



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

**THURSDAY, MAY 21, 2020**

**2:00 P.M.**

**REVISED\***

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

**BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE**

Lee Penrose, Chair

Ria Berger

Scott Schoeffel

INTERIM  
CHIEF EXECUTIVE OFFICER  
Richard Sanchez

CHIEF COUNSEL  
Gary Crockett

CLERK OF THE BOARD  
Sharon Dwiers

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

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

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

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

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

## **CALL TO ORDER**

Pledge of Allegiance  
Establish Quorum

## **PUBLIC COMMENTS**

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

## **MANAGEMENT REPORTS**

1. Chief Financial Officer Report

## **INVESTMENT ADVISORY COMMITTEE UPDATE**

2. [Treasurer's Report](#)

## **CONSENT CALENDAR**

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

## **REPORTS**

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

**\* Materials for Agenda Items 4 and 5 have been revised and are attached.**

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

#### **INFORMATION ITEMS**

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

#### **COMMITTEE MEMBER COMMENTS**

#### **ADJOURNMENT**

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

## How to Join

- 1. Please register for CalOptima Board of Directors' Finance and Audit Committee Meeting on May 21, 2020 2:00 PM PDT at:**  
  
<https://attendee.gotowebinar.com/register/913568125735447819>
- 2. After registering, you will receive a confirmation email containing a link to join the webinar at the specified time and date.**

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

Before joining, be sure to [check system requirements](#) to avoid any connection issues.

- 3. Choose one of the following audio options:**

### TO USE YOUR COMPUTER'S AUDIO:

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

--OR--

### TO USE YOUR TELEPHONE:

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

United States: +1 (415) 930-5321

Access Code: 484-200-580

Audio PIN: Shown after joining the webinar



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

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

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#### Overview

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

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

#### Portfolio Summary

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

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

#### Six Month Cash Sufficiency

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

#### Investments Compared to Reserve Policy

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

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

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

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

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

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

**Update on Fund Transfers**

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

**Next Quarter's Cash Flow Forecast**

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

**Attachment**

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

# CalOptima

Meeting Materials

April 20, 2020

## Fund Evaluation Report

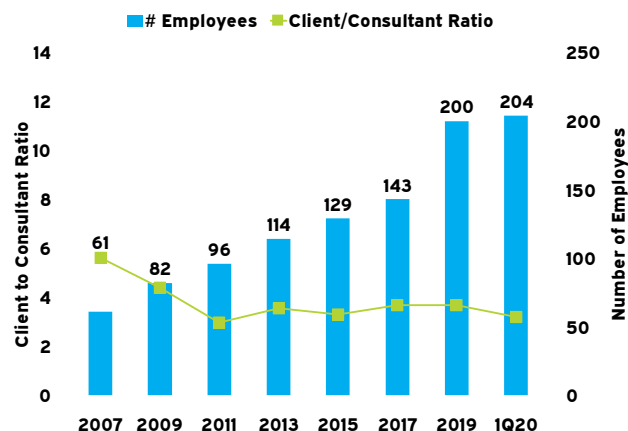
## Agenda

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

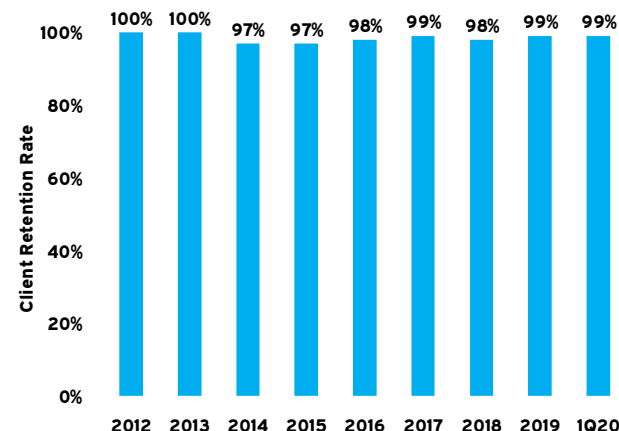
## Meketa Investment Group Corporate Update

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

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



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



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

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

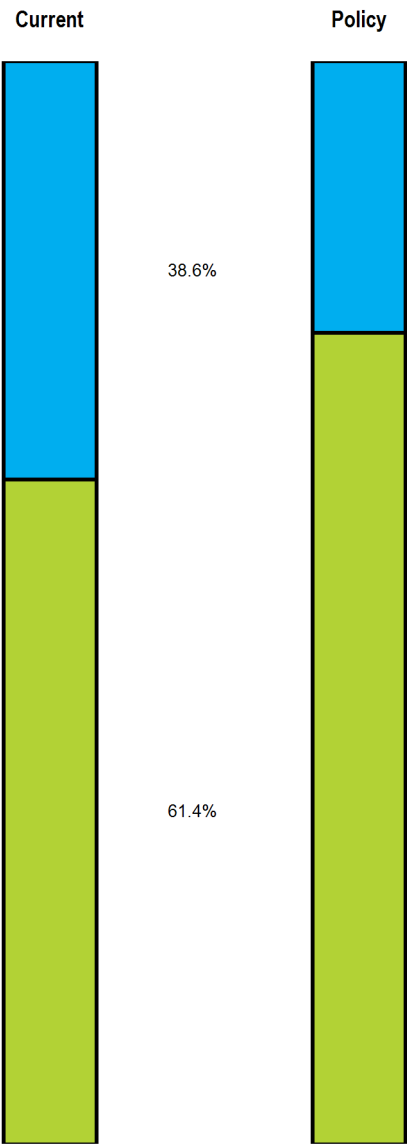
<sup>2</sup> Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year-end.

## Asset Classes Followed Intensively by Meketa Investment Group

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

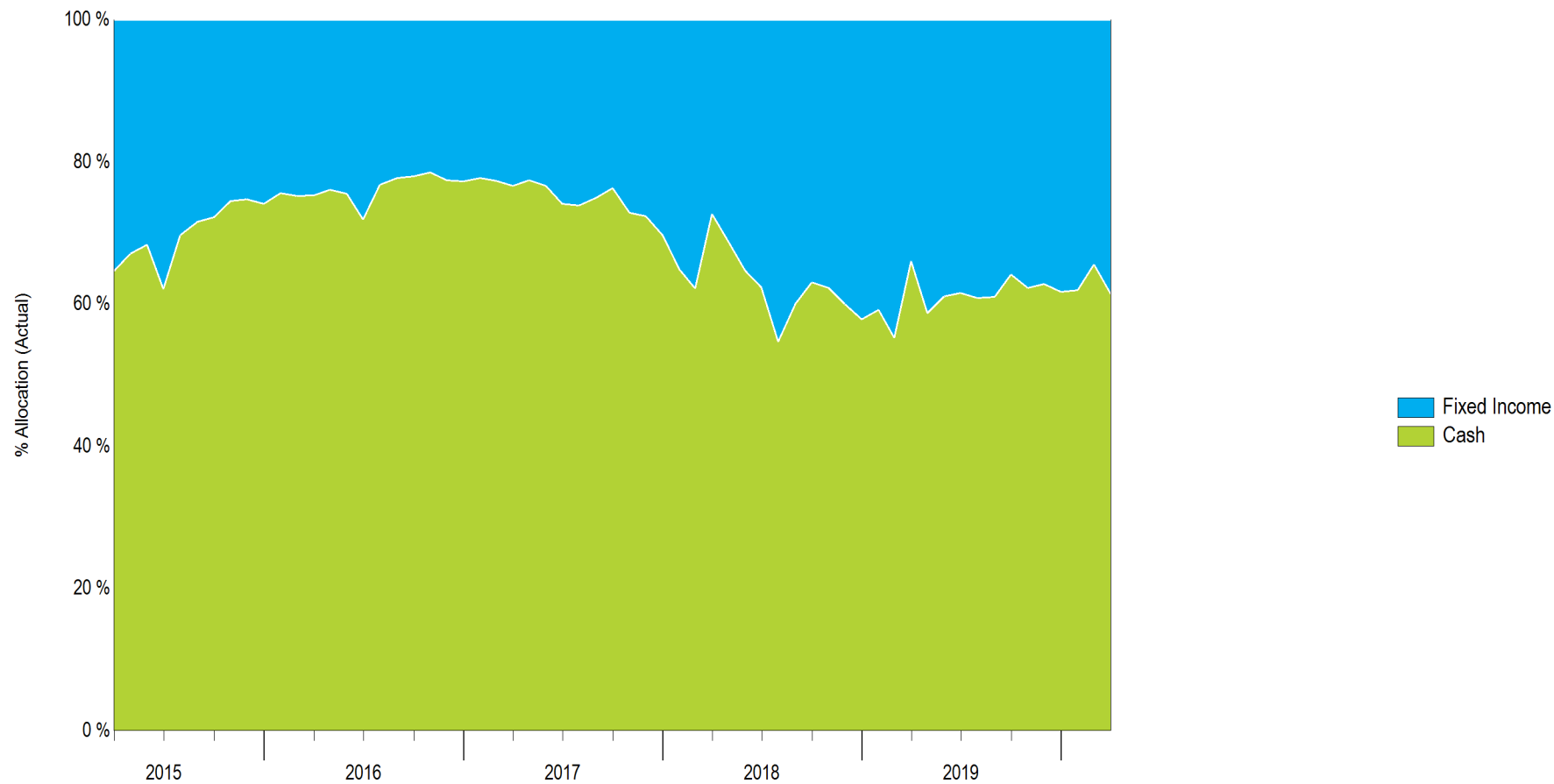
## 1Q20 Review





| Allocation vs. Targets and Policy |                 |                    |
|-----------------------------------|-----------------|--------------------|
|                                   | Current Balance | Current Allocation |
| <div></div> Fixed Income          | \$576,822,608   | 39%                |
| <div></div> Cash                  | \$918,883,674   | 61%                |
| Total                             | \$1,495,706,282 | 100%               |

## Asset Allocation History 5 Years Ending March 31, 2020



## Asset Class Performance Summary

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

| Trailing Period Performance                           |                      |                   |                |              |                      |              |              |              |               |                  |                   |
|-------------------------------------------------------|----------------------|-------------------|----------------|--------------|----------------------|--------------|--------------|--------------|---------------|------------------|-------------------|
|                                                       | Market Value<br>(\$) | % of<br>Portfolio | % of<br>Sector | QTD<br>(%)   | Fiscal<br>YTD<br>(%) | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
| <b>Total Fund(Gross)</b>                              | <b>1,495,706,282</b> | <b>100.000</b>    | <b>--</b>      | <b>0.768</b> | <b>1.938</b>         | <b>2.898</b> | <b>2.211</b> | <b>1.599</b> | <b>--</b>     | <b>1.508</b>     | <b>Oct-14</b>     |
| <b>Fixed Income(Gross)</b>                            | <b>576,822,608</b>   | <b>38.565</b>     | <b>38.565</b>  | <b>1.718</b> | <b>2.976</b>         | <b>4.346</b> | <b>2.664</b> | <b>1.976</b> | <b>--</b>     | <b>1.944</b>     | <b>Oct-14</b>     |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            |                      |                   |                | <i>2.808</i> | <i>3.933</i>         | <i>5.441</i> | <i>2.705</i> | <i>1.851</i> | <i>1.434</i>  | <i>1.809</i>     | <i>Oct-14</i>     |
| Tier One: Payden Low Duration(Gross)                  | 157,864,886          | 10.555            | 27.368         | 1.566        | 2.846                | 4.343        | 2.704        | 1.981        | 1.583         | 3.040            | Jul-99            |
| Tier One: Payden Low Duration(Net)                    |                      |                   |                | 1.546        | 2.785                | 4.274        | 2.626        | 1.903        | 1.478         | --               |                   |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            |                      |                   |                | <i>2.808</i> | <i>3.933</i>         | <i>5.441</i> | <i>2.705</i> | <i>1.851</i> | <i>1.434</i>  | <i>2.964</i>     | <i>Jul-99</i>     |
| <i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>       |                      |                   |                | <i>1.594</i> | <i>2.934</i>         | <i>4.475</i> | <i>2.590</i> | <i>1.901</i> | <i>1.649</i>  | <i>3.232</i>     | <i>Jul-99</i>     |
| <i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i> |                      |                   |                | <i>2.225</i> | <i>3.467</i>         | <i>4.991</i> | <i>2.687</i> | <i>1.908</i> | <i>1.587</i>  | <i>3.150</i>     | <i>Jul-99</i>     |
| Tier One: MetLife STAMP 1-3 Year(Gross)               | 156,881,532          | 10.489            | 27.198         | 1.674        | 2.905                | 4.011        | 2.552        | --           | --            | 2.089            | May-16            |
| Tier One: MetLife STAMP 1-3 Year(Net)                 |                      |                   |                | 1.652        | 2.844                | 3.945        | 2.475        | --           | --            | 2.010            |                   |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            |                      |                   |                | <i>2.808</i> | <i>3.933</i>         | <i>5.441</i> | <i>2.705</i> | <i>1.851</i> | <i>1.434</i>  | <i>2.120</i>     | <i>May-16</i>     |
| <i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>       |                      |                   |                | <i>1.594</i> | <i>2.934</i>         | <i>4.475</i> | <i>2.590</i> | <i>1.901</i> | <i>1.649</i>  | <i>2.123</i>     | <i>May-16</i>     |
| <i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i> |                      |                   |                | <i>2.225</i> | <i>3.467</i>         | <i>4.991</i> | <i>2.687</i> | <i>1.908</i> | <i>1.587</i>  | <i>2.153</i>     | <i>May-16</i>     |
| Tier One: Wells Capital Reserve Account(Gross)        | 157,161,784          | 10.508            | 27.246         | 1.587        | 2.872                | 4.321        | 2.612        | --           | --            | 2.137            | May-16            |
| Tier One: Wells Capital Reserve Account(Net)          |                      |                   |                | 1.566        | 2.810                | 4.237        | 2.535        | --           | --            | 2.062            |                   |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            |                      |                   |                | <i>2.808</i> | <i>3.933</i>         | <i>5.441</i> | <i>2.705</i> | <i>1.851</i> | <i>1.434</i>  | <i>2.120</i>     | <i>May-16</i>     |
| <i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>       |                      |                   |                | <i>1.594</i> | <i>2.934</i>         | <i>4.475</i> | <i>2.590</i> | <i>1.901</i> | <i>1.649</i>  | <i>2.123</i>     | <i>May-16</i>     |
| <i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i> |                      |                   |                | <i>2.225</i> | <i>3.467</i>         | <i>4.991</i> | <i>2.687</i> | <i>1.908</i> | <i>1.587</i>  | <i>2.153</i>     | <i>May-16</i>     |
| Tier Two: MetLife STAMP 1-5 Year(Gross)               | 104,914,407          | 7.014             | 18.188         | 2.212        | 3.437                | 4.890        | 2.853        | 2.221        | --            | 1.943            | Apr-13            |
| Tier Two: MetLife STAMP 1-5 Year(Net)                 |                      |                   |                | 2.181        | 3.342                | 4.761        | 2.725        | 2.094        | --            | 1.816            |                   |
| <i>ICE BofAML 1-5 Yrs US Treasuries TR</i>            |                      |                   |                | <i>3.800</i> | <i>4.951</i>         | <i>6.879</i> | <i>3.267</i> | <i>2.256</i> | <i>2.014</i>  | <i>1.868</i>     | <i>Apr-13</i>     |
| <i>ICE BofAML 1-5 Yrs US Corp &amp; Govt TR</i>       |                      |                   |                | <i>1.954</i> | <i>3.433</i>         | <i>5.426</i> | <i>3.050</i> | <i>2.269</i> | <i>2.260</i>  | <i>1.981</i>     | <i>Apr-13</i>     |
| <i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i> |                      |                   |                | <i>2.967</i> | <i>4.277</i>         | <i>6.221</i> | <i>3.205</i> | <i>2.295</i> | <i>2.170</i>  | <i>1.958</i>     | <i>Apr-13</i>     |

Total Fund | As of March 31, 2020

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

## Asset Class Performance Summary

|                                     | Fiscal 2019<br>(%) | Fiscal 2018<br>(%) | Fiscal 2017<br>(%) | Fiscal 2016<br>(%) | Fiscal 2015<br>(%) | Fiscal 2014<br>(%) | Fiscal 2013<br>(%) | Fiscal 2012<br>(%) |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Fund(Gross)                   | 3.191              | 1.221              | 0.754              | 0.842              | --                 | --                 | --                 | --                 |
| Total Fund(Net)                     | 3.107              | 1.147              | 0.666              | 0.778              | --                 | --                 | --                 | --                 |
| Fixed Income(Gross)                 | 4.064              | 0.582              | 0.427              | 1.775              | --                 | --                 | --                 | --                 |
| Fixed Income(Net)                   | 3.982              | 0.495              | 0.336              | 1.699              | --                 | --                 | --                 | --                 |
| ICE BofAML 1-3 Yrs US Treasuries TR | 3.974              | 0.079              | -0.108             | 1.307              | 0.876              | 0.765              | 0.328              | 0.776              |
| Cash(Gross)                         | 2.573              | 1.492              | 0.858              | 0.509              | 0.166              | 0.131              | 0.112              | 0.185              |
| Cash(Net)                           | 2.489              | 1.427              | 0.758              | 0.446              | 0.058              | 0.018              | -0.023             | 0.044              |
| FTSE T-Bill 3 Months TR             | 2.294              | 1.325              | 0.455              | 0.138              | 0.021              | 0.038              | 0.079              | 0.044              |

## Trailing Period Performance

|                                                       | Fiscal 2019<br>(%) | Fiscal 2018<br>(%) | Fiscal 2017<br>(%) | Fiscal 2016<br>(%) | Fiscal 2015<br>(%) | Fiscal 2014<br>(%) | Fiscal 2013<br>(%) | Fiscal 2012<br>(%) |
|-------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Fund(Gross)</b>                              | <b>3.191</b>       | <b>1.221</b>       | <b>0.754</b>       | <b>0.842</b>       | --                 | --                 | --                 | --                 |
| <b>Fixed Income(Gross)</b>                            | <b>4.064</b>       | <b>0.582</b>       | <b>0.427</b>       | <b>1.775</b>       | --                 | --                 | --                 | --                 |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            | <i>3.974</i>       | <i>0.079</i>       | <i>-0.108</i>      | <i>1.307</i>       | <i>0.876</i>       | <i>0.765</i>       | <i>0.328</i>       | <i>0.776</i>       |
| Tier One: Payden Low Duration(Gross)                  | 4.239              | 0.695              | 0.583              | 1.461              | 0.893              | 1.048              | 0.534              | 1.248              |
| Tier One: Payden Low Duration(Net)                    | 4.167              | 0.615              | 0.508              | 1.388              | 0.783              | 0.933              | 0.399              | 1.105              |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            | <i>3.974</i>       | <i>0.079</i>       | <i>-0.108</i>      | <i>1.307</i>       | <i>0.876</i>       | <i>0.765</i>       | <i>0.328</i>       | <i>0.776</i>       |
| <i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>       | <i>4.302</i>       | <i>0.265</i>       | <i>0.336</i>       | <i>1.581</i>       | <i>0.901</i>       | <i>1.246</i>       | <i>0.861</i>       | <i>1.169</i>       |
| <i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i> | <i>4.170</i>       | <i>0.198</i>       | <i>0.147</i>       | <i>1.492</i>       | <i>0.906</i>       | <i>1.038</i>       | <i>0.656</i>       | <i>1.058</i>       |
| Tier One: MetLife STAMP 1-3 Year(Gross)               | 3.544              | 0.842              | 0.478              | --                 | --                 | --                 | --                 | --                 |
| Tier One: MetLife STAMP 1-3 Year(Net)                 | 3.478              | 0.761              | 0.395              | --                 | --                 | --                 | --                 | --                 |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            | <i>3.974</i>       | <i>0.079</i>       | <i>-0.108</i>      | <i>1.307</i>       | <i>0.876</i>       | <i>0.765</i>       | <i>0.328</i>       | <i>0.776</i>       |
| <i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>       | <i>4.302</i>       | <i>0.265</i>       | <i>0.336</i>       | <i>1.581</i>       | <i>0.901</i>       | <i>1.246</i>       | <i>0.861</i>       | <i>1.169</i>       |
| <i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i> | <i>4.170</i>       | <i>0.198</i>       | <i>0.147</i>       | <i>1.492</i>       | <i>0.906</i>       | <i>1.038</i>       | <i>0.656</i>       | <i>1.058</i>       |
| Tier One: Wells Capital Reserve Account(Gross)        | 4.223              | 0.425              | 0.403              | --                 | --                 | --                 | --                 | --                 |
| Tier One: Wells Capital Reserve Account(Net)          | 4.145              | 0.353              | 0.330              | --                 | --                 | --                 | --                 | --                 |
| <i>ICE BofAML 1-3 Yrs US Treasuries TR</i>            | <i>3.974</i>       | <i>0.079</i>       | <i>-0.108</i>      | <i>1.307</i>       | <i>0.876</i>       | <i>0.765</i>       | <i>0.328</i>       | <i>0.776</i>       |
| <i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>       | <i>4.302</i>       | <i>0.265</i>       | <i>0.336</i>       | <i>1.581</i>       | <i>0.901</i>       | <i>1.246</i>       | <i>0.861</i>       | <i>1.169</i>       |
| <i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i> | <i>4.170</i>       | <i>0.198</i>       | <i>0.147</i>       | <i>1.492</i>       | <i>0.906</i>       | <i>1.038</i>       | <i>0.656</i>       | <i>1.058</i>       |
| Tier Two: MetLife STAMP 1-5 Year(Gross)               | 4.347              | 0.258              | 0.140              | 3.021              | 1.494              | 2.095              | --                 | --                 |
| Tier Two: MetLife STAMP 1-5 Year(Net)                 | 4.217              | 0.131              | 0.016              | 2.894              | 1.367              | 1.969              | --                 | --                 |
| <i>ICE BofAML 1-5 Yrs US Treasuries TR</i>            | <i>4.903</i>       | <i>-0.351</i>      | <i>-0.532</i>      | <i>2.426</i>       | <i>1.376</i>       | <i>1.157</i>       | <i>-0.027</i>      | <i>2.198</i>       |
| <i>ICE BofAML 1-5 Yrs US Corp &amp; Govt TR</i>       | <i>5.384</i>       | <i>-0.156</i>      | <i>0.134</i>       | <i>2.649</i>       | <i>1.344</i>       | <i>2.000</i>       | <i>0.718</i>       | <i>2.524</i>       |
| <i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i> | <i>5.143</i>       | <i>-0.220</i>      | <i>-0.172</i>      | <i>2.570</i>       | <i>1.376</i>       | <i>1.641</i>       | <i>0.409</i>       | <i>2.362</i>       |

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

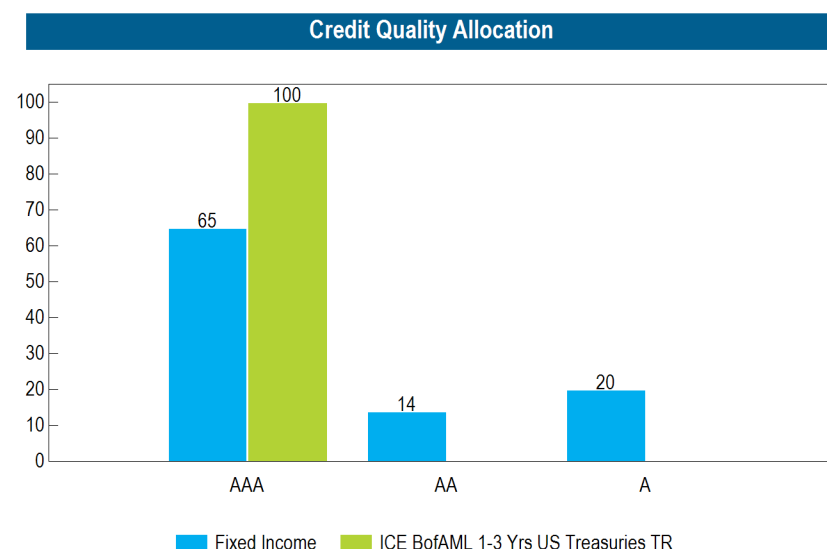
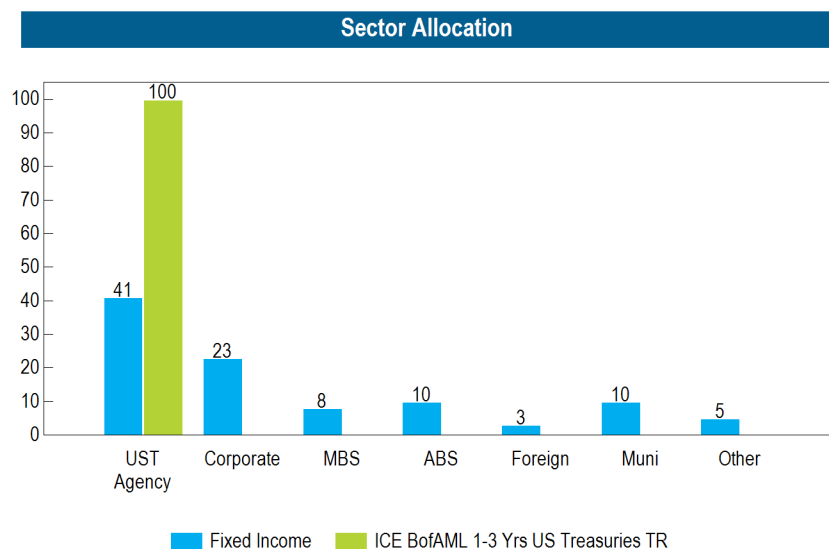
|                                               | Fiscal 2019<br>(%) | Fiscal 2018<br>(%) | Fiscal 2017<br>(%) | Fiscal 2016<br>(%) | Fiscal 2015<br>(%) | Fiscal 2014<br>(%) | Fiscal 2013<br>(%) | Fiscal 2012<br>(%) |
|-----------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------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



## Fixed Income | As of March 31, 2020

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

| Fixed Income Characteristics<br>vs. ICE BofAML 1-3 Yrs US Treasuries TR |                    |                |                    |
|-------------------------------------------------------------------------|--------------------|----------------|--------------------|
|                                                                         | Portfolio<br>Q1-20 | Index<br>Q1-20 | Portfolio<br>Q4-19 |
| Fixed Income Characteristics                                            |                    |                |                    |
| Yield to Maturity                                                       | 1.2                | 0.3            | 1.8                |
| Average Duration                                                        | 1.9                | 1.8            | 1.9                |
| Average Quality                                                         | AA                 | AAA            | AA                 |



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

### Account Information

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

### Portfolio Performance Summary

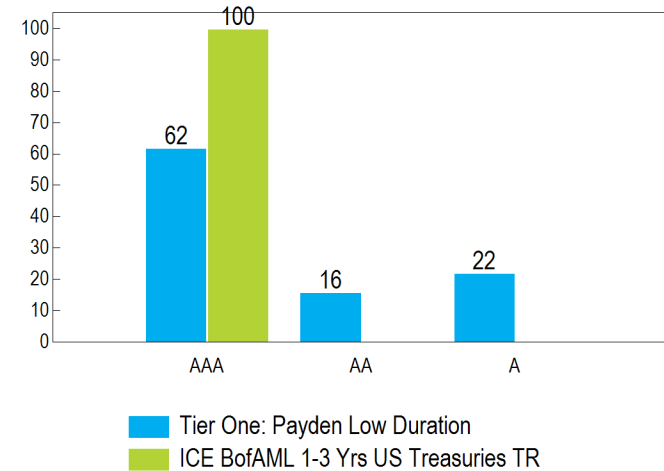
|                                            | QTD (%) | Fiscal YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--------------------------------------------|---------|----------------|----------|-----------|-----------|------------|---------------|----------------|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

### Tier One: Payden Low Duration Fixed Income Characteristics

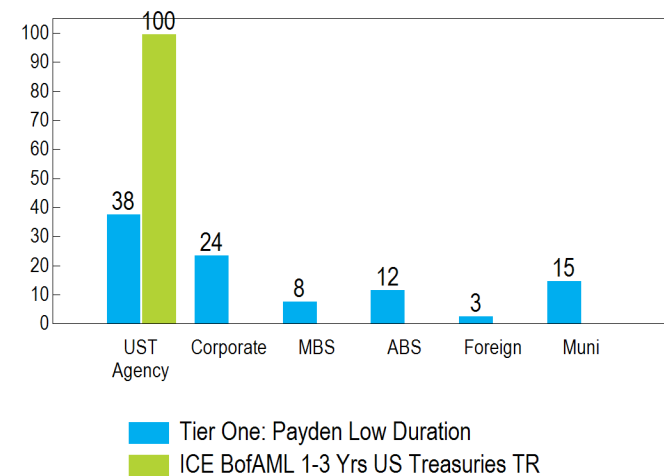
#### vs. ICE BofAML 1-3 Yrs US Treasuries TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.31            | 0.28        | 1.79            |
| Average Duration             | 1.87            | 1.81        | 1.81            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



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

### Account Information

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

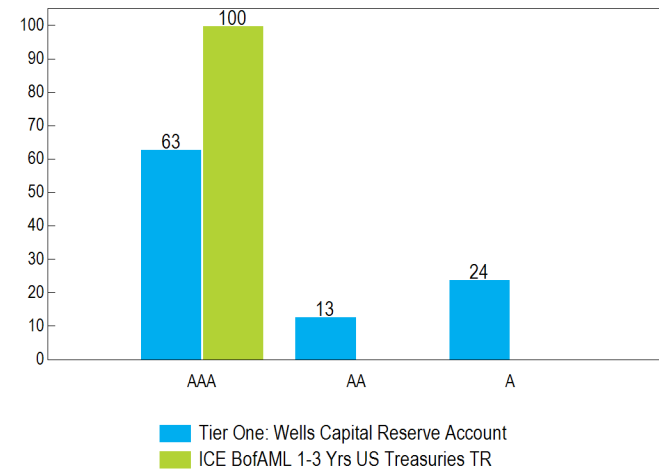
### Portfolio Performance Summary

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

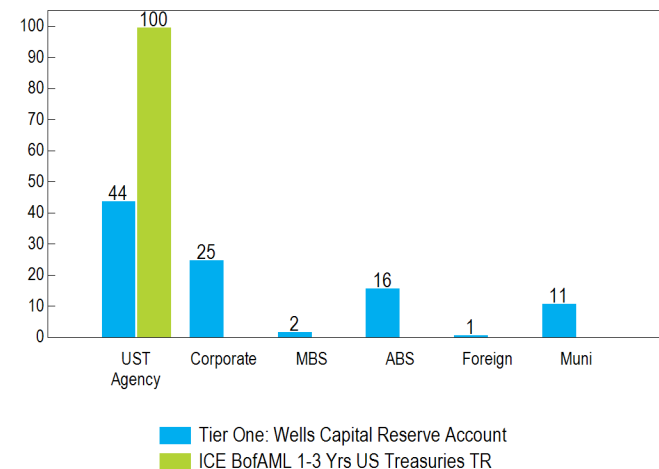
### Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.18            | 0.28        | 1.75            |
| Average Duration             | 1.72            | 1.81        | 1.85            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



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

### Account Information

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

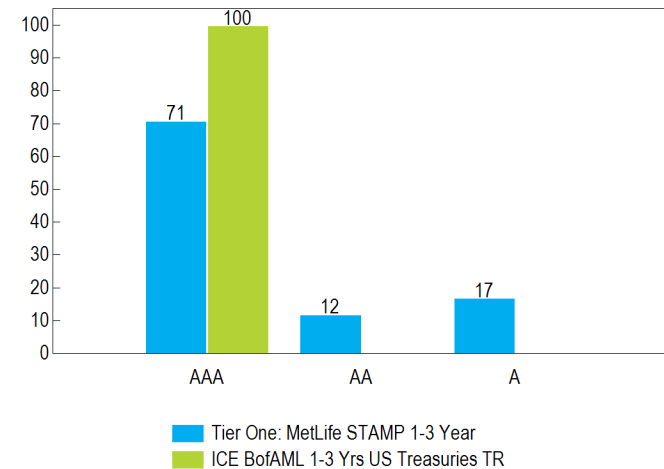
### Portfolio Performance Summary

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

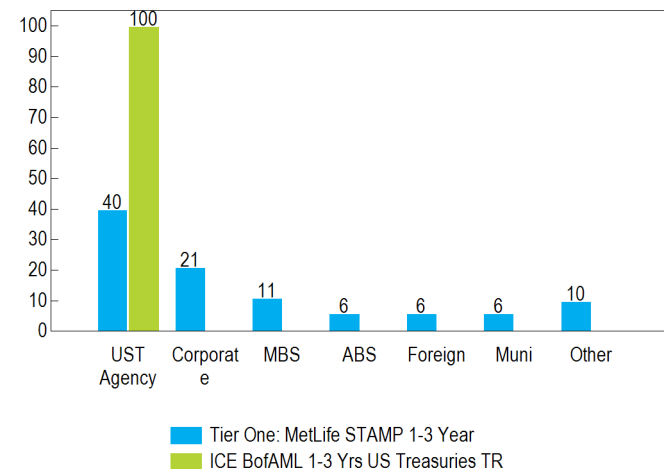
### Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.13            | 0.28        | 1.80            |
| Average Duration             | 1.71            | 1.81        | 1.75            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



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

### Account Information

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

### Portfolio Performance Summary

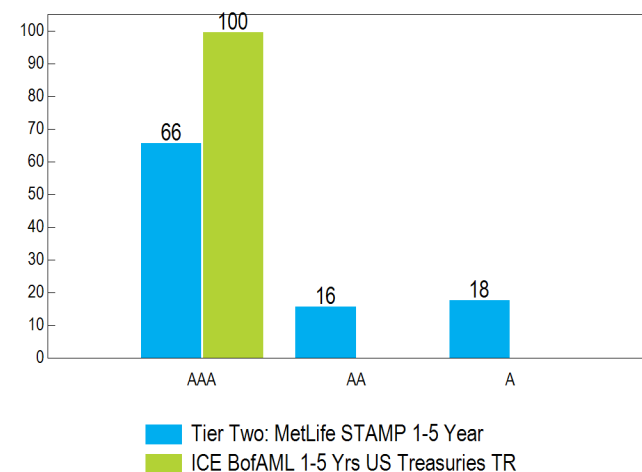
|                                            | QTD (%) | Fiscal YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--------------------------------------------|---------|----------------|----------|-----------|-----------|------------|---------------|----------------|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

### Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics

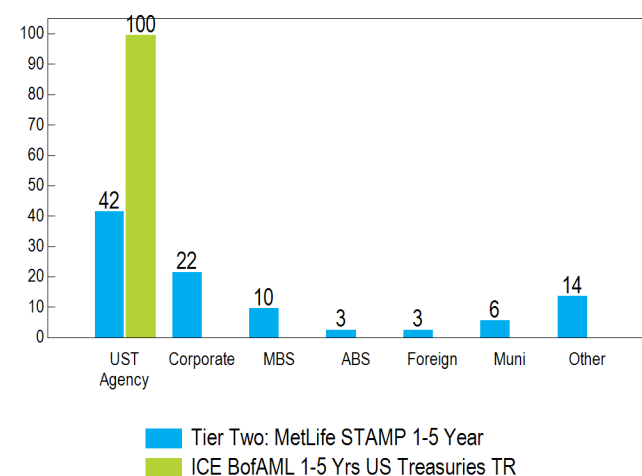
vs. ICE BofAML 1-5 Yrs US Treasuries TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.09            | 0.31        | 1.82            |
| Average Duration             | 2.49            | 2.57        | 2.49            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



#### Asset Allocation on March 31, 2020

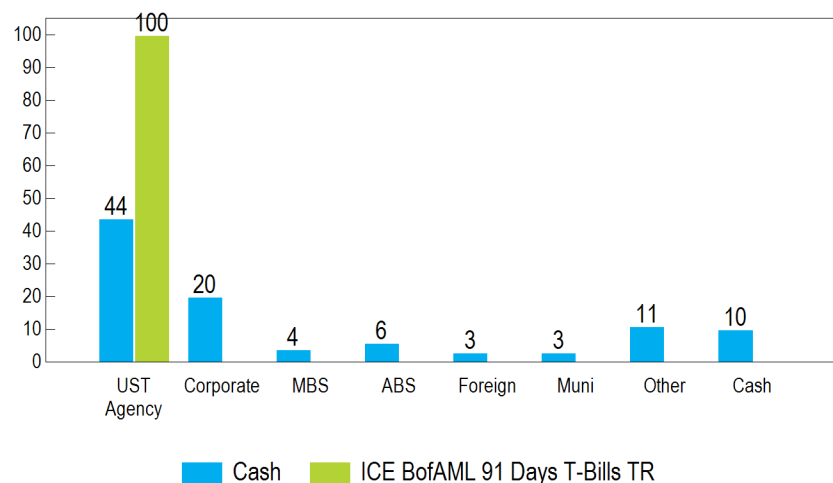
|                                        | Actual               | Actual        |
|----------------------------------------|----------------------|---------------|
| Operating: MetLife Enhanced Cash       | \$305,200,090        | 33.2%         |
| Operating: Payden Enhanced Cash        | \$305,981,871        | 33.3%         |
| Operating: Wells Capital Enhanced Cash | \$307,701,712        | 33.5%         |
| <b>Total</b>                           | <b>\$918,883,674</b> | <b>100.0%</b> |

#### Cash Characteristics

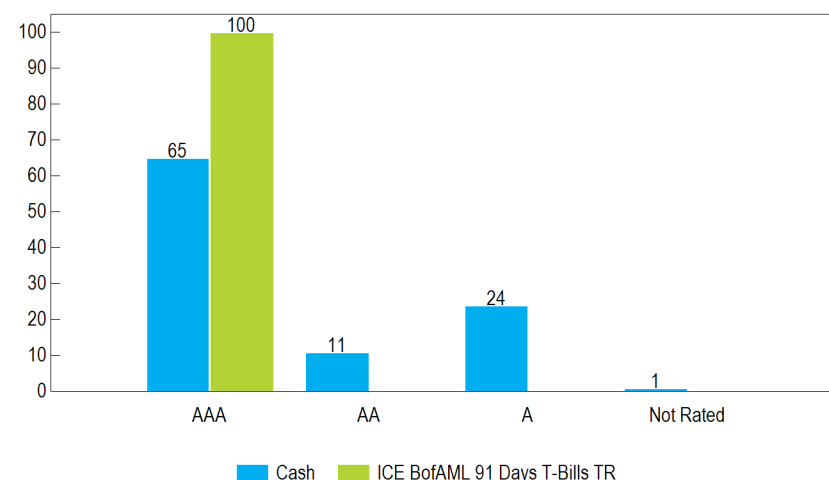
##### vs. ICE BofAML 91 Days T-Bills TR

|                              | Portfolio<br>Q1-20 | Index<br>Q1-20 | Portfolio<br>Q4-19 |
|------------------------------|--------------------|----------------|--------------------|
| Fixed Income Characteristics |                    |                |                    |
| Yield to Maturity            | 1.1                | 0.1            | 1.7                |
| Average Duration             | 0.2                | 0.2            | 0.2                |
| Average Quality              | AA                 | AAA            | AA                 |

#### Sector Allocation



#### Credit Quality Allocation



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

### Account Information

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

### Portfolio Performance Summary

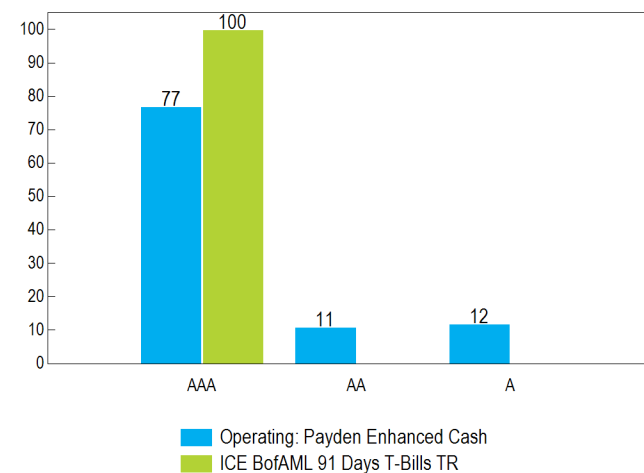
|                                         | QTD (%) | Fiscal YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|-----------------------------------------|---------|----------------|----------|-----------|-----------|------------|---------------|----------------|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

### Operating: Payden Enhanced Cash Fixed Income Characteristics

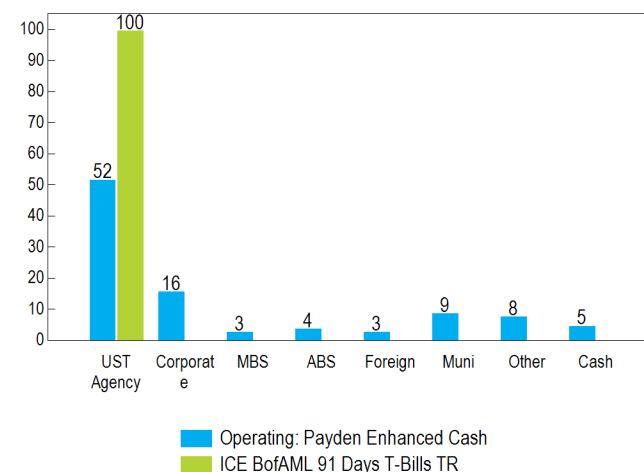
#### vs. ICE BofAML 91 Days T-Bills TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.09            | 0.08        | 1.69            |
| Average Duration             | 0.34            | 0.16        | 0.22            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



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

### Account Information

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

### Portfolio Performance Summary

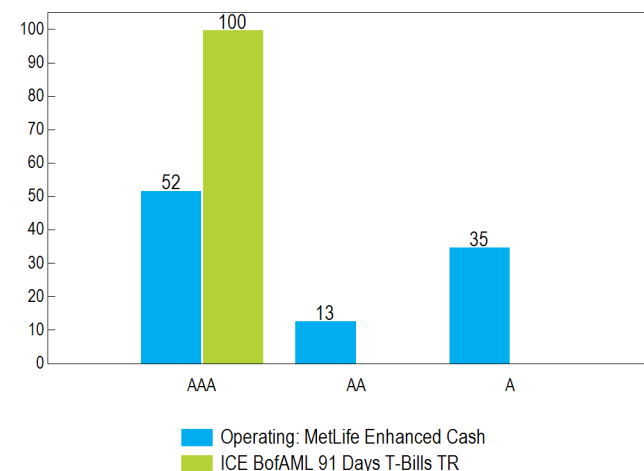
|                                         | QTD (%) | Fiscal YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|-----------------------------------------|---------|----------------|----------|-----------|-----------|------------|---------------|----------------|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

### Operating: MetLife Enhanced Cash Fixed Income Characteristics

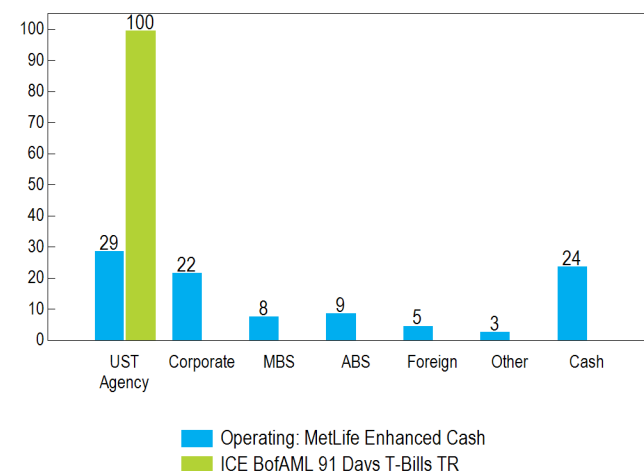
#### vs. ICE BofAML 91 Days T-Bills TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.48            | 0.08        | 1.79            |
| Average Duration             | 0.19            | 0.16        | 0.07            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation





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

### Account Information

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

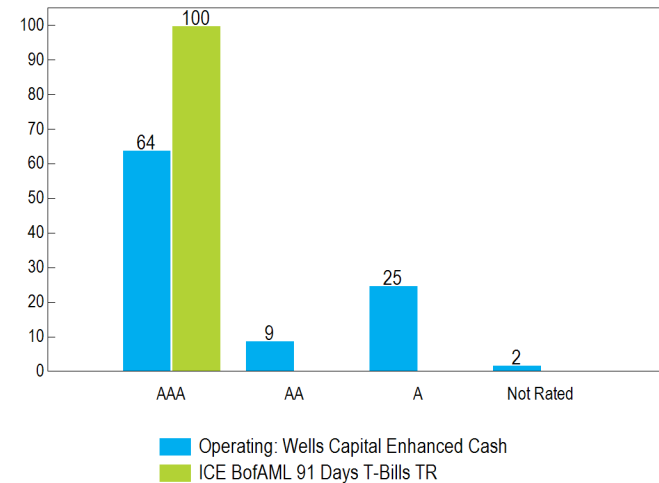
### Portfolio Performance Summary

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

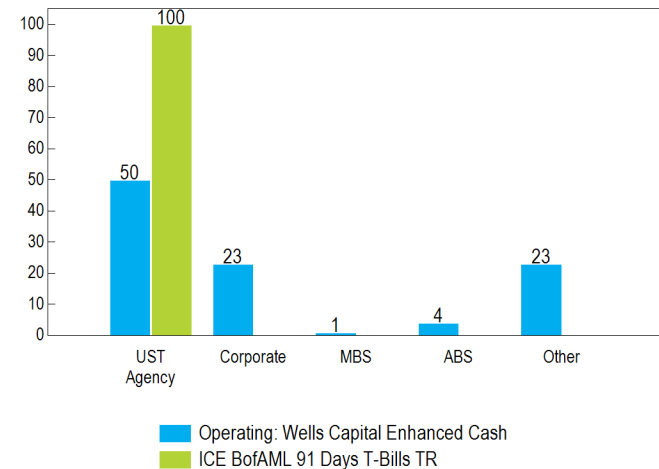
### Operating: Wells Capital Enhanced Cash Fixed Income Characteristics vs. ICE BofAML 91 Days T-Bills TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 0.88            | 0.08        | 1.74            |
| Average Duration             | 0.15            | 0.16        | 0.33            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



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

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

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

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

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

## Quarterly Investment Report Supplement

## Annual Investment Policy (2020)

### Maturity and Quality Requirements

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

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

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

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

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

## Annual Investment Policy (2020)

### Diversification Compliance<sup>1</sup>

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

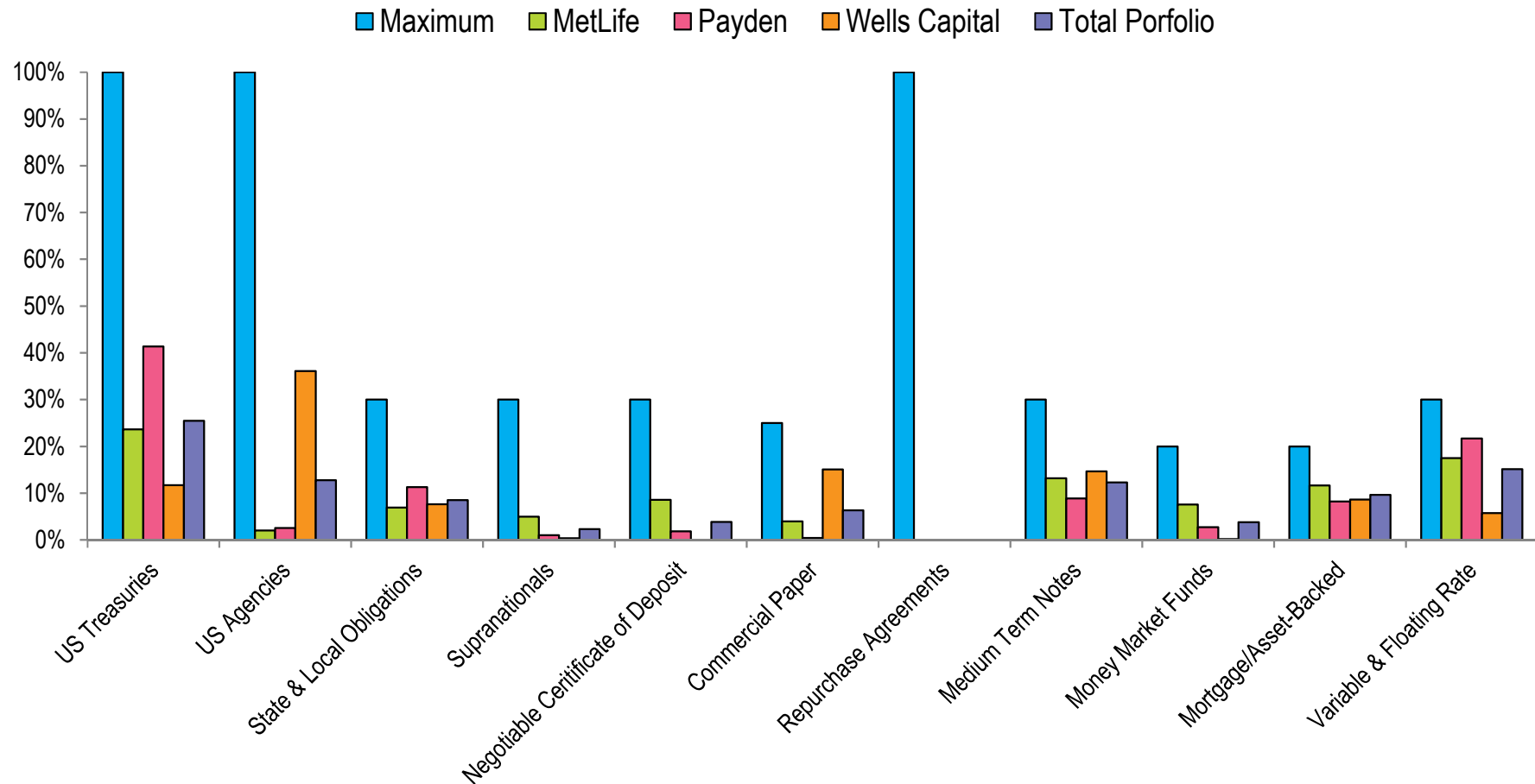
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2020.

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

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

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

As of March 31, 2020



## Custom Peer Group



### Custom Peer Group

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

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

### Custom Peer Group: MetLife Tier One

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

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

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

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

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

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

### Custom Peer Group: Payden Tier One

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

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

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

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

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

### Custom Peer Group: Wells Capital Tier One

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

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

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

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

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

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

### Custom Peer Group: MetLife Tier Two

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

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

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

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

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

## Performance Attribution

### Performance Attribution

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

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

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

<sup>1</sup> Performance attribution provided by MetLife.

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



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

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

<sup>1</sup> Performance attribution provided by Payden.

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

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

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

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

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

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

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

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

<sup>1</sup> Performance attribution provided by MetLife.

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

# Appendix

## Characteristics

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

### Account Information

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

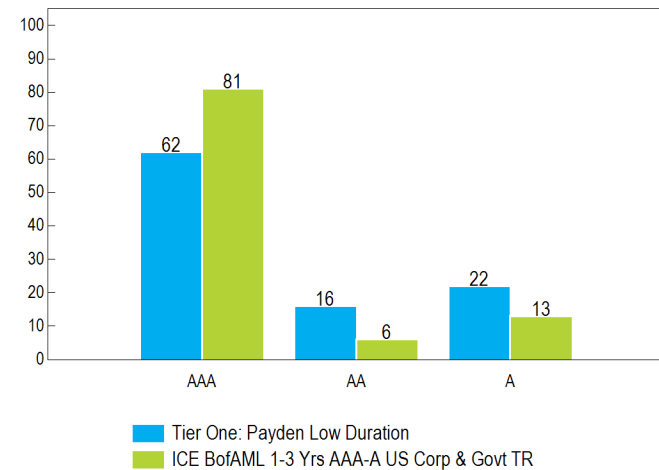
### Portfolio Performance Summary

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

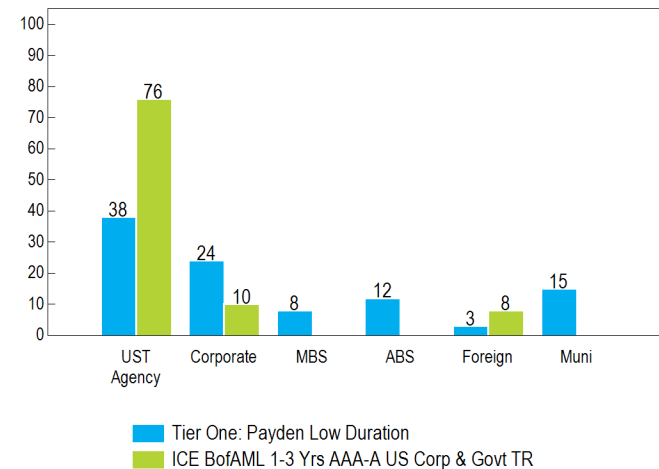
### Tier One: Payden Low Duration Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.31            | 0.66        | 1.79            |
| Average Duration             | 1.87            | 1.81        | 1.81            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



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

### Account Information

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

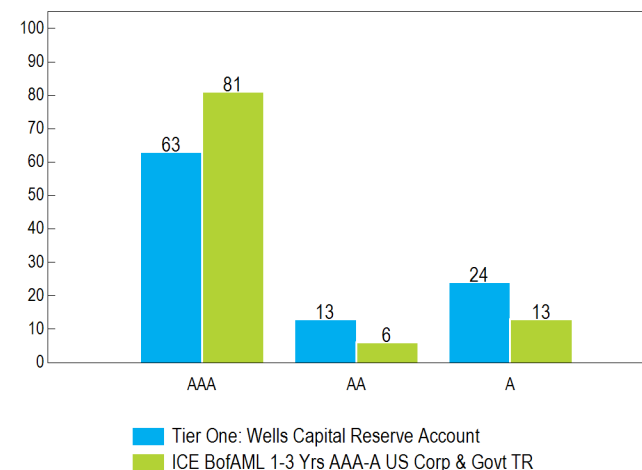
### Portfolio Performance Summary

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

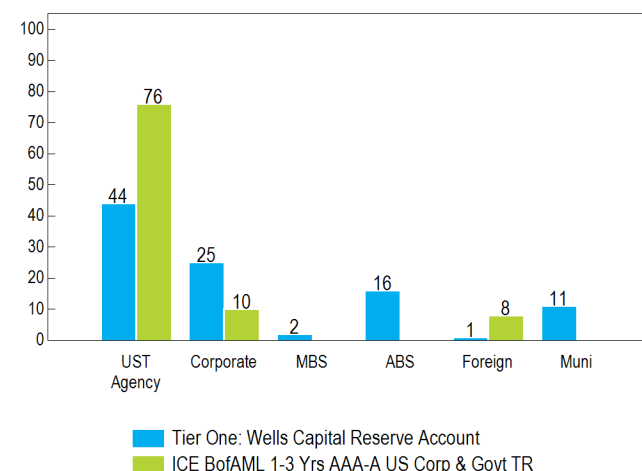
### Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.18            | 0.66        | 1.75            |
| Average Duration             | 1.72            | 1.81        | 1.85            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



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

### Account Information

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

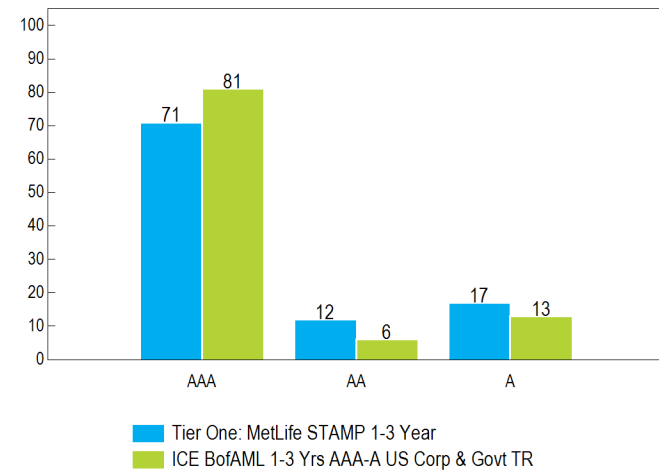
### Portfolio Performance Summary

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

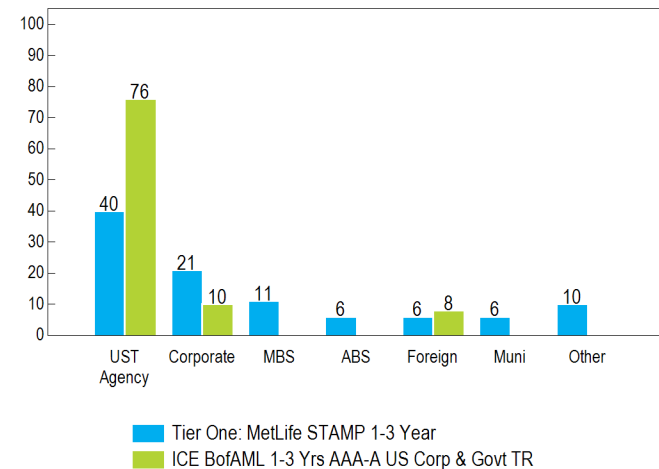
### Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.13            | 0.66        | 1.80            |
| Average Duration             | 1.71            | 1.81        | 1.75            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation





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

### Account Information

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

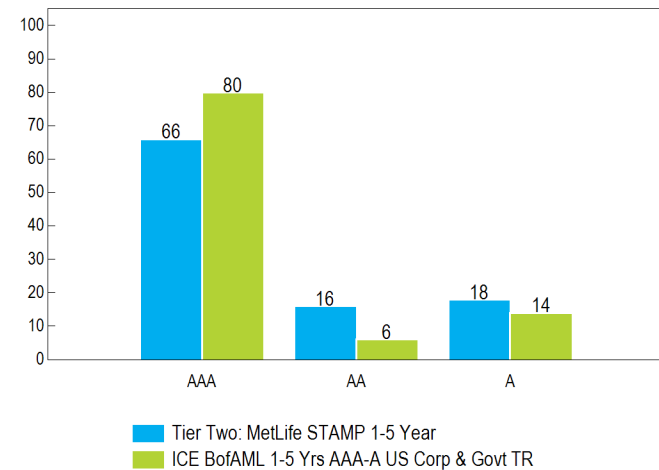
### Portfolio Performance Summary

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

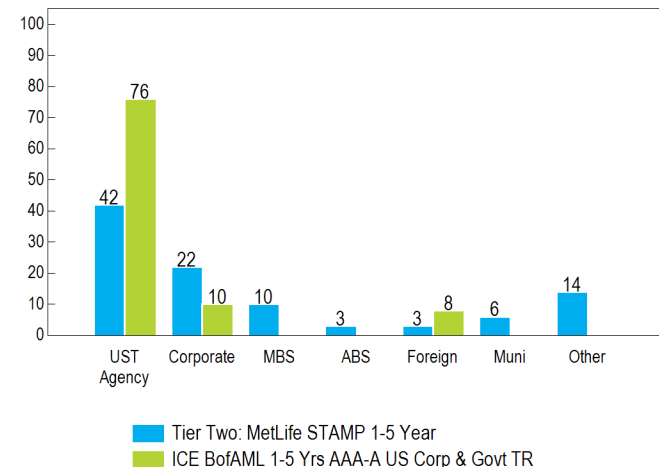
### Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR

|                              | Portfolio Q1-20 | Index Q1-20 | Portfolio Q4-19 |
|------------------------------|-----------------|-------------|-----------------|
| Fixed Income Characteristics |                 |             |                 |
| Yield to Maturity            | 1.09            | 0.71        | 1.82            |
| Average Duration             | 2.49            | 2.57        | 2.49            |
| Average Quality              | AA              | AAA         | AA              |

### Credit Quality Allocation



### US Sector Allocation



## Holdings

# CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

## Portfolio Positions

as of March 31, 2020

Currency: USD

| Units                 | Security                            | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-----------------------|-------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| <b>Cash</b>           |                                     |            |                                              |                                          |                            |                 |                      |
|                       | CASH OR STIF                        | USD        | 206,074.17                                   | 206,074.17                               | 0.00                       | 1.000           | 0.13%                |
| <b>Total for Cash</b> |                                     |            | <b>206,074.17</b>                            | <b>206,074.17</b>                        | <b>0.00</b>                |                 | <b>0.13%</b>         |
| <b>Treasuries</b>     |                                     |            |                                              |                                          |                            |                 |                      |
| 1,662,000.000         | U.S. TREASURY NOTE                  | 9128285V8  | 1,694,870.54                                 | 1,729,745.98                             | 34,875.44                  | 104.076         | 1.10%                |
|                       | Mat: 1/15/22 Cpn: 2.50%             |            | 1,751.52                                     | 8,789.42                                 |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 1/22/20 St Date: 1/23/20   |            |                                              |                                          |                            |                 |                      |
| 3,445,000.000         | U.S. TREASURY NOTE                  | 912828V72  | 3,467,799.35                                 | 3,549,359.28                             | 81,559.93                  | 103.029         | 2.26%                |
|                       | Mat: 1/31/22 Cpn: 1.88%             |            | 28,610.82                                    | 10,824.78                                |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 1/9/20 St Date: 1/10/20    |            |                                              |                                          |                            |                 |                      |
| 6,021,000.000         | U.S. TREASURY NOTE                  | 9128286U9  | 6,149,560.71                                 | 6,261,369.64                             | 111,808.93                 | 103.992         | 4.00%                |
|                       | Mat: 5/15/22 Cpn: 2.13%             |            | 36,556.07                                    | 48,507.09                                |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 2/26/20 St Date: 2/27/20   |            |                                              |                                          |                            |                 |                      |
| 15,294,000.000        | U.S. TREASURY NOTE                  | 912828TY6  | 15,298,666.00                                | 15,834,069.38                            | 535,403.38                 | 103.531         | 10.09%               |
|                       | Mat: 11/15/22 Cpn: 1.63%            |            | 9,376.65                                     | 94,221.96                                |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 11/21/19 St Date: 11/22/19 |            |                                              |                                          |                            |                 |                      |
| 2,335,000.000         | U.S. TREASURY NOTE                  | 912828Z29  | 2,339,669.53                                 | 2,414,535.94                             | 74,866.41                  | 103.406         | 1.53%                |
|                       | Mat: 1/15/23 Cpn: 1.50%             |            | 1,386.06                                     | 7,409.13                                 |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 1/15/20 St Date: 1/16/20   |            |                                              |                                          |                            |                 |                      |
| 7,510,000.000         | U.S. TREASURY NOTE                  | 912828Z86  | 7,629,346.80                                 | 7,747,327.72                             | 117,980.92                 | 103.160         | 4.92%                |
|                       | Mat: 2/15/23 Cpn: 1.38%             |            | 4,664.50                                     | 13,049.66                                |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 2/28/20 St Date: 3/2/20    |            |                                              |                                          |                            |                 |                      |
| 3,432,000.000         | U.S. TREASURY NOTE                  | 912828P79  | 3,519,810.94                                 | 3,553,594.70                             | 33,783.76                  | 103.543         | 2.25%                |
|                       | Mat: 2/28/23 Cpn: 1.50%             |            | 2,238.26                                     | 4,476.52                                 |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 3/13/20 St Date: 3/16/20   |            |                                              |                                          |                            |                 |                      |
| 741,000.000           | U.S. TREASURY NOTE                  | 9128284S6  | 768,985.11                                   | 798,224.88                               | 29,239.77                  | 107.723         | 0.51%                |
|                       | Mat: 5/31/23 Cpn: 2.75%             |            | 2,449.75                                     | 6,848.18                                 |                            |                 |                      |
|                       | Moody's: Aaa S&P: AA+u Fitch: AAA   |            |                                              |                                          |                            |                 |                      |
|                       | Tr Date: 1/10/20 St Date: 1/13/20   |            |                                              |                                          |                            |                 |                      |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                               | Security                                                                                                                      | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 5,005,000.000                       | U.S. TREASURY NOTE<br>Mat: 7/31/23 Cpn: 2.75%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 3/11/20 St Date: 3/12/20       | 912828Y61  | 5,345,590.25<br>15,503.13                    | 5,409,505.65<br>23,065.63                | 63,915.40                  | 108.082         | 3.44%                |
| <b>Total for Treasuries</b>         |                                                                                                                               |            | <b>46,214,299.22<br/>102,536.76</b>          | <b>47,297,733.16<br/>217,192.37</b>      | <b>1,083,433.94</b>        |                 | <b>30.10%</b>        |
| <b>Government Related</b>           |                                                                                                                               |            |                                              |                                          |                            |                 |                      |
| 910,000.000                         | INTL FINANCE CORP<br>Mat: 1/25/21 Cpn: 2.25%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 1/18/18 St Date: 1/25/18             | 45950KCM0  | 907,324.60<br>0.00                           | 923,243.10<br>3,753.75                   | 15,918.50                  | 101.455         | 0.59%                |
| 1,350,000.000                       | INTL BANK RECON & DEVELOP<br>Mat: 7/23/21 Cpn: 2.75%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 7/18/18 St Date: 7/25/18     | 459058GH0  | 1,346,841.00<br>0.00                         | 1,389,623.12<br>7,012.50                 | 42,782.12                  | 102.935         | 0.88%                |
| 1,560,000.000                       | IBRD C 1/27/21 1X<br>Mat: 1/27/23 Cpn: 1.75%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 1/24/20 St Date: 1/28/20             | 45905U5U4  | 1,560,000.00<br>75.83                        | 1,574,436.80<br>4,853.33                 | 14,436.80                  | 100.925         | 1.00%                |
| 840,000.000                         | INTL BANK RECON & DEVELOP<br>Mat: 12/12/24 Cpn: 2.00%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 3/31/20 St Date: 4/1/20     | 45905U5S9  | 845,863.20<br>5,086.67                       | 845,863.20<br>5,086.67                   | 0.00                       | 100.698         | 0.54%                |
| <b>Total for Government Related</b> |                                                                                                                               |            | <b>4,660,028.80<br/>5,162.50</b>             | <b>4,733,166.23<br/>20,706.25</b>        | <b>73,137.43</b>           |                 | <b>3.01%</b>         |
| <b>Agencies</b>                     |                                                                                                                               |            |                                              |                                          |                            |                 |                      |
| 280,000.000                         | HOUSING URBAN DEVELOPMENT<br>Mat: 8/1/21 Cpn: 2.57%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 3/20/19 St Date: 3/28/19 | 911759MU9  | 280,000.00<br>0.00                           | 287,810.14<br>1,199.33                   | 7,810.14                   | 102.789         | 0.18%                |
| 1,790,000.000                       | FHLB<br>Mat: 10/12/21 Cpn: 3.00%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 10/11/18 St Date: 10/12/18                   | 3130AF5B9  | 1,788,836.50<br>0.00                         | 1,861,394.02<br>25,209.17                | 72,557.52                  | 103.989         | 1.20%                |
| 1,340,000.000                       | FHLB<br>Mat: 11/19/21 Cpn: 1.63%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 11/7/19 St Date: 11/8/19                     | 3130AHJY0  | 1,337,708.60<br>0.00                         | 1,366,272.15<br>8,649.51                 | 28,563.55                  | 101.961         | 0.87%                |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                     | Security                                                                                                             | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|---------------------------|----------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,710,000.000             | FNMA<br>Mat: 9/6/22 Cpn: 1.38%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 9/5/19 St Date: 9/6/19                | 3135G0W33  | 1,704,049.20<br>0.00                         | 1,750,809.32<br>1,632.81                 | 46,760.12                  | 102.387         | 1.11%                |
| 1,560,000.000             | FNMA C 7/30/20 Q<br>Mat: 1/30/23 Cpn: 1.75%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 1/28/20 St Date: 1/30/20 | 3135G0X73  | 1,560,000.00<br>0.00                         | 1,563,532.39<br>4,625.83                 | 3,532.39                   | 100.226         | 0.99%                |
| 1,530,000.000             | FFCB<br>Mat: 7/13/23 Cpn: 1.78%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 1/29/20 St Date: 1/30/20             | 3133ELGR9  | 1,529,617.50<br>1,286.05                     | 1,530,540.14<br>5,900.70                 | 922.64                     | 100.035         | 0.97%                |
| 435,000.000               | FHLB<br>Mat: 8/15/24 Cpn: 1.50%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 8/15/19 St Date: 8/16/19             | 3130AGWK7  | 433,977.75<br>0.00                           | 453,730.15<br>833.75                     | 19,752.40                  | 104.306         | 0.29%                |
| 1,430,000.000             | FHLB C 7/21/20 Q<br>Mat: 1/21/25 Cpn: 2.00%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 1/23/20 St Date: 1/24/20 | 3130AHWB5  | 1,430,000.00<br>238.33                       | 1,431,643.18<br>5,561.11                 | 1,643.18                   | 100.115         | 0.91%                |
| 1,530,000.000             | FHLMC C 5/6/20 Q<br>Mat: 2/6/25 Cpn: 1.97%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 2/6/20 St Date: 2/7/20   | 3134GU7H7  | 1,530,000.00<br>83.73                        | 1,531,303.84<br>4,604.88                 | 1,303.84                   | 100.085         | 0.97%                |
| <b>Total for Agencies</b> |                                                                                                                      |            | <b>11,594,189.55<br/>1,608.11</b>            | <b>11,777,035.32<br/>58,217.10</b>       | <b>182,845.77</b>          |                 | <b>7.50%</b>         |

**Taxable Muni**

|             |                                                                                                                                         |           |                        |                        |          |         |       |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------|------------------------|----------|---------|-------|
| 285,000.000 | CA LOS ANGELES DEPT AIRPORTS-LAX TXBL<br>Mat: 5/15/20 Cpn: 2.09%<br>Moody's: Aa2 S&P: AA Fitch: AA<br>Tr Date: 4/20/18 St Date: 4/24/18 | 544445AZ2 | 281,545.80<br>2,633.31 | 285,220.79<br>2,252.39 | 3,674.99 | 100.078 | 0.18% |
| 690,000.000 | CA ST HSG FIN AGY REV-TXBL<br>Mat: 8/1/20 Cpn: 2.30%<br>Moody's: A1 S&P: AA Fitch:<br>Tr Date: 6/21/17 St Date: 6/29/17                 | 13034PZF7 | 690,000.00<br>0.00     | 693,510.33<br>2,645.00 | 3,510.33 | 100.509 | 0.44% |
| 850,000.000 | CA SAN FRANCISCO REDEV AGY-TXBL<br>Mat: 8/1/20 Cpn: 2.00%<br>Moody's: S&P: AA- Fitch:<br>Tr Date: 11/10/17 St Date: 11/30/17            | 79770GGM2 | 848,886.50<br>0.00     | 851,901.79<br>2,833.33 | 3,015.29 | 100.224 | 0.54% |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

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



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units         | Security                                                                                                                             | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,100,000.000 | CA SAN FRANCISCO AIRPORT COMMN TXB<br>Mat: 5/1/21 Cpn: 2.93%<br>Moody's: A1 S&P: A+ Fitch: A+<br>Tr Date: 1/11/19 St Date: 2/7/19    | 79766DLQ0  | 1,100,000.00<br>0.00                         | 1,113,416.66<br>13,415.42                | 13,416.66                  | 101.220         | 0.71%                |
| 545,000.000   | CA SACRAMENTO TRANSIENT OCC TAX REV TXB<br>Mat: 6/1/21 Cpn: 3.46%<br>Moody's: A1 S&P: Fitch:<br>Tr Date: 10/18/18 St Date: 11/1/18   | 786073AA4  | 545,000.00<br>0.00                           | 555,705.95<br>6,276.58                   | 10,705.95                  | 101.964         | 0.36%                |
| 450,000.000   | CA SAN JOSE REDEV AGY TAB TXB<br>Mat: 8/1/21 Cpn: 2.48%<br>Moody's: S&P: AA Fitch: AA<br>Tr Date: 5/16/18 St Date: 5/18/18           | 798170AD8  | 440,883.00<br>3,317.00                       | 454,516.82<br>1,860.00                   | 13,633.82                  | 101.004         | 0.29%                |
| 450,000.000   | CA HESPERIA REDEV AGY SUCCESSOR TXB<br>Mat: 9/1/21 Cpn: 3.00%<br>Moody's: S&P: AA Fitch:<br>Tr Date: 9/12/18 St Date: 10/2/18        | 42806KAQ6  | 446,715.00<br>0.00                           | 458,520.48<br>1,125.00                   | 11,805.48                  | 101.893         | 0.29%                |
| 1,025,000.000 | CA LA QUINTA REDEV AGY TAB TXB<br>Mat: 9/1/21 Cpn: 4.45%<br>Moody's: S&P: AA Fitch:<br>Tr Date: 4/30/19 St Date: 5/2/19              | 50420BBD3  | 1,067,814.25<br>7,728.78                     | 1,064,923.75<br>3,801.04                 | (2,890.50)                 | 103.895         | 0.68%                |
| 520,000.000   | CA OAKLAND REDEV AGY PRE-21 TXB<br>Mat: 9/1/21 Cpn: 9.25%<br>Moody's: WR S&P: AA- Fitch:<br>Tr Date: 5/24/18 St Date: 5/29/18        | 67232PBB8  | 618,259.20<br>11,757.78                      | 583,203.10<br>4,008.33                   | (35,056.10)                | 112.154         | 0.37%                |
| 220,000.000   | CA BRENTWOOD INFR FIN AUTH REV TXB<br>Mat: 9/2/21 Cpn: 2.81%<br>Moody's: S&P: AA Fitch:<br>Tr Date: 2/7/18 St Date: 2/28/18          | 10727XVC9  | 220,000.00<br>0.00                           | 222,082.29<br>497.99                     | 2,082.29                   | 100.947         | 0.14%                |
| 330,000.000   | CT STATE GO/ULT TXB<br>Mat: 10/15/21 Cpn: 2.40%<br>Moody's: A1 S&P: A Fitch: A+<br>Tr Date: 6/13/19 St Date: 6/17/19                 | 20772JKP6  | 330,594.00<br>1,364.57                       | 334,942.90<br>3,653.52                   | 4,348.90                   | 101.498         | 0.21%                |
| 560,000.000   | CA SAN DIEGO CITY PUB FACS LEASE TXB<br>Mat: 10/15/21 Cpn: 2.99%<br>Moody's: S&P: AA- Fitch: AA-<br>Tr Date: 6/4/18 St Date: 6/21/18 | 797299LT9  | 560,000.00<br>0.00                           | 568,163.95<br>7,731.17                   | 8,163.95                   | 101.458         | 0.36%                |
| 540,000.000   | HI STATE GO/ULT TXB<br>Mat: 1/1/22 Cpn: 2.77%<br>Moody's: Aa1 S&P: AA+ Fitch: AA+<br>Tr Date: 2/7/19 St Date: 2/21/19                | 419792YL4  | 540,000.00<br>0.00                           | 549,530.99<br>3,739.50                   | 9,530.99                   | 101.765         | 0.35%                |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

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|---------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 640,000.000   | CA POMONA REDEV AGY TAX ALLOCATION TXB<br>Mat: 2/1/22 Cpn: 3.55%<br>Moody's: S&P: A+ Fitch:<br>Tr Date: 9/27/18 St Date: 10/11/18          | 73209MAD9  | 640,000.00<br>0.00                           | 660,440.48<br>3,788.80                   | 20,440.48                  | 103.194         | 0.42%                |
| 655,000.000   | CA STATE GO/ULT-TXBL BABS<br>Mat: 3/1/22 Cpn: 6.65%<br>Moody's: Aa2 S&P: AA- Fitch: AA<br>Tr Date: 7/16/19 St Date: 7/18/19                | 13063BFS6  | 715,364.80<br>16,576.05                      | 701,454.77<br>3,629.79                   | (13,910.03)                | 107.092         | 0.45%                |
| 930,000.000   | CA SAN FRANCISCO AIRPORT COMMN TXB<br>Mat: 5/1/22 Cpn: 3.05%<br>Moody's: A1 S&P: A+ Fitch: A+<br>Tr Date: 1/11/19 St Date: 2/7/19          | 79766DLR8  | 930,000.00<br>0.00                           | 952,953.63<br>11,803.25                  | 22,953.63                  | 102.468         | 0.61%                |
| 820,000.000   | CA UNIV OF CALIFORNIA REV TXB<br>Mat: 5/15/22 Cpn: 3.28%<br>Moody's: Aa3 S&P: AA- Fitch: AA-<br>Tr Date: 12/13/18 St Date: 12/17/18        | 91412HDJ9  | 822,878.20<br>2,392.94                       | 842,973.47<br>10,170.00                  | 20,095.27                  | 102.802         | 0.54%                |
| 1,500,000.000 | CA HEALTH FACS-NO PLACE LIKE HOME-TXB<br>Mat: 6/1/22 Cpn: 1.89%<br>Moody's: Aa3 S&P: AA- Fitch: AA-<br>Tr Date: 11/20/19 St Date: 11/25/19 | 13032UUZ9  | 1,500,000.00<br>0.00                         | 1,496,084.97<br>9,938.25                 | (3,915.03)                 | 99.739          | 0.95%                |
| 500,000.000   | CA MANTECA REDEV AGY TAB TXB<br>Mat: 10/1/22 Cpn: 1.64%<br>Moody's: S&P: AA Fitch:<br>Tr Date: 2/20/20 St Date: 2/28/20                    | 56453RAW4  | 500,000.00<br>0.00                           | 506,438.60<br>751.67                     | 6,438.60                   | 101.288         | 0.32%                |
| 435,000.000   | CA PALM DESERT REDEV AGY TAB TXB<br>Mat: 10/1/22 Cpn: 2.75%<br>Moody's: S&P: AA Fitch:<br>Tr Date: 7/23/19 St Date: 7/25/19                | 696624AV7  | 442,577.70<br>3,788.13                       | 446,404.48<br>5,981.25                   | 3,826.78                   | 102.622         | 0.29%                |
| 1,470,000.000 | CA BAY AREA TOLL AUTH TOLL BRDG REV TXB<br>Mat: 4/1/23 Cpn: 2.18%<br>Moody's: Aa3 S&P: AA Fitch: AA<br>Tr Date: 9/20/19 St Date: 9/26/19   | 072024WN8  | 1,470,000.00<br>0.00                         | 1,509,871.87<br>16,498.30                | 39,871.87                  | 102.712         | 0.97%                |
| 320,000.000   | CA BAY AREA TOLL AUTH TOLL BRDG REV TXB<br>Mat: 4/1/23 Cpn: 2.23%<br>Moody's: A1 S&P: AA- Fitch: AA-<br>Tr Date: 9/20/19 St Date: 9/26/19  | 072024WX6  | 320,000.00<br>0.00                           | 322,122.78<br>3,673.69                   | 2,122.78                   | 100.663         | 0.21%                |
| 570,000.000   | CT STATE OF CONNECTICUT TXB<br>Mat: 4/15/23 Cpn: 2.92%<br>Moody's: A1 S&P: A Fitch: A+<br>Tr Date: 3/29/19 St Date: 4/11/19                | 20772KGM5  | 570,000.00<br>0.00                           | 593,090.02<br>7,677.36                   | 23,090.02                  | 104.051         | 0.38%                |





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Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

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|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 370,000.000                   | CA ALAMEDA CNTY JT PWR AUTH LEASE TXB<br>Mat: 6/1/23 Cpn: 3.10%<br>Moody's: Aa1 S&P: AA+ Fitch: AA+<br>Tr Date: 2/13/20 St Date: 2/18/20 | 010831DQ5  | 386,298.50<br>2,449.35                       | 383,366.60<br>3,817.17                   | (2,931.90)                 | 103.613         | 0.25%                |
| 1,110,000.000                 | CA LOS ALTOS SCH DIST GO BANS TXB<br>Mat: 8/1/23 Cpn: 2.14%<br>Moody's: MIG1 S&P: SP-1+ Fitch:<br>Tr Date: 9/27/19 St Date: 10/17/19     | 544290JC4  | 1,110,000.00<br>0.00                         | 1,113,750.16<br>3,964.55                 | 3,750.16                   | 100.338         | 0.71%                |
| 300,000.000                   | MA STATE WATER RES AUTH-GREEN TXB<br>Mat: 8/1/23 Cpn: 1.77%<br>Moody's: Aa1 S&P: AA+ Fitch: AA+<br>Tr Date: 10/10/19 St Date: 11/1/19    | 576051VW3  | 300,000.00<br>0.00                           | 303,626.47<br>886.00                     | 3,626.47                   | 101.209         | 0.19%                |
| 1,050,000.000                 | CA SAN BERNARDINO CCD TXB<br>Mat: 8/1/23 Cpn: 1.96%<br>Moody's: Aa1 S&P: AA Fitch:<br>Tr Date: 11/21/19 St Date: 12/12/19                | 796720MF4  | 1,050,000.00<br>0.00                         | 1,075,565.72<br>3,437.00                 | 25,565.72                  | 102.435         | 0.68%                |
| <b>Total for Taxable Muni</b> |                                                                                                                                          |            | <b>23,546,408.41<br/>62,391.77</b>           | <b>23,770,189.24<br/>190,263.60</b>      | <b>223,780.83</b>          |                 | <b>15.18%</b>        |

**Credit**

|             |                                                                                                                              |           |                        |                        |            |         |       |
|-------------|------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------|------------------------|------------|---------|-------|
| 685,000.000 | AMERICAN EXPRESS<br>Mat: 10/30/20 Cpn: 2.20%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 10/23/17 St Date: 10/30/17        | 025816BP3 | 684,109.50<br>0.00     | 681,157.15<br>6,321.03 | (2,952.35) | 99.439  | 0.44% |
| 755,000.000 | PINNACLE WEST CAPITAL<br>Mat: 11/30/20 Cpn: 2.25%<br>Moody's: A3 S&P: BBB+ Fitch: A-<br>Tr Date: 11/28/17 St Date: 11/30/17  | 723484AG6 | 754,524.35<br>0.00     | 756,094.00<br>5,709.69 | 1,569.65   | 100.145 | 0.48% |
| 505,000.000 | GOLDMAN SACHS<br>Mat: 12/27/20 Cpn: 2.60%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 3/22/17 St Date: 3/27/17             | 38141GWG5 | 504,651.55<br>0.00     | 504,391.48<br>3,428.39 | (260.08)   | 99.880  | 0.32% |
| 500,000.000 | AVALONBAY COMMUNITIES FRN<br>Mat: 1/15/21 Cpn: 2.26%<br>Moody's: A3 S&P: A- Fitch:<br>Tr Date: 5/3/18 St Date: 5/7/18        | 05348EBD0 | 500,156.20<br>1,466.78 | 492,142.50<br>2,418.28 | (8,013.70) | 98.429  | 0.31% |
| 710,000.000 | MANUFACTURERS & TRADERS TRUST<br>Mat: 1/25/21 Cpn: 2.63%<br>Moody's: A3 S&P: A Fitch: A<br>Tr Date: 1/22/18 St Date: 1/25/18 | 55279HAR1 | 709,041.50<br>0.00     | 714,167.70<br>3,416.88 | 5,126.20   | 100.587 | 0.45% |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

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



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units       | Security                                                                                                                   | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-------------|----------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 180,000.000 | CITIGROUP<br>Mat: 8/2/21 Cpn: 2.35%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 7/25/19 St Date: 7/29/19                 | 172967KV2  | 179,911.80<br>2,079.75                       | 180,348.30<br>693.25                     | 436.50                     | 100.194         | 0.11%                |
| 775,000.000 | NEXTERA ENERGY CAPITAL<br>Mat: 9/1/21 Cpn: 2.40%<br>Moody's: Baa1 S&P: BBB+ Fitch: A-<br>Tr Date: 8/28/19 St Date: 8/30/19 | 65339KAS9  | 779,960.00<br>1,138.09                       | 774,821.75<br>1,551.94                   | (5,138.25)                 | 99.977          | 0.49%                |
| 730,000.000 | CATERPILLAR FINANCIAL<br>Mat: 9/7/21 Cpn: 3.15%<br>Moody's: A3 S&P: A Fitch: A<br>Tr Date: 9/4/18 St Date: 9/7/18          | 14913Q2N8  | 729,437.90<br>0.00                           | 744,337.20<br>1,533.00                   | 14,899.30                  | 101.964         | 0.47%                |
| 490,000.000 | JOHN DEERE CAPITAL CORP<br>Mat: 9/10/21 Cpn: 3.13%<br>Moody's: A2 S&P: A Fitch: A<br>Tr Date: 9/5/18 St Date: 9/10/18      | 24422EUK3  | 489,848.10<br>0.00                           | 498,128.12<br>893.23                     | 8,280.02                   | 101.659         | 0.32%                |
| 360,000.000 | BANK OF AMERICA<br>Mat: 10/1/21 Cpn: 2.33%<br>Moody's: A2 S&P: A- Fitch: A+<br>Tr Date: 9/13/17 St Date: 9/18/17           | 06051GGS2  | 360,000.00<br>0.00                           | 359,497.80<br>4,190.40                   | (502.20)                   | 99.861          | 0.23%                |
| 325,000.000 | HONEYWELL INTL<br>Mat: 11/1/21 Cpn: 1.85%<br>Moody's: A2 S&P: A Fitch: A<br>Tr Date: 7/30/19 St Date: 8/1/19               | 438516BM7  | 322,686.35<br>1,503.13                       | 325,747.50<br>2,505.21                   | 3,061.15                   | 100.230         | 0.21%                |
| 800,000.000 | MORGAN STANLEY<br>Mat: 11/17/21 Cpn: 2.63%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 7/19/19 St Date: 7/23/19          | 61746BED4  | 803,872.00<br>3,850.00                       | 803,608.00<br>7,816.67                   | (264.00)                   | 100.451         | 0.51%                |
| 126,000.000 | MORGAN STANLEY FRN<br>Mat: 1/20/22 Cpn: 3.00%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 3/3/17 St Date: 3/8/17         | 61746BEE2  | 127,401.12<br>363.56                         | 125,366.47<br>745.28                     | (2,034.65)                 | 99.497          | 0.08%                |
| 740,000.000 | NATL RURAL UTILITIES<br>Mat: 1/21/22 Cpn: 1.75%<br>Moody's: A2 S&P: A Fitch: A<br>Tr Date: 1/22/20 St Date: 2/5/20         | 63743HET5  | 739,348.80<br>0.00                           | 740,943.50<br>2,014.44                   | 1,594.70                   | 100.128         | 0.47%                |
| 800,000.000 | US BANK CINCINNATI<br>Mat: 1/21/22 Cpn: 1.80%<br>Moody's: A1 S&P: AA- Fitch: AA-<br>Tr Date: 1/16/20 St Date: 1/21/20      | 90331HPJ6  | 799,720.00<br>0.00                           | 799,916.00<br>2,800.00                   | 196.00                     | 99.990          | 0.51%                |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

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



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

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



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

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as of March 31, 2020

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



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

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



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                   | Security                                                                                            | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-------------------------|-----------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 50,000.000              | NIKE<br>Mat: 3/27/25 Cpn: 2.40%<br>Moody's: A1 S&P: AA- Fitch:<br>Tr Date: 3/25/20 St Date: 3/27/20 | 654106AH6  | 49,932.00<br>0.00                            | 52,021.50<br>13.33                       | 2,089.50                   | 104.043         | 0.03%                |
| 385,000.000             | ORACLE<br>Mat: 4/1/25 Cpn: 2.50%<br>Moody's: S&P: A+ Fitch:<br>Tr Date: 3/30/20 St Date: 4/1/20     | 68389XBT1  | 384,857.55<br>0.00                           | 389,594.98<br>0.00                       | 4,737.43                   | 101.194         | 0.25%                |
| <b>Total for Credit</b> |                                                                                                     |            | <b>37,372,264.82<br/>70,672.66</b>           | <b>37,207,601.03<br/>192,032.55</b>      | <b>(164,663.79)</b>        |                 | <b>23.69%</b>        |

**Mortgage-Backed**

|               |                                                                                                                            |           |                          |                          |            |         |       |
|---------------|----------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------|--------------------------|------------|---------|-------|
| 627,659.635   | FHMS K504 A2 CMBS<br>Mat: 9/25/20 Cpn: 2.57%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 5/29/18 St Date: 6/1/18      | 3137BMLC8 | 625,564.01<br>634.75     | 627,576.78<br>1,342.15   | 2,012.77   | 99.987  | 0.40% |
| 184,058.070   | FNA 2011-M5 A2 CMBS<br>Mat: 7/25/21 Cpn: 2.94%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 9/26/18 St Date: 9/28/18   | 3136A07H4 | 183,022.74<br>405.85     | 187,641.31<br>450.94     | 4,618.57   | 101.947 | 0.12% |
| 396,278.759   | FNA 2018-M5 A2 CMBS<br>Mat: 9/25/21 Cpn: 3.56%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 4/10/18 St Date: 4/30/18   | 3136B1XP4 | 404,161.14<br>1,136.44   | 402,607.73<br>1,175.63   | (1,553.41) | 101.597 | 0.26% |
| 1,200,000.000 | FHMS K020 A2 CMBS<br>Mat: 5/25/22 Cpn: 2.37%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 7/25/19 St Date: 7/30/19     | 3137ATRW4 | 1,220,943.75<br>1,467.31 | 1,229,862.00<br>2,373.00 | 8,918.25   | 102.489 | 0.78% |
| 541,541.515   | FNA 2013-M1 A2 CMBS<br>Mat: 8/25/22 Cpn: 2.36%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 10/28/19 St Date: 10/31/19 | 3136ABPW7 | 545,180.00<br>1,067.13   | 554,857.48<br>1,067.12   | 9,677.48   | 102.459 | 0.35% |
| 1,540,000.000 | FHMS KSMC A2 CMBS<br>Mat: 1/25/23 Cpn: 2.62%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 2/24/20 St Date: 2/27/20     | 3137B04Y7 | 1,580,425.00<br>2,908.46 | 1,615,592.44<br>3,355.92 | 35,167.44  | 104.909 | 1.03% |
| 623,907.452   | FHMS KS01 A2 CMBS<br>Mat: 1/25/23 Cpn: 2.52%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 11/22/19 St Date: 11/27/19   | 3137B1U75 | 631,365.10<br>1,136.41   | 646,519.73<br>1,311.25   | 15,154.63  | 103.624 | 0.41% |





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                            | Security                                                                                                                | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 720,000.000                      | FHMS KJ06 A CMBS<br>Mat: 1/25/23 Cpn: 2.27%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 7/29/19 St Date: 8/1/19    | 3137BQR90  | 722,362.50<br>0.00                           | 746,182.08<br>1,363.20                   | 23,819.58                  | 103.636         | 0.47%                |
| 1,370,000.000                    | FHMS K029 A2 CMBS<br>Mat: 2/25/23 Cpn: 3.32%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 8/14/19 St Date: 8/19/19  | 3137B36J2  | 1,431,430.08<br>2,245.61                     | 1,452,627.44<br>3,790.33                 | 21,197.36                  | 106.031         | 0.92%                |
| 433,632.967                      | FHMS K724 A1 CMBS<br>Mat: 3/25/23 Cpn: 2.78%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 7/9/18 St Date: 7/12/18   | 3137BTTZ4  | 430,719.50<br>367.82                         | 447,293.71<br>1,003.14                   | 16,574.21                  | 103.150         | 0.28%                |
| 1,380,000.000                    | FHMS K031 A2<br>Mat: 4/25/23 Cpn: 3.30%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 3/5/20 St Date: 3/10/20        | 3137B3NX2  | 1,470,239.06<br>1,138.50                     | 1,474,120.14<br>3,795.00                 | 3,881.08                   | 106.820         | 0.94%                |
| 278,108.958                      | FHMS J22F A1 CMBS<br>Mat: 5/25/23 Cpn: 3.45%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 11/7/18 St Date: 11/19/18 | 3137FJYA1  | 278,101.45<br>480.29                         | 285,221.59<br>800.49                     | 7,120.15                   | 102.558         | 0.18%                |
| 1,410,000.000                    | FHMS K033 A2<br>Mat: 7/25/23 Cpn: 3.06%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 2/27/20 St Date: 3/3/20        | 3137B4WB8  | 1,479,839.06<br>239.70                       | 1,500,443.04<br>3,595.50                 | 20,603.98                  | 106.414         | 0.95%                |
| 820,000.000                      | FHMS K034 A2<br>Mat: 7/25/23 Cpn: 3.53%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 3/6/20 St Date: 3/11/20        | 3137B5JM6  | 881,500.00<br>804.28                         | 884,953.84<br>2,412.85                   | 3,453.84                   | 107.921         | 0.56%                |
| 700,000.000                      | FHMS KI05 A<br>Mat: 7/25/24 Cpn: 1.29%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 1/16/20 St Date: 1/28/20        | 3137FQXG3  | 700,000.00<br>0.00                           | 700,000.00<br>175.12                     | 0.00                       | 100.000         | 0.44%                |
| 798,289.304                      | FHMS KJ28 A1<br>Mat: 2/25/25 Cpn: 1.77%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 2/19/20 St Date: 2/27/20       | 3137FREB3  | 798,286.11<br>1,018.18                       | 828,132.55<br>1,174.82                   | 29,846.44                  | 103.738         | 0.53%                |
| <b>Total for Mortgage-Backed</b> |                                                                                                                         |            | <b>13,383,139.50<br/>15,050.72</b>           | <b>13,583,631.86<br/>29,186.45</b>       | <b>200,492.36</b>          |                 | <b>8.62%</b>         |

**Asset-Backed**


payden.com

London | Milan

**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units         | Security                                                                                                                    | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|---------------|-----------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 15,025.262    | JOHN DEERE 2017-A A3 EQP<br>Mat: 4/15/21 Cpn: 1.78%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 2/22/17 St Date: 3/2/17     | 47787XAC1  | 15,023.12<br>0.00                            | 15,011.12<br>11.89                       | (12.00)                    | 99.906          | 0.01%                |
| 270,000.000   | BMW 2018-1 A3 LEASE<br>Mat: 7/20/21 Cpn: 3.26%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 10/10/18 St Date: 10/17/18       | 05586CAC8  | 269,962.47<br>0.00                           | 270,512.46<br>268.95                     | 549.99                     | 100.190         | 0.17%                |
| 205,420.841   | HONDA 2017-1 A3 CAR<br>Mat: 7/21/21 Cpn: 1.72%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 3/21/17 St Date: 3/28/17         | 43814TAC6  | 205,408.62<br>0.00                           | 204,922.70<br>98.15                      | (485.92)                   | 99.758          | 0.13%                |
| 304,700.951   | HONDA 2017-3 A3 CAR<br>Mat: 9/20/21 Cpn: 1.79%<br>Moody's: S&P: AAA Fitch: AAA<br>Tr Date: 9/25/17 St Date: 9/29/17         | 43814PAC4  | 304,667.95<br>0.00                           | 304,592.48<br>196.96                     | (75.47)                    | 99.964          | 0.19%                |
| 114,412.125   | JOHN DEERE 2017-B A3 EQP<br>Mat: 10/15/21 Cpn: 1.82%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 7/11/17 St Date: 7/18/17   | 47788BAD6  | 114,403.75<br>0.00                           | 114,047.84<br>92.55                      | (355.91)                   | 99.682          | 0.07%                |
| 270,000.000   | BMW 2018-1 A4 LEASE<br>Mat: 3/21/22 Cpn: 3.36%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 10/10/18 St Date: 10/17/18       | 05586CAD6  | 269,997.60<br>0.00                           | 272,763.18<br>277.20                     | 2,765.58                   | 101.023         | 0.17%                |
| 551,968.852   | TOYOTA 2018-A A3 CAR<br>Mat: 5/16/22 Cpn: 2.35%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 1/23/18 St Date: 1/31/18        | 89238BAD4  | 551,962.50<br>0.00                           | 553,413.35<br>576.50                     | 1,450.85                   | 100.262         | 0.35%                |
| 1,006,702.227 | HONDA 2018-3 A3 CAR<br>Mat: 8/22/22 Cpn: 2.95%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 8/21/18 St Date: 8/28/18         | 43815HAC1  | 1,006,564.11<br>0.00                         | 1,017,339.04<br>824.94                   | 10,774.93                  | 101.057         | 0.64%                |
| 340,000.000   | VOLKSWAGEN 2019-A A3 LEASE<br>Mat: 11/21/22 Cpn: 1.99%<br>Moody's: S&P: AAA Fitch: AAA<br>Tr Date: 10/1/19 St Date: 10/4/19 | 92867XAD8  | 339,994.63<br>0.00                           | 345,333.24<br>206.74                     | 5,338.61                   | 101.569         | 0.22%                |
| 400,000.000   | MBALT 2020-A A3 CAR LEASE<br>Mat: 12/15/22 Cpn: 1.84%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 1/21/20 St Date: 1/29/20  | 58770FAC6  | 399,947.28<br>0.00                           | 401,505.60<br>327.11                     | 1,558.32                   | 100.376         | 0.25%                |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

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|---------------|-------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,600,000.000 | CITI 2014-A1 A1 CDT<br>Mat: 1/23/23 Cpn: 2.88%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 4/18/19 St Date: 4/23/19           | 17305EFM2  | 1,607,250.00<br>11,776.00                    | 1,616,585.60<br>8,960.00                 | 9,335.60                   | 101.037         | 1.03%                |
| 755,000.000   | JOHN DEERE 2019-A A3 EQP<br>Mat: 7/17/23 Cpn: 2.91%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 3/5/19 St Date: 3/13/19       | 47789JAD8  | 754,907.21<br>0.00                           | 770,559.04<br>976.47                     | 15,651.83                  | 102.061         | 0.49%                |
| 970,000.000   | TOYOTA 2019-A A3 CAR<br>Mat: 7/17/23 Cpn: 2.91%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 2/5/19 St Date: 2/13/19           | 89239AAD5  | 969,823.27<br>0.00                           | 988,842.25<br>1,254.53                   | 19,018.98                  | 101.943         | 0.63%                |
| 720,000.000   | HONDA 2019-3 A3 CAR<br>Mat: 8/15/23 Cpn: 1.78%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 8/20/19 St Date: 8/27/19           | 43815NAC8  | 719,994.02<br>0.00                           | 726,297.12<br>569.60                     | 6,303.10                   | 100.875         | 0.46%                |
| 730,000.000   | TOYOTA 2019-C A3 CAR<br>Mat: 9/15/23 Cpn: 1.91%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 8/6/19 St Date: 8/14/19           | 89238UAD2  | 729,994.01<br>0.00                           | 733,475.53<br>619.69                     | 3,481.52                   | 100.476         | 0.47%                |
| 550,000.000   | FIFTH THIRD 2019-1 A3 CAR<br>Mat: 12/15/23 Cpn: 2.64%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 4/30/19 St Date: 5/8/19     | 31680YAD9  | 549,879.11<br>0.00                           | 552,204.95<br>645.33                     | 2,325.84                   | 100.401         | 0.35%                |
| 1,490,000.000 | TOYOTA 2019-D A3 CAR<br>Mat: 1/16/24 Cpn: 1.92%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 11/5/19 St Date: 11/13/19         | 89233MAD5  | 1,489,892.42<br>0.00                         | 1,492,451.05<br>1,271.47                 | 2,558.63                   | 100.165         | 0.95%                |
| 950,000.000   | BMW 2019-A A3 CAR<br>Mat: 1/25/24 Cpn: 1.92%<br>Moody's: S&P: AAA Fitch: AAA<br>Tr Date: 9/10/19 St Date: 9/18/19             | 05588CAC6  | 949,872.32<br>0.00                           | 962,301.55<br>304.00                     | 12,429.23                  | 101.295         | 0.61%                |
| 1,440,000.000 | AMEX 2018-6 A CDT<br>Mat: 2/15/24 Cpn: 3.06%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 4/18/19 St Date: 4/23/19             | 02582JJF8  | 1,453,443.75<br>979.20                       | 1,470,448.80<br>1,958.40                 | 17,005.05                  | 102.115         | 0.93%                |
| 400,000.000   | CAPITAL ONE 2018-A1 A1 CDT<br>Mat: 2/15/24 Cpn: 3.01%<br>Moody's: NR S&P: AAA Fitch: AAA<br>Tr Date: 4/23/19 St Date: 4/25/19 | 14041NFR7  | 403,281.25<br>334.44                         | 405,077.60<br>535.11                     | 1,796.35                   | 101.269         | 0.26%                |



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                         | Security                                                                                                                    | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,710,000.000                 | HARLEY 2019-A A3 CYCLE<br>Mat: 2/15/24 Cpn: 2.34%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 6/19/19 St Date: 6/26/19      | 41284WAC4  | 1,709,867.65<br>0.00                         | 1,700,025.57<br>1,778.40                 | (9,842.08)                 | 99.417          | 1.08%                |
| 790,000.000                   | MERCEDES 2019-1 A3 CAR<br>Mat: 3/15/24 Cpn: 1.94%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 9/18/19 St Date: 9/25/19      | 58769TAD7  | 789,891.22<br>0.00                           | 791,317.72<br>681.16                     | 1,426.50                   | 100.167         | 0.50%                |
| 850,000.000                   | VERIZON 2019-C A1A PHONE<br>Mat: 4/22/24 Cpn: 1.94%<br>Moody's: S&P: AAA Fitch: AAA<br>Tr Date: 10/1/19 St Date: 10/8/19    | 92348AAA3  | 849,934.47<br>0.00                           | 813,788.30<br>503.86                     | (36,146.17)                | 95.740          | 0.52%                |
| 1,230,000.000                 | JOHN DEERE 2020-A A3 EQP<br>Mat: 8/15/24 Cpn: 1.10%<br>Moody's: Aaa S&P: Fitch: AAA<br>Tr Date: 3/4/20 St Date: 3/11/20     | 47789KAC7  | 1,229,924.85<br>0.00                         | 1,213,526.61<br>751.67                   | (16,398.24)                | 98.661          | 0.77%                |
| 830,000.000                   | CAPTAIN ONE 2020-1 A3 AUTO<br>Mat: 11/15/24 Cpn: 1.60%<br>Moody's: S&P: AAA Fitch: AAA<br>Tr Date: 2/11/20 St Date: 2/19/20 | 14043MAC5  | 829,823.54<br>0.00                           | 821,232.71<br>590.22                     | (8,590.83)                 | 98.944          | 0.52%                |
| <b>Total for Asset-Backed</b> |                                                                                                                             |            | <b>18,515,711.13<br/>13,089.64</b>           | <b>18,557,575.41<br/>24,280.88</b>       | <b>41,864.28</b>           |                 | <b>11.77%</b>        |
| <b>Grand Total</b>            |                                                                                                                             |            | <b>155,492,115.60<br/>270,512.16</b>         | <b>157,133,006.41<br/>731,879.20</b>     | <b>1,640,890.82</b>        |                 | <b>100.00%</b>       |



| Reporting Account Name | Security ID | Security Description 1            | Security Description 2        | Sector       | Shares/Par     | Base Cost     | Accrued Interest | Base Market Value | Base Unrealized Gain | Base Unrealized Loss | Percent of Asset | Moody's Rating | S&P Rating | Fitch Rating |
|------------------------|-------------|-----------------------------------|-------------------------------|--------------|----------------|---------------|------------------|-------------------|----------------------|----------------------|------------------|----------------|------------|--------------|
| CALOPTIMA S1-3         | 3135G0S38   | FEDERAL NATL MTG ASSN             | 2.000% 01/05/2022 DD 01/09/17 | Agency       | 3,400,000.0000 | 3,404,553.87  | 16,244.44        | 3,497,418.80      | 92,864.93            | 0.00                 | 2.24             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3135G0S38   | FEDERAL NATL MTG ASSN             | 2.000% 01/05/2022 DD 01/09/17 | Agency       | 2,250,000.0000 | 2,257,750.83  | 10,750.00        | 2,314,468.33      | 56,717.50            | 0.00                 | 1.48             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3137EADB2   | FEDERAL HOME LN MTG CORP          | 2.375% 01/13/2022 DD 01/13/12 | Agency       | 2,250,000.0000 | 2,272,144.95  | 11,578.12        | 2,328,897.02      | 56,752.07            | 0.00                 | 1.49             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3137EADB2   | FEDERAL HOME LN MTG CORP          | 2.375% 01/13/2022 DD 01/13/12 | Agency       | 2,250,000.0000 | 2,282,756.56  | 11,578.13        | 2,328,897.01      | 46,140.45            | 0.00                 | 1.49             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 4581X0CN6   | INTER-AMERICAN DEVELOPMENT BAN    | 1.750% 04/14/2022 DD 04/15/15 | Agency       | 315,000.0000   | 315,655.62    | 2,557.19         | 322,611.83        | 6,956.21             | 0.00                 | 0.21             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 4581X0CN6   | INTER-AMERICAN DEVELOPMENT BAN    | 1.750% 04/14/2022 DD 04/15/15 | Agency       | 460,000.0000   | 460,965.52    | 3,734.31         | 471,115.69        | 10,150.17            | 0.00                 | 0.30             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 4581X0CN6   | INTER-AMERICAN DEVELOPMENT BAN    | 1.750% 04/14/2022 DD 04/15/15 | Agency       | 755,000.0000   | 756,625.52    | 6,129.13         | 773,244.24        | 16,618.72            | 0.00                 | 0.50             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 4581X0CZ9   | INTER-AMERICAN DEVELOPMENT BAN    | 1.750% 09/14/2022 DD 09/14/17 | Agency       | 750,000.0000   | 744,895.70    | 619.79           | 772,450.68        | 27,554.98            | 0.00                 | 0.50             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 4581X0CZ9   | INTER-AMERICAN DEVELOPMENT BAN    | 1.750% 09/14/2022 DD 09/14/17 | Agency       | 3,000,000.0000 | 2,996,564.94  | 2,479.17         | 3,089,802.72      | 93,237.78            | 0.00                 | 1.98             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 459058D77   | INTERNATIONAL BANK FOR RECONST    | 2.250% 06/24/2021 DD 06/25/14 | Agency       | 1,525,000.0000 | 1,534,900.32  | 9,245.31         | 1,556,478.07      | 21,577.75            | 0.00                 | 1.00             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 459058GK3   | INTERNATIONAL BANK FOR RECONST    | VAR RT 08/21/2020 DD 08/21/18 | Agency       | 100,000.0000   | 100,003.95    | 122.69           | 100,030.11        | 26.16                | 0.00                 | 0.06             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 459058GK3   | INTERNATIONAL BANK FOR RECONST    | VAR RT 08/21/2020 DD 08/21/18 | Agency       | 1,000,000.0000 | 1,000,138.19  | 1,226.95         | 1,000,301.08      | 162.89               | 0.00                 | 0.64             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 459058GX5   | INTERNATIONAL BANK FOR RECONST    | 1.875% 06/19/2023 DD 06/19/19 | Agency       | 1,100,000.0000 | 1,114,430.35  | 5,843.75         | 1,142,500.39      | 28,070.04            | 0.00                 | 0.73             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-3         | 02582JUH4   | AMERICAN EXPRESS CREDIT AC 8 A    | 3.180% 04/15/2024 DD 09/24/18 | Asset Backed | 614,000.0000   | 627,532.31    | 867.79           | 629,171.45        | 1,639.14             | 0.00                 | 0.40             | NR             | AAA        | AAA          |
| CALOPTIMA S1-3         | 02582JUH4   | AMERICAN EXPRESS CREDIT AC 8 A    | 3.180% 04/15/2024 DD 09/24/18 | Asset Backed | 389,000.0000   | 397,559.53    | 549.79           | 398,611.88        | 1,052.35             | 0.00                 | 0.26             | NR             | AAA        | AAA          |
| CALOPTIMA S1-3         | 05522RCZ9   | BA CREDIT CARD TRUST A2 A2        | 3.000% 09/15/2023 DD 05/17/18 | Asset Backed | 1,200,000.0000 | 1,216,689.69  | 1,600.00         | 1,217,942.16      | 1,252.47             | 0.00                 | 0.78             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-3         | 05522RCZ9   | BA CREDIT CARD TRUST A2 A2        | 3.000% 09/15/2023 DD 05/17/18 | Asset Backed | 430,000.0000   | 435,980.36    | 573.33           | 436,429.27        | 448.91               | 0.00                 | 0.28             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-3         | 17305EFM2   | CITIBANK CREDIT CARD ISS A1 A1    | 2.880% 01/23/2023 DD 01/24/14 | Asset Backed | 855,000.0000   | 853,964.00    | 4,788.00         | 862,429.61        | 8,465.61             | 0.00                 | 0.55             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-3         | 17305EGK5   | CITIBANK CREDIT CARD ISS A1 A1    | 2.490% 01/20/2023 DD 01/31/18 | Asset Backed | 365,000.0000   | 366,845.74    | 1,792.45         | 367,664.54        | 818.80               | 0.00                 | 0.24             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-3         | 26208RAD7   | DRIVE AUTO RECEIVABLES TR 2 A3    | 3.040% 03/15/2023 DD 03/20/19 | Asset Backed | 475,000.0000   | 474,965.48    | 641.78           | 476,284.59        | 1,319.11             | 0.00                 | 0.31             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-3         | 26209AAE1   | DRIVE AUTO RECEIVABLES TRU 4 B    | 2.230% 01/16/2024 DD 09/18/19 | Asset Backed | 585,000.0000   | 584,930.12    | 579.80           | 574,967.48        | 0.00                 | -9,962.64            | 0.37             | Aa1            | AA         | NR           |
| CALOPTIMA S1-3         | 31680YAB3   | FIFTH THIRD AUTO TRUST 2 1 A2A    | 2.660% 05/16/2022 DD 05/08/19 | Asset Backed | 677,770.2000   | 677,743.63    | 801.27           | 679,590.08        | 1,846.45             | 0.00                 | 0.44             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-3         | 47787XAC1   | JOHN DEERE OWNER TRUST 20 A A3    | 1.780% 04/15/2021 DD 03/02/17 | Asset Backed | 7,771.6700     | 7,771.68      | 6.15             | 7,763.68          | 0.00                 | -8.00                | 0.00             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-3         | 47788BAD6   | JOHN DEERE OWNER TRUST 20 B A3    | 1.820% 10/15/2021 DD 07/18/17 | Asset Backed | 177,066.3700   | 175,818.12    | 143.23           | 176,418.48        | 600.36               | 0.00                 | 0.11             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-3         | 47789JAB2   | JOHN DEERE OWNER TRUST 20 A A2    | 2.850% 12/15/2021 DD 03/13/19 | Asset Backed | 765,762.1800   | 765,740.45    | 969.97           | 767,791.14        | 2,050.69             | 0.00                 | 0.49             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-3         | 65478LAB5   | NISSAN AUTO LEASE TRUST B A2A     | 2.270% 10/15/2021 DD 07/24/19 | Asset Backed | 540,175.9100   | 540,142.52    | 544.98           | 539,923.59        | 0.00                 | -218.93              | 0.35             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-3         | 02582JUH4   | AMERICAN EXPRESS CREDIT AC 8 A    | 3.180% 04/15/2024 DD 09/24/18 | Asset Backed | 243,000.0000   | 248,373.06    | 343.43           | 249,004.33        | 631.27               | 0.00                 | 0.16             | NR             | AAA        | AAA          |
| CALOPTIMA S1-3         | 05586VAD4   | BMW VEHICLE LEASE TRUST 2 1 A4    | 2.920% 08/22/2022 DD 03/20/19 | Asset Backed | 1,900,000.0000 | 1,922,345.21  | 1,695.22         | 1,921,309.26      | 0.00                 | -1,035.95            | 1.23             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-3         | 80286GAB7   | SANTANDER DRIVE AUTO RECE 2 A2    | 2.630% 07/15/2022 DD 05/22/19 | Asset Backed | 480,242.5400   | 480,216.03    | 561.35           | 479,380.36        | 0.00                 | -835.67              | 0.31             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-3         | GL-110000   | CASH                              | 0.0000                        | CASH         | 0.0000         | 854,503.78    | 0.00             | 854,503.78        | 0.00                 | 0.00                 | 0.00             |                |            |              |
| CALOPTIMA S1-3         | GL-120010   | RECEIVABLE FOR INVESTMENTS SOLD   | 0.0000                        | CASH         | 0.0000         | 2,345,745.28  | 0.00             | 2,345,745.28      | 0.00                 | 0.00                 | 0.00             |                |            |              |
| CALOPTIMA S1-3         | GL-220010   | PAYABLE FOR INVESTMENTS PURCHASED | 0.0000                        | CASH         | 0.0000         | -2,910,255.13 | 0.00             | -2,910,255.13     | 0.00                 | 0.00                 | 0.00             |                |            |              |
| CALOPTIMA S1-3         | 3137APP61   | FHLMC MULTICLASS MTG K018 A2      | 2.789% 01/25/2022 DD 05/01/12 | CMBS         | 34,636.4640    | 35,025.82     | 80.50            | 35,953.32         | 567.50               | 0.00                 | 0.02             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-3         | 3137APP61   | FHLMC MULTICLASS MTG K018 A2      | 2.789% 01/25/2022 DD 05/01/12 | CMBS         | 128,649.7260   | 130,181.76    | 299.00           | 132,203.77        | 2,022.01             | 0.00                 | 0.08             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-3         | 3137AXHP1   | FHLMC MULTICLASS MTG K024 A2      | 2.573% 09/25/2022 DD 01/01/13 | CMBS         | 965,000.0000   | 972,732.05    | 2,069.12         | 992,904.42        | 20,172.37            | 0.00                 | 0.64             | Aaa            | AA+        | Agency       |
| CALOPTIMA S1-3         | 3137AXHP1   | FHLMC MULTICLASS MTG K024 A2      | 2.573% 09/25/2022 DD 01/01/13 | CMBS         | 700,000.0000   | 705,360.10    | 1,500.92         | 720,241.55        | 14,881.45            | 0.00                 | 0.46             | Aaa            | AA+        | Agency       |
| CALOPTIMA S1-3         | 3137AYCE9   | FHLMC MULTICLASS MTG K025 A2      | 2.682% 10/25/2022 DD 02/01/13 | CMBS         | 1,425,000.0000 | 1,449,952.62  | 3,184.88         | 1,471,362.23      | 21,409.61            | 0.00                 | 0.94             | Aaa            | AA+        | Agency       |
| CALOPTIMA S1-3         | 3137AYCE9   | FHLMC MULTICLASS MTG K025 A2      | 2.682% 10/25/2022 DD 02/01/13 | CMBS         | 200,000.0000   | 203,499.21    | 447.00           | 206,506.98        | 3,007.77             | 0.00                 | 0.13             | Aaa            | AA+        | Agency       |
| CALOPTIMA S1-3         | 3137B04Y7   | FHLMC MULTICLASS MTG KSMC A2      | 2.615% 01/25/2023 DD 03/01/13 | CMBS         | 750,000.0000   | 760,770.94    | 1,634.38         | 782,002.20        | 21,231.26            | 0.00                 | 0.50             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3137B1UG5   | FHLMC MULTICLASS MTG K027 A2      | 2.637% 01/25/2023 DD 05/01/13 | CMBS         | 840,000.0000   | 840,467.12    | 1,845.90         | 868,472.89        | 28,005.77            | 0.00                 | 0.56             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-3         | 3137B1UG5   | FHLMC MULTICLASS MTG K027 A2      | 2.637% 01/25/2023 DD 05/01/13 | CMBS         | 1,000,000.0000 | 1,000,146.93  | 2,197.50         | 1,033,896.30      | 33,749.37            | 0.00                 | 0.66             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-3         | 3137BKRH5   | FHLMC MULTICLASS MTG K047 A1      | 2.827% 12/25/2024 DD 07/01/15 | CMBS         | 351,417.1370   | 358,564.90    | 827.88           | 367,575.09        | 9,010.19             | 0.00                 | 0.24             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-3         | 3137BWWV3   | FHLMC MULTICLASS MTG KJ13 A2      | 2.864% 08/25/2022 DD 04/01/17 | CMBS         | 180,421.3500   | 183,241.07    | 430.61           | 187,173.13        | 3,932.06             | 0.00                 | 0.12             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 31381PAU2   | FNMA POOL #0466319                | 3.230% 11/01/2020 DD 11/01/10 | CMBS         | 902,068.5670   | 904,640.90    | 2,509.00         | 902,083.12        | 0.00                 | -2,557.78            | 0.58             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 31381PEB0   | FNMA POOL #0466430                | 3.370% 11/01/2020 DD 11/01/10 | CMBS         | 369,380.3420   | 370,024.91    | 1,071.92         | 369,785.72        | 0.00                 | -239.19              | 0.24             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 31381QBS4   | FNMA POOL #0467260                | 4.410% 03/01/2021 DD 03/01/11 | CMBS         | 1,053,379.3520 | 1,062,280.36  | 4,000.21         | 1,067,877.83      | 5,597.47             | 0.00                 | 0.69             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 31381R5T7   | FNMA POOL #0468958                | 3.770% 09/01/2021 DD 09/01/11 | CMBS         | 1,805,000.0000 | 1,823,494.77  | 5,859.73         | 1,861,311.00      | 37,816.23            | 0.00                 | 1.19             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3138EKXL4   | FNMA POOL #0AL3382                | VAR RT 03/01/2023 DD 03/01/13 | CMBS         | 330,110.8050   | 334,201.32    | 662.90           | 341,348.80        | 7,147.48             | 0.00                 | 0.22             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3138L0MH1   | FNMA POOL #0AM0359                | 2.310% 08/01/2022 DD 08/01/12 | CMBS         | 1,037,910.8070 | 1,046,318.19  | 2,064.58         | 1,065,244.33      | 18,926.14            | 0.00                 | 0.68             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3138L2GH4   | FNMA POOL #0AM1999                | 1.870% 07/01/2021 DD 01/01/13 | CMBS         | 984,712.8820   | 971,231.13    | 1,585.66         | 994,230.45        | 22,999.32            | 0.00                 | 0.64             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3138L2GH4   | FNMA POOL #0AM1999                | 1.870% 07/01/2021 DD 01/01/13 | CMBS         | 251,506.7510   | 250,617.55    | 405.00           | 253,937.65        | 3,320.10             | 0.00                 | 0.16             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3138NJAEB   | FNMA POOL #0FNO004                | VAR RT 12/01/2020 DD 03/01/11 | CMBS         | 99,529.5340    | 105,240.98    | 318.91           | 99,467.38         | 0.00                 | -5,773.60            | 0.06             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3136A72D3   | FNMA GTD REMIC P/T 12-M9 A2       | 2.482% 04/25/2022 DD 08/01/12 | CMBS         | 178,798.3330   | 179,596.56    | 369.82           | 181,745.79        | 2,149.23             | 0.00                 | 0.12             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 3136A72D3   | FNMA GTD REMIC P/T 12-M9 A2       | 2.482% 04/25/2022 DD 08/01/12 | CMBS         | 35,217.8520    | 35,374.04     | 72.84            | 35,798.41         | 424.37               | 0.00                 | 0.02             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 31397UPF0   | FNMA GTD REMIC P/T 11-M1 A3       | 3.763% 06/25/2021 DD 05/01/11 | CMBS         | 118,001.1300   | 118,940.17    | 370.03           | 119,883.65        | 943.48               | 0.00                 | 0.08             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-3         | 04609QAC3   | ASSOCIATION OF AMERICAN MEDICA    | 1.926% 10/01/2022 DD 01/29/20 | Corporates   | 1,170,000.0000 | 1,170,000.00  | 3,880.89         | 1,181,556.38      | 11,556.38            | 0.00                 | 0.76             | NR             | A+         | AA           |
| CALOPTIMA S1-3         | 023135AM8   | AMAZON.COM INC                    | 3.300% 12/05/2021 DD 12/05/14 | Corporates   | 1,110,000.0000 | 1,127,350.60  | 11,803.00        | 1,148,317.58      | 20,966.98            | 0.00                 | 0.74             | A2             | AA-        | A+           |
| CALOPTIMA S1-3         | 05531FBG7   | TRUIST FINANCIAL CORP             | 3.050% 06/20/2022 DD 03/18/19 | Corporates   | 750,000.0000   | 778,922.14    | 6,417.71         | 765,139.81        | 0.00                 | -13,782.33           | 0.49             | A3             | A-         | A+           |
| CALOPTIMA S1-3         | 05531FBJ1   | TRUIST FINANCIAL CORP             | 2.200% 03/16/2023 DD 09/16/19 | Corporates   | 1,175,000.0000 | 1,174,261.18  | 1,077.08         | 1,175,711.64      | 1,450.46             | 0.00                 | 0.75             | A3             | A-         | A+           |
| CALOPTIMA S1-3         | 06051GGS2   | BANK OF AMERICA CORP              | VAR RT 10/01/2021 DD 09/18/17 | Corporates   | 970,000.0000   | 970,000.00    | 11,290.80        | 968,565.97        | 0.00                 | -1,434.03            | 0.62             | A2             | A-         | A+           |
| CALOPTIMA S1-3         | 06051GGS2   | BANK OF AMERICA CORP              | VAR RT 10/01/2021 DD 09/18/17 | Corporates   | 800,000.0000   | 800,005.00    | 9,312.00         | 798,817.30        | 0.00                 | -1,187.70            | 0.51             | A2             | A-         | A+           |
| CALOPTIMA S1-3         | 06406FAB9   | BANK OF NEW YORK MELLON CORP/T    | 2.050% 05/03/2021 DD 05/02/16 | Corporates   | 1,345,000.0000 | 1,331,108.06  | 11,335.36        | 1,351,241.51      | 20,133.45            | 0.00                 | 0.87             | A1             | A          | AA-          |
| CALOPTIMA S1-3         | 14040HBY0   | CAPITAL ONE FINANCIAL CORP        | 3.450% 04/30/2021 DD 04/30/18 | Corporates   | 900,000.0000   | 899,705.84    | 13,023.75        | 901,565.76        | 1,859.92             | 0.00                 | 0.58             | Baa1           | BBB        | A-           |
| CALOPTIMA S1-3         | 14913Q2H1   | CATERPILLAR FINANCIAL SERVICES    | VAR RT 03/15/2021 DD 03/15/18 | Corpor       |                |               |                  |                   |                      |                      |                  |                |            |              |



| Reporting Account Name | Security ID | Security Description 1         | Security Description 2        | Sector               | Shares/Par     | Base Cost    | Accrued Interest | Base Market Value | Base Unrealized Gain | Base Unrealized Loss | Percent of Asset | Moody's Rating | S&P Rating | Fitch Rating |     |
|------------------------|-------------|--------------------------------|-------------------------------|----------------------|----------------|--------------|------------------|-------------------|----------------------|----------------------|------------------|----------------|------------|--------------|-----|
| CALOPTIMA S1-3         | 46623EKG3   | JPMORGAN CHASE & CO            | 2.295% 08/15/2021 DD 08/08/16 | Corporates           | 2,900,000.0000 | 2,901,566.00 | 8,689.13         | 2,897,002.04      | 0.00                 | -4,563.96            | 1.86             | A2             | A-         | AA-          |     |
| CALOPTIMA S1-3         | 49327M2Q6   | KEYBANK NA/CLEVELAND OH        | 2.500% 11/22/2021 DD 11/22/16 | Corporates           | 500,000.0000   | 494,563.78   | 4,479.17         | 501,083.49        | 6,519.71             | 0.00                 | 0.32             | A3             | A-         | A-           |     |
| CALOPTIMA S1-3         | 49327M2Y9   | KEYBANK NA/CLEVELAND OH        | VAR RT 02/01/2022 DD 02/01/19 | Corporates           | 1,670,000.0000 | 1,670,000.00 | 6,744.71         | 1,569,980.23      | 0.00                 | -100,019.77          | 1.01             | A3             | A-         | A-           |     |
| CALOPTIMA S1-3         | 61746BEB8   | MORGAN STANLEY                 | VAR RT 04/21/2021 DD 04/21/16 | Corporates           | 1,297,000.0000 | 1,309,203.83 | 8,234.45         | 1,287,953.15      | 0.00                 | -21,250.68           | 0.83             | A3             | BBB+       | A            |     |
| CALOPTIMA S1-3         | 61746BED4   | MORGAN STANLEY                 | 2.625% 11/17/2021 DD 11/17/16 | Corporates           | 1,085,000.0000 | 1,071,725.04 | 10,601.35        | 1,089,055.48      | 17,330.44            | 0.00                 | 0.70             | A3             | BBB+       | A            |     |
| CALOPTIMA S1-3         | 69353REFP   | PNC BANK NA                    | 2.300% 06/01/2020 DD 06/01/15 | Corporates           | 490,000.0000   | 489,358.36   | 3,756.67         | 490,024.50        | 666.14               | 0.00                 | 0.31             | A2             | A          | A+           |     |
| CALOPTIMA S1-3         | 69353RFT0   | PNC BANK NA                    | VAR RT 02/24/2023 DD 02/25/20 | Corporates           | 250,000.0000   | 250,000.00   | 435.75           | 246,016.75        | 0.00                 | -3,983.25            | 0.16             | A2             | A          | A+           |     |
| CALOPTIMA S1-3         | 69371RP26   | PACCAR FINANCIAL CORP          | 3.100% 05/10/2021 DD 05/10/18 | Corporates           | 1,515,000.0000 | 1,514,847.89 | 18,394.63        | 1,522,416.74      | 7,568.85             | 0.00                 | 0.98             | A1             | A+         | NR           |     |
| CALOPTIMA S1-3         | 69371RP34   | PACCAR FINANCIAL CORP          | VAR RT 05/10/2021 DD 05/10/18 | Corporates           | 1,500,000.0000 | 1,501,042.00 | 4,237.53         | 1,438,873.55      | 0.00                 | -62,168.45           | 0.92             | A1             | A+         | NA           |     |
| CALOPTIMA S1-3         | 74432QB99   | PRUDENTIAL FINANCIAL INC       | 4.500% 11/15/2020 DD 11/18/10 | Corporates           | 835,000.0000   | 841,766.42   | 14,195.00        | 840,760.20        | 0.00                 | -1,006.22            | 0.54             | A3             | A-         | A-           |     |
| CALOPTIMA S1-3         | 74456QBP0   | PUBLIC SERVICE ELECTRIC & GAS  | 1.900% 03/15/2021 DD 03/03/16 | Corporates           | 735,000.0000   | 722,309.15   | 620.67           | 727,720.55        | 5,411.40             | 0.00                 | 0.47             | Aa3            | A          | A+           |     |
| CALOPTIMA S1-3         | 95000U2B8   | WELLS FARGO & CO               | 2.625% 07/22/2022 DD 07/24/17 | Corporates           | 1,500,000.0000 | 1,527,143.25 | 7,546.87         | 1,504,864.26      | 0.00                 | -22,278.99           | 0.97             | A2             | A-         | A+           |     |
| CALOPTIMA S1-3         | 95000U2B8   | WELLS FARGO & CO               | 2.625% 07/22/2022 DD 07/24/17 | Corporates           | 750,000.0000   | 763,656.01   | 3,773.44         | 752,432.13        | 0.00                 | -11,223.88           | 0.48             | A2             | A-         | A+           |     |
| CALOPTIMA S1-3         | 072024WW8   | BAY AREA CA TOLL AUTH TOLL BRI | 2.128% 04/01/2022 DD 09/28/19 | Municipal Securities | 1,145,000.0000 | 1,145,000.00 | 12,521.21        | 1,151,171.55      | 6,171.55             | 0.00                 | 0.74             | A1             | AA-        | AA-          |     |
| CALOPTIMA S1-3         | 130179RQ9   | CALIFORNIA ST EDUCNL FACS AUT  | 3.258% 10/01/2020 DD 11/21/18 | Municipal Securities | 820,000.0000   | 820,000.00   | 13,357.80        | 828,068.80        | 8,068.80             | 0.00                 | 0.53             | A2             | NR         | NR           |     |
| CALOPTIMA S1-3         | 13032UUY2   | CALIFORNIA ST HLTH FACS FING A | 1.896% 06/01/2021 DD 11/25/19 | Municipal Securities | 860,000.0000   | 860,000.00   | 5,706.96         | 859,587.20        | 0.00                 | -412.80              | 0.55             | Aa3            | AA-        | AA-          |     |
| CALOPTIMA S1-3         | 13034PZF7   | CALIFORNIA ST HSG FIN AGY REVE | 2.300% 08/01/2020 DD 06/29/17 | Municipal Securities | 1,000,000.0000 | 1,000,000.00 | 3,833.33         | 1,002,350.00      | 2,350.00             | 0.00                 | 0.64             | A1             | AA         | NR           |     |
| CALOPTIMA S1-3         | 13063DLZ9   | CALIFORNIA ST                  | 3.000% 04/01/2024 DD 04/04/19 | Municipal Securities | 1,235,000.0000 | 1,288,737.24 | 18,525.00        | 1,300,059.80      | 11,322.56            | 0.00                 | 0.83             | Aa2            | AA-        | AA           |     |
| CALOPTIMA S1-3         | 13066YTY5   | CALIFORNIA ST DEPT OF WTR RESO | 1.713% 05/01/2021 DD 09/28/16 | Municipal Securities | 1,119,450.3300 | 1,119,450.33 | 7,990.08         | 1,123,110.93      | 3,660.60             | 0.00                 | 0.72             | Aa1            | AA+        | AA+          |     |
| CALOPTIMA S1-3         | 157432KA2   | CHAFFEY CA CMNTY CLG DIST      | 1.606% 06/01/2022 DD 09/24/19 | Municipal Securities | 285,000.0000   | 285,000.00   | 2,377.55         | 287,391.15        | 2,391.15             | 0.00                 | 0.18             | Aa2            | AA         | NR           |     |
| CALOPTIMA S1-3         | 190335HF9   | COAST CA CMNTY CLG DIST        | 1.556% 08/01/2021 DD 08/31/16 | Municipal Securities | 585,000.0000   | 585,000.00   | 1,517.10         | 586,058.85        | 1,058.85             | 0.00                 | 0.38             | Aa1            | AA+        | NR           |     |
| CALOPTIMA S1-3         | 41978CAV7   | HAWAII ST ARPTS SYS CUSTOMER F | 1.819% 07/01/2022 DD 08/27/19 | Municipal Securities | 285,000.0000   | 285,000.00   | 1,296.04         | 285,829.35        | 829.35               | 0.00                 | 0.18             | A2             | A+         | A            |     |
| CALOPTIMA S1-3         | 41978CAX3   | HAWAII ST ARPTS SYS CUSTOMER F | 2.008% 07/01/2024 DD 08/27/19 | Municipal Securities | 285,000.0000   | 285,000.00   | 1,430.70         | 286,328.10        | 1,328.10             | 0.00                 | 0.18             | A2             | A+         | A            |     |
| CALOPTIMA S1-3         | 50520PAB6   | LA VERNE CA PENNS OBLIG        | 2.992% 06/01/2020 DD 08/15/18 | Municipal Securities | 1,245,000.0000 | 1,245,000.00 | 12,416.80        | 1,248,647.85      | 3,647.85             | 0.00                 | 0.80             | NR             | AA+        | NR           |     |
| CALOPTIMA S1-3         | 576000XB4   | MASSACHUSETTS ST SCH BLDG AUTH | 1.963% 10/15/2022 DD 11/20/19 | Municipal Securities | 720,000.0000   | 720,000.00   | 5,143.06         | 729,511.20        | 9,511.20             | 0.00                 | 0.47             | Aa3            | AA         | AA+          |     |
| CALOPTIMA S1-3         | 576051VW3   | MASSACHUSETTS ST WTR RESOURCES | 1.772% 08/01/2023 DD 11/01/19 | Municipal Securities | 945,000.0000   | 945,000.00   | 2,790.90         | 956,377.80        | 11,377.80            | 0.00                 | 0.61             | Aa1            | AA+        | AA+          |     |
| CALOPTIMA S1-3         | 677521DA1   | OHIO ST                        | 4.424% 05/01/2020 DD 04/27/10 | Municipal Securities | 2,195,000.0000 | 2,197,423.92 | 40,461.17        | 2,201,058.20      | 3,634.28             | 0.00                 | 1.41             | Aa1            | AAA        | AA+          | AA+ |
| CALOPTIMA S1-3         | 713575S22   | PERALTA CA CMNTY CLG DIST      | 6.159% 08/01/2020 DD 10/28/11 | Municipal Securities | 400,000.0000   | 404,602.76   | 4,106.00         | 405,920.00        | 1,317.24             | 0.00                 | 0.26             | A3             | AA-        | NR           |     |
| CALOPTIMA S1-3         | 797272QM6   | SAN DIEGO CA CMNTY CLG DIST    | 1.936% 08/01/2022 DD 10/16/19 | Municipal Securities | 600,000.0000   | 600,000.00   | 1,936.00         | 610,248.00        | 10,248.00            | 0.00                 | 0.39             | Aaa            | AAA        | NR           |     |
| CALOPTIMA S1-3         | 913366HV5   | UNIV OF CALIFORNIA CA RGTS MED | 1.620% 05/15/2021 DD 08/17/16 | Municipal Securities | 485,000.0000   | 481,743.62   | 2,968.20         | 488,152.50        | 6,408.88             | 0.00                 | 0.31             | Aa3            | AAA        | AA-          |     |
| CALOPTIMA S1-3         | 9174367H4   | UTAH ST HSG CORP SF MTGE REVEN | 2.100% 01/01/2022 DD 10/02/19 | Municipal Securities | 690,000.0000   | 690,000.00   | 7,204.75         | 691,104.00        | 1,104.00             | 0.00                 | 0.44             | Aa2            | NR         | NR           |     |
| CALOPTIMA S1-3         | 9174367J0   | UTAH ST HSG CORP SF MTGE REVEN | 2.150% 07/01/2022 DD 10/02/19 | Municipal Securities | 285,000.0000   | 285,000.00   | 3,046.73         | 286,142.85        | 1,142.85             | 0.00                 | 0.18             | Aa2            | NR         | NR           |     |
| CALOPTIMA S1-3         | 3137A2PV7   | FHLMC MULTICLASS MTG 3760 BA   | 1.500% 09/15/2022 DD 11/01/10 | RMBS                 | 161,028.6320   | 185,898.08   | 201.29           | 162,628.47        | 3,730.39             | 0.00                 | 0.10             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3137B2ZH6   | FHLMC MULTICLASS MTG 4221 HJ   | 1.500% 07/15/2023 DD 06/01/13 | RMBS                 | 238,883.0080   | 237,326.78   | 298.60           | 240,882.65        | 3,555.87             | 0.00                 | 0.15             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3128M1B99   | FHLMC POOL #G1-1964            | 5.000% 04/01/2021 DD 03/01/06 | RMBS                 | 9,031.5630     | 9,032.82     | 37.63            | 9,479.22          | 446.40               | 0.00                 | 0.01             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3128MBQD2   | FHLMC POOL #G1-2952            | 6.000% 12/01/2022 DD 12/01/07 | RMBS                 | 100,942.0510   | 103,480.49   | 504.71           | 105,141.98        | 1,661.49             | 0.00                 | 0.07             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3128MMKR3   | FHLMC POOL #G1-8303            | 4.500% 03/01/2024 DD 03/01/09 | RMBS                 | 199,603.7690   | 205,899.20   | 748.51           | 210,542.74        | 4,643.54             | 0.00                 | 0.14             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3136A1HC2   | FNMA GTD REMIC P/T 11-98 VC    | 3.500% 01/25/2023 DD 09/01/11 | RMBS                 | 155,162.2640   | 156,212.77   | 452.56           | 156,726.94        | 514.17               | 0.00                 | 0.10             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3136A5KR6   | FNMA GTD REMIC P/T 12-31 AD    | 1.750% 10/25/2022 DD 03/01/12 | RMBS                 | 194,990.9110   | 192,950.88   | 284.36           | 195,761.30        | 2,810.42             | 0.00                 | 0.13             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3136A5KR6   | FNMA GTD REMIC P/T 12-31 AD    | 1.750% 10/25/2022 DD 03/01/12 | RMBS                 | 489,955.5630   | 485,270.04   | 714.52           | 491,891.33        | 6,621.29             | 0.00                 | 0.32             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3136A5X68   | FNMA GTD REMIC P/T 12-50 VA    | 4.000% 07/25/2023 DD 04/01/12 | RMBS                 | 123,525.4160   | 126,308.70   | 411.75           | 127,880.07        | 1,571.37             | 0.00                 | 0.08             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3136A6M27   | FNMA GTD REMIC P/T 12-76 VA    | 4.000% 09/25/2023 DD 06/01/12 | RMBS                 | 244,856.2740   | 248,643.55   | 816.19           | 249,087.34        | 443.79               | 0.00                 | 0.16             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 3136AHVQ0   | FNMA GTD REMIC P/T 13-136 CV   | 3.500% 06/25/2023 DD 12/01/13 | RMBS                 | 167,865.9350   | 171,015.03   | 489.61           | 173,328.51        | 2,313.48             | 0.00                 | 0.11             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 31393A2V8   | FNMA GTD REMIC P/T 03-38 MP    | 5.500% 05/25/2023 DD 04/01/03 | RMBS                 | 134,867.0240   | 139,086.51   | 618.14           | 142,003.03        | 2,916.52             | 0.00                 | 0.09             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 31393DLQ2   | FNMA GTD REMIC P/T 03-64 HQ    | 5.000% 07/25/2022 DD 06/01/03 | RMBS                 | 209,545.0850   | 215,023.09   | 873.10           | 219,852.54        | 4,829.45             | 0.00                 | 0.14             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 62888UAB6   | NCUA GUARANTEED NOTES TR R2 2A | VAR RT 11/05/2020 DD 11/17/10 | RMBS                 | 292,086.9370   | 310,225.05   | 301.47           | 292,119.97        | 0.00                 | -18,105.08           | 0.19             | Aaa            | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 92261WAB6   | VENDEE MORTGAGE TRUST 201 1 DV | 3.750% 06/15/2022 DD 04/01/11 | RMBS                 | 118,038.4650   | 119,582.24   | 368.87           | 122,231.53        | 2,649.29             | 0.00                 | 0.08             | Agency         | AA+        | Agency       |     |
| CALOPTIMA S1-3         | 9128284H0   | US TREAS-CPI INFLAT            | 0.625%004/15/2023 DD 04/15/18 | US Government        | 2,336,490.0000 | 2,350,022.24 | 6,742.94         | 2,353,507.75      | 3,485.51             | 0.00                 | 1.51             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286N5   | US TREAS-CPI INFLAT            | 0.500% 04/15/2024 DD 04/15/19 | US Government        | 1,518,739.2000 | 1,537,553.48 | 3,506.37         | 1,540,677.34      | 3,123.86             | 0.00                 | 0.99             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286N5   | US TREAS-CPI INFLAT            | 0.500% 04/15/2024 DD 04/15/19 | US Government        | 1,518,739.2000 | 1,539,236.32 | 3,506.38         | 1,540,677.34      | 1,441.02             | 0.00                 | 0.99             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286N5   | US TREAS-CPI INFLAT            | 0.500% 04/15/2024 DD 04/15/19 | US Government        | 756,812.8000   | 769,693.29   | 1,747.29         | 767,744.94        | 0.00                 | -1,948.35            | 0.49             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286U9   | U S TREASURY NOTE              | 2.125% 05/15/2022 DD 05/15/19 | US Government        | 1,520,000.0000 | 1,535,129.97 | 12,245.60        | 1,580,978.13      | 45,848.16            | 0.00                 | 1.01             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286U9   | U S TREASURY NOTE              | 2.125% 05/15/2022 DD 05/15/19 | US Government        | 4,560,000.0000 | 4,603,655.89 | 36,736.81        | 4,742,934.39      | 139,278.50           | 0.00                 | 3.04             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286U9   | U S TREASURY NOTE              | 2.125% 05/15/2022 DD 05/15/19 | US Government        | 760,000.0000   | 768,401.45   | 6,122.80         | 790,489.06        | 22,087.61            | 0.00                 | 0.51             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286U9   | U S TREASURY NOTE              | 2.125% 05/15/2022 DD 05/15/19 | US Government        | 2,810,000.0000 | 2,852,065.26 | 22,638.26        | 2,922,729.30      | 70,664.04            | 0.00                 | 1.87             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 9128286U9   | U S TREASURY NOTE              | 2.125% 05/15/2022 DD 05/15/19 | US Government        | 300,000.0000   | 304,311.67   | 2,416.90         | 312,035.16        | 7,723.49             | 0.00                 | 0.20             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 912828B58   | U S TREASURY NOTE              | 2.125% 01/31/2021 DD 01/31/14 | US Government        | 985,000.0000   | 980,435.05   | 3,507.71         | 1,002,006.64      | 21,571.59            | 0.00                 | 0.64             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 3,815,000.0000 | 3,815,941.99 | 5,954.49         | 3,926,469.53      | 110,527.54           | 0.00                 | 2.52             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 3,055,000.0000 | 3,062,259.11 | 4,768.28         | 3,144,263.28      | 82,004.17            | 0.00                 | 2.02             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 460,000.0000   | 461,079.84   | 717.97           | 473,440.63        | 12,360.79            | 0.00                 | 0.30             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 1,835,000.0000 | 1,839,371.10 | 2,864.09         | 1,888,616.41      | 49,245.31            | 0.00                 | 1.21             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 465,000.0000   | 466,091.99   | 725.78           | 478,586.72        | 12,494.73            | 0.00                 | 0.31             | Govt           | AA+        | Govt         |     |
| CALOPTIMA S1-3         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2                |                      |                |              |                  |                   |                      |                      |                  |                |            |              |     |

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

# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima - Tier One

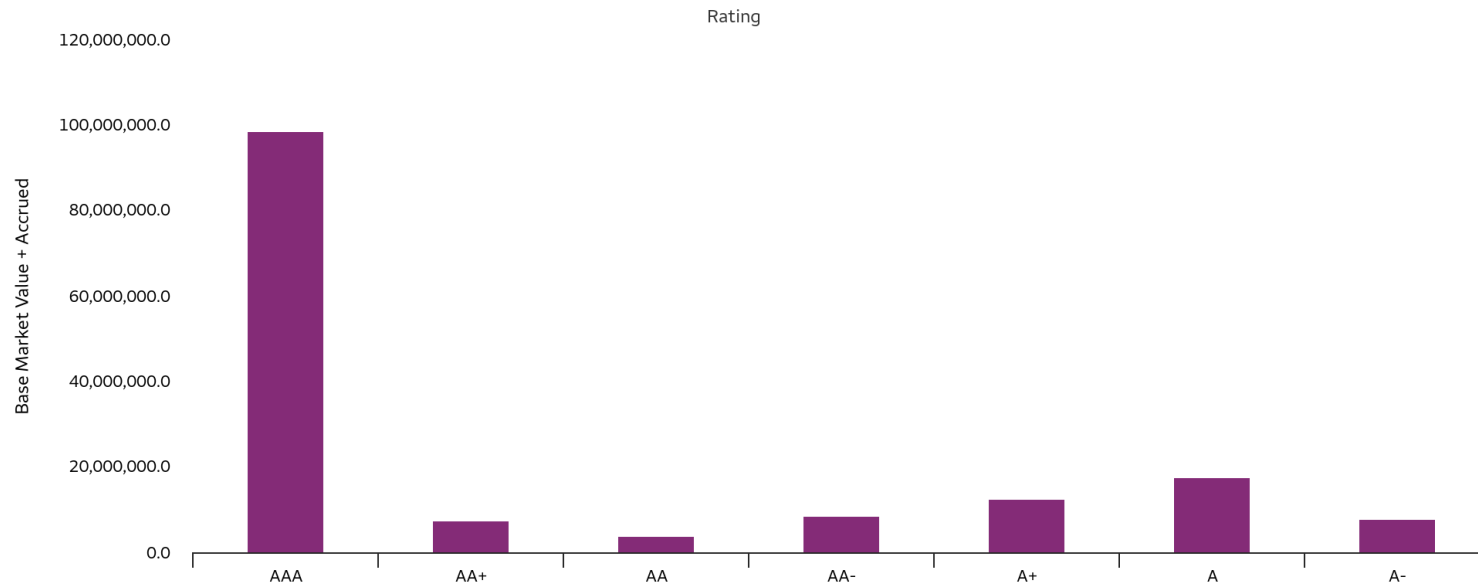
Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management



## AAA

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

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima - Tier One

Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

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

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima - Tier One

Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

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

AA+

| Identifier,<br>Description                         | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|----------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 037833DL1<br>APPLE INC                             | 250,000.00                   | USD<br>09/11/2022                     | CORP          | AA+    | Aa1     | AA+ | NA    | 254,573.73                     | 0.16%                                  |
| 037833DL1<br>APPLE INC                             | 500,000.00                   | USD<br>09/11/2022                     | CORP          | AA+    | Aa1     | AA+ | NA    | 509,147.47                     | 0.32%                                  |
| 212204JB8<br>CONTRA COSTA CALIF CMNTY COLLEGE DIST | 1,365,000.00                 | USD<br>08/01/2021                     | MUNI          | AA+    | Aa1     | AA+ | NA    | 1,377,612.60                   | 0.88%                                  |

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima - Tier One

Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

| Identifier,<br>Description                                | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-----------------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 212204JC6<br>CONTRA COSTA CALIF CMNTY COLLEGE DIST        | 1,000,000.00                 | USD<br>08/01/2022                     | MUNI          | AA+    | Aa1     | AA+ | NA    | 1,011,253.33                   | 0.64%                                  |
| 677765GS2<br>OHLONE CALIF CMNTY COLLEGE DIST              | 1,000,000.00                 | USD<br>08/01/2021                     | MUNI          | AA+    | Aa1     | AA+ | NA    | 1,011,343.33                   | 0.64%                                  |
| 80168ACP0<br>SANTA CLARA VY CALIF WTR DIST WTR SYS<br>REV | 570,000.00                   | USD<br>06/01/2022                     | MUNI          | AA+    | Aa1     | NA  | AA+   | 580,930.46                     | 0.37%                                  |
| 92348XAC9<br>VZOT 18A B                                   | 2,925,000.00                 | USD<br>04/20/2023                     | ABS           | AA+    | Aa1     | AA+ | AA    | 2,828,466.45                   | 1.80%                                  |
| ---                                                       | 7,610,000.00                 | USD<br>07/14/2022                     | ---           | AA+    | Aa1     | AA+ | AA    | 7,573,327.38                   | 4.82%                                  |

AA

| Identifier,<br>Description    | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 13063DGA0<br>CALIFORNIA ST    | 1,250,000.00                 | USD<br>04/01/2021                     | MUNI          | AA     | Aa2     | AA- | AA    | 1,285,425.00                   | 0.82%                                  |
| 30231GBB7<br>EXXON MOBIL CORP | 530,000.00                   | USD<br>08/16/2022                     | CORP          | AA     | Aaa     | AA  | NA    | 533,069.53                     | 0.34%                                  |
| 931142EJ8<br>WALMART INC      | 2,000,000.00                 | USD<br>06/23/2021                     | CORP          | AA     | Aa2     | AA  | AA    | 2,060,566.17                   | 1.31%                                  |
| ---                           | 3,780,000.00                 | USD<br>07/23/2021                     | ---           | AA     | Aa2     | AA  | AA    | 3,879,060.70                   | 2.47%                                  |

AA-

| Identifier,<br>Description                          | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-----------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 032556GN6<br>ANAHEIM CALIF HSG & PUB IMPT AUTH REV  | 630,000.00                   | USD<br>10/01/2022                     | MUNI          | AA-    | NA      | AA- | AA-   | 637,242.01                     | 0.41%                                  |
| 072024WW8<br>BAY AREA TOLL AUTH CALIF TOLL BRDG REV | 2,000,000.00                 | USD<br>04/01/2022                     | MUNI          | AA-    | A1      | AA- | AA-   | 2,032,651.11                   | 1.29%                                  |
| 376087FX5<br>GILROY CALIF UNI SCH DIST              | 500,000.00                   | USD<br>08/01/2022                     | MUNI          | AA-    | Aa3     | AA- | NA    | 506,418.33                     | 0.32%                                  |
| 738850SV9<br>POWAY CALIF UNI SCH DIST               | 1,140,000.00                 | USD<br>08/01/2022                     | MUNI          | AA-    | NA      | AA- | NA    | 1,159,144.40                   | 0.74%                                  |
| 769059ZY5<br>RIVERSIDE CALIF UNI SCH DIST           | 1,000,000.00                 | USD<br>02/01/2022                     | MUNI          | AA-    | Aa2     | AA- | NA    | 1,017,721.56                   | 0.65%                                  |
| 90331HPA5<br>US BANK NA                             | 1,750,000.00                 | USD<br>02/04/2021                     | CORP          | AA-    | A1      | AA- | AA-   | 1,769,515.65                   | 1.13%                                  |
| 90331HPA5<br>US BANK NA                             | 400,000.00                   | USD<br>02/04/2021                     | CORP          | AA-    | A1      | AA- | AA-   | 404,460.72                     | 0.26%                                  |

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima - Tier One

Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

| Identifier,<br>Description                       | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|--------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 913366HW3<br>UNIV CALIF REGTS MED CTR POOLED REV | 1,000,000.00                 | USD<br>05/15/2022                     | MUNI          | AA-    | Aa3     | AA- | AA-   | 1,025,488.67                   | 0.65%                                  |
| ---                                              | 8,420,000.00                 | USD<br>01/20/2022                     | ---           | AA-    | Aa3     | AA- | AA-   | 8,552,642.44                   | 5.44%                                  |

A+

| Identifier,<br>Description                                         | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|--------------------------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 06406RAM9<br>BANK OF NEW YORK MELLON                               | 2,250,000.00                 | USD<br>01/27/2023                     | CORP          | A+     | A1      | A   | AA-   | 2,243,011.70                   | 1.43%                                  |
| 17325FAL2<br>CITIBANK NA                                           | 1,200,000.00                 | USD<br>02/12/2021                     | CORP          | A+     | Aa3     | A+  | A+    | 1,210,470.20                   | 0.77%                                  |
| 69371RP42<br>PACCAR FINANCIAL CORP                                 | 2,000,000.00                 | USD<br>08/09/2021                     | CORP          | A+     | A1      | A+  | NA    | 1,986,238.94                   | 1.26%                                  |
| 79766DLQ0<br>SAN FRANCISCO CALIF CITY & CNTY ARPTS<br>COMMN INTL A | 1,000,000.00                 | USD<br>05/01/2021                     | MUNI          | A+     | A1      | A+  | A+    | 1,027,085.83                   | 0.65%                                  |
| 857477AV5<br>STATE STREET CORP                                     | 2,000,000.00                 | USD<br>05/19/2021                     | CORP          | A+     | A1      | A   | AA-   | 2,005,514.44                   | 1.28%                                  |
| 89236TCZ6<br>TOYOTA MOTOR CREDIT CORP                              | 2,000,000.00                 | USD<br>04/08/2021                     | CORP          | A+     | A1      | AA- | A+    | 2,009,019.07                   | 1.28%                                  |
| 899154AT5<br>TULARE CNTY CALIF PENSION OBLIG                       | 2,000,000.00                 | USD<br>06/01/2021                     | MUNI          | A+     | A1      | AA- | NA    | 2,057,833.33                   | 1.31%                                  |
| ---                                                                | 12,450,000.00                | USD<br>09/04/2021                     | ---           | A+     | A1      | A+  | AA-   | 12,539,173.52                  | 7.98%                                  |

A

| Identifier,<br>Description                       | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|--------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 06051GEE5<br>BANK OF AMERICA CORP                | 1,700,000.00                 | USD<br>01/05/2021                     | CORP          | A      | A2      | A-  | A+    | 1,757,987.21                   | 1.12%                                  |
| 14913Q3C1<br>CATERPILLAR FINANCIAL SERVICES CORP | 2,250,000.00                 | USD<br>11/18/2022                     | CORP          | A      | A3      | A   | A     | 2,251,857.53                   | 1.43%                                  |
| 24422ETZ2<br>JOHN DEERE CAPITAL CORP             | 500,000.00                   | USD<br>01/08/2021                     | CORP          | A      | A2      | A   | A     | 503,507.64                     | 0.32%                                  |
| 24422ETZ2<br>JOHN DEERE CAPITAL CORP             | 1,200,000.00                 | USD<br>01/08/2021                     | CORP          | A      | A2      | A   | A     | 1,208,418.33                   | 0.77%                                  |
| 369550BE7<br>GENERAL DYNAMICS CORP               | 1,000,000.00                 | USD<br>05/11/2021                     | CORP          | A      | A2      | A   | WR    | 1,019,360.92                   | 0.65%                                  |
| 369550BE7<br>GENERAL DYNAMICS CORP               | 500,000.00                   | USD<br>05/11/2021                     | CORP          | A      | A2      | A   | WR    | 509,680.46                     | 0.32%                                  |

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima - Tier One

Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

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

A-

| Identifier,<br>Description               | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 02665WBG5<br>AMERICAN HONDA FINANCE CORP | 856,000.00                   | USD<br>09/09/2021                     | CORP          | A-     | A3      | A   | NA    | 842,854.90                     | 0.54%                                  |
| 02665WDC2<br>AMERICAN HONDA FINANCE CORP | 1,000,000.00                 | USD<br>01/10/2023                     | CORP          | A-     | A3      | A   | NA    | 989,847.66                     | 0.63%                                  |
| 05531FBG7<br>BB&T CORP                   | 2,000,000.00                 | USD<br>06/20/2022                     | CORP          | A-     | A3      | A-  | A+    | 2,057,486.71                   | 1.31%                                  |
| 31677QBS7<br>FIFTH THIRD BANK NA (OHIO)  | 2,000,000.00                 | USD<br>01/30/2023                     | CORP          | A-     | A3      | A-  | A-    | 1,981,189.02                   | 1.26%                                  |
| 44644AAD9<br>HUNTINGTON NATIONAL BANK    | 1,000,000.00                 | USD<br>05/14/2021                     | CORP          | A-     | A3      | A-  | A-    | 1,020,078.22                   | 0.65%                                  |
| 44644AAH0<br>HUNTINGTON NATIONAL BANK    | 1,000,000.00                 | USD<br>04/01/2022                     | CORP          | A-     | A3      | A-  | A-    | 1,034,652.26                   | 0.66%                                  |
| ---                                      | 7,856,000.00                 | USD<br>06/09/2022                     | CORP          | A-     | A3      | A-  | A     | 7,926,108.77                   | 5.04%                                  |
| ---                                      |                              |                                       |               |        |         |     |       |                                |                                        |

Summary

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.

