signed _____



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 100.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Accept the Investment Report for the quarter ended June 30, 2022.

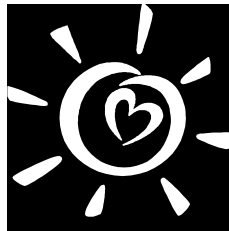
☐ New Contract ☐ Amendment ☐ Sole Source ☐ RFP/RFQ was conducted

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

Member Impact: N/A

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

Motion: To accept the Quarterly Investment Report for the quarter ending June 30, 2022, as submitted.



L.A. Care
HEALTH PLAN

Board of Governors **MOTION SUMMARY**

Date: August 23, 2022

Motion No. FIN 100.XXXX

Committee: Finance & Budget

Chairperson: Robert H. Curry

Issue: Accept the Investment Report for the quarter ended June 30, 2022.

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

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

Member Impact: N/A

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

Motion: To accept the Quarterly Investment Report for the quarter ending June 30, 2022, as submitted.



L.A. Care Health Plan Quarterly Investment Compliance Report April 1, 2022 through June 30, 2022

OVERVIEW

The California Government Code requires the L.A. Care Treasurer to submit a quarterly report detailing its investment activity for the period. This investment report covers the three-month period from April 1, 2022 through June 30, 2022.

PORTFOLIO SUMMARY

As of June 30, 2022, the market values of the portfolios managed by Payden & Rygel and New England Asset Management are as follows:

<u>Portfolios</u>	<u>Payden & Rygel</u>
<i>Cash Portfolio #2365</i>	<i>\$1,020,545,181.86</i>
<i>Low Duration Portfolio #2367</i>	<i>\$89,821,940.72</i>
Total Combined Portfolio	<u>\$1,110,367,122.58</u>

<u>Portfolios</u>	<u>NEAM</u>
<i>Government and Corporate Debt</i>	<u>\$322,519,530.51</u>

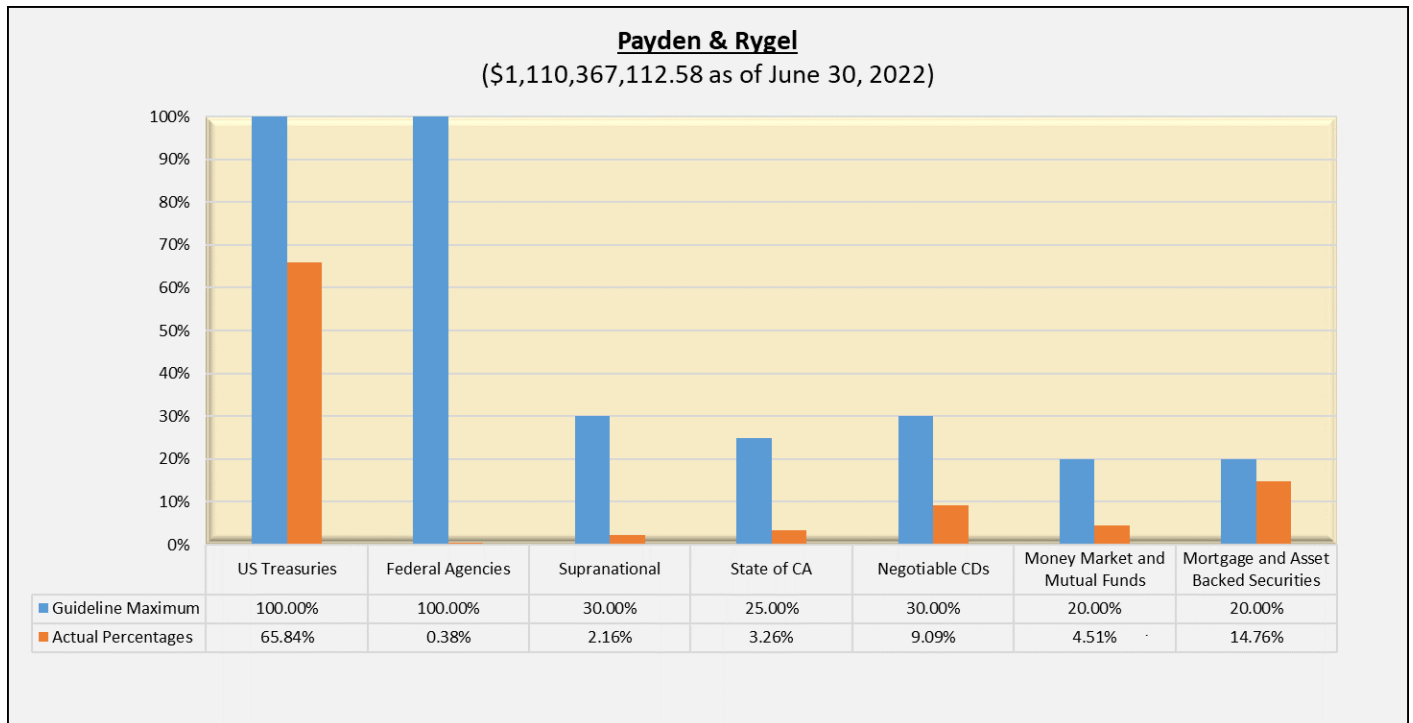
COMPLIANCE WITH ANNUAL INVESTMENT POLICY

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

L.A. Care has invested funds in California's Local Agency Investment Fund (LAIF) and the Los Angeles County Treasurer's Pooled Investment Fund (LACPIF). In a LAIF statement dated July 1, 2022, the June 30, 2022 balance is reported as \$72,928,409.62 with accrued interest of \$95,313. In the LACPIF statement dated July 12, 2022, the June 30, 2022 balance is reported as \$253,416,101.95. The LACPIF account balance does not reflect accrued interest.

Payden & Rygel Compliance Verification

California Government Code Compliance Verification Detail as of June 30, 2022



	Maximum Permitted Maturity		Actual Maximum Maturity		Compliance
	#2365	#2367	#2365	#2367	
	Enhanced Cash	Low Duration	Enhanced Cash	Low Duration	
US Treasuries	5 Years	5 Years	1.46 Years	4.92 Years	YES
Federal Agencies	5 Years	5 Years	-	3.62 Years	YES
Supranational	5 Years	5 Years	1.76 Years	1.76 Years	YES
State of CA	5 Years	5 Years	0.84 Years	3.96 Years	YES
Negotiable CDs	270 Days	270 Days	141 days	-	YES
Money Market and Mutual Funds	NA	NA	1 Day	1 Day	YES
Mortgage and Asset Backed Securities	5 Years	5 Years	4.32 Years	3.96 Years	YES

Payden & Rygel Compliance Verification

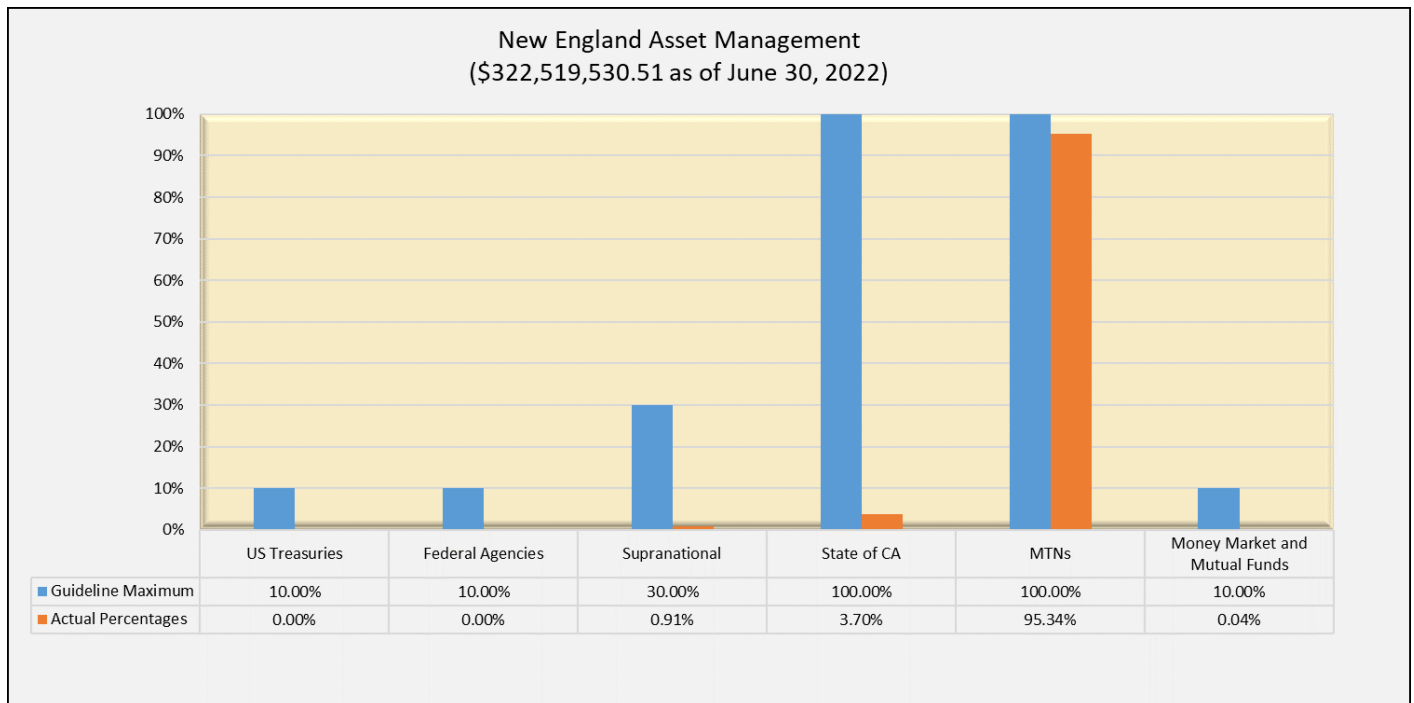
Combined #2365 and #2367 Portfolios as of June 30, 2022

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

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

New England Asset Management Compliance Verification

California Government Code Compliance Verification Detail as of June 30, 2022



	Maximum Permitted Maturity NEAM	Actual Maximum Maturity NEAM	Compliance
US Treasuries	5 Years	-	YES
Federal Agencies	5 Years	-	YES
Supranational	5 Years	0.81 Years	YES
State of CA	5 Years	3.13 Years	YES
MTNs	5 Years	4.87 Years	YES
Money Market and Mutual Funds	NA	1 Day	YES

New England Asset Management Compliance Verification

As of June 30, 2022

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

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

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

MARKET COMMENTARY

Economic Highlights

- **GDP:** Real GDP growth contracted during the first quarter, down an annualized -1.6%. The main cause for the drop was net exports/imports, subtracting -3.23% from growth. Imports were up big for the second straight quarter while exports fell -4.8%. Consumer spending weakened, up 1.8% for the quarter. The Atlanta Fed's GDPNow forecast for the second quarter currently stands at 0.3%.

Source: Bureau of Economic Analysis

- **Interest Rates:** The Treasury curve rose across all maturities during the second quarter with modestly higher rates past three years. The 10-year Treasury closed at 3.02%, up 68 basis points since March. The 10-year real yield (i.e., net of inflation) rose 116 basis points to 0.67%. The Federal Open Market Committee increased the fed funds rate by a total of 1.25% this quarter, targeting a range of 1.5% to 1.75%. The committee's current median outlook is for a rate above 3% by the end of 2022.

Source: U.S. Treasury

- **Inflation:** Consumer price changes have accelerated rapidly as the Consumer Price Index jumped 2.6% for the three months ending May. For the one-year period, the CPI is up 8.5%. The 10-year breakeven inflation rate decreased to 2.34% in June versus 2.83% in March.

Source: Dept. of Labor (BLS), U.S. Treasury

- **Employment:** Jobs growth has slowed but remains solid, with an average of 408k jobs/month added during the three months ending in May. The unemployment rate held steady during the quarter, equaling 3.6%. Reported job openings remain high with nearly two job openings for every available worker.

Source: Dept. of Labor (BLS)

U.S. Fixed Income Markets

The U.S. Treasury yield curve was up across all maturities during the quarter, most noticeably in the short end, leading to a flatter curve. The 10-year Treasury yield ended the quarter at 3.02%, up 68 basis points from March. Credit spreads widened during the quarter including an outsized jump of 163 basis points in June in the high yield market, which had a spread of 5.69% at quarter-end. The Federal Open Market Committee met twice during the quarter, as scheduled, and increased their overnight rate by 0.50% in May and 0.75% in June; targeting a range of 1.50% to 1.75%. Through the Fed's "dot plot," they are messaging that the current intent is for another 175 basis points in increases before the end of 2022. Such an increase would push the rate above 3% for the first time since before the 2008 credit crisis. Public statements from the Federal Reserve grew more pessimistic during the quarter as Fed Chair Jerome Powell stated after the June meeting that controlling inflation at their 2% target, in exchange for a higher unemployment rate, would be a "successful outcome."

Payden&Rygel

QUARTERLY PORTFOLIO REVIEW

LA CARE HEALTH PLAN

2nd Quarter 2022



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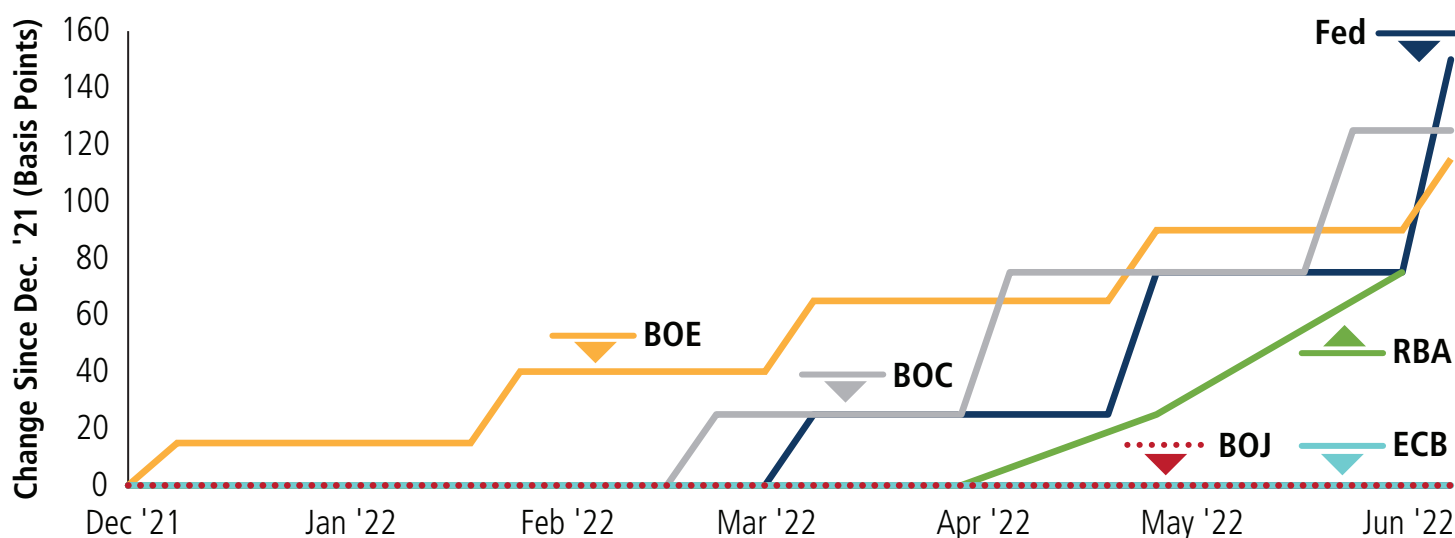


From the desk of Joan Payden

- Fixed income markets experienced continued turmoil in the second quarter as inflation accelerated worldwide and global central banks tightened monetary policy in response, sending interest rates up.
- Although the Bank of England (BoE) was one of the first banks to begin raising interest rates, the Federal Reserve (Fed), Bank of Canada (BoC) and Reserve Bank of Australia (RBA) soon followed. The Fed has now increased its policy rate by 150 basis points.
- The European Central Bank (ECB) has not yet raised its policy interest rates but is expected to initiate liftoff in July and hike through year-end.
- The Bank of Japan is one of the only global central banks continuing to maintain an easy monetary policy stance. As a result, the yen has reached a 24-year low relative to the dollar.

MONETARY POLICY SQUEEZE

CHANGE IN POLICY INTEREST RATES FOR SELECT GLOBAL CENTRAL BANKS



Source: Central Banks of the U.S., England, Canada, Australia, Europe, and Japan

MARKET THEMES FOR Q2

Volatility remained elevated in the second quarter of 2022 against the backdrop of rising global inflation, faster central bank tightening, geopolitical tensions, and Covid's knock-on effects to economic growth. After a very bumpy ride, U.S. stocks ended the quarter down even more than Q1, underperforming other developed market equities. Global bond yields were significantly higher, as future monetary policy forecasts are tighter than originally expected. After May's surprise U.S. inflation reading markets priced in, and the Fed delivered, a 75-basis point rate hike. Risk assets sold off broadly during the quarter, with spreads widening as investors started to assess the risk of a recession.

OUTLOOK

Because many central banks delayed hiking until they were well "behind the curve," monetary policy makers are primed to "overcorrect" as they try to rein in the highest inflation in over four decades. As a result, the path to a "soft landing" for the global economy has become increasingly narrow, and the risk of recession has gone up significantly. Financial conditions have tightened across the board, with the durable goods sector, which includes housing and autos, already showing signs of slowing.

L.A. CARE HEALTH PLAN COMBINED PORTFOLIO

Portfolio Review and Market Update – 2nd Quarter 2022

PORTFOLIO CHARACTERISTICS (As of 6/30/2022)

Market Value	1,110,367,123
Avg Credit Quality	AAA
Avg Duration	0.33
Avg YTM	1.69%

SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	42,264,551	3.81%
Money Market	108,751,741	9.79%
Treasury	731,027,974	65.84%
Agency	4,194,782	0.38%
Government Related	23,957,333	2.16%
Credit	-	0.00%
ABS/MBS	163,977,097	14.77%
Municipal	36,193,645	3.26%
Total	1,110,367,123	100.0%

MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	831,987,370	74.93%
90 days - 1 Year	183,156,142	16.50%
1 - 2 Years	49,266,156	4.44%
2 - 5 years	45,957,455	4.14%
Total	1,110,367,123	100.0%

PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2022

	2nd Quarter	YTD 2022	Trailing 1 Year	Trailing 3 Year
Performance				
LA Care - Short-Term Portfolio	0.11	0.02	0.03	0.67
Benchmark*	0.11	0.15	0.17	0.63
LA Care - Extended-Term Portfolio	-0.66	-3.55	-4.15	0.45
Benchmark**	-0.85	-4.19	-4.87	-0.04
LA Care - Combined Portfolio	0.06	-0.21	-0.25	0.67

* ICE BoA 91 Day Treasury Index

** Bloomberg US Govt 1-5 Yr Bond Index



L.A. CARE HEALTH PLAN SHORT TERM PORTFOLIO

Portfolio Review and Market Update – 2nd Quarter 2022

PORTFOLIO CHARACTERISTICS (As of 6/30/2022)

Market Value	1,020,545,182
Avg Credit Quality	AAA
Avg Duration	0.17
Avg YTM	1.56%

SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	41,767,669	4.09%
Money Market	108,751,741	10.66%
Treasury	688,897,979	67.50%
Agency	-	0.00%
Government Related	21,301,892	2.09%
Corporate Credit	-	0.00%
ABS/MBS	148,723,876	14.57%
Municipal	11,102,026	1.09%
Total	1,020,545,182	100.0%

MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	827,322,408	81.07%
90 days - 1 Year	171,159,252	16.77%
1 - 2 Years	22,063,522	2.16%
2 - 5 years	-	0.00%
Total	1,020,545,182	100.0%

PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2022

Performance

	2nd Quarter	YTD 2022	Trailing 1 Year	Trailing 3 Year
L.A. Care - Short-Term Portfolio	0.11	0.02	0.03	0.67
Benchmark*	0.11	0.15	0.17	0.63

* ICE BofA 91 Day Treasury Index



L.A. CARE HEALTH PLAN EXTENDED TERM PORTFOLIO

Portfolio Review and Market Update – 2nd Quarter 2022

PORTFOLIO CHARACTERISTICS (As of 6/30/2022)

Market Value	89,821,941
Avg Credit Quality	AA+
Avg Duration	2.13
Avg YTM	3.14%

SECTOR ALLOCATION

Sector	Market Value	% of Port
Cash	496,883	0.55%
Money Market	-	0.00%
Treasury	42,129,995	46.90%
Agency	4,194,782	4.67%
Government Related	2,655,442	2.96%
Credit	-	0.00%
ABS/MBS	15,253,221	16.98%
Municipal	25,091,619	27.93%
Total	89,821,941	100.0%

MATURITY DISTRIBUTION

Sector	Market Value	% of Port
<90 day	4,664,962	5.19%
90 days - 1 Year	11,996,890	13.36%
1 - 2 Years	27,202,634	30.29%
2 - 5 years	45,957,455	51.17%
Total	89,821,941	100.0%

PORTFOLIO RETURNS

Periods over one year annualized

Periods ended 6/30/2022

Performance

	2nd Quarter	YTD 2022	Trailing 1 Year	Trailing 3 Year
LA Care - Extended-Term Portfolio	-0.66	-3.55	-4.15	0.45
Benchmark**	-0.85	-4.19	-4.87	-0.04

** Bloomberg US Govt 1-5 Yr Bond Index





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For more information about Payden & Rygel's strategies, contact us at a location listed below.

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L.A. Care Health Plan

NEAM's L.A. Care Board Report



Data as of June 30, 2022

Table of Contents



1. Portfolio Summary	1
2. Activity Report	4
3. Performance Report	6
4. Appendix	9
- Risk Reports	10
5. Disclaimers	12

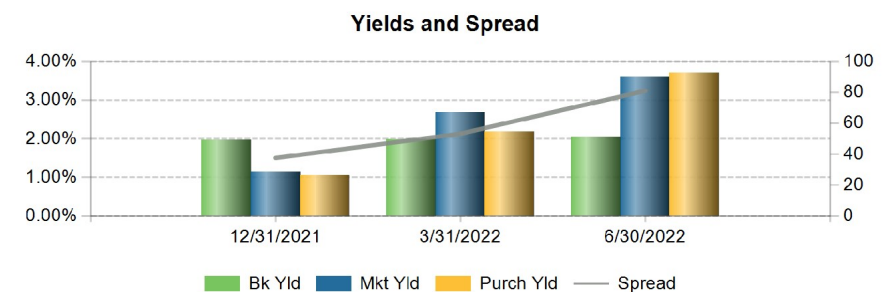
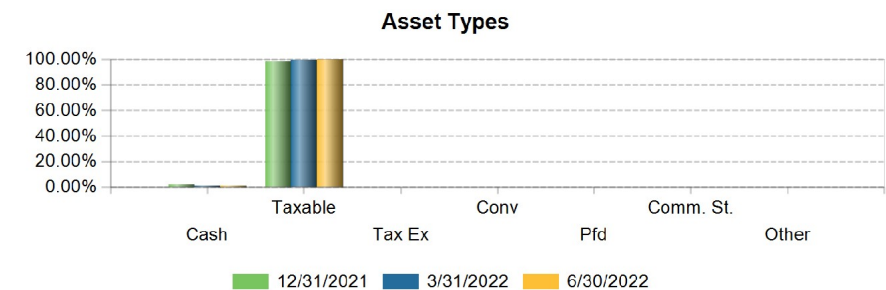
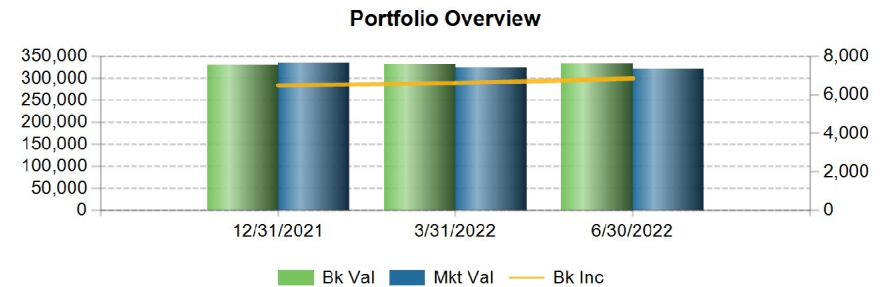


Portfolio Summary

L.A. Care Health Plan - Comparative Overview



	12/31/2021	3/31/2022	6/30/2022	Change since 3/31/2022	
Portfolio Overview (000's Omitted)					
Book Value	330,684	332,673	334,071	1,398	
Market Value	334,273	324,007	320,051	(3,957)	
Total Unrealized Gain/Loss	3,589	(8,666)	(14,021)	(5,355)	
Net Gains	5,519	819	70	(749)	
Net Losses	(1,929)	(9,485)	(14,091)	(4,606)	
Realized Gain / Loss	1,024	105	31		
Annualized Book Income	6,490	6,609	6,856	247	
After Tax Book Income	5,127	5,221	5,416	195	
Asset Types					
Cash / Cash Equivalents	1.7%	0.5%	< 0.1%	(0.4%)	
Taxable Fixed Income	98.3%	99.5%	100.0%	0.4%	
Portfolio Yields					
Book Yield (Before Tax)	1.96%	1.99%	2.05%	0.07%	
Book Yield (After Tax)	1.55%	1.57%	1.62%	0.05%	
Market Yield	1.14%	2.68%	3.60%	0.92%	
Fixed Income Analytics					
Average OAD	2.42	2.43	2.35	(0.08)	
Average Life	2.62	2.62	2.55	(0.07)	
Average OAC	6.66	6.89	7.16	0.27	
Average Quality	A+	A+	A+		
144A %	12.43%	15.28%	13.63%	(1.65%)	
Average Purchase Yield	1.06%	2.18%	3.71%	1.53%	
Average Spread Over Tsy	38	53	81	28	
5 Year US Govt On The Run	1.26%	2.46%	3.02%	0.56%	
	12/31/20	12/31/21	03/31/22	06/30/22	Change since 3/31/2022
MV Excl. Acc. Int. Inc.	336,395,862	334,273,290	324,007,405	320,050,615	(3,956,790)
Acc. Int. Inc.	2,500,224	2,394,948	2,154,086	2,468,916	314,830
MV Inc. Acc. Int. Inc.	338,896,087	336,668,238	326,161,491	322,519,531	(3,641,960)

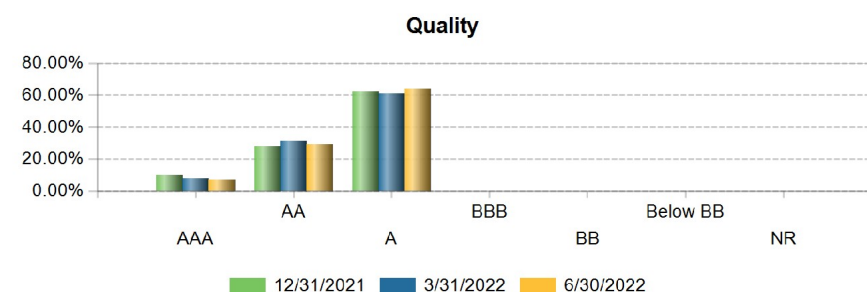
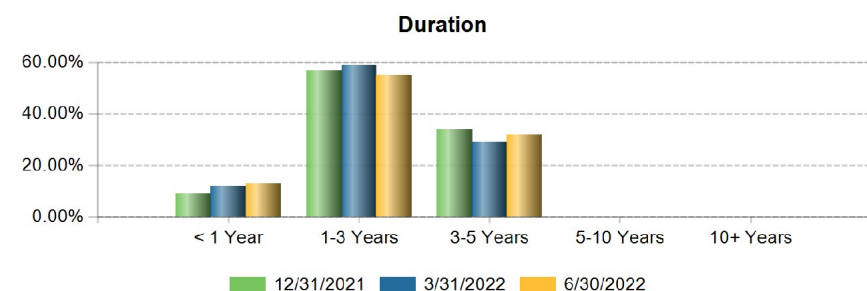
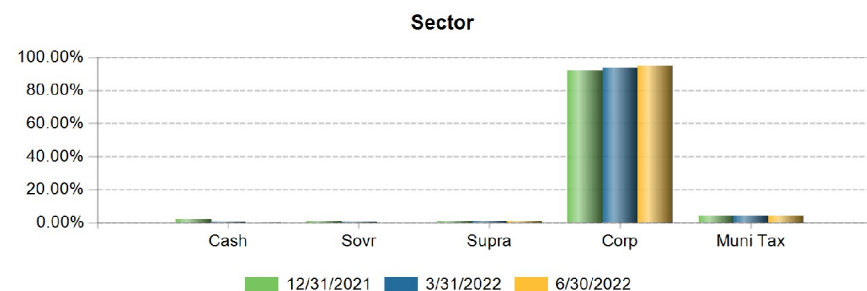


L.A. Care Health Plan - Fixed Income Summary



	12/31/2021	3/31/2022	6/30/2022	Change since 3/31/2022
Sector				
Cash & Cash Equivalents	2%	< 1%	< 1%	< 0%
Sovereigns	1%	< 1%	-	< 0%
Supranationals	1%	1%	1%	-
Corporates	92%	94%	95%	1%
Municipals - Taxable	4%	4%	4%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	9%	12%	13%	1%
1-3 Years	57%	59%	55%	(4%)
3-5 Years	34%	29%	32%	3%
Average Duration	2.42	2.43	2.35	(0.08)
Quality				
AAA	10%	8%	7%	(1%)
AA	28%	31%	29%	(2%)
A	62%	61%	64%	3%
Average Quality	A+	A+	A+	

Average Portfolio Rating at 6/30/22					
	Moody	S&P	Fitch	Lowest	Highest
Average Rating	A1	A	A+	A	A+





Activity Report

L.A. Care Health Plan - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	High	Duration
Corporates	14,867	100.0	81	3.71	A	4.14
Total Purchases	14,867	100.0	81	3.71	A	4.14

Sales	Market Value	%	Realized G/L	Trade / Book Yld	High	Duration
Sovereigns	1,402	12.0	1	1.42 / 1.60	AAA	0.62
Corporates	10,280	88.0	30	1.78 / 2.69	AA-	0.37
Total Sales	11,681	100.0	31	1.74 / 2.56	AA-	0.40



Performance Report

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



						Annualized				
	Jun 2022	May 2022	Apr 2022	Q2	YTD	12 Month	3 Year	5 Year	Inception	Inc Date
LA Care HealthPlan	(0.78)	0.71	(1.04)	(1.12)	(4.20)	(4.86)	0.76		1.61	Jan 2018
Barclay Bloomberg U.S. Credit: 1-5 Yr A- or better (Highest)	(1.08)	0.85	(1.27)	(1.51)	(5.01)	(5.60)	0.29		1.39	Jan 2018
Difference	0.30	(0.14)	0.23	0.39	0.81	0.74	0.47		0.22	

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

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



Disclosures

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

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



Appendix



Risk Reports

L.A. Care Health Plan - Profile Report



Distribution by Class

	Quantity	Book	Market	Unrealized Gain/ Loss	Book Yield	OAY	OAD	OAC	Avg Life	% of Portfolio
Cash & Cash Equivalents	140,303	140,303	140,303	-	1.33	1.61	0.08	0.05	0.08	0.04
Supranationals	3,000,000	2,997,504	2,937,666	(59,838)	0.23	2.75	0.79	1.02	0.81	0.92
Corporates	268,287,000	272,257,561	261,400,334	(10,857,227)	2.11	3.64	2.30	6.67	2.52	81.67
144A	46,000,000	45,831,523	43,627,111	(2,204,412)	2.22	3.63	2.66	10.12	2.78	13.63
Municipals - Taxable	12,800,000	12,844,263	11,945,201	(899,062)	0.63	3.34	2.66	8.73	2.74	3.73
Total Portfolio	330,227,303	334,071,154	320,050,615	(14,020,539)	2.05	3.62	2.35	7.16	2.55	100.00

Rating Analysis - Highest

	% of Portfolio
AAA	7.01
AA	28.70
A	64.29
BBB	-
Below BBB	-
NR	-

Total Fixed Income	100.00
Equity	-

Total	100.00
--------------	---------------

Average Rating: A+

Scenario Analysis - % of Market

	-300	-200	-100	-50	+50	+100	+200	+300
Cash & Cash Equivale	0.11	0.08	0.08	0.04	(0.04)	(0.08)	(0.17)	(0.25)
Supranationals	2.30	1.69	0.80	0.40	(0.40)	(0.79)	(1.57)	(2.34)
Corporates	6.96	4.73	2.33	1.16	(1.14)	(2.27)	(4.47)	(6.60)
144A	8.22	5.53	2.71	1.34	(1.32)	(2.61)	(5.12)	(7.53)
Municipals - Taxable	8.17	5.51	2.71	1.34	(1.32)	(2.62)	(5.16)	(7.62)
Total Portfolio	7.13	4.84	2.38	1.18	(1.17)	(2.31)	(4.56)	(6.73)

Key Rate Duration

	Market Value	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	30 Year
Cash & Cash Equival	140,303	0.08	-	-	-	-	-	-	-	-
Supranationals	2,937,666	0.79	-	-	-	-	-	-	-	-
Corporates	261,400,334	0.29	0.61	0.91	0.49	< 0.01	-	-	-	-
144A	43,627,111	0.28	0.30	0.96	1.12	< 0.01	-	-	-	-
Municipals - Taxable	11,945,201	0.03	0.62	1.90	0.11	-	-	-	-	-
Total Portfolio	320,050,615	0.28	0.57	0.95	0.55	< 0.01	-	-	-	-



Disclaimers

Disclaimers



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Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 101.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Expense Policy AFS-004 “Non-Travel and Other Related Expenses” requires Board approval of funds for non-travel related expenses exceeding \$10,000 per project.

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

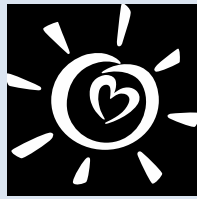
Background: In compliance with L.A. Care policy, Board approval is required for funds to support projects that have Non-Travel Meals and Catering and Other expenses exceeding \$10,000. The programs were included as part of the FY 2022-2023 budget, and include Provider Continuing Education, Advocacy Strategy Events, Meetings with Providers and Other External Stakeholders, Business Development, and Staff Training, Recognition and Retention. Projects are listed below:

Proposed Program		Meals and Catering	Other	Total
1	Catering for Health Promoters Program	\$ 31,000	\$ -	\$ 31,000
2	Catering for LA Care Consumer Advisory Council(CAC) Member Engagement Sessions	\$ 4,080	\$ 8,000	\$ 12,080
3	Catering for LA Care Consumer Members (RCAC/ECAC/BOG)	\$ 75,880	\$ 163,550	\$ 239,430
4	Community Benefit Grant Review Committee Meetings	\$ 2,450	\$ 16,000	\$ 18,450
5	Credentialing-Peer Review Committee	\$ -	\$ 12,500	\$ 12,500
6	Customer Service and QI Performance Improvement Project (PIP) Trainings	\$ 15,300	\$ -	\$ 15,300
8	Provider Continuing Education (PCE) Program	\$ 60,300	\$ 99,700	\$ 160,000
9	Quarterly joint PICC/PQC Committee	\$ 1,350	\$ 10,080	\$ 11,430
Total		\$ 190,360	\$ 309,830	\$ 500,190

Member Impact: This motion will allow L.A. Care to foresee improved provider knowledge and engagement on patient experience, leading to improved quality of care for L.A. Care’s members.

Budget Impact: The cost was anticipated and included in the approved budget for FY 2022-2023.

