



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

**THURSDAY FEBRUARY 20, 2020  
2:00 P.M.**

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

BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE

Lee Penrose, Chair  
Ria Berger  
Scott Schoeffel

CHIEF EXECUTIVE OFFICER  
Michael Schrader

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 documentation is available for review at CalOptima, 505 City Parkway West, Orange, CA 92868, 8:00 a.m. – 5:00 p.m., Monday-Friday, and online at [www.caloptima.org](http://www.caloptima.org).*

**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 November 15, 2019 Special Meeting of the CalOptima Board of Directors' Finance and Audit Committee
  - b. Receive and Files Minutes of the October 21, 2019 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

### **REPORTS**

4. Consider Recommending Board of Directors' Approval of Reappointment to the CalOptima Board of Directors' Investment Advisory Committee
5. Consider Recommending Board of Directors Authorize Proposed Budget Allocation Change in the CalOptima Fiscal Year (FY) 2019-20 Operating Budget for Translation Expenses
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
7. Consider Recommending Board of Directors' Allocation of Intergovernmental Transfer (IGT) 9 Funds
8. Consider Extension of Altruista Health Contract for Comprehensive Medical Management Systems

### **INFORMATION ITEMS**

9. November and December 2019 Financials
10. CalOptima Information Security Update
11. The Future of CalOptima Core Administrative System
12. Proposed Change to Health Network Capitation Rate Structure
13. Update on Business Insurance Renewal for Policy Year 2021

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**

**ADJOURNMENT**

**Board of Directors' Finance and Audit Committee  
February 20, 2020**

**Quarterly Treasurer's Report  
October 1, 2019 through December 31, 2019**

---

**Overview**

To fulfill the requirements of Government Code section 53646, subdivision (b) and the 2019 Annual Investment Policy adopted by CalOptima's Board of Directors on December 6, 2018, the Treasurer submits this quarterly investment report for the period October 1, 2019, through December 31, 2019.

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 2019 Annual Investment Policy.

**Portfolio Summary**

As of December 31, 2019, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows:

	<b>Payden &amp; Rygel</b>	<b>MetLife</b>	<b>Wells Capital</b>	<b>Total</b>
<b>Short-Term Operating</b>	\$304,912,107	\$305,497,059	\$302,463,062	\$912,872,228
<b>Board Designated Reserves</b>				
<b>Tier 1</b>	\$155,430,553	\$154,299,315	\$154,707,630	\$464,437,498
<b>Tier 2</b>	--	\$102,643,334	--	\$102,643,334
<b>Total</b>	\$460,342,660	\$562,439,708	\$457,170,692	\$1,479,953,060

**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 December 31, 2019, demonstrating funds in excess to satisfy minimum requirements.

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

Reserve Name	Market Value	Benchmark		Variance	
		Low 1.4	High 2.0	Low 1.4	High 2.0
Tier 1 - Payden & Rygel	\$155,430,553				
Tier 1 - MetLife	\$154,299,315				
Tier 1 - Wells Capital	\$154,707,630				
	\$464,437,498	\$316,285,764	\$492,773,346	\$148,151,734	(\$28,335,848)

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

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		TNE	TNE	TNE	TNE
Tier 2 – MetLife	\$102,643,334	\$95,518,594	\$95,518,594	\$7,124,740	\$7,124,740
<b>Consolidated:</b>	<b>\$567,080,832</b>	<b>\$411,804,358</b>	<b>\$588,291,940</b>	<b>\$155,276,474</b>	<b>(\$21,211,108)</b>
<i>Compliance Level</i>	<i>1.93</i>	<i>1.40</i>	<i>2.00</i>	-	-

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of \$155,276,474 as of December 31, 2019. At the end of December 2019, CalOptima's Board-designated reserve compliance level was 1.93.

**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.

At the January 27, 2020, meeting, Staff provided an update to the Investment Advisory Committee members and investment managers regarding the inflows and outflows forecast for the third quarter of fiscal year 2020. The second phase of the Private Hospital Directed Payment (PHDP), approximately \$100 million, is anticipated from DHCS by the end of March 2020. No other significant outflows are expected in the upcoming quarter.

**Attachment**

Quarterly Investment Report – October 1, 2019, through December 31, 2019

# CalOptima

Meeting Materials

January 27, 2020

Fund Evaluation Report

## Agenda

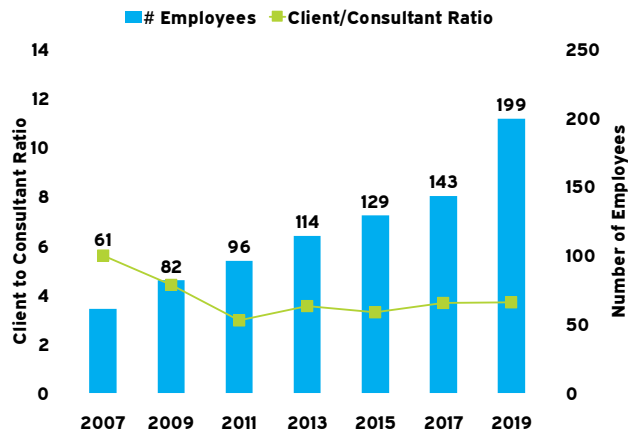
1. Corporate Update
2. 4Q19 Review
3. Quarterly Investment Report Supplement
4. Custom Peer Group
5. Performance Attribution
6. Appendix
  - Characteristics
  - Holdings
7. Disclaimer, Glossary, and Notes

# Meketa Investment Group Corporate Update

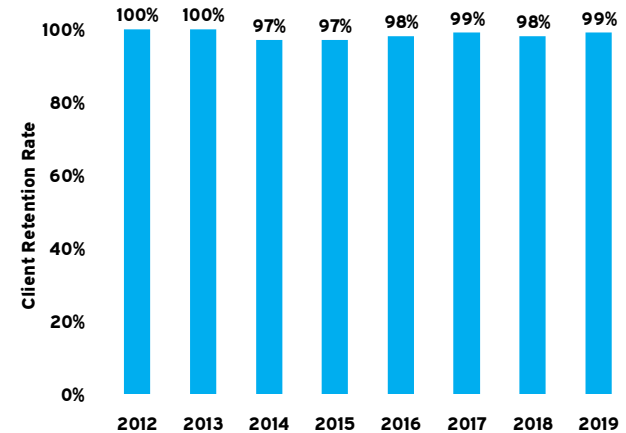


- Staff of 199, including 132 investment professionals and 40 CFA Charterholders
- 214 clients, with over 300 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, New York, Portland (OR), San Diego, and London
- We advise on \$1.4 trillion 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.**

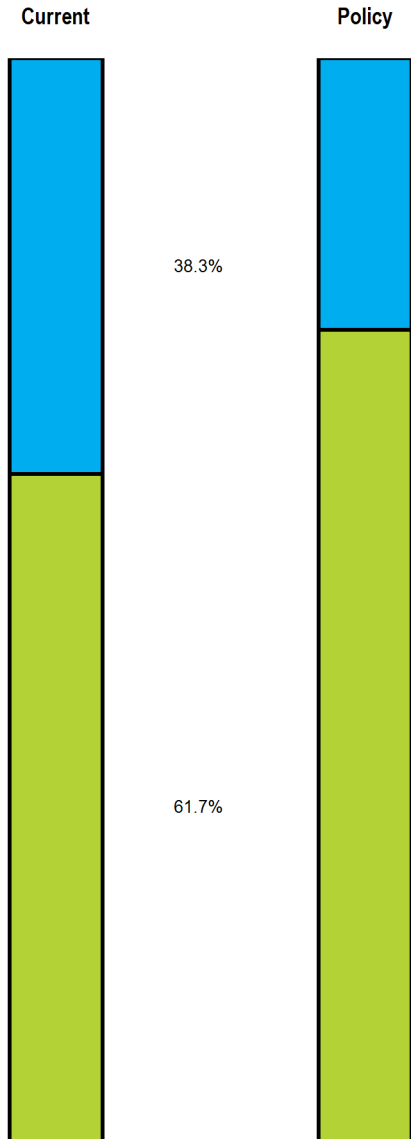
<sup>1</sup> On March 15, 2019, 31 employees joined the firm as part of the merger of Meketa Investment Group and Pension Consulting Alliance.

<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

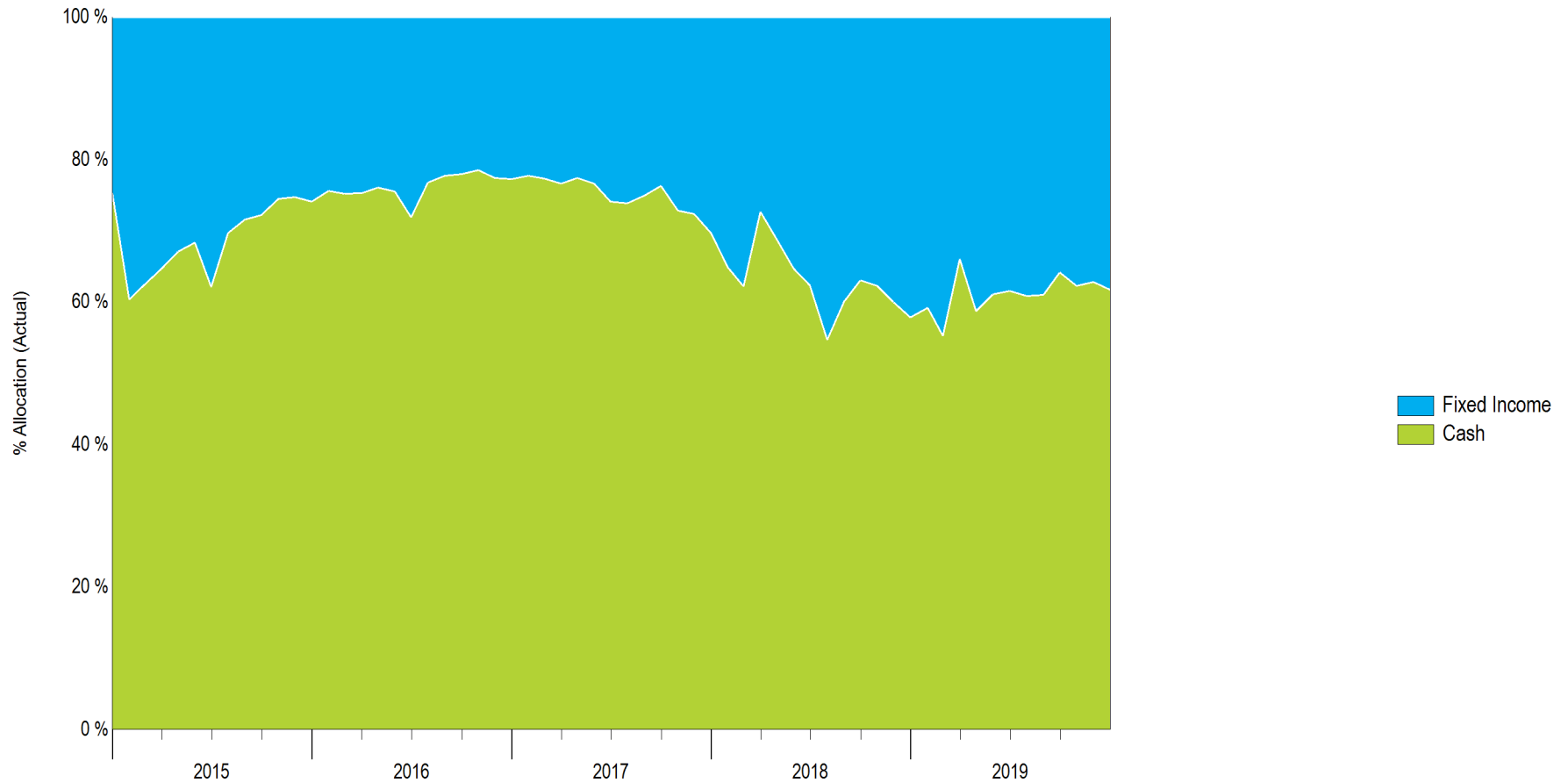
Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> <li>- Passive</li> <li>- Enhanced Index</li> <li>- Large Cap</li> <li>- Midcap</li> <li>- Small Cap</li> <li>- Microcap</li> <li>- 130/30</li> </ul>	<ul style="list-style-type: 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>

## 4Q19 Review



Allocation vs. Targets and Policy		
	Current Balance	Current Allocation
Fixed Income	\$567,080,832	38%
Cash	\$912,872,228	62%
<b>Total</b>	<b>\$1,479,953,060</b>	<b>100%</b>

### Asset Allocation History 5 Years Ending December 31, 2019



Total Fund | As of December 31, 2019

### Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund(Gross)</b>	<b>1,479,953,060</b>	<b>100.000</b>	<b>0.532</b>	<b>1.161</b>	<b>3.100</b>	<b>2.043</b>	<b>1.490</b>	<b>--</b>	<b>1.433</b>	<b>Oct-14</b>
<b>Total Fund(Net)</b>			<b>0.511</b>	<b>1.119</b>	<b>3.017</b>	<b>1.962</b>	<b>1.406</b>	<b>--</b>	<b>1.349</b>	
<b>Fixed Income(Gross)</b>	<b>567,080,832</b>	<b>38.317</b>	<b>0.567</b>	<b>1.237</b>	<b>3.809</b>	<b>2.225</b>	<b>1.745</b>	<b>--</b>	<b>1.707</b>	<b>Oct-14</b>
<b>Fixed Income(Net)</b>			<b>0.545</b>	<b>1.193</b>	<b>3.727</b>	<b>2.139</b>	<b>1.678</b>	<b>--</b>	<b>1.648</b>	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>			<i>0.510</i>	<i>1.095</i>	<i>3.558</i>	<i>1.850</i>	<i>1.394</i>	<i>1.224</i>	<i>1.360</i>	<i>Oct-14</i>
<b>Cash(Gross)</b>	<b>912,872,228</b>	<b>61.683</b>	<b>0.512</b>	<b>1.113</b>	<b>2.612</b>	<b>1.889</b>	<b>1.328</b>	<b>0.729</b>	<b>1.981</b>	<b>Jul-99</b>
<b>Cash(Net)</b>			<b>0.492</b>	<b>1.072</b>	<b>2.528</b>	<b>1.811</b>	<b>1.247</b>	<b>0.623</b>	<b>--</b>	
<i>FTSE T-Bill 3 Months TR</i>			<i>0.461</i>	<i>1.029</i>	<i>2.255</i>	<i>1.651</i>	<i>1.047</i>	<i>0.559</i>	<i>1.769</i>	<i>Jul-99</i>

Trailing Period Performance											
	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund(Gross)</b>	<b>1,479,953,060</b>	<b>100.000</b>	<b>--</b>	<b>0.532</b>	<b>1.161</b>	<b>3.100</b>	<b>2.043</b>	<b>1.490</b>	<b>--</b>	<b>1.433</b>	<b>Oct-14</b>
<b>Fixed Income(Gross)</b>	<b>567,080,832</b>	<b>38.317</b>	<b>38.317</b>	<b>0.567</b>	<b>1.237</b>	<b>3.809</b>	<b>2.225</b>	<b>1.745</b>	<b>--</b>	<b>1.707</b>	<b>Oct-14</b>
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>				0.510	1.095	3.558	1.850	1.394	1.224	1.360	Oct-14
Tier One: Payden Low Duration(Gross)	155,430,553	10.502	27.409	0.560	1.261	3.981	2.305	1.778	1.496	2.999	Jul-99
Tier One: Payden Low Duration(Net)				0.540	1.220	3.911	2.228	1.699	1.390	--	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>				0.510	1.095	3.558	1.850	1.394	1.224	2.862	Jul-99
<i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>				0.606	1.319	4.078	2.184	1.699	1.582	3.193	Jul-99
<i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				0.556	1.216	3.835	2.052	1.574	1.449	3.079	Jul-99
Tier One: MetLife STAMP 1-3 Year(Gross)	154,299,315	10.426	27.209	0.600	1.211	3.397	2.127	--	--	1.771	May-16
Tier One: MetLife STAMP 1-3 Year(Net)				0.581	1.172	3.331	2.051	--	--	1.693	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>				0.510	1.095	3.558	1.850	1.394	1.224	1.497	May-16
<i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>				0.606	1.319	4.078	2.184	1.699	1.582	1.829	May-16
<i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				0.556	1.216	3.835	2.052	1.574	1.449	1.689	May-16
Tier One: Wells Capital Reserve Account(Gross)	154,707,630	10.454	27.281	0.572	1.265	3.942	2.195	--	--	1.907	Jun-16
Tier One: Wells Capital Reserve Account(Net)				0.552	1.225	3.860	2.119	--	--	1.832	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>				0.510	1.095	3.558	1.850	1.394	1.224	1.562	Jun-16
<i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>				0.606	1.319	4.078	2.184	1.699	1.582	1.891	Jun-16
<i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				0.556	1.216	3.835	2.052	1.574	1.449	1.751	Jun-16
Tier Two: MetLife STAMP 1-5 Year(Gross)	102,643,334	6.936	18.100	0.521	1.198	3.972	2.296	1.971	--	1.686	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)				0.489	1.137	3.845	2.168	1.845	--	1.559	
<i>ICE BofAML 1-5 Yrs US Treasuries TR</i>				0.351	1.109	4.205	2.118	1.682	1.726	1.377	Apr-13
<i>ICE BofAML 1-5 Yrs US Corp &amp; Govt TR</i>				0.534	1.451	5.091	2.578	2.078	2.190	1.763	Apr-13
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>				0.436	1.273	4.615	2.365	1.892	1.985	1.590	Apr-13

### Total Fund | As of December 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Cash(Gross)</b>	<b>912,872,228</b>	<b>61.683</b>	<b>61.683</b>	<b>0.512</b>	<b>1.113</b>	<b>2.612</b>	<b>1.889</b>	<b>1.328</b>	<b>0.729</b>	<b>1.981</b>	<b>Jul-99</b>
<i>FTSE T-Bill 3 Months TR</i>				0.461	1.029	2.255	1.651	1.047	0.559	1.769	Jul-99
Operating: Payden Enhanced Cash(Gross)	304,912,107	20.603	33.401	0.500	1.072	2.586	1.920	1.361	0.746	1.989	Jul-99
Operating: Payden Enhanced Cash(Net)				0.479	1.030	2.500	1.838	1.279	0.639	--	
<i>FTSE T-Bill 3 Months TR</i>				0.461	1.029	2.255	1.651	1.047	0.559	1.769	Jul-99
Operating: MetLife Enhanced Cash(Gross)	305,497,059	20.642	33.465	0.503	1.131	2.625	1.914	--	--	1.700	May-16
Operating: MetLife Enhanced Cash(Net)				0.482	1.089	2.539	1.829	--	--	1.615	
<i>FTSE T-Bill 3 Months TR</i>				0.461	1.029	2.255	1.651	1.047	0.559	1.402	May-16
Operating: Wells Capital Enhanced Cash(Gross)	302,463,062	20.437	33.133	0.534	1.136	2.642	1.854	--	--	1.657	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.514	1.097	2.563	1.779	--	--	1.583	
<i>FTSE T-Bill 3 Months TR</i>				0.461	1.029	2.255	1.651	1.047	0.559	1.429	Jun-16



#### Asset Class Performance Summary

	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)
<b>Total Fund(Gross)</b>	<b>3.191</b>	<b>1.221</b>	<b>0.754</b>	<b>0.842</b>	--	--	--	--
<b>Total Fund(Net)</b>	<b>3.107</b>	<b>1.147</b>	<b>0.666</b>	<b>0.778</b>	--	--	--	--
<b>Fixed Income(Gross)</b>	<b>4.064</b>	<b>0.582</b>	<b>0.427</b>	<b>1.775</b>	--	--	--	--
<b>Fixed Income(Net)</b>	<b>3.982</b>	<b>0.495</b>	<b>0.336</b>	<b>1.699</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>
<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>
<b>Cash(Net)</b>	<b>2.489</b>	<b>1.427</b>	<b>0.758</b>	<b>0.446</b>	<b>0.058</b>	<b>0.018</b>	<b>-0.023</b>	<b>0.044</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>

## Trailing Period Performance

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

### Total Fund | As of December 31, 2019

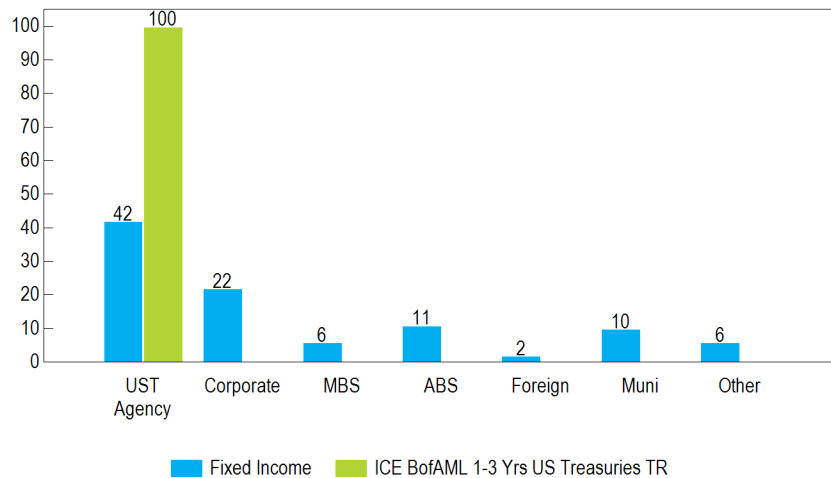
	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)
<b>Cash(Gross)</b>	<b>2.573</b>	<b>1.492</b>	<b>0.858</b>	<b>0.509</b>	<b>0.166</b>	<b>0.131</b>	<b>0.112</b>	<b>0.185</b>
<i>FTSE T-Bill 3 Months TR</i>	<i>2.294</i>	<i>1.325</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 December 31, 2019

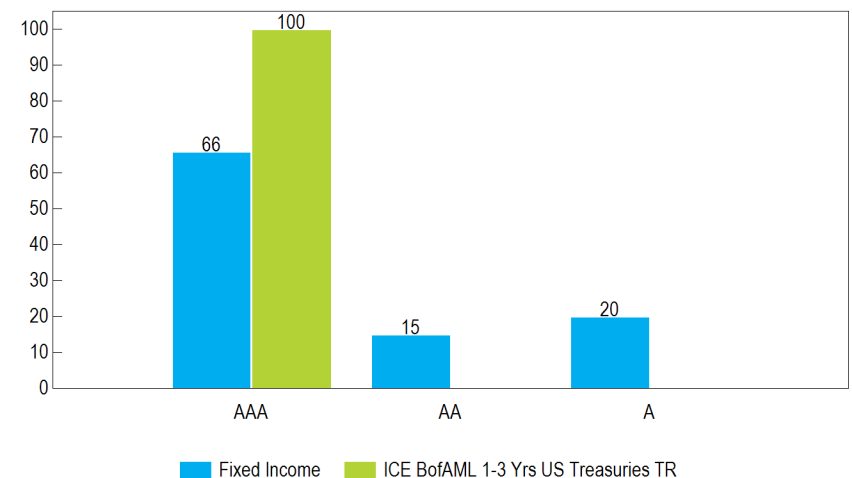
Asset Allocation on December 31, 2019		
	Actual	Actual
Tier One: Payden Low Duration	\$155,430,553	27.4%
Tier One: MetLife STAMP 1-3 Year	\$154,299,315	27.2%
Tier One: Wells Capital Reserve Account	\$154,707,630	27.3%
Tier Two: MetLife STAMP 1-5 Year	\$102,643,334	18.1%
<b>Total</b>	<b>\$567,080,832</b>	<b>100.0%</b>

Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR			
	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
Fixed Income Characteristics			
Yield to Maturity	1.8	1.6	1.9
Average Duration	1.9	1.9	2.0
Average Quality	AA	AAA	AA

### Sector Allocation



### Credit Quality Allocation



## Tier One: Payden Low Duration | As of December 31, 2019

### Account Information

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

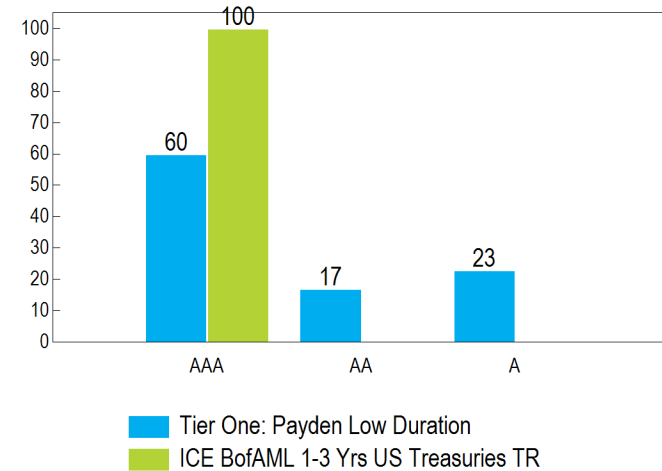
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.560	1.261	3.981	2.305	1.778	1.496	2.999	Jul-99
Tier One: Payden Low Duration(Net)	0.540	1.220	3.911	2.228	1.699	1.390	--	
ICE BofAML 1-3 Yrs US Treasuries TR	0.510	1.095	3.558	1.850	1.394	1.224	2.862	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.606	1.319	4.078	2.184	1.699	1.582	3.193	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.556	1.216	3.835	2.052	1.574	1.449	3.079	Jul-99