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# Credit Rating

US Dollar  
As of 31 March 2020

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



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

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



| Reporting Account Name | Security ID | Security Description 1         | Security Description 2        | Sector       | Shares/Par     | Base Cost    | Accrued Interest | Base Market Value | Base Unrealized Gain | Base Unrealized Loss | Percent of Asset | Moody's Rating | S&P Rating | Fitch Rating |
|------------------------|-------------|--------------------------------|-------------------------------|--------------|----------------|--------------|------------------|-------------------|----------------------|----------------------|------------------|----------------|------------|--------------|
| CALOPTIMA S1-5         | 3135G0S38   | FEDERAL NATL MTG ASSN          | 2.000% 01/05/2022 DD 01/09/17 | Agency       | 2,250,000.0000 | 2,252,983.82 | 10,750.00        | 2,314,468.33      | 61,484.51            | 0.00                 | 2.22             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3135G0S38   | FEDERAL NATL MTG ASSN          | 2.000% 01/05/2022 DD 01/09/17 | Agency       | 1,500,000.0000 | 1,505,130.78 | 7,166.67         | 1,542,978.88      | 37,848.10            | 0.00                 | 1.48             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3135G0V75   | FEDERAL NATL MTG ASSN          | 1.750% 07/02/2024 DD 07/08/19 | Agency       | 1,100,000.0000 | 1,106,305.43 | 4,759.03         | 1,150,534.88      | 44,229.45            | 0.00                 | 1.10             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3135G0V75   | FEDERAL NATL MTG ASSN          | 1.750% 07/02/2024 DD 07/08/19 | Agency       | 1,010,000.0000 | 1,014,284.35 | 4,369.65         | 1,056,400.21      | 42,115.86            | 0.00                 | 1.01             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3137EADB2   | FEDERAL HOME LN MTG CORP       | 2.375% 01/13/2022 DD 01/13/12 | Agency       | 1,500,000.0000 | 1,514,636.82 | 7,718.75         | 1,552,598.01      | 37,961.19            | 0.00                 | 1.49             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 4581X0CZ9   | INTER-AMERICAN DEVELOPMENT BAN | 1.750% 09/14/2022 DD 09/14/17 | Agency       | 1,000,000.0000 | 993,338.51   | 826.39           | 1,029,934.24      | 36,595.73            | 0.00                 | 0.99             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-5         | 4581X0CZ9   | INTER-AMERICAN DEVELOPMENT BAN | 1.750% 09/14/2022 DD 09/14/17 | Agency       | 1,500,000.0000 | 1,498,281.74 | 1,239.58         | 1,544,901.36      | 46,619.62            | 0.00                 | 1.48             | Aaa            | AAA        | AAA          |
| CALOPTIMA S1-5         | 45905BGX5   | INTERNATIONAL BANK FOR RECONST | 1.875% 06/19/2023 DD 06/19/19 | Agency       | 750,000.0000   | 759,826.30   | 3,984.38         | 778,977.54        | 19,151.24            | 0.00                 | 0.75             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-5         | 17305EFM2   | CITIBANK CREDIT CARD ISS A1 A1 | 2.880% 01/23/2023 DD 01/24/14 | Asset Backed | 565,000.0000   | 564,289.08   | 3,164.00         | 569,909.62        | 5,620.54             | 0.00                 | 0.55             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-5         | 26208RAD7   | DRIVE AUTO RECEIVABLES TR 2 A3 | 3.040% 03/15/2023 DD 03/20/19 | Asset Backed | 315,000.0000   | 314,977.37   | 425.60           | 315,851.89        | 874.52               | 0.00                 | 0.30             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-5         | 26208RAE5   | DRIVE AUTO RECEIVABLES TRU 2 B | 3.170% 11/15/2023 DD 03/20/19 | Asset Backed | 450,000.0000   | 449,971.98   | 634.00           | 448,085.61        | 0.00                 | -1,886.37            | 0.43             | Aaa            | AA         | NR           |
| CALOPTIMA S1-5         | 477870AB5   | JOHN DEERE OWNER TRUST 20 B A2 | 2.280% 05/16/2022 DD 07/24/19 | Asset Backed | 437,317.7400   | 437,316.13   | 443.15           | 437,928.76        | 612.63               | 0.00                 | 0.42             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-5         | 47787XAC1   | JOHN DEERE OWNER TRUST 20 A A3 | 1.780% 04/15/2021 DD 03/02/17 | Asset Backed | 5,181.1100     | 5,181.11     | 4.10             | 5,175.78          | 0.00                 | -5.33                | 0.00             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-5         | 65479PAB5   | NISSAN AUTO LEASE TRUST 2 A A2 | 2.710% 07/15/2021 DD 04/15/19 | Asset Backed | 721,596.6900   | 721,584.60   | 869.12           | 723,557.48        | 1,972.88             | 0.00                 | 0.69             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-5         | 80286GAB7   | SANTANDER DRIVE AUTO RECE 2 A2 | 2.630% 07/15/2022 DD 05/22/19 | Asset Backed | 320,161.7000   | 320,144.40   | 374.23           | 319,586.91        | 0.00                 | -557.49              | 0.31             | Aaa            | NR         | AAA          |
| CALOPTIMA S1-5         | GL-110000   | CASH                           |                               | CASH         | 0.0000         | 278,739.46   | 0.00             | 278,739.46        | 0.00                 | 0.00                 | 0.00             |                |            |              |
| CALOPTIMA S1-5         | 31381PAU2   | FNMA POOL #0466319             | 3.230% 11/01/2020 DD 11/01/10 | CMBS         | 164,012.4640   | 164,475.43   | 456.18           | 164,015.11        | 0.00                 | -460.32              | 0.16             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 31381Q6B7   | FNMA POOL #0468066             | 4.295% 06/01/2021 DD 06/01/11 | CMBS         | 1,120,675.3300 | 1,148,848.39 | 4,144.79         | 1,153,891.91      | 5,043.52             | 0.00                 | 1.11             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 31381SF77   | FNMA POOL #0468958             | 3.770% 09/01/2021 DD 09/01/11 | CMBS         | 1,190,000.0000 | 1,201,846.24 | 3,863.20         | 1,227,124.70      | 25,278.46            | 0.00                 | 1.18             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3138EJRP5   | FNMA POOL #0AL2293             | VAR RT 06/01/2021 DD 08/01/12 | CMBS         | 405,161.2160   | 434,306.53   | 1,519.41         | 419,753.32        | 0.00                 | -14,553.21           | 0.40             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3138EJRP5   | FNMA POOL #0AL2293             | VAR RT 06/01/2021 DD 08/01/12 | CMBS         | 27,290.6510    | 29,125.47    | 102.34           | 28,273.54         | 0.00                 | -851.93              | 0.03             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3138EJRP5   | FNMA POOL #0AL2293             | VAR RT 06/01/2021 DD 08/01/12 | CMBS         | 41,985.6170    | 43,849.91    | 157.45           | 43,497.75         | 0.00                 | -352.16              | 0.04             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3138EJRP5   | FNMA POOL #0AL2293             | VAR RT 06/01/2021 DD 08/01/12 | CMBS         | 102,864.7600   | 107,431.98   | 385.76           | 106,569.49        | 0.00                 | -862.49              | 0.10             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3138EK7G4   | FNMA POOL #0AL3594             | VAR RT 04/01/2023 DD 05/01/13 | CMBS         | 502,977.8940   | 514,468.76   | 1,167.69         | 526,544.56        | 12,075.80            | 0.00                 | 0.51             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3138EKXL4   | FNMA POOL #0AL3382             | VAR RT 03/01/2023 DD 03/01/13 | CMBS         | 221,056.3430   | 223,747.74   | 443.91           | 228,581.78        | 4,834.04             | 0.00                 | 0.22             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3138L0MH1   | FNMA POOL #0AM0359             | 2.310% 08/01/2022 DD 08/01/12 | CMBS         | 716,652.7030   | 722,444.30   | 1,425.54         | 735,525.85        | 13,081.55            | 0.00                 | 0.71             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3137AXHP1   | FHLMC MULTICLASS MTG K024 A2   | 2.573% 09/25/2022 DD 01/01/13 | CMBS         | 640,000.0000   | 644,990.25   | 1,372.26         | 658,506.56        | 13,516.31            | 0.00                 | 0.63             | Aaa            | AA+        | Agency       |
| CALOPTIMA S1-5         | 3137AXHP1   | FHLMC MULTICLASS MTG K024 A2   | 2.573% 09/25/2022 DD 01/01/13 | CMBS         | 460,000.0000   | 463,427.83   | 986.32           | 473,301.59        | 9,873.76             | 0.00                 | 0.45             | Aaa            | AA+        | Agency       |
| CALOPTIMA S1-5         | 3137B1BS0   | FHLMC MULTICLASS MTG K026 A2   | 2.510% 11/25/2022 DD 05/01/13 | CMBS         | 2,005,000.0000 | 2,020,903.32 | 4,193.79         | 2,063,421.89      | 42,518.57            | 0.00                 | 1.98             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-5         | 3137B1UG5   | FHLMC MULTICLASS MTG K027 A2   | 2.637% 01/25/2023 DD 05/01/13 | CMBS         | 560,000.0000   | 560,309.01   | 1,230.60         | 578,981.93        | 18,672.92            | 0.00                 | 0.56             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-5         | 3137B1UG5   | FHLMC MULTICLASS MTG K027 A2   | 2.637% 01/25/2023 DD 05/01/13 | CMBS         | 700,000.0000   | 700,100.72   | 1,538.25         | 723,727.41        | 23,626.69            | 0.00                 | 0.69             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-5         | 3137BKRH5   | FHLMC MULTICLASS MTG K047 A1   | 2.827% 12/25/2024 DD 07/01/15 | CMBS         | 184,956.3870   | 188,710.26   | 435.73           | 193,460.57        | 4,750.31             | 0.00                 | 0.19             | Agency         | AA+        | AAA          |
| CALOPTIMA S1-5         | 023135AM8   | AMAZON.COM INC                 | 3.300% 12/05/2021 DD 12/05/14 | Corporates   | 740,000.0000   | 751,827.42   | 7,868.67         | 765,545.05        | 13,717.63            | 0.00                 | 0.73             | A2             | A-         | A+           |
| CALOPTIMA S1-5         | 04609QAD1   | ASSOCIATION OF AMERICAN MEDICA | 2.027% 10/01/2023 DD 01/29/20 | Corporates   | 710,000.0000   | 710,000.00   | 2,478.57         | 708,745.12        | 0.00                 | -1,254.88            | 0.68             | NR             | A+         | AA           |
| CALOPTIMA S1-5         | 05531FBJ1   | TRUIST FINANCIAL CORP          | 2.200% 03/16/2023 DD 09/16/19 | Corporates   | 790,000.0000   | 789,506.32   | 724.17           | 790,478.46        | 972.14               | 0.00                 | 0.76             | A3             | A-         | A+           |
| CALOPTIMA S1-5         | 06051GEU9   | BANK OF AMERICA CORP           | 3.300% 01/11/2023 DD 01/11/13 | Corporates   | 370,000.0000   | 368,560.55   | 2,713.33         | 383,334.76        | 14,774.21            | 0.00                 | 0.37             | A2             | A-         | A+           |
| CALOPTIMA S1-5         | 06051GEU9   | BANK OF AMERICA CORP           | 3.300% 01/11/2023 DD 01/11/13 | Corporates   | 1,000,000.0000 | 1,040,412.45 | 7,333.34         | 1,036,039.90      | 0.00                 | -4,372.55            | 0.99             | A2             | A-         | A+           |
| CALOPTIMA S1-5         | 06406RAE7   | BANK OF NEW YORK MELLON CORP/T | 2.950% 01/29/2023 DD 01/29/18 | Corporates   | 882,000.0000   | 879,470.86   | 4,481.05         | 901,713.60        | 22,242.74            | 0.00                 | 0.87             | A1             | A          | AA-          |
| CALOPTIMA S1-5         | 14040HBY0   | CAPITAL ONE FINANCIAL CORP     | 3.450% 04/30/2021 DD 04/30/18 | Corporates   | 600,000.0000   | 599,810.71   | 8,682.50         | 601,043.84        | 1,233.13             | 0.00                 | 0.58             | Baa1           | BBB        | A-           |
| CALOPTIMA S1-5         | 14913Q2H1   | CATERPILLAR FINANCIAL SERVICES | VAR RT 03/15/2021 DD 03/15/18 | Corporates   | 700,000.0000   | 637,319.87   | 343.23           | 685,146.00        | 47,826.13            | 0.00                 | 0.66             | A3             | A          | A            |
| CALOPTIMA S1-5         | 172967LC3   | CITIGROUP INC                  | 2.900% 12/08/2021 DD 12/08/16 | Corporates   | 900,000.0000   | 904,526.57   | 8,192.50         | 906,923.59        | 2,397.02             | 0.00                 | 0.87             | A3             | BBB+       | A            |
| CALOPTIMA S1-5         | 172967LC3   | CITIGROUP INC                  | 2.900% 12/08/2021 DD 12/08/16 | Corporates   | 710,000.0000   | 701,073.09   | 6,462.97         | 715,461.95        | 14,388.86            | 0.00                 | 0.69             | A3             | BBB+       | A            |
| CALOPTIMA S1-5         | 250847EG1   | DTE ELECTRIC CO                | 3.900% 06/01/2021 DD 05/18/11 | Corporates   | 750,000.0000   | 761,854.79   | 9,750.00         | 754,493.13        | 0.00                 | -7,361.66            | 0.72             | Aa3            | A          | A+           |
| CALOPTIMA S1-5         | 31677QBG3   | FIFTH THIRD BANK/CINCINNATI OH | 2.250% 06/14/2021 DD 06/14/16 | Corporates   | 215,000.0000   | 216,033.80   | 1,437.81         | 215,200.65        | 0.00                 | -833.15              | 0.21             | A3             | A-         | A-           |
| CALOPTIMA S1-5         | 31677QBG3   | FIFTH THIRD BANK/CINCINNATI OH | 2.250% 06/14/2021 DD 06/14/16 | Corporates   | 500,000.0000   | 501,934.03   | 3,343.75         | 500,466.62        | 0.00                 | -1,467.41            | 0.48             | A3             | A-         | A-           |
| CALOPTIMA S1-5         | 38141GGQ1   | GOLDMAN SACHS GROUP INC/THE    | 5.250% 07/27/2021 DD 07/27/11 | Corporates   | 750,000.0000   | 771,748.83   | 7,000.00         | 774,055.98        | 2,307.15             | 0.00                 | 0.74             | A3             | BBB+       | A            |
| CALOPTIMA S1-5         | 38141GWT7   | GOLDMAN SACHS GROUP INC/THE    | 3.200% 02/23/2023 DD 01/23/18 | Corporates   | 1,000,000.0000 | 1,033,969.49 | 3,377.78         | 1,018,616.94      | 0.00                 | -15,352.55           | 0.98             | A3             | BBB+       | A            |
| CALOPTIMA S1-5         | 44644AAB3   | HUNTINGTON NATIONAL BANK/THE   | 2.500% 08/07/2022 DD 08/07/17 | Corporates   | 445,000.0000   | 435,931.57   | 1,668.75         | 446,195.68        | 10,264.11            | 0.00                 | 0.43             | A3             | A-         | A-           |
| CALOPTIMA S1-5         | 46625HJE1   | JPMORGAN CHASE & CO            | 3.250% 09/23/2022 DD 09/24/12 | Corporates   | 920,000.0000   | 934,679.63   | 664.44           | 948,806.62        | 14,126.99            | 0.00                 | 0.91             | A2             | A-         | AA-          |
| CALOPTIMA S1-5         | 46625HJH4   | JPMORGAN CHASE & CO            | 3.200% 01/25/2023 DD 01/25/13 | Corporates   | 1,000,000.0000 | 991,182.27   | 5,866.67         | 1,028,767.58      | 37,585.31            | 0.00                 | 0.99             | A2             | A-         | AA-          |
| CALOPTIMA S1-5         | 55279HAL4   | MANUFACTURERS & TRADERS TRUST  | 2.500% 05/18/2022 DD 05/18/17 | Corporates   | 900,000.0000   | 902,319.41   | 8,312.50         | 871,180.83        | 0.00                 | -31,138.58           | 0.84             | A3             | A          | A            |
| CALOPTIMA S1-5         | 61746BED4   | MORGAN STANLEY                 | 2.625% 11/17/2021 DD 11/17/16 | Corporates   | 715,000.0000   | 706,460.39   | 6,986.15         | 717,672.51        | 11,212.12            | 0.00                 | 0.69             | A3             | BBB+       | A            |
| CALOPTIMA S1-5         | 61747WAF6   | MORGAN STANLEY                 | 5.750% 01/25/2021 DD 01/25/11 | Corporates   | 730,000.0000   | 748,126.40   | 7,695.42         | 749,287.49        | 1,161.09             | 0.00                 | 0.72             | A3             | BBB+       | A            |
| CALOPTIMA S1-5         | 68389XBR5   | ORACLE CORP                    | 2.625% 02/15/2023 DD 11/09/17 | Corporates   | 1,000,000.0000 | 983,050.83   | 3,354.17         | 1,026,595.70      | 43,544.87            | 0.00                 | 0.99             | A3             | A+         | A-           |
| CALOPTIMA S1-5         | 69353RFT0   | PNC BANK NA                    | VAR RT 02/24/2023 DD 02/25/20 | Corporates   | 750,000.0000   | 750,000.00   | 1,307.25         | 738,050.25        | 0.00                 | -11,949.75           | 0.71             | A2             | A          | A+           |
| CALOPTIMA S1-5         | 69371RP26   | PACCAR FINANCIAL CORP          | 3.100% 05/10/2021 DD 05/10/18 | Corporates   | 1,000,000.0000 | 999,908.18   | 12,141.67        | 1,004,895.54      | 4,987.36             | 0.00                 | 0.96             | A1             | A+         | NR           |
| CALOPTIMA S1-5         | 74432QBP9   | PRUDENTIAL FINANCIAL INC       | 4.500% 11/15/2020 DD 11/18/10 | Corporates   | 365,000.0000   | 367,854.94   | 6,205.00         | 367,517.93        | 0.00                 | -337.01              | 0.35             | A3             | A          | A-           |
| CALOPTIMA S1-5         | 74456QBP0   | PUBLIC SERVICE ELECTRIC & GAS  | 1.900% 03/15/2021 DD 03/03/16 | Corporates   | 495,000.0000   | 486,453.10   | 418.00           | 490,097.51        | 3,644.41             | 0.00                 | 0.47             | Aa3            | A          | A+           |
| CALOPTIMA S1-5         | 784710AB1   | SSM HEALTH CARE CORP           | 3.688% 06/01/2023 DD 05/08/18 | Corporates   | 100,000.0000   | 100,363.65   | 1,229.33         | 101,569.28        | 1,205.63             | 0.00                 | 0.10             | A1             | A+         | AA-          |
| CALOPTIMA S1-5         | 784710AB1   | SSM HEALTH CARE CORP           | 3.688% 06/01/2023 DD 05/08/18 | Corporates   | 500,000.0000   | 497,786.82   | 6,146.67         | 507,846.41        | 10,059.59            | 0.00                 | 0.49             | A1             | A+         | AA-          |
| CALOPTIMA S1-5         | 828807DG9   | SIMON PROPERTY GROUP LP        | 2.000% 09/13/2024 DD 09/13/19 | Corporates   | 260,000.0000   | 256,188.98   | 260.00           | 250,352.89        | 0.00                 | -5,836.09            | 0.24             | A2             | A          | A            |
| CALOPTIMA S1-5         | 828807DG9   | SIMON PROPERTY GROUP LP        | 2.000% 09/13/2024 DD 09/13/19 | Corporates   | 525,000.0000   | 517,278.10   | 525.00           | 505,520.25        | 0.00                 | -11,757.85           | 0.49             | A2             | A          | A            |
| CALOPTIMA S1-5         | 86787EBA4   | TRUIST BANK                    | VAR RT 10/26/2021 DD 10/26/18 | Corporates   | 390,000.0000   | 390,000.00   | 5,919.06         | 390,727.70        | 727.70               | 0.00                 | 0.37             | A2             | A          | A+           |
| CALOPTIMA S1-5         | 94974BFC9   | WELLS FARGO & CO               | 3.500% 03/08/2022 DD 03/08/12 | Corporates   | 1,000,000.0000 | 1,031,956.32 | 2,236.11         | 1,019,435.58      | 0.00                 | -12,520.74           | 0.98             | A2             | A-         | A+           |
| CALOPTIMA S1-5         |             |                                |                               |              |                |              |                  |                   |                      |                      |                  |                |            |              |

| Reporting Account Name | Security ID | Security Description 1         | Security Description 2        | Sector               | Shares/Par     | Base Cost    | Accrued Interest | Base Market Value | Base Unrealized Gain | Base Unrealized Loss | Percent of Asset | Moody's Rating | S&P Rating | Fitch Rating |
|------------------------|-------------|--------------------------------|-------------------------------|----------------------|----------------|--------------|------------------|-------------------|----------------------|----------------------|------------------|----------------|------------|--------------|
| CALOPTIMA S1-5         | 63968A2K0   | NEBRASKA ST PUBLIC PWR DIST RE | 2.216% 01/01/2024 DD 10/29/19 | Municipal Securities | 220,000.0000   | 220,000.00   | 2,058.42         | 222,785.20        | 2,785.20             | 0.00                 | 0.21             | A1             | A+         | A+           |
| CALOPTIMA S1-5         | 67776SGV5   | OHLONE CA CMNTY CLG DIST       | 1.814% 08/01/2024 DD 09/26/19 | Municipal Securities | 1,000,000.0000 | 1,000,000.00 | 3,023.33         | 1,021,720.00      | 21,720.00            | 0.00                 | 0.98             | Aa1            | AA+        | NR           |
| CALOPTIMA S1-5         | 762326AD8   | RHODE ISLAND ST TURNPIKE & BRI | 2.232% 12/01/2023 DD 12/10/19 | Municipal Securities | 680,000.0000   | 680,000.00   | 4,679.76         | 692,994.80        | 12,994.80            | 0.00                 | 0.67             | NR             | A-         | A            |
| CALOPTIMA S1-5         | 786073AA4   | SACRAMENTO CA TRANSIENT OCCUPA | 3.455% 06/01/2021 DD 11/01/18 | Municipal Securities | 805,000.0000   | 805,000.00   | 9,270.92         | 822,259.20        | 17,259.20            | 0.00                 | 0.79             | A1             | NR         | NR           |
| CALOPTIMA S1-5         | 796720ME7   | SAN BERNARDINO CA CMNTY CLG DI | 1.883% 08/01/2022 DD 12/12/19 | Municipal Securities | 735,000.0000   | 735,000.00   | 2,306.68         | 739,049.85        | 4,049.85             | 0.00                 | 0.71             | Aa1            | AA         | NR           |
| CALOPTIMA S1-5         | 797272QP9   | SAN DIEGO CA CMNTY CLG DIST    | 2.046% 08/01/2024 DD 10/16/19 | Municipal Securities | 760,000.0000   | 760,000.00   | 2,591.60         | 781,310.40        | 21,310.40            | 0.00                 | 0.75             | Aaa            | AAA        | NR           |
| CALOPTIMA S1-5         | 797669ZJ0   | SAN FRANCISCO CA BAY AREA RAPI | 1.971% 07/01/2024 DD 10/31/19 | Municipal Securities | 750,000.0000   | 750,000.00   | 3,695.63         | 766,875.00        | 16,875.00            | 0.00                 | 0.74             | NR             | AA+        | AA+          |
| CALOPTIMA S1-5         | 79766DSU4   | SAN FRANCISCO CALIF CITY &CNTY | 1.977% 05/01/2024 DD 09/10/19 | Municipal Securities | 510,000.0000   | 510,000.00   | 5,629.51         | 510,810.90        | 810.90               | 0.00                 | 0.49             | A1             | A+         | A+           |
| CALOPTIMA S1-5         | 835569GR9   | SONOMA CNTY CA JNR CLG DIST    | 2.061% 08/01/2024 DD 11/12/19 | Municipal Securities | 750,000.0000   | 750,000.00   | 2,576.25         | 771,825.00        | 21,825.00            | 0.00                 | 0.74             | Aa2            | AA         | NR           |
| CALOPTIMA S1-5         | 88278PZA5   | TEXAS ST UNIV SYS FING REVENUE | 2.103% 03/15/2024 DD 11/21/19 | Municipal Securities | 490,000.0000   | 490,000.00   | 457.99           | 493,552.50        | 3,552.50             | 0.00                 | 0.47             | Aa2            | NR         | AA           |
| CALOPTIMA S1-5         | 899154AV0   | TULARE CNTY CA PENSN OBLG      | 3.348% 06/01/2023 DD 06/25/18 | Municipal Securities | 1,000,000.0000 | 1,000,000.00 | 11,160.00        | 1,052,280.00      | 52,280.00            | 0.00                 | 1.01             | A1             | AA-        | NR           |
| CALOPTIMA S1-5         | 9174367M3   | UTAH ST HSG CORP SF MTGE REVEN | 2.340% 01/01/2024 DD 10/02/19 | Municipal Securities | 500,000.0000   | 500,000.00   | 5,817.50         | 502,600.00        | 2,600.00             | 0.00                 | 0.48             | Aa2            | NR         | NR           |
| CALOPTIMA S1-5         | 977100DA1   | WISCONSIN ST GEN FUND ANNUAL A | 2.183% 05/01/2024 DD 08/16/16 | Municipal Securities | 760,000.0000   | 764,465.37   | 6,912.83         | 772,114.40        | 7,649.03             | 0.00                 | 0.74             | Aa2            | AA-        | AA           |
| CALOPTIMA S1-5         | 3136A5KR6   | FNMA GTD REMIC P/T 12-31 AD    | 1.750% 10/25/2022 DD 03/01/12 | RMBS                 | 128,622.6240   | 127,287.90   | 187.58           | 129,130.80        | 1,842.90             | 0.00                 | 0.12             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3136A5KR6   | FNMA GTD REMIC P/T 12-31 AD    | 1.750% 10/25/2022 DD 03/01/12 | RMBS                 | 324,158.7480   | 321,081.51   | 472.73           | 325,439.47        | 4,357.96             | 0.00                 | 0.31             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3137A1LC5   | FHLMC MULTICLASS MTG 3710 AB   | 2.000% 08/15/2020 DD 08/01/10 | RMBS                 | 802.0100       | 802.15       | 1.34             | 801.95            | 0.00                 | -0.20                | 0.00             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3137B2ZH6   | FHLMC MULTICLASS MTG 4221 HJ   | 1.500% 07/15/2023 DD 06/01/13 | RMBS                 | 111,675.9580   | 110,376.64   | 139.59           | 112,610.78        | 2,234.14             | 0.00                 | 0.11             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 3137GAUY1   | FHLMC MULTICLASS MTG 3737 MA   | 1.500% 10/15/2022 DD 10/01/10 | RMBS                 | 200,529.0840   | 196,553.94   | 250.66           | 202,056.61        | 5,502.67             | 0.00                 | 0.19             | Agency         | AA+        | Agency       |
| CALOPTIMA S1-5         | 9128284H0   | US TREAS-CPI INFLAT            | 0.625%004/15/2023 DD 04/15/18 | US Government        | 1,012,757.6560 | 1,018,601.89 | 2,922.75         | 1,020,134.05      | 1,532.16             | 0.00                 | 0.98             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 9128284H0   | US TREAS-CPI INFLAT            | 0.625%004/15/2023 DD 04/15/18 | US Government        | 508,556.9440   | 510,219.66   | 1,467.66         | 512,261.00        | 2,041.34             | 0.00                 | 0.49             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 9128286N5   | US TREAS-CPI INFLAT            | 0.500% 04/15/2024 DD 04/15/19 | US Government        | 1,508,512.0000 | 1,526,969.17 | 3,482.77         | 1,530,302.41      | 3,333.24             | 0.00                 | 1.47             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 9128286N5   | US TREAS-CPI INFLAT            | 0.500% 04/15/2024 DD 04/15/19 | US Government        | 506,246.4000   | 514,849.90   | 1,168.79         | 513,559.11        | 0.00                 | -1,290.79            | 0.49             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828D56   | U S TREASURY NOTE              | 2.375% 08/15/2024 DD 08/15/14 | US Government        | 690,000.0000   | 715,605.88   | 2,070.95         | 750,294.14        | 34,688.26            | 0.00                 | 0.72             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828D56   | U S TREASURY NOTE              | 2.375% 08/15/2024 DD 08/15/14 | US Government        | 1,465,000.0000 | 1,518,536.66 | 4,397.01         | 1,593,015.82      | 74,479.16            | 0.00                 | 1.53             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828D56   | U S TREASURY NOTE              | 2.375% 08/15/2024 DD 08/15/14 | US Government        | 1,470,000.0000 | 1,520,193.61 | 4,412.02         | 1,598,452.73      | 78,259.12            | 0.00                 | 1.53             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828D56   | U S TREASURY NOTE              | 2.375% 08/15/2024 DD 08/15/14 | US Government        | 640,000.0000   | 659,041.92   | 1,920.88         | 695,925.00        | 36,883.08            | 0.00                 | 0.67             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828D56   | U S TREASURY NOTE              | 2.375% 08/15/2024 DD 08/15/14 | US Government        | 1,475,000.0000 | 1,517,577.30 | 4,427.02         | 1,603,889.64      | 86,312.34            | 0.00                 | 1.54             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828G38   | U S TREASURY NOTE              | 2.250% 11/15/2024 DD 11/15/14 | US Government        | 750,000.0000   | 769,855.32   | 6,397.66         | 814,394.53        | 44,539.21            | 0.00                 | 0.78             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828G38   | U S TREASURY NOTE              | 2.250% 11/15/2024 DD 11/15/14 | US Government        | 495,000.0000   | 508,083.96   | 4,222.46         | 537,500.39        | 29,416.43            | 0.00                 | 0.52             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828G38   | U S TREASURY NOTE              | 2.250% 11/15/2024 DD 11/15/14 | US Government        | 995,000.0000   | 1,017,402.07 | 8,487.57         | 1,080,430.08      | 63,028.01            | 0.00                 | 1.04             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828G38   | U S TREASURY NOTE              | 2.250% 11/15/2024 DD 11/15/14 | US Government        | 950,000.0000   | 987,239.34   | 8,103.71         | 1,031,566.42      | 44,327.08            | 0.00                 | 0.99             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 575,000.0000   | 571,098.12   | 897.46           | 591,800.78        | 20,702.66            | 0.00                 | 0.57             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 150,000.0000   | 148,966.22   | 234.12           | 154,382.81        | 5,416.59             | 0.00                 | 0.15             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 600,000.0000   | 595,836.11   | 936.49           | 617,531.25        | 21,695.14            | 0.00                 | 0.59             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 1,800,000.0000 | 1,787,378.55 | 2,809.46         | 1,852,593.75      | 65,215.20            | 0.00                 | 1.78             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828J43   | U S TREASURY NOTE              | 1.750% 02/28/2022 DD 02/28/15 | US Government        | 405,000.0000   | 406,327.81   | 632.13           | 416,833.60        | 10,505.79            | 0.00                 | 0.40             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828L57   | U S TREASURY NOTE              | 1.750% 09/30/2022 DD 09/30/15 | US Government        | 350,000.0000   | 347,777.36   | 16.74            | 363,029.30        | 15,251.94            | 0.00                 | 0.35             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828L57   | U S TREASURY NOTE              | 1.750% 09/30/2022 DD 09/30/15 | US Government        | 625,000.0000   | 621,078.45   | 29.88            | 648,266.60        | 27,188.15            | 0.00                 | 0.62             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828L57   | U S TREASURY NOTE              | 1.750% 09/30/2022 DD 09/30/15 | US Government        | 1,000,000.0000 | 991,543.41   | 47.81            | 1,037,226.56      | 45,683.15            | 0.00                 | 1.00             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828L57   | U S TREASURY NOTE              | 1.750% 09/30/2022 DD 09/30/15 | US Government        | 770,000.0000   | 762,600.07   | 36.82            | 798,664.45        | 36,064.38            | 0.00                 | 0.77             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828L57   | U S TREASURY NOTE              | 1.750% 09/30/2022 DD 09/30/15 | US Government        | 990,000.0000   | 978,858.56   | 47.34            | 1,026,854.29      | 47,995.73            | 0.00                 | 0.99             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828L57   | U S TREASURY NOTE              | 1.750% 09/30/2022 DD 09/30/15 | US Government        | 2,850,000.0000 | 2,789,436.54 | 136.27           | 2,956,095.70      | 166,659.16           | 0.00                 | 2.84             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828S76   | U S TREASURY NOTE              | 1.125% 07/31/2021 DD 07/31/16 | US Government        | 3,325,000.0000 | 3,296,355.38 | 6,268.63         | 3,367,341.82      | 70,986.44            | 0.00                 | 3.23             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828S76   | U S TREASURY NOTE              | 1.125% 07/31/2021 DD 07/31/16 | US Government        | 3,850,000.0000 | 3,762,271.22 | 7,258.41         | 3,899,027.36      | 136,756.14           | 0.00                 | 3.74             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828T26   | U S TREASURY NOTE              | 1.375% 09/30/2023 DD 09/30/16 | US Government        | 1,035,000.0000 | 1,026,347.22 | 38.89            | 1,073,408.21      | 47,060.99            | 0.00                 | 1.03             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828T26   | U S TREASURY NOTE              | 1.375% 09/30/2023 DD 09/30/16 | US Government        | 1,200,000.0000 | 1,198,418.11 | 45.08            | 1,244,531.25      | 46,113.14            | 0.00                 | 1.19             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828VM9   | US TREAS-CPI INFLAT            | 0.375% 07/15/2023 DD 07/15/13 | US Government        | 3,048,045.0000 | 3,072,635.92 | 2,417.92         | 3,065,517.00      | 0.00                 | -7,118.92            | 2.94             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828YK0   | U S TREASURY NOTE              | 1.375% 10/15/2022 DD 10/15/19 | US Government        | 820,000.0000   | 814,276.92   | 5,206.22         | 843,126.56        | 28,849.64            | 0.00                 | 0.81             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828YK0   | U S TREASURY NOTE              | 1.375% 10/15/2022 DD 10/15/19 | US Government        | 770,000.0000   | 765,225.35   | 4,888.76         | 791,716.40        | 26,491.05            | 0.00                 | 0.76             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828YK0   | U S TREASURY NOTE              | 1.375% 10/15/2022 DD 10/15/19 | US Government        | 515,000.0000   | 511,807.19   | 3,269.76         | 529,524.61        | 17,717.42            | 0.00                 | 0.51             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828YK0   | U S TREASURY NOTE              | 1.375% 10/15/2022 DD 10/15/19 | US Government        | 1,030,000.0000 | 1,023,613.30 | 6,539.51         | 1,059,049.21      | 35,435.91            | 0.00                 | 1.02             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828YK0   | U S TREASURY NOTE              | 1.375% 10/15/2022 DD 10/15/19 | US Government        | 1,800,000.0000 | 1,789,412.38 | 11,428.28        | 1,850,765.62      | 61,353.24            | 0.00                 | 1.78             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828YK0   | U S TREASURY NOTE              | 1.375% 10/15/2022 DD 10/15/19 | US Government        | 925,000.0000   | 919,430.79   | 5,872.87         | 951,087.89        | 31,657.10            | 0.00                 | 0.91             | Govt           | AA+        | Govt         |
| CALOPTIMA S1-5         | 912828YK0   | U S TREASURY NOTE              | 1.375% 10/15/2022 DD 10/15/19 | US Government        | 1,030,000.0000 | 1,022,340.57 | 6,539.51         | 1,059,049.21      | 36,708.64            | 0.00                 | 1.02             | Govt           | AA+        | Govt         |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

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



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units          | Security                                                                                                                           | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|----------------|------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 14,400,000.000 | U.S. TREASURY BILL<br>Mat: 6/18/20 Cpn: 0.00%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 6/19/19 St Date: 6/20/19            | 912796SV2  | 14,234,097.22<br>0.00                        | 14,285,864.69<br>113,686.11              | 51,767.47                  | 99.992          | 4.71%                |
| 10,000,000.000 | U.S. TREASURY BILL<br>Mat: 7/9/20 Cpn: 0.00%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 1/8/20 St Date: 1/9/20               | 912796WW5  | 9,923,534.72<br>0.00                         | 9,964,181.94<br>34,871.53                | 40,647.22                  | 99.986          | 3.27%                |
| 20,000,000.000 | U.S. TREASURY BILL<br>Mat: 8/20/20 Cpn: 0.00%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 2/19/20 St Date: 2/20/20            | 912796XF1  | 19,847,069.44<br>0.00                        | 19,960,472.22<br>34,451.39               | 113,402.78                 | 99.970          | 6.53%                |
| 1,800,000.000  | OVERSEA-CHINESE BANKING NY FRN YCD<br>Mat: 8/21/20 Cpn: 0.96%<br>Moody's: S&P: Fitch:<br>Tr Date: 2/26/20 St Date: 2/27/20         | 69033MMY0  | 1,800,041.89<br>503.81                       | 1,790,358.35<br>433.63                   | (9,683.54)                 | 99.464          | 0.59%                |
| 2,300,000.000  | LLOYDS BANK FRN YCD<br>Mat: 9/24/20 Cpn: 1.70%<br>Moody's: S&P: Fitch:<br>Tr Date: 1/3/20 St Date: 1/6/20                          | 53947BAC4  | 2,305,938.10<br>2,285.96                     | 2,281,575.09<br>871.00                   | (24,363.01)                | 99.199          | 0.75%                |
| 1,550,000.000  | SKANDINAV ENSKILDA BK YCD FRN<br>Mat: 10/16/20 Cpn: 2.01%<br>Moody's: S&P: Fitch:<br>Tr Date: 2/19/20 St Date: 2/20/20             | 83050PEX3  | 1,551,963.85<br>3,032.92                     | 1,537,724.25<br>6,585.77                 | (14,239.60)                | 99.208          | 0.50%                |
| 5,000,000.000  | U.S. TREASURY BILL<br>Mat: 11/5/20 Cpn: 0.00%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 11/29/19 St Date: 12/2/19           | 912796TP4  | 4,927,256.25<br>0.00                         | 4,972,808.25<br>25,964.58                | 45,552.00                  | 99.971          | 1.63%                |
| 2,000,000.000  | BANK OF NOVA SCOTIA YCD FRN<br>Mat: 11/13/20 Cpn: 1.84%<br>Moody's: P-1 S&P: A-1 Fitch: F1+<br>Tr Date: 11/14/19 St Date: 11/15/19 | 06417MEQ4  | 2,000,000.00<br>0.00                         | 1,986,397.52<br>4,899.33                 | (13,602.48)                | 99.320          | 0.65%                |
| 5,000,000.000  | U.S. TREASURY BILL<br>Mat: 12/3/20 Cpn: 0.00%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 12/19/19 St Date: 12/20/19          | 912796TU3  | 4,928,382.29<br>0.00                         | 4,977,603.90<br>21,136.46                | 49,221.61                  | 99.971          | 1.63%                |
| 2,000,000.000  | WESTPAC BANK FRN YCD<br>Mat: 12/11/20 Cpn: 0.92%<br>Moody's: P-1 S&P: A-1+ Fitch: F1+<br>Tr Date: 12/11/19 St Date: 12/12/19       | 96130AES3  | 2,000,000.00<br>0.00                         | 1,981,694.48<br>1,071.15                 | (18,305.52)                | 99.085          | 0.65%                |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                          | Security                                                                                                                | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,500,000.000                  | BAYERISCHE LANDESBANK FRN YCD<br>Mat: 1/22/21 Cpn: 1.99%<br>Moody's: S&P: Fitch:<br>Tr Date: 1/28/20 St Date: 1/29/20   | 0727MAX30  | 1,500,280.00<br>304.66                       | 1,454,988.86<br>5,400.77                 | (45,291.15)                | 96.999          | 0.48%                |
| 1,500,000.000                  | CREDIT SUISSE NY YCD<br>Mat: 1/22/21 Cpn: 1.80%<br>Moody's: P-1 S&P: A-1 Fitch: F1<br>Tr Date: 1/23/20 St Date: 1/24/20 | 22549LZD0  | 1,500,000.00<br>0.00                         | 1,504,589.85<br>5,100.00                 | 4,589.85                   | 100.306         | 0.49%                |
| 1,000,000.000                  | MIZUHO BANK YCD<br>Mat: 1/22/21 Cpn: 1.73%<br>Moody's: P-1 S&P: A-1 Fitch: F1<br>Tr Date: 1/24/20 St Date: 1/24/20      | 60710AJP8  | 1,000,000.00<br>0.00                         | 1,002,490.60<br>3,267.78                 | 2,490.60                   | 100.249         | 0.33%                |
| 2,000,000.000                  | NATIXIS NY YCD<br>Mat: 1/22/21 Cpn: 1.77%<br>Moody's: P-1 S&P: A-1 Fitch: F1<br>Tr Date: 1/24/20 St Date: 1/24/20       | 63873QDQ4  | 2,000,000.00<br>0.00                         | 2,005,631.84<br>6,686.67                 | 5,631.84                   | 100.282         | 0.66%                |
| 1,970,000.000                  | BANCO SANTANDER YCD<br>Mat: 1/25/21 Cpn: 1.83%<br>Moody's: P-1 S&P: A-1 Fitch: F1<br>Tr Date: 1/24/20 St Date: 1/27/20  | 05966DXF4  | 1,970,000.00<br>0.00                         | 1,976,903.85<br>6,509.21                 | 6,903.85                   | 100.351         | 0.65%                |
| 2,000,000.000                  | CREDIT AGRICOLE YCD<br>Mat: 1/25/21 Cpn: 1.76%<br>Moody's: P-1 S&P: A-1 Fitch: F1<br>Tr Date: 1/24/20 St Date: 1/27/20  | 22535CKZ3  | 2,000,000.00<br>0.00                         | 2,005,858.64<br>6,355.56                 | 5,858.64                   | 100.293         | 0.66%                |
| <b>Total for Money Markets</b> |                                                                                                                         |            | <b>139,770,604.24<br/>6,127.35</b>           | <b>140,091,488.04<br/>386,841.04</b>     | <b>320,883.80</b>          |                 | <b>45.91%</b>        |

**Treasuries**

|                |                                                                                                                            |           |                             |                            |            |         |       |
|----------------|----------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------|----------------------------|------------|---------|-------|
| 5,000,000.000  | U.S. TREASURY NOTE<br>Mat: 12/15/20 Cpn: 1.88%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 12/19/19 St Date: 12/20/19 | 9128283L2 | 5,012,109.38<br>1,280.74    | 5,062,792.95<br>27,663.93  | 50,683.57  | 101.256 | 1.66% |
| 5,250,000.000  | U.S. TREASURY NOTE<br>Mat: 1/15/21 Cpn: 2.00%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 1/8/20 St Date: 1/9/20      | 9128283Q1 | 5,270,712.89<br>50,788.04   | 5,327,929.69<br>22,211.54  | 57,216.80  | 101.484 | 1.75% |
| 10,000,000.000 | U.S. TREASURY NOTE<br>Mat: 2/28/21 Cpn: 2.50%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 2/19/20 St Date: 2/20/20    | 9128286D7 | 10,101,953.13<br>118,818.68 | 10,217,968.80<br>21,739.13 | 116,015.67 | 102.180 | 3.35% |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                               | Security                                                                                                                            | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 10,000,000.000                      | U.S. TREASURY NOTE<br>Mat: 5/31/21 Cpn: 2.13%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 2/4/20 St Date: 2/5/20               | 9128286V7  | 10,080,468.75<br>38,900.27                   | 10,230,859.40<br>71,413.93               | 150,390.65                 | 102.309         | 3.37%                |
| 10,000,000.000                      | U.S. TREASURY FRN<br>Mat: 10/31/21 Cpn: 0.39%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 12/19/19 St Date: 12/20/19           | 912828YN4  | 10,013,683.86<br>25,767.90                   | 10,028,282.50<br>22,404.13               | 14,598.64                  | 100.283         | 3.28%                |
| <b>Total for Treasuries</b>         |                                                                                                                                     |            | <b>40,478,928.01<br/>235,555.63</b>          | <b>40,867,833.34<br/>165,432.67</b>      | <b>388,905.33</b>          |                 | <b>13.41%</b>        |
| <b>Government Related</b>           |                                                                                                                                     |            |                                              |                                          |                            |                 |                      |
| 2,370,000.000                       | IBRD FRN SOFR+22<br>Mat: 8/21/20 Cpn: 0.23%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 8/14/18 St Date: 8/21/18                    | 459058GK3  | 2,370,000.00<br>0.00                         | 2,366,560.51<br>2,907.86                 | (3,439.49)                 | 99.855          | 0.77%                |
| 3,000,000.000                       | INTL FINANCE CORP FRN<br>Mat: 8/23/21 Cpn: 1.05%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 1/29/20 St Date: 2/4/20                | 45950VNE2  | 3,003,810.00<br>1,789.50                     | 3,002,539.29<br>790.22                   | (1,270.71)                 | 100.085         | 0.98%                |
| 4,000,000.000                       | INTER-AMERICAN DEVELOPMENT BANK FRN<br>Mat: 1/15/22 Cpn: 1.83%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 1/16/20 St Date: 1/21/20 | 45818WBA3  | 4,000,870.00<br>1,220.83                     | 3,997,689.40<br>15,667.36                | (3,180.60)                 | 99.942          | 1.31%                |
| 1,000,000.000                       | INTER-AMERICAN DEVELOPMENT BANK FRN<br>Mat: 3/15/22 Cpn: 0.77%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 1/30/20 St Date: 2/3/20  | 45818WCM6  | 1,000,852.00<br>2,620.00                     | 998,855.32<br>342.44                     | (1,996.68)                 | 99.886          | 0.33%                |
| <b>Total for Government Related</b> |                                                                                                                                     |            | <b>10,375,532.00<br/>5,630.33</b>            | <b>10,365,644.52<br/>19,707.89</b>       | <b>(9,887.48)</b>          |                 | <b>3.39%</b>         |
| <b>Agencies</b>                     |                                                                                                                                     |            |                                              |                                          |                            |                 |                      |
| 2,000,000.000                       | FHLB FRN SOFR+3<br>Mat: 9/4/20 Cpn: 0.04%<br>Moody's: Aaa S&P: AA+u Fitch: F1+<br>Tr Date: 2/28/20 St Date: 3/4/20                  | 3130AJC56  | 2,000,000.00<br>0.00                         | 1,998,921.26<br>968.33                   | (1,078.74)                 | 99.946          | 0.65%                |
| 2,000,000.000                       | FFCB FRN<br>Mat: 3/29/21 Cpn: 1.02%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 3/30/20 St Date: 3/31/20                        | 3133EKEX0  | 2,001,666.28<br>112.88                       | 2,001,666.28<br>169.31                   | 0.00                       | 100.083         | 0.65%                |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                       | Security                               | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-----------------------------|----------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| <b>Total for Agencies</b>   |                                        |            | <b>4,001,666.28<br/>112.88</b>               | <b>4,000,587.54<br/>1,137.65</b>         | <b>(1,078.74)</b>          |                 | <b>1.31%</b>         |
| <b>Tax-Exempt</b>           |                                        |            |                                              |                                          |                            |                 |                      |
| 2,070,000.000               | CA LOS ANGELES CCD GO/ULT PRE-20       | 54438CPB2  | 2,099,373.30                                 | 2,098,684.86                             | (688.44)                   | 101.386         | 0.69%                |
|                             | Mat: 8/1/20 Cpn: 5.25%                 |            | 14,490.00                                    | 18,112.50                                |                            |                 |                      |
|                             | Moody's: Aaa S&P: AA+ Fitch:           |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 3/13/20 St Date: 3/19/20      |            |                                              |                                          |                            |                 |                      |
| <b>Total for Tax-Exempt</b> |                                        |            | <b>2,099,373.30<br/>14,490.00</b>            | <b>2,098,684.86<br/>18,112.50</b>        | <b>(688.44)</b>            |                 | <b>0.69%</b>         |
| <b>Taxable Muni</b>         |                                        |            |                                              |                                          |                            |                 |                      |
| 1,770,000.000               | CA STATE GO/ULT TXB                    | 13063DFZ6  | 1,776,159.60                                 | 1,770,000.94                             | (6,158.66)                 | 100.000         | 0.59%                |
|                             | Mat: 4/1/20 Cpn: 2.60%                 |            | 4,346.33                                     | 23,010.00                                |                            |                 |                      |
|                             | Moody's: Aa2 S&P: AA- Fitch: AA        |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 11/1/19 St Date: 11/5/19      |            |                                              |                                          |                            |                 |                      |
| 1,500,000.000               | CA STATE GO/ULT CP TXB                 | 13068BEU7  | 1,500,000.00                                 | 1,499,965.50                             | (34.50)                    | 99.998          | 0.49%                |
|                             | Mat: 4/8/20 Cpn: 1.90%                 |            | 0.00                                         | 6,463.11                                 |                            |                 |                      |
|                             | Moody's: P-1 S&P: A-1+ Fitch: F1+      |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 1/9/20 St Date: 1/9/20        |            |                                              |                                          |                            |                 |                      |
| 1,938,000.000               | CA SAN JOSE FIN AUTH CP TXB            | 79815QFJ5  | 1,938,000.00                                 | 1,937,955.43                             | (44.57)                    | 99.998          | 0.64%                |
|                             | Mat: 4/8/20 Cpn: 1.75%                 |            | 0.00                                         | 7,619.26                                 |                            |                 |                      |
|                             | Moody's: P-1 S&P: A-1+ Fitch: F1+      |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 1/10/20 St Date: 1/10/20      |            |                                              |                                          |                            |                 |                      |
| 2,000,000.000               | CA LOS ANGELES METRO TRANS AUTH CP TXB | 54531HBE6  | 2,000,000.00                                 | 1,999,872.00                             | (128.00)                   | 99.994          | 0.65%                |
|                             | Mat: 4/9/20 Cpn: 1.13%                 |            | 0.00                                         | 1,234.97                                 |                            |                 |                      |
|                             | Moody's: P-1 S&P: A-1 Fitch:           |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 3/12/20 St Date: 3/12/20      |            |                                              |                                          |                            |                 |                      |
| 1,430,000.000               | CT STATE OF CONNECTICUT GO/ULT-TXBL    | 20772KGJ2  | 1,436,506.50                                 | 1,430,884.04                             | (5,622.46)                 | 100.062         | 0.47%                |
|                             | Mat: 4/15/20 Cpn: 3.13%                |            | 0.00                                         | 20,605.90                                |                            |                 |                      |
|                             | Moody's: A1 S&P: A Fitch: A+           |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 3/29/19 St Date: 4/11/19      |            |                                              |                                          |                            |                 |                      |
| 2,000,000.000               | CA STATE GO/ULT CP TXB                 | 13068PDR4  | 2,000,000.00                                 | 1,999,538.00                             | (462.00)                   | 99.977          | 0.66%                |
|                             | Mat: 5/7/20 Cpn: 1.70%                 |            | 0.00                                         | 4,750.68                                 |                            |                 |                      |
|                             | Moody's: P-1 S&P: A-1+ Fitch: F1       |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 2/10/20 St Date: 2/10/20      |            |                                              |                                          |                            |                 |                      |
| 1,030,000.000               | CA SHAFFEY UNION HIGH SCH DIST TXB     | 157411TF6  | 1,030,721.00                                 | 1,031,871.92                             | 1,150.92                   | 100.182         | 0.34%                |
|                             | Mat: 8/1/20 Cpn: 1.80%                 |            | 1,599.16                                     | 3,095.15                                 |                            |                 |                      |
|                             | Moody's: Aa1 S&P: AA- Fitch:           |            |                                              |                                          |                            |                 |                      |
|                             | Tr Date: 2/27/20 St Date: 3/2/20       |            |                                              |                                          |                            |                 |                      |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units         | Security                                                                                                                                | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 330,000.000   | CA SAN BERNARDINO CCD TXB<br>Mat: 8/1/20 Cpn: 1.75%<br>Moody's: Aa1 S&P: AA Fitch:<br>Tr Date: 11/21/19 St Date: 12/12/19               | 796720MC1  | 330,000.00<br>0.00                           | 330,731.75<br>964.70                     | 731.75                     | 100.222         | 0.11%                |
| 1,000,000.000 | CA SAN JOSE REDEV AGY TAB TXB<br>Mat: 8/1/20 Cpn: 2.26%<br>Moody's: S&P: AA Fitch: AA<br>Tr Date: 4/3/19 St Date: 4/5/19                | 798170AC0  | 995,250.00<br>4,016.00                       | 1,001,937.41<br>3,765.00                 | 6,687.41                   | 100.194         | 0.33%                |
| 500,000.000   | CA SONOMA CNTY CLG DIST TXB<br>Mat: 8/1/20 Cpn: 1.84%<br>Moody's: Aa2 S&P: AA Fitch:<br>Tr Date: 10/23/19 St Date: 11/12/19             | 835569GM0  | 500,000.00<br>0.00                           | 501,998.71<br>1,530.83                   | 1,998.71                   | 100.400         | 0.16%                |
| 635,000.000   | CA MADERA SUCCESSOR AGY TAB TXB<br>Mat: 9/1/20 Cpn: 2.98%<br>Moody's: S&P: AA- Fitch:<br>Tr Date: 1/3/20 St Date: 1/7/20                | 55645HAX5  | 639,806.95<br>6,623.05                       | 639,346.20<br>1,576.92                   | (460.75)                   | 100.684         | 0.21%                |
| 1,000,000.000 | CA SANTA CRUZ REDEV AGY TAB TXB PRE-20<br>Mat: 9/1/20 Cpn: 7.40%<br>Moody's: A2 S&P: AA Fitch:<br>Tr Date: 10/18/19 St Date: 10/22/19   | 801825GV6  | 1,067,410.00<br>10,483.33                    | 1,040,964.36<br>6,166.67                 | (26,445.64)                | 104.096         | 0.34%                |
| 765,000.000   | CA PALM DESERT REDEV AGY TAB TXB<br>Mat: 10/1/20 Cpn: 2.25%<br>Moody's: S&P: AA Fitch:<br>Tr Date: 12/13/19 St Date: 12/17/19           | 696624AT2  | 767,669.85<br>3,633.75                       | 767,418.06<br>8,606.25                   | (251.79)                   | 100.316         | 0.25%                |
| 1,500,000.000 | CA SAN BERNARDINO CNTY COPS TXBL<br>Mat: 10/1/20 Cpn: 2.00%<br>Moody's: Aa2 S&P: AA Fitch:<br>Tr Date: 11/13/19 St Date: 11/15/19       | 796815ZE1  | 1,502,445.00<br>3,666.67                     | 1,503,661.20<br>15,000.00                | 1,216.20                   | 100.244         | 0.50%                |
| 575,000.000   | CA SAN FRAN PUB UTIL WATER-GREEN TXB<br>Mat: 11/1/20 Cpn: 1.81%<br>Moody's: Aa2 S&P: AA- Fitch:<br>Tr Date: 12/13/19 St Date: 1/9/20    | 79765R4K2  | 575,000.00<br>0.00                           | 574,906.74<br>2,375.84                   | (93.27)                    | 99.984          | 0.19%                |
| 360,000.000   | BAYLOR SCOTT & WHITE TAXABLE<br>Mat: 11/15/20 Cpn: 2.12%<br>Moody's: Aa3 S&P: AA- Fitch:<br>Tr Date: 8/21/19 St Date: 8/23/19           | 072863AA1  | 360,079.20<br>2,080.54                       | 358,964.99<br>2,887.28                   | (1,114.21)                 | 99.713          | 0.12%                |
| 3,193,031.272 | CA DEPT WTR RESOURCES-PWR SUPPLY TXB<br>Mat: 5/1/21 Cpn: 1.71%<br>Moody's: Aa1 S&P: AA+ Fitch: AA+<br>Tr Date: 6/18/19 St Date: 6/20/19 | 13066YTY5  | 3,187,067.27<br>13,114.96                    | 3,197,034.25<br>22,790.26                | 9,966.98                   | 100.125         | 1.05%                |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                         | Security                                                                                                                                   | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,000,000.000                 | CA UNIVERSITY OF CALIFORNIA TXB<br>Mat: 5/15/21 Cpn: 1.79%<br>Moody's: Aa2 S&P: AA Fitch: AA<br>Tr Date: 2/27/20 St Date: 3/2/20           | 91412GD51  | 1,004,870.00<br>5,320.28                     | 1,005,394.67<br>6,762.22                 | 524.67                     | 100.540         | 0.33%                |
| 1,900,000.000                 | CA HEALTH FACS-NO PLACE LIKE HOME-TXB<br>Mat: 6/1/21 Cpn: 1.90%<br>Moody's: Aa3 S&P: AA- Fitch: AA-<br>Tr Date: 11/20/19 St Date: 11/25/19 | 13032UUY2  | 1,900,000.00<br>0.00                         | 1,897,957.54<br>12,608.40                | (2,042.46)                 | 99.893          | 0.62%                |
| 610,000.000                   | CA SAN BERNARDINO CCD TXB<br>Mat: 8/1/21 Cpn: 1.82%<br>Moody's: Aa1 S&P: AA Fitch:<br>Tr Date: 11/21/19 St Date: 12/12/19                  | 796720MD9  | 610,000.00<br>0.00                           | 615,866.61<br>1,854.40                   | 5,866.61                   | 100.962         | 0.20%                |
| 1,000,000.000                 | CA ANAHEIM HSG & PUB IMPT AUTH TXB<br>Mat: 10/1/21 Cpn: 1.65%<br>Moody's: S&P: AA- Fitch: AA-<br>Tr Date: 2/7/20 St Date: 3/4/20           | 032556GM8  | 1,000,000.00<br>0.00                         | 994,440.84<br>1,235.25                   | (5,559.16)                 | 99.444          | 0.33%                |
| <b>Total for Taxable Muni</b> |                                                                                                                                            |            | <b>26,120,985.37<br/>54,884.07</b>           | <b>26,100,711.14<br/>154,903.10</b>      | <b>(20,274.23)</b>         |                 | <b>8.58%</b>         |

**Credit**

|               |                                                                                                                        |           |                          |                          |             |         |       |
|---------------|------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------|--------------------------|-------------|---------|-------|
| 405,000.000   | CITIZENS BANK FRN<br>Mat: 5/26/20 Cpn: 2.22%<br>Moody's: Baa1 S&P: A- Fitch: BBB+<br>Tr Date: 5/22/17 St Date: 5/26/17 | 17401QAK7 | 405,000.00<br>0.00       | 404,932.09<br>872.80     | (67.91)     | 99.983  | 0.13% |
| 2,000,000.000 | HOME DEPOT FRN<br>Mat: 6/5/20 Cpn: 1.46%<br>Moody's: A2 S&P: A Fitch: Au<br>Tr Date: 3/10/20 St Date: 3/12/20          | 437076BR2 | 2,002,180.00<br>569.43   | 1,993,848.76<br>2,196.38 | (8,331.24)  | 99.692  | 0.65% |
| 1,000,000.000 | PNC BANK<br>Mat: 7/21/20 Cpn: 2.60%<br>Moody's: A2 S&P: A Fitch: A+<br>Tr Date: 2/25/20 St Date: 2/27/20               | 69353RES3 | 1,002,880.00<br>2,600.00 | 1,000,305.00<br>5,055.56 | (2,575.00)  | 100.031 | 0.33% |
| 1,000,000.000 | STATE STREET FRN<br>Mat: 8/18/20 Cpn: 2.59%<br>Moody's: A1 S&P: A Fitch: AA-<br>Tr Date: 2/25/20 St Date: 2/27/20      | 857477AR4 | 1,004,160.00<br>647.94   | 995,197.19<br>3,095.70   | (8,962.81)  | 99.520  | 0.33% |
| 650,000.000   | GOLDMAN SACHS FRN<br>Mat: 9/15/20 Cpn: 1.94%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 3/16/18 St Date: 3/20/18    | 38141GVQ4 | 660,900.50<br>300.13     | 646,016.14<br>560.59     | (14,884.36) | 99.387  | 0.21% |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

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





**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units         | Security                                                                                                                | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|---------------|-------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,000,000.000 | CITIZENS BANK<br>Mat: 5/13/21 Cpn: 2.55%<br>Moody's: Baa1 S&P: A- Fitch: BBB+<br>Tr Date: 11/1/19 St Date: 11/5/19      | 17401QAE1  | 1,007,940.00<br>12,183.33                    | 999,570.00<br>9,775.00                   | (8,370.00)                 | 99.957          | 0.33%                |
| 1,250,000.000 | HUNTINGTON NATL BANK<br>Mat: 5/14/21 Cpn: 3.25%<br>Moody's: A3 S&P: A- Fitch: A-<br>Tr Date: 10/24/19 St Date: 10/28/19 | 44644AAD9  | 1,273,607.50<br>19,138.89                    | 1,260,050.00<br>15,460.07                | (13,557.50)                | 100.804         | 0.42%                |
| 850,000.000   | AMERICAN EXPRESS FRN<br>Mat: 5/17/21 Cpn: 2.22%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 5/14/18 St Date: 5/17/18  | 025816BV0  | 850,000.00<br>0.00                           | 827,103.55<br>2,250.62                   | (22,896.45)                | 97.306          | 0.27%                |
| 1,000,000.000 | BANK OF AMERICA FRN<br>Mat: 5/24/21 Cpn: 2.03%<br>Moody's: Aa2 S&P: A+ Fitch: AA-<br>Tr Date: 5/20/19 St Date: 5/24/19  | 06050TML3  | 1,000,000.00<br>0.00                         | 981,563.38<br>2,089.22                   | (18,436.62)                | 98.156          | 0.32%                |
| 1,735,000.000 | GOLDMAN SACHS FRN<br>Mat: 5/24/21 Cpn: 2.14%<br>Moody's: A1 S&P: A+ Fitch: A+<br>Tr Date: 5/20/19 St Date: 5/24/19      | 3814267X7  | 1,736,073.25<br>2,860.58                     | 1,688,447.82<br>3,821.65                 | (47,625.43)                | 97.317          | 0.55%                |
| 250,000.000   | PNC BANK FRN<br>Mat: 6/10/21 Cpn: 1.21%<br>Moody's: A2 S&P: A Fitch: A+<br>Tr Date: 6/5/19 St Date: 6/10/19             | 69353RFN3  | 250,000.00<br>0.00                           | 245,145.91<br>184.25                     | (4,854.09)                 | 98.058          | 0.08%                |
| 635,000.000   | CITIGROUP<br>Mat: 7/23/21 Cpn: 3.40%<br>Moody's: Aa3 S&P: A+ Fitch: A+<br>Tr Date: 10/24/19 St Date: 10/28/19           | 17325FAQ1  | 650,119.35<br>5,697.36                       | 646,842.75<br>4,078.11                   | (3,276.60)                 | 101.865         | 0.21%                |
| 1,000,000.000 | APPLE<br>Mat: 8/4/21 Cpn: 1.55%<br>Moody's: Aa1 S&P: AA+ Fitch:<br>Tr Date: 2/28/20 St Date: 3/3/20                     | 037833CC2  | 1,004,176.20<br>1,248.61                     | 1,006,365.00<br>2,454.17                 | 2,188.80                   | 100.637         | 0.33%                |
| 1,000,000.000 | MICROSOFT<br>Mat: 8/8/21 Cpn: 1.55%<br>Moody's: Aaa S&P: AAA Fitch: AA+u<br>Tr Date: 2/28/20 St Date: 3/3/20            | 594918BP8  | 1,004,540.00<br>1,076.39                     | 1,009,075.00<br>2,281.94                 | 4,535.00                   | 100.908         | 0.33%                |
| 1,350,000.000 | CATERPILLAR FINANCIAL FRN<br>Mat: 9/7/21 Cpn: 1.28%<br>Moody's: A3 S&P: A Fitch: A<br>Tr Date: 9/4/18 St Date: 9/7/18   | 14913Q2P3  | 1,350,000.00<br>0.00                         | 1,323,073.18<br>1,103.03                 | (26,926.82)                | 98.005          | 0.43%                |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

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



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units         | Security                                                                                                               | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|---------------|------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 1,030,000.000 | US BANK CINCINNATI<br>Mat: 1/21/22 Cpn: 1.80%<br>Moody's: A1 S&P: AA- Fitch: AA-<br>Tr Date: 1/16/20 St Date: 1/21/20  | 90331HPJ6  | 1,029,639.50<br>0.00                         | 1,029,891.85<br>3,605.00                 | 252.35                     | 99.990          | 0.34%                |
| 552,000.000   | WELLS FARGO FRN<br>Mat: 2/11/22 Cpn: 2.66%<br>Moody's: A2 S&P: A- Fitch: A+<br>Tr Date: 10/3/17 St Date: 10/5/17       | 949746SP7  | 557,944.56<br>1,027.10                       | 541,531.70<br>2,040.01                   | (16,412.86)                | 98.104          | 0.18%                |
| 1,330,000.000 | CAPITAL ONE FINL FRN<br>Mat: 3/9/22 Cpn: 1.95%<br>Moody's: Baa1 S&P: BBB Fitch: A-<br>Tr Date: 3/6/17 St Date: 3/9/17  | 14040HBM6  | 1,330,000.00<br>0.00                         | 1,274,512.32<br>1,656.01                 | (55,487.68)                | 95.828          | 0.42%                |
| 1,325,000.000 | CITIGROUP FRN<br>Mat: 4/25/22 Cpn: 2.75%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 4/18/17 St Date: 4/25/17        | 172967LH2  | 1,325,000.00<br>0.00                         | 1,284,275.44<br>6,588.87                 | (40,724.56)                | 96.927          | 0.42%                |
| 1,300,000.000 | UNITED PARCEL SERVICE FRN<br>Mat: 5/16/22 Cpn: 2.07%<br>Moody's: A2 S&P: A Fitch:<br>Tr Date: 8/17/17 St Date: 8/22/17 | 911312BB1  | 1,306,617.00<br>367.07                       | 1,275,811.58<br>3,366.40                 | (30,805.42)                | 98.139          | 0.42%                |
| 1,000,000.000 | WELLS FARGO FRN<br>Mat: 5/27/22 Cpn: 2.26%<br>Moody's: Aa2 S&P: A+ Fitch: AA-<br>Tr Date: 5/20/19 St Date: 5/28/19     | 94988J5W3  | 1,000,000.00<br>0.00                         | 982,090.00<br>2,132.21                   | (17,910.00)                | 98.209          | 0.32%                |
| 1,240,000.000 | JPMORGAN CHASE FRN<br>Mat: 6/18/22 Cpn: 1.50%<br>Moody's: A2 S&P: A- Fitch: AA-<br>Tr Date: 6/11/18 St Date: 6/18/18   | 46647PAT3  | 1,240,000.00<br>0.00                         | 1,192,593.56<br>723.03                   | (47,406.44)                | 96.177          | 0.39%                |
| 1,015,000.000 | PNC BANK FRN<br>Mat: 12/9/22 Cpn: 1.43%<br>Moody's: A2 S&P: A Fitch: A+<br>Tr Date: 12/4/19 St Date: 12/9/19           | 69353RFR4  | 1,015,000.00<br>0.00                         | 959,318.18<br>926.59                     | (55,681.82)                | 94.514          | 0.31%                |
| 1,015,000.000 | MORGAN STANLEY FRN<br>Mat: 1/20/23 Cpn: 2.25%<br>Moody's: A3 S&P: BBB+ Fitch: A<br>Tr Date: 1/16/20 St Date: 1/22/20   | 6174468K8  | 1,015,000.00<br>0.00                         | 948,226.92<br>4,446.37                   | (66,773.08)                | 93.421          | 0.31%                |
| 745,000.000   | PNC BANK FRN<br>Mat: 2/24/23 Cpn: 2.00%<br>Moody's: A2 S&P: A Fitch: A+<br>Tr Date: 2/20/20 St Date: 2/25/20           | 69353RFU7  | 745,000.00<br>0.00                           | 702,605.48<br>1,493.17                   | (42,394.52)                | 94.310          | 0.23%                |



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                            | Security                                                                                                                               | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| <b>Total for Credit</b>          |                                                                                                                                        |            | <b>46,762,869.94<br/>103,115.21</b>          | <b>45,906,732.10<br/>204,959.09</b>      | <b>(856,137.84)</b>        |                 | <b>15.07%</b>        |
| <b>Mortgage-Backed</b>           |                                                                                                                                        |            |                                              |                                          |                            |                 |                      |
| 551,042.699                      | NGN 2010-R1 1A 1MOFRN NCUA GNTD<br>Mat: 10/7/20 Cpn: 1.47%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 6/10/19 St Date: 6/12/19    | 62888VAA6  | 551,903.70<br>219.54                         | 550,773.79<br>583.53                     | (1,129.91)                 | 99.951          | 0.18%                |
| 1,285,182.483                    | NGN 2010-R2 2A 1MOFRN NCUA GNTD<br>Mat: 11/5/20 Cpn: 1.49%<br>Moody's: Aaa S&P: AA+ Fitch: AAA<br>Tr Date: 9/25/19 St Date: 9/27/19    | 62888UAB6  | 1,287,491.80<br>1,894.65                     | 1,285,528.20<br>1,379.52                 | (1,963.60)                 | 100.027         | 0.42%                |
| 5,777,837.170                    | NGN 2010-R3 2A 1MOFRN NCUA GNTD<br>Mat: 12/8/20 Cpn: 1.58%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 10/17/16 St Date: 10/20/16 | 62888WAB2  | 5,797,523.65<br>4,183.36                     | 5,778,830.96<br>6,577.51                 | (18,692.69)                | 100.017         | 1.89%                |
| 52,667.817                       | FHMS KI01 A CMBS 1MOFRN<br>Mat: 9/25/22 Cpn: 1.68%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 3/19/18 St Date: 3/22/18           | 3137FEC81  | 52,692.51<br>94.17                           | 51,844.25<br>17.16                       | (848.25)                   | 98.436          | 0.02%                |
| 379,874.749                      | FHMS KI02 A 1MOFRN CMBS<br>Mat: 2/25/23 Cpn: 1.72%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 8/1/18 St Date: 8/14/18            | 3137FGZN8  | 379,874.75<br>0.00                           | 374,122.31<br>126.70                     | (5,752.44)                 | 98.486          | 0.12%                |
| 189,255.982                      | FHMS KI03 A 1MOFRN CMBS<br>Mat: 2/25/23 Cpn: 1.77%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 10/23/18 St Date: 10/31/18         | 3137FJXN4  | 189,255.98<br>0.00                           | 186,333.49<br>64.96                      | (2,922.49)                 | 98.456          | 0.06%                |
| 880,634.812                      | FHMS KI04 A 1MOFRN CMBS<br>Mat: 7/25/24 Cpn: 1.31%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 8/8/19 St Date: 8/21/19            | 3137FNAV2  | 880,634.81<br>0.00                           | 865,643.77<br>223.74                     | (14,991.05)                | 98.298          | 0.28%                |
| 1,800,000.000                    | FHMS KI05 A<br>Mat: 7/25/24 Cpn: 1.29%<br>Moody's: Aaa S&P: AA+u Fitch: AAA<br>Tr Date: 1/16/20 St Date: 1/28/20                       | 3137FQXG3  | 1,800,000.00<br>0.00                         | 1,800,000.00<br>450.32                   | 0.00                       | 100.000         | 0.59%                |
| <b>Total for Mortgage-Backed</b> |                                                                                                                                        |            | <b>10,939,377.20<br/>6,391.72</b>            | <b>10,893,076.76<br/>9,423.43</b>        | <b>(46,300.44)</b>         |                 | <b>3.56%</b>         |

**Asset-Backed**


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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of March 31, 2020

Currency: USD

| Units                         | Security                                                                                                                     | Identifier | Original Principal Cost<br>Purchased Accrued | Principal Market Value<br>Accrued Income | Gain / (Loss)<br>from Cost | Market<br>Price | Percent of Portfolio |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|------------------------------------------|----------------------------|-----------------|----------------------|
| 650,793.708                   | VOLKSWAGEN 2019-A A1 LEASE<br>Mat: 10/20/20 Cpn: 2.13%<br>Moody's: S&P: A-1+ Fitch: F1+<br>Tr Date: 10/1/19 St Date: 10/4/19 | 92867XAA4  | 650,793.71<br>0.00                           | 650,734.49<br>461.71                     | (59.22)                    | 99.991          | 0.21%                |
| 2,232,617.667                 | DRIVE 2020-1 A1 CAR<br>Mat: 1/15/21 Cpn: 1.74%<br>Moody's: P-1 S&P: A-1+ Fitch:<br>Tr Date: 1/13/20 St Date: 1/22/20         | 26208QAA5  | 2,232,617.67<br>0.00                         | 2,229,934.06<br>1,729.36                 | (2,683.61)                 | 99.880          | 0.73%                |
| 1,481,574.573                 | CAPITAL ONE 2020-1 CAR<br>Mat: 2/16/21 Cpn: 1.64%<br>Moody's: S&P: A-1+ Fitch: F1+<br>Tr Date: 2/11/20 St Date: 2/19/20      | 14043MAA9  | 1,481,574.57<br>0.00                         | 1,479,725.57<br>1,078.09                 | (1,849.01)                 | 99.875          | 0.48%                |
| 1,550,000.000                 | JOHN DEERE 2020-A A1 EQP<br>Mat: 3/15/21 Cpn: 1.10%<br>Moody's: P-1 S&P: Fitch: F1+<br>Tr Date: 3/4/20 St Date: 3/11/20      | 47789KAA1  | 1,550,000.00<br>0.00                         | 1,544,296.00<br>994.58                   | (5,704.00)                 | 99.632          | 0.51%                |
| 660,523.415                   | BMW 2019-1 A2 LEASE<br>Mat: 3/22/21 Cpn: 2.79%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 3/12/19 St Date: 3/20/19          | 05586VAB8  | 660,505.91<br>0.00                           | 660,926.33<br>563.10                     | 420.42                     | 100.061         | 0.22%                |
| 770,000.000                   | TOYOTA 2019-C A2B CAR 1MOFRN<br>Mat: 4/15/22 Cpn: 0.90%<br>Moody's: Aaa S&P: AAA Fitch:<br>Tr Date: 8/6/19 St Date: 8/14/19  | 89238UAC4  | 770,000.00<br>0.00                           | 764,748.60<br>309.58                     | (5,251.40)                 | 99.318          | 0.25%                |
| 5,000,000.000                 | DRYROCK 2017-1 A CDT 1MOFRN<br>Mat: 3/15/23 Cpn: 1.03%<br>Moody's: S&P: AAA Fitch: AAA<br>Tr Date: 1/29/20 St Date: 1/31/20  | 06742LAN3  | 5,004,296.88<br>4,458.33                     | 4,992,425.00<br>2,299.18                 | (11,871.88)                | 99.849          | 1.63%                |
| <b>Total for Asset-Backed</b> |                                                                                                                              |            | <b>12,349,788.74<br/>4,458.33</b>            | <b>12,322,790.05<br/>7,435.60</b>        | <b>(26,998.69)</b>         |                 | <b>4.03%</b>         |
| <b>Grand Total</b>            |                                                                                                                              |            | <b>305,265,495.18<br/>430,765.52</b>         | <b>305,013,918.45<br/>967,952.95</b>     | <b>(251,576.73)</b>        |                 | <b>100.00%</b>       |



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| Source Account Name | Security ID | Security Description 1         | Security Description 2        | Sector       | Shares/Par      | Base Cost     | Accrued Interest | Base Market Value | Base Unrealized Gain | Base Unrealized Loss | Percent of Asset | Reporting Date | Moody's Rating | S&P Rating | Fitch Rating |
|---------------------|-------------|--------------------------------|-------------------------------|--------------|-----------------|---------------|------------------|-------------------|----------------------|----------------------|------------------|----------------|----------------|------------|--------------|
| CALOPTIMA EC        | 3134GVDW5   | FEDERAL HOME LN MTG CORP       | 1.550% 08/26/2021 DD 02/26/20 | Agency       | 6,600,000.0000  | 6,600,000.00  | 9,945.84         | 6,605,456.28      | 5,456.28             | 0.00                 | 2.18             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3134GVDW5   | FEDERAL HOME LN MTG CORP       | 1.550% 08/26/2021 DD 02/26/20 | Agency       | 2,660,000.0000  | 2,661,651.79  | 4,008.47         | 2,662,199.05      | 547.26               | 0.00                 | 0.88             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 45818WBM7   | INTER-AMERICAN DEVELOPMENT BAN | VAR RT 07/15/2021 DD 07/21/16 | Agency       | 1,500,000.0000  | 1,586,703.95  | 6,516.93         | 1,501,583.28      | 0.00                 | -85,120.67           | 0.50             | 3/31/2020      | Aaa            | NA         | AAA          |
| CALOPTIMA EC        | 45818WCP9   | INTER-AMERICAN DEVELOPMENT BAN | VAR RT 09/16/2022 DD 09/18/19 | Agency       | 6,440,000.0000  | 6,440,000.00  | 5,148.39         | 6,437,679.86      | 0.00                 | -2,320.14            | 2.13             | 3/31/2020      | Aaa            | AAA        | AAA          |
| CALOPTIMA EC        | 45818WCP9   | INTER-AMERICAN DEVELOPMENT BAN | VAR RT 09/16/2022 DD 09/18/19 | Agency       | 1,000,000.0000  | 1,000,252.68  | 799.44           | 999,639.73        | 0.00                 | -612.95              | 0.33             | 3/31/2020      | Aaa            | AAA        | AAA          |
| CALOPTIMA EC        | 459058GK3   | INTERNATIONAL BANK FOR RECONST | VAR RT 08/21/2020 DD 08/21/18 | Agency       | 1,000,000.0000  | 1,229,375.47  | 1,226.95         | 1,000,301.08      | 0.00                 | -229,074.39          | 0.33             | 3/31/2020      | Aaa            | AAA        | AAA          |
| CALOPTIMA EC        | 459058GK3   | INTERNATIONAL BANK FOR RECONST | VAR RT 08/21/2020 DD 08/21/18 | Agency       | 2,700,000.0000  | 2,700,372.25  | 3,312.75         | 2,700,812.92      | 440.67               | 0.00                 | 0.89             | 3/31/2020      | Aaa            | AAA        | AAA          |
| CALOPTIMA EC        | 459058GK3   | INTERNATIONAL BANK FOR RECONST | VAR RT 08/21/2020 DD 08/21/18 | Agency       | 2,300,000.0000  | 2,300,317.50  | 2,821.97         | 2,300,692.48      | 374.98               | 0.00                 | 0.76             | 3/31/2020      | Aaa            | AAA        | AAA          |
| CALOPTIMA EC        | 02587AAL8   | AMERICAN EXPRESS CREDIT AC 2 A | VAR RT 09/16/2024 DD 02/21/17 | Asset Backed | 3,255,000.0000  | 3,270,825.98  | 1,860.99         | 3,222,582.48      | 0.00                 | -48,243.50           | 1.06             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 05586CAC8   | BMW VEHICLE LEASE TRUST 2 1 A3 | 3.260% 07/20/2021 DD 10/17/18 | Asset Backed | 1,799,000.0000  | 1,814,067.07  | 1,792.01         | 1,800,779.39      | 0.00                 | -13,287.68           | 0.59             | 3/31/2020      | Aaa            | AAA        | NR           |
| CALOPTIMA EC        | 05586CAC8   | BMW VEHICLE LEASE TRUST 2 1 A3 | 3.260% 07/20/2021 DD 10/17/18 | Asset Backed | 1,200,000.0000  | 1,210,050.25  | 1,195.33         | 1,201,186.92      | 0.00                 | -8,863.33            | 0.40             | 3/31/2020      | Aaa            | AAA        | NR           |
| CALOPTIMA EC        | 05586VAC6   | BMW VEHICLE LEASE TRUST 2 1 A3 | 2.840% 11/22/2021 DD 03/20/19 | Asset Backed | 86,000.0000     | 86,506.96     | 74.62            | 86,442.68         | 0.00                 | -64.28               | 0.03             | 3/31/2020      | Aaa            | AAA        | NR           |
| CALOPTIMA EC        | 05586VAC6   | BMW VEHICLE LEASE TRUST 2 1 A3 | 2.840% 11/22/2021 DD 03/20/19 | Asset Backed | 1,200,000.0000  | 1,209,045.05  | 1,041.34         | 1,206,176.88      | 0.00                 | -2,868.17            | 0.40             | 3/31/2020      | Aaa            | AAA        | NR           |
| CALOPTIMA EC        | 05586VAC6   | BMW VEHICLE LEASE TRUST 2 1 A3 | 2.840% 11/22/2021 DD 03/20/19 | Asset Backed | 295,000.0000    | 297,163.13    | 256.00           | 296,518.48        | 0.00                 | -644.65              | 0.10             | 3/31/2020      | Aaa            | AAA        | NR           |
| CALOPTIMA EC        | 161571HD9   | CHASE ISSUANCE TRUST A3 A3     | VAR RT 06/15/2023 DD 06/23/16 | Asset Backed | 2,400,000.0000  | 2,414,293.55  | 1,485.51         | 2,378,925.12      | 0.00                 | -35,368.43           | 0.79             | 3/31/2020      | NR             | AAA        | AAA          |
| CALOPTIMA EC        | 161571HD9   | CHASE ISSUANCE TRUST A1 A1     | VAR RT 04/17/2023 DD 05/10/18 | Asset Backed | 2,000,000.0000  | 2,001,402.74  | 907.37           | 1,983,400.40      | 0.00                 | -18,002.34           | 0.66             | 3/31/2020      | NR             | AAA        | AAA          |
| CALOPTIMA EC        | 26209WAC7   | DRIVE AUTO RECEIVABLES T 3 A2B | VAR RT 09/15/2022 DD 06/19/19 | Asset Backed | 1,287,548.6220  | 1,322,636.59  | 693.57           | 1,280,881.70      | 0.00                 | -41,754.89           | 0.42             | 3/31/2020      | Aaa            | AAA        | NR           |
| CALOPTIMA EC        | 43813FAC7   | HONDA AUTO RECEIVABLES 20 4 A3 | 2.050% 11/22/2021 DD 11/29/17 | Asset Backed | 382,519.5040    | 382,781.86    | 217.82           | 382,454.74        | 0.00                 | -327.12              | 0.13             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 43814PAC4   | HONDA AUTO RECEIVABLES 20 4 A3 | 1.790% 09/20/2021 DD 09/29/17 | Asset Backed | 2,753,321.8070  | 2,754,913.26  | 1,779.72         | 2,750,504.06      | 0.00                 | -4,409.20            | 0.91             | 3/31/2020      | NR             | AAA        | AAA          |
| CALOPTIMA EC        | 43814TAC6   | HONDA AUTO RECEIVABLES 20 1 A3 | 1.720% 07/21/2021 DD 03/28/17 | Asset Backed | 1,027,104.1640  | 1,026,096.28  | 490.73           | 1,024,162.95      | 0.00                 | -1,933.33            | 0.34             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 43814WAB1   | HONDA AUTO RECEIVABLES 20 1 A2 | 2.750% 09/20/2021 DD 02/27/19 | Asset Backed | 1,137,798.1480  | 1,142,815.01  | 1,129.90         | 1,135,055.94      | 0.00                 | -7,759.07            | 0.38             | 3/31/2020      | NR             | AAA        | AAA          |
| CALOPTIMA EC        | 43814WAB1   | HONDA AUTO RECEIVABLES 20 1 A2 | 2.750% 09/20/2021 DD 02/27/19 | Asset Backed | 57,200.7810     | 57,386.95     | 56.80            | 57,062.92         | 0.00                 | -324.03              | 0.02             | 3/31/2020      | NR             | AAA        | AAA          |
| CALOPTIMA EC        | 47787XAC1   | JOHN DEERE OWNER TRUST 20 A A3 | 1.780% 04/15/2021 DD 03/02/17 | Asset Backed | 40,965.4330     | 40,916.14     | 32.41            | 40,923.32         | 7.18                 | 0.00                 | 0.01             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 47787XAC1   | JOHN DEERE OWNER TRUST 20 A A3 | 1.780% 04/15/2021 DD 03/02/17 | Asset Backed | 56,733.3260     | 56,678.49     | 44.88            | 56,675.00         | 0.00                 | -3.49                | 0.02             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 47788EAB4   | JOHN DEERE OWNER TRUST 20 B A2 | 2.830% 04/15/2021 DD 07/25/18 | Asset Backed | 10,974.8580     | 10,984.69     | 13.80            | 10,970.98         | 0.00                 | -13.71               | 0.00             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 47789KAA1   | JOHN DEERE OWNER TRUST 20 A A1 | 1.100% 03/15/2021 DD 03/11/20 | Asset Backed | 3,000,000.0000  | 3,000,000.00  | 1,925.00         | 2,987,138.70      | 0.00                 | -12,861.30           | 0.99             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 58769QAB7   | MERCEDES-BENZ AUTO LEASE B A2  | 2.010% 12/15/2021 DD 11/20/19 | Asset Backed | 3,220,000.0000  | 3,222,660.41  | 2,876.53         | 3,216,762.61      | 0.00                 | -5,897.80            | 1.06             | 3/31/2020      | NR             | AAA        | AAA          |
| CALOPTIMA EC        | 65479KAC4   | NISSAN AUTO RECEIVABLES A A2B  | VAR RT 01/18/2022 DD 02/13/19 | Asset Backed | 599,919.6950    | 609,807.86    | 258.00           | 599,158.22        | 0.00                 | -10,649.64           | 0.20             | 3/31/2020      | Aaa            | NR         | AAA          |
| CALOPTIMA EC        | 65479NAA2   | NISSAN AUTO LEASE TRUST 2 A A1 | 1.722% 02/16/2021 DD 01/27/20 | Asset Backed | 2,147,042.3100  | 2,147,042.31  | 1,745.73         | 2,146,770.49      | 0.00                 | -271.82              | 0.71             | 3/31/2020      | NR             | NR         | NR           |
| CALOPTIMA EC        | GL-110000   | CASH                           |                               | Cash         | 0.0000          | 1,681,482.45  | 0.00             | 1,681,482.45      | 0.00                 | 0.00                 | 0.00             | 3/31/2020      |                |            |              |
| CALOPTIMA EC        | 06367BEV7   | BANK OF MONTREAL CHI INSTL C/D | 1.800% 04/03/2020 DD 01/03/20 | CD           | 3,050,000.0000  | 3,050,009.58  | 13,572.50        | 3,050,009.58      | 0.00                 | 0.00                 | 1.01             | 3/31/2020      | P-1            | A-1        |              |
| CALOPTIMA EC        | 63873QDB7   | NATIXIS NY INSTL C/D           | 1.760% 04/14/2020 DD 01/15/20 | CD           | 13,000,000.0000 | 13,000,000.00 | 48,937.78        | 13,000,000.00     | 0.00                 | 0.00                 | 4.29             | 3/31/2020      | P-1            | A-1        | NR           |
| CALOPTIMA EC        | 65558TSS5   | NORDEA BK ABPP NY C/D          | 1.720% 04/14/2020 DD 01/15/20 | CD           | 13,000,000.0000 | 13,000,000.00 | 47,825.56        | 13,000,000.00     | 0.00                 | 0.00                 | 4.29             | 3/31/2020      | P-1            | A-1+       | F1+          |
| CALOPTIMA EC        | 65602VX50   | NORINCHUKIN BK C/D             | 1.740% 04/17/2020 DD 01/17/20 | CD           | 12,000,000.0000 | 11,999,998.09 | 43,500.00        | 11,999,998.09     | 0.00                 | 0.00                 | 3.96             | 3/31/2020      | P-1            | A-1        | NR           |
| CALOPTIMA EC        | 89114N3J2   | TORONTO-DOMINION C/D           | 1.900% 04/21/2020 DD 10/21/19 | CD           | 7,500,000.0000  | 7,500,711.63  | 64,520.83        | 7,500,711.63      | 0.00                 | 0.00                 | 2.48             | 3/31/2020      | P-1            | A-1+       | F1+          |
| CALOPTIMA EC        | 3137A2B26   | FHLMC MULTICLASS MTG K009 A2   | 3.808% 08/25/2021 DD 11/01/10 | CMBS         | 427,655.7430    | 429,196.93    | 1,357.09         | 429,650.41        | 453.48               | 0.00                 | 0.14             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137ABFH9   | FHLMC MULTICLASS MTG K01A A2   | 3.989% 06/25/2021 DD 06/01/11 | CMBS         | 750,000.0000    | 763,895.59    | 2,493.13         | 769,077.38        | 5,181.79             | 0.00                 | 0.25             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137ADTJ6   | FHLMC MULTICLASS MTG K01A A2   | 3.871% 04/25/2021 DD 08/01/11 | CMBS         | 961,485.7200    | 973,752.04    | 3,101.59         | 982,448.61        | 8,696.57             | 0.00                 | 0.32             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137B6ZM6   | FHLMC MULTICLASS MTG K71A A2   | VAR RT 10/25/2020 DD 01/01/14 | CMBS         | 822,481.1940    | 823,336.15    | 2,079.51         | 824,164.24        | 828.09               | 0.00                 | 0.27             | 3/31/2020      | Aaa            | AA+        | Agency       |
| CALOPTIMA EC        | 3137FGZN8   | FHLMC MULTICLASS MTG K102 A    | VAR RT 02/25/2023 DD 08/14/18 | CMBS         | 949,686.8700    | 976,526.21    | 316.74           | 932,207.12        | 0.00                 | -44,319.09           | 0.31             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137FJXN4   | FHLMC MULTICLASS MTG K103 A    | VAR RT 02/25/2023 DD 10/31/18 | CMBS         | 230,593.4650    | 234,620.37    | 79.15            | 226,261.33        | 0.00                 | -8,359.04            | 0.07             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137FJXN4   | FHLMC MULTICLASS MTG K103 A    | VAR RT 02/25/2023 DD 10/31/18 | CMBS         | 234,577.8040    | 239,415.53    | 80.52            | 230,170.81        | 0.00                 | -9,244.72            | 0.08             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137FJXN4   | FHLMC MULTICLASS MTG K103 A    | VAR RT 02/25/2023 DD 10/31/18 | CMBS         | 888,008.9710    | 896,443.97    | 304.80           | 871,326.04        | 0.00                 | -25,117.93           | 0.29             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137FMTW2   | FHLMC MULTICLASS MTG Q009 A    | VAR RT 04/25/2024 DD 07/19/19 | CMBS         | 2,770,837.5600  | 2,770,837.56  | 1,004.95         | 2,718,926.75      | 0.00                 | -51,910.81           | 0.90             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3137FQXG3   | FHLMC MULTICLASS MTG K105 A    | VAR RT 07/25/2024 DD 01/28/20 | CMBS         | 5,000,000.0000  | 5,000,000.00  | 1,250.89         | 4,996,308.50      | 0.00                 | -3,691.50            | 1.65             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 31381SVH2   | FNMA POOL #0469616             | 3.500% 11/01/2021 DD 11/01/11 | CMBS         | 1,348,186.3980  | 1,375,828.31  | 4,063.28         | 1,382,989.76      | 7,161.45             | 0.00                 | 0.46             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 3138EJRP5   | FNMA POOL #0AL2293             | VAR RT 06/01/2021 DD 08/01/12 | CMBS         | 419,856.1700    | 429,009.65    | 1,574.52         | 434,977.52        | 5,967.87             | 0.00                 | 0.14             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 31397UPG8   | FNMA GTD REMIC P/T 11-M1 FA    | VAR RT 06/25/2021 DD 05/25/11 | CMBS         | 598,766.6440    | 599,236.99    | 207.25           | 596,644.56        | 0.00                 | -2,592.43            | 0.20             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 17401QAK7   | CITIZENS BANK NA/PROVIDENCE RI | VAR RT 05/26/2020 DD 05/26/17 | Corporates   | 1,000,000.0000  | 1,000,854.74  | 2,155.06         | 993,348.85        | 0.00                 | -7,505.89            | 0.33             | 3/31/2020      | Baa1           | A-         | BBB+         |
| CALOPTIMA EC        | 025816BU2   | AMERICAN EXPRESS CO            | 3.375% 05/17/2021 DD 05/17/18 | Corporates   | 5,000,000.0000  | 5,079,921.04  | 62,812.50        | 5,058,795.60      | 0.00                 | -21,125.44           | 1.67             | 3/31/2020      | A3             | BBB+       | A            |
| CALOPTIMA EC        | 025816CE7   | AMERICAN EXPRESS CO            | VAR RT 05/20/2022 DD 05/20/19 | Corporates   | 2,000,000.0000  | 2,000,000.00  | 5,272.21         | 1,918,171.18      | 0.00                 | -81,828.82           | 0.63             | 3/31/2020      | A3             | BBB+       | A            |
| CALOPTIMA EC        | 06051GEC9   | BANK OF AMERICA CORP           | 5.625% 07/01/2020 DD 06/22/10 | Corporates   | 1,425,000.0000  | 1,436,676.20  | 20,039.06        | 1,433,939.21      | 0.00                 | -2,736.99            | 0.47             | 3/31/2020      | A2             | A-         | A+           |
| CALOPTIMA EC        | 06051GFN4   | BANK OF AMERICA CORP           | 2.250% 04/21/2020 DD 04/21/15 | Corporates   | 3,000,000.0000  | 3,000,361.56  | 30,000.00        | 2,999,520.00      | 0.00                 | -841.56              | 0.99             | 3/31/2020      | A2             | A-         | A+           |
| CALOPTIMA EC        | 06406FAB9   | BANK OF NEW YORK MELLON CORP/T | 2.050% 05/03/2021 DD 05/02/16 | Corporates   | 1,500,000.0000  | 1,506,134.80  | 12,641.67        | 1,506,960.80      | 826.00               | 0.00                 | 0.50             | 3/31/2020      | A1             | A          | AA-          |
| CALOPTIMA EC        | 17308CC38   | CITIGROUP INC                  | VAR RT 11/04/2022 DD 11/04/19 | Corporates   | 5,000,000.0000  | 5,019,214.13  | 19,233.07        | 4,683,564.00      | 0.00                 | -335,650.13          | 1.55             | 3/31/2020      | A3             | BBB+       | A            |
| CALOPTIMA EC        | 200339DW6   | COMERICA BANK                  | 2.500% 06/02/2020 DD 06/02/15 | Corporates   | 6,000,000.0000  | 6,006,326.60  | 49,583.33        | 6,000,345.72      | 0.00                 | -5,980.88            | 1.98             | 3/31/2020      | A3             | A-         | A            |
| CALOPTIMA EC        | 225500UAA9  | CREDIT SUISSE AG/NEW YORK NY   | VAR RT 02/04/2022 DD 02/04/20 | Corporates   | 2,350,000.0000  | 2,350,000.00  | 4,462.95         | 2,200,693.97      | 0.00                 | -149,306.03          | 0.73             | 3/31/2020      | A1             | A+         | NR           |
| CALOPTIMA EC        | 341081FW2   | FLORIDA POWER & LIGHT CO       | VAR RT 05/06/2022 DD 05/07/19 | Corporates   | 2,050,000.0000  | 2,050,000.00  | 6,694.16         | 1,933,255.99      | 0.00                 | -116,744.01          | 0.64             | 3/31/2020      | A1             | A          | A+           |
| CALOPTIMA EC        | 38141GVQ4   | GOLDMAN SACHS GROUP INC/THE    | VAR RT 09/15/2020 DD 09/15/15 | Corporates   | 2,500,000.0000  | 2,509,096.61  | 2,370.95         | 2,498,194.08      | 0.00                 | -10,902.53           | 0.83             | 3/31/2020      | A3             | BBB+       | A            |
| CALOPTIMA EC        | 38141GWD2   | GOLDMAN SACHS GROUP INC/THE    | VAR RT 04/26/2022 DD 01       |              |                 |               |                  |                   |                      |                      |                  |                |                |            |              |

| Source Account Name | Security ID | Security Description 1         | Security Description 2        | Sector               | Shares/Par      | Base Cost     | Accrued Interest | Base Market Value | Base Unrealized Gain | Base Unrealized Loss | Percent of Asset | Reporting Date | Moody's Rating | S&P Rating | Fitch Rating |
|---------------------|-------------|--------------------------------|-------------------------------|----------------------|-----------------|---------------|------------------|-------------------|----------------------|----------------------|------------------|----------------|----------------|------------|--------------|
| CALOPTIMA EC        | 50000DDD5   | KOCH INDUSTRIES DISC           | 04/13/2020                    | CP                   | 6,000,000.0000  | 5,995,800.00  | 0.00             | 5,995,800.00      | 0.00                 | 0.00                 | 1.98             | 3/31/2020      | P-1            | A-1+       | NR           |
| CALOPTIMA EC        | 69511JD10   | PACIFICORP DISC                | 04/01/2020                    | CP                   | 8,500,000.0000  | 8,499,999.99  | 0.00             | 8,499,999.99      | 0.00                 | 0.00                 | 2.81             | 3/31/2020      | P-2            | A-1        | F1           |
| CALOPTIMA EC        | 97665RD17   | WISCONSIN EL PWR DISC          | 04/01/2020                    | CP                   | 4,000,000.0000  | 4,000,000.02  | 0.00             | 4,000,000.02      | 0.00                 | 0.00                 | 1.32             | 3/31/2020      | P-1            | A-2        | F1           |
| CALOPTIMA EC        | 072024WU2   | BAY AREA CA TOLL AUTH TOLL BRI | 2.025% 04/01/2020 DD 09/26/19 | Municipal Securities | 1,815,000.0000  | 1,815,000.00  | 18,887.34        | 1,815,000.00      | 0.00                 | 0.00                 | 0.60             | 3/31/2020      | A1             | AA-        | AA-          |
| CALOPTIMA EC        | 7092243K3   | PENNSYLVANIA ST TURNPIKE COMMI | 1.812% 12/01/2020 DD 02/26/20 | Municipal Securities | 1,500,000.0000  | 1,500,000.00  | 2,642.50         | 1,500,000.00      | 0.00                 | 0.00                 | 0.50             | 3/31/2020      | A3             | NR         | A-           |
| CALOPTIMA EC        | 796720MC1   | SAN BERNARDINO CA CMNTY CLG DI | 1.754% 08/01/2020 DD 12/12/19 | Municipal Securities | 1,500,000.0000  | 1,500,000.00  | 4,385.00         | 1,500,000.00      | 0.00                 | 0.00                 | 0.50             | 3/31/2020      | Aa1            | AA         | NR           |
| CALOPTIMA EC        | 796720MU1   | SAN BERNARDINO CA CMNTY CLG DI | 1.754% 08/01/2020 DD 12/12/19 | Municipal Securities | 1,650,000.0000  | 1,650,000.00  | 4,823.50         | 1,650,000.00      | 0.00                 | 0.00                 | 0.55             | 3/31/2020      | Aa1            | AA         | NR           |
| CALOPTIMA EC        | 797272QK0   | SAN DIEGO CA CMNTY CLG DIST    | 1.935% 08/01/2020 DD 10/16/19 | Municipal Securities | 1,460,000.0000  | 1,460,000.00  | 4,708.50         | 1,460,000.00      | 0.00                 | 0.00                 | 0.48             | 3/31/2020      | Aaa            | AAA        | NR           |
| CALOPTIMA EC        | 3137AFT77   | FHLMC MULTICLASS MTG 3938 BE   | 2.000% 10/15/2021 DD 10/01/11 | RMBS                 | 3,279,827.8600  | 3,281,358.62  | 5,466.38         | 3,300,238.56      | 18,879.94            | 0.00                 | 1.09             | 3/31/2020      | Agency         | AA+        | Agency       |
| CALOPTIMA EC        | 62888UAB6   | NCUA GUARANTEED NOTES TR R2 2A | VAR RT 11/05/2020 DD 11/17/10 | RMBS                 | 3,436,316.8450  | 3,649,703.99  | 3,546.68         | 3,436,705.49      | 0.00                 | -212,998.50          | 1.14             | 3/31/2020      | Aaa            | AA+        | Agency       |
| CALOPTIMA EC        | 62888VAA6   | NCUA GUARANTEED NOTES TR R1 1A | VAR RT 10/07/2020 DD 10/27/10 | RMBS                 | 1,355,191.5390  | 1,520,111.43  | 1,379.89         | 1,354,339.67      | 0.00                 | -165,771.76          | 0.45             | 3/31/2020      | Aaa            | AA+        | AAA          |
| CALOPTIMA EC        | 62888VAA6   | NCUA GUARANTEED NOTES TR R1 1A | VAR RT 10/07/2020 DD 10/27/10 | RMBS                 | 391,333.7270    | 404,429.06    | 398.47           | 391,087.73        | 0.00                 | -13,341.33           | 0.13             | 3/31/2020      | Aaa            | AA+        | AAA          |
| CALOPTIMA EC        | 62888VAA6   | NCUA GUARANTEED NOTES TR R1 1A | VAR RT 10/07/2020 DD 10/27/10 | RMBS                 | 398,805.4890    | 406,368.86    | 406.08           | 398,554.80        | 0.00                 | -7,814.06            | 0.13             | 3/31/2020      | Aaa            | AA+        | AAA          |
| CALOPTIMA EC        | 9127962A6   | U S TREASURY BILL              | 0.000% 04/07/2020 DD 02/11/20 | US Government        | 14,000,000.0000 | 13,996,390.32 | 0.00             | 13,996,390.32     | 0.00                 | 0.00                 | 4.62             | 3/31/2020      | Govt           | A-1+       | Govt         |
| CALOPTIMA EC        | 912796TT6   | U S TREASURY BILL              | 0.000% 05/07/2020 DD 11/07/19 | US Government        | 5,000,000.0000  | 4,992,485.00  | 0.00             | 4,992,485.00      | 0.00                 | 0.00                 | 1.65             | 3/31/2020      | Govt           | A-1+       | Govt         |
| CALOPTIMA EC        | 912796TV1   | U S TREASURY BILL              | 0.000% 05/14/2020 DD 11/14/19 | US Government        | 20,000,000.0000 | 19,962,972.08 | 0.00             | 19,962,972.08     | 0.00                 | 0.00                 | 6.60             | 3/31/2020      | Govt           | A-1+       | Govt         |
| CALOPTIMA EC        | 912828VV9   | U S TREASURY NOTE              | 2.125% 08/31/2020 DD 08/31/13 | US Government        | 8,500,000.0000  | 8,519,552.52  | 16,109.79        | 8,570,722.63      | 51,170.11            | 0.00                 | 2.83             | 3/31/2020      | Govt           | AA+        | Govt         |
| CALOPTIMA EC        | 912828VV9   | U S TREASURY NOTE              | 2.125% 08/31/2020 DD 08/31/13 | US Government        | 9,500,000.0000  | 9,522,692.05  | 18,005.07        | 9,579,042.94      | 56,350.89            | 0.00                 | 3.16             | 3/31/2020      | Govt           | AA+        | Govt         |
| CALOPTIMA EC        | 912828VV9   | U S TREASURY NOTE              | 2.125% 08/31/2020 DD 08/31/13 | US Government        | 10,625,000.0000 | 10,650,625.25 | 20,137.25        | 10,713,403.30     | 62,778.05            | 0.00                 | 3.54             | 3/31/2020      | Govt           | AA+        | Govt         |
| CALOPTIMA EC        | 912828Y53   | U S TREASURY NOTE              | VAR RT 07/31/2020 DD 07/31/18 | US Government        | 6,500,000.0000  | 6,497,955.26  | 11,726.67        | 6,499,846.27      | 1,891.01             | 0.00                 | 2.15             | 3/31/2020      | Govt           | AA+        | Govt         |
| CALOPTIMA EC        | 912828Y53   | U S TREASURY NOTE              | VAR RT 07/31/2020 DD 07/31/18 | US Government        | 5,500,000.0000  | 5,499,156.78  | 9,922.56         | 5,499,869.93      | 713.15               | 0.00                 | 1.82             | 3/31/2020      | Govt           | AA+        | Govt         |



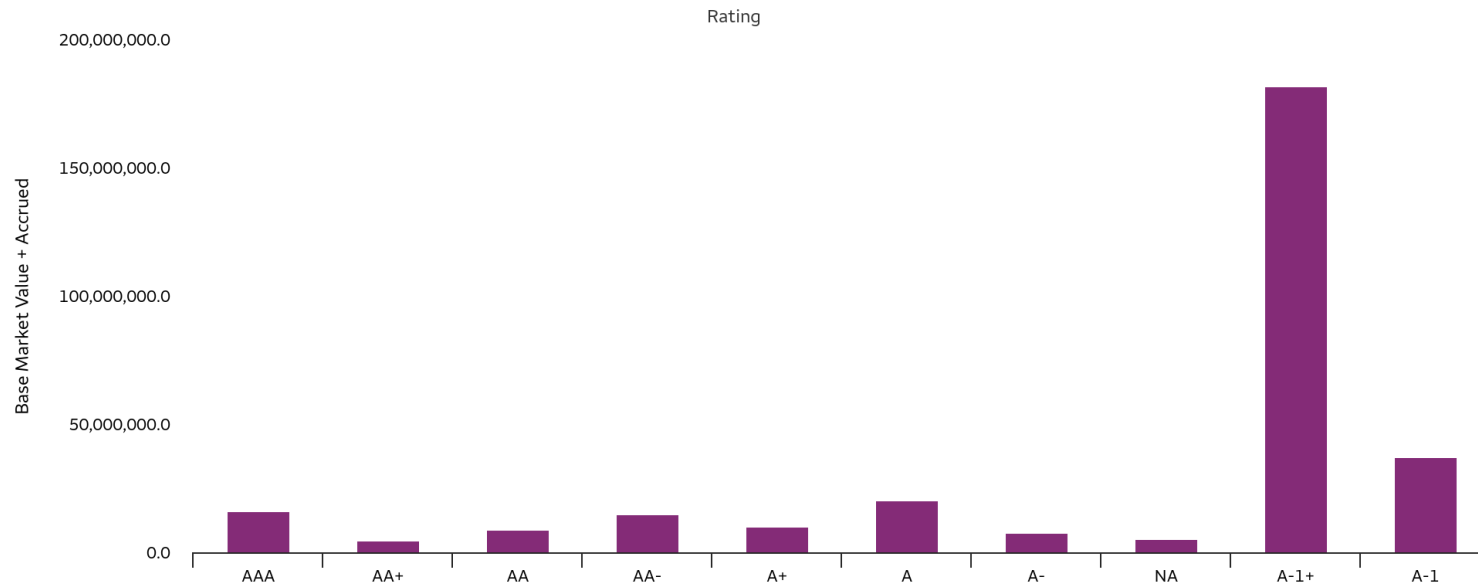
# Credit Rating

US Dollar  
As of 31 March 2020

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

WELLS  
FARGO

Asset  
Management



## AAA

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

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima

Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

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

AA+

| Identifier,<br>Description                      | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 231237N46<br>CUPERTINO CALIF UN SCH DIST        | 2,025,000.00                 | USD<br>08/01/2020                     | MUNI          | AA+    | Aa1     | AA+ | NA    | 2,034,463.50                   | 0.66%                                  |
| 797398DJ0<br>SAN DIEGO CNTY CALIF PENSION OBLIG | 2,500,000.00                 | USD<br>08/15/2020                     | MUNI          | AA+    | Aa2     | AAA | AA+   | 2,562,911.81                   | 0.83%                                  |
| ---                                             | 4,525,000.00                 | USD<br>08/09/2020                     | MUNI          | AA+    | Aa2     | AAA | AA+   | 4,597,375.31                   | 1.49%                                  |

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima

Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

AA

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

AA-

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

A+

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima

Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

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

A

| Identifier,<br>Description                       | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|--------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 0258M0DY2<br>AMERICAN EXPRESS CREDIT CORP        | 2,000,000.00                 | USD<br>09/14/2020                     | CORP          | A      | A2      | A-  | A     | 1,990,762.72                   | 0.65%                                  |
| 06051GEE5<br>BANK OF AMERICA CORP                | 819,000.00                   | USD<br>01/05/2021                     | CORP          | A      | A2      | A-  | A+    | 846,936.19                     | 0.28%                                  |
| 14913Q2A6<br>CATERPILLAR FINANCIAL SERVICES CORP | 2,000,000.00                 | USD<br>09/04/2020                     | CORP          | A      | A3      | A   | A     | 1,998,018.84                   | 0.65%                                  |
| 14913Q2P3<br>CATERPILLAR FINANCIAL SERVICES CORP | 1,000,000.00                 | USD<br>09/07/2021                     | CORP          | A      | A3      | A   | A     | 963,841.20                     | 0.31%                                  |
| 14913Q2U2<br>CATERPILLAR FINANCIAL SERVICES CORP | 1,000,000.00                 | USD<br>08/26/2020                     | CORP          | A      | A3      | A   | A     | 1,000,277.74                   | 0.33%                                  |
| 24422EUL1<br>JOHN DEERE CAPITAL CORP             | 2,000,000.00                 | USD<br>10/09/2020                     | CORP          | A      | A2      | A   | A     | 1,985,914.46                   | 0.65%                                  |
| 369550BF4<br>GENERAL DYNAMICS CORP               | 2,250,000.00                 | USD<br>05/11/2021                     | CORP          | A      | A2      | A   | WR    | 2,203,180.26                   | 0.72%                                  |
| 45866FAC8<br>INTERCONTINENTAL EXCHANGE INC       | 4,000,000.00                 | USD<br>12/01/2020                     | CORP          | A      | A2      | A   | NA    | 4,063,786.67                   | 1.32%                                  |
| 46625HQJ2<br>JPMORGAN CHASE & CO                 | 800,000.00                   | USD<br>03/01/2021                     | CORP          | A      | A2      | A-  | AA-   | 803,613.26                     | 0.26%                                  |
| 69353RES3<br>PNC BANK NA                         | 1,215,000.00                 | USD<br>07/21/2020                     | CORP          | A      | A2      | A   | A+    | 1,219,271.13                   | 0.40%                                  |

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# Credit Rating

US Dollar

As of 31 March 2020

WC-CalOptima

Account: XXXX2500

Investment Strategy: Short Duration Fixed Income

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

WELLS  
FARGO

Asset  
Management

| Identifier,<br>Description          | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 808513AD7<br>CHARLES SCHWAB CORP    | 2,000,000.00                 | USD<br>07/22/2020                     | CORP          | A      | A2      | A   | A     | 2,012,396.17                   | 0.65%                                  |
| 91324PDG4<br>UNITEDHEALTH GROUP INC | 1,500,000.00                 | USD<br>06/15/2021                     | CORP          | A      | A3      | A+  | A     | 1,488,949.74                   | 0.48%                                  |
| ---                                 | 20,584,000.00                | USD<br>12/04/2020                     | CORP          | A      | A2      | A   | A     | 20,576,948.37                  | 6.69%                                  |
| ---                                 |                              |                                       |               |        |         |     |       |                                |                                        |

A-

| Identifier,<br>Description  | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P  | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-----------------------------|------------------------------|---------------------------------------|---------------|--------|---------|------|-------|--------------------------------|----------------------------------------|
| 172967KB6<br>CITIGROUP INC  | 4,000,000.00                 | USD<br>10/26/2020                     | CORP          | A-     | A3      | BBB+ | A     | 4,052,659.61                   | 1.32%                                  |
| 20030NCW9<br>COMCAST CORP   | 1,600,000.00                 | USD<br>10/01/2021                     | CORP          | A-     | A3      | A-   | A-    | 1,574,168.21                   | 0.51%                                  |
| 20030NCW9<br>COMCAST CORP   | 1,000,000.00                 | USD<br>10/01/2021                     | CORP          | A-     | A3      | A-   | A-    | 983,855.13                     | 0.32%                                  |
| 6174467P8<br>MORGAN STANLEY | 1,000,000.00                 | USD<br>07/24/2020                     | CORP          | A-     | A3      | BBB+ | A     | 1,019,679.38                   | 0.33%                                  |
| ---                         | 7,600,000.00                 | USD<br>02/04/2021                     | CORP          | A-     | A3      | BBB+ | A     | 7,630,362.33                   | 2.48%                                  |
| ---                         |                              |                                       |               |        |         |      |       |                                |                                        |

NA

| Identifier,<br>Description                    | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-----------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 58942PF16<br>Mercy Health                     | 4,000,000.00                 | USD<br>06/01/2020                     | CP            | NA     | NA      | NA  | NA    | 3,991,388.88                   | 1.30%                                  |
| 835631MU3<br>SONOMA VALLEY CALIF UNI SCH DIST | 1,200,000.00                 | USD<br>05/01/2020                     | MUNI          | NA     | NA      | NA  | NA    | 1,203,232.00                   | 0.39%                                  |
| ---                                           | 5,200,000.00                 | USD<br>05/25/2020                     | ---           | NA     | NA      | NA  | NA    | 5,194,620.88                   | 1.69%                                  |
| ---                                           |                              |                                       |               |        |         |     |       |                                |                                        |

A-1+

| Identifier,<br>Description             | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P  | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|----------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|------|-------|--------------------------------|----------------------------------------|
| 30229AEC9<br>Exxon Mobil Corporation   | 10,000,000.00                | USD<br>05/12/2020                     | CP            | A-1+   | P-1     | A-1+ | NA    | 9,976,900.00                   | 3.24%                                  |
| 313312VH0<br>FEDERAL FARM CREDIT BANKS | 23,000,000.00                | USD<br>04/08/2020                     | AGCY DISC     | A-1+   | P-1     | A-1+ | F1+   | 22,999,686.97                  | 7.47%                                  |

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# Credit Rating

US Dollar  
As of 31 March 2020

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

WELLS  
FARGO

Asset  
Management

| Identifier,<br>Description                            | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P  | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-------------------------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|------|-------|--------------------------------|----------------------------------------|
| 313312VH0<br>FEDERAL FARM CREDIT BANKS                | 10,000,000.00                | USD<br>04/08/2020                     | AGCY DISC     | A-1+   | P-1     | A-1+ | F1+   | 9,999,863.90                   | 3.25%                                  |
| 313312VH0<br>FEDERAL FARM CREDIT BANKS                | 40,000,000.00                | USD<br>04/08/2020                     | AGCY DISC     | A-1+   | P-1     | A-1+ | F1+   | 39,999,455.60                  | 13.00%                                 |
| 313384VP1<br>FEDERAL HOME LOAN BANKS                  | 50,000,000.00                | USD<br>04/14/2020                     | AGCY DISC     | A-1+   | P-1     | A-1+ | F1+   | 49,998,736.00                  | 16.25%                                 |
| 313384VV8<br>FEDERAL HOME LOAN BANKS                  | 30,000,000.00                | USD<br>04/20/2020                     | AGCY DISC     | A-1+   | P-1     | A-1+ | F1+   | 29,998,891.80                  | 9.75%                                  |
| 63763PGA1<br>National Securities Clearing Corporation | 5,000,000.00                 | USD<br>07/10/2020                     | CP            | A-1+   | P-1     | A-1+ | NA    | 4,981,272.90                   | 1.62%                                  |
| 67983TDL7<br>Old Line Funding, LLC                    | 4,000,000.00                 | USD<br>04/20/2020                     | CP            | A-1+   | P-1     | A-1+ | F1+   | 3,996,728.88                   | 1.30%                                  |
| 71708EFF7<br>Pfizer Inc.                              | 10,000,000.00                | USD<br>06/15/2020                     | CP            | A-1+   | P-1     | A-1+ | F1    | 9,962,211.10                   | 3.24%                                  |
| ---                                                   | 182,000,000.00               | USD<br>04/20/2020                     | ---           | A-1+   | P-1     | A-1+ | AAA   | 181,913,747.15                 | 59.12%                                 |

## A-1

| Identifier,<br>Description              | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|-----------------------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| 19121AD16<br>The Coca-Cola Company      | 5,000,000.00                 | USD<br>04/01/2020                     | CP            | A-1    | P-1     | A-1 | NA    | 5,000,002.35                   | 1.62%                                  |
| 19121AEL1<br>The Coca-Cola Company      | 4,000,000.00                 | USD<br>05/20/2020                     | CP            | A-1    | P-1     | A-1 | NA    | 3,991,761.12                   | 1.30%                                  |
| 2546R2EF9<br>The Walt Disney Company    | 10,000,000.00                | USD<br>05/15/2020                     | CP            | A-1    | P-1     | A-1 | F1    | 9,985,000.00                   | 3.25%                                  |
| 38346LD29<br>Gotham Funding Corporation | 1,000,000.00                 | USD<br>04/02/2020                     | CP            | A-1    | P-1     | A-1 | F1    | 1,000,007.28                   | 0.32%                                  |
| 38346LD37<br>Gotham Funding Corporation | 8,902,000.00                 | USD<br>04/03/2020                     | CP            | A-1    | P-1     | A-1 | F1    | 8,902,003.74                   | 2.89%                                  |
| 69372AD82<br>PACCAR Financial Corp.     | 8,200,000.00                 | USD<br>04/08/2020                     | CP            | A-1    | P-1     | A-1 | NA    | 8,198,941.30                   | 2.66%                                  |
| ---                                     | 37,102,000.00                | USD<br>04/20/2020                     | CP            | A-1    | P-1     | A-1 | A+    | 37,077,715.79                  | 12.05%                                 |

## Summary

| Identifier,<br>Description | Ending Base Current<br>Units | Currency,<br>Ending Final<br>Maturity | Security Type | Rating | Moody's | S&P | Fitch | Base Market Value +<br>Accrued | % of Base<br>Market Value +<br>Accrued |
|----------------------------|------------------------------|---------------------------------------|---------------|--------|---------|-----|-------|--------------------------------|----------------------------------------|
| ---                        | 307,476,643.56               | USD<br>07/05/2020                     | ---           | AA+    | Aa1     | AA+ | AA+   | 307,701,712.46                 | 100.00%                                |

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# Credit Rating

US Dollar  
As of 31 March 2020

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



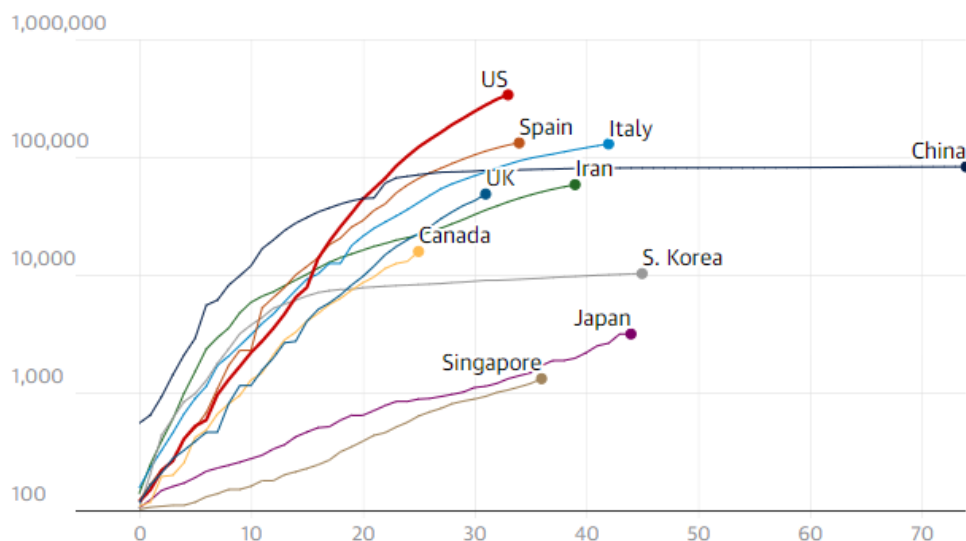
\* Grouped by: Rating. \* Groups Sorted by: Rating. \* Weighted by: Base Market Value + Accrued.

## Economy and Market Update

Data as of April 3, 2020

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

Number of cases since the day of the 100th case (log scale)



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

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



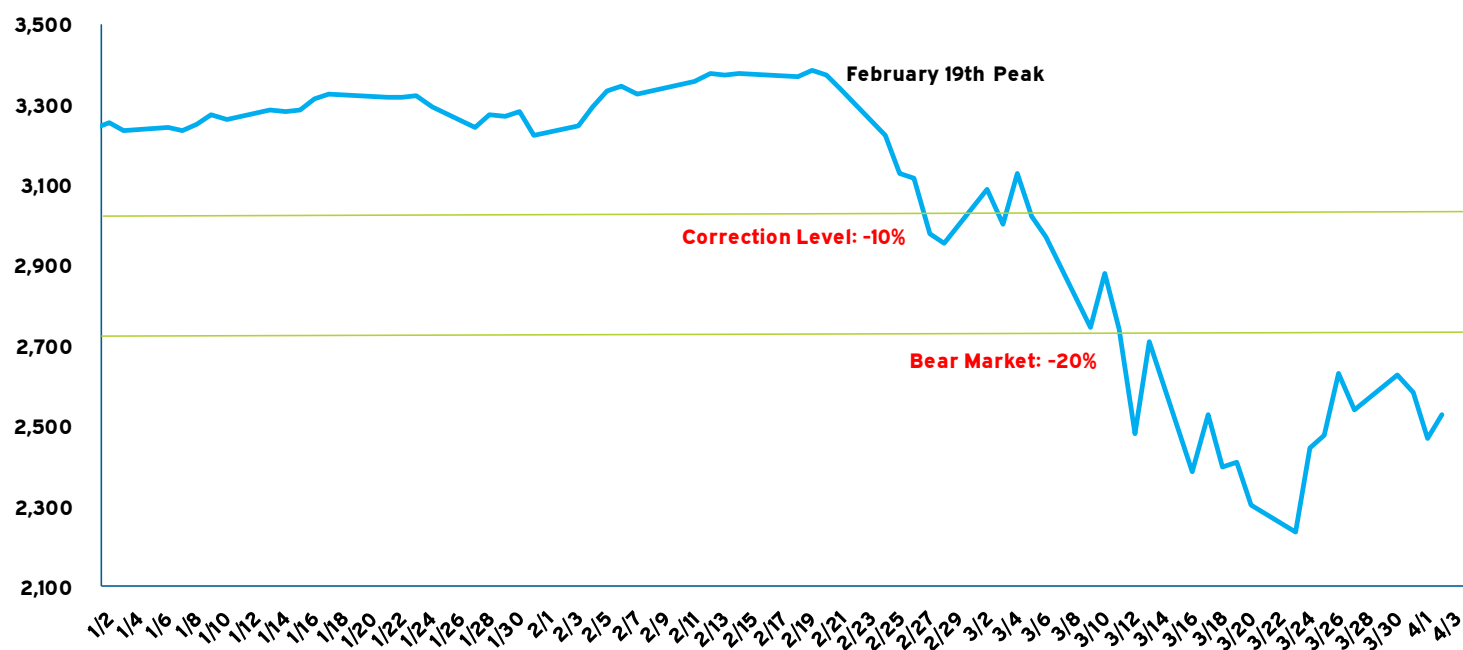
## 2020 Market Returns<sup>1</sup>

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

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

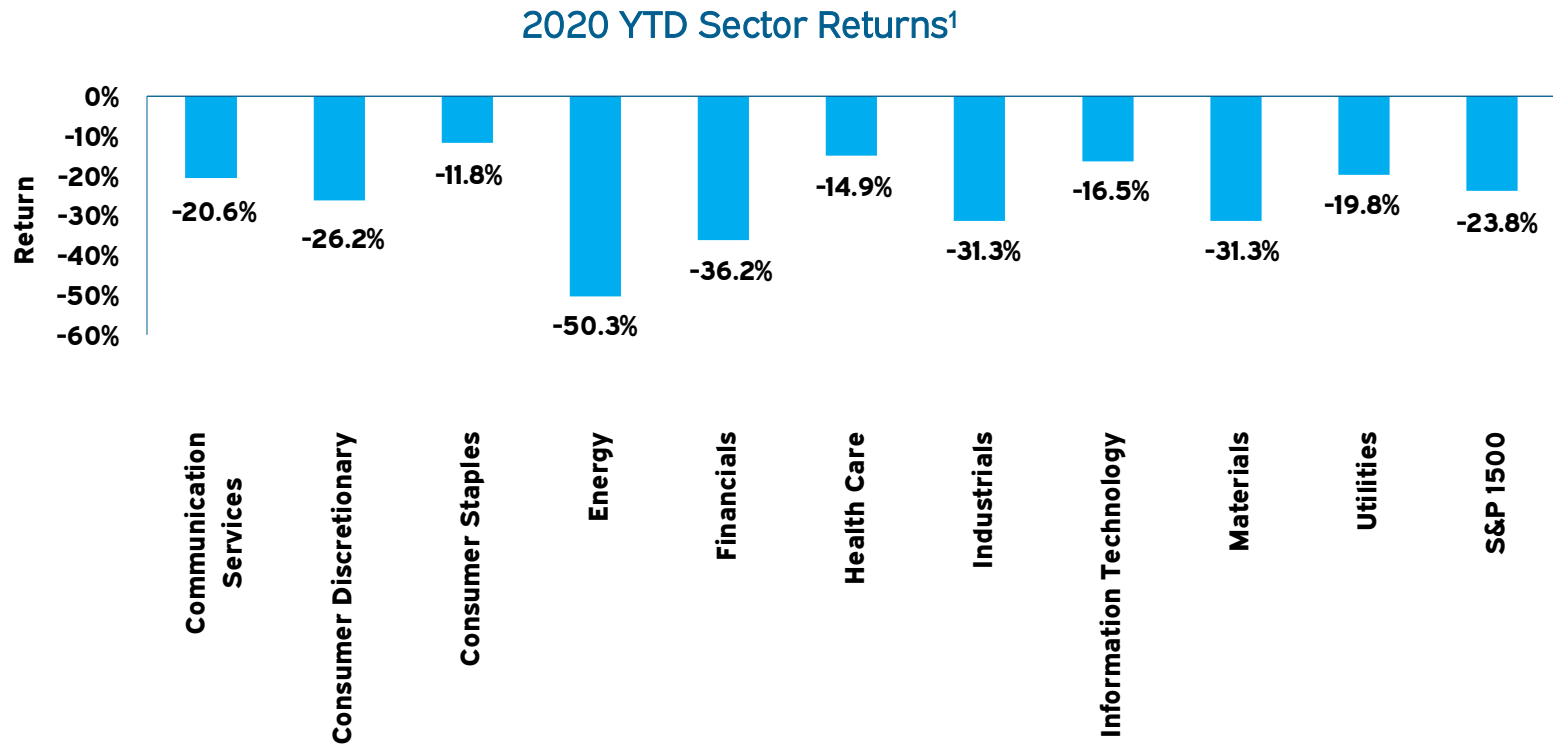
<sup>1</sup> Source: InvestorForce and Bloomberg. Data is as of April 3, 2020.

### S&P 500 Reaches Bear Market Levels<sup>1</sup>



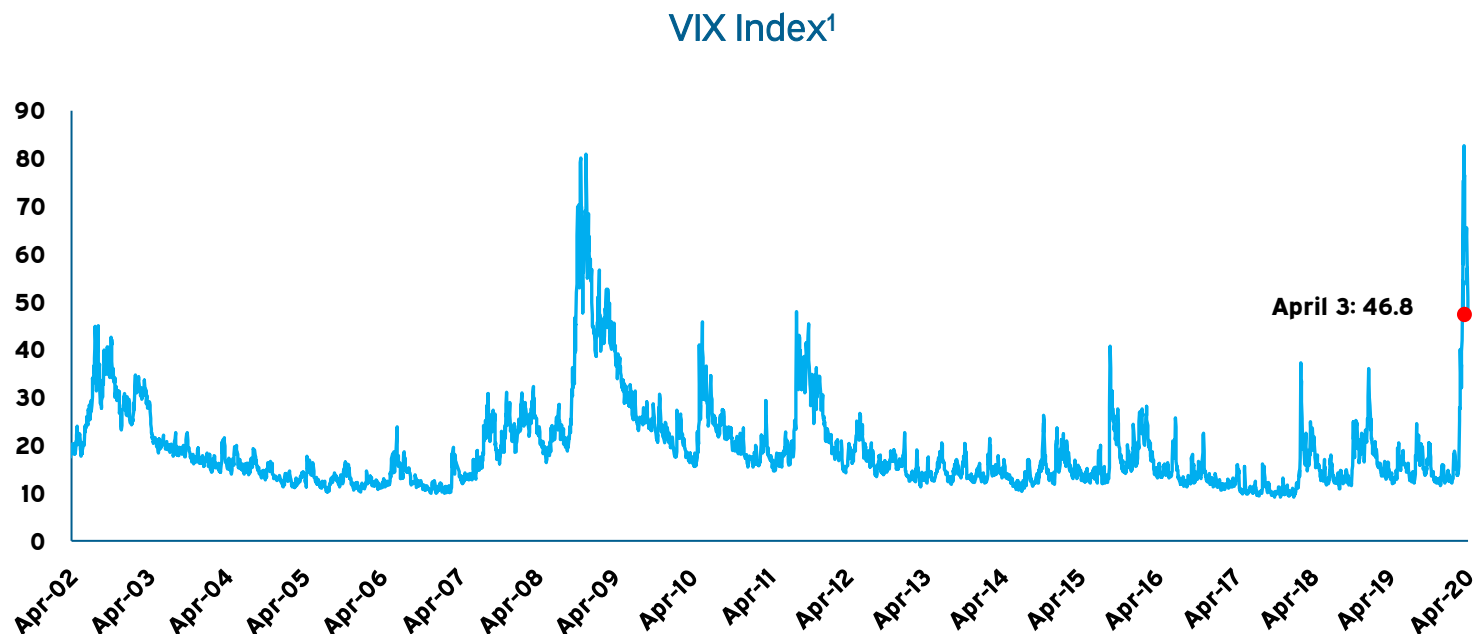
- Given all the uncertainty, US stocks declined from their recent peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 declined 34%, or 1,149 points, in a matter of 24 trading days.
- The index has recovered recently from its lows likely due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

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



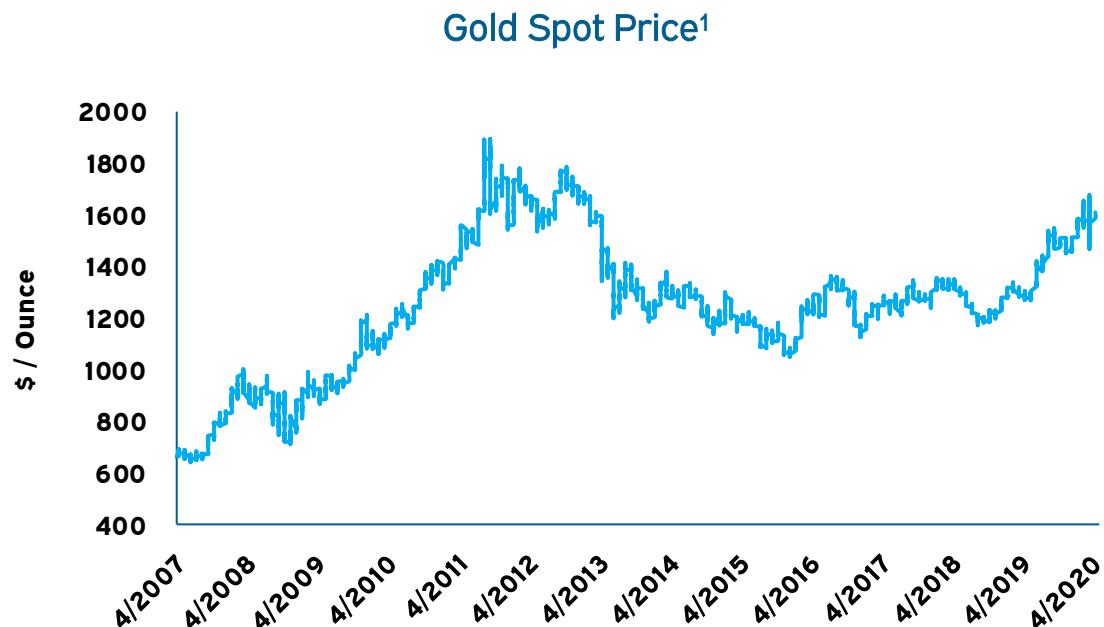
- The energy sector has experienced the largest declines given the fall in oil prices.
- Financials (-36.2%), materials (-31.3%), and industrials (-31.3%) experienced the next largest declines, while defensive sectors like consumer staples and health care experienced the smallest declines.

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



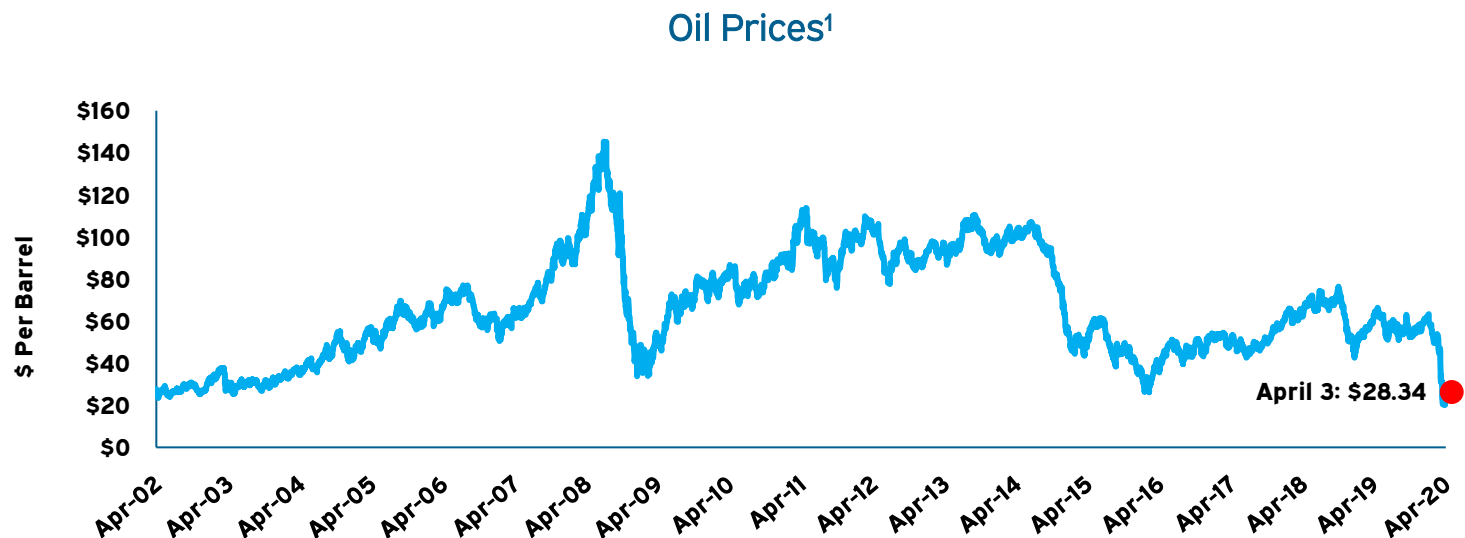
- Given the recent fiscal and monetary support and cooresponding modest improvement in investor risk sentiment, expectations of short-term volatility, as measured by the VIX index, declined from record levels but still remains elevated.
- At the recent height, the VIX index reached 82.7, a level surpassing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

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



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

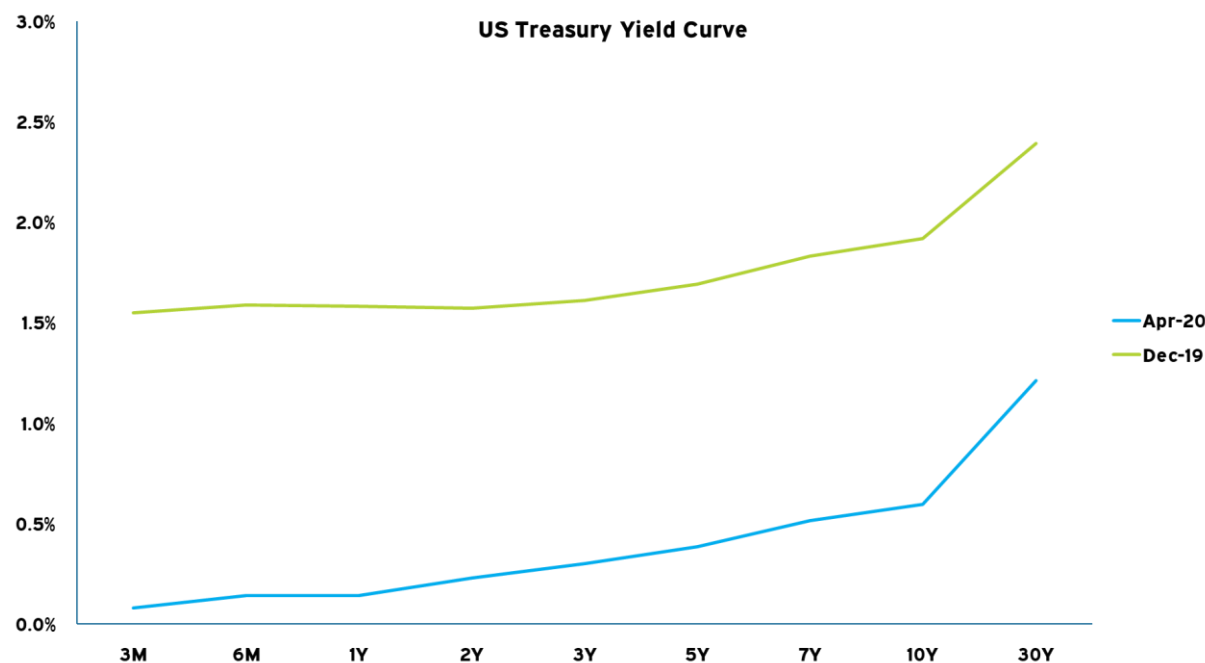
<sup>1</sup> Source: Bloomberg. Data is as of April 3, 2020.



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

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

### US Yield Curve Declines<sup>1</sup>



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

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



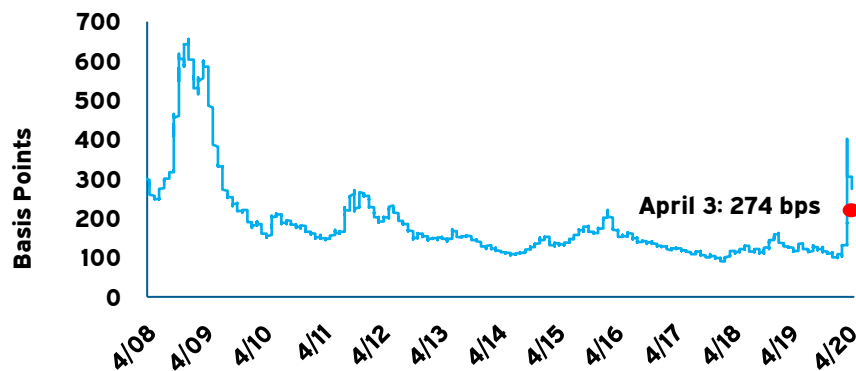
- Inflation breakeven rates declined sharply over the last two months, due to a combination of declines in inflation expectations and liquidity dynamics in TIPS during the height of rate volatility.
- Breakeven rates have not traded near these levels since the GFC, and when they did, the Federal Reserve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

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

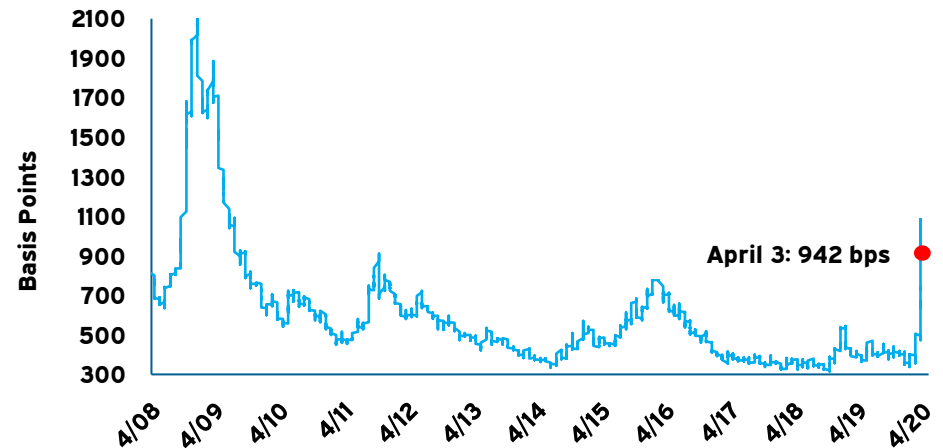


### Credit Spreads (High Yield & Investment Grade)<sup>1</sup>

#### Investment Grade OAS

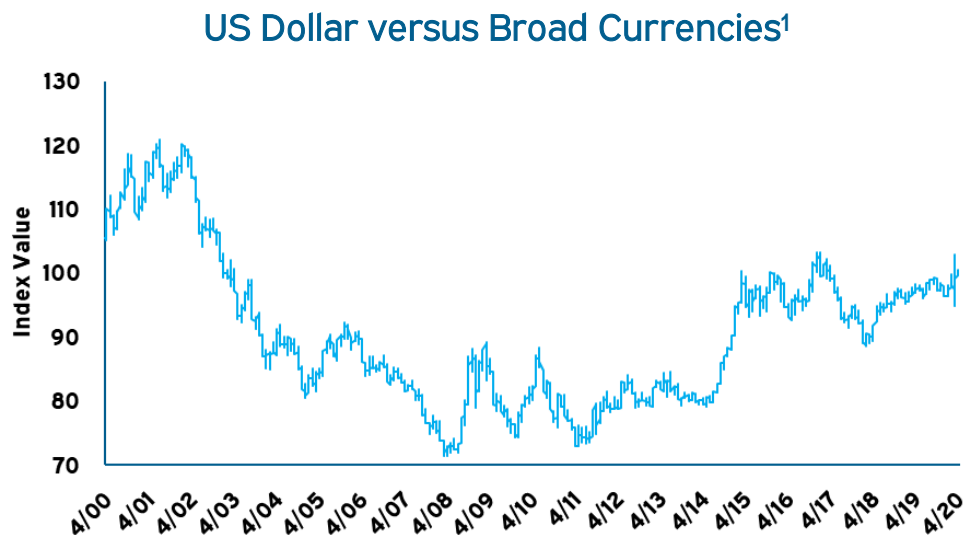


#### High Yield OAS



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

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

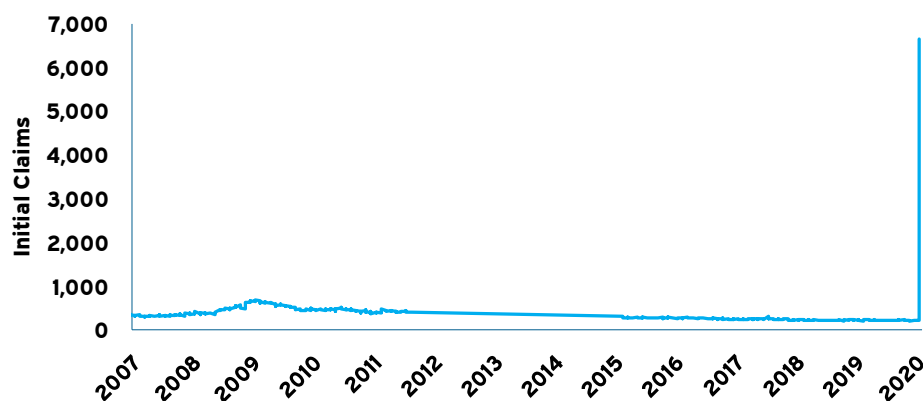


- When financial markets began aggressively reacting to COVID-19 developments, the US dollar came under selling pressure as investors sought safe-haven exposure in currencies like the Japanese yen.
- As the crisis grew into a pandemic, investors' preferences shifted to holding US dollars and highly liquid,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

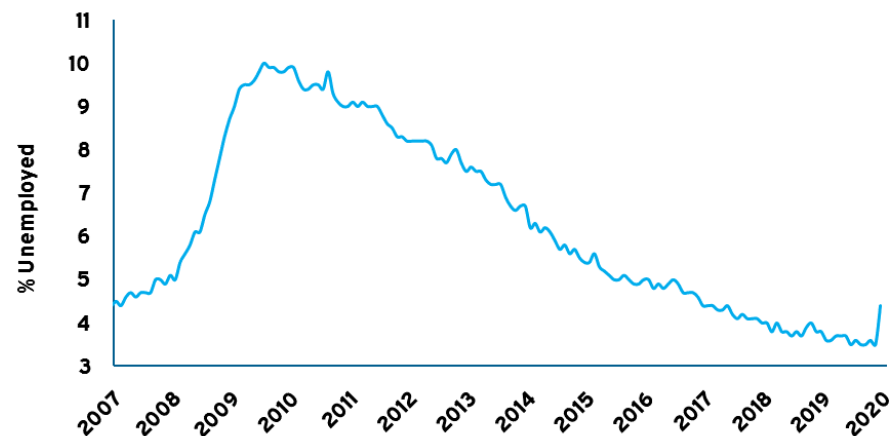
<sup>1</sup> Source: Bloomberg. Represents the DXY Index. Data is as of April 3, 2020.

### US Jobs Data

US Initial Jobless Claims<sup>1</sup>



US Unemployment Rate<sup>2</sup>



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

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

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

## Historic \$2T US Fiscal Stimulus

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

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

## Policy Responses

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

## Coronavirus Comparison

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

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

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

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

<sup>3</sup> Ratio represents the amount of people infected on average from one patient.

## Potential Economic Impacts

### Supply Chain Disruptions:

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

### Labor Force Impacts:

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

### Declines in Business and Consumer Sentiment:

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

### Wealth Effect:

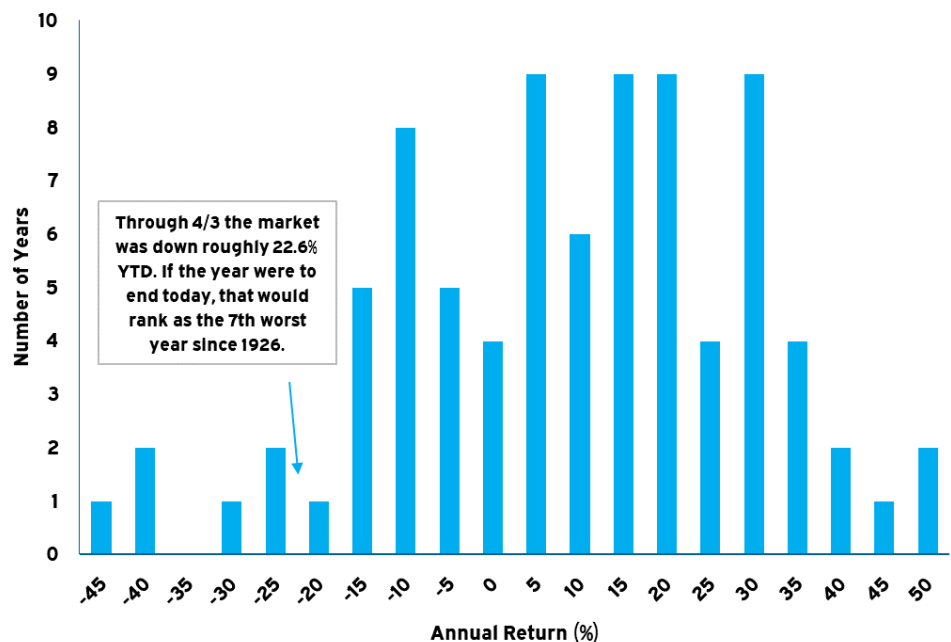
- As financial markets decline and wealth deteriorates, consumer spending will be impacted.

### Looking Forward...

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



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



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

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

## Prior Drawdowns and Recoveries from 1929-2020<sup>1</sup>

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

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

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

### Implications for Clients

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

### Performance YTD (through April 3, 2020)

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

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

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

## Disclaimer, Glossary, and Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

**February 20, 2020**

**CALL TO ORDER**

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

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

**Members Absent:** None

**Others Present:** Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Nancy Huang, Chief Financial Officer; Sharon Dwiers, Clerk of the Board

**PUBLIC COMMENT**

There were no requests for public comment.

**MANAGEMENT REPORTS**

**1. Chief Financial Officer Report**

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

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

**INVESTMENT ADVISORY COMMITTEE UPDATE**

**2. Treasurer’s Report**

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

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

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

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

### **CONSENT CALENDAR**

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

***Action: On motion of Director Schoeffel, seconded and carried, the Committee approved the Consent Calendar as presented. (Motion carried 3-0-0)***

### **REPORTS**

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

***Action: On motion of Director Schoeffel, seconded and carried, the Finance and Audit Committee recommended the reappointment of Susan Munson to the Board of Directors' Investment Advisory Committee for a two-year term beginning March 5, 2020. (Motion carried 3-0-0)***

5. Consider Recommending Board of Directors Authorize Proposed Budget Allocation Change in the CalOptima Fiscal Year (FY) 2019-20 Operating Budget for Translation Expenses

Belinda Abeyta, Executive Director, Operations, introduced this item.

***Action: On motion of Director Berger, seconded and carried, the Committee recommends that the Board of Directors' authorize reallocation of budgeted, but unused funds in the amount of \$200,000 within Cultural & Linguistic Services from Printing and Postage to Translation Expense through June 30, 2020. (Motion carried 3-0-0)***

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

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

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

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2/20/20

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

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

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

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

After considerable discussion, the Committee took the following action:

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

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

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

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

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

Rev.  
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## **INFORMATION ITEMS**

### 9. November and December 2019 Financials

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

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

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

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

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

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

The following Information Items were accepted as presented:

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

#### **COMMITTEE MEMBER COMMENTS**

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

#### **ADJOURNMENT**

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

/s/ Sharon Dwiers  
Sharon Dwiers  
Clerk of the Board

*Approved: May 21, 2020*

## **MINUTES**

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

**January 27, 2020**

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

#### **CALL TO ORDER**

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

#### **ROLL CALL**

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

Members Absent: Rodney Johnson

Others Present: Hannah Schriener, Stephanie Sorg, Meketa Investment Group; Asha Joshi, Payden & Rygel; Scott Pavlak, Erin Klepper, Juan Peruyero, MetLife Investment Management; Seth Takata, Tony Mellville, Wells Capital Management; Gary Crockett, Chief Counsel; Eric Rustad, Director, Financial Analysis; Joyce Mellinger, Accounting Manager; Faye Heidari, Accounting Supervisor; Hong-Ha Do, Accountant, Senior; Pamela Reichardt, Executive Assistant

#### **MINUTES**

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

*Action: On motion of Chair Moore, seconded and carried, the Minutes of the October 21, 2019, Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 4-0-0, Member Johnson Absent).*

#### **PUBLIC COMMENT**

There were no requests for public comment.

## **MANAGEMENT REPORTS**

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

No report.