Motion: To approve the allocation of funds to support L.A. Care’s Projects with Non-Travel Meals and Catering and Other Expenses exceeding \$10,000 in the total amount of \$500,190 for FY 2022-2023.



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 102.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Amend contract (Purchase Order – 0000002984) with OptumInsight, Inc. to perform post-adjudication/pre-payment rule-based claims editing.

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

Background: L.A. Care staff requests approval for amendment #1 of SOW #6 (CES Software with Technical Application Managed Services) to increase the contract amount from \$3,411,300 to \$6,559,012 (incremental increase of \$3,147,712) and extend the term through December 31, 2025.

The vendor provides us with post-adjudication/pre-payment rule-based claims editing. L.A. Care needs these services as we are required to take affirmative steps to detect, investigate, and prevent fraud, waste, and/or abuse. See, e.g., 42 U.S.C. § 1396a, 28 CCR § 1300.71. The Payment Integrity team has designed their activities to ensure that federal and state taxpayer dollars are spent appropriately on delivering quality, necessary care, and preventing fraud, waste, and abuse from taking place. To that end, we are implementing initiatives to ensure that:

- Eligibility decisions are made correctly;
- Prospective and enrolled providers meet federal and state participation requirements;
- Services provided to enrollees are medically necessary and appropriate; and
- Provider payments are made in the correct amount and for appropriate services.

We have been contracted with this vendor since December 2017 and are pleased with their work as we are currently generating ~\$22,000,000 of savings on an annual basis as a result of this agreement.

No request for proposal was conducted for this vendor as we have an existing contract and a sole-source justification would allow us to mitigate time, resources, and initiation fees to procure and implement a new vendor.

We are projecting ~\$60,000,000 - ~\$65,000,000 in savings through December 2025 based on the current savings run rate + incremental opportunity projections. The incremental monthly savings derive from the continued growth of the CES program. Based on the associated fixed/licensing fees, we will spend \$3,147,712 throughout the new term of the contract.

Member Impact: L.A. Care members will benefit from this motion through reduced Medi-Cal spending thus allowing for additional funds to remain in the Medicaid/Medicare Trust for future services

Budget Impact: Vendor commissions related to the extension of this contract are included in the Fiscal Year 2021-2022 budget.

Board of Governors

MOTION SUMMARY

Motion: To authorize staff to create amendment #1 of SOW #6 to increase the contract amount from \$3,411,300 to \$6,559,012 (incremental increase of \$3,147,712) and extend the term through December 31, 2025. This amendment will allow OptumInsight, Inc. continue to support L.A. Care with Claims Editing services.



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 103.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Amend a contract with Verizon Business (Verizon) to continue to receive main phone (IP toll-free) services.

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

Background: L.A. Care utilizes Verizon's contact center network platform to obtain toll-free (1-800 number) services. These services are an essential component that allows communication between L.A. Care and its members, providers, and business partners. This is critical to maintain business continuity and to ensure that services go uninterrupted.

Information Technology (IT) staff recently upgraded the service platform to provide better management, features, and to properly support the current call volume. These services are billed based on actual-minute usage, and so are estimated on a month-to-month basis. Usage is expected to increase, especially during member enrollment. Staff is requesting to increase the current contract amount to accommodate the new platform through the remainder of the contract term which expires in June of 2023.

Monthly fees are estimated at \$110,000/month. In addition, \$600,000 is needed to cover additional member services and membership growth. L.A Care staff requests approval to amend the contract in the amount of \$1.9 million.

Member Impact: This service is the primary means of communication between L.A. Care and its members. The toll-free line provides members with access to their health plan information and member services.

Budget Impact: The base cost of the amendment was anticipated and included in the approved budget for the IT department for FY 2021-22; the remaining amount has been included in the IT budget that has been submitted for FY 2022-23.

Motion: **To authorize staff to amend the contract with Verizon in the amount of \$1.9 million, total contract not to exceed \$2.8 million, to continue to provide toll-free phone services for members, providers, and business partners through June of 2023.**



Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 104.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: To amend a contract with UpHealth, Inc. (UpHealth), formerly Thrasys, Inc., to provide ongoing professional services, primarily in the areas of workflow optimization, the CalAIM strategic initiative, and regulatory requirements through July of 2023.

☐ New Contract ☒ Amendment ☐ Sole Source ☒ RFP/RFQ was conducted

Background: L.A. Care and Thrasys agreed upon a scope of work on June 18, 2019 that defined a set of core deliverables. Due to the complexities L.A. Care faces with adapting to continuous changes driven by state policy, staff requests additional funding to engage UpHealth to assist L.A. Care in achieving its goals of optimizing workflows and staff efficiencies, primarily driven by the integration of core functions into one system.

Member Impact: The realization of the principal objective of integrating Utilization Management, Case Management, and Appeals & Grievances into a single system will provide a robust quality improvement framework that results in high quality care delivery for our members.

Budget Impact: The cost of the amendment was anticipated and included in the approved budget for the Information Technology department for FY 2021-22; the remaining amount has been included in the IT budget that has been submitted for FY 2022-23.

Motion: To amend the existing contract with UpHealth (formerly Thrasys, Inc.) in the amount of \$2,160,000, total contract not to exceed \$7,843,808, for continued professional services through July 31, 2023.



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 105.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Amendment to add funds to a contract with North Star Alliances, LLC to provide event planning, staffing, logistics and execution, and support community marketing, sales and promotional activities.

☐ **New Contract** ☒ **Amendment** ☐ **Sole Source** ☒ **RFP/RFQ was conducted in 2017**

Background: North Star Alliances, LLC (NSA) has provided all event planning, staffing, logistics and execution services for L.A. Care since 2017. In addition, NSA has also provided all event logistics support for health plan corporate events and for community marketing and sales efforts. The vendor has provided staff augmentation services which allows the Marketing and Sales department and the Communications and Community Relations department to extend the reach of their efforts in the community. As the COVID-19 pandemic winds down, activities in the community have continued to increase. In FY '22 – '23, L.A. Care expects to open four more Community Resource Centers (Westside, Lincoln Heights, So. LA and Panorama City) and re-introduce others to their communities. The Lincoln Heights and Panorama City locations will replace resource centers in Boyle Heights and Pacoima respectively. The opening of these sites will conclude the CRC expansion plan with 14 total centers. The L.A. Care Sales team has redeployed into the field and is continuing to be provided with community event support. Collaborations with key Community Resource Center community partners have expanded and there will be an increase in the number of events which will require support from NSA. L.A. Care staff requests approval to amend the current agreement to add \$2,100,000 to accommodate the additional services required for FY 22-23. An RFP will be issued during FY 22-23 to re-procure these services.

Member Impact: L.A. Care members will benefit from this motion through enhanced access to health care resources, information and services offered at an increased number of community events and at new Community Resource Centers.

Budget Impact: The cost was anticipated and included in the approved FY 2022-23 budget for the Communications and Community Relations Department.

Motion: **To authorize staff to increase the total funds available in the existing contract with North Star Alliances, LLC by \$2,100,000 provide event planning, logistics, staffing and execution services through October 1, 2023.**



Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN A.0822

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Execute a contract with the Center for the Study of Services (CSS) for a survey of Medi-Cal member satisfaction with participating provider groups and community clinics.

Background: For the past several years, L.A. Care has scored in the 25th percentile on major Consumer Assessment of Healthcare Providers and Systems (CAHPS) measures. It is critical to capture member experience at the provider group and clinic levels in order to identify opportunities for improvement in this survey, and to design interventions to improve the quality of services and raise Medi-Cal member experience. To this end we will be fielding the Clinician and Group CAHPS (CG-CAHPS) as part of the Value Initiative for IPA Performance + Pay-for-Performance Program (VIIP+P4P).

VIIP+P4P measures, reports, and provides financial rewards for provider group performance across multiple domains and measures. In 2014, L.A. Care established baseline measures with its first fielding of the CG-CAHPS for participating provider groups. The 2022 CG-CAHPS survey results will be used to measure improvement in member experience at the provider group and clinic levels, and will be the basis for incentive payments for performance and improvements in member satisfaction for providers that participate in VIIP+P4P.

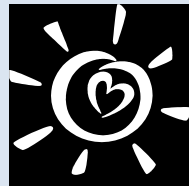
Staff requests authorization to contract with Center for the Study of Services (CSS) for an amount not to exceed \$1,245,715 from September 1, 2022 through July 31, 2023. In comparison, the 2021 survey budget was \$1,107,770 for an estimated 110,000 members sampled. CSS is to conduct the 2022 member experience survey of services provided by Plan Partners, PPGs, community clinics and individual physicians meeting minimum membership requirements to be sampled. The current estimated member sample is 130,000.

A competitive bid process was conducted for the 2019 survey in which seven firms were invited to bid. Three firms replied in sufficient detail for evaluation and CSS was selected. CSS was chosen among three vendors due to L.A. Care having a positive previous experience, a proposal which included all requested elements, extensive experience with P4P, being an NCQA-certified survey firm, and among the two reasonable bids, CSS was less expensive. The budget for this survey is based on a bid by CSS to conduct the CG-CAHPS for rating patient experience with L.A. Care's network of provider groups in 2022 as part of VIIP+P4P.

Staff anticipates that at least 60 medical groups, 40 plus clinics and about 200 physicians will have enough L.A. Care members with office visits in the past 12 months to qualify for the survey. VIIP+P4P seeks to benefit as many members as possible by surveying and reporting performance on as many providers as can be assessed in a statistically valid manner.

Budget Impact: The \$1,245,715 cost of the contract is budgeted in the QI Department for FY 2021-22 and will be requested for FY 2022-2023.

Motion: To authorize staff to execute a contract with Center for the Study of Services (CSS) September 1, 2022 through July 31, 2023 for an amount not to exceed \$1,245,715, to conduct the 2022 member experience survey.



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN B.0822

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Approval for a new 5-year secure storage and document destruction service agreement with our current vendor Iron Mountain.

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

Background: Iron Mountain is a global leader for storage and information management services. Iron Mountain securely stores and protects billions of documents, critical business information and valued assets. Utilizing more than 85 million sq/ft in 1,400 warehouses in over 50 countries, Iron Mountain meets industry, business and government security and compliance standards for record storage and destruction.

L.A. Care has contracted with Iron Mountain since 2008 to provide secure storage for both paper and digital media. As a healthcare business, it is essential that L.A. Care's information management vendor provide secure document storage and to perform bulk paper shredding and destruction of digital media that meets Federal, State and local regulatory compliance.

L.A. Care currently have over 4,000 boxes of paper records stored at Iron Mountain as well as use weekly on site shred bin services for secure document destruction. L.A. Care and Iron Mountain regularly work together to manage our record storage by identifying eligible records for destruction to optimize storage costs and to mitigate legal discovery, audit and compliance risks.

Due to inflationary pressures on labor and fuel, it is staff's opinion that entering into a 5-year service agreement with fixed fee adjustments protects L.A. Care from unknown cost increases. This motion is for a 5-year service agreement with our current records storage and secure destruction vendor Iron Mountain in an amount not to exceed \$1.5 million.

Member Impact: L.A. Care members will benefit by knowing their PHI is safely stored and destroyed.

Budget Impact: The FY 2022-23 budget includes sufficient operating funds for storage and destruction services with Iron Mountain and future years will be budgeted accordingly.

Motion: **To authorize staff the authority to enter into a new 5-year service agreement with Iron Mountain in an amount not to exceed \$1.5 million.**



L.A. Care
HEALTH PLAN®

FY 2021-22 9+3 Forecast

FY 2022-23 Budget

Finance & Budget Committee
August 23, 2022

CONFIDENTIAL



Agenda

FY 2021-22 YTD Performance

- June 2022 Membership
- June 2022 Financial Performance
- 3+9 Forecast vs. 9+3 Forecast – Financial Comparison and Variance Walk

FY 2021-22 9+3 Forecast & FY 2022-23 Budget

- Membership Trend, Assumptions, and Projections
- Budget Assumptions – Revenue & Healthcare Costs
- Financial Performance Comparison
- Shared Risk and Provider Incentive Assumptions
- Administrative Expenses by Category
- Community Programs
- Operating Margin by Segment
- Opportunities/Risks/Key Initiatives
- Balance Sheet Comparison
- Board Designated Funds
- TNE & Days of Cash On-Hand Comparison

FY 2022-23 Capital Projects and Programs

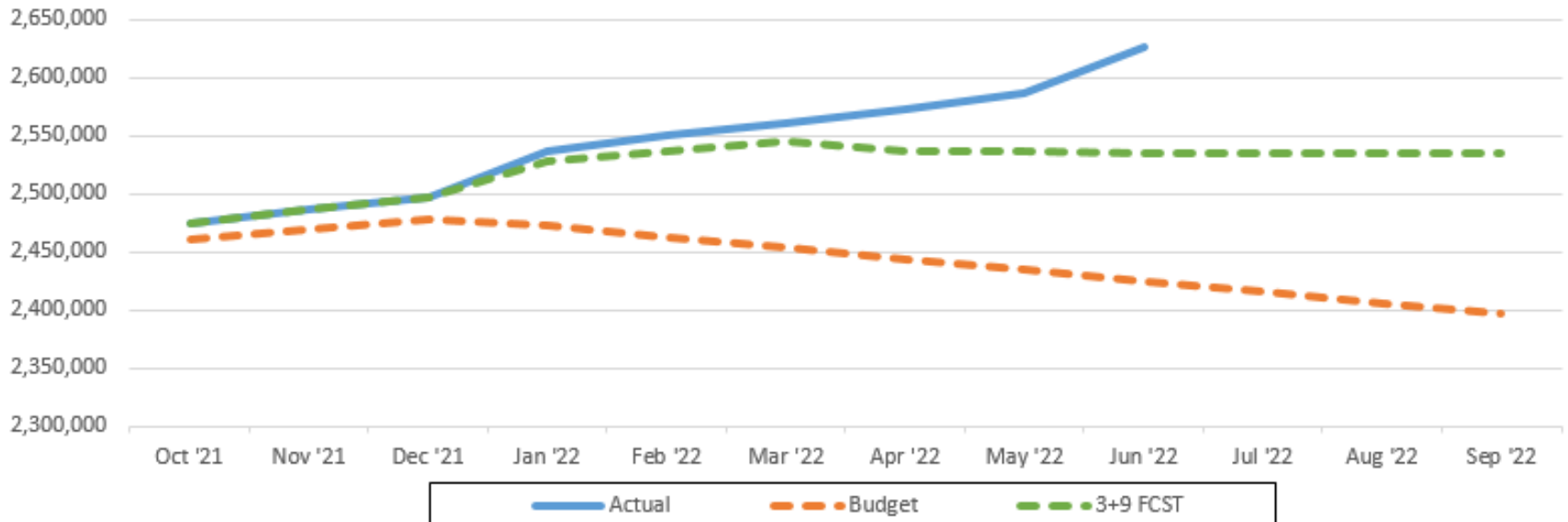
Informational Items

- Monthly Investment Transactions
- Quarterly Internal Policy Reports

Membership

for the 9 months ended June 2022

Sub-Segment	June 2022			Year-to-Date		
	Actual	3+9 FCST	Variance	Actual	3+9 FCST	Variance
Plan Partners	1,106,692	1,071,444	35,248	9,736,727	9,643,977	92,750
SPD/CCI	244,726	241,401	3,325	2,145,315	2,165,981	(20,666)
TANF/MCE	1,090,614	1,044,923	45,691	9,395,281	9,281,904	113,377
CMC	17,416	17,825	(409)	162,899	163,262	(363)
Commercial	166,159	159,909	6,250	1,448,562	1,418,516	30,046
Consolidated	2,625,607	2,535,503	90,104	22,888,784	22,673,639	215,145



Consolidated Financial Performance

for the month of June 2022

(\$ in Thousands)	Actual	3+9 FCST	Variance
Member Months	2,625,607	2,535,503	90,104
Total Revenues	\$783,787	\$758,743	\$25,044
Total Healthcare Expenses	\$754,476	\$698,495	(\$55,981)
Operating Margin	\$29,311	\$60,248	(\$30,938)
Total Admin Expenses	\$37,607	\$39,863	\$2,255
Income/(Loss) from Operations	(\$8,296)	\$20,386	(\$28,682)
Non-Operating Income (Expense)	(\$3,990)	(\$4,742)	\$752
Net Surplus (Deficit)	(\$12,287)	\$15,644	(\$27,931)

Consolidated Financial Performance

for the 9 months ended June 2022

(\$ in Thousands)	Actual	3+9 FCST	Variance
Member Months	22,888,784	22,673,639	215,145
Total Revenues	\$6,827,051	\$6,983,497	(\$156,446)
Total Healthcare Expenses	\$6,360,443	\$6,501,138	\$140,695
Operating Margin	\$466,608	\$482,359	(\$15,751)
Total Admin Expenses	\$384,363	\$364,762	(\$19,601)
Income/(Loss) from Operations	\$82,245	\$117,597	(\$35,352)
Non-Operating Income (Expense)	(\$38,898)	(\$35,852)	(\$3,046)
Net Surplus (Deficit)	\$43,346	\$81,745	(\$38,399)

Consolidated Financial Performance

3+9 Forecast vs 9+3 Forecast

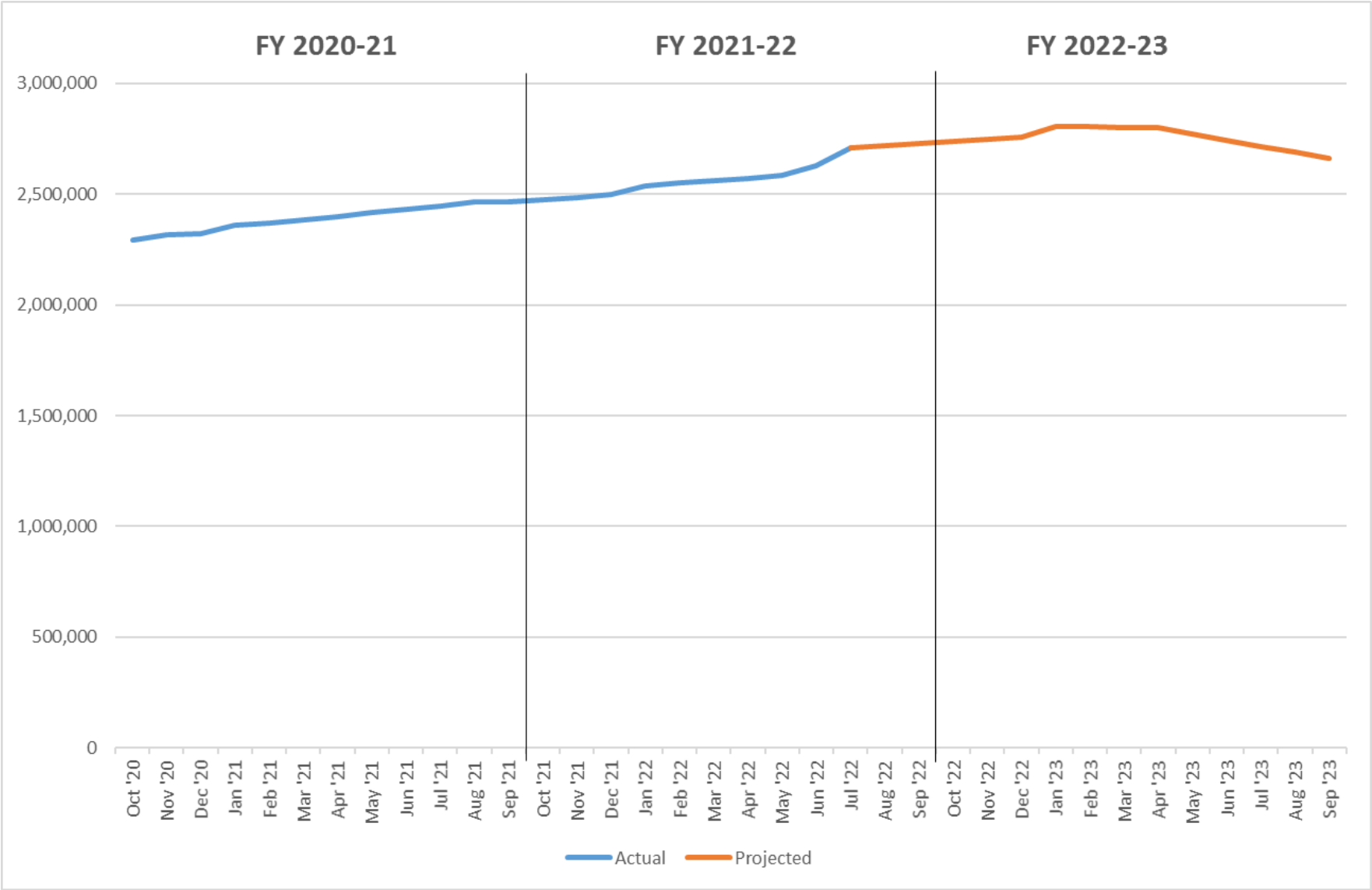
(\$ in Thousands)	FY 2021-22		Variance
	3+9 Forecast	9+3 Forecast	
Member Months	30,279,199	31,044,265	765,066
Total Revenues	\$9,224,272	\$9,303,737	\$79,465
Total Healthcare Expenses	\$8,574,412	\$8,694,111	(\$119,700)
Operating Margin	\$649,861	\$609,626	(\$40,235)
Total Admin Expenses	\$484,175	\$518,638	(\$34,463)
Income/(Loss) from Operations	\$165,686	\$90,988	(\$74,698)
Non-Operating Income (Expense)	(\$54,684)	(\$66,050)	(\$11,366)
Net Surplus (Deficit)	\$111,001	\$24,938	(\$86,064)

Variance Walk – 3+9 Forecast vs 9+3 Forecast

(\$ in thousands)

	Revenue	Healthcare Costs	Admin/Non-Ops	Net Surplus
3+9 Forecast	\$9,224,272	\$8,574,412	\$538,859	\$111,001
Volume Impact on Operating Margin	\$199,457	(\$186,041)	\$0	\$13,416
Prop 56 Risk Corridor (SFY 18-19 & Bridge Period)	(\$279,569)	\$264,027	\$0	(\$15,542)
HHIP Revenue	\$14,106	\$0	\$0	\$14,106
INST rate re-estimation (retro to Jan '22)	\$109,693	(\$17,854)	\$0	\$91,839
Deceased member adjustment (retro to 2011)	(\$6,528)	\$1,390	\$0	(\$5,138)
Vaccination Incentive Program	\$16,092	(\$10,282)	\$0	\$5,810
CalAim IPP	\$14,832	\$0	\$0	\$14,832
Revenue Corridor (CCI and CMC-MediCal)	\$9,278	\$0	\$0	\$9,278
ECM and MOT Risk Corridor	(\$9,539)	\$12,087	\$0	\$2,548
LACC 2021 RAF True-Up (-\$14.4M revenue net \$3.9M cap exp & \$1.5M shared risk)	(\$14,400)	\$5,400	\$0	(\$9,000)
CMC Medicare QW and RAF adjustments	\$23,364	(\$13,234)	\$0	\$10,129
Corrected Claims Recovery Accrual	\$0	\$48,729	\$0	\$48,729
Incurred Claims unfavorability	\$0	(\$162,860)	\$0	(\$162,860)
CBAS unfavorability	\$0	(\$51,765)	\$0	(\$51,765)
Pharmacy favorability	\$0	\$4,379	\$0	\$4,379
Provider Incentive favorability (excl. Vaccine Incentive)	\$0	(\$8,470)	\$0	(\$8,470)
Shared Risk unfavorability (excl. CMC & LACC RAF adj.)	\$0	(\$8,201)	\$0	(\$8,201)
Admin unfavorability (incl. -\$55M for regulatory fines)	\$0	\$0	(\$34,463)	(\$34,463)
Non-Operating unfavorability	\$0	\$0	(\$11,366)	(\$11,366)
Other	\$2,678	\$2,996	\$0	\$5,674
Total Variance	\$79,464	(\$119,700)	(\$45,828)	(\$86,064)
9+3 Forecast	\$9,303,737	\$8,694,111	\$584,688	\$24,938

Membership Trend



FY 2022-23 Budget Assumptions - Membership

- FY 2022-23 Budget assumes PHE will end Oct 13, 2022 with monthly redeterminations to start in October and disenrollments beginning in February 2023.
- The projected membership loss for FY 2022-23 Budget vs FY 21-22 9+3 Forecast is expected to be 67,000 members or 2.47 percent, with member months growing approximately 2 million or 6.42 percent.
- Medi-Cal membership is projected to drop 13% annually (1.08% per month) beginning in Feb 2023 and through end of the fiscal year. These losses will be offset somewhat by the enrollment of 104,000 additional members due to the CalAIM mandatory managed care initiative. This will begin in Jan 2023 and spread out over the next four months.
- LACC & CMC/D-SNP are modeled to include retention and new membership driven by enhanced subsidies and broker support.

Membership: 2022-23 Projections

Segment	Membership				Member Months			
	FY 2021-22 9+3 Forecast	FY 2022-23 Budget	Variance	%	FY 2021-22 9+3 Forecast	FY 2022-23 Budget	Variance	%
Plan Partners	1,111,425	1,078,590	(32,835)	-3.0%	13,121,450	13,417,149	295,700	2.3%
MCLA	1,435,096	1,407,891	(27,205)	-1.9%	15,764,890	17,501,999	1,737,109	11.0%
CMC/D-SNP	16,939	17,462	523	3.1%	213,983	205,647	(8,336)	-3.9%
LACC	115,000	125,000	10,000	8.7%	1,339,031	1,470,000	130,969	9.8%
PASC-SEIU	50,087	49,608	(479)	-1.0%	604,911	597,923	(6,988)	-1.2%
Elimination*		(17,462)	(17,462)			(156,484)	(156,484)	
Total	2,728,547	2,661,089	(67,458)	-2.5%	31,044,265	33,036,235	1,991,970	6.4%

*D-SNP members included in MCLA membership for Medi-Cal under CCI beginning January 2023

FY 2022-23 Budget Assumptions - Revenue

- **Medi-Cal:**
 - Rate increase of 3.5% eff January 2023
 - Continue SNF 10% increase through October 2023
 - Rates for Unsatisfactory Immigration Status/Satisfactory Immigration Status (UIS/SIS) for 2023 are the same rates
- **D-SNP:**
 - Revenue for CY 2023 based on Bid
- **LACC:**
 - Revenue for CY 2023 in line with the rate filing and assume no change in RAF

FY 2022-23 Budget Assumptions – Healthcare Costs

- FFS Cost
 - Run rate based on July 2021 – December 2021 (except CBAS)
 - Trends:
 - Inpatient: 3%
 - Outpatient: 1%
 - LTC: 3%
 - Rx: 7%
 - Continue 10% SNF Increase
- CBAS:
 - Run rate based on April 2022-Jun 2022 and applied 0% trend.
 - Budget assumes services return to in-center with decreased utilization.
- Capitation Contracts
 - Assumes a similar mix for shared risk and dual risk members compared to run rate.
- D-SNP
 - Assume bid costs and split between IP/OP/Rx/Cap
- LACC CY23 RAF at 0.75 for risk adjusted capitation contracts

FY 2021-22 9+3 vs FY 2022-23 Budget

	FY 2021-22 (9+3)		FY 2022-23		Fav/(Unfav)	
	Forecast		Budget		Budget	
(\$ in thousands)	(\$)	(PMPM)	(\$)	(PMPM)	(\$)	(PMPM)
Member Months	31,044,265		33,036,235		1,991,970	
Total Revenues	\$9,303,737	\$299.69	\$10,165,331	\$307.70	\$857,921	\$7.92
Medical Expense						
Capitation	\$4,899,062	\$157.81	\$5,588,834	\$169.17	(\$689,772)	(\$11.36)
Inpatient Claims	\$1,217,321	\$39.21	\$1,328,343	\$40.21	(\$111,022)	(\$1.00)
Outpatient Claims	\$824,581	\$26.56	\$911,847	\$27.60	(\$87,266)	(\$1.04)
Skilled Nurse Facility	\$996,831	\$32.11	\$1,131,534	\$34.25	(\$134,703)	(\$2.14)
Community-Based Adult Services	\$294,372	\$9.48	\$274,564	\$8.31	\$19,808	\$1.17
Multipurpose Senior Services Program	\$2,201	\$0.07	\$0	\$0.00	\$2,201	\$0.07
Pharmacy	\$271,361	\$8.74	\$134,956	\$4.09	\$136,405	\$4.66
PPG Shared Risk	\$21,366	\$0.69	\$21,367	\$0.65	(\$1)	\$0.04
Provider Incentive	\$83,016	\$2.67	\$85,584	\$2.59	(\$2,567)	\$0.08
Medical Administrative Expenses	\$84,001	\$2.71	\$97,498	\$2.95	(\$13,497)	(\$0.25)
Total Medical Expenses	\$8,694,111	\$280.06	\$9,574,526	\$289.82	(\$880,414)	(\$9.76)
MCR (%)	93.4%		94.2%		-0.7%	
Operating Margin	\$609,626	\$19.64	\$590,806	\$17.88	(\$18,820)	(\$1.75)

FY 2021-22 9+3 vs FY 2022-23 Budget

	FY 2021-22 (9+3)		FY 2022-23		Fav/(Unfav)	
	Forecast		Budget		Budget	
(\$ in thousands)	(\$)	(PMPM)	(\$)	(PMPM)	(\$)	(PMPM)
Total Operating Expenses						
Salaries and Benefits	\$245,315	\$7.90	\$271,693	\$8.22	(\$26,378)	(\$0.32)
Temporary Labor and Recruitment	\$10,377	\$0.33	\$3,150	\$0.10	\$7,227	\$0.24
Professional Fees	\$26,020	\$0.84	\$28,846	\$0.87	(\$2,825)	(\$0.03)
Purchased Services	\$127,218	\$4.10	\$135,636	\$4.11	(\$8,419)	(\$0.01)
Advertising and Promotions	\$7,482	\$0.24	\$11,796	\$0.36	(\$4,314)	(\$0.12)
Business Fees and Insurance	\$35,837	\$1.15	\$56,995	\$1.73	(\$21,158)	(\$0.57)
Occupancy and Leases	\$21,508	\$0.69	\$22,965	\$0.70	(\$1,457)	(\$0.00)
Supplies and Other	\$97,036	\$3.13	\$45,333	\$1.37	\$51,703	\$1.75
Medical Administrative Expenses	(\$77,180)	(\$2.49)	(\$89,133)	(\$2.70)	\$11,953	\$0.21
Depreciation and Amortization	\$25,025	\$0.81	\$22,809	\$0.69	\$2,216	\$0.12
Total Operating Expenses	\$518,638	\$16.71	\$510,090	\$15.44	\$8,548	\$1.27
<i>Admin Ratio(%)</i>	<i>5.6%</i>		<i>5.0%</i>		<i>0.6%</i>	
Income (Loss) from Operations	\$90,988	\$2.93	\$80,716	\$2.44	(\$10,272)	(\$0.49)
<i>Margin before Non Operating Inc (Exp) %</i>	<i>1.0%</i>		<i>0.8%</i>		<i>-0.2%</i>	
Non Operating Income (Expense)						
Other Income (Expense)	(\$48,139)	(\$1.55)	(\$33,036)	(\$1.00)	\$15,103	\$0.55
Interest Income, net	\$11,088	\$0.36	\$32,402	\$0.98	\$21,314	\$0.62
Realized Gain/(Loss) on Invest	(\$22)	(\$0.00)	\$0	\$0.00	\$22	\$0.00
Unrealized Gain/ (Loss) on Invest	(\$28,977)	(\$0.93)	\$0	\$0.00	\$28,977	\$0.93
Total Non-Operating Income (Expense)	(\$66,050)	(\$2.13)	(\$634)	(\$0.02)	\$65,416	\$2.11
Net Surplus (Deficit)	\$24,938	\$0.80	\$80,082	\$2.42	\$55,144	\$1.62
<i>Margin (%)</i>	<i>0.3%</i>		<i>0.8%</i>		<i>0.5%</i>	

FY 2022-23 Shared Risk and Provider Incentive Assumptions

- PPG Shared Risk: \$21.4M expense

Provider Incentive Budget FY 2022-23 (dollars in thousands)							
Incentive Level Programs	Segments						
	Plan Partners ⁽¹⁾	TANF-MCE	SPD-CCI ⁽²⁾	CMC	DSNP	Commercial	Total
Plan Partners	\$11,041	\$0	\$0	\$0	\$0	\$0	\$11,041
PPG	8,005	11,662	1,088	101	304	2,911	24,071
Physician	10,397	13,784	1,274	877	2,630	29	28,991
Member	0	1,116	114	273	519	1,123	3,145
Total ⁽³⁾	\$29,443	\$26,562	\$2,476	\$1,251	\$3,453	\$4,063	\$67,248

Note:

- Excludes Kaiser
- CCI members not eligible for incentive level programs
- The provider incentive total excludes Incentive Payment Program (IPP)

FY 2022-23 Admin Expenses by Category

Admin Exp (\$ in 000's)	FY 2021-22 9+3 Forecast	FY 2022-23 Budget	Fav/(Unfav)
Salaries and Benefits	\$ 245,315	\$ 271,693	\$ (26,378)
Temporary Labor and Recruitment	10,377	3,150	7,227
Professional Fees	26,020	28,846	(2,825)
Purchased Services	127,218	135,636	(8,419)
Advertising and Promotions	7,482	11,796	(4,314)
Business Fees and Insurance	35,837	56,995	(21,158)
Occupancy and Leases	21,508	22,965	(1,457)
Supplies and Other	97,036	45,333	51,703
Medical Administrative Expenses	(77,180)	(89,133)	11,953
Depreciation and Amortization	25,025	22,809	2,216
Total Operating Expenses as reported	\$ 518,638	\$ 510,090	\$ 8,548
Adj: Regulatory fines	(55,000)	-	(55,000)
Adj: PCORI fees	20,537	-	20,537
Adj: Navitus fees	(6,229)	-	(6,229)
Total Op Exp as adjusted	\$ 477,946	\$ 510,090	\$ (32,144)
Y-O-Y increase as adjusted			7%

FY 2022-23 Community Programs

Community Health Improvement Programs (dollars in thousands)	Forecast* FY 2021-22	Budget FY 2022-23
Community Health Investment Fund (CHIF)	\$10,000	\$10,000
Elevating the Safety Net		
Medical Degree Program	5,000	-
Medical School Scholarship	3,114	3,370
Physician Loan Repayment Program	7,958	4,000
Provider Recruitment Program	6,000	4,000
Residency Support Program	6,778	-
National Medical Fellowship	150	-
Subtotal	29,000	11,370
Blue Shield Promise Grant ⁽¹⁾	17,000	10,499
Community Resource Centers	14,791	17,610
First 5 L.A. Grant ⁽²⁾	275	472
Community Programs		
eManagement & CTAP	405	-
Community Clinic Program /SCOPE Plan	495	490
Community Benefits Program	747	874
Promotoras/Health Promoter Program	257	334
Sponsorships / In-Kind	1,100	1,150
Subtotal	3,004	2,848
Total	74,070	\$52,799

**Forecast is based on 9+3*

Note 1: Excludes Blue Shield Promise Grant Revenue of \$ 11.5M in the 9+3 Forecast and \$6.3M in the FY22-23 Budget

Note 2: Excludes First 5 L.A. Grant Revenue of \$0.2M in the 9+3 Forecast and \$0.5M in the FY22-23 Budget

FY 2022-23 Operating Margin by Segment

(\$ in Thousands)