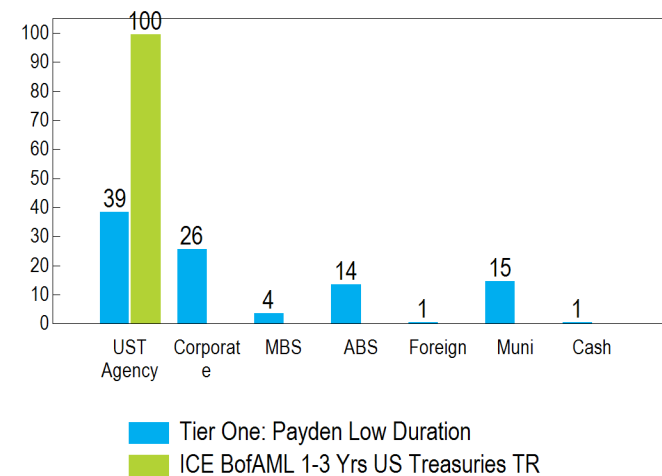
### Tier One: Payden Low Duration Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.79	1.60	1.89
Average Duration	1.81	1.86	1.89
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Tier One: Wells Capital Reserve Account | As of December 31, 2019

### Account Information

Account Name	<b>Tier One: Wells Capital Reserve Account</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>6/01/16</b>
Account Type	<b>US Fixed Income Short Term</b>
Benchmark	<b>ICE BofAML 1-3 Yrs US Treasuries TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

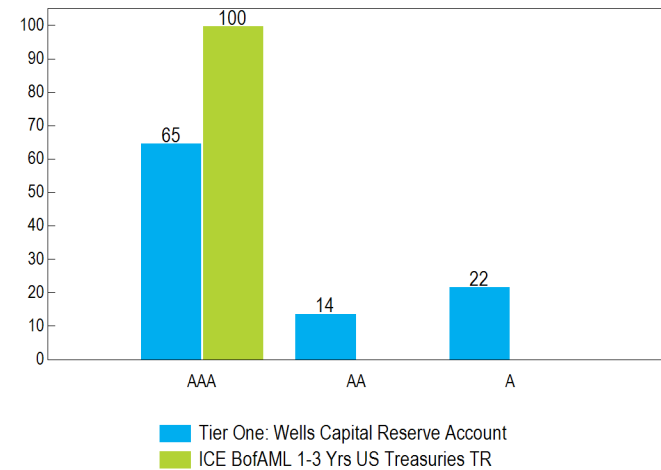
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	0.572	1.265	3.942	2.195	--	--	1.907	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.552	1.225	3.860	2.119	--	--	1.832	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>	<i>0.510</i>	<i>1.095</i>	<i>3.558</i>	<i>1.850</i>	<i>1.394</i>	<i>1.224</i>	<i>1.562</i>	<i>Jun-16</i>
<i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.606</i>	<i>1.319</i>	<i>4.078</i>	<i>2.184</i>	<i>1.699</i>	<i>1.582</i>	<i>1.891</i>	<i>Jun-16</i>
<i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.556</i>	<i>1.216</i>	<i>3.835</i>	<i>2.052</i>	<i>1.574</i>	<i>1.449</i>	<i>1.751</i>	<i>Jun-16</i>

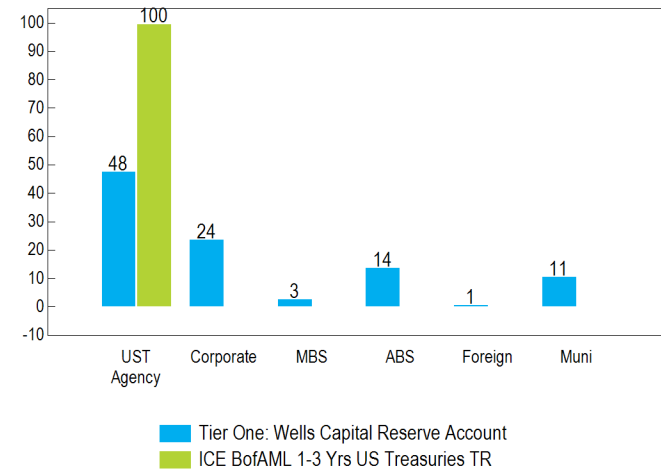
### Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.75	1.60	1.87
Average Duration	1.85	1.86	1.88
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Tier One: MetLife STAMP 1-3 Year | As of December 31, 2019

### Account Information

Account Name	<b>Tier One: MetLife STAMP 1-3 Year</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/02/16</b>
Account Type	<b>US Fixed Income Short Term</b>
Benchmark	<b>ICE BofAML 1-3 Yrs US Treasuries TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

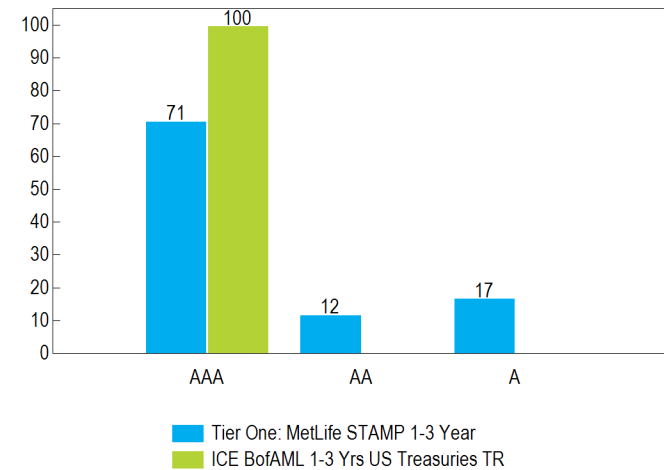
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	0.600	1.211	3.397	2.127	--	--	1.771	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	0.581	1.172	3.331	2.051	--	--	1.693	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>	<i>0.510</i>	<i>1.095</i>	<i>3.558</i>	<i>1.850</i>	<i>1.394</i>	<i>1.224</i>	<i>1.497</i>	<i>May-16</i>
<i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.606</i>	<i>1.319</i>	<i>4.078</i>	<i>2.184</i>	<i>1.699</i>	<i>1.582</i>	<i>1.829</i>	<i>May-16</i>
<i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.556</i>	<i>1.216</i>	<i>3.835</i>	<i>2.052</i>	<i>1.574</i>	<i>1.449</i>	<i>1.689</i>	<i>May-16</i>

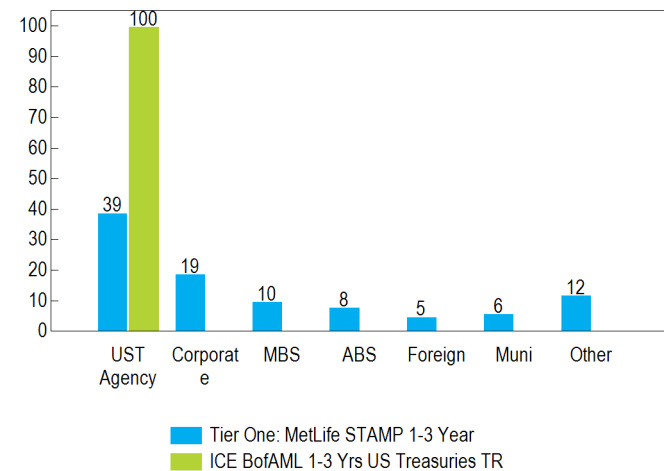
### Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.80	1.60	1.92
Average Duration	1.75	1.86	1.71
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Tier Two: MetLife STAMP 1-5 Year | As of December 31, 2019

### Account Information

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

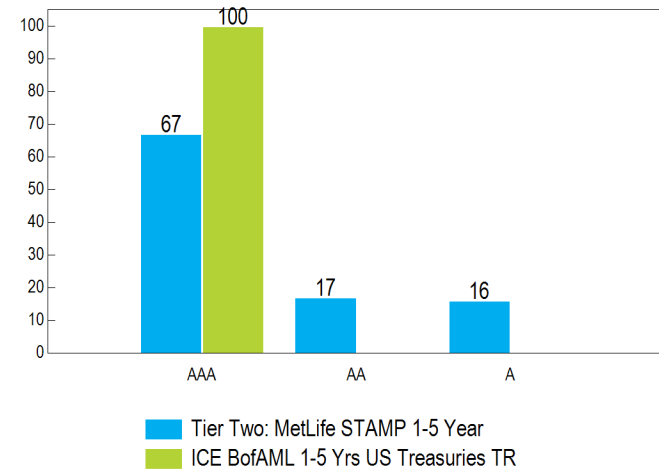
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	0.521	1.198	3.972	2.296	1.971	--	1.686	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	0.489	1.137	3.845	2.168	1.845	--	1.559	
ICE BofAML 1-5 Yrs US Treasuries TR	0.351	1.109	4.205	2.118	1.682	1.726	1.377	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR	0.534	1.451	5.091	2.578	2.078	2.190	1.763	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	0.436	1.273	4.615	2.365	1.892	1.985	1.590	Apr-13

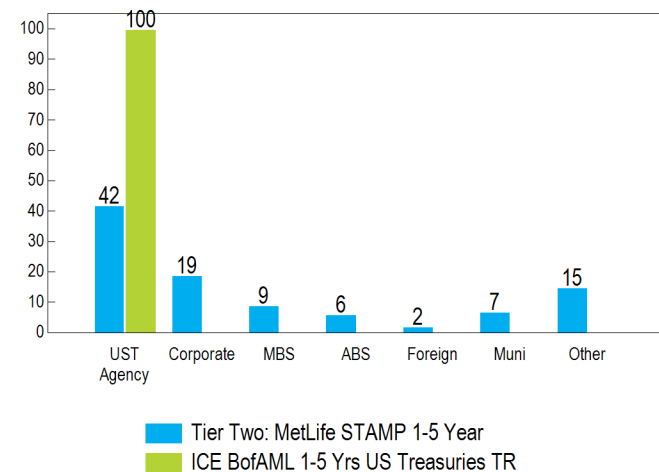
### Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofAML 1-5 Yrs US Treasuries TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.82	1.62	1.86
Average Duration	2.49	2.60	2.51
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation

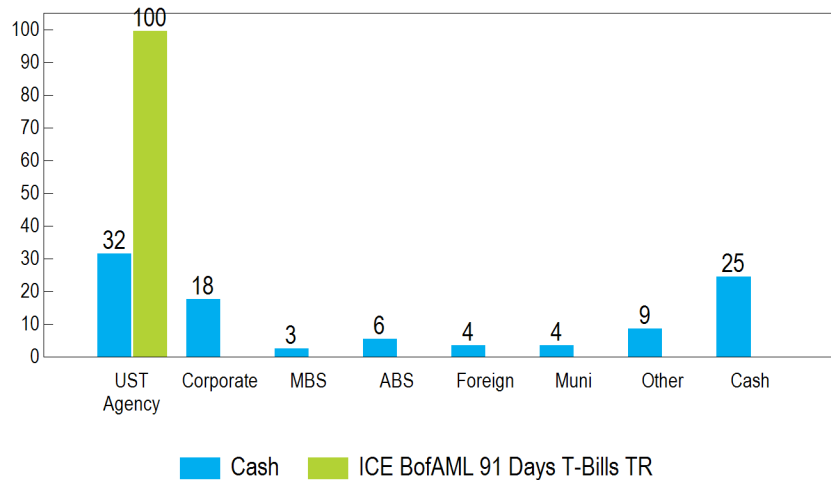




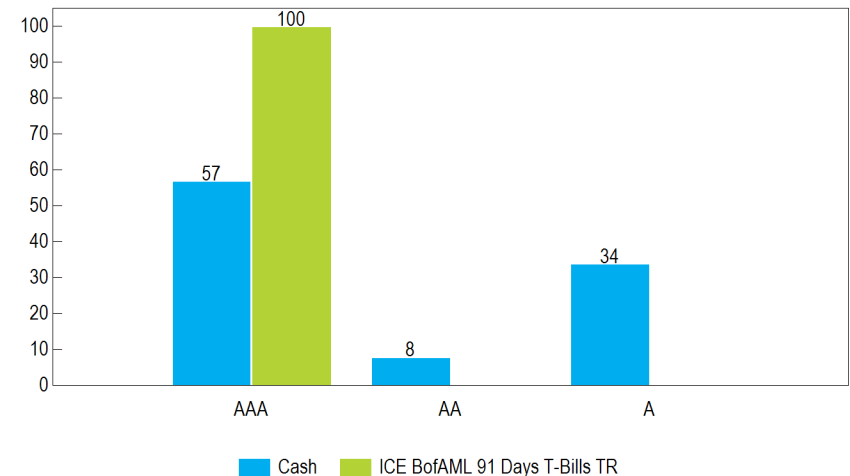
Asset Allocation on December 31, 2019		
	Actual	Actual
Operating: MetLife Enhanced Cash	\$305,497,059	33.5%
Operating: Payden Enhanced Cash	\$304,912,107	33.4%
Operating: Wells Capital Enhanced Cash	\$302,463,062	33.1%
<b>Total</b>	<b>\$912,872,228</b>	<b>100.0%</b>

Cash Characteristics vs. ICE BofAML 91 Days T-Bills TR			
	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
Fixed Income Characteristics			
Yield to Maturity	1.7	1.5	2.0
Average Duration	0.2	0.2	0.2
Average Quality	AA	AAA	AA

### Sector Allocation



### Credit Quality Allocation



## Operating: Payden Enhanced Cash | As of December 31, 2019

### Account Information

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

### Portfolio Performance Summary

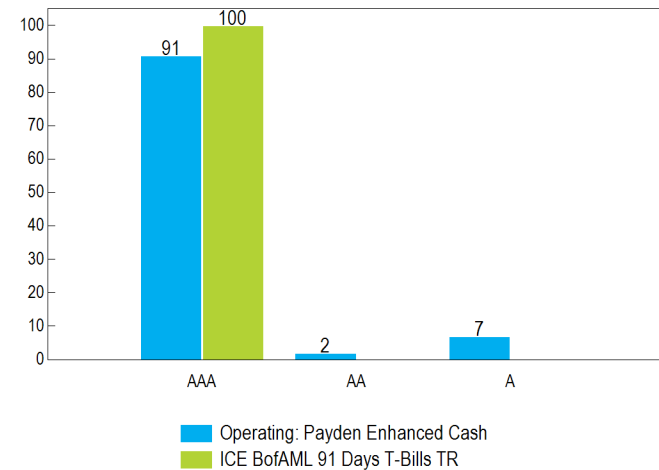
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Payden Enhanced Cash (Gross)	0.500	1.072	2.586	1.920	1.361	0.746	1.989	Jul-99
Operating: Payden Enhanced Cash (Net)	0.479	1.030	2.500	1.838	1.279	0.639	--	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.461</i>	<i>1.029</i>	<i>2.255</i>	<i>1.651</i>	<i>1.047</i>	<i>0.559</i>	<i>1.769</i>	<i>Jul-99</i>

### Operating: Payden Enhanced Cash Fixed Income Characteristics

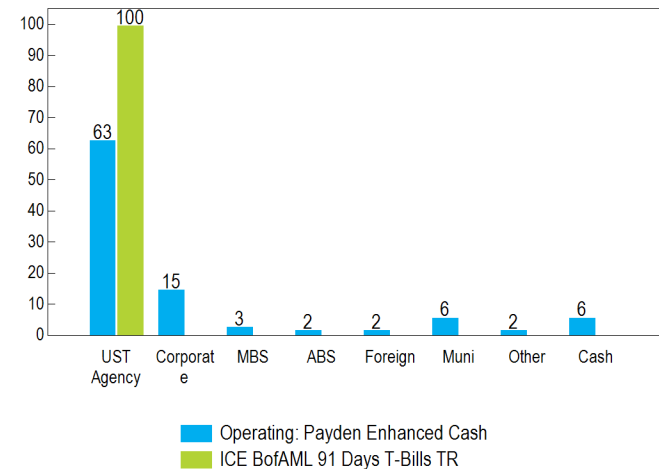
#### vs. ICE BofAML 91 Days T-Bills TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.69	1.54	1.94
Average Duration	0.22	0.23	0.13
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Operating: MetLife Enhanced Cash | As of December 31, 2019

### Account Information

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

### Portfolio Performance Summary

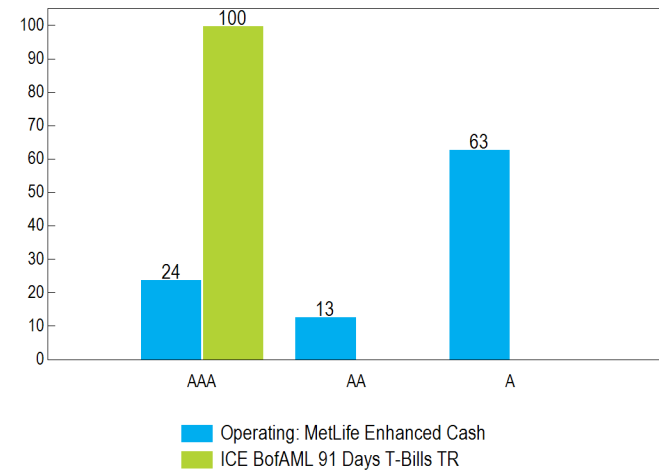
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: MetLife Enhanced Cash(Gross)	0.503	1.131	2.625	1.914	--	--	1.700	May-16
Operating: MetLife Enhanced Cash(Net)	0.482	1.089	2.539	1.829	--	--	1.615	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.461</i>	<i>1.029</i>	<i>2.255</i>	<i>1.651</i>	<i>1.047</i>	<i>0.559</i>	<i>1.402</i>	<i>May-16</i>

### Operating: MetLife Enhanced Cash Fixed Income Characteristics

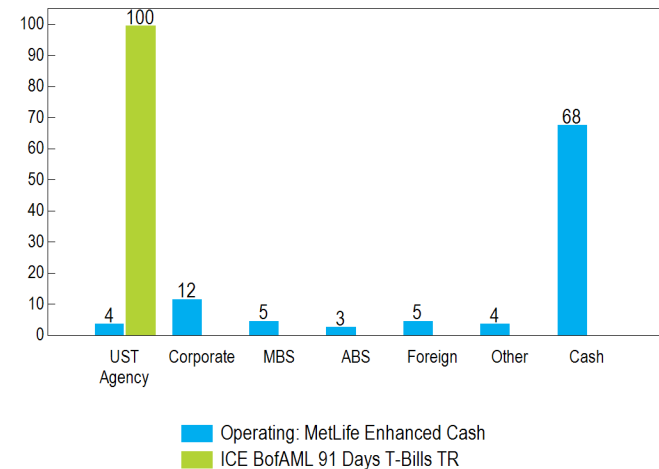
vs. ICE BofAML 91 Days T-Bills TR

Fixed Income Characteristics	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
Yield to Maturity	1.79	1.54	2.04
Average Duration	0.07	0.23	0.17
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Operating: Wells Capital Enhanced Cash | As of December 31, 2019

### Account Information

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

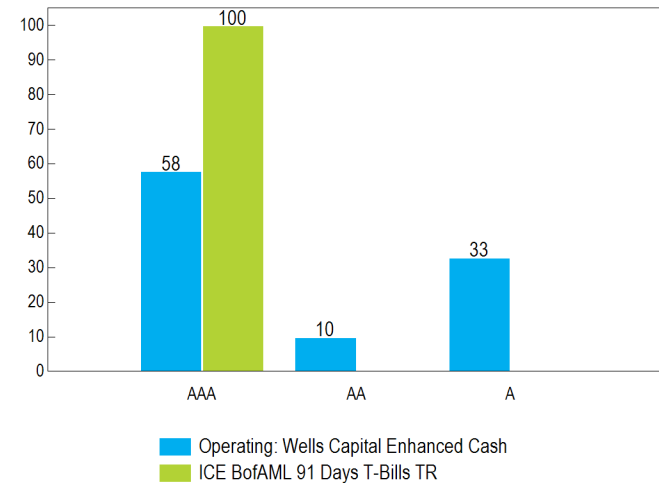
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Wells Capital Enhanced Cash(Gross)	0.534	1.136	2.642	1.854	--	--	1.657	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.514	1.097	2.563	1.779	--	--	1.583	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.461</i>	<i>1.029</i>	<i>2.255</i>	<i>1.651</i>	<i>1.047</i>	<i>0.559</i>	<i>1.429</i>	<i>Jun-16</i>

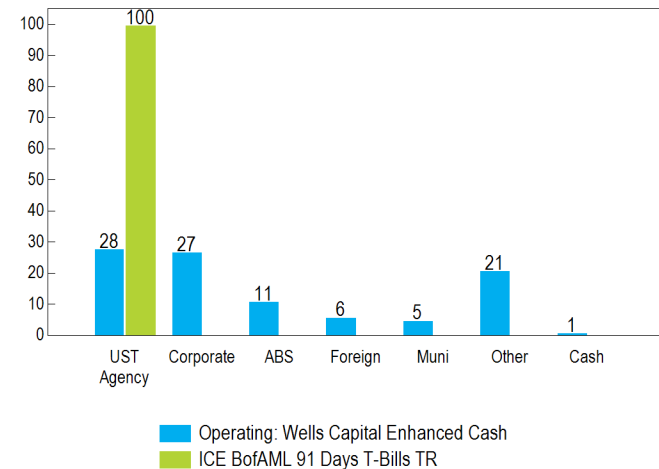
### Operating: Wells Capital Enhanced Cash Fixed Income Characteristics vs. ICE BofAML 91 Days T-Bills TR

Fixed Income Characteristics	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
Yield to Maturity	1.74	1.54	2.01
Average Duration	0.33	0.23	0.35
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



Annual Investment Expense Analysis		
As Of December 31, 2019		
Name	Fee Schedule	Market Value
<b>Fixed Income</b>		<b>\$567,080,832</b>
Tier One: Payden Low Duration	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$155,430,553
Tier One: MetLife STAMP 1-3 Year	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$154,299,315
Tier One: Wells Capital Reserve Account	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$154,707,630
Tier Two: MetLife STAMP 1-5 Year	0.15% of First 50.0 Mil, 0.10% of Next 250.0 Mil, 0.07% Thereafter	\$102,643,334
<b>Cash</b>		<b>\$912,872,228</b>
Operating: Payden Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$304,912,107
Operating: MetLife Enhanced Cash	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$305,497,059
Operating: Wells Capital Enhanced Cash	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$302,463,062
<b>Total</b>		<b>\$1,479,953,060</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.

# Quarterly Investment Report Supplement

## Annual Investment Policy (2019) 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	0.58 years	0.96 years	1.16 years	4.29 years	2.87 years	3.09 years	4.88 years	Yes	
US Agencies	2 years	5 years	5 years	1.54 years	0.02 years	0.86 years	2.04 years	4.62 years	2.69 years	4.51 years	Yes	
State & Local Obligations <sup>1</sup>	2 years	5 years	5 years	0.59 years	1.58 years	1.84 years	4.50 years	3.58 years	2.59 years	4.59 years	Yes	
Supranationals	2 years	5 years	5 years	N/A	0.25 years	0.86 years	2.71 years	1.56 years	1.56 years	2.71 years	Yes	
Negotiable Cert of Deposit	1 year	1 year	1 year	0.05 years	N/A <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	Yes	
Commercial Paper	270 days	270 days	270 days	22 days	14 days	132 days	N/A	N/A	N/A	N/A	Yes	
Repurchase Agreements	30 days	30 days	30 days	2 days	N/A	N/A	N/A	N/A	N/A	N/A	Yes	
Medium Term Notes	2 years	5 years	5 years	0.71 years	1.47 years	1.58 years	3.21 years	3.12 years	3.03 years	4.71 years	Yes	
Mortgage/ Asset-Backed	2 years	5 years	5 years	1.56 years	0.36 years <sup>3</sup>	1.96 years	4.29 years	2.91 years	4.71 years	3.88 years	Yes	
Variable & Floating Rate	2 years	5 years	5 years	0.14 years	0.82 years	0.32 years	2.09 year	2.25 years	N/A	1.82 years	Yes	
<b>Manager Confirmed Adherence to 5% Issuer Limit<sup>4</sup></b>				<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	

- 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 4.2% of the combined portfolio.

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

<sup>4</sup> 5% Issuer Limit is a proposed AIP provision pending approval by the IAC.

Annual Investment Policy (2019)  
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	18.1	101.5	50.7	233.4	15.9	72.9	27.6	407.9
US Agencies	100	-0.1	-0.7	1.9	8.7	18.9	86.5	6.4	94.5
State & Local Obligations <sup>2</sup>	30	8.0	44.8	10.3	47.4	7.0	32.2	8.4	124.4
Supranationals	30	4.3	24.1	1.6	7.3	4.5	20.4	3.5	51.8
Negotiable Certificate of Deposit	30	10.5	59.2	0.0	0.0	0.0	0.0	4.0	59.2
Commercial Paper	25	11.4	64.2	0.4	2.0	13.9	63.5	8.8	129.7
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	10.5	59.3	7.9	36.4	18.9	86.5	12.3	182.2
Money Market Funds	20	15.1	85.1	1.1	4.8	0.5	2.5	6.2	92.4
Mortgage/Asset-Backed	20	9.8	54.9	6.4	29.4	9.6	44.1	8.7	128.4
Variable & Floating Rate	30	12.5	70.1	19.7	90.8	10.7	48.7	14.2	209.6
<b>Total</b>		<b>100.0</b>	<b>562.4</b>	<b>100.0</b>	<b>460.3</b>	<b>100.0</b>	<b>457.2</b>	<b>100.0</b>	<b>1480.0</b>

- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2019.