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

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

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

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

## **REPORTS**

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

*Action: On motion of Member Caroline Harkins, seconded and carried, the Investment Advisory Committee approved IAC Meeting Dates for Calendar Year 2020.  
(Motion carried 4-0-0, Member Rodney Johnson Absent)*

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

*Action: On motion of Member David Young, seconded and carried, the Investment Advisory Committee recommended the reappointment of Susan Munson to the Board of Directors' Investment Advisory Committee for a two-year term ending March 5, 2022. (Motion Carried 4-0, Member Johnson absent)*

## **INFORMATION ITEMS**

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

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

### **Presentation by Payden & Rygel**

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

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

### **Presentation by Wells Capital Management**

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

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

### **Presentation by MetLife Investment Management**

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

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

### **Financial Update**

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

### **Committee Members' Comments**

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



**ADJOURNMENT**

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

/s/ Pamela Reichardt  
Pamela Reichardt  
Executive Assistant

*Approved: April 20, 2020*

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

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

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Actions**

Recommend that the Board of Directors:

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

#### **Background**

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

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

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

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

#### **Discussion**

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

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

## 1. Information Systems

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

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

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

## 2. 505 Building Improvements

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

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

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

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

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

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

### **Fiscal Impact**

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

### **Rationale for Recommendation**

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

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

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

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**Date**

## Attachment A

### Fiscal Year 2020-21 Capital Budget by Project

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

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

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

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

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

|                                        |                     |                     |                     |                      |
|----------------------------------------|---------------------|---------------------|---------------------|----------------------|
| <b>TOTAL FY 2020-21 CAPITAL BUDGET</b> | <b>\$ 5,443,000</b> | <b>\$ 7,719,000</b> | <b>\$ 3,074,000</b> | <b>\$ 16,236,000</b> |
|----------------------------------------|---------------------|---------------------|---------------------|----------------------|

# FY 2020-21 Capital Budget

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## Capital Budget by Category

# Overview of Capital Budget

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

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



# Information Systems Budget

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

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

# 505 Building Improvements

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

# PACE Center Budget

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

# Recommended Actions

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

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

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

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Actions**

Recommend that the Board of Directors:

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

#### **Background**

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

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

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

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

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

- New budget proposals in the May Revise

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

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

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

### **CalOptima Budget Overview**

#### **I. Consolidated Operating Budget**

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

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

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

### **Budget Assumptions**

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

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

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

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

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

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

\* Forecasted as of March 2020; Revenue excludes directed payments

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

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

## II. Enrollment by Line of Business

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

**Table 3: Total Enrollment by Program**

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

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

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



### III. Operating Budget by Line of Business

#### A. Medi-Cal Program

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Medi-Cal Classic**

Classic Enrollment: The budget projects an 8.0% increase in total member months.

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

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

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

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

| <b>Medical Cost</b>      | <b>Unit Cost Change</b> | <b>Detail</b>                                                                                                                                                  |
|--------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-2.0%)        | Average adjustment for both TANF and SPD categories of aid <ul style="list-style-type: none"><li>• Child: -12.8%</li><li>• Non-Child: +7.2%</li></ul>          |
| Skilled Nursing Facility | Increase                | Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget                                                                             |
| Ancillary Provider Rate  | Increase                | <ul style="list-style-type: none"><li>• Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li><li>• Obstetrics: +13% increase</li></ul> |
| P4V Program              | Increase                | From \$2.00 PMPM maximum to \$5.00 PMPM maximum                                                                                                                |

### **Medi-Cal Expansion**

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

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

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

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

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

| Medical Cost             | Unit Cost Change  | Detail                                                                                                                                                        |
|--------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-10.6%) | <ul style="list-style-type: none"> <li>Professional: -7%</li> <li>Hospital: -14%</li> </ul>                                                                   |
| Skilled Nursing Facility | Increase          | Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget                                                                            |
| Ancillary Provider Rate  | Increase          | <ul style="list-style-type: none"> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul> |
| P4V Program              | Increase          | From \$2.00 PMPM maximum to \$5.00 PMPM maximum                                                                                                               |

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

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

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

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

### **B. OneCare Connect**

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

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

**Table 9: FY 2020-21 OneCare Connect Operating Budget**

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

\* Forecasted as of March 2020

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

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

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

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

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

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

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

### C. OneCare

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

**Table 10: FY 2020-21 OneCare Operating Budget**

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

\* Forecasted as of March 2020

### General Budget Assumptions – OneCare

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

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

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

### D. PACE

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

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

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

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

\* Forecasted as of March 2020

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

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

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

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

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

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



**E. Investment Income**

The table below illustrates projected net investment income.

**Table 12: Investment Income**

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

\* Forecasted as of March 2020

**Budget Assumptions – Investment Income**

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

**Fiscal Impact**

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

**Rationale for Recommendation**

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

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

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

Attachment B: Administrative Budget Details

/s/ Richard Sanchez  
**Authorized Signature**

05/20/2020  
**Date**



## CalOptima Fiscal Year 2020-21 Budget

## By Line of Business

|                                             | Medi-Cal<br>(Classic) | Medi-Cal<br>(Expansion) | Medi-Cal<br>(WCM) | Total            | OCC             | OneCare       | PACE          | MSSP         | Facilities     | Consolidated     |
|---------------------------------------------|-----------------------|-------------------------|-------------------|------------------|-----------------|---------------|---------------|--------------|----------------|------------------|
| Member Months                               | 6,258,987             | 3,011,857               | 143,178           | 9,414,022        | 167,856         | 16,536        | 5,211         | 2,730        | -              | 9,603,625        |
| Avg Members                                 | 521,582               | 250,988                 | 11,931            | 784,502          | 13,988          | 1,378         | 434           | 455          | -              | 800,302          |
| Revenues                                    |                       |                         |                   |                  |                 |               |               |              |                |                  |
| Capitation revenue                          | \$ 1,706,161,985      | \$ 1,228,272,960        | \$ 251,374,380    | \$ 3,185,809,324 | \$ 306,323,384  | \$ 19,472,782 | \$ 42,189,583 | \$ 1,218,536 | \$ -           | \$ 3,555,013,609 |
| Total                                       | \$ 1,706,161,985      | \$ 1,228,272,960        | \$ 251,374,380    | \$ 3,185,809,324 | \$ 306,323,384  | \$ 19,472,782 | \$ 42,189,583 | \$ 1,218,536 | \$ -           | \$ 3,555,013,609 |
| Medical Costs                               |                       |                         |                   |                  |                 |               |               |              |                |                  |
| 1 Provider capitation                       | \$ 525,065,237        | \$ 544,737,283          | \$ 101,059,284    | \$ 1,170,861,804 | \$ 132,514,946  | \$ 5,220,667  | \$ -          | \$ -         | \$ -           | \$ 1,308,597,418 |
| 2 Claims Payments                           | \$ 557,986,264        | \$ 422,990,239          | \$ 97,076,012     | \$ 1,078,052,514 | \$ 59,102,790   | \$ 6,184,669  | \$ 18,272,209 | \$ -         | \$ -           | \$ 1,161,612,182 |
| 3 LTC/Skilled Nursing Facilities            | \$ 432,568,164        | \$ 37,233,712           | \$ 13,282,179     | \$ 483,084,055   | \$ 18,145,318   | \$ -          | \$ 826,406    | \$ 158,410   | \$ -           | \$ 502,214,188   |
| 4 Prescription Drugs                        | \$ 103,242,805        | \$ 143,275,777          | \$ 34,466,289     | \$ 280,984,871   | \$ 70,776,758   | \$ 5,897,339  | \$ 3,427,259  | \$ -         | \$ -           | \$ 361,086,227   |
| 5 Case Mgmt & Oth Medical                   | \$ 54,237,458         | \$ 37,412,324           | \$ 4,824,591      | \$ 96,474,372    | \$ 17,924,296   | \$ 555,802    | \$ 16,236,384 | \$ 728,425   | \$ -           | \$ 131,919,279   |
| Total                                       | \$ 1,673,099,928      | \$ 1,185,649,334        | \$ 250,708,354    | \$ 3,109,457,616 | \$ 298,464,108  | \$ 17,858,477 | \$ 38,762,257 | \$ 886,835   | \$ -           | \$ 3,465,429,294 |
| MLR                                         | 98.1%                 | 96.5%                   | 99.7%             | 97.6%            | 97.4%           | 91.7%         | 91.9%         | 72.8%        |                | 97.5%            |
| Gross Margin                                | \$ 33,062,057         | \$ 42,623,626           | \$ 666,026        | \$ 76,351,708    | \$ 7,859,275    | \$ 1,614,305  | \$ 3,427,326  | \$ 331,700   | \$ -           | \$ 89,584,315    |
| Administrative Expenses                     |                       |                         |                   |                  |                 |               |               |              |                |                  |
| Salaries, Wages, & Employee Benefits        |                       |                         |                   | \$ 94,995,648    | \$ 10,489,935   | \$ 848,531    | \$ 1,803,935  | \$ 364,783   | \$ -           | \$ 108,502,832   |
| Professional Fees                           |                       |                         |                   | \$ 4,008,364     | \$ 481,000      | \$ 192,000    | \$ 2,000      | \$ 4,298     | \$ -           | \$ 4,687,662     |
| Purchased services                          |                       |                         |                   | \$ 12,913,530    | \$ 1,320,950    | \$ 117,000    | \$ 293,324    | \$ 248       | \$ 660,000     | \$ 15,305,052    |
| Printing & Postage                          |                       |                         |                   | \$ 5,530,302     | \$ 1,368,221    | \$ 97,000     | \$ 175,400    | \$ 248       | \$ 2,000       | \$ 7,173,171     |
| Depreciation & Amortization                 |                       |                         |                   | \$ 5,502,000     | \$ -            | \$ -          | \$ 24,840     | \$ -         | \$ 2,127,000   | \$ 7,653,840     |
| Other Operating Expenses                    |                       |                         |                   | \$ 20,210,957    | \$ 229,281      | \$ 6,450      | \$ 51,216     | \$ 47,890    | \$ 2,094,000   | \$ 22,639,794    |
| Indirect Cost Allocation, Occupancy Expense |                       |                         |                   | \$ (2,298,345)   | \$ 6,992,905    | \$ 444,537    | \$ 57,188     | \$ 31,198    | \$ (4,883,000) | \$ 344,483       |
| Total                                       |                       |                         |                   | \$ 140,862,456   | \$ 20,882,292   | \$ 1,705,518  | \$ 2,407,903  | \$ 448,665   | \$ -           | \$ 166,306,834   |
| ALR                                         |                       |                         |                   | 4.4%             | 6.8%            | 8.8%          | 5.7%          | 36.8%        |                | 4.7%             |
| Operating Income/(Loss)                     |                       |                         |                   | \$ (64,510,748)  | \$ (13,023,016) | \$ (91,213)   | \$ 1,019,423  | \$ (116,964) | \$ -           | \$ (76,722,518)  |
| Investment Income                           |                       |                         |                   |                  |                 |               |               |              |                | \$ 15,000,000    |
| MCO Tax Revenue                             |                       |                         |                   | \$ 182,255,794   |                 |               |               |              |                | \$ 182,255,794   |
| MCO Tax Expense                             |                       |                         |                   | \$ (182,255,794) |                 |               |               |              |                | \$ (182,255,794) |
| CHANGE IN NET ASSETS                        |                       |                         |                   | \$ (64,510,748)  | \$ (13,023,016) | \$ (91,213)   | \$ 1,019,423  | \$ (116,964) | \$ -           | \$ (61,722,518)  |

## Attachment B

| Medi-Cal: Professional Fees    |                                                                                                                                                                                 |                      |               |               |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                  | Objective of the Item Proposed                                                                                                                                                  | Budget FY 2021 Input | Authorization | Appropriation |
| Legal                          | General and Adversarial Legal Fees                                                                                                                                              | 1,200,000            | X             | X             |
| Consulting                     | Internal Audit on Operations                                                                                                                                                    | 300,000              | X             | X             |
| Consulting                     | Rebasing, Network Support and Other Related Actuarial Consulting Services                                                                                                       | 250,000              | X             | X             |
| Consulting                     | Government Affairs Contract and Management of State and Federal Lobbyists                                                                                                       | 240,000              | X             | X             |
| Audit Fees                     | Medical Loss Ratio Audit                                                                                                                                                        | 225,000              | X             | X             |
| Professional Fees              | Consultant to Assess CalOpima Professional Growth Strategic Plan including External Investigations, HR Consulting Services, Outsourcing Leaves of Absence Processing and Others | 205,000              | X             | X             |
| Consulting                     | Consulting Fees To Support Program Outreach and Social Media Efforts, Acquiring Data for Strategic Direction                                                                    | 200,000              | X             | X             |
| Audit Fees                     | Financial Audit Annual Contract                                                                                                                                                 | 195,000              | X             | X             |
| Professional Fees              | Employee Engagement and Feedback, Executive Recruiter Expenses, Compensation and Classification and Ad Hoc Consulting                                                           | 165,500              | X             | X             |
| Consulting                     | Health Insurance Portability and Accountability Act (HIPAA) Security Compliance, including Risk Management and Network Penetration                                              | 150,000              | X             | X             |
| Professional Fees              | Core Systems Upgrade Consultation and Technical Training and Other Core Application Support                                                                                     | 143,764              | X             | X             |
| Consulting                     | Consulting Fees to Assist in Developing a System to Support Behavioral Health Functions                                                                                         | 100,000              | X             | X             |
| Consulting                     | Investment Advisory Annual Contract                                                                                                                                             | 90,000               | X             | X             |
| Professional Fees              | Professional Fees for Other Post Employment Benefits (OPEB) and Various Accounting and Related Consulting Services                                                              | 79,000               | X             | X             |
| Professional Fees              | Professional Services Required for Corporate Applications and Systems                                                                                                           | 74,000               | X             | X             |
| Consulting                     | Chronic Illness and Disability Payment System (CDPS) Renormalization and Coefficient Development                                                                                | 70,000               | X             | X             |
| Consulting                     | Data Loss Prevention and Miscellaneous Consulting/Professional Services                                                                                                         | 62,000               | X             | X             |
| Consulting                     | Consultants to Assist in Program Readiness, Implementation of Homeless Health and Other Initiatives                                                                             | 60,000               | X             | X             |
| Consulting                     | Support for Implementation of Strategic Plan, Initiatives Aligned with Strategic Plan and Other Programs                                                                        | 50,000               | X             | X             |
| Consulting                     | Consultant for Medi-Cal Mock Audit and Other Required Audits                                                                                                                    | 45,000               | X             | X             |
| Professional Fees              | Professional Fees for Budget and Procurement Support                                                                                                                            | 40,000               | X             | X             |
| Consulting                     | Space Planning Services                                                                                                                                                         | 18,000               | X             | X             |
| Consulting                     | Annual IBNR Certification Review                                                                                                                                                | 18,000               | X             | X             |
| Consulting                     | Consulting Fees to Assist in Improving Efficiencies in Implementing Programs, Business Initiatives and Compliance with Regulatory Requirements                                  | 15,000               | X             | X             |
| Consulting                     | Consultant to Support Improving Section 508 Accessibility Compliance of the Website for Use by People with Disabilities                                                         | 8,800                | X             | X             |
| Consulting                     | Required Annual A-133 Audit                                                                                                                                                     | 4,300                | X             | X             |
| <b>Total Professional Fees</b> |                                                                                                                                                                                 | <b>4,008,364</b>     |               |               |

## Attachment B

| Medi-Cal: Purchased Services |                                                                                                                                                                                                                           |                      |               |               |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                | Objective of the Item Proposed                                                                                                                                                                                            | Budget FY 2021 Input | Authorization | Appropriation |
| Claims Review                | Claims Prepayment Editing Services                                                                                                                                                                                        | 2,080,000            | X             | X             |
| Claims Review                | Overpayment Identification Services                                                                                                                                                                                       | 1,687,500            | X             | X             |
| Claims Review                | Coordination Of Benefits (COB) Project                                                                                                                                                                                    | 1,510,000            | X             | X             |
| Purchased Services           | Pharmacy Benefits Management                                                                                                                                                                                              | 1,254,000            | X             | X             |
| EDI Claims Clearinghouse     | Electronic Data Interchange Institutional Claims                                                                                                                                                                          | 1,149,000            | X             | X             |
| Interpretive Services        | Face to Face Interpreter Services                                                                                                                                                                                         | 677,000              | X             | X             |
| Purchased Services           | Conversion of Temporary Assistance for Needy Families (TANF) to Supplemental Security Income (SSI)                                                                                                                        | 620,000              | X             | X             |
| Interpretive Services        | Telephonic Interpreter Services                                                                                                                                                                                           | 450,500              | X             | X             |
| Claims Review                | Long-Term Care Rate Adjustments                                                                                                                                                                                           | 405,000              | X             | X             |
| Bank Fees                    | Business Bank Fees                                                                                                                                                                                                        | 400,000              | X             | X             |
| Imaging Services             | Claims Imaging and Indexing Services                                                                                                                                                                                      | 396,000              | X             | X             |
| Purchased Services           | Third Party Check Printing and Mailing Fees                                                                                                                                                                               | 384,000              | X             | X             |
| Purchased Services           | Disaster Recovery Technology Services                                                                                                                                                                                     | 300,000              | X             | X             |
| Advertising                  | Radio, Television, Print, Outdoor, Digital Advertising and Other Media to Promote and Support Enrollment and Participation                                                                                                | 190,000              | X             | X             |
| Purchased Services           | Healthcare Productivity Automation Services                                                                                                                                                                               | 140,040              | X             | X             |
| Advertising                  | Recruitment Advertisement and Sourcing                                                                                                                                                                                    | 140,000              | X             | X             |
| Broker Services              | Insurance Broker Services                                                                                                                                                                                                 | 115,500              | X             | X             |
| Purchased Services           | Benefit Broker Services                                                                                                                                                                                                   | 115,000              | X             | X             |
| Interpretive Services        | Translation Services for Threshold Languages                                                                                                                                                                              | 114,000              | X             | X             |
| Purchased Services           | Service to Provide Security Protocol for Data Migration to Microsoft Cloud                                                                                                                                                | 80,000               | X             | X             |
| Employee Benefits            | Flexible Spending Accounts (FSA)/Consolidated Omnibus Budget Reconciliation Act (COBRA)                                                                                                                                   | 55,000               | X             | X             |
| Purchased Services           | Offsite Backup Tape Storage and Services                                                                                                                                                                                  | 54,000               | X             | X             |
| Purchased Services           | Regulatory 508 Compliance Remediation Services for PDF Files to Make Them Accessible to People with Disabilities on the Website as Required by CMS, Department of Health Care Services (DHCS) and Section 508 Regulations | 54,000               | X             | X             |
| Purchased Services           | Imaging Services                                                                                                                                                                                                          | 51,480               | X             | X             |
| Purchased Services           | Telework, Handling, and Deliveries                                                                                                                                                                                        | 50,000               | X             | X             |
| Purchased Services           | Executive Coaching                                                                                                                                                                                                        | 50,000               | X             | X             |
| Purchased Services           | Retirement Funds Advisory                                                                                                                                                                                                 | 50,000               | X             | X             |
| Purchased Services           | Background Screening                                                                                                                                                                                                      | 38,000               | X             | X             |
| Purchased Services           | Closed Captioning of Board Meeting Videos and Other Website Videos for Section 508 Accessibility Compliance. Outside Evaluation of Website Section 508 Compliance and Recommendations                                     | 36,000               | X             | X             |
| Purchased Services           | Member Experience Survey and Workforce Enhancement                                                                                                                                                                        | 35,000               | X             | X             |
| Purchased Services           | TB Shots and Other General Purchased Services                                                                                                                                                                             | 32,004               | X             | X             |
| Interpretive Services        | Video Interpreting, Translation Audit Review, Annual Translation Skills Assessment, New Hire Bilingual Testing and In-Design License                                                                                      | 30,600               | X             | X             |
| Purchased Services           | Employee Assistance Program                                                                                                                                                                                               | 30,000               | X             | X             |
| Purchased Services           | Online Phishing Testing Service, Security Newsletter Subscription and Other Services                                                                                                                                      | 24,000               | X             | X             |

## Attachment B

| Medi-Cal: Purchased Services    |                                                                                                                                   |                      |               |               |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                   | Objective of the Item Proposed                                                                                                    | Budget FY 2021 Input | Authorization | Appropriation |
| Purchased Services              | Tax Form Processing Fees and Other General Purchased Services                                                                     | 22,200               | X             | X             |
| Purchased Services              | Employee Wellness and Ad Hoc Programs                                                                                             | 17,100               | X             | X             |
| Purchased Services              | Salary Survey                                                                                                                     | 16,400               | X             | X             |
| Purchased Services              | Destruction of Electronic Media                                                                                                   | 12,000               | X             | X             |
| Purchased Services              | Claims Pricing Automation Enhancements                                                                                            | 11,250               | X             | X             |
| Purchased Services              | Photography Services and Stock Photograph Purchases for Use in Member, Provider Outreach and Other Community Oriented Materials   | 10,000               | X             | X             |
| Purchased Services              | Drug Screenings                                                                                                                   | 10,000               | X             | X             |
| License fees                    | Compensation System Subscription Fee                                                                                              | 9,000                | X             | X             |
| Purchased Services              | Promotional Activity (October Cyber Security Awareness Month) Annually                                                            | 5,000                | X             | X             |
| Purchased Services              | General Services for Customer Services, Operations Management, Executive Office, Audit & Oversight, and Other Various Departments | 2,956                | X             | X             |
| <b>Total Purchased Services</b> |                                                                                                                                   | <b>12,913,530</b>    |               |               |

## Attachment B

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

## Attachment B

| Medi-Cal: Other Operating Expenses |                                                                                                                                                                                                                                                                                                                                                                          |                      |               |               |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                      | Objective of the Item Proposed                                                                                                                                                                                                                                                                                                                                           | Budget FY 2021 Input | Authorization | Appropriation |
| Maintenance                        | CalOptima Link Software Licenses, an Online System for Provider Networks to Submit and View Authorizations, Check Claim Status and Remittance Payment Advice and to Verify Member Eligibility for Point of Service and Care                                                                                                                                              | 1,584,000            | X             | X             |
| Equipment                          | Telecommunications and Network Connectivity Expenses, Business Telephones and Accessories (Desk Phones, Headsets, Tablets and Accessories)                                                                                                                                                                                                                               | 1,660,000            | X             | X             |
| Maintenance                        | Facets Core System (Enrollment, Claims, Authorizations and Other Modules) License Renewal and Maintenance                                                                                                                                                                                                                                                                | 1,558,408            | X             | X             |
| Insurance                          | Insurance Premiums<br>- Errors and Omissions Professional Liability<br>- General and Property Liabilities<br>- Excess Liabilities<br>- Commercial Auto<br>- Directors and Officers (D&O)<br>- Network/Privacy (Cyber), Crime, Employment Practices Liability (EPL)<br>- Earthquake, Pollution and Umbrella<br>- Wage and Hour Coverage                                   | 1,310,500            | X             | X             |
| Maintenance                        | Operating Systems and Office Software Suite License Costs to Support Entire Organization                                                                                                                                                                                                                                                                                 | 1,377,500            | X             | X             |
| Maintenance                        | Corporate Software Maintenance (Provider Sanctioning and Analytics, Data Warehouse Cleansing, Analytics, Business Application Workflow, Website Content Management, Compliance and Other Corporate Applications)                                                                                                                                                         | 1,302,699            | X             | X             |
| Maintenance                        | Network Connectivity Maintenance and Support for CalOptima Sites (Network Monitoring Tools, Web Filters, All Main Distribution Frame and Intermediate Distribution Frame Batteries, Internet Optimizers, Routers, Wireless Application Protocol Devices, Other Tools)                                                                                                    | 1,209,002            | X             | X             |
| Maintenance                        | Information Security Data Loss Prevention Solution Annual Maintenance                                                                                                                                                                                                                                                                                                    | 955,901              | X             | X             |
| Maintenance                        | User Licenses for Claims Medicare Pricing Software                                                                                                                                                                                                                                                                                                                       | 875,004              | X             | X             |
| Maintenance                        | Server Connectivity Maintenance and Support for Server Equipment (Servers, Storage, Virtual Machine Licenses, Backup Software)                                                                                                                                                                                                                                           | 727,000              | X             | X             |
| Professional Dues                  | Association Membership Dues (Provide Advocacy, Program Support, Technical Support Regarding State and Federal Regulatory Issues)                                                                                                                                                                                                                                         | 686,550              | X             | X             |
| Equipment                          | Replacement Hardware for Operating System Upgrade, Desktop Software Licenses, and Other Minor Computer Equipment, Laptop and Desktop Replacements                                                                                                                                                                                                                        | 605,000              | X             | X             |
| Training & Seminar                 | Training & Seminar<br>- Professional Development and Education<br>- System and Software Update Training<br>- Process Improvement Training<br>- Financial and Reporting Software Upgrade and Training<br>- Training Classes for Facility Management, Environmental and Safety Issues<br>- Training Classes for Professional Certifications and Continuing Legal Education | 602,775              | X             | X             |
| Subscriptions                      | Cloud Government/Storage Subscription                                                                                                                                                                                                                                                                                                                                    | 500,000              | X             | X             |

## Attachment B

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

## Attachment B

| Medi-Cal: Other Operating Expenses |                                                                                                                                     |                      |               |               |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                      | Objective of the Item Proposed                                                                                                      | Budget FY 2021 Input | Authorization | Appropriation |
| Maintenance                        | Database Administrator License Renewals, Maintenance, and Support                                                                   | 68,000               | X             | X             |
| Maintenance                        | Information Services Corporate Software Maintenance - Enterprise Help Desk Management Application                                   | 66,000               | X             | X             |
| Maintenance                        | Subscription Renewal for Standard Medical Coding Schedules and Multiple User Licenses                                               | 59,100               | X             | X             |
| Maintenance                        | Annual Maintenance for MSSP Software License                                                                                        | 25,000               | X             | X             |
| Food Services                      | Employee Appreciation Events                                                                                                        | 48,500               | X             | X             |
| Public Activities                  | Employee Engagement Events                                                                                                          | 46,600               | X             | X             |
| Public Activities                  | Orange County Community Indicators Report, New and Expanded Strategic Planning Engagement and Rollout and Affiliation Fees          | 40,000               | X             | X             |
| Maintenance                        | Maintenance and Support for Batch Scheduler System                                                                                  | 35,000               | X             | X             |
| Subscriptions                      | Subscription Fees for Various Licenses, Literature and Organizations                                                                | 34,542               | X             | X             |
| Maintenance                        | Maintenance and Support for Printers                                                                                                | 30,000               | X             | X             |
| Maintenance                        | Maintenance of Computer Software and Hardware                                                                                       | 27,400               | X             | X             |
| Food Services                      | Food Services Allowances, as Needed, for Sponsoring Member and Provider Meetings, Conferences, Department Meetings and Other Events | 23,468               | X             | X             |
| Subscriptions                      | Subscriptions for Existing Software and Databases                                                                                   | 23,292               | X             | X             |
| Telephone                          | Field Staff Phone Service and Other Telephone Expenses                                                                              | 10,300               | X             | X             |
| Food Services                      | Food Services for Community Events and Supporting New Initiatives                                                                   | 15,000               | X             | X             |
| Food Services                      | General Supplies for CalOptima Staff                                                                                                | 15,000               | X             | X             |
| Public Activities                  | Supplies and Costs Associated with Various Outreach, Community Events, Sponsorships and Health Fairs                                | 12,000               | X             | X             |
| Public Activities                  | Promotional and Outreach Activities to Help Support CalOptima Programs and Initiatives                                              | 12,000               | X             | X             |
| Maintenance                        | Accounting Software Annual Maintenance                                                                                              | 12,000               | X             | X             |
| Subscriptions                      | Subscription Fees for Electronic Surveys and Education Videos for Members                                                           | 10,000               | X             | X             |
| Software                           | Computer Software for Medical Coding and Design of Print Materials and Other Related Expenses                                       | 10,650               | X             | X             |
| Food Services                      | Food Services for Provider Advisory Committee, CalOptima Community Network Lunch and Learn Events and CCN Anniversary Event         | 9,000                | X             | X             |
| Professional Dues                  | Medical Licenses and Required Certifications                                                                                        | 8,400                | X             | X             |
| Maintenance                        | Maintenance and Renewal for Procurement Software                                                                                    | 8,000                | X             | X             |



## Attachment B

| Medi-Cal: Other Operating Expenses    |                                                                                                                                                          |                      |               |               |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                         | Objective of the Item Proposed                                                                                                                           | Budget FY 2021 Input | Authorization | Appropriation |
| Subscriptions                         | Subscription Fees for Both Clinical and Programmatic Support, and Normal Maintenance of Certification Licensure                                          | 7,200                | X             | X             |
| Food Services                         | Food Services for Annual CalOptima Event to Promote Mental Health Awareness and Other Events                                                             | 4,000                | X             | X             |
| Food Services                         | Food Services for Advisory Committees, Existing and New Collaboratives, Stakeholder Engagement for New Initiatives                                       | 3,600                | X             | X             |
| Food Services                         | Food Services for CalOptima Informational Series, Legislative Luncheon Events, Member and Provider Meetings/Conferences, Board Meetings and Other Events | 3,500                | X             | X             |
| Other Expenses                        | State Non-Reimbursable Funds for Services and Items for MSSP Clients                                                                                     | 1,600                | X             | X             |
| <b>Total Other Operating Expenses</b> |                                                                                                                                                          | <b>20,210,957</b>    |               |               |

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

## Attachment B

| OneCare Connect: Professional Fees |                                                                                                                                                  |                      |               |               |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                      | Objective of the Item Proposed                                                                                                                   | Budget FY 2021 Input | Authorization | Appropriation |
| Consulting                         | Centers for Medicare & Medicaid Services (CMS) Program Audit for Onecare and OneCare Connect                                                     | 300,000              | X             | X             |
| Consulting                         | Annual Compliance Program Effectiveness (CPE) Audit                                                                                              | 90,000               | X             | X             |
| Actuary                            | Percentage of Premium Sufficiency, Fully-Integrated Special Needs Plans (FIDE SNP) Consideration and Other Related Actuarial Consulting Services | 64,000               | X             | X             |
| Consulting                         | CMS Data Validation Audit                                                                                                                        | 27,000               | X             | X             |
| <b>Total Professional Fees</b>     |                                                                                                                                                  | <b>481,000</b>       |               |               |

| OneCare Connect: Purchased Services |                                                                                                                                    |                      |               |               |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                       | Objective of the Item Proposed                                                                                                     | Budget FY 2021 Input | Authorization | Appropriation |
| Purchased Services                  | Pharmacy Benefits Management                                                                                                       | 876,000              | X             | X             |
| Advertising                         | Advertising and Media Buys (Newspapers, Magazines, Radio, Bus Shelter, Other Media)                                                | 210,000              | X             | X             |
| Interpreter Services                | Language Interpretation and Translation of Member Materials                                                                        | 100,000              | X             | X             |
| Data Transmission                   | Claims Processing through Automation Data Flow                                                                                     | 42,000               | X             | X             |
| Purchased Services                  | Compliance and Ethics Hotline                                                                                                      | 40,000               | X             | X             |
| Purchased Services                  | Exclusion Monitoring Software                                                                                                      | 26,000               | X             | X             |
| Data Transmission                   | Data Submission To and From CMS for Enrollment and Regulatory Reporting and Hierarchical Condition Category (HCC) Scores Analytics | 24,000               | X             | X             |
| Purchased Services                  | Purchased Services Need for Customer Service and Financial Analysis                                                                | 2,950                | X             | X             |
| <b>Total Purchased Services</b>     |                                                                                                                                    | <b>1,320,950</b>     |               |               |

## Attachment B

| OneCare Connect: Printing & Postage |                                                                                                                                                             |                      |               |               |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                       | Objective of the Item Proposed                                                                                                                              | Budget FY 2021 Input | Authorization | Appropriation |
| Printing & Postage                  | Marketing Materials Including Sales Brochures, Posters, Handouts and Other Member and Provider Oriented Materials and Postage                               | 646,500              | X             | X             |
| Member Communications               | Maintenance of Enrolled Members (Printing, Fulfillment, Postage), Member Routine Annual and Quarterly Mailings, Other Related Printing and Postage Expenses | 598,000              | X             | X             |
| Printing & Postage                  | Printing of Enrollment Materials and Other Related Printing Expenses                                                                                        | 85,000               | X             | X             |
| Member Communications               | Member and Provider Materials, Compliance Week Printing and Fulfillment and Other Printing Fees for Various Departments                                     | 38,721               | X             | X             |
| <b>Total Printing &amp; Postage</b> |                                                                                                                                                             | <b>1,368,221</b>     |               |               |

| OneCare Connect: Other Operating Expenses |                                                                                                                                                                               |                      |               |               |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                             | Objective of the Item Proposed                                                                                                                                                | Budget FY 2021 Input | Authorization | Appropriation |
| Public Activities                         | Fees for Registration, Sponsorships, Promotional Items for Community Events, Resource Fairs, Health Fairs and Other Events; Costs Tied to Supplies to Prepare and Participate | 118,500              | X             | X             |
| Public Activities                         | Marketing and Outreach Activities and Promotional Items for Various Events                                                                                                    | 48,506               | X             | X             |
| Travel                                    | Travel Expenses for Visits to Provider Offices, Presentations, Health Fairs, Community Events, Annual Audits and Conferences                                                  | 17,200               | X             | X             |
| Food Services                             | Food Services Allowances, as Needed, for Sponsoring Member and Provider Meetings, Conferences, Community Events, Compliance Week, and Department Training and Meeting         | 16,200               | X             | X             |
| Subscriptions                             | Subscriptions and Professional Dues                                                                                                                                           | 15,215               | X             | X             |
| Training & Seminars                       | Training and Seminars for Professional Development and Education                                                                                                              | 9,760                | X             | X             |
| Office Supplies                           | Office Supplies Needed for Everyday Department Operations and Compliance Week Supplies                                                                                        | 3,900                | X             | X             |
| <b>Total Other Operating Expenses</b>     |                                                                                                                                                                               | <b>229,281</b>       |               |               |

## Attachment B

| OneCare: Professional Fees     |                                 |                      |               |               |
|--------------------------------|---------------------------------|----------------------|---------------|---------------|
| Specific Type                  | Objective of the Item Proposed  | Budget FY 2021 Input | Authorization | Appropriation |
| Consulting                     | Annual Contract Bid for OneCare | 192,000              | X             | X             |
| <b>Total Professional Fees</b> |                                 | <b>192,000</b>       |               |               |

| OneCare: Purchased Services     |                                                             |                      |               |               |
|---------------------------------|-------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                   | Objective of the Item Proposed                              | Budget FY 2021 Input | Authorization | Appropriation |
| Purchased Services              | Pharmacy Benefits Management                                | 90,000               | X             | X             |
| Interpreter Services            | Language Interpretation and Translation of Member Materials | 27,000               | X             | X             |
| <b>Total Purchased Services</b> |                                                             | <b>117,000</b>       |               |               |

| OneCare: Printing & Postage         |                                                                  |                      |               |               |
|-------------------------------------|------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                       | Objective of the Item Proposed                                   | Budget FY 2021 Input | Authorization | Appropriation |
| Member Communications               | Maintenance of Enrolled Members (Printing, Fulfillment, Postage) | 82,000               | X             | X             |
| Member Communications               | Member Enrollment and Other Required Materials                   | 15,000               | X             | X             |
| <b>Total Printing &amp; Postage</b> |                                                                  | <b>97,000</b>        |               |               |

## Attachment B

| OneCare: Other Operating Expenses     |                                                        |                      |               |               |
|---------------------------------------|--------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                         | Objective of the Item Proposed                         | Budget FY 2021 Input | Authorization | Appropriation |
| Travel                                | Travel Expenses for Conferences/Seminars and Meetings  | 3,000                | X             | X             |
| Professional Dues                     | Professional Certifications                            | 3,000                | X             | X             |
| Food Services                         | Food Services for Department Training and Other Events | 350                  | X             | X             |
| Office Supplies                       | Office Supplies Needed for Daily Operations            | 100                  | X             | X             |
| <b>Total Other Operating Expenses</b> |                                                        | <b>6,450</b>         |               |               |

## Attachment B

| PACE: Professional Fees        |                                                               |                      |               |               |
|--------------------------------|---------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                  | Objective of the Item Proposed                                | Budget FY 2021 Input | Authorization | Appropriation |
| Professional Fees              | Part D Actuarial Services and Other Financial Consulting Fees | 2,000                | X             | X             |
| <b>Total Professional Fees</b> |                                                               | <b>2,000</b>         |               |               |

| PACE: Purchased Services        |                                                                                                                                                                                       |                      |               |               |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                   | Objective of the Item Proposed                                                                                                                                                        | Budget FY 2021 Input | Authorization | Appropriation |
| Purchased Services              | Advertising (Radio, Television, Print, Outdoor, Digital and Other Mediums) to Promote and Support Enrollment and Participation                                                        | 290,000              | X             | X             |
| Purchased Services              | Health Outcomes and Satisfaction Surveys, Encounter Data File Formatting, Sterilization of Medical Equipment, Provider Communication, Appointment Services and Other Related Expenses | 3,324                | X             | X             |
| <b>Total Purchased Services</b> |                                                                                                                                                                                       | <b>293,324</b>       |               |               |

| PACE: Printing & Postage            |                                                                                                                                                                                 |                      |               |               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                       | Objective of the Item Proposed                                                                                                                                                  | Budget FY 2021 Input | Authorization | Appropriation |
| Printing & Postage                  | Participant Newsletter, Typesetting for Translated Materials, Printing, Fulfillment and Postage Costs for Direct Mail Campaign, Marketing Materials and Other Printing Expenses | 175,400              | X             | X             |
| <b>Total Printing &amp; Postage</b> |                                                                                                                                                                                 | <b>175,400</b>       |               |               |

## Attachment B

| PACE: Other Operating Expenses        |                                                                                                                                              |                      |               |               |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                         | Objective of the Item Proposed                                                                                                               | Budget FY 2021 Input | Authorization | Appropriation |
| Repairs & Maintenance                 | Software License and Support, Repairs and Maintenance of Minor Equipment, Building and Unforeseen Incidentals and Building Security Services | 19,920               | X             | X             |
| Public Activities                     | Outreach Events and Promotional Marketing Items to Help Elevate PACE Center and Support Program Enrollment and Expansion                     | 15,868               | X             | X             |
| Food Services                         | Food Services Allowances, as Needed, for Sponsoring Member and Provider Meetings, Conferences and Trainings                                  | 6,100                | X             | X             |
| Utilities                             | Electricity, Gas, Water and Other Related Expenses                                                                                           | 3,120                | X             | X             |
| Insurance                             | General Liability, Property, Earthquake and Other Insurance Fees                                                                             | 2,080                | X             | X             |
| Training                              | Staff Development Training (Registration Fees, Travel, Accommodations, Incidentals)                                                          | 1,346                | X             | X             |
| Property Tax                          | Property Tax Assessment                                                                                                                      | 932                  | X             | X             |
| Minor Equipment & Supplies            | Minor Equipment and Supplies (Kitchen, Rehab, Social Day, Staff Break Room, Clinic Small Equipment)                                          | 560                  | X             | X             |
| Travel                                | Staff Travel and Mileage for Home Visits, Marketing, Conferences and Enrollment                                                              | 492                  | X             | X             |
| Supplies                              | Office Supplies for Staff                                                                                                                    | 412                  | X             | X             |
| Subscriptions                         | Subscriptions, Membership, Registration for Dietetic and Other Discipline Specific Memberships                                               | 386                  | X             | X             |
| <b>Total Other Operating Expenses</b> |                                                                                                                                              | <b>51,216</b>        |               |               |

## Attachment B

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

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

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



## Attachment B

| MSSP: Other Operating Expenses        |                                                                                                     |                      |               |               |
|---------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                         | Objective of the Item Proposed                                                                      | Budget FY 2021 Input | Authorization | Appropriation |
| Maintenance                           | Information Management Software for Long Term Care                                                  | 24,998               | X             | X             |
| Telephone                             | Cell Phones and Data Plans for Field Staff and Management Team who Complete Onsite Home Assessments | 9,998                | X             | X             |
| Travel                                | Regular Home Visits with Members for Field Staff                                                    | 5,648                | X             | X             |
| Professional Dues                     | Professional Certifications                                                                         | 3,150                | X             | X             |
| Other Expenses                        | Member Services Provided by Care Managers                                                           | 1,598                | X             | X             |
| Training & Seminar                    | Professional Development and Education                                                              | 1,500                | X             | X             |
| Office Supplies                       | Routine Office Supplies for Field and Office Staff                                                  | 900                  | X             | X             |
| Food Services                         | Food Services for Department Training and Other Events                                              | 98                   | X             | X             |
| <b>Total Other Operating Expenses</b> |                                                                                                     | <b>47,890</b>        |               |               |

## Attachment B

| Facilities: Purchased Services  |                                                                    |                      |               |               |
|---------------------------------|--------------------------------------------------------------------|----------------------|---------------|---------------|
| Specific Type                   | Objective of the Item Proposed                                     | Budget FY 2021 Input | Authorization | Appropriation |
| Fire/Life Safety Security       | Security Contract                                                  | 381,110              | X             | X             |
| Building Administration         | Property Management, Administration Fee and Other Related Expenses | 278,890              | X             | X             |
| <b>Total Purchased Services</b> |                                                                    | <b>660,000</b>       |               |               |

| Facilities: Printing & Postage      |                                |                      |               |               |
|-------------------------------------|--------------------------------|----------------------|---------------|---------------|
| Specific Type                       | Objective of the Item Proposed | Budget FY 2021 Input | Authorization | Appropriation |
| Postage                             | Postage and Courier            | 2,000                | X             | X             |
| <b>Total Printing &amp; Postage</b> |                                | <b>2,000</b>         |               |               |

## Attachment B

| Facilities: Other Operating Expenses  |                                                                                                                   |                         |               |               |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------|---------------|---------------|
| Specific Type                         | Objective of the Item Proposed                                                                                    | Budget FY 2021<br>Input | Authorization | Appropriation |
| Utilities                             | Electricity                                                                                                       | 426,722                 | X             | X             |
| Janitorial                            | Janitorial Night Contract                                                                                         | 353,296                 | X             | X             |
| Repairs & Maintenance                 | Engineering Contract                                                                                              | 222,099                 | X             | X             |
| Insurance                             | Property, Liability and Earthquake Insurance                                                                      | 222,000                 | X             | X             |
| Janitorial                            | Janitorial Day Contract                                                                                           | 130,091                 | X             | X             |
| Repairs & Maintenance                 | Other Repair and Maintenance (Signage, Steam Cleaning, Roof, Locksmith, Pest Control Contract, Other Maintenance) | 94,640                  | X             | X             |
| Repairs & Maintenance                 | HVAC Miscellaneous                                                                                                | 92,054                  | X             | X             |
| Janitorial                            | Janitorial Supplies                                                                                               | 90,000                  | X             | X             |
| Repairs & Maintenance                 | Plumbing                                                                                                          | 56,940                  | X             | X             |
| Repairs & Maintenance                 | Electrical Repairs and Supplies                                                                                   | 45,250                  | X             | X             |
| Landscape                             | Exterior Landscape Contract                                                                                       | 45,000                  | X             | X             |
| Repairs & Maintenance                 | Water Treatment                                                                                                   | 33,920                  | X             | X             |
| Repairs & Maintenance                 | Windows                                                                                                           | 32,172                  | X             | X             |
| Landscape                             | Landscape Extras                                                                                                  | 30,400                  | X             | X             |
| Fire/Life Safety Security             | Other Fire/Life Safety Expenses (Phone, Emergency Generator, Other Expenses)                                      | 30,000                  | X             | X             |
| Repairs & Maintenance                 | Elevator Maintenance Contract                                                                                     | 27,600                  | X             | X             |
| Repairs & Maintenance                 | HVAC Maintenance Contract                                                                                         | 25,078                  | X             | X             |
| Fire/Life Safety Security             | Security Equipment and Maintenance                                                                                | 22,780                  | X             | X             |
| Repairs & Maintenance                 | Walls/Ceilings/Floors/Sidewalks/Railings                                                                          | 21,800                  | X             | X             |
| Property Tax                          | Property Tax Assessments                                                                                          | 21,000                  | X             | X             |
| Utilities                             | Water-Building                                                                                                    | 18,339                  | X             | X             |
| Building Expenses                     | Various Building Expenses (Trash, Water for Irrigation, Interior Plants)                                          | 16,003                  | X             | X             |
| Utilities                             | Gas                                                                                                               | 11,816                  | X             | X             |
| Parking Lot Maintenance               | Parking Lot Maintenance                                                                                           | 10,200                  | X             | X             |
| Repairs & Maintenance                 | Door Maintenance and Repair                                                                                       | 8,800                   | X             | X             |
| Repairs & Maintenance                 | Painting                                                                                                          | 6,000                   | X             | X             |
| <b>Total Other Operating Expenses</b> |                                                                                                                   | <b>2,094,000</b>        |               |               |



**CalOptima**  
Better. Together.

# **Fiscal Year 2020-21 Proposed Operating and Capital Budget**

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

**Nancy Huang, Chief Financial Officer**

# Overview

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

# May Revise Updates

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

# May Revise Updates (cont.)

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

# May Revise Updates (cont.)

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



# May Revise Impact on Medi-Cal Budget

|                                  | Medi-Cal Budget – Balanced |                | Medi-Cal Budget – Post May Revise                             |                |               |
|----------------------------------|----------------------------|----------------|---------------------------------------------------------------|----------------|---------------|
|                                  | Trends                     | Revenue Change | Trends                                                        | Revenue Change | Variance      |
| <b>Classic</b>                   | 0%                         | \$0M           | -1.5% July to June 2021<br>Additional: -3% Jan to June 2021   | -\$43M         | -\$43M        |
| <b>Expansion</b>                 | -5% Jan to June 2021       | -\$25M         | -1.5% July to June 2021<br>Additional: -5% Jan to June 2021   | -\$42M         | -\$17M        |
| <b>WCM</b>                       | +9% Jan to June 2021       | +\$9M          | -1.5% July to June 2021<br>Additional: +5.7% Jan to June 2021 | +\$2M          | -\$7M         |
| <b>Forecasted Revenue Change</b> |                            | -\$16M         |                                                               | -\$83M         | -\$67M        |
|                                  |                            |                |                                                               |                |               |
| <b>Total Revenue</b>             | \$3,252,680,471            |                | \$3,185,809,324                                               |                | -\$66,871,147 |
| <b>Operating Income/(Loss)</b>   | \$0M                       |                | -\$64,510,748                                                 |                | -\$64,510,748 |

# CalOptima Budget Outlook

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

# FY 2020-21 Budget Overview

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- Program Updates

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

- Operational Updates

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

# FY 2020-21 Budget Overview (cont.)

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

# FY 2020-21 Budget Overview (cont.)

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- Medical Costs

- Hospital and Professional capitation

- Medi-Cal Classic: Align capitation with risk
      - Exclude CCS from Medi-Cal Classic experience
    - Expansion: Continued reduction to capitation
      - Right size to levels supported by membership and utilization data

- Fee-For-Service cost and utilization trends

- Continued increase in non-medical transportation utilization
    - Increasing pharmacy unit cost trends
    - Trend adjustments for newly eligible Medi-Cal members

- Pay for Value (P4V) program funding increase

- SNF and ancillary providers rate increase

# Comparative Budget - Consolidated

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

\* Forecasted as of March 2020; Revenue excludes directed payments

\*\* Change in net assets excludes net investment and other income

Figures may not add due to rounding

# Consolidated Income Statement

## FY 19-20 Budget vs FY 20-21 Budget

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

\*Change in net assets excludes investment and other income

\*\* Includes Board actions on budget adjustments as of March 2020

# Consolidated General and Administrative Expenses

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

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



# General and Administrative Expenses

## Bridge for FY 19-20 Forecast vs FY 20-21 Budget

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

# CalOptima Consolidated Income Statement: Attachment A

Attachment A

CalOptima Fiscal Year 2020-21 Budget

By Line of Business

|                                             | Medi-Cal<br>(Classic) | Medi-Cal<br>(Expansion) | Medi-Cal<br>(WCM) | Total            | OCC             | OneCare       | PACE          | MSSP         | Facilities     | Consolidated     |
|---------------------------------------------|-----------------------|-------------------------|-------------------|------------------|-----------------|---------------|---------------|--------------|----------------|------------------|
| Member Months                               | 6,258,987             | 3,011,857               | 143,178           | 9,414,022        | 167,856         | 16,536        | 5,211         | 2,730        | -              | 9,603,625        |
| Avg Members                                 | 521,582               | 250,988                 | 11,931            | 784,502          | 13,988          | 1,378         | 434           | 455          | -              | 800,302          |
| Revenues                                    |                       |                         |                   |                  |                 |               |               |              |                |                  |
| Capitation revenue                          | \$ 1,706,161,985      | \$ 1,228,272,960        | \$ 251,374,380    | \$ 3,185,809,324 | \$ 306,323,384  | \$ 19,472,782 | \$ 42,189,583 | \$ 1,218,536 | \$ -           | \$ 3,555,013,609 |
| Total                                       | \$ 1,706,161,985      | \$ 1,228,272,960        | \$ 251,374,380    | \$ 3,185,809,324 | \$ 306,323,384  | \$ 19,472,782 | \$ 42,189,583 | \$ 1,218,536 | \$ -           | \$ 3,555,013,609 |
| Medical Costs                               |                       |                         |                   |                  |                 |               |               |              |                |                  |
| 1 Provider capitation                       | \$ 525,065,237        | \$ 544,737,283          | \$ 101,059,284    | \$ 1,170,861,804 | \$ 132,514,946  | \$ 5,220,667  | \$ -          | \$ -         | \$ -           | \$ 1,308,597,418 |
| 2 Claims Payments                           | \$ 557,986,264        | \$ 422,990,239          | \$ 97,076,012     | \$ 1,078,052,514 | \$ 59,102,790   | \$ 6,184,669  | \$ 18,272,209 | \$ -         | \$ -           | \$ 1,161,612,182 |
| 3 LTC/Skilled Nursing Facilities            | \$ 432,568,164        | \$ 37,233,712           | \$ 13,282,179     | \$ 483,084,055   | \$ 18,145,318   | \$ -          | \$ 826,406    | \$ 158,410   | \$ -           | \$ 502,214,188   |
| 4 Prescription Drugs                        | \$ 103,242,805        | \$ 143,275,777          | \$ 34,466,289     | \$ 280,984,871   | \$ 70,776,758   | \$ 5,897,339  | \$ 3,427,259  | \$ -         | \$ -           | \$ 361,086,227   |
| 5 Case Mgmt & Oth Medical                   | \$ 54,237,458         | \$ 37,412,324           | \$ 4,824,591      | \$ 96,474,372    | \$ 17,924,296   | \$ 555,802    | \$ 16,236,384 | \$ 728,425   | \$ -           | \$ 131,919,279   |
| Total                                       | \$ 1,673,099,928      | \$ 1,185,649,334        | \$ 250,708,354    | \$ 3,109,457,616 | \$ 298,464,108  | \$ 17,858,477 | \$ 38,762,257 | \$ 886,835   | \$ -           | \$ 3,465,429,294 |
| MLR                                         | 98.1%                 | 96.5%                   | 99.7%             | 97.6%            | 97.4%           | 91.7%         | 91.9%         | 72.8%        |                | 97.5%            |
| Gross Margin                                | \$ 33,062,057         | \$ 42,623,626           | \$ 666,026        | \$ 76,351,708    | \$ 7,859,275    | \$ 1,614,305  | \$ 3,427,326  | \$ 331,700   | \$ -           | \$ 89,584,315    |
| Administrative Expenses                     |                       |                         |                   |                  |                 |               |               |              |                |                  |
| Salaries, Wages, & Employee Benefits        |                       |                         |                   | \$ 94,995,648    | \$ 10,489,935   | \$ 848,531    | \$ 1,803,935  | \$ 364,783   | \$ -           | \$ 108,502,832   |
| Professional Fees                           |                       |                         |                   | \$ 4,008,364     | \$ 481,000      | \$ 192,000    | \$ 2,000      | \$ 4,298     | \$ -           | \$ 4,687,662     |
| Purchased services                          |                       |                         |                   | \$ 12,913,530    | \$ 1,320,950    | \$ 117,000    | \$ 293,324    | \$ 248       | \$ 660,000     | \$ 15,305,052    |
| Printing & Postage                          |                       |                         |                   | \$ 5,530,302     | \$ 1,368,221    | \$ 97,000     | \$ 175,400    | \$ 248       | \$ 2,000       | \$ 7,173,171     |
| Depreciation & Amortization                 |                       |                         |                   | \$ 5,502,000     | \$ -            | \$ -          | \$ 24,840     | \$ -         | \$ 2,127,000   | \$ 7,653,840     |
| Other Operating Expenses                    |                       |                         |                   | \$ 20,210,957    | \$ 229,281      | \$ 6,450      | \$ 51,216     | \$ 47,890    | \$ 2,094,000   | \$ 22,639,794    |
| Indirect Cost Allocation, Occupancy Expense |                       |                         |                   | \$ (2,298,345)   | \$ 6,992,905    | \$ 444,537    | \$ 57,188     | \$ 31,198    | \$ (4,883,000) | \$ 344,483       |
| Total                                       |                       |                         |                   | \$ 140,862,456   | \$ 20,882,292   | \$ 1,705,518  | \$ 2,407,903  | \$ 448,665   | \$ -           | \$ 166,306,834   |
| ALR                                         |                       |                         |                   | 4.4%             | 6.8%            | 8.8%          | 5.7%          | 36.8%        |                | 4.7%             |
| Operating Income/(Loss)                     |                       |                         |                   | \$ (64,510,748)  | \$ (13,023,016) | \$ (91,213)   | \$ 1,019,423  | \$ (116,964) | \$ -           | \$ (76,722,518)  |
| Investment Income                           |                       |                         |                   |                  |                 |               |               |              |                | \$ 15,000,000    |
| MCO Tax Revenue                             |                       |                         |                   | \$ 182,255,794   |                 |               |               |              |                | \$ 182,255,794   |
| MCO Tax Expense                             |                       |                         |                   | \$ (182,255,794) |                 |               |               |              |                | \$ (182,255,794) |
| CHANGE IN NET ASSETS                        |                       |                         |                   | \$ (64,510,748)  | \$ (13,023,016) | \$ (91,213)   | \$ 1,019,423  | \$ (116,964) | \$ -           | \$ (61,722,518)  |

# FY 2020-21 Operating Budget

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## Budgets by Line of Business

# Medi-Cal Program

|                              |                                                                                                                                                                                             |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Start Date</b>            | October 1995                                                                                                                                                                                |
| <b>Program Type</b>          | California's Medicaid Program                                                                                                                                                               |
| <b>Contractor/ Regulator</b> | California Department of Health Care Services (DHCS)                                                                                                                                        |
| <b>Eligibility</b>           | <ul style="list-style-type: none"><li>• Child and family</li><li>• Senior</li><li>• Persons with disabilities</li><li>• Low-income (includes Medi-Cal Expansion)</li></ul>                  |
| <b>Services</b>              | <ul style="list-style-type: none"><li>• Comprehensive health</li><li>• Prescriptions</li><li>• Vision</li><li>• Mental Health</li><li>• MLTSS</li><li>• (Dental provided by DHCS)</li></ul> |

# Medi-Cal Budget

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

\* Forecasted as of March 2020; Revenue excludes directed payments

\*\* Change in net assets excludes net investment and other income

Includes MSSP from July to December 2020

# Medi-Cal Revenue

- Medi-Cal Rate Assumptions

|                        | Medi-Cal Classic                                                                                                                                                                                           | Medi-Cal Expansion                                                                         | Medi-Cal WCM                                                                                                       |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Capitation rates       | <ul style="list-style-type: none"> <li>Draft 18-month bridge period rates for 7/1/20 – 12/31/20 with incorporated 1.5% reduction</li> <li>Draft Calendar Year (CY) 2021 rates expected Oct 2020</li> </ul> |                                                                                            |                                                                                                                    |
|                        | <ul style="list-style-type: none"> <li>Additional 3% reduction (total of -4.5%)</li> </ul>                                                                                                                 | <ul style="list-style-type: none"> <li>Additional 5% reduction (total of -6.5%)</li> </ul> | <ul style="list-style-type: none"> <li>Assumes 5.7% increase</li> <li>Includes CCS and non-CCS services</li> </ul> |
| BHT/ Hepatitis C Rates | FY 2019-20 rates                                                                                                                                                                                           |                                                                                            |                                                                                                                    |
| CCI Rates              | Draft CY 2019 rates for duals <ul style="list-style-type: none"> <li>Rewighted for projected cohort mix</li> <li>Reduced by 1.5% July 2020 and additional 3% January 2021</li> </ul>                       |                                                                                            | NA                                                                                                                 |

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

| Medical Cost             | Unit Cost Change | Detail                                                                                                                                                     |
|--------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-2.0%) | <ul style="list-style-type: none"><li>TANF/SPD categories of aid: -12.8% Child and +7.2% Non-Child</li></ul>                                               |
| Skilled Nursing Facility | Increase         | <ul style="list-style-type: none"><li>Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget</li></ul>                         |
| Ancillary Provider Rate  | Increase         | <ul style="list-style-type: none"><li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li><li>Obstetrics: +13% increase</li></ul> |
| Pay for Value (P4V)      | Increase         | <ul style="list-style-type: none"><li>From \$2 PMPM maximum to \$5 PMPM maximum</li></ul>                                                                  |

# Medi-Cal Classic Rebasing Results

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



# Medi-Cal Classic: Proposed Capitation Change

- Fiscal impact of rate reduction

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

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

| Medical Cost             | Unit Cost Change  | Detail                                                                                                                                                     |
|--------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-10.6%) | <ul style="list-style-type: none"><li>Professional: -7%</li><li>Hospital: -14%</li></ul>                                                                   |
| Skilled Nursing Facility | Increase          | <ul style="list-style-type: none"><li>Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget</li></ul>                         |
| Ancillary Provider Rate  | Increase          | <ul style="list-style-type: none"><li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li><li>Obstetrics: +13% increase</li></ul> |
| Pay for Value (P4V)      | Increase          | <ul style="list-style-type: none"><li>From \$2 PMPM maximum to \$5 PMPM maximum</li></ul>                                                                  |

# Medi-Cal Expansion: Capitation History

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

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

\* Figures may not add due to rounding

# Medi-Cal Expansion: Proposed Capitation Change

- Proposed Expansion rate change

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

- Proposed Expansion rate comparison to Adult TANF Classic

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

\* Figures may not add due to rounding

# FFS Comparison

- Current FFS Comparison - % Medi-Cal Equivalent

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

# Medi-Cal Expansion: Proposed Capitation Change

- Fiscal impact of rate reduction

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

\* Figures may not add due to rounding

# Medical Costs: Medi-Cal WCM

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

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

\* Figures may not add due to rounding

# OneCare Connect Program

|                              |                                                                                                                                                                                                                                          |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Start Date</b>            | July 2015                                                                                                                                                                                                                                |
| <b>Program Type</b>          | Medicare and Medicaid Duals Demonstration                                                                                                                                                                                                |
| <b>Contractor/ Regulator</b> | CMS and DHCS                                                                                                                                                                                                                             |
| <b>Eligibility</b>           | Medi-Cal member who also has Medicare (i.e., dual eligible)                                                                                                                                                                              |
| <b>Services</b>              | <ul style="list-style-type: none"><li>• Comprehensive health</li><li>• Prescriptions</li><li>• Vision</li><li>• MLTSS</li><li>• Assessment</li><li>• Care planning</li><li>• Care coordination</li><li>• Supplemental benefits</li></ul> |



# OneCare Connect Budget

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

\* Forecasted as of March 2020

# OneCare Connect Revenue

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

| Medicare Part C                                                                                             | Medicare Part D                                                                                             | Medi-Cal**                                                                                                  |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| CMS CY 2019 rate report*                                                                                    | CMS CY 2019 rate report                                                                                     | N/A                                                                                                         |
| Draft CY 2020 rates <ul style="list-style-type: none"><li>• Forecasted a 0.7% increase in revenue</li></ul> | Draft CY 2020 rates <ul style="list-style-type: none"><li>• Forecasted a 2.0% decrease in revenue</li></ul> | Draft CY 2019 rates <ul style="list-style-type: none"><li>• Adjusts for forecasted population mix</li></ul> |

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

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

# OneCare Connect Assumptions

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- Enrollment: Applied projected mix for PHC, SRG, HMO, and CCN networks
- Medical Costs
  - Provider Capitation
    - Medicare component: Based on percent of premium (POP) rates
    - Reduced Institutional POP% per Milliman rebasing results from 50.9% to 45%. Annual impact of \$7.4 million (\$3.7 million for FY 2020-21)
    - Medi-Cal component: Based on fixed PMPM rates
  - FFS expenses: Based on actual experience trended through June 2020
- Other adjustments
  - Includes projected increases in NMT, specialist services, acute inpatient, facility, pharmacy, and projected decrease in LTC expenses.
  - Includes expenses for Medicare supplemental benefits to align with OneCare supplemental benefits

# OCC Current Challenges

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- Challenges

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

- Current initiatives and actions

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

# OneCare Program

|                              |                                                                                                                                                                         |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Start Date</b>            | October 2005                                                                                                                                                            |
| <b>Program Type</b>          | Medicare Advantage Special Needs Plan (SNP)                                                                                                                             |
| <b>Contractor/ Regulator</b> | Centers for Medicare & Medicaid Services (CMS)                                                                                                                          |
| <b>Eligibility</b>           | Medi-Cal member who also has Medicare (i.e., dual eligible)                                                                                                             |
| <b>Services</b>              | <ul style="list-style-type: none"><li>• Comprehensive health</li><li>• Prescriptions</li><li>• Vision</li><li>• Mental Health</li><li>• Supplemental Benefits</li></ul> |

# OneCare Budget

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

\* Forecasted as of March 2020

# OneCare Assumptions

- OneCare rate assumptions

| Medicare Part C                                                                                                                                                                                                      | Medicare Part D                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>CMS CY 2020 Monthly Membership Report actuals</p> <ul style="list-style-type: none"><li>Forecasted 4% decrease to revenue as lower utilization last year will translate to lower revenue in bid process</li></ul> | <p>CMS CY 2020 Monthly Membership Report actuals</p> <ul style="list-style-type: none"><li>Forecasted 6% increase as compared to prior year (primarily RAF score driven)</li></ul> |

Note: Used most current rate available

- Medical Costs

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

# PACE Program

|                              |                                                                                                                                                                                                                                       |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Start Date</b>            | October 2013                                                                                                                                                                                                                          |
| <b>Program Type</b>          | Medicare and Medicaid Program                                                                                                                                                                                                         |
| <b>Contractor/ Regulator</b> | CMS and DHCS                                                                                                                                                                                                                          |
| <b>Eligibility</b>           | Member who is: <ul style="list-style-type: none"><li>• <math>\geq 55</math>;</li><li>• Meet nursing facility level of care; and</li><li>• Live in a PACE service area</li></ul>                                                       |
| <b>Services</b>              | <ul style="list-style-type: none"><li>• All Medicare and Medicaid services</li><li>• 16 additional services, such as social services, nursing facility care, personal care, nutritional counseling and recreational therapy</li></ul> |



# PACE Budget

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

\* Forecasted as of March 2020

# PACE Assumptions

- PACE rate assumptions

| Medicare Part C                                                                                                                           | Medicare Part D                                                                                                                                   | Medi-Cal                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 2020 Actuals <ul style="list-style-type: none"><li>• Forecasted a 7.1% increase in revenue due to both base rates and RAF score</li></ul> | 2020 Actuals <ul style="list-style-type: none"><li>• Rates and subsidies based on CY 2020 payment</li><li>• No additional trend applied</li></ul> | PMPM rates based on CY 2019 rates and reflect a 2.2% increase |

Note: Used most current rate available

- Medical costs

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

# Recommended Actions

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Recommend that the Board of Directors:

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



# CalOptima

Better. Together.



Medi-Cal

## CalOptima

Better. Together.



OneCare (HMO SNP)

## CalOptima

Better. Together.



OneCare Connect

## CalOptima

Better. Together.



PACE

## CalOptima

Better. Together.

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

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

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Actions**

Recommend that the Board of Directors:

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

#### **Background**

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

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

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

The primary revenue source is the State of California. The COVID-19 pandemic has led to a national recession, sharp decline in state revenues, and rapid increases to health and human services caseloads and medical expenses. On May 7<sup>14</sup>, 2020, the [California Department of Finance projected Governor released the revised state budget \(May Revise\) that projects](#) a budget deficit of approximately \$54.3 billion for FY 2019-20 and FY 2020-21 combined. ~~The Governor will release the revised state budget (May Revise) on May 14, 2020. This~~ [The Governor’s budget will provide additional information on the state’s fiscal outlook proposes to close this gap with a combination of \(1\) Cancelled expansions and any budget adjustments that are specific to the Medi-Cal program. The State Legislature is expected to pass the State’s budget by June 15, 2020.](#) [other reductions; \(2\) reserves; \(3\) borrowing, transfers, and deferrals; \(4\) new revenues; \(5\) federal funds; and \(6\) trigger cuts, if federal funding does not](#)

CalOptima Board Action Agenda Referral  
Consider Recommending Board of Directors' Approval of the  
CalOptima Fiscal Year 2020-21 Operating Budget  
Page 2

| [materialize.](#)

|

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

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

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

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

## **CalOptima Budget Overview**

### **I. Consolidated Operating Budget**

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

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

|                                 | <b>FY 2020-21 Budget</b>         |
|---------------------------------|----------------------------------|
| Average Monthly Enrollment      | 800,302                          |
| Revenue                         | \$3,621,884,756555,013,609       |
| Medical Costs                   | \$3,467,755,838465,429,294       |
| Administrative Expenses         | \$166,322,248306,834             |
| <b>Operating Income/Loss</b>    | <b>(\$12,193,33076,722,518)</b>  |
| Investments, Net                | \$15,000,000                     |
| <b>Change in Net Assets</b>     | <b>\$2,806,670(\$61,722,518)</b> |
| Medical Loss Ratio (MLR)        | 95.797.5%                        |
| Administrative Loss Ratio (ALR) | 4.67%                            |

### **Budget Assumptions**

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

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

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

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



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

|                                                         | <b>FY 2018-19<br/>Actual</b> | <b>FY 2019-20<br/>Forecast*</b> | <b>FY 2020-21<br/>Budget</b>           | <b>FY 2020-21<br/>Budget vs.<br/>FY 2019-20<br/>Forecast</b> |
|---------------------------------------------------------|------------------------------|---------------------------------|----------------------------------------|--------------------------------------------------------------|
| Revenues                                                | \$3,474,634,378              | \$3,642,286,855                 | \$3,621,884,756<br>555,013,609         | \$(20,402,099(\$<br>87,273,246)                              |
| Salaries, Wages & Benefits                              | <b>\$84,008,424</b>          | <b>\$88,405,275</b>             | <b>\$108,502,832</b>                   | <b>\$20,097,557</b>                                          |
| Non-Salaries & Wages                                    | <b>\$45,940,773</b>          | <b>\$45,987,131</b>             | <b>\$57,819,416</b><br><b>804,002</b>  | <b>\$11,832,285</b><br><b>816,871</b>                        |
| Professional Fees                                       | \$3,167,619                  | \$3,212,922                     | \$4,687,662                            | \$1,474,740                                                  |
| Purchased Services                                      | \$12,584,719                 | \$12,272,285                    | \$15,305,052                           | \$3,032,767                                                  |
| Printing & Postage                                      | \$5,212,810                  | \$4,964,763                     | \$7,173,171                            | \$2,208,408                                                  |
| Depreciation & Amortization                             | \$7,226,723                  | \$6,007,358                     | \$7,653,840                            | \$1,646,482                                                  |
| Other Operating Exp/Indirect Cost Allocation, Occupancy | \$17,748,901                 | \$19,529,803                    | \$22,999,691<br>1984,277               | \$3,469,888<br>454,474                                       |
| <b>Total G&amp;A</b>                                    | <b>\$129,949,196</b>         | <b>\$134,392,406</b>            | <b>\$166,322,248</b><br><b>306,834</b> | <b>\$31,929,842</b><br><b>2914,428</b>                       |
| <b>ALR</b>                                              | 3.7%                         | 3.7%                            | 4.67%                                  | 1.20%                                                        |
| ALR Breakdown:                                          |                              |                                 |                                        |                                                              |
| Salaries, Wages & Benefits                              | 2.4%                         | 2.4%                            | 3.01%                                  | 0.7%                                                         |
| Non-Salaries & Wages                                    | 1.3%                         | 1.3%                            | 1.6%                                   | 0.53%                                                        |

\* Forecasted as of March 2020; Revenue excludes directed payments

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

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

## II. Enrollment by Line of Business

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

**Table 3: Total Enrollment by Program**

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

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

<sup>12]</sup>Enrollment as of June of every fiscal year when available

### III. Operating Budget by Line of Business

#### A. Medi-Cal Program

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

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

|                            | <b>FY 2018-19<br/>Actual</b> | <b>FY 2019-20<br/>Forecast*</b> | <b>FY 2020-21<br/>Budget</b>          |
|----------------------------|------------------------------|---------------------------------|---------------------------------------|
| Average Monthly Enrollment | 751,409                      | 721,719                         | 784,502                               |
| Revenue                    | \$3,134,181,617              | \$3,289,166,019                 | \$3,252,680,471<br><u>185,809,324</u> |
| Medical Costs              | \$2,881,181,629              | \$3,144,826,354                 | \$3,111,799,575<br><u>109,457,616</u> |
| Administrative Expenses    | \$106,944,388                | \$111,931,109                   | \$141,015,833<br><u>140,862,456</u>   |
| Operating Income/Loss      | \$146,155,600                | \$32,408,556                    | (\$134,937,645)<br><u>10,748</u>      |
| MLR                        | 92.0%                        | 95.6%                           | <u>95.797.6%</u>                      |
| ALR                        | 3.4%                         | 3.4%                            | <u>4.34%</u>                          |

\* Forecasted as of March 2020; Revenue excludes directed payments  
 Change in net assets excludes net investment and other income  
 Includes MSSP [from July to December 2020](#)

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

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

|                            | <b>Medi-Cal<br/>Classic</b>           | <b>Medi-Cal<br/>Expansion</b>         | <b>Medi-Cal<br/>WCM</b>            | <b>Total</b>                          |
|----------------------------|---------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| Average Monthly Enrollment | 521,582                               | 250,988                               | 11,931                             | 784,502                               |
| Revenue                    | \$1,748,979,420<br><u>706,161,985</u> | \$1,245,651,603<br><u>228,272,960</u> | \$258,049,448<br><u>51,374,380</u> | \$3,252,680,471<br><u>185,809,324</u> |
| Medical Costs              | \$1,674,718,293<br><u>673,099,928</u> | \$1,186,313,388<br><u>185,649,334</u> | \$250,767,894<br><u>708,354</u>    | \$3,111,799,575<br><u>109,457,616</u> |
| Administrative Expenses    |                                       |                                       |                                    | \$141,015,833<br><u>140,862,456</u>   |
| Operating Income/Loss      |                                       |                                       |                                    | (\$134,937,645)<br><u>10,748</u>      |
| MLR                        | <u>95.898.1%</u>                      | <u>95.296.5%</u>                      | <u>97.299.7%</u>                   | <u>95.797.6%</u>                      |

|     |  |  |  |       |
|-----|--|--|--|-------|
| ALR |  |  |  | 4.34% |
|-----|--|--|--|-------|

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

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

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

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

### General Budget Assumptions – Medi-Cal

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

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

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

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

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

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

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

### **Medi-Cal Classic**

Classic Enrollment: The budget projects an 8.0% increase in total member months.

Classic Revenue: The budget ~~assumes~~estimates that base rates effective January 2021 will ~~remain~~be reduced by an additional 3% to account for potential acuity, efficiency and cost containment adjustments in the same as current ratesGovernor's May Revise.

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

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

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

| Medical Cost             | Unit Cost Change | Detail                                                                                                                                                         |
|--------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-2.0%) | Average adjustment for both TANF and SPD categories of aid <ul style="list-style-type: none"><li>• Child: -12.8%</li><li>• Non-Child: +7.2%</li></ul>          |
| Skilled Nursing Facility | Increase         | Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget                                                                             |
| Ancillary Provider Rate  | Increase         | <ul style="list-style-type: none"><li>• Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li><li>• Obstetrics: +13% increase</li></ul> |
| P4V Program              | Increase         | From \$2.00 PMPM maximum to \$5.00 PMPM maximum                                                                                                                |

### **Medi-Cal Expansion**

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

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

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

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

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

| Medical Cost             | Unit Cost Change  | Detail                                                                                                                                                        |
|--------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-10.6%) | <ul style="list-style-type: none"> <li>Professional: -7%</li> <li>Hospital: -14%</li> </ul>                                                                   |
| Skilled Nursing Facility | Increase          | Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget                                                                            |
| Ancillary Provider Rate  | Increase          | <ul style="list-style-type: none"> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul> |
| P4V Program              | Increase          | From \$2.00 PMPM maximum to \$5.00 PMPM maximum                                                                                                               |

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

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

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

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

### **B. OneCare Connect**

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

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

|



**Table 9: FY 2020-21 OneCare Connect Operating Budget**

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

\* Forecasted as of March 2020

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

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

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

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

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

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

### C. OneCare

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

**Table 10: FY 2020-21 OneCare Operating Budget**

|                            | <b>FY 2018-19<br/>Actual</b> | <b>FY 2019-20<br/>Forecast*</b> | <b>FY 2020-21<br/>Budget</b> |
|----------------------------|------------------------------|---------------------------------|------------------------------|
| Average Monthly Enrollment | 1,448                        | 1,481                           | 1,378                        |
| Revenue                    | \$20,613,605                 | \$20,496,838                    | \$19,472,782                 |
| Medical Costs              | \$18,272,702                 | \$18,295,185                    | \$17,858,477                 |
| Administrative Expenses    | \$1,375,766                  | \$1,710,002                     | \$1,697,308                  |
| Operating Income/Loss      | \$965,137                    | \$491,651                       | (\$3,003,912)                |
| MLR                        | 88.6%                        | 89.3%                           | 91.7%                        |
| ALR                        | 6.7%                         | 8.3%                            | 8.78%                        |

\* Forecasted as of March 2020

### General Budget Assumptions – OneCare

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

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

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

### D. PACE

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

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

|                            | <b>FY 2018-19<br/>Actual</b> | <b>FY 2019-20<br/>Forecast*</b> | <b>FY 2020-21<br/>Budget</b>            |
|----------------------------|------------------------------|---------------------------------|-----------------------------------------|
| Average Monthly Enrollment | 303                          | 374                             | 434                                     |
| Revenue                    | \$27,410,747                 | \$36,281,926                    | \$42,189,583                            |
| Medical Costs              | \$23,297,733                 | \$29,410,640                    | \$38, <del>746,843</del> <u>762,257</u> |
| Administrative Expenses    | \$1,765,267                  | \$2,044,756                     | \$2,407, <del>261</del> <u>903</u>      |
| Operating Income/Loss      | \$2,347,747                  | \$4,826,530                     | \$1, <del>035,479</del> <u>019,423</u>  |
| MLR                        | 85.0%                        | 81.1%                           | 91. <del>89</del> <u>9</u> %            |
| ALR                        | 6.4%                         | 5.6%                            | 5.7%                                    |

\* Forecasted as of March 2020

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

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

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

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

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

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

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

The table below illustrates projected net investment income.

**Table 12: Investment Income**

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

\* Forecasted as of March 2020

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

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

#### **Fiscal Impact**

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

#### **Rationale for Recommendation**

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

#### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

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

Attachment B: Administrative Budget Details

/s/ Richard Sanchez

**Authorized Signature**

05/1420/2020

**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

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

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Actions**

Recommend that the Board of Directors:

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

#### **Background**

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

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

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

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

## **CalOptima Budget Overview**

### **I. Consolidated Operating Budget**

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

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

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

### **Budget Assumptions**

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

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

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

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

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

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

\* Forecasted as of March 2020; Revenue excludes directed payments

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

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

## II. Enrollment by Line of Business

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

**Table 3: Total Enrollment by Program**

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

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

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



### III. Operating Budget by Line of Business

#### A. Medi-Cal Program

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

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

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

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

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

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

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

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



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

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

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

### General Budget Assumptions – Medi-Cal

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

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

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

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

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

- Increase in Non-Medical Transportation (NMT) utilization;
- Expansion of vision benefits and higher administration fee;
- Increase in unit cost for Skilled Nursing Facilities;
- Increase in unit cost for Mental Health Services;
- Increase in Pay for Value (P4V) program funding; and

- Increase in Obstetrics supplemental payments.

### **Medi-Cal Classic**

Classic Enrollment: The budget projects an 8.0% increase in total member months.

Classic Revenue: The budget assumes that rates effective January 2021 will remain the same as current rates.

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

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

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

| Medical Cost             | Unit Cost Change | Detail                                                                                                                                                         |
|--------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-2.0%) | Average adjustment for both TANF and SPD categories of aid <ul style="list-style-type: none"><li>• Child: -12.8%</li><li>• Non-Child: +7.2%</li></ul>          |
| Skilled Nursing Facility | Increase         | Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget                                                                             |
| Ancillary Provider Rate  | Increase         | <ul style="list-style-type: none"><li>• Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li><li>• Obstetrics: +13% increase</li></ul> |
| P4V Program              | Increase         | From \$2.00 PMPM maximum to \$5.00 PMPM maximum                                                                                                                |

### **Medi-Cal Expansion**

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

Expansion Revenue: DHCS continues to make material adjustments to the Medi-Cal Expansion capitation rate. The budget assumes a 5% decrease effective January 2021.

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

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

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

| Medical Cost             | Unit Cost Change  | Detail                                                                                                                                                        |
|--------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider Capitation      | Decrease (-10.6%) | <ul style="list-style-type: none"> <li>Professional: -7%</li> <li>Hospital: -14%</li> </ul>                                                                   |
| Skilled Nursing Facility | Increase          | Includes +20% unit cost trend increase approved in the FY 2019-20 Operating Budget                                                                            |
| Ancillary Provider Rate  | Increase          | <ul style="list-style-type: none"> <li>Mental health (Non-ABA): +15% unit cost increase for fee schedule change</li> <li>Obstetrics: +13% increase</li> </ul> |
| P4V Program              | Increase          | From \$2.00 PMPM maximum to \$5.00 PMPM maximum                                                                                                               |

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

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

WCM Revenue: The budget assumes that rates will increase by 9% in January 2021. Rates reflect reimbursement for both California Children's Services (CCS) and non-CCS services.

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

### **B. OneCare Connect**

Through a three-way contract with the Center for Medicare & Medicaid Services (CMS), DHCS, and CalOptima, CalOptima began the OneCare Connect Program in July 2015. The Cal MediConnect program is a joint Medicare and Medicaid demonstration program that promotes coordinated health care delivery to seniors and persons with disabilities (SPD) who are dually eligible for Medicare and Medi-Cal services. The initial demonstration period was October 1, 2013, through December 31, 2019. On April 24, 2019, CMS approved a three (3) year extension of the program through December 31, 2022. The table below illustrates the OneCare Connect Operating Budget.

**Table 9: FY 2020-21 OneCare Connect Operating Budget**

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

\* Forecasted as of March 2020

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

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

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

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

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

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

### C. OneCare

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

**Table 10: FY 2020-21 OneCare Operating Budget**

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

\* Forecasted as of March 2020

### General Budget Assumptions – OneCare

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

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

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

### D. PACE

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

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

|                            | <b>FY 2018-19<br/>Actual</b> | <b>FY 2019-20<br/>Forecast*</b> | <b>FY 2020-21<br/>Budget</b> |
|----------------------------|------------------------------|---------------------------------|------------------------------|
| Average Monthly Enrollment | 303                          | 374                             | 434                          |
| Revenue                    | \$27,410,747                 | \$36,281,926                    | \$42,189,583                 |
| Medical Costs              | \$23,297,733                 | \$29,410,640                    | \$38,746,843                 |
| Administrative Expenses    | \$1,765,267                  | \$2,044,756                     | \$2,407,261                  |
| Operating Income/Loss      | \$2,347,747                  | \$4,826,530                     | \$1,035,479                  |
| MLR                        | 85.0%                        | 81.1%                           | 91.8%                        |
| ALR                        | 6.4%                         | 5.6%                            | 5.7%                         |

\* Forecasted as of March 2020

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

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

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

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

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

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

**E. Investment Income**

The table below illustrates projected net investment income.

**Table 12: Investment Income**

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

\* Forecasted as of March 2020

**Budget Assumptions – Investment Income**

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

**Fiscal Impact**

As outlined above and more detailed information contained in Attachment A: FY 2020-21 Budget for all Lines of Business, the FY 2020-21 Operating Income reflects a projected loss of \$12.2 million. In addition, the budget includes projected investment income of \$15 million, resulting in a projected total increase of \$2.8 million in changes to net assets.

**Rationale for Recommendation**

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

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

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

Attachment B: Administrative Budget Details

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**Date**



## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

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

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Action**

Recommend that the Board of Directors ratify unbudgeted expenditures from existing reserves for emergency repairs at CalOptima facilities located at 505 City Parkway West in Orange (505 Building) in the amount of \$19,877.55

#### **Background**

CalOptima owns a 10-story commercial office building located at 505 City Parkway West in Orange, with all floors occupied by CalOptima staff. CalOptima is responsible to ensure that the facilities are secure, clean and fully operational in order to safely accommodate the needs of employees, members, and other visitors.

#### **Discussion**

Staff recommends that the Board ratify unbudgeted expenditures for emergency repairs to the 505 Building. Upon inspection of the logo signs located on the 505 Building on February 4, 2020, staff found that the trim caps and screws were failing, falling off or breaking in some spots, representing a potential safety issue. The screws and caps required replacement on the signs on both elevations of the 505 Building. Without prompt replacement, the signs, due to their weight, could fall to the ground and cause serious personal injury or property damage. On March 24, 2020, to avoid potential property damage and endangering others, staff utilized a bid exception, staff made an emergency purchase of \$19,877.55 through CalOptima's currently contracted vendor to repair the sign. CalOptima contracted with the same vendor to ensure continuity of service, compatibility with existing equipment, and the protection and security of CalOptima's building, its employees, members and guests.

The emergency purchases with the contracted vendor were completed with an emergency bidding exception in accordance with section II.P. of CalOptima Policy GA.5002: Purchasing Policy.

#### **Fiscal Impact**

The recommended action to authorize ratification of expenditures for emergency repairs at the 505 Building are unbudgeted items. An allocation of up to \$19,877.55 from existing reserves will fund this action.

#### **Rationale for Recommendation**

Staff recommends approval of the recommended action in furtherance of efforts to protect the CalOptima's property and assets and to avoid potential loss in the event life or property is endangered



CalOptima Board Action Agenda Referral  
Consider Recommending Board of Directors'  
Ratification of Expenditures Related to Emergency  
Repairs for CalOptima Facilities  
Page 2

due to the conditions of the signs. Authorization of the expenditures will allow CalOptima to provide a secure and professional work environment for our employees and a safe environment for our members and guests.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

Contracted Entities Covered by this Recommended Board Action

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**Date**

**CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

| <b>Name</b>                 | <b>Address</b>             | <b>City</b> | <b>State</b> | <b>Zip Code</b> |
|-----------------------------|----------------------------|-------------|--------------|-----------------|
| Sign Specialist Corporation | 111 West Dyer Road, Unit F | Santa Ana   | CA           | 92707           |

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken May 21, 2020**

**Regular Meeting of the CalOptima Board of Directors'**

**Finance and Audit Committee**

### **Report Item**

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

### **Contact**

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

### **Recommended Action**

Recommend that the Board of Directors approve proposed changes to CalOptima Policy GA.3400: Annual Investments.

### **Background**

At the February 27, 1996, meeting, the CalOptima Board of Directors (Board) approved the Annual Investment Policy (AIP) covering investments made between March 1, 1996 and February 28, 1997. In September 1996, the Board authorized the creation of the Investment Advisory Committee (IAC). The IAC reviews the AIP each year and recommends changes in said policy to the FAC and the Board for their respective approvals.

At the December 5, 2019, meeting, the Board approved changes to CalOptima Policy GA.3400: Annual Investments for Calendar Year 2020. Staff noted they received a recommended change for a 5% portfolio maximum limitation per credit counterparty and by instrument type to clarify the requirement in the current AIP. This change would be considered for possible adoption in a future policy update after further vetting by CalOptima's investment managers and committee members.

### **Discussion**

CalOptima Policy GA.3400: Annual Investment gives investment guidelines for all Operating Funds and Board-Designated Reserve Funds invested on or after January 10, 2006. These guidelines ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve capital, provide necessary liquidity, and achieve a market-average rate of return through economic cycles. Each annual review takes effect upon its adoption by the Board of Directors.

Staff proposes to revise this policy to clarify counterparty diversification limits. This policy change noted in the December 5, 2019, Board action was discussed with CalOptima's investment advisor, Meketa Investment Group, Inc., in December 2019. Staff recommends revising the policy for a 5% portfolio maximum limitation per credit counterparty and by instrument type to include all permitted investments except for U.S. Government or Agency securities. The proposed effective date for the policy change is July 1, 2020.

At its April 21, 2020, meeting, the IAC recommended that the Finance and Audit Committee recommend Board approval of the proposed revisions to CalOptima Policy GA.3400: Annual Investments.

**Fiscal Impact**

There is no immediate fiscal impact.

**Rationale for Recommendation**

The proposed changes to CalOptima Policy GA.3400: Annual Investments reflect the recommendations of CalOptima's investment managers, Payden & Rygel, MetLife, and Wells Capital Management and CalOptima's investment adviser, Meketa Investment Group, Inc. The recommended changes will continue to support CalOptima's goals to maintain safety of principal and achieve a market rate of return while maintaining necessary liquidity during periods of uncertainty.

**Concurrence**

Meketa Investment Group, Inc.  
Gary Crockett, Chief Counsel  
Board of Directors' Investment Advisory Committee

**Attachments**

Policy GA.3400: Annual Investment Policy – redline and clean versions.

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**ate**

Policy: GA.3400  
Title: **Annual Investments**  
Department: CalOptima Administrative  
Section: Finance

CEO Approval:

Effective Date: 01/01/2018  
Revised Date: TBD

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.

## II. POLICY

A. CalOptima investments may only be made as authorized by this Policy.

1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large Capital losses are avoided from securities or Broker-Dealer default.
  - a. CalOptima shall seek to ensure that Capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of Risk: Credit Risk and Market Risk.
    - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the Investment Portfolio, in accordance with this Policy.
    - ii. Market Risk shall be mitigated by matching Maturity Dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
  - b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.

- 1 3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that  
2 each portfolio contain investments for which there is a secondary market and which offer the  
3 flexibility to be easily sold at any time with minimal Risk of loss of either the principal or  
4 interest based upon then prevailing rates.  
5  
6 4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average  
7 Rate of Return through Economic Cycles given an acceptable level of Risk, established by the  
8 Board of Directors' and the CalOptima Treasurer's objectives.  
9  
10 a. The performance Benchmark for each Investment Portfolio shall be based upon published  
11 Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for  
12 short-term investments of comparable Risk and duration.  
13  
14 i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and  
15 quarterly by CalOptima's Treasurer and the Investment Advisory Committee members  
16 and shall be reported to the Board of Directors.  
17  
18 B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting  
19 as the agent of CalOptima under the terms of a custody agreement in compliance with California  
20 Government Code, Section 53608.  
21  
22 C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other  
23 than themselves) or financial institutions in compliance with California Government Code, Section  
24 53601.5 and this Policy.  
25  
26 D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima  
27 (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined  
28 in the Code, which shall be applied in the context of managing an overall portfolio.  
29  
30 E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members  
31 involved in the investment process shall refrain from personal and professional business activities  
32 that could conflict with the proper execution of the investment program, or which could impair their  
33 ability to fulfill their roles in the investment process.  
34  
35 1. CalOptima's Officers and employees involved in the investment process are not permitted to  
36 have any material financial interests in financial institutions, including state or federal credit  
37 unions, that conduct business with CalOptima, and are not permitted to have any personal  
38 financial, or investment holdings, that could be materially related to the performance of  
39 CalOptima's investments.  
40  
41 F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for  
42 review and adoption by the Board, to ensure that all investments made are following this Policy.  
43  
44 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to  
45 California Government Code, Section 53646, Subdivision (a).  
46  
47 2. This policy may only be changed by the Board of Directors.  
48

### 49 **III. PROCEDURE**

#### 50 **A. Delegation of Authority**

51  
52

1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.
  - a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.
    - i. The Board of Directors may renew the delegation of authority annually.
  - b. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by CalOptima's Treasurer.

#### B. CalOptima Treasurer Responsibilities

1. The Treasurer shall be responsible for:
  - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board-approved Investment Managers;
  - b. The oversight of CalOptima's Investment Portfolio;
  - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
  - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
2. The Treasurer shall also be responsible for ensuring that:
  - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
  - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
    - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause or other appropriate remedies or sanctions, as determined by the Board of Directors.
  - c. Investment diversification and portfolio performance is reviewed monthly to ensure that Risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
  - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

#### C. Investment Advisory Committee

1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any particular investment, purchase any particular investment product, or conduct business with any particular investment companies, or brokers.

- 1 a. It shall not be the purpose of the Investment Advisory Committee to advise on particular  
2 investment decisions of CalOptima.  
3  
4 2. The Investment Advisory Committee shall be responsible for the following functions:  
5  
6 a. Annual review of this Policy before its consideration by the Board of Directors and revision  
7 recommendations, as necessary, to the Finance and Audit Committee of the Board of  
8 Directors.  
9  
10 b. Quarterly review of CalOptima's Investment Portfolio for conformance with this Policy's  
11 diversification and maturity guidelines, and recommendations to the Finance and Audit  
12 Committee of the Board of Directors, as appropriate.  
13  
14 c. Provision of comments to CalOptima's staff regarding potential investments and potential  
15 investment strategies.  
16  
17 d. Performance of such additional duties and responsibilities pertaining to CalOptima's  
18 investment program as may be required from time to time by specific action and direction  
19 of the Board of Directors.  
20

21 D. Permitted Investments

- 22  
23 1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations  
24 of this Policy.  
25  
26 a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to  
27 a maximum stated term of two (2) years. Note that the Code allows for up to five (5) years.  
28  
29 b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise  
30 specified, are subject to a maximum stated term of five (5) years. Note that the Code allows  
31 for up to five (5) years.  
32  
33 c. Private placement (144a) securities are prohibited.  
34  
35 d. The Board of Directors must grant express written authority to make an investment, or to  
36 establish an investment program, of a longer term.  
37  
38 2. Permitted investments shall include:  
39  
40 a. U.S. Treasuries  
41  
42 i. These investments are direct obligations of the United States of America and securities  
43 which are fully and unconditionally guaranteed as to the timely payment of principal  
44 and interest by the full faith and credit of the United States of America.  
45  
46 ii. U.S. Government securities include:  
47  
48 a) Treasury Bills: U.S. Government securities issued and traded at a discount;  
49  
50 b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S.  
51 Government which guarantees interest and principal payments;  
52



- c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;
  - d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or Bonds, that offer protection from Inflation. Coupon payments and underlying principal are automatically increased to compensate for Inflation, as measured by the Consumer Price Index (CPI); and
  - e) Treasury Floating Rate Notes (FRNs): U.S. Treasury Bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.
  - iv. Maximum Term:

| Fund Type                                                                                                               | Term Assigned      | Term Allowed by the Code |
|-------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| Operating Funds                                                                                                         | 2 years            | 5 years                  |
| Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul> | 5 years<br>5 years | 5 years<br>5 years       |

- b. Federal Agencies and U.S. Government Sponsored Enterprises
  - i. These investments represent obligations, participations, or other Instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
  - ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
    - a) Federal Home Loan Banks (FHLB);
    - b) Federal Home Loan Mortgage Corporation (FHLMC);
    - c) Federal National Mortgage Association (FNMA);
    - d) Federal Farm Credit Banks (FFCB);
    - e) Government National Mortgage Association (GNMA);
    - f) Small Business Administration (SBA);
    - g) Export-Import Bank of the United States;
    - h) U.S. Maritime Administration;
    - i) Washington Metro Area Transit Authority (WMATA);

- j) U.S. Department of Housing & Urban Development;
- k) Tennessee Valley Authority;
- l) Federal Agricultural Mortgage Company (FAMC);
- m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

- iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

c. State and California Local Agency Obligations

- i. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or equivalent or better for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public agency Bonds issued for private purposes (e.g., industrial development Bonds) are specifically excluded as permitted investments.

ii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

d. Banker's Acceptances

- i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the ~~banker's acceptance~~ Banker's Acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:
  - a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; ~~and,~~

May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.

ii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 180 days      | 180 days                 |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 180 days      | 180 days                 |
| ▪ Tier Two (2)                 | 180 days      | 180 days                 |

e. Commercial Paper (CP)

i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:

a) CP of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO);

b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a Rating Category of “A” or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO; and

c) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

ii. Maximum Term:

| Fund Type       | Term Assigned | Term Allowed by the Code |
|-----------------|---------------|--------------------------|
| Operating Funds | 270 days      | 270 days                 |

|                                |          |          |
|--------------------------------|----------|----------|
| Board-Designated Reserve Funds |          |          |
| ▪ Tier One (1)                 | 270 days | 270 days |
| ▪ Tier Two (2)                 | 270 days | 270 days |

f. Negotiable Certificates of Deposit

- i. Negotiable Certificates of Deposit must be issued by a Nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

ii. Maximum Term:

| <b>Fund Type</b>               | <b>Term Assigned</b> | <b>Term Allowed by the Code</b> |
|--------------------------------|----------------------|---------------------------------|
| Operating Funds                | 1 year               | 5 years                         |
| Board-Designated Reserve Funds |                      |                                 |
| ▪ Tier One (1)                 | 1 year               | 5 years                         |
| ▪ Tier Two (2)                 | 1 year               | 5 years                         |

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary Broker-Dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by Fitch Ratings Service provided:
- A Broker-Dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
  - The securities are held free and clear of any Lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined Capital, Surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any Lien, as agent for CalOptima's custodian;
  - A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
  - The Agent will notify CalOptima's custodian and CalOptima if the Valuation of the Collateral Securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the Collateral Securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such Valuation.

ii. Maximum Term:

| Fund Type                                                                                                           | Term Assigned      | Term Allowed by the Code |
|---------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| Operating Funds                                                                                                     | 30 days            | 1 year                   |
| Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>Tier One (1)</li> <li>Tier Two (2)</li> </ul> | 30 days<br>30 days | 1 year<br>1 year         |

iii. Reverse Repurchase Agreements are not allowed.

h. Corporate Securities

- i. For the purpose of this Policy, permissible Corporate Securities shall be rated in a Rating Category of "A" or its equivalent or better by an NRSRO and:
  - a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
  - b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to CP, i.e., Medium Term Notes (MTNs).

~~e) Under no circumstance can the MTNs or any other corporate security of any one (1) corporate issuer represent more than five percent (5%) of the portfolio.~~

ii. Maximum Term:

| Fund Type                                                                                                           | Term Assigned      | Term Allowed by the Code |
|---------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| Operating Funds                                                                                                     | 2 years            | 5 years                  |
| Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>Tier One (1)</li> <li>Tier Two (2)</li> </ul> | 5 years<br>5 years | 5 years<br>5 years       |

i. Money Market Funds

- i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):
  - a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
  - b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

j. Joint Powers Authority Pool

- i. A joint powers authority formed pursuant to California Government Code, Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint

powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:

- a) Registered or exempt from registration with the Securities and Exchange Commission;
  - b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and
  - c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
  - iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.
  - iv. Maximum Term:

| Fund Type                                                                                                        | Term Assigned                    | Term Allowed by the Code         |
|------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Operating Funds                                                                                                  | Not Applicable                   | Not Applicable                   |
| Board-Designated Reserve Funds <ul style="list-style-type: none"><li>Tier One (1)</li><li>Tier Two (2)</li></ul> | Not Applicable<br>Not Applicable | Not Applicable<br>Not Applicable |

k. Mortgage or Asset-backed Securities

- i. Pass-through securities are Instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.
- ii. Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt Instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.
- iii. Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:
  - a) Are rated AA or better- or equivalent.

iv. Maximum Term:

| Fund Type                                                                                                        | Term Assigned                                                  | Term Allowed by the Code |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------------------|
| Operating Funds                                                                                                  | 2 years                                                        | 5 years                  |
| Board-Designated Reserve Funds <ul style="list-style-type: none"><li>Tier One (1)</li><li>Tier Two (2)</li></ul> | 5 years stated final maturity<br>5 years stated final maturity | 5 years<br>5 years       |

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l. Variable and Floating Rate Securities

- i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce Risk.
- a) They should have the same stability, Liquidity, and quality as traditional money market securities.
- b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.
- c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that pre-determined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.
- ii. Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and California Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, federal funds, CP, London Interbank Offered Rate (LIBOR), the Secured Overnight Financing Rate (SOFR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security.
- a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.
- b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.
- c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.

iii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

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m. Supranational Obligations

- i. The three (3) Supranational Institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
- a) International Bank for Reconstruction and Development (IBRD);



b) International Finance Corporation (IFC); and

c) Inter-American Development Bank (IADB).

ii. Supranational obligations shall be rated in a Rating Category of “AA” or its equivalent or better by a Nationally Statistical Rating Organization (NRSRO).

iii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

n. Pooled Investments

i. Pooled investments include deposits, or investments pooled with those of other local agencies consistent with the requirements of California Government Code, Section 53635 et seq. Such pools may contain a variety of investments but are limited to those permissible under the Code.

#### E. Diversification Guidelines

1. Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one (1) type, industry, or entity, thereby assuring adequate portfolio Liquidity should one (1) sector or company experience difficulties.
2. CalOptima’s Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima’s diversification guidelines on a continuous basis.
3. *Table 1: Maximum Percentage (%) of Investment Portfolio, by Instrument Type*

| INSTRUMENTS                                                                              | MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE |
|------------------------------------------------------------------------------------------|--------------------------------------------|
| A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs) | 100% (Code)                                |
| B. Federal Agencies and U.S. Government Sponsored Enterprises                            | 100% (Code)                                |
| C. State and California Local Agency Obligations                                         | 30% (Code 100%)                            |
| D. Bankers Acceptances                                                                   | 30% (Code 40%)                             |
| E. Commercial Paper                                                                      | 25% (Code)                                 |
| F. Negotiable Certificates of Deposit                                                    | 30% (Code)                                 |
| G. Repurchase Agreements                                                                 | 100% (Code)                                |
| H. Corporate Securities                                                                  | 30% (Code)                                 |
| I. Money Market Funds                                                                    | 20% (Code)                                 |
| J. Joint Powers Authority Pool                                                           | 100% (Code)                                |
| K. Mortgage or Asset-backed Securities                                                   | 20% (Code)                                 |
| L. Variable and Floating Rate Securities                                                 | 30% (Code)                                 |



| INSTRUMENTS                  | MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE |
|------------------------------|--------------------------------------------|
| M. Supranational Obligations | 30% (Code)                                 |

4. Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:

a. Any one (1) Federal Agency or Government Sponsored Enterprise: None

b. Any one (1) repurchase agreement counterparty name:

If maturity/term is  $\leq 7$  days: 50%

If maturity/term is  $> 7$  days: 25%

5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.

a. Any one (1) corporation, bank, local agency, or other corporate name for one (1) or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage or asset-backed securities, the maximum ~~applies to all such securities backed by the same type of assets of the same issuer~~ issuer limits apply at the deal level.

b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the Portfolio's market value will be invested in securities of a single issuer.

6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.

a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's Treasurer and Investment Advisory consultant (if any) by close of business on the day of the occurrence.

b. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in the context of.

i. The amount in relation to the total portfolio concentration;

ii. Market and security specific conditions contributing to a breach of this Policy; and

iii. The Investment Managers' actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.

#### F. Maximum Stated Term

1. Maximum stated terms for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security.

#### G. Rating Downgrades

1. CalOptima may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this Policy.

- 1
- 2 2. If the rating of any security held as an investment falls below the investment guidelines, the
- 3 Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business
- 4 days of the downgrade.
- 5
- 6 a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or
- 7 Designee, within five (5) business days of the downgrade.
- 8

9 **H. Investment Restrictions**

- 10
- 11 1. Investment securities shall not be lent to an Investment Manager, or Broker-Dealer.
- 12
- 13 2. The Investment Portfolio or Investment Portfolios, managed by an Investment Manager, shall
- 14 not be used as collateral to obtain additional investable funds.
- 15
- 16 3. Any investment not specifically referred to herein shall be considered a prohibited investment.
- 17
- 18 4. CalOptima reserves the right to prohibit its Investment Managers from making investments in
- 19 organizations which have a line of business that conflicts with the interests of public health, as
- 20 determined by the Board of Directors.
- 21
- 22 5. CalOptima reserves the right to prohibit investments in organizations with which it has a
- 23 business relationship through contracting, purchasing, or other arrangements.
- 24
- 25 6. Except as expressly permitted by this Policy, investments in derivative securities shall not be
- 26 allowed.
- 27
- 28 7. A list of prohibited investments does not currently exist, however, the Board of Directors shall
- 29 provide CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and
- 30 Investment Advisory Committee with a list, should such a list be adopted by CalOptima in the
- 31 future, of organizations that do not comply with this Policy and shall immediately notify
- 32 CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment
- 33 Advisory Committee of any changes.
- 34

35 **IV. ATTACHMENT(S)**

36 Not Applicable

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39 **V. REFERENCE(S)**

- 40
- 41 A. California Government Code, §6509.7
- 42 B. California Government Code, §53600 et seq.
- 43 C. California Government Code, §53601(h), (k), (q)
- 44 D. California Government Code, §53635 et seq.
- 45 E. California Government Code, §53646, Subdivision (a) and Subdivision (b)
- 46 F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.
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48 **VI. REGULATORY AGENCY APPROVAL(S)**

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50 A. None to Date

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52 **VII. BOARD ACTION(S)**

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| Date       | Meeting                                                               |
|------------|-----------------------------------------------------------------------|
| 10/30/2017 | Special Meeting of the CalOptima Investment Advisory Committee        |
| 11/16/2017 | Regular Meeting of the CalOptima Finance and Audit Committee          |
| 12/07/2017 | Regular Meeting of the CalOptima Board of Directors                   |
| 11/05/2018 | Special Meeting of the CalOptima Investment Advisory Committee        |
| 11/15/2018 | Regular Meeting of the CalOptima Finance and Audit Committee          |
| 12/06/2018 | Regular Meeting of the CalOptima Board of Directors                   |
| 10/21/2019 | Regular Meeting of the CalOptima Investment Advisory Committee        |
| 11/15/2019 | Regular Meeting of the CalOptima Finance and Audit Committee          |
| 12/05/2019 | Regular Meeting of the CalOptima Board of Directors                   |
|            | <u>Regular Meeting of the CalOptima Investment Advisory Committee</u> |
|            | <u>Regular Meeting of the CalOptima Finance and Audit Committee</u>   |
|            | <u>Regular Meeting of the CalOptima Board of Directors</u>            |

## VIII. REVISION HISTORY

| Action         | Date       | Policy         | Policy Title              | Program(s)            |
|----------------|------------|----------------|---------------------------|-----------------------|
| Effective      | 01/01/2018 | GA.3400        | Annual Investments        | Administrative        |
| Revised        | 01/01/2019 | GA.3400        | Annual Investments        | Administrative        |
| Revised        | 01/01/2020 | GA.3400        | Annual Investments        | Administrative        |
| <u>Revised</u> | <u>TBD</u> | <u>GA.3400</u> | <u>Annual Investments</u> | <u>Administrative</u> |

1 IX. GLOSSARY  
2

| Term                           | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banker's Acceptance (BA)       | <p>Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:</p> <ul style="list-style-type: none"> <li>• Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard &amp; Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and</li> <li>• May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Benchmark                      | <p>Benchmarks are usually constructed using unmanaged indices, exchange-traded Funds or mutual fund categories to represent each asset class. Benchmarks are often used as a tool to assess the allocation, Risk and return of a portfolio.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Board-Designated Reserve Funds | <p>Funds established to address unexpected agency needs and not intended for use in the normal course of business. The amount of Board-Designated Reserve Funds should be offset by any working Capital or net current asset deficits. The desired level for these funds is a minimum of 1.4 and maximum of 2.0 months of capitation revenues as specified by CalOptima Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:</p> <ol style="list-style-type: none"> <li>1. Tier One <ol style="list-style-type: none"> <li>a. Used for the benefit and protection of CalOptima's long-term financial viability;</li> <li>b. Used to cover "Special Purposes" as defined in CalOptima Policy GA.3001: Board-Designated Reserve Funds;</li> </ol> or <ol style="list-style-type: none"> <li>c. May be used for operational cash flow needs in lieu of a bank line of credit in the event of disruption of monthly capitation revenue receipts from the State, subject to the Board-Designated Reserve Funds having a "floor" equal to Tier Two requirements.</li> </ol> </li> <li>2. Tier Two <ol style="list-style-type: none"> <li>a. Used to meet CalOptima's regulatory compliance requirements; or</li> <li>b. Currently defined as CalOptima's tangible net equity requirements as defined by Subdivision (e) of Section 1300.76 of Title 28 of the California Code of Regulations.</li> </ol> </li> </ol> |
| Bonds                          | <p>A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest (the coupon) and/or to repay the principal at a later date, termed the maturity date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| <b>Term</b>                       | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Broker-Dealer                     | In financial services, a Broker-Dealer is a natural person, a company or other organization that engages in the business of trading securities for its own account or on behalf of its customers.                                                                                                                                                                                                                                                                                            |
| CalOptima Treasurer               | Appointed by CalOptima's Board of Directors, the treasurer is a person responsible for overseeing CalOptima's investment funds.                                                                                                                                                                                                                                                                                                                                                              |
| Capital                           | Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.                                                                                                                                                                                                                                                                                                                                                          |
| Cash Flow Draws                   | Amount of cash needs to support CalOptima business operation.                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Chief Officers                    | For the purposes of this policy, may include, but is not limited to, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief Counsel.                                                                                                                                                                                                                                                                                                                                 |
| Collateral Securities             | A security given in addition to the direct security, and subordinate to it, intended to guarantee its validity or convertibility or insure its performance; so that, if the direct security fails, the creditor may fall back upon the collateral security.                                                                                                                                                                                                                                  |
| Commercial Paper (CP)             | Unsecured promissory notes issued by companies and government entities at a discount.                                                                                                                                                                                                                                                                                                                                                                                                        |
| Consumer Price Index (CPI)        | The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.                                                                                                                                                                                                                                                                                                                           |
| Corporate Securities              | Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.                                                                                                                                                                                                                                                                                                                          |
| Credit Risk                       | The Risk of loss due to failure of the issuer of a security.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Custodian Bank                    | A specialized financial institution responsible for safeguarding a firm's or individual's financial assets and is not engaged in "traditional" commercial or consumer/retail banking such as mortgage or personal lending, branch banking, personal accounts, automated teller machines (ATMs) and so forth.                                                                                                                                                                                 |
| Custom Peer Group Report          | Developed based on a small peer universe with similar investment guidelines. The Purpose of the report is to provide more accurate performance comparison.                                                                                                                                                                                                                                                                                                                                   |
| Designee                          | For purposes of this policy, a person who has been designated to act on behalf of the CalOptima Treasurer.                                                                                                                                                                                                                                                                                                                                                                                   |
| Economic Cycles                   | The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession).                                                                                                                                                                                                                                                                                                                                                                                    |
| Finance and Audit Committee (FAC) | A standing committee of the CalOptima Board of Directors with oversight responsibilities for all financial matters of CalOptima including but not limited to: budget development and approval, financial reporting, investment practices and policies, purchasing and procurement practices and policies, insurance issues, and capitation and claims. The Committee serves as the primary level of Board review for any finance-related issues or policies affecting the CalOptima program. |
| Inflation                         | Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.                                                                                                                                                                                                                                                                                                                                  |
| Instrument                        | Refers to a financial Instrument or asset that can be traded. These assets can be cash, Bonds, or shares in a company                                                                                                                                                                                                                                                                                                                                                                        |
| Investment Advisor(s)             | Registered or non-registered person or group that makes investment recommendations or conducts securities analysis in return for a fee.                                                                                                                                                                                                                                                                                                                                                      |

| <b>Term</b>                                                    | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Advisory Committee (IAC)                            | A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding CalOptima's Investment Policies, Procedures and Practices..                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Investment Manager(s)                                          | A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.                                                                                                                                                                                                                                                                                                                                                                                                               |
| Investment Portfolio                                           | A grouping of financial assets such as stocks, Bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.                                                                                                                                                                                                                                                                                                                                              |
| Joint Powers Authority Pool                                    | Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the Underlying Pool of Securities owned by the joint powers authority.                                                                                                                                                                                                                                                                                                                                     |
| Lien                                                           | A legal right granted by the owner of property, by a law or otherwise acquired by a creditor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Liquidity                                                      | Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Market Indices                                                 | Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Market Risk                                                    | The Risk of market value fluctuations due to overall changes in the general level of interest rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Maturity Dates                                                 | The date on which the principal amount of a note, draft, acceptance bond or another debt Instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an installment loan must be paid in full.                                                                                                                                                                                                                                                                                                                                   |
| Medium Term Notes (MTN)                                        | A debt note that usually matures (is paid back) in five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (100) years. They can be issued on a fixed or floating coupon basis.                                                                                                                                                                                                                                                                                                                                                                               |
| Nationally Recognized Statistical Ratings Organization (NRSRO) | A credit rating agency that the Securities and Exchange Commission in the United States registers and uses for regulatory purposes. Current NRSROs listed at <a href="http://www.sec.gov/ocr/ocr-current-nrsros.html">www.sec.gov/ocr/ocr-current-nrsros.html</a> .                                                                                                                                                                                                                                                                                                                                   |
| Negotiable Certificates of Deposit                             | A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution, for a fixed time and interest rate.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Operating Funds                                                | Funds intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.                                                                                                                                                                 |
| Prudent Person Standard                                        | When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the Liquidity needs of the agency (California Government Code, Section 53600.3) |

| <b>Term</b>                                   | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rate of Return                                | The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost. Gains on investments are defined as income received plus any Capital gains realized on the sale of the investment.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Rating Category                               | With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Repurchase Agreements                         | A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Risk                                          | Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.                                                                                                                                                                                                                                                                                                                                                       |
| State and California Local Agency Obligations | Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency. |
| Supranational Institutions                    | International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Surplus                                       | Assets beyond liabilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Underlying Pool of Securities                 | Those securities and obligations that are eligible for direct investment by local public agencies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Valuation                                     | An estimation of the worth of a financial Instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the Valuation of each financial Instrument that they own on behalf of CalOptima. Each asset manager uses a variety of market sources to determine individual Valuations.                                                                                                                                                                                                                                                                                                                                         |



Policy: GA.3400  
Title: **Annual Investments**  
Department: CalOptima Administrative  
Section: Finance

*CEO Approval:*

Effective Date: 01/01/2018  
Revised Date: TBD

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.

## II. POLICY

A. CalOptima investments may only be made as authorized by this Policy.

1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large Capital losses are avoided from securities or Broker-Dealer default.
  - a. CalOptima shall seek to ensure that Capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of Risk: Credit Risk and Market Risk.
    - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the Investment Portfolio, in accordance with this Policy.
    - ii. Market Risk shall be mitigated by matching Maturity Dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
  - b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.



- 1 3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that  
2 each portfolio contain investments for which there is a secondary market and which offer the  
3 flexibility to be easily sold at any time with minimal Risk of loss of either the principal or  
4 interest based upon then prevailing rates.  
5  
6 4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average  
7 Rate of Return through Economic Cycles given an acceptable level of Risk, established by the  
8 Board of Directors' and the CalOptima Treasurer's objectives.  
9  
10 a. The performance Benchmark for each Investment Portfolio shall be based upon published  
11 Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for  
12 short-term investments of comparable Risk and duration.  
13  
14 i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and  
15 quarterly by CalOptima's Treasurer and the Investment Advisory Committee members  
16 and shall be reported to the Board of Directors.  
17  
18 B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting  
19 as the agent of CalOptima under the terms of a custody agreement in compliance with California  
20 Government Code, Section 53608.  
21  
22 C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other  
23 than themselves) or financial institutions in compliance with California Government Code, Section  
24 53601.5 and this Policy.  
25  
26 D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima  
27 (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined  
28 in the Code, which shall be applied in the context of managing an overall portfolio.  
29  
30 E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members  
31 involved in the investment process shall refrain from personal and professional business activities  
32 that could conflict with the proper execution of the investment program, or which could impair their  
33 ability to fulfill their roles in the investment process.  
34  
35 1. CalOptima's Officers and employees involved in the investment process are not permitted to  
36 have any material financial interests in financial institutions, including state or federal credit  
37 unions, that conduct business with CalOptima, and are not permitted to have any personal  
38 financial, or investment holdings, that could be materially related to the performance of  
39 CalOptima's investments.  
40  
41 F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for  
42 review and adoption by the Board, to ensure that all investments made are following this Policy.  
43  
44 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to  
45 California Government Code, Section 53646, Subdivision (a).  
46  
47 2. This policy may only be changed by the Board of Directors.  
48

### 49 **III. PROCEDURE**

#### 50 **A. Delegation of Authority**

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1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.
  - a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.
    - i. The Board of Directors may renew the delegation of authority annually.
  - b. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by CalOptima's Treasurer.

#### B. CalOptima Treasurer Responsibilities

1. The Treasurer shall be responsible for:
  - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board-approved Investment Managers;
  - b. The oversight of CalOptima's Investment Portfolio;
  - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
  - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
2. The Treasurer shall also be responsible for ensuring that:
  - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
  - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
    - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause or other appropriate remedies or sanctions, as determined by the Board of Directors.
  - c. Investment diversification and portfolio performance is reviewed monthly to ensure that Risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
  - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

#### C. Investment Advisory Committee

1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any particular investment, purchase any particular investment product, or conduct business with any particular investment companies, or brokers.

- 1 a. It shall not be the purpose of the Investment Advisory Committee to advise on particular  
2 investment decisions of CalOptima.  
3
- 4 2. The Investment Advisory Committee shall be responsible for the following functions:  
5
- 6 a. Annual review of this Policy before its consideration by the Board of Directors and revision  
7 recommendations, as necessary, to the Finance and Audit Committee of the Board of  
8 Directors.  
9
- 10 b. Quarterly review of CalOptima's Investment Portfolio for conformance with this Policy's  
11 diversification and maturity guidelines, and recommendations to the Finance and Audit  
12 Committee of the Board of Directors, as appropriate.  
13
- 14 c. Provision of comments to CalOptima's staff regarding potential investments and potential  
15 investment strategies.  
16
- 17 d. Performance of such additional duties and responsibilities pertaining to CalOptima's  
18 investment program as may be required from time to time by specific action and direction  
19 of the Board of Directors.  
20
- 21 D. Permitted Investments  
22
- 23 1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations  
24 of this Policy.  
25
- 26 a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to  
27 a maximum stated term of two (2) years. Note that the Code allows for up to five (5) years.  
28
- 29 b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise  
30 specified, are subject to a maximum stated term of five (5) years. Note that the Code allows  
31 for up to five (5) years.  
32
- 33 c. Private placement (144a) securities are prohibited.  
34
- 35 d. The Board of Directors must grant express written authority to make an investment, or to  
36 establish an investment program, of a longer term.  
37
- 38 2. Permitted investments shall include:  
39
- 40 a. U.S. Treasuries  
41
- 42 i. These investments are direct obligations of the United States of America and securities  
43 which are fully and unconditionally guaranteed as to the timely payment of principal  
44 and interest by the full faith and credit of the United States of America.  
45
- 46 ii. U.S. Government securities include:  
47
- 48 a) Treasury Bills: U.S. Government securities issued and traded at a discount;  
49
- 50 b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S.  
51 Government which guarantees interest and principal payments;  
52

- c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;
  - d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or Bonds, that offer protection from Inflation. Coupon payments and underlying principal are automatically increased to compensate for Inflation, as measured by the Consumer Price Index (CPI); and
  - e) Treasury Floating Rate Notes (FRNs): U.S. Treasury Bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.
  - iv. Maximum Term:

| Fund Type                                                                                                               | Term Assigned      | Term Allowed by the Code |
|-------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| Operating Funds                                                                                                         | 2 years            | 5 years                  |
| Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul> | 5 years<br>5 years | 5 years<br>5 years       |

- b. Federal Agencies and U.S. Government Sponsored Enterprises
  - i. These investments represent obligations, participations, or other Instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
  - ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
    - a) Federal Home Loan Banks (FHLB);
    - b) Federal Home Loan Mortgage Corporation (FHLMC);
    - c) Federal National Mortgage Association (FNMA);
    - d) Federal Farm Credit Banks (FFCB);
    - e) Government National Mortgage Association (GNMA);
    - f) Small Business Administration (SBA);
    - g) Export-Import Bank of the United States;
    - h) U.S. Maritime Administration;
    - i) Washington Metro Area Transit Authority (WMATA);

- j) U.S. Department of Housing & Urban Development;
- k) Tennessee Valley Authority;
- l) Federal Agricultural Mortgage Company (FAMC);
- m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

- iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

c. State and California Local Agency Obligations

- i. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or equivalent or better for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public agency Bonds issued for private purposes (e.g., industrial development Bonds) are specifically excluded as permitted investments.

ii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

d. Banker's Acceptances

- i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the Banker's Acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:
  - a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

ii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 180 days      | 180 days                 |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 180 days      | 180 days                 |
| ▪ Tier Two (2)                 | 180 days      | 180 days                 |

e. Commercial Paper (CP)

- i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:
- a) CP of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO);
  - b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):
    - (1) The entity meets the following criteria:
      - (A) Is organized and operating in the United States as a general corporation.
      - (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
      - (C) Has debt other than commercial paper, if any, that is rated in a Rating Category of “A” or its equivalent or higher by an NRSRO.
    - (2) The entity meets the following criteria:
      - (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      - (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
      - (C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO; and
  - c) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

ii. Maximum Term:

| Fund Type       | Term Assigned | Term Allowed by the Code |
|-----------------|---------------|--------------------------|
| Operating Funds | 270 days      | 270 days                 |

|                                |          |          |
|--------------------------------|----------|----------|
| Board-Designated Reserve Funds |          |          |
| ▪ Tier One (1)                 | 270 days | 270 days |
| ▪ Tier Two (2)                 | 270 days | 270 days |

f. Negotiable Certificates of Deposit

- i. Negotiable Certificates of Deposit must be issued by a Nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

ii. Maximum Term:

| <b>Fund Type</b>               | <b>Term Assigned</b> | <b>Term Allowed by the Code</b> |
|--------------------------------|----------------------|---------------------------------|
| Operating Funds                | 1 year               | 5 years                         |
| Board-Designated Reserve Funds |                      |                                 |
| ▪ Tier One (1)                 | 1 year               | 5 years                         |
| ▪ Tier Two (2)                 | 1 year               | 5 years                         |

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary Broker-Dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by Fitch Ratings Service provided:
- A Broker-Dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
  - The securities are held free and clear of any Lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined Capital, Surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any Lien, as agent for CalOptima's custodian;
  - A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
  - The Agent will notify CalOptima's custodian and CalOptima if the Valuation of the Collateral Securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the Collateral Securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such Valuation.



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ii. Maximum Term:

| Fund Type                                                                                                        | Term Assigned      | Term Allowed by the Code |
|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| Operating Funds                                                                                                  | 30 days            | 1 year                   |
| Board-Designated Reserve Funds <ul style="list-style-type: none"><li>Tier One (1)</li><li>Tier Two (2)</li></ul> | 30 days<br>30 days | 1 year<br>1 year         |

iii. Reverse Repurchase Agreements are not allowed.

h. Corporate Securities

- i. For the purpose of this Policy, permissible Corporate Securities shall be rated in a Rating Category of "A" or its equivalent or better by an NRSRO and:
- a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
  - b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to CP, i.e., Medium Term Notes (MTNs).

ii. Maximum Term:

| Fund Type                                                                                                        | Term Assigned      | Term Allowed by the Code |
|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| Operating Funds                                                                                                  | 2 years            | 5 years                  |
| Board-Designated Reserve Funds <ul style="list-style-type: none"><li>Tier One (1)</li><li>Tier Two (2)</li></ul> | 5 years<br>5 years | 5 years<br>5 years       |

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i. Money Market Funds

- i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):
- a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
  - b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

j. Joint Powers Authority Pool

- i. A joint powers authority formed pursuant to California Government Code; Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:



- a) Registered or exempt from registration with the Securities and Exchange Commission;
  - b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and
  - c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
  - iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.
  - iv. Maximum Term:

| <b>Fund Type</b>               | <b>Term Assigned</b> | <b>Term Allowed by the Code</b> |
|--------------------------------|----------------------|---------------------------------|
| Operating Funds                | Not Applicable       | Not Applicable                  |
| Board-Designated Reserve Funds |                      |                                 |
| ▪ Tier One (1)                 | Not Applicable       | Not Applicable                  |
| ▪ Tier Two (2)                 | Not Applicable       | Not Applicable                  |

k. Mortgage or Asset-backed Securities

- i. Pass-through securities are Instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.
- ii. Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt Instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.
- iii. Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:
  - a) Are rated AA or better- or equivalent.

iv. Maximum Term:

| <b>Fund Type</b>               | <b>Term Assigned</b>          | <b>Term Allowed by the Code</b> |
|--------------------------------|-------------------------------|---------------------------------|
| Operating Funds                | 2 years                       | 5 years                         |
| Board-Designated Reserve Funds |                               |                                 |
| ▪ Tier One (1)                 | 5 years stated final maturity | 5 years                         |
| ▪ Tier Two (2)                 | 5 years stated final maturity | 5 years                         |

l. Variable and Floating Rate Securities

- i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce Risk.
  - a) They should have the same stability, Liquidity, and quality as traditional money market securities.
  - b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.
  - c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that pre-determined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.
- ii. Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and California Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, federal funds, CP, London Interbank Offered Rate (LIBOR), the Secured Overnight Financing Rate (SOFR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security.
  - a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.
  - b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.
  - c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.

iii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

m. Supranational Obligations

- i. The three (3) Supranational Institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
  - a) International Bank for Reconstruction and Development (IBRD);
  - b) International Finance Corporation (IFC); and

c) Inter-American Development Bank (IADB).

ii. Supranational obligations shall be rated in a Rating Category of “AA” or its equivalent or better by a Nationally Statistical Rating Organization (NRSRO).

iii. Maximum Term:

| Fund Type                      | Term Assigned | Term Allowed by the Code |
|--------------------------------|---------------|--------------------------|
| Operating Funds                | 2 years       | 5 years                  |
| Board-Designated Reserve Funds |               |                          |
| ▪ Tier One (1)                 | 5 years       | 5 years                  |
| ▪ Tier Two (2)                 | 5 years       | 5 years                  |

n. Pooled Investments

i. Pooled investments include deposits, or investments pooled with those of other local agencies consistent with the requirements of California Government Code, Section 53635 et seq. Such pools may contain a variety of investments but are limited to those permissible under the Code.

#### E. Diversification Guidelines

1. Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one (1) type, industry, or entity, thereby assuring adequate portfolio Liquidity should one (1) sector or company experience difficulties.
2. CalOptima’s Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima’s diversification guidelines on a continuous basis.
3. *Table 1: Maximum Percentage (%) of Investment Portfolio, by Instrument Type*

| INSTRUMENTS                                                                              | MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE |
|------------------------------------------------------------------------------------------|--------------------------------------------|
| A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPS) | 100% (Code)                                |
| B. Federal Agencies and U.S. Government Sponsored Enterprises                            | 100% (Code)                                |
| C. State and California Local Agency Obligations                                         | 30% (Code 100%)                            |
| D. Bankers Acceptances                                                                   | 30% (Code 40%)                             |
| E. Commercial Paper                                                                      | 25% (Code)                                 |
| F. Negotiable Certificates of Deposit                                                    | 30% (Code)                                 |
| G. Repurchase Agreements                                                                 | 100% (Code)                                |
| H. Corporate Securities                                                                  | 30% (Code)                                 |
| I. Money Market Funds                                                                    | 20% (Code)                                 |
| J. Joint Powers Authority Pool                                                           | 100% (Code)                                |
| K. Mortgage or Asset-backed Securities                                                   | 20% (Code)                                 |
| L. Variable and Floating Rate Securities                                                 | 30% (Code)                                 |
| M. Supranational Obligations                                                             | 30% (Code)                                 |

- 1 4. Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be  
2 adhered to on the basis of the entire portfolio:  
3  
4 a. Any one (1) Federal Agency or Government Sponsored Enterprise: None  
5  
6 b. Any one (1) repurchase agreement counterparty name:  
7  
8 If maturity/term is  $\leq 7$  days: 50%  
9 If maturity/term is  $> 7$  days: 25%  
10  
11 5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described  
12 in Section III.D.2.a-n. of this Policy.  
13  
14 a. Any one (1) corporation, bank, local agency, or other corporate name for one (1) or more  
15 series of securities, and specifically with respect to special purpose vehicles issuers for  
16 mortgage or asset-backed securities, the maximum issuer limits apply at the deal level.  
17  
18 b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the  
19 Portfolio's market value will be invested in securities of a single issuer.  
20  
21 6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.  
22  
23 a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment  
24 Manager shall inform CalOptima's Treasurer and Investment Advisory consultant (if any)  
25 by close of business on the day of the occurrence.  
26  
27 b. Within the parameters authorized by the Code, the Investment Advisory Committee  
28 recognizes the practicalities of portfolio management, securities maturing and changing  
29 status, and market volatility, and, as such, will consider breaches in the context of.  
30  
31 i. The amount in relation to the total portfolio concentration;  
32  
33 ii. Market and security specific conditions contributing to a breach of this Policy; and  
34  
35 iii. The Investment Managers' actions to enforce the spirit of this Policy and decisions  
36 made in the best interest of the portfolio.  
37

38 F. Maximum Stated Term

- 39  
40 1. Maximum stated terms for permitted investments shall be determined based on the settlement  
41 date (not the trade date) upon purchase of the security and the stated final maturity of the  
42 security.  
43

44 G. Rating Downgrades

- 45  
46 1. CalOptima may from time to time be invested in a security whose rating is downgraded below  
47 the quality criteria permitted by this Policy.  
48  
49 2. If the rating of any security held as an investment falls below the investment guidelines, the  
50 Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business  
51 days of the downgrade.  
52

- 1 a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or  
2 Designee, within five (5) business days of the downgrade.  
3

4 **H. Investment Restrictions**

- 5  
6 1. Investment securities shall not be lent to an Investment Manager, or Broker-Dealer.  
7  
8 2. The Investment Portfolio or Investment Portfolios, managed by an Investment Manager, shall  
9 not be used as collateral to obtain additional investable funds.  
10  
11 3. Any investment not specifically referred to herein shall be considered a prohibited investment.  
12  
13 4. CalOptima reserves the right to prohibit its Investment Managers from making investments in  
14 organizations which have a line of business that conflicts with the interests of public health, as  
15 determined by the Board of Directors.  
16  
17 5. CalOptima reserves the right to prohibit investments in organizations with which it has a  
18 business relationship through contracting, purchasing, or other arrangements.  
19  
20 6. Except as expressly permitted by this Policy, investments in derivative securities shall not be  
21 allowed.  
22  
23 7. A list of prohibited investments does not currently exist, however, the Board of Directors shall  
24 provide CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and  
25 Investment Advisory Committee with a list, should such a list be adopted by CalOptima in the  
26 future, of organizations that do not comply with this Policy and shall immediately notify  
27 CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment  
28 Advisory Committee of any changes.  
29

30 **IV. ATTACHMENT(S)**

31 Not Applicable  
32  
33

34 **V. REFERENCE(S)**

- 35  
36 A. California Government Code, §6509.7  
37 B. California Government Code, §53600 et seq.  
38 C. California Government Code, §53601(h), (k), (q)  
39 D. California Government Code, §53635 et seq.  
40 E. California Government Code, §53646, Subdivision (a) and Subdivision (b)  
41 F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.  
42

43 **VI. REGULATORY AGENCY APPROVAL(S)**

- 44  
45 A. None to Date  
46

47 **VII. BOARD ACTION(S)**

48

| Date       | Meeting                                                        |
|------------|----------------------------------------------------------------|
| 10/30/2017 | Special Meeting of the CalOptima Investment Advisory Committee |
| 11/16/2017 | Regular Meeting of the CalOptima Finance and Audit Committee   |
| 12/07/2017 | Regular Meeting of the CalOptima Board of Directors            |
| 11/05/2018 | Special Meeting of the CalOptima Investment Advisory Committee |

|            |                                                                |
|------------|----------------------------------------------------------------|
| 11/15/2018 | Regular Meeting of the CalOptima Finance and Audit Committee   |
| 12/06/2018 | Regular Meeting of the CalOptima Board of Directors            |
| 10/21/2019 | Regular Meeting of the CalOptima Investment Advisory Committee |
| 11/15/2019 | Regular Meeting of the CalOptima Finance and Audit Committee   |
| 12/05/2019 | Regular Meeting of the CalOptima Board of Directors            |
|            | Regular Meeting of the CalOptima Investment Advisory Committee |
|            | Regular Meeting of the CalOptima Finance and Audit Committee   |
|            | Regular Meeting of the CalOptima Board of Directors            |

## VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title       | Program(s)     |
|-----------|------------|---------|--------------------|----------------|
| Effective | 01/01/2018 | GA.3400 | Annual Investments | Administrative |
| Revised   | 01/01/2019 | GA.3400 | Annual Investments | Administrative |
| Revised   | 01/01/2020 | GA.3400 | Annual Investments | Administrative |
| Revised   | TBD        | GA.3400 | Annual Investments | Administrative |

1 IX. GLOSSARY  
2

| Term                           | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banker's Acceptance (BA)       | <p>Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:</p> <ul style="list-style-type: none"> <li>• Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard &amp; Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and</li> <li>• May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Benchmark                      | <p>Benchmarks are usually constructed using unmanaged indices, exchange-traded Funds or mutual fund categories to represent each asset class. Benchmarks are often used as a tool to assess the allocation, Risk and return of a portfolio.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Board-Designated Reserve Funds | <p>Funds established to address unexpected agency needs and not intended for use in the normal course of business. The amount of Board-Designated Reserve Funds should be offset by any working Capital or net current asset deficits. The desired level for these funds is a minimum of 1.4 and maximum of 2.0 months of capitation revenues as specified by CalOptima Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:</p> <ol style="list-style-type: none"> <li>1. Tier One <ol style="list-style-type: none"> <li>a. Used for the benefit and protection of CalOptima's long-term financial viability;</li> <li>b. Used to cover "Special Purposes" as defined in CalOptima Policy GA.3001: Board-Designated Reserve Funds;</li> </ol> or <ol style="list-style-type: none"> <li>c. May be used for operational cash flow needs in lieu of a bank line of credit in the event of disruption of monthly capitation revenue receipts from the State, subject to the Board-Designated Reserve Funds having a "floor" equal to Tier Two requirements.</li> </ol> </li> <li>2. Tier Two <ol style="list-style-type: none"> <li>a. Used to meet CalOptima's regulatory compliance requirements; or</li> <li>b. Currently defined as CalOptima's tangible net equity requirements as defined by Subdivision (e) of Section 1300.76 of Title 28 of the California Code of Regulations.</li> </ol> </li> </ol> |
| Bonds                          | <p>A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest (the coupon) and/or to repay the principal at a later date, termed the maturity date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| <b>Term</b>                       | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Broker-Dealer                     | In financial services, a Broker-Dealer is a natural person, a company or other organization that engages in the business of trading securities for its own account or on behalf of its customers.                                                                                                                                                                                                                                                                                            |
| CalOptima Treasurer               | Appointed by CalOptima's Board of Directors, the treasurer is a person responsible for overseeing CalOptima's investment funds.                                                                                                                                                                                                                                                                                                                                                              |
| Capital                           | Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.                                                                                                                                                                                                                                                                                                                                                          |
| Cash Flow Draws                   | Amount of cash needs to support CalOptima business operation.                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Chief Officers                    | For the purposes of this policy, may include, but is not limited to, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief Counsel.                                                                                                                                                                                                                                                                                                                                 |
| Collateral Securities             | A security given in addition to the direct security, and subordinate to it, intended to guarantee its validity or convertibility or insure its performance; so that, if the direct security fails, the creditor may fall back upon the collateral security.                                                                                                                                                                                                                                  |
| Commercial Paper (CP)             | Unsecured promissory notes issued by companies and government entities at a discount.                                                                                                                                                                                                                                                                                                                                                                                                        |
| Consumer Price Index (CPI)        | The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.                                                                                                                                                                                                                                                                                                                           |
| Corporate Securities              | Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.                                                                                                                                                                                                                                                                                                                          |
| Credit Risk                       | The Risk of loss due to failure of the issuer of a security.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Custodian Bank                    | A specialized financial institution responsible for safeguarding a firm's or individual's financial assets and is not engaged in "traditional" commercial or consumer/retail banking such as mortgage or personal lending, branch banking, personal accounts, automated teller machines (ATMs) and so forth.                                                                                                                                                                                 |
| Custom Peer Group Report          | Developed based on a small peer universe with similar investment guidelines. The Purpose of the report is to provide more accurate performance comparison.                                                                                                                                                                                                                                                                                                                                   |
| Designee                          | For purposes of this policy, a person who has been designated to act on behalf of the CalOptima Treasurer.                                                                                                                                                                                                                                                                                                                                                                                   |
| Economic Cycles                   | The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession).                                                                                                                                                                                                                                                                                                                                                                                    |
| Finance and Audit Committee (FAC) | A standing committee of the CalOptima Board of Directors with oversight responsibilities for all financial matters of CalOptima including but not limited to: budget development and approval, financial reporting, investment practices and policies, purchasing and procurement practices and policies, insurance issues, and capitation and claims. The Committee serves as the primary level of Board review for any finance-related issues or policies affecting the CalOptima program. |
| Inflation                         | Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.                                                                                                                                                                                                                                                                                                                                  |
| Instrument                        | Refers to a financial Instrument or asset that can be traded. These assets can be cash, Bonds, or shares in a company                                                                                                                                                                                                                                                                                                                                                                        |
| Investment Advisor(s)             | Registered or non-registered person or group that makes investment recommendations or conducts securities analysis in return for a fee.                                                                                                                                                                                                                                                                                                                                                      |



| <b>Term</b>                                                    | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Advisory Committee (IAC)                            | A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding CalOptima's Investment Policies, Procedures and Practices.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Investment Manager(s)                                          | A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.                                                                                                                                                                                                                                                                                                                                                                                                               |
| Investment Portfolio                                           | A grouping of financial assets such as stocks, Bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.                                                                                                                                                                                                                                                                                                                                              |
| Joint Powers Authority Pool                                    | Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the Underlying Pool of Securities owned by the joint powers authority.                                                                                                                                                                                                                                                                                                                                     |
| Lien                                                           | A legal right granted by the owner of property, by a law or otherwise acquired by a creditor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Liquidity                                                      | Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Market Indices                                                 | Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Market Risk                                                    | The Risk of market value fluctuations due to overall changes in the general level of interest rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Maturity Dates                                                 | The date on which the principal amount of a note, draft, acceptance bond or another debt Instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an installment loan must be paid in full.                                                                                                                                                                                                                                                                                                                                   |
| Medium Term Notes (MTN)                                        | A debt note that usually matures (is paid back) in five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (100) years. They can be issued on a fixed or floating coupon basis.                                                                                                                                                                                                                                                                                                                                                                               |
| Nationally Recognized Statistical Ratings Organization (NRSRO) | A credit rating agency that the Securities and Exchange Commission in the United States registers and uses for regulatory purposes. Current NRSROs listed at <a href="http://www.sec.gov/ocr/ocr-current-nrsros.html">www.sec.gov/ocr/ocr-current-nrsros.html</a> .                                                                                                                                                                                                                                                                                                                                   |
| Negotiable Certificates of Deposit                             | A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution, for a fixed time and interest rate.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Operating Funds                                                | Funds intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.                                                                                                                                                                 |
| Prudent Person Standard                                        | When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the Liquidity needs of the agency (California Government Code, Section 53600.3) |

| <b>Term</b>                                   | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rate of Return                                | The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost. Gains on investments are defined as income received plus any Capital gains realized on the sale of the investment.                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Rating Category                               | With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Repurchase Agreements                         | A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Risk                                          | Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.                                                                                                                                                                                                                                                                                                                                                       |
| State and California Local Agency Obligations | Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency. |
| Supranational Institutions                    | International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Surplus                                       | Assets beyond liabilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Underlying Pool of Securities                 | Those securities and obligations that are eligible for direct investment by local public agencies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Valuation                                     | An estimation of the worth of a financial Instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the Valuation of each financial Instrument that they own on behalf of CalOptima. Each asset manager uses a variety of market sources to determine individual Valuations.                                                                                                                                                                                                                                                                                                                                         |

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

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

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Actions**

Recommend Board of Directors approval of proposed revisions to the following Finance policies:

1. CalOptima Policy FF.1006: Financial Risk Arrangement;
2. CalOptima Policy FF.1009: Health-based Risk Adjusted Capitation Payment System; and
3. CalOptima Policy FF.3002: Financial Oversight.
4. CalOptima Policy FF.1010: Shared Risk Pool

#### **Background**

CalOptima establishes new or modifies existing policies and procedures to implement federal and state laws, regulations, contracts and business practices. In addition, CalOptima staff performs an annual policy review to update internal policies and procedures to ensure compliance with applicable requirements.

#### **Discussion**

Staff recommends revisions to the following CalOptima policies:

- *CalOptima Policy FF.1006: Financial Risk Arrangement.* This policy describes the process by which CalOptima ensures that financial risk arrangements in Hospital Risk Pool Arrangements and Other Risk Arrangements are fair, equitable and appropriate for members assigned to a Physician-Hospital Consortium (PHC) health network. CalOptima staff recommends revisions to this policy pursuant to the CalOptima annual review process to ensure alignment with current operations and regulatory requirements. In the proposed update, CalOptima staff clarified the risk settlement submission deadline, as well as when the risk pool arrangements are required to be submitted for review.
- *CalOptima Policy FF.1009: Health-based Risk Adjusted Capitation Payment System.* This policy outlines the process by which CalOptima adjusts capitation payments to a health network based on the health status of the member population assigned to that health network. CalOptima staff recommends revisions to this policy pursuant to the CalOptima annual review process to ensure alignment with current operations and regulatory requirements. CalOptima staff recommends incorporating clarifying language regarding member risk scores and health network risk factors, adding Affordable Care Act Expansion as a covered Aid Category effective July 1, 2020, and updating months of services used in calculations.

- *CalOptima Policy FF.3002: Financial Oversight.* This policy outlines the process by which CalOptima monitors a health network's financial position and financial security reserves to ensure contract compliance and financial integrity. CalOptima staff recommends revising this policy pursuant to the CalOptima annual review process to incorporate relevant definitions and ensure alignment with current operations and regulatory requirements. CalOptima staff added recommends adding language clarifying that the fixed deposit of \$50,000 applies to all lines of business.
- *CalOptima Policy FF.1010: Shared Risk Pool.* This policy outlines the process for CalOptima's administration of the shared risk pool with a shared risk group (SRG). CalOptima staff revised this policy pursuant to the CalOptima annual review process to ensure alignment with current operations and regulatory requirements. CalOptima staff incorporated clarifying language regarding the management and reporting of money related to shared risk. CalOptima Finance staff coordinated with CalOptima Contracting staff to ensure SRG contracts are updated concurrently to reflect the changes in this policy. Staff also intends to seek authority from the Board in June to amend CalOptima's Medi-Cal shared risk group contracts to be consistent with these proposed policy changes.

During Calendar Year 2020, CalOptima staff plans to re-evaluate the financial security reserves and capitation withholds processes for each line of business and health network contract type and will return to the Board with further recommendations in the future.

### **Fiscal Impact**

There is no fiscal impact.

### **Rationale for Recommendation**

The recommended action is intended to keep CalOptima Finance policies in alignment with regulatory guidance and operational practices.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. CalOptima Policy FF.1006: Financial Risk Arrangement (redlined and clean)
2. CalOptima Policy FF.1009: Health-based Risk Adjusted Capitation Payment System (redlined and clean)
3. CalOptima Policy FF.3002: Financial Oversight (redlined and clean)
4. CalOptima Policy FF.1010: Shared Risk Pool (redlined and clean)

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**Date**



Policy #: FF.1006  
Title: **Financial Risk Arrangement**  
Department: Finance  
Section: Not Applicable

CEO Approval: Michael Schrader

Effective Date: 09/01/02  
~~Last Review Date:~~ 07/01/18  
~~Last Revised Date:~~ TBD

Applicable to: ☒ Medi-Cal  
☒ OneCare Connect

## I. PURPOSE

This policy describes the process by which CalOptima ensures that financial risk arrangements set forth in **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are fair, equitable, and appropriately reward **Providers** for cost-effective, high quality services to **Members** assigned to a **Physician Hospital Consortium (PHC)**.

## II. POLICY

### A. Hospital Risk Pool Arrangements

1. If CalOptima requires a **PHC** to establish a **Hospital Risk Pool Arrangement**, the **PHC** shall do so pursuant to the terms and conditions of this Policy.
2. A **PHC** shall establish a hospital risk pool funded by hospital capitation dollars paid by CalOptima.
3. A **Primary Physician Group** shall be entitled to a minimum of fifty percent (50%) of any hospital risk pool surplus.
4. A **Primary Physician Group's** downside risk shall be limited to five percent (5%) of the **Primary Physician Group's** total **Capitation Payment**.
5. CalOptima shall ensure **PHC** compliance with **Hospital Risk Pool Arrangements** and may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima policies HH.2002Δ: **Sanctions** and HH.2005Δ: **Corrective Action Plan**.

### B. All **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** developed by a **PHC** shall comply with the following:

1. A **PHC** shall design **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** primarily to create incentives for **Providers**;
2. A **PHC** shall facilitate a common understanding and high level of trust between the various parties of **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** and shall make such **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** as administratively simple as possible;

3. A **PHC** shall ensure that **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are compliant with federal and state law;
  4. A **PHC** shall not structure **Hospital Risk Pool Arrangements** or **Other Risk Arrangements** to deny or limit access or jeopardize quality of care;
  5. A **PHC** shall ensure that each contracting **Provider** has the administrative and financial capacity to meet its contractual obligations; and
  6. A **PHC** shall have a mechanism to detect and correct under-service by an at-risk **Provider**, including possible underutilization of specialist services and preventive health care services.
- C. A **PHC** shall ensure that **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are agreed to by written contract and signed by all parties, and shall submit signed **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** to CalOptima ~~in accordance with Section III.C of this Policy~~ and its Contracted Vendor upon initial set-up, following subsequent revisions, and upon request.
- D. CalOptima or its Contracted Vendor shall review and provide comments, as necessary, on the appropriateness of a **PHC's Hospital Risk Pool Arrangements** and **Other Risk Arrangements** pursuant to the terms and conditions of this Policy.

### III. PROCEDURE

- A. A **PHC** shall document a **Hospital Risk Pool Arrangement** in a risk pool agreement. The risk pool agreement shall be agreed to, and signed by, both the **Primary Physician Group** and **Primary Hospital**, and shall delineate the following minimum provisions:
1. Risk pool funding sources (i.e., hospital **Capitation Payments**, reinsurance recoveries, coordination of benefit collections);
  2. Services that are debited against the risk pool;
  3. Valuation of services debited against the risk pool;
  4. Surplus sharing;
  5. Deficit sharing;
  6. Calculation period and settlements; and
  7. Dispute resolution.
- B. Calculations and settlements related to **Hospital Risk Pool Arrangements**
1. A **PHC** shall perform risk pool settlement calculations on a quarterly basis, and shall obtain signatures from the **Primary Physician Group**, **Primary Hospital**, and any other participating entities on the calculations.

2. A **PHC** shall provide copies of all quarterly or other interim settlement calculations to CalOptima or its Contracted Vendor as requested during any annual financial audits and/or reviews.
3. A **PHC** shall calculate final annual settlements for a given contract year, acquire signatures from representatives of the applicable parties participating entities, issue payment per the timeline defined in the Hospital Risk Pool Arrangement, and submit the final annual settlements and proof of the payments to CalOptima or its Contracted Vendor within one hundred eighty (180) calendar days following the end of the applicable contract year as part of the annual review of the PHC's Medical Loss Ratio calculation.

C. Written communication to a **Provider** regarding **Other Risk Arrangements**

1. A **PHC** shall provide clear, written communication to a **Provider** regarding **Other Risk Arrangements** and any risk pool settlements.
2. A **PHC** shall provide a **Provider** with a copy of the risk pool settlement calculation, and
  - a. The calculation of the **Provider's** particular risk pool dollar share amount; or
  - b. A written explanation as to why the **Provider** is not eligible for a distribution under the **Other Risk Arrangement**.

D. CalOptima's oversight of **Hospital Risk Pool Arrangements** and **Other Risk Arrangements**

1. CalOptima or its Contracted Vendor shall receive and review, upon request or as part of any financial audit and/or review, all settlement calculations and payment distributions to ensure that a **PHC** is compliant with the terms of the approved **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** and the provisions of this policy.
2. If a **PHC** is non-compliant with any of the provisions in Section II of this policy, CalOptima shall require a **PHC** to submit a **Corrective Action Plan (CAP)** as appropriate, in accordance with CalOptima Policy HH.2005Δ **Corrective Action Plan**. CalOptima may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima Policy HH.2002Δ: **Sanctions**. if PHC continues to be non-compliant with any of the provisions in Section II of this policy.

IV. **ATTACHMENT(S)**

Not Applicable

V. **REFERENCE(S)**

- A. CalOptima Health Network Service Agreement
- B. CalOptima Policy HH.2002Δ: Sanctions
- C. CalOptima Policy HH.2005Δ: Corrective Action Plan
- D. Title 28, California Code of Regulations (C.C.R.), §§1300.70(b)(2)(H)(1) and (2)
- E. ~~This policy supersedes:~~
  - a. ~~CalOptima Financial Letter dated August 11, 1995: Financial issues update~~
  - b. ~~CalOptima Financial Bulletin #1: Schedule and process of capitation payments~~



- ~~c. CalOptima Financial Bulletin #2: Risk pool guidelines~~  
~~d. CalOptima Financial Bulletin #9: CalOptima survey of physician compensation~~  
~~e. CalOptima Financial Bulletin #11: Risk pool agreements and settlements~~  
~~f. CalOptima Financial Bulletin #12: Financial arrangements with subcontractors~~  
~~g. CalOptima Financial Bulletin #20: CalOptima hospital risk pool surplus withhold~~  
~~a. \_\_\_\_\_~~

## VI. REGULATORY AGENCY APPROVAL(S)

None to Date

## VII. BOARD ACTION(S)

None to Date

## VIII. ~~REVIEW~~/REVISION HISTORY

| Version        | Date       | Policy Number  | Policy Title                       | Line(s) of Business                       |
|----------------|------------|----------------|------------------------------------|-------------------------------------------|
| Effective      | 01/01/2002 | FF.1006        | Financial Risk Arrangements        | Medi-Cal                                  |
| Revised        | 03/01/2003 | FF.1006        | Financial Risk Arrangements        | Medi-Cal                                  |
| Revised        | 07/01/2007 | FF.1006        | Financial Risk Arrangements        | Medi-Cal                                  |
| Revised        | 01/01/2008 | FF.1006        | Financial Risk Arrangements        | Medi-Cal                                  |
| Revised        | 08/01/2010 | FF.1006        | Financial Risk Arrangements        | Medi-Cal                                  |
| Revised        | 09/01/2014 | FF.1006        | Financial Risk Arrangements        | Medi-Cal                                  |
| Revised        | 08/01/2016 | FF.1006        | Financial Risk Arrangements        | Medi-Cal<br>OneCare Connect               |
| Reviewed       | 05/01/2017 | FF.1006        | Financial Risk Arrangements        | Medi-Cal<br>OneCare Connect               |
| Revised        | 07/01/2018 | FF.1006        | Financial Risk Arrangements        | Medi-Cal<br>OneCare Connect               |
| <u>Revised</u> | TBD        | <u>FF.1006</u> | <u>Financial Risk Arrangements</u> | <u>Medi-Cal</u><br><u>OneCare Connect</u> |



IX. GLOSSARY

| Term                            | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aid Code                        | The two (2) character code, defined by the State of California, which identifies the aid category under which a Member is eligible to receive Medi-Cal Covered Services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Capitation Payment              | The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Capitation Rate                 | The per capita rate set by CalOptima for the delivery of Covered Services to Members based upon Aid Code, age, and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Corrective Action Plan (CAP)    | A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. FDRs and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory or contractual obligations and other requirements identified by CalOptima and its regulators.                                                                                                                                                                                              |
| Covered Services                | Those services provided in the Fee-For-Service Medi-Cal program, as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301, and Title 17, CCR, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840, which are included as Covered Services under CalOptima's Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), and speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), which shall be covered for Members not withstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| Health Network                  | A Physician Hospital Consortium (PHC), <del>Physician Medical Group (PMG)</del> physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Hospital Risk Pool Arrangements | A risk arrangement contractually required by CalOptima between a physician and hospital partner funded by hospital capitation dollars paid by CalOptima.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Member                          | <del>A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.</del> <u>An enrollee-beneficiary of a CalOptima program.</u>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Other Risk Arrangements         | A risk arrangement between Health Network partner or Health Network participants outside of a Hospital Risk Pool Arrangement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Term                                | Definition                                                                                                                                                                                                                                                                                         |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physician Hospital Consortium (PHC) | A Physician Group or Physician Groups contractually aligned with at least one (1) hospital, as described in CalOptima's Contract for Health Care Services.                                                                                                                                         |
| Primary Hospital                    | A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).                                                                                                                                                          |
| Primary Physician Group             | A physician group contracted with CalOptima on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).                                                                                                                                                  |
| Program                             | Any of CalOptima's programs including the CalOptima Medi-Cal Program, OneCare, OneCare Connect, PACE, or the Multipurpose Senior Services Program.                                                                                                                                                 |
| Provider                            | A physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory, ancillary provider, health maintenance organization, or other person or institution that furnishes Covered Services.                                                        |
| Sanction                            | An action taken by CalOptima including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs. |

For 20200521 FAC Review Only

Policy: FF.1006  
Title: **Financial Risk Arrangement**  
Department: Finance  
Section: Not Applicable

CEO Approval:

Effective Date: 09/01/02  
Revised Date: TBD

Applicable to: ☒ Medi-Cal  
☒ OneCare Connect

## I. PURPOSE

This policy describes the process by which CalOptima ensures that financial risk arrangements set forth in **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are fair, equitable, and appropriately reward **Providers** for cost-effective, high quality services to **Members** assigned to a **Physician Hospital Consortium (PHC)**.

## II. POLICY

### A. Hospital Risk Pool Arrangements

1. If CalOptima requires a **PHC** to establish a **Hospital Risk Pool Arrangement**, the **PHC** shall do so pursuant to the terms and conditions of this Policy.
2. A **PHC** shall establish a hospital risk pool funded by hospital capitation dollars paid by CalOptima.
3. A **Primary Physician Group** shall be entitled to a minimum of fifty percent (50%) of any hospital risk pool surplus.
4. A **Primary Physician Group's** downside risk shall be limited to five percent (5%) of the **Primary Physician Group's** total **Capitation Payment**.
5. CalOptima shall ensure **PHC** compliance with **Hospital Risk Pool Arrangements** and may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima policies HH.2002Δ: **Sanctions** and HH.2005Δ: **Corrective Action Plan**.

### B. All **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** developed by a **PHC** shall comply with the following:

1. A **PHC** shall design **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** primarily to create incentives for **Providers**;
2. A **PHC** shall facilitate a common understanding and high level of trust between the various parties of **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** and shall make such **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** as administratively simple as possible;

3. A **PHC** shall ensure that **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are compliant with federal and state law;
  4. A **PHC** shall not structure **Hospital Risk Pool Arrangements** or **Other Risk Arrangements** to deny or limit access or jeopardize quality of care;
  5. A **PHC** shall ensure that each contracting **Provider** has the administrative and financial capacity to meet its contractual obligations; and
  6. A **PHC** shall have a mechanism to detect and correct under-service by an at-risk **Provider**, including possible underutilization of specialist services and preventive health care services.
- C. A **PHC** shall ensure that **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** are agreed to by written contract and signed by all parties, and shall submit signed **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** to CalOptima and its Contracted Vendor upon initial set-up, following subsequent revisions, and upon request.
- D. CalOptima or its Contracted Vendor shall review and provide comments, as necessary, on the appropriateness of a **PHC's Hospital Risk Pool Arrangements** and **Other Risk Arrangements** pursuant to the terms and conditions of this Policy.

### III. PROCEDURE

- A. A **PHC** shall document a **Hospital Risk Pool Arrangement** in a risk pool agreement. The risk pool agreement shall be agreed to, and signed by, both the **Primary Physician Group** and **Primary Hospital**, and shall delineate the following minimum provisions:
1. Risk pool funding sources (i.e., hospital **Capitation Payments**, reinsurance recoveries, coordination of benefit collections);
  2. Services that are debited against the risk pool;
  3. Valuation of services debited against the risk pool;
  4. Surplus sharing;
  5. Deficit sharing;
  6. Calculation period and settlements; and
  7. Dispute resolution.
- B. Calculations and settlements related to **Hospital Risk Pool Arrangements**
1. A **PHC** shall perform risk pool settlement calculations on a quarterly basis, and shall obtain signatures from the **Primary Physician Group**, **Primary Hospital**, and any other participating entities on the calculations.
  2. A **PHC** shall provide copies of all quarterly or other interim settlement calculations to CalOptima or its Contracted Vendor as requested during any annual financial audits and/or reviews.

3. A **PHC** shall calculate annual settlements for a given contract year, acquire signatures from representatives of the participating entities, issue payment per the timeline defined in the Hospital Risk Pool Arrangement, and submit the annual settlements and proof of the payments to CalOptima or its Contracted Vendor as part of the annual review of the **PHC's** Medical Loss Ratio calculation.