	Medi-Cal Plan Partners	Medi-Cal SPD/CCI	Medi-Cal TANF/MCE	CMC	D-SNP	Commercial	Total
Revenue	\$3,402,231	\$2,424,137	\$3,323,814	\$82,075	\$216,989	\$716,085	\$10,165,331
Healthcare Exp.	\$3,232,106	\$2,328,951	\$3,154,375	\$63,772	\$194,638	\$600,684	\$9,574,526
Operating Margin	\$170,125	\$95,186	\$169,439	\$18,302	\$22,352	\$115,402	\$590,806
Budget MCR %	95.0%	96.1%	94.9%	77.7%	89.7%	83.9%	94.2%
Forecast MCR%	95.7%	94.5%	92.4%	86.3%	N/A	87.2%	93.4%

Opportunities & Risks

Opportunities

- Overall rate increase is higher than 3.5% given changes to countywide average blend, risk adjustment methodology and UIS rating
- Higher than expected LACC membership growth due to pricing position
- Further improvement in CBAS utilization
- CalAIM Incentive Payment Program (IPP) and Housing and Homelessness Incentive Program (HHIP)
- Claims expenses are lowered through contracting and UM
- Move more members into Dual Risk pods

Risks

- CBAS utilization does not improve as expected despite the return of services to in-center
- Covid testing costs for retroactive periods (SB 510)
- FFS trends higher than projected due to inflation and higher proportion of UIS members

Balance Sheet Comparison

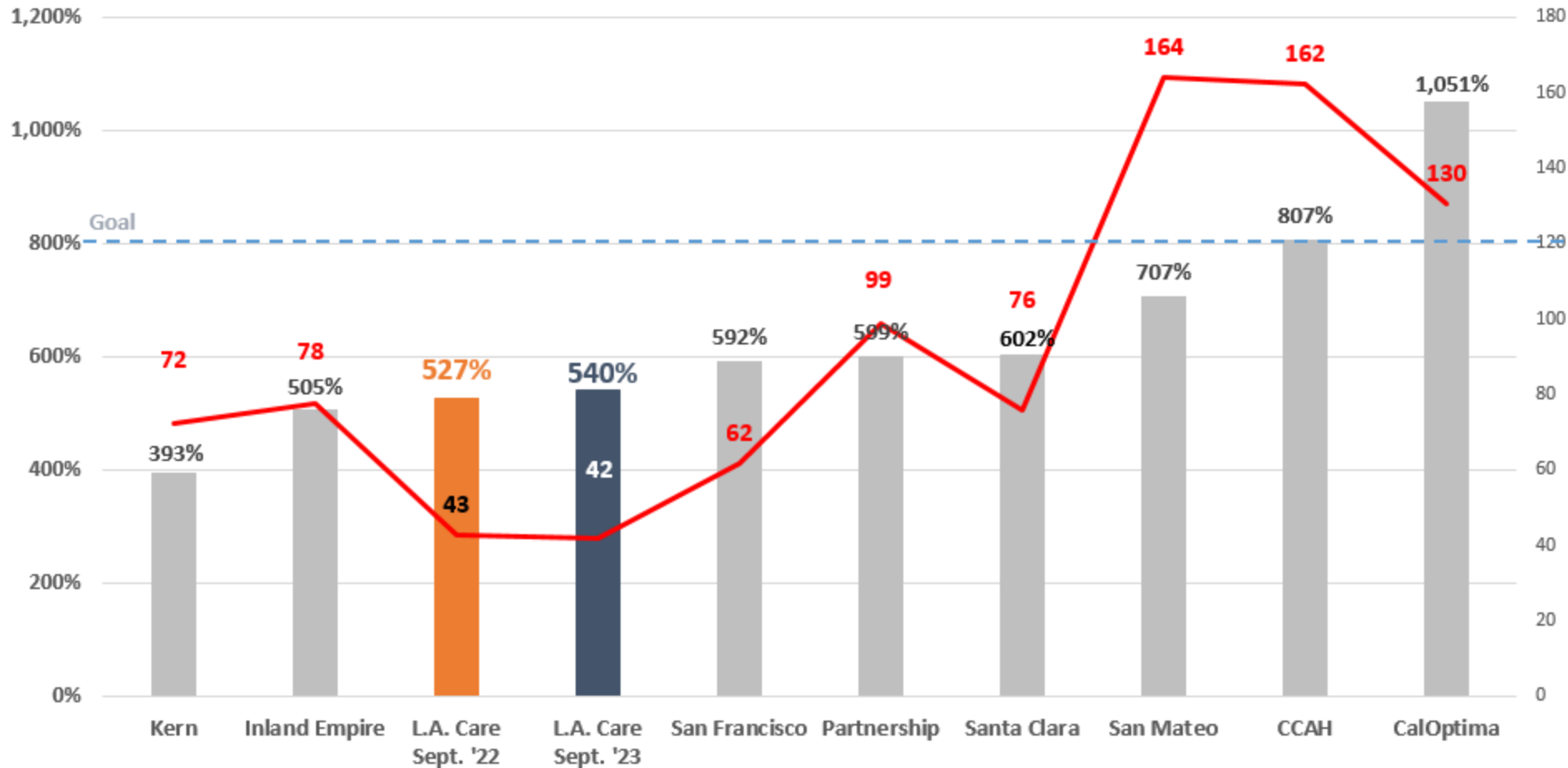
	FY 2021-22 9+3 Forecast	FY 2022-23 Budget	Variance
(\$ in thousands)			
Current Assets			
Cash & cash equivalents	\$ 1,069,240	\$ 1,086,123	\$ 16,883
Investments, at fair value	1,063,588	1,045,990	(17,598)
Other current assets	3,082,865	3,364,365	281,500
Total current assets	5,215,693	5,496,478	280,785
Capital and non-current assets	107,471	129,179	21,708
Total Assets	5,323,164	5,625,657	302,493
Current Liabilities			
Medical and providers payable	3,269,440	3,619,033	349,593
Reserves for claims	731,525	621,443	(110,082)
Other current liabilities	245,630	229,130	(16,500)
Total current liabilities	4,246,595	4,469,606	223,011
Non-Current Liabilities	2,176	1,576	(600)
Total Liabilities	4,248,771	4,471,182	222,411
Fund Equity			
Invested in Capital Assets	105,725	128,033	22,308
Board Designated Funds	107,644	118,644	11,000
Unrestricted Net Assets	625,599	693,298	67,698
TNE (130% of Required)	235,425	214,500	(20,925)
Total Fund Equity	1,074,393	1,154,475	80,082
Total Liabilities and Fund Equity	\$ 5,323,164	\$ 5,625,657	\$ 302,493

Board Designated Funds

Forecast as of September 30, 2022

<i>(\$ in thousands)</i>	Contribution	Expenditure	Balance at 09/30/22
Prior to 2014	225,624	(225,624)	(0)
2014 - Present			
I. Community Health Investment			
CHIF Ad Hoc	6,105	(4,424)	1,681
Oral Health Initiative	3,050	(3,050)	-
Tranquada	5,150	(4,200)	950
Safety Net	15,225	(13,590)	1,635
Access to Service	10,300	(4,020)	6,280
Social/Health determinants	13,100	(12,629)	471
LACDHC Flex housing subsidy	20,000	(20,000)	-
Total	72,930	(61,913)	11,017
II. Workforce Development Initiative			
Medical School Scholarship	18,511	(18,511)	-
Medical School Loan Repayment	18,000	(18,000)	-
Primary Care Leadership Program	8,260	(8,260)	-
Residency Support Program	12,232	(12,232)	-
Health Careers Intern and Fellowship Program	800	(800)	-
Provider Recruitment Programs	22,665	(22,665)	-
Undesignated	74,532	-	74,532
Total	155,000	(80,468)	74,532
III. CRC Maintenance and Expansion	48,300	(26,205)	22,095
Grand Total	\$ 501,854	\$ (394,210)	\$ 107,644

TNE & Days of Cash On-Hand Comparison



• The above percentages are based on March 2022 DMHC Quarterly filings, unless noted otherwise.



L.A. Care
HEALTH PLAN®

FY 2022-23 Capital Projects and Programs

CONFIDENTIAL



FY 2022-23 Capital Projects and Programs

L.A. Care Health Plan Capital Projects Fiscal Year 2022-2023

(dollars in thousands)

Project Description	Business Owner	Capital Expense	Operating Expense	Total
CalAIM	Health Services	\$ 1,024	\$ 226	\$ 1,250
Care Catalyst - New HS Clinical System	Ops/Health Services	2,696	1,462	4,158
Clinic Based Assignment and FQHC APM	Provider/Health Services	1,180	635	1,816
CMS Interoperability Mandate	I.T.	1,264	557	1,821
DSNP Product Launch	Product	1,102	1,004	2,106
Edifecs Program	Ops	150	90	240
Oracle Upgrade	I.T.	1,934	1,090	3,024
Performance Optimization Program (Enterprise & Network)	EPO/Ops	2,252	1,240	3,492
Portals Strategy	Product	1,300	700	2,000
Provider Roadmap	Provider	2,051	2,428	4,479
QNXT Insourcing	I.T.	3,676	1,257	4,933
SAP/ERP	Finance	2,816	704	3,520
Security Enhancements Initiative	I.T.	1,100	275	1,375
Transparency in Coverage/No Surprises	Product	650	350	1,000
VOICE	Customer Service/Ops	3,901	694	4,596
Leasehold Improvements	Facilities	18,020	-	18,020
Total Capital Projects		\$ 45,117	\$ 12,711	\$ 57,829

Portfolio Program Descriptions

CalAIM

L.A. Care's staged implementation of the Department of Health Care Services (DHCS) program to improve quality outcomes and drive delivery system transformation through value based initiatives, modernization of systems, and payment reform. This program expands case management and delivers non-traditional, lower-cost services to address Social Determinants of Health (SDOH).

Care Catalyst – New Health Services Clinical System

A multi-year program focused on replacing L.A. Care's Care Management platform to better meet members' care coordination needs. Utilization Managements (UM) capabilities have transitioned to the new platform. Current work focuses on platform optimizations for added efficiency and scalability. Population health management (PHM) and enhancements for Appeals and Grievances (A&G) are areas of upcoming focus.

Clinic Based Assignment and FQHC APM

Enhancements to better manage the association between health plan members and community clinics in L.A. Care's systems. This functionality is to improve the experience of members receiving care in community clinics, as well as the providers serving them. It is also foundational to the implementation of the Alternative Payment Methodology (APM), which would enhance how clinics are compensated for care provided to members.



Portfolio Program Descriptions

CMS Interoperability Mandate

L.A. Care is making a multi-phase investment in provider and member data portability in accordance with CMS requirements. Current investments focus on patient access and provider directory APIs to improve information accessibility and drive better health outcomes. Future work will focus on payer-to-payer interfaces to ensure timely and efficient benefits coordination and transitions.

DSNP Product Launch

Under the California Advancing and Innovating Medi-Cal (CalAIM) initiative, the California Department of Health Care Services (DHCS) is transitioning Cal MediConnect (CMC) and the Coordinated Care Initiative (CCI) to a statewide Managed Long-Term Services and Supports (MLTSS) and Dual Eligible Special Needs Plan (D-SNP) structure. L.A. Care is developing and deploying a fully integrated D-SNP product and sun-setting its existing CMC product in the 4th calendar quarter of 2022.

Encounters & Risk Adjustment / EDIFECS

Through several phased implementations L.A. Care is adding capabilities to its encounter data management system. Recent implementations have included the Edge Server, which improved the quality, quantity, and frequency of encounter submissions to CMS. Current improvements are focused on data produced for risk adjustment, and future work is expected to focus on improved extraction of encounter data for regulatory audiences and internal end-users.



Portfolio Program Descriptions

Oracle Upgrade

To ensure security and robust functionality, this initiative is to upgrade L.A. Care's Oracle database infrastructure and extend the life of the asset.

Performance Optimization Program (Enterprise & Network)

This initiative is building data management and reporting tools to support L.A. Care's Enterprise Performance Optimization Program (EPOP) and Network Performance Optimization Program (NPOP). EPOP improves monitoring of the performance of non-delegated enterprise functions. NPOP monitors the performance of all entities in L.A. Care's service delivery model across lines of business.

Portals Strategy

Target improvements in L.A. Care's portal infrastructure serving members and providers.

Provider Roadmap

This is a multi-year, cross-functional program focused on improving L.A. Care's provider data quality and management, including enhancements to data intake, standardization and validation, storage, reporting, and operational use. Improvements are targeted at both technical infrastructure and business processes.

QNXT Insourcing

L.A. Care is making progressive investments in its claims platform, with current work focused on the scalability and flexibility of development and test environments. This work is to improve the performance and cost-effectiveness of L.A. Care's claims infrastructure.



Portfolio Program Descriptions

SAP/ERP – Finance System

L.A. Care is continuing its implementation of SAP for financial management functions. After the successful deployment of Revenue Automation and the ERP including Accounts Payable, General Ledger, Cash Automation, Managerial Reporting, Project Costs/Allocations and Fixed Assets, current work is focused on modernizing Budgeting and Forecasting, Financial Reporting and Analytics, Procurement Management and implementing a Broker Commission system. The SAP/ERP strategic project is expected to complete the original project scope by the end of the next fiscal year.

Security Enhancements Initiative

The Security Enhancement Project makes infrastructure and process changes to improve the overall security posture for L.A. Care IT. This includes reviewing existing network design, virtualization architecture, and security tooling to ensure it meets and exceeds modern security standards and best practices. This project will also introduce tools to automate patching and endpoint configuration to enable L.A. Care to maintain its security posture.

Transparency in Coverage/No Surprises

L.A. Care is deploying functionality to support two federal requirements. Plans in the individual and large group market are required by the CMS Transparency in Coverage Final Rule to make available certain data/information pertaining to cost-sharing, cost of services, and aggregated out-of-network claims data, provided on a per provider, per service basis.

Additionally, the No Surprise Act prohibits balance billing of members for receiving out-of-network care. The rule also requires plans to provide an advance Explanation of Benefits (EOB) for covered services for in/out of network providers and/or facilities, as requested.

Portfolio Program Descriptions

VOICE Program

This is a multi-year modernization of L.A. Care's customer service infrastructure, focused on improving the quality and efficiency of member services. This includes upgrades for PCI compliance (protecting the privacy of payment information), as well as improvements in telephonic caller authentication, self-service telephonic features, member call back features, and customer relationship management (CRM) applications for member- and provider-facing services.



Questions & Considerations

Motion FIN 106

- To accept the Financial Report for the nine months ended June 30, 2022.

Motion FIN 107

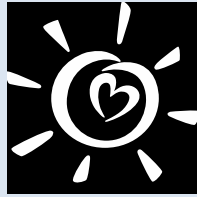
- To recommend the draft FY 2022-23 Capital and Operating Budget for Board Consideration.

Informational Items

Investment Transactions

- As of June 30, 2022, L.A. Care's total investment market value was \$1.8B
 - \$1.4 billion managed by Payden & Rygel
 - \$73 million in Local Agency Investment Fund
 - \$254 million in Los Angeles County Pooled Investment Fund

Quarterly Internal Policies Report



L.A. Care
HEALTH PLAN®

Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 106.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

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

Issue: Acceptance of the Financial Reports for June 2022.

Background: N/A

Member Impact: N/A

Budget Impact: N/A

Motion: To accept the Financial Reports for June 2022, as submitted.



L.A. Care
HEALTH PLAN®

Financial Performance
June 2022
(Unaudited)

Financial Performance Results Highlights - Year-to-Date**June 2022*****Overall***

The combined member months are 22.9 million year-to-date, which is 215,145 member months favorable to the 3+9 forecast. The performance is a surplus of \$43.3 million or 0.6% of revenue and is \$38.4 million unfavorable to the 3+9 forecast. The unfavorability is driven by higher skilled nursing facility costs and outpatient claims but partially offset by lower inpatient claims. Other unfavorable items include a final shared risk true-up for calendar year 2021, LACC RAF true-up for CY 2021, and higher operating expenses as a result of regulatory fines totaling \$55 million but offset in part by an adjustment to a governmental fee incurred related to LACC and PASC-SEIU members for prior periods. These unfavorable items are partially offset by CMC Medicare quality withhold earnings for calendar year 2020 and timing of the provider incentives expenses accrual. The unfavorable variance in revenues and favorable variance in capitation expenses are driven by the reconciliation of the Prop 56 risk corridor for SFY 18-19 and the Bridge Period, which reduces \$280 million in revenues and \$264 million in capitation expenses. The previously accrued liability due to providers for Prop 56 is now a payable due to DHCS under the risk corridor provision.

Medi-Cal Plan Partners

The member months are 9.7 million, which is 92,750 member months favorable to the 3+9 forecast. The performance is a surplus of \$38.7 million and is \$11.5 million unfavorable to the forecast. The unfavorability is due to higher operating expenses as a result of the regulatory fines. Partially offsetting the unfavorability is the timing in provider incentives expense accrual. The reconciliation for Prop 56 risk corridor related to SFY 18-19 and the Bridge Period reduces revenues by \$188 million with a corresponding decrease in capitation expenses.

Medi-Cal SPD-CCI

The member months are 2.1 million which is 20,666 member months unfavorable to the 3+9 forecast. The performance is a deficit of \$17.1 million and is \$54.0 million unfavorable to the forecast. The unfavorability is due to higher skilled nursing facility costs and outpatient claims; but partially offset by lower inpatient claims and higher pharmacy rebates. Higher operating expenses as a result of the regulatory fines also contribute to the unfavorable variance in surplus. The reconciliation for Prop 56 risk corridor related to SFY 18-19 and the Bridge Period reduces revenues by \$11 million and capitation expenses by \$9 million.

Medi-Cal TANF-MCE

The member months are 9.4 million, which is 113,377 member months favorable to the 3+9 forecast. The performance is a surplus of \$20.0 million and is \$7.3 million unfavorable to the forecast. The unfavorability is driven by higher outpatient claims, skilled nursing facility costs and operating expenses as a result of the regulatory fines. Partially offsetting these unfavorable variances are lower inpatient claims and higher pharmacy rebates. The unfavorable variance in revenues and favorable variance in capitation expenses are driven by the reconciliation of the Prop 56 risk corridor for SFY 18-19 and the Bridge Period, which reduces revenues by \$81 million and capitation expenses by \$67 million.

Cal MediConnect (CMC)

The member months are 162,899, which is 363 member months unfavorable to the 3+9 forecast. The performance is a surplus of \$9.0 million and is \$6.6 million favorable to the forecast. The favorability is driven by lower inpatient claims, CY 2021 and 2022 RAF adjustments, and the quality withhold earnings for calendar year 2020 for Medicare. Partially offsetting these favorable variances are the shared risk final true-up for calendar year 2021 and higher skilled nursing facility costs.

Commercial

L.A. Care Commercial consists of LACC and PASC-SEIU. The member months are 1.4 million, which is 30,046 member months favorable to the 3+9 forecast. The performance is a surplus of \$23.0 million and is \$12.7 million favorable to the forecast due to lower operating expenses driven by the adjustment to a governmental fee incurred related to LACC and PASC-SEIU members for prior periods and higher membership than forecasted. The shared risk final true-up for calendar year 2021 also contributes to the surplus. However, the CY 2021 RAF true-up for LACC partially reduces the net surplus.



Consolidated Operations Income Statement (\$ in thousands)

June 2022

Current Actual		Current Forecast		Fav(Unfav) Forecast		YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
2,625,607		2,535,503		90,104							
						Membership					
						Member Months	22,888,784		22,673,639		215,145
						Revenue					
\$ 783,787	\$ 298.52	\$ 758,743	\$ 299.25	\$ 25,044	\$ (0.73)	Capitation	\$ 6,827,051	\$ 298.27	\$ 6,983,497	\$ 308.00	\$ (156,446) \$ (9.73)
\$ 783,787	\$ 298.52	\$ 758,743	\$ 299.25	\$ 25,044	\$ (0.73)	Total Revenues	\$ 6,827,051	\$ 298.27	\$ 6,983,497	\$ 308.00	\$ (156,446) \$ (9.73)
						Healthcare Expenses					
\$ 430,142	\$ 163.83	\$ 422,001	\$ 166.44	\$ (8,141)	\$ 2.61	Capitation	\$ 3,603,807	\$ 157.45	\$ 3,805,319	\$ 167.83	\$ 201,512 \$ 10.38
\$ 113,871	\$ 43.37	\$ 101,205	\$ 39.91	\$ (12,667)	\$ (3.45)	Inpatient Claims	\$ 889,694	\$ 38.87	\$ 964,288	\$ 42.53	\$ 74,594 \$ 3.66
\$ 94,556	\$ 36.01	\$ 83,876	\$ 33.08	\$ (10,680)	\$ (2.93)	Outpatient Claims	\$ 778,781	\$ 34.02	\$ 728,386	\$ 32.12	\$ (50,395) \$ (1.90)
\$ 90,212	\$ 34.36	\$ 66,623	\$ 26.28	\$ (23,589)	\$ (8.08)	Skilled Nursing Facility	\$ 728,060	\$ 31.81	\$ 635,751	\$ 28.04	\$ (92,309) \$ (3.77)
\$ 13,770	\$ 5.24	\$ 9,584	\$ 3.78	\$ (4,186)	\$ (1.46)	Pharmacy	\$ 239,444	\$ 10.46	\$ 240,328	\$ 10.60	\$ 884 \$ 0.14
\$ 4,863	\$ 1.85	\$ 7,533	\$ 2.97	\$ 2,670	\$ 1.12	Provider Incentives and Shared Risk	\$ 60,642	\$ 2.65	\$ 62,730	\$ 2.77	\$ 2,088 \$ 0.12
\$ 7,062	\$ 2.69	\$ 7,673	\$ 3.03	\$ 611	\$ 0.34	Medical Administrative Expenses	\$ 60,016	\$ 2.62	\$ 64,336	\$ 2.84	\$ 4,320 \$ 0.22
\$ 754,476	\$ 287.35	\$ 698,495	\$ 275.49	\$ (55,982)	\$ (11.87)	Total Healthcare Expenses	\$ 6,360,444	\$ 277.88	\$ 6,501,138	\$ 286.73	\$ 140,694 \$ 8.84
96.3%		92.1%		-4.2%		MCR(%)	93.2%		93.1%		-0.1%
\$ 29,310	\$ 11.16	\$ 60,248	\$ 23.76	\$ (30,938)	\$ (12.60)	Operating Margin	\$ 466,607	\$ 20.39	\$ 482,359	\$ 21.27	\$ (15,752) \$ (0.89)
\$ 37,607	\$ 14.32	\$ 39,863	\$ 15.72	\$ 2,255	\$ 1.40	Total Operating Expenses	\$ 384,363	\$ 16.79	\$ 364,762	\$ 16.09	\$ (19,601) \$ (0.71)
4.8%		5.3%		0.5%		Admin Ratio(%)	5.6%		5.2%		-0.4%
\$ (8,297)	\$ (3.16)	\$ 20,386	\$ 8.04	\$ (28,683)	\$ (11.20)	Income (Loss) from Operations	\$ 82,244	\$ 3.59	\$ 117,597	\$ 5.19	\$ (35,353) \$ (1.59)
\$ (1,442)	\$ (0.55)	\$ (5,408)	\$ (2.13)	\$ 3,966	\$ 1.58	Other Income/(Expense), net	\$ (19,015)	\$ (0.83)	\$ (36,889)	\$ (1.63)	\$ 17,873 \$ 0.80
\$ 1,656	\$ 0.63	\$ 666	\$ 0.26	\$ 989	\$ 0.37	Interest Income, net	\$ 9,116	\$ 0.40	\$ 6,472	\$ 0.29	\$ 2,644 \$ 0.11
\$ 4	\$ 0.00	\$ -	\$ -	\$ 4	\$ 0.00	Realized Gain / Loss	\$ (22)	\$ (0.00)	\$ 26	\$ 0.00	\$ (48) \$ (0.00)
\$ (4,208)	\$ (1.60)	\$ -	\$ -	\$ (4,208)	\$ (1.60)	Unrealized Gain / Loss	\$ (28,977)	\$ (1.27)	\$ (5,462)	\$ (0.24)	\$ (23,515) \$ (1.03)
\$ (3,990)	\$ (1.52)	\$ (4,742)	\$ (1.87)	\$ 752	\$ 0.35	Total Non-Operating Income (Expense)	\$ (38,898)	\$ (1.70)	\$ (35,852)	\$ (1.58)	\$ (3,046) \$ (0.12)
\$ (12,287)	\$ (4.68)	\$ 15,644	\$ 6.17	\$ (27,931)	\$ (10.85)	Net Surplus (Deficit)	\$ 43,346	\$ 1.89	\$ 81,745	\$ 3.61	\$ (38,399) \$ (1.71)
-1.6%		2.1%		-3.6%		Margin(%)	0.6%		1.2%		-0.5%



MediCal Plan Partners Income Statement (\$ in thousands)

June 2022

Current Actual		Current Forecast		Fav(Unfav) Forecast		YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
1,106,692		1,071,444		35,248							
						Membership					
						Member Months					
						9,736,727		9,643,977		92,750	
						Revenue					
						Capitation					
\$ 261,963	\$ 236.71	\$ 258,319	\$ 241.09	\$ 3,644	\$ (4.39)	\$ 2,246,934	\$ 230.77	\$ 2,399,465	\$ 248.80	\$ (152,531)	\$ (18.04)
\$ 261,963	\$ 236.71	\$ 258,319	\$ 241.09	\$ 3,644	\$ (4.39)	\$ 2,246,934	\$ 230.77	\$ 2,399,465	\$ 248.80	\$ (152,531)	\$ (18.04)
						Total Revenues					
						Healthcare Expenses					
						Capitation					
\$ 245,411	\$ 221.75	\$ 242,997	\$ 226.79	\$ (2,414)	\$ 5.04	\$ 2,112,211	\$ 216.93	\$ 2,261,082	\$ 234.46	\$ 148,871	\$ 17.52
\$ 0	\$ 0.00	\$ -	\$ -	\$ (0)	\$ (0.00)	\$ (0)	\$ (0.00)	\$ 0	\$ 0.00	\$ 0	\$ 0.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ (0.00)	\$ (0)	\$ (0.00)	\$ 1	\$ 0.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,620	\$ 1.46	\$ 3,011	\$ 2.81	\$ 1,391	\$ 1.35	\$ 14,001	\$ 1.44	\$ 22,382	\$ 2.32	\$ 8,381	\$ 0.88
\$ 1,224	\$ 1.11	\$ 1,350	\$ 1.26	\$ 126	\$ 0.15	\$ 10,411	\$ 1.07	\$ 11,104	\$ 1.15	\$ 693	\$ 0.08
\$ 248,255	\$ 224.32	\$ 247,358	\$ 230.86	\$ (897)	\$ 6.54	\$ 2,136,621	\$ 219.44	\$ 2,294,568	\$ 237.93	\$ 157,946	\$ 18.49
94.8%		95.8%		1.0%		95.1%		95.6%		0.5%	
						Operating Margin					
\$ 13,708	\$ 12.39	\$ 10,961	\$ 10.23	\$ 2,747	\$ 2.16	\$ 110,312	\$ 11.33	\$ 104,897	\$ 10.88	\$ 5,415	\$ 0.45
						Total Operating Expenses					
\$ 6,238	\$ 5.64	\$ 6,572	\$ 6.13	\$ 334	\$ 0.50	\$ 67,129	\$ 6.89	\$ 58,390	\$ 6.05	\$ (8,739)	\$ (0.84)
2.4%		2.5%		0.2%		3.0%		2.4%		-0.6%	
						Income (Loss) from Operations					
\$ 7,470	\$ 6.75	\$ 4,389	\$ 4.10	\$ 3,081	\$ 2.65	\$ 43,184	\$ 4.44	\$ 46,508	\$ 4.82	\$ (3,324)	\$ (0.39)
\$ (1,026)	\$ (0.93)	\$ 688	\$ 0.64	\$ (1,714)	\$ (1.57)	\$ (4,491)	\$ (0.46)	\$ 3,720	\$ 0.39	\$ (8,211)	\$ (0.85)
						Total Non-Operating Income (Expense)					
						Net Surplus (Deficit)					
\$ 6,444	\$ 5.82	\$ 5,077	\$ 4.74	\$ 1,367	\$ 1.08	\$ 38,693	\$ 3.97	\$ 50,228	\$ 5.21	\$ (11,535)	\$ (1.23)
2.5%		2.0%		0.5%		1.7%		2.1%		-0.4%	
						Margin(%)					



SPD-CCI Income Statement (\$ in thousands)

June 2022

Current Actual		Current Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM
244,726		241,401		3,325	
\$ 201,656	\$ 824.01	\$ 181,918	\$ 753.60	\$ 19,738	\$ 70.41
\$ 201,656	\$ 824.01	\$ 181,918	\$ 753.60	\$ 19,738	\$ 70.41
\$ 26,801	\$ 109.52	\$ 24,531	\$ 101.62	\$ (2,271)	\$ (7.90)
\$ 26,487	\$ 108.23	\$ 35,509	\$ 147.09	\$ 9,022	\$ 38.86
\$ 48,197	\$ 196.94	\$ 44,027	\$ 182.38	\$ (4,170)	\$ (14.56)
\$ 75,497	\$ 308.49	\$ 56,026	\$ 232.09	\$ (19,471)	\$ (76.41)
\$ (251)	\$ (1.03)	\$ -	\$ -	\$ 251	\$ 1.03
\$ 986	\$ 4.03	\$ 219	\$ 0.91	\$ (766)	\$ (3.12)
\$ 2,382	\$ 9.73	\$ 2,495	\$ 10.34	\$ 113	\$ 0.60
\$ 180,099	\$ 735.92	\$ 162,807	\$ 674.43	\$ (17,292)	\$ (61.50)
89.3%		89.5%		0.2%	
\$ 21,558	\$ 88.09	\$ 19,112	\$ 79.17	\$ 2,446	\$ 8.92
\$ 11,903	\$ 48.64	\$ 13,513	\$ 55.98	\$ 1,610	\$ 7.34
5.9%		7.4%		1.5%	
\$ 9,654	\$ 39.45	\$ 5,599	\$ 23.19	\$ 4,055	\$ 16.26
\$ 11,690	\$ 47.77	\$ 265	\$ 1.10	\$ 11,425	\$ 46.67
\$ 21,344	\$ 87.22	\$ 5,864	\$ 24.29	\$ 15,480	\$ 62.92
10.6%		3.2%		7.4%	

	YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
	\$	PMPM	\$	PMPM	\$	PMPM
Membership						
Member Months	2,145,315		2,165,981		(20,666)	
Revenue						
Capitation	\$ 1,741,491	\$ 811.76	\$ 1,709,578	\$ 789.29	\$ 31,913	\$ 22.48
Total Revenues	\$ 1,741,491	\$ 811.76	\$ 1,709,578	\$ 789.29	\$ 31,913	\$ 22.48
Healthcare Expenses						
Capitation	\$ 201,785	\$ 94.06	\$ 205,240	\$ 94.76	\$ 3,455	\$ 0.70
Inpatient Claims	\$ 343,154	\$ 159.95	\$ 352,182	\$ 162.60	\$ 9,028	\$ 2.64
Outpatient Claims	\$ 402,337	\$ 187.54	\$ 380,117	\$ 175.49	\$ (22,221)	\$ (12.05)
Skilled Nursing Facility	\$ 613,980	\$ 286.20	\$ 540,530	\$ 249.55	\$ (73,450)	\$ (36.64)
Pharmacy	\$ 46,629	\$ 21.74	\$ 49,526	\$ 22.87	\$ 2,897	\$ 1.13
Provider Incentives and Shared Risk	\$ 10,899	\$ 5.08	\$ 5,072	\$ 2.34	\$ (5,827)	\$ (2.74)
Medical Administrative Expenses	\$ 19,683	\$ 9.18	\$ 20,740	\$ 9.58	\$ 1,056	\$ 0.40
Total Healthcare Expenses	\$ 1,638,467	\$ 763.74	\$ 1,553,407	\$ 717.18	\$ (85,060)	\$ (46.56)
MCR(%)	94.1%		90.9%		-3.2%	
Operating Margin	\$ 103,025	\$ 48.02	\$ 156,172	\$ 72.10	\$ (53,147)	\$ (24.08)
Total Operating Expenses	\$ 128,250	\$ 59.78	\$ 120,369	\$ 55.57	\$ (7,881)	\$ (4.21)
Admin Ratio(%)	7.4%		7.0%		-0.3%	
Income (Loss) from Operations	\$ (25,225)	\$ (11.76)	\$ 35,803	\$ 16.53	\$ (61,028)	\$ (28.29)
Total Non-Operating Income (Expense)	\$ 8,164	\$ 3.81	\$ 1,115	\$ 0.51	\$ 7,049	\$ 3.29
Net Surplus (Deficit)	\$ (17,061)	\$ (7.95)	\$ 36,918	\$ 17.04	\$ (53,979)	\$ (25.00)
Margin(%)	-1.0%		2.2%		-3.1%	



TANF-MCE Income Statement (\$ in thousands)

June 2022

Current Actual		Current Forecast		Fav(Unfav) Forecast		YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
1,090,614		1,044,923		45,691							
\$ 252,705	\$ 231.71	\$ 239,430	\$ 229.14	\$ 13,275	\$ 2.57						
\$ 252,705	\$ 231.71	\$ 239,430	\$ 229.14	\$ 13,275	\$ 2.57						
\$ 130,022	\$ 119.22	\$ 123,399	\$ 118.09	\$ (6,624)	\$ (1.13)						
\$ 72,058	\$ 66.07	\$ 51,135	\$ 48.94	\$ (20,923)	\$ (17.13)						
\$ 36,908	\$ 33.84	\$ 32,884	\$ 31.47	\$ (4,023)	\$ (2.37)						
\$ 12,253	\$ 11.23	\$ 9,291	\$ 8.89	\$ (2,962)	\$ (2.34)						
\$ (841)	\$ (0.77)	\$ -	\$ -	\$ 841	\$ 0.77						
\$ 2,243	\$ 2.06	\$ 2,671	\$ 2.56	\$ 428	\$ 0.50						
\$ 3,175	\$ 2.91	\$ 3,398	\$ 3.25	\$ 223	\$ 0.34						
\$ 255,819	\$ 234.56	\$ 222,778	\$ 213.20	\$ (33,041)	\$ (21.36)						
101.2%		93.0%		-8.2%							
\$ (3,113)	\$ (2.85)	\$ 16,653	\$ 15.94	\$ (19,766)	\$ (18.79)						
\$ 11,596	\$ 10.63	\$ 12,813	\$ 12.26	\$ 1,217	\$ 1.63						
4.6%		5.4%		0.8%							
\$ (14,709)	\$ (13.49)	\$ 3,840	\$ 3.67	\$ (18,549)	\$ (17.16)						
\$ (11,438)	\$ (10.49)	\$ 579	\$ 0.55	\$ (12,017)	\$ (11.04)						
\$ (26,147)	\$ (23.97)	\$ 4,419	\$ 4.23	\$ (30,566)	\$ (28.20)						
-10.3%		1.8%		-12.2%							
						Membership					
						Member Months					
						9,395,281		9,281,904		113,377	
						Revenue					
						Capitation					
						\$ 2,150,602		\$ 2,203,041		\$ (52,438)	
						\$ 228.90		\$ 237.35		\$ (8.45)	
						Total Revenues		\$ 2,150,602		\$ 2,203,041	
						\$ 228.90		\$ 237.35		\$ (8.45)	
						Healthcare Expenses					
						Capitation					
						\$ 1,007,563		\$ 1,062,725		\$ 55,162	
						\$ 107.24		\$ 114.49		\$ 7.25	
						Inpatient Claims					
						\$ 421,695		\$ 468,665		\$ 46,971	
						\$ 44.88		\$ 50.49		\$ 5.61	
						Outpatient Claims					
						\$ 298,567		\$ 282,615		\$ (15,952)	
						\$ 31.78		\$ 30.45		\$ (1.33)	
						Skilled Nursing Facility					
						\$ 93,789		\$ 81,059		\$ (12,731)	
						\$ 9.98		\$ 8.73		\$ (1.25)	
						Pharmacy					
						\$ 103,114		\$ 107,442		\$ 4,328	
						\$ 10.98		\$ 11.58		\$ 0.60	
						Provider Incentives and Shared Risk					
						\$ 25,099		\$ 24,044		\$ (1,054)	
						\$ 2.67		\$ 2.59		\$ (0.08)	
						Medical Administrative Expenses					
						\$ 27,225		\$ 29,193		\$ 1,967	
						\$ 2.90		\$ 3.15		\$ 0.25	
						Total Healthcare Expenses		\$ 1,977,052		\$ 2,055,743	
						\$ 210.43		\$ 221.48		\$ 78,691	
						MCR(%)		91.9%		93.3%	
										1.4%	
						Operating Margin		\$ 173,550		\$ 147,297	
						\$ 18.47		\$ 15.87		\$ 26,253	
										\$ 2.60	
						Total Operating Expenses		\$ 140,531		\$ 123,317	
						\$ 14.96		\$ 13.29		\$ (17,214)	
						Admin Ratio(%)		6.5%		5.6%	
										-0.9%	
						Income (Loss) from Operations		\$ 33,019		\$ 23,980	
						\$ 3.51		\$ 2.58		\$ 9,039	
										\$ 0.93	
						Total Non-Operating Income (Expense)		\$ (13,060)		\$ 3,319	
						\$ (1.39)		\$ 0.36		\$ (16,379)	
										\$ (1.75)	
						Net Surplus (Deficit)		\$ 19,959		\$ 27,299	
						\$ 2.12		\$ 2.94		\$ (7,340)	
						Margin(%)		0.9%		1.2%	
										-0.3%	