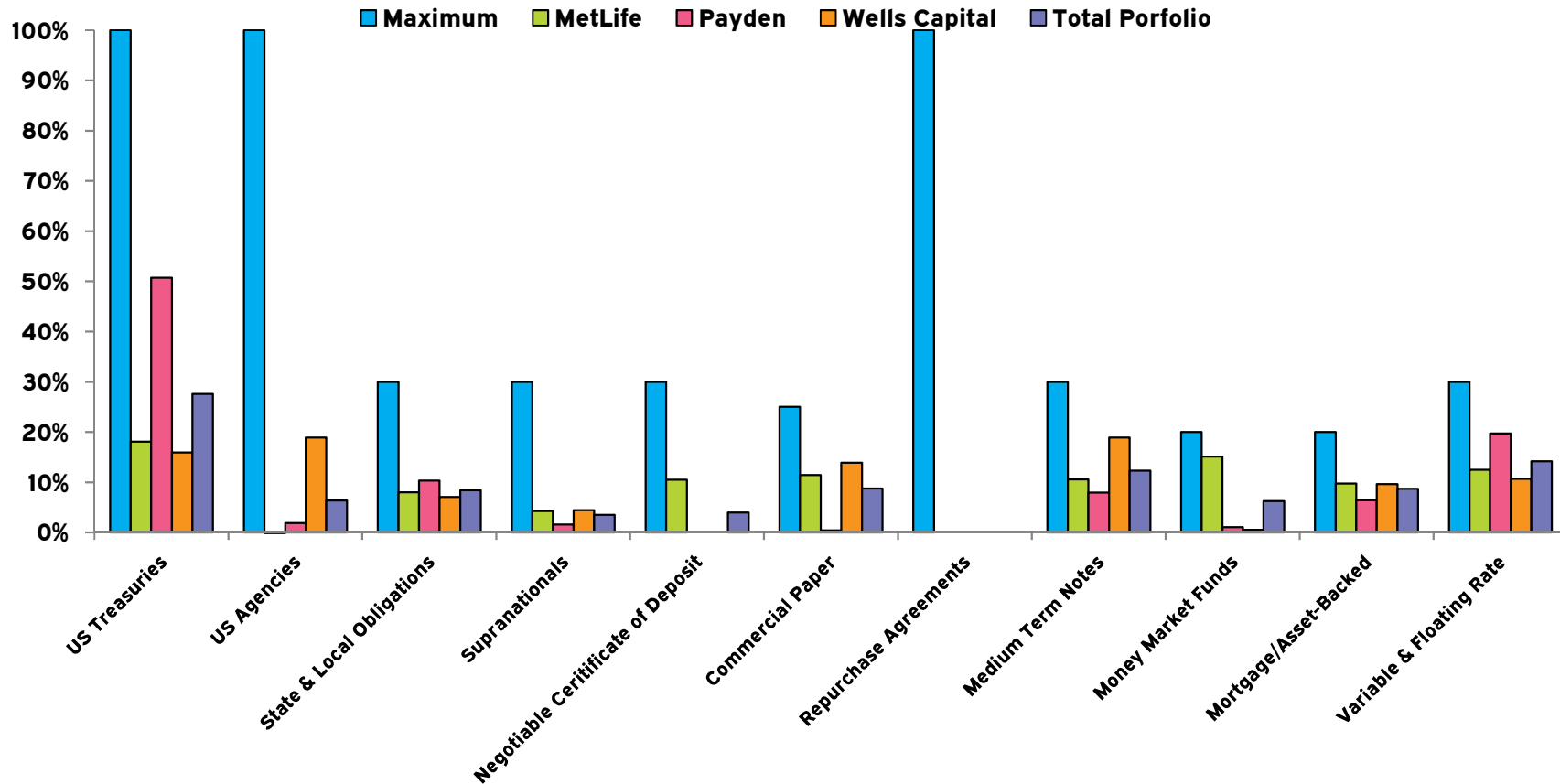
<sup>1</sup> Blended allocations for Payden & Rygel, MetLife, and Wells Capital accounts.

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



Annual Investment Policy (2019)  
Actual vs. Diversity Requirements

As of December 31, 2019



## 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:
  - 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 thirteen strategies with a median effective duration of 1.66 years, while the Tier Two peer group consists of eight strategies with a median effective duration of 2.35 years as of September 30, 2019.
- Please note that the analysis is as of September 30, 2019, as the universe of investment managers that had reported data as of December 31, 2019 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.

---

<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 9/30/2019 <sup>1</sup>	3Q 2019 (%)	1 Year (%)	Since Inception <sup>2</sup> (%)
Tier One: MetLife STAMP 1-3 Year	0.61	3.77	1.78
Peer Group Median Return	0.75	4.43	1.97
Peer Group Rank (percentile)	79	86	74

Standard Deviation as of 9/30/2019 <sup>3</sup>	3 Years (%)
Tier One: MetLife STAMP 1-3 Year	0.72
Median Standard Deviation	0.90
Peer Group Rank (percentile)	28

- The MetLife Tier One portfolio underperformed the peer group in the overall periods measured, and ranked in the bottom quartile of the custom peer group in the third quarter and over the trailing one-year time period.
- 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 June 2016.

<sup>3</sup> For peer group standard deviation rankings, a percentile rank of 99 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 1 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 9/30/2019 <sup>1</sup>	3Q 2019 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.70	4.48	2.05	1.70	1.47
Peer Group Median Return	0.75	4.43	1.97	1.80	1.74
Peer Group Rank (percentile)	63	49	44	67	75

Standard Deviation as of 9/30/2019 <sup>2</sup>	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.85	0.77	0.75
Median Standard Deviation	0.90	0.86	0.86
Peer Group Rank (percentile)	44	15	8

- The Payden Tier One portfolio’s trailing returns rank in the third quartile of the peer group in the third quarter of 2019, but in the second quartile over the one- and three-year trailing periods. 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 99 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 1 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 9/30/2019 <sup>1</sup>	3Q 2019 (%)	1 Year (%)	Since Inception <sup>2</sup> (%)
Tier One: Wells Capital Reserve Account	0.69	4.46	1.90
Peer Group Median Return	0.75	4.43	1.97
Peer Group Rank (percentile)	67	49	63

Standard Deviation as of 9/30/2019 <sup>3</sup>	3 Years (%)
Tier One: Wells Capital Reserve Account	0.90
Median Standard Deviation	0.90
Peer Group Rank (percentile)	51

- The Wells Capital Tier One portfolio underperformed the custom short duration peer group over the third quarter and since inception period, but marginally outperformed over the trailing one-year period.
- Standard deviation falls in line with the peer median, ranking in the 51<sup>st</sup> 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 June 2016.

<sup>3</sup> For peer group standard deviation rankings, a percentile rank of 99 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 1 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 9/30/2019 <sup>1</sup>	3Q 2019 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	0.67	4.73	1.78	1.98
Peer Group Median Return	0.77	5.22	1.95	1.79
Peer Group Rank (percentile)	85	85	86	34

Standard Deviation as of 9/30/2019 <sup>2</sup>	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	1.22	1.23
Median Standard Deviation	1.33	1.28
Peer Group Rank (percentile)	29	41

- MetLife’s Tier Two portfolio underperformed the peer group in the third quarter of 2019 and over the trailing one- and three-year periods, but outperformed the trailing five-year time period.
- Standard deviation for the strategy ranks in the second quartile of the respective peer group over the trailing three- and five-year 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.

# 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 December 31, 2019. Attribution data fields will vary slightly across investment managers.

MetLife Tier One Performance Attribution<sup>1</sup>  
Gross of Fees as of 12/31/2019

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	4Q 2019	1 Year	4Q 2019	1 Year
Duration	-3	-52	4	-54
Yield Curve	-4	-6	-4	-6
Sector Selection	16	44	4	18
Treasury	0	0	0	0
Agency	3	1	0	-3
Corporate	8	35	0	13
Financial	6	26	1	12
Industrial	1	7	-1	0
Utilities	1	2	0	1
MBS	0	1	0	1
CMBS	2	1	2	1
ABS	1	3	1	3
Municipal	2	3	1	3
Total Excess Return <sup>2</sup>	9	-14	4	-42
MetLife Tier One Return	60	340	60	340
Benchmark Return	51	355	56	383

<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 12/31/2019

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	4Q 2019	1 Year	4Q 2019	1 Year
Duration	0	-3	0	-4
Yield Curve	-5	-3	-2	-3
Sector Selection	10	50	2	25
Treasury	NA	NA	NA	NA
Agency	0	3	0	1
Corporate	7	31	1	11
Financial	5	24	1	6
Industrial	1	6	0	4
Utilities	1	1	0	1
MBS	0	0	0	0
CMBS	0	0	0	0
ABS	0	7	-1	8
Municipal	3	9	2	5
Residual	0	0	0	0
<b>Total Excess Return<sup>2</sup></b>	<b>5</b>	<b>44</b>	<b>0</b>	<b>18</b>
<b>Payden &amp; Rygel Tier One Return</b>	<b>56</b>	<b>398</b>	<b>56</b>	<b>398</b>
<b>Benchmark Return</b>	<b>51</b>	<b>355</b>	<b>56</b>	<b>383</b>

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

<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 12/31/2019**

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	4Q 2019	1 Year	4Q 2019	1 Year
Duration	2	14	2	13
Sector Selection	4	25	0	-2
Treasury <sup>2</sup>	NA	NA	NA	NA
Agency	1	2	0	0
Corporate	3	26	2	11
Financial	2	16	2	5
Industrial	1	9	0	6
Utilities	0	1	0	0
MBS	0	0	0	-1
CMBS	0	0	0	0
ABS	0	-1	-1	-6
Municipal	0	-4	0	-5
Error Factor	0	2	-1	-1
Total Excess Return <sup>3</sup>	6	39	2	11
Wells Capital Tier One Return (%)	57	394	57	394
Benchmark Return (%)	51	355	55	383

<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:  
Gross of Fees as of 12/31/2019

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-5 Year US Treasury		ICE BofA Merrill Lynch 1-5 Year AAA-A US Corp & Govt	
	4Q 2019	1 Year	4Q 2019	1 Year
Duration	-5	-74	2	-75
Yield Curve	0	-5	-1	-5
Sector Selection	22	56	7	16
Treasury	0	0	0	0
Agency	3	2	0	-4
Corporate	12	45	0	11
Financial	9	34	1	12
Industrial	2	9	-2	-2
Utilities	1	2	1	1
MBS	0	1	0	1
CMBS	2	2	2	2
ABS	0	1	0	1
Municipal	5	5	5	5
Total Excess Return <sup>2</sup>	17	-23	8	-64
MetLife Tier Two Return	52	397	52	397
Benchmark Return	35	420	44	461

<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 December 31, 2019

### Account Information

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

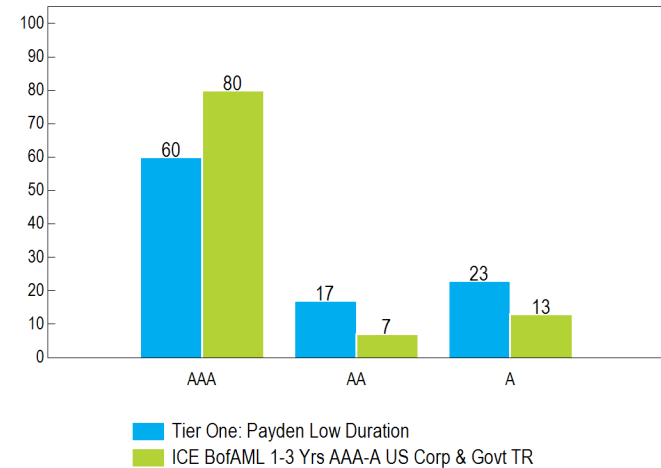
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.560	1.261	3.981	2.305	1.778	1.496	2.999	Jul-99
Tier One: Payden Low Duration(Net)	0.540	1.220	3.911	2.228	1.699	1.390	--	
ICE BofAML 1-3 Yrs US Treasuries TR	0.510	1.095	3.558	1.850	1.394	1.224	2.862	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.606	1.319	4.078	2.184	1.699	1.582	3.193	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.556	1.216	3.835	2.052	1.574	1.449	3.079	Jul-99

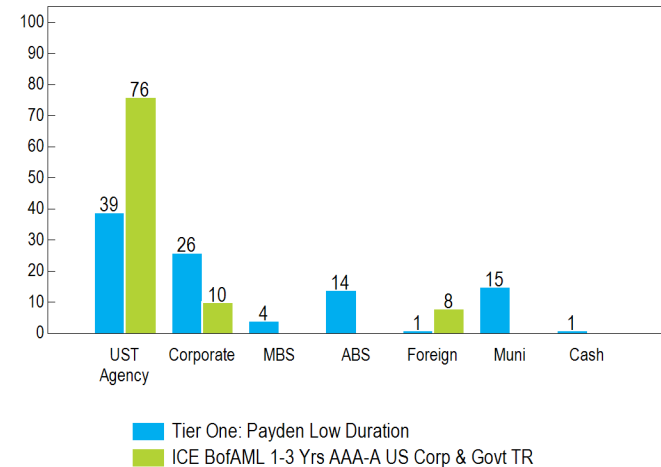
### Tier One: Payden Low Duration Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.79	1.69	1.89
Average Duration	1.81	1.86	1.89
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation





## Tier One: Wells Capital Reserve Account | As of December 31, 2019

### Account Information

Account Name	Tier One: Wells Capital Reserve Account
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	US Fixed Income Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

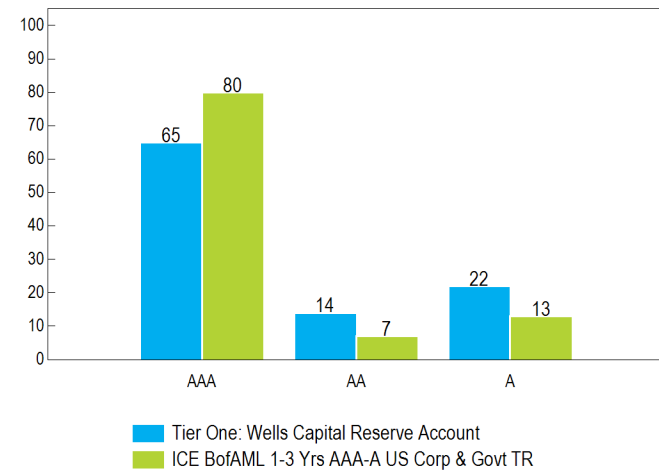
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	0.572	1.265	3.942	2.195	--	--	1.907	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.552	1.225	3.860	2.119	--	--	1.832	
ICE BofAML 1-3 Yrs US Treasuries TR	0.510	1.095	3.558	1.850	1.394	1.224	1.562	Jun-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.606	1.319	4.078	2.184	1.699	1.582	1.891	Jun-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.556	1.216	3.835	2.052	1.574	1.449	1.751	Jun-16

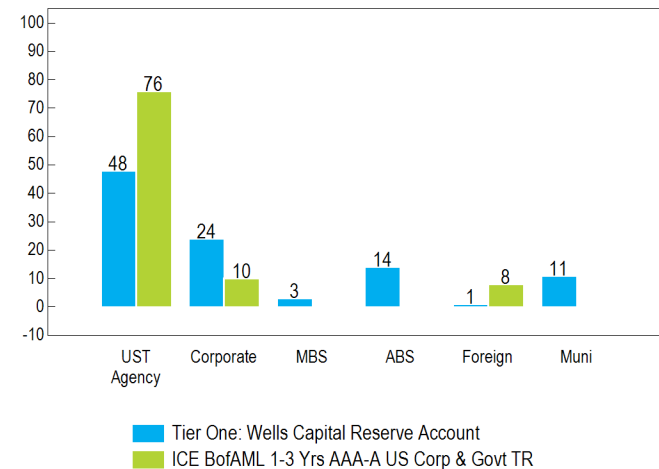
### Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
Fixed Income Characteristics			
Yield to Maturity	1.75	1.69	1.87
Average Duration	1.85	1.86	1.88
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Tier One: MetLife STAMP 1-3 Year | As of December 31, 2019

### Account Information

Account Name	<b>Tier One: MetLife STAMP 1-3 Year</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/02/16</b>
Account Type	<b>US Fixed Income Short Term</b>
Benchmark	<b>ICE BofAML 1-3 Yrs US Treasuries TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

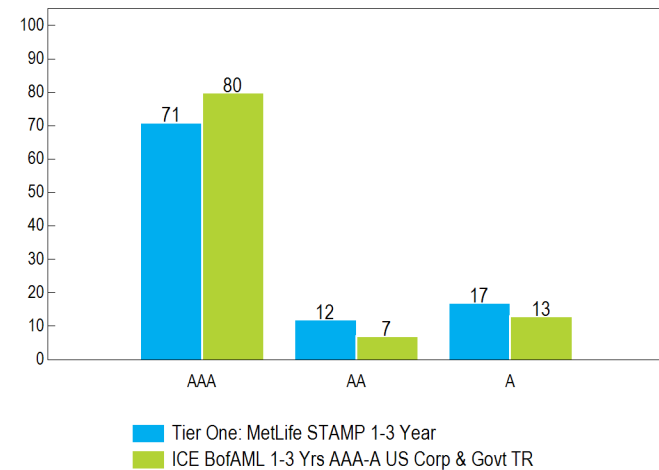
### Portfolio Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	0.600	1.211	3.397	2.127	--	--	1.771	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	0.581	1.172	3.331	2.051	--	--	1.693	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>	<i>0.510</i>	<i>1.095</i>	<i>3.558</i>	<i>1.850</i>	<i>1.394</i>	<i>1.224</i>	<i>1.497</i>	<i>May-16</i>
<i>ICE BofAML 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.606</i>	<i>1.319</i>	<i>4.078</i>	<i>2.184</i>	<i>1.699</i>	<i>1.582</i>	<i>1.829</i>	<i>May-16</i>
<i>ICE BofAML 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.556</i>	<i>1.216</i>	<i>3.835</i>	<i>2.052</i>	<i>1.574</i>	<i>1.449</i>	<i>1.689</i>	<i>May-16</i>

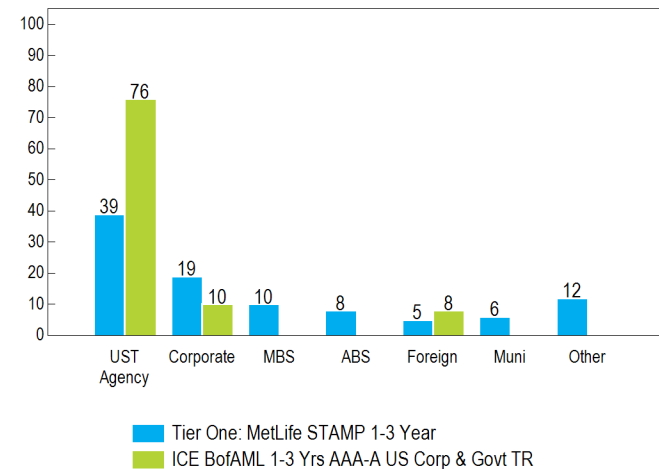
### Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofAML 1-3 Yrs US Treasuries TR

Fixed Income Characteristics	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
Yield to Maturity	1.80	1.60	1.92
Average Duration	1.75	1.86	1.71
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Tier Two: MetLife STAMP 1-5 Year | As of December 31, 2019

### Account Information

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

### Portfolio Performance Summary

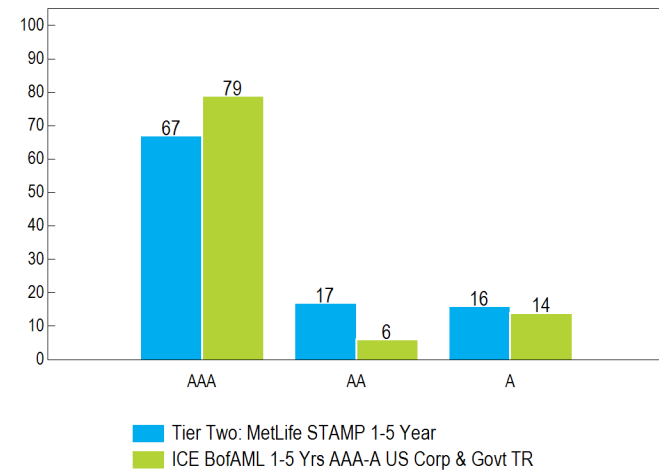
	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	0.521	1.198	3.972	2.296	1.971	--	1.686	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	0.489	1.137	3.845	2.168	1.845	--	1.559	
<i>ICE BofAML 1-5 Yrs US Treasuries TR</i>	<i>0.351</i>	<i>1.109</i>	<i>4.205</i>	<i>2.118</i>	<i>1.682</i>	<i>1.726</i>	<i>1.377</i>	<i>Apr-13</i>
<i>ICE BofAML 1-5 Yrs US Corp &amp; Govt TR</i>	<i>0.534</i>	<i>1.451</i>	<i>5.091</i>	<i>2.578</i>	<i>2.078</i>	<i>2.190</i>	<i>1.763</i>	<i>Apr-13</i>
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.436</i>	<i>1.273</i>	<i>4.615</i>	<i>2.365</i>	<i>1.892</i>	<i>1.985</i>	<i>1.590</i>	<i>Apr-13</i>

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

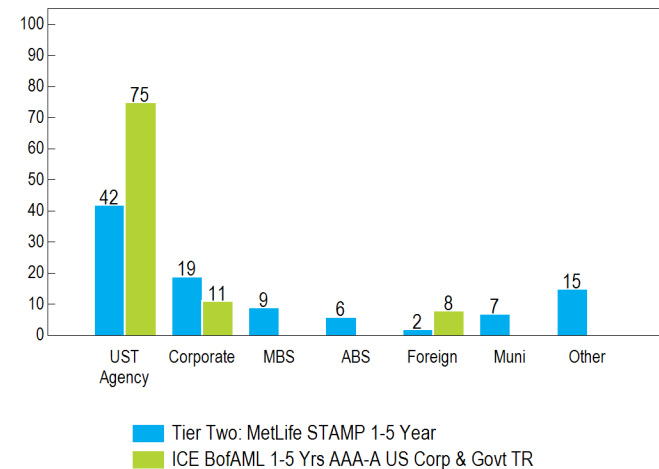
#### vs. ICE BofAML 1-5 Yrs US Treasuries TR

	Portfolio Q4-19	Index Q4-19	Portfolio Q3-19
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.82	1.62	1.86
Average Duration	2.49	2.60	2.51
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



## Holdings

**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	2,083,229.72	2,083,229.72	0.00	1.000	1.34%
<b>Total for Cash</b>			<b>2,083,229.72</b>	<b>2,083,229.72</b>	<b>0.00</b>		<b>1.34%</b>
<b>Money Markets</b>							
290,000.000	U.S. TREASURY BILL	912796TU3	285,915.71	285,950.56	34.85	98.620	0.18%
	Mat: 12/3/20	Cpn: 0.00%	0.00	59.71			
	Moody's: Aaa	S&P: AA+u					Fitch: AAA
	Tr Date: 12/26/19	St Date: 12/27/19					
<b>Total for Money Markets</b>			<b>285,915.71</b>	<b>285,950.56</b>	<b>34.85</b>		<b>0.18%</b>
			<b>0.00</b>	<b>59.71</b>			
<b>Treasuries</b>							
4,335,000.000	U.S. TREASURY NOTE	912828YC8	4,332,121.29	4,328,734.58	(3,386.71)	99.856	2.80%
	Mat: 8/31/21	Cpn: 1.50%	535.92	21,972.73			
	Moody's: Aaa	S&P: AA+u					Fitch: AAA
	Tr Date: 8/29/19	St Date: 9/3/19					
17,042,000.000	U.S. TREASURY NOTE	912828YT1	16,997,256.95	17,020,697.50	23,440.55	99.875	10.97%
	Mat: 11/30/21	Cpn: 1.50%	12,705.05	22,350.16			
	Moody's: Aaa	S&P: AA+u					Fitch: AAA
	Tr Date: 12/10/19	St Date: 12/11/19					
33,451,000.000	U.S. TREASURY NOTE	912828TY6	33,476,486.31	33,478,440.19	1,953.88	100.082	21.58%
	Mat: 11/15/22	Cpn: 1.63%	30,238.07	70,187.37			
	Moody's: Aaa	S&P: AA+u					Fitch: AAA
	Tr Date: 11/13/19	St Date: 11/14/19					
<b>Total for Treasuries</b>			<b>54,805,864.55</b>	<b>54,827,872.27</b>	<b>22,007.73</b>		<b>35.35%</b>
			<b>43,479.04</b>	<b>114,510.26</b>			
<b>Government Related</b>							
910,000.000	INTL FINANCE CORP	45950KCM0	907,324.60	915,533.60	8,209.00	100.608	0.59%
	Mat: 1/25/21	Cpn: 2.25%	0.00	8,872.50			
	Moody's: Aaa	S&P: AAA					Fitch:
	Tr Date: 1/18/18	St Date: 1/25/18					
1,350,000.000	INTL BANK RECON & DEVELOP	459058GH0	1,346,841.00	1,372,880.22	26,039.22	101.695	0.89%
	Mat: 7/23/21	Cpn: 2.75%	0.00	16,293.75			
	Moody's: Aaa	S&P: AAA					Fitch:
	Tr Date: 7/18/18	St Date: 7/25/18					
<b>Total for Government Related</b>			<b>2,254,165.60</b>	<b>2,288,413.82</b>	<b>34,248.22</b>		<b>1.49%</b>
			<b>0.00</b>	<b>25,166.25</b>			