C. Written communication to a **Provider** regarding **Other Risk Arrangements**

1. A **PHC** shall provide clear, written communication to a **Provider** regarding **Other Risk Arrangements** and any risk pool settlements.
2. A **PHC** shall provide a **Provider** with a copy of the risk pool settlement calculation, and
  - a. The calculation of the **Provider's** particular risk pool dollar share amount, or
  - b. A written explanation as to why the **Provider** is not eligible for a distribution under the **Other Risk Arrangement**.

D. CalOptima's oversight of **Hospital Risk Pool Arrangements** and **Other Risk Arrangements**

1. CalOptima or its Contracted Vendor shall receive and review, upon request or as part of any financial audit and/or review, all settlement calculations and payment distributions to ensure that a **PHC** is compliant with the terms of the approved **Hospital Risk Pool Arrangements** and **Other Risk Arrangements** and the provisions of this policy.
2. If a **PHC** is non-compliant with any of the provisions in Section II of this policy, CalOptima shall require a **PHC** to submit a **Corrective Action Plan (CAP)** as appropriate, in accordance with CalOptima Policy HH.2005Δ **Corrective Action Plan**. CalOptima may impose **Sanctions**, including **Capitation Payment** deductions, in accordance with CalOptima Policy HH.2002Δ: **Sanctions**, if **PHC** continues to be non-compliant with any of the provisions in Section II of this policy.

IV. **ATTACHMENT(S)**

Not Applicable

V. **REFERENCE(S)**

- A. CalOptima Health Network Service Agreement
- B. CalOptima Policy HH.2002Δ: Sanctions
- C. CalOptima Policy HH.2005Δ: Corrective Action Plan
- D. Title 28, California Code of Regulations (C.C.R.), §§1300.70(b)(2)(H)(1) and (2)
  - a.

VI. **REGULATORY AGENCY APPROVAL(S)**

None to Date

VII. **BOARD ACTION(S)**

None to Date

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## VIII. REVISION HISTORY

| Version   | Date       | Policy Number | Policy Title                | Line(s) of Business         |
|-----------|------------|---------------|-----------------------------|-----------------------------|
| Effective | 01/01/2002 | FF.1006       | Financial Risk Arrangements | Medi-Cal                    |
| Revised   | 03/01/2003 | FF.1006       | Financial Risk Arrangements | Medi-Cal                    |
| Revised   | 07/01/2007 | FF.1006       | Financial Risk Arrangements | Medi-Cal                    |
| Revised   | 01/01/2008 | FF.1006       | Financial Risk Arrangements | Medi-Cal                    |
| Revised   | 08/01/2010 | FF.1006       | Financial Risk Arrangements | Medi-Cal                    |
| Revised   | 09/01/2014 | FF.1006       | Financial Risk Arrangements | Medi-Cal                    |
| Revised   | 08/01/2016 | FF.1006       | Financial Risk Arrangements | Medi-Cal<br>OneCare Connect |
| Reviewed  | 05/01/2017 | FF.1006       | Financial Risk Arrangements | Medi-Cal<br>OneCare Connect |
| Revised   | 07/01/2018 | FF.1006       | Financial Risk Arrangements | Medi-Cal<br>OneCare Connect |
| Revised   | TBD        | FF.1006       | Financial Risk Arrangements | Medi-Cal<br>OneCare Connect |

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1 IX. GLOSSARY  
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| Term                                | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aid Code                            | The two (2) character code, defined by the State of California, which identifies the aid category under which a Member is eligible to receive Medi-Cal Covered Services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Capitation Payment                  | The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Capitation Rate                     | The per capita rate set by CalOptima for the delivery of Covered Services to Members based upon Aid Code, age, and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Corrective Action Plan (CAP)        | A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. FDRs and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory or contractual obligations and other requirements identified by CalOptima and its regulators.                                                                                                                                                                                              |
| Covered Services                    | Those services provided in the Fee-For-Service Medi-Cal program, as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301, and Title 17, CCR, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840, which are included as Covered Services under CalOptima's Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), and speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), which shall be covered for Members not withstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| Health Network                      | A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Hospital Risk Pool Arrangements     | A risk arrangement contractually required by CalOptima between a physician and hospital partner funded by hospital capitation dollars paid by CalOptima.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Member                              | An enrollee-beneficiary of a CalOptima program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Other Risk Arrangements             | A risk arrangement between Health Network partner or Health Network participants outside of a Hospital Risk Pool Arrangement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Physician Hospital Consortium (PHC) | A Physician Group or Physician Groups contractually aligned with at least one (1) hospital, as described in CalOptima's Contract for Health Care Services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Primary Hospital                    | A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Primary Physician Group             | A physician group contracted with CalOptima on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| <b>Term</b> | <b>Definition</b>                                                                                                                                                                                                                                                                                  |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Program     | Any of CalOptima's programs including the CalOptima Medi-Cal Program, OneCare, OneCare Connect, PACE, or the Multipurpose Senior Services Program.                                                                                                                                                 |
| Provider    | A physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory, ancillary provider, health maintenance organization, or other person or institution that furnishes Covered Services.                                                        |
| Sanction    | An action taken by CalOptima including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs. |

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For 20200521 FAC Review Only



Policy: FF.1009  
Title: **Health-based Risk Adjusted  
Capitation Payment System**  
Department: Finance  
Section: Not Applicable

CEO Approval: Michael Schrader

Effective Date: 07/01/2008  
Revised Date: 1007/01/20192020

## I. PURPOSE

This policy outlines the process for CalOptima's Health-based Risk Adjusted (HRA) **Health Network  
Capitation Payment\*** system.

## II. POLICY

- A. CalOptima shall adjust a **Health Network's Capitation Payment** to a Health-based Risk Adjusted (HRA) **Capitation Payment** based on the health status of the **Health Network's Member** population, in accordance with the terms and conditions of this Policy.
- B. CalOptima shall utilize the **Chronic Illness and Disability Payment System (CDPS)** to adjust a **Health Network's Capitation Payment** to an HRA **Capitation Payment**.
- C. ~~Effective on the Department of Health Care Services (DHCS) approved Whole Child Model (WCM) program implementation date, no sooner than July 1, 2019,~~ **Members** who are eligible for services under the **California Children's Services (CCS) Program** shall not qualify for risk adjustment under this Policy.
- D. CalOptima shall risk-adjust a payment for a **Member** who:
  1. Has an Aged, Blind, Disabled, Affordable Care Act (ACA) Expansion (effective July 1, 2020), or Temporary Assistance for Needy Families (TANF) **Aid Code**;
  2. Is enrolled in CalOptima for at least six (6) months during a twelve (12) month risk adjustment period as described in Section III.B. of this Policy; and
  3. Is enrolled in a **Health Network** during the periods described in Section III.C. of this Policy.
- E. CalOptima shall develop a **Risk Assignment Database** to contain medical and diagnostic data for **Members** eligible for risk-adjustment pursuant to Section II.C. of this policy. CalOptima shall utilize the data in the **Risk Assignment Database** to determine a **Member's Risk Score** in accordance with Section III.B. of this Policy.
- F. CalOptima shall calculate a **Health Network's risk factor** every six (6) months.
- G. CalOptima shall apply a **Health Network's risk factor** in determining the **Health Network's Capitation Payment** for the following six (6) month **Payment Period**.

## III. PROCEDURE

- A. **Risk Assignment Database**

1. The **Risk Assignment Database** shall contain information including, but not limited to:
  - a. **Member** identification number;
  - b. **Aid Code**;
  - c. Diagnosis ~~code~~codes; and
  - d. Procedure codes.
2. CalOptima shall extract information for the **Risk Assignment Database** from the following service categories:
  - a. Inpatient services;
  - b. Outpatient services; and
  - c. Physician services.

B. Calculation of **Member's Risk Score**

1. CalOptima or its contracted vendor shall utilize the **Risk Assignment Database** to assign a **Members** a Risk Score using **CDPS** ~~and a; each Member's Risk Score is then normalized~~ using the Member's Health Network's capitation age and gender factors. A **Health Network's** capitation age and gender factors are adjustments that take into account a **Health Network's** membership's age and gender mix.
2. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** every six (6) months, in April and October.
3. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** based on **Encounter** and claims data submitted for dates of service over a twelve (12) month risk adjustment period.
  - a. For the Risk Score calculated in April ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by March 20 ("year 3") for dates of service ~~December~~October ("year 1") through ~~November~~September ("year 2").
  - b. For the Risk Score calculated in October ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by September 20 ("year 3") for dates of service ~~June~~April ("year 2") through ~~May~~March ("year 3").
4. If a **Member** is eligible with CalOptima for less than six (6) months during a risk adjustment period, CalOptima or its contracted vendor shall not calculate a Risk Score for that **Member**.

C. Calculation of **Health Network Risk Factor**

1. A **Health Network's** raw risk factor is the weighted average of all Risk Scores for **Members** assigned to that **Health Network** at a defined time, as identified in Section III.C.4. of this policy.
2. CalOptima or its contracted vendor shall apply actuarial methodologies to derive statistically significant risk factors for each **Health Network**.

3. CalOptima or its contracted vendor shall calculate a **Health Network's** risk factor every six (6) months, in April and October.
4. CalOptima or its contracted vendor shall calculate the average Risk Score for **Members** assigned to that **Health Network**.
  - a. For the risk factor calculated in April, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of April.
  - b. For the risk factor calculated in October, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of October.
  - c. CalOptima or its contracted vendor shall only use Risk Scores for **Members** who are eligible as of the months described in Subsections III.C.4.a and III.C.4.b of this Section, to calculate a **Health Networks'** risk factor.
5. CalOptima or its contracted vendor shall normalize the average risk factor for each **Health Network** based on eligible **Members** in accordance with Section III.-C.4 of this Policy, to ensure that the aggregate total **Capitation Payments** to all **Health Networks** remains budget neutral to CalOptima.
6. CalOptima shall notify a **Health Network** of its risk factor on May 15<sup>th</sup> and November 15<sup>th</sup> of each year.

#### D. Calculation of HRA **Capitation Payment**

1. CalOptima shall multiply a **Health Network's** monthly base **Capitation Payment** ~~for eligible Members as set forth in Section III.C of this Policy,~~ by the **Health Network's** risk factor to determine the **Health Network's** HRA **Capitation Payment**.
2. CalOptima shall apply a **Health Network's** risk factor in determining the **Health Network's** HRA **Capitation Payment** for the following six (6) month **Payment Period** as follows:
  - a. The risk factor calculated in April shall apply to **Capitation Payments** for July through December of the same year; and
  - b. The risk factor calculated in October shall apply to **Capitation Payments** for January through June of the following year.

#### IV. **ATTACHMENT(S)**

Not Applicable

#### V. **REFERENCE(S)**

- A. CalOptima Contract with the California Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Health Network Service Agreement
- C. CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements
- D. CalOptima Policy FF.1001: Capitation Payments

## VI. REGULATORY AGENCY APPROVAL(S)

| Date       | Regulatory Agency                         |
|------------|-------------------------------------------|
| 09/30/2009 | Department of Health Care Services (DHCS) |

## VII. BOARD ACTION(S)

| Date       | Meeting Meetings                                    |
|------------|-----------------------------------------------------|
| 06/03/2008 | Regular Meeting of the CalOptima Board of Directors |
| 05/05/2009 | Regular Meeting of the CalOptima Board of Directors |
| 06/04/2009 | Regular Meeting of the CalOptima Board of Directors |
| 10/04/2018 | Regular Meeting of the CalOptima Board of Directors |

## VIII. REVISION HISTORY

| Action         | Date              | Policy         | Policy Title                                                | Program(s)      |
|----------------|-------------------|----------------|-------------------------------------------------------------|-----------------|
| Effective      | 07/01/2008        | FF.1009        | Health Based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| Revised        | 07/01/2009        | FF.1009        | Health Based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| Revised        | 09/01/2014        | FF.1009        | Health Based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| Revised        | 06/01/2016        | FF.1009        | Health Based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| Revised        | 05/01/2017        | FF.1009        | Health Based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| Revised        | 10/04/2018        | FF.1009        | Health-based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| Revised        | 12/01/2018        | FF.1009        | Health-based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| Revised        | 10/01/2019        | FF.1009        | Health-based Risk Adjusted Capitation Payment System        | Medi-Cal        |
| <u>Revised</u> | <u>07/01/2020</u> | <u>FF.1009</u> | <u>Health-based Risk Adjusted Capitation Payment System</u> | <u>Medi-Cal</u> |

1 IX. GLOSSARY  
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| Term                                                 | Definition                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aid Code                                             | The two (2) character code, defined by the State of California, which identifies the aid category under which a member is eligible to receive Medi-Cal Covered Services.                                                                                                                                                              |
| California Children's Services (CCS) Program         | The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible persons under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9. |
| CalOptima Direct                                     | A direct health care program operated by CalOptima that includes both COD- Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in CalOptima Policy DD.2006.                                                                              |
| Capitation Payment                                   | The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age, and gender.                                                                                |
| Chronic Illness and Disability Payment System (CDPS) | A diagnostic classification system that Medicaid programs utilize to make health-based capitated payments for Temporary Assistance to Needy Families (TANF) and disabled Medicaid beneficiaries.                                                                                                                                      |
| Department of Health Care Services (DHCS)            | The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.                                                                           |
| Encounter                                            | Any unit of Covered Services provided to a Member by a Health Network regardless of Health Network reimbursement methodology. Such Covered Services include any service provided to a Member regardless of the service location or provider, including out-of-network services and sub-capitated and delegated Covered Services.      |
| Health Network                                       | A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                               |
| Health Network Risk Factor                           | The weighted average of all Member Risk Scores for Members assigned to that Health Network at a defined time, normalized across all Health Networks to ensure that the aggregate total Capitation Payments to all Health Networks is budget neutral to CalOptima.                                                                     |
| Member                                               | A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.                                                               |
| Member Risk Score                                    | A measurement of a Member's health status according to a minimum of one (1) diagnostic code.                                                                                                                                                                                                                                          |
| Payment Period                                       | For the purpose of this policy, payment period refers to a set interval of time in which CalOptima provides payment to Health Networks for Covered Services furnished to Members.                                                                                                                                                     |

| Term                     | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Assignment Database | A database that contains Members' diagnostic and medical information as reported on the facility and professional Encounter data submitted by a Health Network in accordance with CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements, and claims data collected by CalOptima for CalOptima Direct and Shared Risk Groups.                                                                                                                                                                                                                             |
| Shared Risk Group        | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                        |
| Whole-Child Model (WCM)  | An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare & Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty, and behavioral health for CCS-eligible and non-CCS-eligible conditions. |

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For 20200521 FAC Review ONLY

CEO Approval:

Effective Date: 07/01/2008  
Revised Date: 07/01/2020

## I. PURPOSE

This policy outlines the process for CalOptima's Health-based Risk Adjusted (HRA) **Health Network Capitation Payment** system.

## II. POLICY

- A. CalOptima shall adjust a **Health Network's Capitation Payment** to a Health-based Risk Adjusted (HRA) **Capitation Payment** based on the health status of the **Health Network's Member** population, in accordance with the terms and conditions of this Policy.
- B. CalOptima shall utilize the **Chronic Illness and Disability Payment System (CDPS)** to adjust a **Health Network's Capitation Payment** to an HRA **Capitation Payment**.
- C. **Members** who are eligible for services under the **California Children's Services (CCS) Program** shall not qualify for risk adjustment under this Policy.
- D. CalOptima shall risk-adjust a payment for a **Member** who:
  1. Has an Aged, Blind, Disabled, Affordable Care Act (ACA) Expansion (effective July 1, 2020), or Temporary Assistance for Needy Families (TANF) **Aid Code**;
  2. Is enrolled in CalOptima for at least six (6) months during a twelve (12) month risk adjustment period as described in Section III.B. of this Policy; and
  3. Is enrolled in a **Health Network** during the periods described in Section III.C. of this Policy.
- E. CalOptima shall develop a **Risk Assignment Database** to contain medical and diagnostic data for **Members** eligible for risk-adjustment pursuant to Section II.C. of this policy. CalOptima shall utilize the data in the **Risk Assignment Database** to determine a **Member's Risk Score** in accordance with Section III.B. of this Policy.
- F. CalOptima shall calculate a **Health Network's risk factor** every six (6) months.
- G. CalOptima shall apply a **Health Network's risk factor** in determining the **Health Network's Capitation Payment** for the following six (6) month **Payment Period**.

## III. PROCEDURE

### A. Risk Assignment Database

1. The **Risk Assignment Database** shall contain information including, but not limited to:



- a. **Member** identification number;
  - b. **Aid Code**;
  - c. Diagnosis codes; and
  - d. Procedure codes.
2. CalOptima shall extract information for the **Risk Assignment Database** from the following service categories:
    - a. Inpatient services;
    - b. Outpatient services; and
    - c. Physician services.

#### B. Calculation of **Member's Risk Score**

1. CalOptima or its contracted vendor shall utilize the **Risk Assignment Database** to assign **Members** a Risk Score using **CDPS**; each **Member's Risk Score** is then normalized using the **Member's Health Network's** capitation age and gender factors. A **Health Network's** capitation age and gender factors are adjustments that take into account a **Health Network's** membership's age and gender mix.
2. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** every six (6) months, in April and October.
3. CalOptima or its contracted vendor shall calculate a **Member's Risk Score** based on **Encounter** and claims data submitted for dates of service over a twelve (12) month risk adjustment period.
  - a. For the Risk Score calculated in April ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by March 20 ("year 3") for dates of service October ("year 1") through September ("year 2").
  - b. For the Risk Score calculated in October ("year 3"), CalOptima shall use **Encounter** data submitted from a **Health Network** by September 20 ("year 3") for dates of service April ("year 2") through March ("year 3").
4. If a **Member** is eligible with CalOptima for less than six (6) months during a risk adjustment period, CalOptima or its contracted vendor shall not calculate a Risk Score for that **Member**.

#### C. Calculation of **Health Network Risk Factor**

1. A **Health Network's** raw risk factor is the weighted average of all Risk Scores for **Members** assigned to that **Health Network** at a defined time, as identified in Section III.C.4. of this policy.
2. CalOptima or its contracted vendor shall apply actuarial methodologies to derive statistically significant risk factors for each **Health Network**.



3. CalOptima or its contracted vendor shall calculate a **Health Network's** risk factor every six (6) months, in April and October.
4. CalOptima or its contracted vendor shall calculate the average Risk Score for **Members** assigned to that **Health Network**.
  - a. For the risk factor calculated in April, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of April.
  - b. For the risk factor calculated in October, CalOptima or its contracted vendor shall use a **Health Network's** assigned membership as of October.
  - c. CalOptima or its contracted vendor shall only use Risk Scores for **Members** who are eligible as of the months described in Subsections III.C.4.a and III.C.4.b of this Section, to calculate a **Health Networks'** risk factor.
5. CalOptima or its contracted vendor shall normalize the average risk factor for each **Health Network** based on eligible **Members** in accordance with Section III.C.4 of this Policy, to ensure that the aggregate total **Capitation Payments** to all **Health Networks** remains budget neutral to CalOptima.
6. CalOptima shall notify a **Health Network** of its risk factor on May 15<sup>th</sup> and November 15<sup>th</sup> of each year.

#### D. Calculation of HRA **Capitation Payment**

1. CalOptima shall multiply a **Health Network's** monthly base **Capitation Payment** by the **Health Network's** risk factor to determine the **Health Network's** HRA **Capitation Payment**.
2. CalOptima shall apply a **Health Network's** risk factor in determining the **Health Network's** HRA **Capitation Payment** for the following six (6) month **Payment Period** as follows:
  - a. The risk factor calculated in April shall apply to **Capitation Payments** for July through December of the same year; and
  - b. The risk factor calculated in October shall apply to **Capitation Payments** for January through June of the following year.

#### IV. **ATTACHMENT(S)**

Not Applicable

#### V. **REFERENCE(S)**

- A. CalOptima Contract with the California Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Health Network Service Agreement
- C. CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements
- D. CalOptima Policy FF.1001: Capitation Payments

## VI. REGULATORY AGENCY APPROVAL(S)

| Date       | Regulatory Agency                         |
|------------|-------------------------------------------|
| 09/30/2009 | Department of Health Care Services (DHCS) |

## VII. BOARD ACTION(S)

| Date       | Meetings                                            |
|------------|-----------------------------------------------------|
| 06/03/2008 | Regular Meeting of the CalOptima Board of Directors |
| 05/05/2009 | Regular Meeting of the CalOptima Board of Directors |
| 06/04/2009 | Regular Meeting of the CalOptima Board of Directors |
| 10/04/2018 | Regular Meeting of the CalOptima Board of Directors |

## VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title                                         | Program(s) |
|-----------|------------|---------|------------------------------------------------------|------------|
| Effective | 07/01/2008 | FF.1009 | Health Based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 07/01/2009 | FF.1009 | Health Based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 09/01/2014 | FF.1009 | Health Based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 06/01/2016 | FF.1009 | Health Based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 05/01/2017 | FF.1009 | Health Based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 10/04/2018 | FF.1009 | Health-based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 12/01/2018 | FF.1009 | Health-based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 10/01/2019 | FF.1009 | Health-based Risk Adjusted Capitation Payment System | Medi-Cal   |
| Revised   | 07/01/2020 | FF.1009 | Health-based Risk Adjusted Capitation Payment System | Medi-Cal   |

1 IX. GLOSSARY  
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| Term                                                 | Definition                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aid Code                                             | The two (2) character code, defined by the State of California, which identifies the aid category under which a member is eligible to receive Medi-Cal Covered Services.                                                                                                                                                              |
| California Children's Services (CCS) Program         | The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible persons under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9. |
| CalOptima Direct                                     | A direct health care program operated by CalOptima that includes both COD- Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in CalOptima Policy DD.2006.                                                                              |
| Capitation Payment                                   | The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age, and gender.                                                                                |
| Chronic Illness and Disability Payment System (CDPS) | A diagnostic classification system that Medicaid programs utilize to make health-based capitated payments for Temporary Assistance to Needy Families (TANF) and disabled Medicaid beneficiaries.                                                                                                                                      |
| Department of Health Care Services (DHCS)            | The single State Department responsible for administration of the Medi-Cal program, California Children's Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.                                                                         |
| Encounter                                            | Any unit of Covered Services provided to a Member by a Health Network regardless of Health Network reimbursement methodology. Such Covered Services include any service provided to a Member regardless of the service location or provider, including out-of-network services and sub-capitated and delegated Covered Services.      |
| Health Network                                       | A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                               |
| Health Network Risk Factor                           | The weighted average of all Member Risk Scores for Members assigned to that Health Network at a defined time, normalized across all Health Networks to ensure that the aggregate total Capitation Payments to all Health Networks is budget neutral to CalOptima.                                                                     |
| Member                                               | A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.                                                               |
| Member Risk Score                                    | A measurement of a Member's health status according to a minimum of one (1) diagnostic code.                                                                                                                                                                                                                                          |
| Payment Period                                       | For the purpose of this policy, payment period refers to a set interval of time in which CalOptima provides payment to Health Networks for Covered Services furnished to Members.                                                                                                                                                     |

| Term                     | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Assignment Database | A database that contains Members' diagnostic and medical information as reported on the facility and professional Encounter data submitted by a Health Network in accordance with CalOptima Policy EE.1111: Health Network Encounter Reporting Requirements, and claims data collected by CalOptima for CalOptima Direct and Shared Risk Groups.                                                                                                                                                                                                                             |
| Shared Risk Group        | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                        |
| Whole-Child Model (WCM)  | An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare & Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty, and behavioral health for CCS-eligible and non-CCS-eligible conditions. |

For 20200521 FAC Review ONLY

Policy: FF.3002  
Title: **Financial Oversight**  
Department: Finance  
Section: Not Applicable

CEO Approval:

Effective Date: 01/01/2007  
~~Last Revised~~ **07/01/18TBD**  
Date:

Applicable to:

- ☒ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☐ Administrative - Internal
- ☐ Administrative - External

## I. PURPOSE

This policy outlines the process by which CalOptima monitors a Health Network's financial position and financial security reserves to ensure ~~Contract~~contract compliance and financial integrity.

## II. POLICY

A. CalOptima shall conduct Health Network financial reviews and periodic Focused Reviews as it deems necessary. CalOptima shall monitor a Health Network's financial position to promote:

1. Access to quality care for Members enrolled in the Health Network;
2. Appropriate and timely payment to Providers that render Covered Services to Members enrolled in the Health Network;
3. Financial integrity of CalOptima and its contractors; and
4. Financially prudent utilization of ~~capitation~~Capitation revenues received from the State of California.

B. Pursuant to the Contract for Health Care Services, CalOptima shall ensure that a Health Network complies with Financial Solvency Reserve requirements.

1. Financial Security Reserves - ~~A~~Each entity contracted as a Primary Physician Group, Primary Hospital, ~~and/or~~ Shared Risk Group (SRG) shall ~~each~~ establish and maintain financial security reserves in the form of time certificates of deposit, irrevocable standby letters of credit, or surety bonds naming CalOptima as beneficiary, equal to fifty-thousand dollars (\$50,000) plus a minimum of twenty-five percent (25%) of one (1) month's average Capitation Payment, typically computed at the end of each quarter. CalOptima may require a greater amount based upon its assessment of the operational readiness and financial condition of the Primary Physician Group, Primary Hospital, or SRG. **If the entity meets the fifty thousand dollars (\$50,000) element of the financial security reserve requirement for participation as a contract holder with CalOptima for OneCare or OneCare Connect Members, the entity shall be deemed**

to have met the fifty-thousand dollars (\$50,000) element of the financial security reserve requirement for Medi-Cal.

2. Capitation Payment Withhold - CalOptima shall withhold from ~~each~~ Health Maintenance Organization (HMO), Primary Physician Group, Primary Hospital, and ~~Shared Risk Group (SRG)~~ an amount equal to twenty-five percent (25%) of a monthly Capitation Payment, typically computed at the end of each quarter. CalOptima may adjust the Capitation Payment ~~should the current withheld amount fall below each quarter to reflect~~ twenty-five percent (25%) of the current ~~month~~ month's Capitation Payment. CalOptima may increase this withhold rate based upon its assessment of the operational readiness and financial condition of the HMO, Primary Physician Group, Primary Hospital, or SRG.
3. An HMO contracted on a capitated basis to provide Covered Services to Members shall retain at all times a valid Knox-Keene license issued by the California Department of Managed Health Care (DMHC). CalOptima shall waive financial security reserves required for an HMO should the HMO meet the statutory requirement and maintain required Tangible Net Equity (TNE) in accordance with Title 28, California Code of Regulations, Section 1300.76.

### III. PROCEDURE

#### A. Health Network Reporting of Financial Information

1. A Health Network shall report financial information to CalOptima on a quarterly and annual basis in accordance with CalOptima Policy FF.3001: Financial Reporting.
2. A Health Network shall report immediately to CalOptima any event that materially alters the Health Network's financial situation or threatens its solvency, pursuant to Title 28, California Code of Regulations; Sections 1300.75.4 through 1300.75.4.8. In such instances, CalOptima may require monthly reporting until such time that the Health Network's solvency is no longer in question.

#### B. CalOptima Review of Financial Information

1. CalOptima shall review a Health Network's Financial Statements and other financial information on a quarterly and annual basis to evaluate the data, trend indicators for the Health Network, and compare similar indicators between Health Networks including:
  - a. Current ratio (must be greater than 1.0);
  - b. Cash to claims ratio (must be greater than 0.75);
  - c. Tangible Net Equity (TNE) (must be positive);
  - d. Operating cash and equivalents position;
  - e. Medical claims liability;
  - f. Incurred ~~but not reported~~ But Not Reported (IBNR) claims;
  - g. Debt to equity ratio;
  - h. Excess of revenues over expenses;

- i. Medical Loss Ratio (MLR); and
    - j. Administrative cost percentage.
  2. CalOptima shall ensure that an HMO and a Risk Bearing Organization (RBO) complies with the DMHC TNE and fiscal solvency requirements by:
    - a. Reviewing the HMO's Orange Blank filings;
    - b. Reviewing the HMO's and RBO's audited Financial Statements and other reports submitted quarterly and annually to DMHC; and
    - c. Making appropriate inquiries of the HMO's and RBO's key financial personnel during any review.
  3. CalOptima shall ensure that a contracting Health Network is in compliance with CalOptima fiscal solvency requirements by determining if it has established and maintained Financial Solvency Reserves in accordance with the provisions in this policy.
- C. CalOptima Monitoring of Financial Solvency Reserves
  1. ~~A~~Each entity contracted as a Primary Physician Group, Primary Hospital, ~~and~~ SRG shall establish financial security reserves in the form of Financial Security Instruments, as described in Section II.B.1.
    - a. The Financial Security Instruments, in the form of time certificates of deposit, irrevocable standby letters of credit or surety bonds, shall designate CalOptima as the sole beneficiary for the duration of the Primary Physician Group, Primary Hospital, or SRG's participation in the CalOptima program. CalOptima shall access these funds only in the event such funds are needed to protect the interests of, and ensure the continuation of Covered Services to, Members, or for administrative costs directly attributed to a conservatorship, receivership, or liquidation.
    - b. The Financial Security Instruments shall require the signature of an authorized CalOptima Officer in order to withdraw or transfer funds.
    - c. CalOptima shall monitor the financial security reserves and review their adequacy quarterly.
    - d. In the event the monthly Capitation Payments to a Primary Physician Group, Primary Hospital, or SRG materially increase due to membership or rate increases, CalOptima shall inform the Primary Physician Group, Primary Hospital, or SRG in writing that an increase in financial security reserves is required.
    - e. CalOptima shall not grant an adjustment to the financial security reserves for decreased monthly Capitation Payments to the Primary Physician Group, Primary Hospital, or SRG unless the decrease is material and only upon receiving a formal written request from the Primary Physician Group, Primary Hospital, or SRG.
    - f. In the event a Primary Physician Group, Primary Hospital, or SRG requests a substitution of a Financial Security Instrument, they shall submit the new Financial Security Instrument to



CalOptima. CalOptima shall not release the old Financial Security Instrument prior to the receipt of the new Financial Security Instrument.

g. Release of Financial Security Reserves upon Health Network Termination

i. CalOptima shall release a Financial Security Instrument no earlier than six (6) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program unless the termination is the result of the Primary Physician Group, Primary Hospital, or SRG's insolvency, in which case CalOptima shall release a Financial Security Instrument no earlier than twelve (12) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program. Release shall only occur after the Primary Physician Group, Primary Hospital, or SRG has met all operational requirements.

ii. CalOptima shall inform the Primary Physician Group, Primary Hospital or SRG, in writing, of the expected date CalOptima will release a Financial Security Instrument following the Health Network's termination in the CalOptima Medi-Cal program.

2. CalOptima shall establish a Capitation Payment withhold for a Health Network.

a. CalOptima shall monitor Capitation Payment withholds and review their adequacy quarterly as described in Section II.B.2.

b. In the event the monthly Capitation Payments to a Health Network materially increase due to membership or rate increases, CalOptima shall inform the Health Network in writing that an increase in ~~capitation~~ Capitation withhold is required and shall deduct the additional withhold amount in a future Capitation Payment.

c. In the event the monthly Capitation Payments to a Health Network materially decrease due to membership or rate decreases, CalOptima shall release the Capitation Payment withhold surplus to the Health Network in a future Capitation Payment.

d. Release of the Capitation Payment Withhold upon Health Network Termination

i. CalOptima shall release a Capitation Payment withhold not earlier than nine (9) months after a Health Network's termination in the CalOptima program unless the termination is the result of the Health Network's insolvency, in which case CalOptima shall release a Capitation Payment withhold no earlier than twelve (12) months following Health Network's termination in the CalOptima program. Release shall only occur after the Health Network has met all operational requirements.

ii. CalOptima shall inform the Health Network in writing of the expected date CalOptima will release a Capitation Payment withhold following the Health Network's termination in the CalOptima program.

D. CalOptima Summary and Reporting of Findings

1. CalOptima shall prepare summaries of the following:

a. Financial ratios and other financial elements by Health Network, trended quarterly;

b. Financial security reserves; and



c. Capitation Payment withhold amounts.

2. CalOptima shall utilize the summaries described in Section III.D.1 of this Policy to:

a. Monitor the financial position of a Health Network during the Health Network financial review process; and

b. Assess Health Network compliance on an ongoing basis.

3. CalOptima shall summarize and report the results of any financial review and Focused Review to the Health Network, the Audit and Oversight Committee, CalOptima executive management, and CalOptima Finance & Audit Committee (FAC), as needed.

E. Corrective Action and Sanctions

1. If a Health Network fails to comply or meet any of the standards or requirements outlined in this policy, CalOptima may take the following actions:

a. Require a Health Network to submit a Corrective Action Plan (CAP) as appropriate, in accordance with CalOptima Policy HH.2005Δ: Corrective Action Plan.

b. Place the Health Network in a contractual cure for breach of contract, including the following:

i. CalOptima may seize any Capitation and/or monies owed and place the Health Network under financial supervision until breach is cured. Financial supervision to include:

a) Withholding of monthly Capitation; and

b) Managing and releasing withheld Capitation to the Health Network to fund administrative expenses, Primary Care Provider (PCP) Capitation Payments and/or claims payments (limited specifically to months/dates of service that such withheld Capitation was intended to be used for payment);

ii. CalOptima may review the Health Network's financial statements, bank statements, and/or other records to ensure payments are made.

2. CalOptima may impose Sanctions in accordance with CalOptima Policy HH.2002Δ: Sanctions.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal

B. Contract for Health Care Services

C. CalOptima Policy FF.3001: Financial Reporting

D. CalOptima Policy HH.2005Δ: Corrective Action Plan

E. CalOptima Policy HH.2002Δ: Sanctions

F. This policy supersedes:

1. CalOptima Financial Letter dated August 11, 1995: Financial issues update
2. CalOptima Financial Bulletin #1: Schedule and process of capitation payments
3. CalOptima Financial Bulletin #13: 1997-98 Contract Year financial requirements
- G. Title 10, California Code of Regulations (C.C.R), § 1300.76
- H. Title 22, California Code of Regulations (C.C.R), § 51301 *et seq.*
- I. Title 28, California Code of Regulations (C.C.R), §§ 1300.75.4 through 1300.75.4.8

**V.VI. REGULATORY AGENCY APPROVALS**

A. 03/07/16: Department of Health Care Services

| <u>Date</u> | <u>Regulatory Agency</u>           |
|-------------|------------------------------------|
| 03/07/16    | Department of Health Care Services |
|             |                                    |

**VI.VII. BOARD ACTIONS**

None to Date

**VH.VIII. REVIEW/REVISION HISTORY**

| <u>Version</u> | <u>Action</u> | <u>Date</u> | <u>Policy Number</u> | <u>Policy Title</u>                                 | <u>Line Program(s) of Business</u> |
|----------------|---------------|-------------|----------------------|-----------------------------------------------------|------------------------------------|
| Effective      |               | 12/01/1998  | FF.1101              | Monitoring Contractor's Financial Position          | Medi-Cal                           |
| Revised        |               | 06/01/2001  | FF.1101              | Monitoring Contractor's Financial Position          | Medi-Cal                           |
| Revised        |               | 09/01/2005  | FF.1101              | Monitoring Contractor's Financial Position          | Medi-Cal                           |
| Effective      |               | 06/01/2001  | FF.1102              | Monitoring Contractor's Financial Security Reserves | Medi-Cal                           |
| Effective      |               | 01/01/2007  | FF.3002              | Financial Oversight                                 | Medi-Cal                           |
| Revised        |               | 01/01/2008  | FF.3002              | Financial Oversight                                 | Medi-Cal                           |
| Revised        |               | 02/01/2016  | FF.3002              | Financial Oversight                                 | Medi-Cal                           |
| Revised        |               | 03/01/2017  | FF.3002              | Financial Oversight                                 | Medi-Cal                           |
| Revised        |               | 07/01/2018  | FF.3002              | Financial Oversight                                 | Medi-Cal                           |
| Revised        |               | TBD         | FF.3002              | Financial Oversight                                 | Medi-Cal                           |

**VIII.IX. GLOSSARY**

| Term                                            | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aid Code                                        | The two (2) character code, defined by the State of California, which identifies the aid category under which a Member is eligible to receive Medi-Cal Covered Services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Capitation Payment                              | The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age, and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Capitation Rate                                 | The per capita rate set by CalOptima for the delivery of Covered Services to Members based upon Aid Code, age and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <u>Contract for Health Care Services</u>        | <u>The written instrument between CalOptima and Physicians, Hospitals, Health Maintenance Organizations (HMO), or other entities. Contract shall include any Memoranda of Understanding entered into by CalOptima that is binding on a Physician Hospital Consortium (PHC), a physician group under a shared risk contract, or HMO, and DHCS Medi-Cal Managed Care Division Policy Letters . . .</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Corrective Action Plan (CAP)                    | A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers of Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. FDRs and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima and its regulators.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Covered Services                                | Those services provided in the Fee-For-Service Medi-Cal program, <del>(as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301;), the Child Health and Disability Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840, which section 6842), and the California Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning with section 14094.4) under the Whole-Child Model program effective July 1, 2019, to the extent those services</del> are included as Covered Services under CalOptima's <u>Medi-Cal</u> Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), <del>and</del> speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), <del>which</del> <u>and Health Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section 14127), effective January 1, 2020 for HHP Members with eligible physical chronic conditions and substance use disorders, or other services as authorized by the CalOptima Board of Directors, which</u> shall be covered for Members not <del>withstanding</del> whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| <u>Department of Managed Health Care (DMHC)</u> | <u>The State Agency responsible for licensing and regulating health care services plans/health maintenance organizations in accordance with the Knox Keene Health Care Service Plan Act of 1975 as amended.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Term                                                          | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Solvency Reserves                                   | Funds comprised of security reserves and/or capitation withhold that are required for the duration of a Physician Hospital Consortium's (PHC)'s, Shared Risk Group's (SRG)'s, or Health Maintenance Organization's (HMO)'s participation in the CalOptima program. These funds are used to protect the interests of and ensure the continuation of health care services to the Members assigned to the PHC, SRG or HMO; they may also be used for administrative costs directly attributable to a conservatorship, receivership or liquidation. |
| Financial Statement                                           | Financial reports including balance sheets, income statements, statements of cash flows, statements of equity, and accompanying footnotes prepared in accordance with generally accepted accounting principles.                                                                                                                                                                                                                                                                                                                                 |
| Financial Security Instrument                                 | Time certificate of deposit, irrevocable standby letter of credit, or surety bond naming CalOptima as the beneficiary.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Focused Review                                                | An audit that specifically targets areas of potential deficiency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Health Maintenance Organization (HMO)                         | A health care service plan, as defined in the Knox-Keene Health Care Service Plan Act of 1975, as amended, commencing with Section 1340 of the California Health and Safety Code.                                                                                                                                                                                                                                                                                                                                                               |
| Health Network                                                | A Physician Hospital Consortium (PHC), <del>Physician Medical Group (PMG)</del> <u>physician group</u> under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                                                                                                                                                                                         |
| <u>Incurred But Not Reported (IBNR)</u>                       | <del>IBNR means "incurred but not reported," and refers to an</del> <u>An</u> estimate of claims that have been incurred for medical services provided, but for which claims have not yet been received by the Health Network.                                                                                                                                                                                                                                                                                                                  |
| Knox-Keene Health Care Services Plan Act of 1975 (Knox-Keene) | The law that regulates HMOs and is administrated by the Department of Managed Health Care (DMHC), commencing with Section 1340 of the California Health and Safety Code.                                                                                                                                                                                                                                                                                                                                                                        |
| Medical Loss Ratio (MLR)                                      | The percentage calculated by dividing the Health Network's total medical costs paid on behalf of CalOptima Members by the total revenue received from CalOptima. Health Network medical costs would include payments to physicians (i.e. capitation, fee-for-service, or salary), medical groups/ independent practice Associations (IPAs), hospitals, labs, ambulance companies, and other providers of service.                                                                                                                               |
| Member                                                        | A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.                                                                                                                                                                                                                                                                         |
| <u>Primary Care Provider (PCR)</u>                            | <u>A person responsible for supervising, coordinating, and providing initial and Primary Care to patients; for initiating referrals; and, for maintaining the continuity of patient care. A Primary Care Provider may be a Primary Care Physician or Non-Physician Medical Practitioner.</u>                                                                                                                                                                                                                                                    |
| Primary Hospital                                              | A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).                                                                                                                                                                                                                                                                                                                                                                                                       |
| Primary Physician Group                                       | A physician group contracted with CalOptima on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).                                                                                                                                                                                                                                                                                                                                                                                               |
| <u>Provider</u>                                               | <u>All contracted Providers including physicians, Non-physician Medical Practitioners, ancillary providers, and facilities or institutions who furnish covered services.</u>                                                                                                                                                                                                                                                                                                                                                                    |

| Term                                   | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Risk Bearing Organization (RBO)</u> | <p><u>A professional medical corporation, other form of corporation controlled by physicians and surgeons, a medical partnership, or another lawfully organized group of physicians that:</u></p> <ol style="list-style-type: none"> <li><u>1. Delivers, furnishes, or otherwise arranges for or provides health care services; and</u></li> <li><u>2. Does all the following:</u> <ol style="list-style-type: none"> <li><u>a. Contracts directly with a health care service plan or arranges for health care services for the health care service plan's enrollees;</u></li> <li><u>b. Receives compensation for those services on a capitated or fixed periodic payment basis; and</u></li> <li><u>c. Is responsible for the processing and payment of claims made by providers for services rendered by those providers on behalf of a health care service plan that are covered under the capitation payment made by the plan to the risk bearing organization.</u></li> </ol> </li> </ol> |
| Sanction                               | Action taken by CalOptima including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, CalOptima policy, or other requirements related to CalOptima programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Shared Risk Group (SRG)                | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Tangible Net Equity ( <u>TNE</u> )     | Net equity reduced by the value assigned to intangible assets including, but not limited to, goodwill; going concern value; organizational expense; starting-up costs; obligations of officers, directors, owners, or affiliates which are not fully secured, except short-term obligations of affiliates for goods or services arising in the normal course of business which are payable on the same terms as equivalent transactions with non-affiliates and which are not past due; long term prepayments of deferred charges, and non-returnable deposits.                                                                                                                                                                                                                                                                                                                                                                                                                                 |

Policy: FF.3002  
Title: **Financial Oversight**  
Department: Finance  
Section: Not Applicable

*CEO Approval:*

Effective Date: 01/01/2007  
Revised Date: TBD

Applicable to:

- ☒ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☐ Administrative - Internal
- ☐ Administrative - External

## I. PURPOSE

This policy outlines the process by which CalOptima monitors a Health Network's financial position and financial security reserves to ensure contract compliance and financial integrity.

## II. POLICY

A. CalOptima shall conduct Health Network financial reviews and periodic Focused Reviews as it deems necessary. CalOptima shall monitor a Health Network's financial position to promote:

1. Access to quality care for Members enrolled in the Health Network;
2. Appropriate and timely payment to Providers that render Covered Services to Members enrolled in the Health Network;
3. Financial integrity of CalOptima and its contractors; and
4. Financially prudent utilization of Capitation revenues received from the State of California.

B. Pursuant to the Contract for Health Care Services, CalOptima shall ensure that a Health Network complies with Financial Solvency Reserve requirements.

1. Financial Security Reserves - Each entity contracted as a Primary Physician Group, Primary Hospital, or Shared Risk Group (SRG) shall establish and maintain financial security reserves in the form of time certificates of deposit, irrevocable standby letters of credit, or surety bonds naming CalOptima as beneficiary, equal to fifty-thousand dollars (\$50,000) plus a minimum of twenty-five percent (25%) of one (1) month's average Capitation Payment, typically computed at the end of each quarter. CalOptima may require a greater amount based upon its assessment of the operational readiness and financial condition of the Primary Physician Group, Primary Hospital, or SRG. If the entity meets the fifty thousand dollars (\$50,000) element of the financial security reserve requirement for participation as a contract holder with CalOptima for OneCare or OneCare Connect Members, the entity shall be deemed to have met the fifty-thousand dollars (\$50,000) element of the financial security reserve requirement for Medi-Cal.

2. Capitation Payment Withhold - CalOptima shall withhold from each Health Maintenance Organization (HMO), Primary Physician Group, Primary Hospital, and SRG an amount equal to twenty-five percent (25%) of a monthly Capitation Payment, typically computed at the end of each quarter. CalOptima may adjust the Capitation Payment each quarter to reflect twenty-five percent (25%) of the current month's Capitation Payment. CalOptima may increase this withhold rate based upon its assessment of the operational readiness and financial condition of the HMO, Primary Physician Group, Primary Hospital, or SRG.
3. An HMO contracted on a capitated basis to provide Covered Services to Members shall retain at all times a valid Knox-Keene license issued by the California Department of Managed Health Care (DMHC). CalOptima shall waive financial security reserves required for an HMO should the HMO meet the statutory requirement and maintain required Tangible Net Equity (TNE) in accordance with Title 28, California Code of Regulations, Section 1300.76.

### III. PROCEDURE

#### A. Health Network Reporting of Financial Information

1. A Health Network shall report financial information to CalOptima on a quarterly and annual basis in accordance with CalOptima Policy FF.3001: Financial Reporting.
2. A Health Network shall report immediately to CalOptima any event that materially alters the Health Network's financial situation or threatens its solvency, pursuant to Title 28, California Code of Regulations; Sections 1300.75.4 through 1300.75.4.8. In such instances, CalOptima may require monthly reporting until such time that the Health Network's solvency is no longer in question.

#### B. CalOptima Review of Financial Information

1. CalOptima shall review a Health Network's Financial Statements and other financial information on a quarterly and annual basis to evaluate the data, trend indicators for the Health Network, and compare similar indicators between Health Networks including:
  - a. Current ratio (must be greater than 1.0);
  - b. Cash to claims ratio (must be greater than 0.75);
  - c. Tangible Net Equity (TNE) (must be positive);
  - d. Operating cash and equivalents position;
  - e. Medical claims liability;
  - f. Incurred But Not Reported (IBNR) claims;
  - g. Debt to equity ratio;
  - h. Excess of revenues over expenses;
  - i. Medical Loss Ratio (MLR); and
  - j. Administrative cost percentage.



2. CalOptima shall ensure that an HMO and a Risk Bearing Organization (RBO) complies with the DMHC TNE and fiscal solvency requirements by:
  - a. Reviewing the HMO's Orange Blank filings;
  - b. Reviewing the HMO's and RBO's audited Financial Statements and other reports submitted quarterly and annually to DMHC; and
  - c. Making appropriate inquiries of the HMO's and RBO's key financial personnel during any review.
3. CalOptima shall ensure that a contracting Health Network is in compliance with CalOptima fiscal solvency requirements by determining if it has established and maintained Financial Solvency Reserves in accordance with the provisions in this policy.

C. CalOptima Monitoring of Financial Solvency Reserves

1. Each entity contracted as a Primary Physician Group, Primary Hospital, or SRG shall establish financial security reserves in the form of Financial Security Instruments, as described in Section II.B.1.
  - a. The Financial Security Instruments, in the form of time certificates of deposit, irrevocable standby letters of credit or surety bonds, shall designate CalOptima as the sole beneficiary for the duration of the Primary Physician Group, Primary Hospital, or SRG's participation in the CalOptima program. CalOptima shall access these funds only in the event such funds are needed to protect the interests of and ensure the continuation of Covered Services to Members, or for administrative costs directly attributed to a conservatorship, receivership, or liquidation.
  - b. The Financial Security Instruments shall require the signature of an authorized CalOptima Officer in order to withdraw or transfer funds.
  - c. CalOptima shall monitor the financial security reserves and review their adequacy quarterly.
  - d. In the event the monthly Capitation Payments to a Primary Physician Group, Primary Hospital, or SRG materially increase due to membership or rate increases, CalOptima shall inform the Primary Physician Group, Primary Hospital, or SRG in writing that an increase in financial security reserves is required.
  - e. CalOptima shall not grant an adjustment to the financial security reserves for decreased monthly Capitation Payments to the Primary Physician Group, Primary Hospital, or SRG unless the decrease is material and only upon receiving a formal written request from the Primary Physician Group, Primary Hospital, or SRG.
  - f. In the event a Primary Physician Group, Primary Hospital, or SRG requests a substitution of a Financial Security Instrument, they shall submit the new Financial Security Instrument to CalOptima. CalOptima shall not release the old Financial Security Instrument prior to the receipt of the new Financial Security Instrument.
  - g. Release of Financial Security Reserves upon Health Network Termination



- i. CalOptima shall release a Financial Security Instrument no earlier than six (6) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program unless the termination is the result of the Primary Physician Group, Primary Hospital, or SRG's insolvency, in which case CalOptima shall release a Financial Security Instrument no earlier than twelve (12) months following a Primary Physician Group, Primary Hospital, or SRG's termination in the CalOptima program. Release shall only occur after the Primary Physician Group, Primary Hospital, or SRG has met all operational requirements.
    - ii. CalOptima shall inform the Primary Physician Group, Primary Hospital or SRG, in writing, of the expected date CalOptima will release a Financial Security Instrument following the Health Network's termination in the CalOptima Medi-Cal program.
  2. CalOptima shall establish a Capitation Payment withhold for a Health Network.
    - a. CalOptima shall monitor Capitation Payment withholds and review their adequacy quarterly as described in Section II.B.2.
    - b. In the event the monthly Capitation Payments to a Health Network materially increase due to membership or rate increases, CalOptima shall inform the Health Network in writing that an increase in Capitation withhold is required and shall deduct the additional withhold amount in a future Capitation Payment.
    - c. In the event the monthly Capitation Payments to a Health Network materially decrease due to membership or rate decreases, CalOptima shall release the Capitation Payment withhold surplus to the Health Network in a future Capitation Payment.
    - d. Release of the Capitation Payment Withhold upon Health Network Termination
      - i. CalOptima shall release a Capitation Payment withhold not earlier than nine (9) months after a Health Network's termination in the CalOptima program unless the termination is the result of the Health Network's insolvency, in which case CalOptima shall release a Capitation Payment withhold no earlier than twelve (12) months following Health Network's termination in the CalOptima program. Release shall only occur after the Health Network has met all operational requirements.
      - ii. CalOptima shall inform the Health Network in writing of the expected date CalOptima will release a Capitation Payment withhold following the Health Network's termination in the CalOptima program.

D. CalOptima Summary and Reporting of Findings

1. CalOptima shall prepare summaries of the following:
  - a. Financial ratios and other financial elements by Health Network, trended quarterly;
  - b. Financial security reserves; and
  - c. Capitation Payment withhold amounts.
2. CalOptima shall utilize the summaries described in Section III.D.1 of this Policy to:

- a. Monitor the financial position of a Health Network during the Health Network financial review process; and
  - b. Assess Health Network compliance on an ongoing basis.
3. CalOptima shall summarize and report the results of any financial review and Focused Review to the Health Network, the Audit and Oversight Committee, CalOptima executive management, and CalOptima Finance & Audit Committee (FAC), as needed.
- E. Corrective Action and Sanctions
1. If a Health Network fails to comply or meet any of the standards or requirements outlined in this policy, CalOptima may take the following actions:
    - a. Require a Health Network to submit a Corrective Action Plan (CAP) as appropriate, in accordance with CalOptima Policy HH.2005Δ: Corrective Action Plan.
    - b. Place the Health Network in a contractual cure for breach of contract, including the following:
      - i. CalOptima may seize any Capitation and/or monies owed and place the Health Network under financial supervision until breach is cured. Financial supervision to include:
        - a) Withholding of monthly Capitation; and
        - b) Managing and releasing withheld Capitation to the Health Network to fund administrative expenses, Primary Care Provider (PCP) Capitation Payments and/or claims payments (limited specifically to months/dates of service that such withheld Capitation was intended to be used for payment);
      - ii. CalOptima may review the Health Network's financial statements, bank statements, and/or other records to ensure payments are made.
  2. CalOptima may impose Sanctions in accordance with CalOptima Policy HH.2002Δ: Sanctions.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. Contract for Health Care Services
- C. CalOptima Policy FF.3001: Financial Reporting
- D. CalOptima Policy HH.2005Δ: Corrective Action Plan
- E. CalOptima Policy HH.2002Δ: Sanctions
- F. This policy supersedes:
  1. CalOptima Financial Letter dated August 11, 1995: Financial issues update
  2. CalOptima Financial Bulletin #1: Schedule and process of capitation payments
  3. CalOptima Financial Bulletin #13: 1997-98 Contract Year financial requirements
- G. Title 10, California Code of Regulations (C.C.R.), § 1300.76
- H. Title 22, California Code of Regulations (C.C.R.), § 51301 *et seq.*
- I. Title 28, California Code of Regulations (C.C.R.), §§ 1300.75.4 through 1300.75.4.8

**VI. REGULATORY AGENCY APPROVAL(S)**

| Date     | Regulatory Agency                  |
|----------|------------------------------------|
| 03/07/16 | Department of Health Care Services |
|          |                                    |

**VII. BOARD ACTION(S)**

None to Date

**VIII. REVISION HISTORY**

| Action    | Date       | Policy  | Policy Title                                        | Program(s) |
|-----------|------------|---------|-----------------------------------------------------|------------|
| Effective | 12/01/1998 | FF.1101 | Monitoring Contractor's Financial Position          | Medi-Cal   |
| Revised   | 06/01/2001 | FF.1101 | Monitoring Contractor's Financial Position          | Medi-Cal   |
| Revised   | 09/01/2005 | FF.1101 | Monitoring Contractor's Financial Position          | Medi-Cal   |
| Effective | 06/01/2001 | FF.1102 | Monitoring Contractor's Financial Security Reserves | Medi-Cal   |
| Effective | 01/01/2007 | FF.3002 | Financial Oversight                                 | Medi-Cal   |
| Revised   | 01/01/2008 | FF.3002 | Financial Oversight                                 | Medi-Cal   |
| Revised   | 02/01/2016 | FF.3002 | Financial Oversight                                 | Medi-Cal   |
| Revised   | 03/01/2017 | FF.3002 | Financial Oversight                                 | Medi-Cal   |
| Revised   | 07/01/2018 | FF.3002 | Financial Oversight                                 | Medi-Cal   |
| Revised   | TBD        | FF.3002 | Financial Oversight                                 | Medi-Cal   |

1 IX. GLOSSARY  
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| Term                                     | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aid Code                                 | The two (2) character code, defined by the State of California, which identifies the aid category under which a Member is eligible to receive Medi-Cal Covered Services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Capitation Payment                       | The monthly amount paid to a Health Network by CalOptima for delivery of Covered Services to Members, which is determined by multiplying the applicable Capitation Rate by a Health Network's monthly enrollment based upon Aid Code, age, and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Capitation Rate                          | The per capita rate set by CalOptima for the delivery of Covered Services to Members based upon Aid Code, age and gender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Contract for Health Care Services        | The written instrument between CalOptima and Physicians, Hospitals, Health Maintenance Organizations (HMO), or other entities. Contract shall include any Memoranda of Understanding entered into by CalOptima that is binding on a Physician Hospital Consortium (PHC), a physician group under a shared risk contract, or HMO, and DHCS Medi-Cal Managed Care Division Policy Letters. .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Corrective Action Plan (CAP)             | A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers of Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. FDRs and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima and its regulators.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Covered Services                         | Those services provided in the Fee-For-Service Medi-Cal program (as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301), the Child Health and Disability Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article 4, beginning with section 6842), and the California Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning with section 14094.4) under the Whole-Child Model program effective July 1, 2019, to the extent those services are included as Covered Services under CalOptima's Medi-Cal Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), and Health Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section 14127), effective January 1, 2020 for HHP Members with eligible physical chronic conditions and substance use disorders, or other services as authorized by the CalOptima Board of Directors, which shall be covered for Members notwithstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| Department of Managed Health Care (DMHC) | The State Agency responsible for licensing and regulating health care services plans/health maintenance organizations in accordance with the Knox Keene Health Care Service Plan Act of 1975 as amended.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| <b>Term</b>                                                   | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Solvency Reserves                                   | Funds comprised of security reserves and/or capitation withhold that are required for the duration of a Physician Hospital Consortium's (PHC)'s, Shared Risk Group's (SRG)'s, or Health Maintenance Organization's (HMO)'s participation in the CalOptima program. These funds are used to protect the interests of and ensure the continuation of health care services to the Members assigned to the PHC, SRG or HMO; they may also be used for administrative costs directly attributable to a conservatorship, receivership or liquidation. |
| Financial Statement                                           | Financial reports including balance sheets, income statements, statements of cash flows, statements of equity, and accompanying footnotes prepared in accordance with generally accepted accounting principles.                                                                                                                                                                                                                                                                                                                                 |
| Financial Security Instrument                                 | Time certificate of deposit, irrevocable standby letter of credit, or surety bond naming CalOptima as the beneficiary.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Focused Review                                                | An audit that specifically targets areas of potential deficiency.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Health Maintenance Organization (HMO)                         | A health care service plan, as defined in the Knox-Keene Health Care Service Plan Act of 1975, as amended, commencing with Section 1340 of the California Health and Safety Code.                                                                                                                                                                                                                                                                                                                                                               |
| Health Network                                                | A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                                                                                                                                                                                                                                         |
| Incurred But Not Reported (IBNR)                              | An estimate of claims that have been incurred for medical services provided, but for which claims have not yet been received by the Health Network.                                                                                                                                                                                                                                                                                                                                                                                             |
| Knox-Keene Health Care Services Plan Act of 1975 (Knox-Keene) | The law that regulates HMOs and is administrated by the Department of Managed Health Care (DMHC), commencing with Section 1340 of the California Health and Safety Code.                                                                                                                                                                                                                                                                                                                                                                        |
| Medical Loss Ratio (MLR)                                      | The percentage calculated by dividing the Health Network's total medical costs paid on behalf of CalOptima Members by the total revenue received from CalOptima. Health Network medical costs would include payments to physicians (i.e. capitation, fee-for-service, or salary), medical groups/ independent practice Associations (IPAs), hospitals, labs, ambulance companies, and other providers of service.                                                                                                                               |
| Member                                                        | A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.                                                                                                                                                                                                                                                                         |
| Primary Care Provider (PCP)                                   | A person responsible for supervising, coordinating, and providing initial and Primary Care to patients; for initiating referrals; and, for maintaining the continuity of patient care. A Primary Care Provider may be a Primary Care Physician or Non-Physician Medical Practitioner.                                                                                                                                                                                                                                                           |
| Primary Hospital                                              | A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).                                                                                                                                                                                                                                                                                                                                                                                                       |
| Primary Physician Group                                       | A physician group contracted with CalOptima on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).                                                                                                                                                                                                                                                                                                                                                                                               |
| Provider                                                      | All contracted Providers including physicians, Non-physician Medical Practitioners, ancillary providers, and facilities or institutions who furnish covered services.                                                                                                                                                                                                                                                                                                                                                                           |

| <b>Term</b>                     | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Bearing Organization (RBO) | <p>A professional medical corporation, other form of corporation controlled by physicians and surgeons, a medical partnership, or another lawfully organized group of physicians that:</p> <ol style="list-style-type: none"> <li>1. Delivers, furnishes, or otherwise arranges for or provides health care services; and</li> <li>2. Does all the following: <ol style="list-style-type: none"> <li>a. Contracts directly with a health care service plan or arranges for health care services for the health care service plan's enrollees;</li> <li>b. Receives compensation for those services on a capitated or fixed periodic payment basis; and</li> <li>c. Is responsible for the processing and payment of claims made by providers for services rendered by those providers on behalf of a health care service plan that are covered under the capitation payment made by the plan to the risk bearing organization.</li> </ol> </li> </ol> |
| Sanction                        | Action taken by CalOptima including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, CalOptima policy, or other requirements related to CalOptima programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Shared Risk Group (SRG)         | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Tangible Net Equity (TNE)       | Net equity reduced by the value assigned to intangible assets including, but not limited to, goodwill; going concern value; organizational expense; starting-up costs; obligations of officers, directors, owners, or affiliates which are not fully secured, except short-term obligations of affiliates for goods or services arising in the normal course of business which are payable on the same terms as equivalent transactions with non-affiliates and which are not past due; long term prepayments of deferred charges, and non-returnable deposits.                                                                                                                                                                                                                                                                                                                                                                                       |

CEO Approval:

Effective Date: 07/01/08  
~~Last Review Date: 10/04/18~~  
~~Last Revised Date: 10/04/18~~

Board Approved Policy

**I. PURPOSE**

This policy outlines the process for CalOptima's administration of the Shared Risk Pool with a Shared Risk Group.

**II. POLICY**

A. CalOptima shall establish a Shared Risk Pool for a Shared Risk Group in accordance with the Contract for Health Care Services and the terms and conditions of this Policy.

B. CalOptima shall establish a Shared Risk Pool each fiscal year (July 1 through June 30) during the term of a Shared Risk Group's Contract for Health Care Services.

C. The Shared Risk Budget shall include:

1. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within the applicable period;

~~2. Monies recovered by CalOptima or a Provider from Coordination of Benefits for Shared Risk Services provided to Members assigned to the Shared Risk Group, in accordance with CalOptima Policy FF.2003: Coordination of Benefits;~~

~~3.2~~ Reinsurance recovery amounts as set forth in CalOptima Policy FF.1007: Health Network Reinsurance Coverage; and

~~4.3~~ Supplemental OB Delivery Care payments as set forth in CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment.

D. ~~Effective on the Department of Health Care Services (DHCS) approved Whole Child Model (WCM) program implementation date, no sooner than July 1, 2019, the~~ The Shared Risk Budget shall not include any amounts for Health Network Members eligible for the California Children's Services (CCS) Program.

E. Shared Risk Expenses shall include:

1. Claims paid for Shared Risk Services provided to Members assigned to the Shared Risk Group;

2. An estimate of Incurred But Not Reported (IBNR) expenses for Shared Risk Services; and

3. Administrative expenses at a rate established in the Contract for Health Care Services; ~~and.~~



~~4. Any reinsurance premiums paid by CalOptima allocable to the Shared Risk Group.~~

F. Shared Risk Expenses shall not include:

1. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments – High Cost Exclusion Items.
2. Any expenses attributable to the Health Network Members who are eligible for the CCS Program.

G. Quarterly Reporting - CalOptima shall report the status of the Shared Risk Pool to its corresponding Shared Risk Group within forty-five (45) calendar days following the end of each quarter as follows:

1. Quarter Ending September 30: Due November 15.
2. Quarter Ending December 31: Due February 15.
3. Quarter Ending March 31: Due May 15.
4. Quarter Ending June 30: Due August 15.

H. Semi-Annual Reconciliation and Settlement - CalOptima shall reconcile and settle the Shared Risk Pool by February 28 following the immediately preceding semi-annual period of July 1 through December 31.

1. If, at the end of the first semi-annual period of the fiscal year, CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any deficits carried forward from the previous annual settlement. Any surplus distributions are an advance against the projected final surplus. The remaining forty percent (40%) of the surplus shall remain in the Shared Risk Pool.
2. If, at the end of that semi-annual period, CalOptima determines that the Shared Risk Pool is in deficit, no advance payment shall be made to the Shared Risk Group.

I. Annual Reconciliation and Settlement - CalOptima shall reconcile and report the status of the Shared Risk Pool by October 31 following the end of each fiscal year. The Shared Risk Group will have thirty (30) calendar days from the date of receipt of the annual report to notify CalOptima of any objections to the calculations of the surplus or deficit, as detailed in Section III.C.4. of this Policy.

1. After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual reconciliation period as described in Section II.H.1. of this Policy, and less any deficits carried forward from the previous annual settlement. CalOptima shall retain the balance of the Shared Risk Pool.



2. After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that the Shared Risk Pool is in deficit, CalOptima shall carry forward an amount equal to sixty percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation, along with any additional deficits carried forward from the previous annual settlement, except as otherwise established in the Contract for Health Care Services.
- J. If there is a significant change in risk pool performance, CalOptima reserves the right to meet with the Shared Risk Group in order to discuss and understand the reason for the significant change.
- K. If there is continued deterioration of performance of the Shared Risk Pool, CalOptima may request a Corrective Action Plan (CAP) from the Shared Risk Group.
- L. If CalOptima determines that a Shared Risk Group has Shared Risk Pool deficits in two (2) successive fiscal years, CalOptima may terminate the Shared Risk Group's Contract for Health Care Services.
- M. In the event that CalOptima or a Shared Risk Group terminates the Contract for Health Care Services, CalOptima shall settle the Shared Risk Pool within one hundred twenty (120) calendar days following the date of contract termination, in accordance with Section III.D. of this Policy.
- N. Upon identification of a payment error, Shared Risk Groups must submit written notification on a timely basis in order for CalOptima to seek necessary ~~provider~~Provider recoupment. CalOptima cannot request recoupment from a ~~provider~~Provider after more than three hundred sixty-five (365) calendar days from the date of CalOptima's original claims payment.
- O. If a Health Network identifies an overpayment of a semi-annual or annual settlement payment, the Health Network shall return the overpayment within sixty (60) calendar days after the date on which the overpayment was identified, and shall notify CalOptima's Accounting Department in writing of the reason for the overpayment. CalOptima shall coordinate with the Health Network on the process to return the overpayment.

### III. PROCEDURE

#### A. Quarterly Shared Risk Pool Reporting

1. Within forty-five (45) calendar days following the end of each quarter, as detailed in section II.G. of this Policy, CalOptima shall provide a Shared Risk Group with a written report of the status of the Shared Risk Pool.
2. The report shall include:
  - a. An annualization of the aggregate amount of the Shared Risk Budget and Shared Risk Expenses for all months to date during that fiscal year; and
  - b. An estimate of the projected Shared Risk Pool deficit or surplus at the end of the fiscal year.

#### B. Semi-Annual Shared Risk Pool Reconciliation and Settlement

1. No later than February 28 of each year, CalOptima shall settle the Shared Risk Pool for the immediately preceding semi-annual period July 1 through December 31.
    - a. CalOptima shall calculate the Shared Risk Budget for the semi-annual period July 1 through December 31. The Shared Risk Budget shall include all components detailed in Sections II.C. and II.D. of this Policy related to Members assigned to the Shared Risk Group within the semi-annual period, and for dates of service within the semi-annual period.
    - b. CalOptima shall calculate Shared Risk Expenses for the semi-annual period July 1 through December 31. The Shared Risk Expenses shall include all components detailed in Sections II.E. and II.F. of this Policy for dates of service within the semi-annual period.
    - c. CalOptima shall reduce Shared Risk Expenses for the semi-annual period by:
      - i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group within the semi-annual period; and
      - ii. Any recoveries, including overpayments, for dates of service within the semi-annual period related to Shared Risk Services provided to Members assigned to the Shared Risk Group.
  2. CalOptima shall compute and settle the semi-annual Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the semi-annual period.
    - a. If CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any deficits from the previous annual settlement. Any surplus distributions are an advance against the projected final surplus. The remaining forty percent (40%) of the surplus shall remain in the Shared Risk Pool.
    - b. If CalOptima determines that the Shared Risk Pool is in deficit, no advance payment shall be made to the Shared Risk Group.
- C. Annual Shared Risk Pool Reconciliation and Settlement
1. No later than October 31 of each year, CalOptima shall provide the Shared Risk Group with an Annual Shared Risk Program Report. The Annual Shared Risk Program Report shall show reconciliation of allocations, deposits, expenses, and disbursements during the immediately preceding fiscal year, and the status of the Shared Risk Pool.
    - a. CalOptima shall calculate the Shared Risk Budget for the annual reconciliation in accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the fiscal year shall include:

- i. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within that fiscal year, including any retroactivity within (90) calendar days after the end of the fiscal year;
  - ~~ii. Monies recovered by CalOptima or a Provider from Coordination of Benefits for dates of service within that fiscal year and recovered within ninety (90) calendar days after the end of the fiscal year;~~
  - ~~iii.ii.~~ Reinsurance recovery amounts for dates of service within that fiscal year and identified within ninety (90) calendar days after the end of the fiscal year; and
  - ~~iv.iii.~~ Supplemental OB Delivery Care payments for dates of service within that fiscal year and identified within ninety (90) calendar days after the end of the fiscal year.
- b. CalOptima shall calculate Shared Risk Expenses for the annual reconciliation in accordance with Sections II.E. and II.F. of this Policy. Shared Risk Expenses for the fiscal year shall include:
- i. Claims for Shared Risk Services for dates of service within that fiscal year and paid within ninety (90) calendar days following the end of the fiscal year;
  - ii. An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal year, based on historical claims for Shared Risk Services for dates of service within that fiscal year and paid up to ninety (90) calendar days following the end of the fiscal year; and
  - ~~iii. Administrative expenses as established in the Contract for Health Care Services; and~~
  - ~~iv.iii. Any reinsurance premiums paid by CalOptima within that fiscal year allocable to the Shared Risk Group.~~
- c. Shared Risk Expenses shall not include:
- i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments – High Cost Exclusion Items.
- d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
- i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group during that fiscal year within ninety (90) calendar days after the end of the fiscal year; and
  - ii. Any recoveries, including overpayments, for dates of service within that fiscal year related to Shared Risk Services provided to Members assigned to the Shared Risk Group and received within ninety (90) calendar days after the end of the fiscal year.

- e. If CalOptima identifies any Shared Risk Expenses past ninety (90) calendar days following the end of the fiscal year, CalOptima shall deduct such Shared Risk Expenses from the Shared Risk Budget as part of the subsequent fiscal year's update for that Shared Risk Period pursuant to Section III.C.3. of this Policy.
2. CalOptima shall compute the annual Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the fiscal year.
  - a. If CalOptima determines that the Shared Risk Pool is in surplus, the Annual Shared Risk Program Report shall reflect that the amount payable to the Shared Risk Group will be an amount equal to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual reconciliation period as described in Section III.B.2.a. of this Policy, and less any deficits carried forward from the previous annual settlement. CalOptima shall retain the balance of the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, the Annual Shared Risk Program Report shall reflect that CalOptima shall carry forward an amount equal to sixty percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation, along with any additional deficits carried forward from the previous annual settlement, except as otherwise established in the Contract for Health Care Services.
3. Each Annual Shared Risk Program Report shall include refreshed reports from the previous two (2) annual shared risk periods. CalOptima shall refresh the Annual Shared Risk Program Report at the time of the following ~~Shared Risk Period's~~shared risk period's annual settlement to update IBNR and actual claims payment for previous shared risk periods. After two (2) years, the refreshed Annual Shared Risk Program Report should not contain IBNR and shall be considered final. (e.g., FY16 Shared Risk Period [July 1, 2015-June 30, 2016] will be final October 31, 2018).
4. If, upon review of the Annual Shared Risk Program Report, the Shared Risk Group objects to the calculations and determination, the Shared Risk Group may complete and submit the Risk Pool Claims Objection Form and any supporting documentation to the CalOptima Accounting Department within thirty (30) calendar days from the date of receipt of the Annual Shared Risk Program Report.
  - a. If CalOptima does not receive any written objection from the Shared Risk Group within thirty (30) calendar days of receipt of the Annual Shared Risk Program Report, CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen (15) calendar days after the expiration of the review period, no later than December 15. Such settlement shall be considered final.
  - b. If CalOptima receives written notice of objection from a Shared Risk Group within the objection period, CalOptima shall re-evaluate its calculations based on additional documentation provided by the Shared Risk Group and provide a final Annual Shared Risk Program Report to the Shared Risk Group within forty-five (45) calendar days after receipt of the written objection.

- c. CalOptima shall settle the Shared Risk Pool based on this final Annual Shared Risk Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the final Annual Shared Risk Program Report.

D. Shared Risk Pool Settlement upon Termination

1. Within one-hundred-twenty (120) calendar days after the effective date of termination of the Contract for Health Care Services with a Shared Risk Group, CalOptima shall provide the terminated Shared Risk Group with a Final Reconciliation and Settlement Report.
- a. CalOptima shall calculate the Shared Risk Budget for the reconciliation upon termination in accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the reconciliation upon termination shall include:
- i. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within that fiscal year and up to the effective date of termination, including any retroactivity within ninety (90) calendar days after the effective date of termination;
- ~~ii. Monies recovered by CalOptima or a Provider from Coordination of Benefits for dates of service within that fiscal year and up to the effective date of termination, recovered within ninety (90) calendar days after the effective date of termination;~~
- ~~iii.~~ ii. Reinsurance coverage amounts for dates of service within the fiscal year and up to the effective date of termination, identified no later than ninety (90) calendar days after the effective date of termination; and
- ~~iv.~~ iii. Supplemental OB Delivery Care payments for dates of service within that fiscal year and up to the effective date of termination, identified within ninety (90) calendar days after the effective date of termination.
- b. CalOptima shall calculate Shared Risk Expenses for the reconciliation upon termination in accordance with Sections II.E and II.F of this Policy. Shared Risk Expenses for the reconciliation upon termination shall include:
- i. Claims for Shared Risk Services for dates of service within that fiscal year and up to the effective date of termination, paid within ninety (90) calendar days following the effective date of termination;
- ii. An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal year and up to the effective date of termination, based on historical claims for Shared Risk Services for dates of service within that fiscal year and paid up to ninety (90) calendar days following the effective date of termination; and
- ~~iii. Administrative expenses as established in the Contract for Health Care Services; and~~
- ~~iv.~~ iii. Any reinsurance premiums paid by CalOptima within that fiscal year and up to the effective date of termination allocable to the Shared Risk Group.

- c. Shared Risk Expenses shall not include:
    - i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005.c: Special Payments – High Cost Exclusion Items.
  - d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
    - i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group during that fiscal year within ninety (90) calendar days after the effective date of termination; and
    - ii. Any recoveries, including overpayments, for dates of service within that fiscal year and up to the effective date of termination related to Shared Risk Services provided to Members assigned to the Shared Risk Group and received within ninety (90) calendar days after the effective date of termination.
2. CalOptima shall compute the final Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the final fiscal year.
    - a. If CalOptima determines that the Shared Risk Pool is in surplus, the Final Shared Risk Program Report shall reflect that the amount payable to the Shared Risk Group will be an amount equal to sixty percent (60%) of that surplus, less amounts paid at the semi-annual reconciliation period (if applicable), and less any deficits from the previous annual settlement, if not already subtracted at the semi-annual reconciliation period. CalOptima shall retain the balance of the Shared Risk Pool.
    - b. If CalOptima determines that the Shared Risk Pool is in deficit, the Final Shared Risk Program Report shall reflect that the Shared Risk Group shall not be responsible for any portion of that deficit.
  3. If, upon review of the Final Shared Risk Program Report, the Shared Risk Group objects to the calculations and determination, the Shared Risk Group may complete and submit the Risk Pool Claims Objection Form and any supporting documentation to the CalOptima Accounting Department within thirty (30) calendar days from the date of receipt of the Final Shared Risk Program Report.
    - a. If CalOptima does not receive any written objection from the Shared Risk Group within thirty (30) calendar days from the date of receipt of the Final Shared Risk Program Report, CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen (15) calendar days after the expiration of the review period. Such settlement shall be considered final.
    - b. If CalOptima receives written notice of objection from the Shared Risk Group, CalOptima shall re-evaluate its calculations based on additional documentation provided by the Shared Risk Group and provide any revisions to the Final Shared Risk Program Report to the Shared Risk Group within forty-five (45) calendar days after receipt of the written objection.

- c. CalOptima shall settle the Shared Risk Pool based on the revised Final Shared Risk Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the revised Final Shared Risk Program Report.

**IV. ATTACHMENT(S)**

- A. Risk Pool Claims Objection Form

**V. REFERENCE(S)**

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal  
B. CalOptima Contract for Health Care Services  
C. CalOptima Policy FF.1007: Health Network Reinsurance Coverage  
D. CalOptima Policy FF.1005c: Special Payments – High Cost Exclusion Items  
E. CalOptima Policy FF.2003: Coordination of Benefits  
F. CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment

**VI. REGULATORY AGENCY APPROVAL(S)**

| Date            | Regulatory Agency                         |
|-----------------|-------------------------------------------|
| <u>03/14/11</u> | <u>Department of Health Care Services</u> |
|                 |                                           |

**VII. BOARD ACTION(S)**

| Date            | Meeting                                                    |
|-----------------|------------------------------------------------------------|
| <u>10/04/18</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>10/02/14</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |

**VIII. REVISION HISTORY**

| Action    | Date       | Policy         | Policy Title            | Program(s)      |
|-----------|------------|----------------|-------------------------|-----------------|
| Effective | 07/01/2008 | FF.1010        | Shared Risk Pool        | Medi-Cal        |
| Revised   | 07/01/2009 | FF.1010        | Shared Risk Pool        | Medi-Cal        |
| Revised   | 07/01/2010 | FF.1010        | Shared Risk Pool        | Medi-Cal        |
| Revised   | 09/01/2014 | FF.1010        | Shared Risk Pool        | Medi-Cal        |
| Revised   | 08/01/2016 | FF.1010        | Shared Risk Pool        | Medi-Cal        |
| Revised   | 05/01/2017 | FF.1010        | Shared Risk Pool        | Medi-Cal        |
| Revised   | 10/04/2018 | FF.1010        | Shared Risk Pool        | Medi-Cal        |
| Revised   |            | <u>FF.1010</u> | <u>Shared Risk Pool</u> | <u>Medi-Cal</u> |



IX. GLOSSARY

| Term                                             | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| California Children's Services (CCS) Program     | The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible persons under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.                                                                                                                                                              |
| Contract for Health Care Services                | The written instrument between CalOptima and Physicians, Hospitals, Health Maintenance Organizations (HMO), or other entities. Contract shall include any Memoranda of Understanding entered into by CalOptima that is binding on a Physician Hospital Consortium (PHC) or HMO, DHCS Medi-Cal Managed Care Division Policy Letters, Contract Interpretation, and Financial Bulletins issued pursuant to the Contract.                                                                              |
| Contracted CalOptima Hospital                    | A hospital that has entered into a CalOptima Hospital Services Contract to provide hospital services to CalOptima Direct Members.                                                                                                                                                                                                                                                                                                                                                                  |
| Coordination of Benefits (COB)                   | A method for determining the order of payment for medical or other care/treatment benefits where the primary health plan pays for covered benefits as it would without the presence of a secondary health plan.                                                                                                                                                                                                                                                                                    |
| Corrective Action Plan (CAP)                     | A plan delineating specific and identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the State, or designated representatives. Health Networks and Providers may be required to complete a CAP to ensure that they are in compliance with statutory, regulatory, contractual, CalOptima policy, and other requirements identified by CalOptima and its regulators. |
| <u>Department of Health Care Services (DHCS)</u> | <u>The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.</u>                                                                                                                                                                                                                                 |
| Division of Financial Responsibility (DOFR)      | A matrix that identifies how CalOptima identifies the responsible parties for components of medical associated with the provision of Covered Services. The responsible parties include, but are not limited to, Physician, Hospital, CalOptima and the County of Orange.                                                                                                                                                                                                                           |
| High Cost Exclusion Item                         | Specific high-cost items that are excluded from a Contracted Hospital's outpatient reimbursement or inpatient per diem rate.                                                                                                                                                                                                                                                                                                                                                                       |
| Hospital Budget Capitation Allocation            | The amount equal to the Hospital Risk Pool Capitation (PMPM) set forth in the contract multiplied by the number of Members assigned to the Shared Risk Physician.                                                                                                                                                                                                                                                                                                                                  |
| Incurred But Not Reported (IBNR)                 | IBNR means "incurred but not reported," and refers to an estimate of claims that have been incurred for medical services provided, but for which claims have not yet been received by the Health Network.                                                                                                                                                                                                                                                                                          |
| Member                                           | A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.                                                                                                                                                                                                                            |



| Term                           | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provider                       | A physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory, ancillary provider, health maintenance organization, or other person or institution that furnishes Covered Services.                                                                                                                                                                                                                                                                                                                                             |
| Shared Risk Budget             | The total amount that CalOptima allocates to the Shared Risk Pool to pay for Shared Risk Services set forth in the DOFR of the contract.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Shared Risk Expenses           | Includes:<br>Amounts paid for Shared Risk Services provided to Members assigned to the Shared Risk Group;<br>An estimate of Incurred But Not Reported (IBNR) expenses; <del>and</del><br>Administrative expenses at a rate established in the Contract for Health Care Services; <del>and,</del><br><del>Any reinsurance premiums paid by CalOptima allocable to the Shared Risk Group.</del>                                                                                                                                                                                           |
| Shared Risk Group              | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                                   |
| Shared Risk Pool               | The risk sharing program, under which the risk for the provision of Shared Risk Services to Members is shared and allocated between CalOptima and the contracted Health Network.                                                                                                                                                                                                                                                                                                                                                                                                        |
| <u>Whole-Child Model (WCM)</u> | <u>An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare &amp; Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty, and behavioral health for CCS-eligible and non-CCS-eligible conditions.</u> |

Hospital Shared Risk Pool  
Shared Risk Group: \_\_\_\_\_  
Risk Pool Period \_\_\_\_\_  
Date of Service: \_\_\_\_\_  
Date of Payment: \_\_\_\_\_

Line Of Business

- ☐ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect

| Item # | Payment Question/Issue | CalOptima Claim No. | Member Name | Provider Name | Start Date of Service | End Date of Service | Amount Paid | Date of Payment | Requested Credit | CalOptima Review | 2nd Level CalOptima GARS Appeal Review | CalOptima Potential Claim Overpayment |
|--------|------------------------|---------------------|-------------|---------------|-----------------------|---------------------|-------------|-----------------|------------------|------------------|----------------------------------------|---------------------------------------|
|        |                        |                     |             |               |                       |                     |             |                 |                  |                  |                                        |                                       |
|        |                        |                     |             |               |                       |                     |             |                 |                  |                  |                                        |                                       |
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For 20200521 FAC Review Only

CEO Approval:

Effective Date: 07/01/08  
Revised Date:

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**I. PURPOSE**

This policy outlines the process for CalOptima's administration of the Shared Risk Pool with a Shared Risk Group.

**II. POLICY**

- A. CalOptima shall establish a Shared Risk Pool for a Shared Risk Group in accordance with the Contract for Health Care Services and the terms and conditions of this Policy.
- B. CalOptima shall establish a Shared Risk Pool each fiscal year (July 1 through June 30) during the term of a Shared Risk Group's Contract for Health Care Services.
- C. The Shared Risk Budget shall include:
  - 1. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within the applicable period;
  - 2. Reinsurance recovery amounts as set forth in CalOptima Policy FF.1007: Health Network Reinsurance Coverage; and
  - 3. Supplemental OB Delivery Care payments as set forth in CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment.
- D. The Shared Risk Budget shall not include any amounts for Health Network Members eligible for the California Children's Services (CCS) Program.
- E. Shared Risk Expenses shall include:
  - 1. Claims paid for Shared Risk Services provided to Members assigned to the Shared Risk Group;
  - 2. An estimate of Incurred But Not Reported (IBNR) expenses for Shared Risk Services; and
  - 3. Administrative expenses at a rate established in the Contract for Health Care Services.
- F. Shared Risk Expenses shall not include:
  - 1. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments – High Cost Exclusion Items.

- 1 2. Any expenses attributable to the Health Network Members who are eligible for the CCS  
2 Program.  
3
- 4 G. Quarterly Reporting - CalOptima shall report the status of the Shared Risk Pool to its corresponding  
5 Shared Risk Group within forty-five (45) calendar days following the end of each quarter as  
6 follows:  
7
- 8 1. Quarter Ending September 30: Due November 15.  
9  
10 2. Quarter Ending December 31: Due February 15.  
11  
12 3. Quarter Ending March 31: Due May 15.  
13  
14 4. Quarter Ending June 30: Due August 15.  
15
- 16 H. Semi-Annual Reconciliation and Settlement - CalOptima shall reconcile and settle the Shared Risk  
17 Pool by February 28 following the immediately preceding semi-annual period of July 1 through  
18 December 31.  
19
- 20 1. If, at the end of the first semi-annual period of the fiscal year, CalOptima determines that the  
21 Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal to  
22 sixty percent (60%) of that surplus, less any deficits carried forward from the previous annual  
23 settlement. Any surplus distributions are an advance against the projected final surplus. The  
24 remaining forty percent (40%) of the surplus shall remain in the Shared Risk Pool.  
25
- 26 2. If, at the end of that semi-annual period, CalOptima determines that the Shared Risk Pool is in  
27 deficit, no advance payment shall be made to the Shared Risk Group.  
28
- 29 I. Annual Reconciliation and Settlement - CalOptima shall reconcile and report the status of the  
30 Shared Risk Pool by October 31 following the end of each fiscal year. The Shared Risk Group will  
31 have thirty (30) calendar days from the date of receipt of the annual report to notify CalOptima of  
32 any objections to the calculations of the surplus or deficit, as detailed in Section III.C.4. of this  
33 Policy.  
34
- 35 1. After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that  
36 the Shared Risk Pool is in surplus, CalOptima shall pay the Shared Risk Group an amount equal  
37 to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual  
38 reconciliation period as described in Section II.H.1. of this Policy, and less any deficits carried  
39 forward from the previous annual settlement. CalOptima shall retain the balance of the Shared  
40 Risk Pool.  
41
- 42 2. After issuance of the final Annual Shared Risk Program Report, if CalOptima determines that  
43 the Shared Risk Pool is in deficit, CalOptima shall carry forward an amount equal to sixty  
44 percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation,  
45 along with any additional deficits carried forward from the previous annual settlement, except  
46 as otherwise established in the Contract for Health Care Services.  
47
- 48 J. If there is a significant change in risk pool performance, CalOptima reserves the right to meet with  
49 the Shared Risk Group in order to discuss and understand the reason for the significant change.  
50
- 51 K. If there is continued deterioration of performance of the Shared Risk Pool, CalOptima may request a  
52 Corrective Action Plan (CAP) from the Shared Risk Group.

- 1
- 2 L. If CalOptima determines that a Shared Risk Group has Shared Risk Pool deficits in two (2)
- 3 successive fiscal years, CalOptima may terminate the Shared Risk Group's Contract for Health Care
- 4 Services.
- 5
- 6 M. In the event that CalOptima or a Shared Risk Group terminates the Contract for Health Care
- 7 Services, CalOptima shall settle the Shared Risk Pool within one hundred twenty (120) calendar
- 8 days following the date of contract termination, in accordance with Section III.D. of this Policy.
- 9
- 10 N. Upon identification of a payment error, Shared Risk Groups must submit written notification on a
- 11 timely basis in order for CalOptima to seek necessary Provider recoupment. CalOptima cannot
- 12 request recoupment from a Provider after more than three hundred sixty-five (365) calendar days
- 13 from the date of CalOptima's original claims payment.
- 14
- 15 O. If a Health Network identifies an overpayment of a semi-annual or annual settlement payment, the
- 16 Health Network shall return the overpayment within sixty (60) calendar days after the date on which
- 17 the overpayment was identified and shall notify CalOptima's Accounting Department in writing of
- 18 the reason for the overpayment. CalOptima shall coordinate with the Health Network on the process
- 19 to return the overpayment.
- 20

### 21 **III. PROCEDURE**

#### 22 **A. Quarterly Shared Risk Pool Reporting**

- 23
- 24
- 25 1. Within forty-five (45) calendar days following the end of each quarter, as detailed in section
- 26 II.G. of this Policy, CalOptima shall provide a Shared Risk Group with a written report of the
- 27 status of the Shared Risk Pool.
- 28
- 29 2. The report shall include:
- 30
- 31 a. An annualization of the aggregate amount of the Shared Risk Budget and Shared Risk
- 32 Expenses for all months to date during that fiscal year; and
- 33
- 34 b. An estimate of the projected Shared Risk Pool deficit or surplus at the end of the fiscal year.
- 35

#### 36 **B. Semi-Annual Shared Risk Pool Reconciliation and Settlement**

- 37
- 38 1. No later than February 28 of each year, CalOptima shall settle the Shared Risk Pool for the
- 39 immediately preceding semi-annual period July 1 through December 31.
- 40
- 41 a. CalOptima shall calculate the Shared Risk Budget for the semi-annual period July 1 through
- 42 December 31. The Shared Risk Budget shall include all components detailed in Sections
- 43 II.C. and II.D. of this Policy related to Members assigned to the Shared Risk Group within
- 44 the semi-annual period, and for dates of service within the semi-annual period.
- 45
- 46 b. CalOptima shall calculate Shared Risk Expenses for the semi-annual period July 1 through
- 47 December 31. The Shared Risk Expenses shall include all components detailed in Sections
- 48 II.E. and II.F. of this Policy for dates of service within the semi-annual period.
- 49
- 50 c. CalOptima shall reduce Shared Risk Expenses for the semi-annual period by:
- 51

- 1 i. Any applicable copayments, deductibles, or third-party payments collected by  
2 CalOptima or a Provider for Shared Risk Services provided to Members assigned to the  
3 Shared Risk Group within the semi-annual period; and  
4  
5 ii. Any recoveries, including overpayments, for dates of service within the semi-annual  
6 period related to Shared Risk Services provided to Members assigned to the Shared  
7 Risk Group.  
8  
9 2. CalOptima shall compute and settle the semi-annual Shared Risk Pool surplus or deficit by  
10 deducting the Shared Risk Expenses from the Shared Risk Budget for the semi-annual period.  
11  
12 a. If CalOptima determines that the Shared Risk Pool is in surplus, CalOptima shall pay the  
13 Shared Risk Group an amount equal to sixty percent (60%) of that surplus, less any deficits  
14 from the previous annual settlement. Any surplus distributions are an advance against the  
15 projected final surplus. The remaining forty percent (40%) of the surplus shall remain in the  
16 Shared Risk Pool.  
17  
18 b. If CalOptima determines that the Shared Risk Pool is in deficit, no advance payment shall  
19 be made to the Shared Risk Group.  
20  
21 C. Annual Shared Risk Pool Reconciliation and Settlement  
22  
23 1. No later than October 31 of each year, CalOptima shall provide the Shared Risk Group with an  
24 Annual Shared Risk Program Report. The Annual Shared Risk Program Report shall show  
25 reconciliation of allocations, deposits, expenses, and disbursements during the immediately  
26 preceding fiscal year, and the status of the Shared Risk Pool.  
27  
28 a. CalOptima shall calculate the Shared Risk Budget for the annual reconciliation in  
29 accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the  
30 fiscal year shall include:  
31  
32 i. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk  
33 Group within that fiscal year, including any retroactivity within (90) calendar days after  
34 the end of the fiscal year;  
35  
36 ii. Reinsurance recovery amounts for dates of service within that fiscal year and identified  
37 within ninety (90) calendar days after the end of the fiscal year; and  
38  
39 iii. Supplemental OB Delivery Care payments for dates of service within that fiscal year  
40 and identified within ninety (90) calendar days after the end of the fiscal year.  
41  
42 b. CalOptima shall calculate Shared Risk Expenses for the annual reconciliation in accordance  
43 with Sections II.E. and II.F. of this Policy. Shared Risk Expenses for the fiscal year shall  
44 include:  
45  
46 i. Claims for Shared Risk Services for dates of service within that fiscal year and paid  
47 within ninety (90) calendar days following the end of the fiscal year;  
48  
49 ii. An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal  
50 year, based on historical claims for Shared Risk Services for dates of service within that  
51 fiscal year and paid up to ninety (90) calendar days following the end of the fiscal year;  
52 and

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- iii. Administrative expenses as established in the Contract for Health Care Services.
  - c. Shared Risk Expenses shall not include:
    - i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy FF.1005c: Special Payments – High Cost Exclusion Items.
  - d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
    - i. Any applicable copayments, deductibles, or third-party payments collected by CalOptima or a Provider for Shared Risk Services provided to Members assigned to the Shared Risk Group during that fiscal year within ninety (90) calendar days after the end of the fiscal year; and
    - ii. Any recoveries, including overpayments, for dates of service within that fiscal year related to Shared Risk Services provided to Members assigned to the Shared Risk Group and received within ninety (90) calendar days after the end of the fiscal year.
  - e. If CalOptima identifies any Shared Risk Expenses past ninety (90) calendar days following the end of the fiscal year, CalOptima shall deduct such Shared Risk Expenses from the Shared Risk Budget as part of the subsequent fiscal year's update for that Shared Risk Period pursuant to Section III.C.3. of this Policy.
2. CalOptima shall compute the annual Shared Risk Pool surplus or deficit by deducting the Shared Risk Expenses from the Shared Risk Budget for the fiscal year.
- a. If CalOptima determines that the Shared Risk Pool is in surplus, the Annual Shared Risk Program Report shall reflect that the amount payable to the Shared Risk Group will be an amount equal to sixty percent (60%) of that surplus, less any advance amounts paid at the semi-annual reconciliation period as described in Section III.B.2.a. of this Policy, and less any deficits carried forward from the previous annual settlement. CalOptima shall retain the balance of the Shared Risk Pool.
  - b. If CalOptima determines that the Shared Risk Pool is in deficit, the Annual Shared Risk Program Report shall reflect that CalOptima shall carry forward an amount equal to sixty percent (60%) of that deficit into the next fiscal year's semi-annual and/or annual reconciliation, along with any additional deficits carried forward from the previous annual settlement, except as otherwise established in the Contract for Health Care Services.
3. Each Annual Shared Risk Program Report shall include refreshed reports from the previous two (2) annual shared risk periods. CalOptima shall refresh the Annual Shared Risk Program Report at the time of the following shared risk period's annual settlement to update IBNR and actual claims payment for previous shared risk periods. After two (2) years, the refreshed Annual Shared Risk Program Report should not contain IBNR and shall be considered final. (e.g., FY16 Shared Risk Period [July 1, 2015-June 30, 2016] will be final October 31, 2018).
4. If, upon review of the Annual Shared Risk Program Report, the Shared Risk Group objects to the calculations and determination, the Shared Risk Group may complete and submit the Risk Pool Claims Objection Form and any supporting documentation to the CalOptima Accounting Department within thirty (30) calendar days from the date of receipt of the Annual Shared Risk Program Report.



- a. If CalOptima does not receive any written objection from the Shared Risk Group within thirty (30) calendar days of receipt of the Annual Shared Risk Program Report, CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen (15) calendar days after the expiration of the review period, no later than December 15. Such settlement shall be considered final.
- b. If CalOptima receives written notice of objection from a Shared Risk Group within the objection period, CalOptima shall re-evaluate its calculations based on additional documentation provided by the Shared Risk Group and provide a final Annual Shared Risk Program Report to the Shared Risk Group within forty-five (45) calendar days after receipt of the written objection.
- c. CalOptima shall settle the Shared Risk Pool based on this final Annual Shared Risk Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the final Annual Shared Risk Program Report.

#### D. Shared Risk Pool Settlement upon Termination

1. Within one-hundred-twenty (120) calendar days after the effective date of termination of the Contract for Health Care Services with a Shared Risk Group, CalOptima shall provide the terminated Shared Risk Group with a Final Reconciliation and Settlement Report.
  - a. CalOptima shall calculate the Shared Risk Budget for the reconciliation upon termination in accordance with Sections II.C. and II.D. of this Policy. The Shared Risk Budget for the reconciliation upon termination shall include:
    - i. The Hospital Budget Capitation Allocation for Members assigned to the Shared Risk Group within that fiscal year and up to the effective date of termination, including any retroactivity within ninety (90) calendar days after the effective date of termination;
    - ii. Reinsurance coverage amounts for dates of service within the fiscal year and up to the effective date of termination, identified no later than ninety (90) calendar days after the effective date of termination; and
    - iii. Supplemental OB Delivery Care payments for dates of service within that fiscal year and up to the effective date of termination, identified within ninety (90) calendar days after the effective date of termination.
  - b. CalOptima shall calculate Shared Risk Expenses for the reconciliation upon termination in accordance with Sections II.E and II.F of this Policy. Shared Risk Expenses for the reconciliation upon termination shall include:
    - i. Claims for Shared Risk Services for dates of service within that fiscal year and up to the effective date of termination, paid within ninety (90) calendar days following the effective date of termination;
    - ii. An estimate of IBNR expenses for Shared Risk Services rendered within that fiscal year and up to the effective date of termination, based on historical claims for Shared Risk Services for dates of service within that fiscal year and paid up to ninety (90) calendar days following the effective date of termination; and



- 1                   iii. Administrative expenses as established in the Contract for Health Care Services.
- 2
- 3           c. Shared Risk Expenses shall not include:
- 4
- 5               i. Reimbursement for a High Cost Exclusion Item as set forth in CalOptima Policy
- 6               FF.1005.c: Special Payments – High Cost Exclusion Items.
- 7
- 8           d. CalOptima shall reduce Shared Risk Expenses for the fiscal year by:
- 9
- 10               i. Any applicable copayments, deductibles, or third-party payments collected by
- 11               CalOptima or a Provider for Shared Risk Services provided to Members assigned to the
- 12               Shared Risk Group during that fiscal year within ninety (90) calendar days after the
- 13               effective date of termination; and
- 14
- 15               ii. Any recoveries, including overpayments, for dates of service within that fiscal year and
- 16               up to the effective date of termination related to Shared Risk Services provided to
- 17               Members assigned to the Shared Risk Group and received within ninety (90) calendar
- 18               days after the effective date of termination.
- 19
- 20       2. CalOptima shall compute the final Shared Risk Pool surplus or deficit by deducting the Shared
- 21       Risk Expenses from the Shared Risk Budget for the final fiscal year.
- 22
- 23           a. If CalOptima determines that the Shared Risk Pool is in surplus, the Final Shared Risk
- 24       Program Report shall reflect that the amount payable to the Shared Risk Group will be an
- 25       amount equal to sixty percent (60%) of that surplus, less amounts paid at the semi-annual
- 26       reconciliation period (if applicable), and less any deficits from the previous annual
- 27       settlement, if not already subtracted at the semi-annual reconciliation period. CalOptima
- 28       shall retain the balance of the Shared Risk Pool.
- 29
- 30           b. If CalOptima determines that the Shared Risk Pool is in deficit, the Final Shared Risk
- 31       Program Report shall reflect that the Shared Risk Group shall not be responsible for any
- 32       portion of that deficit.
- 33
- 34       3. If, upon review of the Final Shared Risk Program Report, the Shared Risk Group objects to the
- 35       calculations and determination, the Shared Risk Group may complete and submit the Risk Pool
- 36       Claims Objection Form and any supporting documentation to the CalOptima Accounting
- 37       Department within thirty (30) calendar days from the date of receipt of the Final Shared Risk
- 38       Program Report.
- 39
- 40           a. If CalOptima does not receive any written objection from the Shared Risk Group within
- 41       thirty (30) calendar days from the date of receipt of the Final Shared Risk Program Report,
- 42       CalOptima shall settle the Shared Risk Pool and apply any surplus or deficit within fifteen
- 43       (15) calendar days after the expiration of the review period. Such settlement shall be
- 44       considered final.
- 45
- 46           b. If CalOptima receives written notice of objection from the Shared Risk Group, CalOptima
- 47       shall re-evaluate its calculations based on additional documentation provided by the Shared
- 48       Risk Group and provide any revisions to the Final Shared Risk Program Report to the
- 49       Shared Risk Group within forty-five (45) calendar days after receipt of the written
- 50       objection.
- 51

- c. CalOptima shall settle the Shared Risk Pool based on the revised Final Shared Risk Program Report and apply any surplus or deficit within fifteen (15) calendar days after the date of issuance of the revised Final Shared Risk Program Report.

#### IV. ATTACHMENT(S)

- A. Risk Pool Claims Objection Form

#### V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal  
B. CalOptima Contract for Health Care Services  
C. CalOptima Policy FF.1007: Health Network Reinsurance Coverage  
D. CalOptima Policy FF.1005c: Special Payments – High Cost Exclusion Items  
E. CalOptima Policy FF.2003: Coordination of Benefits  
F. CalOptima Policy FF.1005f: Special Payments: Supplemental OB Delivery Care Payment

#### VI. REGULATORY AGENCY APPROVAL(S)

| Date     | Regulatory Agency                  |
|----------|------------------------------------|
| 03/14/11 | Department of Health Care Services |
|          |                                    |

#### VII. BOARD ACTION(S)

| Date     | Meeting                                             |
|----------|-----------------------------------------------------|
| 10/04/18 | Regular Meeting of the CalOptima Board of Directors |
| 10/02/14 | Regular Meeting of the CalOptima Board of Directors |

#### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title     | Program(s) |
|-----------|------------|---------|------------------|------------|
| Effective | 07/01/2008 | FF.1010 | Shared Risk Pool | Medi-Cal   |
| Revised   | 07/01/2009 | FF.1010 | Shared Risk Pool | Medi-Cal   |
| Revised   | 07/01/2010 | FF.1010 | Shared Risk Pool | Medi-Cal   |
| Revised   | 09/01/2014 | FF.1010 | Shared Risk Pool | Medi-Cal   |
| Revised   | 08/01/2016 | FF.1010 | Shared Risk Pool | Medi-Cal   |
| Revised   | 05/01/2017 | FF.1010 | Shared Risk Pool | Medi-Cal   |
| Revised   | 10/04/2018 | FF.1010 | Shared Risk Pool | Medi-Cal   |
| Revised   |            | FF.1010 | Shared Risk Pool | Medi-Cal   |

1 IX. GLOSSARY  
2

| Term                                         | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| California Children's Services (CCS) Program | The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible persons under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations (CCR), Sections 41515.2 through 41518.9.                                                                                                                                                              |
| Contract for Health Care Services            | The written instrument between CalOptima and Physicians, Hospitals, Health Maintenance Organizations (HMO), or other entities. Contract shall include any Memoranda of Understanding entered into by CalOptima that is binding on a Physician Hospital Consortium (PHC) or HMO, DHCS Medi-Cal Managed Care Division Policy Letters, Contract Interpretation, and Financial Bulletins issued pursuant to the Contract.                                                                              |
| Contracted CalOptima Hospital                | A hospital that has entered into a CalOptima Hospital Services Contract to provide hospital services to CalOptima Direct Members.                                                                                                                                                                                                                                                                                                                                                                  |
| Coordination of Benefits (COB)               | A method for determining the order of payment for medical or other care/treatment benefits where the primary health plan pays for covered benefits as it would without the presence of a secondary health plan.                                                                                                                                                                                                                                                                                    |
| Corrective Action Plan (CAP)                 | A plan delineating specific and identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the State, or designated representatives. Health Networks and Providers may be required to complete a CAP to ensure that they are in compliance with statutory, regulatory, contractual, CalOptima policy, and other requirements identified by CalOptima and its regulators. |
| Department of Health Care Services (DHCS)    | The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.                                                                                                                                                                                                                                        |
| Division of Financial Responsibility (DOFR)  | A matrix that identifies how CalOptima identifies the responsible parties for components of medical associated with the provision of Covered Services. The responsible parties include, but are not limited to, Physician, Hospital, CalOptima and the County of Orange.                                                                                                                                                                                                                           |
| High Cost Exclusion Item                     | Specific high-cost items that are excluded from a Contracted Hospital's outpatient reimbursement or inpatient per diem rate.                                                                                                                                                                                                                                                                                                                                                                       |
| Hospital Budget Capitation Allocation        | The amount equal to the Hospital Risk Pool Capitation (PMPM) set forth in the contract multiplied by the number of Members assigned to the Shared Risk Physician.                                                                                                                                                                                                                                                                                                                                  |
| Incurred But Not Reported (IBNR)             | IBNR means "incurred but not reported," and refers to an estimate of claims that have been incurred for medical services provided, but for which claims have not yet been received by the Health Network.                                                                                                                                                                                                                                                                                          |
| Member                                       | A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.                                                                                                                                                                                                                            |
| Provider                                     | A physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory, ancillary provider, health maintenance organization, or other person or institution that furnishes Covered Services.                                                                                                                                                                                                                                                        |
| Shared Risk Budget                           | The total amount that CalOptima allocates to the Shared Risk Pool to pay for Shared Risk Services set forth in the DOFR of the contract.                                                                                                                                                                                                                                                                                                                                                           |

| <b>Term</b>             | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shared Risk Expenses    | Includes:<br>Amounts paid for Shared Risk Services provided to Members assigned to the Shared Risk Group;<br>An estimate of Incurred But Not Reported (IBNR) expenses; and<br>Administrative expenses at a rate established in the Contract for Health Care Services.                                                                                                                                                                                                                                                                                                        |
| Shared Risk Group       | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                        |
| Shared Risk Pool        | The risk sharing program, under which the risk for the provision of Shared Risk Services to Members is shared and allocated between CalOptima and the contracted Health Network.                                                                                                                                                                                                                                                                                                                                                                                             |
| Whole-Child Model (WCM) | An organized delivery system established for Medi-Cal eligible CCS children and youth, pursuant to California Welfare & Institutions Code (commencing with Section 14094.4), and that (i) incorporates CCS covered services into Medi-Cal managed care for CCS-eligible Members and (ii) integrates Medi-Cal managed care with specified county CCS program administrative functions to provide comprehensive treatment of the whole child and care coordination in the areas of primary, specialty, and behavioral health for CCS-eligible and non-CCS-eligible conditions. |

Hospital Shared Risk Pool  
Shared Risk Group: \_\_\_\_\_  
Risk Pool Period \_\_\_\_\_  
Date of Service: \_\_\_\_\_  
Date of Payment: \_\_\_\_\_

Line Of Business

- ☐ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect

| Item # | Payment Question/Issue | CalOptima Claim No. | Member Name | Provider Name | Start Date of Service | End Date of Service | Amount Paid | Date of Payment | Requested Credit | CalOptima Review | 2nd Level CalOptima GARS Appeal Review | CalOptima Potential Claim Overpayment |
|--------|------------------------|---------------------|-------------|---------------|-----------------------|---------------------|-------------|-----------------|------------------|------------------|----------------------------------------|---------------------------------------|
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For 20200521 FAC Review Only

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

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

#### **Report Item**

9. Consider Recommending Board of Directors' Approval of CalOptima Medi-Cal Directed Payments Policy, Modifications to Claims Administrations Policies and Procedures, and Actions Related to the CalOptima Medi-Cal Fee-For-Service Physician Services Contracts and Shared Risk Group Contracts

#### **Contact**

Belinda Abeyta, Executive Director, Operations (714) 246-8400  
Ladan Khamseh, Chief Operations Officer, (714) 246-8400

#### **Recommended Actions**

Recommend that the Board of Directors:

1. Approve CalOptima Medi-Cal Policy FF.2012: *Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying Services* to align with current operational processes and comply with the Department of Health Care Services (DHCS) Directed Payment programs guidance;
2. Authorize the advance funding of the Directed Payments, as necessary and appropriate, for the Directed Payment programs identified in CalOptima Policy FF.2012
3. Authorize the Chief Executive Officer, to approve as necessary and appropriate, the continuation of payment of Directed Payments to eligible providers for qualifying services before the release of DHCS final guidance, if instructed, in writing, by DHCS, and the State Plan Amendment (SPA) has been filed with the Centers for Medicare & Medicaid Services (CMS) for an extension of the Directed Payment program identified in CalOptima Policy FF.2012;
4. Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to amend, as necessary and appropriate, CalOptima Medi-Cal Fee-For-Service Physician Services Contracts and Shared Risk Group Contracts to reflect that Directed Payments will be made pursuant to CalOptima Policy and Procedures; and
5. Approve modifications of the following Claims Administration Policies and Procedures:
  - A. FF. 1002: CalOptima Medi-Cal Fee Schedule
  - B. FF. 1003: Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group

#### **Background/Discussion**

DHCS has implemented Directed Payment programs aimed at specified expenditures for existing health care services through different funding mechanisms. The current DHCS Directed Payments programs are funded by the Quality Assurance Fee (QAF) and Proposition 56. DHCS operationalizes these Directed Payments programs by either adjusting the existing Medi-Cal fee Schedule by establishing a

minimum fee schedule payment or through a specific add-on (supplemental) payment administered by the Medi-Cal Managed Care Plans (MCPs). DHCS releases Directed Payments guidance to the MCPs through All Plan Letters (APLs). The APLs include guidance regarding providers eligible for payment, service codes eligible for reimbursement, timeliness requirements to make payments, and MCP reporting requirements.

CalOptima staff has established processes to meet regulatory timeliness and payment requirements for Proposition 56 physician payments and ground emergency medical transportation (GEMT). On June 7, 2018, the CalOptima Board of Directors (Board) approved the methodology for the disbursement of Proposition 56 physician services payments to eligible Medi-Cal providers and services rendered for dates of service (DOS) in SFY 2017-18. On June 6, 2019, the Board ratified implementation of the standardized annual Proposition 56 provider payment process for physician services extended into future DOS. On September 5, 2019, the Board approved the implementation of the statutorily-mandated rate increase for GEMT. While staff initially planned for these initial Directed Payment initiatives to be time limited, additional Directed Payment provisions are anticipated and expected to be on-going. DHCS has also released information for additional Directed Payments programs to be implemented. The existing and new Directed Payment programs are as follows:

| Program Name                     | Effective DOS          | Eligible Providers | Final DHCS Guidance as of December 26, 2019                                                                                |
|----------------------------------|------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------|
| Physician Services               | 7/1/2017 to 12/31/2020 | Contracted         | APL 18-010 released 05/01/2018<br>APL 19-006 released 06/13/2019<br>APL 19-015 released 12/24/2019                         |
| Abortion Services (Hyde)         | 7/1/2017 to 6/30/2020  | All Providers      | APL 19-013 released 10/17/2019                                                                                             |
| Developmental Screening Services | On or after 1/1/2020   | Contracted         | APL 19-016 released 12/26/2019                                                                                             |
| ACE (Trauma) Screening Services  | On or after 1/1/2020   | Contracted         | APL 19-018 released 12/26/2019                                                                                             |
| GEMT                             | 7/1/2018 to 6/30/2019  | Non-Contracted     | APL 19-007 released 6/14/2019<br>State Plan Amendment: 19-0020 released 09/06/2019<br>APL 20-002 released January 31, 2020 |

In order to meet timeliness and payment requirements, CalOptima staff recommends adoption of Medi-Cal policy FF.2012: *Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying Services*, which has been drafted to address the above-listed qualifying services. This new policy defines Directed Payments and establishes requirements pursuant to which CalOptima will administer Directed Payments for qualifying services rendered to CalOptima Direct and shared risk group members. For shared risk group members, the policy will only apply to Directed Payments for



GEMT services for which CalOptima is financially responsible in accordance with the Division of Financial Responsibility (DOFR). CalOptima will follow DHCS guidelines, including APLs or as specified by DHCS through other correspondence, regarding qualifying services, eligible providers, and payment requirements for applicable DOS. Staff anticipates that this policy will need to be updated periodically, subject to Board approval, as new Directed Payment programs are established by DHCS or when DHCS subsequently changes existing Directed Payment program requirements, rates, and/or codes.

Staff seeks authority to amend, as necessary and appropriate, CalOptima Medi-Cal Fee-For-Service Physician Contracts and Shared Risk Group Contracts to reflect that Directed Payments will be made pursuant to CalOptima Policy and Procedures.

Staff also seeks authority to implement funding for Directed Payment programs identified in CalOptima Policy FF.2012 before funding is received from DHCS. For certain Directed Payments, such as the new Proposition 56 program for developmental screening services, DHCS expected managed care health plans, including CalOptima, to make Directed Payments for dates of service on or after January 1, 2020 before receipt of funding from DHCS. DHCS final APL for developmental screening services was released in December 2019, however, CalOptima did not receive funding from DHCS until April 2020. Further, per the APL, DHCS intends to renew the directed payment arrangement on an annual basis for the duration of the program. Considering that APLs for subsequent years might include changes in rates or codes, staff believes issuance of Directed Payments prior to CalOptima's receipt of funding from DHCS is appropriate when subsequent final APLs are issued.

Periodically, CalOptima establishes new or modifies existing Policies and Procedures to implement new or modified laws, regulatory guidance, contracts, business practices and benefits. CalOptima has an annual policy review process by which Policies and Procedures are updated and implemented to comply with new laws, regulations, guidelines or programs as required. The following current Policies and Procedures have been impacted and staff is recommending approval of proposed updates:

1. ***FF.1002: CalOptima Medi-Cal Fee Schedule*** outlines the process by which CalOptima establishes and maintains the CalOptima Medi-Cal Fee Schedule for covered services for which CalOptima is financially responsible, in accordance with the DOFR. CalOptima staff proposes revisions to the policy pursuant to the CalOptima annual review process to address DHCS FFS reimbursement rates based on prospective and retroactive rate revisions as referenced in the published DHCS APLs, Medi-Cal Bulletins and NewsFlash when DHCS provides sufficient information to implement the rate revisions, including the effective date, reimbursement rate, current procedural terminology, CPT codes and any modifiers, as necessary. CalOptima shall implement FFS reimbursement rates received via published DHCS APLs, Medi-Cal Bulletins and NewsFlash to the extent the FFS reimbursement rate is not reflected in the Medi-Cal Fee Schedule. Proposed revisions also include basing DHCS FFS reimbursement rates on expected rates referenced in the pending State Plan Amendment filed



with CMS for Proposition 56 directed payments if instructed in writing by DHCS and removing Operating Instruction Letters as a source for rate changes. Additional proposed changes are intended to include contracted providers' right to file a complaint, as well as updating definitions and several grammatical changes.

2. ***FF.1003: Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group*** outlines CalOptima's payment methodologies for a provider or practitioner that provides covered services to a member of CalOptima Direct or a member enrolled in a shared risk group. For those members enrolled in a shared risk group, The policy only applies to covered services for which CalOptima is financially responsible, in accordance with the DOFR. Revisions to the policy are being proposed pursuant to the CalOptima annual review process to address directed payments under policy FF.2012, licensed midwives services, and reimbursement for a 12-month supply of FDA-approved, self-administered hormonal contraceptives under specified circumstances. Proposed revisions also include the addition of language requiring a health network that authorizes an inpatient admission to retain financial responsibility for the entire stay notwithstanding a member's change in health network. Additional proposed updates include adding and updating definitions, as well as minor grammatical changes.

### **Fiscal Impact**

The recommended action to approve CalOptima Policy FF.2012 and implement the other recommended change are projected to be budget neutral to CalOptima. Staff anticipates funding provided by DHCS will be sufficient to cover the costs related to Directed Payment program. As DHCS releases additional guidance and performs payment reconciliation, including application of risk corridors, Staff will closely monitor the potential fiscal impact to CalOptima.

The recommended action to revise CalOptima Policies FF.1002 and FF.1003 is operational in nature and has no additional fiscal impact beyond what was incorporated in the CalOptima Fiscal Year 2020-21 Operating Budget pending Board approval.

### **Rationale for Recommendation**

The recommended action will ensure that CalOptima continues to be compliant with regulatory guidance provided by DHCS.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachment**

1. FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying Services
2. FF.1002: CalOptima Medi-Cal Fee Schedule

3. FF.1003: Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group
4. Entities Covered by this Recommended Board Action
5. Board Action dated June 7, 2018, Consider Actions for the Implementation of Proposition 56 Provider Payment
6. Board Action dated June 6, 2019, Consider Ratification of Standardized Annual Proposition 56 Provider Payment Process
7. Board Action dated September 5, 2019, Consider Actions Related to the Implementation of Statutorily Mandated Rate Increases for Medi-Cal Non-Contracted Ground Emergency Medical Transport (GEMT) Provider Services

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**Date**

Policy: FF.2012  
 Title: **Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to Shared Risk Group Members When CalOptima is Financially Responsible for the Qualifying Services**

Department: Claims Administration  
 Section: Not Applicable

CEO Approval:

Effective Date:  
 Revised Date:

Applicable to:

- ☒ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☐ Administrative

## I. PURPOSE

This Policy establishes requirements pursuant to which CalOptima shall administer Directed Payments for Qualifying Services rendered to CalOptima Direct or Shared Risk Group Members. For Qualifying Services rendered to Shared Risk Group Members, this Policy shall only apply to Directed Payments for Ground Emergency Medical Transport (GEMT) Services for which CalOptima is financially responsible in accordance with the Division of Financial Responsibility (DOFR).

## II. POLICY

A. CalOptima shall process and pay Directed Payments for Qualifying Services to a Designated Provider in compliance with this Policy, and applicable statutory, regulatory, and contractual requirements, as well as Department of Health Care Services (DHCS) guidance and Centers for Medicare and Medicaid Services (CMS) Approved Preprint.

B. A Designated Provider shall qualify for reimbursement of Directed Payments for Qualifying Services if the requirements of this Policy are met. These requirements include, but are not limited to, the following:

1. The Qualifying Services were eligible for reimbursement (e.g., based on coverage, coding, and billing requirements), in accordance with all applicable CalOptima claims and utilization management policies, including but not limited to CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.
2. The Member or Eligible Member, as applicable and as those terms are defined in this Policy, was enrolled in CalOptima Direct or a Shared Risk Group on the date of service.

- 1 3. The Designated Provider was eligible to receive the Directed Payment.
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- 3 4. The Qualifying Services were rendered by a Designated Provider on an eligible date of service.
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- 5 C. For Qualifying Services rendered to Shared Risk Group Members, only GEMT Services are eligible
- 6 for Directed Payments pursuant to this Policy. Such eligibility is subject to change based on whether
- 7 CalOptima is financially responsible under the Shared Risk Group contract DOFR.
- 8
- 9 D. CalOptima shall make timely Directed Payments to Designated Providers for the following
- 10 Qualifying Services, in accordance with Sections III.A. and III.B. of this Policy, including
- 11 Attachment A of this Policy:
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- 13 1. An Add-On Payment for Physician Services and Developmental Screening Services.
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- 15 2. A Minimum Fee Payment for Adverse Childhood Experiences (ACEs) Screening Services,
- 16 Abortion Services, and GEMT Services.
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- 18 E. CalOptima shall ensure that Qualifying Services reported using specified Current Procedural
- 19 Terminology (CPT) Codes, Healthcare Common Procedure Coding System (HCPCS) Codes, and
- 20 Procedure Codes, as well as the encounter data reported to DHCS, are appropriate for the services
- 21 being provided, and are not reported for non-Qualifying Services or any other services.
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- 23 F. CalOptima shall submit encounter data and all other data necessary to ensure compliance with
- 24 DHCS reporting requirements in accordance with Section III.D. of this Policy.
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- 26 G. CalOptima Provider Relations Department shall communicate the requirements of this Policy for
- 27 Directed Payments, including applicable DHCS guidance, to Designated Providers. This
- 28 communication must, at a minimum, include:
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- 30 1. A description of the minimum requirements for a Qualifying Service.
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- 32 2. How Directed Payments will be processed.
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- 34 3. Identify the payer of Directed Payments (i.e., CalOptima is financially responsible for specified
- 35 Directed Payments for Qualifying Services provided to a CalOptima Direct Member and GEMT
- 36 Services provided to a Shared Risk Group Member).
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- 38 4. For CalOptima Direct, how to file a grievance and second level appeal with CalOptima. For a
- 39 Shared Risk Group, a grievance must be filed with the Shared Risk Group before a second level
- 40 appeal may be filed with CalOptima.
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- 42 H. CalOptima Provider Relations Department is the point of contact for provider questions and
- 43 technical assistance for Directed Payments.
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- 45 I. A Designated Provider may file a complaint related to the processing or non-payment of a Directed
- 46 Payment from CalOptima, in accordance with CalOptima Policy HH.1101: CalOptima Provider
- 47 Complaint and/or FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-
- 48 Administrative Members, CalOptima Community Network Members, or Members Enrolled in a
- 49 Shared Risk Group, as applicable.
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### 51 **III. PROCEDURE**

#### 52 **A. Directed Payments for Qualifying Services**

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1. Physician Services: For dates of service on or after July 1, 2017, CalOptima shall make an Add-On Payment, in the amount and for the applicable CPT Code as specified in Attachment A of this Policy, to Eligible Contracted Providers rendering Physician Services to an Eligible Member.
- a. Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), American Indian Health Services Programs, and cost-based reimbursement clinics are not eligible to receive this Add-On Payment for Physician Services.
2. Developmental Screening Services: For dates of service on or after January 1, 2020, CalOptima shall make an Add-On Payment, in the amount and for the applicable CPT Code as specified in Attachment A of this Policy, to Eligible Contracted Providers that are FQHCs, RHCs, and Indian Health Services Memorandum of Agreement (IHS-MOA) 638 clinics rendering Developmental Screening Services to an Eligible Member. A Developmental Screening Service must be provided in accordance with the American Academy of Pediatrics/Bright Futures periodicity schedule and guidelines and must be performed using a standardized tool that meets CMS Criteria.
- a. The following Developmental Screening Services are eligible for an Add-On Payment:
- i. A routine screening when provided:
- a) On or before the first birthday;
- b) After the first birthday and before or on the second birthday; or
- c) After the second birthday and on or before the third birthday.
- ii. Developmental Screening Services provided when Medically Necessary, in addition to routine screenings.
- b. Development Screening Services are not subject to any Prior Authorization requirements.
- c. Eligible Contracted Providers identified in Section III.A.2 of this Policy shall document the completion of the Development Screening Service with the applicable CPT Code without the modifier as specified in Attachment A of this Policy.
- d. Eligible Contracted Providers identified in Section III.A.2. of this Policy shall document the following information in the Eligible Member's medical records:
- i. The tool that was used to perform the Developmental Screening Service;
- ii. That the completed screen was reviewed;
- iii. The interpretation of results;
- iv. Discussion with the Eligible Member and/or the Eligible Member's family; and
- v. Any appropriate actions taken.
- e. Eligible Contracted Providers shall make the information set forth in Section III.A.2.d. of this Policy available to CalOptima and/or DHCS upon request.

f. In the event any of the provisions of Section III.A.2. of this Policy conflicts with the applicable requirements of DHCS guidance, CMS-Approved Preprint, regulations, and/or statutes, such requirements shall control.

3. ACEs Screening Services: For dates of service on or after January 1, 2020, CalOptima shall reimburse Eligible Contracted Providers a Minimum Fee Payment, as specified in Attachment A of this Policy for the applicable HCPCS Code, for rendering ACEs Screening Services to an Eligible Member, who is a child or an adult through sixty-four (64) years of age.

a. A Minimum Fee Payment for ACEs Screening Services shall only be made to rendering Eligible Contracted Providers that:

- i. Utilize either the PEARLS tool or a qualifying ACEs questionnaire, as appropriate;
- ii. Bill using one of the HCPCS Code specified in Attachment A of this Policy based on the screening score from the PEARLS tool or ACEs questionnaire used; and
- iii. Are on DHCS list of providers that have completed the state-sponsored trauma-informed care training, except for dates of service prior to July 1, 2020. Commencing July 1, 2020, Eligible Contracted Providers must have taken a certified training and self-attested to completing the training to receive the Directed Payment for ACEs Screening Services.

b. CalOptima shall only reimburse the Minimum Fee Payment to an Eligible Contracted Provider for rendering an ACEs Screening Service, as follows:

- i. Once per year per Eligible Member screened by that Eligible Contracted Provider, for a child Eligible Member assessed using the PEARLS tool.
- ii. Once per lifetime per Eligible Member screened by that Eligible Contracted Provider, for an adult Eligible Member through age sixty-four (64) assessed using a qualifying ACEs questionnaire.

c. Eligible Contracted Providers shall document the following information in the Eligible Member's medical records:

- i. The tool that was used to perform the ACEs Screening Service;
- ii. That the completed screen was reviewed;
- iii. The interpretation of results;
- iv. Discussion with the Eligible Member and/or the Eligible Member's family; and
- v. Any appropriate actions taken.

d. Eligible Contracted Providers shall make the information set forth in Section III.A.3.c. of this Policy available to CalOptima and/or DHCS upon request.

4. Abortion Services: For dates of service on or after July 1, 2017, CalOptima shall reimburse Eligible Contracted Providers and non-contracted Providers, as applicable, which are qualified to provide and bill for Abortion Services, a Minimum Fee Payment, as specified in Attachment A of this Policy for the applicable CPT Code, for providing Abortion Services to a Member.



- a. In instances where a Member is found to have other sources of health coverage, CalOptima shall take appropriate action for cost avoidance or post-payment recovery, in accordance with CalOptima Policy FF.2003: Coordination of Benefits.
5. GEMT Services: For dates of service on or after July 1, 2018, CalOptima shall reimburse non-contracted GEMT Providers a Minimum Fee Payment, as specified in Attachment A of this Policy for the applicable CPT Code, for providing GEMT Services to a Member.
  - a. CalOptima shall identify and satisfy any Medicare crossover payment obligations that may result from the increase in GEMT Services reimbursement obligations in accordance with CalOptima Policy FF.2003: Coordination of Benefits.
  - b. In instances where a Member is found to have other sources of health coverage, CalOptima shall take appropriate action for cost avoidance or post-payment recovery, in accordance with CalOptima Policy FF.2003: Coordination of Benefits.

B. Timing of Directed Payments

1. Timeframes with Initial Directed Payment: When DHCS final guidance requires an initial Directed Payment for clean claims or accepted encounters received by CalOptima with specified dates of service (i.e., between a specific date of service and the date CalOptima receives the initial funding from DHCS for the Directed Payment), CalOptima shall ensure the initial Directed Payment required by this Policy is made, as necessary, within ninety (90) calendar days of the date CalOptima receives the initial funding from DHCS for the Directed Payment. From the date CalOptima receives the initial funding onward, CalOptima shall ensure subsequent Directed Payments required by this Policy are made within ninety (90) calendar days of receiving a clean claim or accepted encounter for Qualifying Services, for which the clean claim or accepted encounter is received by CalOptima no later than one (1) year from the date of service.
  - a. Initial Directed Payment: The initial Directed Payment shall include adjustments for any payments previously made by CalOptima to a Designated Provider based on the expected rates for Qualifying Services set forth in the Pending SPA or based on the established Directed Payment program criteria, rates and Qualifying Services, as applicable, pursuant to Section III.B.3. of this Policy.
  - b. Abortion Services: For clean claims or accepted encounters for Abortion Services with specified dates of service (i.e., between July 1, 2017 and the date CalOptima receives the initial funding for Directed Payment from DHCS) that are timely submitted to CalOptima and have not been reimbursed the Minimum Fee Payment in accordance with this Policy, CalOptima shall issue the Minimum Fee Payment required by this Policy in a manner that does not require resubmission of claims or impose any reductions or denials for timeliness.
2. Timeframes without Initial Directed Payment: When DHCS final guidance does not expressly require an initial Directed Payment under Section III.B.1 of this Policy, CalOptima shall ensure that Directed Payments required by this Policy are made:
  - a. Within ninety (90) calendar days of receiving a clean claim or accepted encounter for Qualifying Services, for which the clean claim or encounter is received no later than one (1) year from the date of service.
  - b. Retroactively within ninety (90) calendar days of DHCS final guidance when a clean claim or accepted encounter for Qualifying Services is received prior to such guidance.

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3. Extension of Directed Payment Program: If DHCS files a State Plan Amendment (SPA) with CMS for an extension of a Directed Payment program (“Pending SPA”) and CalOptima Board of Directors or Chief Executive Officer, pursuant to DHCS written instruction, approves the continuation of payment of the Directed Payment before DHCS final guidance is issued, CalOptima shall:
- a. Reimburse a Designated Provider for a Directed Payment according to the expected rates and Qualifying Services for the applicable time period as set forth in the Pending SPA or, at a minimum, according to the previously established Directed Payment program criteria, rates, and Qualifying Services, as applicable, until such time as DHCS issues the final guidance.
  - b. Ensure timely reconciliation and compliance with the final payment provisions as provided in DHCS final guidance when issued.
4. GEMT Services: CalOptima is not required to pay a Minimum Fee Payment for GEMT Services for claims or encounters submitted more than one (1) year after the date of service, unless the non-contracted GEMT Provider can show good cause for the untimely submission.
- a. Good cause is shown when the record clearly shows that the delay in submitting a claim or encounter was due to one of the following:
    - i. The Member has other sources of health coverage;
    - ii. The Member’s medical condition is such that the GEMT Provider is unable to verify the Member’s Medi-Cal eligibility at the time of service or subsequently verify with due diligence;
    - iii. Incorrect or incomplete information about the subject claim or encounter was furnished by CalOptima to the GEMT Provider; or
    - iv. Unavoidable circumstances that prevented the GEMT Provider from timely submitting a claim or encounter, such as major floods, fires, tornadoes, and other natural catastrophes.

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C. Overpayment

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1. In the event CalOptima identifies that Directed Payments were made to a non-Designated Provider, or for non-Qualifying Services, or for services provided to a non-Member or a non-Eligible Member, as applicable, such Directed Payments shall constitute an overpayment which CalOptima shall recover from the Provider, in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled in a Shared Risk Group.

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D. Data Reporting

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1. CalOptima shall reconcile Directed Payment data, including those received from the Health Networks pursuant to CalOptima Policy FF.2011: Directed Payments, and submit a report to DHCS within forty-five (45) days of the end of each applicable reporting quarter as required by DHCS, including an attestation confirming the completion of the report. Reports shall include CalOptima’s Health Care Plan Code, as well as CPT, HCPCS, or Procedure Code, service



month, payer (e.g., CalOptima or the specific Health Network, as applicable), rendering Designated Provider's National Provider Identifier, and additional data if required by DHCS.

a. CalOptima shall ensure updated quarterly reports are a replacement of all prior submissions. If no updated information is available for the quarterly report, CalOptima must submit an attestation to DHCS stating that no updated information is available.

b. If updated information is available for the quarterly report, CalOptima must submit the updated quarterly report in the appropriate file format and include an attestation that CalOptima considers the report complete.

2. CalOptima shall continue to submit encounter data for the Directed Payments as required by DHCS.

#### IV. ATTACHMENTS

A. Directed Payments Rates and Codes

#### V. REFERENCES

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Policy AA.1000: Medi-Cal Glossary of Terms
- C. CalOptima Policy FF.1002: CalOptima Medi-Cal Fee Schedule
- D. CalOptima Policy FF.1003: Payment for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group
- E. CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group
- F. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled in a Shared Risk Group
- G. CalOptima Policy FF.2003: Coordination of Benefits
- H. CalOptima Policy FF.2011: Directed Payments
- I. CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers
- J. CalOptima Policy GG.1116: Pediatric Preventive Services
- K. CalOptima Policy HH.1101: CalOptima Provider Complaint
- L. CalOptima Policy HH.5000Δ: Provider Overpayment Investigation and Determination
- M. Title 22 of the California Code of Regulations, §§51002, 55000 and 55140(a)
- N. California State Plan Amendment 19-0020: Regarding the Ground Emergency Medical Transport Quality Assurance Fee Program
- O. Department of Health Care Services (DHCS) All Plan Letter (APL) 17-020 (Revised): American Indian Health Programs
- P. Department of Health Care Services All Plan Letter (APL) 19-001: Medi-Cal Managed Care Health Plan Guidance on Network Provider Status
- Q. Department of Health Care Services (DHCS) All Plan Letter (APL) 19-007: Non-Contract Ground Emergency Medical Transport Payment Obligations for State Fiscal Year 2018-19
- R. Department of Health Care Services (DHCS) All Plan Letter (APL) 19-013: Proposition 56 Hyde Reimbursement Requirements for Specified Services
- S. Department of Health Care Services (DHCS) All Plan Letter (APL) 19-015: Proposition 56 Physicians Directed Payments for Specified Services
- T. Department of Health Care Services All Plan Letter (APL) 19-016: Proposition 56 Directed Payments for Developmental Screening Services
- U. Department of Health Care Services All Plan Letter (APL) 19-018: Proposition 56 Directed Payments for Adverse Childhood Experiences Screening Services

V. Department of Health Care Services All Plan Letter (APL) 20-002: Non-Contracted Ground  
Emergency Medical Transport Payment Obligations

VI. REGULATORY AGENCY APPROVAL(S)

| Date | Regulatory Agency |
|------|-------------------|
|      |                   |

VII. BOARD ACTION(S)

| Date | Meeting |
|------|---------|
|      |         |

VIII. REVISION HISTORY

| Action    | Date | Policy | Policy Title | Program(s) |
|-----------|------|--------|--------------|------------|
| Effective |      |        |              |            |

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## IX. GLOSSARY

| Term                                                               | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abortion Services                                                  | For purposes of this policy, these are specified medical pregnancy termination services, as listed by the CPT Codes for the applicable period in Attachment A of this Policy, that are Covered Services provided to a Member.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Add-On Payment                                                     | A Directed Payment that funds a supplemental payment for certain Qualifying Services at a rate set forth by DHCS that is in addition to any other payment, fee-for-service or capitation, a specified Designated Provider receives from CalOptima.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Adverse Childhood Experiences (ACEs) Screening Services            | Specified adverse childhood experiences screening services, as listed by the HCPCS Codes for the applicable period in Attachment A of this Policy, that are Covered Services provided to an Eligible Member through the use of either the Pediatric ACEs and Related Life-events Screener (PEARLS) tool for children (ages 0 to 19 years) or a qualifying ACEs questionnaire for adults (ages 18 years and older). An ACEs questionnaire or PEARLS tool may be utilized for Eligible Members who are 18 or 19 years of age. The ACEs screening portion of the PEARLS tool (Part 1) is also valid for use to conduct ACEs screenings among adult Eligible Members ages 20 years and older. If an alternative version of the ACEs questionnaire for adult Eligible Members is used, it must contain questions on the 10 original categories of the ACEs to qualify.                          |
| American Indian Health Services Program                            | Programs operated with funds from the IHS under the Indian Self-Determination Act and the Indian Health Care Improvement Act, through which services are provided, directly or by contract, to the eligible Indian population within a defined geographic area.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| CalOptima Direct                                                   | A direct health care program operated by CalOptima that includes both COD-Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to members who meet certain eligibility criteria as described in Policy DD.2006: Enrollment in/Eligibility with CalOptima Direct.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Centers for Medicaid and Medicare Services (CMS) Criteria          | For purpose of this Policy, the use of a standardized tool for Developmental Screening Services that meets all of the following CMS criteria: <ol style="list-style-type: none"> <li>1. Developmental domains: The following domains must be included in the standardized developmental screening tool: motor, language, cognitive, and social-emotional;</li> <li>2. Establish Reliability: Reliability scores of approximately 0.70 or above;</li> <li>3. Established Findings Regarding the Validity: Validity scores for the tool must be approximately 0.70 or above. Measures of validity must be conducted on a significant number of children and using an appropriate standardized developmental or social-emotional assessment instrument(s); and</li> <li>4. Established Sensitivity/Specificity: Sensitivity and specificity scores of approximately 0.70 or above.</li> </ol> |
| Centers for Medicaid and Medicare Services (CMS) Approved Preprint | For purposes of this Policy, a preprint submission by DHCS pursuant to 42 CFR Section 438.6(c) for certain Directed Payment arrangement for specified time period that is approved by the Centers for Medicare and Medicaid Services (CMS). CMS-Approved Preprints are available on DHCS Directed Payments Program website upon CMS approval.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| <b>Term</b>                               | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Covered Services                          | Those services provided in the Fee-For-Service Medi-Cal program (as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301), the Child Health and Disability Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article 4, beginning with section 6842), and the California Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning with section 14094.4) under the Whole-Child Model program effective July 1, 2019, to the extent those services are included as Covered Services under CalOptima's Medi-Cal Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), and Health Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section 14127), effective January 1, 2020 for HHP Members with eligible physical chronic conditions and substance use disorders, or other services as authorized by the CalOptima Board of Directors, which shall be covered for Members notwithstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| Department of Health Care Services (DHCS) | The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Designated Providers                      | Include the following Providers that are eligible to receive a Directed Payment in accordance with this Policy and applicable DHCS All Plan Letter or other regulatory guidance for specified Qualifying Services for the applicable State fiscal years or calendar years: <ol style="list-style-type: none"> <li>1. Eligible Contracted Providers for Physician Services, ACEs Screening Services, and Abortion Services;</li> <li>2. Eligible Contracted Providers that are FQHCs, RHCs, and Indian Health Services Memorandum of Agreement (IHS-MOA) 638 clinics for Developmental Screening Services;</li> <li>3. Non-contracted GEMT Providers for GEMT Services; and</li> <li>4. Non-contracted Providers for Abortion Services.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Developmental Screening Services          | Specified developmental screening services, as listed by the CPT Code for the applicable period in Attachment A of this Policy, that are Covered Services provided to an Eligible Member, in accordance with the American Academy of Pediatrics (AAP)/Bright Futures periodicity schedule and guidelines for pediatric periodic health visits at nine (9) months, eighteen (18) months, and thirty (30) months of age and when medically necessary based on Developmental Surveillance and through use of a standardized tool that meets CMS Criteria.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Developmental Surveillance                | A flexible, longitudinal, and continuous process that includes eliciting and attending to concerns of an Eligible Member's parents, maintaining a developmental history, making accurate and informed observations, identifying the presence of risk and protective factors, and documenting the process and findings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| <b>Term</b>                                        | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directed Payment                                   | An Add-On Payment or Minimum Fee Payment required by DHCS to be made to a Designated Provider for Qualifying Services with specified dates of services, as prescribed by applicable DHCS All Plan Letter or other regulatory guidance and is inclusive of supplemental payments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Division of Financial Responsibility (DOFR)        | A matrix that identifies how CalOptima identifies the responsible parties for components of medical services associated with the provision of Covered Services. The responsible parties include, but are not limited to, Physician, Hospital, CalOptima and the County of Orange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Eligible Contracted Provider                       | An individual rendering Provider who is contracted with CalOptima to provide Medi-Cal Covered Services to Members, including Eligible Members, assigned to CalOptima Direct and is qualified to provide and bill for the applicable Qualifying Services (excluding GEMT Services) on the date of service. Notwithstanding the above, if the Provider's written contract with CalOptima does not meet the network provider criteria set forth in DHCS APL 19-001: Medi-Cal Managed Care Health Plan Guidance on Network Provider Status and/or in DHCS guidance regarding Directed Payments, the services provided by the Provider under that contract shall not be eligible for Directed Payments for rating periods commencing on or after July 1, 2019. |
| Eligible Member                                    | For purpose of this Policy, a Medi-Cal Member who is not dually eligible for Medi-Cal and Medicare Part B (regardless of enrollment in Medicare Part A or Part D).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Federally Qualified Health Center (FQHC)           | A type of provider defined by the Medicare and Medicaid statutes. FQHCs include all organizations receiving grants under Section 330 of the Public Health Service Act, certain tribal organizations, and FQHC Look-Alikes. An FQHC must be a public entity or a private non-profit organization. FQHCs must provide primary care services for all age groups.                                                                                                                                                                                                                                                                                                                                                                                             |
| Ground Emergency Medical Transport (GEMT) Services | For purposes of this Policy, specified ground emergency medical transport services, as listed by the CPT Codes for the applicable period in Attachment A of this Policy, that are Covered Services and defined as the act of transporting a Member from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the Member, by an ambulance licensed, operated, and equipped, in accordance with applicable state or local statutes, ordinances, or regulations, excluding transportation by an air ambulance and/or any transports billed when, following evaluation of a Member, a transport is not provided.                                                                                             |
| Health Network                                     | A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| <b>Term</b>                              | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medically Necessary or Medical Necessity | Reasonable and necessary Covered Services to protect life, to prevent illness or disability, alleviate severe pain through the diagnosis or treatment of disease, illness, or injury, achieve age-appropriate growth and development, and attain, maintain, or regain functional capacity. For Medi-Cal Members receiving managed long term services and support (MLTSS), Medical Necessity is determined in accordance with Member's current needs assessment and consistent with person-centered planning. When determining the Medical Necessity of Covered Services for Medi-Cal Members under the age of 21, Medical Necessity is expanded to include the standards set forth in 42 U.S.C. Section 1396d(r) and California Welfare and Institutions Code Section 14132(v). |
| Member                                   | For purpose of this Policy, a Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima Medi-Cal program and assigned to CalOptima Direct at the time Qualifying Services are rendered or assigned to a Shared Risk Group at the time GEMT Services are provided.                                                                                                                                                                                                                                                                                                            |
| Minimum Fee Payment                      | A Directed Payment that sets the minimum rate, as prescribed by DHCS, for which a specified Designated Provider must be reimbursed fee-for-service for certain Qualifying Services. If a Designated Provider is capitated for such Qualifying Services, payments should meet the differential between the Medi-Cal fee schedule rate and the required Directed Payment amount.                                                                                                                                                                                                                                                                                                                                                                                                  |
| Pending State Plan Amendment (SPA)       | A State Plan Amendment (SPA) to the California Medicaid State Plan (Title XIX of the Social Security Act) for an extension of a Directed Payment program that has been submitted by DHCS to CMS for review and is currently pending approval. A Pending SPA, which has not yet been approved by CMS, may change if required for CMS approval.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Physician Services                       | For purposes of this Policy, specified physician services, as listed by the CPT Codes for the applicable period in Attachment A of this Policy, that are Covered Services provided to an Eligible Member.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Prior Authorization                      | A formal process requiring a health care Provider to obtain advance approval to provide specific services or procedures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Provider                                 | For purpose of this Policy, an individual or entity that furnishes Medi-Cal Covered Services to Members and is licensed or certified to do so.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Qualifying Services                      | Include only the following Covered Services: Physician Services, Developmental Screening Services, Adverse Childhood Experiences (ACEs) Screening Services, Abortion Services, and GEMT Services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Rural Health Clinic (RHC)                | An organized outpatient clinic or hospital outpatient department located in a rural shortage area, which has been certified by the Secretary, United States Department of Health and Human Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Shared Risk Group                        | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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## Attachment A: Directed Payments Rates and Codes

### Proposition 56: Physician Services

- 1) **Program:** Proposition 56 Physician Services
- 2) **Source:** DHCS APL 19-015: Proposition 56 Directed Payments for Physician Services (*Supersedes APL 19-006*)
- 3) **Dates of Service (DOS):** July 1, 2017 – December 31, 2020

| CPT Code | Description                                                 | Add-On Payment |           |                 |
|----------|-------------------------------------------------------------|----------------|-----------|-----------------|
|          |                                                             | SFY 17-18      | SFY 18-19 | 7/1/19-12/31/20 |
| 99201    | Office/Outpatient Visit New                                 | \$10.00        | \$18.00   | \$18.00         |
| 99202    | Office/Outpatient Visit New                                 | \$15.00        | \$35.00   | \$35.00         |
| 99203    | Office/Outpatient Visit New                                 | \$25.00        | \$43.00   | \$43.00         |
| 99204    | Office/Outpatient Visit New                                 | \$25.00        | \$83.00   | \$83.00         |
| 99205    | Office/Outpatient Visit New                                 | \$50.00        | \$107.00  | \$107.00        |
| 99211    | Office/Outpatient Visit Est                                 | \$10.00        | \$10.00   | \$10.00         |
| 99212    | Office/Outpatient Visit Est                                 | \$15.00        | \$23.00   | \$23.00         |
| 99213    | Office/Outpatient Visit Est                                 | \$15.00        | \$44.00   | \$44.00         |
| 99214    | Office/Outpatient Visit Est                                 | \$25.00        | \$62.00   | \$62.00         |
| 99215    | Office/Outpatient Visit Est                                 | \$25.00        | \$76.00   | \$76.00         |
| 90791    | Psychiatric Diagnostic Eval                                 | \$35.00        | \$35.00   | \$35.00         |
| 90792    | Psychiatric Diagnostic Eval with Medical Services           | \$35.00        | \$35.00   | \$35.00         |
| 90863    | Pharmacologic Management                                    | \$5.00         | \$5.00    | \$5.00          |
| 99381    | Initial Comprehensive Preventive Med E&M (<1 year old)      | N/A            | \$77.00   | \$77.00         |
| 99382    | Initial comprehensive preventive med E&M (1-4 years old)    | N/A            | \$80.00   | \$80.00         |
| 99383    | Initial comprehensive preventive med E&M (5-11 years old)   | N/A            | \$77.00   | \$77.00         |
| 99384    | Initial comprehensive preventive med E&M (12-17 years old)  | N/A            | \$83.00   | \$83.00         |
| 99385    | Initial comprehensive preventive med E&M (18-39 years old)  | N/A            | \$30.00   | \$30.00         |
| 99391    | Periodic comprehensive preventive med E&M (<1 year old)     | N/A            | \$75.00   | \$75.00         |
| 99392    | Periodic comprehensive preventive med E&M (1-4 years old)   | N/A            | \$79.00   | \$79.00         |
| 99393    | Periodic comprehensive preventive med E&M (5-11 years old)  | N/A            | \$72.00   | \$72.00         |
| 99394    | Periodic comprehensive preventive med E&M (12-17 years old) | N/A            | \$72.00   | \$72.00         |
| 99395    | Periodic comprehensive preventive med E&M (18-39 years old) | N/A            | \$27.00   | \$27.00         |

*Note: This communication is for reference only and is subject to future changes as directed by DHCS.*

## Proposition 56: Developmental Screening Services

- 1) **Program:** Proposition 56 Developmental Screening Services
- 2) **Source:** DHCS APL 19-016: Proposition 56 Directed Payments for Developmental Screening Services
- 3) **Dates of Service (DOS):** On or after January 1, 2020

| CPT Code                  | Description                                                                                       | Add-On Payment <sup>2</sup> |
|---------------------------|---------------------------------------------------------------------------------------------------|-----------------------------|
| 96110 without modifier KX | Developmental screening, with scoring and documentation, per standardized instrument <sup>2</sup> | \$59.90                     |

<sup>2</sup>KX modifier denotes screening for Autism Spectrum Disorder (ASD). Add-On Payments for Developmental Screening Services are not payable for ASD Screening using modifier KX.

For 20200604 BOD Review Only

*Note: This communication is for reference only and is subject to future changes as directed by DHCS.*



## Proposition 56: Adverse Childhood Experiences (ACEs) Screening Services

- 1) **Program:** Proposition 56 Adverse Childhood Experiences (ACEs) Screening Services
- 2) **Source:** DHCS APL 19-018: Proposition 56 Directed Payments for Adverse Childhood Experiences Screening Services
- 3) **Dates of Service (DOS):** On or after January 1, 2020

| HCPCS Code | Description                                                                      | Minimum Fee Payment <sup>3</sup> | Notes                                                                                           |
|------------|----------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------|
| G9919      | Screening performed – results positive and provision of recommendations provided | \$29.00                          | Providers must bill this HCPCS code when the patient's ACE score is 4 or greater (high risk).   |
| G9920      | Screening performed – results negative                                           | \$29.00                          | Providers must bill this HCPCS code when the patient's ACE score is between 0 – 3 (lower risk). |

<sup>3</sup>Payment obligations for rates of at least \$29 for eligible service codes

For 20200604 BOD Review

*Note: This communication is for reference only and is subject to future changes as directed by DHCS.*

## Proposition 56: Abortion Services (Hyde)

- 1) **Program:** Proposition 56 Abortion Services (Hyde)
- 2) **Source:** DHCS APL 19-013: Proposition 56 Hyde Reimbursement Requirements for Specified Services
- 3) **Dates of Service (DOS):** On or after July 1, 2017

| CPT Code | Procedure Type | Description                                  | Minimum Fee Payment <sup>4</sup> |
|----------|----------------|----------------------------------------------|----------------------------------|
| 59840    | K              | Induced abortion, by dilation and curettage  | \$400.00                         |
| 59840    | O              | Induced abortion, by dilation and curettage  | \$400.00                         |
| 59841    | K              | Induced abortion, by dilation and evacuation | \$700.00                         |
| 59841    | O              | Induced abortion, by dilation and evacuation | \$700.00                         |

<sup>4</sup>Payment obligations for rates of at least \$400 and \$700 for eligible service codes

For 20200604 BOD Review

Note: This communication is for reference only and is subject to future changes as directed by DHCS.

## Ground Emergency Medical Transport (GEMT) Services

- 1) **Program:** Ground Emergency Medical Transportation (GEMT) Services
- 2) **Source:** State Plan Amendment 19-0020; DHCS APL 20-002: Non-Contract Ground Emergency Medical Transport Payment Obligations; and DHCS APL 19-007: Non-Contract Ground Emergency Medical Transport Payment Obligations for State Fiscal Year 2018-19
- 3) **Dates of Service (DOS):** On or after July 1, 2018 – June 30, 2020

| CPT Code | Description                               | Minimum Fee Payment <sup>6</sup> |           |
|----------|-------------------------------------------|----------------------------------|-----------|
|          |                                           | SFY 18-19                        | SFY 19-20 |
| A0429    | Basic Life Support, Emergency             | \$339.00                         | \$339.00  |
| A0427    | Advanced Life Support, Level 1, Emergency | \$339.00                         | \$339.00  |
| A0433    | Advanced Life Support, Level 2            | \$339.00                         | \$339.00  |
| A0434    | Specialty Care Transport                  | N/A                              | \$339.00  |
| A0225    | Neonatal Emergency Transport              | N/A                              | \$400.72  |

<sup>6</sup>Payment obligations for rates of at least \$339.00 and \$400.72 for eligible service codes

For 20200604 BOD Review Only

Note: This communication is for reference only and is subject to future changes as directed by DHCS.



Policy: FF.1002  
Title: **CalOptima Medi-Cal Fee Schedule**  
Department: Coding Initiatives  
Section: Not Applicable

*CEO Approval:*

Effective Date: 10/01/2006  
Revised Date: TBD

Applicable to: ☒ Medi-Cal  
☐ OneCare  
☐ OneCare Connect  
☐ PACE  
☐ Administrative

## I. PURPOSE

This policy defines the process by which CalOptima shall establish and maintain the CalOptima Medi-Cal Fee Schedule.

## II. POLICY

A. CalOptima shall maintain a Medi-Cal Fee Schedule to determine payments to Providers and Practitioners, as applicable.

## III. PROCEDURE

A. The Department of Health Care Services (DHCS) provides a complete file of the Medi-Cal Fee-for-Service (FFS) Fee Schedule to the public on a monthly basis.

B. Effective April 1, 2011, CalOptima shall update the CalOptima Medi-Cal Fee Schedule on a monthly basis based on the monthly file released by DHCS used to update the Medi-Cal Fee-for-Service (FFS) Fee Schedule.

1. Monthly updates to the CalOptima Medi-Cal Fee Schedule shall be effective the first day of the month following CalOptima's receipt of the monthly file released by DHCS.

C. DHCS provides rates for Child Health and Disability Prevention (CHDP) services and medical and incontinence supplies to the public through the Medi-Cal Provider Manuals. DHCS updates the manuals based on subsequent rate changes.

2.1. For dates of service on or after July 1, 2018, rates for CHDP will be included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule rather than in the Provider Manuals.

C.D. The CalOptima Medi-Cal Fee Schedule is based on the following:

1. DHCS FFS reimbursement rates as included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule;
2. DHCS FFS reimbursement rates as referenced in the Medi-Cal Provider Manual for medical and incontinence supplies; and

3. DHCS FFS reimbursement rates based on prospective and retroactive rate revisions ~~issued by as~~ referenced in the published DHCS through Operating Instruction All Plan Letters (OILs), Medi-Cal Bulletins and NewsFlash when DHCS provides sufficient information to implement the rate revisions, including the effective date, reimbursement rate, healthcare common procedure coding system (HCPCS) codes, current procedural terminology (CPT) codes and any modifiers, as necessary. CalOptima shall implement FFS reimbursement rates received via OILs published DHCS All Plan Letters, Medi-Cal Bulletins and NewsFlash to the extent the FFS reimbursement rate is not reflected in the Medi-Cal Fee Schedule, ~~unless such OIL is related to a;~~ and

~~3.4.~~ DHCS FFS reimbursement rates are based on expected rates as referenced in the pending State Plan Amendment (SPA) ~~not approved by filed with~~ the Centers for Medicare & Medicaid Services (CMS) ~~for Proposition 56 directed payments if instructed, in writing, by DHCS. In the event the expected rates are not approved by CMS, CalOptima shall recoup overpayments and refund underpayments, as applicable, in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.~~

~~D.E.~~ CalOptima shall reimburse Providers and Practitioners for Covered Services provided to CalOptima Direct members based on the CalOptima Medi-Cal Fee Schedule in effect on the date the claim is processed for date(s) of service submitted, unless otherwise required by law or contract in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.

1. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a non-contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable.

2. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable, as required by law or contract.

~~1.3.~~ ~~A non-contracted~~ Provider or Practitioner, whether contracted or non-contracted, shall have the right to file a complaint in accordance with CalOptima Policies FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group, and HH.1101: CalOptima Provider Complaint.

~~2.1. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable, as required by law or contract.~~

~~E.F.~~ CalOptima may, in its sole discretion, update the CalOptima Medi-Cal Fee Schedule between the regularly scheduled updates.