CMC Income Statement (\$ in thousands)

June 2022

Current Actual		Current Forecast		Fav(Unfav) Forecast		YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM	\$	PMPM
						Membership					
17,416						Member Months					
17,825						(363)					
						Revenue					
\$ 27,802 \$ 1,596.36						Capitation					
\$ 27,802 \$ 1,596.36						Total Revenues					
\$ 25,610 \$ 1,436.71						\$ 251,343 \$ 1,542.94					
\$ 2,192 \$ 159.65						\$ 231,951 \$ 1,420.73					
\$ 2,192 \$ 159.65						\$ 19,392 \$ 122.21					
						Healthcare Expenses					
\$ 11,297 \$ 648.64						Capitation					
\$ 3,793 \$ 217.77						\$ 103,790 \$ 637.14					
\$ 2,543 \$ 142.66						\$ 47,274 \$ 290.21					
\$ 1,306 \$ 73.24						\$ 59,489 \$ 364.38					
\$ 1,240 \$ 69.55						\$ 24,765 \$ 152.02					
\$ 94 \$ 4.12						\$ 23,756 \$ 145.51					
\$ 140 \$ 7.64						\$ 19,428 \$ 119.26					
\$ 24,406 \$ 1,401.35						\$ 13,834 \$ 84.73					
87.8%						\$ 10,694 \$ 65.65					
						\$ 17,192 \$ 105.54					
						\$ 7,688 \$ 47.09					
						\$ 2,257 \$ 13.82					
						\$ 551 \$ 3.35					
						Operating Margin					
						\$ 26,494 \$ 162.64					
						\$ 18,519 \$ 113.43					
						\$ 7,975 \$ 49.21					
						Total Operating Expenses					
						\$ 17,267 \$ 106.00					
						\$ 16,209 \$ 99.28					
						\$ (1,058) \$ (6.72)					
						Income (Loss) from Operations					
						\$ 9,227 \$ 56.64					
						\$ 2,310 \$ 14.15					
						\$ 6,917 \$ 42.49					
						Total Non-Operating Income (Expense)					
						\$ (259) \$ (1.59)					
						\$ 62 \$ 0.38					
						\$ (321) \$ (1.97)					
						Net Surplus (Deficit)					
						\$ 8,968 \$ 55.05					
						\$ 2,372 \$ 14.53					
						\$ 6,596 \$ 40.52					
						Margin(%)					
						3.6%					
						1.0%					
						2.5%					



Commercial Income Statement (\$ in thousands)

June 2022

Current Actual		Current Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM
166,159		159,909		6,250	
\$ 39,660	\$ 238.68	\$ 53,465	\$ 334.35	\$ (13,806)	\$ (95.66)
\$ 39,660	\$ 238.68	\$ 53,465	\$ 334.35	\$ (13,806)	\$ (95.66)
\$ 16,611	\$ 99.97	\$ 20,444	\$ 127.85	\$ 3,833	\$ 27.88
\$ 11,533	\$ 69.41	\$ 8,672	\$ 54.23	\$ (2,861)	\$ (15.18)
\$ 6,213	\$ 37.39	\$ 4,422	\$ 27.65	\$ (1,791)	\$ (9.74)
\$ 93	\$ 0.56	\$ -	\$ -	\$ (93)	\$ (0.56)
\$ 12,194	\$ 73.39	\$ 8,345	\$ 52.18	\$ (3,849)	\$ (21.20)
\$ (862)	\$ (5.19)	\$ 662	\$ 4.14	\$ 1,523	\$ 9.32
\$ 117	\$ 0.70	\$ 125	\$ 0.78	\$ 9	\$ 0.08
\$ 45,898	\$ 276.23	\$ 42,669	\$ 266.84	\$ (3,229)	\$ (9.39)
115.7%		79.8%		-35.9%	
\$ (6,238)	\$ (37.54)	\$ 10,796	\$ 67.51	\$ (17,034)	\$ (105.06)
\$ 5,733	\$ 34.50	\$ 4,854	\$ 30.35	\$ (879)	\$ (4.15)
14.5%		9.1%		-5.4%	
\$ (11,971)	\$ (72.05)	\$ 5,942	\$ 37.16	\$ (17,913)	\$ (109.20)
\$ (95)	\$ (0.57)	\$ (94)	\$ (0.59)	\$ (0)	\$ 0.02
\$ (12,066)	\$ (72.61)	\$ 5,848	\$ 36.57	\$ (17,913)	\$ (109.18)
-30.4%		10.9%		-41.4%	

YTD Actual		YTD Forecast		Fav(Unfav) Forecast	
\$	PMPM	\$	PMPM	\$	PMPM
1,448,562		1,418,516		30,046	
Membership					
Member Months					
Revenue					
Capitation					
\$ 436,680	\$ 301.46	\$ 439,461	\$ 309.80	\$ (2,781)	\$ (8.35)
Total Revenues	\$ 436,680	\$ 439,461	\$ 309.80	\$ (2,781)	\$ (8.35)
Healthcare Expenses					
Capitation					
\$ 178,457	\$ 123.20	\$ 178,166	\$ 125.60	\$ (291)	\$ 2.40
\$ 77,572	\$ 53.55	\$ 83,952	\$ 59.18	\$ 6,380	\$ 5.63
\$ 53,113	\$ 36.67	\$ 41,898	\$ 29.54	\$ (11,215)	\$ (7.13)
\$ 863	\$ 0.60	\$ 328	\$ 0.23	\$ (535)	\$ (0.36)
\$ 79,012	\$ 54.55	\$ 75,058	\$ 52.91	\$ (3,954)	\$ (1.63)
\$ (6,548)	\$ (4.52)	\$ 3,545	\$ 2.50	\$ 10,093	\$ 7.02
\$ 990	\$ 0.68	\$ 1,043	\$ 0.74	\$ 53	\$ 0.05
Total Healthcare Expenses	\$ 383,459	\$ 383,989	\$ 270.70	\$ 530	\$ 5.98
MCR(%)	87.8%	87.4%		-0.4%	
Operating Margin	\$ 53,221	\$ 55,472	\$ 39.11	\$ (2,252)	\$ (2.37)
Total Operating Expenses	\$ 29,408	\$ 44,387	\$ 31.29	\$ 14,979	\$ 10.99
Admin Ratio(%)	6.7%	10.1%		3.4%	
Income (Loss) from Operations	\$ 23,813	\$ 11,085	\$ 7.81	\$ 12,728	\$ 8.62
Total Non-Operating Income (Expense)	\$ (851)	\$ (852)	\$ (0.60)	\$ 0	\$ 0.01
Net Surplus (Deficit)	\$ 22,962	\$ 10,234	\$ 7.21	\$ 12,728	\$ 8.64
Margin(%)	5.3%	2.3%		2.9%	



Comparative Balance Sheet

(Dollars in thousands)	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
ASSETS												
CURRENT ASSETS												
Total Current Assets	\$4,476,248	\$4,406,866	\$4,782,439	\$4,483,572	\$4,781,058	\$4,475,327	\$5,037,258	\$4,719,524	\$5,474,251	\$4,849,447	\$4,871,908	\$4,873,636
Capitalized Assets - net	\$108,396	\$106,100	\$105,915	\$105,290	\$105,477	\$105,456	\$105,465	\$105,437	\$106,054	\$106,171	\$105,872	\$105,275
NONCURRENT ASSETS	\$3,525	\$3,637	\$3,523	\$3,466	\$3,393	\$3,251	\$3,170	\$3,023	\$2,878	\$2,739	\$2,635	\$2,496
TOTAL ASSETS	\$4,588,169	\$4,516,602	\$4,891,876	\$4,592,328	\$4,889,928	\$4,584,034	\$5,145,893	\$4,827,984	\$5,583,182	\$4,958,357	\$4,980,415	\$4,981,408
LIABILITIES AND FUND EQUITY												
CURRENT LIABILITIES												
Total Current Liability	\$3,550,234	\$3,486,394	\$3,838,981	\$3,516,064	\$3,810,650	\$3,498,864	\$4,025,400	\$3,756,304	\$4,494,782	\$3,883,690	\$3,872,966	\$3,886,281
Long Term Liability	\$2,429	\$2,994	\$3,441	\$3,328	\$3,417	\$2,174	\$2,231	\$2,194	\$3,058	\$2,240	\$2,362	\$2,326
Total Liabilities	\$3,552,663	\$3,489,388	\$3,842,421	\$3,519,391	\$3,814,067	\$3,501,038	\$4,027,631	\$3,758,498	\$4,497,840	\$3,885,929	\$3,875,327	\$3,888,607
FUND EQUITY												
Invested in Capital Assets, net of related debt	\$108,396	\$106,100	\$105,915	\$105,290	\$105,477	\$105,456	\$105,465	\$105,437	\$106,054	\$106,171	\$105,872	\$105,275
Restricted Equity	\$450	\$450	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Minimum Tangible Net Equity	\$202,973	\$204,075	\$200,751	\$201,278	\$202,065	\$203,167	\$203,167	\$205,043	\$204,666	\$205,980	\$203,622	\$203,266
Board Designated Funds	\$97,416	\$93,180	\$91,741	\$103,141	\$100,133	\$89,697	\$88,702	\$86,298	\$125,441	\$124,260	\$113,244	\$110,644
Unrestricted Net Assets	\$626,271	\$623,409	\$650,449	\$662,628	\$667,585	\$684,076	\$720,328	\$672,107	\$648,581	\$635,417	\$681,750	\$673,016
Total Fund Equity	\$1,035,506	\$1,027,214	\$1,049,455	\$1,072,937	\$1,075,861	\$1,082,996	\$1,118,262	\$1,069,486	\$1,085,342	\$1,072,427	\$1,105,088	\$1,092,801
TOTAL LIABILITIES AND FUND EQUITY	\$4,588,169	\$4,516,602	\$4,891,876	\$4,592,328	\$4,889,928	\$4,584,034	\$5,145,893	\$4,827,984	\$5,583,182	\$4,958,357	\$4,980,415	\$4,981,408
Solvency Ratios												
Working Capital Ratio	1.26	1.26	1.25	1.28	1.25	1.28	1.25	1.26	1.22	1.25	1.26	1.25
Cash to Claims Ratio	0.57	0.55	0.72	0.59	0.66	0.59	0.66	0.54	0.76	0.53	0.53	0.52
Tangible Net Equity Ratio	5.10	5.03	5.23	5.33	5.32	5.33	5.50	5.22	5.30	5.21	5.43	5.38



Cash Flows Statement (\$ in thousands)

June 2022

	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	YTD
Cash Flows from Operating Activities:										
Capitation Revenue	\$ 763,872	\$ 743,782	\$ 830,492	\$ 703,097	\$ 725,391	\$ 761,918	\$ 849,122	\$ 677,365	\$ 731,798	\$ 6,786,837
Other Income (Expense), net	\$ 10,099	\$ (2,297)	\$ (8,057)	\$ (1,229)	\$ (1,606)	\$ (861)	\$ (4,833)	\$ (8,800)	\$ (18,428)	\$ (36,012)
Healthcare Expenses	\$ (769,260)	\$ (685,351)	\$ (854,089)	\$ (606,627)	\$ (673,516)	\$ (767,350)	\$ (709,826)	\$ (677,802)	\$ (721,212)	\$ (6,465,033)
Operating Expenses	\$ (31,084)	\$ (30,643)	\$ (54,724)	\$ (33,016)	\$ (39,706)	\$ (36,746)	\$ (40,221)	\$ (36,080)	\$ (32,777)	\$ (334,997)
Net Cash Provided By Operating Activities	\$ (26,373)	\$ 25,491	\$ (86,378)	\$ 62,225	\$ 10,563	\$ (43,039)	\$ 94,242	\$ (45,317)	\$ (40,619)	\$ (49,205)
Cash Flows from Investing Activities										
Purchase of investments - Net	\$ 70,245	\$ 85,685	\$ (82,191)	\$ 22,709	\$ 511	\$ 32,993	\$ (75,560)	\$ 63,440	\$ (78,466)	\$ 39,366
Purchase of Capital Assets	\$ (1,333)	\$ (2,179)	\$ (1,833)	\$ (1,847)	\$ (1,827)	\$ (2,552)	\$ (1,987)	\$ (1,841)	\$ (1,404)	\$ (16,803)
Net Cash Provided By Investing Activities	\$ 68,912	\$ 83,506	\$ (84,024)	\$ 20,862	\$ (1,316)	\$ 30,441	\$ (77,547)	\$ 61,599	\$ (79,870)	\$ 22,563
Cash Flows from Financing Activities:										
Gross Premium Tax (MCO Sales Tax) - Net	\$ (26,829)	\$ 14,276	\$ 14,596	\$ (26,338)	\$ 14,591	\$ 14,999	\$ (27,892)	\$ 14,981	\$ 30,387	\$ 22,771
Pass through transactions (AB 85, IGT, etc.)	\$ (297,777)	\$ 160,499	\$ (137,249)	\$ 360,537	\$ (395,556)	\$ 762,594	\$ (762,563)	\$ 79	\$ (12,350)	\$ (321,786)
Net Cash Provided By Financing Activities	\$ (324,606)	\$ 174,775	\$ (122,653)	\$ 334,199	\$ (380,965)	\$ 777,593	\$ (790,455)	\$ 15,060	\$ 18,037	\$ (299,015)
Net Increase in Cash and Cash Equivalents	\$ (282,067)	\$ 283,772	\$ (293,055)	\$ 417,286	\$ (371,718)	\$ 764,995	\$ (773,760)	\$ 31,342	\$ (102,452)	\$ (325,657)
Cash and Cash Equivalents, Beginning	\$ 990,897	\$ 708,830	\$ 992,602	\$ 699,547	\$ 1,116,833	\$ 745,115	\$ 1,510,110	\$ 736,350	\$ 767,692	\$ 990,897
Cash and Cash Equivalents, Ending	\$ 708,830	\$ 992,602	\$ 699,547	\$ 1,116,833	\$ 745,115	\$ 1,510,110	\$ 736,350	\$ 767,692	\$ 665,240	\$ 665,240
Reconciliation of Income from Operations to Net Cash Provided By (Used In) Operating Activities:										
Excess of Revenues over Expenses	\$ 23,481	\$ 2,924	\$ 7,135	\$ 35,266	\$ (48,776)	\$ 15,857	\$ (12,915)	\$ 32,660	\$ (12,287)	\$ 43,345
Adjustments to Excess of Revenues Over Expenses:										
Depreciation	\$ 1,957	\$ 1,991	\$ 1,855	\$ 1,838	\$ 1,856	\$ 1,935	\$ 1,870	\$ 2,139	\$ 2,002	\$ 17,443
Realized and Unrealized (Gain)/Loss on Investments	\$ 2,947	\$ 1,228	\$ 1,261	\$ 5,239	\$ 3,431	\$ 8,064	\$ 4,865	\$ (2,240)	\$ 4,204	\$ 28,999
Deferred Rent	\$ (113)	\$ 90	\$ (1,244)	\$ 57	\$ (37)	\$ 864	\$ (818)	\$ 122	\$ (35)	\$ (1,114)
Gross Premium Tax provision	\$ (280)	\$ (516)	\$ (837)	\$ (2,011)	\$ (1,000)	\$ (1,072)	\$ (1,145)	\$ (1,228)	\$ (1,464)	\$ (9,553)
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Adjustments to Excess of Revenues over Expenses	\$ 4,511	\$ 2,793	\$ 1,035	\$ 5,123	\$ 4,250	\$ 9,791	\$ 4,772	\$ (1,207)	\$ 4,707	\$ 35,775
Changes in Operating Assets and Liabilities:										
Capitation Receivable	\$ (47,907)	\$ (64,579)	\$ 25,121	\$ 216,121	\$ (45,704)	\$ (35,458)	\$ (16,558)	\$ (76,816)	\$ (50,909)	\$ (96,689)
Interest and Non-Operating Receivables	\$ 164	\$ (19)	\$ (209)	\$ 176	\$ (8)	\$ 160	\$ (3,566)	\$ (177)	\$ (15,869)	\$ (19,348)
Prepaid and Other Current Assets	\$ 1,810	\$ (964)	\$ (971)	\$ 3,108	\$ (4,076)	\$ (3,123)	\$ 3,114	\$ (12,423)	\$ (41,482)	\$ (55,007)
Accounts Payable and Accrued Liabilities	\$ 68	\$ 6,440	\$ (10,195)	\$ (19,850)	\$ 56,020	\$ 2,273	\$ (4,736)	\$ 4,043	\$ 3,084	\$ 37,147
Subcapitation Payable	\$ 36,845	\$ 75,826	\$ (105,110)	\$ (147,776)	\$ 29,226	\$ (43,177)	\$ 22,211	\$ 47,892	\$ 88,495	\$ 4,432
MediCal Adult Expansion Payable	\$ 37,928	\$ (40)	\$ (171)	\$ (114)	\$ (54)	\$ 467	\$ 1,149	\$ (1,796)	\$ (16,056)	\$ 21,313
Deferred Capitation Revenue	\$ (898)	\$ (567)	\$ 1,353	\$ 4,098	\$ 1,887	\$ 1,339	\$ 74,023	\$ (23,679)	\$ (1,080)	\$ 56,476
Accrued Medical Expenses	\$ (2,474)	\$ 2,920	\$ 625	\$ (44,258)	\$ 6,593	\$ 9,589	\$ (706)	\$ (15,643)	\$ (7,568)	\$ (50,922)
Reserve for Claims	\$ 12,037	\$ 9,596	\$ 9,601	\$ 11,579	\$ 17,754	\$ 138	\$ 25,330	\$ (11,345)	\$ 6,199	\$ 80,889
Reserve for Provider Incentives	\$ (92,318)	\$ (9,394)	\$ (16,679)	\$ (483)	\$ (7,007)	\$ (1,061)	\$ 2,371	\$ 11,716	\$ 3,458	\$ (109,397)
Grants Payable	\$ 380	\$ 555	\$ 2,087	\$ (765)	\$ 458	\$ 166	\$ (247)	\$ 1,458	\$ (1,311)	\$ 2,781
Net Changes in Operating Assets and Liabilities	\$ (54,365)	\$ 19,774	\$ (94,548)	\$ 21,836	\$ 55,089	\$ (68,687)	\$ 102,385	\$ (76,770)	\$ (33,039)	\$ (128,325)
Net Cash Provided By Operating Activities	\$ (26,373)	\$ 25,491	\$ (86,378)	\$ 62,225	\$ 10,563	\$ (43,039)	\$ 94,242	\$ (45,317)	\$ (40,619)	\$ (49,205)



L.A. Care
HEALTH PLAN

Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 107.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

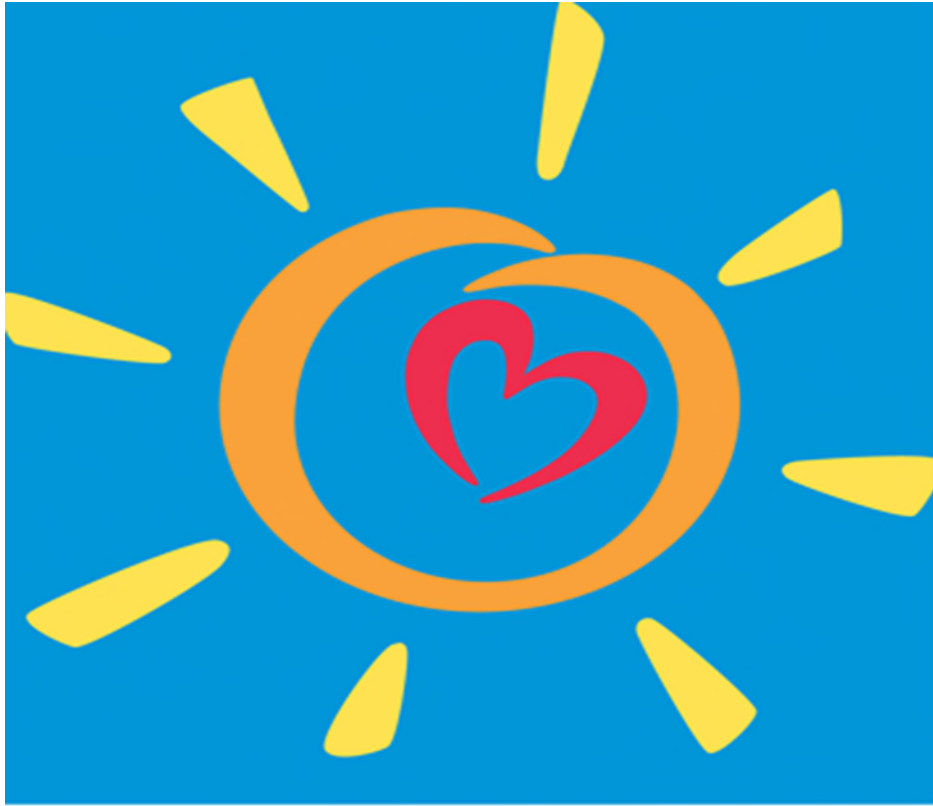
Issue: Recommend the draft FY 2022-23 Operating and Capital Budget for Board consideration.

Background: Please see the Budget documents for detailed information.

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

Budget Impact: Not applicable.

Motion: To approve the Fiscal Year 2022-23 Operating and Capital Budget, as submitted.



L.A. Care
H E A L T H P L A N®

**OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2022-23**

**Board of Governors
September 1, 2022**

Table of Contents

I.	EXECUTIVE SUMMARY.....	3
-	Environmental Overview.....	3
-	Membership	6
-	Combined Operations & Financials.....	7
-	Revenue	7
-	Healthcare Expenses	8
-	Administrative Expenses	11
-	Comparative Administrative Cost – FY 2021-22 vs. FY 2022-23.....	12
-	Staffing and Total Cost of Labor.....	13
-	L.A. Care Segments.....	13
-	Non-Travel Meeting, Food, and Other Expenses	19
-	Sales, Marketing, and Advertising Strategy.....	21
-	Community Health Improvement Programs.....	23
-	Capital Expenditures and Other Projects.....	27
II.	FINANCIAL STATEMENTS.....	30

EXECUTIVE SUMMARY

Environmental Overview

COVID-19

COVID-19 continues to affect our health care system and economy. COVID-19 has impacted Los Angeles County significantly, with more than 3.3 million cases and more than 32,000 deaths as of August 10, 2022. New cases, hospitalizations, and deaths have decreased dramatically as more of the population has become vaccinated. However, cases persist due to fast-spreading variants. In addition, racial/ethnic disparities exist. The mortality rate (age-adjusted death rate due to COVID-19 per 100K population) was 456 and 314 for Hispanic/Latino and Black residents respectively, compared to 197 and 180 for Asian and White residents, respectively. The mortality rate for poor areas (30-100% area poverty) was 527 per 100K residents compared to 174 per 100K residents in areas with less than 10 percent poverty.

L.A. Care data shows that 61 percent of our members have been vaccinated against COVID-19. Rates are higher among older members, with 75 percent of members aged 65 and older having been vaccinated. Among Asian members, 76 percent have been vaccinated compared to only 47 percent of Black/African American members. We are working with external partners to address the severe ethnic/racial disparities in vaccination rates.

COVID-19 had reduced routine healthcare utilization and increased use of telehealth services. While in-person visits have resumed and telehealth usage has declined, we expect that telehealth will continue as a regular part of care. During this period of COVID, plans have been required to pay for services such as testing and treatment, but vaccine costs have been and will continue to be covered by the Department of Health Services (DHCS). The end of the Public Health Emergency may result in changes in responsibility for some of these costs. L.A. Care participated in the COVID-19 incentive program during the current fiscal year and will continue to promote the benefits of vaccination to its members.

Medi-Cal

During the COVID-related Public Health Emergency, Medi-Cal redeterminations have been suspended, meaning that people who might have lost coverage during their renewal period have been kept on Medi-Cal. Our Medi-Cal membership has grown and has not experienced the normal fluctuations of members churning on and off of coverage. Once the Public Health Emergency is lifted, redeterminations will resume and we anticipate losing Medi-Cal members, however, the timing is not clear. The Public Health Emergency, currently slated to end October 13, 2022, has been extended multiple times although we do expect it to be lifted sometime during the upcoming fiscal year. If the PHE expires in October 2022, DHCS must resume its annual redeterminations resulting in disenrollment starting in February 2023. The redetermination process and disenrollment will be gradual over a 14-month period. We are actively working on a campaign to educate members on how to retain their Medi-Cal during the redetermination period.

Our Medi-Cal membership has also grown as a result of the State's expansion of Medi-Cal to include income-eligible undocumented individuals aged 50 and over beginning May 1, 2022. We received a large membership increase in July 2022 and while growth will obviously not continue at that pace, membership growth is expected to continue as undocumented residents age into eligibility. The Governor also signed SB 184, which expands Medi-Cal to undocumented residents aged 26-49 who are income-eligible, however this won't take effect until 2024. Once this takes effect, all income-eligible residents will be Medi-Cal eligible regardless of immigration status, making universal access to healthcare coverage a reality.

Another factor that will affect Medi-Cal is the State-wide reprocurement. The State issued a request for proposal (RFP) for the commercial plans in the Two-Plan model. If a new commercial plan is selected for Los Angeles County, particularly if it's a large commercial plan, they may aggressively compete for market share or may have quality ratings that would affect the auto-assignment algorithm, potentially affecting our market share. Although the announcement of the commercial plan is targeted for August 2022, it won't take effect until January 1, 2024. In addition, while L.A. Care does not have to compete in the reprocurement process, there will be new Medi-Cal contract requirements that will pertain to both L.A. Care and the commercial plan.

Finally, our Medi-Cal membership will be reduced because of AB 2724, which allows DHCS to contract directly with Kaiser for Medi-Cal managed care. L.A. Care will lose Kaiser's 250,000 members, along with the revenue and health care costs associated with those members. Removing Kaiser from L.A. Care's quality score calculation may also affect our overall quality rating which in turn affects auto-assignment. Although Kaiser's members comprise a small fraction of L.A. Care's total membership, its quality ratings are very high. This will take effect in 2024.

Another large change to Medi-Cal which began in FY 2021-22 was California Advancing and Innovating Medi-Cal (CalAIM) implementation. CalAIM is a federal waiver proposal that transforms Medi-Cal in many ways. CalAIM's goals are to manage member risk while addressing social determinants of health, reduce complexity and increase flexibility of Medi-Cal, and improve quality outcomes and the delivery system. Components that began on January 2022 include Enhanced Care Management (ECM) which replaces the Health Homes Program and Whole Person Care, Community Supports (CS) including medically supportive foods or housing supports, and the Major Organ Transplant (MOT) benefit. Effective January 1, 2022, in support of the CalAIM initiative, L.A. Care implemented ECM, CS which includes Housing Navigation, Tenancy and Sustaining Services, Recuperative Care, and Medically Tailored Meals, and MOT benefits. On July 1, 2022, four additional CS services were added including Housing Deposits, Sobering Centers, Respite Services, and Personal Care and Homemaker Services. Another component of the CalAIM initiative starting January 1, 2022 is the mandatory managed care enrollment provision which requires beneficiaries in certain voluntary or excluded aid codes that are currently enrolled in Medi-Cal fee-for-service (FFS) to transition to and enroll in Medi-Cal managed care plan. The State also implemented the Medi-Cal Pharmacy transition in 2022, shifting responsibility from health plans to the State and administered by its pharmacy vendor.

L.A. Care Covered

COVID-19 has also affected Covered California and our L.A. Care Covered product. Most significantly, the American Rescue Plan, signed into law in March 2021, increased the premium assistance that subscribers could receive. In many cases, members pay little to no premiums. On August 16, 2022, President Joe Biden signed the Inflation Reduction Act into law, which extends enhanced Affordable Care Act subsidies for another three years through December 31, 2025. As price is a driver for which plan members select, continuation of this assistance is important to L.A. Care and our current and prospective members.

Also, in the next fiscal year, SB 260 will go into effect which defaults people losing Medi-Cal coverage into the lowest cost Covered California silver plan in the member's rating region. Currently, L.A. Care occupies that position so Medi-Cal membership loss may be offset by L.A. Care Covered membership gain. For 2023, L.A. Care will continue to be the lowest cost silver plan in both rating regions, which will be advantageous for growth and reinforces the value of having a public plan on the exchange.

Medicare

The upcoming fiscal year will see the transition of L.A. Care's existing product for dual-eligible members, Cal MediConnect, to a D-SNP. The State is sunsetting Cal MediConnect in 2022, requiring plans to offer a D-SNP in order to continue serving the dual-eligible population. L.A. Care is actively working to launch the D-SNP, called L.A. Care Medicare Plus, and transition its Cal MediConnect members in addition to marketing to new members. Transition will begin in October 2022 for a January 2023 effective date.

Operating Assumptions

The proposed Operating Budget for FY 2022-23 outlines the financial resources and personnel needed to meet L.A. Care's operational and strategic objectives established for the coming year. The primary focus of the budget is on enhancing the partnership with our network providers in delivering quality care to our members. The budget also emphasizes the need to support our operations and business needs and align our information technology spending to meet operational improvements for health services and provider relationships.

As COVID-19 outbreaks continue to evolve, the US Department of Health and Human Services has repeatedly renewed the Public Health Emergency (PHE) since implementing it in January 2020. The PHE is currently set to expire on October 13, 2022. The end date of the PHE will have significant implications for Medi-Cal enrollees as it will end the continuous enrollment requirement and the redetermination process will resume. Our projected membership for FY 2022-23 assumes the PHE declaration will end on October 13, 2022, which is the latest available information, with disenrollment to begin in February 2023.

As discussed earlier, L.A. Care implemented ECM, CS and MOT benefits in January 2022. Our Medi-Cal membership in January 2022 is higher than the trend as a result of the mandatory managed care enrollment provision. FY 2021-22 9+3 Forecast and FY 2022-23 Budget include the financial impact from these changes. Additionally, in order to support the implementation and expansion of ECM and CS programs, DHCS has implemented a CalAIM Incentive Payment Program (IPP) by incentivizing managed care plans to invest in building provider capacity and delivery system infrastructure. MCPs will only be eligible to receive incentive payments by fulfilling all the requirements of the program. With the aim of meeting the goals and achieving the measures of the program, L.A. Care anticipates to use the incentive payments to fund our ECM and CS providers to support capacity building and infrastructure development. In March 2022, DHCS approved our IPP Program Year 1 Payment 1 submission of which payment was received in April 2022. The financial impact of the IPP, which includes the incentive revenues and the related healthcare and administrative expenses, is included in our FY 2021-22 9+3 Forecast and FY 2022-23 Budget. However, due to the uncertainty of the incentive earnings for IPP Program Year 1 Payment 2, our FY 2022-23 Budget excludes the financial impact of Payment 2 incentives.

In January 2022, the California HCBS Spending Plan, including the Housing and Homelessness Incentive Program (HHIP), was approved by CMS. The HHIP aims to reduce and prevent homelessness by ensuring plans have capacity and partnerships to connect their members to housing services. Medi-Cal managed care plans are able to earn incentive funds for making investments and progress in addressing homelessness and keeping people housed. Although L.A. Care has submitted the Local Homelessness Plan, our FY 2022-23 Budget does not include its impact as we continue to refine the measurement areas and the expected earnings and spending.

After two years of COVID-19 crisis, California's economy is close to pre-pandemic conditions. While the end date of the PHE is uncertain, for purposes of our FY 2022-23 Budget, we assume PHE will end in October 2022 and the resumption of redeterminations will begin, resulting in disenrollment starting in February 2023. The redetermination process and disenrollment will be gradual over a 14 month period. Also, the Budget assumes a 3.5% increase in our classic Medi-Cal rates for calendar year 2023, and the continuation of the 10% LTC rate increase for capitation revenue and healthcare costs through October 2023. Given the financial pressures, we are making every effort to plan and monitor our administrative expenses while, at the same time, provide necessary resources for the CalAIM initiative, DSNP implementation, and most importantly, to ensure regulatory compliance. We will continue to fund our strategic projects and planned technology enhancements to support our infrastructure needs.

L.A. Care organizes its population segments based on risk and reimbursement. Executive Directors are in place to lead these segments and execute on strategic priorities. The segments consist of Plan Partners, TANF-MCE, SPD-CCI, Cal MediConnect through December 2022, D-SNP effective January 2023, and Commercial Products. Community Programs are managed at the direction of the Executive Office.

Membership

L.A. Care has approximately 2.7 million members budgeted for FY 2022-23, 1.4 million of which are in our MCLA network in TANF-MCE and SPD-CCI segments. The product team continues to work on strategies to promote member retention, outreach, and engagement including enhancing member informing materials and collaborating with County partners to explore opportunities to streamline enrollment and redetermination processes.

Overall, the projected membership reduction between FY 2021-22 Forecast and FY 2022-23 Budget is expected to be 67,000 members or -2.5 percent, with member months growing by 1,992,000 or 6.4 percent. Combined segment membership is projected to be 2,661,089 at September 30, 2023.