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Agencies</b>								
280,000.000	HOUSING URBAN DEVELOPMENT	911759MU9	280,000.00	0.00	283,910.90	3,910.90	101.397	0.18%
	Mat: 8/1/21	Cpn: 2.57%			2,998.33			
	Moody's:	S&P:	Fitch:					
	Tr Date: 3/20/19	St Date: 3/28/19						
1,790,000.000	FHLB	3130AF5B9	1,788,836.50	0.00	1,834,008.92	45,172.42	102.459	1.19%
	Mat: 10/12/21	Cpn: 3.00%			11,784.17			
	Moody's: Aaa	S&P: AA+	Fitch: AAA					
	Tr Date: 10/11/18	St Date: 10/12/18						
1,340,000.000	FHLB	3130AHJY0	1,337,708.60	0.00	1,340,989.44	3,280.84	100.074	0.86%
	Mat: 11/19/21	Cpn: 1.63%			3,205.76			
	Moody's: Aaa	S&P: AA+	Fitch: AAA					
	Tr Date: 11/7/19	St Date: 11/8/19						
1,710,000.000	FNMA	3135G0W33	1,704,049.20	0.00	1,699,297.85	(4,751.35)	99.374	1.10%
	Mat: 9/6/22	Cpn: 1.38%			7,510.94			
	Moody's: Aaa	S&P: AA+	Fitch: AAA					
	Tr Date: 9/5/19	St Date: 9/6/19						
435,000.000	FHLB	3130AGWK7	433,977.75	0.00	431,352.02	(2,625.73)	99.161	0.28%
	Mat: 8/15/24	Cpn: 1.50%			2,446.88			
	Moody's: Aaa	S&P: AA+	Fitch: AAA					
	Tr Date: 8/15/19	St Date: 8/16/19						
<b>Total for Agencies</b>			<b>5,544,572.05</b>	<b>0.00</b>	<b>5,589,559.13</b>	<b>44,987.08</b>		<b>3.61%</b>
<b>Taxable Muni</b>								
665,000.000	CA INLAND VLY REDEV AGY TAB TXB	45750TAG8	672,753.90	5,158.90	666,644.55	(6,109.36)	100.247	0.43%
	Mat: 3/1/20	Cpn: 3.63%			8,039.85			
	Moody's:	S&P: AA	Fitch:					
	Tr Date: 5/17/18	St Date: 5/18/18						
285,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL	544445AZ2	281,545.80	2,633.31	285,133.95	3,588.15	100.047	0.18%
	Mat: 5/15/20	Cpn: 2.09%			761.84			
	Moody's: Aa2	S&P: AA	Fitch: AA					
	Tr Date: 4/20/18	St Date: 4/24/18						
690,000.000	CA ST HSG FIN AGY REV-TXBL	13034PZF7	690,000.00	0.00	690,032.43	32.43	100.005	0.45%
	Mat: 8/1/20	Cpn: 2.30%			6,612.50			
	Moody's: A1	S&P: AA	Fitch:					
	Tr Date: 6/21/17	St Date: 6/29/17						
850,000.000	CA SAN FRANCISCO REDEV AGY-TXBL	79770GGM2	848,886.50	0.00	850,379.95	1,493.45	100.045	0.55%
	Mat: 8/1/20	Cpn: 2.00%			7,083.33			
	Moody's:	S&P: AA-	Fitch:					
	Tr Date: 11/10/17	St Date: 11/30/17						



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
550,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/20 Cpn: 2.26% Moody's: S&P: AA Fitch: AA Tr Date: 12/8/17 St Date: 12/21/17	798170AC0	550,000.00 0.00	551,213.85 5,176.88	1,213.85	100.221	0.36%
220,000.000	CA BRENTWOOD INFRA FIN AUTH REV TXB Mat: 9/2/20 Cpn: 2.59% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVB1	220,000.00 0.00	220,612.70 1,884.23	612.70	100.279	0.14%
310,000.000	CA SAN MARCOS REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 12/1/17 St Date: 12/14/17	79876CBQ0	307,904.40 0.00	310,198.71 1,550.00	2,294.31	100.064	0.20%
500,000.000	CA SAN DIEGO PUBLIC FACS LEASE REV TXB Mat: 10/15/20 Cpn: 2.82% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LS1	500,000.00 0.00	503,364.00 2,974.56	3,364.00	100.673	0.33%
310,000.000	CA CENTURY HOUSING CORP TXB Mat: 11/1/20 Cpn: 3.82% Moody's: S&P: AA- Fitch: Tr Date: 2/1/19 St Date: 2/7/19	156549AA5	310,000.00 0.00	313,972.34 1,975.73	3,972.34	101.281	0.20%
350,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/20 Cpn: 3.15% Moody's: S&P: AA- Fitch: AA- Tr Date: 4/26/17 St Date: 5/1/17	544587C30	360,734.50 0.00	353,660.30 1,835.17	(7,074.20)	101.046	0.23%
735,000.000	CA INLAND VLY REDEV AGY TAB TXB Mat: 3/1/21 Cpn: 3.98% Moody's: S&P: AA Fitch: Tr Date: 6/12/18 St Date: 6/14/18	45750TAJ2	750,993.60 8,363.30	750,819.41 9,743.65	(174.20)	102.152	0.49%
410,000.000	CA ST EDU FACS AUTH REV-CHAPMAN UNV TXB Mat: 4/1/21 Cpn: 2.26% Moody's: A2 S&P: Fitch: Tr Date: 11/9/17 St Date: 11/16/17	130179KQ6	410,000.00 0.00	410,512.50 2,313.43	512.50	100.125	0.27%
1,400,000.000	CA STATE GO/ULT TXBL Mat: 4/1/21 Cpn: 2.80% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 4/18/18 St Date: 4/25/18	13063DGA0	1,400,056.00 0.00	1,418,130.00 9,800.00	18,074.00	101.295	0.92%
292,851.981	CA DEPT WTR RESOURCES-PWR SUPPLY TXB Mat: 5/1/21 Cpn: 1.71% Moody's: Aa1 S&P: AA Fitch: AA+ Tr Date: 9/22/17 St Date: 9/26/17	13066YTY5	289,902.96 2,020.56	292,381.66 836.09	2,478.70	99.839	0.19%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,100,000.000	CA SAN FRANCISCO AIRPORT COMMN TXB Mat: 5/1/21 Cpn: 2.93% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/11/19 St Date: 2/7/19	79766DLQ0	1,100,000.00 0.00	1,115,066.70 5,366.17	15,066.70	101.370	0.72%
545,000.000	CA SACRAMENTO TRANSIENT OCC TAX REV TXB Mat: 6/1/21 Cpn: 3.46% Moody's: A1 S&P: Fitch: Tr Date: 10/18/18 St Date: 11/1/18	786073AA4	545,000.00 0.00	554,136.38 1,569.15	9,136.38	101.676	0.36%
450,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/21 Cpn: 2.48% Moody's: S&P: AA Fitch: AA Tr Date: 5/16/18 St Date: 5/18/18	798170AD8	440,883.00 3,317.00	454,309.65 4,650.00	13,426.65	100.958	0.30%
450,000.000	CA HESPERIA REDEV AGY SUCCESSOR TXB Mat: 9/1/21 Cpn: 3.00% Moody's: S&P: AA Fitch: Tr Date: 9/12/18 St Date: 10/2/18	42806KAQ6	446,715.00 0.00	456,747.30 4,500.00	10,032.30	101.499	0.30%
1,025,000.000	CA LA QUINTA REDEV AGY TAB TXB Mat: 9/1/21 Cpn: 4.45% Moody's: S&P: AA Fitch: Tr Date: 4/30/19 St Date: 5/2/19	50420BBD3	1,067,814.25 7,728.78	1,066,537.10 15,204.17	(1,277.15)	104.052	0.70%
520,000.000	CA OAKLAND REDEV AGY PRE-21 TXB Mat: 9/1/21 Cpn: 9.25% Moody's: WR S&P: AA- Fitch: Tr Date: 5/24/18 St Date: 5/29/18	67232PBB8	618,259.20 11,757.78	581,601.28 16,033.33	(36,657.92)	111.846	0.38%
220,000.000	CA BRENTWOOD INFR FIN AUTH REV TXB Mat: 9/2/21 Cpn: 2.81% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVC9	220,000.00 0.00	222,418.90 2,043.49	2,418.90	101.100	0.14%
330,000.000	CT STATE GO/ULT TXB Mat: 10/15/21 Cpn: 2.40% Moody's: A1 S&P: A Fitch: A+ Tr Date: 6/13/19 St Date: 6/17/19	20772JKP6	330,594.00 1,364.57	332,052.60 1,672.70	1,458.60	100.622	0.21%
560,000.000	CA SAN DIEGO CITY PUB FACS LEASE TXB Mat: 10/15/21 Cpn: 2.99% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LT9	560,000.00 0.00	570,381.28 3,539.57	10,381.28	101.854	0.37%
540,000.000	HI STATE GO/ULT TXB Mat: 1/1/22 Cpn: 2.77% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 2/7/19 St Date: 2/21/19	419792YL4	540,000.00 0.00	550,487.34 7,479.00	10,487.34	101.942	0.36%





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
640,000.000	CA POMONA REDEV AGY TAX ALLOCATION TXB Mat: 2/1/22 Cpn: 3.55% Moody's: S&P: A+ Fitch: Tr Date: 9/27/18 St Date: 10/11/18	73209MAD9	640,000.00 0.00	660,634.88 9,472.00	20,634.88	103.224	0.43%
655,000.000	CA STATE GO/ULT-TXBL BABS Mat: 3/1/22 Cpn: 6.65% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 7/16/19 St Date: 7/18/19	13063BFS6	715,364.80 16,576.05	706,335.63 14,519.17	(9,029.18)	107.838	0.46%
930,000.000	CA SAN FRANCISCO AIRPORT COMMN TXB Mat: 5/1/22 Cpn: 3.05% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/11/19 St Date: 2/7/19	79766DLR8	930,000.00 0.00	953,784.75 4,721.30	23,784.75	102.558	0.62%
820,000.000	CA UNIV OF CALIFORNIA REV TXB Mat: 5/15/22 Cpn: 3.28% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 12/13/18 St Date: 12/17/18	91412HDJ9	822,878.20 2,392.94	847,634.00 3,439.85	24,755.80	103.370	0.55%
1,500,000.000	CA HEALTH FACS-NO PLACE LIKE HOME-TXB Mat: 6/1/22 Cpn: 1.89% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 11/20/19 St Date: 11/25/19	13032UUZ9	1,500,000.00 0.00	1,501,194.00 2,839.50	1,194.00	100.080	0.97%
435,000.000	CA PALM DESERT REDEV AGY TAB TXB Mat: 10/1/22 Cpn: 2.75% Moody's: S&P: AA Fitch: Tr Date: 7/23/19 St Date: 7/25/19	696624AV7	442,577.70 3,788.13	444,174.15 2,990.63	1,596.45	102.109	0.29%
1,470,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/23 Cpn: 2.18% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 9/20/19 St Date: 9/26/19	072024WN8	1,470,000.00 0.00	1,482,387.69 8,472.10	12,387.69	100.843	0.96%
320,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/23 Cpn: 2.23% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 9/20/19 St Date: 9/26/19	072024WX6	320,000.00 0.00	320,811.84 1,886.49	811.84	100.254	0.21%
570,000.000	CT STATE OF CONNECTICUT TXB Mat: 4/15/23 Cpn: 2.92% Moody's: A1 S&P: A Fitch: A+ Tr Date: 3/29/19 St Date: 4/11/19	20772KGM5	570,000.00 0.00	582,820.44 3,514.94	12,820.44	102.249	0.38%
1,110,000.000	CA LOS ALTOS SCH DIST GO BANS TXB Mat: 8/1/23 Cpn: 2.14% Moody's: MIG1 S&P: SP-1+ Fitch: Tr Date: 9/27/19 St Date: 10/17/19	544290JC4	1,110,000.00 0.00	1,112,739.48 4,889.61	2,739.48	100.247	0.72%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
300,000.000	MA STATE WATER RES AUTH-GREEN TXB Mat: 8/1/23 Cpn: 1.77% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 10/10/19 St Date: 11/1/19	576051VW3	300,000.00 0.00	297,780.30 886.00	(2,219.70)	99.260	0.19%
1,050,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/23 Cpn: 1.96% Moody's: Aa1 S&P: AA Fitch: Tr Date: 11/21/19 St Date: 12/12/19	796720MF4	1,050,000.00 0.00	1,048,857.60 1,088.38	(1,142.40)	99.891	0.68%
<b>Total for Taxable Muni</b>			<b>23,332,863.81</b> <b>65,101.32</b>	<b>23,479,949.62</b> <b>181,364.79</b>	<b>147,085.81</b>		<b>15.22%</b>

**Credit**

535,000.000	ESTEE LAUDER CO Mat: 2/7/20 Cpn: 1.80% Moody's: A1 S&P: A+ Fitch: Tr Date: 2/6/17 St Date: 2/9/17	29736RAL4	534,925.10 0.00	534,919.75 3,852.00	(5.35)	99.985	0.35%
690,000.000	KIMBERLY-CLARK Mat: 3/1/20 Cpn: 1.85% Moody's: A2 S&P: A Fitch: WD Tr Date: 5/5/17 St Date: 5/10/17	494368BP7	689,710.20 2,446.63	690,193.20 4,255.00	483.00	100.028	0.45%
250,000.000	CITIZENS BANK Mat: 3/2/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAG6	249,762.50 0.00	250,032.50 1,859.38	270.00	100.013	0.16%
730,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 2.40% Moody's: A3 S&P: A- Fitch: A- Tr Date: 11/14/17 St Date: 11/16/17	446438RV7	734,234.00 2,445.43	730,579.31 1,070.89	(3,654.69)	100.079	0.47%
440,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	440,000.00 0.00	440,823.83 1,197.17	823.83	100.187	0.28%
250,000.000	CITIZENS BANK Mat: 5/26/20 Cpn: 2.20% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAJ0	249,770.00 0.00	250,132.50 534.72	362.50	100.053	0.16%
270,000.000	MANUFACTURERS & TRADERS TRUST Mat: 8/17/20 Cpn: 2.05% Moody's: A3 S&P: A Fitch: A Tr Date: 8/14/17 St Date: 8/17/17	55279HAN0	269,773.20 0.00	270,205.20 2,060.25	432.00	100.076	0.18%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
730,000.000	UNITEDHEALTH GROUP Mat: 10/15/20 Cpn: 1.95% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 10/18/17 St Date: 10/25/17	91324PDC3	728,788.20 0.00	730,321.20 3,005.17	1,533.00	100.044	0.47%
325,000.000	CITIBANK Mat: 10/20/20 Cpn: 2.13% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 10/13/17 St Date: 10/20/17	17325FAJ7	324,886.25 0.00	325,542.75 1,362.07	656.50	100.167	0.21%
685,000.000	AMERICAN EXPRESS Mat: 10/30/20 Cpn: 2.20% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/23/17 St Date: 10/30/17	025816BP3	684,109.50 0.00	686,489.88 2,553.53	2,380.38	100.218	0.44%
240,000.000	ANTHEM Mat: 11/21/20 Cpn: 2.50% Moody's: Baa2 S&P: A Fitch: BBB Tr Date: 11/14/17 St Date: 11/21/17	036752AE3	239,572.80 0.00	241,224.00 666.67	1,651.20	100.510	0.16%
755,000.000	PINNACLE WEST CAPITAL Mat: 11/30/20 Cpn: 2.25% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 11/28/17 St Date: 11/30/17	723484AG6	754,524.35 0.00	756,277.46 1,462.81	1,753.11	100.169	0.49%
505,000.000	GOLDMAN SACHS Mat: 12/27/20 Cpn: 2.60% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWG5	504,651.55 0.00	506,431.68 145.89	1,780.13	100.284	0.33%
500,000.000	AVALONBAY COMMUNITIES FRN Mat: 1/15/21 Cpn: 2.43% Moody's: A3 S&P: A- Fitch: Tr Date: 5/3/18 St Date: 5/7/18	05348EBD0	500,156.20 1,466.78	499,947.50 2,633.45	(208.70)	99.990	0.32%
710,000.000	MANUFACTURERS & TRADERS TRUST Mat: 1/25/21 Cpn: 2.63% Moody's: A3 S&P: A Fitch: A Tr Date: 1/22/18 St Date: 1/25/18	55279HAR1	709,041.50 0.00	715,236.25 8,076.25	6,194.75	100.738	0.47%
740,000.000	TRUIST BANK Mat: 1/29/21 Cpn: 2.59% Moody's: A2 S&P: A Fitch: A+ Tr Date: 1/26/18 St Date: 2/2/18	86787EAU1	740,000.00 0.00	740,588.30 8,092.31	588.30	100.080	0.48%
390,000.000	JPMORGAN CHASE Mat: 2/1/21 Cpn: 2.60% Moody's: Aa2 S&P: A+ Fitch: AA Tr Date: 1/29/18 St Date: 2/1/18	48125LRK0	390,000.00 0.00	390,195.00 4,231.50	195.00	100.050	0.25%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
730,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 2.44% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 11/14/17 St Date: 11/16/17	46647PAC0	732,547.70 2,498.96	730,262.07 1,135.66	(2,285.63)	100.036	0.47%
685,000.000	REGIONS BANK Mat: 4/1/21 Cpn: 2.75% Moody's: Baa2 S&P: A- Fitch: BBB+ Tr Date: 1/23/18 St Date: 1/26/18	759187CB1	684,931.50 0.00	690,754.00 4,709.38	5,822.50	100.840	0.45%
800,000.000	GOLDMAN SACHS Mat: 4/25/21 Cpn: 2.63% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/19 St Date: 7/23/19	38141GVU5	802,765.60 5,133.33	806,480.00 3,850.00	3,714.40	100.810	0.52%
725,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 2.26% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/24/18 St Date: 4/26/18	90331HNQ2	725,000.00 0.00	726,924.88 2,952.68	1,924.88	100.266	0.47%
950,000.000	BNY MELLON Mat: 5/3/21 Cpn: 2.05% Moody's: A1 S&P: A Fitch: AA- Tr Date: 7/30/19 St Date: 8/1/19	06406FAB9	947,302.00 4,760.56	953,529.25 3,137.64	6,227.25	100.372	0.62%
300,000.000	PACCAR FINANCIAL FRN Mat: 5/10/21 Cpn: 2.16% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/7/18 St Date: 5/10/18	69371RP34	300,000.00 0.00	300,445.20 900.26	445.20	100.148	0.19%
1,030,000.000	CITIZENS BANK Mat: 5/13/21 Cpn: 2.55% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 7/25/19 St Date: 7/29/19	17401QAE1	1,032,575.00 5,544.83	1,037,828.00 3,502.00	5,253.00	100.760	0.67%
500,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 2.43% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/14/18 St Date: 5/17/18	025816BV0	500,000.00 0.00	502,181.00 1,484.47	2,181.00	100.436	0.32%
265,000.000	DTE ELECTRIC Mat: 6/1/21 Cpn: 3.90% Moody's: Aa3 S&P: A Fitch: A+ Tr Date: 10/4/18 St Date: 10/9/18	250847EG1	267,618.20 3,674.67	271,207.63 861.25	3,589.43	102.343	0.18%
620,000.000	JPMORGAN CHASE FRN Mat: 6/1/21 Cpn: 2.59% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 5/23/17 St Date: 6/1/17	46647PAG1	620,000.00 0.00	621,229.96 1,336.55	1,229.96	100.198	0.40%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
500,000.000	WAL-MART STORES Mat: 6/23/21 Cpn: 3.13% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 6/20/18 St Date: 6/27/18	931142EJ8	499,975.00 0.00	510,897.50 347.22	10,922.50	102.180	0.33%
845,000.000	BANK OF AMERICA Mat: 7/21/21 Cpn: 2.37% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 7/18/17 St Date: 7/21/17	06051GGP8	845,000.00 0.00	846,901.25 8,896.91	1,901.25	100.225	0.55%
770,000.000	WELLS FARGO Mat: 7/23/21 Cpn: 3.33% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 7/16/18 St Date: 7/23/18	94988J5P8	770,000.00 0.00	775,782.70 11,236.65	5,782.70	100.751	0.51%
735,000.000	FIFTH THIRD BANK Mat: 7/26/21 Cpn: 3.35% Moody's: A3 S&P: A- Fitch: A- Tr Date: 7/23/18 St Date: 7/26/18	31677QBN8	734,816.25 0.00	751,177.35 10,601.35	16,361.10	102.201	0.49%
180,000.000	CITIGROUP Mat: 8/2/21 Cpn: 2.35% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/25/19 St Date: 7/29/19	172967KV2	179,911.80 2,079.75	181,158.30 1,750.75	1,246.50	100.644	0.12%
775,000.000	NEXTERA ENERGY CAPITAL Mat: 9/1/21 Cpn: 2.40% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/28/19 St Date: 8/30/19	65339KAS9	779,960.00 1,138.09	781,246.50 6,207.75	1,286.50	100.806	0.51%
730,000.000	CATERPILLAR FINANCIAL Mat: 9/7/21 Cpn: 3.15% Moody's: A3 S&P: A Fitch: A Tr Date: 9/4/18 St Date: 9/7/18	14913Q2N8	729,437.90 0.00	746,092.85 7,281.75	16,654.95	102.205	0.48%
490,000.000	JOHN DEERE CAPITAL CORP Mat: 9/10/21 Cpn: 3.13% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUK3	489,848.10 0.00	500,904.95 4,721.35	11,056.85	102.226	0.33%
360,000.000	BANK OF AMERICA Mat: 10/1/21 Cpn: 2.33% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	06051GGS2	360,000.00 0.00	360,781.20 2,095.20	781.20	100.217	0.23%
295,000.000	COMCAST Mat: 10/1/21 Cpn: 3.45% Moody's: A3 S&P: A- Fitch: A- Tr Date: 10/2/18 St Date: 10/5/18	20030NCQ2	294,702.05 0.00	303,723.15 2,544.38	9,021.10	102.957	0.20%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
325,000.000	HONEYWELL INTL Mat: 11/1/21 Cpn: 1.85% Moody's: A2 S&P: A Fitch: A Tr Date: 7/30/19 St Date: 8/1/19	438516BM7	322,686.35 1,503.13	325,830.38 1,002.08	3,144.03	100.256	0.21%
800,000.000	MORGAN STANLEY Mat: 11/17/21 Cpn: 2.63% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/19 St Date: 7/23/19	61746BED4	803,872.00 3,850.00	809,544.00 2,566.67	5,672.00	101.193	0.52%
126,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 3.15% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/3/17 St Date: 3/8/17	61746BEE2	127,401.12 363.56	127,207.15 792.76	(193.97)	100.958	0.08%
680,000.000	BANK OF AMERICA Mat: 1/23/22 Cpn: 2.74% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 1/18/18 St Date: 1/23/18	06051GGY9	680,000.00 0.00	685,392.40 8,171.41	5,392.40	100.793	0.45%
650,000.000	PACIFICORP Mat: 2/1/22 Cpn: 2.95% Moody's: A1 S&P: A+ Fitch: WD Tr Date: 7/26/19 St Date: 7/30/19	695114CP1	660,484.50 9,534.24	662,912.25 7,989.58	2,427.75	101.987	0.43%
121,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 2.83% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	121,000.00 0.00	121,879.91 475.70	879.91	100.727	0.08%
650,000.000	WELLS FARGO Mat: 3/8/22 Cpn: 3.50% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 7/29/19 St Date: 7/31/19	94974BFC9	668,089.50 9,036.81	671,004.75 7,140.97	2,915.25	103.232	0.44%
660,000.000	AMERIPRISE FINANCIAL Mat: 3/22/22 Cpn: 3.00% Moody's: A3 S&P: A Fitch: Tr Date: 3/12/19 St Date: 3/22/19	03076CAJ5	658,320.30 0.00	675,150.30 5,445.00	16,830.00	102.296	0.44%
510,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 2.90% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	510,000.00 0.00	516,829.66 2,793.31	6,829.66	101.339	0.33%
500,000.000	NATL RURAL UTILITIES Mat: 4/25/22 Cpn: 2.40% Moody's: A1 S&P: A Fitch: A+ Tr Date: 7/30/19 St Date: 8/1/19	637432NM3	503,355.00 3,200.00	505,650.00 2,200.00	2,295.00	101.130	0.33%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
460,000.000	BANK OF AMERICA Mat: 5/17/22 Cpn: 3.50% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 5/14/18 St Date: 5/17/18	06051GHH5	460,000.00 0.00	469,526.60 1,967.22	9,526.60	102.071	0.30%
785,000.000	TRUIST BANK Mat: 5/17/22 Cpn: 2.80% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/14/19 St Date: 5/17/19	86787EBE6	784,599.65 0.00	800,558.70 2,686.44	15,959.05	101.982	0.52%
620,000.000	AMERICAN EXPRESS Mat: 5/20/22 Cpn: 2.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/15/19 St Date: 5/20/19	025816CD9	619,256.00 0.00	631,454.50 1,941.81	12,198.50	101.848	0.41%
375,000.000	CITIBANK Mat: 5/20/22 Cpn: 2.84% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 7/29/19 St Date: 7/31/19	17325FAY4	377,793.75 2,044.13	379,391.25 1,214.63	1,597.50	101.171	0.24%
175,000.000	RYDER SYSTEM Mat: 6/1/22 Cpn: 2.88% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 5/15/19 St Date: 5/22/19	78355HKM0	174,898.50 0.00	178,198.13 419.27	3,299.63	101.828	0.11%
580,000.000	JOHN DEERE CAPITAL CORP Mat: 6/13/22 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 9/9/19 St Date: 9/12/19	24422EVA4	579,251.80 0.00	581,725.50 565.50	2,473.70	100.298	0.37%
775,000.000	FIFTH THIRD BANK Mat: 6/15/22 Cpn: 2.60% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 12/12/19 St Date: 12/16/19	316773CU2	783,021.25 55.97	785,168.00 895.56	2,146.75	101.312	0.51%
920,000.000	PNC BANK Mat: 7/22/22 Cpn: 2.23% Moody's: A2 S&P: A Fitch: A+ Tr Date: 7/18/19 St Date: 7/23/19	69353RFP8	920,000.00 0.00	923,376.40 9,012.32	3,376.40	100.367	0.60%
405,000.000	HONEYWELL Mat: 8/8/22 Cpn: 2.15% Moody's: A2 S&P: A Fitch: A Tr Date: 7/30/19 St Date: 8/8/19	438516BT2	404,590.95 0.00	408,796.88 3,458.81	4,205.93	100.938	0.27%
550,000.000	PACCAR FINANCIAL Mat: 8/10/22 Cpn: 2.30% Moody's: A1 S&P: A+ Fitch: Tr Date: 7/12/19 St Date: 7/16/19	69371RN77	550,335.50 5,481.67	556,457.00 4,954.58	6,121.50	101.174	0.36%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
290,000.000	BNY MELLON Mat: 8/23/22 Cpn: 1.95% Moody's: A1 S&P: A Fitch: AA- Tr Date: 8/20/19 St Date: 8/23/19	06406RAK3	289,907.20 0.00	291,276.00 2,010.67	1,368.80	100.440	0.19%
410,000.000	WALT DISNEY COMPANY Mat: 9/1/22 Cpn: 1.65% Moody's: A2 S&P: A Fitch: A Tr Date: 9/3/19 St Date: 9/6/19	254687FJ0	409,110.30 0.00	409,270.20 2,161.04	159.90	99.822	0.26%
545,000.000	CATERPILLAR FINANCIAL Mat: 9/6/22 Cpn: 1.90% Moody's: A3 S&P: A Fitch: A Tr Date: 9/3/19 St Date: 9/6/19	14913Q3A5	544,242.45 0.00	546,152.68 3,307.85	1,910.23	100.212	0.35%
430,000.000	KEYBANK Mat: 9/14/22 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A- Tr Date: 8/15/19 St Date: 8/19/19	49327M2T0	433,091.70 4,258.19	434,710.65 2,939.53	1,618.95	101.096	0.28%
285,000.000	PACCAR FINANCIAL Mat: 9/26/22 Cpn: 2.00% Moody's: A1 S&P: A+ Fitch: Tr Date: 9/23/19 St Date: 9/26/19	69371RQ33	284,652.30 0.00	286,700.03 1,504.17	2,047.73	100.597	0.19%
730,000.000	GOLDMAN SACHS FRN Mat: 10/31/22 Cpn: 2.71% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 11/14/17 St Date: 11/16/17	38148YAB4	729,284.60 700.83	735,194.68 3,403.46	5,910.08	100.712	0.48%
475,000.000	CITIGROUP Mat: 11/4/22 Cpn: 2.31% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/28/19 St Date: 11/4/19	17308CC46	475,000.00 0.00	476,605.50 1,738.82	1,605.50	100.338	0.31%
655,000.000	PNC BANK Mat: 12/9/22 Cpn: 2.03% Moody's: A2 S&P: A Fitch: A+ Tr Date: 12/4/19 St Date: 12/9/19	69353RFS2	655,000.00 0.00	656,267.43 811.76	1,267.43	100.194	0.42%
800,000.000	PRECISION CASTPARTS Mat: 1/15/23 Cpn: 2.50% Moody's: A2 S&P: AA- Fitch: Tr Date: 7/30/19 St Date: 8/1/19	740189AG0	806,160.00 888.89	814,992.00 9,222.22	8,832.00	101.874	0.53%
985,000.000	DUKE ENERGY CAROLINAS Mat: 3/15/23 Cpn: 2.50% Moody's: Aa2 S&P: A Fitch: WD Tr Date: 7/29/19 St Date: 7/31/19	26442CAQ7	995,766.05 9,302.78	1,000,942.23 7,250.69	5,176.18	101.619	0.65%