~~F.G.~~ A Provider and Practitioner shall submit claims for Covered Services rendered to a CalOptima Direct member in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

G.H. The Medi-Cal Fee-for-Service (FFS) Fee Schedule and Provider Manuals are available by accessing the Medi-Cal website.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Contract for Health Care Services
- C. CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group
- D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group
- E. CalOptima Policy HH.1101: CalOptima Provider Complaint
- F. Medi-Cal Fee-For-Service Rates: <https://files.medi-cal.ca.gov/pubsdoco/Rates/RatesHome.asp>  
~~<https://files.medi-cal.ca.gov/pubsdoco/Rates/RatesHome.asp>~~
- G. Medi-Cal Provider Manual: Publications; Provider Manual: <https://files.medi-cal.ca.gov/pubsdoco/manuals-menu.asp>  
~~<https://files.medi-cal.ca.gov/pubsdoco/manuals-menu.asp>~~
- G. Medi-Cal Provider Manual: <https://files.medi-cal.ca.gov/pubsdoco/manuals-menu.asp>

#### VI. REGULATORY AGENCY APPROVAL(S)

| Date       | Regulatory Agency                         |
|------------|-------------------------------------------|
| 03/14/2011 | Department of Health Care Services (DHCS) |

#### VII. BOARD ACTION(S)

| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 06/07/2018 | Regular Meeting of the CalOptima Board of Directors |
|            |                                                     |

#### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title                    | Program(s) |
|-----------|------------|---------|---------------------------------|------------|
| Effective | 10/01/2006 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 04/01/2011 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 04/01/2016 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 06/01/2017 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 06/07/2018 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 05/01/2019 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | TBD        | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |

1 IX. GLOSSARY  
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| Term                                                  | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CalOptima Direct                                      | A direct health care program operated by CalOptima that includes both COD-Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in Policy DD.2006: Enrollment in/Eligibility with CalOptima Direct.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| CalOptima Medi-Cal Fee Schedule                       | Fee schedule adopted by CalOptima for reimbursement of Covered Services rendered to Medi-Cal Members for which CalOptima is responsible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Child Health and Disability Prevention (CHDP) Program | California's Early Periodic Screening, Detection, and Treatment (EPSDT) program as defined in the Health and Safety Code, Section 12402.5 et seq. and Title 17 of the California Code of Regulations, Sections 6842 through 6852, that provides certain preventive services for children eligible for Medi-Cal. For CalOptima Members, the CHDP Program is incorporated into CalOptima's Pediatric Preventive Services Program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Covered Service                                       | For purposes of this policy, those services provided in the Fee-For-Service Medi-Cal program, <del>(as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301.4, the Child Health and Disability Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840, which section 6842), and the California Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985 (beginning with section 14094.4) under the Whole-Child Model program effective July 1, 2019, to the extent those services are included as Covered Services under CalOptima's Medi-Cal Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), and speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), and Health Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section 14127), effective January 1, 2020 for HHP Members with eligible physical chronic conditions and substance use disorders, or other services as authorized by the CalOptima Board of Directors, which shall be covered for Members notwithstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program.</del> |
| Department of Health Care Services (DHCS)             | The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Fee-For-Service Amounts                               | Amounts adopted by CalOptima for reimbursement to hospitals, physicians and other providers for medical services rendered (other than on a capitated payment basis) to Medi-Cal beneficiaries for which CalOptima is responsible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Medi-Cal Fee-For-Service (FFS) Fee Schedule           | The fee schedule used by the Department of Health Care Services (DHCS) to reimburse Medi-Cal Fee-For-Service Providers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Term                                    | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medi-Cal Provider Manual                | A provider manual created and updated by the Department of Health Care Services as a reference for providers enrolled in the Medi-Cal Fee-for-Service program to include information on Medi-Cal services, programs, claim reimbursement, complete information about recipient eligibility and provider participation, program policies, code lists, claim form and follow-up instructions pertaining to specific provider communities and specialty programs.                                                                                                                   |
| <del>Operating Instruction Letter</del> | <del>A letter issued by the Department of Health Care Service to its Fiscal Intermediary for purposes of administering the Medi-Cal Fee For Service program.</del>                                                                                                                                                                                                                                                                                                                                                                                                               |
| Overpayment                             | For the purposes of this policy, any payment made by CalOptima to a Provider to which the Provider is not entitled to under Title XIX of the Social Security Act, or any payment to CalOptima by DHCS to which CalOptima is not entitled to under Title XIX of the Social Security Act.                                                                                                                                                                                                                                                                                          |
| Practitioner                            | A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services. |
| Provider                                | <del>A All contracted Providers including physicians, Non-physician, nurse, nurse mid-wife, nurse practitioner, medical technician, physician assistant, hospital, laboratory Medical Practitioners, ancillary provider, health maintenance organization, providers, and facilities or other person or institution that furnishes institutions who are licensed to furnish</del> Covered Services.                                                                                                                                                                               |





Policy: FF.1002  
Title: **CalOptima Medi-Cal Fee Schedule**  
Department: Coding Initiatives  
Section: Not Applicable

*CEO Approval:*

Effective Date: 10/01/2006  
Revised Date: TBD

Applicable to: ☒ Medi-Cal  
☐ OneCare  
☐ OneCare Connect  
☐ PACE  
☐ Administrative

## I. PURPOSE

This policy defines the process by which CalOptima shall establish and maintain the CalOptima Medi-Cal Fee Schedule.

## II. POLICY

- A. CalOptima shall maintain a Medi-Cal Fee Schedule to determine payments to Providers and Practitioners, as applicable.

## III. PROCEDURE

- A. The Department of Health Care Services (DHCS) provides a complete file of the Medi-Cal Fee-for-Service (FFS) Fee Schedule to the public on a monthly basis.
- B. Effective April 1, 2011, CalOptima shall update the CalOptima Medi-Cal Fee Schedule on a monthly basis based on the monthly file released by DHCS used to update the Medi-Cal Fee-for-Service (FFS) Fee Schedule.
1. Monthly updates to the CalOptima Medi-Cal Fee Schedule shall be effective the first day of the month following CalOptima's receipt of the monthly file released by DHCS.
- C. DHCS provides rates for Child Health and Disability Prevention (CHDP) services and medical and incontinence supplies to the public through the Medi-Cal Provider Manuals. DHCS updates the manuals based on subsequent rate changes.
1. For dates of service on or after July 1, 2018, rates for CHDP will be included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule rather than in the Provider Manuals.
- D. The CalOptima Medi-Cal Fee Schedule is based on the following:
1. DHCS FFS reimbursement rates as included in the Medi-Cal Fee-for-Service (FFS) Fee Schedule;
2. DHCS FFS reimbursement rates as referenced in the Medi-Cal Provider Manual for medical and incontinence supplies; and

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3. DHCS FFS reimbursement rates based on prospective and retroactive rate revisions as referenced in the published DHCS All Plan Letters, Medi-Cal Bulletins and NewsFlash when DHCS provides sufficient information to implement the rate revisions, including the effective date, reimbursement rate, healthcare common procedure coding system (HCPCS) codes, current procedural terminology (CPT) codes and any modifiers, as necessary. CalOptima shall implement FFS reimbursement rates received via published DHCS All Plan Letters, Medi-Cal Bulletins and NewsFlash to the extent the FFS reimbursement rate is not reflected in the Medi-Cal Fee Schedule; and
  4. DHCS FFS reimbursement rates are based on expected rates as referenced in the pending State Plan Amendment filed with the Centers for Medicare & Medicaid Services (CMS) for Proposition 56 directed payments if instructed, in writing, by DHCS. In the event the expected rates are not approved by CMS, CalOptima shall recoup overpayments and refund underpayments, as applicable, in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.
- E. CalOptima shall reimburse Providers and Practitioners for Covered Services provided to CalOptima Direct members based on the CalOptima Medi-Cal Fee Schedule in effect on the date the claim is processed for date(s) of service submitted, unless otherwise required by law or contract in accordance with CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group.
1. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a non-contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable.
  2. In the event DHCS issues a retroactive adjustment to a previously published, mandated rate, CalOptima shall reprocess a contracted Provider's or Practitioner's claim and recoup Overpayments, to the extent possible, and refund underpayments, as applicable, as required by law or contract.
  3. A Provider or Practitioner, whether contracted or non-contracted, shall have the right to file a complaint in accordance with CalOptima Policies FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group, and HH.1101: CalOptima Provider Complaint.
- F. CalOptima may, in its sole discretion, update the CalOptima Medi-Cal Fee Schedule between the regularly scheduled updates.
- G. A Provider and Practitioner shall submit claims for Covered Services rendered to a CalOptima Direct member in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.
- H. The Medi-Cal Fee-for-Service (FFS) Fee Schedule and Provider Manuals are available by accessing the Medi-Cal website.

50 **IV. ATTACHMENT(S)**

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52 Not Applicable  
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**V. REFERENCE(S)**

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Contract for Health Care Services
- C. CalOptima Policy FF.1003: Payments for Covered Services Rendered to a Member of CalOptima Direct, or a Member Enrolled in a Shared Risk Group
- D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group
- E. CalOptima Policy HH.1101: CalOptima Provider Complaint
- F. Medi-Cal Fee-For-Service Rates: <https://files.medi-cal.ca.gov/pubsdoco/Rates/RatesHome.asp>
- G. Medi-Cal Provider Manual: [https://files.medi-cal.ca.gov/pubsdoco/manuals\\_menu.asp](https://files.medi-cal.ca.gov/pubsdoco/manuals_menu.asp)

**VI. REGULATORY AGENCY APROVAL(S)**

| Date       | Regulatory Agency                         |
|------------|-------------------------------------------|
| 03/14/2011 | Department of Health Care Services (DHCS) |

**VII. BOARD ACTION(S)**

| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 06/07/2018 | Regular Meeting of the CalOptima Board of Directors |
|            |                                                     |

**VIII. REVISION HISTORY**

| Action    | Date       | Policy  | Policy Title                    | Program(s) |
|-----------|------------|---------|---------------------------------|------------|
| Effective | 10/01/2006 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 04/01/2011 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 04/01/2016 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 06/01/2017 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 06/07/2018 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | 05/01/2019 | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |
| Revised   | TBD        | FF.1002 | CalOptima Medi-Cal Fee Schedule | Medi-Cal   |

1 IX. GLOSSARY  
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| Term                                                  | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CalOptima Direct                                      | A direct health care program operated by CalOptima that includes both COD-Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in Policy DD.2006: Enrollment in/Eligibility with CalOptima Direct.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| CalOptima Medi-Cal Fee Schedule                       | Fee schedule adopted by CalOptima for reimbursement of Covered Services rendered to Medi-Cal Members for which CalOptima is responsible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Child Health and Disability Prevention (CHDP) Program | California's Early Periodic Screening, Detection, and Treatment (EPSDT) program as defined in the Health and Safety Code, Section 12402.5 et seq. and Title 17 of the California Code of Regulations, Sections 6842 through 6852, that provides certain preventive services for children eligible for Medi-Cal. For CalOptima Members, the CHDP Program is incorporated into CalOptima's Pediatric Preventive Services Program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Covered Service                                       | For purposes of this policy, those services provided in the Fee-For-Service Medi-Cal program (as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301), the Child Health and Disability Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article 4, beginning with section 6842), and the California Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning with section 14094.4) under the Whole-Child Model program effective July 1, 2019, to the extent those services are included as Covered Services under CalOptima's Medi-Cal Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), and Health Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section 14127), effective January 1, 2020 for HHP Members with eligible physical chronic conditions and substance use disorders, or other services as authorized by the CalOptima Board of Directors, which shall be covered for Members notwithstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| Department of Health Care Services (DHCS)             | The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Fee-For-Service Amounts                               | Amounts adopted by CalOptima for reimbursement to hospitals, physicians and other providers for medical services rendered (other than on a capitated payment basis) to Medi-Cal beneficiaries for which CalOptima is responsible.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Medi-Cal Fee-For-Service (FFS) Fee Schedule           | The fee schedule used by the Department of Health Care Services (DHCS) to reimburse Medi-Cal Fee-For-Service Providers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| <b>Term</b>              | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medi-Cal Provider Manual | A provider manual created and updated by the Department of Health Care Services as a reference for providers enrolled in the Medi-Cal Fee-for-Service program to include information on Medi-Cal services, programs, claim reimbursement, complete information about recipient eligibility and provider participation, program policies, code lists, claim form and follow-up instructions pertaining to specific provider communities and specialty programs.                                                                                                                   |
| Overpayment              | For the purposes of this policy, any payment made by CalOptima to a Provider to which the Provider is not entitled to under Title XIX of the Social Security Act, or any payment to CalOptima by DHCS to which CalOptima is not entitled to under Title XIX of the Social Security Act.                                                                                                                                                                                                                                                                                          |
| Practitioner             | A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services. |
| Provider                 | All contracted Providers including physicians, Non-physician Medical Practitioners, ancillary providers, and facilities or institutions who are licensed to furnish Covered Services.                                                                                                                                                                                                                                                                                                                                                                                            |



**CalOptima**  
A Public Agency  
Better. Together.

Policy: FF.1003  
Title: **Payment for Covered Services  
Rendered to a Member of CalOptima  
Direct, or a Member Enrolled in a  
Shared Risk Group**  
Department: Claims Administration  
Section: Not Applicable

CEO Approval:

Effective Date: 01/01/07  
Revised Date: TBD

Applicable to:

- ☒ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☐ Administrative

## I. PURPOSE

This policy outlines CalOptima's payment methodologies for a Provider or Practitioner that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group. For those Members enrolled in a Shared Risk Group, this policy shall only apply to Covered Services for which CalOptima is financially responsible, in accordance with the Division of Financial Responsibility (DOFR).

## II. POLICY

A. Hospital Payment: Subject to all applicable Claims policies and Utilization Management (UM) policies, CalOptima shall reimburse a hospital that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, as follows:

1. Contracted Hospital: CalOptima's reimbursement to a CalOptima Contracted Hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CCN or a Member Enrolled in a Shared Risk Group.
2. Non-Contracted Hospital: CalOptima's reimbursement to a ~~Non-Contracted Hospital~~non-contracted hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, that has received appropriate authorization, unless exempt from such authorization, ~~shall be~~ in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's ~~prior authorization~~Prior Authorization policies, ~~shall be based on the following~~is as follows:
  - a. Outpatient Emergency and Non-Emergency Services: CalOptima shall reimburse non-contracted outpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at the same amount paid by the California Department of Health Care Services (DHCS) for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal Fee-for-Service (FFS) program, in accordance with Section

14091.3(c)(1) of the California Welfare and Institutions Code and Section 1932(b)(2)(D) of the Social Security Act.

- b. Emergency Inpatient Services: For dates of service on or after July 1, 2013, CalOptima shall reimburse non-contracted emergency inpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group using the All Patient Refined Diagnosis Related Groups (APR-DRG) rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
- i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
- c. Non-emergency Inpatient Services: In the absence of any negotiated rate agreed to, in writing, between CalOptima and a hospital, CalOptima shall reimburse a hospital using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code. Prior ~~authorization~~ Authorization is required for all non-emergency inpatient services.
- i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
- d. Out of State Hospitals: For dates of service on or after July 1, 2013, CalOptima shall reimburse a hospital located outside of California using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
- e. Border Hospitals: ~~For dates of service after July 1, 2015,~~ CalOptima shall apply the State Plan Amendment (SPA) 15-020 changes established in the Medi-Cal FFS system to the DRG-based rates paid to out-of-network Border Hospitals for acute care hospital inpatient emergency and post-stabilization services, with respect to admissions occurring on or after July 1, 2015. CalOptima may pay a lower negotiated rate agreed to by the hospital.

3. Non-Emergency Non-Authorized Services: CalOptima shall not reimburse a hospital for any services that are subject to authorization requirements, in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's authorization policies, for which such authorization has not been secured.

4. If a Member changes Health Networks, including CalOptima Direct, for purposes of this provision, during an inpatient stay, the Health Network that authorized the admission shall retain the financial responsibility for the entire stay.

- B. Practitioner Payment: For purposes of this policy, a Practitioner does not include those Providers who render services to Members that are not a benefit included in Covered Services provided by the CalOptima Medi-Cal program. Subject to all applicable CalOptima Claims and Utilization Management (UM) policies, CalOptima shall reimburse a Practitioner providing Covered Services to a Member ~~of CalOptima Direct or a Member enrolled in a Shared Risk Group,~~ as follows:



1. Contracted Practitioner: CalOptima shall reimburse a Contracted Practitioner based on the terms and conditions of the contract between such Contracted Practitioner and CalOptima.
2. Non-~~Contracted~~contracted Practitioner: CalOptima's reimbursement to a ~~Non-Contracted~~non-contracted Practitioner for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on the following:
  - a. Emergency Services: CalOptima shall reimburse a ~~Non-Contracted~~non-contracted Practitioner that provides ~~Emergency~~emergency Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - b. Non-Emergency Services: CalOptima shall reimburse a ~~Non-Contracted~~non-contracted Practitioner for Covered Services rendered to a Member of CalOptima Direct, or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible on a fee-for-service basis as follows:
    - i. For dates of service on or after January 1, 2011, CalOptima shall reimburse professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case ~~no~~ less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program. —
    - ii. Except as otherwise provided in this subsection, CalOptima shall reimburse a physician who is a California Children's Service (CCS) Program-paneled Provider, and who is recognized as a specialist physician by CCS, at one hundred forty percent (140%) of the CalOptima Medi-Cal Fee Schedule for Covered Services rendered to a Member who is less than twenty-one (21) years of age.
    - iii. CalOptima shall reimburse technical component of pathology, clinical laboratory, and radiology services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case ~~no~~ less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - iv. CalOptima shall reimburse Child Health and Disability Prevention (CHDP) services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case ~~no~~ less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - v. CalOptima shall reimburse injectables at one hundred percent 100% of the CalOptima Medi-Cal Fee Schedule but in no case ~~no~~ less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vi. For dates of service on or after January 1, 2011, CalOptima shall reimburse Surgical and Incontinence Supplies at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case ~~no~~ less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vii. CalOptima shall reimburse "By Report" procedure codes in the same manner as DHCS.



viii. CalOptima shall reimburse Family Planning Services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

a) CalOptima shall reimburse ~~up thirteen cycles of oral contraceptives, a twelve provider, including a non-contracted provider, for a (12)-month supply of oral contraceptive pills, hormone-containing contraceptive transdermal patches (26 patches), and a twelve (12)-month supply of, or hormone-containing contraceptive vaginal rings (12 rings), if such quantity is when~~ dispensed ~~in an on-site clinic and billed at one time at a Member's request~~ by a ~~Qualified Family Planning Provider, including a non-contracted Qualified Family Planning Provider, or dispensed by a qualified family planning provider or~~ pharmacist with a protocol approved by the California State Board of Pharmacy and the Medical Board of California.

C. If a non-contracted birthing center is used for non-contracted Certified Nurse Midwife ~~or Certified Nurse Practitioner services~~ and licensed midwives services as permitted within each practitioner's scope of practice, CalOptima shall reimburse facility and professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

D. Federally Qualified Health Center (FQHC) Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an FQHC that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible, as follows:

1. Contracted FQHC: CalOptima shall reimburse a Contracted FQHC based on the terms and conditions of the contract between such FQHC and CalOptima. CalOptima's contracted rates for an FQHC shall not be less than CalOptima's contracted rates to any other Provider or Practitioner for the same scope of services.

2. Non-contracted FQHC:

a. CalOptima shall reimburse a non-contracted FQHC for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

i. CalOptima shall reimburse a non-contracted FQHC for CHDP services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

ii. CalOptima shall reimburse a non-contracted FQHC based on the Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) for each procedure rendered, and not the FQHC's all-inclusive rate.

E. American Indian Health Service Program Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an Indian Health Service Facility that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible as follows:

1. Contracted American Indian Health Service Program:

- a. If the American Indian Health Service Program is a Rural Health Clinic or qualifies as an FQHC, CalOptima shall reimburse the program at the program's interim per visit rate as established by DHCS, or through an alternate reimbursement methodology approved in writing by DHCS.
- b. If the American Indian Health Service Program is a Rural Health Clinic or FQHC, and CalOptima and the program have agreed to an at-risk rate and the program has waived its rights to cost-based reimbursement under its contract with CalOptima, CalOptima shall reimburse the program at the negotiated rate.
- c. If the American Indian Health Service Program is entitled to be reimbursed as an American Indian Health Service Provider by the federal government at a rate other than the rate described in (a) above, CalOptima shall reimburse the program at the American Indian Health Service payment rate.

2. Non-contracted American Indian Health Service Program: CalOptima shall reimburse a non-contracted American Indian Health Service Program at the approved Medi-Cal per visit rate for that facility.

3. Effective for dates of service on or after January 1, 2018, CalOptima shall reimburse contracted and non-contracted American Indian Health Service Programs at the current and applicable Office of Management and Budget (OMB) encounter rate, published in the Federal Register. These rates shall apply when services are provided to Members who are qualified to receive services from an American Indian Health Services Program, as set forth in Supplement 6, Attachment 4.19-B of the California Medicaid State Plan.

4. CalOptima shall ensure that the following criteria are met for receipt of payments:

- a. The American Indian Health Service Program provider must be identified by DHCS;
- b. Service must be a Covered Service included in CalOptima's contract with DHCS;
- c. As set forth in California Medicaid State Plan Supplemental 6. Attachment 4.19-B, only one rate payment per day, per category, shall be allowed within the following three (3) categories. This allows for a maximum of three (3) payments per day, one (1) from each category:
  - i. Medical health visit;
  - ii. Mental health visit;
  - iii. Ambulatory visit.

F. Ancillary Service Provider Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an Ancillary Service Provider for Covered Services rendered to a

Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible as follows:

1. CalOptima shall reimburse a contracted ~~Ancillary Services Provider~~ancillary service provider based on the terms and conditions of the contract between such ~~Contracted Ancillary Service Provider~~contracted ancillary service provider and CalOptima.
2. CalOptima shall reimburse a ~~Non-Contracted Ancillary Services Provider~~non-contracted ancillary service provider for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

G. Directed Payment: CalOptima shall make specified directed payments to a Provider or Practitioner eligible to receive the directed payments for qualifying Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for which CalOptima is financially responsible, in accordance with the requirements of CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to a Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services.

~~G.H.~~ Non-Contracted Hospitals, Non-Contracted~~contracted hospitals, non-contracted~~ Practitioners, and ~~Non-Contracted Ancillary Service~~non-contracted ancillary service Providers shall not be eligible to participate in any CalOptima incentive payment programs.

~~H.I.~~ A Practitioner or Provider shall not bill a Member for any portion of a Covered Service, as set forth in Title 22 of the California Code of Regulations, Section 51002.

~~I.J.~~ CalOptima shall recover, or reimburse, overpayments in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

### III. PROCEDURE

- A. A Provider or Practitioner that renders Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible shall submit claims to CalOptima, in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

### IV. ATTACHMENT(S)

Not Applicable

### V. REFERENCE(S)

- A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal

~~B. CalOptima Policy AA.1000: Glossary of Terms~~

~~C.B.~~ CalOptima Policy FF.1002: CalOptima Medi-Cal Fee Schedule

C. CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group

- D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled in a Shared Risk Group
- E. CalOptima Policy FF.2011: Directed Payments
- F. CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services
- G. CalOptima Policy GG.1116: Pediatric Preventive Services
- ~~F. CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group~~
- G.H. CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers
- ~~H.F. CalOptima Policy GG.1116: Pediatric Preventive Services~~
- I. CalOptima Policy HH.2022Δ: Record Retention and Access
- J. CalOptima Policy HH.5000Δ: Provider Overpayment Investigation and Determination
- K. Title 22 of the California Code of Regulations, §§51002, 55000 and 55140(a)
- L. Section 1932(b)(2)(D) Title 42 of the Code of Federal Regulations, § 422.113(c)(3)
- ~~L.M. Social Security Act, Section 1932(b)(2)(D)~~
- ~~M.N. California Welfare and Institutions Code, §§, §14105.28 and 14106.245~~
- ~~N.O. California Health and Safety Code, §1797.1~~
- ~~O. This policy supersedes:~~
- ~~P. CalOptima Financial Letter dated August 25, 1995: Fee for service rates~~
- ~~Q. CalOptima Financial Bulletin #3: Inpatient hospital reimbursement rates under “CalOptima Direct”~~
- ~~R. CalOptima Financial Bulletin #5: Revised “CalOptima Direct” inpatient hospital rates~~
- ~~S. CalOptima Financial Bulletin #10: Family planning services~~
- ~~T. CalOptima Financial Bulletin #17: Additions to CalOptima Direct inpatient hospital rates~~
- ~~U. CalOptima Financial Bulletin #19: CalOptima Direct rates effective October 1, 1999~~
- ~~V. CalOptima Financial Bulletin #24: CalOptima Direct rates effective July 1, 2002~~
- ~~W. CalOptima Financial Bulletin #29: CalOptima Direct rates effective March 1, 2004~~
- ~~X.P. Manual of Current Procedural Terminology (CPT®), American Medical Association, Revised 2006~~
- ~~Y.Q. Department of Health Care Services (DHCS) All Plan Letter (APL) 17-020 (Revised): American Indian Health Programs~~
- ~~Z.R. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-008: -Reimbursement for Non-Contracted Hospital Emergency Inpatient Services~~
- ~~AA.S. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-010: -Hospital Payment for Medi-Cal-Stabilization Services~~
- ~~BB.T. Department of Health Care Services (DHCS) Policy Letter (PL) 96-09: -Sexually Transmitted Disease Services in Medi-Cal Managed Care~~
- ~~CC.U. Department of Health Care Services (DHCS) Policy Letter (PL) 13-004: -Rates Forfor Emergency and Post-Stabilization Acute Inpatient Services Provided Byby Out-Of-Network General Acute Care Hospitals Based On Diagnosis Related Groups Effective July 1, 2013~~
- ~~DD.V. Department of Health Care Services (DHCS) All Plan Letter (APL) 16-003(revised):18-019: Family Planning Services Policy for Contraceptive SuppliesSelf-Administered Hormonal Contraceptives~~
- ~~EE.W. Department of Health Care Services (DHCS) All Plan Letter (APL) 15-017- 18-022: Access Requirements for Freestanding Birth Centers and the Provision of Certified Nurse-Midwife and Alternative Birth-Center Facility Services (Revised)~~
- FF.X. Department of Health Care Services (DHCS) All Plan Letter (APL) 16-01619-008: Rate Changes for Emergency and Post-Stabilization Services Provided by Out-of-Network “Border” Hospitals Under the Diagnostic Related Group Payment Methodology: Outcome of Federal Court Litigation Rejecting a Challenge to State Plan Amendment 15-020

## VI. REGULATORY AGENCY APPROVAL(S)

| Date       | Regulatory Agency                         |
|------------|-------------------------------------------|
| 12/10/2009 | Department of Health Care Services (DHCS) |
| 03/10/2014 | Department of Health Care Services (DHCS) |
| 07/06/2016 | Department of Health Care Services (DHCS) |
| 11/09/2017 | Department of Health Care Services (DHCS) |

## VII. BOARD ACTION(S)

| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 06/04/2002 | Regular Meeting of the CalOptima Board of Directors |
| 06/05/2007 | Regular Meeting of the CalOptima Board of Directors |
| 12/04/2007 | Regular Meeting of the CalOptima Board of Directors |
| 06/03/2008 | Regular Meeting of the CalOptima Board of Directors |
| 10/02/2008 | Regular Meeting of the CalOptima Board of Directors |
| 11/06/2008 | Regular Meeting of the CalOptima Board of Directors |
| 11/05/2009 | Regular Meeting of the CalOptima Board of Directors |
| 06/06/2013 | Regular Meeting of the CalOptima Board of Directors |
| 10/04/2018 | Regular Meeting of the CalOptima Board of Directors |
| 06/06/2019 | Regular Meeting of the CalOptima Board of Directors |

## VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title                                                                                                                                           | Program(s) |
|-----------|------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Effective | 01/01/2007 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                                      | Medi-Cal   |
| Revised   | 01/01/2009 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                                      | Medi-Cal   |
| Revised   | 01/01/2011 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                                      | Medi-Cal   |
| Revised   | 06/01/2013 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                                      | Medi-Cal   |
| Revised   | 03/01/2015 | FF.1003 | Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group        | Medi-Cal   |
| Revised   | 04/01/2016 | FF.1003 | Payments for Covered Services Rendered to a Member of CalOptima Direct, <u>CalOptima Community Network</u> or a Member Enrolled in a Shared Risk Group | Medi-Cal   |

| Action                  | Date                | Policy                  | Policy Title                                                                                                                                                    | Program(s)               |
|-------------------------|---------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Revised                 | 06/01/2017          | FF.1003                 | Payments for Covered Services Rendered to a Member of CalOptima Direct, <a href="#">CalOptima Community Network</a> or a Member Enrolled in a Shared Risk Group | Medi-Cal                 |
| Revised                 | 10/04/2018          | FF.1003                 | Payments for Covered Services Rendered to a Member of CalOptima Direct, <a href="#">CalOptima Community Network</a> or a Member Enrolled in a Shared Risk Group | Medi-Cal                 |
| <a href="#">Revised</a> | <a href="#">TBD</a> | <a href="#">FF.1003</a> | <a href="#">Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group</a> | <a href="#">Medi-Cal</a> |

For 20200521 FAC Review Only



## IX. GLOSSARY

| Term                                                  | Definition                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>American Indian Health Services Program</u>        | <u>Programs operated with funds from the IHS under the Indian Self-Determination Act and the Indian Health Care Improvement Act, through which services are provided, directly or by contract, to the eligible Indian population within a defined geographic area.</u>                                                                                                                                                          |
| Border Hospital                                       | Those hospitals located outside the State of California that are within 55 miles' driving distance from the nearest physical <u>location</u> at which a road crosses the California border as defined by the U.S. Geological Survey.                                                                                                                                                                                            |
| California Children's Services (CCS) Program          | The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations, Sections 41515.2 through 41518.9.                                                                                                |
| CalOptima Direct                                      | A direct health care program operated by CalOptima that includes both COD- Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in Policy DD.2006: Enrollment in/Eligibility with CalOptima Direct.                                                                                                                                 |
| CalOptima Medi-Cal Fee Schedule                       | Fee schedule adopted by CalOptima for reimbursement of Covered Services rendered to Medi-Cal Members for which CalOptima is responsible.                                                                                                                                                                                                                                                                                        |
| Certified Nurse Midwife                               | A registered nurse certified under Article 2.5, Chapter 6 of the California Business and Professions Code with additional training as a midwife who is certified to deliver infants and provide prenatal and postpartum care, newborn care, and some routine care of woman.                                                                                                                                                     |
| Certified Nurse Practitioner                          | A registered nurse certified under Article 2.5, Chapter 6 of the California Business and Professions Code who possesses additional preparation and skills in physical diagnosis, psycho-social assessment, and management of health-illness needs in primary health care, and who has been prepared in a program <u>that</u> conforms to board standards as specified in Title 16 California Code of Regulations, Section 1484. |
| Child Health and Disability Prevention (CHDP) Program | California's Early Periodic Screening, Detection, and Treatment (EPSDT) program as defined in the Health and Safety Code, Section 12402.5 et seq. and Title 17 of the California Code of Regulations, Sections 6842 through 6852, that provides certain preventive services for children eligible for Medi-Cal. For CalOptima Members, the CHDP Program is incorporated into CalOptima's Pediatric Preventive Services Program. |

| Term                                               | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Covered Services                                   | Those services provided in the Fee-For-Service Medi-Cal program, <del>(as set forth in Title 22, <u>California Code of Regulations (CCR)</u>, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301-), the Child Health and Disability Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840, which section 6842), and the California Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning with section 14094.4) under the Whole-Child Model program, to the extent those services</del> are included as Covered Services under CalOptima's Medi-Cal Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), and speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), <del>and Health Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.5, beginning with section 14127), for HHP Members with eligible physical chronic conditions and substance use disorders,</del> or other services as authorized by the CalOptima Board of Directors, which shall be covered for Members not <del>withstanding</del> whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| <u>Division of Financial Responsibility (DOFR)</u> | <u>A matrix that identifies how CalOptima identifies the responsible parties for components of medical services associated with the provision of Covered Services. The responsible parties include, but are not limited to, Physician, Hospital, CalOptima and the County of Orange.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Family Planning Services                           | <p>Covered Services that are provided to individuals of childbearing age to enable them to determine the number and spacing of their children, and to help reduce the incidence of maternal and infant deaths and diseases by promoting the health and education of potential parents. Family Planning includes, but is not limited to:</p> <ol style="list-style-type: none"> <li>1. Medical and surgical services performed by or under the direct supervision of a licensed Physician for the purpose of Family Planning;</li> <li>2. Laboratory and radiology procedures, drugs and devices prescribed by a license Physician and/or are associated with Family Planning procedures;</li> <li>3. Patient visits for the purpose of Family Planning;</li> <li>4. Family Planning counseling services provided during regular patient visit;</li> <li>5. IUD and IUCD insertions, or any other invasive contraceptive procedures or devices;</li> <li>6. Tubal ligations;</li> <li>7. Vasectomies;</li> <li>8. Contraceptive drugs or devices; and</li> <li>9. Treatment for the complications resulting from previous Family Planning procedures.</li> </ol> <p>Family Planning does not include services for the treatment of infertility or reversal of sterilization.</p>                                                                                                                                                                                                                                                                                                                  |



| <b>Term</b>                                                                                       | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Federally Qualified Health Center                                                                 | A type of provider defined by the Medicare and Medicaid statutes. FQHCs include all organizations receiving grants under Section 330 of the Public Health Service Act, certain tribal organizations, and FQHC Look-Alikes. An FQHC must be a public entity or a private non-profit organization. FQHCs must provide primary care services for all age groups.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <u>Health Network</u>                                                                             | <u>A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <u>American Indian Health Services Program</u><br><u>Medically Necessary or Medical Necessity</u> | <u>Programs operated with funds from the IHS under the Indian Self-Determination Act and the Indian Health Care Improvement Act, through which services are provided, directly or by contract, to the eligible Indian population within a defined geographic area. Reasonable and necessary Covered Services to protect life, to prevent illness or disability, alleviate severe pain through the diagnosis or treatment of disease, illness, or injury achieve age-appropriate growth and development, and attain, or regain functional capacity. For Medi-Cal Members receiving managed long-term services and supports (MLTSS), Medical Necessity is determined in accordance with Member's current needs assessment and consistent with person-centered planning. When determining Medical Necessity of Covered Services for Medi-Cal Members under the age of 21, Medical Necessity is expanded to include the standards set forth in 42 U.S.C. section 1396d(r) and California Welfare and Institutions Code section 14132(v).</u> |
| <u>Member</u>                                                                                     | <u>A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Practitioner                                                                                      | A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), <u>Licensed Midwife</u> , Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <u>Prior Authorization</u>                                                                        | <u>A formal process requiring a health care Provider to obtain advance approval to provide specific services or procedures.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Provider                                                                                          | For purposes of this policy, a person or institution that furnishes Covered Services to Members.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Term                               | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Qualified Family Planning Provider | A qualified provider is a provider who is licensed to furnish family planning services within their scope of practice, is an enrolled Medi-Cal provider, and is willing to furnish family planning services to an enrollee as specified in Title 22, California Code of Regulations, Section 51200. <del>A Physician, Physician Assistant (under the supervision of a Physician), Certified Nurse Midwife, and Nurse Practitioner are authorized to dispense medications. Pursuant to California Business and Professions Code section 2725.2, if these contraceptives are dispensed by a Registered Nurse (RN), the RN must have completed required training pursuant to Business and Professions Code section 2725.2 and the contraceptives must be billed with Evaluation and Management (E&amp;M) procedure codes 99201, 99211, or 99212 with modifier TD (TD modifier as used for RN for (Behavioral Health) as found in the Medi-Cal Provider Manual.</del> |
| <u>Rural Health Clinic</u>         | <u>An organized outpatient clinic or hospital outpatient department located in a rural shortage area, which has been certified by the Secretary, United States Department of Health and Human Services.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Shared Risk Group                  | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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For 20200521 FAC REVIEW ONLY



**CalOptima**  
Better. Together.

Policy: FF.1003  
Title: **Payment for Covered Services  
Rendered to a Member of CalOptima  
Direct, or a Member Enrolled in a  
Shared Risk Group**  
Department: Claims Administration  
Section: Not Applicable

CEO Approval:

Effective Date: 01/01/07  
Revised Date: TBD

Applicable to:

- ☒ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☐ Administrative

## I. PURPOSE

This policy outlines CalOptima's payment methodologies for a Provider or Practitioner that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group. For those Members enrolled in a Shared Risk Group, this policy shall only apply to Covered Services for which CalOptima is financially responsible, in accordance with the Division of Financial Responsibility (DOFR).

## II. POLICY

A. Hospital Payment: Subject to all applicable Claims policies and Utilization Management (UM) policies, CalOptima shall reimburse a hospital that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, as follows:

1. Contracted Hospital: CalOptima's reimbursement to a CalOptima Contracted Hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CCN or a Member Enrolled in a Shared Risk Group.
2. Non-Contracted Hospital: CalOptima's reimbursement to a non-contracted hospital for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, that has received appropriate authorization, unless exempt from such authorization, in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's Prior Authorization policies, is as follows:
  - a. Outpatient Emergency and Non-Emergency Services: CalOptima shall reimburse non-contracted outpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at the same amount paid by the California Department of Health Care Services (DHCS) for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal Fee-for-Service (FFS) program, in accordance with Section 14091.3(c)(1) of the California Welfare and Institutions Code and Section 1932(b)(2)(D) of the Social Security Act.

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- b. Emergency Inpatient Services: For dates of service on or after July 1, 2013, CalOptima shall reimburse non-contracted emergency inpatient Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group using the All Patient Refined Diagnosis Related Groups (APR-DRG) rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
    - i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
  - c. Non-emergency Inpatient Services: In the absence of any negotiated rate agreed to, in writing, between CalOptima and a hospital, CalOptima shall reimburse a hospital using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code. Prior Authorization is required for all non-emergency inpatient services.
    - i. Interim claims shall be accepted for stays that exceed twenty-nine (29) calendar days. CalOptima shall adopt the DHCS FFS per diem amount of six hundred dollars (\$600). Upon discharge, a hospital shall submit a single, admit-through-discharge claim. CalOptima shall calculate the final payment by using the APR-DRG method and shall be reduced by the interim payment(s) that were previously made.
  - d. Out of State Hospitals: For dates of service on or after July 1, 2013, CalOptima shall reimburse a hospital located outside of California using the APR-DRG rates, in accordance with Section 14105.28 of the California Welfare and Institutions Code.
  - e. Border Hospitals: CalOptima shall apply the State Plan Amendment (SPA) 15-020 changes established in the Medi-Cal FFS system to the DRG-based rates paid to out-of-network Border Hospitals for acute care hospital inpatient emergency and post-stabilization services, with respect to admissions occurring on or after July 1, 2015. CalOptima may pay a lower negotiated rate agreed to by the hospital.
3. Non-Emergency Non-Authorized Services: CalOptima shall not reimburse a hospital for any services that are subject to authorization requirements, in accordance with CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers, or the Shared Risk Group's authorization policies, for which such authorization has not been secured.
4. If a Member changes Health Networks, including CalOptima Direct, for purposes of this provision, during an inpatient stay, the Health Network that authorized the admission shall retain the financial responsibility for the entire stay.
- B. Practitioner Payment: For purposes of this policy, a Practitioner does not include those Providers who render services to Members that are not a benefit included in Covered Services provided by the CalOptima Medi-Cal program. Subject to all applicable CalOptima Claims and Utilization Management (UM) policies, CalOptima shall reimburse a Practitioner providing Covered Services to a Member as follows:
- 1. Contracted Practitioner: CalOptima shall reimburse a Contracted Practitioner based on the terms and conditions of the contract between such Contracted Practitioner and CalOptima.

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2. Non-contracted Practitioner: CalOptima's reimbursement to a non-contracted Practitioner for Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, shall be based on the following:
- a. Emergency Services: CalOptima shall reimburse a non-contracted Practitioner that provides emergency Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - b. Non-Emergency Services: CalOptima shall reimburse a non-contracted Practitioner for Covered Services rendered to a Member of CalOptima Direct, or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible on a fee-for-service basis as follows:
    - i. For dates of service on or after January 1, 2011, CalOptima shall reimburse professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - ii. Except as otherwise provided in this subsection, CalOptima shall reimburse a physician who is a California Children's Service (CCS) Program-paneled Provider, and who is recognized as a specialist physician by CCS, at one hundred forty percent (140%) of the CalOptima Medi-Cal Fee Schedule for Covered Services rendered to a Member who is less than twenty-one (21) years of age.
    - iii. CalOptima shall reimburse technical component of pathology, clinical laboratory, and radiology services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - iv. CalOptima shall reimburse Child Health and Disability Prevention (CHDP) services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - v. CalOptima shall reimburse injectables at one hundred percent 100% of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vi. For dates of service on or after January 1, 2011, CalOptima shall reimburse Surgical and Incontinence Supplies at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
    - vii. CalOptima shall reimburse "By Report" procedure codes in the same manner as DHCS.
    - viii. CalOptima shall reimburse Family Planning Services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by

DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

- a) CalOptima shall reimburse a provider, including a non-contracted provider, for a (12)-month supply of oral contraceptive pills, hormone-containing contraceptive transdermal patches, or hormone-containing contraceptive vaginal rings when dispensed at one time at a Member's request by a qualified family planning provider or pharmacist with a protocol approved by the California State Board of Pharmacy and the Medical Board of California.

C. If a non-contracted birthing center is used for non-contracted Certified Nurse Midwife and licensed midwives services as permitted within each practitioner's scope of practice, CalOptima shall reimburse facility and professional services at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

D. Federally Qualified Health Center (FQHC) Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an FQHC that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible, as follows:

1. Contracted FQHC: CalOptima shall reimburse a Contracted FQHC based on the terms and conditions of the contract between such FQHC and CalOptima. CalOptima's contracted rates for an FQHC shall not be less than CalOptima's contracted rates to any other Provider or Practitioner for the same scope of services.
2. Non-contracted FQHC:
  - a. CalOptima shall reimburse a non-contracted FQHC for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - i. CalOptima shall reimburse a non-contracted FQHC for CHDP services, as set forth in CalOptima Policy GG.1116: Pediatric Preventive Services, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.
  - ii. CalOptima shall reimburse a non-contracted FQHC based on the Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) for each procedure rendered, and not the FQHC's all-inclusive rate.

E. American Indian Health Service Program Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an Indian Health Service Facility that provides Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, for Covered Services for which CalOptima is financially responsible as follows:

1. Contracted American Indian Health Service Program:



- a. If the American Indian Health Service Program is a Rural Health Clinic or qualifies as an FQHC, CalOptima shall reimburse the program at the program's interim per visit rate as established by DHCS, or through an alternate reimbursement methodology approved in writing by DHCS.
  - b. If the American Indian Health Service Program is a Rural Health Clinic or FQHC, and CalOptima and the program have agreed to an at-risk rate and the program has waived its rights to cost-based reimbursement under its contract with CalOptima, CalOptima shall reimburse the program at the negotiated rate.
  - c. If the American Indian Health Service Program is entitled to be reimbursed as an American Indian Health Service Provider by the federal government at a rate other than the rate described in (a) above, CalOptima shall reimburse the program at the American Indian Health Service payment rate.
2. Non-contracted American Indian Health Service Program: CalOptima shall reimburse a non-contracted American Indian Health Service Program at the approved Medi-Cal per visit rate for that facility.
  3. Effective for dates of service on or after January 1, 2018, CalOptima shall reimburse contracted and non-contracted American Indian Health Service Programs at the current and applicable Office of Management and Budget (OMB) encounter rate, published in the Federal Register. These rates shall apply when services are provided to Members who are qualified to receive services from an American Indian Health Services Program, as set forth in Supplement 6, Attachment 4.19-B of the California Medicaid State Plan.
  4. CalOptima shall ensure that the following criteria are met for receipt of payments:
    - a. The American Indian Health Service Program provider must be identified by DHCS;
    - b. Service must be a Covered Service included in CalOptima's contract with DHCS;
    - c. As set forth in California Medicaid State Plan Supplemental 6. Attachment 4.19-B, only one rate payment per day, per category, shall be allowed within the following three (3) categories. This allows for a maximum of three (3) payments per day, one (1) from each category:
      - i. Medical health visit;
      - ii. Mental health visit;
      - iii. Ambulatory visit.
- F. Ancillary Service Provider Payment: Subject to all applicable claims and UM policies, CalOptima shall reimburse an ancillary service Provider for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible as follows:
1. CalOptima shall reimburse a contracted ancillary service provider based on the terms and conditions of the contract between such contracted ancillary service provider and CalOptima.

2. CalOptima shall reimburse a non-contracted ancillary service provider for Covered Services rendered to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group, at one hundred percent (100%) of the CalOptima Medi-Cal Fee Schedule but in no case less than the same amount paid by DHCS for the same services rendered to a Medi-Cal beneficiary in the Medi-Cal FFS program.

G. Directed Payment: CalOptima shall make specified directed payments to a Provider or Practitioner eligible to receive the directed payments for qualifying Covered Services provided to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for which CalOptima is financially responsible, in accordance with the requirements of CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to a Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services.

H. Non-contracted hospitals, non-contracted Practitioners, and non-contracted ancillary service Providers shall not be eligible to participate in any CalOptima incentive payment programs.

I. A Practitioner or Provider shall not bill a Member for any portion of a Covered Service, as set forth in Title 22 of the California Code of Regulations, Section 51002.

J. CalOptima shall recover, or reimburse, overpayments in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

### III. PROCEDURE

A. A Provider or Practitioner that renders Covered Services to a Member of CalOptima Direct or a Member enrolled in a Shared Risk Group for Covered Services for which CalOptima is financially responsible shall submit claims to CalOptima, in accordance with CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members, or Members Enrolled in a Shared Risk Group.

### IV. ATTACHMENT(S)

Not Applicable

### V. REFERENCE(S)

A. CalOptima Contract with the Department of Health Care Services (DHCS) for Medi-Cal

B. CalOptima Policy FF.1002: CalOptima Medi-Cal Fee Schedule

C. CalOptima Policy FF.1004: Payments for Hospitals Contracted to Serve a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group

D. CalOptima Policy FF.2001: Claims Processing for Covered Services Rendered to CalOptima Direct-Administrative Members, CalOptima Community Network Members or Members Enrolled in a Shared Risk Group

E. CalOptima Policy FF.2011: Directed Payments

F. CalOptima Policy FF.2012: Directed Payments for Qualifying Services Rendered to CalOptima Direct Members or to Shared Risk Group Members when CalOptima is Financially Responsible for the Qualifying Services

G. CalOptima Policy GG.1116: Pediatric Preventive Services

H. CalOptima Policy GG.1500: Authorization Instructions for CalOptima Direct and CalOptima Community Network Providers

I. CalOptima Policy HH.2022Δ: Record Retention and Access



- J. CalOptima Policy HH.5000Δ: Provider Overpayment Investigation and Determination
- K. Title 22 of the California Code of Regulations, §§51002, 55000 and 55140(a)
- L. Title 42 of the Code of Federal Regulations, § 422.113(c)(3)
- M. Social Security Act, Section 1932(b)(2)(D)
- N. California Welfare and Institutions Code, §14105.28
- O. California Health and Safety Code, §1797.1
- P. Manual of Current Procedural Terminology (CPT®), American Medical Association
- Q. Department of Health Care Services (DHCS) All Plan Letter (APL) 17-020 (Revised): American Indian Health Programs
- R. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-008: Reimbursement for Non-Contracted Hospital Emergency Inpatient Services
- S. Department of Health Care Services (DHCS) All Plan Letter (APL) 08-010: Hospital Payment for Medi-Cal Post-Stabilization Services
- T. Department of Health Care Services (DHCS) Policy Letter (PL) 96-09: Sexually Transmitted Disease Services in Medi-Cal Managed Care
- U. Department of Health Care Services (DHCS) Policy Letter (PL) 13-004: Rates for Emergency and Post-Stabilization Acute Inpatient Services Provided by Out-Of-Network General Acute Care Hospitals Based On Diagnosis Related Groups Effective July 1, 2013
- V. Department of Health Care Services (DHCS) All Plan Letter (APL) 18-019: Family Planning Services Policy for Self-Administered Hormonal Contraceptives
- W. Department of Health Care Services (DHCS) All Plan Letter (APL) 18-022: Access Requirements for Freestanding Birth Centers and the Provision of Midwife Services
- X. Department of Health Care Services (DHCS) All Plan Letter (APL) 19-008: Rate Changes for Emergency and Post-Stabilization Services Provided by Out-of-Network Border Hospitals Under the Diagnostic Related Group Payment Methodology: Outcome of Federal Court Litigation Rejecting a Challenge to State Plan Amendment 15-020

## VI. REGULATORY AGENCY APPROVAL(S)

| Date       | Regulatory Agency                         |
|------------|-------------------------------------------|
| 12/10/2009 | Department of Health Care Services (DHCS) |
| 03/10/2014 | Department of Health Care Services (DHCS) |
| 07/06/2016 | Department of Health Care Services (DHCS) |
| 11/09/2017 | Department of Health Care Services (DHCS) |

## VII. BOARD ACTION(S)

| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 06/04/2002 | Regular Meeting of the CalOptima Board of Directors |
| 06/05/2007 | Regular Meeting of the CalOptima Board of Directors |
| 12/04/2007 | Regular Meeting of the CalOptima Board of Directors |
| 06/03/2008 | Regular Meeting of the CalOptima Board of Directors |
| 10/02/2008 | Regular Meeting of the CalOptima Board of Directors |
| 11/06/2008 | Regular Meeting of the CalOptima Board of Directors |
| 11/05/2009 | Regular Meeting of the CalOptima Board of Directors |
| 06/06/2013 | Regular Meeting of the CalOptima Board of Directors |
| 10/04/2018 | Regular Meeting of the CalOptima Board of Directors |
| 06/06/2019 | Regular Meeting of the CalOptima Board of Directors |

1 **VIII. REVISION HISTORY**

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| Action    | Date       | Policy  | Policy Title                                                                                                                                    | Program(s) |
|-----------|------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Effective | 01/01/2007 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                               | Medi-Cal   |
| Revised   | 01/01/2009 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                               | Medi-Cal   |
| Revised   | 01/01/2011 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                               | Medi-Cal   |
| Revised   | 06/01/2013 | FF.1003 | Payment for Covered Services Rendered to CalOptima Direct Members                                                                               | Medi-Cal   |
| Revised   | 03/01/2015 | FF.1003 | Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group | Medi-Cal   |
| Revised   | 04/01/2016 | FF.1003 | Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group | Medi-Cal   |
| Revised   | 06/01/2017 | FF.1003 | Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group | Medi-Cal   |
| Revised   | 10/04/2018 | FF.1003 | Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group | Medi-Cal   |
| Revised   | TBD        | FF.1003 | Payments for Covered Services Rendered to a Member of CalOptima Direct, CalOptima Community Network or a Member Enrolled in a Shared Risk Group | Medi-Cal   |

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1 IX. GLOSSARY  
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| Term                                                  | Definition                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| American Indian Health Services Program               | Programs operated with funds from the IHS under the Indian Self-Determination Act and the Indian Health Care Improvement Act, through which services are provided, directly or by contract, to the eligible Indian population within a defined geographic area.                                                                                                                                                                 |
| Border Hospital                                       | Those hospitals located outside the State of California that are within 55 miles' driving distance from the nearest physical location at which a road crosses the California border as defined by the U.S. Geological Survey.                                                                                                                                                                                                   |
| California Children's Services (CCS) Program          | The public health program that assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of twenty-one (21) years who have CCS-Eligible Conditions, as defined in Title 22, California Code of Regulations, Sections 41515.2 through 41518.9.                                                                                                |
| CalOptima Direct                                      | A direct health care program operated by CalOptima that includes both COD- Administrative (COD-A) and CalOptima Community Network (CCN) and provides services to Members who meet certain eligibility criteria as described in Policy DD.2006: Enrollment in/Eligibility with CalOptima Direct.                                                                                                                                 |
| CalOptima Medi-Cal Fee Schedule                       | Fee schedule adopted by CalOptima for reimbursement of Covered Services rendered to Medi-Cal Members for which CalOptima is responsible.                                                                                                                                                                                                                                                                                        |
| Certified Nurse Midwife                               | A registered nurse certified under Article 2.5, Chapter 6 of the California Business and Professions Code with additional training as a midwife who is certified to deliver infants and provide prenatal and postpartum care, newborn care, and some routine care of woman.                                                                                                                                                     |
| Certified Nurse Practitioner                          | A registered nurse certified under Article 2.5, Chapter 6 of the California Business and Professions Code who possesses additional preparation and skills in physical diagnosis, psycho-social assessment, and management of health-illness needs in primary health care, and who has been prepared in a program that conforms to board standards as specified in Title 16 California Code of Regulations, Section 1484.        |
| Child Health and Disability Prevention (CHDP) Program | California's Early Periodic Screening, Detection, and Treatment (EPSDT) program as defined in the Health and Safety Code, Section 12402.5 et seq. and Title 17 of the California Code of Regulations, Sections 6842 through 6852, that provides certain preventive services for children eligible for Medi-Cal. For CalOptima Members, the CHDP Program is incorporated into CalOptima's Pediatric Preventive Services Program. |

| Term                                        | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Covered Services                            | Those services provided in the Fee-For-Service Medi-Cal program (as set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301), the Child Health and Disability Prevention program (as set forth in Title 17, CCR, Division 1, Chapter 4, Subchapter 13, Article 4, beginning with section 6842), and the California Children's Services (as set forth in Title 22, CCR, Division 2, subdivision 7, and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 2.985, beginning with section 14094.4) under the Whole-Child Model program, to the extent those services are included as Covered Services under CalOptima's Medi-Cal Contract with DHCS and are Medically Necessary, along with chiropractic services (as defined in Section 51308 of Title 22, CCR), podiatry services (as defined in Section 51310 of Title 22, CCR), speech pathology services and audiology services (as defined in Section 51309 of Title 22, CCR), and Health Homes Program (HHP) services (as set forth in DHCS All Plan Letter 18-012 and Welfare and Institutions Code, Division 9, Part 3, Chapter 7, Article 3.9, beginning with section 14127), for HHP Members with eligible physical chronic conditions and substance use disorders, or other services as authorized by the CalOptima Board of Directors, which shall be covered for Members notwithstanding whether such benefits are provided under the Fee-For-Service Medi-Cal program. |
| Division of Financial Responsibility (DOFR) | A matrix that identifies how CalOptima identifies the responsible parties for components of medical services associated with the provision of Covered Services. The responsible parties include, but are not limited to, Physician, Hospital, CalOptima and the County of Orange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Family Planning Services                    | <p>Covered Services that are provided to individuals of childbearing age to enable them to determine the number and spacing of their children, and to help reduce the incidence of maternal and infant deaths and diseases by promoting the health and education of potential parents. Family Planning includes, but is not limited to:</p> <ol style="list-style-type: none"> <li>1. Medical and surgical services performed by or under the direct supervision of a licensed Physician for the purpose of Family Planning;</li> <li>2. Laboratory and radiology procedures, drugs and devices prescribed by a license Physician and/or are associated with Family Planning procedures;</li> <li>3. Patient visits for the purpose of Family Planning;</li> <li>4. Family Planning counseling services provided during regular patient visit;</li> <li>5. IUD and IUCD insertions, or any other invasive contraceptive procedures or devices;</li> <li>6. Tubal ligations;</li> <li>7. Vasectomies;</li> <li>8. Contraceptive drugs or devices; and</li> <li>9. Treatment for the complications resulting from previous Family Planning procedures.</li> </ol> <p>Family Planning does not include services for the treatment of infertility or reversal of sterilization.</p>                                                                                                                                                                                                              |

| <b>Term</b>                              | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Federally Qualified Health Center        | A type of provider defined by the Medicare and Medicaid statutes. FQHCs include all organizations receiving grants under Section 330 of the Public Health Service Act, certain tribal organizations, and FQHC Look-Alikes. An FQHC must be a public entity or a private non-profit organization. FQHCs must provide primary care services for all age groups.                                                                                                                                                                                                                                                                                                                                                                                                     |
| Health Network                           | A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO) that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Medically Necessary or Medical Necessity | Reasonable and necessary Covered Services to protect life, to prevent illness or disability, alleviate severe pain through the diagnosis or treatment of disease, illness, or injury achieve age-appropriate growth and development, and attain, or regain functional capacity. For Medi-Cal Members receiving managed long-term services and supports (MLTSS), Medical Necessity is determined in accordance with Member's current needs assessment and consistent with person-centered planning. When determining Medical Necessity of Covered Services for Medi-Cal Members under the age of 21, Medical Necessity is expanded to include the standards set forth in 42 U.S.C. section 1396d(r) and California Welfare and Institutions Code section 14132(v). |
| Member                                   | A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Practitioner                             | A licensed independent practitioner including, but not limited to, a Doctor of Medicine (MD), Doctor of Osteopathy (DO), Doctor of Podiatric Medicine (DPM), Doctor of Chiropractic Medicine (DC), Doctor of Dental Surgery (DDS), Doctor of Psychology (PhD or PsyD), Licensed Clinical Social Worker (LCSW), Marriage and Family Therapist (MFT or MFCC), Licensed Midwife, Nurse Practitioner (NP), Nurse Midwife, Physician Assistant (PA), Optometrist (OD), Registered Physical Therapist (RPT), Occupational Therapist (OT), or Speech and Language Therapist, furnishing Covered Services.                                                                                                                                                                |
| Prior Authorization                      | A formal process requiring a health care Provider to obtain advance approval to provide specific services or procedures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Provider                                 | For purposes of this policy, a person or institution that furnishes Covered Services to Members.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Qualified Family Planning Provider       | A qualified provider is a provider who is licensed to furnish family planning services within their scope of practice, is an enrolled Medi-Cal provider, and is willing to furnish family planning services to an enrollee as specified in Title 22, California Code of Regulations, Section 51200.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Rural Health Clinic                      | An organized outpatient clinic or hospital outpatient department located in a rural shortage area, which has been certified by the Secretary, United States Department of Health and Human Services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Shared Risk Group                        | A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

| <b>Name</b>                                                                            | <b>Address</b>                  | <b>City</b> | <b>State</b> | <b>Zip</b> |
|----------------------------------------------------------------------------------------|---------------------------------|-------------|--------------|------------|
| Orange County Physicians IPA Medical Group, Inc dba Noble Community Medical Associates | 10855 Business Center Dr Ste. C | Cypress     | CA           | 90630      |
| Talbert Medical Group                                                                  | 2175 Park Place                 | El Segundo  | CA           | 90245      |
| Arta Western Medical Group                                                             | 2175 Park Place                 | El Segundo  | CA           | 90245      |
| United Care Medical Group, Inc.                                                        | 600 City Parkway West           | Orange      | CA           | 92868      |
| Alta Med Health Services Shared Risk                                                   | 2040 Camfield Ave               | Los Angeles | CA           | 90040      |

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 7, 2018**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

47. Consider Actions for the Implementation of Proposition 56 Provider Payment

#### **Contact**

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

#### **Recommended Action**

Approve methodology for the disbursement of Proposition 56 physician services payments to eligible Medi-Cal providers.

#### **Background**

The California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) increases the excise tax rate on cigarettes and tobacco products. A portion of Proposition 56 revenue is allocated for existing health care programs administered by the Department of Health Care Services (DHCS), including reimbursement in the Denti-Cal and Medi-Cal programs. As part of the Budget Act of 2017, Proposition 56 funds were appropriated for State Fiscal Year (SFY) 2017-18. Under Proposition 56, Medi-Cal Managed Care Plans (MCPs) are required to provide additional compensation for certain Medi-Cal related services rendered in SFY 2017-18. Supplemental payments are to be made to providers based on a DHCS-provided set of procedure codes for certain physician services, Intermediate Care Facilities for the Developmentally Disabled (ICF-DDs), and women's health services for pregnancy termination. The Governor's May Revision released on May 11, 2018 proposes extension of Proposition 56 for SFY 2018-19.

DHCS released guidance related to Proposition 56 provider payment methodologies through All Plan Letter (APL) 18-010 on May 1, 2018. CalOptima began receiving initial funding for Proposition 56 payments in its monthly capitation received on April 30, 2018 and will continue to receive Proposition 56 funding in subsequent capitation payments. DHCS expects Proposition 56 payments be passed through to eligible providers for the initial payment within 90 calendar days of the MCP receiving capitation from DHCS. Subsequent payments are to be made within 90 calendar days of receiving a clean claim or accepted encounter.

Providers contracted with CalOptima or a delegated entity rendering one of the designated Medi-Cal covered services between July 1, 2017 and June 30, 2018 are eligible for Proposition 56 payments in addition to the provider's contract rate or capitation. However, the following provider types are not eligible to receive Proposition 56 payments: Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), American Indian Health Programs (AIHPs) and cost-based reimbursement clinics. The following DHCS-provided procedure codes are eligible for supplemental payments:



| Medi-Cal Covered Service Code | Service Code Description                          | Directed Payment |
|-------------------------------|---------------------------------------------------|------------------|
| 99201                         | Office/Outpatient Visit New                       | \$10.00          |
| 99202                         | Office/Outpatient Visit New                       | \$15.00          |
| 99203                         | Office/Outpatient Visit New                       | \$25.00          |
| 99204                         | Office/Outpatient Visit New                       | \$25.00          |
| 99205                         | Office/Outpatient Visit New                       | \$50.00          |
| 99211                         | Office/Outpatient Visit Est                       | \$10.00          |
| 99212                         | Office/Outpatient Visit Est                       | \$15.00          |
| 99213                         | Office/Outpatient Visit Est                       | \$15.00          |
| 99214                         | Office/Outpatient Visit Est                       | \$25.00          |
| 99215                         | Office/Outpatient Visit Est                       | \$25.00          |
| 90791                         | Psychiatric Diagnostic Eval                       | \$35.00          |
| 90792                         | Psychiatric Diagnostic Eval with Medical Services | \$35.00          |
| 90863                         | Pharmacologic Management                          | \$5.00           |

The DHCS guidance requires MCPs to maintain a formal process for provider grievances with respect to payment and non-payment of Proposition 56 directed payments. Specific Proposition 56 reporting will be required by DHCS on a quarterly basis. MCPs are required to ensure that their delegated entities and subcontractors comply with the terms and requirements of the DHCS guidance.

### **Discussion**

Proposition 56 provider payments apply to Medi-Cal covered medical and behavioral health services. CalOptima administers medical services through its direct networks, CalOptima Community Network (CCN) and CalOptima Direct (COD), or a delegated health network. Prior to January 1, 2018, CalOptima provided behavioral health services through a delegated Managed Behavioral Healthcare Organization (MBHO). Beginning January 1, 2018, CalOptima transitioned away from using a MBHO for its Medi-Cal program and began providing these services through providers contracted directly with CalOptima. To comply with Proposition 56 requirements, CalOptima staff recommends utilizing its current direct and delegated models for both the initial and ongoing payment distributions.

### **Initial Payments**

Following the initial payment received from DHCS on April 30, 2018, CalOptima recommends providing an initial catch-up payment for dates of service (DOS) July 1, 2017 to the current date. In order to process the initial catch-up payment, historical claims and encounter data will be utilized to identify and process the additional payments retroactively. Initial payments must be distributed to providers no later than July 29, 2018. The following is recommended for initial payments:

- CalOptima Direct, CalOptima Community Network and behavioral health providers:  
CalOptima to utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date.



- Health networks:  
Health networks utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date. CalOptima will prefund the health networks for estimated medical costs. Health networks will be required to submit a provider payment confirmation report to CalOptima. Once provider payment is confirmed, the remaining medical cost will be reconciled plus a 2% administrative component based on total medical costs will be remitted to the health networks

#### Ongoing Processing

Once the initial payment is distributed, future Proposition 56 provider payments must be made within 90 calendar days of receipt of a clean claim or adjusted encounter. The following is recommended for ongoing processing provided that CalOptima continues to receive Proposition 56 funds:

- CalOptima Direct, CalOptima Community Network and behavioral health providers:  
CalOptima will pay providers within 90 calendar days of receipt of a clean claim or accepted behavioral health encounter.
- Health Networks:  
Health networks will pay providers within 90 calendar days of receipt of a clean claim or accepted encounter. Concurrently, CalOptima will utilize existing health network reporting processes to identify claims and encounters eligible for Proposition 56 payments. Health networks will be required to submit provider payment confirmation that the eligible Proposition 56 claims and encounter payments were issued on a monthly basis or other agreed upon schedule. Reports will be due within 15 calendar days of the end of the reporting period. Once provider payment is confirmed, CalOptima will reimburse the health network medical costs plus a 2% administrative component.

Current processes will be leveraged for Proposition 56 specific reporting, provider grievances and health network claims payment audit and oversight to comply with the Proposition 56 requirements. Additionally, current policy and processes will be followed related to provider payment recoupment, where applicable.

This process applies to physician services only as outlined in Proposition 56 and APL 18-010. The same process will be leveraged should provisions under Proposition 56 be extended past SFY 2017-18. Separately, implementation of Proposition 56 will require modifications to the current health network contracts. CalOptima staff will seek subsequent Board action to the extent required.

#### **Fiscal Impact**

The recommended action to approve the Proposition 56 physician services payment methodology for eligible Medi-Cal providers is expected to be budget neutral to CalOptima. Based on the draft capitation rates provided by DHCS, Staff anticipates that Proposition 56 revenues will be sufficient to cover the total costs of the physician services payments during SFY 2017-18. However, since DHCS will not provide a retrospective reconciliation for Proposition 56 funding, plans will be at risk for any expense exceeding the funded amount. Assuming that actual utilization during the effective period will be similar to historic experience levels, Staff projects the net fiscal impact will be budget neutral.

**Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with Proposition 56 requirements.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

5/30/2018  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 6, 2019** **Regular Meeting of the CalOptima Board of Directors**

#### **Consent Calendar**

8. Consider Ratification of Standardized Annual Proposition 56 Provider Payment Process

#### **Contact**

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

#### **Recommended Actions**

Ratify standardized annual Proposition 56 provider payment process.

#### **Background**

Proposition 56 increases the excise tax rate on cigarettes and tobacco products to fund specified expenditures for existing health care programs administered by the Department of Health Care Services (DHCS). DHCS releases guidance to Medi-Cal managed care plans (MCP) of Proposition 56 provider payments through an All Plan Letter (APL). The APLs includes guidance regarding providers eligible for payment, service codes eligible for reimbursement, timeliness requirements to make payments, and MCP reporting requirements.

Eligible Proposition 56 provider payment adjustments are applied toward specific services provided during a State Fiscal Year (SFY), which runs from July 1 through June 30. While the payment period begins at the beginning of the SFY, final Proposition 56 guidance is not provided until after the fiscal year begins. For example, Proposition 56 guidance for SFY 2017-18 was received on May 1, 2018, ten months after the start of the fiscal year. Thus, MCPs are required to make a one-time retroactive payment adjustment to catch-up for dates of service (DOS) from the beginning of the SFY to the catch-up date. Once the initial catch-up payments are distributed, future payments are made within the timeframe specific in the APL.

On June 7, 2018 the CalOptima Board of Directors (Board) authorized implementation of initial payment and ongoing processing payments for Proposition 56 SFY 2017-18. In September 2018 DHCS instructed MCPs to continue Proposition 56 SFY 2017-18 provisions for DOS in SFY 2018-19, until SFY 2018-19 guidance was finalized. DHCS released draft Proposition 56 guidance for SFY 2018-19 on April 12, 2019. Final guidance has not been released as of May 28, 2019.

#### **Discussion**

In order to meet timeliness requirements for Proposition 56 payments each SFY and anticipating that requirements will continue to be released by APL or directly by DHCS, CalOptima staff recommends establishing a standardized annual process for Proposition 56 payment distributions. Ratification of this process is requested since CalOptima is required to distribute initial SFY 2018-19 Proposition 56 funds to providers no later than June 12, 2019, even though the final APL for the current fiscal year has not been released. The standardized process will apply to covered Medi-Cal Proposition 56 benefits administered directly by CalOptima (CalOptima Community Network or CalOptima Direct), or a

delegated health network. To comply with the annual Proposition requirements, CalOptima staff recommends utilizing the current direct and delegated models for both the initial and ongoing payment distributions.

#### Initial Payments

Following the receipt of initial payment from DHCS for the Proposition 56 designated SFY, CalOptima recommends an initial catch-up payment, if required, for eligible services between the beginning of the SFY to the current date, unless otherwise defined by DHCS. To process the initial catch-up payment, historical claims and encounter data will be utilized to identify the additional payments retroactively. Initial payments will be distributed no later than the timeliness requirements as defined in the APL. Similar to the previous process utilized, the following is recommended for each annual initial catch up payment:

- CalOptima Direct, which includes CalOptima Direct Administrative and CalOptima Community Network, and other providers paid directly by CalOptima for non-delegated Medical covered services (e.g., behavioral health providers): CalOptima to utilize claims and encounter data to identify and appropriately pay providers retroactively for claims and encounters submitted for DOS beginning the SFY to the current date, unless otherwise defined by DHCS.
- Health networks: Health network to utilize claims and encounter data to identify and appropriately pay providers retroactively for eligible services submitted for DOS beginning the SFY to the current date, unless otherwise defined by DHCS. CalOptima will prefund the health network for estimated medical costs. Health network will be required to submit a provider payment confirmation report to CalOptima. Once provider payment is confirmed, the prefunded medical costs, negative and positive, will be reconciled towards future Proposition 56 reimbursements. In addition, a 2% administrative component based on total medical costs will be remitted to the health network.

#### Ongoing Processing

Once the initial payment is distributed, future Proposition 56 provider payments must be made within the timeframe as defined in the Proposition 56 APL for eligible clean claims or adjusted encounters. The following is recommended for ongoing processing provided that CalOptima continues to receive funding for Proposition 56:

- CalOptima Direct, which includes CalOptima Direct Administrative and CalOptima Community Network, and other providers paid directly by CalOptima for non-delegated Medical covered services (e.g., behavioral health providers): CalOptima will pay providers within the timeframe as defined by DHCS as claims or encounters are received.
- Health networks: Health network will pay providers within the timeframe defined by DHCS as claims or encounters are received. Concurrently, health network will be required to submit provider payment confirmation reports on a monthly basis that eligible Proposition 56 claims and encounter payments were issued timely. Reports will be due within 10 calendar days of the

end of the reporting period. Once provider payment is confirmed, CalOptima will reimburse the health network medical costs plus a 2% administrative component. Health networks will be required to report any recouped or refunded Proposition 56 payments received from providers. CalOptima will reconcile negative Proposition 56 medical and administrative payment adjustments towards future Proposition 56 reimbursements.

CalOptima, health networks will be expected to meet all reporting requirements as defined in the Proposition 56 APL or specifically requested by DHCS. Current processes will be used for Proposition 56 specific reporting, provider grievances and health network claims payment audit and oversight to comply with all regulatory requirements and CalOptima's expectations related to Proposition 56. Additionally, current policy and procedures will be followed related to provider payment recoupment, where applicable.

This process applies to eligible services and providers as prescribed through a Proposition 56 APL or directed by DHCS. CalOptima staff will return to the Board for further approval if any future DHCS Proposition 56 requirements warrant significant changes to the proposed process. Additionally, should implementation of Proposition 56 require modifications to current health network, vendor, or provider contracts, CalOptima staff will seek separate Board action to the extent required.

#### **Fiscal Impact**

The recommended action to ratify the standardized annual Proposition 56 provider payment process is projected to be budget neutral to CalOptima. Based on historical claims experience, Staff anticipates medical expenditures will be of an equivalent amount as the Proposition 56 funding provided by DHCS annually, resulting in a budget neutral impact to CalOptima's operating income.

#### **Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with Proposition 56 requirements.

#### **Concurrence**

Gary Crockett, Chief Counsel  
Board of Directors' Finance and Audit Committee

#### **Attachment**

June 7, 2018 CalOptima Board Action Agenda Referral Report Item 47. Consider Actions for the Implementation of Proposition 56 Provider Payment

/s/ Michael Schrader  
**Authorized Signature**

5/29/2019  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken June 7, 2018**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

47. Consider Actions for the Implementation of Proposition 56 Provider Payment

#### **Contact**

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400

#### **Recommended Action**

Approve methodology for the disbursement of Proposition 56 physician services payments to eligible Medi-Cal providers.

#### **Background**

The California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) increases the excise tax rate on cigarettes and tobacco products. A portion of Proposition 56 revenue is allocated for existing health care programs administered by the Department of Health Care Services (DHCS), including reimbursement in the Denti-Cal and Medi-Cal programs. As part of the Budget Act of 2017, Proposition 56 funds were appropriated for State Fiscal Year (SFY) 2017-18. Under Proposition 56, Medi-Cal Managed Care Plans (MCPs) are required to provide additional compensation for certain Medi-Cal related services rendered in SFY 2017-18. Supplemental payments are to be made to providers based on a DHCS-provided set of procedure codes for certain physician services, Intermediate Care Facilities for the Developmentally Disabled (ICF-DDs), and women's health services for pregnancy termination. The Governor's May Revision released on May 11, 2018 proposes extension of Proposition 56 for SFY 2018-19.

DHCS released guidance related to Proposition 56 provider payment methodologies through All Plan Letter (APL) 18-010 on May 1, 2018. CalOptima began receiving initial funding for Proposition 56 payments in its monthly capitation received on April 30, 2018 and will continue to receive Proposition 56 funding in subsequent capitation payments. DHCS expects Proposition 56 payments be passed through to eligible providers for the initial payment within 90 calendar days of the MCP receiving capitation from DHCS. Subsequent payments are to be made within 90 calendar days of receiving a clean claim or accepted encounter.

Providers contracted with CalOptima or a delegated entity rendering one of the designated Medi-Cal covered services between July 1, 2017 and June 30, 2018 are eligible for Proposition 56 payments in addition to the provider's contract rate or capitation. However, the following provider types are not eligible to receive Proposition 56 payments: Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), American Indian Health Programs (AIHPs) and cost-based reimbursement clinics. The following DHCS-provided procedure codes are eligible for supplemental payments:

| Medi-Cal Covered Service Code | Service Code Description                          | Directed Payment |
|-------------------------------|---------------------------------------------------|------------------|
| 99201                         | Office/Outpatient Visit New                       | \$10.00          |
| 99202                         | Office/Outpatient Visit New                       | \$15.00          |
| 99203                         | Office/Outpatient Visit New                       | \$25.00          |
| 99204                         | Office/Outpatient Visit New                       | \$25.00          |
| 99205                         | Office/Outpatient Visit New                       | \$50.00          |
| 99211                         | Office/Outpatient Visit Est                       | \$10.00          |
| 99212                         | Office/Outpatient Visit Est                       | \$15.00          |
| 99213                         | Office/Outpatient Visit Est                       | \$15.00          |
| 99214                         | Office/Outpatient Visit Est                       | \$25.00          |
| 99215                         | Office/Outpatient Visit Est                       | \$25.00          |
| 90791                         | Psychiatric Diagnostic Eval                       | \$35.00          |
| 90792                         | Psychiatric Diagnostic Eval with Medical Services | \$35.00          |
| 90863                         | Pharmacologic Management                          | \$5.00           |

The DHCS guidance requires MCPs to maintain a formal process for provider grievances with respect to payment and non-payment of Proposition 56 directed payments. Specific Proposition 56 reporting will be required by DHCS on a quarterly basis. MCPs are required to ensure that their delegated entities and subcontractors comply with the terms and requirements of the DHCS guidance.

### **Discussion**

Proposition 56 provider payments apply to Medi-Cal covered medical and behavioral health services. CalOptima administers medical services through its direct networks, CalOptima Community Network (CCN) and CalOptima Direct (COD), or a delegated health network. Prior to January 1, 2018, CalOptima provided behavioral health services through a delegated Managed Behavioral Healthcare Organization (MBHO). Beginning January 1, 2018, CalOptima transitioned away from using a MBHO for its Medi-Cal program and began providing these services through providers contracted directly with CalOptima. To comply with Proposition 56 requirements, CalOptima staff recommends utilizing its current direct and delegated models for both the initial and ongoing payment distributions.

### **Initial Payments**

Following the initial payment received from DHCS on April 30, 2018, CalOptima recommends providing an initial catch-up payment for dates of service (DOS) July 1, 2017 to the current date. In order to process the initial catch-up payment, historical claims and encounter data will be utilized to identify and process the additional payments retroactively. Initial payments must be distributed to providers no later than July 29, 2018. The following is recommended for initial payments:

- CalOptima Direct, CalOptima Community Network and behavioral health providers:  
 CalOptima to utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date.



- Health networks:  
Health networks utilize claims and encounter data to identify and appropriately pay providers retroactively for claims submitted for DOS July 1, 2017 through the initial catch-up date. CalOptima will prefund the health networks for estimated medical costs. Health networks will be required to submit a provider payment confirmation report to CalOptima. Once provider payment is confirmed, the remaining medical cost will be reconciled plus a 2% administrative component based on total medical costs will be remitted to the health networks

#### Ongoing Processing

Once the initial payment is distributed, future Proposition 56 provider payments must be made within 90 calendar days of receipt of a clean claim or adjusted encounter. The following is recommended for ongoing processing provided that CalOptima continues to receive Proposition 56 funds:

- CalOptima Direct, CalOptima Community Network and behavioral health providers:  
CalOptima will pay providers within 90 calendar days of receipt of a clean claim or accepted behavioral health encounter.
- Health Networks:  
Health networks will pay providers within 90 calendar days of receipt of a clean claim or accepted encounter. Concurrently, CalOptima will utilize existing health network reporting processes to identify claims and encounters eligible for Proposition 56 payments. Health networks will be required to submit provider payment confirmation that the eligible Proposition 56 claims and encounter payments were issued on a monthly basis or other agreed upon schedule. Reports will be due within 15 calendar days of the end of the reporting period. Once provider payment is confirmed, CalOptima will reimburse the health network medical costs plus a 2% administrative component.

Current processes will be leveraged for Proposition 56 specific reporting, provider grievances and health network claims payment audit and oversight to comply with the Proposition 56 requirements. Additionally, current policy and processes will be followed related to provider payment recoupment, where applicable.

This process applies to physician services only as outlined in Proposition 56 and APL 18-010. The same process will be leveraged should provisions under Proposition 56 be extended past SFY 2017-18. Separately, implementation of Proposition 56 will require modifications to the current health network contracts. CalOptima staff will seek subsequent Board action to the extent required.

#### **Fiscal Impact**

The recommended action to approve the Proposition 56 physician services payment methodology for eligible Medi-Cal providers is expected to be budget neutral to CalOptima. Based on the draft capitation rates provided by DHCS, Staff anticipates that Proposition 56 revenues will be sufficient to cover the total costs of the physician services payments during SFY 2017-18. However, since DHCS will not provide a retrospective reconciliation for Proposition 56 funding, plans will be at risk for any expense exceeding the funded amount. Assuming that actual utilization during the effective period will be similar to historic experience levels, Staff projects the net fiscal impact will be budget neutral.



**Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with Proposition 56 requirements.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

5/30/2018  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken September 5, 2019** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

9. Consider Actions Related to the Implementation of Statutorily-Mandated Rate Increases for Medi-Cal Non-Contracted Ground Emergency Medical Transport (GEMT) Provider Services

#### **Contact**

Candice Gomez, Executive Director, Program Implementation, (714) 246-8400  
Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400

#### **Recommended Actions**

1. Approve payments to the capitated hospital(s) and HMOs for statutorily-mandated retrospective rate increases for specific services provided by non-contracted Ground Emergency Medical Transport providers to Medi-Cal members during the period of July 1, 2018 through June 30, 2019 and an administrative fee for claims adjustments; and
2. Direct the Chief Executive Officer, with the assistance of Legal Counsel, to amend the CalOptima Physician Hospital Consortium capitated Hospital and Full-Risk Health Network Medi-Cal contracts to incorporate the retrospective non-contracted Ground Emergency Medical Transport provider rate increase requirements for the July 1, 2018 through June 30, 2019 period and the additional compensation to these health networks for such services.

#### **Background/Discussion**

In accordance with Senate Bill (SB) 523 (Chapter 773, Statutes of 2017), the California Department of Health Care Services (DHCS) established increased Ground Emergency Medical Transport (GEMT) provider payments through the Quality Assurance Fee program for certain Medi-Cal related services rendered in State Fiscal Year (SFY) 2018-19. On February 7, 2019, DHCS obtained federal approval from the Centers for Medicare & Medicaid Services for GEMT provider payments through California State Plan Amendment 18-004. On April 5, 2019, CalOptima received initial funding for the retrospective non-contracted GEMT provider payment increase, separate from the standard capitation payment. Final guidance regarding distribution of non-contracted GEMT provider payments was released by DHCS through All Plan Letter (APL) 19-007, dated June 14, 2019.

Per DHCS guidance, CalOptima is required to provide increased reimbursement to out-of-network providers for GEMT service codes A0429 (Basic Life Support Emergency), A0427 (Advanced Life Support Emergency), and A0433 (Advanced Life Support, Level 2). CalOptima must reimburse out-of-network providers a total of \$339 for each designated GEMT service provided by during SFY 2018-19 (July 1, 2018 to June 30, 2019). Excluded services include those billed by air ambulance providers and services billed when transport is not provided. DHCS has mandated that payments for the above increased rates are to be distributed no later than July 3, 2019.

At this time, the total reimbursement rate of \$339 per identified service is time-limited and in effect for SFY 2018-19. Increased reimbursement for the specified GEMT services may potentially be extended into future fiscal years and may include additional GEMT transport codes. If the reimbursement

increase is extended, and/or includes additional GEMT transport codes, DHCS will provide further guidance after necessary federal approval is obtained.

In order to meet timeliness requirements for non-contracted GEMT provider payment adjustments for services provided during SFY 2018-19, CalOptima and its delegated health networks followed the existing Fee Schedule change process. Through this process, eligible claims previously adjudicated and paid were adjusted to the increased reimbursement rate. New claims are paid at the appropriate fee schedule as they are received.

For the physician-hospital consortium (PHC) hospitals and health maintenance organization (HMO) health networks that are financially responsible for non-contracted GEMT services, CalOptima staff recommends reimbursing the health networks the difference between the base Medi-Cal rate for the specific service and the required \$339 enhanced rate. The health networks will be required to submit GEMT payment adjustment confirmation reports. Upon receipt of the confirmation report, CalOptima will reconcile the report against encounters and other claims reports received and reimburse each health network's medical costs, separate from their standard capitation payments, plus a 2% administrative component based on rate adjustments made by health networks.

CalOptima and its health networks will be expected to meet all reporting requirements as required by DHCS. Current processes will be leveraged for specific reporting requirements, provider grievances, and health network claims payment audit and oversight to comply with all regulatory requirements. Additionally, current policy and procedures will be followed related to provider payment recoupment, where applicable.

This process applies to eligible services and providers as directed by the DHCS. The same process will be leveraged should GEMT provisions be extended past SFY 2018-19, modified through an APL, or otherwise directed by DHCS. CalOptima staff will return to the Board for approval if any future DHCS non-contract GEMT provider payment requirements warrant significant changes to the proposed process.

### **Fiscal Impact**

The recommended action to implement additional payment requirements for specified services provided by non-contracted GEMT providers to CalOptima Medi-Cal members in SFY 2018-19 is budget neutral. The anticipated Medi-Cal revenue is projected to be sufficient to cover the costs of the increased expense. Management included projected revenues and expenses related to non-contracted GEMT provider payment requirements in the CalOptima Fiscal Year 2019-20 Operating Budget approved by the Board on June 6, 2019.

### **Rationale for Recommendation**

The recommended action will enable CalOptima to be compliant with All-Plan Letter (APL) 19-007: Non-Contract Ground Emergency Medical Transport Payment Obligations for State Fiscal Year 2018–19.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

1. Contracted Entities Covered by this Recommended Board Action
2. California State Plan Amendment (SPA) 18-004
3. All-Plan Letter (APL) 19-007: Non-Contract Ground Emergency Medical Transport Payment Obligations for State Fiscal Year 2018–19
4. Ground Emergency Medical Transport Quality Assurance Fee – News Flash published on June 28, 2018

/s/ Michael Schrader  
**Authorized Signature**

8/28/19  
**Date**

*Attachment to the September 5, 2019 Board of Directors Meeting – Agenda Item 9*

**CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

| <b>Legal Name</b>                                              | <b>Address</b>                   | <b>City</b> | <b>State</b> | <b>Zip Code</b> |
|----------------------------------------------------------------|----------------------------------|-------------|--------------|-----------------|
| AMVI Care Health Network                                       | 600 City Parkway West, #800      | Orange      | CA           | 92868           |
| CHOC Physicians Network + Children's Hospital of Orange County | 1120 West La Veta Ave, Suite 450 | Orange      | CA           | 92868           |
| Family Choice Medical Group, Inc.                              | 15821 Ventura Blvd. #600         | Encino      | CA           | 91436           |
| Fountain Valley Regional Hospital and Medical Center           | 1400 South Douglass, Suite 250   | Anaheim     | CA           | 92860           |
| Heritage Provider Network, Inc.                                | 8510 Balboa Blvd, Suite 150      | Northridge  | CA           | 91325           |
| Kaiser Foundation Health Plan, Inc.                            | 393 Walnut St                    | Pasadena    | CA           | 91188           |
| Monarch Health Plan, Inc.                                      | 11 Technology Dr.                | Irvine      | CA           | 92618           |
| Prospect Health Plan, Inc.                                     | 600 City Parkway West, #800      | Orange      | CA           | 92868           |

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

February 7, 2019

Mari Cantwell  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

Enclosed is an approved copy of California State Plan Amendment (SPA) 18-004, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 11, 2018. SPA 18-004 implements a one-year Quality Assurance Fee (QAF) program and reimbursement add-on for Ground Emergency Medical Transports (GEMT) provided by emergency medical transportation providers effective for the State Fiscal Year (SFY) 2018-19 from July 1, 2018 to June 30, 2019.

The effective date of this SPA is July 1, 2018. Enclosed are the following approved SPA pages that should be incorporated into your approved state plan:

- Supplement 29 to Attachment 4.19-B, pages 1-2

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at [Cheryl.Young@cms.hhs.gov](mailto:Cheryl.Young@cms.hhs.gov).

Sincerely,

A black rectangular box redacting the signature of Richard Allen.

Richard Allen  
Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

cc: Lindy Harrington, California Department of Health Care Services (DHCS)  
Connie Florez, DHCS  
Angel Rodriguez, DHCS  
Angeli Lee, DHCS  
Amanda Font, DHCS

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 8 — 0 0 42. STATE  
California3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)  
Title XIX of the Social Security Act (Medicaid)TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE  
July 1, 20185. TYPE OF PLAN MATERIAL (*Check One*)☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

Title 42 CFR 447 Subpart F &amp; 42 CFR 433.68

7. FEDERAL BUDGET IMPACT

a. FFY <sup>2018</sup> \$4,461,892  
b. FFY <sup>2019</sup> \$13,385,675

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

~~Supplement 28, page 1, Attachment 4.19-B~~  
Supplement 29 to Attachment 4.19-B, pages 1-29. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*)

None

10. SUBJECT OF AMENDMENT

One-year reimbursement rate add-on for ground emergency medical transport services

11. GOVERNOR'S REVIEW (*Check One*)☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED  
The Governor's Office does not wish to  
review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME  
Mari Cantwell14. TITLE  
State Medicaid Director15. DATE SUBMITTED  
July 11, 2018

16. RETURN TO

Department of Health Care Services  
Attn: Director's Office  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413**FOR REGIONAL OFFICE USE ONLY**17. DATE RECEIVED  
July 11, 201818. DATE APPROVED  
February 7, 2017**PLAN APPROVED - ONE COPY ATTACHED**19. EFFECTIVE DATE OF APPROVED MATERIAL  
July 1, 201820. SIGNATURE OF REGIONAL OFFICIAL  
/ s /21. TYPED NAME  
Richard Allen22. TITLE Acting Associate Regional Administrator,  
Division of Medicaid & Children's Health Operations

23. REMARKS

Box 6: CMS made a pen and ink change on 9/26/18 to add "42 CFR 433.68," the regulatory citation for permissible health-care related taxes. Box 8: CMS made a pen and ink change on 9/21/18 to add page 2, a new page with page 1, and to correct supplement number to 29. Box 12: DHCS added signature on 1/31/19.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA**ONE-YEAR REIMBURSEMENT RATE ADD-ON FOR GROUND EMERGENCY  
MEDICAL TRANSPORT SERVICES****Introduction**

This program provides increased reimbursement to ground emergency medical transport providers by application of an add-on to the Medi-Cal fee-for-service (FFS) fee schedule base rates for eligible emergency medical transportation services. The reimbursement rate add-on will apply to eligible Current Procedural Terminology (CPT) Codes, between July 1, 2018 and June 30, 2019. The base rates for emergency medical transportation services will remain unchanged through this amendment.

“Emergency medical transport” means the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient by an ambulance licensed, operated, and equipped in accordance with applicable state or local statutes, ordinances, or regulations, excluding transportation by an air ambulance provider, that are billed with CPT Codes A0429, A0427, and A0433.

**Methodology**

For State Fiscal Year (SFY) 2018-19, the reimbursement rate add-on is fixed for FY 2018-19. The resulting payment amounts are equal to the sum of the FFS fee schedule base rate for the SFY 2015-16 and the add-on amount for the CPT Code. The resulting total payment amount for CPT Codes A0429, A0427, and A0433 will be \$339.00. The add-on is paid on a per-claim basis.

| <b>Service Code</b> | <b>Description</b>             | <b>Current Payment</b> | <b>Add On Amount</b> | <b>Resulting Total Payment</b> |
|---------------------|--------------------------------|------------------------|----------------------|--------------------------------|
| A0429               | Basic Life Support             | \$118.20               | \$220.80             | \$339.00                       |
| A0427               | Advanced Life Support, Level 1 | \$118.20               | \$220.80             | \$339.00                       |
| A0433               | Advanced Life Support, Level 2 | \$118.20               | \$220.80             | \$339.00                       |

TN 18-004

Supersedes

TN: None

Approval Date: February 7, 2019Effective Date: July 1, 2018



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

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The resulting total payment amount of \$339.00 is considered the Rogers rate, which is the minimum rate that managed care organizations can pay noncontract managed care emergency medical transport providers, for each state fiscal year the FFS reimbursement rate add-on is effective.

TN 18-004  
Supersedes  
TN: None

Approval Date: February 7, 2019

Effective Date: July 1, 2018



JENNIFER KENT  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

**DATE:** June 14, 2019

ALL PLAN LETTER 19-007

**TO:** ALL MEDI-CAL MANAGED CARE HEALTH PLANS<sup>1</sup>

**SUBJECT:** NON-CONTRACT GROUND EMERGENCY MEDICAL TRANSPORT  
PAYMENT OBLIGATIONS FOR STATE FISCAL YEAR 2018-19

**PURPOSE:**

The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with information regarding increased reimbursement for Fee-For-Service (FFS) ground emergency medical transport (GEMT) for Current Procedural Terminology (CPT) codes A0429, A0427, and A0433. The increased FFS reimbursement will affect MCP reimbursement of out-of-network GEMT services as required by section 1396u-2(b)(2)(D) of Title 42 of the United States Code (USC), commonly referred to as “Rogers Rates.”

**BACKGROUND:**

Pursuant to the Legislature’s addition of Article 3.91 (Medi-Cal Emergency Medical Transportation Reimbursement Act) to the Welfare and Institutions Code (WIC) in 2017, DHCS established the GEMT Quality Assurance Fee (QAF) program. On February 7, 2019, DHCS obtained federal approval from the Centers for Medicare and Medicaid Services (CMS) for California State Plan Amendment (SPA) 18-004, with an effective date of July 1, 2018. SPA 18-004 implements a one-year QAF program and reimbursement add-on for GEMT provided by emergency medical transportation providers effective for State Fiscal Year (SFY) 2018-19 from July 1, 2018, to June 30, 2019.

**POLICY:**

In accordance with 42 USC Section 1396u-2(b)(2)(D), Title 42 of the Code of Federal Regulations part 438.114(c), and WIC Sections 14129-14129.7, MCPs must provide increased reimbursement rates for specified GEMT services to non-contracted GEMT providers.

Under WIC Section 14129(g), emergency medical transport is defined as the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient by an ambulance licensed, operated, and equipped, in accordance with applicable state or local statutes,

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<sup>1</sup> This APL does not apply to Prepaid Ambulatory Health Plans.

ordinances, or regulations, excluding transportation by an air ambulance provider, that are billed with CPT codes A0429 (BLS Emergency), A0427 (ALS Emergency), and A0433 (ALS2), excluding any transports billed when, following evaluation of a patient, a transport is not provided.

For each qualifying emergency ambulance transport billed with the specified CPT codes, the total FFS reimbursement will be \$339.00 for SFY 2018-2019. Accordingly, MCPs reimbursing non-contracted GEMT providers for those services must pay a “Rogers Rate” for a total reimbursement rate of \$339.00 for each qualifying emergency ambulance transport provided during SFY 2018-19 and billed with the specified CPT codes.

At this time, the total reimbursement rate of \$339.00 for each qualifying emergency ambulance transport billed with the specified CPT codes is time-limited, and is only in effect for SFY 2018-19 dates of service from July 1, 2018, to June 30, 2019. Increased reimbursement for the specified GEMT services may be extended into future fiscal years, and may include additional GEMT codes. If the reimbursement increase is extended, and/or includes additional GEMT codes, DHCS will provide MCPs with further guidance after necessary federal approval is obtained.

#### **Timing of Payment and Claim Submission**

The projected value of this payment obligation will be accounted for in the MCPs' actuarially certified risk-based capitation rates. Within 90 calendar days from the date DHCS issues the capitation payments to MCPs for GEMT payment obligations specified in this APL, MCPs must pay, as required by this APL, for all clean claims or accepted encounters with the dates of service between July 1, 2018, and the date the MCP receives such capitation payment from DHCS.

Once DHCS begins issuing the capitation payments to the MCPs for the GEMT payment obligations specified in this APL, MCPs must pay as required by this APL within 90 calendar days of receiving a qualifying clean claim or an accepted encounter.

MCPs are required to make timely payments in accordance with this APL for clean claims or accepted encounters for qualifying transports submitted to the MCPs within one year after the date of service. MCPs are not required to pay the GEMT payment obligation specified in this APL for claims or encounters submitted more than one year after the date of service unless the non-contracted GEMT provider can show good cause.

These submission and payment timing requirements may be waived only if agreed to in writing between the MCPs, the MCPs' delegated entities, or subcontractors, and the rendering GEMT provider.

### **Impacts Related to Medicare**

For dual eligible beneficiaries with Medicare Part B coverage, the increased Medi-Cal reimbursement level may result in a crossover payment obligation on the MCP, because the new Medi-Cal reimbursement amount may exceed 80 percent of the Medicare fee schedule. Based on current Medicare reimbursement rates, the only CPT code where this scenario may occur in certain geographic areas is A0429. MCPs are responsible for identifying and satisfying any Medicare crossover payment obligations that result from the increase in GEMT reimbursement obligations described in this APL.

In instances where a member is found to have other health coverage sources, MCPs must cost avoid or make a post-payment recovery in accordance with the "Cost Avoidance and Post-Payment Recovery of Other Health Coverage Sources" provision of Attachment 2 to Exhibit E of the MCP Contract.

### **Other Obligations**

MCPs are responsible for ensuring qualifying transports reported using the specified CPT codes are appropriate for the services being provided and are reported to DHCS in encounter data pursuant to APL 14-019.

MCPs are responsible for ensuring that their delegated entities and subcontractors comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs, policy letters, and duals plan letters. MCPs must communicate these requirements to all delegated entities and subcontractors.

Pursuant to the MCP Contract, MCPs must have a formal procedure to accept, acknowledge, and resolve provider grievances related to the processing or non-payment related to this APL. In addition, MCPs must identify a designated point of contact for provider questions and technical assistance.

If you have any questions regarding the requirements of this APL, please contact your Managed Care Operations Division contract manager.

Sincerely,

Original Signed by Sarah Brooks

Sarah Brooks, Deputy Director  
Health Care Delivery Systems



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## Ground Emergency Medical Transport Quality Assurance Fee

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**June 28, 2018**

In accordance with Senate Bill 523 (Chapter 773, Statutes of 2017), the Department of Health Care Services (DHCS) has finalized the fiscal year 2018 – 2019 Ground Emergency Medical Transport Quality Assurance Fee (QAF) rate and add-on amount to the Medi-Cal fee-for-service fee schedule rates for the affected emergency medical transport, as listed below. The QAF is assessed on each qualified emergency medical transport, regardless of payer. The add-on will be provided in addition to the Medi-Cal fee-for-service fee schedule rates for the affected emergency medical transport billing codes. The fiscal year 2018 – 2019 QAF rate and add-on amount are as follows:

**Add-on Amount:** \$220.80

**QAF Rate:** \$24.80

The resulting fiscal year 2018 – 2019 total fee-for-service reimbursement amount will be \$339 for HCPCS codes A0427, A0429 and A0433 (ground medical transportation services).

For more details regarding the Ground Emergency Medical Transport QAF Program and the reporting requirements and instructions, visit the [Ground Emergency Medical Transport Quality Assurance Fee](#) website.

Questions or comments may be submitted to the DHCS Ground Emergency Medical Transport QAF email box: [GEMTQAF@dhcs.ca.gov](mailto:GEMTQAF@dhcs.ca.gov).

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## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

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

#### **Report Item**

10. Consider Recommending Board of Directors Receive Report from Grant Thornton on Compensation and Benefits Benchmarking and Analysis with Appendix; Consider Recommending Board of Directors Adopt Actions Related to Recommendations from Grant Thornton

#### **Contacts**

Richard Sanchez, Interim Chief Executive Officer, (714) 246-8400

Brigette Gibb, Executive Director, Human Resources, (714) 246-8400

#### **Recommend that the Board of Directors:**

1. Receive Report from Grant Thornton on compensation and benefits benchmarking and analysis with Appendix: Custom Peer Groups;
2. Adopt Resolution approving CalOptima's updated Human Resources Policies GA.8057: Compensation Program, with a proposed implementation date of March 29, 2020, and GA.8058: Salary Schedule, with a proposed implementation date of June 7, 2020;
3. Authorize the Chief Executive Officer to administer CalOptima compensation practices in accordance with CalOptima policies and Grant Thornton recommendations; and
4. Direct staff to research deferred compensation plan options and return to the Board of Directors' Finance and Audit Committee with recommendations.

#### **Background/Discussion**

On November 1, 1994, the Board of Directors delegated authority to the Chief Executive Officer (CEO) to promulgate employee policies and procedures, and to amend these policies from time to time, subject to annual presentation of the policies and procedures, with specific emphasis on any changes thereto, to the Board or a committee appointed by the Board for that purpose. On December 6, 1994, the Board adopted CalOptima's Bylaws, which requires, pursuant to section 13.1, that the Board adopt by resolution, and from time to time amend, procedures, practices and policies for, among other things, hiring employees and managing personnel.

On August 1, 2013, the Board adopted the CalOptima Compensation Philosophy, which established the objectives of the compensation program to include base salary, incentive, and benefit levels competitive with the median range of CalOptima's labor market.

On March 6, 2014, the Board approved revisions to CalOptima's Compensation Administration Guidelines (Guidelines), which is a document that defines the principles upon which CalOptima's compensation practices are managed, the procedural aspects of how compensation is administered, and how the overall compensation administration function responds to changing market conditions and business demands to compete for and retain talent. The approved Guidelines reflect the results of an independent review of CalOptima's total compensation and related administration practices and established pay rates based on the market fiftieth percentile.

CalOptima Board Action Agenda Referral

Consider Recommending Board of Directors Receive Report from Grant Thornton on Compensation and Benefits Benchmarking and Analysis with Appendix; Consider Recommending Board of Directors Adopt Actions Related to Recommendations from Grant Thornton

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According to the Guidelines, CalOptima's salary structure should be reviewed on a regular basis, either annually or every other year, to continue to reflect market competitiveness. As provided in the Guidelines, market adjustments are to be applied to the salary schedule as needed, at least every two years. Following approval of the salary structure and salary schedule in the first half of 2014, on December 3, 2015, the Board approved an adjustment to CalOptima's salary schedule pay ranges up by 4% to keep pace with the then current market rates.

Consistent with the Guidelines, staff requested authorization and appropriation on May 18, 2017 for a compensation study as part of the fiscal year (FY) 2017-18 operating budget to review CalOptima's salary structure. However, the Finance and Audit Committee (FAC) directed staff to remove the compensation study from the FY 2017-18 budget in order to mitigate the then anticipated reductions from the state in Medi-Cal Classic and Medi-Cal Expansion provider rates.

Since the most recent employee compensation study was completed in 2014, CalOptima has experienced significant change and growth in terms of the number of members served, as well as a more than doubling in the number of employees. CalOptima has also seen significant expansion of its programs, bringing certain functions in-house, along with new programs and initiatives.

At the Board's May 3, 2018 meeting, staff received direction to look into conducting periodic salary surveys and include implementation funds in the budget.

At its June 7, 2018 meeting, the Board authorized and appropriated funds in the FY 2018-19 Operating Budget, which included \$300,000 in professional fees to conduct an independent compensation study, and Grant Thornton was engaged to perform a study of CalOptima's total compensation and related administration practices. The goal of the review by Grant Thornton was to determine CalOptima's competitiveness with other organizations for human capital recruitment and retention, and to make recommendations consistent with the Compensation Philosophy adopted by the Board.

At the Board's May 2, 2019 meeting, Chair Yost appointed Directors DiLuigi and Penrose to review the work of Grant Thornton, the compensation consultant.

At its June 6, 2019 meeting, the Board approved the FY 2019-20 Operating Budget, which includes \$1.5 million for compensation market adjustments and an additional \$50,000 in professional fees to complete the compensation study-related tasks.

In alignment with CalOptima's Compensation Philosophy, and building on the framework that was established by the Board for the compensation program, Grant Thornton evaluated CalOptima's total compensation and has made recommendations based on current market data to update CalOptima's current pay practices to reflect market competitiveness, including, but not limited to, base pay, incentive pay, benefits, and other supplemental pay practices.



CalOptima Board Action Agenda Referral

Consider Recommending Board of Directors Receive Report from Grant Thornton on Compensation and Benefits Benchmarking and Analysis with Appendix; Consider Recommending Board of Directors Adopt Actions Related to Recommendations from Grant Thornton

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As reflected in the Board-approved Guidelines, periodic review of CalOptima's salary structure is necessary to obtain current market compensation data as a key element in an effective recruitment and retention strategy. Grant Thornton has made recommendations to support both recruitment and retention efforts. As provided in the Guidelines, any adjustment to the salary schedule structure requires that the CEO take the recommendations to the Board for final approval. CalOptima does not have any labor unions or bargaining units and has not adopted automatic salary range adjustments. The salary structure is set by the Board, which was last approved in 2015. Where wages in Southern California increased on average 18.53% since 2015, CalOptima's salary structure has remained the same.

Based on the Compensation Philosophy, Guidelines, and Grant Thornton's recommendations, the following proposal is presented for Board approval and has been incorporated in the proposed revised policy:

- Adjust CalOptima's salary structure and salary schedule with an implementation date that corresponds with the first day of the next pay period, which will be June 7, 2020, to keep pace with the current market rates, taking into account internal evaluation of job responsibilities.
- Implement the compensation program policy and guidelines effective March 29, 2020 to account for the beginning of a pay period when there was an interim and separating chief executive officer.

At the February 6, 2020 Board Meeting, the Board reviewed this item and there was a request for additional information from Grant Thornton for further review and to return this item to the March 5, 2020 Board Meeting. The requested information on the custom peer groups is included in the Report.

At the March 5, 2020 Board Meeting, the Board discussed this item, but did not adopt the recommendations contained herein. Vice Chair Khatibi directed staff to return this item to the Board with the attached summary presentation to highlight key facts and objectives; however staff is bringing this to the FAC to first consider the financial impact in conjunction with the fiscal year 2020-21 proposed budget.

Upon Board authorization, the CEO, will complete the phased in implementation of CalOptima compensation practices in accordance with recommendations by Grant Thornton in FY 2019-20 and FY 2020-21.

Additionally, consistent with Grant Thornton's report, it is recommended that the FAC recommend that the Board direct staff to explore options for long-term deferred compensation in order to bring total compensation into alignment with CalOptima's compensation philosophy.

Pursuant to the California Code of Regulations, Title 2, Section 570.5, CalOptima is required to adopt a publicly available pay schedule that meets the requirements set forth by the California Public Employees' Retirement System (CalPERS) to reflect recent changes, including the addition or deletion

CalOptima Board Action Agenda Referral

Consider Recommending Board of Directors Receive Report from Grant Thornton on Compensation and Benefits Benchmarking and Analysis with Appendix; Consider Recommending Board of Directors Adopt Actions Related to Recommendations from Grant Thornton  
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of positions and revisions to wage grades for certain positions.

The following table lists the Human Resources policies that have been updated and are being presented for review and approval:

|    | <b>Policy No./Name</b>                                                     | <b>Summary of Changes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Reason for Change</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | GA.8057 Compensation Program<br><br>Attachment A – Compensation Guidelines | <ul style="list-style-type: none"><li>Deleted language to comply with the California Equal Pay Act requirements.</li><li>Minor language and formatting changes to the Policy.</li><li>Attachment A – Compensation Guidelines updated with:<ul style="list-style-type: none"><li>Minor language and formatting changes;</li><li>Revised merit pay calculation methodology to coincide with fiscal year;</li><li>Provide clarifying language and modifications to reflect current operational processes and practices;</li><li>Clarify the method for calculating salary for promotions, demotions and transfers;</li><li>Included language allowing for a replacement to fill a budgeted position in advance of a terminating employee's separation;</li><li>The proposed implementation date of the Compensation Guidelines is March 29,</li></ul></li></ul> | <ul style="list-style-type: none"><li>Revised Policy to comply with California Equal Pay Act, Labor Code section 1197.5 and Labor Code section 432.3</li><li>Clarifying language provided for ease of comprehension and consistent application and to reflect current compensation practices</li><li>The March 29, 2020, implementation of the Compensation Guidelines is to address the overlap of employees in a budgeted position to allow for a transition/training period</li></ul> |

CalOptima Board Action Agenda Referral

Consider Recommending Board of Directors Receive Report from Grant Thornton on Compensation and Benefits Benchmarking and Analysis with Appendix; Consider Recommending Board of Directors Adopt Actions Related to Recommendations from Grant Thornton  
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|    | Policy No./Name                                                | Summary of Changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Reason for Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                                                                | 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2. | GA.8058 – Salary Schedule<br><br>Attachment A- Salary Schedule | <ul style="list-style-type: none"> <li>• This policy focuses solely on CalOptima’s Salary Schedule and requirements under CalPERS regulations.</li> <li>• Minor language and formatting changes to the Policy</li> <li>• Attachment A – Salary Schedule has been revised in order to reflect changes to the salary structure based on Grant Thornton’s compensation study and internal evaluation of job responsibilities. Changes include the proposed addition of new positions and the deletion of positions that are no longer in use. A summary of the changes to the Salary Schedule is included for reference.</li> <li>• Since the February 6, 2020 Board Meeting, three (3) new titles have been added to the proposed Salary Schedule, three (3) positions reflect pay grade decreases, and one (1) position reflects a pay grade increase as noted in the Summary of Changes to Salary Schedule.</li> <li>• Since the March 5, 2020 Board Meeting, nine (9) positions reflect pay grade increases as noted in the Summary of Changes to Salary Schedule.</li> </ul> | <ul style="list-style-type: none"> <li>• Pursuant to CalPERS requirement, 2 CCR §570.5, CalOptima must update the salary schedule to reflect current job titles and pay rates for each job position.</li> <li>• Attachment A changes include the addition of new positions and deletion of positions which are no longer being used. Revisions to wage grades and salary ranges are made as a result of the Grant Thornton Compensation Study and internal evaluation of job responsibilities. <ul style="list-style-type: none"> <li>• New Positions: Creation of new Job Titles are typically due to a change in the scope of a current position or the addition of a new level in a job family.</li> </ul> </li> <li>• Implementing changes to the salary schedule with an implementation date of June 7, 2020, will coincide with the start of the pay period for ease of administration.</li> </ul> |

CalOptima Board Action Agenda Referral  
Consider Recommending Board of Directors Receive Report from  
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|  | <b>Policy No./Name</b> | <b>Summary of Changes</b>                                                                                                        | <b>Reason for Change</b> |
|--|------------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|  |                        | <ul style="list-style-type: none"><li>The proposed implementation date of the Salary Schedule updates is June 7, 2020.</li></ul> |                          |

**Fiscal Impact**

The recommended action to revise CalOptima Policy GA.8058 with an updated Salary Schedule based on the results from the compensation study is a budgeted item. The CalOptima FY 2019-20 Operating Budget approved by the Board on June 6, 2019, included \$1.5 million to fund this action.

The estimated annual fiscal impact to the CalOptima FY 2020-21 Operating Budget is approximately \$11.1 million. Upon Board approval, Management will include updated medical and administrative expenses in the CalOptima FY 2020-21 Operating Budget.

**Rationale for Recommendation**

The independent review of CalOptima's compensation structure and program will ensure that CalOptima's compensation practices are clear, consistent, and competitive. The revised policies will also address the need to respond to changing market conditions and business demands for talent in a manner that is consistent with CalOptima's status as a public agency and the Board-approved Compensation Guidelines.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Compensation Study Presentation
2. Grant Thornton Compensation and Benefits Benchmarking and Analysis Report
3. Resolution No. 20-0604-01, Approve Updated Human Resources Policies
4. Revised CalOptima Policies:
  - a. GA. 8057: Compensation Program (redlined and clean copies) with revised Attachment A (redlined and clean copies)
  - b. GA. 8058: Salary Schedule (redlined and clean copies) with revised Attachment A (redlined and clean copies)
5. Summary of Changes to Salary Schedule

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**Date**



**CalOptima**  
Better. Together.

# **CalOptima Compensation Study**

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

**Brigette Gibb  
Executive Director, Human Resources**

# Compensation Philosophy

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- The compensation program at CalOptima is intended to:
  - Attract, retain and motivate employees
  - Balance internal equity and market competitiveness to recruit and retain qualified employees
  - Instill a long-term commitment to the organization
- Compensation program objective is to establish base salary, incentives, and benefit levels that are competitive with the median range of CalOptima's labor market, defined as:
  - Organizations of similar size and scope to CalOptima in terms of revenue, number of members, number of employees, and not-for profit status in the following industries:
    - Healthcare
    - General Industry (where applicable)
    - Other county, local and city entities

# Study Peer Groups

| Government Health Care Organizations | For-Profit Health Industry Organizations | Not For Profit Health Industry Organizations |
|--------------------------------------|------------------------------------------|----------------------------------------------|
| Affinity Health Plan                 | CNO Financial Group Inc                  | Blue Cross Blue Shield                       |
| Boston Medical Center Health Plan    | Envision Healthcare Corp                 | Capital Health Plan Inc                      |
| CareOregon                           | Health Net Inc                           | Care Wisconsin Health Plan                   |
| CareSource                           | Healthequity Inc                         | Geisinger Health Plan                        |
| Commonwealth Care Alliance           | Magellan Health Inc                      | Group Health Cooperative                     |
| Community Health Choice              | Mednax Inc                               | Harvard Pilgrim Health Care                  |
| Driscoll Childrens Health Plan       | Stancorp Financial Group Inc             | HealthFirst Health Plan                      |
| ElderPlan Inc                        | Team Health Holdings Inc                 | Medica Health Plans                          |
| Inland Empire Health Plan*           | Triple-S Management Corp                 | Tufts Associated HMO                         |
| LA Care Health Plan                  | Universal American Corp                  |                                              |
| Neighborhood Health Plan Inc         | Wellcare Health Plans Inc                |                                              |
| Virginia Premier Health Plan         |                                          |                                              |

# Background

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- CalOptima is a non-unionized public agency
  - No Labor Unions/Bargaining Units
  - No Collective Bargaining Negotiations
- Salary Ranges Set by the Board of Directors
  - No Cost of Living Adjustments
  - No Automatic Adjustments to Salary Ranges
- Last Compensation Study was in 2013
- Current Salary Structure Adopted in March 2014
  - One Adjustment to Salary Structure Approved in 2015



# Impact

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- For 5 consecutive years, no changes to the Salary Structure
  - According to Bureau of Labor Statistics, Southern California wages increased on average 18.53% since 2015
  - During same time period, CalOptima's staff doubled in size and expanded its programs without any changes to the Salary Structure.
- Due to the delay in updating its Salary Structure :
  - CalOptima's pay structure has not adjusted with the increase of minimum wage or inflation;
  - It has become increasingly challenging to attract, retain and motivate employees;
  - CalOptima has not been able to meet market competitiveness to recruit and retain qualified employees;
  - Morale and long-term commitment to the organization has been impacted.

# Compensation Study Findings

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- CalOptima is positioned below market median in total compensation at all levels within the organization.
- Executive and Director positions have the largest disparity to the market median, particularly with respect to annual incentives and long-term incentives.
- With the increased complexity and size, CalOptima should expect to see a significant impact in salary for employees in management positions and above to account for growth and greater responsibilities.
- While health and benefits program are generally above market, the health and benefits program does not offset the disparity in cash compensation.

# Recommendation

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- Adopt Salary Structure developed by Grant Thornton
- Authorize the following adjustments for the remaining Fiscal year 2019-2020
  - Move employees who are below the proposed salary range minimum to the new range minimum, per current policy
  - Based on Grant Thornton's recommendation, qualifying employees with proven performance record of 3.0 or above, in the same level/position, with the following years of experience in that level/position at CalOptima, move to midpoint:
    - 6-8 years for Staff   • 5-7 years for Directors & Managers   • 3-5 years for Executives & Chiefs
- Consider for Fiscal Year 2020-2021 as part of the Budget Process
  - Increase the aggregate merit pool for annual performance evaluations from 3% to 5%, with increases based on proven performance
  - Apply market adjustments per current policy, if necessary

# Financial Impact

(Estimated costs include benefits)

| Recommendations                    | FY2020-21 (12 months) |
|------------------------------------|-----------------------|
| Bring employees up to minimum*     | 4,400,000             |
| Performance based adjustments      | 1,260,000             |
| Merit pool increase from 3% to 5%* | 5,060,000             |
| Market adjustments as needed       | 400,000               |
|                                    |                       |
| <b>Total:</b>                      | <b>\$ 11,120,000</b>  |

\* Include open position adjustment based on proposed salary schedule

|                          |             |
|--------------------------|-------------|
| <b>% of Total Salary</b> | <b>6.0%</b> |
| <b>Impact to ALR</b>     | <b>0.3%</b> |

# CalOptima's Mission

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To provide members with access to quality health care services delivered in a cost-effective and compassionate manner





Grant Thornton

# CalOptima

Compensation and Benefits Benchmarking and Analysis

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May 21, 2020

[Back to Agenda](#)



# Prepared by:

**Grant Thornton LLP**

**Human Capital Services (HCS) Practice**

**Eric Gonzaga, JD, CECP**

- Principal

**Eric Myszka, CECP, CCP**

- Senior Manager

**Jordan Bridges, CPA**

- Senior Associate

**Nick Martell, CPA**

- Senior Associate

**Mason Hodges**

- Associate

**Andy Mechavich, CEBS**

- Director

**Matt Roskopf, CPA, CEBS**

- Manager

**Evelina Jankeviciute**

- Associate



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## General Overview



# General Overview – About Grant Thornton

Grant Thornton LLP is the U.S. member firm of Grant Thornton International Ltd., one of the world's leading organizations of independent assurance, tax, and advisory firms. Proactive teams led by approachable partners in these firms use insights, experience and instinct to understand complex issues for not-for-profit, public sector, privately owned and publicly listed clients and help them to find solutions.

Our human capital services professionals are a senior team that possess the right mix of experience, technical skills, industry knowledge, and personal commitment to help you achieve your desired results. Not only do we know competitive benchmarking from the executive to staff level and short and long-term incentive design, but we also have the support and bench strength of national benefits and tax specialists to provide assessments on other compensation topics if needed.

We have extensive experience serving health plans similar to CalOptima. We conduct assessments of competitive compensation levels, deferred compensation and other benefits/perquisite programs using proven methodologies and relevant resources. Our ability to design and implement value-added strategies is grounded in our understanding of your business goals and value drives, as well as risk factors.

# General Overview

A successful total compensation program is one that promotes the ability of an organization to recruit, retain and motivate qualified employees to help the organization achieve its mission and goals. The objective for this Compensation and Benefits Study is to assess the competitiveness of CalOptima's total compensation program, measured against similar organizations from which CalOptima competes for labor. Our review includes base salary and incentive compensation, where applicable. As well as, employee benefits that are an essential component of an employee's overall compensation such as retirement, health insurance, life insurance, pension, sick leave, vacation time, etc.

In an effort to have a program that is fair, equitable, and competitive, CalOptima has undertaken an internal review on the following key items:

- **Job descriptions.** Updated and accurate job descriptions that describe what employees are doing within their respective roles
- **Relevant markets.** Revised comparison markets by functional area and classification that more accurately captures the compensation paid at organizations from which CalOptima recruits employees
- **Market-based structure.** Salary structure that is based on a balance between defined, specific comparison markets and internal factors
- **Revised pay guidelines.** Key principles that help Human Resources administer compensation in a disciplined way to ensure that compensation of employees is managed fairly and consistently

# Scope of Work

## Overview of Project

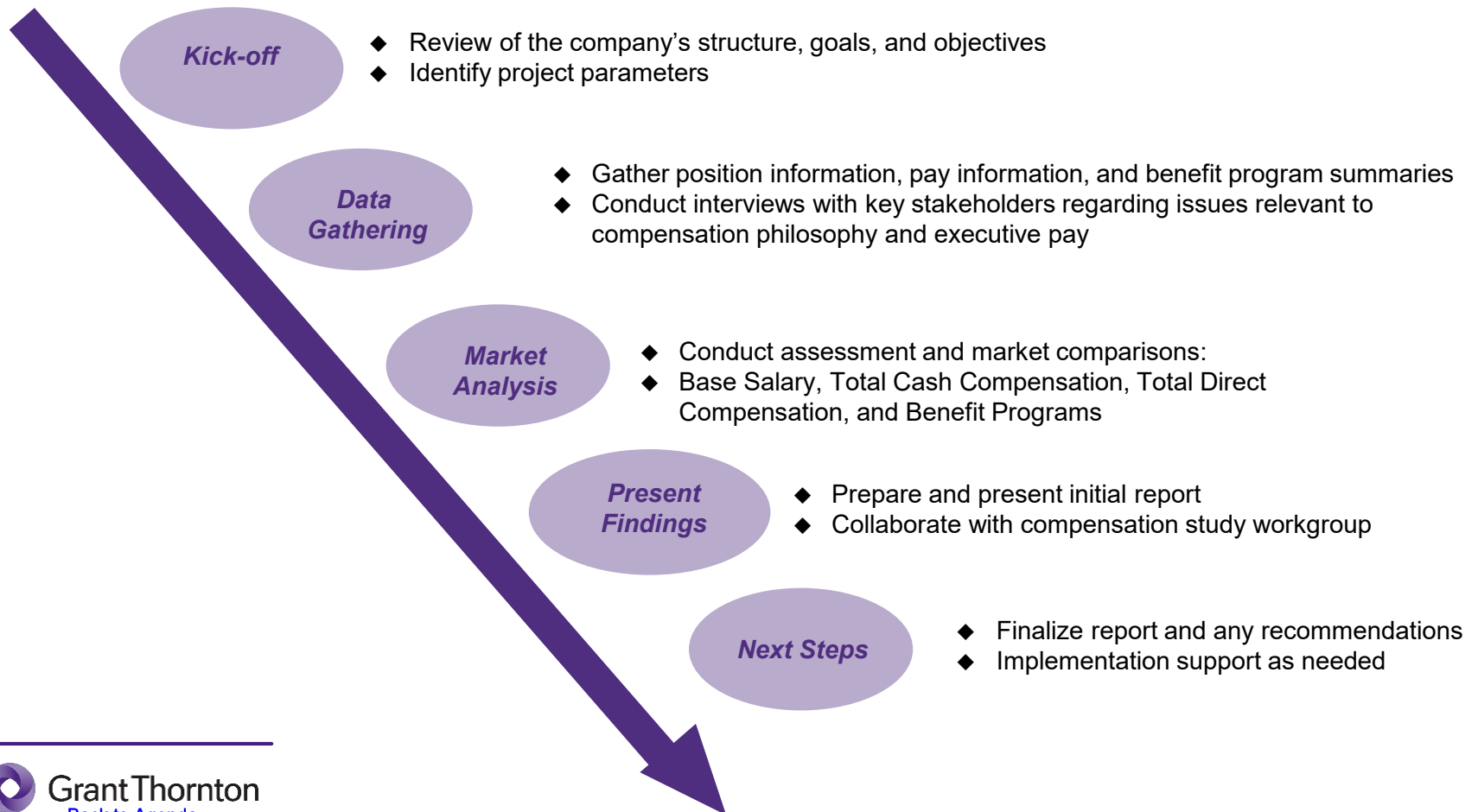
Grant Thornton was engaged to perform a Compensation Study (Salary and Benefits) to evaluate CalOptima's pay practices for human capital recruitment and retention as compared to other local, regional, and national organizations of similar size and operations i.e., hospitals (public agencies, non-profit and private), health plans (public agencies and private), health networks, and other employers (public agencies and private entities).

We reviewed and made recommendations on the appropriateness and competitiveness of CalOptima's current pay practices (Salary and Benefits) in order to remain competitive in the market, taking into account CalOptima's organization as a public agency and its obligation to remain fiscally prudent. We focused on skilled employees to fill and retain leadership roles and key positions essential to fulfilling the agency's strategic plan and operational goals.

The study included base pay, incentive pay, and other supplemental pay practices, along with all benefits offered to CalOptima employees (i.e. paid time off, employer share of health benefits, retirement benefits (CalPERS and PARS), life insurance, etc.) We benchmarked positions against internal CalOptima positions, where appropriate, to ensure fairness in its pay practices and to avoid pay compression. Some job titles with similar job functions and responsibilities were benchmarked against other CalOptima positions.

# Scope of Work

## Grant Thornton's Engagement Approach



# Scope of Work

## Peer Groups

CalOptima recruits and retains talent in the Southern California competitive job market for all positions, and broader regions - even national - for senior level management positions. Our peer groups have been customized to reflect the geographic pool for talent for these different positions.

Despite being a government agency, CalOptima competes with like health plan organizations, whether government, tax-exempt, or for-profit. Therefore, Grant Thornton (GT) conducted the competitive market analysis using a combined peer group of blended data from the following sectors of health plans on an equally blended basis:

- Government Peers
- Not-for-Profit Peers
- For-Profit Peers

*Examples: An Accounts Payable Clerk was benchmarked using like positions, with equal weight on government, not-for-profit, and for-profit organizations regionally since this represents the labor pool. Alternatively, a senior executive position is benchmarked relative to the same peers, but looking at comparable organizations nationally.*

# Scope of Work

## Peer Groups/Market Data Sources

- GT used the following peer groups and compensation surveys to assess competitive market levels:

| Data Source                              | Description                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Government Health Plan Peer Group</b> | <ul style="list-style-type: none"><li>▪ Contains government health plan organizations of similar size and business focus to CalOptima, including LA Care and Inland Empire</li><li>▪ GT kept the same constituents of CalOptima's prior government health plan peer group (used in GT's 2017 CEO/CLO report)</li><li>▪ Used for comparison to CalOptima's executive team</li></ul> |
| <b>Tax Exempt Health Plan Peer Group</b> | <ul style="list-style-type: none"><li>▪ Contains tax exempt health plan organizations of similar size and business focus to CalOptima</li><li>▪ GT kept the same constituents of CalOptima's prior tax exempt health plan peer group (used in GT's 2017 CEO/CLO report)</li><li>▪ Used for comparison to CalOptima's executive team</li></ul>                                      |
| <b>For-Profit Health Plan Peer Group</b> | <ul style="list-style-type: none"><li>▪ Contains for-profit health plan organizations of similar size and business focus to CalOptima</li><li>▪ GT kept the same constituents of CalOptima's prior public health plan peer group (used in GT's 2017 CEO/CLO report)</li><li>▪ Used for comparison to CalOptima's executive team</li></ul>                                          |



# Scope of Work

## Peer Groups/Market Data Sources

- GT used the following peer groups and compensation surveys to assess competitive market levels:

| Data Source        | Description                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ERI                | <ul style="list-style-type: none"><li>▪ Economic Research Institute (“ERI”) is a nationally recognized for profit regression based survey</li><li>▪ We have pulled compensation data for the “Medical, Dental, &amp; Disability Plans” sector for organizations with \$700M in assets</li><li>▪ Used for comparison to CalOptima’s executive team, directors, managers, and staff level positions</li></ul> |
| Health Plan Survey | <ul style="list-style-type: none"><li>▪ Lastly, we have used a confidential health plan survey that has compensation information for executives, directors, managers, and staff in tax exempt and public health plans.</li><li>▪ Used for comparison to CalOptima’s executive team, directors, managers, and staff level positions</li></ul>                                                                |

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## Executive Summary



# Executive Summary

## Current Total Rewards Environment

CalOptima reviewed their total rewards program in 2013. To provide context on the current market, we highlighted the following total rewards trends for the last five years:

- Salaries
  - 3% to 4% annual salary increase in market, totaling an average market movement of 15% to 20% over the last five years
- Annual Incentives
  - Almost universal use of incentives in the health plan market, across all ownership types, with payouts often averaging above target or expected levels
- Long-Term Incentives
  - Universal use with for-profit health plans, and majority practice for large health plans
- Total Compensation (Inclusive of Benefits)
  - Increases at a rate consistent with salaries, since benefits and incentive values are typically expressed/provided as a percent of salary
  - Generally, benefit cost increases are shared partially employees/participants
- The market's total compensation increases are above the standard levels described above for growing job levels, considering that market total compensation increases by 5% to 20% for every doubling in organizational size (e.g., \$3B health plan pay levels would tend to be 5% to 20% higher than \$1.5B health plan)
  - Leadership position pay values are more sensitive to organizational size than staff levels
- The current labor market is an employees market due to the historically low unemployment rate

# Executive Summary

## Compensation Program

- Base Salary
  - On average:
    - Executives are positioned 13% below market median
    - Directors are positioned 13% below market median
    - Managers are positioned 6% below market median
    - Staff are positioned 4% below market median
- Total Cash Compensation (Base Salary + Annual Incentives)
  - On average:
    - Executives are positioned 30% below market median
    - Directors are positioned 24% below market median
    - Managers are positioned 13% below market median
    - Staff are positioned 7% below market median
    - Disparities are due to the limited incentive compensation offered
- Total Direct Compensation (Base Salary + Annual Incentives + Long-Term Incentives)
  - On average, executives are positioned 43% below market median
  - Disparity is due to the lack of a long-term incentive plan at CalOptima

# Executive Summary

## Compensation Program

- While we used a blend of data from government, tax exempt, and for-profit health plans in our study, we wanted to show how CalOptima pay compares against only government health plan pay data.
- We looked at the median market base salaries of 5 executives, 5 managers, and 5 staff positions to see how the government data compared against the blended data and CalOptima's midpoints. The charts below and on the next slide outline our findings:

| Base Salary               |                                |                        |                           |              |
|---------------------------|--------------------------------|------------------------|---------------------------|--------------|
| Title                     | CalOptima Base Salary Midpoint | Blended Peer Group P50 | Government Peer Group P50 | % Difference |
| Chief Financial Officer   | \$320,216                      | \$397,000              | \$351,640                 | -11%         |
| Chief Operating Officer   | \$320,216                      | \$335,000              | \$284,380                 | -15%         |
| Chief Medical Officer     | \$320,216                      | \$380,000              | \$374,060                 | -2%          |
| Chief Information Officer | \$266,968                      | \$299,000              | \$260,000                 | -13%         |
| Chief Counsel             | \$266,968                      | \$343,000              | \$293,800                 | -14%         |
| <b>Average</b>            |                                |                        |                           | <b>-11%</b>  |

| Total Cash                |                               |                        |                           |              |
|---------------------------|-------------------------------|------------------------|---------------------------|--------------|
| Title                     | CalOptima Total Cash Midpoint | Blended Peer Group P50 | Government Peer Group P50 | % Difference |
| Chief Financial Officer   | \$352,238                     | \$520,000              | \$393,900                 | -24%         |
| Chief Operating Officer   | \$352,238                     | \$444,000              | \$318,500                 | -28%         |
| Chief Medical Officer     | \$352,238                     | \$453,000              | \$421,260                 | -7%          |
| Chief Information Officer | \$293,665                     | \$370,000              | \$262,600                 | -29%         |
| Chief Counsel             | \$293,665                     | \$494,000              | \$382,200                 | -23%         |
| <b>Average</b>            |                               |                        |                           | <b>-22%</b>  |

| Total Direct              |                                 |                        |                           |              |
|---------------------------|---------------------------------|------------------------|---------------------------|--------------|
| Title                     | CalOptima Total Direct Midpoint | Blended Peer Group P50 | Government Peer Group P50 | % Difference |
| Chief Financial Officer   | \$352,238                       | \$663,000              | \$439,400                 | -34%         |
| Chief Operating Officer   | \$352,238                       | \$480,000              | \$352,300                 | -27%         |
| Chief Medical Officer     | \$352,238                       | \$619,000              | \$456,660                 | -26%         |
| Chief Information Officer | \$293,665                       | \$392,000              | \$330,200                 | -16%         |
| Chief Counsel             | \$293,665                       | \$500,000              | \$442,500                 | -12%         |
| <b>Average</b>            |                                 |                        |                           | <b>-23%</b>  |

- On average, the government peer group data is 11% lower than the blended peer group data for executive base salaries.
- On average, the government peer group data is 22% lower than the blended peer group data for executive total cash compensation.
- On average, the government peer group data is 23% lower than the blended peer group data for executive total direct compensation.

# Executive Summary

## Compensation Program

| Title                    | CalOptima Base Salary Midpoint | Blended Peer Group P50 | Government Peer Group P50 | % Difference |
|--------------------------|--------------------------------|------------------------|---------------------------|--------------|
| Manager Accounting       | \$93,184                       | \$120,000              | \$119,800                 | 0%           |
| Manager Communications   | \$93,184                       | \$100,000              | \$95,000                  | -5%          |
| Manager Customer Service | \$93,184                       | \$85,000               | \$83,500                  | -2%          |
| Manager Facilities       | \$93,184                       | \$89,000               | \$82,200                  | -8%          |
| Manager Finance          | \$93,184                       | \$117,000              | \$114,000                 | -3%          |
|                          |                                |                        | <b>Average</b>            | <b>-3%</b>   |

| Title                   | CalOptima Base Salary Midpoint | Blended Peer Group P50 | Government Peer Group P50 | % Difference |
|-------------------------|--------------------------------|------------------------|---------------------------|--------------|
| Actuary                 | \$107,328                      | \$126,000              | \$110,000                 | -13%         |
| Accountant Intermediate | \$70,512                       | \$73,000               | \$70,000                  | -4%          |
| Accounting Clerk        | \$46,384                       | \$42,000               | \$45,000                  | 7%           |
| Payroll Specialist      | \$53,352                       | \$53,000               | \$52,000                  | -2%          |
| Buyer Intermediate      | \$61,360                       | \$69,000               | \$65,000                  | -6%          |
|                         |                                |                        | <b>Average</b>            | <b>-3%</b>   |

- On average, the government peer group data is 3% lower than the blended peer group data for manager and staff base salaries.
- While government health plans tend to have lower pay levels, it is important to consider organizational size and complexity when analyzing pay levels. Due to CalOptima's expansion of programs and members, which has resulted in increased complexity and more than doubling in size since 2014, we looked at data for labor markets for bigger organizations, including a blend of government, tax exempt, and for-profit health plans, comparable in size and revenue, in our analysis.
- With the increased complexity and size, CalOptima should expect to see a significant impact in salary for employees in management positions and above to account for growth and greater responsibilities.

# Executive Summary

## Benefits Program

- Health and Welfare Programs
  - Offering four medical plans allow employees more choice and flexibility
  - The health plans offered by CalOptima offer a high level of benefits
  - HMO plans have much lower employee contributions and slightly better cost-sharing than market
  - HDHP and PPO plans have average employee contributions and cost-sharing compared to market
  - Prescription drug, dental, vision, life, LTD, and STD benefits are competitive or above market
- Retirement Programs
  - Participants receive employer contributions in both the defined contribution (PARS) and a defined benefit plan (CalPERS)
- Vacation/Paid Time-Off Programs
  - Offers more time-off than the composite benchmark, but less than other public agencies

This analysis was based on composite benchmarks of organizations of similar size, geography, and industry

# Executive Summary

## Benefits Program

- CalOptima is above market from a total benefits program perspective
- Time-off programs are above market but less than other public agencies
- The strongest benefit is the CalPERS defined benefit plan, though CalOptima adopted one of the lowest benefit formulas as compared to other public agency peers

| Market Competitiveness*       |                     |
|-------------------------------|---------------------|
| Retirement Benefits           | Above Market        |
| Medical Benefits              | Above Market        |
| Dental Benefits               | Above Market        |
| Vision Benefits               | At Market           |
| Disability Benefits           | At Market           |
| Life Insurance Benefits       | At Market           |
| Time-Off Programs             | Above Market        |
| <b>Total Benefits Program</b> | <b>Above Market</b> |

\* This analysis was based on composite benchmarks of organizations of similar size, geography, and industry.



# Executive Summary

## Total Compensation

- By group, with compensation generally being below median and benefits being above median, average total compensation is as follows:
  - Executives and Directors are well below median
    - Driven primarily by aggressive incentive practices in peers
    - Compensation gap is not closed by above market benefits
  - Managers are moderately below median
    - Compensation gap is moderated based on above market benefits
  - Staff are positioned close to median
    - Compensation gap is made up due to highly competitive benefits

---

## Recommendations



# Compensation Recommendations

## Total Compensation Philosophy

The following are principles that can be used as the foundation of CalOptima's total compensation program:

- To reinforce the mission of the organization
- To achieve balance between the needs and concerns of CalOptima employees, and the communities it serves
- To attract and retain outstanding employees
- To motivate and reward outstanding performance
- To link compensation to consistent merit principles, including both individual and organizational performance
- To base decisions on appropriate comparability data provided by independent sources
- To ensure that compensation and benefits programs comply with all pertinent laws and regulations
- To maintain consistency and fairness, to the extent possible, without violating other principles
- To provide benefits in a manner that allows employees to participate in determining how best to meet their needs and those of their families

# Compensation Recommendations

## Total Rewards Competitive Positioning

- CalOptima wishes to recruit, retain, and motivate staff in order to accomplish organizational mission, vision, and strategic objectives. With this goal in mind, CalOptima intends to provide a total compensation program that is competitive with organizations that represent the competitive labor market for CalOptima's various staff positions.
- To achieve competitiveness, total compensation will be positioned at the:
  - 50<sup>th</sup> percentile for executives
  - 50<sup>th</sup> percentile for directors and managers
  - 50<sup>th</sup> percentile for most staff positions
  - Approximately the 62.5 percentile (between the 50<sup>th</sup> and 75<sup>th</sup>) for hard to fill staff positions, i.e. nursing, legal, and accounting staff.
- Base salaries, limited incentives and recognition and rewards, targeted at market median.
- Benefits targeted above market median.
- Pay for performance provides flexibility to position pay 10% to 20% above market for sustained outstanding performance.

# Compensation Recommendations

Overall, CalOptima compensation is positioned below market, with the executives and directors most significantly lagging the market due to a combination of low salaries and low or no incentives. Our conceptual considerations are as follows:

- Base Salary
  - Implement CalOptima's compensation philosophy with market-based salary ranges, with market adjustments for those that are below market positioning and that have performed at a "meets expectations" level for a period of years.
  - With benefits above market, target base salary as follows:
    - 10% below 50<sup>th</sup> percentile total cash executives
    - 50<sup>th</sup> percentile total cash for directors and managers
    - 50<sup>th</sup> percentile total cash for most staff
    - For hard to recruit positions, we recommend positioning between the 50<sup>th</sup> and 75<sup>th</sup> percentile (62.5 percentile)

# Compensation Recommendations

- Annual Incentive Compensation
  - Maintain existing annual incentive plan structure, with 10% target incentives, which would position target pay at the 50<sup>th</sup> percentile total cash
  - However, potentially add Directors and Managers to the annual incentive plan over the next two years
- Other Incentives
  - No additional incentives, for the time being, given the administrative difficulty on introducing higher incentives, either on an annual or long-term incentive basis

# Compensation Recommendations

## Base Salary Administration Guidelines

- The following is an example of competitive salary administration guidelines to help manage salaries around market-based compensation philosophy

### Salary Range Minimum

- 80% of range midpoint
- Appropriate for new hires and internal promotions
- 3-5 years to move to range midpoint for executives, scaled by performance
- 5-7 years to move to range midpoint for directors and managers, scaled by performance
- 6-8 years to move to range midpoint for staff, scaled by performance

### Salary Range Midpoint

- Compensation philosophy target
- Appropriate for experienced incumbents with a track record of proven performance in the position or similar role

### Salary Range Maximum

- 120% of range midpoint
- Executives don't get to range maximum absent unique facts and circumstances. i.e. recruitment/retention and performance considerations
- Other positions tend to get to maximum based on long tenure in addition to good or great performance
- For example, a director or manager may get to the range maximum over a 10-14 year period, while staff would over a 12-16 year period

# Compensation Recommendations

- Adjustments for FY 2019-20:
  - Move employees who are below proposed salary range minimum to the minimum (as required by CalPERS reporting)
  - Move employees with a track record of proven performance in the same level or position at CalOptima to midpoint based on methodology identified on the previous slide
- Ongoing for FY 2020-21:
  - Increase the aggregate merit pool from 3% to 5%
  - Apply market adjustments per current policy if necessary
- ***Methodology will deal with internal equity and compression issues inherently within each job, and amongst like jobs***



# Other Compensation Recommendations

- Upon implementation of 50<sup>th</sup> percentile total cash salary ranges, total compensation will still lag market for the executives and some directors
- We would suggest addressing a portion of this gap by implementing a non-qualified deferred compensation plan for executives and other select leadership positions, structured either as
  - A mid-term retention plan, whereby anywhere from 5% to 20% of salary is set aside per year, subject to a three to five year cliff vest (i.e., the dollars set aside are only earned and paid out to the extent the leader is employed by the organization at the end of the vesting period, or
  - Supplemental executive retirement plan, whereby a certain amount is set aside at the same value as the qualified retirement plan for those earnings above and beyond the qualified plan limits (i.e., restoration plan)
- The above strategy would still result in leadership pay being below market – but would assist in having incentives to retain key talent

# Recommended Salary Structure

| Grade Level | Minimum    | Midpoint   | Maximum    |
|-------------|------------|------------|------------|
| X           | \$ 347,000 | \$ 434,000 | \$ 521,000 |
| W           | \$ 295,000 | \$ 369,000 | \$ 443,000 |
| V           | \$ 251,000 | \$ 314,000 | \$ 377,000 |
| U           | \$ 214,000 | \$ 267,000 | \$ 320,000 |
| T           | \$ 182,000 | \$ 227,000 | \$ 272,000 |
| S           | \$ 154,000 | \$ 193,000 | \$ 232,000 |
| R           | \$ 144,000 | \$ 174,000 | \$ 204,000 |
| Q           | \$ 130,000 | \$ 157,000 | \$ 184,000 |
| P           | \$ 117,000 | \$ 141,000 | \$ 165,000 |
| O           | \$ 105,000 | \$ 127,000 | \$ 149,000 |
| N           | \$ 95,000  | \$ 114,000 | \$ 133,000 |
| M           | \$ 85,000  | \$ 103,000 | \$ 121,000 |

| Grade Level | Minimum   | Midpoint  | Maximum    |
|-------------|-----------|-----------|------------|
| L           | \$ 77,000 | \$ 93,000 | \$ 109,000 |
| K           | \$ 70,000 | \$ 84,000 | \$ 98,000  |
| J           | \$ 65,000 | \$ 78,000 | \$ 91,000  |
| I           | \$ 61,000 | \$ 73,000 | \$ 85,000  |
| H           | \$ 59,000 | \$ 68,000 | \$ 77,000  |
| G           | \$ 55,000 | \$ 63,000 | \$ 71,000  |
| F           | \$ 51,000 | \$ 59,000 | \$ 67,000  |
| E           | \$ 48,000 | \$ 55,000 | \$ 62,000  |
| D           | \$ 44,000 | \$ 51,000 | \$ 58,000  |
| C           | \$ 41,000 | \$ 47,000 | \$ 53,000  |
| B           | \$ 38,000 | \$ 44,000 | \$ 50,000  |
| A           | \$ 36,000 | \$ 41,000 | \$ 46,000  |

\*Please note that recommendation for CEO pay range is not included as part of this study

# Benefits Recommendations

## General Overview

- Annual Strategic Analysis
  - Develop a formalized annual review process to review the goals and strategies of CalOptima's benefits program
    - Develop broad strategies and goals for CalOptima's compensation and benefits programs
    - Develop the general framework of the programs and how they will support the needs of employees and the financial constraints
    - Determine the employee's value of the benefit offerings versus the cost and, if appropriate, shift resources to items that employees value
  - Prepare a written benefit program philosophy that can create guiding principles to make benefit program decisions such as plan design changes. (For example, employees should pay low medical premiums, but have higher cost sharing.)
- Financial Modeling and Projections
  - Analyze the relative costing information for each alternative to understand financial implications of the benefit program decisions
  - Analyze advantages and disadvantages of each alternative, including the financial implications, and document them
  - Prepare a cost/benefit analysis to assess the benefits as well as the employer and employee costs. (For example, reinstituting the employer HSA contributions can increase participant enrollment and save both the employee and employer money.)

# Benefits Recommendations

## Program Issues

Overall, CalOptima benefits are positioned above market. The benefits recommendations below would not significantly change CalOptima's position in the market.

- Medical/Health Insurance
  - CalOptima offers medical plans with above market benefit levels and high employer cost share. CalOptima should consider reviewing its benefit strategy in order to reduce total plan costs, such as
    - Plan designs changes to encourage in-network utilization
    - Promote participant consumerism and cost-effective decisions
- Prescription Drug Programs
  - Consider pharmacy cost-saving measures, such as:
    - Excluding certain drugs with lower cost alternatives
    - Encouraging participation in the mail-order program
    - Implementing step-therapy for certain high-cost drugs
- Life and Disability Insurance Programs
  - Consider increasing the basic life insurance maximum to \$500,000 to give an increased benefit to highly paid employees
  - Consider a cost/benefit analysis to join the California Short-Term Disability Insurance
- Retirement Programs
  - Consider consolidating the 457(b) Plan and 401(a) PARS Plan to a single vendor in order to reduce administrative and investment fees that will benefit participants by increasing their investment returns

# Appendix

## Custom Peer Groups – Government Peer Group (like CalOptima)

| Government Peer Organization      | Industry                   | Total Revenues Most Recent Year (000,000) | Most Recent Year Total Assets (000,000) |
|-----------------------------------|----------------------------|-------------------------------------------|-----------------------------------------|
| Affinity Health Plan              | Health-General & Financing | \$1,418,105,612                           | \$376,092,562                           |
| Boston Medical Center Health Plan | Health-General & Financing | \$1,640,398,973                           | \$429,520,379                           |
| CareOregon                        | Health-General & Financing | \$971,484,613                             | \$425,539,455                           |
| CareSource                        | Health-General & Financing | \$6,531,587,542                           | \$1,831,803,361                         |
| Commonwealth Care Alliance        | Health-General & Financing | \$809,417,329                             | \$175,417,209                           |
| Community Health Choice           | Health-General & Financing | \$851,462,290                             | \$239,892,454                           |
| Driscoll Childrens Health Plan    | Health-General & Financing | \$438,714,445                             | \$83,473,281                            |
| ElderPlan Inc                     | Health-General & Financing | \$904,056,324                             | \$199,305,781                           |
| Inland Empire Health Plan*        | Health-General & Financing | \$4,302,922,597                           | \$1,782,242,790                         |
| LA Care Health Plan               | Health-General & Financing | \$8,304,109,805                           | \$459,986,900                           |
| Neighborhood Health Plan Inc      | Health-General & Financing | \$2,536,658,776                           | \$456,299,895                           |
| Virginia Premier Health Plan      | Health-General & Financing | \$1,063,725,747                           | \$386,298,189                           |

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| <b>CalOptima</b>       | \$3,800,000,000 | \$1,800,000,000 |
| <b>Minimum</b>         | \$438,714,445   | \$83,473,281    |
| <b>25th Percentile</b> | \$890,907,816   | \$229,745,786   |
| <b>Average</b>         | \$2,481,053,671 | \$570,489,355   |
| <b>Median</b>          | \$1,240,915,680 | \$405,918,822   |
| <b>75th Percentile</b> | \$2,978,224,731 | \$457,221,646   |
| <b>90th Percentile</b> | \$6,308,721,048 | \$1,650,017,201 |
| <b>Maximum</b>         | \$8,304,109,805 | \$1,831,803,361 |

# Appendix

## Custom Peer Groups – NFP Peer Group

| NFP Peer Organization       | Industry                   | Total Revenues Most Recent Year (000,000) | Most Recent Year Total Assets (000,000) |
|-----------------------------|----------------------------|-------------------------------------------|-----------------------------------------|
| Blue Cross Blue Shield      | Health-General & Financing | \$512,533,419                             | \$650,271,510                           |
| Capital Health Plan Inc     | Health-General & Financing | \$939,178,501                             | \$480,125,384                           |
| Care Wisconsin Health Plan  | Health-General & Financing | \$123,315,773                             | \$34,840,468                            |
| Geisinger Health Plan       | Health-General & Financing | \$2,109,272,521                           | \$535,769,375                           |
| Group Health Cooperative    | Health-General & Financing | \$416,836,322                             | \$119,242,329                           |
| Harvard Pilgrim Health Care | Health-General & Financing | \$1,979,581,176                           | \$958,882,498                           |
| HealthFirst Health Plan     | Health-General & Financing | \$2,028,384,559                           | \$652,104,450                           |
| Medica Health Plans         | Health-General & Financing | \$2,108,568,644                           | \$896,765,075                           |
| Tufts Associated HMO        | Health-General & Financing | \$2,995,230                               | \$1,126,552,016                         |

|                 |                 |                 |
|-----------------|-----------------|-----------------|
| CalOptima       | \$3,800,000,000 | \$1,800,000,000 |
| Minimum         | \$2,995,230     | \$34,840,468    |
| 25th Percentile | \$416,836,322   | \$480,125,384   |
| Average         | \$1,135,629,572 | \$606,061,456   |
| Median          | \$939,178,501   | \$650,271,510   |
| 75th Percentile | \$2,028,384,559 | \$896,765,075   |
| 90th Percentile | \$2,108,709,419 | \$992,416,402   |
| Maximum         | \$2,109,272,521 | \$1,126,552,016 |

# Appendix

## Custom Peer Groups – For-Profit Peer Group

| For-Profit Peer Organization | Industry                | Total Revenues Most Recent Year (000,000) | Most Recent Year Total Assets (000,000) |
|------------------------------|-------------------------|-------------------------------------------|-----------------------------------------|
| CNO Financial Group Inc      | Life & Health Insurance | \$3,992,400,000                           | \$31,975,200,000                        |
| Envision Healthcare Corp     | Health Care Services    | \$3,696,000,000                           | \$16,708,900,000                        |
| Health Net Inc               | Managed Health Care     | \$16,243,587,000                          | \$6,397,646,000                         |
| Healthequity Inc             | Managed Health Care     | \$178,370,000                             | \$279,136,000                           |
| Magellan Health Inc          | Managed Health Care     | \$4,836,884,000                           | \$2,443,687,000                         |
| Mednax Inc                   | Health Care Services    | \$3,183,159,000                           | \$5,339,400,000                         |
| Stancorp Financial Group Inc | Life & Health Insurance | \$2,902,400,000                           | \$23,174,400,000                        |
| Team Health Holdings Inc     | Health Care Services    | \$3,597,247,000                           | \$4,060,842,000                         |
| Triple-S Management Corp     | Managed Health Care     | \$2,984,806,000                           | \$2,218,999,000                         |
| Universal American Corp      | Managed Health Care     | \$1,379,646,000                           | \$785,583,000                           |
| Wellcare Health Plans Inc    | Managed Health Care     | \$14,237,100,000                          | \$6,152,800,000                         |

|                 |                  |                  |
|-----------------|------------------|------------------|
| CalOptima       | \$3,800,000,000  | \$1,800,000,000  |
| Minimum         | \$178,370,000    | \$279,136,000    |
| 25th Percentile | \$2,943,603,000  | \$2,331,343,000  |
| Average         | \$5,202,872,636  | \$9,048,781,182  |
| Median          | \$3,597,247,000  | \$5,339,400,000  |
| 75th Percentile | \$4,414,642,000  | \$11,553,273,000 |
| 90th Percentile | \$14,237,100,000 | \$23,174,400,000 |
| Maximum         | \$16,243,587,000 | \$31,975,200,000 |

# Disclosure

Our review was limited to the documents provided by CalOptima and did not include the underlying plan documents and summary plan descriptions. Our findings were based on the documents provided including employment agreements, policies, and summaries.

Our conclusions relate only to our understanding of the facts provided by CalOptima which are stated in this analysis. We have not independently verified these facts, and if any of these facts prove to be in error, the conclusions reached in this memorandum do not apply. Our conclusions are based on the Department of Labor, Internal Revenue Code, regulations and interpretations thereunder in their form as of the date of this analysis. We are under no obligation to update our conclusions for future changes in these authorities. Our conclusions are based on our interpretation of the tax law. Another party, such as the Internal Revenue Service or a court, hearing the same facts may reach different conclusions.

In accordance with applicable professional regulations, please understand that, unless expressly stated otherwise, any written advice contained in, forwarded with, or attached to this document is not intended or written by Grant Thornton LLP to be used, and cannot be used, by any person for the purpose of avoiding any penalties that may be imposed under the Internal Revenue Code.



## **RESOLUTION NO. 20-0604-01**

### **RESOLUTION OF THE BOARD OF DIRECTORS ORANGE COUNTY HEALTH AUTHORITY d.b.a. CalOptima**

#### **APPROVE UPDATED HUMAN RESOURCES POLICIES**

**WHEREAS**, section 13.1 of the Bylaws of the Orange County Health Authority, dba CalOptima, provide that the Board of Directors shall adopt by resolution, and may from time to time amend, procedures, practices and policies for, inter alia, hiring employees, and managing personnel; and

**WHEREAS**, in 1994, the Board of Directors designated the Chief Executive Officer as the Appointing Authority with full power to hire and terminate CalOptima employees at will, to set compensation within the boundaries of the budget limits set by the Board, to promulgate employee policies and procedures, and to amend said policies and procedures from time to time, subject to annual review by the Board of Directors, or a committee appointed by the Board for that purpose; and

**WHEREAS**, California Code of Regulations, Title 2, Section 570.5, requires CalOptima to adopt a publicly available pay schedule that identifies the position title and pay rate for every employee position, and CalOptima regularly reviews CalOptima's salary schedule accordingly.

#### **NOW, THEREFORE, BE IT RESOLVED:**

Section 1. That the Board of Directors hereby approves and adopts the attached updated Human Resources Policies: GA.8057 Compensation Program and GA.8058 Salary Schedule.

Section 2. That the Chief Executive Officer is authorized to implement the revised Salary Schedule with an implementation date of June 7, 2020 and the Compensation Guidelines with an implementation date of March 29, 2020.

APPROVED AND ADOPTED by the Board of Directors of the Orange County Health Authority, d.b.a., CalOptima this June 4, 2020.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

/s/ \_\_\_\_\_

Title: Chair, Board of Directors

Printed Name and Title: Paul Yost M.D., Chair, CalOptima Board of Directors

Attest:

/s/ \_\_\_\_\_

Sharon Dwiers, Clerk of the Board

Policy #: GA.8057  
Title: **Compensation Program**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/2014  
~~Last Review Date: 07/18~~  
Revised Date: ~~06/04/2020~~ 06/07/18

**I. PURPOSE**

This policy establishes a compensation program for CalOptima job classifications within clearly defined guidelines that promote consistent, competitive and equitable pay practices.

**II. POLICY**

A. CalOptima's compensation program is intended to:

1. Provide fair compensation based on organization and individual performance;
2. Attract, retain, and motivate employees;
3. Balance internal equity and market competitiveness to recruit and retain qualified employees; and
4. Be mindful of CalOptima's status as a public agency.