MEMBERSHIP BY FISCAL YEAR								
(in thousands)								
	Membership		Change		Member Months		Change	
	FY 21-22 Forecast*	FY 22-23 Budget	Members	Percent	FY 21-22 Forecast*	FY 22-23 Budget	Member Months	Percent
Medi-Cal								
Plan Partners	1,111	1,078	(33)	(3.0%)	13,121	13,417	296	2.3%
TANF-MCE	1,176	1,135	(41)	(3.5%)	12,852	14,194	1,342	10.4%
SPD-CCI	259	273	14	5.4%	2,913	3,308	395	13.5%
Total Medi-Cal	2,546	2,486	(60)	(2.4%)	28,886	30,919	2,033	7.0%
Cal MediConnect	17	-	(17)	(100.0%)	214	49	(165)	(77.0%)
D-SNP	-	17	17	0.0%	-	156	156	0.0%
Commercial								
PASC-SEIU	50	50	(0)	(1.0%)	605	598	(7)	(1.2%)
LACC	115	125	10	8.7%	1,339	1,470	131	9.8%
Elimination**	-	(17)	(17)	0.0%	-	(156)	(156)	0.0%
Total	2,728	2,661	(67)	(2.5%)	31,044	33,036	1,992	6.4%

*Forecast is based on 9+3

** Beginning January 2023, D-SNP members are included in both D-SNP and CCI since the funding comes from CMS and DHCS

MEMBERSHIP BY SEGMENT									
Fiscal Year 2022-23									
Month	Plan Partner	TANF - MCE	SPD - CCI	CMC	D-SNP	PASC-SEIU	LACC*	Elimination**	Total
Oct-22	1,114,537	1,182,914	259,376	16,597	-	50,047	115,000		2,738,471
Nov-22	1,117,658	1,189,652	259,879	16,387	-	50,006	115,000		2,748,582
Dec-22	1,120,787	1,196,431	260,388	16,179	-	49,966	115,000		2,758,752
Jan-23	1,136,927	1,213,704	280,799	-	17,338	49,927	125,000	(17,338)	2,806,356
Feb-23	1,137,613	1,208,607	282,876	-	17,321	49,887	125,000	(17,321)	2,803,982
Mar-23	1,138,291	1,203,565	284,969	-	17,342	49,847	125,000	(17,342)	2,801,672
Apr-23	1,138,961	1,198,579	287,040	-	17,364	49,807	125,000	(17,364)	2,799,386
May-23	1,126,622	1,185,594	284,139	-	17,384	49,767	125,000	(17,384)	2,771,122
Jun-23	1,114,417	1,172,750	281,270	-	17,405	49,727	125,000	(17,405)	2,743,164
Jul-23	1,102,344	1,160,045	278,431	-	17,424	49,687	125,000	(17,424)	2,715,508
Aug-23	1,090,402	1,147,478	275,622	-	17,444	49,648	125,000	(17,444)	2,688,150
Sep-23	1,078,590	1,135,047	272,844	-	17,462	49,608	125,000	(17,462)	2,661,089
Member Months	13,417,149	14,194,366	3,307,633	49,163	156,484	597,923	1,470,000	(156,484)	33,036,235

*Includes both LACC and LACC Direct

** Beginning January 2023, D-SNP members are included in both D-SNP and CCI since the funding comes from CMS and DHCS

Combined Operations & Financials

Combined operations are budgeted to produce a net surplus of \$80.1 million, which includes the \$43.2 million in support of community investments.

Consolidated Statement of Operations								
Fiscal Year 2022-2023								
(dollars in millions)								
	Plan						Community	
	Partners	TANF-MCE	SPD-CCI	CMC	D-SNP	Commercial	Programs*	Total
Revenues	\$3,402.2	\$3,323.8	\$2,424.1	\$82.1	\$217.0	\$716.1	\$0.0	\$10,165.3
Healthcare Expenses	3,232.1	3,154.4	2,329.0	63.8	194.6	600.7	0.0	9,574.6
MCR	95.0%	94.9%	96.1%	77.7%	89.7%	83.9%	n/a	94.2%
Operating Margin	170.1	169.4	95.1	18.3	22.4	115.4	0.0	590.7
Administrative Expenses	81.2	175.3	143.7	14.0	13.8	79.2	2.8	510.0
Administrative Ratio	2.4%	5.3%	5.9%	17.1%	6.4%	11.1%	n/a	5.0%
Gain / (Loss) from Operations	88.9	(5.9)	(48.6)	4.3	8.6	36.2	(2.8)	80.7
Community Investments	0.0	0.0	0.0	0.0	0.0	0.0	(43.2)	(43.2)
Managed Care Tax, Net	4.9	5.2	1.2	0.0	0.0	(1.1)	0.0	10.2
Investment Income, net	12.1	12.2	7.9	0.2	0.0	0.0	0.0	32.4
Net Surplus / (Deficit)	\$105.9	\$11.5	(\$39.5)	\$4.5	\$8.6	\$35.1	(\$46.0)	\$80.1
Margin Ratio	3.1%	0.3%	-1.6%	5.5%	4.0%	4.9%	n/a	0.8%

*Includes Community Resource Centers, Blue Shield Promise Grant, and First 5 L.A. Grant

Revenue

Medi-Cal Capitation Rates (Classic Rating & Non Duals Categories)

The revenue rates are based on CY 2022 rates from the California Department of Health Care Services (DHCS). The CY 2023 rates assume a 3.5% rate increase across all categories of aid.

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

For CY 2022, we used the DHCS rates. For CY 2023, we updated the rates so they are in line with the new Duals rate structure. The SNF 10% fee increase is in place for the entire fiscal year.

Cal MediConnect

The revenue for this program is based on rates received from DHCS and the Centers for Medicare and Medicaid Services (CMS); current rate levels were projected to FY 2022. The Medi-Cal rates are based on the CY 2022 rates received from DHCS. This program ends in December 2022.

D-SNP

D-SNP revenue is based on the CY 2023 rates submitted to CMS.

L.A. Care Covered

L.A. Care Covered revenue is based on the CY 2022 rates and the CY 2023 rates submitted to Covered California.

Healthcare Expenses

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

L.A. Care has been building a direct network of contracted doctors. This initiative will allow us to have a more direct dialogue with the physicians who are critical to our mission. Our goal is to support the physicians with actionable data to help them improve the quality outcomes for our members. Key leaders from multiple departments have been involved in building the infrastructure in order to support more members through the direct network.

Capitation

L.A. Care contracts with, and in many cases delegates specific services to, various Risk Bearing Organizations (RBOs) like Independent Practice Associations (IPAs) and Medical Groups, safety-net providers, Federally Qualified Health Centers, and Community Clinics to provide health care services to enrolled members. The risk arrangements with the RBOs vary between shared, dual, and full risk, which define different level of capitation arrangements based on the division of financial responsibility between the RBO and L.A. Care. L.A. Care continues to develop our Direct Network, contracting directly with primary care physicians, specialty care physicians and provider groups either on a capitated or fee-for-service basis. The variety of network arrangements allows us to create alternatives to fit the unique needs of our members.

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

Shared Risk | Provider Incentives

Shared Risk

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

Provider Incentive Budget FY 2022-23 (dollars in thousands)							
Incentive Level Programs	Segments						
	Plan Partners ⁽¹⁾	TANF-MCE	SPD-CCI ⁽²⁾	CMC	DSNP	Commercial	Total
Plan Partners	\$11,041	\$0	\$0	\$0	\$0	\$0	\$11,041
PPG	8,005	11,662	1,088	101	304	2,911	24,071
Physician	10,397	13,784	1,274	877	2,630	29	28,991
Member	0	1,116	114	273	519	1,123	3,145
Total ⁽³⁾	\$29,443	\$26,562	\$2,476	\$1,251	\$3,453	\$4,063	\$67,248

Note:

1. Excludes Kaiser

2. CCI members not eligible for incentive level programs

3. The provider incentive total excludes Incentive Payment Program (IPP)

L.A. Care Quality Score Investments (Incentives)

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

Plan Partner Quality Score Investments (Incentives)

The Plan Partner Incentive Program aligns the efforts of L.A. Care with those of its strategic partners as a critical point for improving the outcomes and satisfaction of members. The program continues in measurement year 2022, and rewards plan partners with a broad set of metrics, including HEDIS clinical quality, utilization management, encounter data and member experience. The Plan Partner Incentive Program is fully aligned with the IPA-level program, which provides a strong platform for performance measurement and promotes shared quality improvement strategies between health plans and IPAs.

IPA Quality Score Investments (Incentives)

The Value Initiative for IPA Performance + Pay-for-Performance (VIIP+P4P) Program aims to improve the quality of care for L.A. Care members by measuring, reporting and rewarding IPAs for performance in multiple domains that affect quality of care, including HEDIS, utilization management, encounter data, and member experience. The VIIP+P4P program also encourages and supports lower performing IPAs to develop action plans, which are performance improvement projects with measurable goals. These IPA action plans are reviewed by L.A. Care and plan partner subject matter experts, with updates provided throughout the year to track project progress and goal attainment.

Physician Quality Score Investments (Incentives)

The Physician Pay-for-Performance (P4P) Program provides financial rewards to eligible physicians and community clinics for outstanding performance and year-over-year improvement on multiple HEDIS measures. The program is closely aligned with incentives available to IPAs and plan partners and is designed to improve provider encounter data submission. Development of domains and measures related to physician- and clinic-level utilization

management and member experience are currently being tested for program fit, and may be included in future program years.

L.A. Care also operates a provider incentive in support of completing Medicare Annual Wellness Exams, with the goal of getting pertinent patient medical history to assess wellness and develop preventive care plans. Additionally, L.A. Care operates member incentives to support the priorities related to obtaining vital medical services, to promote health education, and to increase positive member experiences.

Fee-for-Service Claims

L.A. Care's second largest healthcare expense type, behind capitation, is fee-for-service (FFS) expenses. The category includes inpatient, outpatient, skilled nursing facility, and community-based adult services related to TANF-MCE, SPD-CCI, CMC, D-SNP, and LACC segments. The FY 2022-23 budget is based on the second half of CY 2021 (Jun-21 to Dec-21) cost levels. These costs were trended forward to the budget period with trends observed in the past year varying from zero to low positives (e.g. 0 percent to 10 percent). Explicit adjustments were made to inpatient costs to account for changes in contracting. Various other adjustments were made to account for differences from the base period to budget period, including seasonality. FFS costs continue to be difficult to predict due to the constantly changing healthcare landscape affected by COVID-19, and any significant COVID developments could have an impact on FFS trends across all categories of service.

Pharmacy

According to Am J Health system for national trends in prescription drugs, overall prescription drug spending is expected to rise by 4.0 percent to 6.0 percent in 2022. This is in line with L.A. Care Pharmacy's trending. Of note, antidiabetic drugs occupy our top category for overall drug spend. The relatively small overall expected increase is due to the continuing trend of lower unit cost of highly utilized generic medications, offsetting the high unit cost of specialty medications which have low utilization due to the rarity of the conditions they treat (L.A. Care's specialty drug spend accounts for 30 percent of overall pharmacy spend even though it represents less than 1 percent of utilization).

After a few years of the COVID-19 pandemic, trends are slowly coming into view and health plans are having to navigate new challenges. We are not yet able to determine which of these changes are here to stay permanently. During the pandemic, many aspects of care were either delayed or abandoned, resulting in delayed diagnoses of specialty conditions. According to Evernorth, "there was a significant decline in cancer screenings and visits to oncology clinics during the pandemic, which resulted in decreased utilization. As we open up post-pandemic, we are expecting a rebound of visits and specialty patients, which would in turn increase specialty drug utilization going forward."

Evernorth's 2021+ onward drug trend reported "for the first time ever, specialty drug spends surpassed 50 percent of overall national pharmacy spend. We expect this trend to continue as specialty spending could increase 10-15 percent over the next few years, influenced mainly by existing medications for inflammatory conditions and new drugs for cancer and rare conditions." Currently, as noted above, L.A. Care's specialty drug spend accounts for 30 percent of overall pharmacy spend even though it represents less than 1 percent of utilization. We expect to see this trend to continue to increase in FY 2022-23 due to an increase in overall utilization and unit cost of specialty medications. As new drugs get approved and indications expanded, the advancement of newer therapies as well as increase in new diagnoses also contribute to this overall trend. Non-specialty overall drug spend decreased in 2021 and 2022 despite an increase in utilization due to lower unit cost of generic medications. By preferring lower cost options, including significant new generic releases, and ensuring proper utilization review management, we can help reduce overall drug spend. By mid-2023, we expect three or four biosimilars for Humira to enter the market, which we hope will alleviate the rising cost for inflammatory conditions. But for cancer and other rare conditions, we may see an increase in pharmacy spend as coverage for self-administered cancer medications are shifted from medical benefits to pharmacy benefits.

Administrative Expenses

L.A. Care Health Plan FY 2022-23 General Administrative Cross-Walk

	(A)	(B)	(C=A+B)
	FY 2021-22	Additions/ (Reductions)	FY 2022-23
<i>dollars in thousands</i>	<u>Forecast*</u>	<u>Programs</u>	<u>Budget</u>
Base Line Operations	\$518,638		
Salaries and Benefits			
Increase due to higher budgeted FTE before vacancy factor		32,422	
Increase in vacancy factor		(13,915)	
Increase due to 4.5 percent merit		7,871	
Temporary Labor and Recruitment			
Lower projected spending		(7,227)	
Professional Fees and Purchased Services			
Increase in Healthcare consulting services		2,825	
Decrease in fees due to removal of Pharmacy Benefits for Medi-Cal		(6,229)	
Increase in LACC commission, printing, and other contracted services		14,647	
Advertising and Promotions			
Increase in advertising expenses		4,314	
Business Fees and Occupancy and Leases			
Increase due to adjustment to a governmental fee incurred related to our commercial products for prior periods		20,537	
Increase in software licenses expenses		620	
Increase in lease and facility costs		1,457	
Supplies & Other			
Decrease due to accrual for the regulatory fines in FY21-22		(55,000)	
Increase in external postage and fulfillment		3,297	
Depreciation and Amortization			
Decrease in depreciation due to assets being fully depreciated		(2,216)	
Medical Administrative Expenses			
Increase in Health Services Programs		(11,953)	
Total Administrative Expenses	<u>\$518,638</u>	<u>(\$8,548)</u>	<u>\$510,090</u>

*Forecast is based on 9+3

Comparative Administrative Cost – FY 2021-22 vs. FY 2022-23

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

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

Administrative Expenses				
Comparative Statement				
	Forecast*		Budget	
(dollars in thousands)	FY 2021-22	PMPM	FY 2022-23	PMPM
FTEs (at year end)	2,072		2,280	
Salaries and Benefits	\$245,315	\$7.90	\$271,693	\$8.22
Temporary Labor and Recruitment	10,377	0.33	3,150	0.10
Professional Fees	26,020	0.84	28,846	0.87
Purchased Services	127,218	4.10	135,636	4.11
Advertising and Promotions	7,482	0.24	11,796	0.36
Business Fees and Insurance	35,837	1.15	56,995	1.73
Occupancy and Leases	21,508	0.69	22,965	0.70
Supplies and Other	97,036	3.13	45,333	1.37
Depreciation and Amortization	25,025	0.81	22,809	0.69
Medical Administrative Expenses	(77,180)	(2.49)	(89,133)	(2.70)
Total Administrative Expenses	<u>\$518,638</u>	<u>\$16.71</u>	<u>\$510,090</u>	<u>\$15.44</u>
Admin Ratio (%)	5.6%		5.0%	

*Forecast is based on 9+3

Last year, we established a target of a \$15.44 PMPM for administrative expenditures. Our forecast expects that we end the fiscal year at \$16.71 PMPM, an increase of \$1.27 PMPM as compared to the target. The increase in PMPM was driven by regulatory fines totaling \$55 million, increase in Salaries & Benefits driven by higher FTEs, increase in temporary labor to remediate the backlog in UM authorizations and Appeals & Grievances, and increase in administrative costs for the CalAIM and DSNP implementations. Partially offsetting these increases is an adjustment to a governmental fee incurred related to our commercial products for prior periods.

FY 2022-23 administrative PMPM target is set at \$15.44 PMPM, which is \$1.27 lower than the FY 2021-22 9+3 Forecast and flat as compared to the FY 2021-22 Budget. Total administrative expenses increased by \$58 million between FY 2021-22 and FY 2022-23 budget years due to higher Salaries & Benefits and Purchased Services. We will continue to limit the administrative spending and implement cost-reduction opportunities including re-negotiating vendor contracts and reducing FTEs. We will also continue to focus on areas to improve efficiencies to manage administrative expenses below the target. However, it is important to continue investing in technology in order to improve operational efficiencies. We aspire to continue to be a good partner to L.A. County and the State in driving efficiency now that cost pressures have intensified. Our preparation and continued investments in our infrastructure position us for that goal.

Staffing and Total Cost of Labor

For FY 2022-23, the budgeted FTE totaled to 2,280 which includes actual vacancy factor at the department level but caps at a maximum of 13.2%. For FY 2021-22, the budgeted FTE totaled 1,911 which included an 8.3 percent vacancy factor, an increase in FTE of 369 year-over-year. For FY 2022-23, budgeted Salaries and Benefits totaled to \$271.7 million as compared to FY 2021-22 budget of \$231.5 million, an increase of \$40.2 million due to higher budgeted headcount. The budgets for FY 2022-23 and FY 2021-22 include 4.5 percent and 3.5 percent merit increases for eligible staff, respectively.

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

The chart below shows the details of our budgeted staffing:

	Budget Fiscal Year		
	2020-21	2021-22	2022-23
Beginning of the Year	2,362	2,033	1,911
New Positions			
Unfilled positions	(244)		669
Vacancy Factor	(85)	(173)	(300)
Infrastructure support (Other)		51	
Total Additions	(329)	(122)	369
End of the Year	2,033	1,911	2,280

FTE History		
	FTEs (at year end)	FTEs per 000 Members
FY 2018-19 (Actual)	1,969	0.91
FY 2019-20 (Actual)	2,059	0.89
FY 2020-21 (Actual)	1,902	0.77
FY 2021-22 (Forecast)	2,072	0.76
FY 2022-23 (Budget)	2,280	0.86

L.A. Care Segments

Since March 17, 2020, due to the COVID-19 pandemic and the declaration of a Public Health Emergency (PHE), the Department of Health Care Services (DHCS) suspended negative action or disenrollment of Medi-Cal beneficiaries during the member's redetermination process. In light of DHCS guidance to support continuous, uninterrupted eligibility and with new enrollment, Medi-Cal membership continued to increase year-over-year.

However, for the FY 2022-23 Budget, we assume the PHE declaration will end on October 13, 2022, which is the latest available information, with disenrollment to begin in February 2023.

Plan Partners

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

The five-year delegated contracts with the three Plan Partners reflect both capitation rates for the Medi-Cal benefit and a performance incentive program. The agreements with all three Plan Partners were extended for an additional five years to September 2025. However, because of AB 2724 which allows DHCS to contract directly with Kaiser for Medi-Cal managed care, L.A. Care will no longer have Kaiser as one of the Plan Partners effective in 2024.

Plan Partners (with the exception of Kaiser Permanente) will be eligible for an incentive program based on measurement year 2022 (payable in 2023). The incentive is designed to align quality goals among L.A. Care and its subcontracted health plans and target specific performance measures that impact member auto assignment, health outcomes and patient satisfaction. Plan Partners are eligible for an annual per member per month financial incentive for meeting eligibility and performance criteria.

L.A. Care Health Plan Plan Partners Income Statement						
(dollars in thousands)	Forecast*		% of	Budget		% of
	FY21-22	PMPM	Revenue	FY22-23	PMPM	Revenue
Member Months	13,121,450			13,417,149		
Revenue						
Capitation	\$3,063,544	\$233.48	100.0%	\$3,402,231	\$253.57	100.0%
Total Revenues	\$3,063,544	\$233.48	100.0%	\$3,402,231	\$253.57	100.0%
Healthcare Expenses						
Capitation	\$2,883,726	\$219.77	94.1%	\$3,172,583	\$236.46	93.3%
Inpatient Claims	(\$0)	(\$0.00)	0.0%	\$0	\$0.00	0.0%
Outpatient Claims	(\$1)	(\$0.00)	0.0%	\$0	\$0.00	0.0%
Pharmacy	\$0	\$0.00	0.0%	\$0	\$0.00	0.0%
Provider Incentives and Shared Risk	\$31,963	\$2.44	1.0%	\$42,431	\$3.16	1.2%
Medical Administrative Expenses	\$14,808	\$1.13	0.5%	\$17,092	\$1.27	0.5%
Total Healthcare Expenses	\$2,930,495	\$223.34	95.7%	\$3,232,106	\$240.89	95.0%
Operating Margin	\$133,049	\$10.14	4.3%	\$170,125	\$12.68	5.0%

* Forecast is based on 9+3

TANF-MCE

Medi-Cal is California's Medicaid program and offers no cost/low cost health coverage for qualified California residents. Medi-Cal is a public health insurance program which provides comprehensive health care services for low-income children, adults, families, seniors, persons with disabilities, children in foster care, pregnant women, and certain undocumented populations, as well as other aid and risk categories.

Temporary Assistance for Needy Families (TANF) – A State-based federal cash assistance program for low-income families. TANF replaces the former program known as Aid to Families with Dependent Children (AFDC).

CalWORKs is the name of California's TANF program. TANF programs are designed to help low income families with children achieve economic self-sufficiency. This segment consists primarily of members in family-adult, family-child, and Breast and Cervical Cancer Treatment Program aid categories.

Medicaid or Medi-Cal Expansion (MCE) – Starting January 2014, the Affordable Care Act expanded Medi-Cal coverage to adults without children, ages 19-64 may qualify for Medi-Cal. MCE eligibility is based on modified adjusted gross income to low income adults with an annual income lower than 138 percent of the federal poverty level. MCE also allows coverage for parents who would lose coverage under current rules if their income slightly exceeds the federal poverty level.

L.A. Care Health Plan TANF-MCE Income Statement						
(dollars in thousands)	Forecast*		% of Revenue	Budget		% of Revenue
	FY21-22	PMPM		FY22-23	PMPM	
Member Months	12,851,710			14,194,366		
Revenue						
Capitation	\$2,966,392	\$230.82	100.0%	\$3,323,814	\$234.16	100.0%
Total Revenues	\$2,966,392	\$230.82	100.0%	\$3,323,814	\$234.16	100.0%
Healthcare Expenses						
Capitation	\$1,413,731	\$110.00	47.7%	\$1,716,882	\$120.96	51.7%
Inpatient Claims	\$592,268	\$46.08	20.0%	\$693,563	\$48.86	20.9%
Outpatient Claims	\$409,201	\$31.84	13.8%	\$461,410	\$32.51	13.9%
Skilled Nursing Facility	\$142,462	\$11.09	4.8%	\$202,140	\$14.24	6.1%
Pharmacy	\$103,114	\$8.02	3.5%	\$0	\$0.00	0.0%
Provider Incentives and Shared Risk	\$42,219	\$3.29	1.4%	\$35,231	\$2.48	1.1%
Medical Administrative Expenses	\$37,550	\$2.92	1.3%	\$45,149	\$3.18	1.4%
Total Healthcare Expenses	\$2,740,545	\$213.24	92.4%	\$3,154,375	\$222.23	94.9%
Operating Margin	\$225,847	\$17.57	7.6%	\$169,439	\$11.94	5.1%

* Forecast is based on 9+3

SPD-CCI

Seniors and Persons with Disabilities (SPD) – As of June 1, 2011 Seniors and Persons with Disabilities (SPD) were transitioned from Medi-Cal fee-for-service into mandatory managed care. Individuals 65 years and older, and/or a person of any age with a disability may qualify for Medi-Cal. SPD eligible members must meet one of the following requirements:

- Aged: Persons 65 years and older
- Blind: Persons who have been declared legally blind by the Social Security Administration or the State Programs – Disability and Adult Programs Division (SP-DAPD)
- Disabled: Persons who have been declared disabled by SP-DAPD

Individuals determined to be disabled under SP-DAPD are considered disabled under Medi-Cal. SPDs may be full scope or partial dual members.

Coordinated Care Initiative (CCI) – The Affordable Care Act brought significant growth in Medi-Cal membership through the mandatory enrollment of Dual Eligible beneficiaries (individuals receiving Medi-Cal and Medicare benefits) who are required to join a managed care plan for their Medi-Cal benefits. CCI is the demonstration program developed in conjunction with CMS and California's Department of Health Care Services

to integrate medical care, long-term care, behavioral health care and social services for people eligible for both Medicare and Medi-Cal.

L.A. Care Health Plan SPD-CCI Income Statement						
(dollars in thousands)	Forecast*		% of	Budget		% of
	FY21-22	PMPM	Revenue	FY22-23	PMPM	Revenue
Member Months	2,913,180			3,307,633		
Revenue						
Capitation	\$2,339,744	\$803.16	100.0%	\$2,424,137	\$732.89	100.0%
Total Revenues	\$2,339,744	\$803.16	100.0%	\$2,424,137	\$732.89	100.0%
Healthcare Expenses						
Capitation	\$286,271	\$98.27	12.2%	\$354,704	\$107.24	14.6%
Inpatient Claims	\$457,761	\$157.13	19.6%	\$458,734	\$138.69	18.9%
Outpatient Claims	\$549,822	\$188.74	23.5%	\$559,413	\$169.13	23.1%
Skilled Nursing Facility	\$830,038	\$284.93	35.5%	\$925,584	\$279.83	38.2%
Pharmacy	\$46,629	\$16.01	2.0%	\$0	\$0.00	0.0%
Provider Incentives and Shared Risk	\$13,975	\$4.80	0.6%	\$3,766	\$1.14	0.2%
Medical Administrative Expenses	\$27,179	\$9.33	1.2%	\$26,751	\$8.09	1.1%
Total Healthcare Expenses	\$2,211,676	\$759.20	94.5%	\$2,328,951	\$704.11	96.1%
Operating Margin	\$128,069	\$43.96	5.5%	\$95,186	\$28.78	3.9%

* Forecast is based on 9+3

Cal MediConnect (CMC)

The Cal MediConnect program is part of California's larger Coordinated Care Initiative (CCI) that integrates qualified dual eligible members' Medicare and Medi-Cal benefits into a single plan and provides additional health risk assessments and care coordination to increase access to appropriate care and services that improve health outcomes and enables the member to age in the home instead of a facility.

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

The Cal MediConnect Plan demonstration was launched in 2014 via a three-way contract between LA. Care, the Centers for Medicare and Medicaid Services (CMS), and the California Department of Health Care Services (DHCS). The demonstration is scheduled to sunset on December 31, 2022. The State has mandated that CMC plans will crosswalk the CMC members into a Dual Eligible Special Needs Plan (D-SNP) on January 1, 2023. This structure will create an "Aligned" D-SNP model where both Medicare and Medicaid coverage is provided within a single MCO that will continue to be supported with the care coordination requirements found within CMC.

L.A. Care Health Plan CMC Income Statement						
(dollars in thousands)	Forecast* FY21-22	PMPM	% of Revenue	Budget FY22-23	PMPM	% of Revenue
Member Months	213,983			49,163		
Revenue						
Capitation	\$336,625	\$1,573.14	100.0%	\$82,075	\$1,669.43	100.0%
Total Revenues	\$336,625	\$1,573.14	100.0%	\$82,075	\$1,669.43	100.0%
Healthcare Expenses						
Capitation	\$133,100	\$622.01	39.5%	\$28,208	\$573.75	34.4%
Inpatient Claims	\$64,064	\$299.39	19.0%	\$15,836	\$322.11	19.3%
Outpatient Claims	\$32,886	\$153.69	9.8%	\$7,957	\$161.85	9.7%
Skilled Nursing Facility	\$23,467	\$109.67	7.0%	\$3,810	\$77.49	4.6%
Pharmacy	\$14,890	\$69.58	4.4%	\$4,132	\$84.05	5.0%
Provider Incentives and Shared Risk	\$19,303	\$90.21	5.7%	\$2,830	\$57.57	3.4%
Medical Administrative Expenses	\$2,680	\$12.52	0.8%	\$1,000	\$20.33	1.2%
Total Healthcare Expenses	\$290,390	\$1,357.07	86.3%	\$63,772	\$1,297.16	77.7%
Operating Margin	\$46,235	\$216.07	13.7%	\$18,302	\$372.28	22.3%

* Forecast is based on 9+3

Dual Eligible Special Needs Plan (D-SNP)

The state of California implemented California Advancing and Innovating Medi-Cal (CalAIM), requiring Medi-Cal Managed Care Organizations to establish Dual Eligible Special Needs Plans (D-SNP) effective January 1, 2023. D-SNPs are a type of Medicare Advantage Plan with Part D (MAPD) and are available to those who are eligible for both Medicare and Medi-Cal services. These D-SNP Plans will be implemented with Exclusively Aligned Enrollment (EAE), where beneficiaries enrolled in the D-SNP for Medicare services will be aligned with the same parent organization to also receive their Medi-Cal services.

The Plan is designed to offer dual eligible beneficiaries (Medicare and Medicaid eligible) comprehensive, preventive, quality care through access to contracted health care providers and clinical care teams who are trained and experienced in caring for healthy individuals and individuals with chronic conditions or disabilities.

The plan covers all Medicare-covered Part A and B services, includes Part D benefits, as well as supplemental benefits including: fitness, home-delivered meals, an allowance for over-the-counter medication, supplies and nutritional, a companionship program, a personal emergency response system, vision, acupuncture, chiropractic services and worldwide emergency coverage, which are not available through traditional Fee-For-Service Medicare. Part D cost share will vary based on low income status; however, preferred generic drugs will have no copay.

L.A. Care Health Plan D-SNP Income Statement						
(dollars in thousands)	Forecast*		% of	Budget		% of
	FY21-22	PMPM	Revenue	FY22-23	PMPM	Revenue
Member Months	0			156,484		
Revenue						
Capitation	\$0	\$0.00	0.0%	\$216,989	\$1,386.66	100.0%
Total Revenues	\$0	\$0.00	0.0%	\$216,989	\$1,386.66	100.0%
Healthcare Expenses						
Capitation	\$0	\$0.00	0.0%	\$93,038	\$594.55	42.9%
Inpatient Claims	\$0	\$0.00	0.0%	\$54,882	\$350.72	25.3%
Outpatient Claims	\$0	\$0.00	0.0%	\$23,333	\$149.11	10.8%
Pharmacy	\$0	\$0.00	0.0%	\$10,940	\$69.91	5.0%
Provider Incentives and Shared Risk	\$0	\$0.00	0.0%	\$8,191	\$52.35	3.8%
Medical Administrative Expenses	\$0	\$0.00	0.0%	\$4,254	\$27.18	2.0%
Total Healthcare Expenses	\$0	\$0.00	0.0%	\$194,638	\$1,243.82	89.7%
Operating Margin	\$0	\$0.00	0.0%	\$22,352	\$142.84	10.3%

* There is no forecast because effective date of this Program is January 1, 2023.

Commercial Products

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

L.A. Care Covered (LACC) program started in January 2014, L.A. Care Health Plan is one of many health plans designated to offer health insurance on the California State Exchange known as Covered California. L.A. Care Covered offers all metal coverage levels (Platinum, Gold, Silver, and Bronze) and a Catastrophic Plan for enrollees within Los Angeles County in Regions 15 and 16 on the Exchange. Consistent with its mission, L.A. Care focuses on outreach and enrollment activities to communities that are at or below 250 percent of the Federal Poverty Level (FPL).

Accomplishments like achieving the #1 price position and implementing the American Rescue Plan (ARP) led to 2022 being a successful year. As a result of the American Rescue Plan, 42 percent of the L.A. Care Covered membership had a zero premium. L.A. Care enrolled over twenty-four thousand new L.A. Care Covered members and renewed over 96 percent of our existing membership. On August 16, 2022, President Joe Biden signed the Inflation Reduction Act into law, which extends enhanced Affordable Care Act subsidies for another three years through December 31, 2025. Additionally, for 2023, L.A. Care will continue to be the lowest cost silver plan in both rating regions. The projected membership for FY 2022-23 totaled 125,000 members, the largest L.A. Care Covered membership enrollment since the inception of the product.

L.A. Care Health Plan Commercial Income Statement						
(dollars in thousands)	Forecast* FY21-22	PMPM	% of Revenue	Budget FY22-23	PMPM	% of Revenue
Member Months	1,943,942			2,067,923		
Revenue						
Capitation	\$597,432	\$307.33	100.0%	\$716,085	\$346.28	100.0%
Total Revenues	\$597,432	\$307.33	100.0%	\$716,085	\$346.28	100.0%
Healthcare Expenses						
Capitation	\$240,888	\$123.92	40.3%	\$284,061	\$137.37	39.7%
Inpatient Claims	\$103,229	\$53.10	17.3%	\$105,329	\$50.93	14.7%
Outpatient Claims	\$70,590	\$36.31	11.8%	\$73,658	\$35.62	10.3%
Skilled Nursing Facility	\$863	\$0.44	0.1%	\$0	\$0.00	0.0%
Pharmacy	\$106,733	\$54.91	17.9%	\$119,884	\$57.97	16.7%
Provider Incentives and Shared Risk	(\$3,077)	(\$1.58)	-0.5%	\$14,500	\$7.01	2.0%
Medical Administrative Expenses	\$1,785	\$0.92	0.3%	\$3,253	\$1.57	0.5%
Total Healthcare Expenses	\$521,010	\$268.02	87.2%	\$600,684	\$290.48	83.9%
Operating Margin	\$76,422	\$39.31	12.8%	\$115,401	\$55.81	16.1%

* Forecast is based on 9+3

Non-Travel Meeting, Food, and Other Expenses

L.A. Care Health Plan Non Travel Meals and Catering, and Other Expenses for the Fiscal Year 2022-2023			
Proposed Program	Non-Travel Food Expenses	Other	Total
1. 2023 Annual Compliance Week	\$ 500	\$ 300	\$ 800
2. Behavioral Health Quality Committee (BHQC)	\$ 760	\$ -	\$ 760
3. Behavioral Health Steering and Stakeholder Meetings	\$ 743	\$ -	\$ 743
4. Board of Governors Offsite Meeting - June 2023	\$ 1,000	\$ 1,050	\$ 2,050
5. Board of Governors Retreat - September 2023	\$ 5,100	\$ 3,000	\$ 8,100
6. Catering for Board & Committee Meetings	\$ 10,000	\$ -	\$ 10,000
7. Catering for Health Promoters Program	\$ 31,000	\$ -	\$ 31,000
8. Catering for LAC Cal MediConnect(CMC) and Enrollee Advisory Committee(EAC) member meeting	\$ 1,360	\$ 4,800	\$ 6,160
9. Catering for L.A. Care Consumer Advisory Council(CAC) Member Engagement Sessions	\$ 4,080	\$ 8,000	\$ 12,080
10. Catering for L.A. Care Consumer Members (RCAC/ECAC/BOG)	\$ 75,880	\$ 163,550	\$ 239,430
11. CEO Business Development	\$ 2,500	\$ 2,500	\$ 5,000
12. Community Benefit Grant Review Committee Meetings	\$ 2,450	\$ 16,000	\$ 18,450
13. Credentialing-Peer Review Committee	\$ -	\$ 12,500	\$ 12,500
14. Customer Service and QI Performance Improvement Project (PIP) Trainings	\$ 15,300	\$ -	\$ 15,300
15. Pharmacy Quality and Oversight Committee (PQOC) Meeting	\$ 4,930	\$ 5,000	\$ 9,930
16. PPG Summit - Provider Communications	\$ 4,670	\$ 2,940	\$ 7,610
17. Provider Continuing Education (PCE) Program	\$ 60,300	\$ 99,700	\$ 160,000
18. Transform L.A. Program - Direct Network (DN) Practice Engagement	\$ 9,003	\$ -	\$ 9,003
19. Quarterly joint PICC/PQC Committee	\$ 1,350	\$ 10,080	\$ 11,430
Proposed Program Total	\$ 230,926	\$ 329,420	\$ 560,346

Proposed Programs:

Since March 2020, L.A. Care has followed the guidance of the County of Los Angeles Department of Public Health “Stay-at-Home Order”, which has limited our ability to hold face-to-face meetings, business travel and in-person staffing events. The budget proposed in this section represents a 2 percent increase in the budget request compared to the FY 2021-22 budget and a 39 percent reduction as compared to the FY 2020-21 budget. Actual spending, however, may be further impacted in the next fiscal year as the situation with the COVID-19 Pandemic continues to evolve. Programing will resume normally when guidance determines it is safe to do so.