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
775,000.000	TRUIST FIN CORP Mat: 3/16/23 Cpn: 2.20% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 9/9/19 St Date: 9/16/19	05531FBJ1	774,426.50 0.00	780,456.00 4,972.92	6,029.50	100.704	0.51%
375,000.000	JPMORGAN CHASE Mat: 4/1/23 Cpn: 3.21% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 3/15/19 St Date: 3/22/19	46647PBB1	375,000.00 0.00	384,316.88 3,006.56	9,316.88	102.485	0.25%
<b>Total for Credit</b>			<b>38,520,893.72</b> <b>81,409.23</b>	<b>38,791,586.03</b> <b>234,635.57</b>	<b>270,692.31</b>		<b>25.11%</b>

**Mortgage-Backed**

701,764.922	FHMS K504 A2 CMBS Mat: 9/25/20 Cpn: 2.57% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/29/18 St Date: 6/1/18	3137BMLC8	699,421.87 709.70	701,872.99 1,500.61	2,451.12	100.015	0.45%
208,528.160	FNA 2011-M5 A2 CMBS Mat: 7/25/21 Cpn: 2.94% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/28/18	3136A07H4	207,355.19 459.80	211,408.77 510.89	4,053.58	101.381	0.14%
412,706.159	FNA 2018-M5 A2 CMBS Mat: 9/25/21 Cpn: 3.56% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/10/18 St Date: 4/30/18	3136B1XP4	420,915.30 1,183.55	416,943.83 1,224.36	(3,971.47)	101.027	0.27%
540,000.000	FHMS K020 A2 CMBS Mat: 5/25/22 Cpn: 2.37% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/25/19 St Date: 7/30/19	3137ATRW4	542,974.22 1,032.26	544,551.66 1,067.85	1,577.44	100.843	0.35%
548,082.042	FNA 2013-M1 A2 CMBS Mat: 8/25/22 Cpn: 2.36% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/28/19 St Date: 10/31/19	3136ABPW7	551,764.47 1,080.01	552,194.30 1,080.01	429.83	100.750	0.36%
629,228.970	FHMS KS01 A2 CMBS Mat: 1/25/23 Cpn: 2.52% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/22/19 St Date: 11/27/19	3137B1U75	636,750.23 1,146.10	634,982.01 1,322.43	(1,768.22)	100.914	0.41%
720,000.000	FHMS KJ06 A CMBS Mat: 1/25/23 Cpn: 2.27% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/29/19 St Date: 8/1/19	3137BQR90	722,362.50 0.00	724,273.20 1,363.20	1,910.70	100.594	0.47%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,370,000.000	FHMS K029 A2 CMBS Mat: 2/25/23 Cpn: 3.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/14/19 St Date: 8/19/19	3137B36J2	1,431,430.08	2,245.61	1,422,139.46 3,790.33	(9,290.62)	103.806	0.92%
443,934.677	FHMS K724 A1 CMBS Mat: 3/25/23 Cpn: 2.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/9/18 St Date: 7/12/18	3137BTTZ4	440,951.99	376.56	448,795.76 1,026.97	7,843.77	101.095	0.29%
608,332.173	FHMS J22F A1 CMBS Mat: 5/25/23 Cpn: 3.45% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/7/18 St Date: 11/19/18	3137FJYA1	608,315.75	1,050.59	623,929.20 1,750.98	15,613.45	102.564	0.40%
<b>Total for Mortgage-Backed</b>			<b>6,262,241.60</b>	<b>9,284.18</b>	<b>6,281,091.18</b>	<b>18,849.58</b>		<b>4.05%</b>

**Asset-Backed**

73,966.896	NISSAN 2017-B A3 LEASE Mat: 9/15/20 Cpn: 2.05% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/3/17 St Date: 10/10/17	65479BAD2	73,953.97	0.00	73,966.30 67.39	12.33	99.999	0.05%
94,094.679	BMW 2017-2 A3 LEASE Mat: 10/20/20 Cpn: 2.07% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/17/17 St Date: 10/25/17	05584PAD9	94,094.60	0.00	94,212.02 59.51	117.41	100.125	0.06%
119,135.274	JOHN DEERE 2017-A A3 EQP Mat: 4/15/21 Cpn: 1.78% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/22/17 St Date: 3/2/17	47787XAC1	119,118.31	0.00	119,102.75 94.25	(15.56)	99.973	0.08%
68,702.498	USAA 2017-1 A3 CAR Mat: 5/17/21 Cpn: 1.70% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/13/17 St Date: 9/20/17	90290AAC1	68,695.26	0.00	68,670.96 51.91	(24.29)	99.954	0.04%
270,000.000	BMW 2018-1 A3 LEASE Mat: 7/20/21 Cpn: 3.26% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/10/18 St Date: 10/17/18	05586CAC8	269,962.47	0.00	272,485.62 268.95	2,523.15	100.921	0.18%
331,007.583	HONDA 2017-1 A3 CAR Mat: 7/21/21 Cpn: 1.72% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/21/17 St Date: 3/28/17	43814TAC6	330,987.89	0.00	330,742.78 158.15	(245.11)	99.920	0.21%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
570,000.000	NISSAN 2018-A A3 LEASE Mat: 9/15/21 Cpn: 3.25% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/16/18 St Date: 10/24/18	65478BAD3	569,950.18 0.00	574,904.85 823.33	4,954.67	100.861	0.37%
429,835.642	HONDA 2017-3 A3 CAR Mat: 9/20/21 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/25/17 St Date: 9/29/17	43814PAC4	429,789.09 0.00	429,655.54 277.84	(133.55)	99.958	0.28%
201,622.536	JOHN DEERE 2017-B A3 EQP Mat: 10/15/21 Cpn: 1.82% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/11/17 St Date: 7/18/17	47788BAD6	201,607.78 0.00	201,455.39 163.09	(152.39)	99.917	0.13%
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/15/22 Cpn: 2.04% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	1,340,000.00 0.00	1,341,849.20 1,214.78	1,849.20	100.138	0.86%
270,000.000	BMW 2018-1 A4 LEASE Mat: 3/21/22 Cpn: 3.36% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/10/18 St Date: 10/17/18	05586CAD6	269,997.60 0.00	273,994.38 277.20	3,996.78	101.479	0.18%
696,300.507	TOYOTA 2018-A A3 CAR Mat: 5/16/22 Cpn: 2.35% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/23/18 St Date: 1/31/18	89238BAD4	696,292.50 0.00	698,158.24 727.25	1,865.74	100.267	0.45%
1,020,000.000	HONDA 2018-3 A3 CAR Mat: 8/22/22 Cpn: 2.95% Moody's: Aaa S&P: Fitch: AAA Tr Date: 8/21/18 St Date: 8/28/18	43815HAC1	1,019,860.06 0.00	1,030,368.30 835.83	10,508.24	101.017	0.66%
340,000.000	VOLKSWAGEN 2019-A A3 LEASE Mat: 11/21/22 Cpn: 1.99% Moody's: S&P: AAA Fitch: AAA Tr Date: 10/1/19 St Date: 10/4/19	92867XAD8	339,994.63 0.00	340,754.12 206.74	759.49	100.222	0.22%
1,600,000.000	CITI 2014-A1 A1 CDT Mat: 1/23/23 Cpn: 2.88% Moody's: Aaa S&P: Fitch: AAA Tr Date: 4/18/19 St Date: 4/23/19	17305EFM2	1,607,250.00 11,776.00	1,616,644.80 20,480.00	9,394.80	101.040	1.05%
1,300,000.000	NISSAN 2018-C A3 CAR Mat: 6/15/23 Cpn: 3.22% Moody's: Aaa S&P: AAA Fitch: Tr Date: 12/4/18 St Date: 12/12/18	65478NAD7	1,299,750.92 0.00	1,325,000.30 1,860.44	25,249.38	101.923	0.85%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
755,000.000	JOHN DEERE 2019-A A3 EQP Mat: 7/17/23 Cpn: 2.91% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/5/19 St Date: 3/13/19	47789JAD8	754,907.21 0.00	766,164.19 976.47	11,256.98	101.479	0.49%
970,000.000	TOYOTA 2019-A A3 CAR Mat: 7/17/23 Cpn: 2.91% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/5/19 St Date: 2/13/19	89239AAD5	969,823.27 0.00	984,620.81 1,254.53	14,797.54	101.507	0.63%
720,000.000	HONDA 2019-3 A3 CAR Mat: 8/15/23 Cpn: 1.78% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/20/19 St Date: 8/27/19	43815NAC8	719,994.02 0.00	718,665.84 569.60	(1,328.18)	99.815	0.46%
730,000.000	TOYOTA 2019-C A3 CAR Mat: 9/15/23 Cpn: 1.91% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/6/19 St Date: 8/14/19	89238UAD2	729,994.01 0.00	730,675.98 619.69	681.97	100.093	0.47%
930,000.000	NISSAN 2019-A A3 CAR Mat: 10/16/23 Cpn: 2.90% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/5/19 St Date: 2/13/19	65479KAD2	929,859.11 0.00	944,800.95 1,198.67	14,941.84	101.592	0.61%
550,000.000	FIFTH THIRD 2019-1 A3 CAR Mat: 12/15/23 Cpn: 2.64% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/30/19 St Date: 5/8/19	31680YAD9	549,879.11 0.00	555,754.10 645.33	5,874.99	101.046	0.36%
1,490,000.000	TOYOTA 2019-D A3 CAR Mat: 1/16/24 Cpn: 1.92% Moody's: Aaa S&P: AAA Fitch: Tr Date: 11/5/19 St Date: 11/13/19	89233MAD5	1,489,892.42 0.00	1,490,029.80 1,271.47	137.38	100.002	0.96%
950,000.000	BMW 2019-A A3 CAR Mat: 1/25/24 Cpn: 1.92% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/10/19 St Date: 9/18/19	05588CAC6	949,872.32 0.00	950,853.10 304.00	980.78	100.090	0.61%
1,440,000.000	AMEX 2018-6 A CDT Mat: 2/15/24 Cpn: 3.06% Moody's: Aaa S&P: Fitch: AAA Tr Date: 4/18/19 St Date: 4/23/19	02582JJF8	1,453,443.75 979.20	1,466,569.44 1,958.40	13,125.69	101.845	0.94%
400,000.000	CAPITAL ONE 2018-A1 A1 CDT Mat: 2/15/24 Cpn: 3.01% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 4/23/19 St Date: 4/25/19	14041NFR7	403,281.25 334.44	406,528.00 535.11	3,246.75	101.632	0.26%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,710,000.000	HARLEY 2019-A A3 CYCLE Mat: 2/15/24 Cpn: 2.34% Moody's: Aaa S&P: Fitch: AAA Tr Date: 6/19/19 St Date: 6/26/19	41284WAC4	1,709,867.65	0.00	1,717,624.89 1,778.40	7,757.24	100.446	1.11%
790,000.000	MERCEDES 2019-1 A3 CAR Mat: 3/15/24 Cpn: 1.94% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/18/19 St Date: 9/25/19	58769TAD7	789,891.22	0.00	790,843.72 681.16	952.50	100.107	0.51%
850,000.000	VERIZON 2019-C A1A PHONE Mat: 4/22/24 Cpn: 1.94% Moody's: S&P: AAA Fitch: AAA Tr Date: 10/1/19 St Date: 10/8/19	92348AAA3	849,934.47	0.00	849,620.90 503.86	(313.57)	99.955	0.55%
<b>Total for Asset-Backed</b>			<b>21,031,945.07</b>		<b>21,164,717.26</b>	<b>132,772.19</b>		<b>13.64%</b>
			<b>13,089.64</b>		<b>39,863.36</b>			
<b>Grand Total</b>			<b>154,121,691.83</b>		<b>154,792,369.61</b>	<b>670,677.78</b>		<b>100.00%</b>
			<b>212,363.41</b>		<b>638,183.66</b>			



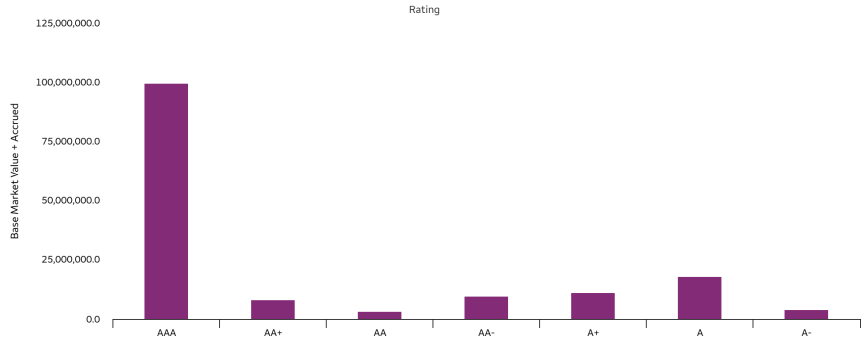
Reporting Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	3135G0S38	FEDERAL NATL MTG ASSN	2.000% 01/05/2022 DD 01/09/17	Agency	3,400,000.0000	3,405,189.40	33,244.44	3,426,204.00	21,014.60	0.00	2.23	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	2,258,833.68	22,000.00	2,267,340.89	8,507.21	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	2,275,195.42	24,937.50	2,284,682.99	9,487.57	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	2,287,281.90	24,937.50	2,284,682.98	0.00	-2,598.92	1.49	Agency	AA+	Agency
CALOPTIMA S1-3	4581X0CZ9	INTER-AMERICAN DEVELOPMENT BAN	1.750% 09/14/2022 DD 09/14/17	Agency	750,000.0000	744,390.83	3,901.04	751,755.29	7,364.46	0.00	0.49	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	2,996,223.87	15,604.17	3,007,021.14	10,797.27	0.00	1.96	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	1,536,881.39	667.19	1,538,293.01	1,411.62	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	100,006.17	202.19	100,017.65	11.48	0.00	0.07	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	1,000,220.20	2,021.95	1,000,176.48	0.00	-43.72	0.65	Aaa	AAA	AAA
CALOPTIMA S1-3	45950VGS9	INTERNATIONAL FINANCE CORP	VAR RT 12/15/2020 DD 08/24/15	Agency	1,300,000.0000	1,305,122.92	1,176.74	1,299,831.00	0.00	-5,291.92	0.85	Aaa	AAA	NA
CALOPTIMA S1-3	02582JHJ2	AMERICAN EXPRESS CREDIT AC 6 A	2.040% 05/15/2023 DD 10/30/17	Asset Backed	1,900,000.0000	1,892,055.49	1,722.67	1,902,904.72	10,849.23	0.00	1.24	NR	AAA	AAA
CALOPTIMA S1-3	02582JHJ4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	614,000.0000	628,324.35	867.78	627,745.19	0.00	-579.16	0.41	NR	AAA	AAA
CALOPTIMA S1-3	02582JHJ4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	243,000.0000	248,687.63	343.44	248,439.87	0.00	-247.76	0.16	NR	AAA	AAA
CALOPTIMA S1-3	02582JHJ4	AMERICAN EXPRESS CREDIT AC 8 A	3.180% 04/15/2024 DD 09/24/18	Asset Backed	389,000.0000	398,060.33	549.79	397,708.27	0.00	-352.06	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	1,217,841.00	1,600.00	1,217,319.24	0.00	-521.76	0.79	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	436,392.97	573.33	436,206.06	0.00	-186.91	0.28	Aaa	AAA	NR
CALOPTIMA S1-3	05586VAD4	BMW VEHICLE LEASE TRUST 2 1 A4	2.920% 08/22/2022 DD 03/20/19	Asset Backed	1,900,000.0000	1,924,608.94	1,695.22	1,923,418.26	0.00	-1,190.68	1.25	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	853,876.13	10,944.00	863,745.62	9,869.49	0.00	0.56	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	367,004.23	4,064.58	367,513.57	509.34	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	474,962.75	641.78	477,832.00	2,869.25	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	584,925.57	579.80	585,223.06	297.49	0.00	0.38	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	938,316.5300	938,275.68	1,109.30	941,273.63	2,997.95	0.00	0.61	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	61,621.6800	61,621.74	48.75	61,604.01	0.00	-17.73	0.04	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	312,034.8600	309,484.79	252.40	311,756.68	2,271.89	0.00	0.20	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	1,126,591.3200	1,126,555.00	1,427.02	1,130,256.12	3,701.12	0.00	0.74	Aaa	NR	AAA
CALOPTIMA S1-3	65478LAB5	NISSAN AUTO LEASE TRUST B A2A	2.270% 10/15/2021 DD 07/24/19	Asset Backed	585,000.0000	584,958.25	590.20	586,070.02	1,111.77	0.00	0.38	Aaa	AAA	AAA
CALOPTIMA S1-3	80286GAB7	SANTANDER DRIVE AUTO RECE 2 A2	2.630% 07/15/2022 DD 05/22/19	Asset Backed	873,954.9900	873,901.65	1,021.56	875,020.25	1,118.60	0.00	0.57	Aaa	NR	AAA
CALOPTIMA S1-3	GL-110000	CASH		Cash	0.0000	187,731.35	0.00	187,731.35	0.00	0.00	0.00			
CALOPTIMA S1-3	3136A72D3	FNMA GTD REMIC P/T 12-M9 A2	2.482% 04/25/2022 DD 08/01/12	CMBS	37,935.4090	38,123.45	78.46	38,156.15	32.70	0.00	0.02	Agency	AA+	Agency
CALOPTIMA S1-3	3136A72D3	FNMA GTD REMIC P/T 12-M9 A2	2.482% 04/25/2022 DD 08/01/12	CMBS	192,595.1560	193,556.02	398.35	193,715.83	159.81	0.00	0.13	Agency	AA+	Agency
CALOPTIMA S1-3	3137APP61	FHLMC MULTICLASS MTG K018 A2	2.789% 01/25/2022 DD 05/01/12	CMBS	129,561.5770	131,312.18	301.12	130,975.54	0.00	-336.64	0.09	Agency	AA+	AAA
CALOPTIMA S1-3	3137APP61	FHLMC MULTICLASS MTG K018 A2	2.789% 01/25/2022 DD 05/01/12	CMBS	34,881.9630	35,327.22	81.07	35,262.65	0.00	-64.57	0.02	Agency	AA+	AAA
CALOPTIMA S1-3	3137AXHP1	FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS	700,000.0000	705,883.45	1,500.92	710,537.03	4,653.58	0.00	0.46	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AXHP1	FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS	965,000.0000	973,486.90	2,069.12	979,526.05	6,039.15	0.00	0.64	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AYCE9	FHLMC MULTICLASS MTG K025 A2	2.682% 10/25/2022 DD 02/01/13	CMBS	200,000.0000	203,830.73	447.00	203,359.56	0.00	-471.17	0.13	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AYCE9	FHLMC MULTICLASS MTG K025 A2	2.682% 10/25/2022 DD 02/01/13	CMBS	1,425,000.0000	1,452,315.68	3,184.88	1,448,936.87	0.00	-3,378.81	0.94	Aaa	AA+	Agency
CALOPTIMA S1-3	3137B04Y7	FHLMC MULTICLASS MTG KSMC A2	2.615% 01/25/2023 DD 03/01/13	CMBS	750,000.0000	761,696.71	1,634.38	760,473.83	0.00	-1,222.88	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	840,507.12	1,845.90	854,227.33	13,720.21	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	1,000,159.05	2,197.50	1,016,937.30	16,778.25	0.00	0.66	Agency	AA+	AAA
CALOPTIMA S1-3	3137B2ZH6	FHLMC MULTICLASS MTG 4221 HJ	1.500% 07/15/2023 DD 06/01/13	RMBS	267,135.5980	265,266.89	333.92	265,353.91	87.02	0.00	0.17	Agency	AA+	Agency
CALOPTIMA S1-3	3137BWVV3	FHLMC MULTICLASS MTG KJ13 A2	2.864% 08/25/2022 DD 04/01/17	CMBS	204,522.3800	208,042.13	488.13	208,018.59	0.00	-23.54	0.14	Agency	AA+	Agency
CALOPTIMA S1-3	31381PAU2	FNMA POOL #0466319	3.230% 11/01/2020 DD 11/01/10	CMBS	908,528.6470	912,217.36	2,526.97	909,792.91	0.00	-2,424.45	0.59	Agency	AA+	Agency
CALOPTIMA S1-3	31381PEB0	FNMA POOL #0466430	3.370% 11/01/2020 DD 11/01/10	CMBS	371,315.1720	372,237.49	1,077.54	372,674.47	436.98	0.00	0.24	Agency	AA+	Agency
CALOPTIMA S1-3	31381QB54	FNMA POOL #0467260	4.410% 03/01/2021 DD 03/01/11	CMBS	1,059,763.4320	1,071,111.70	4,024.45	1,078,270.75	7,159.05	0.00	0.70	Agency	AA+	Agency
CALOPTIMA S1-3	31381R577	FNMA POOL #0468958	3.770% 09/01/2021 DD 09/01/11	CMBS	1,805,000.0000	1,826,676.92	5,859.73	1,849,596.48	22,919.56	0.00	1.21	Agency	AA+	Agency
CALOPTIMA S1-3	3138EKXL4	FNMA POOL #0AL3382	3.255% 03/01/2023 DD 03/01/13	CMBS	366,626.3350	370,354.16	743.49	369,242.09	0.00	-1,112.07	0.24	Agency	AA+	Agency
CALOPTIMA S1-3	3138L2GH4	FNMA POOL #0AM1999	1.870% 07/01/2021 DD 01/01/13	CMBS	991,457.9310	975,229.20	1,596.52	989,922.12	14,692.92	0.00	0.65	Agency	AA+	Agency
CALOPTIMA S1-3	3138L2GH4	FNMA POOL #0AM1999	1.870% 07/01/2021 DD 01/01/13	CMBS	253,229.5120	252,157.98	407.77	252,837.25	679.27	0.00	0.16	Agency	AA+	Agency
CALOPTIMA S1-3	3138L33G8	FNMA POOL #0AM3498	2.010% 06/01/2020 DD 06/01/13	CMBS	375,000.0000	373,500.60	649.06	374,249.10	748.50	0.00	0.24	Agency	AA+	Agency
CALOPTIMA S1-3	3138NJAE8	FNMA POOL #0FN0004	3.630% 12/01/2020 DD 03/01/11	CMBS	108,343.4940	109,366.95	338.66	108,256.58	0.00	-1,110.37	0.07	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	122,002.5100	123,165.54	382.58	123,782.28	616.74	0.00	0.08	Agency	AA+	Agency
CALOPTIMA S1-3	31398M6U5	FNMA GTD REMIC P/T 10-M3 A3	VAR RT 03/25/2020 DD 04/01/10	CMBS	135,983.8400	136,198.65	490.90	136,140.07	0.00	-58.58	0.09	Agency	AA+	Agency
CALOPTIMA S1-3	023135AM8	AMAZON.COM INC	3.300% 12/05/2021 DD 12/05/14	Corporates	1,110,000.0000	1,130,150.67	2,645.50	1,142,175.79	12,025.12	0.00	0.74	A3	AA-	A+
CALOPTIMA S1-3	05531FAX1	TRUIST FINANCIAL CORP	2.750% 04/01/2022 DD 03/21/17	Corporates	750,000.0000	741,324.62	5,156.25	763,290.59	21,965.97	0.00	0.50	A2	A-	A+
CALOPTIMA S1-3	05531FBJ1	TRUIST FINANCIAL CORP	2.200% 03/16/2023 DD 09/16/19	Corporates	1,175,000.0000	1,174,201.12	7,539.58	1,182,805.15	8,604.03	0.00	0.77	A2	A-	A+
CALOPTIMA S1-3	06051GGS2	BANK OF AMERICA CORP	VAR RT 10/01/2021 DD 09/18/17	Corporates	970,000.0000	970,000.00	5,645.40	972,763.81	2,763.81	0.00	0.63	A2	A-	A+
CALOPTIMA S1-3	06051GGS2	BANK OF AMERICA CORP	VAR RT 10/01/2021 DD 09/18/17	Corporates	800,000.0000	800,006.82	4,656.00	802,279.43	2,272.61	0.00	0.52	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	1,327,980.39	4,442.24	1,349,278.51	21,298.12	0.00	0.88	A1	A	AA-
CALOPTIMA S1-3	084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400% 02/01/2020 DD 12/04/14	Corporates	670,000.0000	669,999.63	6,700.00	670,215.15	215.52	0.00	0.44	A3	A-	NR
CALOPTIMA S1-3	084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400% 02/01/2020 DD 12/04/14	Corporates	500,000.0000	499,997.67	5,000.00	500,160.56	162.89	0.00	0.33	A3	A-	NR
CALOPTIMA S1-3	084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400% 02/01/2020 DD 12/04/14	Corporates	250,000.0000	249,998.50	2,500.00	250,080.28	81.78	0.00	0.16	Agency	BBB	A-
CALOPTIMA S1-3	14040HBV0	CAPITAL ONE FINANCIAL CORP	3.450% 04/30/2021 DD 04/30/18	Corporates	900,000.0000	899,639.41	5,261.25	916,371.25	16,731.84	0.00	0.60	Baa1	BBB	A-
CALOPTIMA S1-3	172967LC3	CITIGROUP INC	2.900% 12/08/2021 DD 12/08/16	Corporates	1,355,000.0000	1,362,903.65	2,510.51	1,377,268.08	14,364.43	0.00	0.90	A3	BBB+	A-