B. The Chief Executive Officer (CEO), in conjunction with the Executive Director of Human Resources, is directed to administer the compensation program consistent with the attached Compensation Administration Guidelines, which ~~is a document that~~ defines the principles upon which CalOptima's compensation practices will be managed, procedural aspects of how the compensation ~~administration~~ procedures will be administered, and how the overall compensation administration function will respond to changing market conditions and business demands. Some of these guidelines include, but are not limited to:

1. Establishing pay rates based on the market 50<sup>th</sup> percentile.
- ~~2.~~ Determining appropriate pay rates within the pay range for a position by assessing an employee's or applicant's knowledge, skills, experience, and ~~current pay level, as well as the~~ pay rates currently being paid to similarly situated incumbents. Employees may be paid anywhere within the pay range based on proficiency levels. The following criteria shall be considered:

1

|                                                 |                                                                                                                                              |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum (Min)                                   | The rate paid to an individual possessing the minimum job qualifications & meeting minimum job performance expectations                      |
| Midpoint (Mid) aka: 50 <sup>th</sup> percentile | The rate paid to individuals that are fully proficient in all aspects of the job's requirements & performance expectations                   |
| Maximum (Max)                                   | The maximum rate paid to individuals who possess qualifications significantly above market norms & consistently deliver superior performance |

4.3. All new hires and employees should have a pay rate equal to or greater than the pay range minimum, unless the minimum job requirements are not met, then a training rate equal to ten percent (10%) below the salary grade minimum may be used for six (6) months.

5.4. Base pay for all employees shall be capped at the pay range maximum, and once an employee reaches the base pay maximum, the employee will not be eligible for future base pay increases. However, in lieu of future base pay increases, these employees may be eligible for merit pay delivered as a lump sum bonus provided that the employee's performance warrants this additional compensation.

C. The ~~Chief Executive Officer (CEO)~~ is authorized and directed to take all steps necessary and proper to implement the CalOptima compensation program and the Compensation Administration ~~Guideline~~Guidelines not inconsistent therewith.

### III. PROCEDURE

Not Applicable

### IV. ATTACHMENT(S)

A. Compensation Administration Guidelines

### V. REFERENCE(S)

Not Applicable

### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

### VII. BOARD ACTION(S)

| <u>Date</u>       | <u>Meeting</u>                                             |
|-------------------|------------------------------------------------------------|
| <u>05/01/2014</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>08/07/2014</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>11/06/2014</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>12/04/2014</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>03/05/2015</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>06/04/2015</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>06/07/2018</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |
| <u>06/04/2020</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |

## VIII. REVISION HISTORY

| Action         | Date              | Policy         | Policy Title                             | Program(s)            |
|----------------|-------------------|----------------|------------------------------------------|-----------------------|
| Effective      | 05/01/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 08/07/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 11/06/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 12/04/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 06/04/2015        | GA.8057        | Compensation Program                     | Administrative        |
| Revised        | 06/07/2018        | GA.8057        | Compensation Program                     | Administrative        |
| <u>Revised</u> | <u>06/04/2020</u> | <u>GA.8057</u> | <u>Compensation Program</u>              | <u>Administrative</u> |

|   |                     |
|---|---------------------|
| 1 | <b>IX. GLOSSARY</b> |
| 2 |                     |
| 3 | Not Applicable      |
| 4 |                     |

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**CalOptima**  
Better. Together.

# Compensation Administration Guidelines

Pay administration guidelines

Revised June 04, 2020

Implemented March 29, 2020

## Contents

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## Pay Administration Guidelines

Common pay administration guidelines for CalOptima are detailed in this section. These ~~guidelines:~~  
• ~~Help~~Guidelines help maintain the integrity of the base pay program by introducing a common set of standards

Assist and assist managers in ongoing compensation program administration.

In addition, note the following administration of the Guidelines:

- Chief Executive Officer (CEO) compensation will be established by the Board of Directors.
- Chief and Executive Director compensation will be established by the CEO within ~~proposed guidelines~~the Guidelines.
- The Board will be informed of all Chief and Executive Director hires and compensation changes.

## **Proposed Pay Administration Guidelines**

### **Pay ranges and pay levels**

- Pay range targets
- Range minimums and maximums

#### Pay ranges and pay levels

- Pay range thirds
- Pay range halves
- Compa-ratio

### **Periodic pay adjustments/increases**

- New hire/Rehire
- Promotion

Pay range target  
Range minimums and maximums  
Pay above range maximums  
Pay range thirds  
Pay range halves  
Compa-ratio

- Demotion
- Temporary assignment
- Secondary job

#### Periodic pay adjustments/increases

New hire/Rehire  
Promotion  
Lateral Transfer  
Demotion  
Temporary Assignment  
Secondary job  
Job Re-evaluation  
Appeal Process  
Register/Certified Status  
Base pay program maintenance  
Salary structure adjustment  
Annual competitive assessment  
Market sensitive jobs

#### Annual pay adjustments/increases

Market Adjustment  
Merit pay  
Step increase

#### Special one-time pay considerations

Recruitment incentive

- Market adjustment
- Merit pay
- Step increase

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- Base pay program maintenance
- Salary structure adjustment
- Annual competitive assessment
- Market sensitive jobs



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1 ~~Annual pay adjustments/increases~~ • ~~Register/Certified status~~

2  
3  
4  
5  
6  
7

8 ~~Special one-time pay considerations~~

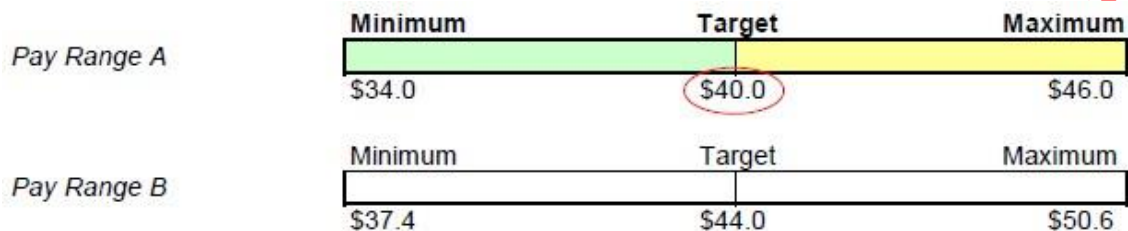
9 • ~~Recruitment incentive~~

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## Pay Ranges and Pay Levels

**Range Target:** internal “going market rate” for the job (50th percentile); represents the rate paid to individuals that are fully proficient in all aspects of the job’s requirements and performance expectations.

- For benchmark jobs, the pay range (i.e. pay grade) is determined based on the comparability of values between market median base pay rates and the pay range targets.

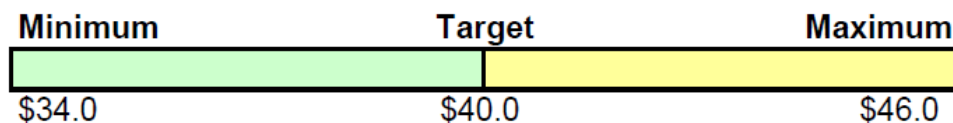


Market Median Base Salary

\$41.5

Range Target \$40.0 is Closest to Market Median of \$41.5; job is assigned to Pay Range A

- For non-benchmark jobs, the pay range is determined based on comparability of the job to benchmark jobs within the same job family or other internal positions in terms of knowledge, skills, complexity and organizational impact.



**Range Minimum:** represents the rate paid to individuals possessing the minimum job qualifications and meeting minimum job performance expectations.

- All employees should have a pay rate equal to or greater than the pay range minimum.
- If the minimum job requirements are not met, a training rate equal to ten percent (10%) below the salary grade minimum may be used for six (6) months while a new incumbent is learning the skills to become proficient in the new role.

**Range Maximum:** represents the maximum rate paid to individuals who ~~posses~~**possess** qualifications significantly above market norms and consistently deliver superior performance.

- Base pay growth is capped at the pay range maximum.

**Pay Above Range Maximum:** ~~as a rule, employees~~ Employees are not to be paid above the range maximum.

- Employees ~~paid~~ whose current pay becomes above the pay range maximum will have their base pay frozen and will not be eligible for future base pay increases until such time as their base pay falls below the pay range maximum.
- In lieu of future base pay increases, these ~~individual~~ employees may be eligible for merit pay delivered as a lump sum bonus providing their performance warrants this additional compensation.
- As the pay structures and pay ranges move ~~(every twelve (12—) – thirty-six (36) months or as necessary)~~, the employees paid above the pay range maximum will eventually be paid below the pay range maximum and will then be eligible to receive base pay increases, as appropriate.

**Pay Range:** Employees may be paid anywhere within the open pay range; the pay range is divided into equal quartiles to assist in achieving competitive, equitable, and appropriate pay levels

Pay Range Quartiles Used in Ongoing Pay Administration



- Developing Area – Below market pay; this area is used for employees possessing minimum job requirements and/or for those having significant learning curves to become fully proficient in the job's duties, responsibilities and performance expectations.
- Proficient/Fully Proficient Area – Market competitive pay; this area is used for employees possessing preferred job requirements and consistently demonstrate one hundred percent (100%) proficiency in all aspects of the job's duties, responsibilities and performance expectations.
- Expert Area – Above market pay; this area is used for employees possessing unique knowledge, skills, or abilities that far surpass the market's typical requirements and consistently demonstrate superior performance in all aspects of the job's duties, responsibilities, and performance expectations.

**Compa-Ratio:** In addition to pay range quartiles, this is a metric also used to communicate pay competitiveness.

- Compa-Ratio: A compa-ratio is calculated by taking the employee's base pay divided by his/her pay range target.
- Compa-Ratio of 100%: This ratio indicates the employee's base pay equals the pay range target, or the market rate.

- Compa-Ratio <100%: This ratio indicates the employee's base pay is less than the pay range target.
- Compa-Ratio >100%: This ratio indicates the employee's base pay is greater than the pay range target.

Illustrative Range Shown Below:

|                               | Minimum | Target | Maximum |
|-------------------------------|---------|--------|---------|
| <i>Compa-Ratio RNs</i>        | 87.5%   | 100.0% | 117.0%  |
| <i>Compa-Ratio Non-Exempt</i> | 88.0%   | 100.0% | 117.0%  |
| <i>Compa-Ratio Exempt</i>     | 83.0%   | 100.0% | 118.0%  |

**Note:** Range minimums and maximums will be based on the developed salary range spreads.

|                               | Minimum | Target | Maximum |
|-------------------------------|---------|--------|---------|
| <i>Compa-Ratio RNs</i>        | 87.5%   | 100.0% | 117.0%  |
| <i>Compa-Ratio Non-Exempt</i> | 88.0%   | 100.0% | 117.0%  |
| <i>Compa-Ratio Exempt</i>     | 83.0%   | 100.0% | 118.0%  |

## Annual Pay Adjustments/Increases

**Market Adjustment:** A market adjustment is an increase or decrease to pay range ~~rates~~grades based on market pay practices.

- A market adjustment ~~results~~may result in base pay increases for full-time, part-time, and some as-needed and limited term staff paid at or below the pay range target (there is no base pay increase between target and maximum for non-market sensitive jobs unless compression exists at the target).
- For some market-sensitive jobs, a market adjustment may also be granted to full-time, part-time, and some as-needed and limited term staff paid above the pay range target but below the pay range maximum to maintain competitiveness and minimize pay compression.
- A market adjustment may result in a base pay increase to some staff to ensure employees are paid a base pay rate at least equal to the new pay range minimum.
- If a market adjustment is made, employees paid below the new range minimum receive an increase to their base pay to ensure it is at least equal to the pay range minimum before any merit pay is awarded (cap at 10%~~7%~~).

### **Market Adjustment:**

- The appropriateness of a market adjustment is determined based on:
  1. A competitive assessment of the pay range target versus market base pay practices;
  2. Market trends and practices relative to average base pay and pay range increases; and
  3. Current recruiting and retention issues.
- Market adjustments are made prior to determining merit pay

■ .

- Newly hired employees will be eligible for any market adjustments granted at the annual pay increase date if the employee is paid at or below the pay range target.

**Base Pay Adjustment:** All employees who achieve a satisfactory level of performance will be eligible for a merit pay adjustment.

- Merit Pay: Merit pay is variable pay that typically affects individuals' employees' base pay; it recognizes individuals' employees' job proficiency and performance of job duties.
  - Merit pay is applicable to full-time and part-time employees paid below, at, or above the pay range target; Per diem employees are not eligible for merit pay.
  - To be eligible for merit pay, the employee must have started work on or before March 31<sup>st</sup> to be eligible for a merit increase in July of the same year and have successfully completed the introductory period three (3) months for transfers and new hires) prior to the annual pay adjustment date.
  - Merit pay will typically be an increase to base pay; however, it may also be delivered as a ~~onetime~~ one-time lump sum bonus for individuals paid above the pay range maximum.
  - The budgeted amount for merit pay, if any, is based on: 1) the organization's financial status; 2) market trends relative to average base pay increases; 3) competitiveness of current base pay practices; and, 4) recruiting and retention issues.

#### Merit Pay – Staff Paid At and Above Pay Range Target

- The combination of an individual's performance rating, the position of his/her pay within the pay range, the number of months he/she has been working, and the salary earned during those months determines the individual's merit pay opportunity.
  - Merit pay is typically calculated as a percent of base pay in effect on March 31, prorated to reflect the number of months an employee worked and the salary earned during those months the twelve (12)-month period starting from the first pay period in the fiscal year and ending with the last pay period of that same fiscal year.
  - Managers have the discretion to determine the actual increase amount within the published ~~guidelines~~ Guidelines; the appropriate merit pay amount will reflect the manager's internal equity, pay competitiveness, and performance recognition objectives.
  - Adjustments to employees' base pay are capped at the pay range maximums; therefore, some employees may receive a portion of their merit pay as a base pay increase up to the pay range maximum and also receive a lump sum amount for the remaining portion of the merit pay. Employees paid over the pay range maximum may be eligible to receive merit pay as a lump sum payment paid out in two (2) incremental amounts- the first half when merit pay is normally distributed; and the second half six (6) months later.

- Merit pay may be held altogether or delayed for ninety (90) days if employees do not achieve a satisfactory level of performance or if a written warning or suspension/final written warning is active in their record.
- Merit pay is typically awarded once a year at a specific time.
- Full-time and part-time employees may receive both a market adjustment and a merit pay adjustment at the same time.
- Executive Directors and Chief's must approve merit pay increases for all areas for which they are responsible ~~for~~ before submitting to HR.
- HR has final approval of all merit increases.

A Merit Pay Grid similar to the one shown below\*\* ~~-(assumes a three percent (3%) merit increase budget)~~ is often used to provide managers with a guideline as to what merit pay increase may be appropriate based upon performance and to reflect:

1. The organization's financial status;
2. Market trends relative to average base pay increases;
3. Competitiveness of current base practices; and
4. Recruiting and retention issues.

| Performance Rating | Pay Range Position       |                          |                          |                          |           | Above Max =<br>Lump Sum<br>Bonus |
|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------|----------------------------------|
|                    | 1 <sup>st</sup> Quartile | 2 <sup>nd</sup> Quartile | 3 <sup>rd</sup> Quartile | 4 <sup>th</sup> Quartile | Above Max |                                  |
| Highly Effective   | 6% - 5%                  | 5% - 4%                  | 4% - 3%                  | 3% - 2%                  | 3% - 2%   |                                  |
| Effective          | 5% - 4%                  | 4% - 3%                  | 3% - 2%                  | 3% - 2%                  | 0%        |                                  |
| Needs Improvement  | 0%                       | 0%                       | 0%                       | 0%                       | 0%        |                                  |

**\*\*** The Merit Pay Grid is a sample only. Actual merit increase percentages will depend upon the salary distribution across the salary structure.

- Employees who do not achieve a satisfactory level of performance at the time of their annual pay increase will not receive any type of pay increase – market adjustment, or merit pay.
- The increase may be ~~held all together~~ withheld altogether or delayed ninety (90) days until the written performance improvement plan is complete and performance is judged to be acceptable by the manager; the pay increase will be effective at the time performance is judged to be acceptable (beginning of applicable pay period) and will not be ~~retro-active~~ retroactive; the manager is responsible for informing the employee in this situation and is responsible for notifying HR to initiate the increase.
- Employees on any type of leave of absence who are eligible for a market adjustment, and/or merit pay, may receive these adjustments upon their return to active status with a completed performance appraisal that is competent or above.



## Special One-time Pay Considerations

### Recruitment Incentive

- Recruitment incentives up to fifteen percent (15%) of an employee's base pay may be provided on an exception basis to entice an employee to join CalOptima.
  - Recruitment incentives require the approval of the CEO.
  - Board approval is required for recruitment incentives offered to Executive Director and above positions.

○ Incentives are provided with a “pay-back” provision if the employee terminates within twenty four (24) months of hire.

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## New Hires/Rehires

- A new hire's pay level ~~should correspond~~corresponds to the appropriate pay range ~~but~~quartile and typically should not exceed the pay range target; ~~offers~~. Offers above the pay range target require the approval of the ~~Compensation Analyst in consultation with the~~ Executive Director of Human Resources, and the CEO, when necessary.
- Factors to be considered in determining an appropriate pay level for a new hire include:
  - Job-related experience: ~~what~~What is the estimated learning curve given the individual's prior work experience? How many years of experience does the individual have in the same or equivalent classification?
  - Market conditions: ~~what~~What is the going rate of pay in the external market for the individual's skills and knowledge?
  - Internal equity: ~~is~~Is the proposed pay level lower, higher or in line with the pay levels of current employees having comparable skill and experience levels?
- At hire, external service is typically valued comparable to internal service.
  - For example, an RN having three (3) years of prior job experience is viewed comparably to an RN having three (3) years of job experience at CalOptima.
- Internal equity (how this position and compensation compares relative to existing employees) must be considered when making hiring decisions.

## Process for Determining a New Hire Starting Pay Rate

HR determines applicable pay rate:

- Starting pay rate is at or near the minimum of the pay range for a candidate who only meets the job's minimum qualifications.
- Starting pay rate cannot be below the minimum of the pay range (unless it is viewed as a training rate).
- Determine appropriate pay rate by assessing candidate's knowledge, skills, and experience, ~~current pay level~~, as well as pay rates currently being paid to similarly situated incumbents.
- Candidates with superior knowledge, skills, and experience can be paid above the pay range midpoint; ~~starting~~. Starting pay rates above the pay range midpoint must have approval of the ~~appropriate Compensation Analyst~~, Executive Director of Human Resources, and CEO ~~approval~~, when necessary.
- There are certain positions that will usually be placed near the salary grade minimum (all entry level service and clerical).
- Pay rates for all ~~management~~ positions must be reviewed with the Compensation ~~Analyst~~Unit before an offer is made. The Compensation ~~Analyst~~Unit will review internal

equity across the system to ensure that the appropriate offer is made.

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- ~~Any questions or concerns about new hire offers should be directed to the Compensation Analyst or Executive Director of Human Resources. The Compensation Analyst will review any concerns with the Executive Director of Human Resources as necessary~~
- Rehires to the same position classification should be paid at least the same amount they earned prior to termination, with adjustments and/or credit for recent additional career experience or education earned while away from CalOptima.
- The above policy applies to the current organization structure.
- Additional positions at the level of Chief or Executive Director require Board approval.

## Promotion

~~Promotion:~~ An employee receives a promotion when ~~he/she~~the employee applies for and is selected for a job with a higher pay range target.

- An employee will receive a promotional increase to at least the pay range minimum of ~~his/her~~the new pay range.
- The amount of a promotional increase will ~~vary and the actual amount will~~ be determined based on the incumbent's qualifications, performance, and ~~the~~ internal pay practices of other ~~similarly-situated employees.~~ The typical promotional increase for a promotion without external competition is 4% up to 5% of five percent (5%) of the employee's base pay for per one (1) pay grade increase.
- Typically, the promotional increase should not exceed the pay range target.
- When an employee moves from non-exempt to exempt, the loss of overtime pay will be considered. However, the realization that overtime is not guaranteed must also be considered.
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Employees who are promoted after March 31, but prior to receiving their merit increase, will have their merit increase, if any, included in the base pay used to calculate their promotional pay. If the employee's performance evaluation rating and therefore merit increase amount is not known at the time the promotional pay is being calculated, a merit increase equivalent to "Fully Meets Expectations" will be included in the base pay used to calculate their promotional pay.
- The next merit pay adjustment after a promotion may be pro-rated based on the amount of time the employee has spent in the job.

## Lateral Transfer

~~Lateral transfer:~~ It is considered a lateral transfer if an employee moves to a job having the same pay range target.

- Lateral job changes will not typically result in a base pay increase or adjustment unless otherwise approved by the ~~Compensation Analyst and~~ Executive Director of Human Resources.

- Employees who are laterally transferred after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

## Demotion

**Demotion:** An employee is classified as having been demoted if ~~he/she~~the employee moves to a job with a lower pay range target.

- ~~An~~The pay of an employee demoted due to an organizational restructure, ~~no pay decrease~~will not be given~~decreased~~ unless the employee is above the maximum on the new pay range; if so, the employee will be reduced to the maximum of the new pay range.
  - ~~An~~For an involuntary demotion, ~~due to performance~~will follow the guidelines below, or for reducing base pay
  - ~~Aa~~A voluntary demotion ~~based on an application for an open position will typically result in a pay decrease between 0—4% for each salary, the pay grade of the demoted~~
- ~~The demoted employee will be assigned to the pay grade of the employee's new classification. The employee's base pay will typically be reduced to the next lower pay grade. Target, or up to five percent (5%) for each pay grade maximum, whichever is appropriate using the 0—4% guideline above demoted.~~
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Future merit increases and market adjustments will not be affected by a demotion unless competent performance is not achieved.
- Employees who are demoted after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

## Temporary Assignment

**Temporary assignment:** An employee who is asked to assume a full-time temporary assignment in a job having a higher pay range target is eligible for a temporary base pay increase. The employee must assume some or all of the responsibilities of the new job to qualify for a temporary assignment increase.

- The employee's base pay rate prior to the assignment will be maintained and the higher temporary assignment rate will be added as a secondary job title and pay rate.
- This increased secondary pay rate is eliminated when the temporary assignment ends.
- The amount of the temporary assignment increase should be consistent with the promotion policy.

## Training/Transition Overlap

In order to provide for a transition and/or training period, CalOptima may fill a regular position with a replacement in advance of the separation of a terminating employee. For the transition and/or training period, two employees may fill the same budgeted position for up to thirty (30) calendar days during the period of overlap. The immediate supervisor will determine which employee will be designated for decision-making and regulatory reporting purposes, if applicable.

## **Job Re-Evaluations**

~~Job Re-Evaluations:~~ Job re-evaluations will be reviewed in the following priority order:

1. New Positions.
2. Change of thirty-five percent (35%%) or more of duties ~~([any change in responsibilities less than thirty-five percent (35%%) will not be considered].~~
  - Enhancements must require a higher level of skills, abilities, scope of authority, autonomy, and/or education to qualify for a re-classification.



- Additional duties that do not require the above will not be considered for reclassification.
- All requests for job re-classification must be documented, signed by the department manager and submitted to the Compensation ~~Analyst~~Unit.
- In the case of management positions being re-classified, the appropriate Chief must sign the documentation.
- The request must include the incumbent's current job description and revised job description with enhancements highlighted.
- The request must also include justification that the re-classification supports a business need.

**If the job is determined to be a priority, the Compensation ~~Analyst~~Unit will analyze the job according to:**

1. The job's scope against other jobs in the same discipline.
  2. Available market data.
  - 2.3. Appropriate title identification. The Compensation ~~Analyst~~Unit will determine if the title fits within the hierarchy; if not, a benchmark title will be recommended.
  - 3.4. Job family.
  - 4.5. Fair Labor Standards Act (FLSA) status.
  - 5.6. Appropriate pay grade – the job will be fit into one (1) of the pay grades that currently exists ~~there will be no~~. No new pay grades created.
  - 6.7. A pay rate will be determined.
  - 7.8. A recommendation will be made to the Executive Director of Human Resources for approval, and the decision will be communicated to the appropriate manager.
- If a job is reassigned to a higher grade, the change will be effective on the first day of the pay period following the evaluation. The pay increase is not retroactive to any earlier date
  - The manager will be informed of the decision to move the job to a higher pay grade by the Compensation ~~Analyst~~Unit.
  - The amount of the pay increase should follow the guidelines in the ~~promotion~~Promotion section
  - If the upgrade and a pay change ~~occurs~~occur less than six (6) months before the annual pay increase date, the employee's next merit pay adjustment may be pro-rated.

If the job is not reassigned to a higher pay grade, the manager will be notified. If dissatisfied with the decision, the manager may file an appeal with the Executive

Director of Human Resources.

If a job is reassigned to a lower pay grade as a result of a job re-evaluation due to available market data, without a change in job responsibilities, the involuntary demotion due to organizational restructuring protocol will be followed.

If a job is reassigned to a lower pay grade due to a job evaluation and change in job responsibilities, the voluntary demotion protocol will be followed.

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Job evaluations and re-evaluations will occur throughout the year; all priority jobs will be evaluated within one (1) month of the request.

If a job is not a priority or does not meet the guidelines, the manager will be notified.

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## Base Pay Program Maintenance

### Salary Structure Adjustment

- The salary structure should be reviewed on a regular basis either annually or every other year to continue to reflect market competitiveness.
- The salary structure updates are designed to relieve any upward pressure on range minimums, midpoints and maximums that may impede the ability to attract, motivate, and retain the workforce.
- The salary structure is dynamic; it needs to be revised at regular intervals based upon market conditions to maintain market competitiveness. The goal is to keep the structure's market rates on track with market data.
- Market adjustments will be applied to the salary schedule as needed at least every two (2) years, using surveyed salary structure adjustment percentages.
- The salary structure adjustment approval process includes:
  - The Executive Director of Human Resources makes a recommendation to the CEO for approval.
  - CEO takes the recommendation to the Board for final approval.

### Annual Competitive Assessment

- On ~~an annual~~ a regular basis either annually or every other year, HR will identify the current competitiveness of CalOptima's pay practices by comparing: 1) current pay levels to market practices; 2) current pay levels to pay range targets; and, 3) current pay range targets to market practices.
  - CalOptima will on a regular basis either annually or every other year spot check benchmark jobs to determine market fluctuations in benchmark jobs' pay rates.
  - Based on market findings, the pay grade and ranges will be updated.
  - Any jobs in which reasonable benchmark data is not available can be slotted into the salary structure based on internal equity considerations.
- The results of these analyses, along with CalOptima's current financial performance and economic situation, will determine the appropriate market adjustments (i.e., pay range adjustments) and merit pay budgets.
- The following criteria is typically used to determine which jobs to market price each year:
  - Review job-level turnover statistics for jobs with above-average separation rates to identify jobs with potential retention issues.
  - Review the time-to-fill metrics for jobs requiring above-average recruiting efforts and

expenses to identify jobs with potential recruiting issues<sup>7.2</sup>

- Review the applicant tracking reports (if available) for jobs with a high level of initial/subsequent offer rejections to identify additional potential recruiting issues<sup>7.2</sup>

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- Review jobs with pay-to-pay range target compa-ratios in excess of 110% or below 90%.
- Review jobs with market-to-pay range target compa-ratios in excess of 110% or below 90%.
- Review all market-sensitive jobs and those on the “watch list”.
- Review top ten (10) highest populated jobs on an annual basis.
- Jobs are ranked by degree of severity for each of the preceding criteria; the jobs that are most frequently identified across all criteria are typically market priced.
- It is recommended that at least two (2) jobs be selected from every pay range.

**Market Adjustments (Structure and Pay Range Adjustments):** Market adjustments to specific pay ranges or the entire pay structure may be made on an annual or as needed basis to reflect current competitiveness or market trends.

- Each year On a regular basis either annually or every other year, the pay range targets are compared to the external market base pay practices and necessary adjustments are made to ensure alignment including job grade changes and range rate adjustments.
- Employees falling below the range minimum of the adjusted structures are typically brought to the pay range minimum, assuming the employee has a satisfactory level of performance; any pay compression resulting from structure adjustments should be addressed as part of the annual pay increase process.
  - Adjustments to pay range minimums occur prior to merit pay calculations.

### Process for Making Market Adjustments

- HR performs an annual, on a regular basis either annually or every other year, a review of compensation surveys to calculate the average market adjustment to pay structures; HR also analyzes the competitiveness of the current pay range targets to market practices for benchmarked jobs.
- HR reviews CalOptima's financial operating conditions and quantifies any recruiting/retention issues.
- HR determines if an adjustment is appropriate (minor variations in the market may be recognized in the following year) and recommends the amount.
- HR multiplies the current pay range target of each grade by the necessary adjustment percentage; then HR recalculates the pay range minimum and maximum based on the existing structure design (i.e., pay range minimums = 80% of the new pay range target; pay range maximums = 120% of the new pay range target, etc.).
- HR identifies the cost implications for the market adjustment by identifying the difference between: 1) current pay rates and new pay range minimums, and, 2) current pay rates.

- The market adjustment approval process will work as follows:
  - The Executive Director of Human Resources recommends an adjustment to the CEO for approval.
  - If the CEO agrees, the CEO will seek Board approval, unless the market adjustment is within the approved pay range for the position classification as designated in the Board-approved salary schedule. In such case(s), the CEO may approve the market adjustment and inform the Board of such change(s).

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**Market-Sensitive Jobs:** Market sensitive jobs are those for which market conditions make recruiting and retention challenging.

- Premium pay is built into the pay range targets for these jobs.
  - Prospectively, the pay range and grade selected for these jobs will reflect the desired market target rate (i.e., 60th or 75th percentile of base pay practices) based on business need.
  - The desired market target rate is established on a job-by-job basis to reflect specific market conditions.
- Criteria used to determine if a job is classified as market-sensitive typically includes two (2) or more of the following:
  - Time to fill the position – statistics will suggest the average amount of time required to fill a requisition for a market-sensitive position will be significantly higher than the historical norm for this position or similar positions.
  - Job offer rejections – statistics will illustrate an increase in the number of employment offers rejected due to low starting rates.
  - Turnover – statistics will suggest a higher than typical amount of turnover for the position within the last three (3) to six (6) months; turnover for the job will be compared to historical results for the same job and to other similarly-situated jobs.
  - Market Changes – market-sensitive jobs may experience an excessively large increase in competitive pay rates over the previous year's results; specifically, jobs considered to be market-sensitive may have:
    - a year-to-year increase significantly greater than the average year-to-year increase for other jobs analyzed,
    - a competitive market rate significantly higher ~~([approximately~~ ten percent (10%,%) than its current pay range target, or
    - a competitive market rate with significantly higher pay practices ~~([approximately~~ ten percent (10%,%) in the labor market than the average of current internal pay practices.
- When a job is classified as market-sensitive, typically some form of adjustment is made to employees' base pay rates and is typically referred to as a market adjustment and the pay increase policies noted under the market adjustment section apply.
- Jobs classified as market-sensitive are reviewed annually to determine if this status still applies.
  - Once a job is classified as market-sensitive, it typically remains as such until the recruiting and retention challenges subside and/or the market pay rates adjust themselves – typically not less than one (1) year.

Page 16 of 13 When a job is no longer considered market-sensitive, the job's pay range and grade revised: 06/07/18



is reassigned to reflect a market median base pay rate target; no changes are typically made to the employees' base pay rates at this time.

- Throughout the year, jobs that are not yet considered market sensitive, but are showing signs of becoming so are placed on a "watch list" and monitored.

○ If necessary, these jobs will be moved to the market-sensitive category and handled accordingly.

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Policy: GA.8057  
Title: **Compensation Program**  
Department: Human Resources  
Section: Not Applicable

CEO Approval: Michael Schrader \_\_\_\_\_

Effective Date: 05/01/2014

Revised Date: 06/04/2020

## I. PURPOSE

This policy establishes a compensation program for CalOptima job classifications within clearly defined guidelines that promote consistent, competitive and equitable pay practices.

## II. POLICY

A. CalOptima's compensation program is intended to:

1. Provide fair compensation based on organization and individual performance;
2. Attract, retain, and motivate employees;
3. Balance internal equity and market competitiveness to recruit and retain qualified employees; and
4. Be mindful of CalOptima's status as a public agency.

B. The Chief Executive Officer (CEO), in conjunction with the Executive Director of Human Resources, is directed to administer the compensation program consistent with the attached Compensation Administration Guidelines, which defines the principles upon which CalOptima's compensation practices will be managed, procedural aspects of how the compensation procedures will be administered, and how the overall compensation administration function will respond to changing market conditions and business demands. Some of these guidelines include, but are not limited to:

1. Establishing pay rates based on the market 50<sup>th</sup> percentile.
2. Determining appropriate pay rates within the pay range for a position by assessing an employee's or applicant's knowledge, skills, experience, and the pay rates currently being paid to similarly situated incumbents. Employees may be paid anywhere within the pay range based on proficiency levels. The following criteria shall be considered:

|                                                 |                                                                                                                            |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Minimum (Min)                                   | The rate paid to an individual possessing the minimum job qualifications & meeting minimum job performance expectations    |
| Midpoint (Mid) aka: 50 <sup>th</sup> percentile | The rate paid to individuals that are fully proficient in all aspects of the job's requirements & performance expectations |

|               |                                                                                                                                              |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Maximum (Max) | The maximum rate paid to individuals who possess qualifications significantly above market norms & consistently deliver superior performance |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------|

3. All new hires and employees should have a pay rate equal to or greater than the pay range minimum, unless the minimum job requirements are not met, then a training rate equal to ten percent (10%) below the salary grade minimum may be used for six (6) months.
4. Base pay for all employees shall be capped at the pay range maximum, and once an employee reaches the base pay maximum, the employee will not be eligible for future base pay increases. However, in lieu of future base pay increases, these employees may be eligible for merit pay delivered as a lump sum bonus provided that the employee's performance warrants this additional compensation.

C. The CEO is authorized and directed to take all steps necessary and proper to implement the CalOptima compensation program and the Compensation Administration Guidelines not inconsistent therewith.

### III. PROCEDURE

Not Applicable

### IV. ATTACHMENT(S)

A. Compensation Administration Guidelines

### V. REFERENCE(S)

Not Applicable

### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

### VII. BOARD ACTION(S)

| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors |
| 08/07/2014 | Regular Meeting of the CalOptima Board of Directors |
| 11/06/2014 | Regular Meeting of the CalOptima Board of Directors |
| 12/04/2014 | Regular Meeting of the CalOptima Board of Directors |
| 03/05/2015 | Regular Meeting of the CalOptima Board of Directors |
| 06/04/2015 | Regular Meeting of the CalOptima Board of Directors |
| 06/07/2018 | Regular Meeting of the CalOptima Board of Directors |
| 06/04/2020 | Regular Meeting of the CalOptima Board of Directors |

### VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title                             | Program(s)     |
|-----------|------------|---------|------------------------------------------|----------------|
| Effective | 05/01/2014 | GA.8057 | Compensation Program and Salary Schedule | Administrative |

| <b>Action</b> | <b>Date</b> | <b>Policy</b> | <b>Policy Title</b>                      | <b>Program(s)</b> |
|---------------|-------------|---------------|------------------------------------------|-------------------|
| Revised       | 08/07/2014  | GA.8057       | Compensation Program and Salary Schedule | Administrative    |
| Revised       | 11/06/2014  | GA.8057       | Compensation Program and Salary Schedule | Administrative    |
| Revised       | 12/04/2014  | GA.8057       | Compensation Program and Salary Schedule | Administrative    |
| Revised       | 06/04/2015  | GA.8057       | Compensation Program                     | Administrative    |
| Revised       | 06/07/2018  | GA.8057       | Compensation Program                     | Administrative    |
| Revised       | 06/04/2020  | GA.8057       | Compensation Program                     | Administrative    |

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|   |                     |
|---|---------------------|
| 1 | <b>IX. GLOSSARY</b> |
| 2 |                     |
| 3 | Not Applicable      |
| 4 |                     |

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**CalOptima**  
Better. Together.

# **Compensation Administration Guidelines**

**Revised June 04, 2020**

**Implemented March 29, 2020**

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## Pay Administration Guidelines

*Common pay administration guidelines for CalOptima are detailed in this section. These Guidelines help maintain the integrity of the base pay program by introducing a common set of standards and assist managers in ongoing compensation program administration.*

In addition, note the following administration of the Guidelines:

- Chief Executive Officer (CEO) compensation will be established by the Board of Directors.
- Chief and Executive Director compensation will be established by the CEO within the Guidelines.
- The Board will be informed of all Chief and Executive Director hires and compensation changes.

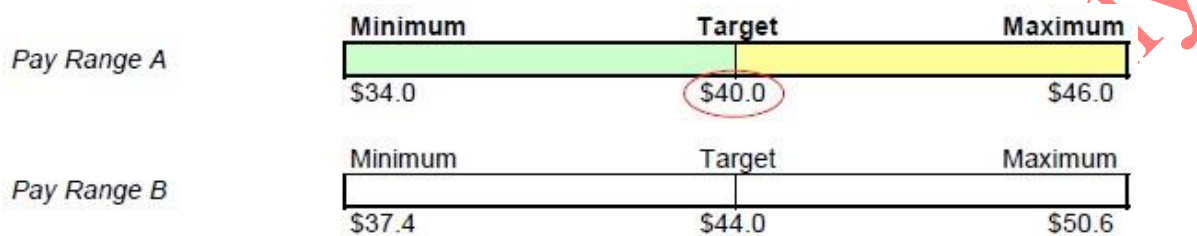
## Proposed Pay Administration Guidelines

|                                            |                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pay ranges and pay levels</b>           | Pay range target<br>Range minimums and maximums<br>Pay above range maximums<br>Pay range thirds<br>Pay range halves<br>Compa-ratio                                                                                                                                                                 |
| <b>Periodic pay adjustments/increases</b>  | New hire/Rehire<br>Promotion<br>Lateral Transfer<br>Demotion<br>Temporary Assignment<br>Secondary job<br>Job Re-evaluation<br>Appeal Process<br>Register/Certified Status<br>Base pay program maintenance<br>Salary structure adjustment<br>Annual competitive assessment<br>Market sensitive jobs |
| <b>Annual pay adjustments/increases</b>    | Market Adjustment<br>Merit pay<br>Step increase                                                                                                                                                                                                                                                    |
| <b>Special one-time pay considerations</b> | Recruitment incentive                                                                                                                                                                                                                                                                              |

## Pay Ranges and Pay Levels

**Range Target:** internal “going market rate” for the job (50th percentile); represents the rate paid to individuals that are fully proficient in all aspects of the job’s requirements and performance expectations.

- For benchmark jobs, the pay range (i.e. pay grade) is determined based on the comparability of values between market median base pay rates and the pay range targets.

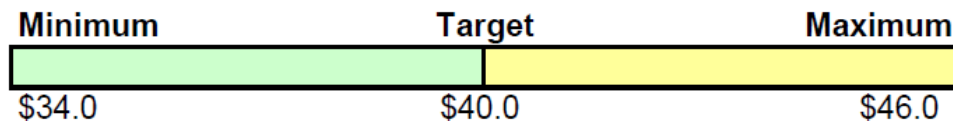


Market Median Base Salary

\$41.5

Range Target \$40.0 is Closest to Market Median of \$41.5; job is assigned to Pay Range A

- For non-benchmark jobs, the pay range is determined based on comparability of the job to benchmark jobs within the same job family or other internal positions in terms of knowledge, skills, complexity and organizational impact.



**Range Minimum:** represents the rate paid to individuals possessing the minimum job qualifications and meeting minimum job performance expectations.

- All employees should have a pay rate equal to or greater than the pay range minimum.
- If the minimum job requirements are not met, a training rate equal to ten percent (10%) below the salary grade minimum may be used for six (6) months while a new incumbent is learning the skills to become proficient in the new role.

**Range Maximum:** represents the maximum rate paid to individuals who possess qualifications significantly above market norms and consistently deliver superior performance.

- Base pay growth is capped at the pay range maximum.

**Pay Above Range Maximum:** Employees are not paid above the range maximum.

- Employees whose current pay becomes above the pay range maximum will have their base pay frozen and will not be eligible for future base pay increases until such time as their base pay falls below the pay range maximum.

- In lieu of future base pay increases, these employees may be eligible for merit pay delivered as a lump sum bonus providing their performance warrants this additional compensation.
- As the pay structures and pay ranges move every twelve (12) – thirty-six (36) months or as necessary, the employees paid above the pay range maximum will eventually be paid below the pay range maximum and will then be eligible to receive base pay increases, as appropriate.

**Pay Range:** Employees may be paid anywhere within the open pay range; the pay range is divided into equal quartiles to assist in achieving competitive, equitable, and appropriate pay levels



- Developing Area – Below market pay; this area is used for employees possessing minimum job requirements and/or for those having significant learning curves to become fully proficient in the job's duties, responsibilities and performance expectations.
- Proficient/Fully Proficient Area – Market competitive pay; this area is used for employees possessing preferred job requirements and consistently demonstrate one hundred percent (100%) proficiency in all aspects of the job's duties, responsibilities and performance expectations.
- Expert Area – Above market pay; this area is used for employees possessing unique knowledge, skills, or abilities that far surpass the market's typical requirements and consistently demonstrate superior performance in all aspects of the job's duties, responsibilities, and performance expectations.

**Compa-Ratio:** In addition to pay range quartiles, this is a metric also used to communicate pay competitiveness.

- Compa-Ratio: A compa-ratio is calculated by taking the employee's base pay divided by his/her pay range target.
- Compa-Ratio of 100%: This ratio indicates the employee's base pay equals the pay range target, or the market rate.
- Compa-Ratio <100%: This ratio indicates the employee's base pay is less than the pay range target.
- Compa-Ratio >100%: This ratio indicates the employee's base pay is greater than the pay range target.

Illustrative Range Shown Below:

|                        | Minimum | Target | Maximum |
|------------------------|---------|--------|---------|
| Compa-Ratio RNs        | 87.5%   | 100.0% | 117.0%  |
| Compa-Ratio Non-Exempt | 88.0%   | 100.0% | 117.0%  |
| Compa-Ratio Exempt     | 83.0%   | 100.0% | 118.0%  |

**Note:** Range minimums and maximums will be based on the developed salary range spreads.

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## Annual Pay Adjustments/Increases

**Market Adjustment:** A market adjustment is an increase or decrease to pay range grades based on market pay practices.

- A market adjustment may result in base pay increases for full-time, part-time, and some as-needed and limited term staff paid at or below the pay range target (there is no base pay increase between target and maximum for non-market sensitive jobs unless compression exists at the target).
  - For some market-sensitive jobs, a market adjustment may also be granted to full-time, part-time, and some as-needed and limited term staff paid above the pay range target but below the pay range maximum to maintain competitiveness and minimize pay compression.
- A market adjustment may result in a base pay increase to some staff to ensure employees are paid a base pay rate at least equal to the new pay range minimum.
  - If a market adjustment is made, employees paid below the new range minimum receive an increase to their base pay to ensure it is at least equal to the pay range minimum before any merit pay is awarded (cap at 10%).
- The appropriateness of a market adjustment is determined based on:
  1. A competitive assessment of the pay range target versus market base pay practices;
  2. Market trends and practices relative to average base pay and pay range increases; and
  3. Current recruiting and retention issues.
- Market adjustments are made prior to determining merit pay.
- Newly hired employees will be eligible for any market adjustments granted at the annual pay increase date if the employee is paid at or below the pay range target.

**Base Pay Adjustment:** All employees who achieve a satisfactory level of performance will be eligible for a merit pay adjustment.

- Merit Pay: Merit pay is variable pay that typically affects employees' base pay; it recognizes employees' job proficiency and performance of job duties.
  - Merit pay is applicable to full-time and part-time employees paid below, at, or above the pay range target; Per diem employees are not eligible for merit pay.
  - To be eligible for merit pay, the employee must have started work on or before March 31 to be eligible for a merit increase in July of the same year and have successfully completed the introductory period [three (3) months for transfers and new hires] prior to the annual pay adjustment date.
  - Merit pay will typically be an increase to base pay; however, it may also be delivered

as a one-time lump sum bonus for individuals paid above the pay range maximum.

- The budgeted amount for merit pay, if any, is based on 1) the organization's financial status; 2) market trends relative to average base pay increases; 3) competitiveness of current base pay practices; and, 4) recruiting and retention issues.

#### Merit Pay – Staff Paid At and Above Pay Range Target

- The combination of an individual's performance rating, the position of his/her pay within the pay range, the number of months he/she has been working, and the salary earned during those months determines the individual's merit pay opportunity.
  - Merit pay is typically calculated as a percent of base pay in effect on March 31, prorated to reflect the number of months an employee worked during the twelve (12)-month period starting from the first pay period in the fiscal year and ending with the last pay period of that same fiscal year.
  - Managers have the discretion to determine the actual increase amount within the published Guidelines; the appropriate merit pay amount will reflect the manager's internal equity, pay competitiveness, and performance recognition objectives.
  - Adjustments to employees' base pay are capped at the pay range maximums; therefore, some employees may receive a portion of their merit pay as a base pay increase up to the pay range maximum and also receive a lump sum amount for the remaining portion of the merit pay. Employees paid over the pay range maximum may be eligible to receive merit pay as a lump sum payment paid out in two (2) incremental amounts- the first half when merit pay is normally distributed; and the second half six (6) months later.
  - Merit pay may be held altogether or delayed for ninety (90) days if employees do not achieve a satisfactory level of performance or if a written warning or suspension/final written warning is active in their record.
  - Merit pay is typically awarded once a year at a specific time.
  - Full-time and part-time employees may receive both a market adjustment and a merit pay adjustment at the same time.
  - Executive Directors and Chief's must approve merit pay increases for all areas for which they are responsible before submitting to HR.
  - HR has final approval of all merit increases.

**A Merit Pay Grid similar to the one shown below\*\* [assumes a three percent (3%) merit increase budget] is often used to provide managers with a guideline as to what merit pay increase may be appropriate based upon performance and to reflect:**

1. The organization's financial status;
2. Market trends relative to average base pay increases;
3. Competitiveness of current base practices; and

4. Recruiting and retention issues.

| Performance Rating | Pay Range Position       |                          |                          |                          |           | Above Max =<br>Lump Sum<br>Bonus |
|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------|----------------------------------|
|                    | 1 <sup>st</sup> Quartile | 2 <sup>nd</sup> Quartile | 3 <sup>rd</sup> Quartile | 4 <sup>th</sup> Quartile | Above Max |                                  |
| Highly Effective   | 6% - 5%                  | 5% - 4%                  | 4% - 3%                  | 3% - 2%                  | 3% - 2%   |                                  |
| Effective          | 5% - 4%                  | 4% - 3%                  | 3% - 2%                  | 3% - 2%                  | 0%        |                                  |
| Needs Improvement  | 0%                       | 0%                       | 0%                       | 0%                       | 0%        |                                  |

*\*\*The Merit Pay Grid is a sample only. Actual merit increase percentages will depend upon the salary distribution across the salary structure.*

- Employees who do not achieve a satisfactory level of performance at the time of their annual pay increase will not receive any type of pay increase – market adjustment, or merit pay.
- The increase may be withheld altogether or delayed ninety (90) days until the written performance improvement plan is complete and performance is judged to be acceptable by the manager; the pay increase will be effective at the time performance is judged to be acceptable (beginning of applicable pay period) and will not be retroactive; the manager is responsible for informing the employee in this situation and is responsible for notifying HR to initiate the increase.
- Employees on any type of leave of absence who are eligible for a market adjustment, and/or merit pay, may receive these adjustments upon their return to active status with a completed performance appraisal that is competent or above.

## Special One-time Pay Considerations

### Recruitment Incentive

- Recruitment incentives up to fifteen percent (15%) of an employee's base pay may be provided on an exception basis to entice an employee to join CalOptima.
  - Recruitment incentives require the approval of the CEO.
  - Board approval is required for recruitment incentives offered to Executive Director and above positions.

Incentives are provided with a "pay-back" provision if the employee terminates within twenty four (24) months of hire.



## New Hires/Rehires

- A new hire's pay level corresponds to the appropriate pay range quartile and typically should not exceed the pay range target. Offers above the pay range target require the approval of the Executive Director of Human Resources and the CEO, when necessary.
- Factors to be considered in determining an appropriate pay level for a new hire include:
  - Job-related experience: What is the estimated learning curve given the individual's prior work experience? How many years of experience does the individual have in the same or equivalent classification?
  - Market conditions: What is the going rate of pay in the external market for the individual's skills and knowledge?
  - Internal equity: Is the proposed pay level lower, higher or in line with the pay levels of current employees having comparable skill and experience levels?
- At hire, external service is typically valued comparable to internal service.
  - For example, an RN having three (3) years of prior job experience is viewed comparably to an RN having three (3) years of job experience at CalOptima.
- Internal equity (how this position and compensation compares relative to existing employees) must be considered when making hiring decisions.

## Process for Determining a New Hire Starting Pay Rate

HR determines applicable pay rate:

- Starting pay rate is at or near the minimum of the pay range for a candidate who only meets the job's minimum qualifications.
- Starting pay rate cannot be below the minimum of the pay range (unless it is viewed as a training rate).
- Determine appropriate pay rate by assessing candidate's knowledge, skills, and experience, as well as pay rates currently being paid to similarly situated incumbents.
- Candidates with superior knowledge, skills, and experience can be paid above the pay range midpoint. Starting pay rates above the pay range midpoint must have approval of the Executive Director of Human Resources and CEO, when necessary.
- There are certain positions that will usually be placed near the salary grade minimum (all entry level service and clerical).
- Pay rates for all positions are reviewed with the Compensation Unit before an offer is made. The Compensation Unit will review internal equity across the system to ensure that the appropriate offer is made.
- Rehires to the same classification should be paid at least the same amount they earned prior to termination, with adjustments and/or credit for recent additional career experience

or education earned while away from CalOptima.

- The above policy applies to the current organization structure.
- Additional positions at the level of Chief or Executive Director require Board approval.

For 20200604 BOD Review Only

## Promotion

An employee receives a promotion when the employee applies for and is selected for a job with a higher pay range target.

- An employee will receive a promotional increase to at least the pay range minimum of the new pay range.
- The amount of a promotional increase will be determined based on the incumbent's qualifications, performance, and internal pay practices. The typical promotional increase for a promotion without external competition is up to five percent (5%) of the employee's base pay per one (1) pay grade increase.
- Typically, the promotional increase should not exceed the pay range target.
- When an employee moves from non-exempt to exempt, the loss of overtime pay will be considered. However, the realization that overtime is not guaranteed must also be considered.
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Employees who are promoted after March 31, but prior to receiving their merit increase, will have their merit increase, if any, included in the base pay used to calculate their promotional pay. If the employee's performance evaluation rating and therefore merit increase amount is not known at the time the promotional pay is being calculated, a merit increase equivalent to "Fully Meets Expectations" will be included in the base pay used to calculate their promotional pay.
- The next merit pay adjustment after a promotion may be pro-rated based on the amount of time the employee has spent in the job.

## Lateral Transfer

It is considered a lateral transfer if an employee moves to a job having the same pay range target.

- Lateral job changes will not typically result in a base pay increase or adjustment unless otherwise approved by the Executive Director of Human Resources.
- Employees who are laterally transferred after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

## Demotion

An employee is classified as having been demoted if the employee moves to a job with a lower pay range target.

- The pay of an employee demoted due to an organizational restructure, will not be decreased unless the employee is above the maximum on the new pay range; if so, the employee will be reduced to the maximum of the new pay range.

- For an involuntary demotion, due to performance, or for a voluntary demotion, the pay grade of the demoted employee will be assigned to the pay grade of the employee's new classification. The employee's base pay will typically be reduced up to five percent (5%) for each pay grade demoted.
- The pay rate adjustment will be effective on the first day of the pay period in which the job change takes effect.
- Future merit increases and market adjustments will not be affected by a demotion unless competent performance is not achieved.
- Employees who are demoted after March 31, but prior to receiving their merit increase, will typically have their merit pay calculated as a percent of their base pay in effect on March 31.

### **Temporary Assignment**

An employee who is asked to assume a full-time temporary assignment in a job having a higher pay range target is eligible for a temporary base pay increase. The employee must assume some or all of the responsibilities of the new job to qualify for a temporary assignment increase.

- The employee's base pay rate prior to the assignment will be maintained and the higher temporary assignment rate will be added as a secondary job title and pay rate.
- This increased secondary pay rate is eliminated when the temporary assignment ends.
- The amount of the temporary assignment increase should be consistent with the promotion policy.

## Training/Transition Overlap

In order to provide for a transition and/or training period, CalOptima may fill a regular position with a replacement in advance of the separation of a terminating employee. For the transition and/or training period, two employees may fill the same budgeted position for up to thirty (30) calendar days during the period of overlap. The immediate supervisor will determine which employee will be designated for decision-making and regulatory reporting purposes, if applicable.

## Job Re-Evaluations

Job re-evaluations will be reviewed in the following priority order:

1. New Positions.
2. Change of thirty-five percent (35%) or more of duties [any change in responsibilities less than thirty-five percent (35%) will not be considered].
  - Enhancements must require a higher level of skills, abilities, scope of authority, autonomy, and/or education to qualify for a re-classification.
  - Additional duties that do not require the above will not be considered for reclassification.
  - All requests for job re-classification must be documented, signed by the department manager and submitted to the Compensation Unit.
  - In the case of management positions being re-classified, the appropriate Chief must sign the documentation.
  - The request must include the incumbent's current job description and revised job description with enhancements highlighted.
  - The request must also include justification that the re-classification supports a business need.

**If the job is determined to be a priority, the Compensation Unit will analyze the job according to:**

1. The job's scope against other jobs in the same discipline.
2. Available market data.
3. Appropriate title identification. The Compensation Unit will determine if the title fits within the hierarchy; if not, a benchmark title will be recommended.
4. Job family.
5. Fair Labor Standards Act (FLSA) status.
6. Appropriate pay grade – the job will be fit into one (1) of the pay grades that currently

exists. No new pay grades created.

7. A pay rate will be determined.
8. A recommendation will be made to the Executive Director of Human Resources for approval, and the decision will be communicated to the appropriate manager.

If a job is reassigned to a higher grade, the change will be effective on the first day of the pay period following the evaluation. The pay increase is not retroactive to any earlier date. The manager will be informed of the decision to move the job to a higher pay grade by the Compensation Unit. The amount of the pay increase should follow the guidelines in the Promotion section. If the upgrade and a pay change occur less than six (6) months before the annual pay increase date, the employee's next merit pay adjustment may be pro-rated.

If the job is not reassigned to a higher pay grade, the manager will be notified. If dissatisfied with the decision, the manager may file an appeal with the Executive Director of Human Resources.

If a job is reassigned to a lower pay grade as a result of a job re-evaluation due to available market data, without a change in job responsibilities, the involuntary demotion due to organizational restructuring protocol will be followed.

If a job is reassigned to a lower pay grade due to a job evaluation and change in job responsibilities, the voluntary demotion protocol will be followed.

Job evaluations and re-evaluations will occur throughout the year; all priority jobs will be evaluated within one (1) month of the request.

If a job is not a priority or does not meet the guidelines, the manager will be notified.

## Base Pay Program Maintenance

### Salary Structure Adjustment

- The salary structure should be reviewed on a regular basis either annually or every other year to continue to reflect market competitiveness.
- The salary structure updates are designed to relieve any upward pressure on range minimums, midpoints and maximums that may impede the ability to attract, motivate, and retain the workforce.
- The salary structure is dynamic; it needs to be revised at regular intervals based upon market conditions to maintain market competitiveness. The goal is to keep the structure's market rates on track with market data.
- Market adjustments will be applied to the salary schedule as needed at least every two (2) years, using surveyed salary structure adjustment percentages.
- The salary structure adjustment approval process includes:
  - The Executive Director of Human Resources makes a recommendation to the CEO for approval.
  - CEO takes the recommendation to the Board for final approval.

### Annual Competitive Assessment

- On a regular basis either annually or every other year, HR will identify the current competitiveness of CalOptima's pay practices by comparing: 1) current pay levels to market practices; 2) current pay levels to pay range targets; and, 3) current pay range targets to market practices.
  - CalOptima will on a regular basis either annually or every other year spot check benchmark jobs to determine market fluctuations in benchmark jobs' pay rates.
  - Based on market findings, the pay grade and ranges will be updated.
  - Any jobs in which reasonable benchmark data is not available can be slotted into the salary structure based on internal equity considerations.
- The results of these analyses, along with CalOptima's current financial performance and economic situation, will determine the appropriate market adjustments (i.e., pay range adjustments) and merit pay budgets.
- The following criteria is typically used to determine which jobs to market price each year:
  - Review job-level turnover statistics for jobs with above-average separation rates to identify jobs with potential retention issues.
  - Review the time-to-fill metrics for jobs requiring above-average recruiting efforts and

expenses to identify jobs with potential recruiting issues.

- Review the applicant tracking reports (if available) for jobs with a high level of initial/ subsequent offer rejections to identify additional potential recruiting issues.
- Review jobs with pay-to-pay range target compa-ratios in excess of 110% or below 90%.
- Review jobs with market-to-pay range target compa-ratios in excess of 110% or below 90%.
- Review all market-sensitive jobs and those on the “watch list.”
- Review top ten (10) highest populated jobs on an annual basis.
- Jobs are ranked by degree of severity for each of the preceding criteria; the jobs that are most frequently identified across all criteria are typically market priced.
- It is recommended that at least two (2) jobs be selected from every pay range.

**Market Adjustments (Structure and Pay Range Adjustments):** Market adjustments to specific pay ranges or the entire pay structure may be made on an annual or as needed basis to reflect current competitiveness or market trends.

- On a regular basis either annually or every other year, the pay range targets are compared to the external market base pay practices and necessary adjustments are made to ensure alignment including job grade changes and range rate adjustments.
- Employees falling below the range minimum of the adjusted structures are typically brought to the pay range minimum, assuming the employee has a satisfactory level of performance; any pay compression resulting from structure adjustments should be addressed as part of the annual pay increase process.
  - Adjustments to pay range minimums occur prior to merit pay calculations.

#### **Process for Making Market Adjustments**

- HR performs, on a regular basis either annually or every other year, a review of compensation surveys to calculate the average market adjustment to pay structures; HR also analyzes the competitiveness of the current pay range targets to market practices for benchmarked jobs.
- HR reviews CalOptima's financial operating conditions and quantifies any recruiting/ retention issues.
- HR determines if an adjustment is appropriate (minor variations in the market may be recognized in the following year) and recommends the amount.
- HR multiplies the current pay range target of each grade by the necessary adjustment percentage; then HR recalculates the pay range minimum and maximum based on the existing structure design (i.e., pay range minimums = 80% of the new pay range target;



pay range maximums = 120% of the new pay range target, etc.).

- HR identifies the cost implications for the market adjustment by identifying the difference between 1) current pay rates and new pay range minimums, and, 2) current pay rates.
- The market adjustment approval process will work as follows:
  - The Executive Director of Human Resources recommends an adjustment to the CEO for approval.
  - If the CEO agrees, the CEO will seek Board approval, unless the market adjustment is within the approved pay range for the classification as designated in the Board-approved salary schedule. In such case(s), the CEO may approve the market adjustment and inform the Board of such change(s).

**Market-Sensitive Jobs:** Market sensitive jobs are those for which market conditions make recruiting and retention challenging.

- Premium pay is built into the pay range targets for these jobs.
  - Prospectively, the pay range and grade selected for these jobs will reflect the desired market target rate (i.e., 60th or 75th percentile of base pay practices) based on business need.
  - The desired market target rate is established on a job-by-job basis to reflect specific market conditions.
- Criteria used to determine if a job is classified as market-sensitive typically includes two (2) or more of the following:
  - Time to fill the position – statistics will suggest the average amount of time required to fill a requisition for a market-sensitive position will be significantly higher than the historical norm for this position or similar positions.
  - Job offer rejections – statistics will illustrate an increase in the number of employment offers rejected due to low starting rates.
  - Turnover – statistics will suggest a higher than typical amount of turnover for the position within the last three (3) to six (6) months; turnover for the job will be compared to historical results for the same job and to other similarly-situated jobs.
  - Market Changes – market-sensitive jobs may experience an excessively large increase in competitive pay rates over the previous year's results; specifically, jobs considered to be market-sensitive may have:
    - a year-to-year increase significantly greater than the average year-to-year increase for other jobs analyzed,
    - a competitive market rate significantly higher [approximately ten percent (10%)] than its current pay range target, or
    - a competitive market rate with significantly higher pay practices

[approximately ten percent (10%)] in the labor market than the average of current internal pay practices.

- When a job is classified as market-sensitive, typically some form of adjustment is made to employees' base pay rates and is typically referred to as a market adjustment and the pay increase policies noted under the market adjustment section apply.
- Jobs classified as market-sensitive are reviewed annually to determine if this status still applies.
  - Once a job is classified as market-sensitive, it typically remains as such until the recruiting and retention challenges subside and/or the market pay rates adjust themselves – typically not less than one (1) year.
  - When a job is no longer considered market-sensitive, the job's pay range and grade is reassigned to reflect a market median base pay rate target; no changes are typically made to the employees' base pay rates at this time.
- Throughout the year, jobs that are not yet considered market sensitive, but are showing signs of becoming so are placed on a "watch list" and monitored.

If necessary, these jobs will be moved to the market-sensitive category and handled accordingly.

Policy #: GA.8058  
Title: **Salary Schedule**  
Department: CalOptima Administrative  
Section: Human Resources

CEO Approval: Michael Schrader

Effective Date: 05/01/2014  
Revised Date: ~~08/01/2019~~ 06/04/2020

Board Approved Policy

**I. PURPOSE**

- A. This policy maintains a CalOptima Salary Schedule that lists all active job classifications including job title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate amounts).
- B. This policy ensures the salary schedule is publicly available pursuant to the requirements of Title 2, California Code of Regulations (CCR) §570.5 so that employees who are members of the California Public Employees Retirement System (CalPERS) have their compensation considered qualified for pension calculation under CalPERS regulations.

**II. POLICY**

- A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) §570.5, CalOptima has established the attached salary schedule for each CalOptima job position. In order for CalPERS member's pay rates to be credited by CalPERS, the Human Resources Department (HR) shall maintain a salary schedule that meets the following eight (8) separate criteria:
1. Approval and adoption by the governing body in accordance with requirements applicable to public meetings laws;
  2. Identification of position titles for every employee position;
  3. Listing of pay rate for each identified position, which may be stated as a single amount or as multiple amounts with a range;
  4. Specifies the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
  5. Posted at the employer's office or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
  6. Indicates the effective date and date of any revisions;
  7. Retained by the employer and available for public inspection for not less than five (5) years; and
  8. Does not reference another document in lieu of disclosing the pay rate.
- B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper

to implement the salary schedule for all other employees not inconsistent therewith.

### III. PROCEDURE

- A. The Human Resources Department (HR) will ensure that the salary schedule, meetsing the requirements above and is, are available at CalOptima's offices and immediately accessible for public review during normal business hours or posted on CalOptima's internet website.
- B. HR shall retain the salary schedule for not less than five (5) years.
- C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness of the salary schedule to market pay levels.
- D. Any adjustments to the salary schedule requires that the Executive Director of HR make a recommendation to the CEO for approval, with the CEO taking the recommendation to the CalOptima Board of Directors for final approval. No changes to the salary schedule, or CEO compensation, shall be effective unless and until approved by the CalOptima Board of Directors.

### IV. ATTACHMENT(S)

- A. CalOptima - Salary Schedule (Revised as of ~~08/01/2019~~ 06/04/2020)

### V. REFERENCE(S)

- A. Title 2, California Code of Regulations, §570.5

### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

### VII. BOARD ACTION(S)

| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors |
| 08/07/2014 | Regular Meeting of the CalOptima Board of Directors |
| 11/06/2014 | Regular Meeting of the CalOptima Board of Directors |
| 12/04/2014 | Regular Meeting of the CalOptima Board of Directors |
| 03/05/2015 | Regular Meeting of the CalOptima Board of Directors |
| 06/04/2015 | Regular Meeting of the CalOptima Board of Directors |
| 10/01/2015 | Regular Meeting of the CalOptima Board of Directors |
| 12/03/2015 | Regular Meeting of the CalOptima Board of Directors |
| 03/03/2016 | Regular Meeting of the CalOptima Board of Directors |
| 06/02/2016 | Regular Meeting of the CalOptima Board of Directors |
| 08/04/2016 | Regular Meeting of the CalOptima Board of Directors |
| 09/01/2016 | Regular Meeting of the CalOptima Board of Directors |
| 10/06/2016 | Regular Meeting of the CalOptima Board of Directors |
| 11/03/2016 | Regular Meeting of the CalOptima Board of Directors |
| 12/01/2016 | Regular Meeting of the CalOptima Board of Directors |
| 03/02/2017 | Regular Meeting of the CalOptima Board of Directors |
| 05/04/2017 | Regular Meeting of the CalOptima Board of Directors |
| 06/01/2017 | Regular Meeting of the CalOptima Board of Directors |

| Date              | Meeting                                                    |
|-------------------|------------------------------------------------------------|
| 08/03/2017        | Regular Meeting of the CalOptima Board of Directors        |
| 09/07/2017        | Regular Meeting of the CalOptima Board of Directors        |
| 11/02/2017        | Regular Meeting of the CalOptima Board of Directors        |
| 02/01/2018        | Regular Meeting of the CalOptima Board of Directors        |
| 09/06/2018        | Regular Meeting of the CalOptima Board of Directors        |
| 10/04/2018        | Regular Meeting of the CalOptima Board of Directors        |
| 02/07/2019        | Regular Meeting of the CalOptima Board of Directors        |
| 08/01/2019        | Regular Meeting of the CalOptima Board of Directors        |
| <u>06/04/2020</u> | <u>Regular Meeting of the CalOptima Board of Directors</u> |

## VIII. REVISION HISTORY

| Action         | Date              | Policy #       | Policy Title                             | Program(s)            |
|----------------|-------------------|----------------|------------------------------------------|-----------------------|
| Effective      | 05/01/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 08/07/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 11/06/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 12/04/2014        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 03/05/2015        | GA.8057        | Compensation Program and Salary Schedule | Administrative        |
| Revised        | 06/04/2015        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 10/01/2015        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 12/03/2015        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 03/03/2016        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 06/02/2016        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 08/04/2016        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 09/01/2016        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 10/06/2016        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 11/03/2016        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 12/01/2016        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 03/02/2017        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 05/04/2017        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 06/01/2017        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 08/03/2017        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 09/07/2017        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 11/02/2017        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 02/01/2018        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 09/06/2018        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 10/04/2018        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 02/07/2019        | GA.8058        | Salary Schedule                          | Administrative        |
| Revised        | 08/01/2019        | GA.8058        | Salary Schedule                          | Administrative        |
| <u>Revised</u> | <u>06/04/2020</u> | <u>GA.8058</u> | <u>Salary Schedule</u>                   | <u>Administrative</u> |

1 **IX. GLOSSARY**  
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For 20200604 BOD Review Only

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                               | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|-----------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Accountant                              | H         | 39       | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accountant Int                          | I         | 634      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accountant Sr                           | K         | 68       | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accounting Clerk                        | D         | 334      | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accounting Clerk Sr                     | E         | TBD      | \$48,000  | \$55,000  | \$62,000  | New Position                                                                                  |
| Activity Coordinator (PACE)             | E         | TBD      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Actuarial Analyst                       | I         | 558      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Actuarial Analyst Sr                    | L         | 559      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Actuary                                 | O         | 357      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Administrative Assistant                | D         | 19       | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Analyst                                 | H         | 562      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Analyst Int                             | I         | 563      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Analyst Sr                              | J         | 564      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Applications Analyst                    | I         | 232      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Applications Analyst Int                | J         | 233      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Applications Analyst Sr                 | L         | 298      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Assistant Director                      | P         | TBD      | \$117,000 | \$141,000 | \$165,000 | New Position                                                                                  |
| Associate Director Customer Service     | Q         | 593      | \$82,576  | \$107,328 | \$131,976 | Remove Position                                                                               |
| Associate Director Information Services | Q         | 557      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Associate Director Provider Network     | Q         | 647      | \$82,576  | \$107,328 | \$131,976 | Remove Position                                                                               |
| Auditor                                 | I         | 565      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Auditor Sr                              | J         | 566      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Behavioral Health Manager               | M         | 383      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Biostatistics Manager                   | M         | 418      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Board Services Specialist               | E         | 435      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Business Analyst                        | J         | 40       | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Business Analyst Sr                     | L         | 611      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                               | Pay Grade    | Job Code       | Min***              | Mid                 | Max                  | For Approval                                                                                                |
|-----------------------------------------|--------------|----------------|---------------------|---------------------|----------------------|-------------------------------------------------------------------------------------------------------------|
| Business Systems Analyst Sr             | K            | 69             | \$70,000            | \$84,000            | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Buyer                                   | G            | 29             | \$55,000            | \$63,000            | \$71,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Buyer Int                               | H            | 49             | \$59,000            | \$68,000            | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Buyer Sr                                | I            | 67             | \$61,000            | \$73,000            | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Care Manager                            | K            | 657            | \$70,000            | \$84,000            | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Care Transition Intervention Coach (RN) | L            | 417            | \$77,000            | \$93,000            | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Certified Coder                         | H            | 399            | \$59,000            | \$68,000            | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Certified Coding Specialist             | H            | 639            | \$59,000            | \$68,000            | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Certified Coding Specialist Sr          | J            | 640            | \$65,000            | \$78,000            | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Change Control Administrator            | I            | 499            | \$61,000            | \$73,000            | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Change Control Administrator Int        | J            | 500            | \$65,000            | \$78,000            | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| <del>Change Management Analyst Sr</del> | <del>N</del> | <del>465</del> | <del>\$71,760</del> | <del>\$93,184</del> | <del>\$114,712</del> | Remove Position                                                                                             |
| ** Chief Counsel                        | X            | 132            | \$347,000           | \$434,000           | \$521,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Executive Officer              | Z            | 138            | \$319,740           | \$431,600           | \$543,600            | Wage grade letter adjustment based on Grant Thornton revised salary structure, but no changes to pay range. |
| ** Chief Financial Officer              | X            | 134            | \$347,000           | \$434,000           | \$521,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Information Officer            | W            | 131            | \$295,000           | \$369,000           | \$443,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Medical Officer                | X            | 137            | \$347,000           | \$434,000           | \$521,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Operating Officer              | X            | 136            | \$347,000           | \$434,000           | \$521,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims - Lead                           | G            | 574            | \$55,000            | \$63,000            | \$71,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Examiner                         | C            | 9              | \$41,000            | \$47,000            | \$53,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Examiner - Lead                  | F            | 236            | \$51,000            | \$59,000            | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Examiner Sr                      | E            | 20             | \$48,000            | \$55,000            | \$62,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims QA Analyst                       | E            | 28             | \$48,000            | \$55,000            | \$62,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims QA Analyst Sr.                   | F            | 540            | \$51,000            | \$59,000            | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Recovery Specialist              | F            | 283            | \$51,000            | \$59,000            | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Resolution Specialist            | F            | 262            | \$51,000            | \$59,000            | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |



**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                              | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|----------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Clerk of the Board                     | O         | 59       | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Auditor                       | L         | 567      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Auditor Sr                    | M         | 568      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Documentation Specialist (RN) | M         | 641      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Pharmacist                    | P         | 297      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Systems Administrator         | K         | 607      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinician (Behavioral Health)          | K         | 513      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Communications Specialist              | G         | 188      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Partner                      | G         | 575      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Partner Sr                   | H         | 612      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Relations Specialist         | G         | 288      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Relations Specialist Sr      | I         | 646      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Compliance Claims Auditor              | G         | 222      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Compliance Claims Auditor Sr           | H         | 279      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contract Administrator                 | K         | 385      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Manager                      | M         | 207      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Manager, Sr.                 | N         | TBD      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Specialist                   | I         | 257      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Specialist Int               | J         | 469      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Specialist Sr                | K         | 331      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Controller                           | T         | 464      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Credentialing Coordinator              | E         | 41       | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Credentialing Coordinator - Lead       | F         | 510      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Customer Service Coordinator           | E         | 182      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Customer Service Rep                   | C         | 5        | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                                     | Pay Grade    | Job Code       | Min***               | Mid                  | Max                  | For Approval                                                                                  |
|-----------------------------------------------|--------------|----------------|----------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------|
| Customer Service Rep - Lead                   | E            | 482            | \$48,000             | \$55,000             | \$62,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Customer Service Rep Sr                       | D            | 481            | \$44,000             | \$51,000             | \$58,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Analyst                                  | J            | 337            | \$65,000             | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Analyst Int                              | K            | 341            | \$70,000             | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Analyst Sr                               | L            | 342            | \$77,000             | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data and Reporting Analyst - Lead             | M            | 654            | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Entry Tech                               | A            | 3              | \$36,000             | \$41,000             | \$46,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Warehouse Architect                      | N            | 363            | \$95,000             | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Warehouse Programmer/Analyst             | N            | 364            | \$95,000             | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Data Warehouse Project Manager</del>     | <del>Q</del> | <del>362</del> | <del>\$82,576</del>  | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Data Warehouse Reporting Analyst              | M            | 412            | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Warehouse Reporting Analyst Sr           | N            | 522            | \$95,000             | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Database Administrator                        | L            | 90             | \$77,000             | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Database Administrator Sr                     | N            | 179            | \$95,000             | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Deputy Chief Counsel                       | W            | 160            | \$295,000            | \$369,000            | \$443,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Deputy Chief Medical Officer               | W            | 561            | \$295,000            | \$369,000            | \$443,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Deputy Clerk of the Board</del>          | <del>J</del> | <del>TBD</del> | <del>\$65,000</del>  | <del>\$78,000</del>  | <del>\$91,000</del>  | New Position                                                                                  |
| * <del>Director Accounting</del>              | <del>P</del> | <del>122</del> | <del>\$95,264</del>  | <del>\$128,752</del> | <del>\$162,032</del> | Remove Position                                                                               |
| * <del>Director Applications Management</del> | <del>R</del> | <del>170</del> | <del>\$137,280</del> | <del>\$185,328</del> | <del>\$233,376</del> | Remove Position                                                                               |
| * Director Audit & Oversight                  | R            | 546            | \$144,000            | \$174,000            | \$204,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Behavioral Health Services         | Q            | 392            | \$130,000            | \$157,000            | \$184,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Budget and Procurement             | S            | 527            | \$154,000            | \$193,000            | \$232,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * <del>Director Business Development</del>    | <del>P</del> | <del>351</del> | <del>\$95,264</del>  | <del>\$128,752</del> | <del>\$162,032</del> | Remove Position                                                                               |
| * <del>Director Business Integration</del>    | <del>Q</del> | <del>543</del> | <del>\$114,400</del> | <del>\$154,440</del> | <del>\$194,480</del> | Remove Position                                                                               |
| * Director Case Management                    | S            | 318            | \$154,000            | \$193,000            | \$232,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Claims Administration              | R            | 112            | \$144,000            | \$174,000            | \$204,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * <del>Director Clinical Outcomes</del>       | <del>Q</del> | <del>602</del> | <del>\$114,400</del> | <del>\$154,440</del> | <del>\$194,480</del> | Remove Position                                                                               |
| * Director Clinical Pharmacy                  | T            | 129            | \$182,000            | \$227,000            | \$272,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Coding Initiatives                 | S            | 375            | \$154,000            | \$193,000            | \$232,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                                                     | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                                            |
|---------------------------------------------------------------|-----------|----------|-----------|-----------|-----------|-------------------------------------------------------------------------------------------------------------------------|
| * Director Communications                                     | R         | 361      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director Community Relations</del>                     | P         | 292      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * <del>Director Configuration &amp; Coding</del>              | Q         | 596      | \$114,400 | \$154,440 | \$194,480 | Remove Position                                                                                                         |
| * Director Contracting                                        | R         | 184      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director COREC</del>                                   | Q         | 369      | \$114,400 | \$154,440 | \$194,480 | Remove Position                                                                                                         |
| * Director Customer Service                                   | R         | 118      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director Electronic Business</del>                     | P         | 358      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * Director Enterprise Analytics                               | R         | 520      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Facilities                                         | Q         | 428      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director Finance &amp; Procurement</del>               | P         | 157      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * Director Financial Analysis                                 | T         | 374      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Financial Compliance                               | R         | 460      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Fraud Waste & Abuse and Privacy                    | R         | 581      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director Government Affairs</del>                      | P         | 277      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * Director Grievance & Appeals                                | R         | 528      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director Health Services</del>                         | Q         | 328      | \$114,400 | \$154,440 | \$194,480 | Remove Position                                                                                                         |
| * Director Human Resources                                    | R         | 322      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Information Services                               | T         | 547      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Long Term Support Services                         | S         | 128      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director Medi-Cal Plan Operations</del>                | P         | 370      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * Director Network Management                                 | R         | 125      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director OneCare Operations</del>                      | P         | 425      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * <del>Director Organizational Training &amp; Education</del> | P         | 579      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * Director PACE Program                                       | S         | 449      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Population Health Management                       | Q         | 675      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Program and Process Management                     | R         | 447      | \$144,000 | \$174,000 | \$204,000 | Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities. |
| * Director Program Implementation                             | R         | 489      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * <del>Director Project Management</del>                      | Q         | 447      | \$114,400 | \$154,440 | \$194,480 | Remove Position                                                                                                         |
| * Director Provider Data Management Services                  | Q         | 655      | \$130,000 | \$157,000 | \$184,000 | Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities. |
| * <del>Director Provider Services</del>                       | P         | 597      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * <del>Director Public Policy</del>                           | P         | 459      | \$95,264  | \$128,752 | \$162,032 | Remove Position                                                                                                         |
| * Director Purchasing                                         | Q         | TBD      | \$130,000 | \$157,000 | \$184,000 | New Position                                                                                                            |
| * <del>Director Quality (LTSS)</del>                          | Q         | 613      | \$114,400 | \$154,440 | \$194,480 | Remove Position                                                                                                         |
| * Director Quality Analytics                                  | R         | 591      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
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| Job Title                                                     | Pay Grade | Job Code       | Min***               | Mid                  | Max                  | For Approval                                                                                  |
|---------------------------------------------------------------|-----------|----------------|----------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------|
| * Director Quality Improvement                                | R         | 172            | \$144,000            | \$174,000            | \$204,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Regulatory Affairs and Compliance                  | R         | 625            | \$144,000            | \$174,000            | \$204,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Strategic Development                              | R         | 121            | \$144,000            | \$174,000            | \$204,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * <del>Director-Systems-Development</del>                     | R         | <del>169</del> | <del>\$137,280</del> | <del>\$185,328</del> | <del>\$233,376</del> | Remove Position                                                                               |
| * Director Utilization Management                             | S         | 265            | \$154,000            | \$193,000            | \$232,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Disease Management Coordinator</del>                     | M         | <del>70</del>  | <del>\$62,400</del>  | <del>\$81,120</del>  | <del>\$99,840</del>  | Remove Position                                                                               |
| <del>Disease Management Coordinator—Lead</del>                | M         | <del>472</del> | <del>\$62,400</del>  | <del>\$81,120</del>  | <del>\$99,840</del>  | Remove Position                                                                               |
| <del>EDI Project Manager</del>                                | O         | <del>403</del> | <del>\$82,576</del>  | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Enrollment Coordinator (PACE)                                 | F         | 441            | \$51,000             | \$59,000             | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Enterprise Analytics Manager                                  | O         | 582            | \$105,000            | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Executive Administrative Services Manager                     | J         | 661            | \$65,000             | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Executive Assistant                                           | G         | 339            | \$55,000             | \$63,000             | \$71,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Executive Assistant to CEO                                    | I         | TBD            | \$61,000             | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Clinical Operations                     | V         | 501            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Compliance                              | V         | 493            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Human Resources                         | V         | 494            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Network Operations                      | V         | 632            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Operations                              | V         | 276            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Program Implementation                  | V         | 490            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Public Affairs                          | V         | 290            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Quality & Population Health Management  | V         | 676            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director, Behavioral Health Integration          | V         | 614            | \$251,000            | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Facilities & Support Services Coord - Lead                    | G         | 631            | \$55,000             | \$63,000             | \$71,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Facilities & Support Services Coordinator                     | E         | 10             | \$48,000             | \$55,000             | \$62,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Facilities &amp; Support Services Coordinator, Sr.</del> | F         | <del>TBD</del> | <del>\$51,000</del>  | <del>\$59,000</del>  | <del>\$67,000</del>  | New Position                                                                                  |
| Facilities Coordinator                                        | E         | 438            | \$48,000             | \$55,000             | \$62,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Financial Analyst                                             | J         | 51             | \$65,000             | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Financial Analyst Sr                                          | L         | 84             | \$77,000             | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
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Effective as of May 1, 2014**

| Job Title                                   | Pay Grade    | Job Code       | Min***              | Mid                  | Max                  | For Approval                                                                                  |
|---------------------------------------------|--------------|----------------|---------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------|
| Financial Reporting Analyst                 | I            | 475            | \$61,000            | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Gerontology Resource Coordinator</del> | <del>M</del> | <del>204</del> | <del>\$62,400</del> | <del>\$81,120</del>  | <del>\$99,840</del>  | Remove Position                                                                               |
| Graphic Designer                            | K            | 387            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance & Appeals Nurse Specialist        | M            | 226            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance Resolution Specialist             | F            | 42             | \$51,000            | \$59,000             | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance Resolution Specialist - Lead      | I            | 590            | \$61,000            | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance Resolution Specialist Sr          | H            | 589            | \$59,000            | \$68,000             | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Coach                                | K            | 556            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Educator                             | H            | 47             | \$59,000            | \$68,000             | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Educator Sr                          | I            | 355            | \$61,000            | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Network Liaison Specialist (RN)      | L            | 524            | \$77,000            | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Network Oversight Specialist         | K            | 323            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HEDIS Case Manager                          | M            | 443            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>HEDIS Case Manager (LVN)</del>         | <del>M</del> | <del>552</del> | <del>\$62,400</del> | <del>\$81,120</del>  | <del>\$99,840</del>  | Remove Position                                                                               |
| Help Desk Technician                        | E            | 571            | \$48,000            | \$55,000             | \$62,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Help Desk Technician Sr                     | F            | 573            | \$51,000            | \$59,000             | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Assistant                                | D            | 181            | \$44,000            | \$51,000             | \$58,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Business Partner                         | M            | 584            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>HR Compensation Specialist Sr</del>    | <del>N</del> | <del>663</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| HR Coordinator                              | F            | 316            | \$51,000            | \$59,000             | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Representative                           | J            | 278            | \$65,000            | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Representative Sr                        | L            | 350            | \$77,000            | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Specialist                               | G            | 505            | \$55,000            | \$63,000             | \$71,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Specialist Sr                            | H            | 608            | \$59,000            | \$68,000             | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>HRIS Analyst Sr</del>                  | <del>M</del> | <del>468</del> | <del>\$62,400</del> | <del>\$81,120</del>  | <del>\$99,840</del>  | Remove Position                                                                               |
| <del>ICD-10 Project Manager</del>           | <del>O</del> | <del>411</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Infrastructure Systems Administrator        | F            | 541            | \$51,000            | \$59,000             | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Infrastructure Systems Administrator Int    | G            | 542            | \$55,000            | \$63,000             | \$71,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                                  | Pay Grade    | Job Code       | Min***              | Mid                  | Max                  | For Approval                                                                                  |
|--------------------------------------------|--------------|----------------|---------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------|
| Inpatient Quality Coding Auditor           | I            | 642            | \$61,000            | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Intern                                     | A            | 237            | \$36,000            | \$41,000             | \$46,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Investigator Sr                            | I            | 553            | \$61,000            | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Coordinator                             | E            | 365            | \$48,000            | \$55,000             | \$62,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Manager                         | N            | 424            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Manager Sr                      | O            | 509            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Specialist                      | K            | 549            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Specialist Sr                   | L            | 550            | \$77,000            | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Kitchen Assistant                          | A            | 585            | \$36,000            | \$41,000             | \$46,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Legislative Program Manager</del>     | <del>N</del> | <del>330</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| Licensed Clinical Social Worker            | J            | 598            | \$65,000            | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Litigation Support Specialist              | K            | 588            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| LVN (PACE)                                 | K            | 533            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| LVN Specialist                             | K            | TBD            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Mailroom Clerk                             | A            | 1              | \$36,000            | \$41,000             | \$46,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Accounting                         | O            | 98             | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Actuary                            | Q            | 453            | \$130,000           | \$157,000            | \$184,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Applications Management</del> | <del>P</del> | <del>271</del> | <del>\$95,264</del> | <del>\$128,752</del> | <del>\$162,032</del> | Remove Position                                                                               |
| Manager Audit & Oversight                  | O            | 539            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Behavioral Health                  | O            | 633            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Business Integration               | O            | 544            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Case Management                    | P            | 270            | \$117,000           | \$141,000            | \$165,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Claims                             | O            | 92             | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Clinic Operations                  | N            | 551            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Clinical Pharmacist                | R            | 296            | \$144,000           | \$174,000            | \$204,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Coding Quality                     | N            | 382            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Communications                     | N            | 398            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |



**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
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| Job Title                                                             | Pay Grade    | Job Code       | Min***              | Mid                  | Max                  | For Approval                                                                                  |
|-----------------------------------------------------------------------|--------------|----------------|---------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------|
| Manager Community Relations                                           | N            | 384            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Contracting                                                   | O            | 329            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Creative Branding                                             | M            | 430            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Cultural & Linguistic                                         | M            | 349            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Customer Service                                              | M            | 94             | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Decision Support</del>                                   | <del>O</del> | <del>454</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Manager Electronic Business                                           | N            | 422            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Employment Services</del>                                | <del>N</del> | <del>420</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| Manager Encounters                                                    | M            | 516            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Environmental Health & Safety                                 | N            | 495            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Facilities</del>                                         | <del>N</del> | <del>209</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| Manager Finance                                                       | O            | 148            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Financial Analysis                                            | P            | 356            | \$117,000           | \$141,000            | \$165,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Government Affairs</del>                                 | <del>N</del> | <del>437</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| Manager Grievance & Appeals                                           | O            | 426            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Health Education</del>                                   | <del>N</del> | <del>173</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| <del>Manager HEDIS</del>                                              | <del>O</del> | <del>427</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Manager Human Resources                                               | O            | 526            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Information Services                                          | P            | 560            | \$117,000           | \$141,000            | \$165,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Information Technology</del>                             | <del>P</del> | <del>110</del> | <del>\$95,264</del> | <del>\$128,752</del> | <del>\$162,032</del> | Remove Position                                                                               |
| <del>Manager Integration Government Liaison</del>                     | <del>N</del> | <del>455</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| Manager Long Term Support Services                                    | O            | 200            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Marketing & Enrollment (PACE)                                 | N            | 414            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Marketing & Outreach                                          | M            | 477            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Medical Data Management</del>                            | <del>O</del> | <del>519</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| <del>Manager Medi-Cal Program Operations</del>                        | <del>N</del> | <del>483</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| Manager Member Liaison Program                                        | M            | 354            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Member Outreach & Education                                   | M            | 616            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Member Outreach Education &amp; Provider Relations</del> | <del>O</del> | <del>576</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Manager MSSP                                                          | O            | 393            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager OneCare Clinical                                              | P            | 359            | \$117,000           | \$141,000            | \$165,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

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| Job Title                                    | Pay Grade    | Job Code       | Min***              | Mid                  | Max                  | For Approval                                                                                  |
|----------------------------------------------|--------------|----------------|---------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------|
| Manager OneCare Customer Service             | M            | 429            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager OneCare Regulatory</del>        | <del>N</del> | <del>197</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| <del>Manager OneCare Sales</del>             | <del>O</del> | <del>248</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| <del>Manager Outreach &amp; Enrollment</del> | <del>N</del> | <del>477</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| Manager PACE Center                          | N            | 432            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Population Health Management         | N            | 674            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Process Excellence                   | O            | 622            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Program Implementation               | N            | 488            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Project Management</del>        | <del>O</del> | <del>532</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Manager Provider Data Management Services    | M            | 653            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Provider Network                     | O            | 191            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Provider Relations                   | M            | 171            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Provider Services</del>         | <del>O</del> | <del>656</del> | <del>\$82,576</del> | <del>\$107,328</del> | <del>\$131,976</del> | Remove Position                                                                               |
| Manager Purchasing                           | O            | 275            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager QI Initiatives                       | M            | 433            | \$85,000            | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Quality Analytics                    | N            | 617            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Quality Improvement                  | N            | 104            | \$95,000            | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Regulatory Affairs and Compliance    | O            | 626            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Reporting & Financial Compliance     | O            | 572            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Strategic Development                | O            | 603            | \$105,000           | \$127,000            | \$149,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Manager Strategic Operations</del>      | <del>N</del> | <del>446</del> | <del>\$71,760</del> | <del>\$93,184</del>  | <del>\$114,712</del> | Remove Position                                                                               |
| <del>Manager Systems Development</del>       | <del>P</del> | <del>515</del> | <del>\$95,264</del> | <del>\$128,752</del> | <del>\$162,032</del> | Remove Position                                                                               |
| Manager Utilization Management               | P            | 250            | \$117,000           | \$141,000            | \$165,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Marketing and Outreach Specialist            | F            | 496            | \$51,000            | \$59,000             | \$67,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Assistant                            | C            | 535            | \$41,000            | \$47,000             | \$53,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Authorization Asst                   | C            | 11             | \$41,000            | \$47,000             | \$53,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Case Manager                         | L            | 72             | \$77,000            | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Case Manager (LVN)                   | K            | 444            | \$70,000            | \$84,000             | \$98,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Medical Director                           | V            | 306            | \$251,000           | \$314,000            | \$377,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |



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| Job Title                               | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|-----------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Medical Records & Health Plan Assistant | B         | 548      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Records Clerk                   | B         | 523      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Services Case Manager           | G         | 54       | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Member Liaison Specialist               | C         | 353      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| MMS Program Coordinator                 | G         | 360      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Nurse Practitioner (PACE)               | O         | 635      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Occupational Therapist                  | L         | 531      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Occupational Therapist Assistant        | H         | 623      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Office Clerk                            | A         | 335      | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Operations Manager              | N         | 461      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner - Sales                 | F         | 230      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner - Sales (Lead)          | G         | 537      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner - Service               | C         | 231      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner (Inside Sales)          | E         | 371      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Outreach Specialist                     | C         | 218      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Paralegal/Legal Secretary               | I         | 376      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Payroll Specialist                      | E         | 554      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Payroll Specialist, Sr.                 | G         | TBD      | \$55,000  | \$63,000  | \$71,000  | New Position                                                                                  |
| Performance Analyst                     | I         | 538      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Attendant                 | A         | 485      | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Attendant - Lead          | B         | 498      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Coordinator               | C         | 525      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Coordinator, Sr.          | D         | TBD      | \$44,000  | \$51,000  | \$58,000  | New Position                                                                                  |
| Pharmacy Resident                       | G         | 379      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Pharmacy Services Specialist            | C         | 23       | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Pharmacy Services Specialist Int        | D         | 35       | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Pharmacy Services Specialist Sr         | E         | 507      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

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| Job Title                                     | Pay Grade    | Job Code       | Min***              | Mid                 | Max                 | For Approval                                                                                    |
|-----------------------------------------------|--------------|----------------|---------------------|---------------------|---------------------|-------------------------------------------------------------------------------------------------|
| Physical Therapist                            | L            | 530            | \$77,000            | \$93,000            | \$109,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Physical Therapist Assistant                  | H            | 624            | \$59,000            | \$68,000            | \$77,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Policy Advisor Sr                             | M            | 580            | \$85,000            | \$103,000           | \$121,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Privacy Manager                               | N            | 536            | \$95,000            | \$114,000           | \$133,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Privacy Officer                               | O            | 648            | \$105,000           | \$127,000           | \$149,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Process Excellence Manager                    | N            | 529            | \$95,000            | \$114,000           | \$133,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program Assistant                             | C            | 24             | \$41,000            | \$47,000            | \$53,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program Coordinator                           | C            | 284            | \$41,000            | \$47,000            | \$53,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| <del>Program Development Analyst Sr</del>     | <del>M</del> | <del>492</del> | <del>\$62,400</del> | <del>\$81,120</del> | <del>\$99,840</del> | Remove Position                                                                                 |
| Program Manager                               | L            | 421            | \$77,000            | \$93,000            | \$109,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program Manager Sr                            | M            | 594            | \$85,000            | \$103,000           | \$121,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program Specialist                            | E            | 36             | \$48,000            | \$55,000            | \$62,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program Specialist Int                        | G            | 61             | \$55,000            | \$63,000            | \$71,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program Specialist Sr                         | I            | 508            | \$61,000            | \$73,000            | \$85,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program/Policy Analyst                        | I            | 56             | \$61,000            | \$73,000            | \$85,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Program/Policy Analyst Sr                     | K            | 85             | \$70,000            | \$84,000            | \$98,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Programmer                                    | K            | 43             | \$70,000            | \$84,000            | \$98,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Programmer Int                                | M            | 74             | \$85,000            | \$103,000           | \$121,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Programmer Sr                                 | N            | 80             | \$95,000            | \$114,000           | \$133,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Project Manager                               | L            | 81             | \$77,000            | \$93,000            | \$109,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Project Manager - Lead                        | M            | 467            | \$85,000            | \$103,000           | \$121,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Project Manager Sr                            | N            | 105            | \$95,000            | \$114,000           | \$133,000           | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Project Specialist                            | E            | 291            | \$48,000            | \$55,000            | \$62,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Project Specialist Sr                         | I            | 503            | \$61,000            | \$73,000            | \$85,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Projects Analyst                              | G            | 254            | \$55,000            | \$63,000            | \$71,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Data Management Services Coordinator | D            | 12             | \$44,000            | \$51,000            | \$58,000            | Revised position title and pay range adjustment based on internal alignment and equity analysis |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                                         | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                    |
|---------------------------------------------------|-----------|----------|-----------|-----------|-----------|-------------------------------------------------------------------------------------------------|
| Provider Data Management Services Coordinator, Sr | F         | 586      | \$51,000  | \$59,000  | \$67,000  | Revised position title and pay range adjustment based on internal alignment and equity analysis |
| Provider Enrollment Manager                       | G         | 190      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Network Rep Sr                           | I         | 391      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Network Specialist                       | H         | 44       | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Network Specialist Sr                    | J         | 595      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Office Education Manager                 | I         | 300      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Relations Rep                            | G         | 205      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Relations Rep Sr                         | I         | 285      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Publications Coordinator                          | G         | 293      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QA Analyst                                        | I         | 486      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QA Analyst Sr                                     | L         | 380      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QI Nurse Specialist                               | M         | 82       | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QI Nurse Specialist (LVN)                         | L         | 445      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Receptionist                                      | B         | 140      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Records Manager                                   | Q         | TBD      | \$130,000 | \$157,000 | \$184,000 | New Position                                                                                    |
| Recreational Therapist                            | H         | 487      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Recruiter                                         | E         | 406      | \$54,288  | \$70,512  | \$86,736  | Remove Position                                                                                 |
| Recruiter-Sr                                      | M         | 497      | \$62,400  | \$81,120  | \$99,840  | Remove Position                                                                                 |
| Registered Dietitian                              | I         | 57       | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Regulatory Affairs and Compliance Analyst         | I         | 628      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Regulatory Affairs and Compliance Analyst Sr      | K         | 629      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Regulatory Affairs and Compliance Lead            | L         | 630      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| RN (PACE)                                         | M         | 480      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Security Analyst Int                              | M         | 534      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Security Analyst Sr                               | N         | TBD      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Security Officer                                  | B         | 311      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| SharePoint Developer/Administrator Sr             | N         | 397      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                                                  | Pay Grade    | Job Code       | Min***               | Mid                  | Max                  | For Approval                                                                                  |
|------------------------------------------------------------|--------------|----------------|----------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------|
| Social Worker                                              | J            | 463            | \$65,000             | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Social Worker, Sr.</del>                              | <del>K</del> | <del>TBD</del> | <del>\$70,000</del>  | <del>\$84,000</del>  | <del>\$98,000</del>  | <del>New Position</del>                                                                       |
| * Special Counsel                                          | T            | 317            | \$182,000            | \$227,000            | \$272,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>* Sr.Director Regulatory Affairs and Compliance</del> | <del>R</del> | <del>658</del> | <del>\$137,280</del> | <del>\$185,328</del> | <del>\$233,376</del> | <del>Remove Position</del>                                                                    |
| Sr Manager Financial Analysis                              | Q            | 660            | \$130,000            | \$157,000            | \$184,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Sr Manager Government Affairs</del>                   | <del>Q</del> | <del>451</del> | <del>\$82,576</del>  | <del>\$107,328</del> | <del>\$131,976</del> | <del>Remove Position</del>                                                                    |
| <del>Sr Manager Human Resources</del>                      | <del>P</del> | <del>649</del> | <del>\$95,264</del>  | <del>\$128,752</del> | <del>\$162,932</del> | <del>Remove Position</del>                                                                    |
| Sr Manager Information Services                            | Q            | 650            | \$130,000            | \$157,000            | \$184,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Sr Manager Provider Network</del>                     | <del>Q</del> | <del>651</del> | <del>\$82,576</del>  | <del>\$107,328</del> | <del>\$131,976</del> | <del>Remove Position</del>                                                                    |
| Staff Attorney                                             | P            | 195            | \$117,000            | \$141,000            | \$165,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Staff Attorney, Sr</del>                              | <del>R</del> | <del>TBD</del> | <del>\$144,000</del> | <del>\$174,000</del> | <del>\$204,000</del> | <del>New Position</del>                                                                       |
| Supervisor Accounting                                      | M            | 434            | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Audit and Oversight                             | M            | 618            | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Behavioral Health                               | M            | 659            | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Budgeting                                       | N            | 466            | \$95,000             | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Case Management                                 | M            | 86             | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Claims                                          | I            | 219            | \$61,000             | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Coding Initiatives                              | M            | 502            | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Credentialing                                   | I            | 671            | \$61,000             | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Customer Service                                | I            | 34             | \$61,000             | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Data Entry                                      | H            | 192            | \$59,000             | \$68,000             | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Day Center (PACE)                               | H            | 619            | \$59,000             | \$68,000             | \$77,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Dietary Services (PACE)                         | J            | 643            | \$65,000             | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Encounters                                      | I            | 253            | \$61,000             | \$73,000             | \$85,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Facilities                                      | J            | 162            | \$65,000             | \$78,000             | \$91,000             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Finance                                         | M            | 419            | \$85,000             | \$103,000            | \$121,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Grievance and Appeals                           | L            | 620            | \$77,000             | \$93,000             | \$109,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Supervisor Health Education</del>                     | <del>M</del> | <del>381</del> | <del>\$62,400</del>  | <del>\$81,120</del>  | <del>\$99,840</del>  | <del>Remove Position</del>                                                                    |
| Supervisor Information Services                            | N            | 457            | \$95,000             | \$114,000            | \$133,000            | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                                           | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|-----------------------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Supervisor Long Term Support Services               | M         | 587      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Supervisor Member Outreach and Education</del> | K         | TBD      | \$70,000  | \$84,000  | \$98,000  | New Position                                                                                  |
| Supervisor MSSP                                     | M         | 348      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Nursing Services (PACE)                  | M         | 662      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor OneCare Customer Service                 | I         | 408      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Payroll                                  | M         | 517      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Pharmacist                               | Q         | 610      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Population Health Management             | M         | 673      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Provider Data Management Services        | K         | 439      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Provider Relations                       | L         | 652      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Quality Analytics                        | M         | 609      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Quality Improvement                      | M         | 600      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Regulatory Affairs and Compliance        | M         | 627      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Social Work (PACE)                       | J         | 636      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Supervisor Systems Development</del>           | O         | 456      | \$82,576  | \$107,328 | \$131,976 | Remove Position                                                                               |
| Supervisor Therapy Services (PACE)                  | M         | 645      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Utilization Management                   | M         | 637      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| <del>Systems Manager</del>                          | N         | 512      | \$71,760  | \$93,184  | \$114,712 | Remove Position                                                                               |
| Systems Network Administrator Int                   | L         | 63       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Systems Network Administrator Sr                    | M         | 89       | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Systems Operations Analyst                          | F         | 32       | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Systems Operations Analyst Int                      | G         | 45       | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Analyst Int                               | J         | 64       | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Analyst Sr                                | L         | 75       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Writer                                    | H         | 247      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Writer Sr                                 | J         | 470      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Therapy Aide                                        | E         | 521      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                    | Pay Grade | Job Code | Min***   | Mid       | Max       | For Approval                                                                                  |
|------------------------------|-----------|----------|----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Training Administrator       | I         | 621      | \$61,000 | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Training Program Coordinator | H         | 471      | \$59,000 | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Translation Specialist       | B         | 241      | \$38,000 | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Web Architect                | N         | 366      | \$95,000 | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution.

\*\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution and are also Chief or Executive Director level positions.

\*\*\* A training rate of 10% below the minimum applies to all grades.

For 20200604 BOD Review Only

*CEO Approval:*

Effective Date: 05/01/2014  
Revised Date: 06/04/2020

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**I. PURPOSE**

- A. This policy maintains a CalOptima Salary Schedule that lists all active job classifications including job title, salary grade, and salary ranges (minimum, midpoint, and maximum pay rate amounts).
- B. This policy ensures the salary schedule is publicly available pursuant to the requirements of Title 2, California Code of Regulations (CCR) §570.5 so that employees who are members of the California Public Employees Retirement System (CalPERS) have their compensation considered qualified for pension calculation under CalPERS regulations.

**II. POLICY**

- A. Pursuant to the requirements under Title 2, California Code of Regulations (CCR) §570.5, CalOptima has established the attached salary schedule for each CalOptima job position. In order for CalPERS member's pay rates to be credited by CalPERS, the Human Resources Department (HR) shall maintain a salary schedule that meets the following eight (8) separate criteria:
  - 1. Approval and adoption by the governing body in accordance with requirements applicable to public meetings laws;
  - 2. Identification of position titles for every employee position;
  - 3. Listing of pay rate for each identified position, which may be stated as a single amount or as multiple amounts with a range;
  - 4. Specifies the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
  - 5. Posted at the employer's office or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
  - 6. Indicates the effective date and date of any revisions;
  - 7. Retained by the employer and available for public inspection for not less than five (5) years; and
  - 8. Does not reference another document in lieu of disclosing the pay rate.
- B. The Chief Executive Officer (CEO) is authorized and directed to take all steps necessary and proper



to implement the salary schedule for all other employees not inconsistent therewith.

### III. PROCEDURE

- A. The Human Resources Department (HR) will ensure that the salary schedule meets the requirements above and is available at CalOptima's offices and immediately accessible for public review during normal business hours or posted on CalOptima's internet website.
- B. HR shall retain the salary schedule for not less than five (5) years.
- C. HR shall review the salary schedule and provide recommendations to maintain the competitiveness of the salary schedule to market pay levels.
- D. Any adjustments to the salary schedule requires that the Executive Director of HR make a recommendation to the CEO for approval, with the CEO taking the recommendation to the CalOptima Board of Directors for final approval. No changes to the salary schedule, or CEO compensation, shall be effective unless and until approved by the CalOptima Board of Directors.

### IV. ATTACHMENT(S)

- A. CalOptima - Salary Schedule (Revised as of 06/04/2020)

### V. REFERENCE(S)

- A. Title 2, California Code of Regulations, §570.5

### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

### VII. BOARD ACTION(S)

| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 05/01/2014 | Regular Meeting of the CalOptima Board of Directors |
| 08/07/2014 | Regular Meeting of the CalOptima Board of Directors |
| 11/06/2014 | Regular Meeting of the CalOptima Board of Directors |
| 12/04/2014 | Regular Meeting of the CalOptima Board of Directors |
| 03/05/2015 | Regular Meeting of the CalOptima Board of Directors |
| 06/04/2015 | Regular Meeting of the CalOptima Board of Directors |
| 10/01/2015 | Regular Meeting of the CalOptima Board of Directors |
| 12/03/2015 | Regular Meeting of the CalOptima Board of Directors |
| 03/03/2016 | Regular Meeting of the CalOptima Board of Directors |
| 06/02/2016 | Regular Meeting of the CalOptima Board of Directors |
| 08/04/2016 | Regular Meeting of the CalOptima Board of Directors |
| 09/01/2016 | Regular Meeting of the CalOptima Board of Directors |
| 10/06/2016 | Regular Meeting of the CalOptima Board of Directors |
| 11/03/2016 | Regular Meeting of the CalOptima Board of Directors |
| 12/01/2016 | Regular Meeting of the CalOptima Board of Directors |
| 03/02/2017 | Regular Meeting of the CalOptima Board of Directors |
| 05/04/2017 | Regular Meeting of the CalOptima Board of Directors |
| 06/01/2017 | Regular Meeting of the CalOptima Board of Directors |



| Date       | Meeting                                             |
|------------|-----------------------------------------------------|
| 08/03/2017 | Regular Meeting of the CalOptima Board of Directors |
| 09/07/2017 | Regular Meeting of the CalOptima Board of Directors |
| 11/02/2017 | Regular Meeting of the CalOptima Board of Directors |
| 02/01/2018 | Regular Meeting of the CalOptima Board of Directors |
| 09/06/2018 | Regular Meeting of the CalOptima Board of Directors |
| 10/04/2018 | Regular Meeting of the CalOptima Board of Directors |
| 02/07/2019 | Regular Meeting of the CalOptima Board of Directors |
| 08/01/2019 | Regular Meeting of the CalOptima Board of Directors |
| 06/04/2020 | Regular Meeting of the CalOptima Board of Directors |

## VIII. REVISION HISTORY

| Action    | Date       | Policy  | Policy Title                             | Program(s)     |
|-----------|------------|---------|------------------------------------------|----------------|
| Effective | 05/01/2014 | GA.8057 | Compensation Program and Salary Schedule | Administrative |
| Revised   | 08/07/2014 | GA.8057 | Compensation Program and Salary Schedule | Administrative |
| Revised   | 11/06/2014 | GA.8057 | Compensation Program and Salary Schedule | Administrative |
| Revised   | 12/04/2014 | GA.8057 | Compensation Program and Salary Schedule | Administrative |
| Revised   | 03/05/2015 | GA.8057 | Compensation Program and Salary Schedule | Administrative |
| Revised   | 06/04/2015 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 10/01/2015 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 12/03/2015 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 03/03/2016 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 06/02/2016 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 08/04/2016 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 09/01/2016 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 10/06/2016 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 11/03/2016 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 12/01/2016 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 03/02/2017 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 05/04/2017 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 06/01/2017 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 08/03/2017 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 09/07/2017 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 11/02/2017 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 02/01/2018 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 09/06/2018 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 10/04/2018 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 02/07/2019 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 08/01/2019 | GA.8058 | Salary Schedule                          | Administrative |
| Revised   | 06/04/2020 | GA.8058 | Salary Schedule                          | Administrative |

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**IX. GLOSSARY**

Not Applicable

For 20200604 BOD Review Only

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                               | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|-----------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Accountant                              | H         | 39       | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accountant Int                          | I         | 634      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accountant Sr                           | K         | 68       | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accounting Clerk                        | D         | 334      | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Accounting Clerk Sr                     | E         | TBD      | \$48,000  | \$55,000  | \$62,000  | New Position                                                                                  |
| Activity Coordinator (PACE)             | E         | TBD      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Actuarial Analyst                       | I         | 558      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Actuarial Analyst Sr                    | L         | 559      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Actuary                                 | O         | 357      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Administrative Assistant                | D         | 19       | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Analyst                                 | H         | 562      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Analyst Int                             | I         | 563      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Analyst Sr                              | J         | 564      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Applications Analyst                    | I         | 232      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Applications Analyst Int                | J         | 233      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Applications Analyst Sr                 | L         | 298      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Assistant Director                      | P         | TBD      | \$117,000 | \$141,000 | \$165,000 | New Position                                                                                  |
| Associate Director Information Services | Q         | 557      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Auditor                                 | I         | 565      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Auditor Sr                              | J         | 566      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Behavioral Health Manager               | M         | 383      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Biostatistics Manager                   | M         | 418      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Board Services Specialist               | E         | 435      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Business Analyst                        | J         | 40       | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Business Analyst Sr                     | L         | 611      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Business Systems Analyst Sr             | K         | 69       | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Buyer                                   | G         | 29       | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                               | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                                |
|-----------------------------------------|-----------|----------|-----------|-----------|-----------|-------------------------------------------------------------------------------------------------------------|
| Buyer Int                               | H         | 49       | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Buyer Sr                                | I         | 67       | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Care Manager                            | K         | 657      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Care Transition Intervention Coach (RN) | L         | 417      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Certified Coder                         | H         | 399      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Certified Coding Specialist             | H         | 639      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Certified Coding Specialist Sr          | J         | 640      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Change Control Administrator            | I         | 499      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Change Control Administrator Int        | J         | 500      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Counsel                        | X         | 132      | \$347,000 | \$434,000 | \$521,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Executive Officer              | Z         | 138      | \$319,740 | \$431,600 | \$543,600 | Wage grade letter adjustment based on Grant Thornton revised salary structure, but no changes to pay range. |
| ** Chief Financial Officer              | X         | 134      | \$347,000 | \$434,000 | \$521,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Information Officer            | W         | 131      | \$295,000 | \$369,000 | \$443,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Medical Officer                | X         | 137      | \$347,000 | \$434,000 | \$521,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| ** Chief Operating Officer              | X         | 136      | \$347,000 | \$434,000 | \$521,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims - Lead                           | G         | 574      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Examiner                         | C         | 9        | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Examiner - Lead                  | F         | 236      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Examiner Sr                      | E         | 20       | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims QA Analyst                       | E         | 28       | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims QA Analyst Sr.                   | F         | 540      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Recovery Specialist              | F         | 283      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Claims Resolution Specialist            | F         | 262      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Clerk of the Board                      | O         | 59       | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |
| Clinical Auditor                        | L         | 567      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                              | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|----------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Clinical Auditor Sr                    | M         | 568      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Documentation Specialist (RN) | M         | 641      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Pharmacist                    | P         | 297      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinical Systems Administrator         | K         | 607      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Clinician (Behavioral Health)          | K         | 513      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Communications Specialist              | G         | 188      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Partner                      | G         | 575      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Partner Sr                   | H         | 612      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Relations Specialist         | G         | 288      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Community Relations Specialist Sr      | I         | 646      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Compliance Claims Auditor              | G         | 222      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Compliance Claims Auditor Sr           | H         | 279      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contract Administrator                 | K         | 385      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Manager                      | M         | 207      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Manager, Sr.                 | N         | TBD      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Specialist                   | I         | 257      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Specialist Int               | J         | 469      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Contracts Specialist Sr                | K         | 331      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Controller                           | T         | 464      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Credentialing Coordinator              | E         | 41       | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Credentialing Coordinator - Lead       | F         | 510      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Customer Service Coordinator           | E         | 182      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Customer Service Rep                   | C         | 5        | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Customer Service Rep - Lead            | E         | 482      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Customer Service Rep Sr                | D         | 481      | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                             | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|---------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Data Analyst                          | J         | 337      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Analyst Int                      | K         | 341      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Analyst Sr                       | L         | 342      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data and Reporting Analyst - Lead     | M         | 654      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Entry Tech                       | A         | 3        | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Warehouse Architect              | N         | 363      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Warehouse Programmer/Analyst     | N         | 364      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Warehouse Reporting Analyst      | M         | 412      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Data Warehouse Reporting Analyst Sr   | N         | 522      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Database Administrator                | L         | 90       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Database Administrator Sr             | N         | 179      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Deputy Chief Counsel               | W         | 160      | \$295,000 | \$369,000 | \$443,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Deputy Chief Medical Officer       | W         | 561      | \$295,000 | \$369,000 | \$443,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Deputy Clerk of the Board             | J         | TBD      | \$65,000  | \$78,000  | \$91,000  | New Position                                                                                  |
| * Director Audit & Oversight          | R         | 546      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Behavioral Health Services | Q         | 392      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Budget and Procurement     | S         | 527      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Case Management            | S         | 318      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Claims Administration      | R         | 112      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Clinical Pharmacy          | T         | 129      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Coding Initiatives         | S         | 375      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Communications             | R         | 361      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Contracting                | R         | 184      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Customer Service           | R         | 118      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Enterprise Analytics       | R         | 520      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Director Facilities                 | Q         | 428      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
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Effective as of May 1, 2014**

| Job Title                                    | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                                            |
|----------------------------------------------|-----------|----------|-----------|-----------|-----------|-------------------------------------------------------------------------------------------------------------------------|
| * Director Financial Analysis                | T         | 374      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Financial Compliance              | R         | 460      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Fraud Waste & Abuse and Privacy   | R         | 581      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Grievance & Appeals               | R         | 528      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Human Resources                   | R         | 322      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Information Services              | T         | 547      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Long Term Support Services        | S         | 128      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Network Management                | R         | 125      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director PACE Program                      | S         | 449      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Population Health Management      | Q         | 675      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Program and Process Management    | R         | 447      | \$144,000 | \$174,000 | \$204,000 | Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities. |
| * Director Program Implementation            | R         | 489      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Provider Data Management Services | Q         | 655      | \$130,000 | \$157,000 | \$184,000 | Revised Position title and pay range adjustment based on Grant Thornton and internal alignment of job responsibilities. |
| * Director Purchasing                        | Q         | TBD      | \$130,000 | \$157,000 | \$184,000 | New Position                                                                                                            |
| * Director Quality Analytics                 | R         | 591      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Quality Improvement               | R         | 172      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Regulatory Affairs and Compliance | R         | 625      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Strategic Development             | R         | 121      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| * Director Utilization Management            | S         | 265      | \$154,000 | \$193,000 | \$232,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| Enrollment Coordinator (PACE)                | F         | 441      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| Enterprise Analytics Manager                 | O         | 582      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| Executive Administrative Services Manager    | J         | 661      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| Executive Assistant                          | G         | 339      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| Executive Assistant to CEO                   | I         | TBD      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| ** Executive Director Clinical Operations    | V         | 501      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |
| ** Executive Director Compliance             | V         | 493      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                           |



**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
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| Job Title                                                    | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|--------------------------------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| ** Executive Director Human Resources                        | V         | 494      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Network Operations                     | V         | 632      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Operations                             | V         | 276      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Program Implementation                 | V         | 490      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Public Affairs                         | V         | 290      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director Quality & Population Health Management | V         | 676      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| ** Executive Director, Behavioral Health Integration         | V         | 614      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Facilities & Support Services Coord - Lead                   | G         | 631      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Facilities & Support Services Coordinator                    | E         | 10       | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Facilities & Support Services Coordinator, Sr.               | F         | TBD      | \$51,000  | \$59,000  | \$67,000  | New Position                                                                                  |
| Facilities Coordinator                                       | E         | 438      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Financial Analyst                                            | J         | 51       | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Financial Analyst Sr                                         | L         | 84       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Financial Reporting Analyst                                  | I         | 475      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Graphic Designer                                             | K         | 387      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance & Appeals Nurse Specialist                         | M         | 226      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance Resolution Specialist                              | F         | 42       | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance Resolution Specialist - Lead                       | I         | 590      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Grievance Resolution Specialist Sr                           | H         | 589      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Coach                                                 | K         | 556      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Educator                                              | H         | 47       | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Educator Sr                                           | I         | 355      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Network Liaison Specialist (RN)                       | L         | 524      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Health Network Oversight Specialist                          | K         | 323      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HEDIS Case Manager                                           | M         | 443      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Help Desk Technician                                         | E         | 571      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |



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| Job Title                                | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|------------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Help Desk Technician Sr                  | F         | 573      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Assistant                             | D         | 181      | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Business Partner                      | M         | 584      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Coordinator                           | F         | 316      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Representative                        | J         | 278      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Representative Sr                     | L         | 350      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Specialist                            | G         | 505      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| HR Specialist Sr                         | H         | 608      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Infrastructure Systems Administrator     | F         | 541      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Infrastructure Systems Administrator Int | G         | 542      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Inpatient Quality Coding Auditor         | I         | 642      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Intern                                   | A         | 237      | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Investigator Sr                          | I         | 553      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Coordinator                           | E         | 365      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Manager                       | N         | 424      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Manager Sr                    | O         | 509      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Specialist                    | K         | 549      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| IS Project Specialist Sr                 | L         | 550      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Kitchen Assistant                        | A         | 585      | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Licensed Clinical Social Worker          | J         | 598      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Litigation Support Specialist            | K         | 588      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| LVN (PACE)                               | K         | 533      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| LVN Specialist                           | K         | TBD      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Mailroom Clerk                           | A         | 1        | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Accounting                       | O         | 98       | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                             | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|---------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Manager Actuary                       | Q         | 453      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Audit & Oversight             | O         | 539      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Behavioral Health             | O         | 633      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Business Integration          | O         | 544      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Case Management               | P         | 270      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Claims                        | O         | 92       | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Clinic Operations             | N         | 551      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Clinical Pharmacist           | R         | 296      | \$144,000 | \$174,000 | \$204,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Coding Quality                | N         | 382      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Communications                | N         | 398      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Community Relations           | N         | 384      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Contracting                   | O         | 329      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Creative Branding             | M         | 430      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Cultural & Linguistic         | M         | 349      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Customer Service              | M         | 94       | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Electronic Business           | N         | 422      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Encounters                    | M         | 516      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Environmental Health & Safety | N         | 495      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Finance                       | O         | 148      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Financial Analysis            | P         | 356      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Grievance & Appeals           | O         | 426      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Human Resources               | O         | 526      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Information Services          | P         | 560      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Long Term Support Services    | O         | 200      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Marketing & Enrollment (PACE) | N         | 414      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
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Effective as of May 1, 2014**

| Job Title                                 | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|-------------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Manager Marketing & Outreach              | M         | 477      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Member Liaison Program            | M         | 354      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Member Outreach & Education       | M         | 616      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager MSSP                              | O         | 393      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager OneCare Clinical                  | P         | 359      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager OneCare Customer Service          | M         | 429      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager PACE Center                       | N         | 432      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Population Health Management      | N         | 674      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Process Excellence                | O         | 622      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Program Implementation            | N         | 488      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Provider Data Management Services | M         | 653      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Provider Network                  | O         | 191      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Provider Relations                | M         | 171      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Purchasing                        | O         | 275      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager QI Initiatives                    | M         | 433      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Quality Analytics                 | N         | 617      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Quality Improvement               | N         | 104      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Regulatory Affairs and Compliance | O         | 626      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Reporting & Financial Compliance  | O         | 572      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Strategic Development             | O         | 603      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Manager Utilization Management            | P         | 250      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Marketing and Outreach Specialist         | F         | 496      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Assistant                         | C         | 535      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Authorization Asst                | C         | 11       | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Case Manager                      | L         | 72       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                               | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|-----------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Medical Case Manager (LVN)              | K         | 444      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| * Medical Director                      | V         | 306      | \$251,000 | \$314,000 | \$377,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Records & Health Plan Assistant | B         | 548      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Records Clerk                   | B         | 523      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Medical Services Case Manager           | G         | 54       | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Member Liaison Specialist               | C         | 353      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| MMS Program Coordinator                 | G         | 360      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Nurse Practitioner (PACE)               | O         | 635      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Occupational Therapist                  | L         | 531      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Occupational Therapist Assistant        | H         | 623      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Office Clerk                            | A         | 335      | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Operations Manager              | N         | 461      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner - Sales                 | F         | 230      | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner - Sales (Lead)          | G         | 537      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner - Service               | C         | 231      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| OneCare Partner (Inside Sales)          | E         | 371      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Outreach Specialist                     | C         | 218      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Paralegal/Legal Secretary               | I         | 376      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Payroll Specialist                      | E         | 554      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Payroll Specialist, Sr.                 | G         | TBD      | \$55,000  | \$63,000  | \$71,000  | New Position                                                                                  |
| Performance Analyst                     | I         | 538      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Attendant                 | A         | 485      | \$36,000  | \$41,000  | \$46,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Attendant - Lead          | B         | 498      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Coordinator               | C         | 525      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Personal Care Coordinator, Sr.          | D         | TBD      | \$44,000  | \$51,000  | \$58,000  | New Position                                                                                  |
| Pharmacy Resident                       | G         | 379      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Pharmacy Services Specialist            | C         | 23       | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
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Effective as of May 1, 2014**

| Job Title                        | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|----------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Pharmacy Services Specialist Int | D         | 35       | \$44,000  | \$51,000  | \$58,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Pharmacy Services Specialist Sr  | E         | 507      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Physical Therapist               | L         | 530      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Physical Therapist Assistant     | H         | 624      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Policy Advisor Sr                | M         | 580      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Privacy Manager                  | N         | 536      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Privacy Officer                  | O         | 648      | \$105,000 | \$127,000 | \$149,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Process Excellence Manager       | N         | 529      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program Assistant                | C         | 24       | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program Coordinator              | C         | 284      | \$41,000  | \$47,000  | \$53,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program Manager                  | L         | 421      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program Manager Sr               | M         | 594      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program Specialist               | E         | 36       | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program Specialist Int           | G         | 61       | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program Specialist Sr            | I         | 508      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program/Policy Analyst           | I         | 56       | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Program/Policy Analyst Sr        | K         | 85       | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Programmer                       | K         | 43       | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Programmer Int                   | M         | 74       | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Programmer Sr                    | N         | 80       | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Project Manager                  | L         | 81       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Project Manager - Lead           | M         | 467      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Project Manager Sr               | N         | 105      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Project Specialist               | E         | 291      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Project Specialist Sr            | I         | 503      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

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| Job Title                                         | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                    |
|---------------------------------------------------|-----------|----------|-----------|-----------|-----------|-------------------------------------------------------------------------------------------------|
| Projects Analyst                                  | G         | 254      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Data Management Services Coordinator     | D         | 12       | \$44,000  | \$51,000  | \$58,000  | Revised position title and pay range adjustment based on internal alignment and equity analysis |
| Provider Data Management Services Coordinator, Sr | F         | 586      | \$51,000  | \$59,000  | \$67,000  | Revised position title and pay range adjustment based on internal alignment and equity analysis |
| Provider Enrollment Manager                       | G         | 190      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Network Rep Sr                           | I         | 391      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Network Specialist                       | H         | 44       | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Network Specialist Sr                    | J         | 595      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Office Education Manager                 | I         | 300      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Relations Rep                            | G         | 205      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Provider Relations Rep Sr                         | I         | 285      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Publications Coordinator                          | G         | 293      | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QA Analyst                                        | I         | 486      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QA Analyst Sr                                     | L         | 380      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QI Nurse Specialist                               | M         | 82       | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| QI Nurse Specialist (LVN)                         | L         | 445      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Receptionist                                      | B         | 140      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Records Manager                                   | Q         | TBD      | \$130,000 | \$157,000 | \$184,000 | New Position                                                                                    |
| Recreational Therapist                            | H         | 487      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Registered Dietitian                              | I         | 57       | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Regulatory Affairs and Compliance Analyst         | I         | 628      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Regulatory Affairs and Compliance Analyst Sr      | K         | 629      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Regulatory Affairs and Compliance Lead            | L         | 630      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| RN (PACE)                                         | M         | 480      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Security Analyst Int                              | M         | 534      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Security Analyst Sr                               | N         | TBD      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |
| Security Officer                                  | B         | 311      | \$38,000  | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.   |



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| Job Title                                | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|------------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| SharePoint Developer/Administrator Sr    | N         | 397      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Social Worker                            | J         | 463      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Social Worker, Sr.                       | K         | TBD      | \$70,000  | \$84,000  | \$98,000  | New Position                                                                                  |
| * Special Counsel                        | T         | 317      | \$182,000 | \$227,000 | \$272,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Sr Manager Financial Analysis            | Q         | 660      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Sr Manager Information Services          | Q         | 650      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Staff Attorney                           | P         | 195      | \$117,000 | \$141,000 | \$165,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Staff Attorney, Sr                       | R         | TBD      | \$144,000 | \$174,000 | \$204,000 | New Position                                                                                  |
| Supervisor Accounting                    | M         | 434      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Audit and Oversight           | M         | 618      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Behavioral Health             | M         | 659      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Budgeting                     | N         | 466      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Case Management               | M         | 86       | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Claims                        | I         | 219      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Coding Initiatives            | M         | 502      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Credentialing                 | I         | 671      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Customer Service              | I         | 34       | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Data Entry                    | H         | 192      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Day Center (PACE)             | H         | 619      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Dietary Services (PACE)       | J         | 643      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Encounters                    | I         | 253      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Facilities                    | J         | 162      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Finance                       | M         | 419      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Grievance and Appeals         | L         | 620      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Information Services          | N         | 457      | \$95,000  | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Long Term Support Services    | M         | 587      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Member Outreach and Education | K         | TBD      | \$70,000  | \$84,000  | \$98,000  | New Position                                                                                  |

**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title                                    | Pay Grade | Job Code | Min***    | Mid       | Max       | For Approval                                                                                  |
|----------------------------------------------|-----------|----------|-----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Supervisor MSSP                              | M         | 348      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Nursing Services (PACE)           | M         | 662      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor OneCare Customer Service          | I         | 408      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Payroll                           | M         | 517      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Pharmacist                        | Q         | 610      | \$130,000 | \$157,000 | \$184,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Population Health Management      | M         | 673      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Provider Data Management Services | K         | 439      | \$70,000  | \$84,000  | \$98,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Provider Relations                | L         | 652      | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Quality Analytics                 | M         | 609      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Quality Improvement               | M         | 600      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Regulatory Affairs and Compliance | M         | 627      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Social Work (PACE)                | J         | 636      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Therapy Services (PACE)           | M         | 645      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Supervisor Utilization Management            | M         | 637      | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Systems Network Administrator Int            | L         | 63       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Systems Network Administrator Sr             | M         | 89       | \$85,000  | \$103,000 | \$121,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Systems Operations Analyst                   | F         | 32       | \$51,000  | \$59,000  | \$67,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Systems Operations Analyst Int               | G         | 45       | \$55,000  | \$63,000  | \$71,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Analyst Int                        | J         | 64       | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Analyst Sr                         | L         | 75       | \$77,000  | \$93,000  | \$109,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Writer                             | H         | 247      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Technical Writer Sr                          | J         | 470      | \$65,000  | \$78,000  | \$91,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Therapy Aide                                 | E         | 521      | \$48,000  | \$55,000  | \$62,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Training Administrator                       | I         | 621      | \$61,000  | \$73,000  | \$85,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Training Program Coordinator                 | H         | 471      | \$59,000  | \$68,000  | \$77,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |



**CalOptima - Annual Base Salary Schedule - Revised June 04, 2020,  
to be implemented June 07, 2020  
Effective as of May 1, 2014**

| Job Title              | Pay Grade | Job Code | Min***   | Mid       | Max       | For Approval                                                                                  |
|------------------------|-----------|----------|----------|-----------|-----------|-----------------------------------------------------------------------------------------------|
| Translation Specialist | B         | 241      | \$38,000 | \$44,000  | \$50,000  | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |
| Web Architect          | N         | 366      | \$95,000 | \$114,000 | \$133,000 | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |

\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution.

\*\* These positions are identified for the purposes of CalOptima Policy GA. 8042: Supplemental Compensation as Director level and above positions for which eligible employees may qualify for Employer-Paid Member Contribution and are also Chief or Executive Director level positions.

\*\*\* A training rate of 10% below the minimum applies to all grades.

For 20200604 BOD Review Only

# CalOptima – Annual Base Salary Schedule – Revised June 4, 2020, to be implemented June 7, 2020. Effective as of May 1, 2014

## Summary of Changes to Salary Schedule GA.8058 Salary Schedule Attachment A

| Job Title                                | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Accountant                               | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000 | <del>\$75,504</del> | \$77,000 | March 2020           |
| Accountant Int                           | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |
| Accountant Sr                            | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000 | <del>\$99,840</del> | \$98,000 | March 2020           |
| Accounting Clerk                         | <del>J</del>  | D             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$44,000 | <del>\$46,384</del> | \$51,000 | <del>\$55,640</del> | \$58,000 | March 2020           |
| Accounting Clerk, Sr<br>(Proposed title) | N/A           | E             | Department requesting new title due to growth.                                                |                     | \$48,000 |                     | \$55,000 |                     | \$62,000 | March 2020           |

| Job Title                   | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Activity Coordinator (PACE) | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000  | <del>\$53,352</del>  | \$55,000  | <del>\$65,624</del>  | \$62,000  | March 2020           |
| Actuarial Analyst           | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000  | <del>\$70,512</del>  | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Actuarial Analyst Sr        | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000  | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Actuary                     | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Administrative Assistant    | <del>H</del>  | D             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$33,696</del> | \$44,000  | <del>\$42,224</del>  | \$51,000  | <del>\$50,648</del>  | \$58,000  | March 2020           |

| Job Title                | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|--------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Analyst                  | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000 | <del>\$75,504</del> | \$77,000 | March 2020           |
| Analyst Int              | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |
| Analyst Sr               | <del>M</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$65,000 | <del>\$81,120</del> | \$78,000 | <del>\$99,840</del> | \$91,000 | March 2020           |
| Applications Analyst     | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000 | <del>\$75,504</del> | \$85,000 | March 2020           |
| Applications Analyst Int | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000 | <del>\$86,736</del> | \$91,000 | March 2020           |

| Job Title                                      | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Applications Analyst Sr                        | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del>  | \$77,000  | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Assistant Director<br>(Proposed title)         | N/A           | P             | Establishing title to assist departments organization wide with management leveling.          |                      | \$117,000 |                      | \$141,000 |                      | \$165,000 | March 2020           |
| <del>Associate Director Customer Service</del> | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Associate Director Information Services        | <del>Q</del>  | Q             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$130,000 | <del>\$154,440</del> | \$157,000 | <del>\$194,480</del> | \$184,000 | March 2020           |
| <del>Associate Director Provider Network</del> | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Auditor                                        | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del>  | \$61,000  | <del>\$61,360</del>  | \$73,000  | <del>\$75,504</del>  | \$85,000  | March 2020           |
| Auditor Sr                                     | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del>  | \$65,000  | <del>\$70,512</del>  | \$78,000  | <del>\$86,736</del>  | \$91,000  | March 2020           |

| Job Title                   | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|-----------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Behavioral Health Manager   | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Biostatistics Manager       | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Board Services Specialist   | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del> | \$55,000  | <del>\$65,624</del>  | \$62,000  | March 2020           |
| Business Analyst            | J             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$65,000 | <del>\$53,352</del> | \$78,000  | <del>\$65,624</del>  | \$91,000  | March 2020           |
| Business Analyst Sr         | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del> | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Business Systems Analyst Sr | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000  | <del>\$99,840</del>  | \$98,000  | March 2020           |

| Job Title                               | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                  |           | Month Added/ Changed |
|-----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|----------------------|-----------|----------------------|
| Buyer                                   | <del>J</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$55,000 | <del>\$53,352</del> | \$63,000 | <del>\$65,624</del>  | \$71,000  | March 2020           |
| Buyer Int                               | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000 | <del>\$75,504</del>  | \$77,000  | March 2020           |
| Buyer Sr                                | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Care Manager                            | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000 | <del>\$99,840</del>  | \$98,000  | March 2020           |
| Care Transition Intervention Coach (RN) | <del>N</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$77,000 | <del>\$93,184</del> | \$93,000 | <del>\$114,712</del> | \$109,000 | March 2020           |
| Certified Coder                         | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000 | <del>\$75,504</del>  | \$77,000  | March 2020           |

| Job Title                               | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                              | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------------|---------------|---------------|-------------------------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Certified Coding Specialist             | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               | <del>\$47,112</del>  | \$59,000  | <del>\$61,360</del>  | \$68,000  | <del>\$75,504</del>  | \$77,000  | March 2020           |
| Certified Coding Specialist Sr          | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               | <del>\$54,288</del>  | \$65,000  | <del>\$70,512</del>  | \$78,000  | <del>\$86,736</del>  | \$91,000  | March 2020           |
| Change Control Administrator            | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               | <del>\$54,288</del>  | \$61,000  | <del>\$70,512</del>  | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Change Control Administrator Int        | <del>M</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               | <del>\$62,400</del>  | \$65,000  | <del>\$81,120</del>  | \$78,000  | <del>\$99,840</del>  | \$91,000  | March 2020           |
| <del>Change Management Analyst Sr</del> | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                                          |                      |           |                      |           |                      |           | March 2020           |
| Chief Counsel                           | <del>T</del>  | X             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.               | <del>\$197,704</del> | \$347,000 | <del>\$266,968</del> | \$434,000 | <del>\$336,024</del> | \$521,000 | March 2020           |
| Chief Executive Officer                 | <del>V</del>  | Z             | Wage grade letter adjustment based on Grant Thornton revised salary structure, but no changes to pay range. |                      |           |                      |           |                      |           | March 2020           |



| Job Title                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|---------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Chief Financial Officer   | U             | X             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$237,224</del> | \$347,000 | <del>\$320,216</del> | \$434,000 | <del>\$403,312</del> | \$521,000 | March 2020           |
| Chief Information Officer | T             | W             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$197,704</del> | \$295,000 | <del>\$266,968</del> | \$369,000 | <del>\$336,024</del> | \$443,000 | March 2020           |
| Chief Medical Officer     | U             | X             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$237,224</del> | \$347,000 | <del>\$320,216</del> | \$434,000 | <del>\$403,312</del> | \$521,000 | March 2020           |
| Chief Operating Officer   | U             | X             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$237,224</del> | \$347,000 | <del>\$320,216</del> | \$434,000 | <del>\$403,312</del> | \$521,000 | March 2020           |
| Claims - Lead             | J             | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del>  | \$55,000  | <del>\$53,352</del>  | \$63,000  | <del>\$66,624</del>  | \$71,000  | March 2020           |
| Claims Examiner           | H             | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$33,696</del>  | \$41,000  | <del>\$42,224</del>  | \$47,000  | <del>\$50,648</del>  | \$53,000  | March 2020           |

| Job Title                    | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Claims Examiner - Lead       | ↓             | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000 | <del>\$53,352</del> | \$59,000 | <del>\$65,624</del> | \$67,000 | March 2020           |
| Claims Examiner Sr           | ↓             | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$48,000 | <del>\$46,384</del> | \$55,000 | <del>\$55,640</del> | \$62,000 | March 2020           |
| Claims QA Analyst            | ↓             | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$48,000 | <del>\$46,384</del> | \$55,000 | <del>\$55,640</del> | \$62,000 | March 2020           |
| Claims QA Analyst Sr.        | ↓             | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000 | <del>\$53,352</del> | \$59,000 | <del>\$65,624</del> | \$67,000 | March 2020           |
| Claims Recovery Specialist   | ↓             | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$51,000 | <del>\$46,384</del> | \$59,000 | <del>\$55,640</del> | \$67,000 | March 2020           |
| Claims Resolution Specialist | ↓             | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$51,000 | <del>\$46,384</del> | \$59,000 | <del>\$55,640</del> | \$67,000 | March 2020           |

| Job Title                              | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Clerk of the Board                     | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Clinical Auditor                       | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000  | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Clinical Auditor Sr                    | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Clinical Documentation Specialist (RN) | <del>O</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$85,000  | <del>\$107,328</del> | \$103,000 | <del>\$131,976</del> | \$121,000 | March 2020           |
| Clinical Pharmacist                    | P             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del> | \$117,000 | <del>\$128,752</del> | \$141,000 | <del>\$162,032</del> | \$165,000 | March 2020           |
| Clinical Systems Administrator         | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000  | <del>\$81,120</del>  | \$84,000  | <del>\$99,840</del>  | \$98,000  | March 2020           |

| Job Title                         | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|-----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Clinician (Behavioral Health)     | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000 | <del>\$99,840</del> | \$98,000 | March 2020           |
| Communications Specialist         | <del>J</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$55,000 | <del>\$53,352</del> | \$63,000 | <del>\$65,624</del> | \$71,000 | March 2020           |
| Community Partner*                | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000 | March 2020           |
| Community Partner Sr              | <del>L</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$59,000 | <del>\$70,512</del> | \$68,000 | <del>\$86,736</del> | \$77,000 | March 2020           |
| Community Relations Specialist    | <del>J</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$55,000 | <del>\$53,352</del> | \$63,000 | <del>\$65,624</del> | \$71,000 | March 2020           |
| Community Relations Specialist Sr | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000 | <del>\$75,504</del> | \$85,000 | March 2020           |

| Job Title                                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Compliance Claims Auditor                 | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000  | <del>\$75,504</del>  | \$71,000  | March 2020           |
| Compliance Claims Auditor Sr              | <del>L</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$59,000 | <del>\$70,512</del> | \$68,000  | <del>\$86,736</del>  | \$77,000  | March 2020           |
| Contract Administrator                    | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000  | <del>\$99,840</del>  | \$98,000  | March 2020           |
| Contracts Manager                         | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Contracts Manager, Sr<br>(Proposed title) | N/A           | N             | Department requesting new title due to growth and to establish levels.                        |                     | \$95,000 |                     | \$114,000 |                      | \$133,000 | March 2020           |
| Contracts Specialist                      | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000  | <del>\$75,504</del>  | \$85,000  | March 2020           |
| Contracts Specialist Int                  | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000  | <del>\$86,736</del>  | \$91,000  | March 2020           |

| Job Title                        | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Contracts Specialist Sr          | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del>  | \$70,000  | <del>\$81,120</del>  | \$84,000  | <del>\$99,840</del>  | \$98,000  | March 2020           |
| Controller                       | <del>Q</del>  | T             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$182,000 | <del>\$154,440</del> | \$227,000 | <del>\$194,480</del> | \$272,000 | March 2020           |
| Credentialing Coordinator        | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del>  | \$48,000  | <del>\$53,352</del>  | \$55,000  | <del>\$65,624</del>  | \$62,000  | March 2020           |
| Credentialing Coordinator - Lead | <del>J</del>  | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del>  | \$51,000  | <del>\$53,352</del>  | \$59,000  | <del>\$65,624</del>  | \$67,000  | March 2020           |
| Customer Service Coordinator     | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del>  | \$48,000  | <del>\$53,352</del>  | \$55,000  | <del>\$65,624</del>  | \$62,000  | March 2020           |
| Customer Service Rep             | <del>H</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$33,696</del>  | \$41,000  | <del>\$42,224</del>  | \$47,000  | <del>\$50,648</del>  | \$53,000  | March 2020           |

| Job Title                         | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|----------------------|-----------|----------------------|-----------|----------------------|
| Customer Service Rep - Lead       | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del>  | \$55,000  | <del>\$65,624</del>  | \$62,000  | March 2020           |
| Customer Service Rep Sr           | <del>I</del>  | D             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$44,000 | <del>\$46,384</del>  | \$51,000  | <del>\$55,640</del>  | \$58,000  | March 2020           |
| Data Analyst*                     | K             | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$65,000 | <del>\$61,360</del>  | \$78,000  | <del>\$75,504</del>  | \$91,000  | March 2020           |
| Data Analyst Int*                 | L             | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$70,000 | <del>\$70,512</del>  | \$84,000  | <del>\$86,736</del>  | \$98,000  | March 2020           |
| Data Analyst Sr*                  | M             | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Data and Reporting Analyst - Lead | <del>H</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$85,000 | <del>\$107,328</del> | \$103,000 | <del>\$131,976</del> | \$121,000 | March 2020           |

| Job Title                                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|----------------------|-----------|----------------------|-----------|----------------------|
| Data Entry Tech                           | <del>F</del>  | A             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$27,872</del> | \$36,000 | <del>\$34,840</del>  | \$41,000  | <del>\$41,808</del>  | \$46,000  | March 2020           |
| Data Warehouse Architect                  | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Data Warehouse Programmer/Analyst         | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| <del>Data Warehouse Project Manager</del> | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                      |           |                      |           | March 2020           |
| Data Warehouse Reporting Analyst          | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Data Warehouse Reporting Analyst Sr       | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Database Administrator                    | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |



| Job Title                                      | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Database Administrator Sr                      | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del>  | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Deputy Chief Counsel                           | <del>S</del>  | W             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$295,000 | <del>\$222,352</del> | \$369,000 | <del>\$280,072</del> | \$443,000 | March 2020           |
| Deputy Chief Medical Officer                   | <del>T</del>  | W             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$197,704</del> | \$295,000 | <del>\$266,968</del> | \$369,000 | <del>\$336,024</del> | \$443,000 | March 2020           |
| Deputy Clerk of the Board*<br>(Proposed title) | N/A           | J             | Department requested new title to support Clerk duties and responsibilities.                  |                      | \$65,000  |                      | \$78,000  |                      | \$91,000  | March 2020           |
| <del>Director Accounting</del>                 | <del>P</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| <del>Director Applications Management</del>    | <del>R</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Director Audit & Oversight                     | <del>Q</del>  | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |

| Job Title                                | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Director Behavioral Health Services      | <del>P</del>  | Q             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del>  | \$130,000 | <del>\$128,752</del> | \$157,000 | <del>\$162,032</del> | \$184,000 | March 2020           |
| Director Budget and Procurement          | <del>Q</del>  | S             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$154,000 | <del>\$154,440</del> | \$193,000 | <del>\$194,480</del> | \$232,000 | March 2020           |
| <del>Director Business Development</del> | <del>P</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| <del>Director Business Integration</del> | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Director Case Management                 | <del>Q</del>  | S             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$154,000 | <del>\$154,440</del> | \$193,000 | <del>\$194,480</del> | \$232,000 | March 2020           |
| Director Claims Administration           | <del>P</del>  | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del>  | \$144,000 | <del>\$128,752</del> | \$174,000 | <del>\$162,032</del> | \$204,000 | March 2020           |
| <del>Director Clinical Outcomes</del>    | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Director Clinical Pharmacy               | <del>R</del>  | T             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$137,280</del> | \$182,000 | <del>\$185,328</del> | \$227,000 | <del>\$233,376</del> | \$272,000 | March 2020           |

| Job Title                                      | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min      |           | Mid       |           | Max       |           | Month Added/ Changed |
|------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| Director Coding Initiatives                    | P             | S             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264 | \$154,000 | \$128,752 | \$193,000 | \$162,032 | \$232,000 | March 2020           |
| Director Communications                        | P             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264 | \$144,000 | \$128,752 | \$174,000 | \$162,032 | \$204,000 | March 2020           |
| <del>Director Community Relations</del>        | P             | N/A           | Job title is not in use nor is it planned for use.                                            |          |           |           |           |           |           | March 2020           |
| <del>Director Configuration &amp; Coding</del> | Q             | N/A           | Job title is not in use nor is it planned for use.                                            |          |           |           |           |           |           | March 2020           |
| Director Contracting                           | P             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264 | \$144,000 | \$128,752 | \$174,000 | \$162,032 | \$204,000 | March 2020           |
| <del>Director COREC</del>                      | Q             | N/A           | Job title is not in use nor is it planned for use.                                            |          |           |           |           |           |           | March 2020           |
| Director Customer Service                      | P             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264 | \$144,000 | \$128,752 | \$174,000 | \$162,032 | \$204,000 | March 2020           |
| <del>Director Electronic Business</del>        | P             | N/A           | Job title is not in use nor is it planned for use.                                            |          |           |           |           |           |           | March 2020           |

| Job Title                                     | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Director Enterprise Analytics                 | Q             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |
| Director Facilities                           | P             | Q             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del>  | \$130,000 | <del>\$128,752</del> | \$157,000 | <del>\$162,032</del> | \$184,000 | March 2020           |
| <del>Director Finance &amp; Procurement</del> | P             | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Director Financial Analysis                   | R             | T             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$137,280</del> | \$182,000 | <del>\$185,328</del> | \$227,000 | <del>\$233,376</del> | \$272,000 | March 2020           |
| Director Financial Compliance                 | P             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del>  | \$144,000 | <del>\$128,752</del> | \$174,000 | <del>\$162,032</del> | \$204,000 | March 2020           |
| Director Fraud Waste & Abuse and Privacy      | Q             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |
| <del>Director Government Affairs</del>        | P             | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |

| Job Title                           | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min       |           | Mid       |           | Max       |           | Month Added/ Changed |
|-------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| Director Grievance & Appeals        | P             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264  | \$144,000 | \$128,752 | \$174,000 | \$162,032 | \$204,000 | March 2020           |
| Director Health Services            | Q             | N/A           | Job title is not in use nor is it planned for use.                                            |           |           |           |           |           |           | March 2020           |
| Director Human Resources            | Q             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$114,400 | \$144,000 | \$154,440 | \$174,000 | \$194,480 | \$204,000 | March 2020           |
| Director Information Services       | R             | T             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$137,280 | \$182,000 | \$185,328 | \$227,000 | \$233,376 | \$272,000 | March 2020           |
| Director Long Term Support Services | Q             | S             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$114,400 | \$154,000 | \$154,440 | \$193,000 | \$194,480 | \$232,000 | March 2020           |
| Director Medi-Cal Plan Operations   | P             | N/A           | Job title is not in use nor is it planned for use.                                            |           |           |           |           |           |           | March 2020           |
| Director Network Management         | P             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264  | \$144,000 | \$128,752 | \$174,000 | \$162,032 | \$204,000 | March 2020           |
| Director OneCare Operations         | P             | N/A           | Job title is not in use nor is it planned for use.                                            |           |           |           |           |           |           | March 2020           |

| Job Title                                                                     | Old Pay Grade | New Pay Grade  | Notes / Reason                                                                                                                               | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------------------------------------------|---------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| <del>Director Organizational Training &amp; Education</del>                   | <del>P</del>  | <del>N/A</del> | Job title is not in use nor is it planned for use.                                                                                           |                      |           |                      |           |                      |           | March 2020           |
| Director PACE Program                                                         | <del>Q</del>  | <del>S</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                | <del>\$114,400</del> | \$154,000 | <del>\$154,440</del> | \$193,000 | <del>\$194,480</del> | \$232,000 | March 2020           |
| Director Population Health Management                                         | Q             |                | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                | <del>\$114,400</del> | \$130,000 | <del>\$154,440</del> | \$157,000 | <del>\$194,480</del> | \$184,000 | March 2020           |
| Director <del>Process Excellence</del> Program & Process Management (Revised) | <del>Q</del>  | <del>R</del>   | Title changed due to department name change<br>Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |
| Director Program Implementation                                               | <del>Q</del>  | <del>R</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |
| <del>Director Project Management</del>                                        | <del>Q</del>  | <del>N/A</del> | Job title is not in use nor is it planned for use.                                                                                           |                      |           |                      |           |                      |           | March 2020           |

| Job Title                                                               | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                                                               | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------------------------------------|---------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Director Provider Data <del>Quality Management Services</del> (Revised) | Q             |               | Title changed due to department name change<br>Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$130,000 | <del>\$154,440</del> |           | <del>\$194,480</del> |           | March 2020           |
| <del>Director Provider Services</del>                                   | <del>P</del>  | N/A           | Job title is not in use nor is it planned for use.                                                                                           |                      |           |                      |           |                      |           | March 2020           |
| <del>Director Public Policy</del>                                       | <del>P</del>  | N/A           | Job title is not in use nor is it planned for use.                                                                                           |                      |           |                      |           |                      |           | March 2020           |
| Director Purchasing*                                                    | N/A           | Q             | Department requested new title to provide support and oversight of this function.                                                            |                      | \$130,000 |                      | \$157,000 |                      | \$184,000 | March 2020           |
| <del>Director Quality (LTSS)</del>                                      | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                                                                           |                      |           |                      |           |                      |           | March 2020           |
| Director Quality Analytics                                              | Q             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |
| Director Quality Improvement                                            | Q             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |
| Director Regulatory Affairs and Compliance                              | Q             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |

| Job Title                                        | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min       |           | Mid       |           | Max       |           | Month Added/ Changed |
|--------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| Director Strategic Development                   | P             | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264  | \$144,000 | \$128,752 | \$174,000 | \$162,032 | \$204,000 | March 2020           |
| <del>Director Systems Development</del>          | R             | N/A           | Job title is not in use nor is it planned for use.                                            |           |           |           |           |           |           | March 2020           |
| Director Utilization Management                  | Q             | S             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$114,400 | \$154,000 | \$154,440 | \$193,000 | \$194,480 | \$232,000 | March 2020           |
| <del>Disease Management Coordinator</del>        | M             | N/A           | Job title is not in use nor is it planned for use.                                            |           |           |           |           |           |           | March 2020           |
| <del>Disease Management Coordinator – Lead</del> | M             | N/A           | Job title is not in use nor is it planned for use.                                            |           |           |           |           |           |           | March 2020           |
| <del>EDI Project Manager</del>                   | O             | N/A           | Job title is not in use nor is it planned for use.                                            |           |           |           |           |           |           | March 2020           |
| Enrollment Coordinator (PACE)                    | K             | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$47,112  | \$51,000  | \$61,360  | \$59,000  | \$75,504  | \$67,000  | March 2020           |
| Enterprise Analytics Manager                     | P             | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | \$95,264  | \$105,000 | \$128,752 | \$127,000 | \$162,032 | \$149,000 | March 2020           |



| Job Title                                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Executive Administrative Services Manager | <del>M</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del>  | \$65,000  | <del>\$81,120</del>  | \$78,000  | <del>\$99,840</del>  | \$91,000  | March 2020           |
| Executive Assistant                       | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del>  | \$55,000  | <del>\$61,360</del>  | \$63,000  | <del>\$75,504</del>  | \$71,000  | March 2020           |
| Executive Assistant to CEO                | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. |                      | \$61,000  | <del>\$70,512</del>  | \$73,000  |                      | \$85,000  | March 2020           |
| Executive Director Clinical Operations    | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Executive Director Compliance             | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Executive Director Human Resources        | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |

| Job Title                                                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Executive Director Network Operations                     | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Executive Director Operations                             | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Executive Director Program Implementation                 | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Executive Director Public Affairs                         | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Executive Director Quality & Population Health Management | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Executive Director, Behavioral Health Integration         | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |

| Job Title                                                         | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |           | Month Added/ Changed |
|-------------------------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|-----------|----------------------|
| Facilities & Support Services Coord - Lead                        | <del>J</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$55,000 | <del>\$53,352</del> | \$63,000 | <del>\$65,624</del> | \$71,000  | March 2020           |
| Facilities & Support Services Coordinator                         | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del> | \$55,000 | <del>\$65,624</del> | \$62,000  | March 2020           |
| Facilities & Support Services Coordinator, Sr<br>(Proposed title) | N/A           | F             | Department requesting new title due to growth and to establish levels.                        |                     | \$51,000 |                     | \$59,000 |                     | \$67,000  | March 2020           |
| Facilities Coordinator                                            | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del> | \$55,000 | <del>\$65,624</del> | \$62,000  | March 2020           |
| Financial Analyst                                                 | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000 | <del>\$86,736</del> | \$91,000  | March 2020           |
| Financial Analyst Sr                                              | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del> | \$93,000 | <del>\$99,840</del> | \$109,000 | March 2020           |
| Financial Reporting Analyst                                       | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000  | March 2020           |

| Job Title                                   | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|---------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| <del>Gerontology Resource Coordinator</del> | <del>M</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |           |                      |           | March 2020           |
| Graphic Designer                            | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000  | <del>\$99,840</del>  | \$98,000  | March 2020           |
| Grievance & Appeals Nurse Specialist        | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Grievance Resolution Specialist             | <del>J</del>  | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000 | <del>\$53,352</del> | \$59,000  | <del>\$65,624</del>  | \$67,000  | March 2020           |
| Grievance Resolution Specialist - Lead      | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Grievance Resolution Specialist Sr          | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000  | <del>\$75,504</del>  | \$77,000  | March 2020           |
| Health Coach                                | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000  | <del>\$99,840</del>  | \$98,000  | March 2020           |

| Job Title                              | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Health Educator                        | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000  | <del>\$75,504</del>  | \$77,000  | March 2020           |
| Health Educator Sr                     | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Health Network Liaison Specialist (RN) | <del>N</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$77,000 | <del>\$93,184</del> | \$93,000  | <del>\$114,712</del> | \$109,000 | March 2020           |
| Health Network Oversight Specialist    | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000  | <del>\$99,840</del>  | \$98,000  | March 2020           |
| HEDIS Case Manager                     | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| <del>HEDIS Case Manager (LVN)</del>    | <del>M</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |           |                      |           | March 2020           |

| Job Title                                | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                 |           | Month Added/ Changed |
|------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|---------------------|-----------|----------------------|
| Help Desk Technician                     | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del> | \$55,000  | <del>\$65,624</del> | \$62,000  | March 2020           |
| Help Desk Technician Sr                  | <del>K</del>  | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$51,000 | <del>\$61,360</del> | \$59,000  | <del>\$75,604</del> | \$67,000  | March 2020           |
| HR Assistant                             | <del>I</del>  | D             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$44,000 | <del>\$46,384</del> | \$51,000  | <del>\$55,640</del> | \$58,000  | March 2020           |
| HR Business Partner                      | M             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$85,000 | <del>\$81,120</del> | \$103,000 | <del>\$99,840</del> | \$121,000 | March 2020           |
| <del>HR Compensation Specialist Sr</del> | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |           |                     |           | March 2020           |
| HR Coordinator                           | <del>J</del>  | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000 | <del>\$53,352</del> | \$59,000  | <del>\$65,624</del> | \$67,000  | March 2020           |
| HR Representative                        | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000  | <del>\$86,736</del> | \$91,000  | March 2020           |