Provider Continuing Education (PCE) Program

L.A. Care Provider Continuing Education (PCE) Program is an accredited educational program with Continuing Medical Education (CME) for L.A. Care providers and other physicians, and Continuing Education (CE) for nursing staff and other healthcare professionals.

L.A. Care is an accredited CME Provider with commendation by the California Medical Association (CMA) for MDs, DOs, PAs, and also an accredited CE Provider by the California Board of Registered Nursing for NPs and RNs, and an accredited CE Provider by the California Association of Marriage and Family Therapists (CAMFT) for LCSWs, LMFTs, LPCCs, and LEPs. The PCE Program CME/CE activities and events specifically target the low performing primary care physicians related to their HEDIS scores and Star Performance to improve quality of patient care and physician-patient relationships. Other target audiences are high performing providers, new L.A. Care providers, L.A. Care staff, and other healthcare professionals.

The PCE Program will hold CME/CE activities throughout the year, with emphasis on the identified needs of L.A. Care providers and other healthcare professionals through conducted surveys and ongoing feedback. The PCE Program will coordinate four full-day CME/CE Conferences for in-depth content related to quality improvement of patient care, partnerships and best practices. It will also provide three evening CME/CE events to target Quality Improvement, HEDIS and other clinical improvement topics. There will also be eight online courses/webinars to reach hard-to-target L.A. Care network providers in L.A. County.

In addition, the program will offer online activities/online courses on content areas that are important for improving providers’ competency, performance and patient outcomes. CME/CE Event expenses will include venue and food costs, and stipends for guest speakers to cover preparatory costs. Since mid-March 2020, the PCE Program has continued in a virtual format (monthly webinars via Cisco WebEx) in response to COVID-19 pandemic, and is anticipated to resume in-person CME/CE events as soon as it is safe to do so.

Meetings with Providers and Other External Stakeholders

Various mandatory, regulatory, and advisory meetings are held at L.A. Care’s facilities, including committee meetings, trainings, and educational conferences. The goals of which are to support and strengthen L.A. Care’s ability to provide a safety net for the communities we serve. The budget for FY 2022-23 is similar to FY 2021-22 as the meetings have continued to be conducted in a virtual environment as a result of the COVID-19 pandemic.

Such meetings include:

- Board of Governors and other Governing Committees
- Performance and Improvement Collaborative Committee (PICC)
- Physician Quality Committee (PQC)
- Behavioral Health Steering Committee and Behavioral Health Quality Committee (BHQC)
- Credentialing Committee
- Community Benefit Grant Review
- Quality Initiative trainings for PPGs and other clients to improve performance

- Pharmacy Quality and Oversight Committee (PQOC)
- Transform LA Program – Direct Network Engagement
- PPG Summit – Provider Communications

Business Development

Many community events are held annually to strengthen L.A. Care’s relationship with its members. L.A. Care representatives are engaged in business development activities related to the sales and promotion of the various products offered. Collaborative meetings with sister health plans, the L.A. County Department of Health Services, providers, and members all contribute to the expansion of L.A. Care’s Safety Net Initiatives. Continuation of these development activities are an integral part of the messaging and branding strategy in relationship building with providers, members, and external stakeholders. Planning anticipates that some of these events may be held in person, but most will be held virtually or will be suspended as the COVID-19 pandemic guidance updates.

Events and programs include:

- CEO Business Development
- LAC Cal MediConnect (CMC) and Enrollee Advisory Committee(EAC) member meeting
- Health Promoters Program
- Community Outreach & Engagement Events including RCAC & ECAC meetings and RCAC Conferences

Sales, Marketing, and Advertising Strategy

Advertising and Promotions

(dollars in thousands)

Fiscal Year	Total**
FY21-22 Forecast*	\$6,125
FY22-23 Budget	\$10,596

**Forecast is based on 9+3*

***Total excludes sponsorships*

FY 2022-23 will see the Marketing team continue to grow our Brand Marketing with the continuance of our celebratory campaign for L.A. Care’s 25th anniversary. We will also continue our products, CRCs, and Plan Partner campaigns. We will maximize tactical media elements with a goal of growing our consumer voice in the market and impact choice enrollment. We will also be officially launching our advertising campaign for the D-SNP product launch on October 1, 2022. We look to conduct more research and focus groups to obtain further insights for our corporate brand. Research and focus group will also be conducted for our co-marketing Plan Partner, Medi-Cal program. For our CRCs, we will further expand our brand awareness campaigns by introducing research and focus groups, to measure the success of the past previous years. In addition to traditional and digital media campaigns tasked with creating growth opportunities, marketing will also be introducing market data for more efficient advertising to support growth and retention. FY 2021-22 presented us with unanticipated campaigns, such as the Human Resources Recruitment campaign. Marketing will also be factoring in miscellaneous advertising campaigns required for FY 2022-23.

The Marketing team will roll out three campaigns in the Fall which will aim at driving enrollment for the Medi-Cal, D-SNP, and L.A. Care Covered products. Our Plan Partner digital co-marketing program is set to begin in August 2022, carrying through to the end of the year, as an effort to continue growth in 2023. For our Medi-Cal line of business (including Plan Partners), we will factor in the change in the market dynamics with introduction of the Kaiser’s direct contract set to begin in 2024. In addition, our Covered California Open Enrollment Campaign for L.A. Care Covered will begin in October 2022 and ramp up through January 2023. Our campaign efforts will

employ traditional elements like Outdoor, Radio and TV, but will be paralleled by tactical digital programs. Marketing will then look to roll out a Spring and Summer campaign post the Fall/Winter period to refocus our advertising on our corporate Brand campaign, D-SNP, Medi-Cal, and the Community Resource Centers. Marketing will continue to leverage its Channel Performance reporting process that has helped us monitor and manage our Marketing Channels for optimization and performance improvement through a newly launched response dashboard.

Printing and Mailing

(dollars in thousands)

Fiscal Year	Total
FY21-22 Forecast*	\$20,792
FY22-23 Budget	\$23,735

**Forecast is based on 9+3*

Marketing will serve as the center of material development, printing, and distribution through our relationships with local print and fulfillment vendors. The critical focuses in FY 2022-23 will be to enhance the tracking of all charges by cost center and to reflect those charges against each cost center's budget. This Marketing budget management will continue to include a level of transparency for all budget owners, allowing them to have a clear line of sight to their spending in real-time. The objective is to provide a clear understanding of all the projects produced annually and to understand their financial impact, and assess any gaps, inefficiencies, and redundancies in member communications.

Marketing will continue the effort of reducing costs through competitive bidding and leverage digital tools to enhance our current member communication. The project management system, Podio, continues to archive print estimates and invoices, which allows us to reference historical jobs to better bid and price projects for business units. In addition, the Marketing and Sales teams will leverage vendor portals for efficient print production workflows. We will continue to partner with the Member Services team to help grow our digital communications tools (Portal, Email, text messaging) so we can switch to these communication touchpoints upon regulatory approvals being granted. Marketing will also work with vendors to find a way to bring our member journey experience to an actionable and potentially automated outcome.

Broker Fees

(dollars in thousands)

Fiscal Year	CMC	LACC	Total
FY21-22 Forecast*	\$1,179	\$19,989	\$21,168
FY22-23 Budget	\$2,705	\$25,321	\$28,026

**Forecast is based on 9+3*

Our broker partners continue to be critical in establishing new sales channels and growing existing programs. We have steadily grown our broker pool for Cal MediConnect to include over 300 agents, to serve as an extension of our Sales team, and will be approximately doubling our presence and agencies for D-SNP. On the L.A. Care Covered front, our broker network has proved very valuable, helping us grow our product to almost 120,000 members – with over 62 percent of our members now coming to us through our broker agent pool. Our focus will continue to be on training, education and resource development for the Broker Community, insuring we can give our agents the tools they need to benefit our providers, community-based organizations, members and prospective

members. Being able to demonstrate the value of these partnerships is critical to the success of our sales strategy and tactics.

Community Health Improvement Programs

The proposed Community Health Improvement Program budget for FY 2022-23 allocates \$46.0 million of L.A. Care's financial reserves for selected projects to be funded throughout the fiscal year. Community Health Improvement Programs include the Community Health Investment Fund (CHIF), Elevating the Safety Net, Blue Shield Promise Grant, Community Resource Centers, First 5 L.A. Grant, and Community Programs (which includes Community Clinic Program, Community Benefits Program, Promotoras, and Sponsorships).

Statement of Community Health Improvement Programs							
Fiscal Year 2022-23							
(dollars in millions)							
	CHIF	Elevating the Safety Net	Blue Shield Promise Grant	Community Resource	First 5 L.A. Grant	Community Programs *	Total
Administrative Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$2.8)	(\$2.8)
Community Investments - Revenue	-	-	6.3	-	0.5	-	6.8
Community Investments - Expense	(10.0)	(11.4)	(10.5)	(17.6)	(0.5)	-	(50.0)
Net Surplus (Deficit)	(\$10.0)	(\$11.4)	(\$4.2)	(\$17.6)	(\$0.0)	(\$2.8)	(\$46.0)

* Community Programs include Community Clinic Program, Community Benefits Program, Promotoras, and Sponsorships

Community Health Improvement Programs (dollars in thousands)	Forecast* FY 2021-22	Budget FY 2022-23
Community Health Investment Fund (CHIF)	\$10,000	\$10,000
Elevating the Safety Net		
Medical Degree Program	5,000	-
Medical School Scholarship	3,114	3,370
Physician Loan Repayment Program	7,958	4,000
Provider Recruitment Program	6,000	4,000
Residency Support Program	6,778	-
National Medical Fellowship	150	-
Subtotal	29,000	11,370
Blue Shield Promise Grant ⁽¹⁾	17,000	10,499
Community Resource Centers	14,791	17,610
First 5 L.A. Grant ⁽²⁾	275	472
Community Programs		
eManagement & CTAP	405	-
Community Clinic Program /SCOPE Plan	495	490
Community Benefits Program	747	874
Promotoras/Health Promoter Program	257	334
Sponsorships / In-Kind	1,100	1,150
Subtotal	3,004	2,848
Total	74,070	\$52,799

*Forecast is based on 9+3

Note 1: Excludes Blue Shield Promise Grant Revenue of \$ 11.5M in the 9+3 Forecast and \$6.3M in the FY22-23 Budget

Note 2: Excludes First 5 L.A. Grant Revenue of \$0.2M in the 9+3 Forecast and \$0.5M in the FY22-23 Budget

Community Health Investment Fund (CHIF)

\$10 Million

The Board of Governors established the Community Health Investment Fund (CHIF) program to improve access and quality of care by filling gaps and supporting infrastructure to benefit the underserved and the safety net that serves them. CHIF is managed by the Community Benefits Department. Its overarching funding goals for FY 2022-23 include:

1. Support the health care safety net to improve infrastructure and address racial inequities,
2. Address social determinants of health that result in inequities,
3. Close the health disparities gap, and
4. Empower and invest in health/social determinants of health related organizations that address systemic racism.

Each year, staff presents to the Board a recommended budget allocation for CHIF grant making, which is divided between funds for predetermined initiatives and for those in response to external requests. The CHIF budget for FY 2021-22 was \$10.0 million, and at least \$10.0 million is recommended for FY 2022-23.

A total of \$10.0 million is recommended to be invested in initiatives that improve community and public health, expand equitable access to healthcare, and strengthen whole person care, with a focus on rectifying health conditions frequently experienced by under resourced communities. This may include projects that improve clinical delivery systems, such as care coordination and integration of medical, behavioral health and oral healthcare, along with those that address social determinants of health and root causes, including housing and food security, and systemic racism. CHIF funding will also support community efforts designed to improve physical and social environments that address the social determinants that deeply impact health, creating environments that enable individuals and communities to live in optimal health.

Workforce Development Initiative/Elevating the Safety Net (ESN)

\$ 11.4 Million

L.A. Care's Elevating the Safety Net (ESN) is a long-term initiative to recruit highly-qualified primary care physicians into the Los Angeles County safety net. Since FY 2017-18 and in alignment with our mission to care for the most vulnerable people in Los Angeles County, the ESN initiative has invested over \$83.5 million of the \$155 million across ten programs to recruit, train and retain highly qualified primary care physicians who commit to practicing in our safety net. On May 5, 2022, L.A. Care's Board of Governors approved that we prioritize investing the remaining \$71.5 million in ESN funds for an additional five years across key programs listed below.

Medical School Scholarship Program

\$ 3.4 Million

We will continue to offer full-tuition scholarships for eight students admitted to the Charles R. Drew University of Medicine and Science (four students) and the David Geffen School of Medicine at UCLA (four students). 'L.A. Care Scholars' are identified by each school based on their diversity and ethnic background, desire to work with vulnerable populations and demonstration of financial need.

Provider Loan Repayment Program

\$ 4.0 Million

We will continue to support physicians who commit to serving our Medi-Cal members and vulnerable communities by awarding them up to \$5,000 per month to assist with student loan debt repayment. This program will be administered by a nonprofit organization, Uncommon Good, and applicants will be selected based on a competitive application process.

Provider Recruitment Program

\$ 4.0 Million

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

Blue Shield Promise Grant

\$ 10.5 Million

L.A. Care Health Plan and Blue Shield of California Promise Health Plan have committed a combined \$146 million over five years, to expand Resource Centers across Los Angeles County, both in terms of geographic footprint and services. Over five years, L.A. Care and Blue Shield Promise will jointly open seven new Resource Centers, remodel four existing centers and relocate three centers to larger locations, for a total of 14 centers. The co-branded facilities are called Community Resource Centers.

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

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

Community Resource Centers

\$ 17.6 Million

The Community Resource Centers are aimed at addressing health disparities by creating a single point of service where the community can turn to for help with health education, assistance with navigating the health care delivery system and available programs and resources. Dedicated L.A. Care staff and contracted health education vendors provide a number of activities for health plan members and other community residents including health education, disease prevention, promotion of self-management tools and education on establishing or maintaining health coverage. Eleven Community Resource Centers have successfully been launched in Boyle Heights, East L.A., Inglewood, Lynwood, Pacoima, Palmdale, Pomona, Metro L.A., Wilmington, El Monte and Norwalk and are operated jointly with Blue Shield of California Promise Health Plan. During FY 2021-22, full Community Resource Center operations were restored with the resumption of in-person programming and child supervision services at all locations.

Since the opening of the first Community Resource Center in November 2007, the initiative has been successful in delivering well-integrated health education resources and services that address important health topics such as asthma, diabetes, and obesity. Three additional Community Resource Centers are projected to open during FY 2022-23 in Long Beach, West L.A., and South L.A. Larger locations in Lincoln Heights and in Panorama City to replace centers in Boyle Heights and Pacoima respectively, are also expected to be completed in FY 2022-23.

Help Me Grow: LA/First 5 LA

\$0.5 Million

First 5 LA awarded LAC a grant of more than \$1.2M as part of Help Me Grow: LA, for a four-year partnership that will help safety net practices and clinics across the county integrate developmental screenings and monitoring protocols into their workflows to support LAC members ages 0-5 years old. LAC will contribute \$600K in "in-kind" services for a total program budget of over \$1.8M.





The program offers an education campaign for both providers and families/caregivers of young children about the importance of developmental screenings and when needed, intervention services available in the community. Early childhood development classes are offered to the community and members at the CRCs which also have educational materials on the program available in eight languages. Several of these materials are available on the member health education page on the company website. Three annual CME events for providers and care teams are scheduled for the program. In addition, the program includes a three year, ten practice pilot which provides on-site practice coach/facilitator support and a mini grant for up to \$5K per practice for achievement of the pilot program goals, namely increase the volume of developmental screenings and patient referrals by 15 percent for each metric.

Community Clinic Program/ (SCOPE) Plan

\$ 0.5 Million

The Strengthening Clinic Operations and Patient Experience (SCOPE) initiative offers contracted Federally Qualified Health Centers and licensed community clinics opportunities to participate in and benefit from innovative programs and tailored services aimed at strengthening the delivery of high quality health care for our members.

Guided by IHI's Triple Aim Framework, the SCOPE Plan's three main objectives are to (1) improve patient experience, (2) improve health outcomes and (3) reduce unnecessary health care costs. Toward this end, current initiatives under the umbrella of our SCOPE plan focus on addressing several strategic areas:

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

Examples of initiatives include:

- Provider Leadership Program
- Customer Service Training
- Readiness Support and Technical Assistance for CalAIM initiatives including, Enhanced Care Management and Community Supports
- Capacity Building for Hard to Engage Populations in Primary Care
- Alternative Payment Methodology Planning and Technical Assistance

Community Benefits Program Administration

\$0.9 Million

The Community Benefits Department staff is responsible for managing all aspects of L.A. Care's CHIF grant making activities. Every year L.A. Care commits a portion of its reserves to community benefit investments. Staff researches gaps in healthcare and best practices for impacting the health of marginalized, under resourced, and uninsured individuals. Program initiatives are developed and announced to the community, and proposals are reviewed by staff and external experts. Proposals that align with the mission and vision of the organization are presented to the appropriate authority according to Policy 603, for funding approval. Staff also oversees grant management, which includes reviewing status reports and providing strategic support to ensure grantees meet programmatic and fiscal obligations.

Capital Expenditures and Other Projects

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

L.A. Care Health Plan Capital Projects Fiscal Year 2022-2023 (dollars in thousands)				
Project Description	Business Owner	Capital Expense	Operating Expense	Total
CalAIM	Health Services	\$ 1,024	\$ 226	\$ 1,250
Care Catalyst - New HS Clinical System	Ops/Health Services	2,696	1,462	4,158
Clinic Based Assignment and FQHC APM	Provider/Health Services	1,180	635	1,816
CMS Interoperability Mandate	I.T.	1,264	557	1,821
DSNP Product Launch	Product	1,102	1,004	2,106
Edifecs Program	Ops	150	90	240
Oracle Upgrade	I.T.	1,934	1,090	3,024
Performance Optimization Program (Enterprise & Network)	EPO/Ops	2,252	1,240	3,492
Portals Strategy	Product	1,300	700	2,000
Provider Roadmap	Provider	2,051	2,428	4,479
QNXT Insourcing	I.T.	3,676	1,257	4,933
SAP/ERP	Finance	2,816	704	3,520
Security Enhancements Initiative	I.T.	1,100	275	1,375
Transparency in Coverage/No Surprises	Product	650	350	1,000
VOICE	Customer Service/Ops	3,901	694	4,596
Leasehold Improvements	Facilities	18,020	-	18,020
Total Capital Projects		\$ 45,117	\$ 12,711	\$ 57,829

CalAIM

L.A. Care's staged implementation of the Department of Health Care Services (DHCS) program to improve quality outcomes and drive delivery system transformation through value based initiatives, modernization of systems, and payment reform. This program expands case management and delivers non-traditional, lower-cost services to address Social Determinants of Health (SDOH).

Care Catalyst – New Health Services Clinical System

A multi-year program focused on replacing L.A. Care's Care Management platform to better meet members' care coordination needs. Utilization Managements (UM) capabilities have transitioned to the new platform. Current work focuses on platform optimizations for added efficiency and scalability. Population health management (PHM) and enhancements for Appeals and Grievances (A&G) are areas of upcoming focus.

Clinic Based Assignment and FQHC APM

Enhancements to better manage the association between health plan members and community clinics in L.A. Care's systems. This functionality is to improve the experience of members receiving care in community clinics, as well as the providers serving them. It is also foundational to the implementation of the Alternative Payment Methodology (APM), which would enhance how clinics are compensated for care provided to members.

CMS Interoperability Mandate

L.A. Care is making a multi-phase investment in provider and member data portability in accordance with CMS requirements. Current investments focus on patient access and provider directory APIs to improve information accessibility and drive better health outcomes. Future work will focus on payer-to-payer interfaces to ensure timely and efficient benefits coordination and transitions.

D-SNP Product Launch

Under the California Advancing and Innovating Medi-Cal (CalAIM) initiative, the California Department of Health Care Services (DHCS) is transitioning Cal MediConnect (CMC) and the Coordinated Care Initiative (CCI) to a statewide Managed Long-Term Services and Supports (MLTSS) and Dual Eligible Special Needs Plan (D-SNP) structure. L.A. Care is developing and deploying a fully integrated D-SNP product and sun-setting its existing CMC product in the fourth calendar quarter of 2022.

Encounters & Risk Adjustment/EDIFECS

Through several phased implementations L.A. Care is adding capabilities to its encounter data management system. Recent implementations have included the Edge Server, which improved the quality, quantity, and frequency of encounter submissions to CMS. Current improvements are focused on data produced for risk adjustment, and future work is expected to focus on improved extraction of encounter data for regulatory audiences and internal end-users.

Oracle Upgrade

To ensure security and robust functionality, this initiative is to upgrade L.A. Care's Oracle database infrastructure and extend the life of the asset.

Performance Optimization Program (Enterprise & Network)

This initiative is building data management and reporting tools to support L.A. Care's Enterprise Performance Optimization Program (EPOP) and Network Performance Optimization Program (NPOP). EPOP improves monitoring of the performance of non-delegated enterprise functions. NPOP monitors the performance of all entities in L.A. Care's service delivery model across lines of business.

Portals Strategy

Target improvements in L.A. Care's portal infrastructure serving members and providers.

Provider Roadmap

This is a multi-year, cross-functional program focused on improving L.A. Care's provider data quality and management, including enhancements to data intake, standardization and validation, storage, reporting, and operational use. Improvements are targeted at both technical infrastructure and business processes.

QNXT Insourcing

L.A. Care is making progressive investments in its claims platform, with current work focused on the scalability and flexibility of development and test environments. This work is to improve the performance and cost-effectiveness of L.A. Care's claims infrastructure.

SAP/ERP – Finance System

L.A. Care is continuing its implementation of SAP for financial management functions. After the successful deployment of Revenue Automation and the ERP including Accounts Payable, General Ledger, Cash Automation,

Managerial Reporting, Project Costs/Allocations and Fixed Assets, current work is focused on modernizing Budgeting and Forecasting, Financial Reporting and Analytics, Procurement Management and Broker Commission system. The SAP/ERP strategic project is expected to complete the original project scope by the end of the next fiscal year.

Security Enhancements Initiative

The Security Enhancement Project makes infrastructure and process changes to improve the overall security posture for L.A. Care IT. This includes reviewing existing network design, virtualization architecture, and security tooling to ensure it meets and exceeds modern security standards and best practices. This project will also introduce tools to automate patching and endpoint configuration to enable L.A. Care to maintain its security posture.

Transparency in Coverage/No Surprises

L.A. Care is deploying functionality to support two federal requirements. Plans in the individual and large group market are required by the CMS Transparency in Coverage Final Rule to make available certain data/information pertaining to cost-sharing, cost of services, and aggregated out-of-network claims data, provided on a per provider, per service basis. Additionally, the No Surprise Act prohibits balance billing of members for receiving out-of-network care. The rule also requires plans to provide an advance Explanation of Benefits (EOB) for covered services for in/out of network providers and/or facilities, as requested.

VOICE Program

This is a multi-year modernization of L.A. Care's customer service infrastructure, focused on improving the quality and efficiency of member services. This includes upgrades for PCI compliance (protecting the privacy of payment information), as well as improvements in telephonic caller authentication, self-service telephonic features, member call back features, and customer relationship management (CRM) applications for member- and provider-facing services.

FINANCIAL STATEMENTS

L.A. Care Health Plan Comparative Income Statements

(dollars in thousands)

	FY 2020-2021 Actual	FY 2021-2022 Forecast*	FY 2022-2023 Budget
Member Months	28,667,788	31,044,265	33,036,235
Revenues			
Capitation	\$9,210,117	\$9,303,737	\$10,165,331
Total Revenues	9,210,117	9,303,737	10,165,331
Healthcare Expenses			
Capitation	4,834,938	4,957,717	5,649,475
Provider Incentives and Shared Risks	81,832	104,382	106,951
Inpatient Claims	1,141,371	1,217,321	1,328,343
Outpatient Claims	843,083	1,062,499	1,125,770
Skilled Nursing Facility	837,796	996,831	1,131,534
Pharmacy	760,355	271,361	134,956
Medical Administrative Expenses	83,490	84,001	97,498
Healthcare Expenses	8,582,866	8,694,111	9,574,526
MCR (%)	93.2%	93.4%	94.2%
Operating Margin	627,251	609,626	590,806
Total Administrative Expenses	470,080	518,638	510,090
Administrative Ratio (%)	5.1%	5.6%	5.0%
Income (Loss) from Operations	157,171	90,988	80,716
Margin before Non-Operating Inc (Exp) (%)	1.7%	1.0%	0.8%
Non-Operating Income (Expenses)			
Provision for Community Investments	(37,934)	(59,719)	(43,197)
Managed Care Tax, net	10,369	11,579	10,161
Investment Income, net	3,289	(17,910)	32,402
Net Surplus (Deficit)	\$132,895	\$24,938	\$80,082
Margin (%)	1.4%	0.3%	0.8%

*The Fiscal Year 2021-22 forecast is based on 9 months of actual financial results through June 2022 and 3 months of forecast through September 2022.

L.A. Care Health Plan
Balance Sheet
Fiscal Year 2022-23
(dollars in thousands)

	Actual as of September 30, 2021	Forecast as of September 30, 2022	Budget as of September 30, 2023
<i>Combined Balance Sheet</i>			
Current Assets			
Cash & cash equivalents	\$990,897	\$1,069,240	\$1,086,123
Investments, at fair value	1,223,897	1,063,588	1,045,990
Other current assets	2,567,644	3,082,865	3,364,365
Total current assets	4,782,438	5,215,693	5,496,478
Capital Assets, net	105,915	105,125	127,433
Other Assets			
Non-current Assets	3,523	2,346	1,746
Total Assets	\$4,891,876	\$5,323,164	\$5,625,657
Current Liabilities			
A/P and accrued liabilities	\$116,251	\$157,435	\$157,435
Subcapitation payable	2,837,547	3,098,343	3,435,891
Reserves for Provider Incentives	86,852	95,854	97,900
Reserves for claims	643,228	731,525	621,443
Deferred Revenue	14,540	70,003	50,003
Other accrued medical expenses	125,151	75,243	85,243
Grants payable	15,411	18,192	21,692
Total current liabilities	3,838,980	4,246,595	4,469,606
Non-Current Liabilities	3,441	2,176	1,576
Total Liabilities	3,842,421	4,248,771	4,471,182
Fund Equity			
Invested in Capital Assets	105,915	105,125	127,433
Restricted	600	600	600
Designated by Board of Governors			
Board Designated Funds	91,741	107,644	118,644
Unrestricted Net Assets	650,448	656,411	693,298
TNE (130% of Required)	200,751	204,613	214,500
Total Fund Equity	1,049,455	1,074,393	1,154,475
Total Liabilities and Fund Equity	\$4,891,876	\$5,323,164	\$5,625,657

L. A. Care Health Plan
Statement of Cash Flows
Fiscal Year 2022-23
(dollars in thousands)

	<u>Forecast for the FYE</u> <u>September 30, 2022</u>	<u>Budget for the FYE</u> <u>September 30, 2023</u>
<i>Combined Statement of Cash Flows</i>		
Operating activities		
Net Surplus (Deficit)	\$24,938	\$80,082
Add: Depreciation/Amortization and Tax Provision	42,423	12,648
(Increase) Decrease in:		
Other current assets	(515,221)	(281,500)
Non-current Assets	1,177	600
Increase (Decrease) in:		
Accounts payable	41,184	-
Subcapitation payable	358,337	337,548
Reserves for provider incentives	9,002	2,046
Reserves for claims	88,297	(110,082)
Deferred revenue	55,463	(20,000)
Other accrued medical expenses	(49,908)	10,000
Grants payable	2,781	3,500
Non-current liabilities	(1,265)	(600)
Cash provided (used) by operating activities	<u>57,208</u>	<u>34,241</u>
Investing activities		
Sell (purchase) of investments	131,332	17,598
Capital assets (investment)	(24,235)	(45,117)
Cash (used) provided by investing activities	<u>107,097</u>	<u>(27,519)</u>
Cash provided (used) by Pass Through activities	<u>(85,962)</u>	<u>10,161</u>
Net increase (decrease) in unrestricted cash & equivalents	78,343	16,883
Unrestricted cash & equivalents - beginning of period	990,897	1,069,240
Unrestricted cash & equivalents - end of period	<u>\$1,069,240</u>	<u>\$1,086,123</u>

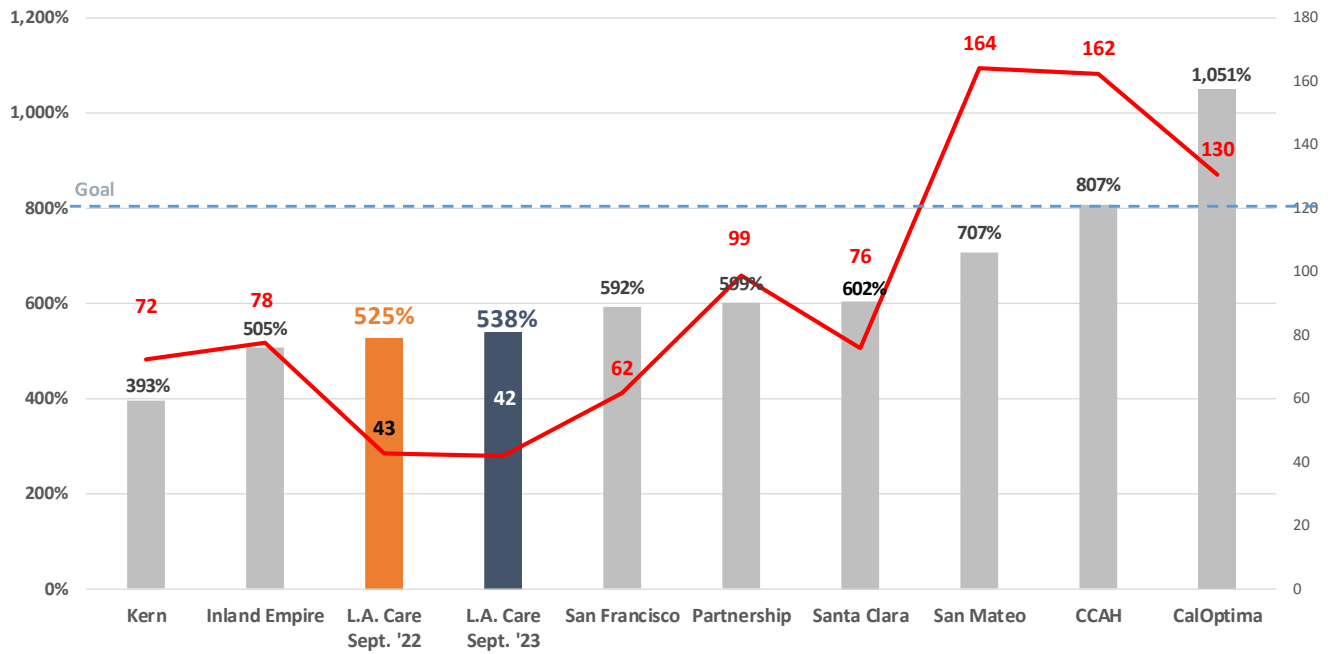
L. A. Care Health Plan
Required Tangible Net Equity Calculation
Fiscal Year 2022-23
(dollars in thousands)

Budget as of
September 30, 2023

Tangible Net Equity (TNE) Calculation

Healthcare expenses:	
1. 8% of first \$150 million of annualized healthcare expenses, except those paid on a capitated or managed hospital basis	\$12,000
2. 4% of the annualized health care expenses, except those paid on a capitated or managed hospital basis	60,605
3. 4% of the annualized hospital expenditures paid on a managed hospital basis	92,395
	<hr/>
Calculated TNE based on healthcare expenses	165,000
TNE (at 130% of State Required Level)	214,500
Fund equity	1,154,475
	<hr/>
Excess equity over required TNE	<u>\$939,975</u>

TNE Chart and Days of Cash Comparison





DATE: August 23, 2022
TO: Finance & Budget Committee
FROM: Marie Montgomery, *Chief Financial Officer*

SUBJECT: Monthly Investment Portfolio Securities Transaction Report for June, 2022

To keep the Committee apprised of L.A. Care's investment portfolios and to comply with California Government Code Section 53607, attached are the monthly investment transaction details from June 1 to June 30, 2022.

L.A. Care's investment market value as of June 30, 2022, was \$1.8 billion. This includes our funds invested with the government pooled funds. L.A. Care has approximately \$73 million invested with the statewide Local Agency Investment Fund (LAIF), and approximately \$254 million invested with the Los Angeles County Pooled Investment Fund (LACPIF).

The remainder as of June 30, 2022, of \$1.4 billion is managed by two independent asset managers, 1) Payden & Rygel and 2) New England Asset Management (NEAM) and is divided into three portfolios based on investment style,

1. Payden & Rygel - Short-term portfolio
2. Payden & Rygel - Extended term portfolio
3. New England Asset Management - Corporate notes extended term portfolio

The transactions within these three portfolios are included in the attached reports.

LA Care, as a California government entity, only makes investments in bonds/fixed income, as per the California Government Code. The entries on the Investment Securities Portfolio Transaction Report reflect transactions undertaken by financial management companies on L.A. Care's behalf. L.A. Care does not direct these individual transactions. The firms, managing investments on behalf of L.A. Care, conduct the transactions based on L.A. Care's investment guidelines.