Reporting Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	17308CC46	CITIGROUP INC	VAR RT 11/04/2022 DD 11/04/19	Corporates	1,260,000.0000	1,260,000.00	4,612.44	1,263,922.63	3,922.63	0.00	0.82	A3	BBB+	A
CALOPTIMA S1-3	17401QAN1	CITIZENS BANK NA/PROVIDENCE RI	2.250% 10/30/2020 DD 11/01/17	Corporates	900,000.0000	892,022.51	3,431.25	902,889.58	10,867.07	0.00	0.59	Baa1	A-	BBB+
CALOPTIMA S1-3	17401QAN1	CITIZENS BANK NA/PROVIDENCE RI	2.250% 10/30/2020 DD 11/01/17	Corporates	250,000.0000	247,447.14	953.13	250,802.66	3,355.52	0.00	0.16	Baa1	A-	BBB+
CALOPTIMA S1-3	31677QBK4	FIFTH THIRD BANK/CINCINNATI OH	2.200% 10/30/2020 DD 10/30/17	Corporates	850,000.0000	842,993.74	3,168.61	851,453.78	8,460.04	0.00	0.56	A3	A-	A-
CALOPTIMA S1-3	31677QBK4	FIFTH THIRD BANK/CINCINNATI OH	2.200% 10/30/2020 DD 10/30/17	Corporates	700,000.0000	693,680.07	2,609.45	701,197.23	7,517.16	0.00	0.46	A3	A-	A-
CALOPTIMA S1-3	38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250% 07/27/2021 DD 07/27/11	Corporates	525,000.0000	546,808.47	11,790.62	550,945.68	4,137.21	0.00	0.36	A3	BBB+	A
CALOPTIMA S1-3	38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250% 07/27/2021 DD 07/27/11	Corporates	525,000.0000	540,110.92	11,790.63	550,945.68	10,834.76	0.00	0.36	A3	BBB+	A
CALOPTIMA S1-3	38148PP84	GOLDMAN SACHS BANK USA/NEW YOR	3.200% 06/05/2020 DD 06/07/18	Corporates	500,000.0000	499,974.87	1,155.56	502,718.21	2,743.34	0.00	0.33	A1	A+	A+
CALOPTIMA S1-3	48125LRP9	JPMORGAN CHASE BANK NA	VAR RT 04/26/2021 DD 04/26/18	Corporates	690,000.0000	689,832.02	2,934.98	690,364.02	532.00	0.00	0.45	Aa2	A+	AA
CALOPTIMA S1-3	48125LRP9	JPMORGAN CHASE BANK NA	VAR RT 04/26/2021 DD 04/26/18	Corporates	500,000.0000	500,113.52	2,126.80	500,263.79	150.27	0.00	0.33	Aa2	A+	AA
CALOPTIMA S1-3	48125LRP9	JPMORGAN CHASE BANK NA	VAR RT 04/26/2021 DD 04/26/18	Corporates	975,000.0000	975,245.87	4,147.25	975,514.38	268.51	0.00	0.64	Aa2	A+	AA
CALOPTIMA S1-3	49327M2O6	KEYBANK NA/CLEVELAND OH	2.500% 11/22/2021 DD 11/22/16	Corporates	500,000.0000	493,759.34	1,354.17	505,653.68	11,894.34	0.00	0.33	A3	A-	A-
CALOPTIMA S1-3	49327M2Y9	KEYBANK NA/CLEVELAND OH	VAR RT 02/01/2022 DD 02/01/19	Corporates	1,670,000.0000	1,670,000.00	7,269.92	1,681,556.58	11,556.58	0.00	1.10	A3	A-	A-
CALOPTIMA S1-3	55279HAN0	MANUFACTURERS & TRADERS TRUST	2.050% 08/17/2020 DD 08/17/17	Corporates	1,280,000.0000	1,270,292.20	9,767.11	1,280,461.93	10,169.73	0.00	0.83	A3	A	A
CALOPTIMA S1-3	61746BEB8	MORGAN STANLEY	VAR RT 04/21/2021 DD 04/21/16	Corporates	1,297,000.0000	1,312,035.15	8,731.09	1,316,411.76	4,376.61	0.00	0.86	A3	BBB+	A
CALOPTIMA S1-3	61746BED4	MORGAN STANLEY	2.625% 11/17/2021 DD 11/17/16	Corporates	1,085,000.0000	1,069,746.70	3,481.04	1,098,006.48	28,259.78	0.00	0.72	A3	BBB+	A
CALOPTIMA S1-3	65339KBF6	NEXTERA ENERGY CAPITAL HOLDING	2.900% 04/01/2022 DD 04/04/19	Corporates	1,020,000.0000	1,019,271.52	7,395.00	1,041,026.72	21,755.20	0.00	0.68	Baa1	BBB+	A-
CALOPTIMA S1-3	69353REP9	PNC BANK NA	2.300% 06/01/2020 DD 06/01/15	Corporates	490,000.0000	488,404.68	939.17	490,636.45	2,231.77	0.00	0.32	A2	A	A+
CALOPTIMA S1-3	69353RES3	PNC BANK NA	2.600% 07/21/2020 DD 07/21/15	Corporates	385,000.0000	383,877.52	4,448.89	386,271.86	2,394.34	0.00	0.25	A2	A	A+
CALOPTIMA S1-3	69371RP26	PACCAR FINANCIAL CORP	3.100% 05/10/2021 DD 05/10/18	Corporates	1,515,000.0000	1,514,815.13	6,653.38	1,541,531.77	26,716.64	0.00	1.00	A1	A+	NR
CALOPTIMA S1-3	69371RP34	PACCAR FINANCIAL CORP	VAR RT 05/10/2021 DD 05/10/18	Corporates	1,500,000.0000	1,501,273.56	4,704.73	1,501,855.26	581.70	0.00	0.98	A1	A+	NA
CALOPTIMA S1-3	74432QB9P	PRUDENTIAL FINANCIAL INC	4.500% 11/15/2020 DD 11/18/10	Corporates	835,000.0000	844,456.38	4,801.25	853,699.20	9,242.82	0.00	0.56	A3	A-	A-
CALOPTIMA S1-3	072024VW8	BAY AREA CA TOLL AUTH TOLL BRI	2.128% 04/01/2022 DD 09/26/19	Municipal Securities	1,145,000.0000	1,145,000.00	6,429.81	1,147,507.55	2,507.55	0.00	0.75	A1	AA-	AA-
CALOPTIMA S1-3	130179R09	CALIFORNIA ST EDUCTNL FACS AUT	3.258% 10/01/2020 DD 11/21/18	Municipal Securities	820,000.0000	820,000.00	6,678.90	827,273.40	7,273.40	0.00	0.54	A2	NR	NR
CALOPTIMA S1-3	13032UU2	CALIFORNIA ST HLTH FACS FING A	1.896% 06/01/2021 DD 11/25/19	Municipal Securities	860,000.0000	860,000.00	1,630.56	859,742.00	0.00	-258.00	0.56	Aa3	AA-	AA-
CALOPTIMA S1-3	13034PFZ7	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	9,583.33	1,002,910.00	2,910.00	0.00	0.65	A1	AA	NR
CALOPTIMA S1-3	13063DLZ9	CALIFORNIA ST	3.000% 04/01/2024 DD 04/04/19	Municipal Securities	1,235,000.0000	1,291,940.44	9,262.50	1,282,263.45	0.00	-9,676.99	0.84	Aa2	AA-	AA
CALOPTIMA S1-3	13066YT5	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	3,196.03	1,119,002.55	0.00	-447.78	0.73	Aa1	AA	AA+
CALOPTIMA S1-3	13077CT46	CALIFORNIA ST UNIV REVENUE	2.332% 11/01/2020 DD 08/05/15	Municipal Securities	695,000.0000	698,554.70	2,701.23	698,106.65	0.00	-448.05	0.46	Aa2	AA-	NR
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	1,233.27	284,219.10	0.00	-780.90	0.19	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	3,792.75	583,455.60	0.00	-1,544.40	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	1,785.65	284,130.75	0.00	-869.25	0.19	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	1,971.19	283,446.75	0.00	-1,553.25	0.18	A2	A+	A
CALOPTIMA S1-3	50520PAB6	LA VERNE CA PENSN OBLIG	2.992% 06/01/2020 DD 08/15/18	Municipal Securities	1,245,000.0000	1,245,000.00	3,104.20	1,250,378.40	5,378.40	0.00	0.82	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	1,609.66	720,540.00	540.00	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	932,289.75	0.00	-12,710.25	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	2,204,778.54	16,184.47	2,214,425.75	9,647.21	0.00	1.44	Aa1	AAA	AA+
CALOPTIMA S1-3	683042AD7	ONTARIO CA INTERNATIONAL ARPT	2.084% 05/15/2020 DD 11/01/16	Municipal Securities	725,000.0000	722,979.38	1,930.59	726,160.00	3,180.62	0.00	0.47	NR	A-	A-
CALOPTIMA S1-3	713575S2Z	PERALTA CA CMNTY CLG DIST	6.159% 08/01/2020 DD 10/28/11	Municipal Securities	400,000.0000	408,007.38	10,265.00	408,496.00	488.62	0.00	0.27	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	2,420.00	600,720.00	720.00	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	481,028.36	1,003.95	482,924.20	1,895.84	0.00	0.31	Aa3	AA-	AA-
CALOPTIMA S1-3	91412HDG5	UNIV OF CALIFORNIA CA REVENUES	2.836% 05/15/2020 DD 06/05/18	Municipal Securities	1,000,000.0000	1,000,000.00	3,623.78	1,003,560.00	3,560.00	0.00	0.65	Aa3	AA-	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	3,582.25	691,462.80	1,462.80	0.00	0.45	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	1,514.85	285,518.70	518.70	0.00	0.19	Aa2	NR	NR
CALOPTIMA S1-3	3128M1B99	FHLMC POOL #G1-1964	5.000% 04/01/2021 DD 03/01/06	RMBS	13,611.0830	13,613.00	56.71	14,066.95	453.95	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	122,473.2810	125,821.32	612.37	126,765.81	944.49	0.00	0.08	Agency	AA+	Agency
CALOPTIMA S1-3	3128MMKR3	FHLMC POOL #G1-8303	4.500% 03/01/2024 DD 03/01/09	RMBS	223,384.5790	230,846.55	837.69	233,087.96	2,241.41	0.00	0.15	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	244,966.7170	242,161.69	357.24	244,238.58	2,076.89	0.00	0.16	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	615,530.2570	609,087.49	897.65	613,700.65	4,613.16	0.00	0.40	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	132,558.6960	135,757.58	441.86	135,554.89	0.00	-202.69	0.09	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	261,842.3340	266,164.20	872.81	265,561.54	0.00	-602.66	0.17	Agency	AA+	Agency
CALOPTIMA S1-3	3137A2PV7	FHLMC MULTICLASS MTG 3760 BA	1.500% 09/15/2022 DD 11/01/10	RMBS	174,903.0820	172,360.00	218.63	173,517.46	1,157.46	0.00	0.11	Agency	AA+	Agency
CALOPTIMA S1-3	3139A2V8	FNMA GTD REMIC P/T 03-38 MP	5.500% 05/25/2023 DD 04/01/03	RMBS	153,072.0240	158,213.12	701.58	159,558.02	1,344.90	0.00	0.10	Agency	AA+	Agency
CALOPTIMA S1-3	31393DLQ2	FNMA GTD REMIC P/T 03-64 HQ	5.000% 07/25/2023 DD 06/01/03	RMBS	235,796.5950	242,391.95	982.49	244,505.22	2,113.27	0.00	0.16	Agency	AA+	Agency
CALOPTIMA S1-3	62888UAB6	NCUA GUARANTEED NOTES TR R2 2A	VAR RT 11/05/2020 DD 11/17/10	RMBS	315,187.5070	318,163.57	477.84	315,235.57	0.00	-2,928.00	0.21	Aaa	AA+	Agency
CALOPTIMA S1-3	92261WAB6	VENDEE MORTGAGE TRUST 201 1 DV	3.750% 06/15/2022 DD 04/01/11	RMBS	130,575.8350	132,469.60	408.05	133,488.77	1,019.17	0.00	0.09	Agency	AA+	Agency
CALOPTIMA S1-3	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Government	2,330,932.5000	2,345,561.02	3,104.73	2,367,006.24	21,445.22	0.00	1.54	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	1,515,130.6500	1,535,096.99	1,614.49	1,539,625.39	4,528.40	0.00	1.00	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	1,515,130.6500	1,536,884.48	1,614.48	1,539,625.39	2,740.91	0.00	1.00	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	755,014.6000	768,685.88	804.52	767,220.73	0.00	-1,465.15	0.50	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	1,536,875.35	4,170.61	1,538,762.50	1,887.15	0.00	1.00	Agency	AA+	Agency
CALOPTIMA S1-3	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	4,560,000.0000	4,608,689.10	12,511.81	4,616,287.50	7,598.40	0.00	3.01	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	769,370.60	2,085.30							

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	912828B58	U S TREASURY NOTE	2.125% 01/31/2021 DD 01/31/14	US Government	1,325,000.0000	1,318,278.71	11,782.78	1,331,935.55	13,656.84	0.00	0.87	Govt	AA+	Govt
CALOPTIMA S1-3	912828B58	U S TREASURY NOTE	2.125% 01/31/2021 DD 01/31/14	US Government	1,500,000.0000	1,492,103.81	13,338.99	1,507,851.57	15,747.76	0.00	0.98	Govt	AA+	Govt
CALOPTIMA S1-3	912828B58	U S TREASURY NOTE	2.125% 01/31/2021 DD 01/31/14	US Government	3,735,000.0000	3,712,610.60	33,214.10	3,754,550.41	41,939.81	0.00	2.45	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	3,816,058.63	22,684.51	3,829,306.25	13,247.62	0.00	2.50	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	3,063,173.15	18,165.44	3,066,456.25	3,283.10	0.00	2.00	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,835,000.0000	1,839,920.98	10,911.15	1,841,881.25	1,960.27	0.00	1.20	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,530,000.0000	1,533,641.19	9,097.58	1,535,737.50	2,096.31	0.00	1.00	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	460,000.0000	461,216.09	2,735.22	461,725.00	508.91	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	465,000.0000	466,229.48	2,764.95	466,743.75	514.27	0.00	0.30	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	2,295,000.0000	2,305,149.75	13,646.37	2,303,606.25	0.00	-1,543.50	1.50	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,525,000.0000	1,528,248.60	9,067.85	1,530,718.75	2,470.15	0.00	1.00	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	1,510,000.0000	1,518,693.71	6,714.55	1,516,075.39	0.00	-2,618.32	0.99	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	3,740,000.0000	3,758,379.01	16,630.74	3,755,047.67	0.00	-3,331.34	2.45	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	3,100,000.0000	3,117,525.29	13,784.84	3,112,472.66	0.00	-5,052.63	2.03	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	4,675,000.0000	4,708,707.61	20,788.42	4,693,809.58	0.00	-14,898.03	3.06	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	500,000.0000	502,154.11	2,223.36	502,011.72	0.00	-142.39	0.33	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	765,000.0000	767,197.32	3,401.74	768,077.94	880.62	0.00	0.50	Govt	AA+	Govt
CALOPTIMA S1-3	912828T67	U S TREASURY NOTE	1.250% 10/31/2021 DD 10/31/16	US Government	1,300,000.0000	1,293,665.29	2,767.86	1,292,179.69	0.00	-1,485.60	0.84	Govt	AA+	Govt
CALOPTIMA S1-3	912828T67	U S TREASURY NOTE	1.250% 10/31/2021 DD 10/31/16	US Government	1,535,000.0000	1,526,163.96	3,268.20	1,525,766.02	0.00	-397.94	0.99	Govt	AA+	Govt
CALOPTIMA S1-3	912828T67	U S TREASURY NOTE	1.250% 10/31/2021 DD 10/31/16	US Government	3,075,000.0000	3,048,651.25	6,547.04	3,056,501.98	7,850.73	0.00	1.99	Govt	AA+	Govt
CALOPTIMA S1-3	912828UH1	US TREAS-CPI INFLAT	0.125% 01/15/2023 DD 01/15/13	US Government	1,560,762.0000	1,548,416.99	901.25	1,560,606.50	12,189.51	0.00	1.02	Govt	AA+	Govt
CALOPTIMA S1-3	912828UH1	US TREAS-CPI INFLAT	0.125% 01/15/2023 DD 01/15/13	US Government	1,588,632.7500	1,554,061.63	917.35	1,588,474.48	34,412.85	0.00	1.04	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	1,225,529.83	3,618.95	1,227,474.22	1,944.39	0.00	0.80	Govt	AA+	Govt



Report: Credit Rating  
 Account: WC-CalOptima - Tier One (66882)  
 As of: 12/31/2019  
 Base Currency: US Dollar



AAA

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market Value + Accrued	Base Market Value + Accrued
				Maturity	Security Type					Gain/Loss	Base Accrued Balance		
02582JF8	AMXCA 186 A	2,900,000.00	07/15/2021	02/15/2024	ABS	AAA	Aaa	NA	AAA	35,553.34	3,944.00	1.91%	2,956,624.24
05522RCZ9	BACCT 18A2 A	1,000,000.00	04/15/2021	09/15/2021	ABS	AAA	Aaa	AAA	NA	10,865.26	1,333.33	0.66%	1,015,766.03
05588CAC6	BMWOT 19A A3	730,000.00	11/18/2021	01/25/2024	ABS	AAA	NA	AAA	AAA	446.40	233.60	0.47%	730,593.20
14041NFU0	COMET 192 A	1,000,000.00	08/15/2022	09/15/2024	ABS	AAA	NA	AAA	AAA	(2,845.05)	764.44	0.64%	997,695.04
14042WAC4	COPAR 191 A3	1,500,000.00	10/05/2021	11/15/2023	ABS	AAA	Aaa	AAA	AAA	13,657.99	1,673.33	0.98%	1,515,093.83
17305EGK5	CCCT 18A1 A1	1,185,000.00	01/20/2021	01/20/2021	ABS	AAA	Aaa	NA	AAA	2,729.86	13,195.96	0.78%	1,206,356.47
3130AF5B9	FEDERAL HOME LOAN BANKS	1,000,000.00	10/12/2021	10/12/2021	AGCY BOND	AAA	Aaa	AA+	AAA	24,803.63	6,583.33	0.67%	1,031,043.56
313380G10	FEDERAL HOME LOAN BANKS	2,950,000.00	09/09/2022	09/09/2022	AGCY BOND	AAA	Aaa	AA+	AAA	(7,735.35)	18,355.56	1.94%	3,000,561.68
3133EJ5P0	FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00	01/18/2022	01/18/2022	AGCY BOND	AAA	Aaa	AA+	AAA	63,494.93	35,316.67	2.00%	3,095,890.81
3133EJW70	FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00	05/26/2021	05/26/2021	AGCY BOND	AAA	Aaa	AA+	AAA	56,357.27	8,385.42	1.98%	3,062,943.09
3133EKVD5	FEDERAL FARM CREDIT BANKS FUNDING CORP	4,400,000.00	01/18/2022	01/18/2022	AGCY BOND	AAA	Aaa	AA+	AAA	28,800.80	37,354.17	2.88%	4,462,283.55
3137AN2K0	FHR 4019D EV	1,079,394.88	10/12/2021	06/15/2023	FHLMC CMO	AAA	Aaa	AA+	AAA	19,055.02	3,148.24	0.72%	1,109,179.77
3137APP61	FHMS K018 A2	1,295,615.70	10/23/2021	01/25/2022	FHLMC	AAA	Aaa	AA+	AAA	1,280.27	3,011.23	0.85%	1,312,766.63
3137BFDQ1	FHMS K717 A2	1,147,816.56	07/23/2021	09/25/2021	FHLMC	AAA	Aaa	AA+	AAA	7,430.48	2,860.93	0.75%	1,164,725.39
31417ELP4	FN AB7789	781,898.01	04/30/2021	02/01/2023	FNMA	AAA	Aaa	AA+	AAA	921.82	1,303.16	0.50%	775,257.45
316175108	FIDELITY IMM-GOVT1	22,506.37	12/31/2019	12/31/2019	MMFUND	AAA	Aaa	AAA	AAA	0.00	0.00	0.01%	22,506.37
43814WAC9	HAROT 191 A3	1,330,000.00	06/17/2021	03/20/2023	ABS	AAA	NA	AAA	AAA	(98.81)	1,359.19	0.87%	1,351,752.08
459058GH0	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	1,500,000.00	07/23/2021	07/23/2021	SUPRANATIONAL	AAA	Aaa	AAA	NA	26,803.80	18,104.17	1.00%	1,543,042.37
47789JAD8	JDOT 2019 A3	2,100,000.00	08/11/2021	07/17/2023	ABS	AAA	Aaa	NA	AAA	30,490.50	2,716.00	1.38%	2,133,022.57
65479GAD1	NAROT 18B A3	1,875,000.00	02/05/2021	03/15/2023	ABS	AAA	Aaa	AAA	NA	25,411.04	2,550.00	1.23%	1,902,930.38
797272OL8	SAN DIEGO CALIF CMNTY COLLEGE DIST	1,500,000.00	08/01/2021	08/01/2021	MUNI	AAA	Aaa	AAA	NA	4,380.00	6,046.88	0.98%	1,510,426.88
83191GAD1	SMAT 162US A3A	231,218.36	02/14/2020	03/15/2021	ABS	AAA	Aaa	NA	AAA	(477.52)	186.71	0.15%	231,224.38
89231AAD3	TAOT 18C A3	1,850,000.00	02/05/2021	12/15/2022	ABS	AAA	Aaa	AAA	NA	15,223.88	2,483.11	1.22%	1,879,875.14
9128284W7	UNITED STATES TREASURY	6,900,000.00	08/15/2021	08/15/2021	US GOV	AAA	Aaa	AA+	AAA	24,254.90	71,671.88	4.59%	7,097,541.68
9128285A4	UNITED STATES TREASURY	4,000,000.00	09/15/2021	09/15/2021	US GOV	AAA	Aaa	AA+	AAA	85,037.20	32,637.36	2.66%	4,109,357.36
9128285L0	UNITED STATES TREASURY	2,200,000.00	11/15/2021	11/15/2021	US GOV	AAA	Aaa	AA+	AAA	50,511.40	8,166.90	1.46%	2,260,073.70
9128285V8	UNITED STATES TREASURY	3,000,000.00	01/15/2022	01/15/2022	US GOV	AAA	Aaa	AA+	AAA	60,820.34	34,646.74	2.00%	3,088,904.74
9128285V8	UNITED STATES TREASURY	4,000,000.00	01/15/2022	01/15/2022	US GOV	AAA	Aaa	AA+	AAA	67,622.77	46,195.65	2.66%	4,118,539.65
9128286C9	UNITED STATES TREASURY	2,950,000.00	02/15/2022	02/15/2022	US GOV	AAA	Aaa	AA+	AAA	50,723.78	27,856.66	1.96%	3,033,859.46
9128286C9	UNITED STATES TREASURY	2,160,000.00	02/15/2022	02/15/2022	US GOV	AAA	Aaa	AA+	AAA	28,865.09	20,396.74	1.44%	2,221,402.18
9128286C9	UNITED STATES TREASURY	2,500,000.00	02/15/2022	02/15/2022	US GOV	AAA	Aaa	AA+	AAA	33,598.96	23,607.34	1.66%	2,571,067.34
9128286M7	UNITED STATES TREASURY	4,475,000.00	04/15/2022	04/15/2022	US GOV	AAA	Aaa	AA+	AAA	7,018.38	2,277.66	0.31%	484,254.46
9128286U9	UNITED STATES TREASURY	1,800,000.00	05/15/2022	05/15/2022	US GOV	AAA	Aaa	AA+	AAA	14,765.73	4,938.87	1.18%	1,827,158.07
9128286U9	UNITED STATES TREASURY	2,700,000.00	05/15/2022	05/15/2022	US GOV	AAA	Aaa	AA+	AAA	22,148.59	7,408.31	1.77%	2,740,737.11
9128286U9	UNITED STATES TREASURY	900,000.00	05/15/2022	05/15/2022	US GOV	AAA	Aaa	AA+	AAA	3,344.26	2,469.44	0.59%	913,579.04
9128286U9	UNITED STATES TREASURY	1,400,000.00	05/15/2022	05/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,965.79	3,841.35	0.92%	1,421,122.95
9128286U9	UNITED STATES TREASURY	4,800,000.00	05/15/2022	05/15/2022	US GOV	AAA	Aaa	AA+	AAA	15,391.82	13,170.33	3.15%	4,872,421.53