| Job Title                                | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |           | Month Added/ Changed |
|------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|-----------|----------------------|
| HR Representative Sr                     | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del> | \$93,000 | <del>\$99,840</del> | \$109,000 | March 2020           |
| HR Specialist                            | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000  | March 2020           |
| HR Specialist Sr                         | <del>L</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$59,000 | <del>\$70,512</del> | \$68,000 | <del>\$86,736</del> | \$77,000  | March 2020           |
| <del>HRIS Analyst Sr</del>               | <del>M</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |          |                     |           | March 2020           |
| <del>ICD-10 Project Manager</del>        | <del>O</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |          |                     |           | March 2020           |
| Infrastructure Systems Administrator     | <del>J</del>  | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000 | <del>\$53,352</del> | \$59,000 | <del>\$65,624</del> | \$67,000  | March 2020           |
| Infrastructure Systems Administrator Int | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000  | March 2020           |

| Job Title                        | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Inpatient Quality Coding Auditor | <del>E</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000  | <del>\$70,512</del>  | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Intern                           | <del>E</del>  | A             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$25,272</del> | \$36,000  | <del>\$31,720</del>  | \$41,000  | <del>\$37,960</del>  | \$46,000  | March 2020           |
| Investigator Sr                  | <del>E</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000  | <del>\$70,512</del>  | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| IS Coordinator                   | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000  | <del>\$53,352</del>  | \$55,000  | <del>\$65,624</del>  | \$62,000  | March 2020           |
| IS Project Manager               | <del>O</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| IS Project Manager Sr            | <del>P</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del> | \$105,000 | <del>\$128,752</del> | \$127,000 | <del>\$162,032</del> | \$149,000 | March 2020           |



| Job Title                              | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                  |           | Month Added/ Changed |
|----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|----------------------|-----------|----------------------|
| IS Project Specialist                  | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000 | <del>\$99,840</del>  | \$98,000  | March 2020           |
| IS Project Specialist Sr               | <del>N</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$77,000 | <del>\$93,184</del> | \$93,000 | <del>\$114,712</del> | \$109,000 | March 2020           |
| Kitchen Assistant                      | <del>E</del>  | A             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$25,272</del> | \$36,000 | <del>\$31,720</del> | \$41,000 | <del>\$37,960</del>  | \$46,000  | March 2020           |
| <del>Legislative Program Manager</del> | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |          |                      |           | March 2020           |
| Licensed Clinical Social Worker        | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000 | <del>\$86,736</del>  | \$91,000  | March 2020           |
| Litigation Support Specialist          | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000 | <del>\$99,840</del>  | \$98,000  | March 2020           |
| LVN PACE                               | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000 | <del>\$99,840</del>  | \$98,000  | March 2020           |

| Job Title                                          | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| LVN Specialist<br>(Proposed title, to be adjusted) | N/A           | K             | Department requesting new title to clearly identify roles.                                    |                     | \$70,000  |                      | \$84,000  |                      | \$98,000  | March 2020           |
| Mailroom Clerk                                     | E             | A             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$25,272</del> | \$36,000  | <del>\$31,720</del>  | \$41,000  | <del>\$37,960</del>  | \$46,000  | March 2020           |
| Manager Accounting                                 | <del>N</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$105,000 | <del>\$93,184</del>  | \$127,000 | <del>\$114,712</del> | \$149,000 | March 2020           |
| Manager Actuary                                    | P             | Q             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del> | \$130,000 | <del>\$128,752</del> | \$157,000 | <del>\$162,032</del> | \$184,000 | March 2020           |
| Manager Applications Management                    | P             | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Audit & Oversight                          | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager Behavioral Health                          | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |

| Job Title                    | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Manager Business Integration | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del>  | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager Case Management      | <del>O</del>  | P             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del>  | \$117,000 | <del>\$107,328</del> | \$141,000 | <del>\$131,976</del> | \$165,000 | March 2020           |
| Manager Claims               | <del>N</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del>  | \$105,000 | <del>\$93,184</del>  | \$127,000 | <del>\$114,712</del> | \$149,000 | March 2020           |
| Manager Clinic Operations    | <del>O</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del>  | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Manager Clinical Pharmacist  | <del>O</del>  | R             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$144,000 | <del>\$154,440</del> | \$174,000 | <del>\$194,480</del> | \$204,000 | March 2020           |
| Manager Coding Quality       | N             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del>  | \$95,000  | <del>\$93,184</del>  | \$114,000 | <del>\$114,712</del> | \$133,000 | March 2020           |

| Job Title                           | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Manager Communications              | N             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$95,000  | <del>\$93,184</del>  | \$114,000 | <del>\$114,712</del> | \$133,000 | March 2020           |
| Manager Community Relations         | <del>M</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$95,000  | <del>\$81,120</del>  | \$114,000 | <del>\$99,840</del>  | \$133,000 | March 2020           |
| Manager Contracting                 | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager Creative Branding           | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Manager Cultural & Linguistic       | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Manager Customer Service            | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| <del>Manager Decision Support</del> | <del>O</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |

| Job Title                              | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Manager Electronic Business            | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| <del>Manager Employment Services</del> | N             | N/A           | Job title is not in use nor is it planned for use.                                            | <del>\$71,760</del> |           | <del>\$93,184</del>  |           | <del>\$114,712</del> |           | March 2020           |
| Manager Encounters                     | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Manager Environmental Health & Safety  | N             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$95,000  | <del>\$93,184</del>  | \$114,000 | <del>\$114,712</del> | \$133,000 | March 2020           |
| <del>Manager Facilities</del>          | N             | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Finance                        | <del>N</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$105,000 | <del>\$93,184</del>  | \$127,000 | <del>\$114,712</del> | \$149,000 | March 2020           |
| Manager Financial Analysis             | <del>Q</del>  | P             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$117,000 | <del>\$107,328</del> | \$141,000 | <del>\$131,976</del> | \$165,000 | March 2020           |
| <del>Manager Government Affairs</del>  | N             | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |

| Job Title                                         | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|---------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Manager Grievance & Appeals                       | <del>N</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$105,000 | <del>\$93,184</del>  | \$127,000 | <del>\$114,712</del> | \$149,000 | March 2020           |
| <del>Manager Health Education</del>               | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| <del>Manager HEDIS</del>                          | <del>O</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Human Resources                           | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager Information Services                      | P             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del> | \$117,000 | <del>\$128,752</del> | \$141,000 | <del>\$162,032</del> | \$165,000 | March 2020           |
| <del>Manager Information Technology</del>         | <del>P</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| <del>Manager Integration Government Liaison</del> | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Long Term Support Services                | <del>O</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |

| Job Title                                                             | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Manager Marketing & Enrollment (PACE)                                 | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| <del>Manager Medical Data Management</del>                            | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| <del>Manager Medi-Cal Program Operations</del>                        | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Member Liaison Program                                        | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Manager Member Outreach & Education                                   | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| <del>Manager Member Outreach Education &amp; Provider Relations</del> | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager MSSP                                                          | <del>Q</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager OneCare Clinical                                              | <del>Q</del>  | P             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$117,000 | <del>\$107,328</del> | \$141,000 | <del>\$131,976</del> | \$165,000 | March 2020           |

| Job Title                                         | Old Pay Grade | New Pay Grade  | Notes / Reason                                                                                                                                                     | Min                 |                      | Mid                  |                      | Max                  |                      | Month Added/ Changed |
|---------------------------------------------------|---------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Manager OneCare Customer Service                  | <del>N</del>  | <del>M</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                                      | <del>\$71,760</del> | <del>\$85,000</del>  | <del>\$93,184</del>  | <del>\$103,000</del> | <del>\$114,712</del> | <del>\$121,000</del> | March 2020           |
| <del>Manager OneCare Regulatory</del>             | <del>N</del>  | <del>N/A</del> | Job title is not in use nor is it planned for use.                                                                                                                 |                     |                      |                      |                      |                      |                      | March 2020           |
| <del>Manager OneCare Sales</del>                  | <del>O</del>  | <del>N/A</del> | Job title is not in use nor is it planned for use.                                                                                                                 |                     |                      |                      |                      |                      |                      | March 2020           |
| Manager Marketing & Outreach*<br>(Proposed title) | <del>N</del>  | <del>M</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. New title requested by department to better reflect position duties. | <del>\$71,760</del> | <del>\$85,000</del>  | <del>\$93,184</del>  | <del>\$103,000</del> | <del>\$114,712</del> | <del>\$121,000</del> | March 2020           |
| Manager PACE Center                               | <del>O</del>  | <del>N</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                                      | <del>\$82,576</del> | <del>\$95,000</del>  | <del>\$107,328</del> | <del>\$114,000</del> | <del>\$131,976</del> | <del>\$133,000</del> | March 2020           |
| Manager Population Health Management              | <del>O</del>  | <del>N</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                                      | <del>\$82,576</del> | <del>\$95,000</del>  | <del>\$107,328</del> | <del>\$114,000</del> | <del>\$131,976</del> | <del>\$133,000</del> | March 2020           |
| Manager Process Excellence                        | <del>O</del>  | <del>O</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                                      | <del>\$82,576</del> | <del>\$105,000</del> | <del>\$107,328</del> | <del>\$127,000</del> | <del>\$131,976</del> | <del>\$149,000</del> | March 2020           |



| Job Title                                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Manager Program Implementation            | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| <del>Manager Project Management</del>     | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Provider Data Management Services | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Manager Provider Network                  | O             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager Provider Relations                | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| <del>Manager Provider Services</del>      | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Purchasing                        | <del>N</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$105,000 | <del>\$93,184</del>  | \$127,000 | <del>\$114,712</del> | \$149,000 | March 2020           |

| Job Title                                 | Old Pay Grade | New Pay Grade  | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------|---------------|----------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Manager QI Initiatives                    | <del>N</del>  | <del>M</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Manager Quality Analytics                 | <del>O</del>  | <del>N</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Manager Quality Improvement               | <del>O</del>  | <del>N</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Manager Regulatory Affairs and Compliance | O             |                | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager Reporting & Financial Compliance  | O             |                | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| Manager Strategic Development             | <del>O</del>  | <del>O</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$105,000 | <del>\$107,328</del> | \$127,000 | <del>\$131,976</del> | \$149,000 | March 2020           |
| <del>Manager Strategic Operations</del>   | <del>N</del>  | <del>N/A</del> | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |

| Job Title                              | Old Pay Grade | New Pay Grade  | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------------|---------------|----------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| <del>Manager Systems Development</del> | <del>P</del>  | <del>N/A</del> | Job title is not in use nor is it planned for use.                                            |                     |           |                      |           |                      |           | March 2020           |
| Manager Utilization Management         | <del>Q</del>  | <del>P</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$117,000 | <del>\$107,328</del> | \$141,000 | <del>\$131,976</del> | \$165,000 | March 2020           |
| Marketing and Outreach Specialist      | <del>J</del>  | <del>F</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000  | <del>\$53,352</del>  | \$59,000  | <del>\$66,624</del>  | \$67,000  | March 2020           |
| Medical Assistant                      | <del>H</del>  | <del>C</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$33,696</del> | \$41,000  | <del>\$42,224</del>  | \$47,000  | <del>\$50,648</del>  | \$53,000  | March 2020           |
| Medical Authorization Asst             | <del>H</del>  | <del>C</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$33,696</del> | \$41,000  | <del>\$42,224</del>  | \$47,000  | <del>\$50,648</del>  | \$53,000  | March 2020           |
| Medical Case Manager                   | <del>N</del>  | <del>L</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$77,000  | <del>\$93,184</del>  | \$93,000  | <del>\$114,712</del> | \$109,000 | March 2020           |
| Medical Case Manager (LVN)             | <del>L</del>  | <del>K</del>   | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$70,000  | <del>\$70,512</del>  | \$84,000  | <del>\$86,736</del>  | \$98,000  | March 2020           |

| Job Title                               | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Medical Director                        | <del>S</del>  | V             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$164,736</del> | \$251,000 | <del>\$222,352</del> | \$314,000 | <del>\$280,072</del> | \$377,000 | March 2020           |
| Medical Records & Health Plan Assistant | <del>G</del>  | B             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$30,576</del>  | \$38,000  | <del>\$38,272</del>  | \$44,000  | <del>\$45,968</del>  | \$50,000  | March 2020           |
| Medical Records Clerk                   | <del>E</del>  | B             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$25,272</del>  | \$38,000  | <del>\$31,720</del>  | \$44,000  | <del>\$37,960</del>  | \$50,000  | March 2020           |
| Medical Services Case Manager           | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del>  | \$55,000  | <del>\$61,360</del>  | \$63,000  | <del>\$75,504</del>  | \$71,000  | March 2020           |
| Member Liaison Specialist               | <del>I</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del>  | \$41,000  | <del>\$46,384</del>  | \$47,000  | <del>\$55,640</del>  | \$53,000  | March 2020           |
| MMS Program Coordinator                 | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del>  | \$55,000  | <del>\$61,360</del>  | \$63,000  | <del>\$75,504</del>  | \$71,000  | March 2020           |

| Job Title                        | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Nurse Practitioner (PACE)        | <del>P</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del> | \$105,000 | <del>\$128,752</del> | \$127,000 | <del>\$162,032</del> | \$149,000 | March 2020           |
| Occupational Therapist           | <del>N</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$77,000  | <del>\$93,184</del>  | \$93,000  | <del>\$114,712</del> | \$109,000 | March 2020           |
| Occupational Therapist Assistant | <del>M</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$59,000  | <del>\$81,120</del>  | \$68,000  | <del>\$99,840</del>  | \$77,000  | March 2020           |
| Office Clerk                     | <del>G</del>  | A             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$21,008</del> | \$36,000  | <del>\$26,208</del>  | \$41,000  | <del>\$31,408</del>  | \$46,000  | March 2020           |
| OneCare Operations Manager       | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| OneCare Partner - Sales          | <del>K</del>  | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$51,000  | <del>\$61,360</del>  | \$59,000  | <del>\$75,504</del>  | \$67,000  | March 2020           |

| Job Title                               | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|-----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| OneCare Partner - Sales (Lead)          | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000 | March 2020           |
| OneCare Partner - Service               | <del>I</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$41,000 | <del>\$46,384</del> | \$47,000 | <del>\$55,640</del> | \$53,000 | March 2020           |
| OneCare Partner (Inside Sales)          | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del> | \$55,000 | <del>\$65,624</del> | \$62,000 | March 2020           |
| Outreach Specialist                     | <del>I</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$41,000 | <del>\$46,384</del> | \$47,000 | <del>\$55,640</del> | \$53,000 | March 2020           |
| Paralegal/Legal Secretary               | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000 | <del>\$75,504</del> | \$85,000 | March 2020           |
| Payroll Specialist                      | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del> | \$55,000 | <del>\$65,624</del> | \$62,000 | March 2020           |
| Payroll Specialist, Sr (Proposed title) | N/A           | G             | Department requesting new title due to growth and to establish levels.                        |                     | \$55,000 |                     | \$63,000 |                     | \$71,000 | March 2020           |

| Job Title                                         | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|---------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Performance Analyst                               | <del>E</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |
| Personal Care Attendant                           | <del>E</del>  | A             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$25,272</del> | \$36,000 | <del>\$31,720</del> | \$41,000 | <del>\$37,960</del> | \$46,000 | March 2020           |
| Personal Care Attendant - Lead                    | <del>E</del>  | B             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$25,272</del> | \$38,000 | <del>\$31,720</del> | \$44,000 | <del>\$37,960</del> | \$50,000 | March 2020           |
| Personal Care Coordinator                         | <del>I</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$41,000 | <del>\$46,384</del> | \$47,000 | <del>\$55,640</del> | \$53,000 | March 2020           |
| Personal Care Coordinator, Sr<br>(Proposed title) | N/A           | D             | Department requesting new title due to growth and to establish levels.                        |                     | \$44,000 |                     | \$51,000 |                     | \$58,000 | March 2020           |
| Pharmacy Resident                                 | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000 | March 2020           |
| Pharmacy Services Specialist                      | <del>I</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$41,000 | <del>\$46,384</del> | \$47,000 | <del>\$55,640</del> | \$53,000 | March 2020           |

| Job Title                        | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|----------------------|-----------|----------------------|-----------|----------------------|
| Pharmacy Services Specialist Int | <del>J</del>  | D             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$44,000 | <del>\$53,352</del>  | \$51,000  | <del>\$65,624</del>  | \$58,000  | March 2020           |
| Pharmacy Services Specialist Sr  | <del>K</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$48,000 | <del>\$61,360</del>  | \$55,000  | <del>\$75,604</del>  | \$62,000  | March 2020           |
| Physical Therapist               | <del>N</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$77,000 | <del>\$93,184</del>  | \$93,000  | <del>\$114,712</del> | \$109,000 | March 2020           |
| Physical Therapist Assistant     | <del>M</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$59,000 | <del>\$81,120</del>  | \$68,000  | <del>\$99,840</del>  | \$77,000  | March 2020           |
| Policy Advisor Sr                | <del>O</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$85,000 | <del>\$107,328</del> | \$103,000 | <del>\$131,976</del> | \$121,000 | March 2020           |
| Privacy Manager                  | N             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$95,000 | <del>\$93,184</del>  | \$114,000 | <del>\$114,712</del> | \$133,000 | March 2020           |



| Job Title                                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Privacy Officer                           | <del>P</del>  | O             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del> | \$105,000 | <del>\$128,752</del> | \$127,000 | <del>\$162,032</del> | \$149,000 | March 2020           |
| Process Excellence Manager                | <del>Q</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000  | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Program Assistant                         | <del>T</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$41,000  | <del>\$46,384</del>  | \$47,000  | <del>\$55,640</del>  | \$53,000  | March 2020           |
| Program Coordinator                       | <del>T</del>  | C             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$37,128</del> | \$41,000  | <del>\$46,384</del>  | \$47,000  | <del>\$55,640</del>  | \$53,000  | March 2020           |
| <del>Program Development Analyst Sr</del> | <del>M</del>  | N/A           | Job title is not in use nor is it planned for use.                                            | <del>\$62,400</del> |           | <del>\$81,120</del>  |           | <del>\$99,840</del>  |           | March 2020           |
| Program Manager                           | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000  | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Program Manager Sr                        | <del>Q</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$85,000  | <del>\$107,328</del> | \$103,000 | <del>\$131,976</del> | \$121,000 | March 2020           |

| Job Title                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|---------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Program Specialist        | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del> | \$55,000 | <del>\$65,624</del> | \$62,000 | March 2020           |
| Program Specialist Int    | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000 | March 2020           |
| Program Specialist Sr     | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |
| Program/Policy Analyst    | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000 | <del>\$75,504</del> | \$85,000 | March 2020           |
| Program/Policy Analyst Sr | <del>M</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$70,000 | <del>\$81,120</del> | \$84,000 | <del>\$99,840</del> | \$98,000 | March 2020           |
| Programmer                | <del>L</del>  | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$70,000 | <del>\$70,512</del> | \$84,000 | <del>\$86,736</del> | \$98,000 | March 2020           |

| Job Title              | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                  |           | Max                  |           | Month Added/ Changed |
|------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|----------------------|-----------|----------------------|-----------|----------------------|
| Programmer Int         | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Programmer Sr          | <del>O</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Project Manager        | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Project Manager - Lead | M             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$85,000 | <del>\$81,120</del>  | \$103,000 | <del>\$99,840</del>  | \$121,000 | March 2020           |
| Project Manager Sr     | <del>O</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Project Specialist     | <del>K</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$48,000 | <del>\$61,360</del>  | \$55,000  | <del>\$75,504</del>  | \$62,000  | March 2020           |

| Job Title                                                                          | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|------------------------------------------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Project Specialist Sr                                                              | <del>E</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                 | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |
| Projects Analyst                                                                   | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                 | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000 | March 2020           |
| Provider <del>(Enrollment)</del> Data Management Services Coordinator (Revised)    | <del>I</del>  | D             | Title changed due to department name change<br>Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.  | <del>\$37,128</del> | \$44,000 | <del>\$46,384</del> | \$51,000 | <del>\$55,640</del> | \$58,000 | March 2020           |
| Provider <del>(Enrollment)</del> Data Management Services Coordinator Sr (Revised) | <del>J</del>  | F             | Title changed due to department name change.<br>Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000 | <del>\$53,362</del> | \$59,000 | <del>\$65,624</del> | \$67,000 | March 2020           |
| Provider Enrollment Manager                                                        | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                                 | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000 | March 2020           |

| Job Title                         | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |          | Max                 |          | Month Added/ Changed |
|-----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|----------|---------------------|----------|----------------------|
| Provider Network Rep Sr           | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |
| Provider Network Specialist       | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000 | <del>\$75,504</del> | \$77,000 | March 2020           |
| Provider Network Specialist Sr    | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000 | <del>\$86,736</del> | \$91,000 | March 2020           |
| Provider Office Education Manager | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |
| Provider Relations Rep            | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000 | <del>\$75,504</del> | \$71,000 | March 2020           |
| Provider Relations Rep Sr         | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000 | <del>\$86,736</del> | \$85,000 | March 2020           |

| Job Title                 | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|---------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Publications Coordinator  | <del>J</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$55,000 | <del>\$53,352</del> | \$63,000  | <del>\$65,624</del>  | \$71,000  | March 2020           |
| QA Analyst                | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| QA Analyst Sr             | <del>N</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$77,000 | <del>\$93,184</del> | \$93,000  | <del>\$114,712</del> | \$109,000 | March 2020           |
| QI Nurse Specialist       | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| QI Nurse Specialist (LVN) | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del> | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Receptionist              | <del>F</del>  | B             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$27,872</del> | \$38,000 | <del>\$34,840</del> | \$44,000  | <del>\$41,808</del>  | \$50,000  | March 2020           |

| Job Title                                    | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                 |           | Max                 |           | Month Added/ Changed |
|----------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|---------------------|-----------|---------------------|-----------|----------------------|
| Records Manager*<br>(Proposed title)         | N/A           | Q             | Department requested new title due to growth of duties.                                       |                     | \$130,000 |                     | \$157,000 |                     | \$184,000 | March 2020           |
| Recreational Therapist                       | L             | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$59,000  | <del>\$70,512</del> | \$68,000  | <del>\$86,736</del> | \$77,000  | March 2020           |
| <del>Recruiter</del>                         | L             | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                     |           |                     |           | March 2020           |
| <del>Recruiter Sr</del>                      | <del>M</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |           |                     |           |                     |           | March 2020           |
| Registered Dietitian                         | L             | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000  | <del>\$70,512</del> | \$73,000  | <del>\$86,736</del> | \$85,000  | March 2020           |
| Regulatory Affairs and Compliance Analyst    | K             | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000  | <del>\$61,360</del> | \$73,000  | <del>\$75,504</del> | \$85,000  | March 2020           |
| Regulatory Affairs and Compliance Analyst Sr | L             | K             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$70,000  | <del>\$70,512</del> | \$84,000  | <del>\$86,736</del> | \$98,000  | March 2020           |

| Job Title                              | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|----------------------|-----------|----------------------|-----------|----------------------|
| Regulatory Affairs and Compliance Lead | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| RN (PACE)                              | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Security Analyst Int                   | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Security Analyst Sr                    | <del>O</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |
| Security Officer                       | <del>F</del>  | B             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$27,872</del> | \$38,000 | <del>\$34,840</del>  | \$44,000  | <del>\$41,808</del>  | \$50,000  | March 2020           |
| SharePoint Developer/Administrator Sr  | <del>O</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |



| Job Title                                                | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                  |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|----------------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Social Worker                                            | <del>K</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del>  | \$65,000  | <del>\$61,360</del>  | \$78,000  | <del>\$75,504</del>  | \$91,000  | March 2020           |
| Social Worker, Sr<br>(Proposed title)                    | N/A           | K             | Department requesting new title due to growth and to establish levels.                        |                      | \$70,000  |                      | \$84,000  |                      | \$98,000  | March 2020           |
| Special Counsel                                          | <del>R</del>  | T             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$137,280</del> | \$182,000 | <del>\$185,328</del> | \$227,000 | <del>\$233,376</del> | \$272,000 | March 2020           |
| <del>Sr Director Regulatory Affairs and Compliance</del> | <del>R</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Sr Manager Financial Analysis                            | <del>P</del>  | Q             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del>  | \$130,000 | <del>\$128,752</del> | \$157,000 | <del>\$162,032</del> | \$184,000 | March 2020           |
| <del>Sr Manager Government Affairs</del>                 | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| <del>Sr Manager Human Resources</del>                    | <del>P</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |
| Sr Manager Information Services                          | Q             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$114,400</del> | \$130,000 | <del>\$154,440</del> | \$157,000 | <del>\$194,480</del> | \$184,000 | March 2020           |
| <del>Sr Manager Provider Network</del>                   | <del>Q</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                      |           |                      |           |                      |           | March 2020           |

| Job Title                               | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Staff Attorney                          | P             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$95,264</del> | \$117,000 | <del>\$128,752</del> | \$141,000 | <del>\$162,032</del> | \$165,000 | March 2020           |
| Staff Attorney, Sr.<br>(Proposed title) | N/A           | R             | Department requesting new title to establish levels.                                          |                     | \$144,000 |                      | \$174,000 |                      | \$204,000 | March 2020           |
| Supervisor Accounting                   | M             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$85,000  | <del>\$81,120</del>  | \$103,000 | <del>\$99,840</del>  | \$121,000 | March 2020           |
| Supervisor Audit and Oversight          | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor Behavioral Health            | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor Budgeting                    | <del>M</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$95,000  | <del>\$81,120</del>  | \$114,000 | <del>\$99,840</del>  | \$133,000 | March 2020           |
| Supervisor Case Management              | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |

| Job Title                     | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                 |           | Month Added/ Changed |
|-------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|---------------------|-----------|----------------------|
| Supervisor Claims             | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000  | <del>\$75,504</del> | \$85,000  | March 2020           |
| Supervisor Coding Initiatives | M             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$85,000 | <del>\$81,120</del> | \$103,000 | <del>\$99,840</del> | \$121,000 | March 2020           |
| Supervisor Credentialing      | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000  | <del>\$86,736</del> | \$85,000  | March 2020           |
| Supervisor Customer Service   | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000  | <del>\$75,504</del> | \$85,000  | March 2020           |
| Supervisor Data Entry         | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000  | <del>\$75,504</del> | \$77,000  | March 2020           |
| Supervisor Day Center (PACE)  | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del> | \$68,000  | <del>\$75,504</del> | \$77,000  | March 2020           |

| Job Title                                | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Supervisor Dietary Services (PACE)       | <del>M</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$65,000 | <del>\$81,120</del> | \$78,000  | <del>\$99,840</del>  | \$91,000  | March 2020           |
| <del>Supervisor Disease Management</del> | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |           |                      |           | March 2020           |
| Supervisor Encounters                    | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del> | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Supervisor Facilities                    | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000  | <del>\$86,736</del>  | \$91,000  | March 2020           |
| Supervisor Finance                       | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor Grievance and Appeals         | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del> | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| <del>Supervisor Health Education</del>   | <del>M</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |           |                      |           | March 2020           |

| Job Title                                                    | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|--------------------------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Supervisor Information Services                              | N             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$95,000 | <del>\$93,184</del> | \$114,000 | <del>\$114,712</del> | \$133,000 | March 2020           |
| Supervisor Long Term Support Services                        | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor Member Outreach and Education<br>(Proposed title) | N/A           | K             | Department requesting new title to assist with supervision of staff.                          |                     | \$70,000 |                     | \$84,000  |                      | \$98,000  | March 2020           |
| Supervisor MSSP                                              | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor Nursing Services (PACE)                           | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor OneCare Customer Service                          | <del>K</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$61,000 | <del>\$61,360</del> | \$73,000  | <del>\$75,504</del>  | \$85,000  | March 2020           |
| Supervisor Payroll                                           | M             |               | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$85,000 | <del>\$81,120</del> | \$103,000 | <del>\$99,840</del>  | \$121,000 | March 2020           |

| Job Title                                                                               | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                                                             | Min                 |           | Mid                  |           | Max                  |           | Month Added/ Changed |
|-----------------------------------------------------------------------------------------|---------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| Supervisor Pharmacist                                                                   | <del>P</del>  | Q             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                              | <del>\$95,264</del> | \$130,000 | <del>\$128,752</del> | \$157,000 | <del>\$162,032</del> | \$184,000 | March 2020           |
| Supervisor Population Health Management                                                 | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                              | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor <del>(Provider Enrollment)</del> Provider Data Management Services (Revised) | K             |               | Title changed due to department name change. Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$70,000  | <del>\$61,360</del>  | \$84,000  | <del>\$75,504</del>  | \$98,000  | March 2020           |
| Supervisor Provider Relations                                                           | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                              | <del>\$62,400</del> | \$77,000  | <del>\$81,120</del>  | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Supervisor Quality Analytics                                                            | <del>M</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                              | <del>\$62,400</del> | \$85,000  | <del>\$81,120</del>  | \$103,000 | <del>\$99,840</del>  | \$121,000 | March 2020           |
| Supervisor Quality Improvement                                                          | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities.                                              | <del>\$71,760</del> | \$85,000  | <del>\$93,184</del>  | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |

| Job Title                                    | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|----------------------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Supervisor Regulatory Affairs and Compliance | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor Social Work (PACE)                | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000  | <del>\$86,736</del>  | \$91,000  | March 2020           |
| <del>Supervisor Systems Development</del>    | <del>O</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |           |                      |           | March 2020           |
| Supervisor Therapy Services (PACE)           | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Supervisor Utilization Management            | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| <del>Systems Manager</del>                   | <del>N</del>  | N/A           | Job title is not in use nor is it planned for use.                                            |                     |          |                     |           |                      |           | March 2020           |
| Systems Network Administrator Int            | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del> | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |

| Job Title                        | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                 |           | Max                  |           | Month Added/ Changed |
|----------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|---------------------|-----------|----------------------|-----------|----------------------|
| Systems Network Administrator Sr | <del>N</del>  | M             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$71,760</del> | \$85,000 | <del>\$93,184</del> | \$103,000 | <del>\$114,712</del> | \$121,000 | March 2020           |
| Systems Operations Analyst       | <del>J</del>  | F             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$51,000 | <del>\$53,352</del> | \$59,000  | <del>\$65,624</del>  | \$67,000  | March 2020           |
| Systems Operations Analyst Int   | <del>K</del>  | G             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$55,000 | <del>\$61,360</del> | \$63,000  | <del>\$75,504</del>  | \$71,000  | March 2020           |
| Technical Analyst Int            | <del>L</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$65,000 | <del>\$70,512</del> | \$78,000  | <del>\$86,736</del>  | \$91,000  | March 2020           |
| Technical Analyst Sr             | <del>M</del>  | L             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$77,000 | <del>\$81,120</del> | \$93,000  | <del>\$99,840</del>  | \$109,000 | March 2020           |
| Technical Writer                 | <del>L</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$59,000 | <del>\$70,512</del> | \$68,000  | <del>\$86,736</del>  | \$77,000  | March 2020           |



| Job Title                    | Old Pay Grade | New Pay Grade | Notes / Reason                                                                                | Min                 |          | Mid                  |           | Max                  |           | Month Added/ Changed |
|------------------------------|---------------|---------------|-----------------------------------------------------------------------------------------------|---------------------|----------|----------------------|-----------|----------------------|-----------|----------------------|
| Technical Writer Sr          | <del>M</del>  | J             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$62,400</del> | \$65,000 | <del>\$81,120</del>  | \$78,000  | <del>\$99,840</del>  | \$91,000  | March 2020           |
| Therapy Aide                 | <del>J</del>  | E             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$40,976</del> | \$48,000 | <del>\$53,352</del>  | \$55,000  | <del>\$66,624</del>  | \$62,000  | March 2020           |
| Training Administrator       | <del>L</del>  | I             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$54,288</del> | \$61,000 | <del>\$70,512</del>  | \$73,000  | <del>\$86,736</del>  | \$85,000  | March 2020           |
| Training Program Coordinator | <del>K</del>  | H             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$47,112</del> | \$59,000 | <del>\$61,360</del>  | \$68,000  | <del>\$75,504</del>  | \$77,000  | March 2020           |
| Translation Specialist       | <del>G</del>  | B             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$30,576</del> | \$38,000 | <del>\$38,272</del>  | \$44,000  | <del>\$45,968</del>  | \$50,000  | March 2020           |
| Web Architect                | <del>O</del>  | N             | Pay range adjustment based on Grant Thornton and internal evaluation of job responsibilities. | <del>\$82,576</del> | \$95,000 | <del>\$107,328</del> | \$114,000 | <del>\$131,976</del> | \$133,000 | March 2020           |

- \*Reflects adjustments made to the salary schedule after February 6, 2020
- \* Reflects adjustments made to the salary schedule after March 5, 2020

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken May 21, 2020**

### **Regular Meeting of the CalOptima Board of Directors’ Finance and Audit Committee**

#### **Report Item**

11. Consider Recommending Board of Directors’ Approve Remedial Actions Related to Health Network and Provider Overpayments Arising from Medi-Cal Member Eligibility Reporting Error

#### **Contact**

Nora Onishi, Director Information Services (714) 246-8400

Michelle Laughlin, Executive Director Network Operations (714) 246-8400

#### **Recommended Action**

Authorize the Chief Executive Officer (CEO) to waive the recovery of additional overpayments made to Health Networks and Providers for the period of August 1, 2014 through August 30, 2018 based on a System Coding Logic Error and make a finding that such expenditures are for a public purpose and in furtherance of CalOptima’s mission and statutory purpose.

#### **Background**

The Department of Health Care Services (DHCS) regularly sends Medi-Cal Member eligibility information to CalOptima. Medi-Cal eligibility files contains current month newly eligible and terminated Members plus 12 months of historical eligibility. Based on the information provided, CalOptima processes these files as they are received from DHCS to update its member eligibility and demographic information. Once the files are processed in CalOptima’s systems, staff generates Medi-Cal member eligibility reporting for contracted Health Networks.

In September 2019, CalOptima’s Information Systems (IS) team identified an internal coding discrepancy (“System Coding Logic Error”) that directly impacted Medi-Cal member eligibility reporting. Specifically, while the system appropriately reported retroactive terminations due to member death or that were manually processed, retroactive termination based on other criteria (e.g., loss of eligibility via reporting by DHCS) were not captured. This resulted in overstated eligibility reports that, in turn, impacted the reported number of Medi-Cal eligible members assigned to CalOptima’s Health Networks and fee-for-service providers. For example, if DHCS’s September 2019 eligibility file reported a member terminated as of July 1, 2019, due to loss of eligibility, the CalOptima system recorded the termination as of September 1, 2019, missing two prior months of ineligibility.

Because Health Network capitation payments are issued based on the Members assigned to that Health Network, this error ultimately resulted in the overpayment of monthly Medi-Cal capitation. Since CalOptima did not register some of the retroactive eligibility termination information and recoup capitation payments from the Health Networks, the Health Networks, in turn, did not recoup payments from their providers for the impacted members.

The State’s eligibility file contains current month eligibility plus 12 months of historical eligibility and terminations information. For the 12 months prior to the issue being identified in September 2019, it is estimated that CalOptima overpaid \$2.8 million in Medi-Cal capitation to its Health Networks and \$2.4

million in fee-for-service claims. Based on the available 12 months of historical Medi-Cal eligibility information at the time the coding discrepancy was identified, CalOptima was able to update its internal business systems with the retroactive terminations back to September 2018. Since the update, CalOptima has been following recoupment processes to recover fee-for-service claims payments issued for dates of service from September 1, 2018 forward. Recoupments for overpaid capitation to Medi-Cal Health Networks were processed for payments dating back to April 1, 2019. To ensure consistency with recoupment processes for CalOptima Direct providers, recoupments for capitation payments to the health networks similarly need to be processed going back an additional seven months to September 1, 2018.

Resolution of the Discrepancy: In response to the coding discrepancy, CalOptima's IS Department implemented two (2) sets of controls designed to prevent future reoccurrence of the issue. The controls include code changes that were programmed into CalOptima's core system and processes to validate eligibility data with the monthly eligibility file received from the State. The code changes allow the system to recognize and process all retroactive eligibility terminations timely within the normal capitation cycle, and consistent with DHCS member termination data. To ensure quality control, the IS Department simultaneously runs monthly full-file reconciliations against thirteen (13) months of DHCS member eligibility data (current month plus twelve (12) prior months).

Additionally, new data controls are currently being developed so that the eligibility data will be compared to the capitation data received by DHCS for another level of validation. The internal process for receiving and passing on the eligibility and termination information from the State to CalOptima's providers and Health Networks will be selected for a focused internal audit. These quality controls are intended to ensure that CalOptima's monthly eligibility information and Health Network capitation payments are aligned with timely updated member eligibility data received from DHCS. CalOptima staff will complete the reconciliation of corrective actions related to the System Coding Logic Error and capitation payments to the Health Networks by no later than June 30, 2020.

### **Discussion**

When the coding discrepancy was identified, CalOptima staff began analysis of the issue and developed resolution plans. CalOptima's system has been updated so that it now captures all retroactive termination information going back twelve (12) months (consistent with DHCS's eligibility file) and passes the information on to the contracted Health Networks. However, based on the current system logic for capitation payments and the span of monthly retroactive termination information received from the State, CalOptima has only recouped capitation payment from the Health Networks back to April 2019.

In light of the System Coding Logic Error impacting reporting of the retroactive member terminations to the Health Networks, and consistent with the fee-for-service claims recoupments based on available Medi-Cal eligibility information, staff is seeking Board authorization to waive recoupments of any additional overpaid capitation or fee-for-service amounts for the period prior to September 1, 2018. The average yearly cost of waiving the recoupments is estimated at \$2.8 million per year for the Health Networks and \$2.4 million per year for fee-for-service providers over a four-year period.

Staff is therefore requesting that the Board authorize limiting additional recoupments to the period of September 1, 2018 through June 30, 2020, when the final reconciliation of the Health Network capitation and retroactive eligibility will be completed. Staff foresees that any further recoupment efforts prior to September 2018 would likely result in the Health Networks and CalOptima having challenges identifying and recouping the funds from downstream providers. As the Health Networks, providers, and members continue to be impacted by the financial challenges resulting from the COVID 19 pandemic, staff believes these measures will mitigate the impact.

### **Fiscal Impact**

The recommended action to waive the recovery of additional overpayments made to Health Networks and providers via shared-risk and direct network fee-for-service claims related to a system coding logic error prior to September 1, 2018 will have no impact to CalOptima's prior year net assets. The recommended action is not projected to impact CalOptima's Fiscal Year 2019-20 Operating Budget, approved by the Board on June 6, 2019.

Management estimates the annual amount of overpayment is \$2.8 million in capitation to Health Networks, and \$2.4 million in fee-for-service payments. The fiscal impact over the recommended action period is approximately \$11.2 million in capitation to Health Networks, and \$9.6 million in fee-for-service payments.

### **Rationale for Recommendation**

CalOptima staff is proposing to align the retroactive eligibility termination information received from the State (up to twelve months) with the capitation payments made to the Health Networks and limit the recoupment of the additional overpayments, going back beyond a year from the date the System Coding Logic Error was identified, in order to remain consistent with the current regulatory practice of eligibility submission. With this approach, and in light of the current public health crisis brought on by the COVID-19 pandemic, management believes the recommended action will both address the overpayment issue and ensure that Health Networks and providers are available to meet Members' healthcare needs.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

None

/s/ Richard Sanchez  
**Authorized Signature**

05/14/2020  
**Date**



# MOSSADAMS

# Audit Entrance: CalOptima

May 21, 2020

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[illegible]

# Finance and Audit Committee (FAC)

CalOptima



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Thank you for your continued engagement of Moss Adams LLP, the provider of choice for health care organizations. We are pleased to present our audit plan for CalOptima (the “Health Plan”) for the year ending June 30, 2020. We would also like to discuss current-year developments and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan and we look forward to working with you.

# Your Dedicated Team

---



Stacy Stelzriede  
Engagement  
Partner



Chris Pritchard  
Concurring Partner

## Other Team Members:

Jessica Pelzman  
Engagement Manager



Aparna  
Venkateswaran  
Engagement  
Senior Manager





# Required Communications to Those Charged with Governance

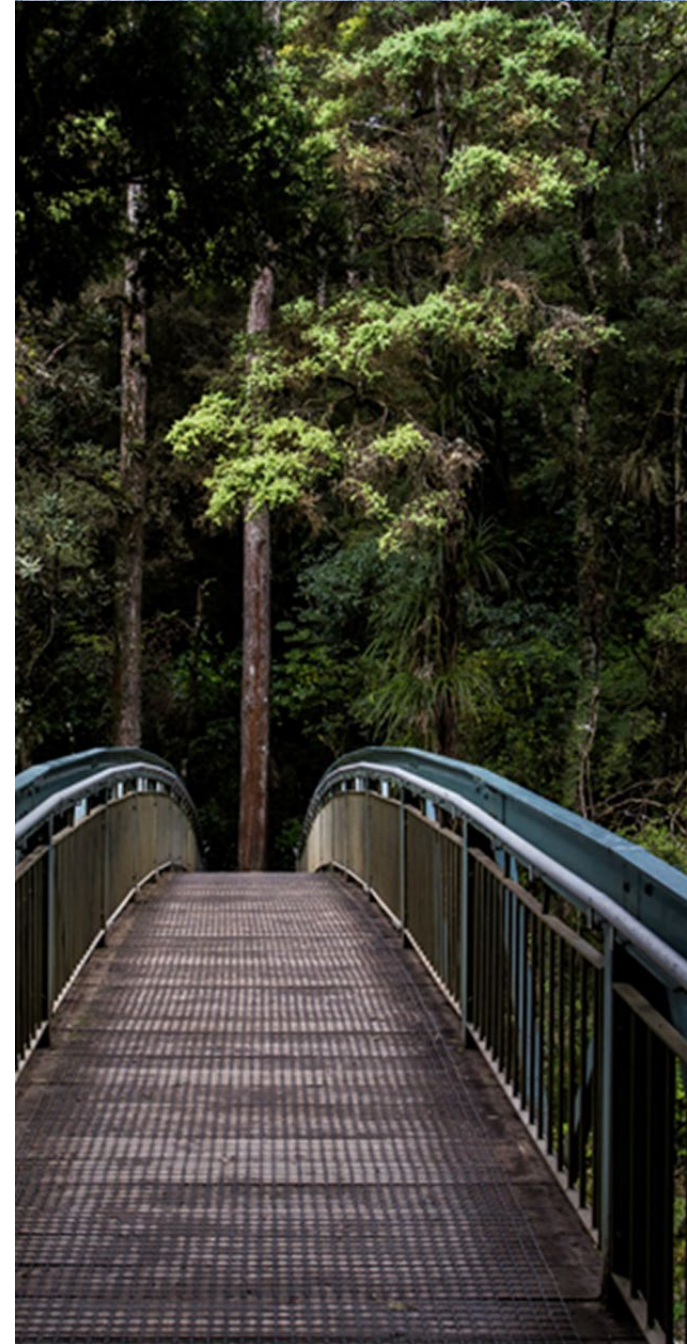
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## Now

- Auditor's responsibility under U.S. and government auditing standards
  - Planned scope and timing of audit
- 

## Later

- Significant audit findings
- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Management representations
- Management consultations with other independent accountants
- Other audit findings or issues





# Our Responsibility

Our responsibility under US Generally Accepted Auditing Standards and Government Auditing Standards.

1

To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, Government Auditing Standards issued by the Comptroller General of the United States, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

3

To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process and administering federal awards. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



5

# Audit Process

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Internal  
Controls



Analytical  
Procedures



Substantive  
Procedures

---

Includes information  
technology

Revenues and  
expenses

Confirmation of  
account balances

Trends, comparisons,  
and expectations

Vouching to supporting  
documentation

Representations from  
attorneys and  
management

Examining objective  
evidence



6

# What is Materiality?

---

The amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements.

## How It's Calculated:

- Using certain quantitative (e.g., total assets) and qualitative factors (e.g., covenants, expectations, or industry factors)

## It's Used To Identify:

- Significant risk areas
- Nature, timing, extent, and scope of test work
- Findings or misstatements



# Significant Audit Areas

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Medical claims liability and claims expense



Capitation revenue and receivables



Amounts due to the State of California or DHCS



Pension and OPEB liabilities



Impact of COVID-19



# Consideration of Fraud

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Auditors must consider fraud to “improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit.”

How we gather information to identify fraud-related risks of material misstatement:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures to be performed:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate the business rationale for significant unusual transactions



# Deliverables

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## We will issue the following reports:

- Audit report on the financial statements of CalOptima as of and for the year ended June 30, 2020
- Report on *Internal Control over Financial Reporting* and on *Compliance and Other Matters*
- Report on Compliance for *The Major Program* and Report on *Internal Control over Compliance* Required by Uniform Guidance
- Report to Management and the FAC
  - Communicating required internal control related matters identified during the audit
- Report to the Board of Directors
  - Communicating required matters and other matters of interest

## Nonattest services:

- Assist in drafting of the financial statements of CalOptima, excluding Management's Discussion and Analysis, as of and for the year ended June 30, 2020



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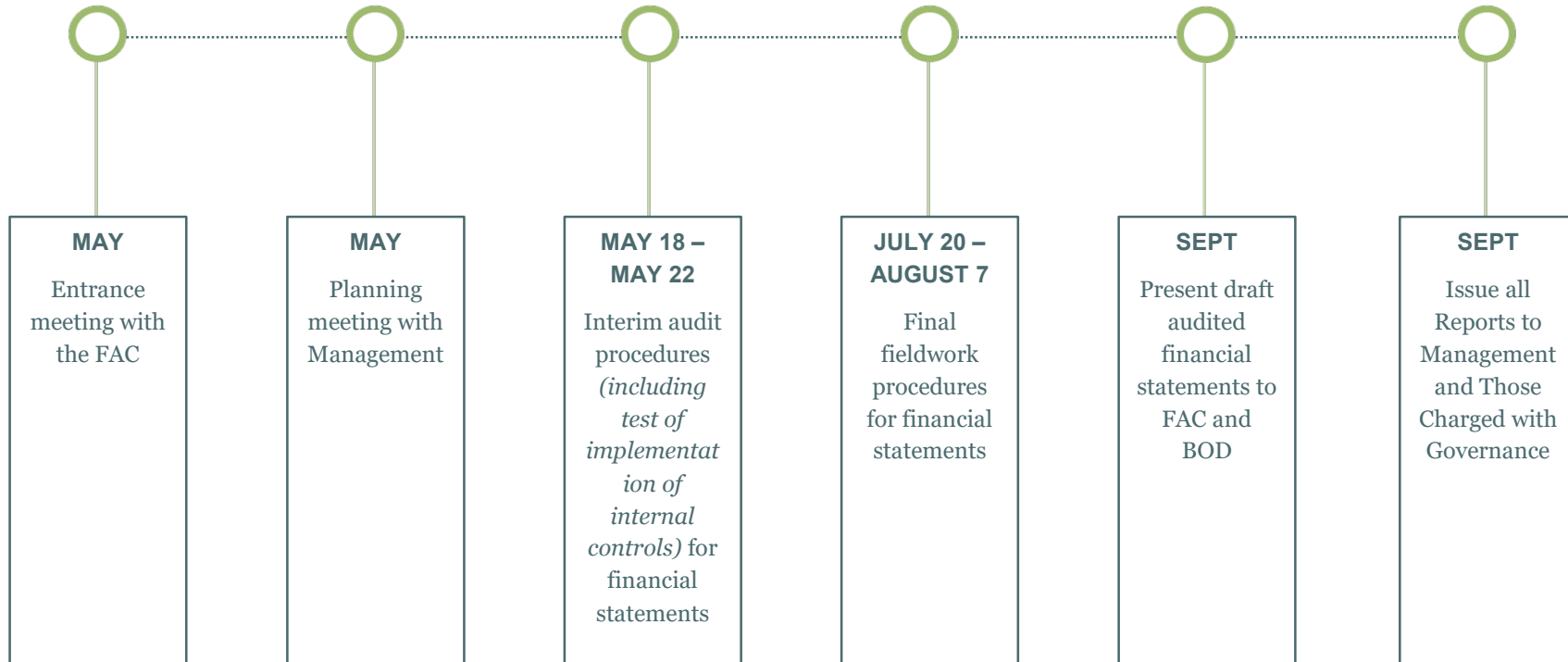


# Timeline

2020

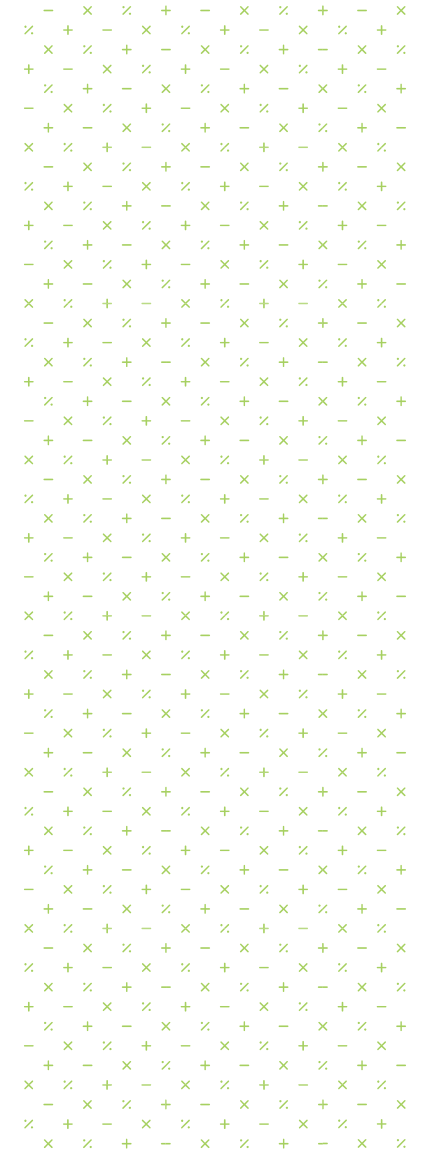


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# Accounting Update





# New Standards

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## **GASB 84** | Fiduciary Activities

Clarifies fiduciary activities as having the following characteristics:

1. Government controls the assets of the activity.
  2. Those assets are not derived solely from the government's own source revenue.
  3. One of the following:
    - The assets result from a pass-through grant or trust agreement.
    - Assets are used to benefit individuals not typical recipients of the government's goods and services (i.e. employees receive the benefit instead of patients.)
    - Assets are to be used to benefit other organizations or governments.
- Would require stand alone business-type entities (i.e. hospitals) with pension and OPEB trusts or patient custodial accounts to report separate fiduciary fund financial statements within the financial statements.
  - Effective for CalOptima for fiscal year 2021.



# New Standards

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## **GASB 87** | Leases

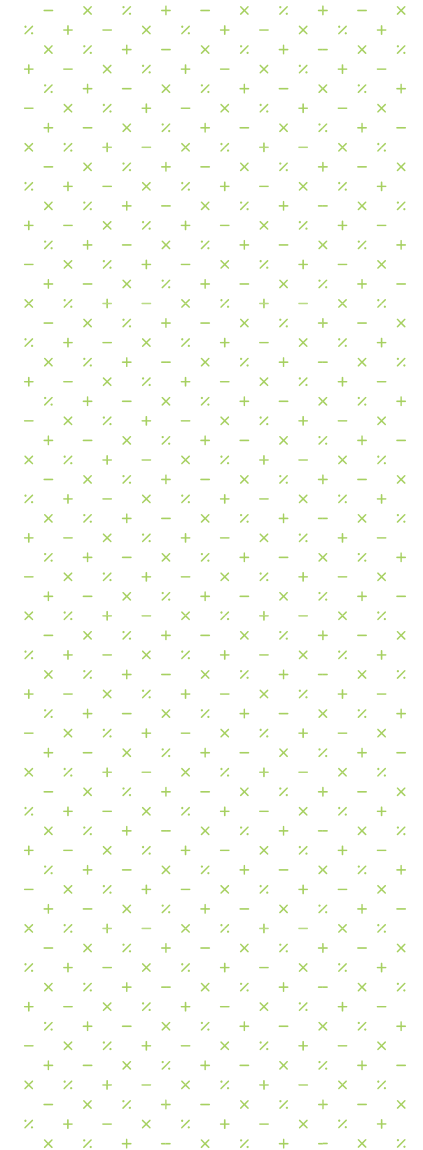
- Would treat all leases as financings (no classification of capital v. operating) similar to FASB ASU 2016-02.
- Includes non-cancellable period + periods covered by options to renew if reasonably certain to be exercised.
- Lessee would record an intangible asset (amortized over the shorter of its useful life or lease term) and present value of future lease payments as a liability.
- Lessor would record a lease receivable and deferred inflow of resources for cash received up front + future payments (revenue recognized over lease term in a systematic and rational basis).
- Effective for CalOptima for fiscal year 2022. Earlier application is encouraged.



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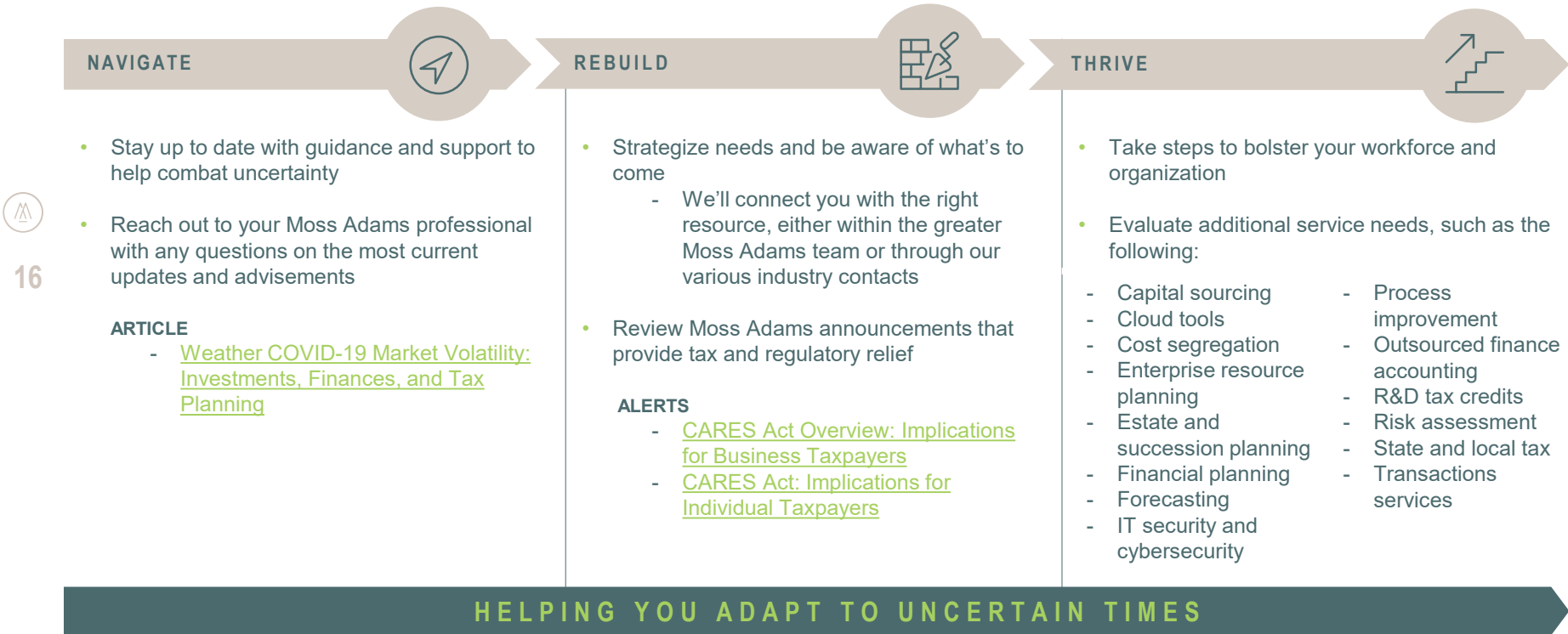


# About Moss Adams



# Our Response to COVID-19

The COVID-19 pandemic has touched all aspects of our lives. We're here to guide you to the information and resources you need now and provide strategies for the changes to come. We'll support you as you rebuild and help you take advantage of rising opportunities.



## Our Expertise



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DEEP

104  
years in  
business

2,900+  
professionals

30+  
industries  
served

*Crater Lake—  
A monument to perseverance, North America's  
deepest lake filled to 1,949 feet over 720 years.*

Data as of November 2017

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## Our Reach

WIDE

25+  
locations  
west of the Mississippi

100+  
countries served  
through Praxity, AISBL

\$527M  
in revenue  
earned

*Grand Canyon—  
At 277 miles long and up to 18 miles  
wide, this icon serves as a testament  
to determination and time.*

Data as of November 2017

# Health Care Industry Experience

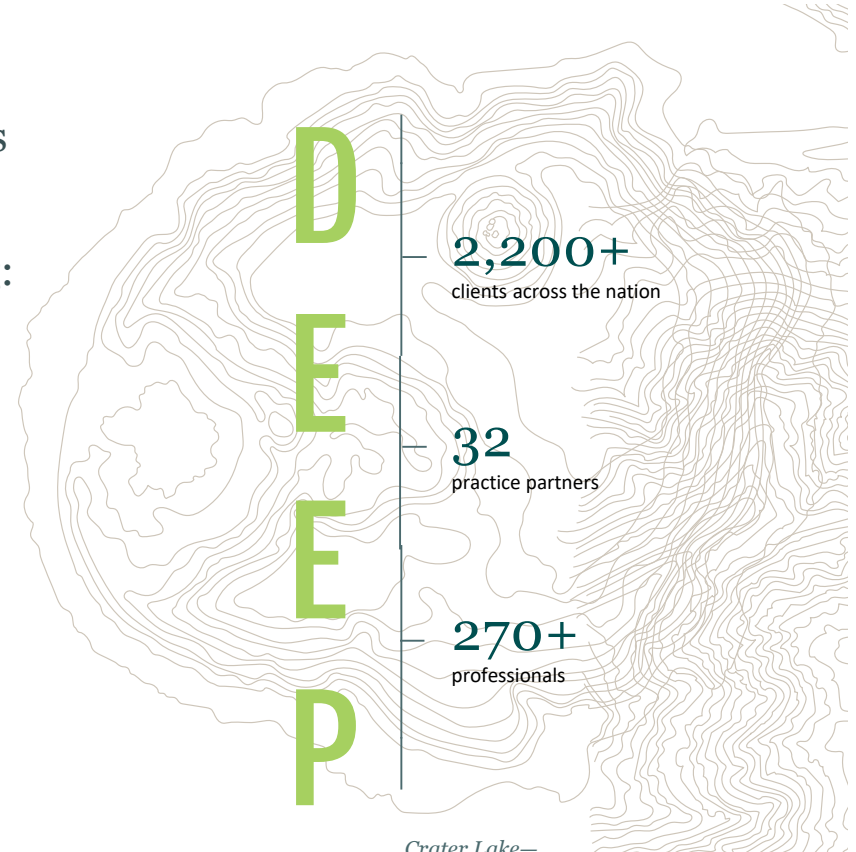
Our health care professionals dedicate their careers to serving the industry.

We cover the full spectrum of health care including:

- Hospitals and health systems
- Independent practice associations
- Medical groups
- Community health centers
- Behavioral health organizations
- Long-term care
- Surgery centers
- Knox-Keene licensed health plans
- Health care ancillary services



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*Crater Lake—  
A monument to perseverance, North  
America's deepest lake filled to 1,949 feet over  
720 years.*

Data as of November 2017

# Insights and Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.

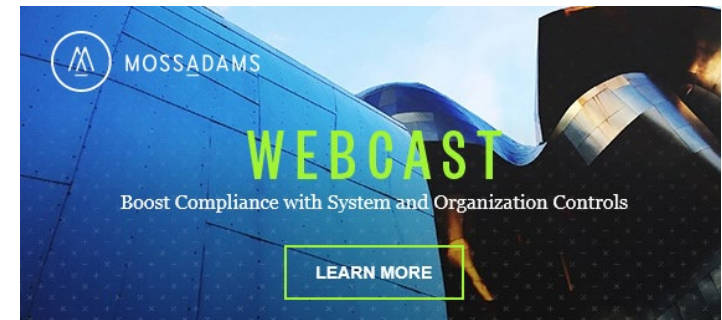
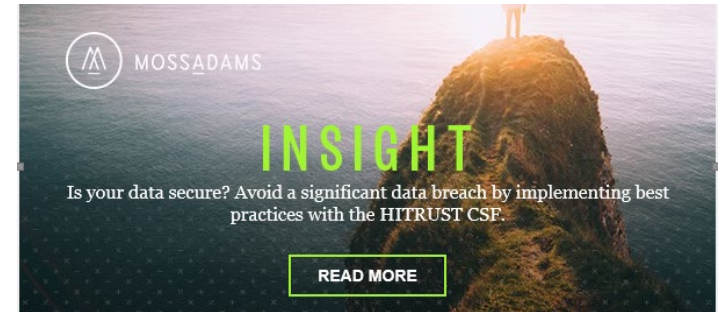
We'll keep you informed to help you stay abreast of critical industry issues.

Moss Adams closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.



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# Connect With Us

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In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.



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YouTube: <http://www.youtube.com/mossadamsllp>





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# THANK YOU



# CalOptima Rebasing Process and Result Overview

MAY 21, 2020

Craig Keizur, FSA, MAAA

Aaron Gates, FSA, MAAA



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- The authors of this presentation are consulting actuaries with Milliman, Inc., are members of the American Academy of Actuaries and meet its qualification standards for performing the analysis in this report.
- In developing this presentation and capitation analysis, we relied upon detailed claims, encounter, and eligibility data, fee schedules, capitation contracts (including the Division of Financial Responsibility listing, or DoFR), reinsurance provisions, current capitation rates, network definitions, category identifications, and other information provided by CalOptima without audit. We performed general reasonableness checks on the data where possible. This analysis was prepared specifically to develop capitation rates and should not be used for other purposes.
- The analysis reflects projections, not predictions. The projected results represent our best estimate, given the underlying data and assumptions. Actual experience will vary from our models for many reasons, including differences in population health status, reimbursement levels, capitation contracts, fee schedules, and the delivery of healthcare services, as well as other non-random and random factors. It is important that actual experience be monitored and that adjustments are made, as appropriate. Results are based on Milliman research and on our experience in working with Medicaid plans similar to CalOptima.
- Milliman makes no representations or warranties regarding the contents of this presentation to third parties. Likewise, third parties are instructed that they are to place no reliance upon this presentation prepared for CalOptima by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this presentation must rely upon their own experts in drawing conclusions about the capitation rates, cost projections, and other assumptions.

# Agenda

- About Milliman
- Medi-Cal Rebasing
  - Project Overview
  - Methodology
  - Assumptions
  - Recommendation on Medi-Cal Classic Rates
- OneCare Connect Rebasing
  - Overview
  - Three Approaches
  - Recommendation on OneCare Connect Rates

# About Milliman

- Milliman, Inc. is a consulting firm of actuaries and consultants, based in Seattle
- The team working with CalOptima has significant experience with Medicaid rate setting in many states, including California
- Milliman has been involved in CalOptima's rebasing analysis since prior to 2003
  - Utilized similar process to what is employed today

# Medi-Cal Rebasing - Overview

- Goal:
  - Develop actuarially sound Facility and Professional Capitation Rates
- Process Outline:
  - A 3+ month detailed data analysis processing over 300K claim lines
  - Incorporate latest definitions for Category of Aid and Age/Gender
  - Reflect networks' recent Facility and Professional experience
  - Include allowance for non-medical expenses
  - Final review with management
- Risk Adjustment
  - Capitation rates support the CDPS risk adjustment
  - Similar claims/encounter data used for CDPS, but process not incorporated into the rebasing analysis

# Medi-Cal Rebasing - Methodology

- Reconciliation
  - Review against source data
  - Summary of claims exclusions
  - Review of output and data extracts
  - Assessed reasonableness compared to several internal databases
- Encounter completeness
  - Review of office visit encounters vs. FFS

# Medi-Cal Rebasing - High Level Processes

- Data Processing

- Category of Service (COS) grouping
- Repricing to CalOptima Fee Schedule

- Claims projection

- Blending of prior years' experience
- Trend development

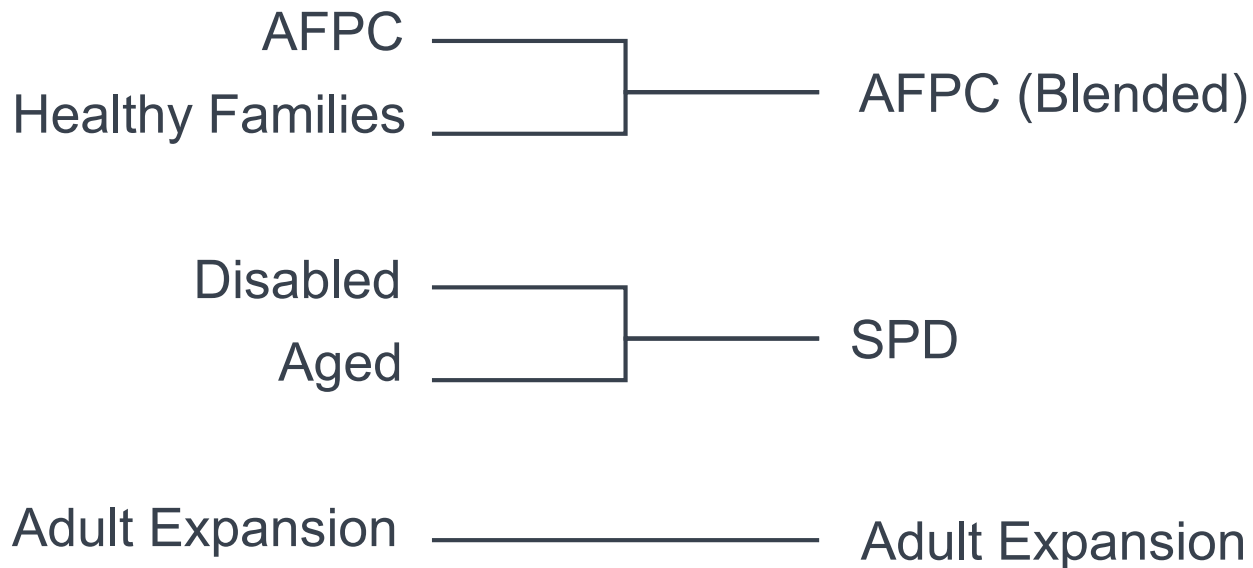
- Adjustments

- Benefit Carve-Out (e.g., High Cost Injectables, Maternity Kick Payment)
- Reinsurance
- Rates intended to cover both medical and non-medical expenses



# Medi-Cal Rebasing - Category of Aid (COA)

- Updated to latest rate-based groupings



# Medi-Cal Rebasing - Age/Gender Groupings

- Updated to revised rate-based groupings

## Prior

|         |           |
|---------|-----------|
|         | Newborn   |
| FPC     | 1-14      |
| Healthy | 15-18 M/F |
| Family  | 19-39 M/F |
|         | 40+       |

|                 |           |
|-----------------|-----------|
|                 | 0-14      |
| Disabled        | 15-20 M/F |
| Adult Expansion | 21-44 M/F |
|                 | 45+       |

|       |          |
|-------|----------|
| Adult | All Ages |
| Aged  |          |

## Revised

|                 |           |
|-----------------|-----------|
|                 | Newborn   |
| FPC (Blended)   | 1-14      |
| SPD             | 15-18 M/F |
| Adult Expansion | 19-39 M/F |
|                 | 40-64     |
|                 | 65+       |

# Medi-Cal Rebasing - Assumptions

- Base Data – Three Years

- Reviewed FY2017-FY2019: 33% FY2018/ 67% FY2019
- Classic and Expansion

- Categories of Service Assignment (claims)

- Utilization data processed through Milliman *Health Cost Guidelines* (HCG) Grouper to assign detailed categories of service
- Additional service category detail provided as necessary for carve-out and DoFR considerations

- DoFR

- Assign detailed COS claims to risk “buckets” per the DoFR
- Identify CalOptima Direct (COD)
- Service Category Carve-Outs

# Medi-Cal Rebasing - Assumptions (*continued*)

## ■ Data Exclusions

- Networks: Kaiser, CCN, COD
  - Kaiser has a separate arrangement for capitation
  - CCN and COD are internal to CalOptima and have different risk profiles than the networks
  - These networks are not included in risk adjustment
- Eligibility type: Dual-eligible
- Categories of Aid: WCM, AIDS, Transplants, ESRD, BCCTP
  - Whole Child Model has separate rate development
  - The additional aid categories have very few members and experience has low credibility

# Medi-Cal Rebasing - Assumptions (*continued*)

## ■ Repricing

- Utilizes fee schedules from DHCS and CalOptima
- Inpatient Facility - Hospital per diems; APR-DRG
- Outpatient Facility
  - 133% of Medi-Cal fee schedule
- Professional / Other
  - Classic - PCP: 129%, Specialist: 133%
  - Adult Expansion - PCP: 129%, Specialist: 156%
- Misc. Overrides (e.g., Prof ER = \$100 per case)

## ■ Completed claims with Incurred But Not Paid (IBNP)

- FY2019: Facility 97% complete, Professional 99% complete

# Medi-Cal Rebasing - Assumptions (*continued*)

## ■ Utilization and Mix Trends

- Reasonable trends applied for Facility and Professional
- Based on review of CalOptima repriced claims and other external trend publications
- Unit cost based on most current fee schedule; not explicitly trended prior to repricing
- Additional trend assumption applied in final recommendation

## ■ Reinsurances Threshold

- Hospital: \$150,000
- Professional: \$17,000
- Network risk in excess of threshold: 20% coinsurance

# Medi-Cal Rebasing - Process

- Milliman presents rates to CalOptima with reports documenting all assumptions
  - Extensive reconciliation to base data inputs
  - Detailed cost and profitability models
  - Comparison of proposed rates to current rates
  - Comparisons of revenue by network
- Results are shared with CalOptima's management for review, discussion, and approval
- Development of an Implementation Strategy
  - Includes communication with Health Networks

# Recommended Medi-Cal Classic Rebasing Adjustments

|              | Facility     | Professional | Total        |
|--------------|--------------|--------------|--------------|
| Child        | -37.2%       | 0.3%         | -12.8%       |
| Non-Child    | 15.2%        | -1.3%        | 7.2%         |
| <b>Total</b> | <b>-3.9%</b> | <b>-0.5%</b> | <b>-2.0%</b> |

|              | Facility     | Professional | Total        |
|--------------|--------------|--------------|--------------|
| HMO          | 6.8%         | -0.7%        | 2.8%         |
| PHC          | -21.4%       | 0.2%         | -8.2%        |
| SRG          | 3.6%         | -1.1%        | 1.1%         |
| <b>Total</b> | <b>-3.9%</b> | <b>-0.5%</b> | <b>-2.0%</b> |



# Recommended Medi-Cal Classic Rebasing Rates

| Age/Gender | Facility |         | Professional |          |
|------------|----------|---------|--------------|----------|
|            | FPC      | SPD     | FPC          | SPD      |
| MF 0       | \$31.74  | \$42.78 | \$94.68      | \$147.72 |
| MF 1-14    | 11.15    | 42.78   | 38.25        | 147.72   |
| F 15-18    | 20.01    | 30.21   | 37.96        | 72.36    |
| M 15-18    | 12.71    | 26.07   | 28.73        | 56.58    |
| F19-39     | 110.98   | 143.50  | 93.03        | 137.26   |
| M19-39     | 32.84    | 167.90  | 33.74        | 102.94   |
| MF 40-64   | 82.27    | 444.24  | 95.30        | 247.01   |
| MF 65+     | 82.27    | 190.10  | 95.30        | 156.81   |

# OneCare Connect Rebasing - Overview

- Adjust Capitation Rates based on underlying costs to networks
  - Reflect networks' recent Facility and Professional experience, according to Medicare fee schedule
  - Rates intended to cover medical and non-medical expenses
  - Include provision for CalOptima's financial requirements
  - OCC review of Medicare repricing/RVUs for encounters vs. FFS
- Utilized three different approaches:
  - Revenue allocation: Allocate revenue based on DoFR risk
  - Buildup approach: Build up of required revenue for networks based on repriced encounter data and administrative allowance
  - Margin analysis: Adjustment of network revenue to allow LOB to be sustainable

# OneCare Connect - Medical Cost Methodology

## ■ Data Processing

- Category of Service grouping and strict application of DoFR
- Repricing to Medicare Fee Schedule
  - Medicare allowed
  - RVU-based estimate
  - Allowed or billed based estimate

## ■ Claims projection

- Blending of prior years' experience
- Trend development

# OneCare Connect - Revenue Allocation/ Buildup Approach

- Both methods use medical benefit cost estimates
- Revenue Allocation
  - Repriced claims and encounter data for both networks and COD
  - Medical benefit costs allocated to Hospital, Professional, COD, and other risk categories based on DoFR
  - Percent of premium (POP) capitation developed for Hospital and Professional based on proportion of costs
- Buildup
  - Based on repriced claims and Medicare revenue for network only
  - Allocation between Hospital and Professional based on DoFR
  - Accounts for both medical and non-medical expenses

# OneCare Connect - Margin Analysis

## ■ Summary of Financial Results

- Total revenue (MMR-based)
- Expenses
  - % of revenue capitation
  - FFS claims
  - Quality Improvement initiatives
  - Administrative expenses
  - Buildup approach used as a reference point to establish floor

## ■ Adjustments

- Considered adjustment for revenue unrelated to networks (e.g., supplemental benefits)
- Facility % of revenue capitation adjusted to target improved margin
- Professional % of revenue unchanged

# OneCare Connect - Recommendations

- No change to Professional percent of revenue at 34.4%
- Proposed Hospital capitation reduced from 50.9% to 45.0%
  - % of net revenue for proposed is similar to prior % of gross revenue

| Network | Current<br>Capitation | Proposed Capitation   |                     |
|---------|-----------------------|-----------------------|---------------------|
|         | % of Gross<br>Revenue | % of Gross<br>Revenue | % of Net<br>Revenue |
| SRG     | N/A                   | N/A                   | N/A                 |
| HMO     | 50.9%                 | 45.0%                 | 50.8%               |
| PHC     | 50.9%                 | 45.0%                 | 51.1%               |

- Adjusted capitation improves financial performance

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  - 206-504-5789

# End / Questions?





# CalOptima

Better. Together.

## **Financial Summary**

### **March 2020**

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

**Nancy Huang**  
**Chief Financial Officer**

# FY 2019-20: Consolidated Enrollment

## March 2020 MTD

Overall enrollment was 724,149 members

- Actual lower than budget 10,105 or 1.4%
  - Medi-Cal unfavorable to budget 10,133 or 1.4%
    - Medi-Cal Expansion (MCE) unfavorable variance of 11,162
    - Whole Child Model (WCM) unfavorable variance of 1,778
    - Seniors and Persons with Disabilities (SPD) favorable variance of 1,410
    - Temporary Assistance for Needy Families (TANF) favorable variance of 1,282
    - Long-Term Care (LTC) favorable variance of 115
  - OneCare Connect favorable to budget 180 or 1.3%
  - OneCare unfavorable to budget 149 or 9.8%
  - PACE unfavorable to budget 3 or 0.7%
- 7,921 increase or 1.1% from February
  - Medi-Cal increase of 8,029
  - OneCare Connect decrease of 94
  - OneCare decrease of 18
  - PACE increase of 4

# FY 2019-20: Consolidated Enrollment (cont.)

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## March 2020 YTD

Overall enrollment was 6,639,471 member months

- Actual lower than budget 74,470 or 1.1%
  - Medi-Cal unfavorable to budget 75,105 or 1.1%
    - MCE unfavorable variance of 68,594
    - WCM unfavorable variance of 12,927
    - TANF unfavorable variance 4,430
    - SPD favorable variance of 10,139
    - LTC favorable variance of 706
  - OneCare Connect favorable to budget 807 or 0.6%
  - OneCare unfavorable to budget 197 or 1.5%
  - PACE favorable to budget 25 or 0.7%

# FY 2019-20: Consolidated Revenues

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## March 2020 MTD

- Actual higher than budget \$105.0 million or 35.3%
  - Medi-Cal favorable to budget \$104.2 million or 38.8%
    - Unfavorable volume variance of \$3.8 million
    - Favorable price variance of \$108.0 million
      - \$91.0 million of Directed Payment (DP) revenue
      - \$14.4 million of acuity rate adjustment and updated MCE rates from the Department of Health Care Services (DHCS)
      - \$1.6 million of LTC revenue from non-LTC categories of aid
      - \$1.5 million of Behavioral Health Treatment (BHT) revenue
      - Offset by \$3.3 million of WCM revenue
  - OneCare Connect favorable to budget \$0.5 million or 2.1%
    - Favorable volume variance of \$0.3 million
    - Favorable price variance of \$0.2 million

# FY 2019-20: Consolidated Revenues (cont.)

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## March 2020 MTD (cont.)

- OneCare unfavorable to budget \$87.6 thousand or 5.3%
  - Unfavorable volume variance of \$162.8 thousand
  - Favorable price variance of \$75.2 thousand
- PACE favorable to budget \$402.6 thousand or 12.9%
  - Unfavorable volume variance of \$23.2 thousand
  - Favorable price variance of \$425.9 thousand

# FY 2019-20: Consolidated Revenues (cont.)

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## March 2020 YTD

- Actual higher than budget \$251.5 million or 9.4%
  - Medi-Cal favorable to budget \$242.4 million or 10.0%
    - Unfavorable volume variance of \$27.7 million
    - Favorable price variance of \$270.1 million
      - \$195.3 million of DP revenue
      - \$53.0 million of CCI revenue due to updated rate and member mix
      - \$37.4 million of acuity rate adjustment and updated MCE rates from DHCS
      - \$12.1 million of BHT revenue
      - Offset by \$25.5 million of WCM revenue
  - OneCare Connect favorable to budget \$7.1 million or 3.3%
    - Favorable volume variance of \$1.4 million
    - Favorable price variance of \$5.7 million

# FY 2019-20: Consolidated Revenues (cont.)

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## March 2020 YTD (cont.)

- OneCare favorable to budget \$625.6 thousand or 4.2%
  - Unfavorable volume variance of \$214.7 thousand
  - Favorable price variance of \$840.4 thousand
- PACE favorable to budget \$1.3 million or 5.0%
  - Favorable volume variance of \$0.2 million
  - Favorable price variance of \$1.1 million

# FY 2019-20: Consolidated Medical Expenses

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## March 2020 MTD

- Actual higher than budget \$97.1 million or 33.9%
  - Medi-Cal unfavorable variance of \$96.2 million or 37.2%
    - Favorable volume variance of \$3.6 million
    - Unfavorable price variance of \$99.8 million
      - Reinsurance & Other expenses unfavorable variance of \$89.8 million due to DP
      - Professional Claims unfavorable variance of \$6.5 million due to crossover claims
      - Prescription Drug claims unfavorable variance of \$6.4 million due to increased utilization
      - Provider Capitation favorable variance of \$2.6 million
  - OneCare Connect unfavorable variance of \$0.7 million or 3.0%
    - Unfavorable volume variance of \$0.3 million
    - Unfavorable price variance of \$0.4 million



# FY 2019-20: Consolidated Medical Expenses (cont.)

## March 2020 YTD

- Actual higher than budget \$258.0 million or 10.1%
  - Medi-Cal unfavorable variance of \$254.8 million or 11.1%
    - Favorable volume variance of \$26.3 million
    - Unfavorable price variance of \$281.0 million
      - Reinsurance and Other Expense category unfavorable variance of \$182.9 million due to \$195.5 million of DP, offset by favorable variance in Homeless Health Initiative
      - Facilities Claims unfavorable variance of \$41.4 million
      - Professional Claims unfavorable variance of \$33.2 million
      - MLTSS unfavorable variance of \$16.7 million
  - OneCare Connect unfavorable variance of \$4.5 million or 2.2%
    - Unfavorable volume variance of \$1.3 million
    - Unfavorable price variance of \$3.2 million

## Medical Loss Ratio (MLR)

- March 2020 MTD:                      Actual: 95.4%                      Budget: 96.5%
- March 2020 YTD:                      Actual: 95.8%                      Budget: 95.2%

# FY 2019-20: Consolidated Administrative Expenses

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## March 2020 MTD

- Actual lower than budget \$2.1 million or 15.4%
  - Salaries, wages and benefits: favorable variance of \$0.8 million
  - Other categories: favorable variance of \$1.3 million

## March 2020 YTD

- Actual lower than budget \$16.1 million or 13.7%
  - Salaries, wages and benefits: favorable variance of \$6.9 million
  - Other categories: favorable variance of \$9.2 million

## Administrative Loss Ratio (ALR)

- March 2020 MTD:                      Actual: 2.9%                      Budget: 4.6%
- March 2020 YTD:                      Actual: 3.4%                      Budget: 4.4%
  - Actual ALR (excluding DP revenue) is 3.7% MTD and 3.7% YTD

# FY 2019-20: Change in Net Assets

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## March 2020 MTD

- \$7.5 million change in net assets
- \$9.4 million favorable to budget
  - Higher than budgeted revenue of \$105.0 million
  - Higher than budgeted medical expenses of \$97.1 million
  - Lower than budgeted administrative expenses of \$2.1 million
  - Lower than budgeted investment and other income of \$0.6 million

## March 2020 YTD

- \$48.4 million change in net assets
- \$25.6 million favorable to budget
  - Higher than budgeted revenue of \$251.5 million
  - Higher than budgeted medical expenses of \$258.0 million
  - Lower than budgeted administrative expenses of \$16.1 million
  - Higher than budgeted investment and other income of \$16.1 million

# Enrollment Summary:

## March 2020

| Month-to-Date  |                |                              |                             | Enrollment (by Aid Category) | Year-to-Date     |                  |                              |                             |
|----------------|----------------|------------------------------|-----------------------------|------------------------------|------------------|------------------|------------------------------|-----------------------------|
| <u>Actual</u>  | <u>Budget</u>  | <u>\$</u><br><u>Variance</u> | <u>%</u><br><u>Variance</u> |                              | <u>Actual</u>    | <u>Budget</u>    | <u>\$</u><br><u>Variance</u> | <u>%</u><br><u>Variance</u> |
| 66,242         | 66,241         | 1                            | 0.0%                        | Aged                         | 592,981          | 591,430          | 1,551                        | 0.3%                        |
| 502            | 615            | (113)                        | (18.4%)                     | BCCTP                        | 4,773            | 5,535            | (762)                        | (13.8%)                     |
| 45,109         | 43,587         | 1,522                        | 3.5%                        | Disabled                     | 402,888          | 393,538          | 9,350                        | 2.4%                        |
| 278,561        | 276,635        | 1,926                        | 0.7%                        | TANF Child                   | 2,536,630        | 2,538,817        | (2,187)                      | (0.1%)                      |
| 83,631         | 84,275         | (644)                        | (0.8%)                      | TANF Adult                   | 773,375          | 775,618          | (2,243)                      | (0.3%)                      |
| 3,519          | 3,404          | 115                          | 3.4%                        | LTC                          | 31,342           | 30,636           | 706                          | 2.3%                        |
| 224,582        | 235,744        | (11,162)                     | (4.7%)                      | MCE                          | 2,049,947        | 2,118,541        | (68,594)                     | (3.2%)                      |
| 11,162         | 12,940         | (1,778)                      | (13.7%)                     | WCM                          | 103,533          | 116,460          | (12,927)                     | (11.1%)                     |
| <b>713,308</b> | <b>723,441</b> | <b>(10,133)</b>              | <b>(1.4%)</b>               | <b>Medi-Cal Total</b>        | <b>6,495,470</b> | <b>6,570,575</b> | <b>(75,105)</b>              | <b>(1.1%)</b>               |
| <b>14,077</b>  | <b>13,897</b>  | <b>180</b>                   | <b>1.3%</b>                 | <b>OneCare Connect</b>       | <b>127,307</b>   | <b>126,500</b>   | <b>807</b>                   | <b>0.6%</b>                 |
| <b>1,364</b>   | <b>1,513</b>   | <b>(149)</b>                 | <b>(9.8%)</b>               | <b>OneCare</b>               | <b>13,332</b>    | <b>13,529</b>    | <b>(197)</b>                 | <b>(1.5%)</b>               |
| <b>400</b>     | <b>403</b>     | <b>(3)</b>                   | <b>(0.7%)</b>               | <b>PACE</b>                  | <b>3,362</b>     | <b>3,337</b>     | <b>25</b>                    | <b>0.7%</b>                 |
| <b>729,149</b> | <b>739,254</b> | <b>(10,105)</b>              | <b>(1.4%)</b>               | <b>CalOptima Total</b>       | <b>6,639,471</b> | <b>6,713,941</b> | <b>(74,470)</b>              | <b>(1.1%)</b>               |

# Financial Highlights:

## March 2020

| Month-to-Date    |                    |                   |               |
|------------------|--------------------|-------------------|---------------|
| Actual           | Budget             | \$ Budget         | % Budget      |
| 729,149          | 739,254            | (10,105)          | (1.4%)        |
| 402,216,513      | 297,201,816        | 105,014,697       | 35.3%         |
| 383,903,326      | 286,815,601        | (97,087,725)      | (33.9%)       |
| 11,505,316       | 13,604,361         | 2,099,045         | 15.4%         |
| <b>6,807,871</b> | <b>(3,218,146)</b> | <b>10,026,017</b> | <b>311.5%</b> |
| 646,007          | 1,250,000          | (603,993)         | (48.3%)       |
| <b>7,453,878</b> | <b>(1,968,146)</b> | <b>9,422,024</b>  | <b>478.7%</b> |
| 95.4%            | 96.5%              | 1.1%              |               |
| 2.9%             | 4.6%               | 1.7%              |               |
| 1.7%             | (1.1%)             | 2.8%              |               |
| 100.0%           | 100.0%             |                   |               |
| 3.7%             |                    |                   |               |

Member Months  
Revenues  
Medical Expenses  
Administrative Expenses

Operating Margin

Non Operating Income (Loss)

Change in Net Assets

Medical Loss Ratio  
Administrative Loss Ratio  
Operating Margin Ratio  
Total Operating

\*Administrative Loss Ratio (excluding Directed Payments)

| Year-to-Date      |                   |                   |               |
|-------------------|-------------------|-------------------|---------------|
| Actual            | Budget            | \$ Budget         | % Budget      |
| 6,639,471         | 6,713,941         | (74,470)          | (1.1%)        |
| 2,926,735,188     | 2,675,282,490     | 251,452,698       | 9.4%          |
| 2,804,915,275     | 2,546,891,566     | (258,023,710)     | (10.1%)       |
| 100,794,302       | 116,852,902       | 16,058,600        | 13.7%         |
| <b>21,025,611</b> | <b>11,538,022</b> | <b>9,487,588</b>  | <b>82.2%</b>  |
| 27,334,791        | 11,250,000        | 16,084,791        | 143.0%        |
| <b>48,360,402</b> | <b>22,788,022</b> | <b>25,572,380</b> | <b>112.2%</b> |
| 95.8%             | 95.2%             | (0.6%)            |               |
| 3.4%              | 4.4%              | 0.9%              |               |
| 0.7%              | 0.4%              | 0.3%              |               |
| 100.0%            | 100.0%            |                   |               |
| 3.7%              |                   |                   |               |

\*CalOptima updated the category of Directed Payments per Department of Healthcare Services instructions

# Consolidated Performance Actual vs. Budget: March 2020 (in millions)

| MONTH-TO-DATE |               |                 |                                 | YEAR-TO-DATE  |               |                 |
|---------------|---------------|-----------------|---------------------------------|---------------|---------------|-----------------|
| <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |                                 | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
| 7.9           | (2.0)         | 9.8             | Medi-Cal                        | 23.8          | 22.4          | 1.4             |
| (1.3)         | (1.3)         | 0.0             | OCC                             | (6.8)         | (11.5)        | 4.7             |
| (0.4)         | (0.1)         | (0.3)           | OneCare                         | 0.4           | (1.0)         | 1.4             |
| <u>0.6</u>    | <u>0.2</u>    | <u>0.4</u>      | <u>PACE</u>                     | <u>3.6</u>    | <u>1.7</u>    | <u>2.0</u>      |
| <b>6.8</b>    | <b>(3.2)</b>  | <b>10.0</b>     | <b>Operating</b>                | <b>21.0</b>   | <b>11.5</b>   | <b>9.5</b>      |
| <u>0.6</u>    | <u>1.3</u>    | <u>(0.6)</u>    | <u>Inv./Rental Inc, MCO tax</u> | <u>27.3</u>   | <u>11.3</u>   | <u>16.1</u>     |
| <b>0.6</b>    | <b>1.3</b>    | <b>(0.6)</b>    | <b>Non-Operating</b>            | <b>27.3</b>   | <b>11.3</b>   | <b>16.1</b>     |
| <b>7.5</b>    | <b>(2.0)</b>  | <b>9.4</b>      | <b>TOTAL</b>                    | <b>48.4</b>   | <b>22.8</b>   | <b>25.6</b>     |

# Consolidated Revenue & Expense:

## March 2020 MTD

|                                         | Medi-Cal Classic*   | Medi-Cal Expansion | Whole Child Model | Total Medi-Cal       | OneCare Connect       | OneCare             | PACE              | Consolidated        |
|-----------------------------------------|---------------------|--------------------|-------------------|----------------------|-----------------------|---------------------|-------------------|---------------------|
| <b>MEMBER MONTHS</b>                    | 477,564             | 224,582            | 11,162            | 713,308              | 14,077                | 1,364               | 400               | 729,149             |
| <b>REVENUES</b>                         |                     |                    |                   |                      |                       |                     |                   |                     |
| Capitation Revenue                      | 197,437,143         | \$ 152,881,027     | \$ 22,234,632     | \$ 372,552,802       | \$ 24,573,194         | \$ 1,565,618        | \$ 3,524,900      | \$ 402,216,513      |
| Other Income                            | -                   | -                  | -                 | -                    | -                     | -                   | -                 | -                   |
| <b>Total Operating Revenue</b>          | <u>197,437,143</u>  | <u>152,881,027</u> | <u>22,234,632</u> | <u>372,552,802</u>   | <u>24,573,194</u>     | <u>1,565,618</u>    | <u>3,524,900</u>  | <u>402,216,513</u>  |
| <b>MEDICAL EXPENSES</b>                 |                     |                    |                   |                      |                       |                     |                   |                     |
| Provider Capitation                     | 37,925,700          | 41,962,965         | 9,736,868         | 89,625,534           | 10,958,029            | 466,521             |                   | 101,050,083         |
| Facilities                              | 24,418,061          | 22,825,667         | 3,348,855         | 50,592,583           | 3,918,192             | 688,741             | 672,112           | 55,871,627          |
| Professional Claims                     | 19,834,363          | 7,997,069          | 1,996,294         | 29,827,726           | 752,954               | 76,380              | 766,374           | 31,423,433          |
| Prescription Drugs                      | 40,899,555          | 3,283,969          | 6,162,373         | 50,345,897           | 5,963,644             | 495,903             | 250,533           | 57,055,978          |
| MLTSS                                   | 33,096,069          | 2,642,467          | 363,816           | 36,102,353           | 1,254,384             | 59,105              | 34,850            | 37,450,691          |
| Medical Management                      | 2,232,979           | 1,511,832          | 295,793           | 4,040,604            | 1,103,023             | 29,526              | 836,903           | 6,010,056           |
| Quality Incentives                      | 894,005             | 449,017            | 140,263           | 1,483,285            | 195,410               |                     | 5,000             | 1,683,695           |
| Reinsurance & Other                     | 54,251,414          | 38,683,119         | 31,206            | 92,965,739           | 195,623               |                     | 196,399           | 93,357,761          |
| <b>Total Medical Expenses</b>           | <u>213,552,147</u>  | <u>119,356,106</u> | <u>22,075,468</u> | <u>354,983,721</u>   | <u>24,341,258</u>     | <u>1,816,176</u>    | <u>2,762,170</u>  | <u>383,903,326</u>  |
| <b>Medical Loss Ratio</b>               | 108.2%              | 78.1%              | 99.3%             | 95.3%                | 99.1%                 | 116.0%              | 78.4%             | 95.4%               |
| <b>GROSS MARGIN</b>                     | <b>(16,115,004)</b> | <b>33,524,921</b>  | <b>159,164</b>    | <b>17,569,081</b>    | <b>231,936</b>        | <b>(250,558)</b>    | <b>762,730</b>    | <b>18,313,188</b>   |
| <b>ADMINISTRATIVE EXPENSES</b>          |                     |                    |                   |                      |                       |                     |                   |                     |
| Salaries & Benefits                     |                     |                    |                   | 6,720,461            | 753,261               | 75,825              | 142,914           | 7,692,461           |
| Professional fees                       |                     |                    |                   | 200,988              | 4,000                 | 15,000              | 123               | 220,112             |
| Purchased services                      |                     |                    |                   | 931,229              | 81,189                | 8,823               | 4,820             | 1,026,061           |
| Printing & Postage                      |                     |                    |                   | 278,531              | 70,817                | 5,200               | 23,156            | 377,704             |
| Depreciation & Amortization             |                     |                    |                   | 273,042              |                       |                     | 2,057             | 275,099             |
| Other expenses                          |                     |                    |                   | 1,649,178            | 60,497                | -                   | 2,614             | 1,712,290           |
| Indirect cost allocation & Occupancy    |                     |                    |                   | (353,405)            | 579,990               | 28,340              | (53,336)          | 201,589             |
| <b>Total Administrative Expenses</b>    |                     |                    |                   | <u>9,700,025</u>     | <u>1,549,755</u>      | <u>133,188</u>      | <u>122,348</u>    | <u>11,505,316</u>   |
| <b>Admin Loss Ratio</b>                 |                     |                    |                   | 2.6%                 | 6.3%                  | 8.5%                | 3.5%              | 2.9%                |
| <b>INCOME (LOSS) FROM OPERATIONS</b>    |                     |                    |                   | 7,869,056            | (1,317,820)           | (383,747)           | 640,382           | 6,807,871           |
| <b>INVESTMENT INCOME</b>                |                     |                    |                   |                      |                       |                     |                   | (476,268)           |
| <b>TOTAL MCO TAX</b>                    |                     |                    |                   | 1,169,888            |                       |                     |                   | 1,169,888           |
| <b>TOTAL GRANT INCOME</b>               |                     |                    |                   | (47,663)             |                       |                     |                   | (47,663)            |
| <b>OTHER INCOME</b>                     |                     |                    |                   | 50                   |                       |                     |                   | 50                  |
| <b>CHANGE IN NET ASSETS</b>             |                     |                    |                   | <u>\$ 8,991,331</u>  | <u>\$ (1,317,820)</u> | <u>\$ (383,747)</u> | <u>\$ 640,382</u> | <u>\$ 7,453,878</u> |
| <b>BUDGETED CHANGE IN NET ASSETS</b>    |                     |                    |                   | (1,967,723)          | (1,327,322)           | (117,763)           | 194,662           | (1,968,146)         |
| <b>VARIANCE TO BUDGET - FAV (UNFAV)</b> |                     |                    |                   | <u>\$ 10,959,053</u> | <u>\$ 9,502</u>       | <u>\$ (265,984)</u> | <u>\$ 445,720</u> | <u>\$ 9,422,024</u> |

\* Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic

# Consolidated Revenue & Expense:

## March 2020 YTD

|                                         | Medi-Cal Classic*    | Medi-Cal Expansion   | Whole Child Model   | Total Medi-Cal       | OneCare Connect       | OneCare             | PACE                | Consolidated         |
|-----------------------------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|---------------------|---------------------|----------------------|
| <b>MEMBER MONTHS</b>                    | 4,341,989            | 2,049,947            | 103,533             | 6,495,469            | 127,307               | 13,332              | 3,362               | 6,639,470            |
| <b>REVENUES</b>                         |                      |                      |                     |                      |                       |                     |                     |                      |
| Capitation Revenue                      | 1,428,990,429        | \$ 1,026,843,471     | \$ 206,060,661      | \$ 2,661,894,561     | \$ 222,256,554        | \$ 15,372,629       | \$ 27,211,444       | \$ 2,926,735,188     |
| Other Income                            | -                    | -                    | -                   | -                    | -                     | -                   | -                   | -                    |
| <b>Total Operating Revenue</b>          | <u>1,428,990,429</u> | <u>1,026,843,471</u> | <u>206,060,661</u>  | <u>2,661,894,561</u> | <u>222,256,554</u>    | <u>15,372,629</u>   | <u>27,211,444</u>   | <u>2,926,735,188</u> |
| <b>MEDICAL EXPENSES</b>                 |                      |                      |                     |                      |                       |                     |                     |                      |
| Provider Capitation                     | 349,160,189          | 393,943,944          | 90,242,437          | 833,346,571          | 98,879,547            | 4,309,216           |                     | 936,535,334          |
| Facilities                              | 226,693,188          | 195,509,811          | 48,948,529          | 471,151,528          | 33,541,218            | 3,820,989           | 5,918,180           | 514,431,915          |
| Professional Claims                     | 161,739,331          | 63,915,929           | 13,278,163          | 238,933,422          | 6,804,523             | 466,410             | 5,064,571           | 251,268,926          |
| Prescription Drugs                      | 175,335,045          | 180,387,821          | 50,624,188          | 406,347,054          | 50,935,839            | 4,629,207           | 2,123,105           | 464,035,204          |
| MLTSS                                   | 307,804,027          | 23,621,827           | 15,094,415          | 346,520,269          | 12,080,517            | 160,380             | 331,476             | 359,092,642          |
| Medical Management                      | 19,042,195           | 11,346,563           | 2,396,273           | 32,785,031           | 9,271,719             | 335,186             | 6,551,564           | 48,943,499           |
| Quality Incentives                      | 8,212,412            | 4,148,732            | 1,270,011           | 13,631,155           | 1,814,500             |                     | 196,235             | 15,641,890           |
| Reinsurance & Other                     | 122,079,863          | 89,045,619           | 307,561             | 211,433,043          | 1,659,972             |                     | 1,872,850           | 214,965,864          |
| <b>Total Medical Expenses</b>           | <u>1,370,066,249</u> | <u>961,920,244</u>   | <u>222,161,578</u>  | <u>2,554,148,072</u> | <u>214,987,835</u>    | <u>13,721,389</u>   | <u>22,057,980</u>   | <u>2,804,915,275</u> |
| <b>Medical Loss Ratio</b>               | 95.9%                | 93.7%                | 107.8%              | 96.0%                | 96.7%                 | 89.3%               | 81.1%               | 95.8%                |
| <b>GROSS MARGIN</b>                     | <b>58,924,180</b>    | <b>64,923,227</b>    | <b>(16,100,917)</b> | <b>107,746,490</b>   | <b>7,268,719</b>      | <b>1,651,240</b>    | <b>5,153,464</b>    | <b>121,819,913</b>   |
| <b>ADMINISTRATIVE EXPENSES</b>          |                      |                      |                     |                      |                       |                     |                     |                      |
| Salaries & Benefits                     |                      |                      |                     | 57,996,091           | 6,449,989             | 595,610             | 1,262,266           | 66,303,956           |
| Professional fees                       |                      |                      |                     | 1,773,329            | 460,486               | 174,371             | 1,506               | 2,409,692            |
| Purchased services                      |                      |                      |                     | 7,314,886            | 1,264,438             | 119,728             | 71,527              | 8,770,578            |
| Printing & Postage                      |                      |                      |                     | 3,030,687            | 544,491               | 42,746              | 105,646             | 3,723,571            |
| Depreciation & Amortization             |                      |                      |                     | 3,006,362            |                       |                     | 18,714              | 3,025,075            |
| Other expenses                          |                      |                      |                     | 13,187,130           | 281,948               | 2,237               | 35,160              | 13,506,475           |
| Indirect cost allocation & Occupancy    |                      |                      |                     | (2,360,150)          | 5,028,550             | 347,805             | 38,749              | 3,054,954            |
| <b>Total Administrative Expenses</b>    |                      |                      |                     | <u>83,948,334</u>    | <u>14,029,902</u>     | <u>1,282,498</u>    | <u>1,533,568</u>    | <u>100,794,302</u>   |
| <b>Admin Loss Ratio</b>                 |                      |                      |                     | 3.2%                 | 6.3%                  | 8.3%                | 5.6%                | 3.4%                 |
| <b>INCOME (LOSS) FROM OPERATIONS</b>    |                      |                      |                     | 23,798,156           | (6,761,183)           | 368,742             | 3,619,896           | 21,025,611           |
| <b>INVESTMENT INCOME</b>                |                      |                      |                     |                      |                       |                     |                     | 29,194,355           |
| <b>TOTAL MCO TAX</b>                    |                      |                      |                     | (1,812,360)          |                       |                     |                     | (1,812,360)          |
| <b>TOTAL GRANT INCOME</b>               |                      |                      |                     | (47,748)             |                       |                     |                     | (47,748)             |
| <b>OTHER INCOME</b>                     |                      |                      |                     | 544                  |                       |                     |                     | 544                  |
| <b>CHANGE IN NET ASSETS</b>             |                      |                      |                     | <u>\$ 21,938,591</u> | <u>\$ (6,761,183)</u> | <u>\$ 368,742</u>   | <u>\$ 3,619,896</u> | <u>\$ 48,360,402</u> |
| <b>BUDGETED CHANGE IN NET ASSETS</b>    |                      |                      |                     | 22,396,122           | (11,510,726)          | (998,822)           | 1,651,448           | 22,788,022           |
| <b>VARIANCE TO BUDGET - FAV (UNFAV)</b> |                      |                      |                     | <u>\$ (457,531)</u>  | <u>\$ 4,749,543</u>   | <u>\$ 1,367,564</u> | <u>\$ 1,968,448</u> | <u>\$ 25,572,380</u> |

\* Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic



# Balance Sheet:

## As of March 2020

### ASSETS

|                             |                             |
|-----------------------------|-----------------------------|
| Current Assets              |                             |
| Operating Cash              | \$382,898,813               |
| Investments                 | 518,455,688                 |
| Capitation receivable       | 387,689,990                 |
| Receivables - Other         | 51,102,708                  |
| Prepaid expenses            | 6,893,911                   |
| <b>Total Current Assets</b> | <b><u>1,347,041,111</u></b> |

|                                 |                           |
|---------------------------------|---------------------------|
| Capital Assets                  |                           |
| Furniture & Equipment           | 37,266,060                |
| Building/Leasehold Improvements | 11,736,817                |
| 505 City Parkway West           | <u>50,489,717</u>         |
|                                 | 99,492,593                |
| Less: accumulated depreciation  | <u>(51,440,146)</u>       |
| Capital assets, net             | <u>48,052,447</u>         |
| Other Assets                    |                           |
| Restricted Deposit & Other      | 300,000                   |
| Homeless Health Reserve         | 58,198,913                |
| Board-designated assets:        |                           |
| Cash and Cash Equivalents       | 7,610,600                 |
| Long-term Investments           | <u>569,212,008</u>        |
| Total Board-designated Assets   | 576,822,608               |
| <b>Total Other Assets</b>       | <b><u>635,321,521</u></b> |

**TOTAL ASSETS** **2,030,415,079**

|                          |           |
|--------------------------|-----------|
| Deferred Outflows        |           |
| Contributions            | 686,962   |
| Difference in Experience | 3,419,328 |
| Excess Earning           | -         |
| Changes in Assumptions   | 6,428,159 |
| Pension Contributions    | 556,000   |

**TOTAL ASSETS & DEFERRED OUTFLOWS** **2,041,505,528**

### LIABILITIES & NET POSITION

|                                  |                             |
|----------------------------------|-----------------------------|
| Current Liabilities              |                             |
| Accounts Payable                 | \$41,752,651                |
| Medical Claims liability         | 781,885,602                 |
| Accrued Payroll Liabilities      | 13,997,455                  |
| Deferred Revenue                 | 30,787,390                  |
| Deferred Lease Obligations       | 170,710                     |
| Capitation and Withholds         | 132,250,984                 |
| <b>Total Current Liabilities</b> | <b><u>1,000,844,794</u></b> |

|                                                             |            |
|-------------------------------------------------------------|------------|
| Other (than pensions) post<br>employment benefits liability | 25,821,090 |
| Net Pension Liabilities                                     | 23,529,538 |
| Bldg 505 Development Rights                                 | -          |

**TOTAL LIABILITIES** **1,050,195,422**

|                             |           |
|-----------------------------|-----------|
| Deferred Inflows            |           |
| Excess Earnings             | 156,330   |
| Change in Assumptions       | 4,747,505 |
| OPEB Changes in Assumptions | 2,503,000 |

|                        |                    |
|------------------------|--------------------|
| Net Position           |                    |
| TNE                    | 100,958,386        |
| Funds in Excess of TNE | <u>882,944,885</u> |

**TOTAL NET POSITION** **983,903,272**

**TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION** **2,041,505,528**

# Board Designated Reserve and TNE Analysis

## As of March 2020

| Type                         | Reserve Name            | Market Value       | Benchmark          |                    | Variance           |                     |
|------------------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|                              |                         |                    | Low                | High               | Mkt - Low          | Mkt - High          |
|                              | Tier 1 - Payden & Rygel | 157,864,886        |                    |                    |                    |                     |
|                              | Tier 1 - Logan Circle   | 156,881,532        |                    |                    |                    |                     |
|                              | Tier 1 - Wells Capital  | 157,161,784        |                    |                    |                    |                     |
| Board-designated Reserve     |                         |                    |                    |                    |                    |                     |
|                              |                         | 471,908,201        | 320,551,041        | 501,197,938        | 151,357,160        | (29,289,737)        |
| TNE Requirement              | Tier 2 - Logan Circle   | 104,914,407        | 100,958,386        | 100,958,386        | 3,956,021          | 3,956,021           |
| <b>Consolidated:</b>         |                         | <b>576,822,608</b> | <b>421,509,427</b> | <b>602,156,324</b> | <b>155,313,181</b> | <b>(25,333,716)</b> |
| <i>Current reserve level</i> |                         | <i>1.92</i>        | <i>1.40</i>        | <i>2.00</i>        |                    |                     |





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**UNAUDITED FINANCIAL STATEMENTS**  
**March 2020**

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**CalOptima - Consolidated  
Financial Highlights  
For the Nine Months Ended March 31, 2020**

| Month-to-Date    |                    |                   |               |
|------------------|--------------------|-------------------|---------------|
| Actual           | Budget             | \$ Budget         | % Budget      |
| 729,149          | 739,254            | (10,105)          | (1.4%)        |
| 402,216,513      | 297,201,816        | 105,014,697       | 35.3%         |
| 383,903,326      | 286,815,601        | (97,087,725)      | (33.9%)       |
| 11,505,316       | 13,604,361         | 2,099,045         | 15.4%         |
| <b>6,807,871</b> | <b>(3,218,146)</b> | <b>10,026,017</b> | <b>311.5%</b> |
| 646,007          | 1,250,000          | (603,993)         | (48.3%)       |
| <b>7,453,878</b> | <b>(1,968,146)</b> | <b>9,422,024</b>  | <b>478.7%</b> |

95.4%      96.5%      1.1%

2.9%      4.6%      1.7%

1.7%      (1.1%)      2.8%

100.0%      100.0%

3.7%

Member Months

Revenues

Medical Expenses

Administrative Expenses

**Operating Margin**

Non Operating Income (Loss)

**Change in Net Assets**

Medical Loss Ratio

Administrative Loss Ratio

Operating Margin Ratio

Total Operating

\*Administrative Loss Ratio (excluding Directed Payments)

| Year-to-Date      |                   |                   |               |
|-------------------|-------------------|-------------------|---------------|
| Actual            | Budget            | \$ Budget         | % Budget      |
| 6,639,471         | 6,713,941         | (74,470)          | (1.1%)        |
| 2,926,735,188     | 2,675,282,490     | 251,452,698       | 9.4%          |
| 2,804,915,275     | 2,546,891,566     | (258,023,710)     | (10.1%)       |
| 100,794,302       | 116,852,902       | 16,058,600        | 13.7%         |
| <b>21,025,611</b> | <b>11,538,022</b> | <b>9,487,588</b>  | <b>82.2%</b>  |
| 27,334,791        | 11,250,000        | 16,084,791        | 143.0%        |
| <b>48,360,402</b> | <b>22,788,022</b> | <b>25,572,380</b> | <b>112.2%</b> |

95.8%      95.2%      (0.6%)

3.4%      4.4%      0.9%

0.7%      0.4%      0.3%

100.0%      100.0%

3.7%

\*CalOptima updated the category of Directed Payments per Department of Healthcare Services instructions

**CalOptima**  
**Financial Dashboard**  
**For the Nine Months Ended March 31, 2020**

**MONTH - TO - DATE**

| Enrollment      | Actual  | Budget  | Fav / (Unfav) |                 |
|-----------------|---------|---------|---------------|-----------------|
| Medi-Cal        | 713,308 | 723,441 | ↓             | (10,133) (1.4%) |
| OneCare Connect | 14,077  | 13,897  | ↑             | 180 1.3%        |
| OneCare         | 1,364   | 1,513   | ↓             | (149) (9.8%)    |
| PACE            | 400     | 403     | ↓             | (3) (0.7%)      |
| Total           | 729,149 | 739,254 | ↓             | (10,105) (1.4%) |

| Change in Net Assets (000) | Actual   | Budget       | Fav / (Unfav) |          |
|----------------------------|----------|--------------|---------------|----------|
| Medi-Cal                   | \$ 8,991 | \$ (1,968) ↑ | \$ 10,959     | 556.9%   |
| OneCare Connect            | (1,318)  | (1,327) ↑    | 9             | 0.7%     |
| OneCare                    | (384)    | (118) ↓      | (266)         | (225.4%) |
| PACE                       | 640      | 195 ↑        | 446           | 228.2%   |
| 505 Bldg.                  | -        | - ↑          | -             | 0.0%     |
| Investment Income          | (476)    | 1,250 ↓      | (1,726)       | (138.1%) |
| Total                      | \$ 7,454 | \$ (1,968) ↑ | \$ 9,422      | 478.8%   |

| MLR             | Actual | Budget  | % Point Var |  |
|-----------------|--------|---------|-------------|--|
| Medi-Cal        | 95.3%  | 96.5% ↑ | 1.2         |  |
| OneCare Connect | 99.1%  | 98.1% ↓ | (0.9)       |  |
| OneCare         | 116.0% | 98.1% ↓ | (17.9)      |  |

| Administrative Cost (000) | Actual    | Budget      | Fav / (Unfav) |       |
|---------------------------|-----------|-------------|---------------|-------|
| Medi-Cal                  | \$ 9,700  | \$ 11,490 ↑ | \$ 1,790      | 15.6% |
| OneCare Connect           | 1,550     | 1,777 ↑     | 227           | 12.8% |
| OneCare                   | 133       | 149 ↑       | 16            | 10.6% |
| PACE                      | 122       | 188 ↑       | 66            | 35.1% |
| Total                     | \$ 11,505 | \$ 13,604 ↑ | \$ 2,099      | 15.4% |

| Total FTE's Month | Actual | Budget | Fav / (Unfav) |  |
|-------------------|--------|--------|---------------|--|
| Medi-Cal          | 1,062  | 1,183  | 121           |  |
| OneCare Connect   | 200    | 211    | 11            |  |
| OneCare           | 10     | 9      | (1)           |  |
| PACE              | 78     | 93     | 14            |  |
| Total             | 1,351  | 1,496  | 145           |  |

| MM per FTE      | Actual | Budget | Fav / (Unfav) |  |
|-----------------|--------|--------|---------------|--|
| Medi-Cal        | 672    | 612    | 60            |  |
| OneCare Connect | 70     | 66     | 5             |  |
| OneCare         | 130    | 163    | (33)          |  |
| PACE            | 5      | 4      | 1             |  |
| Total           | 877    | 845    | 33            |  |

**YEAR - TO - DATE**

| Year To Date Enrollment | Actual    | Budget    | Fav / (Unfav) |                 |
|-------------------------|-----------|-----------|---------------|-----------------|
| Medi-Cal                | 6,495,470 | 6,570,575 | ↓             | (75,105) (1.1%) |
| OneCare Connect         | 127,307   | 126,500   | ↑             | 807 0.6%        |
| OneCare                 | 13,332    | 13,529    | ↓             | (197) (1.5%)    |
| PACE                    | 3,362     | 3,337     | ↑             | 25 0.7%         |
| Total                   | 6,639,471 | 6,713,941 | ↓             | (74,470) (1.1%) |

| Change in Net Assets (000) | Actual    | Budget      | Fav / (Unfav) |        |
|----------------------------|-----------|-------------|---------------|--------|
| Medi-Cal                   | \$ 21,939 | \$ 22,396 ↓ | \$ (458)      | (2.0%) |
| OneCare Connect            | (6,761)   | (11,511) ↑  | 4,750         | 41.3%  |
| OneCare                    | 369       | (999) ↑     | 1,368         | 136.9% |
| PACE                       | 3,620     | 1,651 ↑     | 1,968         | 119.3% |
| 505 Bldg.                  | -         | - ↑         | -             | 0.0%   |
| Investment Income          | 29,194    | 11,250 ↑    | 17,944        | 159.5% |
| Total                      | \$ 48,360 | \$ 22,788 ↑ | \$ 25,572     | 112.2% |

| MLR             | Actual | Budget  | % Point Var |  |
|-----------------|--------|---------|-------------|--|
| Medi-Cal        | 96.0%  | 95.0% ↓ | (0.9)       |  |
| OneCare Connect | 96.7%  | 97.8% ↑ | 1.1         |  |
| OneCare         | 89.3%  | 97.8% ↑ | 8.5         |  |

| Administrative Cost (000) | Actual     | Budget       | Fav / (Unfav) |       |
|---------------------------|------------|--------------|---------------|-------|
| Medi-Cal                  | \$ 83,948  | \$ 97,689 ↑  | \$ 13,741     | 14.1% |
| OneCare Connect           | 14,030     | 16,197 ↑     | 2,167         | 13.4% |
| OneCare                   | 1,282      | 1,324 ↑      | 41            | 3.1%  |
| PACE                      | 1,534      | 1,643 ↑      | 109           | 6.7%  |
| Total                     | \$ 100,794 | \$ 116,853 ↑ | \$ 16,059     | 13.7% |

| Total FTE's YTD | Actual | Budget | Fav / (Unfav) |  |
|-----------------|--------|--------|---------------|--|
| Medi-Cal        | 9,339  | 10,497 | 1,158         |  |
| OneCare Connect | 1,733  | 1,851  | 117           |  |
| OneCare         | 85     | 84     | (2)           |  |
| PACE            | 653    | 829    | 176           |  |
| Total           | 11,810 | 13,260 | 1,449         |  |

| MM per FTE      | Actual | Budget | Fav / (Unfav) |  |
|-----------------|--------|--------|---------------|--|
| Medi-Cal        | 696    | 626    | 70            |  |
| OneCare Connect | 73     | 68     | 5             |  |
| OneCare         | 156    | 162    | (6)           |  |
| PACE            | 5      | 4      | 1             |  |
| Total           | 930    | 860    | 70            |  |

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the One Month Ended March 31, 2020**

|                                              | <b>Actual</b>           |                     | <b>Budget</b>             |                      | <b>Variance</b>         |                     |
|----------------------------------------------|-------------------------|---------------------|---------------------------|----------------------|-------------------------|---------------------|
|                                              | <b>\$</b>               | <b>PMPM</b>         | <b>\$</b>                 | <b>PMPM</b>          | <b>\$</b>               | <b>PMPM</b>         |
| <b>MEMBER MONTHS</b>                         | 729,149                 |                     | 739,254                   |                      | (10,105)                |                     |
| <b>REVENUE</b>                               |                         |                     |                           |                      |                         |                     |
| Medi-Cal                                     | \$ 372,552,802          | \$ 522.29           | \$ 268,347,082            | \$ 370.93            | \$ 104,205,719          | \$ 151.36           |
| OneCare Connect                              | 24,573,194              | 1,745.63            | 24,079,201                | 1,732.82             | 493,993                 | 12.81               |
| OneCare                                      | 1,565,618               | 1,147.81            | 1,653,248                 | 1,092.70             | (87,630)                | 55.11               |
| PACE                                         | 3,524,900               | 8,812.25            | 3,122,285                 | 7,747.61             | 402,615                 | 1,064.64            |
| Total Operating Revenue                      | <u>402,216,513</u>      | <u>551.62</u>       | <u>297,201,816</u>        | <u>402.03</u>        | <u>105,014,697</u>      | <u>149.59</u>       |
| <b>MEDICAL EXPENSES</b>                      |                         |                     |                           |                      |                         |                     |
| Medi-Cal                                     | 354,983,721             | 497.66              | 258,824,402               | 357.77               | (96,159,319)            | (139.89)            |
| OneCare Connect                              | 24,341,258              | 1,729.15            | 23,629,977                | 1,700.49             | (711,281)               | (28.66)             |
| OneCare                                      | 1,816,176               | 1,331.51            | 1,622,056                 | 1,072.08             | (194,120)               | (259.43)            |
| PACE                                         | 2,762,170               | 6,905.43            | 2,739,166                 | 6,796.94             | (23,004)                | (108.49)            |
| Total Medical Expenses                       | <u>383,903,326</u>      | <u>526.51</u>       | <u>286,815,601</u>        | <u>387.98</u>        | <u>(97,087,725)</u>     | <u>(138.53)</u>     |
| <b>GROSS MARGIN</b>                          | 18,313,188              | 25.11               | 10,386,215                | 14.05                | 7,926,972               | 11.06               |
| <b>ADMINISTRATIVE EXPENSES</b>               |                         |                     |                           |                      |                         |                     |
| Salaries and benefits                        | 7,692,461               | 10.55               | 8,494,192                 | 11.49                | 801,731                 | 0.94                |
| Professional fees                            | 220,112                 | 0.30                | 499,003                   | 0.68                 | 278,891                 | 0.38                |
| Purchased services                           | 1,026,061               | 1.41                | 1,532,026                 | 2.07                 | 505,965                 | 0.66                |
| Printing & Postage                           | 377,704                 | 0.52                | 515,972                   | 0.70                 | 138,268                 | 0.18                |
| Depreciation & Amortization                  | 275,099                 | 0.38                | 457,866                   | 0.62                 | 182,767                 | 0.24                |
| Other expenses                               | 1,712,290               | 2.35                | 1,727,417                 | 2.34                 | 15,127                  | (0.01)              |
| Indirect cost allocation & Occupancy expense | 201,589                 | 0.28                | 377,885                   | 0.51                 | 176,296                 | 0.23                |
| Total Administrative Expenses                | <u>11,505,316</u>       | <u>15.78</u>        | <u>13,604,361</u>         | <u>18.40</u>         | <u>2,099,045</u>        | <u>2.62</u>         |
| <b>INCOME (LOSS) FROM OPERATIONS</b>         | 6,807,871               | 9.34                | (3,218,146)               | (4.35)               | 10,026,017              | 13.69               |
| <b>INVESTMENT INCOME</b>                     |                         |                     |                           |                      |                         |                     |
| Interest income                              | 2,603,058               | 3.57                | 1,250,000                 | 1.69                 | 1,353,058               | 1.88                |
| Realized gain/(loss) on investments          | 630,581                 | 0.86                | -                         | -                    | 630,581                 | 0.86                |
| Unrealized gain/(loss) on investments        | (3,709,907)             | (5.09)              | -                         | -                    | (3,709,907)             | (5.09)              |
| Total Investment Income                      | <u>(476,268)</u>        | <u>(0.65)</u>       | <u>1,250,000</u>          | <u>1.69</u>          | <u>(1,726,268)</u>      | <u>(2.34)</u>       |
| <b>TOTAL MCO TAX</b>                         | 1,169,888               | 1.60                | -                         | -                    | 1,169,888               | 1.60                |
| <b>TOTAL GRANT INCOME</b>                    | (47,663)                | (0.07)              | -                         | -                    | (47,663)                | (0.07)              |
| <b>OTHER INCOME</b>                          | 50                      | -                   | -                         | -                    | 50                      | -                   |
| <b>CHANGE IN NET ASSETS</b>                  | <u><u>7,453,878</u></u> | <u><u>10.22</u></u> | <u><u>(1,968,146)</u></u> | <u><u>(2.66)</u></u> | <u><u>9,422,024</u></u> | <u><u>12.88</u></u> |
| <b>MEDICAL LOSS RATIO</b>                    | <b>95.4%</b>            |                     | <b>96.5%</b>              |                      | <b>1.1%</b>             |                     |
| <b>ADMINISTRATIVE LOSS RATIO</b>             | <b>2.9%</b>             |                     | <b>4.6%</b>               |                      | <b>1.7%</b>             |                     |



**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2020**

|                                              | Actual            |             | Budget            |             | Variance          |             |
|----------------------------------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
|                                              | \$                | PMPM        | \$                | PMPM        | \$                | PMPM        |
| <b>MEMBER MONTHS</b>                         | 6,639,471         |             | 6,713,941         |             | (74,470)          |             |
| <b>REVENUE</b>                               |                   |             |                   |             |                   |             |
| Medi-Cal                                     | \$ 2,661,894,561  | \$ 409.81   | \$ 2,419,477,695  | \$ 368.23   | \$ 242,416,866    | \$ 41.58    |
| OneCare Connect                              | 222,256,554       | 1,745.83    | 215,142,423       | 1,700.73    | 7,114,131         | 45.10       |
| OneCare                                      | 15,372,629        | 1,153.06    | 14,746,980        | 1,090.03    | 625,649           | 63.03       |
| PACE                                         | 27,211,444        | 8,093.83    | 25,915,392        | 7,766.07    | 1,296,052         | 327.76      |
| Total Operating Revenue                      | 2,926,735,188     | 440.81      | 2,675,282,490     | 398.47      | 251,452,698       | 42.34       |
| <b>MEDICAL EXPENSES</b>                      |                   |             |                   |             |                   |             |
| Medi-Cal                                     | 2,554,148,072     | 393.22      | 2,299,392,424     | 349.95      | (254,755,648)     | (43.27)     |
| OneCare Connect                              | 214,987,835       | 1,688.74    | 210,456,183       | 1,663.69    | (4,531,652)       | (25.05)     |
| OneCare                                      | 13,721,389        | 1,029.21    | 14,422,057        | 1,066.01    | 700,668           | 36.80       |
| PACE                                         | 22,057,980        | 6,560.97    | 22,620,902        | 6,778.81    | 562,922           | 217.84      |
| Total Medical Expenses                       | 2,804,915,275     | 422.46      | 2,546,891,566     | 379.34      | (258,023,710)     | (43.12)     |
| <b>GROSS MARGIN</b>                          | 121,819,913       | 18.35       | 128,390,924       | 19.13       | (6,571,011)       | (0.78)      |
| <b>ADMINISTRATIVE EXPENSES</b>               |                   |             |                   |             |                   |             |
| Salaries and benefits                        | 66,303,956        | 9.99        | 73,179,617        | 10.90       | 6,875,661         | 0.91        |
| Professional fees                            | 2,409,692         | 0.36        | 4,299,980         | 0.64        | 1,890,288         | 0.28        |
| Purchased services                           | 8,770,578         | 1.32        | 11,201,234        | 1.67        | 2,430,656         | 0.35        |
| Printing & Postage                           | 3,723,571         | 0.56        | 5,049,698         | 0.75        | 1,326,127         | 0.19        |
| Depreciation & Amortization                  | 3,025,075         | 0.46        | 4,120,794         | 0.61        | 1,095,719         | 0.15        |
| Other expenses                               | 13,506,475        | 2.03        | 15,558,303        | 2.32        | 2,051,828         | 0.29        |
| Indirect cost allocation & Occupancy expense | 3,054,954         | 0.46        | 3,443,276         | 0.51        | 388,322           | 0.05        |
| Total Administrative Expenses                | 100,794,302       | 15.18       | 116,852,902       | 17.40       | 16,058,600        | 2.22        |
| <b>INCOME (LOSS) FROM OPERATIONS</b>         | 21,025,611        | 3.17        | 11,538,022        | 1.72        | 9,487,588         | 1.45        |
| <b>INVESTMENT INCOME</b>                     |                   |             |                   |             |                   |             |
| Interest income                              | 24,970,208        | 3.76        | 11,250,000        | 1.68        | 13,720,208        | 2.08        |
| Realized gain/(loss) on investments          | 2,487,799         | 0.37        | -                 | -           | 2,487,799         | 0.37        |
| Unrealized gain/(loss) on investments        | 1,736,348         | 0.26        | -                 | -           | 1,736,348         | 0.26        |
| Total Investment Income                      | 29,194,355        | 4.40        | 11,250,000        | 1.68        | 17,944,355        | 2.72        |
| <b>TOTAL MCO TAX</b>                         | (1,812,360)       | (0.27)      | -                 | -           | (1,812,360)       | (0.27)      |
| <b>TOTAL GRANT INCOME</b>                    | (47,748)          | (0.01)      | -                 | -           | (47,748)          | (0.01)      |
| <b>OTHER INCOME</b>                          | 544               | -           | -                 | -           | 544               | -           |
| <b>CHANGE IN NET ASSETS</b>                  | <u>48,360,402</u> | <u>7.28</u> | <u>22,788,022</u> | <u>3.39</u> | <u>25,572,380</u> | <u>3.89</u> |
| <b>MEDICAL LOSS RATIO</b>                    | 95.8%             |             | 95.2%             |             | -0.6%             |             |
| <b>ADMINISTRATIVE LOSS RATIO</b>             | 3.4%              |             | 4.4%              |             | 0.9%              |             |

**CalOptima - Consolidated - Month to Date  
Statement of Revenues and Expenses by LOB  
For the One Month Ended March 31, 2020**

|                                         | Medi-Cal Classic*   | Medi-Cal Expansion | Whole Child Model | Total Medi-Cal       | OneCare Connect       | OneCare             | PACE              | Consolidated        |
|-----------------------------------------|---------------------|--------------------|-------------------|----------------------|-----------------------|---------------------|-------------------|---------------------|
| <b>MEMBER MONTHS</b>                    | 477,564             | 224,582            | 11,162            | 713,308              | 14,077                | 1,364               | 400               | 729,149             |
| <b>REVENUES</b>                         |                     |                    |                   |                      |                       |                     |                   |                     |
| Capitation Revenue                      | 197,437,143         | \$ 152,881,027     | \$ 22,234,632     | \$ 372,552,802       | \$ 24,573,194         | \$ 1,565,618        | \$ 3,524,900      | \$ 402,216,513      |
| Other Income                            | -                   | -                  | -                 | -                    | -                     | -                   | -                 | -                   |
| <b>Total Operating Revenue</b>          | <u>197,437,143</u>  | <u>152,881,027</u> | <u>22,234,632</u> | <u>372,552,802</u>   | <u>24,573,194</u>     | <u>1,565,618</u>    | <u>3,524,900</u>  | <u>402,216,513</u>  |
| <b>MEDICAL EXPENSES</b>                 |                     |                    |                   |                      |                       |                     |                   |                     |
| Provider Capitation                     | 37,925,700          | 41,962,965         | 9,736,868         | 89,625,534           | 10,958,029            | 466,521             |                   | 101,050,083         |
| Facilities                              | 24,418,061          | 22,825,667         | 3,348,855         | 50,592,583           | 3,918,192             | 688,741             | 672,112           | 55,871,627          |
| Professional Claims                     | 19,834,363          | 7,997,069          | 1,996,294         | 29,827,726           | 752,954               | 76,380              | 766,374           | 31,423,433          |
| Prescription Drugs                      | 40,899,555          | 3,283,969          | 6,162,373         | 50,345,897           | 5,963,644             | 495,903             | 250,533           | 57,055,978          |
| MLTSS                                   | 33,096,069          | 2,642,467          | 363,816           | 36,102,353           | 1,254,384             | 59,105              | 34,850            | 37,450,691          |
| Medical Management                      | 2,232,979           | 1,511,832          | 295,793           | 4,040,604            | 1,103,023             | 29,526              | 836,903           | 6,010,056           |
| Quality Incentives                      | 894,005             | 449,017            | 140,263           | 1,483,285            | 195,410               |                     | 5,000             | 1,683,695           |
| Reinsurance & Other                     | 54,251,414          | 38,683,119         | 31,206            | 92,965,739           | 195,623               |                     | 196,399           | 93,357,761          |
| <b>Total Medical Expenses</b>           | <u>213,552,147</u>  | <u>119,356,106</u> | <u>22,075,468</u> | <u>354,983,721</u>   | <u>24,341,258</u>     | <u>1,816,176</u>    | <u>2,762,170</u>  | <u>383,903,326</u>  |
| <b>Medical Loss Ratio</b>               | 108.2%              | 78.1%              | 99.3%             | 95.3%                | 99.1%                 | 116.0%              | 78.4%             | 95.4%               |
| <b>GROSS MARGIN</b>                     | <b>(16,115,004)</b> | <b>33,524,921</b>  | <b>159,164</b>    | <b>17,569,081</b>    | <b>231,936</b>        | <b>(250,558)</b>    | <b>762,730</b>    | <b>18,313,188</b>   |
| <b>ADMINISTRATIVE EXPENSES</b>          |                     |                    |                   |                      |                       |                     |                   |                     |
| Salaries & Benefits                     |                     |                    |                   | 6,720,461            | 753,261               | 75,825              | 142,914           | 7,692,461           |
| Professional fees                       |                     |                    |                   | 200,988              | 4,000                 | 15,000              | 123               | 220,112             |
| Purchased services                      |                     |                    |                   | 931,229              | 81,189                | 8,823               | 4,820             | 1,026,061           |
| Printing & Postage                      |                     |                    |                   | 278,531              | 70,817                | 5,200               | 23,156            | 377,704             |
| Depreciation & Amortization             |                     |                    |                   | 273,042              |                       |                     | 2,057             | 275,099             |
| Other expenses                          |                     |                    |                   | 1,649,178            | 60,497                | -                   | 2,614             | 1,712,290           |
| Indirect cost allocation & Occupancy    |                     |                    |                   | (353,405)            | 579,990               | 28,340              | (53,336)          | 201,589             |
| <b>Total Administrative Expenses</b>    |                     |                    |                   | <u>9,700,025</u>     | <u>1,549,755</u>      | <u>133,188</u>      | <u>122,348</u>    | <u>11,505,316</u>   |
| <b>Admin Loss Ratio</b>                 |                     |                    |                   | 2.6%                 | 6.3%                  | 8.5%                | 3.5%              | 2.9%                |
| <b>INCOME (LOSS) FROM OPERATIONS</b>    |                     |                    |                   | 7,869,056            | (1,317,820)           | (383,747)           | 640,382           | 6,807,871           |
| <b>INVESTMENT INCOME</b>                |                     |                    |                   |                      |                       |                     |                   | (476,268)           |
| <b>TOTAL MCO TAX</b>                    |                     |                    |                   | 1,169,888            |                       |                     |                   | 1,169,888           |
| <b>TOTAL GRANT INCOME</b>               |                     |                    |                   | (47,663)             |                       |                     |                   | (47,663)            |
| <b>OTHER INCOME</b>                     |                     |                    |                   | 50                   |                       |                     |                   | 50                  |
| <b>CHANGE IN NET ASSETS</b>             |                     |                    |                   | <u>\$ 8,991,331</u>  | <u>\$ (1,317,820)</u> | <u>\$ (383,747)</u> | <u>\$ 640,382</u> | <u>\$ 7,453,878</u> |
| <b>BUDGETED CHANGE IN NET ASSETS</b>    |                     |                    |                   | (1,967,723)          | (1,327,322)           | (117,763)           | 194,662           | (1,968,146)         |
| <b>VARIANCE TO BUDGET - FAV (UNFAV)</b> |                     |                    |                   | <u>\$ 10,959,053</u> | <u>\$ 9,502</u>       | <u>\$ (265,984)</u> | <u>\$ 445,720</u> | <u>\$ 9,422,024</u> |

\* Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic

**CalOptima - Consolidated - Year to Date**  
**Statement of Revenues and Expenses by LOB**  
**For the Nine Months Ended March 31, 2020**

|                                         | Medi-Cal Classic*    | Medi-Cal Expansion   | Whole Child Model   | Total Medi-Cal       | OneCare Connect       | OneCare             | PACE                | Consolidated         |
|-----------------------------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|---------------------|---------------------|----------------------|
| <b>MEMBER MONTHS</b>                    | 4,341,989            | 2,049,947            | 103,533             | 6,495,469            | 127,307               | 13,332              | 3,362               | 6,639,470            |
| <b>REVENUES</b>                         |                      |                      |                     |                      |                       |                     |                     |                      |
| Capitation Revenue                      | 1,428,990,429        | \$ 1,026,843,471     | \$ 206,060,661      | \$ 2,661,894,561     | \$ 222,256,554        | \$ 15,372,629       | \$ 27,211,444       | \$ 2,926,735,188     |
| Other Income                            | -                    | -                    | -                   | -                    | -                     | -                   | -                   | -                    |
| <b>Total Operating Revenue</b>          | <u>1,428,990,429</u> | <u>1,026,843,471</u> | <u>206,060,661</u>  | <u>2,661,894,561</u> | <u>222,256,554</u>    | <u>15,372,629</u>   | <u>27,211,444</u>   | <u>2,926,735,188</u> |
| <b>MEDICAL EXPENSES</b>                 |                      |                      |                     |                      |                       |                     |                     |                      |
| Provider Capitation                     | 349,160,189          | 393,943,944          | 90,242,437          | 833,346,571          | 98,879,547            | 4,309,216           |                     | 936,535,334          |
| Facilities                              | 226,693,188          | 195,509,811          | 48,948,529          | 471,151,528          | 33,541,218            | 3,820,989           | 5,918,180           | 514,431,915          |
| Professional Claims                     | 161,739,331          | 63,915,929           | 13,278,163          | 238,933,422          | 6,804,523             | 466,410             | 5,064,571           | 251,268,926          |
| Prescription Drugs                      | 175,335,045          | 180,387,821          | 50,624,188          | 406,347,054          | 50,935,839            | 4,629,207           | 2,123,105           | 464,035,204          |
| MLTSS                                   | 307,804,027          | 23,621,827           | 15,094,415          | 346,520,269          | 12,080,517            | 160,380             | 331,476             | 359,092,642          |
| Medical Management                      | 19,042,195           | 11,346,563           | 2,396,273           | 32,785,031           | 9,271,719             | 335,186             | 6,551,564           | 48,943,499           |
| Quality Incentives                      | 8,212,412            | 4,148,732            | 1,270,011           | 13,631,155           | 1,814,500             |                     | 196,235             | 15,641,890           |
| Reinsurance & Other                     | 122,079,863          | 89,045,619           | 307,561             | 211,433,043          | 1,659,972             |                     | 1,872,850           | 214,965,864          |
| <b>Total Medical Expenses</b>           | <u>1,370,066,249</u> | <u>961,920,244</u>   | <u>222,161,578</u>  | <u>2,554,148,072</u> | <u>214,987,835</u>    | <u>13,721,389</u>   | <u>22,057,980</u>   | <u>2,804,915,275</u> |
| <b>Medical Loss Ratio</b>               | 95.9%                | 93.7%                | 107.8%              | 96.0%                | 96.7%                 | 89.3%               | 81.1%               | 95.8%                |
| <b>GROSS MARGIN</b>                     | <b>58,924,180</b>    | <b>64,923,227</b>    | <b>(16,100,917)</b> | <b>107,746,490</b>   | <b>7,268,719</b>      | <b>1,651,240</b>    | <b>5,153,464</b>    | <b>121,819,913</b>   |
| <b>ADMINISTRATIVE EXPENSES</b>          |                      |                      |                     |                      |                       |                     |                     |                      |
| Salaries & Benefits                     |                      |                      |                     | 57,996,091           | 6,449,989             | 595,610             | 1,262,266           | 66,303,956           |
| Professional fees                       |                      |                      |                     | 1,773,329            | 460,486               | 174,371             | 1,506               | 2,409,692            |
| Purchased services                      |                      |                      |                     | 7,314,886            | 1,264,438             | 119,728             | 71,527              | 8,770,578            |
| Printing & Postage                      |                      |                      |                     | 3,030,687            | 544,491               | 42,746              | 105,646             | 3,723,571            |
| Depreciation & Amortization             |                      |                      |                     | 3,006,362            |                       |                     | 18,714              | 3,025,075            |
| Other expenses                          |                      |                      |                     | 13,187,130           | 281,948               | 2,237               | 35,160              | 13,506,475           |
| Indirect cost allocation & Occupancy    |                      |                      |                     | (2,360,150)          | 5,028,550             | 347,805             | 38,749              | 3,054,954            |
| <b>Total Administrative Expenses</b>    |                      |                      |                     | <u>83,948,334</u>    | <u>14,029,902</u>     | <u>1,282,498</u>    | <u>1,533,568</u>    | <u>100,794,302</u>   |
| <b>Admin Loss Ratio</b>                 |                      |                      |                     | 3.2%                 | 6.3%                  | 8.3%                | 5.6%                | 3.4%                 |
| <b>INCOME (LOSS) FROM OPERATIONS</b>    |                      |                      |                     | 23,798,156           | (6,761,183)           | 368,742             | 3,619,896           | 21,025,611           |
| <b>INVESTMENT INCOME</b>                |                      |                      |                     |                      |                       |                     |                     | 29,194,355           |
| <b>TOTAL MCO TAX</b>                    |                      |                      |                     | (1,812,360)          |                       |                     |                     | (1,812,360)          |
| <b>TOTAL GRANT INCOME</b>               |                      |                      |                     | (47,748)             |                       |                     |                     | (47,748)             |
| <b>OTHER INCOME</b>                     |                      |                      |                     | 544                  |                       |                     |                     | 544                  |
| <b>CHANGE IN NET ASSETS</b>             |                      |                      |                     | <u>\$ 21,938,591</u> | <u>\$ (6,761,183)</u> | <u>\$ 368,742</u>   | <u>\$ 3,619,896</u> | <u>\$ 48,360,402</u> |
| <b>BUDGETED CHANGE IN NET ASSETS</b>    |                      |                      |                     | 22,396,122           | (11,510,726)          | (998,822)           | 1,651,448           | 22,788,022           |
| <b>VARIANCE TO BUDGET - FAV (UNFAV)</b> |                      |                      |                     | <u>\$ (457,531)</u>  | <u>\$ 4,749,543</u>   | <u>\$ 1,367,564</u> | <u>\$ 1,968,448</u> | <u>\$ 25,572,380</u> |

\* Year-to-Date reclassification of prescription drug expense from Medi-Cal Expansion to Medi-Cal Classic

## March 30, 2020 Unaudited Financial Statements

### SUMMARY MONTHLY RESULTS:

- Change in Net Assets is \$7.5 million, \$9.4 million favorable to budget
- Operating surplus is \$6.8 million, with a surplus in non-operating income of \$0.6 million

### YEAR TO DATE RESULTS:

- Change in Net Assets is \$48.4 million, \$25.6 million favorable to budget
- Operating surplus is \$21.0 million, with a surplus in non-operating income of \$27.3 million

### Change in Net Assets by Line of Business (LOB) (\$ millions)

| MONTH-TO-DATE |               |                 |                                 | YEAR-TO-DATE  |               |                 |
|---------------|---------------|-----------------|---------------------------------|---------------|---------------|-----------------|
| <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |                                 | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
| 7.9           | (2.0)         | 9.8             | Medi-Cal                        | 23.8          | 22.4          | 1.4             |
| (1.3)         | (1.3)         | 0.0             | OCC                             | (6.8)         | (11.5)        | 4.7             |
| (0.4)         | (0.1)         | (0.3)           | OneCare                         | 0.4           | (1.0)         | 1.4             |
| <u>0.6</u>    | <u>0.2</u>    | <u>0.4</u>      | <u>PACE</u>                     | <u>3.6</u>    | <u>1.7</u>    | <u>2.0</u>      |
| <b>6.8</b>    | <b>(3.2)</b>  | <b>10.0</b>     | <b>Operating</b>                | <b>21.0</b>   | <b>11.5</b>   | <b>9.5</b>      |
| <u>0.6</u>    | <u>1.3</u>    | <u>(0.6)</u>    | <u>Inv./Rental Inc, MCO tax</u> | <u>27.3</u>   | <u>11.3</u>   | <u>16.1</u>     |
| <b>0.6</b>    | <b>1.3</b>    | <b>(0.6)</b>    | <b>Non-Operating</b>            | <b>27.3</b>   | <b>11.3</b>   | <b>16.1</b>     |
| 7.5           | (2.0)         | 9.4             | <b>TOTAL</b>                    | <b>48.4</b>   | <b>22.8</b>   | <b>25.6</b>     |

**CalOptima - Consolidated  
Enrollment Summary  
For the Nine Months Ended March 31, 2020**

| Month-to-Date  |                |                 |               | Enrollment (by Aid Category) | Year-to-Date     |                  |                 |               |
|----------------|----------------|-----------------|---------------|------------------------------|------------------|------------------|-----------------|---------------|
| <u>Actual</u>  | <u>Budget</u>  | <u>Variance</u> | <u>%</u>      |                              | <u>Actual</u>    | <u>Budget</u>    | <u>Variance</u> | <u>%</u>      |
| 66,242         | 66,241         | 1               | 0.0%          | Aged                         | 592,981          | 591,430          | 1,551           | 0.3%          |
| 502            | 615            | (113)           | (18.4%)       | BCCTP                        | 4,773            | 5,535            | (762)           | (13.8%)       |
| 45,109         | 43,587         | 1,522           | 3.5%          | Disabled                     | 402,888          | 393,538          | 9,350           | 2.4%          |
| 278,561        | 276,635        | 1,926           | 0.7%          | TANF Child                   | 2,536,630        | 2,538,817        | (2,187)         | (0.1%)        |
| 83,631         | 84,275         | (644)           | (0.8%)        | TANF Adult                   | 773,375          | 775,618          | (2,243)         | (0.3%)        |
| 3,519          | 3,404          | 115             | 3.4%          | LTC                          | 31,342           | 30,636           | 706             | 2.3%          |
| 224,582        | 235,744        | (11,162)        | (4.7%)        | MCE                          | 2,049,947        | 2,118,541        | (68,594)        | (3.2%)        |
| 11,162         | 12,940         | (1,778)         | (13.7%)       | WCM                          | 103,533          | 116,460          | (12,927)        | (11.1%)       |
| <b>713,308</b> | <b>723,441</b> | <b>(10,133)</b> | <b>(1.4%)</b> | <b>Medi-Cal Total</b>        | <b>6,495,470</b> | <b>6,570,575</b> | <b>(75,105)</b> | <b>(1.1%)</b> |
| <b>14,077</b>  | <b>13,897</b>  | <b>180</b>      | <b>1.3%</b>   | <b>OneCare Connect</b>       | <b>127,307</b>   | <b>126,500</b>   | <b>807</b>      | <b>0.6%</b>   |
| <b>1,364</b>   | <b>1,513</b>   | <b>(149)</b>    | <b>(9.8%)</b> | <b>OneCare</b>               | <b>13,332</b>    | <b>13,529</b>    | <b>(197)</b>    | <b>(1.5%)</b> |
| <b>400</b>     | <b>403</b>     | <b>(3)</b>      | <b>(0.7%)</b> | <b>PACE</b>                  | <b>3,362</b>     | <b>3,337</b>     | <b>25</b>       | <b>0.7%</b>   |
| <b>729,149</b> | <b>739,254</b> | <b>(10,105)</b> | <b>(1.4%)</b> | <b>CalOptima Total</b>       | <b>6,639,471</b> | <b>6,713,941</b> | <b>(74,470)</b> | <b>(1.1%)</b> |
|                |                |                 |               |                              |                  |                  |                 |               |
|                |                |                 |               | Enrollment (by Network)      |                  |                  |                 |               |
| 157,479        | 160,598        | (3,119)         | (1.9%)        | HMO                          | 1,431,167        | 1,457,896        | (26,729)        | (1.8%)        |
| 203,159        | 205,743        | (2,584)         | (1.3%)        | PHC                          | 1,849,881        | 1,878,397        | (28,516)        | (1.5%)        |
| 167,982        | 185,143        | (17,161)        | (9.3%)        | Shared Risk Group            | 1,585,930        | 1,683,144        | (97,214)        | (5.8%)        |
| 184,688        | 171,957        | 12,731          | 7.4%          | Fee for Service              | 1,628,491        | 1,551,138        | 77,353          | 5.0%          |
| <b>713,308</b> | <b>723,441</b> | <b>(10,133)</b> | <b>(1.4%)</b> | <b>Medi-Cal Total</b>        | <b>6,495,470</b> | <b>6,570,575</b> | <b>(75,105)</b> | <b>(1.1%)</b> |
| <b>14,077</b>  | <b>13,897</b>  | <b>180</b>      | <b>1.3%</b>   | <b>OneCare Connect</b>       | <b>127,307</b>   | <b>126,500</b>   | <b>807</b>      | <b>0.6%</b>   |
| <b>1,364</b>   | <b>1,513</b>   | <b>(149)</b>    | <b>(9.8%)</b> | <b>OneCare</b>               | <b>13,332</b>    | <b>13,529</b>    | <b>(197)</b>    | <b>(1.5%)</b> |
| <b>400</b>     | <b>403</b>     | <b>(3)</b>      | <b>(0.7%)</b> | <b>PACE</b>                  | <b>3,362</b>     | <b>3,337</b>     | <b>25</b>       | <b>0.7%</b>   |
| <b>729,149</b> | <b>739,254</b> | <b>(10,105)</b> | <b>(1.4%)</b> | <b>CalOptima Total</b>       | <b>6,639,471</b> | <b>6,713,941</b> | <b>(74,470)</b> | <b>(1.1%)</b> |

**CalOptima**  
**Enrollment Trend by Network**  
**Fiscal Year 2020**

|                                           | <u>Jul-19</u>  | <u>Aug-19</u>  | <u>Sep-19</u>  | <u>Oct-19</u>  | <u>Nov-19</u>  | <u>Dec-19</u>  | <u>Jan-20</u>  | <u>Feb-20</u>  | <u>Mar-20</u>  | <u>YTD Actual</u> | <u>YTD Budget</u> | <u>Variance</u> |
|-------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|-------------------|-----------------|
| <b>HMOs</b>                               |                |                |                |                |                |                |                |                |                |                   |                   |                 |
| Aged                                      | 3,723          | 3,740          | 3,754          | 3,821          | 3,827          | 3,743          | 3,768          | 3,625          | 3,679          | 33,680            | 34,162            | (482)           |
| BCCTP                                     | 1              | 1              | 2              | 2              | 1              | 1              | 1              | 1              | 1              | 11                | 9                 | 2               |
| Disabled                                  | 6,539          | 6,547          | 6,572          | 6,613          | 6,633          | 6,546          | 6,468          | 6,612          | 6,670          | 59,200            | 59,593            | (393)           |
| TANF Child                                | 54,046         | 53,703         | 52,620         | 53,069         | 52,791         | 51,642         | 50,877         | 50,743         | 51,816         | 471,307           | 474,104           | (2,797)         |
| TANF Adult                                | 27,944         | 27,740         | 27,446         | 27,279         | 27,012         | 27,168         | 25,104         | 25,208         | 25,961         | 240,862           | 248,895           | (8,033)         |
| LTC                                       | 2              | 1              | 3              | 3              | 2              | 4              |                | 5              | 1              | 21                | 18                | 3               |
| MCE                                       | 68,973         | 69,077         | 68,729         | 68,881         | 68,361         | 68,256         | 62,418         | 66,229         | 67,457         | 608,381           | 619,848           | (11,467)        |
| WCM                                       | 2,026          | 2,087          | 2,052          | 1,987          | 2,006          | 2,024          | 1,692          | 1,937          | 1,894          | 17,705            | 21,267            | (3,562)         |
| <b>Total</b>                              | <b>163,254</b> | <b>162,896</b> | <b>161,178</b> | <b>161,655</b> | <b>160,633</b> | <b>159,384</b> | <b>150,328</b> | <b>154,360</b> | <b>157,479</b> | <b>1,431,167</b>  | <b>1,457,896</b>  | <b>(26,729)</b> |
| <b>PHCs</b>                               |                |                |                |                |                |                |                |                |                |                   |                   |                 |
| Aged                                      | 1,548          | 1,540          | 1,524          | 1,542          | 1,577          | 1,579          | 1,516          | 1,448          | 1,474          | 13,748            | 13,704            | 44              |
| BCCTP                                     |                |                |                |                |                |                |                |                |                | -                 |                   | 0               |
| Disabled                                  | 5,416          | 5,499          | 5,323          | 5,425          | 5,500          | 5,474          | 5,244          | 5,422          | 5,436          | 48,739            | 47,975            | 764             |
| TANF Child                                | 148,665        | 148,131        | 143,994        | 146,390        | 145,734        | 140,237        | 143,833        | 140,195        | 142,951        | 1,300,130         | 1,316,888         | (16,758)        |
| TANF Adult                                | 11,149         | 11,322         | 10,925         | 10,865         | 10,743         | 11,285         | 9,797          | 9,907          | 10,366         | 96,359            | 91,500            | 4,859           |
| LTC                                       | 1              |                | 1              |                | 1              |                | 2              | 1              | 1              | 8                 |                   | 8               |
| MCE                                       | 37,510         | 37,479         | 37,084         | 37,037         | 36,728         | 36,708         | 33,716         | 35,640         | 36,168         | 328,070           | 339,174           | (11,104)        |
| WCM                                       | 7,209          | 7,276          | 7,190          | 7,151          | 7,070          | 6,994          | 6,371          | 6,803          | 6,763          | 62,827            | 69,156            | (6,329)         |
| <b>Total</b>                              | <b>211,497</b> | <b>211,247</b> | <b>206,041</b> | <b>208,410</b> | <b>207,353</b> | <b>202,278</b> | <b>200,479</b> | <b>199,417</b> | <b>203,159</b> | <b>1,849,881</b>  | <b>1,878,397</b>  | <b>(28,516)</b> |
| <b>Shared Risk Groups</b>                 |                |                |                |                |                |                |                |                |                |                   |                   |                 |
| Aged                                      | 3,569          | 3,523          | 3,470          | 3,501          | 3,527          | 3,364          | 3,301          | 3,225          | 3,223          | 30,703            | 32,627            | (1,924)         |
| BCCTP                                     |                |                |                |                |                | 1              | (1)            | 1              |                | 1                 |                   | 1               |
| Disabled                                  | 7,275          | 7,294          | 7,144          | 7,177          | 7,200          | 7,139          | 6,724          | 7,092          | 7,010          | 64,055            | 61,231            | 2,824           |
| TANF Child                                | 63,291         | 62,381         | 57,001         | 59,579         | 58,690         | 56,771         | 56,508         | 54,614         | 55,822         | 524,657           | 552,341           | (27,684)        |
| TANF Adult                                | 28,681         | 28,390         | 27,842         | 27,428         | 26,946         | 27,269         | 24,473         | 24,861         | 25,641         | 241,531           | 255,754           | (14,223)        |
| LTC                                       | 1              | 3              | 3              | 2              | 1              | 1              |                | 1              | 1              | 13                | 9                 | 4               |
| MCE                                       | 84,595         | 83,922         | 82,492         | 81,749         | 80,096         | 79,714         | 69,637         | 73,826         | 74,815         | 710,846           | 763,479           | (52,633)        |
| WCM                                       | 1,732          | 1,706          | 1,620          | 1,598          | 1,581          | 1,593          | 1,367          | 1,457          | 1,470          | 14,124            | 17,703            | (3,579)         |
| <b>Total</b>                              | <b>189,144</b> | <b>187,219</b> | <b>179,572</b> | <b>181,034</b> | <b>178,041</b> | <b>175,852</b> | <b>162,009</b> | <b>165,077</b> | <b>167,982</b> | <b>1,585,930</b>  | <b>1,683,144</b>  | <b>(97,214)</b> |
| <b>Fee for Service (Dual)</b>             |                |                |                |                |                |                |                |                |                |                   |                   |                 |
| Aged                                      | 51,730         | 52,454         | 52,097         | 52,050         | 52,649         | 51,770         | 54,711         | 52,919         | 52,855         | 473,235           | 470,210           | 3,025           |
| BCCTP                                     | 15             | 18             | 17             | 18             | 19             | 20             | 13             | 10             | 12             | 142               | 162               | (20)            |
| Disabled                                  | 20,752         | 20,053         | 20,586         | 20,577         | 20,781         | 20,848         | 20,986         | 20,729         | 21,085         | 186,397           | 184,685           | 1,712           |
| TANF Child                                |                | 19             | 1              | 1              | 1              | 1              | 1              | 1              | 1              | 26                |                   | 26              |
| TANF Adult                                | 964            | 1,923          | 949            | 941            | 963            | 938            | 1,528          | 917            | 847            | 9,970             | 7,928             | 2,042           |
| LTC                                       | 3,044          | 3,097          | 3,061          | 3,161          | 3,204          | 2,971          | 3,389          | 3,142          | 3,157          | 28,226            | 27,441            | 785             |
| MCE                                       | 2,116          | 2,171          | 1,935          | 1,717          | 1,737          | 2,255          | 876            | 1,084          | 1,135          | 15,026            | 18,585            | (3,559)         |
| WCM                                       | 15             | 15             | 15             | 16             | 15             | 16             | 15             | 14             | 13             | 134               | 144               | (10)            |
| <b>Total</b>                              | <b>78,636</b>  | <b>79,750</b>  | <b>78,661</b>  | <b>78,481</b>  | <b>79,369</b>  | <b>78,819</b>  | <b>81,519</b>  | <b>78,816</b>  | <b>79,105</b>  | <b>713,156</b>    | <b>709,155</b>    | <b>4,001</b>    |
| <b>Fee for Service (Non-Dual - Total)</b> |                |                |                |                |                |                |                |                |                |                   |                   |                 |
| Aged                                      | 4,682          | 4,211          | 4,370          | 4,583          | 4,890          | 3,841          | 4,864          | 5,163          | 5,011          | 41,615            | 40,727            | 888             |
| BCCTP                                     | 550            | 542            | 484            | 532            | 525            | 518            | 506            | 473            | 489            | 4,619             | 5,364             | (745)           |
| Disabled                                  | 4,928          | 5,692          | 4,374          | 4,930          | 5,428          | 8,670          | 483            | 5,084          | 4,908          | 44,497            | 40,054            | 4,443           |
| TANF Child                                | 25,571         | 32,106         | 16,125         | 25,295         | 29,914         | 21,194         | 32,748         | 29,586         | 27,971         | 240,510           | 195,484           | 45,026          |
| TANF Adult                                | 19,658         | 19,951         | 19,512         | 19,854         | 23,011         | 22,542         | 18,203         | 21,106         | 20,816         | 184,653           | 171,541           | 13,112          |
| LTC                                       | 328            | 326            | 331            | 347            | 364            | 302            | 358            | 359            | 359            | 3,074             | 3,168             | (94)            |
| MCE                                       | 40,680         | 41,152         | 40,342         | 41,308         | 48,994         | 48,138         | 37,208         | 44,795         | 45,007         | 387,624           | 377,455           | 10,169          |
| WCM                                       | 843            | 960            | 978            | 1,008          | 1,079          | 874            | 936            | 1,043          | 1,022          | 8,743             | 8,190             | 553             |
| <b>Total</b>                              | <b>97,240</b>  | <b>104,940</b> | <b>86,516</b>  | <b>97,857</b>  | <b>114,205</b> | <b>106,079</b> | <b>95,306</b>  | <b>107,609</b> | <b>105,583</b> | <b>915,335</b>    | <b>841,983</b>    | <b>73,352</b>   |
| <b>Grand Totals</b>                       |                |                |                |                |                |                |                |                |                |                   |                   |                 |
| Aged                                      | 65,252         | 65,468         | 65,215         | 65,497         | 66,470         | 64,297         | 68,160         | 66,380         | 66,242         | 592,981           | 591,430           | 1,551           |
| BCCTP                                     | 566            | 561            | 503            | 552            | 545            | 540            | 519            | 485            | 502            | 4,773             | 5,535             | (762)           |
| Disabled                                  | 44,910         | 45,085         | 43,999         | 44,722         | 45,542         | 48,677         | 39,905         | 44,939         | 45,109         | 402,888           | 393,538           | 9,350           |
| TANF Child                                | 291,573        | 296,340        | 269,741        | 284,334        | 287,130        | 269,845        | 283,967        | 275,139        | 278,561        | 2,536,630         | 2,538,817         | (2,187)         |
| TANF Adult                                | 88,396         | 89,326         | 86,674         | 86,367         | 88,675         | 89,202         | 79,105         | 81,999         | 83,631         | 773,375           | 775,618           | (2,243)         |
| LTC                                       | 3,375          | 3,427          | 3,399          | 3,513          | 3,572          | 3,279          | 3,749          | 3,509          | 3,519          | 31,342            | 30,636            | 706             |
| MCE                                       | 233,874        | 233,801        | 230,582        | 230,692        | 235,916        | 235,071        | 203,855        | 221,574        | 224,582        | 2,049,947         | 2,118,541         | (68,594)        |
| WCM                                       | 11,825         | 12,044         | 11,855         | 11,760         | 11,751         | 11,501         | 10,381         | 11,254         | 11,162         | 103,533           | 116,460           | (12,927)        |
| <b>Total MediCal MM</b>                   | <b>739,771</b> | <b>746,852</b> | <b>711,968</b> | <b>727,437</b> | <b>739,601</b> | <b>722,412</b> | <b>689,641</b> | <b>705,279</b> | <b>713,308</b> | <b>6,495,470</b>  | <b>6,570,575</b>  | <b>(75,105)</b> |
| <b>OneCare Connect</b>                    | <b>14,257</b>  | <b>14,090</b>  | <b>14,186</b>  | <b>14,093</b>  | <b>14,065</b>  | <b>14,264</b>  | <b>14,104</b>  | <b>14,171</b>  | <b>14,077</b>  | <b>127,307</b>    | <b>126,500</b>    | <b>807</b>      |
| <b>OneCare</b>                            | <b>1,530</b>   | <b>1,545</b>   | <b>1,564</b>   | <b>1,567</b>   | <b>1,498</b>   | <b>1,465</b>   | <b>1,417</b>   | <b>1,382</b>   | <b>1,364</b>   | <b>13,332</b>     | <b>13,529</b>     | <b>(197)</b>    |
| <b>PACE</b>                               | <b>335</b>     | <b>345</b>     | <b>356</b>     | <b>368</b>     | <b>375</b>     | <b>393</b>     | <b>394</b>     | <b>396</b>     | <b>400</b>     | <b>3,362</b>      | <b>3,337</b>      | <b>25</b>       |
| <b>Grand Total</b>                        | <b>755,893</b> | <b>762,832</b> | <b>728,074</b> | <b>743,465</b> | <b>755,539</b> | <b>738,534</b> | <b>705,556</b> | <b>721,228</b> | <b>729,149</b> | <b>6,639,471</b>  | <b>6,713,941</b>  | <b>(74,470)</b> |