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/09/22	06/10/22	Buy	10,000,000.000	U.S. TREASURY BILL MAT 06/21/22 Cpn	912796W21	(9,998,029.17)		0.00	0.00	(9,998,029.17)
06/09/22	06/10/22	Buy	50,000,000.000	U.S. TREASURY BILL MAT 06/21/22 Cpn	912796W21	(49,990,145.83)		0.00	0.00	(49,990,145.83)
06/09/22	06/10/22	Buy	25,000,000.000	U.S. TREASURY BILL MAT 07/05/22 Cpn	912796W88	(24,984,739.58)		0.00	0.00	(24,984,739.58)
06/09/22	06/10/22	Buy	30,000,000.000	U.S. TREASURY BILL MAT 07/07/22 Cpn	912796R68	(29,980,852.50)		0.00	0.00	(29,980,852.50)
06/09/22	06/10/22	Buy	30,000,000.000	FHLB DISCOUNT NOTE MAT 06/16/22 Cpn	313385YD2	(29,996,500.00)		0.00	0.00	(29,996,500.00)
06/10/22	06/13/22	Buy	20,000,000.000	U.S. TREASURY BILL MAT 07/19/22 Cpn	912796X20	(19,978,700.00)		0.00	0.00	(19,978,700.00)
06/10/22	06/13/22	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/19/22 Cpn	912796X20	(49,946,750.00)		0.00	0.00	(49,946,750.00)
06/10/22	06/13/22	Buy	40,000,000.000	U.S. TREASURY BILL MAT 07/26/22 Cpn	912796X38	(39,948,638.89)		0.00	0.00	(39,948,638.89)
06/10/22	06/13/22	Buy	40,000,000.000	U.S. TREASURY BILL MAT 07/21/22 Cpn	912796S42	(39,955,244.44)		0.00	0.00	(39,955,244.44)
06/10/22	06/13/22	Buy	20,000,000.000	U.S. TREASURY BILL MAT 12/08/22 Cpn	912796X61	(19,811,517.78)		0.00	0.00	(19,811,517.78)
06/10/22	06/13/22	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/14/22 Cpn	912796K57	(49,956,341.67)		0.00	0.00	(49,956,341.67)
06/10/22	06/13/22	Buy	50,000,000.000	U.S. TREASURY BILL MAT 07/14/22 Cpn	912796K57	(49,956,341.67)		0.00	0.00	(49,956,341.67)
06/10/22	06/13/22	Buy	40,000,000.000	U.S. TREASURY BILL MAT 07/28/22 Cpn	912796S59	(39,948,200.00)		0.00	0.00	(39,948,200.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/10/22	06/13/22	Buy	50,000,000.000	CASH MGMT BILL MAT 09/13/22 Cpn 912796XV6	(49,831,013.89)		0.00	0.00	(49,831,013.89)
06/10/22	06/14/22	Buy	20,000,000.000	CASH MGMT BILL MAT 10/11/22 Cpn 912796YD5	(19,893,891.67)		0.00	0.00	(19,893,891.67)
06/07/22	06/14/22	Buy	5,250,000.000	VWALT 2022-A A1 LEASE MAT 06/20/23 Cpn 1.72 92868AAA3	(5,250,000.00)		0.00	0.00	(5,250,000.00)
06/16/22	06/16/22	Buy	30,000,000.000	FHLB DISCOUNT NOTE MAT 06/17/22 Cpn 313385YE0	(29,998,916.67)		0.00	0.00	(29,998,916.67)
06/16/22	06/16/22	Buy	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/17/22 Cpn 313385YE0	(49,998,194.44)		0.00	0.00	(49,998,194.44)
06/16/22	06/17/22	Buy	14,000,000.000	U.S. TREASURY BILL MAT 08/02/22 Cpn 912796X46	(13,976,520.83)		0.00	0.00	(13,976,520.83)
06/08/22	06/21/22	Buy	1,600,000.000	CCG 2022-1 A1 EQP 144A MAT 06/14/23 Cpn 1.84 12511JAA3	(1,600,000.00)		0.00	0.00	(1,600,000.00)
06/14/22	06/22/22	Buy	5,100,000.000	AMCAR 2022-2 A1 CAR MAT 06/19/23 Cpn 2.19 03065WAA3	(5,100,000.00)		0.00	0.00	(5,100,000.00)
06/15/22	06/22/22	Buy	7,700,000.000	EFF 2022-2 A1 FLEET 144A MAT 06/20/23 Cpn 2.76 29374JAA3	(7,700,000.00)		0.00	0.00	(7,700,000.00)
06/21/22	06/22/22	Buy	7,500,000.000	SUMITOMO MITSUI TRUST NY YCD MAT 09/22/22 Cpn 2.12 86564MME5	(7,500,000.00)		0.00	0.00	(7,500,000.00)
06/22/22	06/23/22	Buy	30,000,000.000	U.S. TREASURY BILL MAT 07/07/22 Cpn 912796R68	(29,990,841.67)		0.00	0.00	(29,990,841.67)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Fixed Income - cont.									
06/28/22	06/29/22	Buy	5,000,000.000	U.S. TREASURY BILL MAT 08/02/22 Cpn 912796X46	(4,994,829.17)		0.00	0.00	(4,994,829.17)
			681,150,000.000		(680,286,209.87)		0.00	0.00	(680,286,209.87)
06/01/22	06/01/22	Coupon		CT STATE GO TXB MAT 06/01/22 Cpn 4.18 20772KNT2		26,777.60	0.00	0.00	26,777.60
06/01/22	06/01/22	Coupon		SVENSKA HANDELSBANKEN YCD F MAT 09/01/22 Cpn 1.72 86959RXQ8		5,439.58	0.00	0.00	5,439.58
06/02/22	06/02/22	Coupon		SUMITOMO MITSUI BANK FRN YCD MAT 08/02/22 Cpn 1.62 86565C4F3		2,020.06	0.00	0.00	2,020.06
06/07/22	06/07/22	Coupon		NORDEA BANK ABP NY YCD MAT 06/07/22 Cpn 0.70 65558UPT3		2,450.00	0.00	0.00	2,450.00
06/10/22	06/10/22	Coupon		CRVNA 2021-P2 A2 CAR MAT 07/10/24 Cpn 0.30 14687TAB3		633.47	0.00	0.00	633.47
06/10/22	06/10/22	Coupon		CRVNA 2021-P4 A2 CAR MAT 04/10/25 Cpn 0.82 14687KAB2		4,735.23	0.00	0.00	4,735.23
06/10/22	06/10/22	Coupon		CRVNA 2022-P2 A1 CAR MAT 06/12/23 Cpn 1.51 14686JAA8		3,045.47	0.00	0.00	3,045.47
06/13/22	06/13/22	Coupon		MMAF 2022-A A1 EQP 144A MAT 05/03/23 Cpn 1.48 55317RAA0		7,831.21	0.00	0.00	7,831.21
06/14/22	06/14/22	Coupon		BANK OF NOVA SCOTIA FRN YCD MAT 09/14/22 Cpn 1.61 06417MVT9		1,915.97	0.00	0.00	1,915.97
06/15/22	06/15/22	Coupon		ALLYA 2022-1 A1 CAR MAT 05/15/23 Cpn 1.36 02008JAA4		6,902.97	0.00	0.00	6,902.97

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/22	06/15/22	Coupon		ARIFL 2022-A A1 FLEET 144A MAT 04/17/23 Cpn 1.49 00217QAA9		3,585.69	0.00	0.00	3,585.69
06/15/22	06/15/22	Coupon		CARMAX 2019-1 A3 CAR MAT 03/15/24 Cpn 3.05 14315NAC4		838.06	0.00	0.00	838.06
06/15/22	06/15/22	Coupon		CARMX 2019-2 A3 CAR MAT 03/15/24 Cpn 2.68 14316LAC7		1,658.98	0.00	0.00	1,658.98
06/15/22	06/15/22	Coupon		CARMAX 2019-3 A3 CAR MAT 08/15/24 Cpn 2.18 14315PAD7		5,528.94	0.00	0.00	5,528.94
06/15/22	06/15/22	Coupon		CARMX 2021-4 A2A CAR MAT 11/15/24 Cpn 0.24 14317JAB3		595.49	0.00	0.00	595.49
06/15/22	06/15/22	Coupon		CNH 2021-C A2 EQP MAT 01/15/25 Cpn 0.33 12598LAB2		2,062.50	0.00	0.00	2,062.50
06/15/22	06/15/22	Coupon		HALST 2020-B A3 CAR LEASE 144A MAT 09/15/23 Cpn 0.51 44891PAC8		2,163.89	0.00	0.00	2,163.89
06/15/22	06/15/22	Coupon		HALST 2021-C A2 CAR LEASE 144A MAT 01/16/24 Cpn 0.24 44933MAB7		808.88	0.00	0.00	808.88
06/15/22	06/15/22	Coupon		HALST 2021-C A2 CAR LEASE 144A MAT 01/16/24 Cpn 0.24 44933MAB7		195.41	0.00	0.00	195.41
06/15/22	06/15/22	Coupon		HONDA 2021-2 A2 CAR MAT 11/15/23 Cpn 0.17 43811JAB3		388.64	0.00	0.00	388.64
06/15/22	06/15/22	Coupon		HAROT 2022-1 A2 CAR MAT 10/15/24 Cpn 1.44 43815BAB6		6,000.00	0.00	0.00	6,000.00
06/15/22	06/15/22	Coupon		HYUNDAI 2021-A A2 CAR MAT 02/15/24 Cpn 0.23 44933LAB9		168.26	0.00	0.00	168.26
06/15/22	06/15/22	Coupon		KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8		4,906.32	0.00	0.00	4,906.32

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/22	06/15/22	Coupon		KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8		1,177.08	0.00	0.00	1,177.08
06/15/22	06/15/22	Coupon		MERCEDES 2021-B A2 LEASE MAT 01/16/24 Cpn 0.22 58769KAC8		839.25	0.00	0.00	839.25
06/15/22	06/15/22	Coupon		CA SAN FRANCISCO USD GO/ULT MAT 06/15/22 Cpn 1.38 79771TQR1		3,628.47	0.00	0.00	3,628.47
06/15/22	06/15/22	Coupon		U.S. TREASURY NOTE MAT 12/15/23 Cpn 0.13 91282CBA8		7,500.00	0.00	0.00	7,500.00
06/15/22	06/15/22	Coupon		TOYOTA 2019-A A3 CAR MAT 07/17/23 Cpn 2.91 89239AAD5		1,937.63	0.00	0.00	1,937.63
06/15/22	06/15/22	Coupon		TOYOTA 2019-C A3 CAR MAT 09/15/23 Cpn 1.91 89238UAD2		1,484.83	0.00	0.00	1,484.83
06/15/22	06/15/22	Coupon		TOYOTA 2019-C A3 CAR MAT 09/15/23 Cpn 1.91 89238UAD2		148.89	0.00	0.00	148.89
06/15/22	06/15/22	Coupon		TOYOTA 2021-A A2 CAR MAT 07/17/23 Cpn 0.16 89240BAB4		73.72	0.00	0.00	73.72
06/15/22	06/15/22	Coupon		WORLD OMNI 2021-B A2 CAR MAT 07/15/24 Cpn 0.20 98163LAB6		357.10	0.00	0.00	357.10
06/15/22	06/15/22	Coupon		WOLS 2022-A A1 LEASE MAT 04/17/23 Cpn 0.98 98163NAA4		1,614.27	0.00	0.00	1,614.27
06/15/22	06/15/22	Coupon		WOLS 2022-A A2 LEASE MAT 10/15/24 Cpn 2.63 98163NAB2		3,725.83	0.00	0.00	3,725.83
06/16/22	06/16/22	Coupon		GMCAR 2021-A A2 CAR MAT 06/17/24 Cpn 0.27 380149AB0		394.30	0.00	0.00	394.30
06/16/22	06/16/22	Coupon		GMCAR 2022-2 A1 CAR MAT 04/17/23 Cpn 1.21 362585AA9		3,792.74	0.00	0.00	3,792.74

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/16/22	06/16/22	Coupon		INTER-AMERICAN DEV BANK FRN MAT 09/16/22 Cpn 1.70 45818WCP9		1,730.38	0.00	0.00	1,730.38
06/18/22	06/18/22	Coupon		HONDA 2019-1 A3 CAR MAT 03/20/23 Cpn 2.83 43814WAC9		350.56	0.00	0.00	350.56
06/18/22	06/18/22	Coupon		HONDA 2021-3 A2 CAR MAT 02/20/24 Cpn 0.20 43815EAB0		371.72	0.00	0.00	371.72
06/20/22	06/20/22	Coupon		GMALT 2021-2 A2 LEASE MAT 07/20/23 Cpn 0.22 380144AB1		302.02	0.00	0.00	302.02
06/20/22	06/20/22	Coupon		GMALT 2022-2 A1 LEASE MAT 05/22/23 Cpn 1.53 36266FAA7		7,804.67	0.00	0.00	7,804.67
06/20/22	06/20/22	Coupon		SRT 2021-C A2 LEASE 144A MAT 04/22/24 Cpn 0.29 80286CAB6		619.77	0.00	0.00	619.77
06/20/22	06/20/22	Coupon		TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1		846.20	0.00	0.00	846.20
06/20/22	06/20/22	Coupon		VALET 2021-1 A2 CAR MAT 10/21/24 Cpn 0.49 92868KAB9		2,694.18	0.00	0.00	2,694.18
06/20/22	06/20/22	Coupon		VERIZON 2019-B 1A1 PHONE MAT 12/20/23 Cpn 2.33 92349GAA9		811.62	0.00	0.00	811.62
06/20/22	06/20/22	Coupon		VERIZON 2019-B 1A1 PHONE MAT 12/20/23 Cpn 2.33 92349GAA9		203.73	0.00	0.00	203.73
06/20/22	06/20/22	Coupon		VERIZON 2019-B 1A1 PHONE MAT 12/20/23 Cpn 2.33 92349GAA9		2,058.52	0.00	0.00	2,058.52
06/20/22	06/20/22	Coupon		VERIZON 2019-C A1A PHONE MAT 04/22/24 Cpn 1.94 92348AAA3		3,239.04	0.00	0.00	3,239.04
06/20/22	06/20/22	Coupon		VERIZON 2019-C A1A PHONE MAT 04/22/24 Cpn 1.94 92348AAA3		1,587.13	0.00	0.00	1,587.13

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/21/22	06/21/22	Coupon		EFF 2022-1 A1 FLEET 144A MAT 04/20/23 Cpn 1.49 29375JAA2		2,344.26	0.00	0.00	2,344.26
06/22/22	06/22/22	Coupon		SUMITOMO MITSUI TR NY YCD MAT 06/22/22 Cpn 0.88 86564MEZ7		16,316.67	0.00	0.00	16,316.67
06/25/22	06/25/22	Coupon		BMW 2021-2 A2 LEASE MAT 11/27/23 Cpn 0.19 09690AAB9		566.36	0.00	0.00	566.36
06/25/22	06/25/22	Coupon		BMW 2019-A A3 CAR MAT 01/25/24 Cpn 1.92 05588CAC6		704.21	0.00	0.00	704.21
06/25/22	06/25/22	Coupon		FHMS KF36 A MAT 08/25/24 Cpn 1.46 3137FBAR7		1,650.33	0.00	0.00	1,650.33
06/25/22	06/25/22	Coupon		FHMS KI04 A 1MOFRN CMBS MAT 07/25/24 Cpn 1.48 3137FNAV2		565.50	0.00	0.00	565.50
06/25/22	06/25/22	Coupon		FHMS KI05 A MAT 07/25/24 Cpn 1.46 3137FQXG3		490.85	0.00	0.00	490.85
06/25/22	06/25/22	Coupon		FHMS KI06 A 1MOFRN CMBS MAT 03/25/25 Cpn 1.34 3137FVNA6		1,688.13	0.00	0.00	1,688.13
06/25/22	06/25/22	Coupon		FHMS KI07 A SOFRFRN MAT 09/25/26 Cpn 0.89 3137H3KA9		2,735.20	0.00	0.00	2,735.20
06/25/22	06/25/22	Coupon		FHMS KI08 A 1MOFRN CMBS MAT 10/25/26 Cpn 0.92 3137H4RC6		1,522.65	0.00	0.00	1,522.65
06/01/22	06/25/22	Coupon		FHMS KS01 A2 CMBS MAT 01/25/23 Cpn 2.52 3137B1U75		5,440.11	0.00	0.00	5,440.11
06/25/22	06/25/22	Coupon		FHMS Q015 A 1MOFRN CMBS MAT 08/25/24 Cpn 1.15 3137FYUR5		1,144.97	0.00	0.00	1,144.97
06/27/22	06/27/22	Coupon		BMWOT 2022-A A1 CAR MAT 05/25/23 Cpn 1.35 05602RAA9		9,757.22	0.00	0.00	9,757.22

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/27/22	06/27/22	Coupon		FHMS KF38 A MAT 09/25/24 Cpn 1.45 3137FBUC8		553.15	0.00	0.00	553.15
06/27/22	06/27/22	Coupon		BANCO SANTANDER FRN YCD SOF MAT 07/25/22 Cpn 1.65 05966DE32		3,016.57	0.00	0.00	3,016.57
06/30/22	06/30/22	Coupon		INTL FINANCE CORP FRN SOFRRA MAT 06/30/23 Cpn 1.59 45950KCW8		9,805.25	0.00	0.00	9,805.25
						<u>198,247.70</u>	<u>0.00</u>	<u>0.00</u>	<u>198,247.70</u>
06/01/22	06/01/22	Income	1,062.620	STIF INT MAT Cpn USD		1,062.62	0.00	0.00	1,062.62
06/01/22	06/01/22	Income	8,559.410	ADJ NET INT MAT Cpn USD		8,559.41	0.00	0.00	8,559.41
			<u>9,622.030</u>			<u>9,622.03</u>	<u>0.00</u>	<u>0.00</u>	<u>9,622.03</u>
06/09/22	06/09/22	Contributn	100,000,000.000	NM MAT Cpn USD	100,000,000.00		0.00	0.00	100,000,000.00
06/10/22	06/10/22	Contributn	365,000,000.000	NM MAT Cpn USD	365,000,000.00		0.00	0.00	365,000,000.00
			<u>465,000,000.000</u>		<u>465,000,000.00</u>		<u>0.00</u>	<u>0.00</u>	<u>465,000,000.00</u>
06/01/22	06/02/22	Sell Long	20,000,000.000	U.S. TREASURY BILL MAT 06/07/22 Cpn 912796V89	19,986,137.50	12,525.00	54.17	0.00	19,998,662.50
06/03/22	06/06/22	Sell Long	20,000,000.000	U.S. TREASURY BILL MAT 06/07/22 Cpn 912796V89	19,986,079.73	13,638.33	(3.61)	0.00	19,999,718.06

Payden & Rygel

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/21/22	06/22/22	Sell Long	10,000,000.000	U.S. TREASURY BILL MAT 06/23/22 Cpn	912796R43	9,992,416.95	7,367.78	(31.08)	0.00	9,999,784.72
06/21/22	06/22/22	Sell Long	1,000,000.000	U.S. TREASURY BILL MAT 06/23/22 Cpn	912796R43	999,241.69	736.78	(3.11)	0.00	999,978.47
06/24/22	06/27/22	Sell Long	30,000,000.000	U.S. TREASURY BILL MAT 06/28/22 Cpn	912796W39	29,972,835.42	26,081.25	(503.75)	0.00	29,998,916.67
06/24/22	06/27/22	Sell Long	50,000,000.000	U.S. TREASURY BILL MAT 06/28/22 Cpn	912796W39	49,954,725.70	43,468.74	(839.59)	0.00	49,998,194.44
			131,000,000.000			130,891,436.99	103,817.87	(1,326.97)	0.00	130,995,254.86
06/10/22	06/10/22	Pay Princpl	547,395.579	CRVNA 2021-P2 A2 CAR MAT 07/10/24 Cpn 0.30	14687TAB3	547,395.58		52.51	0.00	547,395.58
06/10/22	06/10/22	Pay Princpl	689,603.140	CRVNA 2021-P4 A2 CAR MAT 04/10/25 Cpn 0.82	14687KAB2	689,603.14		50.42	0.00	689,603.14
06/10/22	06/10/22	Pay Princpl	1,282,975.492	CRVNA 2022-P2 A1 CAR MAT 06/12/23 Cpn 1.51	14686JAA8	1,282,975.49		(0.00)	0.00	1,282,975.49
06/13/22	06/13/22	Pay Princpl	380,670.538	MMAF 2022-A A1 EQP 144A MAT 05/03/23 Cpn 1.48	55317RAA0	380,670.54		0.00	0.00	380,670.54
06/15/22	06/15/22	Pay Princpl	2,379,301.910	ALLYA 2022-1 A1 CAR MAT 05/15/23 Cpn 1.36	02008JAA4	2,379,301.91		0.00	0.00	2,379,301.91
06/15/22	06/15/22	Pay Princpl	411,538.763	ARIFL 2022-A A1 FLEET 144A MAT 04/17/23 Cpn 1.49	00217QAA9	411,538.76		(0.00)	0.00	411,538.76
06/15/22	06/15/22	Pay Princpl	96,756.272	CARMAX 2019-1 A3 CAR MAT 03/15/24 Cpn 3.05	14315NAC4	96,756.27		0.00	(389.53)	96,756.27
06/15/22	06/15/22	Pay Princpl	130,654.639	CARMX 2019-2 A3 CAR MAT 03/15/24 Cpn 2.68	14316LAC7	130,654.64		0.00	(844.67)	130,654.64

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/22	06/15/22	Pay Princpl	309,654.311	CARMAX 2019-3 A3 CAR MAT 08/15/24 Cpn 2.18 14315PAD7	309,654.31		(2,337.35)	0.00	309,654.31
06/15/22	06/15/22	Pay Princpl	324,872.468	CARMX 2021-4 A2A CAR MAT 11/15/24 Cpn 0.24 14317JAB3	324,872.47		2.08	0.00	324,872.47
06/15/22	06/15/22	Pay Princpl	593,223.540	CNH 2021-C A2 EQP MAT 01/15/25 Cpn 0.33 12598LAB2	593,223.54		29.82	0.00	593,223.54
06/15/22	06/15/22	Pay Princpl	819,822.319	HALST 2020-B A3 CAR LEASE 144A MAT 09/15/23 Cpn 0.51 44891PAC8	819,822.32		(41.08)	0.00	819,822.32
06/15/22	06/15/22	Pay Princpl	303,773.181	HALST 2021-C A2 CAR LEASE 144A MAT 01/16/24 Cpn 0.24 44933MAB7	303,773.18		5.90	0.00	303,773.18
06/15/22	06/15/22	Pay Princpl	73,386.788	HALST 2021-C A2 CAR LEASE 144A MAT 01/16/24 Cpn 0.24 44933MAB7	73,386.79		607.71	0.00	73,386.79
06/15/22	06/15/22	Pay Princpl	468,367.135	HONDA 2021-2 A2 CAR MAT 11/15/23 Cpn 0.17 43811JAB3	468,367.14		0.00	1.70	468,367.14
06/15/22	06/15/22	Pay Princpl	161,257.791	HYUNDAI 2021-A A2 CAR MAT 02/15/24 Cpn 0.23 44933LAB9	161,257.79		0.00	5.96	161,257.79
06/15/22	06/15/22	Pay Princpl	272,259.615	KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8	272,259.62		(3,238.70)	0.00	272,259.62
06/15/22	06/15/22	Pay Princpl	65,317.890	KUBOTA 2020-1A A3 EQP 144A MAT 03/15/24 Cpn 1.96 50117WAC8	65,317.89		(718.97)	0.00	65,317.89
06/15/22	06/15/22	Pay Princpl	558,155.344	MERCEDES 2021-B A2 LEASE MAT 01/16/24 Cpn 0.22 58769KAC8	558,155.34		21.70	0.00	558,155.34
06/15/22	06/15/22	Pay Princpl	235,904.266	TOYOTA 2019-A A3 CAR MAT 07/17/23 Cpn 2.91 89239AAD5	235,904.27		0.00	(746.23)	235,904.27
06/15/22	06/15/22	Pay Princpl	192,280.635	TOYOTA 2019-C A3 CAR MAT 09/15/23 Cpn 1.91 89238UAD2	192,280.64		0.00	0.01	192,280.64

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/22	06/15/22	Pay Princpl	19,280.647	TOYOTA 2019-C A3 CAR MAT 09/15/23 Cpn 1.91 89238UAD2	19,280.65		0.00	0.00	19,280.65
06/15/22	06/15/22	Pay Princpl	396,072.220	TOYOTA 2021-A A2 CAR MAT 07/17/23 Cpn 0.16 89240BAB4	396,072.22		0.00	(5.89)	396,072.22
06/15/22	06/15/22	Pay Princpl	318,814.797	WORLD OMNI 2021-B A2 CAR MAT 07/15/24 Cpn 0.20 98163LAB6	318,814.80		0.00	4.73	318,814.80
06/15/22	06/15/22	Pay Princpl	676,766.695	WOLS 2022-A A1 LEASE MAT 04/17/23 Cpn 0.98 98163NAA4	676,766.70		0.00	0.00	676,766.70
06/16/22	06/16/22	Pay Princpl	317,849.055	GMCAR 2021-A A2 CAR MAT 06/17/24 Cpn 0.27 380149AB0	317,849.06		0.00	7.08	317,849.06
06/16/22	06/16/22	Pay Princpl	875,174.606	GMCAR 2022-2 A1 CAR MAT 04/17/23 Cpn 1.21 362585AA9	875,174.61		0.00	0.00	875,174.61
06/18/22	06/18/22	Pay Princpl	148,646.213	HONDA 2019-1 A3 CAR MAT 03/20/23 Cpn 2.83 43814WAC9	148,646.21		0.00	(144.02)	148,646.21
06/18/22	06/18/22	Pay Princpl	251,173.154	HONDA 2021-3 A2 CAR MAT 02/20/24 Cpn 0.20 43815EAB0	251,173.15		13.79	0.00	251,173.15
06/20/22	06/20/22	Pay Princpl	409,550.958	GMALT 2021-2 A2 LEASE MAT 07/20/23 Cpn 0.22 380144AB1	409,550.96		0.00	3.08	409,550.96
06/20/22	06/20/22	Pay Princpl	305,542.004	SRT 2021-C A2 LEASE 144A MAT 04/22/24 Cpn 0.29 80286CAB6	305,542.00		9.11	0.00	305,542.00
06/20/22	06/20/22	Pay Princpl	128,890.957	TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1	128,890.96		8.78	0.00	128,890.96
06/20/22	06/20/22	Pay Princpl	627,639.812	VALET 2021-1 A2 CAR MAT 10/21/24 Cpn 0.49 92868KAB9	627,639.81		36.04	0.00	627,639.81
06/20/22	06/20/22	Pay Princpl	113,915.111	VERIZON 2019-B 1A1 PHONE MAT 12/20/23 Cpn 2.33 92349GAA9	113,915.11		0.00	(370.01)	113,915.11

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/20/22	06/20/22	Pay Princpl	28,595.018	VERIZON 2019-B 1A1 PHONE MAT 12/20/23 Cpn 2.33 92349GAA9	28,595.02		0.00	(88.74)	28,595.02
06/20/22	06/20/22	Pay Princpl	288,925.918	VERIZON 2019-B 1A1 PHONE MAT 12/20/23 Cpn 2.33 92349GAA9	288,925.92		(834.35)	0.00	288,925.92
06/20/22	06/20/22	Pay Princpl	316,491.903	VERIZON 2019-C A1A PHONE MAT 04/22/24 Cpn 1.94 92348AAA3	316,491.90		0.00	(1,400.42)	316,491.90
06/20/22	06/20/22	Pay Princpl	155,081.032	VERIZON 2019-C A1A PHONE MAT 04/22/24 Cpn 1.94 92348AAA3	155,081.03		(663.49)	0.00	155,081.03
06/21/22	06/21/22	Pay Princpl	270,484.721	EFF 2022-1 A1 FLEET 144A MAT 04/20/23 Cpn 1.49 29375JAA2	270,484.72		(0.00)	0.00	270,484.72
06/21/22	06/21/22	Pay Princpl	1,679,350.918	GMALT 2022-2 A1 LEASE MAT 05/22/23 Cpn 1.53 36266FAA7	1,679,350.92		0.00	0.00	1,679,350.92
06/25/22	06/25/22	Pay Princpl	576,147.788	BMW 2021-2 A2 LEASE MAT 11/27/23 Cpn 0.19 09690AAB9	576,147.79		18.67	0.00	576,147.79
06/25/22	06/25/22	Pay Princpl	82,543.621	BMW 2019-A A3 CAR MAT 01/25/24 Cpn 1.92 05588CAC6	82,543.62		0.00	(329.72)	82,543.62
06/25/22	06/25/22	Pay Princpl	1,160.449	FHMS KF36 A MAT 08/25/24 Cpn 1.46 3137FBAR7	1,160.45		0.00	0.44	1,160.45
06/25/22	06/25/22	Pay Princpl	606.856	FHMS KF38 A MAT 09/25/24 Cpn 1.45 3137FBUC8	606.86		0.00	0.38	606.86
06/25/22	06/25/22	Pay Princpl	605,079.534	FHMS KI06 A 1MOFRN CMBS MAT 03/25/25 Cpn 1.34 3137FVNA6	605,079.53		0.00	(0.00)	605,079.53
06/25/22	06/25/22	Pay Princpl	124,745.214	FHMS KI08 A 1MOFRN CMBS MAT 10/25/26 Cpn 0.92 3137H4RC6	124,745.21		(0.00)	0.00	124,745.21
06/01/22	06/25/22	Pay Princpl	11,843.808	FHMS KS01 A2 CMBS MAT 01/25/23 Cpn 2.52 3137B1U75	11,843.81		0.00	(105.13)	11,843.81

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/25/22	06/25/22	Pay Princpl	204,520.199	FHMS Q015 A 1MOFRN CMBS MAT 08/25/24 Cpn 1.15 3137FYUR5	204,520.20		0.00	0.00	204,520.20
06/27/22	06/27/22	Pay Princpl	2,125,674.811	BMWOT 2022-A A1 CAR MAT 05/25/23 Cpn 1.35 05602RAA9	2,125,674.81		(0.00)	0.00	2,125,674.81
			21,357,739.635		21,357,739.66		(6,977.40)	(4,400.98)	21,357,739.66
06/01/22	06/01/22	Mature Long	1,280,000.000	CT STATE GO TXB MAT 06/01/22 Cpn 4.18 20772KNT2	1,280,000.00		0.00	0.00	1,280,000.00
06/02/22	06/02/22	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/02/22 Cpn 912796Q44	49,975,906.25	24,093.75	0.00	0.00	50,000,000.00
06/07/22	06/07/22	Mature Long	30,000,000.000	U.S. TREASURY BILL MAT 06/07/22 Cpn 912796V89	29,988,893.33	11,106.67	0.00	0.00	30,000,000.00
06/07/22	06/07/22	Mature Long	1,400,000.000	NORDEA BANK ABP NY YCD MAT 06/07/22 Cpn 0.70 65558UPT3	1,400,000.00		0.00	0.00	1,400,000.00
06/09/22	06/09/22	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/09/22 Cpn 912796R35	49,963,852.78	36,147.22	0.00	0.00	50,000,000.00
06/14/22	06/14/22	Mature Long	30,000,000.000	U.S. TREASURY BILL MAT 06/14/22 Cpn 912796V97	29,976,372.92	23,627.08	0.00	0.00	30,000,000.00
06/14/22	06/14/22	Mature Long	5,000,000.000	U.S. TREASURY BILL MAT 06/14/22 Cpn 912796V97	4,997,511.11	2,488.89	0.00	0.00	5,000,000.00
06/14/22	06/14/22	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/14/22 Cpn 912796V97	49,975,111.11	24,888.89	0.00	0.00	50,000,000.00
06/14/22	06/14/22	Mature Long	15,000,000.000	U.S. TREASURY BILL MAT 06/14/22 Cpn 912796V97	14,991,733.33	8,266.67	0.00	0.00	15,000,000.00
06/15/22	06/15/22	Mature Long	5,000,000.000	CA SAN FRANCISCO USD GO/ULT MAT 06/15/22 Cpn 1.38 79771TQR1	5,000,000.00		0.00	0.00	5,000,000.00

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description		Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/16/22	06/16/22	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/16/22 Cpn	912796J42	49,972,601.67	27,398.33	0.00	0.00	50,000,000.00
06/16/22	06/16/22	Mature Long	30,000,000.000	FHLB DISCOUNT NOTE MAT 06/16/22 Cpn	313385YD2	29,996,500.00	3,500.00	0.00	0.00	30,000,000.00
06/17/22	06/17/22	Mature Long	30,000,000.000	FHLB DISCOUNT NOTE MAT 06/17/22 Cpn	313385YE0	29,998,916.67	1,083.33	0.00	0.00	30,000,000.00
06/17/22	06/17/22	Mature Long	50,000,000.000	FHLB DISCOUNT NOTE MAT 06/17/22 Cpn	313385YE0	49,998,194.44	1,805.56	0.00	0.00	50,000,000.00
06/21/22	06/21/22	Mature Long	40,000,000.000	U.S. TREASURY BILL MAT 06/21/22 Cpn	912796W21	39,972,851.67	27,148.33	0.00	0.00	40,000,000.00
06/21/22	06/21/22	Mature Long	10,000,000.000	U.S. TREASURY BILL MAT 06/21/22 Cpn	912796W21	9,998,029.17	1,970.83	0.00	0.00	10,000,000.00
06/21/22	06/21/22	Mature Long	50,000,000.000	U.S. TREASURY BILL MAT 06/21/22 Cpn	912796W21	49,990,145.83	9,854.17	0.00	0.00	50,000,000.00
06/22/22	06/22/22	Mature Long	7,500,000.000	SUMITOMO MITSUI TR NY YCD MAT 06/22/22 Cpn 0.88	86564MEZ7	7,500,000.00		0.00	0.00	7,500,000.00
06/23/22	06/23/22	Mature Long	49,000,000.000	U.S. TREASURY BILL MAT 06/23/22 Cpn	912796R43	48,962,995.34	37,004.66	0.00	0.00	49,000,000.00
			554,180,000.000			553,939,615.62	240,384.39	0.00	0.00	554,180,000.00
06/01/22	06/01/22	Withdrawal	(2,994.260)	CUSTODY FEE MAT	Cpn USD	(2,994.26)		(2,994.26)	0.00	(2,994.26)
06/02/22	06/02/22	Withdrawal	(70,000,000.000)	WD MAT	Cpn USD	(70,000,000.00)		(70,000,000.00)	0.00	(70,000,000.00)
06/06/22	06/06/22	Withdrawal	(20,000,000.000)	WD MAT	Cpn USD	(20,000,000.00)		(20,000,000.00)	0.00	(20,000,000.00)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description			Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/14/22	06/14/22	Withdrawal	(80,000,000.000)	WD MAT	Cpn	USD	(80,000,000.00)		(80,000,000.00)	0.00	(80,000,000.00)
06/17/22	06/17/22	Withdrawal	(80,000,000.000)	WD MAT	Cpn	USD	(80,000,000.00)		(80,000,000.00)	0.00	(80,000,000.00)
06/21/22	06/21/22	Withdrawal	(100,000,000.000)	WD MAT	Cpn	USD	(100,000,000.00)		(100,000,000.00)	0.00	(100,000,000.00)
06/23/22	06/23/22	Withdrawal	(40,000,000.000)	WD MAT	Cpn	USD	(40,000,000.00)		(40,000,000.00)	0.00	(40,000,000.00)
06/27/22	06/27/22	Withdrawal	(80,000,000.000)	WD MAT	Cpn	USD	(80,000,000.00)		(80,000,000.00)	0.00	(80,000,000.00)
			(470,002,994.260)				(470,002,994.26)		(470,002,994.26)	0.00	(470,002,994.26)

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/01/22	06/01/22	Coupon		CA BEVERLY HILLS PFA LEASE RE MAT 06/01/25 Cpn 0.83 088006JZ5		2,780.50	0.00	0.00	2,780.50
06/01/22	06/01/22	Coupon		CA HEALTH FACS-NO PLACE LIKE MAT 06/01/24 Cpn 2.02 13032UVB1		3,838.00	0.00	0.00	3,838.00
06/01/22	06/01/22	Coupon		CA LOS ANGELESX CNTY PUB WO MAT 12/01/23 Cpn 3.59 54473ERV8		7,622.38	0.00	0.00	7,622.38
06/01/22	06/01/22	Coupon		MN ST GEN FUND REVS-TXBL MAT 06/01/22 Cpn 3.50 604146DQ0		5,600.00	0.00	0.00	5,600.00
06/01/22	06/01/22	Coupon		CA CITY OF RIVERSIDE POB TXB MAT 06/01/24 Cpn 2.11 769036BL7		3,371.20	0.00	0.00	3,371.20
06/15/22	06/15/22	Coupon		CARMX 2020-1 A3 CAR MAT 12/16/24 Cpn 1.89 14315XAC2		512.04	0.00	0.00	512.04
06/15/22	06/15/22	Coupon		CARMX 2021-2 A3 AUTO MAT 02/17/26 Cpn 0.52 14314QAC8		411.67	0.00	0.00	411.67
06/15/22	06/15/22	Coupon		CARMX 2021-3 A3 CAR MAT 06/15/26 Cpn 0.55 14317DAC4		435.42	0.00	0.00	435.42
06/15/22	06/15/22	Coupon		CAPITAL ONE 2020-1 A3 CAR MAT 11/15/24 Cpn 1.60 14043MAC5		357.68	0.00	0.00	357.68
06/15/22	06/15/22	Coupon		FIFTH THIRD 2019-1 A3 CAR MAT 12/15/23 Cpn 2.64 31680YAD9		55.72	0.00	0.00	55.72
06/15/22	06/15/22	Coupon		FORDL 2021-B A3 LEASE MAT 10/15/24 Cpn 0.37 345329AC0		277.50	0.00	0.00	277.50
06/15/22	06/15/22	Coupon		HONDA 2019-3 A3 CAR MAT 08/15/23 Cpn 1.78 43815NAC8		154.82	0.00	0.00	154.82
06/15/22	06/15/22	Coupon		JOHN DEERE 2020-A A3 EQP MAT 08/15/24 Cpn 1.10 47789KAC7		361.92	0.00	0.00	361.92