912828P38	UNITED STATES TREASURY	2,300,000.00	01/31/2023	01/31/2023	US GOV	AAA	Aaa	AA+	AAA	3,693.17	16,843.75	1.50%	2,326,368.05
912828P38	UNITED STATES TREASURY	5,100,000.00	01/31/2023	01/31/2023	US GOV	AAA	Aaa	AA+	AAA	599.57	37,591.71	3.33%	5,158,710.81
912828TY6	UNITED STATES TREASURY	2,000,000.00	11/15/2022	11/15/2022	US GOV	AAA	Aaa	AA+	AAA	6,198.51	4,196.43	1.30%	2,005,680.43
912828TY6	UNITED STATES TREASURY	1,500,000.00	11/15/2022	11/15/2022	US GOV	AAA	Aaa	AA+	AAA	(354.36)	3,147.32	0.97%	1,504,260.32
912828YA2	UNITED STATES TREASURY	1,900,000.00	08/15/2022	08/15/2022	US GOV	AAA	Aaa	AA+	AAA	(8,129.28)	10,764.95	1.23%	1,906,607.75
912828YC8	UNITED STATES TREASURY	1,000,000.00	08/31/2021	08/31/2021	US GOV	AAA	Aaa	AA+	AAA	(1,496.90)	5,068.68	0.65%	1,003,506.68
912828YW4	UNITED STATES TREASURY	4,500,000.00	12/15/2022	12/15/2022	US GOV	AAA	Aaa	AA+	AAA	9,990.84	3,396.52	2.91%	4,507,793.02
9286SLAD3	VALET 181 A3	2,600,000.00	02/01/2021	11/21/2022	ABS	AAA	NA	AAA	AAA	30,083.94	2,399.22	1.70%	2,632,313.26
CCYUSD	Cash	17,063.45	12/31/2019	12/31/2019	CASH	AAA	Aaa	AAA	AAA	0.00	0.00	0.01%	17,063.45
CCYUSD	Payable	(5,158,111.24)	12/31/2019	12/31/2019	CASH	AAA	Aaa	AAA	AAA	0.00	0.00	-3.33%	(5,158,111.24)
CCYUSD	Receivable	5,147,452.24	12/31/2019	12/31/2019	CASH	AAA	Aaa	AAA	AAA	0.00	0.00	3.33%	5,147,452.24

---	---	98,069,854.34	01/17/2022	06/04/2022	---	AAA	Aaa	AA+	AAA	866,204.02	553,603.21	64.52%	99,823,224.93
-----	-----	---------------	------------	------------	-----	-----	-----	-----	-----	------------	------------	--------	---------------

AA+

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market	
				Maturity	Security Type					Gain/Loss	Base Accrued Balance	Value + Accrued	Base Market Value + Accrued
037833DL1	APPLE INC	250,000.00	09/11/2022	09/11/2022	CORP	AA+	Aa1	AA+	NA	1,298.61	(202.87)	0.16%	251,122.73
037833DL1	APPLE INC	500,000.00	09/11/2022	09/11/2022	CORP	AA+	Aa1	AA+	NA	2,597.22	(275.29)	0.32%	502,245.47
212204JB8	CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,365,000.00	08/01/2021	08/01/2021	MUNI	AA+	Aa1	AA+	NA	7,042.49	(477.75)	0.89%	1,371,564.74
212204JC6	CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,000,000.00	08/01/2022	08/01/2022	MUNI	AA+	Aa1	AA+	NA	(2,660.00)	5,001.89	0.65%	1,002,341.89
30231GBB7	EXXON MOBIL CORP	530,000.00	08/16/2022	08/16/2022	CORP	AAA	Aaa	AA+	NA	2,925.52	3,780.23	0.35%	536,705.74
677765GS2	OHLONE CALIF CMNTY COLLEGE DIST	1,000,000.00	08/01/2021	08/01/2021	MUNI	AA+	Aa1	AA+	NA	(1,930.00)	4,517.78	0.65%	1,002,587.78
80168ACP0	SANTA CLARA VY CALIF WTR DIST WTR SYS REV	570,000.00	06/01/2022	06/01/2022	MUNI	AA+	Aa1	NA	AA+	410.40	982.54	0.37%	571,392.94
92348XAC9	VZOT 18A B	2,925,000.00	11/20/2021	04/20/2023	ABS	AA+	Aa1	AA+	AA	69,539.41	3,020.88	1.94%	2,997,132.48

---	---	8,140,000.00	01/16/2022	07/23/2022	---	AA+	Aa1	AA+	AA	67,329.42	28,241.63	5.32%	8,235,093.77
-----	-----	--------------	------------	------------	-----	-----	-----	-----	----	-----------	-----------	-------	--------------

AA

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market	
				Maturity	Security Type					Gain/Loss	Base Accrued Balance	Value + Accrued	Base Market Value + Accrued
13063DGA0	CALIFORNIA ST	1,250,000.00	04/01/2021	04/01/2021	MUNI	AA	Aa2	AA-	AA	16,184.29	8,750.00	0.82%	1,274,950.00
931142EJ8	WALMART INC	2,000,000.00	06/23/2021	06/23/2021	CORP	AA	Aa2	AA	AA	42,816.46	1,388.89	1.32%	2,044,152.21

---	---	3,250,000.00	05/22/2021	05/22/2021	---	AA	Aa2	AA	AA	59,000.75	10,138.89	2.15%	3,319,102.21
-----	-----	--------------	------------	------------	-----	----	-----	----	----	-----------	-----------	-------	--------------

AA-

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market	
				Maturity	Security Type					Gain/Loss	Base Accrued Balance	Value + Accrued	Base Market Value + Accrued
072024WW8	BAY AREA TOLL AUTH CALIF TOLL BRDG REV	2,000,000.00	04/01/2022	04/01/2022	MUNI	AA-	A1	AA-	AA-	4,380.00	11,231.11	1.30%	2,015,611.11
376087FX5	GILROY CALIF UNI SCH DIST	500,000.00	08/01/2022	08/01/2022	MUNI	AA-	Aa3	AA-	NA	(2,025.00)	1,462.31	0.32%	499,437.31
738850SV9	POWAY CALIF UNI SCH DIST	1,140,000.00	08/01/2022	08/01/2022	MUNI	AA-	NA	AA-	NA	171.00	4,593.25	0.74%	1,144,764.25
769059ZY5	RIVERSIDE CALIF UNI SCH DIST	1,000,000.00	02/01/2022	02/01/2022	MUNI	AA-	Aa2	AA-	NA	220.00	701.56	0.65%	1,000,921.56
89236TCZ6	TOYOTA MOTOR CREDIT CORP	2,000,000.00	04/08/2021	04/08/2021	CORP	AA-	Aa3	AA-	NA	32,968.64	8,761.11	1.30%	2,011,526.43
90331HPA5	US BANK NA	1,750,000.00	01/04/2021	02/04/2021	CORP	AA-	A1	AA-	AA-	21,795.42	21,437.50	1.16%	1,792,448.49
90331HPA5	US BANK NA	400,000.00	01/04/2021	02/04/2021	CORP	AA-	A1	AA-	AA-	4,177.57	4,900.00	0.26%	409,702.51
913366HW3	UNIV CALIF REGTS MED CTR POOLED REV	1,000,000.00	05/15/2022	05/15/2022	MUNI	AA-	Aa3	AA-	AA-	6,446.69	2,411.17	0.65%	1,000,932.17

---	---	9,790,000.00	10/28/2021	11/04/2021	---	AA-	Aa3	AA-	AA-	68,134.33	55,498.00	6.38%	9,875,342.82
-----	-----	--------------	------------	------------	-----	-----	-----	-----	-----	-----------	-----------	-------	--------------

A+

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market	
				Maturity	Security Type					Gain/Loss	Base Accrued Balance	Value + Accrued	Base Market Value + Accrued
06406HDF3	BANK OF NEW YORK MELLON CORP	1,000,000.00	10/27/2020	11/27/2020	CORP	A+	A1	A	AA-	5,799.33	2,313.89	0.65%	1,007,182.90
06406HDF3	BANK OF NEW YORK MELLON CORP	1,200,000.00	10/27/2020	11/27/2020	CORP	A+	A1	A	AA-	9,135.95	2,776.67	0.78%	1,208,619.48
17325FAL2	CITIBANK NA	1,200,000.00	01/12/2021	02/12/2021	CORP	A+	Aa3	A+	AA-	11,753.36	13,205.00	0.79%	1,224,930.00
665859AL8	NORTHERN TRUST CORP	600,000.00	11/04/2020	11/04/2020	CORP	A+	A2	A+	AA-	4,695.58	3,277.50	0.39%	610,854.29
69371RP42	PACAR FINANCIAL CORP	2,000,000.00	08/09/2021	08/09/2021	CORP	A+	A1	A+	NA	42,359.43	24,850.00	1.34%	2,066,870.42
79768DLQ0	SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTLA	1,000,000.00	05/01/2021	05/01/2021	MUNI	A+	A1	A+	NA	14,850.00	4,878.33	0.66%	1,019,728.33
857477AV5	STATE STREET CORP	2,000,000.00	05/19/2021	05/19/2021	CORP	A+	A1	A	AA-	31,443.19	4,550.00	1.30%	2,008,695.56
899154AT5	TULARE CNTY CALIF PENSION OBLIG	2,000,000.00	06/01/2021	06/01/2021	MUNI	A+	A1	AA-	NA	29,300.00	5,093.33	1.31%	2,034,393.33

---	---	11,000,000.00	03/31/2021	04/09/2021	---	A+	A1	A+	AA-	149,336.84	60,944.72	7.23%	11,181,274.41
-----	-----	---------------	------------	------------	-----	----	----	----	-----	------------	-----------	-------	---------------

A

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market	
				Maturity	Security Type					Gain/Loss	Base Accrued Balance	Value + Accrued	Base Market Value + Accrued
02665WBG5	AMERICAN HONDA FINANCE CORP	856,000.00	09/09/2021	09/09/2021	CORP	A	A2	A	NA	4,248.74	4,527.29	0.56%	859,177.05
02665WDC2	AMERICAN HONDA FINANCE CORP	1,000,000.00	01/10/2023	01/10/2023	CORP	A	A2	A	NA	4,176.51	6,320.83	0.65%	1,010,150.86
06051GEE5	BANK OF AMERICA CORP	1,700,000.00	01/05/2021	01/05/2021	CORP	A	A2	A-	A+	18,967.59	48,827.78	1.17%	1,815,103.18
24422ETZ2	JOHN DEERE CAPITAL CORP	1,000,000.00	01/08/2021	01/08/2021	CORP	A	A2	A	A	6,998.93	11,293.06	0.66%	1,016,691.38
24422ETZ2	JOHN DEERE CAPITAL CORP	1,200,000.00	01/08/2021	01/08/2021	CORP	A	A2	A	A	11,412.52	13,551.67	0.79%	1,220,029.65
369550BE7	GENERAL DYNAMICS CORP	1,000,000.00	05/11/2021	05/11/2021	CORP	A	A2	A+	WR	20,061.00	4,166.67	0.66%	1,020,995.88
369550BE7	GENERAL DYNAMICS CORP	500,000.00	05/11/2021	05/11/2021	CORP	A	A2	A+	WR	10,121.55	2,083.33	0.33%	510,497.94
44932HAK9	IBM CREDIT LLC	1,000,000.00	11/30/2020	11/30/2020	CORP	A	A2	A	WR	15,803.68	2,970.83	0.66%	1,018,407.70
45866FAE4	INTERCONTINENTAL EXCHANGE INC	2,300,000.00	08/15/2022	09/15/2022	CORP	A	A2	A	NA	(2,283.05)	15,914.72	1.51%	2,336,384.72
46625HD3	JPMORGAN CHASE & CO	2,300,000.00	01/24/2022	01/24/2022	CORP	A	A2	A-	AA-	(587.67)	45,137.50	1.59%	2,460,189.99
63743HER0	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1,000,000.00	03/15/2021	03/15/2021	CORP	A	A2	A	A	1,649.39	8,538.89	0.66%	1,019,794.08
69353REY0	PNC BANK NA	945,000.00	11/09/2021	12/09/2021	CORP	A	A2	A	A+	5,330.02	1,472.63	0.62%	957,904.93
69353REY0	PNC BANK NA	925,000.00	11/09/2021	12/09/2021	CORP	A	A2	A	A+	7,847.72	1,441.46	0.61%	937,631.81
797330AD9	SAN DIEGO CALIF TOB SETTLEMENT REV FDG CORP	1,010,000.00	06/01/2020	06/01/2020	MUNI	A	NA	A	NA	3,050.20	2,360.03	0.66%	1,015,410.23
808513AW5	CHARLES SCHWAB CORP	950,000.00	04/21/2021	05/21/2021	CORP	A	A2	A	A	9,195.36	3,430.56	0.63%	971,962.86
---	---	<b>17,686,000.00</b>	<b>08/11/2021</b>	<b>08/20/2021</b>	<b>---</b>	<b>A</b>	<b>A2</b>	<b>A</b>	<b>A+</b>	<b>115,992.49</b>	<b>172,037.24</b>	<b>11.74%</b>	<b>18,170,332.26</b>

A-

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market	
				Maturity	Security Type					Gain/Loss	Base Accrued Balance	Value + Accrued	Base Market Value + Accrued
05531FBG7	BB&T CORP	2,000,000.00	05/20/2022	06/20/2022	CORP	A-	A3	A-	A+	15,477.73	1,863.89	1.33%	2,051,846.15
44644AAD9	HUNTINGTON NATIONAL BANK	1,000,000.00	04/14/2021	05/14/2021	CORP	A-	A3	A-	A-	18,000.49	4,243.06	0.66%	1,021,184.42
44644AAH0	HUNTINGTON NATIONAL BANK	1,000,000.00	03/01/2022	04/01/2022	CORP	A-	A3	A-	A-	23,064.68	7,812.50	0.67%	1,030,228.65
---	---	<b>4,000,000.00</b>	<b>01/20/2022</b>	<b>02/20/2022</b>	<b>CORP</b>	<b>A-</b>	<b>A3</b>	<b>A-</b>	<b>A</b>	<b>56,542.91</b>	<b>13,919.44</b>	<b>2.65%</b>	<b>4,103,259.21</b>

Summary

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final		Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market	
				Maturity	Security Type					Gain/Loss	Base Accrued Balance	Value + Accrued	Base Market Value + Accrued
---	---	<b>151,935,854.34</b>	<b>11/28/2021</b>	<b>03/10/2022</b>	<b>---</b>	<b>AA+</b>	<b>Aa1</b>	<b>AA</b>	<b>AA+</b>	<b>1,382,540.76</b>	<b>894,383.14</b>	<b>100.00%</b>	<b>154,707,629.62</b>

- \* 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	2,253,405.12	22,000.00	2,267,340.89	13,935.77	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	1,505,857.72	14,666.67	1,511,560.59	5,702.87	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	1,106,675.32	9,250.69	1,101,254.06	0.00	-5,421.26	1.08	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	1,014,535.40	8,493.82	1,011,151.45	0.00	-3,383.95	0.99	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	1,516,692.16	16,625.00	1,523,121.99	6,429.83	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	992,663.43	5,201.39	1,002,340.38	9,676.95	0.00	0.98	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	1,498,107.48	7,802.08	1,503,510.57	5,403.09	0.00	1.47	Aaa	AAA	AAA
CALOPTIMA S1-5	05522RCV6	BA CREDIT CARD TRUST A1 A1	1.950% 08/15/2022 DD 03/30/17	Asset Backed	1,000,000.0000	993,532.08	866.67	1,000,100.00	6,567.92	0.00	0.98	Aaa	NR	AAA
CALOPTIMA S1-5	17305EFM2	CITIBANK CREDIT CARD ISS A1 A1	2.880% 01/23/2023 DD 01/24/14	Asset Backed	565,000.0000	564,234.49	7,232.00	570,779.27	6,544.78	0.00	0.56	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	314,975.50	425.60	316,878.06	1,902.56	0.00	0.31	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	449,970.06	634.00	454,557.60	4,587.54	0.00	0.45	Aa1	AA	NR
CALOPTIMA S1-5	31680YAB3	FIFTH THIRD AUTO TRUST 2 1 A2A	2.660% 05/16/2022 DD 05/08/19	Asset Backed	621,317.7100	621,291.25	734.54	623,275.79	1,984.54	0.00	0.61	Aaa	AAA	NR
CALOPTIMA S1-5	477870AB5	JOHN DEERE OWNER TRUST 20 B A2	2.280% 05/16/2022 DD 07/24/19	Asset Backed	440,000.0000	439,998.33	445.87	440,951.59	953.26	0.00	0.43	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	41,081.1200	41,081.12	32.50	41,069.34	0.00	-11.78	0.04	Aaa	NR	AAA
CALOPTIMA S1-5	47789JAB2	JOHN DEERE OWNER TRUST 20 A A2	2.850% 12/15/2021 DD 03/13/19	Asset Backed	635,295.8600	635,274.52	804.71	637,362.48	2,087.96	0.00	0.63	Aaa	NR	AAA
CALOPTIMA S1-5	65478DAD9	NISSAN AUTO RECEIVABLES 2 A A3	2.650% 05/16/2022 DD 02/28/18	Asset Backed	250,483.2600	248,699.89	295.01	251,558.18	2,858.29	0.00	0.25	Aaa	AAA	NR
CALOPTIMA S1-5	65478LAB5	NISSAN AUTO LEASE TRUST B A2A	2.270% 10/15/2021 DD 07/24/19	Asset Backed	390,000.0000	389,972.32	393.47	390,713.35	741.03	0.00	0.38	Aaa	AAA	AAA
CALOPTIMA S1-5	65479PAB5	NISSAN AUTO LEASE TRUST 2 A A2	2.710% 07/15/2021 DD 04/15/19	Asset Backed	914,482.2800	914,463.99	1,101.44	917,747.07	3,263.08	0.00	0.90	Aaa	AAA	NR
CALOPTIMA S1-5	80286GAB7	SANTANDER DRIVE AUTO RECE 2 A2	2.630% 07/15/2022 DD 05/22/19	Asset Backed	582,636.6700	582,601.58	681.04	583,346.85	745.27	0.00	0.57	Aaa	NR	AAA
CALOPTIMA S1-5	GL-110000	CASH		Cash	0.0000	187,012.35	0.00	187,012.35	0.00	0.00	0.00			
CALOPTIMA S1-5	3137AXHP1	FHLMC MULTICLASS MTG K024 A2	2.573% 09/25/2022 DD 01/01/13	CMBS	640,000.0000	645,486.71	1,372.26	649,633.86	4,147.15	0.00	0.64	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	463,768.68	986.32	466,924.33	3,155.65	0.00	0.46	Aaa	AA+	Agency
CALOPTIMA S1-5	3137B1B50	FHLMC MULTICLASS MTG K026 A2	2.510% 11/25/2022 DD 05/01/13	CMBS	2,005,000.0000	2,022,385.94	4,193.79	2,032,771.05	10,385.11	0.00	1.99	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	560,335.58	1,230.60	569,484.89	9,149.31	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	700,109.52	1,538.25	711,856.11	11,746.59	0.00	0.70	Agency	AA+	AAA
CALOPTIMA S1-5	31381PAU2	FNMA POOL #0466319	3.230% 11/01/2020 DD 11/01/10	CMBS	165,187.0240	165,853.03	459.45	165,416.89	0.00	-436.14	0.16	Agency	AA+	Agency
CALOPTIMA S1-5	31381Q6B7	FNMA POOL #0468066	4.295% 06/01/2021 DD 06/01/11	CMBS	1,126,403.9700	1,160,869.60	4,165.97	1,158,831.05	0.00	-2,038.55	1.14	Agency	AA+	Agency
CALOPTIMA S1-5	31381R5T7	FNMA POOL #0468958	3.770% 09/01/2021 DD 09/01/11	CMBS	1,190,000.0000	1,203,944.59	3,863.20	1,219,401.56	15,456.97	0.00	1.20	Agency	AA+	Agency
CALOPTIMA S1-5	3138EJRP5	FNMA POOL #0AL2293	4.521% 06/01/2021 DD 08/01/12	CMBS	413,802.2620	426,932.51	1,610.97	424,152.17	0.00	-2,780.34	0.42	Agency	AA+	Agency
CALOPTIMA S1-5	3138EJRP5	FNMA POOL #0AL2293	4.521% 06/01/2021 DD 08/01/12	CMBS	27,872.6900	28,617.21	108.51	28,569.83	0.00	-47.38	0.03	Agency	AA+	Agency
CALOPTIMA S1-5	3138EJRP5	FNMA POOL #0AL2293	4.521% 06/01/2021 DD 08/01/12	CMBS	42,881.0620	43,572.07	166.94	43,953.59	381.52	0.00	0.04	Agency	AA+	Agency
CALOPTIMA S1-5	3138EJRP5	FNMA POOL #0AL2293	4.521% 06/01/2021 DD 08/01/12	CMBS	105,058.6000	106,751.47	409.00	107,686.30	934.83	0.00	0.11	Agency	AA+	Agency
CALOPTIMA S1-5	3138EK7G4	FNMA POOL #0AL3594	2.706% 04/01/2023 DD 05/01/13	CMBS	571,297.4640	585,184.64	1,331.22	581,399.77	0.00	-3,784.87	0.57	Agency	AA+	Agency
CALOPTIMA S1-5	3138EKL4	FNMA POOL #0AL3382	2.355% 03/01/2023 DD 03/01/13	CMBS	245,508.7130	247,994.91	497.87	247,260.33	0.00	-734.58	0.24	Agency	AA+	Agency
CALOPTIMA S1-5	023135AM8	AMAZON.COM INC	3.300% 12/05/2021 DD 12/05/14	Corporates	740,000.0000	753,601.35	1,763.67	761,450.53	7,849.18	0.00	0.75	A3	AA-	A+
CALOPTIMA S1-5	05531FBJ1	TRUIST FINANCIAL CORP	2.200% 03/16/2023 DD 09/16/19	Corporates	790,000.0000	789,464.62	5,069.17	795,247.72	5,783.10	0.00	0.78	A2	A-	A+
CALOPTIMA S1-5	06051GEU9	BANK OF AMERICA CORP	3.300% 01/11/2023 DD 01/11/13	Corporates	370,000.0000	368,431.33	5,765.83	382,536.36	14,105.03	0.00	0.38	A2	A-	A+
CALOPTIMA S1-5	06051GGS2	BANK OF AMERICA CORP	VAR RT 10/01/2021 DD 09/18/17	Corporates	645,000.0000	645,000.00	3,753.90	646,837.79	1,837.79	0.00	0.63	A2	A-	A+
CALOPTIMA S1-5	06051GGS2	BANK OF AMERICA CORP	VAR RT 10/01/2021 DD 09/18/17	Corporates	650,000.0000	647,501.03	3,783.00	651,852.04	4,351.01	0.00	0.64	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	879,247.64	10,985.80	905,818.18	26,570.54	0.00	0.89	A1	A	AA-
CALOPTIMA S1-5	14040HBY0	CAPITAL ONE FINANCIAL CORP	3.450% 04/30/2021 DD 04/30/18	Corporates	600,000.0000	599,765.28	3,507.50	610,914.17	11,148.89	0.00	0.60	Baa1	BBB	A-
CALOPTIMA S1-5	172967LC3	CITIGROUP INC	2.900% 12/08/2021 DD 12/08/16	Corporates	900,000.0000	905,194.82	1,667.50	914,790.61	9,595.79	0.00	0.90	A3	BBB+	A
CALOPTIMA S1-5	172967LC3	CITIGROUP INC	2.900% 12/08/2021 DD 12/08/16	Corporates	710,000.0000	699,766.32	1,315.47	721,668.15	21,901.83	0.00	0.71	A3	BBB+	A
CALOPTIMA S1-5	250847EG1	DTE ELECTRIC CO	3.900% 06/01/2021 DD 05/18/11	Corporates	750,000.0000	764,441.02	2,437.50	767,384.72	2,943.70	0.00	0.75	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	216,248.15	228.44	216,164.43	0.00	-83.72	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	502,335.23	531.25	502,707.97	372.74	0.00	0.49	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	775,903.68	16,843.75	787,065.26	11,161.58	0.00	0.77	A3	BBB+	A
CALOPTIMA S1-5	44644AAB3	HUNTINGTON NATIONAL BANK/THE	2.500% 08/07/2022 DD 08/07/17	Corporates	445,000.0000	434,983.59	4,450.00	449,940.47	14,956.88	0.00	0.44	A3	A-	A-
CALOPTIMA S1-5	46625HJE1	JPMORGAN CHASE & CO	3.250% 09/23/2022 DD 09/24/12	Corporates	920,000.0000	936,170.90	8,139.44	951,874.33	15,703.43	0.00	0.93	A2	A-	AA-
CALOPTIMA S1-5	46625HJH4	JPMORGAN CHASE & CO	3.200% 01/25/2023 DD 01/25/13	Corporates	1,000,000.0000	990,405.84	13,866.67	1,032,043.78	41,637.94	0.00	1.01	A2	A-	AA-
CALOPTIMA S1-5	55279HAL4	MANUFACTURERS & TRADERS TRUST	2.500% 05/18/2022 DD 05/18/17	Corporates	900,000.0000	902,591.21	2,687.50	910,592.25	8,001.04	0.00	0.89	A3	A	A
CALOPTIMA S1-5	61746BED4	MORGAN STANLEY	2.625% 11/17/2021 DD 11/17/16	Corporates	715,000.0000	705,156.96	2,293.96	723,571.09	18,414.13	0.00	0.71	A3	BBB+	A
CALOPTIMA S1-5	61747WAF6	MORGAN STANLEY	5.750% 01/25/2021 DD 01/25/11	Corporates	730,000.0000	753,727.72	18,189.17	758,156.18	4,428.46	0.00	0.74	A3	BBB+	A
CALOPTIMA S1-5	65339KBF6	NEXTERA ENERGY CAPITAL HOLDING	2.900% 04/01/2022 DD 04/04/19	Corporates	680,000.0000	679,518.56	4,930.00	694,017.81	14,499.25	0.00	0.68	Baa1	BBB+	A
CALOPTIMA S1-5	68389XBR5	ORACLE CORP	2.625% 02/15/2023 DD 11/09/17	Corporates	1,000,000.0000	981,600.70	9,916.67	1,021,251.44	39,650.74	0.00	1.00	A1	A+	A
CALOPTIMA S1-5	69371RP26	PACCAR FINANCIAL CORP	3.100% 05/10/2021 DD 05/10/18	Corporates	1,000,000.0000	999,884.24	4,391.67	1,017,512.72	17,628.48	0.00	1.00	A1	A+	NR
CALOPTIMA S1-5	74432QBP9	PRUDENTIAL FINANCIAL INC	4.500% 11/15/2020 DD 11/18/10	Corporates	615,000.0000	621,751.65	3,536.25	628,772.46	7,020.81	0.00	0.62	A3	A	A-
CALOPTIMA S1-5	784710AB1	SSM HEALTH CARE CORP	3.688% 06/01/2023 DD 05/08/18	Corporates	100,000.0000	100,391.61	307.33	104,338.16	3,946.55	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	497,612.26	1,536.67	521,690.78	24,078.52	0.00	0.51	A1	A+	AA-
CALOPTIMA S1-5	828807DG9	SIMON PROPERTY GROUP LP	2.000% 09/13/2024 DD 09/13/19	Corporates	260,000.0000	255,977.78	1,560.00	258,754.01	2,776.23	0.00	0.25	A2	A	NA
CALOPTIMA S1-5	828807DG9	SIMON PROPERTY GROUP LP	2.000% 09/13/2024 DD 09/13/19	Corporates	525,000.0000	516,849.38	3,150.00	522,484.07	5,634.69	0.00	0.51	A2	A	NA
CALOPTIMA S1-5	86787EBA4	TRUIST BANK	VAR RT 10/26/2021 DD 10/26/18	Corporates	390,000.0000	390,000.00	2,482.19	394,592.26	4,592.26	0.00	0.39	Baa1	A-	A-
CALOPTIMA S1-5	867914BK8	TRUIST FINANCIAL CORP	2.900% 03/03/2021 DD 03/03/16	Corporates	500,000.0000	498,539.44	4,752.78	505,229.38	6,689.94	0.00	0.50	Baa1	BBB+	A-