## **ENROLLMENT:**

**Overall** March enrollment was 729,149

- Unfavorable to budget 10,105 or 1.4%
- Increased 7,921 or 1.1% from prior month (PM) (February 2020)
- Decreased 38,130 or 5.0% from prior year (PY) (March 2019)

**Medi-Cal** enrollment was 713,308

- Unfavorable to budget 10,133 or 1.4%
  - Medi-Cal Expansion (MCE) unfavorable 11,162
  - Whole Child Model (WCM) unfavorable 1,778
  - Seniors and Persons with Disabilities (SPD) favorable 1,410
  - Temporary Assistance for Needy Families (TANF) favorable 1,282
  - Long-Term Care (LTC) favorable 115
- Increased 8,029 from PM

**OneCare Connect** enrollment was 14,077

- Favorable to budget 180 or 1.3%
- Decreased 94 from PM

**OneCare** enrollment was 1,364

- Unfavorable to budget 149 or 9.8%
- Decreased 18 from PM

**PACE** enrollment was 400

- Unfavorable to budget 3 or 0.7%
- Increased 4 from PM

**CalOptima  
Medi-Cal Total  
Statement of Revenues and Expenses  
For the Nine Months Ending March 31, 2020**

| Month        |             |                |               |                                             | Year to Date  |               |                |               |
|--------------|-------------|----------------|---------------|---------------------------------------------|---------------|---------------|----------------|---------------|
| Actual       | Budget      | \$<br>Variance | %<br>Variance |                                             | Actual        | Budget        | \$<br>Variance | %<br>Variance |
| 713,308      | 723,441     | (10,133)       | (1.4%)        | Member Months                               | 6,495,470     | 6,570,575     | (75,105)       | (1.1%)        |
|              |             |                |               | Revenues                                    |               |               |                |               |
| 372,552,802  | 268,347,082 | 104,205,719    | 38.8%         | Capitation Revenue                          | 2,661,894,561 | 2,419,477,695 | 242,416,866    | 10.0%         |
| -            | -           | -              | 0.0%          | Other Income                                | -             | -             | -              | 0.0%          |
| 372,552,802  | 268,347,082 | 104,205,719    | 38.8%         | Total Operating Revenue                     | 2,661,894,561 | 2,419,477,695 | 242,416,866    | 10.0%         |
|              |             |                |               | Medical Expenses                            |               |               |                |               |
| 91,108,819   | 95,021,988  | 3,913,169      | 4.1%          | Provider Capitation                         | 846,977,726   | 855,967,713   | 8,989,987      | 1.1%          |
| 50,592,583   | 49,082,532  | (1,510,051)    | (3.1%)        | Facilities Claims                           | 471,151,528   | 434,716,769   | (36,434,759)   | (8.4%)        |
| 29,827,726   | 23,640,030  | (6,187,696)    | (26.2%)       | Professional Claims                         | 238,933,422   | 208,092,278   | (30,841,144)   | (14.8%)       |
| 50,345,897   | 44,561,605  | (5,784,293)    | (13.0%)       | Prescription Drugs                          | 406,347,054   | 395,469,483   | (10,877,571)   | (2.8%)        |
| 36,102,353   | 37,780,414  | 1,678,061      | 4.4%          | MLTSS                                       | 346,520,269   | 333,632,341   | (12,887,928)   | (3.9%)        |
| 4,040,604    | 5,507,993   | 1,467,389      | 26.6%         | Medical Management                          | 32,785,031    | 42,687,499    | 9,902,468      | 23.2%         |
| 92,965,739   | 3,229,841   | (89,735,898)   | (2778.3%)     | Reinsurance & Other                         | 211,433,043   | 28,826,341    | (182,606,702)  | (633.5%)      |
| 354,983,721  | 258,824,402 | (96,159,319)   | (37.2%)       | Total Medical Expenses                      | 2,554,148,072 | 2,299,392,424 | (254,755,648)  | (11.1%)       |
| 17,569,081   | 9,522,680   | 8,046,400      | 84.5%         | Gross Margin                                | 107,746,490   | 120,085,271   | (12,338,782)   | (10.3%)       |
|              |             |                |               | Administrative Expenses                     |               |               |                |               |
| 6,720,461    | 7,424,257   | 703,796        | 9.5%          | Salaries, Wages & Employee Benefits         | 57,996,091    | 64,010,288    | 6,014,197      | 9.4%          |
| 200,988      | 399,574     | 198,586        | 49.7%         | Professional Fees                           | 1,773,329     | 3,405,120     | 1,631,791      | 47.9%         |
| 931,229      | 1,353,004   | 421,775        | 31.2%         | Purchased Services                          | 7,314,886     | 8,990,030     | 1,675,144      | 18.6%         |
| 278,531      | 392,911     | 114,380        | 29.1%         | Printing and Postage                        | 3,030,687     | 3,942,155     | 911,468        | 23.1%         |
| 273,042      | 455,750     | 182,708        | 40.1%         | Depreciation & Amortization                 | 3,006,362     | 4,101,750     | 1,095,388      | 26.7%         |
| 1,649,178    | 1,646,653   | (2,525)        | (0.2%)        | Other Operating Expenses                    | 13,187,130    | 14,831,443    | 1,644,313      | 11.1%         |
| (353,405)    | (181,746)   | 171,659        | 94.4%         | Indirect Cost Allocation, Occupancy Expense | (2,360,150)   | (1,591,637)   | 768,513        | 48.3%         |
| 9,700,025    | 11,490,403  | 1,790,378      | 15.6%         | Total Administrative Expenses               | 83,948,334    | 97,689,149    | 13,740,815     | 14.1%         |
|              |             |                |               | Operating Tax                               |               |               |                |               |
| (76,134,052) | 11,156,172  | (87,290,224)   | (782.4%)      | Tax Revenue                                 | 33,946,475    | 101,308,581   | (67,362,106)   | (66.5%)       |
| (77,303,939) | 11,156,172  | 88,460,111     | 792.9%        | Premium Tax Expense                         | 35,758,834    | 101,308,581   | 65,549,747     | 64.7%         |
| -            | -           | -              | 0.0%          | Sales Tax Expense                           | -             | -             | -              | 0.0%          |
| 1,169,888    | -           | 1,169,888      | 0.0%          | Total Net Operating Tax                     | (1,812,360)   | -             | (1,812,360)    | 0.0%          |
|              |             |                |               | Grant Income                                |               |               |                |               |
| 52,340       | -           | 52,340         | 0.0%          | Grant Revenue                               | 152,532       | -             | 152,532        | 0.0%          |
| 91,913       | -           | (91,913)       | 0.0%          | Grant expense - Service Partner             | 107,425       | -             | (107,425)      | 0.0%          |
| 8,090        | -           | (8,090)        | 0.0%          | Grant expense - Administrative              | 92,855        | -             | (92,855)       | 0.0%          |
| (47,663)     | -           | (47,663)       | 0.0%          | Total Grant Income                          | (47,748)      | -             | (47,748)       | 0.0%          |
| -            | -           | -              | 0.0%          | QAF and IGT - Net                           | 0             | -             | 0              | 0.0%          |
| 50           | -           | 50             | 0.0%          | Other income                                | 544           | -             | 544            | 0.0%          |
| 8,991,331    | (1,967,723) | 10,959,053     | 556.9%        | Change in Net Assets                        | 21,938,591    | 22,396,122    | (457,531)      | (2.0%)        |
|              |             |                |               | Medical Loss Ratio                          | 96.0%         | 95.0%         | (0.9%)         | (1.0%)        |
| 95.3%        | 96.5%       | 1.2%           | 1.2%          | Admin Loss Ratio                            | 3.2%          | 4.0%          | 0.9%           | 21.9%         |



## **MEDI-CAL INCOME STATEMENT – MARCH MONTH:**

**REVENUES** of \$372.6 million are favorable to budget \$104.2 million driven by:

- Unfavorable volume related variance of \$3.8 million
- Favorable price related variance of \$108.0 million due to:
  - \$91.0 million of Directed Payment (DP) revenue
  - \$14.4 million of acuity rate adjustment and updated MCE rates from the Department of Health Care Services (DHCS)
  - \$1.6 million of LTC revenue from non-LTC categories of aid
  - \$1.5 million of Behavioral Health Treatment (BHT) revenue
  - Offset by \$3.3 million of WCM revenue

**MEDICAL EXPENSES** of \$355.0 million are unfavorable to budget \$96.2 million driven by:

- Favorable volume related variance of \$3.6 million
- Unfavorable price related variance of \$99.8 million due to:
  - Reinsurance & Other expenses unfavorable variance of \$89.8 million due to DP
  - Professional Claims unfavorable variance of \$6.5 million due to crossover claims
  - Prescription Drugs unfavorable variance of \$6.4 million due to increased utilization
  - Provider Capitation favorable variance of \$2.6 million

**ADMINISTRATIVE EXPENSES** of \$9.7 million are favorable to budget \$1.8 million driven by:

- Salaries & Benefit expenses are favorable to budget \$0.7 million
- Other Non-Salary expenses are favorable to budget \$1.1 million

**CHANGE IN NET ASSETS** is \$9.0 million for the month, favorable to budget \$11.0 million

**CalOptima**  
**OneCare Connect Total**  
**Statement of Revenue and Expenses**  
**For the Nine Months Ending March 31, 2020**

| Month       |             |                |               | Year to Date                        |             |              |                |               |
|-------------|-------------|----------------|---------------|-------------------------------------|-------------|--------------|----------------|---------------|
| Actual      | Budget      | \$<br>Variance | %<br>Variance |                                     | Actual      | Budget       | \$<br>Variance | %<br>Variance |
| 14,077      | 13,897      | 180            | 1.3%          | Member Months                       | 127,307     | 126,500      | 807            | 0.6%          |
|             |             |                |               | Revenues                            |             |              |                |               |
| 2,630,263   | 2,725,395   | (95,132)       | (3.5%)        | Medi-Cal Capitation Revenue         | 22,352,001  | 24,928,303   | (2,576,302)    | (10.3%)       |
| 16,756,787  | 16,543,637  | 213,150        | 1.3%          | Medicare Capitation Revenue Part C  | 151,548,615 | 147,048,901  | 4,499,714      | 3.1%          |
| 5,186,144   | 4,810,169   | 375,975        | 7.8%          | Medicare Capitation Revenue Part D  | 48,355,938  | 43,165,219   | 5,190,719      | 12.0%         |
| -           | -           | -              | 0.0%          | Other Income                        | -           | -            | -              | 0.0%          |
| 24,573,194  | 24,079,201  | 493,993        | 2.1%          | Total Operating Revenue             | 222,256,554 | 215,142,423  | 7,114,131      | 3.3%          |
|             |             |                |               | Medical Expenses                    |             |              |                |               |
| 11,153,439  | 10,924,783  | (228,656)      | (2.1%)        | Provider Capitation                 | 100,694,047 | 98,344,864   | (2,349,183)    | (2.4%)        |
| 3,918,192   | 3,585,966   | (332,226)      | (9.3%)        | Facilities Claims                   | 33,541,218  | 31,559,032   | (1,982,186)    | (6.3%)        |
| 752,954     | 710,602     | (42,352)       | (6.0%)        | Ancillary                           | 6,804,523   | 6,170,640    | (633,883)      | (10.3%)       |
| 1,254,384   | 1,539,115   | 284,731        | 18.5%         | MLTSS                               | 12,080,517  | 13,871,156   | 1,790,639      | 12.9%         |
| 5,963,644   | 5,462,161   | (501,483)      | (9.2%)        | Prescription Drugs                  | 50,935,839  | 48,483,288   | (2,452,551)    | (5.1%)        |
| 1,103,023   | 1,185,578   | 82,555         | 7.0%          | Medical Management                  | 9,271,719   | 10,059,542   | 787,823        | 7.8%          |
| 195,623     | 221,772     | 26,149         | 11.8%         | Other Medical Expenses              | 1,659,972   | 1,967,661    | 307,689        | 15.6%         |
| 24,341,258  | 23,629,977  | (711,281)      | (3.0%)        | Total Medical Expenses              | 214,987,835 | 210,456,183  | (4,531,652)    | (2.2%)        |
| 231,936     | 449,224     | (217,288)      | (48.4%)       | Gross Margin                        | 7,268,719   | 4,686,240    | 2,582,479      | 55.1%         |
|             |             |                |               | Administrative Expenses             |             |              |                |               |
| 753,261     | 868,220     | 114,959        | 13.2%         | Salaries, Wages & Employee Benefits | 6,449,989   | 7,422,039    | 972,050        | 13.1%         |
| 4,000       | 77,796      | 73,796         | 94.9%         | Professional Fees                   | 460,486     | 700,163      | 239,677        | 34.2%         |
| 81,189      | 142,988     | 61,799         | 43.2%         | Purchased Services                  | 1,264,438   | 1,886,898    | 622,460        | 33.0%         |
| 70,817      | 95,861      | 25,044         | 26.1%         | Printing and Postage                | 544,491     | 862,743      | 318,252        | 36.9%         |
| -           | -           | -              | 0.0%          | Depreciation & Amortization         | -           | -            | -              | 0.0%          |
| 60,497      | 71,889      | 11,392         | 15.8%         | Other Operating Expenses            | 281,948     | 646,995      | 365,047        | 56.4%         |
| 579,990     | 519,792     | (60,198)       | (11.6%)       | Indirect Cost Allocation            | 5,028,550   | 4,678,128    | (350,422)      | (7.5%)        |
| 1,549,755   | 1,776,546   | 226,791        | 12.8%         | Total Administrative Expenses       | 14,029,902  | 16,196,966   | 2,167,064      | 13.4%         |
|             |             |                |               | Operating Tax                       |             |              |                |               |
| -           | -           | -              | 0.0%          | Tax Revenue                         | -           | -            | -              | 0.0%          |
| -           | -           | -              | 0.0%          | Premium Tax Expense                 | -           | -            | -              | 0.0%          |
| -           | -           | -              | 0.0%          | Sales Tax Expense                   | -           | -            | -              | 0.0%          |
| -           | -           | -              | 0.0%          | Total Net Operating Tax             | -           | -            | -              | 0.0%          |
| (1,317,820) | (1,327,322) | 9,502          | 0.7%          | Change in Net Assets                | (6,761,183) | (11,510,726) | 4,749,543      | 41.3%         |
| 99.1%       | 98.1%       | (0.9%)         | (0.9%)        | Medical Loss Ratio                  | 96.7%       | 97.8%        | 1.1%           | 1.1%          |
| 6.3%        | 7.4%        | 1.1%           | 14.5%         | Admin Loss Ratio                    | 6.3%        | 7.5%         | 1.2%           | 16.2%         |

## **ONECARE CONNECT INCOME STATEMENT – MARCH MONTH:**

**REVENUES** of \$24.6 million are favorable to budget \$0.5 million driven by:

- Favorable volume related variance of \$0.3 million
- Favorable price related variance of \$0.2 million

**MEDICAL EXPENSES** of \$24.3 million are unfavorable to budget \$0.7 million driven by:

- Unfavorable volume related variance of \$0.3 million
- Unfavorable price related variance of \$0.4 million

**ADMINISTRATIVE EXPENSES** of \$1.5 million are favorable to budget \$0.2 million

**CHANGE IN NET ASSETS** is (\$1.3) million, in line with budget

**CalOptima  
OneCare  
Statement of Revenues and Expenses  
For the Nine Months Ending March 31, 2020**

| Month            |                  |                  |                 |                                             | Year to Date      |                   |                  |               |
|------------------|------------------|------------------|-----------------|---------------------------------------------|-------------------|-------------------|------------------|---------------|
| Actual           | Budget           | \$<br>Variance   | %<br>Variance   |                                             | Actual            | Budget            | \$<br>Variance   | %<br>Variance |
| <b>1,364</b>     | <b>1,513</b>     | <b>(149)</b>     | <b>(9.8%)</b>   | <b>Member Months</b>                        | <b>13,332</b>     | <b>13,529</b>     | <b>(197)</b>     | <b>(1.5%)</b> |
|                  |                  |                  |                 | <b>Revenues</b>                             |                   |                   |                  |               |
| 1,188,961        | 1,129,202        | 59,759           | 5.3%            | Medicare Part C revenue                     | 10,920,939        | 10,066,458        | 854,481          | 8.5%          |
| 376,657          | 524,046          | (147,389)        | (28.1%)         | Medicare Part D revenue                     | 4,451,690         | 4,680,522         | (228,832)        | (4.9%)        |
| <b>1,565,618</b> | <b>1,653,248</b> | <b>(87,630)</b>  | <b>(5.3%)</b>   | <b>Total Operating Revenue</b>              | <b>15,372,629</b> | <b>14,746,980</b> | <b>625,649</b>   | <b>4.2%</b>   |
|                  |                  |                  |                 | <b>Medical Expenses</b>                     |                   |                   |                  |               |
| 466,521          | 437,349          | (29,172)         | (6.7%)          | Provider Capitation                         | 4,309,216         | 3,958,600         | (350,616)        | (8.9%)        |
| 688,741          | 515,585          | (173,156)        | (33.6%)         | Inpatient                                   | 3,820,989         | 4,543,121         | 722,132          | 15.9%         |
| 76,380           | 56,292           | (20,088)         | (35.7%)         | Ancillary                                   | 466,410           | 496,261           | 29,851           | 6.0%          |
| 59,105           | 46,254           | (12,851)         | (27.8%)         | Skilled Nursing Facilities                  | 160,380           | 407,657           | 247,277          | 60.7%         |
| 495,903          | 506,505          | 10,602           | 2.1%            | Prescription Drugs                          | 4,629,207         | 4,487,712         | (141,495)        | (3.2%)        |
| 29,526           | 49,151           | 19,625           | 39.9%           | Medical Management                          | 335,186           | 431,061           | 95,875           | 22.2%         |
| -                | 10,920           | 10,920           | 100.0%          | Other Medical Expenses                      | -                 | 97,645            | 97,645           | 100.0%        |
| <b>1,816,176</b> | <b>1,622,056</b> | <b>(194,120)</b> | <b>(12.0%)</b>  | <b>Total Medical Expenses</b>               | <b>13,721,389</b> | <b>14,422,057</b> | <b>700,668</b>   | <b>4.9%</b>   |
| <b>(250,558)</b> | <b>31,192</b>    | <b>(281,750)</b> | <b>(903.3%)</b> | <b>Gross Margin</b>                         | <b>1,651,240</b>  | <b>324,923</b>    | <b>1,326,317</b> | <b>408.2%</b> |
|                  |                  |                  |                 | <b>Administrative Expenses</b>              |                   |                   |                  |               |
| 75,825           | 53,418           | (22,407)         | (41.9%)         | Salaries, wages & employee benefits         | 595,610           | 463,912           | (131,698)        | (28.4%)       |
| 15,000           | 21,480           | 6,480            | 30.2%           | Professional fees                           | 174,371           | 193,320           | 18,949           | 9.8%          |
| 8,823            | 17,063           | 8,240            | 48.3%           | Purchased services                          | 119,728           | 153,567           | 33,839           | 22.0%         |
| 5,200            | 16,667           | 11,467           | 68.8%           | Printing and postage                        | 42,746            | 150,003           | 107,257          | 71.5%         |
| -                | 4,738            | 4,738            | 100.0%          | Other operating expenses                    | 2,237             | 42,642            | 40,405           | 94.8%         |
| 28,340           | 35,589           | 7,249            | 20.4%           | Indirect cost allocation, occupancy expense | 347,805           | 320,301           | (27,504)         | (8.6%)        |
| <b>133,188</b>   | <b>148,955</b>   | <b>15,767</b>    | <b>10.6%</b>    | <b>Total Administrative Expenses</b>        | <b>1,282,498</b>  | <b>1,323,745</b>  | <b>41,247</b>    | <b>3.1%</b>   |
| <b>(383,747)</b> | <b>(117,763)</b> | <b>(265,984)</b> | <b>(225.9%)</b> | <b>Change in Net Assets</b>                 | <b>368,742</b>    | <b>(998,822)</b>  | <b>1,367,564</b> | <b>136.9%</b> |
| <b>116.0%</b>    | <b>98.1%</b>     | <b>(17.9%)</b>   | <b>(18.2%)</b>  | <b>Medical Loss Ratio</b>                   | <b>89.3%</b>      | <b>97.8%</b>      | <b>8.5%</b>      | <b>8.7%</b>   |
| <b>8.5%</b>      | <b>9.0%</b>      | <b>0.5%</b>      | <b>5.6%</b>     | <b>Admin Loss Ratio</b>                     | <b>8.3%</b>       | <b>9.0%</b>       | <b>0.6%</b>      | <b>7.1%</b>   |

**CalOptima  
PACE  
Statement of Revenues and Expenses  
For the Nine Months Ending March 31, 2020**

| Month            |                  |                 |               |                                             | Year to Date      |                   |                  |               |
|------------------|------------------|-----------------|---------------|---------------------------------------------|-------------------|-------------------|------------------|---------------|
| Actual           | Budget           | \$<br>Variance  | %<br>Variance |                                             | Actual            | Budget            | \$<br>Variance   | %<br>Variance |
| <b>400</b>       | <b>403</b>       | <b>(3)</b>      | <b>(0.7%)</b> | <b>Member Months</b>                        | <b>3,362</b>      | <b>3,337</b>      | <b>25</b>        | <b>0.7%</b>   |
|                  |                  |                 |               | <b>Revenues</b>                             |                   |                   |                  |               |
| 2,817,127        | 2,421,941        | 395,186         | 16.3%         | Medi-Cal Capitation Revenue                 | 21,321,374        | 20,062,637        | 1,258,737        | 6.3%          |
| 554,798          | 551,474          | 3,324           | 0.6%          | Medicare Part C Revenue                     | 4,651,645         | 4,621,701         | 29,944           | 0.6%          |
| 152,975          | 148,870          | 4,105           | 2.8%          | Medicare Part D Revenue                     | 1,238,425         | 1,231,054         | 7,371            | 0.6%          |
| <b>3,524,900</b> | <b>3,122,285</b> | <b>402,615</b>  | <b>12.9%</b>  | <b>Total Operating Revenue</b>              | <b>27,211,444</b> | <b>25,915,392</b> | <b>1,296,052</b> | <b>5.0%</b>   |
|                  |                  |                 |               | <b>Medical Expenses</b>                     |                   |                   |                  |               |
| 836,903          | 909,769          | 72,866          | 8.0%          | Medical Management                          | 6,551,564         | 7,885,247         | 1,333,683        | 16.9%         |
| 672,112          | 603,026          | (69,086)        | (11.5%)       | Facilities Claims                           | 5,918,180         | 4,886,537         | (1,031,643)      | (21.1%)       |
| 766,374          | 658,920          | (107,454)       | (16.3%)       | Professional Claims                         | 5,064,571         | 5,353,917         | 289,346          | 5.4%          |
| 196,399          | 272,113          | 75,714          | 27.8%         | Patient Transportation                      | 1,872,850         | 2,153,063         | 280,213          | 13.0%         |
| 250,533          | 251,423          | 890             | 0.4%          | Prescription Drugs                          | 2,123,105         | 2,037,660         | (85,445)         | (4.2%)        |
| 34,850           | 37,249           | 2,399           | 6.4%          | MLTSS                                       | 331,476           | 244,478           | (86,998)         | (35.6%)       |
| 5,000            | 6,666            | 1,666           | 25.0%         | Other Expenses                              | 196,235           | 60,000            | (136,235)        | (227.1%)      |
| <b>2,762,170</b> | <b>2,739,166</b> | <b>(23,004)</b> | <b>(0.8%)</b> | <b>Total Medical Expenses</b>               | <b>22,057,980</b> | <b>22,620,902</b> | <b>562,922</b>   | <b>2.5%</b>   |
| <b>762,730</b>   | <b>383,119</b>   | <b>379,611</b>  | <b>99.1%</b>  | <b>Gross Margin</b>                         | <b>5,153,464</b>  | <b>3,294,490</b>  | <b>1,858,974</b> | <b>56.4%</b>  |
|                  |                  |                 |               | <b>Administrative Expenses</b>              |                   |                   |                  |               |
| 142,914          | 148,297          | 5,383           | 3.6%          | Salaries, wages & employee benefits         | 1,262,266         | 1,283,378         | 21,112           | 1.6%          |
| 123              | 153              | 30              | 19.4%         | Professional fees                           | 1,506             | 1,377             | (129)            | (9.4%)        |
| 4,820            | 18,971           | 14,151          | 74.6%         | Purchased services                          | 71,527            | 170,739           | 99,212           | 58.1%         |
| 23,156           | 10,533           | (12,623)        | (119.8%)      | Printing and postage                        | 105,646           | 94,797            | (10,849)         | (11.4%)       |
| 2,057            | 2,116            | 59              | 2.8%          | Depreciation & amortization                 | 18,714            | 19,044            | 330              | 1.7%          |
| 2,614            | 4,137            | 1,523           | 36.8%         | Other operating expenses                    | 35,160            | 37,223            | 2,063            | 5.5%          |
| (53,336)         | 4,250            | 57,586          | 1355.0%       | Indirect Cost Allocation, Occupancy Expense | 38,749            | 36,484            | (2,265)          | (6.2%)        |
| <b>122,348</b>   | <b>188,457</b>   | <b>66,110</b>   | <b>35.1%</b>  | <b>Total Administrative Expenses</b>        | <b>1,533,568</b>  | <b>1,643,042</b>  | <b>109,474</b>   | <b>6.7%</b>   |
|                  |                  |                 |               | <b>Operating Tax</b>                        |                   |                   |                  |               |
| (26,296)         | -                | (26,296)        | 0.0%          | Tax Revenue                                 | 17,660            | -                 | 17,660           | 0.0%          |
| (26,296)         | -                | 26,296          | 0.0%          | Premium Tax Expense                         | 17,660            | -                 | (17,660)         | 0.0%          |
| <b>-</b>         | <b>-</b>         | <b>-</b>        | <b>0.0%</b>   | <b>Total Net Operating Tax</b>              | <b>-</b>          | <b>-</b>          | <b>-</b>         | <b>0.0%</b>   |
| <b>640,382</b>   | <b>194,662</b>   | <b>445,720</b>  | <b>229.0%</b> | <b>Change in Net Assets</b>                 | <b>3,619,896</b>  | <b>1,651,448</b>  | <b>1,968,448</b> | <b>119.2%</b> |
| <b>78.4%</b>     | <b>87.7%</b>     | <b>9.4%</b>     | <b>10.7%</b>  | <b>Medical Loss Ratio</b>                   | <b>81.1%</b>      | <b>87.3%</b>      | <b>6.2%</b>      | <b>7.1%</b>   |
| <b>3.5%</b>      | <b>6.0%</b>      | <b>2.6%</b>     | <b>42.5%</b>  | <b>Admin Loss Ratio</b>                     | <b>5.6%</b>       | <b>6.3%</b>       | <b>0.7%</b>      | <b>11.1%</b>  |

**CalOptima**  
**BUILDING 505 - CITY PARKWAY**  
**Statement of Revenues and Expenses**  
**For the Nine Months Ending March 31, 2020**

| Month                          |           |                |               | Year to Date |             |                |               |
|--------------------------------|-----------|----------------|---------------|--------------|-------------|----------------|---------------|
| Actual                         | Budget    | \$<br>Variance | %<br>Variance | Actual       | Budget      | \$<br>Variance | %<br>Variance |
| <b>Revenues</b>                |           |                |               |              |             |                |               |
| -                              | -         | -              | 0.0%          | -            | -           | -              | 0.0%          |
| -                              | -         | -              | <b>0.0%</b>   | -            | -           | -              | <b>0.0%</b>   |
| <b>Administrative Expenses</b> |           |                |               |              |             |                |               |
| 46,343                         | 23,101    | (23,242)       | (100.6%)      | 433,635      | 207,910     | (225,725)      | (108.6%)      |
| 164,494                        | 174,725   | 10,231         | 5.9%          | 1,480,444    | 1,572,525   | 92,081         | 5.9%          |
| 17,477                         | 15,866    | (1,611)        | (10.2%)       | 157,288      | 142,794     | (14,494)       | (10.2%)       |
| 73,167                         | 140,162   | 66,995         | 47.8%         | 896,041      | 1,261,458   | 365,417        | 29.0%         |
| 27,271                         | 46,432    | 19,161         | 41.3%         | 378,315      | 417,888     | 39,573         | 9.5%          |
| (328,751)                      | (400,286) | (71,535)       | (17.9%)       | (3,345,724)  | (3,602,575) | (256,851)      | (7.1%)        |
| <b>0</b>                       | <b>-</b>  | <b>(0)</b>     | <b>0.0%</b>   | <b>(0)</b>   | <b>-</b>    | <b>0</b>       | <b>0.0%</b>   |
| <b>(0)</b>                     | <b>-</b>  | <b>(0)</b>     | <b>0.0%</b>   | <b>0</b>     | <b>-</b>    | <b>0</b>       | <b>0.0%</b>   |
| <b>Change in Net Assets</b>    |           |                |               |              |             |                |               |

**OTHER INCOME STATEMENTS – MARCH MONTH:**

**ONECARE INCOME STATEMENT**

CHANGE IN NET ASSETS is (\$383.7) thousand, unfavorable to budget \$266.0 thousand

**PACE INCOME STATEMENT**

CHANGE IN NET ASSETS is \$640.4 thousand, favorable to budget \$445.7 thousand

**CalOptima**  
**Balance Sheet**  
**March 31, 2020**

**ASSETS**

|                       |               |
|-----------------------|---------------|
| Current Assets        |               |
| Operating Cash        | \$382,898,813 |
| Investments           | 518,455,688   |
| Capitation receivable | 387,689,990   |
| Receivables - Other   | 51,102,708    |
| Prepaid expenses      | 6,893,911     |

|                             |                      |
|-----------------------------|----------------------|
| <b>Total Current Assets</b> | <b>1,347,041,111</b> |
|-----------------------------|----------------------|

|                                 |              |
|---------------------------------|--------------|
| Capital Assets                  |              |
| Furniture & Equipment           | 37,266,060   |
| Building/Leasehold Improvements | 11,736,817   |
| 505 City Parkway West           | 50,489,717   |
|                                 | 99,492,593   |
| Less: accumulated depreciation  | (51,440,146) |
| Capital assets, net             | 48,052,447   |

|                            |            |
|----------------------------|------------|
| Other Assets               |            |
| Restricted Deposit & Other | 300,000    |
| Homeless Health Reserve    | 58,198,913 |

|                               |             |
|-------------------------------|-------------|
| Board-designated assets:      |             |
| Cash and Cash Equivalents     | 7,610,600   |
| Long-term Investments         | 569,212,008 |
| Total Board-designated Assets | 576,822,608 |

|                           |                    |
|---------------------------|--------------------|
| <b>Total Other Assets</b> | <b>635,321,521</b> |
|---------------------------|--------------------|

|                     |                      |
|---------------------|----------------------|
| <b>TOTAL ASSETS</b> | <b>2,030,415,079</b> |
|---------------------|----------------------|

|                          |           |
|--------------------------|-----------|
| Deferred Outflows        |           |
| Contributions            | 686,962   |
| Difference in Experience | 3,419,328 |
| Excess Earning           | -         |
| Changes in Assumptions   | 6,428,159 |
| Pension Contributions    | 556,000   |

|                                             |                      |
|---------------------------------------------|----------------------|
| <b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b> | <b>2,041,505,528</b> |
|---------------------------------------------|----------------------|

**LIABILITIES & NET POSITION**

|                             |              |
|-----------------------------|--------------|
| Current Liabilities         |              |
| Accounts Payable            | \$41,752,651 |
| Medical Claims liability    | 781,885,602  |
| Accrued Payroll Liabilities | 13,997,455   |
| Deferred Revenue            | 30,787,390   |
| Deferred Lease Obligations  | 170,710      |
| Capitation and Withholds    | 132,250,984  |

|                                  |                      |
|----------------------------------|----------------------|
| <b>Total Current Liabilities</b> | <b>1,000,844,794</b> |
|----------------------------------|----------------------|

|                                                             |            |
|-------------------------------------------------------------|------------|
| Other (than pensions) post<br>employment benefits liability | 25,821,090 |
| Net Pension Liabilities                                     | 23,529,538 |
| Bldg 505 Development Rights                                 | -          |

|                          |                      |
|--------------------------|----------------------|
| <b>TOTAL LIABILITIES</b> | <b>1,050,195,422</b> |
|--------------------------|----------------------|

|                             |           |
|-----------------------------|-----------|
| Deferred Inflows            |           |
| Excess Earnings             | 156,330   |
| Change in Assumptions       | 4,747,505 |
| OPEB Changes in Assumptions | 2,503,000 |

|                           |                    |
|---------------------------|--------------------|
| Net Position              |                    |
| TNE                       | 100,958,386        |
| Funds in Excess of TNE    | 882,944,885        |
| <b>TOTAL NET POSITION</b> | <b>983,903,272</b> |

|                                                               |                      |
|---------------------------------------------------------------|----------------------|
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b> | <b>2,041,505,528</b> |
|---------------------------------------------------------------|----------------------|



**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of March 31, 2020**

| Type                         | Reserve Name            | Market Value       | Benchmark          |                    | Variance           |                     |
|------------------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|                              |                         |                    | Low                | High               | Mkt - Low          | Mkt - High          |
|                              | Tier 1 - Payden & Rygel | 157,864,886        |                    |                    |                    |                     |
|                              | Tier 1 - Logan Circle   | 156,881,532        |                    |                    |                    |                     |
|                              | Tier 1 - Wells Capital  | 157,161,784        |                    |                    |                    |                     |
| Board-designated Reserve     |                         |                    |                    |                    |                    |                     |
|                              |                         | 471,908,201        | 320,551,041        | 501,197,938        | 151,357,160        | (29,289,737)        |
| TNE Requirement              | Tier 2 - Logan Circle   | 104,914,407        | 100,958,386        | 100,958,386        | 3,956,021          | 3,956,021           |
| <b>Consolidated:</b>         |                         | <b>576,822,608</b> | <b>421,509,427</b> | <b>602,156,324</b> | <b>155,313,181</b> | <b>(25,333,716)</b> |
| <i>Current reserve level</i> |                         | <i>1.92</i>        | <i>1.40</i>        | <i>2.00</i>        |                    |                     |

**CalOptima**  
**Statement of Cash Flows**  
**March 31, 2020**

|                                                                                               | <u>Month Ended</u>            | <u>Year-To-Date</u>           |
|-----------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                  |                               |                               |
| Change in net assets                                                                          | 7,453,878                     | 48,360,402                    |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities |                               |                               |
| Depreciation and amortization                                                                 | 439,593                       | 4,505,520                     |
| Changes in assets and liabilities:                                                            |                               |                               |
| Prepaid expenses and other                                                                    | 674,119                       | (1,106,170)                   |
| Catastrophic reserves                                                                         |                               |                               |
| Capitation receivable                                                                         | 28,331,814                    | (86,850,931)                  |
| Medical claims liability                                                                      | (131,337,538)                 | 29,574,651                    |
| Deferred revenue                                                                              | (23,238,576)                  | (20,247,373)                  |
| Payable to health networks                                                                    | 3,485,663                     | 23,347,844                    |
| Accounts payable                                                                              | (76,472,206)                  | (914,075)                     |
| Accrued payroll                                                                               | 968,416                       | 4,033,546                     |
| Other accrued liabilities                                                                     | -                             | 126,198                       |
| Net cash provided by/(used in) operating activities                                           | <u>(189,694,838)</u>          | <u>829,612</u>                |
| <br>GASB 68 CalPERS Adjustments                                                               | <br>-                         | <br>-                         |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                              |                               |                               |
| Net Asset transfer from Foundation                                                            | -                             | -                             |
| Net cash provided by (used in) in capital and related financing activities                    | <u>-</u>                      | <u>-</u>                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                   |                               |                               |
| Change in Investments                                                                         | 85,071,297                    | 55,250,608                    |
| Change in Property and Equipment                                                              | (521,179)                     | (5,933,077)                   |
| Change in Board designated reserves                                                           | (1,201,767)                   | (16,677,201)                  |
| Change in Homeless Health Reserve                                                             | -                             | 1,801,087                     |
| Net cash provided by/(used in) investing activities                                           | <u>83,348,351</u>             | <u>34,441,417</u>             |
| <br><b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>                             | <br><b>(106,346,487)</b>      | <br><b>35,271,029</b>         |
| <br><b>CASH AND CASH EQUIVALENTS, beginning of period</b>                                     | <br><b>\$489,245,301</b>      | <br><b>347,627,784</b>        |
| <br><b>CASH AND CASH EQUIVALENTS, end of period</b>                                           | <br><b><u>382,898,813</u></b> | <br><b><u>382,898,813</u></b> |

## **BALANCE SHEET – MARCH MONTH:**

**ASSETS** of \$2.0 billion decreased \$219.1 million from February or 9.7%

- Operating Cash decreased \$106.3 million due to the disbursement of Hospital Quality Assurance Fee (HQAF) funding
- Investments decreased \$85.1 million due to HQAF funding disbursement
- Capitation Receivables decreased \$44.1 million due to timing of capitation received
- Receivables – Other increased \$15.7 million due to reclassification of sales tax overpayment

**LIABILITIES** of \$1.1 billion decreased \$226.6 million from February or 17.7%

- Claims Liabilities decreased \$131.3 million due to disbursement of DP and reclassification of sales tax overpayment
- Accounts Payable decreased \$76.5 million due to release of Managed Care Organization (MCO) tax accruals
- Capitation and Withhold increased \$3.5 million due to timing of capitation payments

**NET ASSETS** total \$983.9 million

Homeless Health Initiative and Allocated Funds  
as of March 31, 2020

|                                                                       | Amount                     |
|-----------------------------------------------------------------------|----------------------------|
| Program Commitment                                                    | \$100,000,000              |
| Funds Allocation, approved initiatives:                               |                            |
| Be Well OC                                                            | \$11,400,000               |
| Recuperative Care                                                     | 8,500,000                  |
| Housing Supportive Services                                           | 2,500,000                  |
| Clinical Field Team Start-Up & Federal Qualified Health Center (FQHC) | 1,600,000                  |
| Homeless Response Team (CalOptima)                                    | 6,000,000                  |
| Homeless Coordination at Hospitals                                    | 10,000,000                 |
| CalOptima Day & QI Program                                            | 1,231,087                  |
| FQHC - Expansion                                                      | <u>570,000</u>             |
| Funds Allocation Total                                                | <u>41,801,087</u>          |
| Program Commitment Balance, available for new initiatives:            | <u><u>\$58,198,913</u></u> |

On June 27, 2019 at a Special Board meeting, the Board approved four funding categories.  
This report only lists Board approved projects.

**Budget Allocation Changes**  
**Reporting Changes for March 2020**

| Transfer Month | Line of Business | From                                                                     | To                                                                                     | Amount   | Expense Description                                                                                                                                                |
|----------------|------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July           | Medi-Cal         | IS Application Development - Maintenance HW/SW (CalOptima Link Software) | IS Application Development - Maintenance HW/SW (Human Resources Corporate Application) | \$32,700 | Repurpose \$32,700 from Maintenance HW/SW (CalOptima Link Software) to Maintenance HW/SW (Human Resources Corporate Application)                                   |
| July           | Medi-Cal         | IS Infrastructure - Capital Project (Server 2016 Upgrade)                | IS Infrastructure - Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)          | \$38,300 | Reallocate \$38,300 from Capital Project (Server 2016 Upgrade) to Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)                                        |
| July           | Medi-Cal         | IS Infrastructure - Capital Project (LAN Switch Upgrade)                 | IS Infrastructure - Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)          | \$25,700 | Reallocate \$25,700 from Capital Project (LAN Switch Upgrades) to Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)                                        |
| December       | Medi-Cal         | IS Infrastructure - Maintenance HW/SW - Microsoft True-Up                | IS Infrastructure - Maintenance HW/SW - Network Connectivity - Extreme Networks        | \$53,000 | Repurpose \$53,000 from Microsoft True-Up to Network Connectivity - Extreme Networks.                                                                              |
| December       | Medi-Cal         | Facilities - 6th Floor Lunchroom Remodel                                 | Facilities - Replace Conference Room AV Equipment                                      | \$13,000 | To reallocate \$13,000 from Capital Projects 6th Floor Lunchroom Remodel and Conference Room 910 Upgrades to Capital Project Replace Conference Room AV Equipment. |
| December       | Medi-Cal         | Facilities - Conference Room 910 Upgrades                                | Facilities - Replace Conference Room AV Equipment                                      | \$17,000 | To reallocate \$17,000 from Capital Projects 6th Floor Lunchroom Remodel and Conference Room 910 Upgrades to Capital Project Replace Conference Room AV Equipment. |
| January        | Medi-Cal         | Member Survey - CG CAHPS                                                 | Inovalon Contract for HEDIS Software Training and Support hours                        | \$40,000 | To reallocate funds from Member Survey - CG CAHPS to Inovalon Contract for HEDIS Software Training and Support hours.                                              |

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.  
This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameters.

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

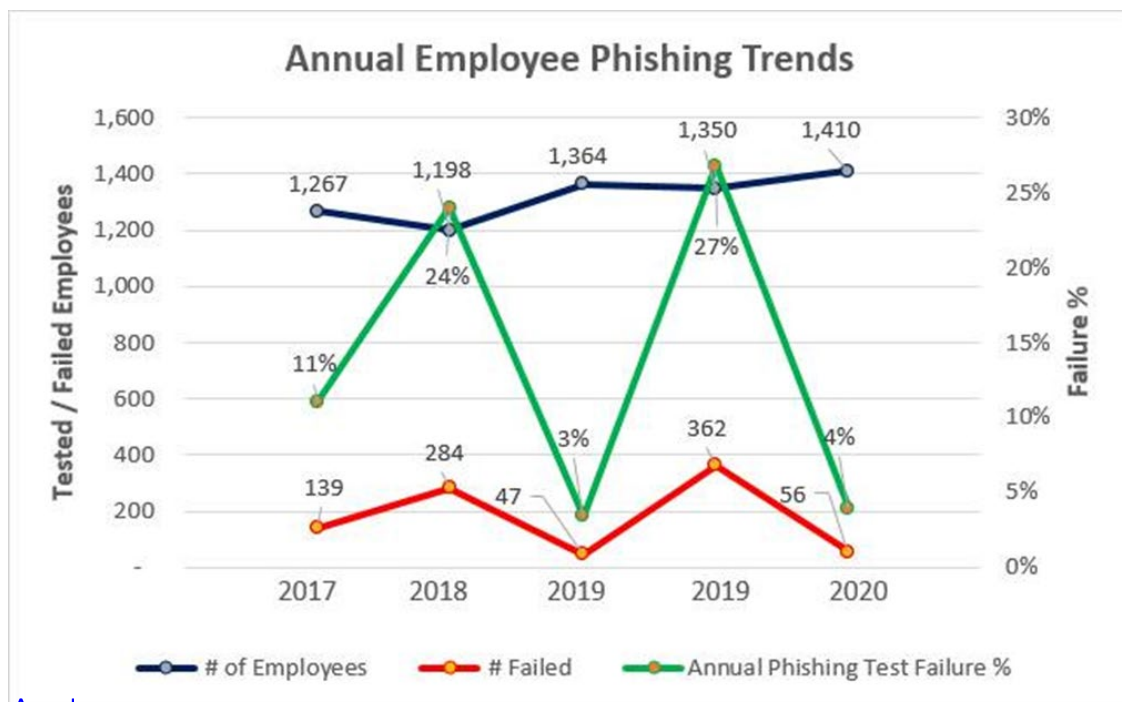
### Information Systems Security Update - Quarter Ending March 31, 2020

#### Recent and Upcoming Activities:

1. During this quarter, there was no downtime caused by security incidents and no incident in public media.
2. The Information Security team reported 21 Data Loss Prevention incidents to the Privacy team. There was a new trend where remote workers were trying to email work files to personal e-mail accounts in order to print a document. To address this issue, the Privacy Officer sent a notice to management as a reminder to address with staff.
3. The 2019 penetration tests (i.e. internal & external) and the 2019 Annual HIPAA Risk Assessment were completed successfully by Tevora in January 2020.
4. The Information Security Team has completed the first bi-annual enterprise phishing test of 2020 in April and the failure rate is 4%.
5. The CalOptima data masking project to protect sensitive data from exposure in non-production environments was kicked off on 4/16/2020.

#### Analysis:

The result of the first company-wide phishing test in 2020 were encouraging (Failure rate <4 %). We found that majority deleted incoming emails that have the external warning; which greatly reduced their chance of being phished.



Analysis:

The result of the last quarterly test in 2020 was as usual (about 27% failure rate). From our observation, it usually takes a user one or two tests before the user is more aware of and careful with phishing emails.



Analysis:

The trend is positive showing more users are reporting phishing emails via outlook “phishing reporting button”.



Incoming Emails – Q1 2020

| Overview > Incoming Mail Summary <span>✕</span>                                                                               |              |               |
|-------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Message Category                                                                                                              | %            | Messages      |
|  Stopped by Reputation Filtering             | 75.3%        | 3.2M          |
|  Stopped as Invalid Recipients               | 0.0%         | 111           |
|  Spam Detected                               | 3.7%         | 157.2k        |
|  Virus Detected                              | 0.0%         | 31            |
|  Detected by Advanced Malware Protection     | 0.0%         | 17            |
|  Messages with Malicious URLs                | 0.1%         | 4,749         |
|  Stopped by Content Filter                   | 1.0%         | 43.3k         |
|  Stopped by DMARC                            | 0.0%         | 0             |
|  S/MIME Verification/Decryption Failed       | 0.0%         | 0             |
| <b>Total Threat Messages:</b>                                                                                                 | <b>80.0%</b> | <b>3.4M</b>   |
|  Marketing Messages                         | 4.2%         | 179.9k        |
|  Social Networking Messages                | 0.1%         | 5,438         |
|  Bulk Messages                             | 2.3%         | 98.1k         |
| <b>Total Graymails:</b>                                                                                                       | <b>6.6%</b>  | <b>283.5k</b> |
|  S/MIME Verification/Decryption Successful | 0.0%         | 0             |
|  Clean Messages                            | 13.4%        | 573.7k        |
| <b>Total Attempted Messages:</b>                                                                                              |              | <b>4.3M</b>   |



# **Quarterly Operating and Capital Budget Update**

**January 1, 2020 to March 31, 2020**

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

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# **Quarterly Operating Budget Update as of March 31, 2020**

# FY 2019-20 Board Approved Attachment A

Attachment A

CalOptima Fiscal Year 2019-20 Budget

Board Approved on June 6, 2019

By Line of Business

|                                             | Medi-Cal         | OCC             | OneCare        | PACE          | Facilities     | Other         | Consolidated     |
|---------------------------------------------|------------------|-----------------|----------------|---------------|----------------|---------------|------------------|
| Member Months                               | 8,731,182        | 167,957         | 18,081         | 4,600         | -              |               | 8,921,820        |
| Avg Members                                 | 727,599          | 13,996          | 1,507          | 383           | -              |               | 743,485          |
| Revenues                                    |                  |                 |                |               |                |               |                  |
| Capitation revenue                          | \$ 3,223,902,036 | \$ 286,554,214  | \$ 19,619,684  | \$ 35,690,018 | \$ -           |               | \$ 3,565,765,952 |
| Total                                       | \$ 3,223,902,036 | \$ 286,554,214  | \$ 19,619,684  | \$ 35,690,018 | \$ -           |               | \$ 3,565,765,952 |
| Medical Costs                               |                  |                 |                |               |                |               |                  |
| Total                                       | \$ 3,069,035,404 | \$ 280,093,118  | \$ 19,184,286  | \$ 30,993,360 | \$ -           |               | \$ 3,399,306,169 |
| MLR                                         | 95.2%            | 97.7%           | 97.8%          | 86.8%         |                | *             | 95.3%            |
| Gross Margin                                | \$ 154,866,631   | \$ 6,461,096    | \$ 435,398     | \$ 4,696,657  | \$ -           |               | \$ 166,459,783   |
| Administrative Expenses                     |                  |                 |                |               |                |               |                  |
| Salaries, Wages, & Employee Benefits        | \$ 85,700,709    | \$ 9,980,046    | \$ 621,380     | \$ 1,719,501  | \$ -           |               | \$ 98,021,637    |
| Professional Fees                           | \$ 4,224,576     | \$ 933,550      | \$ 257,750     | \$ 1,840      | \$ -           |               | \$ 5,417,716     |
| Purchased services                          | \$ 11,454,021    | \$ 2,315,867    | \$ 204,750     | \$ 227,648    | \$ 277,221     |               | \$ 14,479,507    |
| Printing & Postage                          | \$ 5,320,217     | \$ 1,150,320    | \$ 200,000     | \$ 126,400    | \$ -           |               | \$ 6,796,937     |
| Depreciation & Amortization                 | \$ 5,469,000     | \$ -            | \$ -           | \$ 25,392     | \$ 2,096,700   |               | \$ 7,591,092     |
| Other Operating Expenses                    | \$ 19,642,076    | \$ 862,641      | \$ 56,850      | \$ 49,649     | \$ 2,429,513   |               | \$ 23,040,729    |
| Indirect Cost Allocation, Occupancy Expense | \$ (2,145,075)   | \$ 6,237,504    | \$ 427,067     | \$ 49,562     | \$ (4,803,434) |               | \$ (234,376)     |
| Total                                       | \$ 129,665,524   | \$ 21,479,928   | \$ 1,767,797   | \$ 2,199,992  | \$ -           |               | \$ 155,113,241   |
| ALR                                         | 4.0%             | 7.5%            | 9.0%           | 6.2%          |                | *             | 4.4%             |
| Operating Income/(Loss)                     | \$ 25,201,107    | \$ (15,018,832) | \$ (1,332,399) | \$ 2,496,665  | \$ -           | \$ -          | \$ 11,346,542    |
| Investment Income                           |                  |                 |                |               |                | \$ 15,000,000 | \$ 15,000,000    |
| CHANGE IN NET ASSETS                        | \$ 25,201,107    | \$ (15,018,832) | \$ (1,332,399) | \$ 2,496,665  | \$ -           | \$ 15,000,000 | \$ 26,346,542    |

# Board Action Approval Details and Summary for Administrative Budget

## CalOptima Fiscal Year 2019-20 Budget Board Action Approval Summary

| Board Action Approval Summary        | Medi-Cal            | OCC         | OneCare     | PACE        | Facilities  | Other       | Net Impact          |
|--------------------------------------|---------------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| Medical Costs                        | \$ (55,000)         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ (55,000)         |
| Administrative Expenses              |                     |             |             |             |             |             |                     |
| Salaries, Wages, & Employee Benefits | \$ 135,000          | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 135,000          |
| Professional Fees                    | \$ 407,000          | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 407,000          |
| Purchased services                   | \$ 1,595,000        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 1,595,000        |
| Printing & Postage                   | \$ (200,000)        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ (200,000)        |
| Depreciation & Amortization          | \$ -                | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -                |
| Other Operating Expenses             | \$ 123,000          | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 123,000          |
| Indirect Cost Allocation, Occupancy  | \$ -                | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -                |
| Total                                | \$ 2,060,000        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 2,060,000        |
| <b>Net Impact</b>                    | <b>\$ 2,005,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 2,005,000</b> |

## CalOptima Fiscal Year 2019-20 Budget Board Action Approval Details

| Board Action Approval Details:           | Medi-Cal     | OCC | OneCare | PACE | Facilities | Other | Net Impact   |
|------------------------------------------|--------------|-----|---------|------|------------|-------|--------------|
| <b>1</b> BOD Date - August 1, 2019       |              |     |         |      |            |       |              |
| Report Item No. 16                       |              |     |         |      |            |       |              |
| From: Medical Costs                      | \$ (135,000) |     |         |      |            |       | \$ (135,000) |
| To: Salaries, Wages, & Employee Benefits | \$ 135,000   |     |         |      |            |       | \$ 135,000   |
| <b>2</b> BOD Date - October 3, 2019      |              |     |         |      |            |       |              |
| Report Item No. 6                        |              |     |         |      |            |       |              |
| To: Other Operating Expenses             | \$ 93,000    |     |         |      |            |       | \$ 93,000    |
| To: Professional Fees                    | \$ 300,000   |     |         |      |            |       | \$ 300,000   |
| <b>3</b> BOD Date - October 3, 2019      |              |     |         |      |            |       |              |
| Report Item No. 22                       |              |     |         |      |            |       |              |
| To: Other Operating Expenses             | \$ 30,000    |     |         |      |            |       | \$ 30,000    |
| <b>4</b> BOD Date - November 7, 2019     |              |     |         |      |            |       |              |
| Report Item No. 6                        |              |     |         |      |            |       |              |
| To: Professional Fees                    | \$ 35,000    |     |         |      |            |       | \$ 35,000    |
| <b>5</b> BOD Date - February 6, 2020     |              |     |         |      |            |       |              |
| Report Item No. 4                        |              |     |         |      |            |       |              |
| To: Medical Costs                        | \$ 80,000    |     |         |      |            |       | \$ 80,000    |
| <b>6</b> BOD Date - March 5, 2020        |              |     |         |      |            |       |              |
| Report Item No. 6                        |              |     |         |      |            |       |              |
| From: Printing and Postage               | \$ (200,000) |     |         |      |            |       | \$ (200,000) |
| To: Purchased Services                   | \$ 200,000   |     |         |      |            |       | \$ 200,000   |
| <b>7</b> BOD Date - March 5, 2020        |              |     |         |      |            |       |              |
| Report Item No. 7                        |              |     |         |      |            |       |              |
| To: Purchased Services                   | \$ 1,395,000 |     |         |      |            |       | \$ 1,395,000 |
| <b>8</b> BOD Date - March 5, 2020        |              |     |         |      |            |       |              |
| Report Item No. 21                       |              |     |         |      |            |       |              |
| To: Professional Fees                    | \$ 72,000    |     |         |      |            |       | \$ 72,000    |

# CEO Administrative Budget Allocation Changes

## Administrative Budget Allocation Changes Reporting Changes as of March 31, 2020

| Transfer Month | Line of Business | From                                                                     | To                                                                                     | Amount   | Expense Description                                                                                                              | Fiscal Year |
|----------------|------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------|-------------|
| July           | Medi-Cal         | IS Application Development - Maintenance HW/SW (CalOptima Link Software) | IS Application Development - Maintenance HW/SW (Human Resources Corporate Application) | \$32,700 | Repurpose \$32,700 from Maintenance HW/SW (CalOptima Link Software) to Maintenance HW/SW (Human Resources Corporate Application) | 2020        |
| December       | Medi-Cal         | IS Infrastructure - Maintenance HW/SW - Microsoft True-Up                | IS Infrastructure - Maintenance HW/SW - Network Connectivity - Extreme Networks        | \$53,000 | Repurpose \$53,000 from Microsoft True-Up to Network Connectivity - Extreme Networks.                                            | 2020        |
| January        | Medi-Cal         | Member Survey - CG CAHPS                                                 | Inovalon Contract for HEDIS Software Training and Support Hours                        | \$40,000 | To reallocate funds from Member Survey - CG CAHPS to Inovalon Contract for HEDIS Software Training and Support Hours.            | 2020        |

Board Resolution No. 12-0301-01 permits the CEO to make budget allocation changes within certain parameters.

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.

# FY 2019-20 Revised Attachment A

## CalOptima Fiscal Year 2019-20 Budget Budgeted Statement of Revenue & Expenses By Line of Business

### Attachment A - Revised

|                                             | Medi-Cal         | OCC             | OneCare        | PACE          | Facilities     | Other        | Consolidated     |
|---------------------------------------------|------------------|-----------------|----------------|---------------|----------------|--------------|------------------|
| Member Months                               | 8,731,182        | 167,957         | 18,081         | 4,600         | -              |              | 8,921,820        |
| Avg Members                                 | 727,599          | 13,996          | 1,507          | 383           | -              |              | 743,485          |
| Revenues                                    |                  |                 |                |               |                |              |                  |
| Capitation revenue                          | \$ 3,223,902,036 | \$286,554,214   | \$ 19,619,684  | \$ 35,690,018 | \$ -           |              | 3,565,765,952    |
| Total                                       | \$ 3,223,902,036 | \$286,554,214   | \$ 19,619,684  | \$ 35,690,018 | \$ -           |              | \$ 3,565,765,952 |
| Medical Costs                               |                  |                 |                |               |                |              |                  |
| Total                                       | \$ 3,068,980,404 | \$280,093,118   | \$ 19,184,286  | \$ 30,993,360 | \$ -           |              | \$ 3,399,251,169 |
| MLR                                         | 95.2%            | 97.7%           | 97.8%          | 86.8%         |                | *            | 95.3%            |
| Gross Margin                                | \$ 154,921,631   | \$ 6,461,096    | \$ 435,398     | \$ 4,696,657  | \$ -           |              | \$ 166,514,783   |
| Administrative Expenses                     |                  |                 |                |               |                |              |                  |
| Salaries, Wages, & Employee Benefits        | \$ 85,835,709    | \$ 9,980,046    | \$ 621,380     | \$ 1,719,501  | \$ -           |              | \$ 98,156,637    |
| Professional Fees                           | \$ 4,631,576     | \$ 933,550      | \$ 257,750     | \$ 1,840      | \$ -           |              | \$ 5,824,716     |
| Purchased services                          | \$ 13,049,021    | \$ 2,315,867    | \$ 204,750     | \$ 227,648    | \$ 277,221     |              | \$ 16,074,507    |
| Printing & Postage                          | \$ 5,120,217     | \$ 1,150,320    | \$ 200,000     | \$ 126,400    | \$ -           |              | \$ 6,596,937     |
| Depreciation & Amortization                 | \$ 5,469,000     | \$ -            | \$ -           | \$ 25,392     | \$ 2,096,700   |              | \$ 7,591,092     |
| Other Operating Expenses                    | \$ 19,765,076    | \$ 862,641      | \$ 56,850      | \$ 49,649     | \$ 2,429,513   |              | \$ 23,163,729    |
| Indirect Cost Allocation, Occupancy Expense | \$ (2,145,075)   | \$ 6,237,504    | \$ 427,067     | \$ 49,562     | \$ (4,803,434) |              | \$ (234,376)     |
| Total                                       | \$ 131,725,524   | \$ 21,479,928   | \$ 1,767,797   | \$ 2,199,992  | \$ -           |              | \$ 157,173,241   |
| ALR                                         | 4.1%             | 7.5%            | 9.0%           | 6.2%          |                | *            | 4.4%             |
| Operating Income/(Loss)                     | \$ 23,196,107    | \$ (15,018,832) | \$ (1,332,399) | \$ 2,496,665  | \$ -           | \$ -         | \$ 9,341,542     |
| Investment Income                           |                  |                 |                |               |                | \$15,000,000 | \$ 15,000,000    |
| CHANGE IN NET ASSETS                        | \$ 23,196,107    | \$ (15,018,832) | \$ (1,332,399) | \$ 2,496,665  | \$ -           | \$15,000,000 | \$ 24,341,542    |

# Personnel Budget Summary

## FY 2019 - 20 Personnel Summary

|                  |      | FY 2019 - 20 Personnel (FTEs) - March 2020 |              |                |              |
|------------------|------|--------------------------------------------|--------------|----------------|--------------|
| Line of Business |      | Filled                                     | Open         | Total          | Vacancy %    |
| Medi-Cal         | MC   | 1,026.8                                    | 160.3        | 1,187.1        | 13.5%        |
| OC               | OC   | 9.3                                        |              | 9.3            | 0.0%         |
| OCC              | OCC  | 194.8                                      | 14.0         | 208.8          | 6.7%         |
| PACE             | PACE | 79.5                                       | 27.0         | 106.5          | 25.4%        |
| <b>Total</b>     |      | <b>1,310.4</b>                             | <b>201.3</b> | <b>1,511.6</b> | <b>13.3%</b> |

Notes:

FTE count is based on position control reconciliation.

FTE count includes both medical and administrative positions.

### Salary Market Adjustments as of March 31, 2020

| Title                                     | Effective Date | Quarter                | Market Adjustment<br>(% Increase) |
|-------------------------------------------|----------------|------------------------|-----------------------------------|
| Manager, PACE Clinic                      | 1/19/2020      | Q3                     | 4%                                |
| Quality Improvement                       | 1/19/2020      | Q3                     | 6.63%                             |
| Project Specialist Sr                     | 2/2/2020       | Q3                     | 27.00%                            |
| Facilities & Support Services Coordinator | 2/2/2020       | Q3                     | 10.34%                            |
| Director Network Management               | 3/1/2020       | Q3                     | 4.90%                             |
|                                           |                | Total Financial Impact | \$34,037.57                       |

Source: Salary Market Adjustments provided by the Human Resources Department.



# Administrative Expense Summary by Category

## Administrative Expense Summary by Category as of March 31, 2020

### Consolidated Administrative Expense Summary

| LOB          | March MTD           |                     | Variance          |            | YTD                  |                      | Variance            |            | FY 2020 Budget       |
|--------------|---------------------|---------------------|-------------------|------------|----------------------|----------------------|---------------------|------------|----------------------|
|              | Actual              | Budget              | \$                | %          | Actual               | Budget               | \$                  | %          |                      |
| MC           | \$ 3,059,927        | \$ 3,792,142        | \$ 732,215        | 19%        | \$ 25,306,032        | \$ 31,168,748        | \$ 5,862,716        | 19%        | \$ 42,565,886        |
| OC           | \$ 29,023           | \$ 59,948           | \$ 30,925         | 52%        | \$ 339,082           | \$ 539,532           | \$ 200,450          | 37%        | \$ 719,350           |
| OCC          | \$ 216,504          | \$ 388,534          | \$ 172,030        | 44%        | \$ 2,551,363         | \$ 4,096,799         | \$ 1,545,436        | 38%        | \$ 5,262,379         |
| PACE         | \$ 30,713           | \$ 33,794           | \$ 3,081          | 9%         | \$ 213,839           | \$ 304,136           | \$ 90,297           | 30%        | \$ 405,537           |
| <b>Total</b> | <b>\$ 3,336,167</b> | <b>\$ 4,274,418</b> | <b>\$ 938,251</b> | <b>22%</b> | <b>\$ 28,410,316</b> | <b>\$ 36,109,215</b> | <b>\$ 7,698,899</b> | <b>21%</b> | <b>\$ 48,953,152</b> |

### Professional Fees

| LOB          | March MTD         |                   | Variance          |            | YTD                 |                     | Variance            |            | FY 2020 Budget      |
|--------------|-------------------|-------------------|-------------------|------------|---------------------|---------------------|---------------------|------------|---------------------|
|              | Actual            | Budget            | \$                | %          | Actual              | Budget              | \$                  | %          |                     |
| MC           | \$ 200,988        | \$ 399,574        | \$ 198,586        | 50%        | \$ 1,773,329        | \$ 3,405,120        | \$ 1,631,791        | 48%        | \$ 4,631,576        |
| OC           | \$ 15,000         | \$ 21,480         | \$ 6,480          | 30%        | \$ 174,371          | \$ 193,320          | \$ 18,949           | 10%        | \$ 257,750          |
| OCC          | \$ 4,000          | \$ 77,796         | \$ 73,796         | 95%        | \$ 460,486          | \$ 700,163          | \$ 239,677          | 34%        | \$ 933,550          |
| PACE         | \$ 123            | \$ 153            | \$ 30             | 19%        | \$ 1,506            | \$ 1,377            | \$ (129)            | -9%        | \$ 1,836            |
| <b>Total</b> | <b>\$ 220,112</b> | <b>\$ 499,003</b> | <b>\$ 278,891</b> | <b>56%</b> | <b>\$ 2,409,692</b> | <b>\$ 4,299,980</b> | <b>\$ 1,890,288</b> | <b>44%</b> | <b>\$ 5,824,712</b> |

### Purchased Services

| LOB          | March MTD           |                     | Variance          |            | YTD                 |                      | Variance            |            | FY 2020 Budget       |
|--------------|---------------------|---------------------|-------------------|------------|---------------------|----------------------|---------------------|------------|----------------------|
|              | Actual              | Budget              | \$                | %          | Actual              | Budget               | \$                  | %          |                      |
| MC           | \$ 931,229          | \$ 1,353,004        | \$ 421,775        | 31%        | \$ 7,314,886        | \$ 8,990,030         | \$ 1,675,144        | 19%        | \$ 13,049,021        |
| OC           | \$ 8,823            | \$ 17,063           | \$ 8,240          | 48%        | \$ 119,728          | \$ 153,567           | \$ 33,839           | 22%        | \$ 204,750           |
| OCC          | \$ 81,189           | \$ 142,988          | \$ 61,799         | 43%        | \$ 1,264,438        | \$ 1,886,898         | \$ 622,460          | 33%        | \$ 2,315,867         |
| PACE         | \$ 4,820            | \$ 18,971           | \$ 14,151         | 75%        | \$ 71,527           | \$ 170,739           | \$ 99,212           | 58%        | \$ 227,652           |
| <b>Total</b> | <b>\$ 1,026,061</b> | <b>\$ 1,532,026</b> | <b>\$ 505,965</b> | <b>33%</b> | <b>\$ 8,770,578</b> | <b>\$ 11,201,234</b> | <b>\$ 2,430,656</b> | <b>22%</b> | <b>\$ 15,797,290</b> |

### Printing and Postage

| LOB          | March MTD         |                   | Variance          |            | YTD                 |                     | Variance            |            | FY 2020 Budget      |
|--------------|-------------------|-------------------|-------------------|------------|---------------------|---------------------|---------------------|------------|---------------------|
|              | Actual            | Budget            | \$                | %          | Actual              | Budget              | \$                  | %          |                     |
| MC           | \$ 278,531        | \$ 392,911        | \$ 114,380        | 29%        | \$ 3,030,687        | \$ 3,942,155        | \$ 911,468          | 23%        | \$ 5,120,217        |
| OC           | \$ 5,200          | \$ 16,667         | \$ 11,467         | 69%        | \$ 42,746           | \$ 150,003          | \$ 107,257          | 72%        | \$ 200,000          |
| OCC          | \$ 70,817         | \$ 95,861         | \$ 25,044         | 26%        | \$ 544,491          | \$ 862,743          | \$ 318,252          | 37%        | \$ 1,150,320        |
| PACE         | \$ 23,156         | \$ 10,533         | \$ (12,623)       | -120%      | \$ 105,646          | \$ 94,797           | \$ (10,849)         | -11%       | \$ 126,400          |
| <b>Total</b> | <b>\$ 377,704</b> | <b>\$ 515,972</b> | <b>\$ 138,268</b> | <b>27%</b> | <b>\$ 3,723,571</b> | <b>\$ 5,049,698</b> | <b>\$ 1,326,127</b> | <b>26%</b> | <b>\$ 6,596,937</b> |

### Other Operating Expenses

| LOB          | March MTD           |                     | Variance         |           | YTD                  |                      | Variance            |            | FY 2020 Budget       |
|--------------|---------------------|---------------------|------------------|-----------|----------------------|----------------------|---------------------|------------|----------------------|
|              | Actual              | Budget              | \$               | %         | Actual               | Budget               | \$                  | %          |                      |
| MC           | \$ 1,649,178        | \$ 1,646,653        | \$ (2,525)       | 0%        | \$ 13,187,130        | \$ 14,831,443        | \$ 1,644,313        | 11%        | \$ 19,765,072        |
| OC           | \$ -                | \$ 4,738            | \$ 4,738         | 100%      | \$ 2,237             | \$ 42,642            | \$ 40,405           | 95%        | \$ 56,850            |
| OCC          | \$ 60,497           | \$ 71,889           | \$ 11,392        | 16%       | \$ 281,948           | \$ 646,995           | \$ 365,047          | 56%        | \$ 862,642           |
| PACE         | \$ 2,614            | \$ 4,137            | \$ 1,523         | 37%       | \$ 35,160            | \$ 37,223            | \$ 2,063            | 6%         | \$ 49,649            |
| <b>Total</b> | <b>\$ 1,712,290</b> | <b>\$ 1,727,417</b> | <b>\$ 15,127</b> | <b>1%</b> | <b>\$ 13,506,475</b> | <b>\$ 15,558,303</b> | <b>\$ 2,051,828</b> | <b>13%</b> | <b>\$ 20,734,213</b> |

Administrative expense summary by category does not include expenditures and budget for Facilities.

# **Quarterly Capital Budget Update as of March 31, 2020**

# FY 2019-20 Capital Attachment A

## Attachment A

### Fiscal Year 2019-20 Capital Budget by Project

| INFRASTRUCTURE                                                         | HARDWARE            | SOFTWARE          | PROFESSIONAL FEES | TOTAL CAPITAL       |
|------------------------------------------------------------------------|---------------------|-------------------|-------------------|---------------------|
| Network - 505 Building IDF Containers and Fabric Blade Upgrade         | 1,480,000           | -                 | -                 | 1,480,000           |
| Network - IPS Upgrades for 505 Building and OCIT Security Devices      | 207,000             | -                 | 25,000            | 232,000             |
| Network - 505 Building and PACE Network Access Control Devices Upgrade | 145,000             | -                 | -                 | 145,000             |
| Network - 505 Building MDF Network Core Switch Upgrade                 | 300,700             | -                 | 50,000            | 350,700             |
| Network - Network Time Protocol Appliance Upgrade                      | 20,500              | -                 | -                 | 20,500              |
| Security - Identity and Access Management                              | 50,000              | 150,000           | 50,000            | 250,000             |
| Server - Continuous Integration Test Automation                        | 100,000             | -                 | -                 | 100,000             |
| Server - FTP Automation File Transfer Software                         | -                   | 25,000            | 5,000             | 30,000              |
| Server - Infrastructure for DMZ (Public and Private Sites) Scaling     | 75,000              | -                 | -                 | 75,000              |
| Server - PACE Server Refresh                                           | 50,000              | -                 | -                 | 50,000              |
| Server - Citrix Upgrade                                                | -                   | 78,000            | -                 | 78,000              |
| Server - Commvault Upgrade                                             | -                   | 20,000            | -                 | 20,000              |
| Server - Server 2016 Upgrade                                           | 300,000             | -                 | -                 | 300,000             |
| Telephony - Customer Service Satisfaction Survey Upgrade               | 25,000              | 20,000            | 5,000             | 50,000              |
| <b>TOTAL INFRASTRUCTURE</b>                                            | <b>\$ 2,753,200</b> | <b>\$ 293,000</b> | <b>\$ 135,000</b> | <b>\$ 3,181,200</b> |

| APPLICATIONS MANAGEMENT                                | HARDWARE    | SOFTWARE            | PROFESSIONAL FEES   | TOTAL CAPITAL       |
|--------------------------------------------------------|-------------|---------------------|---------------------|---------------------|
| ADT RealTime Notifications                             | -           | 1,400,000           | 100,000             | 1,500,000           |
| Hospital Data Sharing System                           | -           | 400,000             | 606,250             | 1,006,250           |
| Hierarchical Condition Category Risk Adjustment Factor | -           | 781,848             | -                   | 781,848             |
| EHR System                                             | -           | 500,000             | 32,500              | 532,500             |
| Predictive Modeling                                    | -           | 300,000             | 75,000              | 375,000             |
| Telehealth                                             | -           | 250,000             | 100,000             | 350,000             |
| Credentialing Management                               | -           | 76,000              | 122,850             | 198,850             |
| <b>TOTAL APPLICATIONS MANAGEMENT</b>                   | <b>\$ -</b> | <b>\$ 3,707,848</b> | <b>\$ 1,036,600</b> | <b>\$ 4,744,448</b> |

| APPLICATIONS DEVELOPMENT                                             | HARDWARE         | SOFTWARE          | PROFESSIONAL FEES   | TOTAL CAPITAL       |
|----------------------------------------------------------------------|------------------|-------------------|---------------------|---------------------|
| Provider Portal Continuation                                         | -                | -                 | 750,000             | 750,000             |
| Alternative to Microsoft Access Operational Applications             | 50,000           | 15,000            | 500,000             | 565,000             |
| Employee Learning Management System                                  | -                | 110,000           | 25,000              | 135,000             |
| Data Warehouse and Business Intelligence Governance and Catalog Tool | -                | 75,000            | 2,500               | 77,500              |
| Threshold Language In Memory Translation Software                    | 5,000            | 60,000            | 2,000               | 67,000              |
| Vendor and Employee Exclusion Monitoring                             | -                | 30,000            | -                   | 30,000              |
| Code Secure Software Veracode Static Analysis                        | -                | 24,000            | -                   | 24,000              |
| Employee Emergency Notification System                               | -                | 10,000            | 2,000               | 12,000              |
| Great Plains Accounting Automated Integration                        | -                | 5,000             | 1,000               | 6,000               |
| <b>TOTAL APPLICATIONS DEVELOPMENT</b>                                | <b>\$ 55,000</b> | <b>\$ 329,000</b> | <b>\$ 1,282,500</b> | <b>\$ 1,666,500</b> |

| 505 BUILDING IMPROVEMENTS                                      | BUILDING            | EQUIPMENT   | PROFESSIONAL FEES | TOTAL CAPITAL       |
|----------------------------------------------------------------|---------------------|-------------|-------------------|---------------------|
| Main Cooling Tower Replacement                                 | 881,000             | -           | -                 | 881,000             |
| New Roof Membrane                                              | 200,000             | -           | -                 | 200,000             |
| Annual Xerox Capital Lease                                     | 125,000             | -           | -                 | 125,000             |
| Conference Room 910 Upgrades                                   | 25,000              | -           | -                 | 25,000              |
| Replace HVAC Unit for Intermediate Distribution Frame Room     | 25,000              | -           | -                 | 25,000              |
| Replace Magnetic Starters for Motor Control Center in Basement | 25,000              | -           | -                 | 25,000              |
| Main Fire Line Replacement                                     | 25,000              | -           | -                 | 25,000              |
| Replace Conference Room Audio Visual Equipment                 | 20,000              | -           | -                 | 20,000              |
| Security Cameras                                               | 20,000              | -           | -                 | 20,000              |
| 6th Floor Lunchroom Remodel                                    | 13,000              | -           | -                 | 13,000              |
| <b>TOTAL 505 BUILDING IMPROVEMENTS</b>                         | <b>\$ 1,359,000</b> | <b>\$ -</b> | <b>\$ -</b>       | <b>\$ 1,359,000</b> |

| PACE                     | EQUIPMENT        | PROFESSIONAL FEES | TOTAL CAPITAL    |
|--------------------------|------------------|-------------------|------------------|
| Food Service Kitchen     | 22,500           | 2,500             | 25,000           |
| Dishwasher               | 11,000           | -                 | 11,000           |
| Patio Upgrade            | 10,000           | -                 | 10,000           |
| Electronic Patient Board | 4,000            | 3,500             | 7,500            |
| <b>TOTAL PACE</b>        | <b>\$ 47,500</b> | <b>\$ 6,000</b>   | <b>\$ 53,500</b> |

|                                      |                     |                     |                     |                      |
|--------------------------------------|---------------------|---------------------|---------------------|----------------------|
| <b>TOTAL FY19 NEW CAPITAL BUDGET</b> | <b>\$ 4,214,700</b> | <b>\$ 4,329,848</b> | <b>\$ 2,460,100</b> | <b>\$ 11,004,648</b> |
|--------------------------------------|---------------------|---------------------|---------------------|----------------------|

# Board Action and CEO Approval Details for Capital Projects

| Board Approved Action Details       | Project Description   | HARDWARE          | SOFTWARE    | PROFESSIONAL FEES | TOTAL CAPITAL     |
|-------------------------------------|-----------------------|-------------------|-------------|-------------------|-------------------|
| 1 Date - October 3, 2019            |                       |                   |             |                   |                   |
| To: Infrastructure                  | Data Masking          | 120,000           | -           | 200,000           | 320,000           |
| To: Infrastructure                  | RightFax Tool Upgrade | 70,000            | -           | -                 | 70,000            |
| <b>TOTAL Board Approved Actions</b> |                       | <b>\$ 190,000</b> | <b>\$ -</b> | <b>\$ 200,000</b> | <b>\$ 390,000</b> |

| CEO Approved Action Details       | Project Description                                                    | HARDWARE    | SOFTWARE    | PROFESSIONAL FEES | TOTAL CAPITAL |
|-----------------------------------|------------------------------------------------------------------------|-------------|-------------|-------------------|---------------|
| 1 Date - July 1, 2019             |                                                                        |             |             |                   | -             |
| From: Infrastructure              | Network - 505 Building and PACE Network Access Control Devices Upgrade | (25,700)    | -           | -                 | (25,700)      |
| From: Infrastructure              | Server - Server 2016 Upgrade                                           | (38,300)    | -           | -                 | (38,300)      |
| To: Infrastructure                | Network - 505 Building IDF Containers and Fabric Blade Upgrade         | 28,800      | -           | -                 | 28,800        |
| To: Infrastructure                | Network - 505 Building MDF Network Core Switch Upgrade                 | 35,200      | -           | -                 | 35,200        |
| 2 Date - August 27, 2019          |                                                                        |             |             |                   | -             |
| From: Applications Development    | Alternative to Microsoft Access Operational Applications               | -           | (5,000)     | -                 | (5,000)       |
| To: Applications Development      | Code Secure Software Veracode Static Analysis                          | -           | 5,000       | -                 | 5,000         |
| 3 Date - November 19, 2019        |                                                                        |             |             |                   | -             |
| From: Applications Development    | Alternative to Microsoft Access Operational Applications               | -           | (3,400)     | (8,000)           | (11,400)      |
| To: Applications Development      | Great Plains Accounting Automated Integration                          | -           | 3,400       | 8,000             | 11,400        |
| 4 Date - December 26, 2019        |                                                                        |             |             |                   | -             |
| From: Facilities                  | 6th Floor Lunchroom Remodel                                            | (13,000)    | -           | -                 | (13,000)      |
| From: Facilities                  | Conference Room 910 Upgrades                                           | (17,000)    | -           | -                 | (17,000)      |
| To: Facilities                    | Replace Conference Room Audio Visual Equipment                         | 30,000      | -           | -                 | 30,000        |
| <b>TOTAL CEO Approved Actions</b> |                                                                        | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>       | <b>\$ -</b>   |

# CEO Capital Budget Allocation Changes

## Capital Budget Allocation Changes Reporting Changes as of March 31, 2020

| Transfer Month | Line of Business | From                                                      | To                                                                            | Amount   | Expense Description                                                                                                                                                | Fiscal Year |
|----------------|------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| July           | Medi-Cal         | IS Infrastructure - Capital Project (Server 2016 Upgrade) | IS Infrastructure - Capital Projects (505 IDF Upgrade and MDF Switch Upgrade) | \$38,300 | Reallocate \$38,300 from Capital Project (Server 2016 Upgrade) to Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)                                        | 2020        |
| July           | Medi-Cal         | IS Infrastructure - Capital Project (LAN Switch Upgrade)  | IS Infrastructure - Capital Projects (505 IDF Upgrade and MDF Switch Upgrade) | \$25,700 | Reallocate \$25,700 from Capital Project (LAN Switch Upgrades) to Capital Projects (505 IDF Upgrade and MDF Switch Upgrade)                                        | 2020        |
| December       | Medi-Cal         | Facilities - 6th Floor Lunchroom Remodel                  | Facilities - Replace Conference Room AV Equipment                             | \$13,000 | To reallocate \$13,000 from Capital Projects 6th Floor Lunchroom Remodel and Conference Room 910 Upgrades to Capital Project Replace Conference Room AV Equipment. | 2020        |
| December       | Medi-Cal         | Facilities - Conference Room 910 Upgrades                 | Facilities - Replace Conference Room AV Equipment                             | \$17,000 | To reallocate \$17,000 from Capital Projects 6th Floor Lunchroom Remodel and Conference Room 910 Upgrades to Capital Project Replace Conference Room AV Equipment. | 2020        |

Board Resolution No. 12-0301-01 permits the CEO to make budget allocation changes within certain parameters.  
This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.

# FY 2019-20 Revised Capital Attachment A

## Revised Attachment A

### Fiscal Year 2019-20 Capital Budget by Project

| INFRASTRUCTURE                                                         | HARDWARE            | SOFTWARE          | PROFESSIONAL FEES | TOTAL CAPITAL       |
|------------------------------------------------------------------------|---------------------|-------------------|-------------------|---------------------|
| Network - 505 Building IDF Containers and Fabric Blade Upgrade         | 1,508,800           | -                 | -                 | 1,508,800           |
| Network - IPS Upgrades for 505 Building and OCIT Security Devices      | 207,000             | -                 | 25,000            | 232,000             |
| Network - 505 Building and PACE Network Access Control Devices Upgrade | 119,300             | -                 | -                 | 119,300             |
| Network - 505 Building MDF Network Core Switch Upgrade                 | 335,900             | -                 | 50,000            | 385,900             |
| Network - Network Time Protocol Appliance Upgrade                      | 20,500              | -                 | -                 | 20,500              |
| Security - Identity and Access Management                              | 50,000              | 150,000           | 50,000            | 250,000             |
| Server - Continuous Integration Test Automation                        | 100,000             | -                 | -                 | 100,000             |
| Server - FTP Automation File Transfer Software                         | -                   | 25,000            | 5,000             | 30,000              |
| Server - Infrastructure for DMZ (Public and Private Sites) Scaling     | 75,000              | -                 | -                 | 75,000              |
| Server - PACE Server Refresh                                           | 50,000              | -                 | -                 | 50,000              |
| Server - Citrix Upgrade                                                | -                   | 78,000            | -                 | 78,000              |
| Server - Commvault Upgrade                                             | -                   | 20,000            | -                 | 20,000              |
| Server - Server 2016 Upgrade                                           | 261,700             | -                 | -                 | 261,700             |
| Telephony - Customer Service Satisfaction Survey Upgrade               | 25,000              | 20,000            | 5,000             | 50,000              |
| Data Masking                                                           | 120,000             | -                 | 200,000           | 320,000             |
| RightFax Tool Upgrade                                                  | 70,000              | -                 | -                 | 70,000              |
| <b>TOTAL INFRASTRUCTURE</b>                                            | <b>\$ 2,943,200</b> | <b>\$ 293,000</b> | <b>\$ 335,000</b> | <b>\$ 3,571,200</b> |

| APPLICATIONS MANAGEMENT                                | HARDWARE    | SOFTWARE            | PROFESSIONAL FEES   | TOTAL CAPITAL       |
|--------------------------------------------------------|-------------|---------------------|---------------------|---------------------|
| ADT RealTime Notifications                             | -           | 1,400,000           | 100,000             | 1,500,000           |
| Hospital Data Sharing System                           | -           | 400,000             | 606,250             | 1,006,250           |
| Hierarchical Condition Category Risk Adjustment Factor | -           | 781,848             | -                   | 781,848             |
| EHR System                                             | -           | 500,000             | 32,500              | 532,500             |
| Predictive Modeling                                    | -           | 300,000             | 75,000              | 375,000             |
| Telehealth                                             | -           | 250,000             | 100,000             | 350,000             |
| Credentialing Management                               | -           | 76,000              | 122,850             | 198,850             |
| <b>TOTAL APPLICATIONS MANAGEMENT</b>                   | <b>\$ -</b> | <b>\$ 3,707,848</b> | <b>\$ 1,036,600</b> | <b>\$ 4,744,448</b> |

| APPLICATIONS DEVELOPMENT                                             | HARDWARE         | SOFTWARE          | PROFESSIONAL FEES   | TOTAL CAPITAL       |
|----------------------------------------------------------------------|------------------|-------------------|---------------------|---------------------|
| Provider Portal Continuation                                         | -                | -                 | 750,000             | 750,000             |
| Alternative to Microsoft Access Operational Applications             | 50,000           | 6,600             | 492,000             | 548,600             |
| Employee Learning Management System                                  | -                | 110,000           | 25,000              | 135,000             |
| Data Warehouse and Business Intelligence Governance and Catalog Tool | -                | 75,000            | 2,500               | 77,500              |
| Threshold Language In Memory Translation Software                    | 5,000            | 60,000            | 2,000               | 67,000              |
| Vendor and Employee Exclusion Monitoring                             | -                | 30,000            | -                   | 30,000              |
| Code Secure Software Veracode Static Analysis                        | -                | 29,000            | -                   | 29,000              |
| Employee Emergency Notification System                               | -                | 10,000            | 2,000               | 12,000              |
| Great Plains Accounting Automated Integration                        | -                | 8,400             | 9,000               | 17,400              |
| <b>TOTAL APPLICATIONS DEVELOPMENT</b>                                | <b>\$ 55,000</b> | <b>\$ 329,000</b> | <b>\$ 1,282,500</b> | <b>\$ 1,666,500</b> |

| 505 BUILDING IMPROVEMENTS                                      | BUILDING            | EQUIPMENT   | PROFESSIONAL FEES | TOTAL CAPITAL       |
|----------------------------------------------------------------|---------------------|-------------|-------------------|---------------------|
| Main Cooling Tower Replacement                                 | 881,000             | -           | -                 | 881,000             |
| New Roof Membrane                                              | 200,000             | -           | -                 | 200,000             |
| Annual Xerox Capital Lease                                     | 125,000             | -           | -                 | 125,000             |
| Conference Room 910 Upgrades                                   | 8,000               | -           | -                 | 8,000               |
| Replace HVAC Unit for Intermediate Distribution Frame Room     | 25,000              | -           | -                 | 25,000              |
| Replace Magnetic Starters for Motor Control Center in Basement | 25,000              | -           | -                 | 25,000              |
| Main Fire Line Replacement                                     | 25,000              | -           | -                 | 25,000              |
| Replace Conference Room Audio Visual Equipment                 | 50,000              | -           | -                 | 50,000              |
| Security Cameras                                               | 20,000              | -           | -                 | 20,000              |
| 6th Floor Lunchroom Remodel                                    | -                   | -           | -                 | -                   |
| <b>TOTAL 505 BUILDING IMPROVEMENTS</b>                         | <b>\$ 1,359,000</b> | <b>\$ -</b> | <b>\$ -</b>       | <b>\$ 1,359,000</b> |

| PACE                     | EQUIPMENT        | PROFESSIONAL FEES | TOTAL CAPITAL    |
|--------------------------|------------------|-------------------|------------------|
| Food Service Kitchen     | 22,500           | 2,500             | 25,000           |
| Dishwasher               | 11,000           | -                 | 11,000           |
| Patio Upgrade            | 10,000           | -                 | 10,000           |
| Electronic Patient Board | 4,000            | 3,500             | 7,500            |
| <b>TOTAL PACE</b>        | <b>\$ 47,500</b> | <b>\$ 6,000</b>   | <b>\$ 53,500</b> |

|                                          |                     |                     |                     |                      |
|------------------------------------------|---------------------|---------------------|---------------------|----------------------|
| <b>TOTAL FY19 REVISED CAPITAL BUDGET</b> | <b>\$ 4,404,700</b> | <b>\$ 4,329,848</b> | <b>\$ 2,660,100</b> | <b>\$ 11,394,648</b> |
|------------------------------------------|---------------------|---------------------|---------------------|----------------------|

# **Quarterly Purchasing Report**

# FY 2019-20 Third Quarter Purchasing Report

**Quarterly Purchase Report**  
**January 1, 2020 through March 31, 2020**  
**Completed Major Commitments over \$100,000**

| <i>Nature of Services</i>                 | <i>FY20 Q3<br/>Budgeted<br/>Current Year</i> | <i>Purchase or Contract Highlights</i> | <i>Bidding Outcome</i>   | <i>Previous Vendor</i> | <i>Contract<br/>Amount</i> | <i>Spent<br/>Year<br/>2020</i> | <i>Remaining<br/>Amount on<br/>Contract</i> | <i>Expires</i> |
|-------------------------------------------|----------------------------------------------|----------------------------------------|--------------------------|------------------------|----------------------------|--------------------------------|---------------------------------------------|----------------|
| Specbuilder Software License              | \$ 103,542                                   | Edifecs Inc                            | Renewal                  | Same                   | \$ 103,542                 | \$ 103,542                     | \$ -                                        | 03/08/21       |
| Daily Mailings                            | \$ 104,377                                   | Dome Printing                          | Renewal                  | Same                   | \$ 104,377                 | \$ 67,143                      | \$ 37,234                                   | 06/30/20       |
| TANF to SSI Conversion                    | \$ 110,600                                   | Human Arc Corporation of Ohio          | Renewal                  | Same                   | \$ 110,600                 | \$ 88,200                      | \$ 22,400                                   | 06/30/20       |
| Medical Newsletters                       | \$ 113,211                                   | Sapphire Printing Group                | Renewal                  | Same                   | \$ 113,211                 | \$ -                           | \$ 113,211                                  | 06/30/20       |
| Cybersecurity Software                    | \$ 118,249                                   | Optiv Security Inc.                    | Renewal                  | Same                   | \$ 118,249                 | \$ -                           | \$ 118,249                                  | 03/29/21       |
| Dell Laptops                              | \$ 121,879                                   | Dell Computers                         | Bid Exception/COVID-19   | Dell                   | \$ 121,879                 | \$ -                           | \$ 121,879                                  | 04/17/20       |
| Riverbed Software                         | \$ 125,161                                   | CDW Corporation                        | Four Proposals received  | CDW                    | \$ 125,161                 | \$ 125,161                     | \$ -                                        | 12/31/20       |
| Data Co-location Services                 | \$ 130,000                                   | Orange County Treasurer-Tax Collector  | Renewal                  | Same                   | \$ 130,000                 | \$ 72,376                      | \$ 57,624                                   | 06/30/20       |
| Furniture Storage                         | \$ 146,160                                   | Cor-O-Van Moving & Storage Co          | Renewal                  | Same                   | \$ 146,160                 | \$ 122,633                     | \$ 23,527                                   | 06/30/20       |
| OneCare Bid Submission                    | \$ 180,400                                   | Milliman USA                           | Bid Exception            | Milliman               | \$ 180,400                 | \$ 34,361                      | \$ 146,039                                  | 06/30/20       |
| Computer Monitors                         | \$ 184,145                                   | Dell Computers                         | Bid Exception/COVID-19   | Dell                   | \$ 184,145                 | \$ -                           | \$ 184,145                                  | 04/17/20       |
| Telephone Software for Temporary Telework | \$ 195,428                                   | Intelli-Flex Inc                       | Bid Exception/COVID-19   | Intelli-Flex           | \$ 195,428                 | \$ -                           | \$ 195,428                                  | 04/17/20       |
| Enterprise Support                        | \$ 197,840                                   | Microsoft Corporation                  | Bid Exception            | Microsoft              | \$ 197,840                 | \$ -                           | \$ 197,840                                  | 04/21/21       |
| HEDIS Software                            | \$ 199,345                                   | Inovalon Inc                           | Renewal                  | Same                   | \$ 199,345                 | \$ -                           | \$ 199,345                                  | 10/31/22       |
| Actuarial Services                        | \$ 200,000                                   | Milliman USA                           | Renewal                  | Same                   | \$ 200,000                 | \$ 14,634                      | \$ 185,366                                  | 06/30/20       |
| Tipping Point Software                    | \$ 249,406                                   | Tevora Business Solutions Inc          | Seven proposals received | New                    | \$ 249,406                 | \$ -                           | \$ 249,406                                  | 04/17/20       |
| Contracting Contract                      | \$ 278,366                                   | Change Healthcare Solutions, LLC       | Renewal                  | Same                   | \$ 278,366                 | \$ 278,366                     | \$ -                                        | 12/29/21       |



# FY 2019-20 Third Quarter Purchasing Report (Cont'd)

Quarterly Purchase Report  
January 1, 2020 through March 31, 2020  
Completed Major Commitments over \$100,000

| <i>Nature of Services</i>         | <i>FY20 Q3<br/>Budgeted<br/>Current Year</i> | <i>Purchase or Contract Highlights</i> | <i>Bidding Outcome</i> | <i>Previous Vendor</i> | <i>Contract<br/>Amount</i> | <i>Spent<br/>Year<br/>2020</i> | <i>Remaining<br/>Amount on<br/>Contract</i> | <i>Expires</i> |
|-----------------------------------|----------------------------------------------|----------------------------------------|------------------------|------------------------|----------------------------|--------------------------------|---------------------------------------------|----------------|
| PACE Home Care Services           | \$ 300,000                                   | Cambrian Home Care                     | Renewal                | Same                   | \$ 300,000                 | \$ 245,186                     | \$ 54,814                                   | 06/30/20       |
| Investment Redemption             | \$ 440,000                                   | Wells Capital Management Inc           | Replenishment          | Same                   | \$ 440,000                 | \$ 80,902                      | \$ 359,098                                  | 06/30/20       |
| PACE PCP Services                 | \$ 500,000                                   | NR Medical Associates                  | Renewal                | Same                   | \$ 500,000                 | \$ 359,596                     | \$ 140,404                                  | 06/30/20       |
| Medi-Cal Surveys                  | \$ 504,487                                   | DataStat                               | Renewal                | Same                   | \$ 504,487                 | \$ 197,461                     | \$ 307,027                                  | 04/30/21       |
| Investment Redemption             | \$ 510,000                                   | Payden & Rygel                         | Replenishment          | Same                   | \$ 510,000                 | \$ 97,075                      | \$ 412,925                                  | 06/30/20       |
| Reimbursement Software            | \$ 523,110                                   | Burgess Group                          | Renewal                | Same                   | \$ 523,110                 | \$ 523,110                     | \$ 0                                        | 06/30/22       |
| Electronic Health Record Software | \$ 532,500                                   | Office Ally, LLC                       | Renewal                | Same                   | \$ 532,500                 | \$ -                           | \$ 532,500                                  | 04/30/23       |
| PACE Building Lease               | \$ 547,353                                   | Young S Kim & Soon Y Kim               | Renewal                | Same                   | \$ 547,353                 | \$ -                           | \$ 547,353                                  | 06/30/21       |
| Over-the-Counter Member Benefits  | \$ 554,089                                   | Convey Health Solutions                | Two proposals received | New                    | \$ 554,089                 | \$ -                           | \$ 554,089                                  | 12/31/21       |
| Investment Redemption             | \$ 655,000                                   | Logan Circle Partners LP               | Replenishment          | Same                   | \$ 655,000                 | \$ 132,982                     | \$ 522,018                                  | 06/30/20       |
| PACE Shuttle Services             | \$ 990,000                                   | Secure Transportation Company Inc      | Renewal                | Same                   | \$ 990,000                 | \$ 641,544                     | \$ 348,456                                  | 06/30/20       |
| Provider Directory Mailings       | \$ 1,150,171                                 | Dome Printing                          | Renewal                | Same                   | \$ 1,150,171               | \$ 713,950                     | \$ 436,221                                  | 06/30/20       |

# FY 2019-20 Third Quarter Purchasing Report (Cont'd)

**Quarterly Purchasing Report**  
**January 1, 2020 through March 31, 2020**  
**Major Commitments Greater than \$100,000 in Process**

| <i>Nature of Services</i>                                       | <i>Procurement Status</i>                                                                                                            |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <u>Third Party Liability and Subrogation Services</u><br>19-030 | RFP issued 4/18/19<br>Three proposals received<br>Staff is negotiating Contract                                                      |
| <u>Hospital Data Exchange Services</u><br>20-002                | RFP issued 7/17/19<br>Nine proposals received<br>Staff is negotiating Contract(s)                                                    |
| <u>Internal Auditing Services</u><br>20-004                     | RFP issued 8/7/19<br>Five proposals received<br>Staff is negotiating Contract                                                        |
| <u>Learning Management Content Services</u><br>20-007           | RFP issued 10/8/19<br>Five proposals received<br>Staff is preparing Best and Final Offers                                            |
| <u>Member Communications Mailings</u><br>20-013                 | RFP issued 11/13/19<br>Six proposals received<br>Staff awarded a contract to Kenny the Printer and is negotiating one other contract |
| <u>Translation Services</u><br>20-015                           | RFP issued 9/19/19<br>Fifteen proposals received<br>Contracts awarded to three of five vendors                                       |
| <u>Real Estate Services</u><br>20-022                           | RFP issued 10/17/19<br>Three proposals received<br>Contract awarded to Newmark, Knight and Frank                                     |
| <u>PACE ACS Services</u><br>20-023                              | RFP issued 12/17/19<br>One proposal received<br>Contract awarded to Alzheimer's Family Center                                        |
| <u>Cooling Tower Replacement</u><br>20-027                      | RFP issued 11/22/19<br>One proposal received<br>Staff is negotiating Contract                                                        |
| <u>Riverbed Network Support Services</u><br>20-029              | RFQ issued 12/9<br>Four proposals received<br>Contract awarded 1/7/20 to CDW                                                         |
| <u>Tipping Point Cybersecurity Software</u><br>20-034           | RFP issued 3/6/20<br>Seven proposals received<br>Contract awarded to Tevora                                                          |

# IGT Project Report

# IGT Project Update as of March 2020

| #                                                      | IGT Projects                                              | IGT | First Payment Dispersed Date | COBAR Project End Date | Budget       | Spend        | % Spent | Balance   | Grant Disbursement Date          |
|--------------------------------------------------------|-----------------------------------------------------------|-----|------------------------------|------------------------|--------------|--------------|---------|-----------|----------------------------------|
| <b>IGT 1 (Funds Received: September 2012)</b>          |                                                           |     |                              |                        |              |              |         |           |                                  |
| 1                                                      | Case Management System (Altruista)                        | 1   | 4/7/2014                     | 12/31/2016             | \$2,095,380  | \$2,095,380  | 100%    | \$0       | Non-Grant Project                |
| 2                                                      | Telemedicine [Funds Reallocated]                          | 1   | 4/7/2014                     | 12/1/2016              | \$30,810     | \$30,810     | 100%    | \$0       | Non-Grant Project                |
| 3                                                      | Strategies to Reduce Readmission                          | 1   | 12/28/2014                   | 12/31/2016             | \$611,421    | \$611,421    | 100%    | \$0       | Non-Grant Project                |
| 4                                                      | OneCare PCCs                                              | 1   | 4/16/2014                    | 6/30/2017              | \$3,850,000  | \$3,850,000  | 100%    | \$0       | Non-Grant Project                |
| 5                                                      | OneCare Connect PCCs                                      | 1   | 8/18/2015                    | 6/30/2017              | \$3,550,000  | \$3,550,000  | 100%    | \$0       | Non-Grant Project                |
| 6                                                      | Case Management Consulting                                | 1   | 10/1/2014                    | 12/31/2017             | \$866,415    | \$866,415    | 100%    | \$0       | Non-Grant Project                |
| 7                                                      | Clinical Field Team Pilot Program [Reallocated Funds]     | 1   | 4/8/2019                     | N/A                    | \$500,000    | \$500,000    | 100%    | \$0       | 4/8/2019                         |
| 8                                                      | Depression Screenings [New Project as of December 2016]   | 1   | 2/28/2018                    | 5/31/2019              | \$500,000    | \$455,000    | 91%     | \$45,000  | Non-Grant Project                |
| 9                                                      | Shape Your Life Program                                   | 1   | 4/28/2017                    | 7/1/2020               | \$500,000    | \$436,289    | 87%     | \$63,711  | Non-Grant Project                |
| SUBTOTAL                                               |                                                           |     |                              |                        | \$12,504,026 | \$12,395,315 | 99%     | \$108,711 |                                  |
| <b>IGT 2 (Funds Received: June 2013)</b>               |                                                           |     |                              |                        |              |              |         |           |                                  |
| 1                                                      | FQHC Support Phase 1 (to support FQHC attainment)         | 2   | 7/6/2015                     | 8/1/2017               | \$200,000    | \$200,000    | 100%    | \$0       | First: 07/2015;<br>Last: 08/2016 |
| 2                                                      | FQHC Support Phase 2 (to support FQHC readiness analysis) | 2   | 7/6/2015                     | 12/31/2016             | \$202,091    | \$202,091    | 100%    | \$0       | First: 10/2015;<br>Last: 11/2016 |
| 3                                                      | FQHC Support Phase 3 (behavioral/dental expansion)        | 2   | 7/6/2015                     | 6/30/2017              | \$875,000    | \$875,000    | 100%    | \$0       | First: 03/2016;<br>Last: 05/2017 |
| 4                                                      | Children's Dental Services                                | 2   | 7/2/2015                     | 7/1/2017               | \$400,000    | \$400,000    | 100%    | \$0       | First: 06/2015;<br>Last: 08/2016 |
| 5                                                      | Children's Vision Services                                | 2   | 9/8/2015                     | 8/1/2017               | \$500,000    | \$500,000    | 100%    | \$0       | First: 09/2015;<br>Last: 08/2016 |
| 6                                                      | Security Audit Remediation                                | 2   | 6/28/2014                    | 7/1/2015               | \$98,000     | \$98,000     | 100%    | \$0       | Non-Grant Project                |
| 7                                                      | PACE EHR Implementation                                   | 2   | 5/16/2016                    | 12/31/2016             | \$80,000     | \$80,000     | 100%    | \$0       | Non-Grant Project                |
| 8                                                      | Facets Upgrade, Expansion, and Reconfiguration            | 2   | 6/18/2014                    | 6/30/2017              | \$1,756,620  | \$1,756,620  | 100%    | \$0       | Non-Grant Project                |
| 9                                                      | Continuation of COREC                                     | 2   | 11/3/2014                    | 12/31/2017             | \$970,000    | \$970,000    | 100%    | \$0       | Non-Grant Project                |
| 10                                                     | Re recuperative Care                                      | 2   | 6/1/2015                     | 12/31/2018             | \$500,000    | \$500,000    | 100%    | \$0       | Non-Grant Project                |
| 11                                                     | OneCare Connect PCCs (Continued)                          | 2   | 6/28/2017                    | 12/31/2018             | \$2,400,000  | \$2,400,000  | 100%    | \$0       | Non-Grant Project                |
| 12                                                     | Autism Screening                                          | 2   | 8/3/2016                     | Reallocated to IGT 5   | \$51,600     | \$51,600     | 100%    | \$0       | Non-Grant Project                |
| SUBTOTAL                                               |                                                           |     |                              |                        | \$8,033,311  | \$8,033,311  | 100%    | \$0       |                                  |
| <b>IGT 3 (Funds Received: September 2014)</b>          |                                                           |     |                              |                        |              |              |         |           |                                  |
| 1                                                      | Personal Care Coordinators                                | 3   | 5/15/2017                    | 5/31/2018              | \$3,450,000  | \$3,450,000  | 100%    | \$0       | Non-Grant Project                |
| 2                                                      | Re recuperative Care (Phase 2)                            | 3   | 8/16/2018                    | 12/31/2018             | \$500,000    | \$499,750    | 100%    | \$250     | Non-Grant Project                |
| 3                                                      | Data Warehouse Expansion                                  | 3   | 2/14/2017                    | 12/31/2019             | \$750,000    | \$544,607    | 73%     | \$205,393 | Non-Grant Project                |
| SUBTOTAL                                               |                                                           |     |                              |                        | \$4,700,000  | \$4,494,357  | 96%     | \$205,643 |                                  |
| <b>IGT 4 (Funds Received: October 2015/March 2016)</b> |                                                           |     |                              |                        |              |              |         |           |                                  |
| 1                                                      | Member Health Needs Assessment                            | 4   | 4/20/2017                    | 12/31/2017             | \$500,000    | \$500,000    | 100%    | \$0       | Non-Grant Project                |
| 2                                                      | Personal Care Coordinators                                | 4   | 1/17/2018                    | 5/31/2018              | \$3,550,000  | \$3,550,000  | 100%    | \$0       | Non-Grant Project                |
| 3                                                      | UCI Observation Stay Payment Pilot                        | 4   | 2/7/2018                     | 12/31/2019             | \$750,000    | \$744,600    | 99%     | \$5,400   | 12/1/2016<br>(COBAR)             |
| 4                                                      | Provider Portal Communications & Interconnectivity        | 4   | 5/9/2017                     | 12/31/2019             | \$1,500,000  | \$1,456,510  | 97%     | \$43,490  | Non-Grant Project                |
| 5                                                      | Member Health Homes Program                               | 4   | 9/7/2017                     | 9/30/2019              | \$250,000    | \$103,359    | 41%     | \$146,642 | Non-Grant Project                |
| SUBTOTAL                                               |                                                           |     |                              |                        | \$6,550,000  | \$6,354,469  | 97%     | \$195,532 |                                  |

# IGT Project Update as of March 2020 (Cont'd)

| #                                                              | IGT Projects                                                                                                                                                                                                                                            | IGT | First Payment Dispersed Date | COBAR Project End Date | Budget       | Spend        | % Spent | Balance      | Grant Disbursement Date |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------------------------|------------------------|--------------|--------------|---------|--------------|-------------------------|
| <b>IGT 5 (Funds Received: December 2016)</b>                   |                                                                                                                                                                                                                                                         |     |                              |                        |              |              |         |              |                         |
| 1                                                              | Be Well OC Regional Wellness Hub                                                                                                                                                                                                                        | 5   | TBD                          | N/A                    | \$11,400,000 | \$11,400,000 | 100%    | \$0          | 12/6/2018 (COBAR)       |
| 2                                                              | Access to Adult Dental Services (Grant RFP: Korean Community Services)                                                                                                                                                                                  | 5   | TBD                          | N/A                    | \$1,000,000  | \$850,000    | 85%     | \$150,000    | Awarded on 8/1/19       |
| 3                                                              | Access to Children's Dental Services (Grant RFP)                                                                                                                                                                                                        | 5   | TBD                          | N/A                    | \$1,000,000  | \$844,800    | 84%     | \$155,200    | Awarded on 10/3/19      |
| 4                                                              | Primary Care Services and Programs Addressing Social Determinants of Health (Grant RFP: Santa Ana Unified School District)                                                                                                                              | 5   | TBD                          | N/A                    | \$1,411,488  | \$466,666    | 33%     | \$944,822    | Awarded on 8/1/19       |
| SUBTOTAL                                                       |                                                                                                                                                                                                                                                         |     |                              |                        | \$14,811,488 | \$13,561,466 | 92%     | \$1,250,022  |                         |
| <b>IGT 6 &amp; 7 (Funds Received: September 2017/May 2018)</b> |                                                                                                                                                                                                                                                         |     |                              |                        |              |              |         |              |                         |
| 1                                                              | Clinical Field Team Pilot Program                                                                                                                                                                                                                       | 7   | 4/8/2019                     | N/A                    | \$1,100,000  | \$1,020,000  | 93%     | \$80,000     | 4/8/2019                |
| 2                                                              | Expand Access to Food Distribution Services Focused on Children and Families (Grant RFP: Serve the People)                                                                                                                                              | 7   | TBD                          | N/A                    | \$1,000,000  | \$750,470    | 75%     | \$249,530    | Awarded on 8/1/19       |
| 3                                                              | Expand Access to Outpatient Children's Mental Health Services (Grant RFP: Children's Bureau of Southern California; Orange County Asian & Pacific Islander Community Alliances, Inc.; Boys & Girls Clubs of Garden Grove; Jamboree Housing Corporation) | 6   | TBD                          | N/A                    | \$4,188,990  | \$2,314,007  | 55%     | \$1,874,983  | Awarded on 8/1/19       |
| 4                                                              | Increase Access to Medication-Assisted Treatment (Grant RFP: Coalition of Orange County Community Health Center)                                                                                                                                        | 7   | TBD                          | N/A                    | \$6,000,000  | \$2,000,000  | 33%     | \$4,000,000  | Awarded on 8/1/19       |
| 5                                                              | WPC Recuperative Care                                                                                                                                                                                                                                   | 6   | TBD                          | N/A                    | \$7,250,000  | \$612,880    | 8%      | \$6,637,120  | 8/2/2018 (COBAR)        |
| 6                                                              | Integrate Children's Mental Health Services into Primary Care Settings (Grant RFP: CHOC Children's; Friends of Family Health Center)                                                                                                                    | 7   | TBD                          | N/A                    | \$4,650,000  | \$400,000    | 8%      | \$4,450,000  | Awarded on 8/1/19       |
| 7                                                              | Post-WPC Medical Respite Program                                                                                                                                                                                                                        | 6   | TBD                          | N/A                    | \$250,000    | \$0          | 0%      | \$250,000    | 4/4/2019 (COBAR)        |
| 8                                                              | Housing Support Services                                                                                                                                                                                                                                | 6   | TBD                          | N/A                    | \$2,500,000  | \$0          | 0%      | \$2,500,000  | 12/5/2019 (COBAR)       |
| 9                                                              | Whole Child Model Assistance for Implementation and Development                                                                                                                                                                                         | 6   | TBD                          | N/A                    | \$1,750,000  | \$0          | 0%      | \$1,750,000  | Non-Grant Project       |
| 10                                                             | Master Electronic Health Record System                                                                                                                                                                                                                  | 6   | TBD                          | N/A                    | \$650,000    | \$0          | 0%      | \$650,000    | Non-Grant Project       |
| 11                                                             | Expand Access to Outpatient Children's Mental Health Services (Grant RFP: Children's Bureau of Southern California; Orange County Asian & Pacific Islander Community Alliances, Inc.; Boys & Girls Clubs of Garden Grove; Jamboree Housing Corporation) | 7   | TBD                          | N/A                    | \$661,010    | \$0          | 0%      | \$661,010    | Awarded on 8/1/19       |
| SUBTOTAL                                                       |                                                                                                                                                                                                                                                         |     |                              |                        | \$30,200,000 | \$7,097,357  | 24%     | \$23,102,643 |                         |
| GRAND TOTAL                                                    |                                                                                                                                                                                                                                                         |     |                              |                        | \$76,798,825 | \$51,936,275 | 68%     | \$24,862,550 |                         |

Source: IGT Project Report provided by the Strategic Development Department.

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

**Shared Risk Pool Performance Update**

**Medi-Cal:** As of March 31, 2020, Medi-Cal has five (5) Shared Risk Groups (SRGs).

**Effective Dates:**

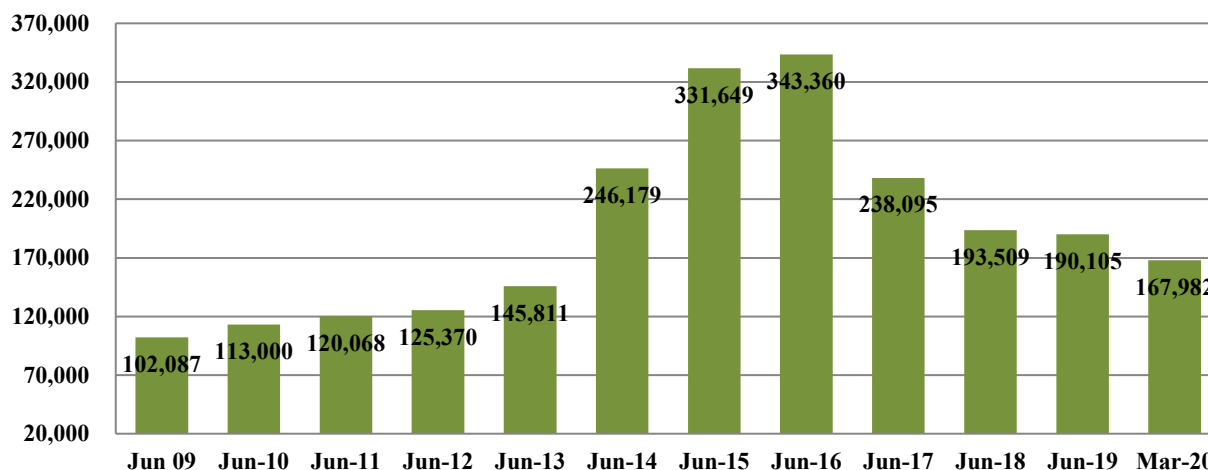
- Noble and Talbert – January 2008
- AltaMed – March 2014
- Prospect\* – May 2007 to June 2017
- Arta and UCMG – July 2008
- Monarch\* – July 2008 to January 2017

*\* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.*

**Enrollment**

SRGs are serving approximately 170,000 members. It represents about 24% of CalOptima's Medi-Cal enrollment.

**Medi-Cal Shared Risk Groups (SRG)  
Enrollment**



**Pool Performance - (Medi-Cal Classic + Expansion)**

| Fiscal Year      | Gross Deficit | Gross Surplus | CalOptima Share (40%) | Group Share (60%) | Number of SRGs |            |            |
|------------------|---------------|---------------|-----------------------|-------------------|----------------|------------|------------|
|                  |               |               |                       |                   | Total          | In Deficit | In Surplus |
| 2007             | \$ (729,095)  | \$ -          | \$ (573,542)          | \$ (155,553)      | 1              | 1          | 0          |
| 2008             | (534,826)     | 618,829       | 247,532               | (163,529)         | 3              | 1          | 2          |
| 2009             | (6,786,764)   | 623,088       | (2,465,470)           | (3,698,206)       | 6              | 3          | 3          |
| 2010             | (5,890,543)   | 1,636,861     | (1,701,473)           | (2,552,209)       | 6              | 4          | 2          |
| 2011             | (5,127,172)   | 5,042,040     | (34,053)              | (51,079)          | 6              | 3          | 3          |
| 2012             | (1,688,610)   | 7,574,810     | 2,354,480             | 3,531,720         | 6              | 3          | 3          |
| One-Time Revenue |               | 17,233,958    | 12,917,452            | 4,316,506         | 6              | 3          | 3          |

| Fiscal Year | Gross Deficit  | Gross Surplus    | CalOptima Share (40%) | Group Share (60%) | Number of SRGs |            |            |
|-------------|----------------|------------------|-----------------------|-------------------|----------------|------------|------------|
|             |                |                  |                       |                   | Total          | In Deficit | In Surplus |
| 2013        | (1,568,113)    | 10,019,190       | 3,372,857             | 5,078,220         | 6              | 1          | 5          |
| 2014        | -              | 57,808,875       | 23,123,550            | 34,685,325        | 7              | 0          | 7          |
| 2015        | -              | 358,004,843      | 143,201,937           | 214,802,906       | 7              | 0          | 7          |
| 2016        | -              | 403,276,602      | 161,310,641           | 241,965,961       | 7              | 0          | 7          |
| 2017        | -              | 296,584,737      | 118,633,895           | 177,950,842       | 7              | 0          | 7          |
| 2018        | -              | 109,929,867      | 43,971,947            | 65,957,920        | 5              | 0          | 5          |
| 2019        | -              | 94,908,834       | 37,963,534            | 56,945,301        | 5              | 0          | 5          |
| 2020Q2      | -              | 17,644,796       | 7,057,919             | 10,586,878        | 5              | 0          | 5          |
|             | \$(22,325,123) | \$ 1,380,907,330 | \$ 549,381,205        | \$ 809,201,004    |                |            |            |

Note: IBNR is calculated based on the paid claims experience.

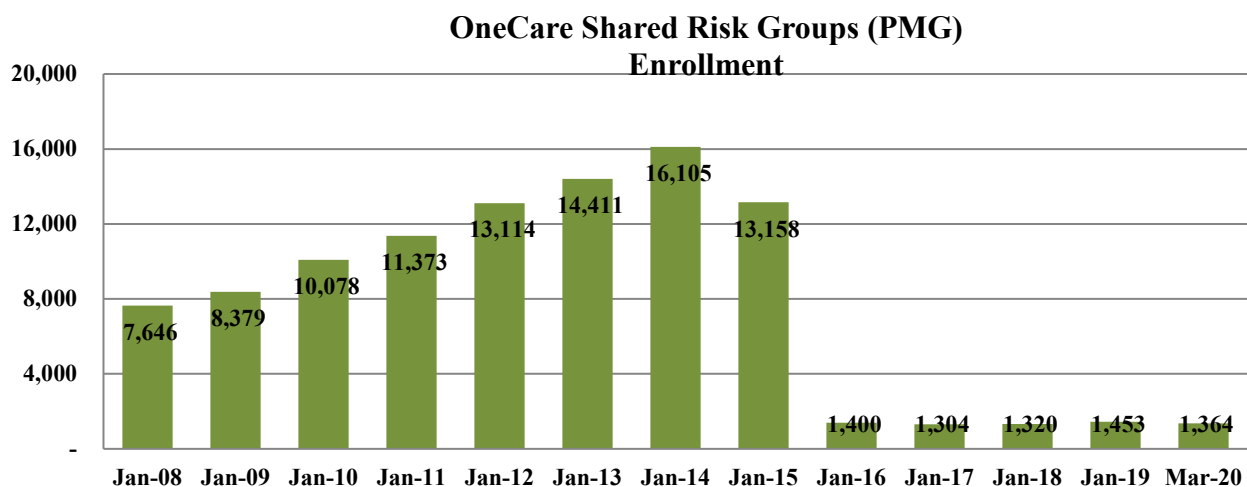
**OneCare:** As of March 31, 2020, OneCare has eight (8) Participating Medical Groups (PMGs).

Effective Dates:

- AMVI/Prospect - October 2005
- Talbert and Monarch – October 2005
- Noble – December 2012
- Family Choice – October 2005
- AltaMed – August 2008
- Arta and UCMG – January 2013

Enrollment

Overall enrollment decrease due to transitioning of members from OneCare to OneCare Connect in January 2016.



Pool Performance

| Calendar Year | Gross Deficit | Gross Surplus | CalOptima Share (50%) | Group Share (50%) | Total | In Deficit | In Surplus |
|---------------|---------------|---------------|-----------------------|-------------------|-------|------------|------------|
| 2005          | \$(14,221)    | \$163,580     | \$67,920              | \$81,435          | 4     | 1          | 3          |
| 2006          | -             | 15,004,268    | 7,502,134             | 7,502,134         | 5     | 0          | 5          |
| 2007          | (21,936)      | 3,759,945     | 1,859,817             | 1,878,193         | 8     | 2          | 6          |
| 2008          | (491,522)     | 3,919,765     | 1,591,331             | 1,836,913         | 8     | 2          | 6          |
| 2009          | (313,648)     | 5,643,332     | 2,525,933             | 2,803,751         | 9     | 2          | 7          |

| Calendar Year | Gross Deficit  | Gross Surplus | CalOptima Share (50%) | Group Share (50%) | Total | In Deficit | In Surplus |
|---------------|----------------|---------------|-----------------------|-------------------|-------|------------|------------|
| 2010          | (566,705)      | 4,769,324     | 1,892,617             | 2,310,002         | 8     | 3          | 5          |
| 2011          | -              | 9,406,281     | 4,703,141             | 4,703,141         | 8     | 0          | 8          |
| 2012          | (433,732)      | 7,325,076     | 3,305,088             | 3,586,257         | 11    | 2          | 9          |
| 2013          | (1,949,544)    | 11,124,918    | 4,015,560             | 5,159,814         | 13    | 2          | 11         |
| 2014          | (3,485,139)    | 10,050,507    | 1,962,394             | 4,602,974         | 13    | 3          | 10         |
| 2015          | (154,268)      | 10,372,797    | 5,050,405             | 5,168,124         | 8     | 1          | 7          |
| 2016          | (508,749)      | 379,472       | (288,034)             | 158,757           | 8     | 3          | 5          |
| 2017          | (310,790)      | 360,774       | (110,282)             | 160,266           | 8     | 4          | 4          |
| 2018          | (677,070)      | 904,199       | (178,235)             | 405,364           | 8     | 3          | 5          |
| 2019          | (387,446)      | 325,762       | (189,341)             | 127,675           | 8     | 4          | 4          |
|               | \$ (9,314,770) | \$ 83,510,000 | \$ 33,710,448         | \$ 40,484,780     |       |            |            |

Note: Group share deficit limited to \$5.00 PMPM. Estimated RAPS recoupment excluded from the above data.

**OneCare Connect:** As of March 31, 2020, OneCare Connect has six (6) Shared Risk Groups (SRGs).

**Effective Dates:**

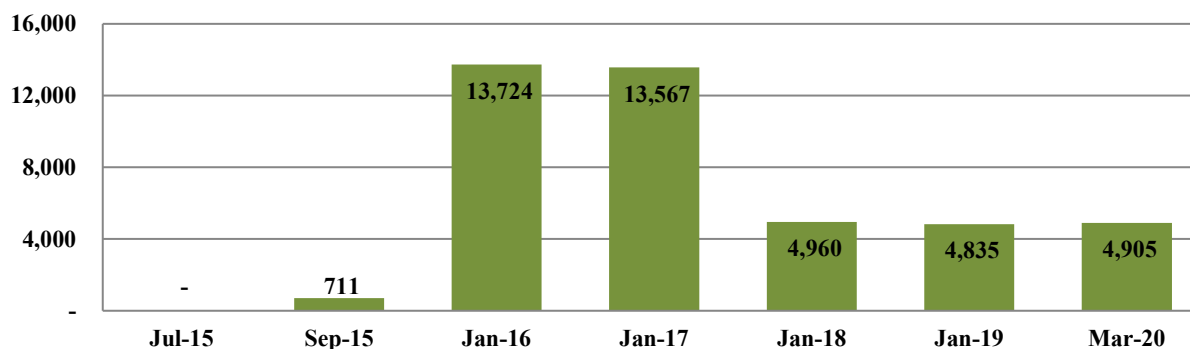
- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Monarch\* – July 2015 to January 2017
- FCMG – January 2016
- Talbert – January 2016
- Arta Western – January 2016
- Prospect\* – July 2015 to June 2017

\* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

**Enrollment**

SRGs are serving approximately 4,900 members. It represents about 35% of CalOptima's OneCare Connect enrollment.

**OneCare Connect Shared Risk Groups (PMG)  
Enrollment**





# Shared Risk Pool Performance Update

Page 4

## Pool Performance

| Calendar Year | Gross Deficit   | Gross Surplus    | CalOptima Share (50%) | Group Share (50%) | Total | In Deficit | In Surplus |
|---------------|-----------------|------------------|-----------------------|-------------------|-------|------------|------------|
| 2015          | (261,199)       | 224,558          | (121,755)             | 85,114            | 5     | 2          | 3          |
| 2016          | (761,826)       | 20,200,150       | 9,372,994             | 10,065,330        | 8     | 1          | 7          |
| 2017          | (1,020,988)     | 8,976,815        | 3,592,320             | 4,363,508         | 8     | 2          | 6          |
| 2018          | -               | 9,926,822        | 4,963,411             | 4,963,411         | 6     | 0          | 6          |
| 2019          | (125,349)       | 6,939,443        | 3,378,423             | 3,435,672         | 6     | 1          | 5          |
| 2020Q1        | <u>(38,348)</u> | <u>1,759,275</u> | <u>848,350</u>        | <u>872,578</u>    | 6     | 1          | 5          |
|               | \$ (2,207,710)  | \$ 48,027,063    | \$ 22,033,742         | \$ 23,785,612     |       |            |            |

Note: Group share deficit limited to \$5.00 PMPM. QI withhold reimbursement and estimated RAPS recoupment excluded from the above data.



# CalOptima

Better. Together.

## **Financial Summary – Whole Child Model**

### **March 2020**

**Finance and Audit Committee**  
**May 21, 2020**

**Nancy Huang**  
**Chief Financial Officer**

# Whole Child Model Financial Highlights

## March 2020

| Month             |                   |                    |                  |
|-------------------|-------------------|--------------------|------------------|
| Actual            | Budget            | \$<br>Variance     | %<br>Variance    |
| 11,162            | 12,940            | (1,778)            | (13.7%)          |
| 22,234,632        | 25,523,466        | (3,288,834)        | (12.9%)          |
| <b>22,234,632</b> | <b>25,523,466</b> | <b>(3,288,834)</b> | <b>(12.9%)</b>   |
| 9,877,131         | 11,327,349        | 1,450,218          | 12.8%            |
| 3,348,855         | 3,590,376         | 241,521            | 6.7%             |
| 1,996,294         | 1,359,631         | (636,663)          | (46.8%)          |
| 363,816           | 627,696           | 263,880            | 42.0%            |
| 6,162,373         | 6,662,133         | 499,760            | 7.5%             |
| 295,793           | 718,851           | 423,058            | 58.9%            |
| 31,206            | 866               | (30,339)           | (3501.8%)        |
| <b>22,075,468</b> | <b>24,286,902</b> | <b>2,211,433</b>   | <b>9.1%</b>      |
| <b>159,164</b>    | <b>1,236,565</b>  | <b>(1,077,401)</b> | <b>(87.1%)</b>   |
| <b>1,133,966</b>  | <b>1,306,694</b>  | <b>172,728</b>     | <b>13.2%</b>     |
| <b>(974,802)</b>  | <b>(70,129)</b>   | <b>(904,673)</b>   | <b>(1290.0%)</b> |
| <b>99.3%</b>      | <b>95.2%</b>      | <b>(4.1%)</b>      | <b>(4.3%)</b>    |
| <b>5.1%</b>       | <b>5.1%</b>       | <b>0.0%</b>        | <b>0.4%</b>      |

\*Note: Administrative Expenses presented are based on budget

|                          | Year to Date |             |                |               |
|--------------------------|--------------|-------------|----------------|---------------|
|                          | Actual       | Budget      | \$<br>Variance | %<br>Variance |
| Member Months            | 103,533      | 116,460     | (12,927)       | (11.1%)       |
| Revenues                 |              |             |                |               |
| Capitation Revenue       | 206,060,661  | 229,711,196 | (23,650,535)   | (10.3%)       |
| Total Operating Revenue  | 206,060,661  | 229,711,196 | (23,650,535)   | (10.3%)       |
| Medical Expenses         |              |             |                |               |
| Provider Capitation      | 91,512,449   | 101,946,171 | 10,433,722     | 10.2%         |
| Facilities Claims        | 48,948,529   | 32,313,384  | (16,635,145)   | (51.5%)       |
| Professional Claims      | 13,278,163   | 11,943,360  | (1,334,803)    | (11.2%)       |
| MLTSS                    | 15,094,415   | 5,649,263   | (9,445,152)    | (167.2%)      |
| Prescription Drugs       | 50,624,188   | 59,959,199  | 9,335,010      | 15.6%         |
| Medical Management       | 2,396,273    | 6,469,657   | 4,073,384      | 63.0%         |
| Reinsurance & Other      | 307,561      | 7,315       | (300,246)      | (4104.5%)     |
| Total Medical Expenses   | 222,161,578  | 218,288,349 | (3,873,229)    | (1.8%)        |
| Gross Margin             | (16,100,917) | 11,422,847  | (27,523,764)   | (241.0%)      |
| Administrative Expenses* | 10,509,094   | 11,760,247  | 1,251,154      | 10.6%         |
| Change in Net Assets     | (26,610,011) | (337,400)   | (26,272,611)   | (7786.8%)     |
| Medical Loss Ratio       | 107.8%       | 95.0%       | (12.8%)        | (13.5%)       |
| Admin Loss Ratio         | 5.1%         | 5.1%        | 0.0%           | 0.4%          |

# FY 2019-20: Whole Child Model Enrollment

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## March 2020 MTD

WCM enrollment was 11,162 members

- Actual lower than budget 1,778 or 13.7%

## March 2020 YTD

WCM enrollment was 103,533 members

- Actual lower than budget 12,927 or 11.1%

# FY 2019-20: Whole Child Model Revenue

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## March 2020 MTD

WCM revenue was \$22.2 million

- Actual lower than budget \$3.3 million or 12.9%
  - Unfavorable volume variance of \$3.5 million
  - Favorable price variance of \$0.2 million

## March 2020 YTD

WCM revenue was \$206.1 million

- Actual lower than budget \$23.7 million or 10.3%
  - Unfavorable volume variance of \$25.5 million
  - Favorable price variance of \$1.8 million

# FY 2019-20: Whole Child Model Expenses

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## March 2020 MTD

WCM expenses were \$22.1 million

- Actual lower than budget \$2.2 million or 9.1%
  - Favorable volume variance of \$3.3 million
  - Unfavorable price variance of \$1.1 million
    - Professional Claims expense unfavorable variance of \$0.8 million
    - Prescription Drugs expense unfavorable variance of \$0.4 million
    - Facilities Claims expense unfavorable variance of \$0.3 million
    - Offset by Medical Management expense favorable variance of \$0.3 million

# FY 2019-20: Whole Child Model Expenses

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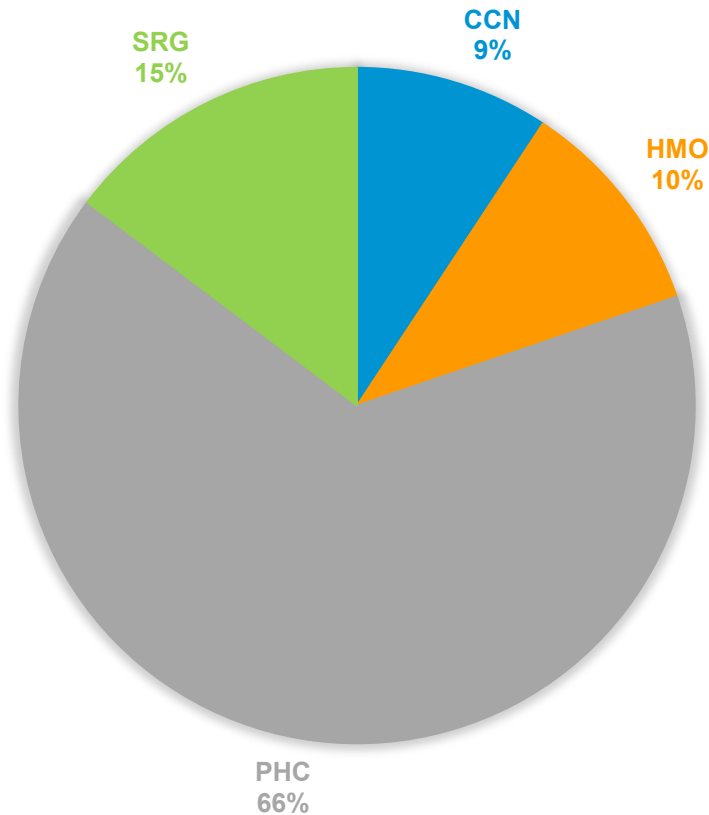
## March 2020 YTD

WCM expenses were \$222.2 million

- Actual higher than budget \$3.9 million or 1.8%
  - Favorable volume variance of \$24.2 million
  - Unfavorable price variance of \$28.1 million
    - Facilities Claims expense unfavorable variance of \$20.2 million due to Incurred But Not Reported (IBNR), Neonatal Intensive Care Unit (NICU) estimates and a \$2.2 million Zolgensma treatment paid in August
    - MLTSS expense unfavorable variance of \$10.1 million due to higher than budgeted utilization
    - Professional Claims expense unfavorable variance of \$2.7 million due to higher than budgeted utilization
    - Offset by Medical Management expense favorable variance of \$3.4 million
    - Prescription Drugs expense favorable variance of \$2.7 million

# Enrollment by Network

WCM NETWORK ASSIGNMENT

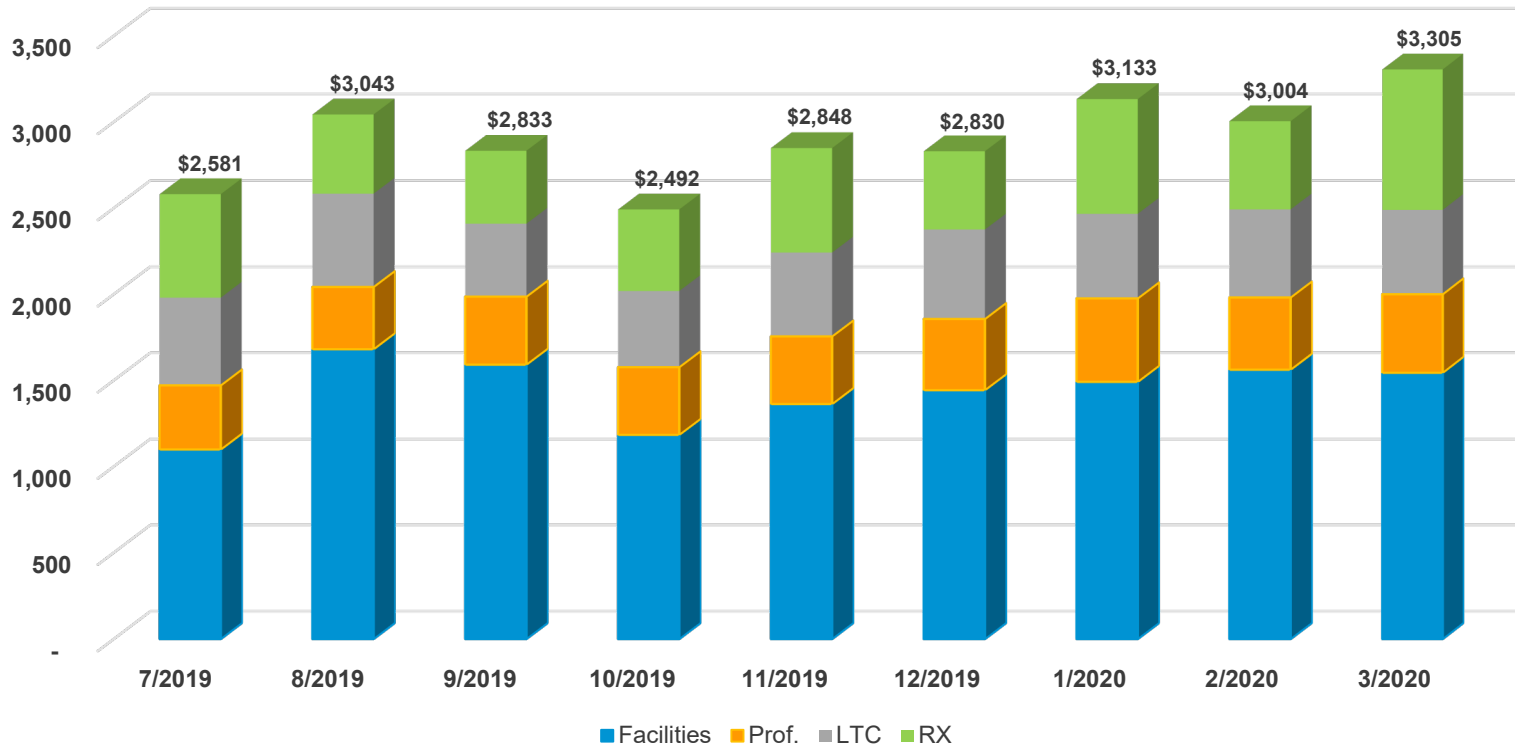


Note: % calculated based on YTD MM average



# Monthly Expenditures by Service Type

WCM Est. PMPM by Service Types  
(CCN Network Only)



Note: Estimated PMPM was based on CCN network experience and includes IBNR

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

### Quarterly Reinsurance Report

#### **Summary of Reinsurance Payments Made by CalOptima to Contracted Medi-Cal Providers for Policy Years (PY) 2018, 2019, and 2020**

Reinsurance is an after-the-fact payment mechanism CalOptima provides that is intended to mitigate the financial impact of catastrophic claims on participating providers. CalOptima's policy allows participating providers through December 31st following the policy year end (i.e., June 30) to submit all reinsurance claims. CalOptima issues payment to providers within forty-five (45) business days after the quarter's end.

The figures reported below reflect the estimated results for PY 2018, PY 2019, and PY 2020 as of March 31, 2020.

|                                                | <b>PY 2018</b> | <b>PY 2019</b> | <b>PY 2020</b> |
|------------------------------------------------|----------------|----------------|----------------|
| YTD Budgeted Reinsurance Expense @ 03/31/20    | \$2,780,209    | \$5,016,633    | \$9,555,734    |
| Reinsurance paid through 03/31/20              | \$(4,038,889)  | \$(2,814,794)  | \$(312,992)    |
| Estimated Reinsurance Accrual @ 03/31/20       | \$(35,331)     | \$(1,315,890)  | \$(2,937,796)  |
| Total Estimated Reinsurance Expense @ 03/31/20 | \$(4,074,220)  | \$(4,130,685)  | \$(3,250,789)  |
| YTD Budgeted Savings/(Deficit) @ 03/31/20      | \$(1,294,011)  | \$885,948      | \$6,304,945    |

The total estimated liability at March 31, 2020, is \$4.3 million.

The policy thresholds are \$17,000 for Professional and \$150,000 for Hospital, coinsurance level is at 20%.

#### **Policy Years:**

PY 2018 = Fiscal Year 2018 (July 1, 2017, through June 30, 2018)

PY 2019 = Fiscal Year 2019 (July 1, 2018, through June 30, 2019)

PY 2020 = Fiscal Year 2020 (July 1, 2019, through June 30, 2020)

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

**Quarterly Health Network Financial Update**

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On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated Physician Groups, Hospitals and HMOs that comprise CalOptima's Health Networks. After internal review, CalOptima's financial staff makes a determination as to whether the capitated entity has the ability to assume the risk of a capitated contract.

CalOptima reviewed the unaudited financial statements for each Health Network entity for the period ending December 31, 2019.

**Results of the December 31, 2019 Financial Review**

|                                  | <b>Physician Groups</b> | <b>Hospitals</b> | <b>HMOs</b> |
|----------------------------------|-------------------------|------------------|-------------|
| <b>Total</b>                     | 9                       | 4                | 4           |
| <b>Passed Review</b>             | 9                       | 4                | 4           |
| <b>Failed Review</b>             | 0                       | 0                | 0           |
| <b>On Notice</b>                 | 0                       | 0                | 0           |
| <b>Did Not Submit Statements</b> | 0                       | 0                | 0           |

Note 1: Physician Groups and Hospitals must pass the following tests:

- a) Current Ratio - must be  $\geq 1.0$
- b) Tangible Net Equity - must be  $\geq 1.0$
- c) Cash to Claims Ratio - must be  $\geq 0.75$

Note 2: HMOs must pass the following test:

- a) Tangible Net Equity - Greater of \$1M, % of premium revenues, or % of healthcare expenses

Note 3: Financial Security Reserves:

- a) Medi-Cal, OneCare, and OneCare Connect Total Current Balance = \$18.4M

# Contingency Contract Report

| CalOptima Active Contingency Contracts                                                                |              |              | Q3 FY20      |              | invoiced as of 4/23/2020 |              |               |               |               |               |     |               |              |              |              |       |               |  |
|-------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------------------|--------------|---------------|---------------|---------------|---------------|-----|---------------|--------------|--------------|--------------|-------|---------------|--|
| Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid                           |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
|                                                                                                       | FY09         | FY10         | FY11         | FY12         | FY13                     | FY14         | FY15          | FY16          | FY17          | FY18          |     | FY19          | FY20         |              |              |       |               |  |
|                                                                                                       | Total        | Total        | Total        | Total        | Total                    | Total        | Total         | Total         | Total         | Total         | Qtr | Total         | Qtr 1        | Qtr 2        | Qtr 3        | Qtr 4 | Total         |  |
| MEDICAL COST                                                                                          |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/2023) |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Savings                                                                                               | \$ 1,189,393 | \$ 2,811,751 | \$ 1,937,748 | \$ 2,565,125 | \$ 2,346,048             | \$ 1,444,807 | \$ 3,336,995  | \$ 3,954,564  | \$ 4,067,881  | \$ 5,864,338  |     | \$ 4,863,112  | \$ 730,121   | \$ 361,347   | \$ 816,488   |       | \$ 1,907,957  |  |
| Fee                                                                                                   | \$ 297,348   | \$ 702,938   | \$ 484,359   | \$ 641,281   | \$ 586,762               | \$ 361,202   | \$ 794,557    | \$ 909,550    | \$ 935,613    | \$ 1,348,798  |     | \$ 1,118,516  | \$ 167,928   | \$ 83,110    | \$ 187,792   |       | \$ 438,830    |  |
| Net Savings                                                                                           | \$ 892,045   | \$ 2,108,813 | \$ 1,453,389 | \$ 1,923,843 | \$ 1,759,286             | \$ 1,083,605 | \$ 2,542,438  | \$ 3,045,014  | \$ 3,132,268  | \$ 4,515,540  |     | \$ 3,744,596  | \$ 562,193   | \$ 278,238   | 628,696      | -     | \$ 1,469,127  |  |
| Cotivis (Verscend/Verisk/HCI) - Claims review for appropriate billing - (expires 10/07/2021)          |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Savings                                                                                               | \$ 164,913   | \$ 2,397,831 | \$ 3,385,560 | \$ 2,517,497 | \$ 2,817,113             | \$ 2,647,841 | \$ 3,562,859  | \$ 3,524,096  | \$ 2,690,597  | \$ 2,571,045  |     | \$ 4,482,782  | \$ 1,635,715 | \$ 2,746,632 | \$ 2,606,705 |       | \$ 6,989,052  |  |
| Fee                                                                                                   | \$ 37,165    | \$ 483,209   | \$ 691,554   | \$ 559,136   | \$ 595,632               | \$ 727,333   | \$ 1,371,137  | \$ 638,601    | \$ 393,455    | \$ 580,345    |     | \$ 932,051    | \$ 310,786   | \$ 521,860   | \$ 508,307   |       | \$ 1,340,953  |  |
| Net Savings                                                                                           | \$ 127,748   | \$ 1,914,622 | \$ 2,694,006 | \$ 1,958,361 | \$ 2,221,482             | \$ 1,920,508 | \$ 2,191,722  | \$ 2,885,495  | \$ 2,297,143  | \$ 1,990,700  |     | \$ 3,550,731  | \$ 1,324,929 | \$ 2,224,772 | 2,098,397    | -     | \$ 5,648,098  |  |
| Verscend (Verisk/HCI)/ TAG - Facility claims forensic review - (services terminated 12/31/2017)       |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Savings                                                                                               |              | -            | \$ 900,976   | \$ 1,362,980 | \$ 3,516,297             | \$ 3,727,308 | \$ 16,538,781 | \$ 3,726,475  | \$ 4,068,735  | \$ 1,234,305  |     | \$ -          |              |              |              |       | \$ -          |  |
| Fee                                                                                                   |              | -            | \$ 270,293   | \$ 408,904   | \$ 1,054,889             | \$ 1,118,193 | \$ 2,008,000  | \$ 791,798    | \$ 1,140,356  | \$ 308,576    |     | \$ -          |              |              |              |       | \$ -          |  |
| Net Savings                                                                                           | -            | -            | \$ 630,683   | \$ 954,076   | \$ 2,461,408             | \$ 2,609,114 | \$ 14,530,781 | \$ 2,934,678  | \$ 2,928,380  | \$ 925,729    |     | \$ -          | -            | -            | -            | -     | \$ -          |  |
| Socrates - Third party liability - (expires 6/30/2020)                                                |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Savings                                                                                               | -            | -            | 13,783       | 244,770      | 53,141                   | \$ 3,108     | N/A           | \$ 219,258    | N/A           | N/A           |     | N/A           | \$ 194       | \$ 12,342    | \$ 3,433     |       | \$ 15,969     |  |
| Fee                                                                                                   | -            | -            | 3,446        | 61,223       | 13,285                   | \$ 777       | N/A           | \$ 54,815     | N/A           | N/A           |     | N/A           | \$ 48        | \$ 3,086     | \$ 858       |       | \$ 3,992      |  |
| Net Savings                                                                                           | -            | -            | 10,338       | 183,548      | 39,856                   | 2,331        |               | 164,443       |               |               |     |               | \$ 145       | \$ 9,257     | \$ 2,575     | -     | \$ 11,977     |  |
| Varis - Facility claims forensic review - (expires 9/24/2020)                                         |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Savings                                                                                               | -            | -            | -            | -            | -                        | -            | -             | -             | -             | -             |     | \$ 3,057,075  | \$ 504,987   | \$ 1,185,999 | \$ 1,232,657 |       | \$ 2,923,643  |  |
| Fee                                                                                                   | -            | -            | -            | -            | -                        | -            | -             | -             | -             | -             |     | \$ 764,269    | \$ 126,247   | \$ 296,500   | \$ 308,164   |       | \$ 730,911    |  |
| Net Savings                                                                                           | -            | -            | -            | -            | -                        | -            | -             | -             | -             | -             |     | \$ 2,292,806  | \$ 378,740   | \$ 889,499   | 924,493      | -     | \$ 2,192,732  |  |
| OptumInsight - Credit balance recovery - (expires 12/31/2021)                                         |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Savings                                                                                               | -            | -            | -            | \$ 76,715    | \$ 26,203                | \$ 30,246    | N/A           | \$ 44,834     | \$ 404,824    | \$ 154,308    |     | \$ 416,557    | \$ 33,322    | \$ 49,791    | \$ 42,042    |       | \$ 125,155    |  |
| Fee                                                                                                   | -            | -            | -            | \$ 9,206     | \$ 3,144                 | \$ 3,630     | N/A           | \$ 5,380      | \$ 48,579     | \$ 18,517     |     | \$ 49,987     | \$ 3,999     | \$ 5,975     | \$ 5,045     |       | \$ 15,019     |  |
| Net Savings                                                                                           | -            | -            | -            | \$ 67,509    | \$ 23,059                | \$ 26,616    |               | \$ 39,454     | \$ 356,245    | \$ 135,791    |     | \$ 366,570    | \$ 29,323    | \$ 43,816    | 36,997       | -     | \$ 110,136    |  |
| TOTAL                                                                                                 |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Savings                                                                                               | \$ 1,354,306 | \$ 5,209,582 | \$ 6,224,285 | \$ 6,522,317 | \$ 8,705,661             | \$ 7,850,202 | \$ 23,438,635 | \$ 11,249,969 | \$ 11,232,038 | \$ 9,823,995  |     | \$ 12,819,526 | \$ 2,904,339 | \$ 4,356,112 | \$ 4,701,325 |       | \$ 11,961,776 |  |
| Fee                                                                                                   | \$ 334,514   | \$ 1,186,146 | \$ 1,446,206 | \$ 1,618,527 | \$ 2,240,427             | \$ 2,210,357 | \$ 4,173,694  | \$ 2,345,328  | \$ 2,518,002  | \$ 2,256,236  |     | \$ 2,864,823  | \$ 609,008   | \$ 910,530   | \$ 1,010,167 |       | \$ 2,529,705  |  |
| Net Savings                                                                                           | \$ 1,019,792 | \$ 4,023,436 | \$ 4,778,079 | \$ 4,903,791 | \$ 6,465,234             | \$ 5,639,844 | \$ 19,264,941 | \$ 8,904,640  | \$ 8,714,036  | \$ 7,567,760  |     | \$ 9,954,704  | \$ 2,295,332 | \$ 3,445,581 | \$ 3,691,158 | -     | \$ 9,432,071  |  |
| REVENUE                                                                                               |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Human Arc - SSI Outreach & Aid Code Conversion - (expires 6/30/2020)                                  |              |              |              |              |                          |              |               |               |               |               |     |               |              |              |              |       |               |  |
| Capitation Revenue                                                                                    |              |              |              | \$ 1,723,235 | \$ 4,526,183             | \$ 5,231,987 | \$ 6,539,353  | \$ 7,782,145  | \$ 9,281,708  | \$ 11,188,354 |     | \$ 12,961,036 | \$ 3,597,055 | \$ 3,757,048 | \$3,908,787  |       | \$ 11,262,890 |  |
| Fee                                                                                                   |              |              |              | \$ 501,700   | \$ 345,100               | \$ 285,650   | \$ 232,092    | \$ 301,556    | \$ 360,018    | \$ 350,084    |     | \$ 513,800    | \$ 134,400   | \$ 141,400   | \$140,000    |       | \$ 415,800    |  |
| Total Net Revenue                                                                                     | -            | -            | -            | \$ 1,221,535 | \$ 4,181,083             | \$ 4,946,337 | \$ 6,307,261  | \$ 7,480,589  | \$ 8,921,690  | \$ 10,838,270 |     | \$ 12,447,236 | \$ 3,462,655 | \$ 3,615,648 | 3,768,787    | -     | \$ 10,847,090 |  |