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/22	06/15/22	Coupon		JOHN DEERE 2021-A A3 EQP MAT 09/15/25 Cpn 0.36 47788UAC6		165.00	0.00	0.00	165.00
06/15/22	06/15/22	Coupon		KUBOTA 2021-2A A3 EQP 144A MAT 11/17/25 Cpn 0.56 50117XAE2		443.33	0.00	0.00	443.33
06/15/22	06/15/22	Coupon		MERCEDES 2021-B A3 LEASE MAT 11/15/24 Cpn 0.40 58769KAD6		200.00	0.00	0.00	200.00
06/15/22	06/15/22	Coupon		TOYOTA 2019-A A3 CAR MAT 07/17/23 Cpn 2.91 89239AAD5		144.68	0.00	0.00	144.68
06/15/22	06/15/22	Coupon		TOYOTA 2019-C A3 CAR MAT 09/15/23 Cpn 1.91 89238UAD2		142.12	0.00	0.00	142.12
06/15/22	06/15/22	Coupon		WORLD OMNI 2021-A A3 LEASE MAT 08/15/24 Cpn 0.42 98163JAC9		245.00	0.00	0.00	245.00
06/16/22	06/16/22	Coupon		GMCAR 2021-2 A3 CAR MAT 04/16/26 Cpn 0.51 380149AC8		93.50	0.00	0.00	93.50
06/20/22	06/20/22	Coupon		GMALT 2021-2 A LEASE MAT 05/20/25 Cpn 0.41 380144AD7		256.25	0.00	0.00	256.25
06/20/22	06/20/22	Coupon		SRT 2021-C A3 LEASE 144A MAT 03/20/25 Cpn 0.50 80286CAC4		208.33	0.00	0.00	208.33
06/20/22	06/20/22	Coupon		TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1		110.98	0.00	0.00	110.98
06/20/22	06/20/22	Coupon		VERIZON 2020-B A PHONE MAT 02/20/25 Cpn 0.47 92290BAA9		372.08	0.00	0.00	372.08
06/25/22	06/25/22	Coupon		BMW 2021-1 A4 LEASE MAT 07/25/24 Cpn 0.37 05591RAD6		92.50	0.00	0.00	92.50
06/25/22	06/25/22	Coupon		BMW 2019-A A3 CAR MAT 01/25/24 Cpn 1.92 05588CAC6		167.67	0.00	0.00	167.67

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/01/22	06/25/22	Coupon		FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2		636.96	0.00	0.00	636.96
06/01/22	06/25/22	Coupon		FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2		1,008.53	0.00	0.00	1,008.53
06/01/22	06/25/22	Coupon		FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2		477.72	0.00	0.00	477.72
06/01/22	06/25/22	Coupon		FHMS K031 A2 MAT 04/25/23 Cpn 3.30 3137B3NX2		2,200.00	0.00	0.00	2,200.00
06/01/22	06/25/22	Coupon		FHMS K033 A2 MAT 07/25/23 Cpn 3.06 3137B4WB8		2,091.00	0.00	0.00	2,091.00
06/01/22	06/25/22	Coupon		FHMS K034 A2 MAT 07/25/23 Cpn 3.53 3137B5JM6		1,412.40	0.00	0.00	1,412.40
06/01/22	06/25/22	Coupon		FHMS K725 AM CMBS MAT 02/25/24 Cpn 3.10 3137BWWE		2,095.20	0.00	0.00	2,095.20
06/01/22	06/25/22	Coupon		FHMS K726 AM CMBS MAT 04/25/24 Cpn 2.99 3137BYPR5		1,417.88	0.00	0.00	1,417.88
06/25/22	06/25/22	Coupon		FHMS KI05 A MAT 07/25/24 Cpn 1.46 3137FQXG3		33.28	0.00	0.00	33.28
06/01/22	06/25/22	Coupon		FHMS KJ28 A1 MAT 02/25/25 Cpn 1.77 3137FREB3		278.13	0.00	0.00	278.13
06/01/22	06/25/22	Coupon		FHMS KJ30 A1 CMBS MAT 01/25/25 Cpn 0.53 3137FUZN7		105.22	0.00	0.00	105.22
06/01/22	06/25/22	Coupon		FHMS KS01 A2 CMBS MAT 01/25/23 Cpn 2.52 3137B1U75		275.63	0.00	0.00	275.63
06/01/22	06/25/22	Coupon		FHMS KSMC A2 CMBS MAT 01/25/23 Cpn 2.62 3137B04Y7		1,939.46	0.00	0.00	1,939.46

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/30/22	06/30/22	Coupon		U.S. TREASURY NOTE MAT 12/31/25 Cpn 0.38 91282CBC4		3,845.63	0.00	0.00	3,845.63
06/30/22	06/30/22	Coupon		U.S. TREASURY NOTE MAT 06/30/26 Cpn 0.88 91282CCJ8		2,056.25	0.00	0.00	2,056.25
06/30/22	06/30/22	Coupon		U.S. TREASURY NOTE MAT 12/31/26 Cpn 1.25 91282CDQ1		2,906.25	0.00	0.00	2,906.25
06/30/22	06/30/22	Coupon		U.S. TREASURY NOTE MAT 12/31/26 Cpn 1.25 91282CDQ1		2,906.25	0.00	0.00	2,906.25
06/30/22	06/30/22	Coupon		U.S. TREASURY NOTE MAT 06/30/24 Cpn 1.75 9128286Z8		7,743.75	0.00	0.00	7,743.75
06/30/22	06/30/22	Coupon		U.S. TREASURY NOTE MAT 12/31/23 Cpn 2.63 9128285U0		7,809.38	0.00	0.00	7,809.38
						69,659.21	0.00	0.00	69,659.21
06/09/22	06/10/22	Sell Long	37,000.000	U.S. TREASURY NOTE MAT 01/31/23 Cpn 0.13 91282CBG5	36,562.07	16.61	0.00	(442.17)	36,578.68
06/09/22	06/10/22	Sell Long	118,000.000	U.S. TREASURY NOTE MAT 01/31/23 Cpn 0.13 91282CBG5	116,603.36	52.97	0.00	(1,408.78)	116,656.33
06/09/22	06/10/22	Sell Long	460,000.000	U.S. TREASURY NOTE MAT 12/31/22 Cpn 0.13 91282CBD2	455,471.88	255.73	0.00	(4,512.61)	455,727.61
			615,000.000		608,637.31	325.31	0.00	(6,363.56)	608,962.62
06/15/22	06/15/22	Pay Princpl	25,920.322	CARMX 2020-1 A3 CAR MAT 12/16/24 Cpn 1.89 14315XAC2	25,920.32		0.00	(316.66)	25,920.32
06/15/22	06/15/22	Pay Princpl	23,282.641	CAPITAL ONE 2020-1 A3 CAR MAT 11/15/24 Cpn 1.60 14043MAC5	23,282.64		0.00	1.88	23,282.64

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
06/15/22	06/15/22	Pay Princpl	11,621.687	FIFTH THIRD 2019-1 A3 CAR MAT 12/15/23 Cpn 2.64 31680YAD9	11,621.69		0.00	0.25	11,621.69
06/15/22	06/15/22	Pay Princpl	19,805.930	HONDA 2019-3 A3 CAR MAT 08/15/23 Cpn 1.78 43815NAC8	19,805.93		0.00	0.01	19,805.93
06/15/22	06/15/22	Pay Princpl	31,729.983	JOHN DEERE 2020-A A3 EQP MAT 08/15/24 Cpn 1.10 47789KAC7	31,729.98		0.00	0.74	31,729.98
06/15/22	06/15/22	Pay Princpl	17,614.185	TOYOTA 2019-A A3 CAR MAT 07/17/23 Cpn 2.91 89239AAD5	17,614.19		0.00	0.23	17,614.19
06/15/22	06/15/22	Pay Princpl	18,404.254	TOYOTA 2019-C A3 CAR MAT 09/15/23 Cpn 1.91 89238UAD2	18,404.25		0.00	(0.00)	18,404.25
06/20/22	06/20/22	Pay Princpl	16,903.732	TESLA 2021-B A2 LEASE 144A MAT 09/22/25 Cpn 0.36 88161KAB1	16,903.73		1.15	0.00	16,903.73
06/25/22	06/25/22	Pay Princpl	19,653.243	BMW 2019-A A3 CAR MAT 01/25/24 Cpn 1.92 05588CAC6	19,653.24		0.00	0.38	19,653.24
06/01/22	06/25/22	Pay Princpl	584.880	FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2	584.88		0.00	(5.71)	584.88
06/01/22	06/25/22	Pay Princpl	926.060	FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2	926.06		0.00	(9.03)	926.06
06/01/22	06/25/22	Pay Princpl	438.660	FHMS K029 A2 CMBS MAT 02/25/23 Cpn 3.32 3137B36J2	438.66		0.00	(3.73)	438.66
06/01/22	06/25/22	Pay Princpl	1,087.161	FHMS KJ28 A1 MAT 02/25/25 Cpn 1.77 3137FREB3	1,087.16		0.00	0.00	1,087.16
06/01/22	06/25/22	Pay Princpl	38,148.800	FHMS KJ30 A1 CMBS MAT 01/25/25 Cpn 0.53 3137FUZN7	38,148.80		0.00	0.43	38,148.80

TRANSACTIONS BY TYPE

Account Name: L.A. CARE HEALTH PLAN-LOW DURATION PORT

06/01/2022
through 06/30/2022

Tr Date	St Date	Transaction Type	Units	Description	Proceeds / (Cost)	Accrued Interest (Purch) or Sold	G/L < 1 Yr Amort Cost	G/L > 1 Yr Amort Cost	Total Amount
Fixed Income - cont.									
06/01/22	06/25/22	Pay Princpl	600.086	FHMS KS01 A2 CMBS MAT 01/25/23 Cpn 2.52 3137B1U75	600.09		0.00	(1.47)	600.09
			<u>226,721.625</u>		<u>226,721.62</u>		<u>1.15</u>	<u>(332.67)</u>	<u>226,721.62</u>
06/01/22	06/01/22	Mature Long	320,000.000	MN ST GEN FUND REVS-TXBL MAT 06/01/22 Cpn 3.50 604146DQ0	320,000.00		0.00	0.00	320,000.00

LA CARE
Cash Activity by Transaction Type GAAP Basis
Accounting Period From 06/01/2022 To 06/30/2022

Cash Date	Trade/Ex-Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/Withdrawals	Total Amount
BUY										
06/03/22	06/01/22	06/03/22	BKAMER19	74456QBS4	PUBLIC SERVICE ELECTRIC	1,500,000.00	(2,250.00)	(1,461,765.00)	0.00	(1,464,015.00)
06/09/22	06/07/22	06/09/22	BKAMER19	46647PCB0	JPMORGAN CHASE & CO	2,500,000.00	(5,150.42)	(2,274,375.00)	0.00	(2,279,525.42)
06/09/22	06/09/22	06/09/22	BKAMER19	09248U718	BLACKROCK TREASURY TRUST	140,302.77	0.00	(140,302.77)	0.00	(140,302.77)
06/24/22	06/22/22	06/24/22	BKAMER19	26884ABF9	ERP OPERATING LP	1,252,000.00	(5,253.19)	(1,182,451.40)	0.00	(1,187,704.59)
TOTAL BUY						5,392,302.77	(12,653.61)	(5,058,894.17)	0.00	(5,071,547.78)
DIVIDEND										
06/01/22	06/01/22	06/01/22	BKAMER19	09248U718	BLACKROCK TREASURY TRUST	606,153.83	962.08	0.00	0.00	962.08
TOTAL DIVIDEND						606,153.83	962.08	0.00	0.00	962.08
INTEREST										
06/01/22	06/01/22	06/01/22	BKAMER19	010392FK9	ALABAMA POWER CO	0.00	79,875.00	0.00	0.00	79,875.00
06/01/22	06/01/22	06/01/22	BKAMER19	438516CB0	HONEYWELL INTERNATIONAL	0.00	33,750.00	0.00	0.00	33,750.00
06/05/22	06/05/22	06/05/22	BKAMER19	46647PAY2	JPMORGAN CHASE & CO	0.00	80,460.00	0.00	0.00	80,460.00
06/06/22	06/06/22	06/06/22	BKAMER19	07330NAT2	TRUIST BANK	0.00	51,062.50	0.00	0.00	51,062.50
06/12/22	06/12/22	06/12/22	BKAMER19	24422ESP5	JOHN DEERE CAPITAL CORP	0.00	33,500.00	0.00	0.00	33,500.00
06/15/22	06/15/22	06/15/22	BKAMER19	91324PDJ8	UNITEDHEALTH GROUP INC	0.00	78,750.00	0.00	0.00	78,750.00
06/15/22	06/15/22	06/15/22	BKAMER19	976656CL0	WISCONSIN ELECTRIC POWER	0.00	15,375.00	0.00	0.00	15,375.00
06/27/22	06/27/22	06/27/22	BKAMER19	02665WCZ2	AMERICAN HONDA FINANCE	0.00	27,000.00	0.00	0.00	27,000.00
TOTAL INTEREST						0.00	399,772.50	0.00	0.00	399,772.50
SELL										
06/03/22	06/02/22	06/03/22	BKAMER19	74153WCN7	PRICOA GLOBAL FUNDING 1	1,250,000.00	6,125.00	1,252,175.00	0.00	1,258,300.00
06/09/22	06/08/22	06/09/22	BKAMER19	06051GEU9	BANK OF AMERICA CORP	2,750,000.00	37,308.33	2,769,772.50	0.00	2,807,080.83
06/09/22	06/09/22	06/09/22	BKAMER19	09248U718	BLACKROCK TREASURY TRUST	606,153.83	0.00	606,153.83	0.00	606,153.83
TOTAL SELL						4,606,153.83	43,433.33	4,628,101.33	0.00	4,671,534.66
WITHDRAW										
06/07/22	06/07/22	06/07/22	BKAMER19	CASHCASH6	C-04 BANK FEE	0.00	0.00	0.00	(721.46)	(721.46)
TOTAL WITHDRAW						0.00	0.00	0.00	(721.46)	(721.46)

7/5/2022
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LA CARE
Cash Activity by Transaction Type GAAP Basis
Accounting Period From 06/01/2022 To 06/30/2022

Cash Date	Trade/Ex- Date	Settle/Pay Date	Custodian	Cusip	Description	Quantity	Income Amount	Principal Amount	Contributions/ Withdrawals	Total Amount
GRAND TOTAL						10,604,610.43	431,514.30	(430,792.84)	(721.46)	0.00
Avg Date 9										



August 23, 2022

TO: Finance & Budget Committee

FROM: Marie Montgomery, *Chief Financial Officer*

SUBJECT: Accounting & Financial Services Policies AFS-004 (Non-Travel Expenses), AFS-027 (Travel Related Expenses), AFS-006 (Authorization and Approval Limits) and AFS-007 (Procurement Policy) Reports for the 3rd Quarter of FY 2021-22

The below Accounting & Financial Services (AFS) policies are required to be reported to the Finance & Budget Committee:

1. Policies AFS-004 (Non-Travel Expenses) and AFS-027 (Travel Related Expenses) require reports on all expenditures for business related travel expenses incurred by employees, members of the Board of Governors, Stakeholder Committees, and members of the Public Advisory Committees.
2. Policy AFS-006 (Authorization and Approval Limits) requires reports for executed vendor contracts for all expenditures.
3. Policy AFS-007 (Procurement Policy) requires reports for all sole source purchases over \$250,000.

Attached are the reports for the 3rd Quarter of FY 2021-22.

AFS-004 Non-Travel Expense Report Q3 FY 21-22

Division	April - June 2022	Description
Health Services	\$ 1,146	Expenses are related to refreshments for performance improvement projects.
Human Resources	\$ 7,008	Expenses are primarily related to the New Hire Orientation refreshments.
Legal Services	\$ 877	Expenses are attributable to refreshments for the committee meetings.
Total Non-Travel Expenses	\$ 9,031	

AFS-027 Travel Expense Report Q3 FY 21-22

Division	April - June 2022	Description
Chief Product Officer	\$ 8,144	Expenses are related to attendance of California Association of Health Plans (CAHP) and Association of Black Foundation Executives (ABFE) conferences.
Clinical Operations	\$ 2,433	Expenses are related to L.A. Care staff mileage reimbursement and nursing license renewals.
Executive Services	\$ 1,816	Expenses are related to attendance of California Association of Health Plans (CAHP) and Association for Community Affiliated Plans (ACAP) conference.
Finance Services	\$ 12,749	Expenses are related to attendance of Fundamental Payroll Certification (FPC) and Government Investment Officer's Association conferences, Society of Actuaries (SOA) meetings, and Associate of the Society of Actuaries (ASA) training.
Grants	\$ 1,128	Expenses are related to L.A. Care staff mileage reimbursement.
Health Services	\$ 24,969	Expenses are related to attendance of Association of Managed Care Pharmacy (AMCP) and International Association of Business Communicators (IABC) conference, continuing education fees, and staff expense and mileage reimbursement for clinics.
Human Resources	\$ 159	Expenses are related to L.A. Care staff mileage reimbursement.
Information Technology	\$ 3,550	Expenses attributable to travel required to attend Anti-Racism and Cultural Awareness training and LA Care staff mileage reimbursement
Operations	\$ 8,415	Expenses related to attendance of Anti-Fraud Alliance (AFA) conference, approved L.A. Care staff education and travel, and staff transportation for CRC visits.
Strategic Services	\$ 4,604	Primarily attributable to attendance of Association for Community Affiliated Plans (ACAP) conference, support fees for CRC workshops and Outreach events, and approved L.A. Care staff transportation for site visits and meetings.
Total Travel Expenses	\$ 67,967	



L.A. Care Health Plan
AFS-006 Authorization and Approval Limits Quarterly Report
April 2022 - June 2022

New POs and Contracts	
Vendor Name	PO and Contract Total
Daponte Simpson Rowe PC	\$ 8,000,000.00
Uncommon Good, A California Nonprofit Corporation (Grantee)	\$ 7,952,465.00
Alchemy Data Centers, LLC	\$ 4,407,256.62
I Color Printing & Mailing Inc	\$ 3,567,854.99
2426 North Broadway, Inc. (Lease)	\$ 3,396,343.00
Sierra Pacific Constructors, Inc.	\$ 3,123,532.00
BIG Language Solutions LLC	\$ 2,600,000.00
Arent Fox LLP	\$ 900,000.00
White Memorial Medical Center Charitable Foundation (Grantee)	\$ 897,600.00
Toney HealthCare Consulting, LLC	\$ 800,000.00
Edifecs, Inc.	\$ 670,937.00
Charles R. Drew University of Medicine and Science (Grantee)	\$ 640,609.84
Canon Solutions America Inc	\$ 623,644.00
Isaacs Friedberg LLP	\$ 600,000.00
salesforce.com, inc. (Parent Company of MuleSoft, LLC)	\$ 530,657.30
Earth Print, Inc.	\$ 390,183.69
Carl Andrew Botterud	\$ 300,000.00
MetaSoftTech Solutions LLC	\$ 300,000.00
Nielsen Merksamer Parrinello Gross & Leoni, LLP	\$ 300,000.00
ePlus Technology, inc.	\$ 299,248.72
Wakely Consulting Group, LLC	\$ 288,100.00
Firstsource Group USA, Inc.	\$ 275,000.00
FireEye, Inc.	\$ 262,400.00
salesforce.com, inc. (Parent Company of MuleSoft, LLC)	\$ 257,509.68
Medica Talent Group Inc	\$ 250,000.00
NTT America Solutions, Inc.	\$ 245,000.00
HALO BRANDED SOLUTIONS, INC.	\$ 218,758.95
SHI International Corp	\$ 202,698.24
Community Clinic Association of Los Angeles County (Grantee)	\$ 200,000.00
Hogan Lovells US LLP	\$ 200,000.00
Jenner & Block LLP	\$ 200,000.00
Musick, Peeler & Garrett LLP	\$ 200,000.00
Reed Smith LLP	\$ 200,000.00
SSI (US) Inc	\$ 200,000.00
Aurora Systems Consulting, Inc	\$ 197,069.60
Fierce Software Corporation	\$ 196,804.26
Absolute Ops LLC	\$ 192,000.00
Skillsoft Corporation	\$ 177,847.16
salesforce.com, inc.	\$ 170,729.73
Berkeley Research Group, LLC	\$ 168,000.00
GHA Technologies Inc	\$ 158,612.69
Deepa Gupta	\$ 150,000.00
The Achievable Foundation (Grantee)	\$ 150,000.00
Sovos Compliance, LLC	\$ 142,344.16
Optiv Security, Inc.	\$ 135,689.63
Rebecca E. Lynch	\$ 125,200.00
Sonia P. Guzman	\$ 125,030.00
Central City Community Health Centers (Grantee)	\$ 125,000.00
Chinatown Service Center (Grantee)	\$ 125,000.00
Coastal Developmental Services Foundation (Grantee)	\$ 125,000.00
East Valley Community Health Center, Inc. (Grantee)	\$ 125,000.00
El Proyecto Del Barrio, Inc. (Grantee)	\$ 125,000.00
Garfield Health Center (Grantee)	\$ 125,000.00
JWCH Institute, Inc. (Grantee)	\$ 125,000.00
Los Angeles Christian Health Centers (Grantee)	\$ 125,000.00
Martin Luther King, Jr. Community Health Foundation (Grantee)	\$ 125,000.00
Pomona Community Health Center (Grantee)	\$ 125,000.00
St. John's Well Child & Family Center (Grantee)	\$ 125,000.00
Uptimum Medical Group & IPA (Grantee)	\$ 125,000.00
Via Care Community Health Center (Grantee)	\$ 125,000.00
White Memorial Community Health Center (Grantee)	\$ 125,000.00
CenturyLink Communications, LLC	\$ 119,501.28
SAS Institute, Inc.	\$ 117,891.00
iXerv Americas Inc	\$ 112,888.00
F5 Networks, Inc.	\$ 111,248.21
Aon Consulting, Inc.	\$ 105,000.00
Best Best & Krieger LLP	\$ 100,000.00
Hanson Bridgett LLP	\$ 100,000.00
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C.	\$ 100,000.00
God's Pantry	\$ 86,900.00
SonBern LLC	\$ 84,240.00
Control Air Holdings Inc	\$ 83,796.00
PHASES INC	\$ 74,952.00
Community Clinic Association of Los Angeles County	\$ 72,000.00
International Business Machines Corporation	\$ 70,165.74
Office Depot, Inc.	\$ 69,905.01
MEND - Meet Each Need with Dignity	\$ 67,500.00
SAP America, Inc.	\$ 67,470.51
God's Pantry (Grantee)	\$ 63,156.00
Healthy Cooking LLC	\$ 61,080.00
JeffersonLarsonSmith, LLC	\$ 60,000.00

New POs and Contracts	
Vendor Name	PO and Contract Total
salesforce.com, inc.	\$ 52,500.00
Maria J. Davila	\$ 51,200.00
Intex Restoration, Inc	\$ 50,762.55
California Hospital Assessment and Reporting Task Force (CHA	\$ 45,000.00
Angie Gomez	\$ 41,120.00
Vendor Credentialing Service LLC	\$ 38,025.00
Critical Care Training Center	\$ 36,400.00
ABF Data Systems, Inc	\$ 36,240.00
IBISWorld, Inc.	\$ 36,000.00
Indeed, Inc.	\$ 35,970.00
Cognizant TriZetto Software Group, Inc.	\$ 27,000.00
Crenshaw Chick, LLC	\$ 25,000.00
Southern California Grantmakers (Grantee)	\$ 25,000.00
The World Professional Association for Transgender Health, I	\$ 25,000.00
Amtext Delivery Systems	\$ 24,736.32
SKKN, INC.	\$ 22,903.75
GM Voices, Inc.	\$ 20,000.00
Franklin Covey Client Sales, Inc.	\$ 17,850.00
Luxor Printing Inc.	\$ 16,394.40
Christopher Lopez	\$ 16,200.00
Playcore Wisconsin, Inc.	\$ 14,871.88
NICE Systems Inc	\$ 12,240.00
VideoGuard, LLC	\$ 12,000.00
Zipari, Inc.	\$ 12,000.00
Purchaser Business Group on Health	\$ 11,954.58
Victoria Serna Garcia	\$ 10,400.00
PhotoShelter, Inc.	\$ 9,999.00
Amazon Capital Services, Inc.	\$ 9,604.90
Lakeshore Equipment Company	\$ 8,339.76
Uline, Inc.	\$ 7,616.39
BrandFuse, inc.	\$ 6,282.50
EPI-USE Labs, LLC.	\$ 5,820.19
Sustainable Economic Enterprises of Los Angeles	\$ 5,000.00
O'Reilly Media, Inc.	\$ 4,990.00
GOANIMATE, INC.	\$ 3,996.00
Altair Engineering Inc.	\$ 3,990.00
Datawatch Corporation	\$ 3,990.00
Lands' End, Inc	\$ 3,783.70
Dewey Pest Control	\$ 3,705.00
I.D. Systems & Supplies, Inc.	\$ 3,489.88
Digicert, Inc.	\$ 2,990.60
Muir-Chase Plumbing Co., Inc.	\$ 2,934.00
ISC Electronic Systems, Inc	\$ 2,520.00
RLG Enterprises, Inc	\$ 2,360.00
Blue Ribbon Technologies, LLC	\$ 2,340.00
Ollivier Corporation	\$ 2,160.00
Your Glass Connection, Inc.	\$ 2,145.00
WW North America Holdings LLC	\$ 961.00
Norm's Refrigeration, LLC.	\$ 325.00
Administrative Services Co-Op	\$ 305.43
Social Chow Media Group LLC	\$ 300.00
Total	\$ 49,883,536.84



L.A. Care Health Plan
AFS-006 Authorization and Approval Limits Quarterly Report
April 2022 - June 2022

Amended Vendor Contracts				
Vendor Name	Current Contract Total	Amendment	New Contract Total	Term Date
LexisNexis Risk Solutions FL Inc.	\$ 3,600.00	\$ 3,600.00	\$ 7,200.00	5/31/2023
Franklin Covey Client Sales, Inc.	\$ 17,850.00	Time Only	\$ 17,850.00	8/31/2022
Elliot Scott	\$ 22,000.00	\$ 14,400.00	\$ 36,400.00	9/30/2022
Council for Affordable Quality Healthcare, Inc.	\$ 32,800.00	\$ 11,000.00	\$ 43,800.00	4/22/2023
Canon Solutions America Inc	\$ 35,000.00	\$ 35,000.00	\$ 70,000.00	12/27/2022
Infosys Limited	\$ 41,300.00	Time Only	\$ 41,300.00	5/1/2022
Brent Powell	\$ 42,400.00	\$ 8,000.00	\$ 50,400.00	12/31/2023
Antelope Valley Partners for Health	\$ 44,804.00	\$ 4,800.00	\$ 49,604.00	12/31/2022
FanelliPM	\$ 64,394.00	\$ 3,000.00	\$ 67,394.00	12/31/2022
Canon Solutions America Inc.	\$ 95,000.00	\$ 98,500.00	\$ 193,500.00	12/27/2022
Sonia P. Guzman	\$ 96,400.00	\$ 4,800.00	\$ 101,200.00	8/31/2023
Canon Solutions America Inc.	\$ 97,500.00	Time Only	\$ 97,500.00	4/6/2024
Ex Novo, Inc	\$ 116,411.00	Time Only	\$ 116,411.00	12/31/2022
St. John's Well Child & Family Center	\$ 150,000.00	Time Only	\$ 150,000.00	6/1/2023
The Achievable Foundation	\$ 150,000.00	Time Only	\$ 150,000.00	6/1/2023
Venice Family Clinic	\$ 150,000.00	Time Only	\$ 150,000.00	6/1/2023
NTT America Solutions, Inc.	\$ 150,000.00	\$ 200,000.00	\$ 350,000.00	9/30/2024
City of Pasadena	\$ 167,500.00	Time Only	\$ 167,500.00	6/30/2022
Berkeley Research Group, LLC	\$ 168,000.00	Time Only	\$ 168,000.00	3/31/2023
Infosys Limited	\$ 194,554.00	\$ 595,294.40	\$ 789,848.40	10/31/2022
Health Management Associates Inc.	\$ 207,400.00	\$ 268,600.00	\$ 476,000.00	12/31/2022
Press Ganey Associates, Inc.	\$ 210,000.00	\$ 119,785.57	\$ 329,785.57	4/30/2024
FRASCO, Inc	\$ 214,000.00	Time Only	\$ 214,000.00	9/30/2023
3M Company	\$ 240,010.81	\$ 220,965.88	\$ 460,976.69	2/28/2022
Advize Health LLC	\$ 245,000.00	Time Only	\$ 245,000.00	12/31/2022
The Center to Promote Healthcare Access Inc.	\$ 249,757.00	Time Only	\$ 249,757.00	9/21/2023
Mandiant, Inc.	\$ 262,400.00	Scope Only	\$ 262,400.00	4/14/2025
IVA Solutions, Inc.	\$ 300,000.00	Time Only	\$ 300,000.00	12/31/2023
Bloom Insurance Agency, LLC	\$ 345,475.00	Time Only	\$ 345,475.00	5/5/2023
Health Management Associates Inc.	\$ 381,990.00	\$ 460,700.00	\$ 842,690.00	12/31/2022
Corporate Translation Services, LLC	\$ 440,000.00	\$ 200,000.00	\$ 640,000.00	2/28/2024
Tivity Health, Inc.	\$ 500,000.00	\$ 100,000.00	\$ 600,000.00	12/31/2024
Invent Health Inc.	\$ 526,400.00	\$ 3,288,450.00	\$ 3,814,850.00	4/30/2025
Instant InfoSystems	\$ 595,012.75	\$ 38,335.00	\$ 633,347.75	10/1/2022
Resources Connection Inc.	\$ 705,000.00	\$ 700,000.00	\$ 1,405,000.00	12/31/2022
California Coverage and Health Initiatives	\$ 977,564.22	\$ 970,840.26	\$ 1,948,404.48	10/31/2022
AT&T Corp	\$ 1,020,000.00	Time Only	\$ 1,020,000.00	12/31/2023
Charles R. Drew University of Medicine and Science	\$ 1,374,100.00	Time Only	\$ 1,374,100.00	12/31/2024
Solugenix Corporation	\$ 1,383,301.00	\$ 1,118,503.00	\$ 2,501,804.00	6/30/2022
Language Line Services, Inc.	\$ 1,775,000.00	\$ 700,000.00	\$ 2,475,000.00	3/31/2024
Infocrossing, LLC	\$ 2,747,949.00	Time Only	\$ 2,747,949.00	12/31/2023
Cognizant Technology Solutions U.S. Corporation	\$ 3,394,776.00	\$ 856,525.00	\$ 4,251,301.00	9/30/2022
Change Healthcare Resources Holdings Inc.	\$ 4,100,000.00	\$ 1,000,000.00	\$ 5,100,000.00	9/30/2022
Diversified Data Development Corporation	\$ 8,036,000.00	Time Only	\$ 8,036,000.00	7/31/2022
Diversified Data Development Corporation	\$ 8,036,000.00	Scope Only	\$ 8,036,000.00	7/31/2022
Language Line Services, Inc.	\$ 9,000,000.00	\$ 3,600,000.00	\$ 12,600,000.00	4/17/2024
Customer Motivators, LLC	\$ 10,653,374.41	\$ 63,192.04	\$ 10,716,566.45	5/31/2023
Emin Adjemian	N/A	Time Only	N/A	12/31/2022
Stride Health, Inc. (EAA)	N/A	Time Only	N/A	12/31/2022
HCL America Inc. (MSA)	N/A	Time Only	N/A	12/31/2022
Aduro, Inc. (MSA)	N/A	Time Only	N/A	12/31/2022
Advantmed, LLC (MSA)	N/A	Time Only	N/A	6/30/2025
KCAL Health Insurance Services (EAA)	N/A	Scope Only	N/A	12/31/2022
Level 3 Financing, Inc. (MSA)	N/A	Scope Only	N/A	12/31/2023
Pediatric & Family Medical Center (MOU)	N/A	Scope Only	N/A	7/31/2024
			\$ 74,444,314.34	



L.A. Care Health Plan
AFS-007 Authorization and Approval Limits Quarterly Report
April 2022 - June 2022

Vendor Selection - Sole Source

Vendor Name	Contract Total	Paid As Of 04/01/22	Vendor Selection	For Internal Use: Description
MetaSoftTech Solutions LLC	\$ 300,000.00	\$ -	Sole Source	Vendor provides for temporary staffing of developers and business systems analysts.
MinuteClinic, LLC	\$ 750,000.00	\$ 4,995.00	Sole Source	COVID-19 Testing Services for to individuals designated by L.A. Care



Board of Governors
MOTION SUMMARY

Date: August 23, 2022

Motion No. FIN 108.0922

Committee: Finance & Budget

Chairperson: Ilan Shapiro MD, MBA, FAAP, FACHE

Issue: Amend existing contracts with Cognizant Technology Solutions (Cognizant) and Solugenix Corporation (Solugenix) for Information Technology (IT) staff augmentation services to continue through March 31, 2023.

☐ New Contract ☒ Amendment ☐ Sole Source ☐ RFP/RFQ was conducted

Background: In June, 2015, the Board of Governors approved motion FIN 107.0615, authorizing staff to negotiate contracts with Cognizant, HCL, and Infosys, following a competitive bidding process. In September, 2018, L.A. Care conducted a Request for Proposal (RFP) process that evaluated more than twenty vendors. Cognizant, HCL, Infosys, and Solugenix were selected during that RFP. All of these vendors provided competitive rates and supply resources with the specialized expertise required to support initiatives at L.A. Care. These vendors compete to meet our staff augmentation needs position-by-position, and we adjust the allocation of dollars between these vendors accordingly. Staff is currently requesting to amend the existing contracts with Solugenix and Cognizant.

Vendor	Estimated Increase	Estimated Contract Total
Solugenix	\$3,960,000	\$6,461,804
Cognizant	\$550,000	\$4,801,301
Total	\$4,510,000	\$11,263,105

The total cost of the revised contract agreements with the two vendors is \$4,510,000 through March 31, 2023. The primary strategic programs these resources will support are CalAIM, DSNP, VOICE, and Provider Roadmap, along with several smaller projects to improve L.A. Care's value delivery to our members and internal customers.

Member Impact: The services purchased under this agreement will improve L.A. Care's technology delivery capability, which in turn results in enhanced quality and more efficient services to all members.

Budget Impact: The cost of the amendment was anticipated and included in the approved IT budget for FY 2021-22; the remaining amount has been included in the IT budget that has been submitted for FY 2022-23.

Motion: To authorize staff to amend contracts with Solugenix and Cognizant in an aggregate amount not to exceed a total of \$4,510,000, total contracts not to exceed \$11,263,105, for IT staff augmentation services through March 31, 2023.