Reporting Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-5	13034PZH3	CALIFORNIA ST HSG FIN AGY REVE	2.512% 08/01/2021 DD 06/29/17	Municipal Securities	675,000.0000	675,000.00	7,065.00	681,952.50	6,952.50	0.00	0.67	A1	AA	NR
CALOPTIMA S1-5	13063DLZ9	CALIFORNIA ST	3.000% 04/01/2024 DD 04/04/19	Municipal Securities	680,000.0000	711,179.13	5,100.00	706,023.60	0.00	-5,155.53	0.69	Aa3	AA-	AA
CALOPTIMA S1-5	13066YTY5	CALIFORNIA ST DEPT OF WTR RESO	1.713% 05/01/2021 DD 09/28/16	Municipal Securities	798,257.8300	798,257.83	2,279.03	797,938.53	0.00	-319.30	0.78	Aa1	AA	AA+
CALOPTIMA S1-5	13077CT46	CALIFORNIA ST UNIV REVENUE	2.332% 11/01/2020 DD 08/05/15	Municipal Securities	495,000.0000	497,430.53	1,923.90	497,212.65	0.00	-217.88	0.49	Aa2	AA-	NR
CALOPTIMA S1-5	190335HF9	COAST CA CMNTY CLG DIST	1.556% 08/01/2021 DD 08/31/16	Municipal Securities	415,000.0000	415,000.00	2,690.58	413,904.40	0.00	-1,095.60	0.41	Aa1	AA+	NR
CALOPTIMA S1-5	212204JE2	CONTRA COSTA CA CMNTY CLG DIST	1.774% 08/01/2024 DD 09/12/19	Municipal Securities	410,000.0000	410,000.00	2,202.22	405,248.10	0.00	-4,751.90	0.40	Aa1	AA+	NR
CALOPTIMA S1-5	50520PAD2	LA VERNE CA PENNS OBLIG	3.216% 06/01/2022 DD 08/15/18	Municipal Securities	1,000,000.0000	995,885.94	2,680.00	1,025,330.00	29,444.06	0.00	1.01	NR	AA+	NR
CALOPTIMA S1-5	576000XB4	MASSACHUSETTS ST SCH BLDG AUTH	1.963% 10/15/2022 DD 11/20/19	Municipal Securities	480,000.0000	480,000.00	1,073.11	480,360.00	360.00	0.00	0.47	Aa3	AA	AA+
CALOPTIMA S1-5	576051VX1	MASSACHUSETTS ST WTR RESOURCES	1.862% 08/01/2024 DD 11/01/19	Municipal Securities	830,000.0000	830,000.00	2,575.77	817,475.30	0.00	-12,524.70	0.80	Aa1	AA+	AA+
CALOPTIMA S1-5	63968A2A2	NEBRASKA ST PUBLIC PWR DIST RE	2.216% 01/01/2024 DD 10/29/19	Municipal Securities	295,000.0000	295,000.00	1,125.85	294,483.75	0.00	-516.25	0.29	A1	A+	A+
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	839.62	219,615.00	0.00	-385.00	0.22	A1	A+	A+
CALOPTIMA S1-5	677765GV5	OHLONE CA CMNTY CLG DIST	1.814% 08/01/2024 DD 09/26/19	Municipal Securities	1,000,000.0000	1,000,000.00	4,786.94	987,130.00	0.00	-12,870.00	0.97	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	885.36	678,313.60	0.00	-1,686.40	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	2,317.73	819,546.35	14,546.35	0.00	0.80	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	730.45	735,279.30	279.30	0.00	0.72	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	3,239.50	759,186.80	0.00	-813.20	0.74	Aa1	AA	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	2,463.75	746,002.50	0.00	-3,997.50	0.73	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	3,108.83	506,210.70	0.00	-3,789.30	0.50	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	2,103.94	746,760.00	0.00	-3,240.00	0.73	Aa2	AA	NR
CALOPTIMA S1-5	88278PZA5	TEXAS ST UNIV SYS FING REVENUE	2.103% 03/15/2024 DD 11/21/19	Municipal Securities	490,000.0000	490,000.00	1,144.97	491,004.50	1,004.50	0.00	0.48	Aa2	NR	AA
CALOPTIMA S1-5	899154AV0	TULARE CNTY CA PENNS OBLG	3.348% 06/01/2023 DD 06/25/18	Municipal Securities	1,000,000.0000	1,000,000.00	2,790.00	1,036,240.00	36,240.00	0.00	1.02	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	2,892.50	500,150.00	150.00	0.00	0.49	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	764,737.53	2,765.13	765,494.80	757.27	0.00	0.75	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	161,588.3650	159,751.73	235.65	161,108.06	1,356.33	0.00	0.16	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	407,240.0370	403,005.30	593.89	406,029.56	3,024.26	0.00	0.40	Agency	AA+	Agency
CALOPTIMA S1-5	3137A1LC5	FHLMC MULTICLASS MTG 3710 AB	2.000% 08/15/2020 DD 08/01/10	RMBS	4,030.3200	4,031.04	6.72	4,025.26	0.00	-5.78	0.00	Agency	AA+	Agency
CALOPTIMA S1-5	3137B2ZH6	FHLMC MULTICLASS MTG 4221 HJ	1.500% 07/15/2023 DD 06/01/13	RMBS	124,883.8280	123,323.59	156.10	124,050.90	727.31	0.00	0.12	Agency	AA+	Agency
CALOPTIMA S1-5	3137GAUY1	FHLMC MULTICLASS MTG 3737 MA	1.500% 10/15/2022 DD 10/01/10	RMBS	218,225.4640	213,488.77	272.78	217,737.38	4,248.61	0.00	0.21	Agency	AA+	Agency
CALOPTIMA S1-5	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Government	1,010,348.7360	1,016,672.17	1,345.75	1,025,985.00	9,312.83	0.00	1.01	Govt	AA+	Govt
CALOPTIMA S1-5	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Government	507,347.3140	509,146.30	675.77	515,199.07	6,052.77	0.00	0.51	Govt	AA+	Govt
CALOPTIMA S1-5	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	1,504,927.7500	1,524,526.95	1,603.61	1,529,257.54	4,730.59	0.00	1.50	Govt	AA+	Govt
CALOPTIMA S1-5	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	505,043.5500	514,180.86	538.16	513,208.46	0.00	-972.40	0.50	Govt	AA+	Govt
CALOPTIMA S1-5	912828B58	U S TREASURY NOTE	2.125% 01/31/2021 DD 01/31/14	US Government	770,000.0000	771,360.62	6,847.35	774,030.47	2,669.85	0.00	0.76	Govt	AA+	Govt
CALOPTIMA S1-5	912828B58	U S TREASURY NOTE	2.125% 01/31/2021 DD 01/31/14	US Government	360,000.0000	360,913.19	3,201.36	361,884.38	971.19	0.00	0.36	Govt	AA+	Govt
CALOPTIMA S1-5	912828B58	U S TREASURY NOTE	2.125% 01/31/2021 DD 01/31/14	US Government	985,000.0000	979,168.64	8,759.27	990,155.86	10,987.22	0.00	0.97	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	717,085.24	6,189.85	711,131.25	0.00	-5,953.99	0.70	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	1,521,628.85	13,142.20	1,509,865.62	0.00	-11,763.23	1.48	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	1,523,089.28	13,187.06	1,515,018.75	0.00	-8,070.53	1.49	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	660,137.79	5,741.30	659,600.00	0.00	-537.79	0.65	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	1,520,026.75	13,231.91	1,520,171.88	145.13	0.00	1.49	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	770,940.03	2,178.92	769,658.21	0.00	-1,281.82	0.76	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	508,798.64	1,438.08	507,974.42	0.00	-824.22	0.50	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	1,018,623.54	2,890.69	1,021,079.88	2,456.34	0.00	1.00	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	595,295.28	3,567.68	602,250.00	6,954.72	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	150,000.0000	148,831.72	891.92	150,562.50	1,730.78	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	575,000.0000	570,590.96	3,419.03	577,156.25	6,565.29	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	1,800,000.0000	1,785,738.87	10,703.04	1,806,750.00	21,011.13	0.00	1.77	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	406,501.01	2,408.18	406,518.75	17.74	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	347,557.06	1,556.35	351,408.20	3,851.14	0.00	0.34	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	620,688.85	2,779.20	627,514.65	6,825.80	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	990,705.30	4,446.72	1,004,023.44	13,318.14	0.00	0.98	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	770,000.0000	761,867.61	3,423.98	773,098.05	11,230.44	0.00	0.76	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	977,756.79	4,402.25	993,983.21	16,226.42	0.00	0.98	Govt	AA+	Govt
CALOPTIMA S1-5	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	2,850,000.0000	2,783,487.17	12,673.16	2,861,466.80	77,979.63	0.00	2.81	Govt	AA+	Govt
CALOPTIMA S1-5	912828S76	U S TREASURY NOTE	1.125% 07/31/2021 DD 07/31/16	US Government	4,400,000.0000	4,355,043.31	20,714.67	4,367,171.87	12,128.56	0.00	4.28	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	3,746,081.31	18,125.34	3,821,275.38	75,194.07	0.00	3.75	Govt	AA+	Govt
CALOPTIMA S1-5	912828VM9	US TREAS-CPI INFLAT	0.375% 07/15/2023 DD 07/15/13	US Government	3,040,812.5000	3,067,274.70	5,267.71	3,082,820.35	15,545.65	0.00	3.02	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									

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	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	1,030,000.0000	1,021,593.46	3,018.24	1,023,723.44	2,129.98	0.00	1.00	Govt	AA+	Govt

**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	2,763,537.60	2,763,537.60	0.00	1.000	0.91%
<b>Total for Cash</b>			<b>2,763,537.60</b>	<b>2,763,537.60</b>	<b>0.00</b>		<b>0.91%</b>
<b>Money Markets</b>							
15,250,000.000	U.S. TREASURY BILL Mat: 1/9/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/9/19 St Date: 8/9/19	912796TA7	15,128,476.56 0.00	15,130,667.99 115,169.27	2,191.43	99.968	5.00%
2,000,000.000	CT YALE UNIVERSITY CP-TXB Mat: 1/14/20 Cpn: 0.00% Moody's: NR S&P: NR Fitch: NR Tr Date: 12/10/19 St Date: 12/10/19	98459RAE0	1,996,635.92 0.00	1,996,674.89 2,114.56	38.97	99.935	0.66%
9,000,000.000	U.S. TREASURY BILL Mat: 1/23/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/24/19 St Date: 10/25/19	912796TC3	8,963,325.00 0.00	8,964,414.62 27,710.00	1,089.62	99.908	2.95%
1,000,000.000	MIZUHO BANK LTD YCD 3ML+4 Mat: 1/27/20 Cpn: 1.98% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/25/19 St Date: 7/26/19	60710ACG5	1,000,000.00 0.00	1,000,251.60 3,567.11	251.60	100.025	0.33%
10,000,000.000	U.S. TREASURY BILL Mat: 2/6/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/9/19 St Date: 8/9/19	912796TE9	9,905,150.97 0.00	9,909,479.97 75,984.03	4,329.00	99.849	3.27%
2,000,000.000	NATL AUSTRALIA BANK YCD FRN 1ML+13 Mat: 2/10/20 Cpn: 1.85% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 11/1/19 St Date: 11/4/19	63253TR91	1,999,845.76 2,873.26	2,000,033.16 2,255.16	187.40	100.002	0.66%
45,000,000.000	U.S. TREASURY BILL Mat: 2/13/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/18/19 St Date: 11/19/19	912796TF6	44,836,062.50 0.00	44,839,071.00 81,968.75	3,008.50	99.820	14.73%
50,000,000.000	U.S. TREASURY BILL Mat: 2/20/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/25/19 St Date: 11/26/19	912796TG4	49,814,383.33 0.00	49,819,129.17 77,700.00	4,745.84	99.789	16.36%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,000,000.000	BANK OF TOKYO-MITSUBISHI FRN YCD Mat: 2/21/20 Cpn: 2.04% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 10/21/19 St Date: 10/22/19	60683BVX8	2,000,000.00 0.00	2,000,108.00 1,017.57	108.00	100.005	0.66%
20,000,000.000	U.S. TREASURY BILL Mat: 2/27/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/2/19 St Date: 12/3/19	912796SD2	19,926,422.22 0.00	19,928,484.44 24,811.11	2,062.22	99.762	6.54%
1,000,000.000	CREDIT SUISSE NY YCD SOFR+38 Mat: 3/6/20 Cpn: 1.92% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 3/8/19 St Date: 3/11/19	22549LWP6	1,000,000.00 0.00	1,000,160.19 1,117.78	160.19	100.016	0.33%
1,000,000.000	SKANDINAV ENSKILDA BK YCD FRN 1ML+20 Mat: 3/13/20 Cpn: 1.94% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/12/19 St Date: 9/13/19	83050PEF2	1,000,000.00 0.00	1,000,308.41 1,024.15	308.41	100.031	0.33%
1,000,000.000	AUST & NZ BANK NY YCD FRN 3ML+5 Mat: 3/31/20 Cpn: 2.15% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 4/1/19 St Date: 4/2/19	05252WQV8	1,000,000.00 517.20	1,000,738.85 119.69	738.85	100.074	0.33%
1,720,000.000	SUMITOMO MITSUI BANK YCD FRN SOFR+33 Mat: 4/2/20 Cpn: 1.87% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 10/2/19 St Date: 10/2/19	86565BT27	1,720,000.00 0.00	1,719,498.62 2,687.50	(501.38)	99.971	0.56%
790,000.000	BNP PARIBAS YCD FRN 3ML+5 Mat: 4/17/20 Cpn: 2.05% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 4/16/19 St Date: 4/17/19	05586FF28	790,000.00 0.00	789,478.09 3,422.50	(521.91)	99.934	0.26%
1,000,000.000	BANK OF MONTREAL YCD FRN SOFR+23 Mat: 5/8/20 Cpn: 1.77% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 5/8/19 St Date: 5/9/19	06370RZZ5	1,000,000.00 0.00	999,976.73 2,676.39	(23.27)	99.998	0.33%
2,000,000.000	CREDIT AGRICOLE YCD FRN Mat: 5/8/20 Cpn: 1.92% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 11/7/19 St Date: 11/8/19	22532XNH7	2,000,000.00 0.00	2,000,074.84 2,453.50	74.84	100.004	0.66%
2,000,000.000	TORONTO-DOMINION NY YCD FRN Mat: 6/10/20 Cpn: 1.92% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 10/4/19 St Date: 10/8/19	89114MQ26	1,998,671.75 3,498.44	1,999,179.30 2,340.71	507.55	99.959	0.66%





**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
14,400,000.000	U.S. TREASURY BILL Mat: 6/18/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/19/19 St Date: 6/20/19	912796SV2	14,234,097.22 0.00	14,243,971.58 52,766.67	9,874.36	99.278	4.69%
5,000,000.000	U.S. TREASURY BILL Mat: 11/5/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/29/19 St Date: 12/2/19	912796TP4	4,927,256.25 0.00	4,929,533.89 6,437.50	2,277.64	98.715	1.62%
2,000,000.000	BANK OF NOVA SCOTIA YCD FRN Mat: 11/13/20 Cpn: 2.04% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 11/14/19 St Date: 11/15/19	06417MEQ4	2,000,000.00 0.00	2,001,228.38 5,326.35	1,228.38	100.061	0.66%
5,000,000.000	U.S. TREASURY BILL Mat: 12/3/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/19/19 St Date: 12/20/19	912796TU3	4,928,382.29 0.00	4,928,748.46 2,462.50	366.17	98.620	1.62%
2,000,000.000	WESTPAC BANK FRN YCD Mat: 12/11/20 Cpn: 2.04% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 12/11/19 St Date: 12/12/19	96130AES3	2,000,000.00 0.00	2,000,000.00 2,263.61	0.00	100.000	0.66%

<b>Total for Money Markets</b>			<b>194,168,709.78</b> <b>6,888.90</b>	<b>194,201,212.18</b> <b>497,396.41</b>	<b>32,502.40</b>		<b>63.85%</b>
--------------------------------	--	--	--	--	------------------	--	---------------

**Treasuries**

5,000,000.000	U.S. TREASURY NOTE Mat: 12/15/20 Cpn: 1.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/19/19 St Date: 12/20/19	9128283L2	5,012,109.38 1,280.74	5,011,914.05 4,354.51	(195.33)	100.238	1.65%
10,000,000.000	U.S. TREASURY FRN Mat: 10/31/21 Cpn: 1.83% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/19/19 St Date: 12/20/19	912828YN4	10,013,683.86 25,767.90	10,016,885.20 31,915.68	3,201.34	100.169	3.30%

<b>Total for Treasuries</b>			<b>15,025,793.24</b> <b>27,048.64</b>	<b>15,028,799.25</b> <b>36,270.19</b>	<b>3,006.01</b>		<b>4.94%</b>
-----------------------------	--	--	--	--	-----------------	--	--------------

**Government Related**

5,000,000.000	INTL BANK RECON & DEVELOP Mat: 3/30/20 Cpn: 1.38% Moody's: Aaa S&P: AAA Fitch: AAAu Tr Date: 12/13/19 St Date: 12/18/19	459058FA6	4,995,400.00 14,906.67	4,996,103.55 17,378.47	703.55	99.922	1.64%
---------------	--	-----------	---------------------------	---------------------------	--------	--------	-------



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,370,000.000	IBRD FRN SOFR+22 Mat: 8/21/20 Cpn: 1.76% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/14/18 St Date: 8/21/18	459058GK3	2,370,000.00 0.00	2,370,945.39 4,792.67	945.39	100.040	0.78%
<b>Total for Government Related</b>			<b>7,365,400.00</b> <b>14,906.67</b>	<b>7,367,048.94</b> <b>22,171.14</b>	<b>1,648.94</b>		<b>2.42%</b>
<b>Agencies</b>							
3,050,000.000	FHLB C 1/9/20 Q Mat: 10/9/20 Cpn: 1.95% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/3/19 St Date: 10/9/19	3130AHAT0	3,050,000.00 0.00	3,050,380.91 13,547.08	380.91	100.013	1.00%
<b>Total for Agencies</b>			<b>3,050,000.00</b> <b>0.00</b>	<b>3,050,380.91</b> <b>13,547.08</b>	<b>380.91</b>		<b>1.00%</b>
<b>Taxable Muni</b>							
2,450,000.000	CA STATE UNIVERSITY CP TXB Mat: 1/8/20 Cpn: 1.71% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 11/14/19 St Date: 11/14/19	13078FBW5	2,450,000.00 0.00	2,450,051.45 5,586.00	51.45	100.002	0.81%
1,500,000.000	CA STATE GO/ULT CP TXB Mat: 1/9/20 Cpn: 2.04% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 10/17/19 St Date: 10/17/19	13068BEK9	1,500,000.00 0.00	1,500,036.00 6,354.10	36.00	100.002	0.49%
1,938,000.000	CA SAN JOSE FIN AUTH CP TXB Mat: 1/10/20 Cpn: 1.95% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 10/10/19 St Date: 10/10/19	79815QFH9	1,938,000.00 0.00	1,938,032.95 8,570.09	32.95	100.002	0.64%
1,000,000.000	CA SAN JOSE FIN AUTH CP TXB Mat: 1/10/20 Cpn: 1.95% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 10/10/19 St Date: 10/10/19	79815WCF3	1,000,000.00 0.00	1,000,017.00 4,422.13	17.00	100.002	0.33%
2,000,000.000	CA LOS ANGELES METRO TRANS AUTH CP TXB Mat: 1/14/20 Cpn: 1.75% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 12/4/19 St Date: 12/4/19	54531HAY3	2,000,000.00 0.00	2,000,030.00 2,677.60	30.00	100.002	0.66%
2,000,000.000	CA STATE GO/ULT CP TXB Mat: 2/10/20 Cpn: 1.85% Moody's: P-1 S&P: A-1+ Fitch: F1 Tr Date: 11/21/19 St Date: 11/21/19	13068PDP8	2,000,000.00 0.00	2,000,140.00 4,144.81	140.00	100.007	0.66%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,770,000.000	CA STATE GO/ULT TXB Mat: 4/1/20 Cpn: 2.60% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 11/1/19 St Date: 11/5/19	13063DFZ6	1,776,159.60 4,346.33	1,773,681.60 11,505.00	(2,478.00)	100.208	0.59%
1,430,000.000	CT STATE OF CONNECTICUT GO/ULT-TXBL Mat: 4/15/20 Cpn: 3.13% Moody's: A1 S&P: A Fitch: A+ Tr Date: 3/29/19 St Date: 4/11/19	20772KGJ2	1,436,506.50 0.00	1,434,215.64 9,434.03	(2,290.86)	100.295	0.47%
330,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/20 Cpn: 1.75% Moody's: Aa1 S&P: AA Fitch: Tr Date: 11/21/19 St Date: 12/12/19	796720MC1	330,000.00 0.00	329,913.21 305.49	(86.79)	99.974	0.11%
1,000,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/20 Cpn: 2.26% Moody's: S&P: AA Fitch: AA Tr Date: 4/3/19 St Date: 4/5/19	798170AC0	995,250.00 4,016.00	1,002,207.00 9,412.50	6,957.00	100.221	0.33%
500,000.000	CA SONOMA CNTY CLG DIST TXB Mat: 8/1/20 Cpn: 1.84% Moody's: Aa2 S&P: AA Fitch: Tr Date: 10/23/19 St Date: 11/12/19	835569GM0	500,000.00 0.00	499,888.50 1,250.18	(111.50)	99.978	0.16%
1,000,000.000	CA SANTA CRUZ REDEV AGY TAB TXB PRE-20 Mat: 9/1/20 Cpn: 7.40% Moody's: A2 S&P: AA Fitch: Tr Date: 10/18/19 St Date: 10/22/19	801825GV6	1,067,410.00 10,483.33	1,057,054.00 24,666.67	(10,356.00)	105.705	0.35%
765,000.000	CA PALM DESERT REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.25% Moody's: S&P: AA Fitch: Tr Date: 12/13/19 St Date: 12/17/19	696624AT2	767,669.85 3,633.75	766,946.93 4,303.13	(722.93)	100.255	0.25%
1,500,000.000	CA SAN BERNARDINO CNTY COPS TXBL Mat: 10/1/20 Cpn: 2.00% Moody's: Aa2 S&P: AA Fitch: Tr Date: 11/13/19 St Date: 11/15/19	796815ZE1	1,502,445.00 3,666.67	1,499,701.50 7,500.00	(2,743.50)	99.980	0.49%
575,000.000	CA SAN FRAN PUB UTIL WATER-GREEN TXB Mat: 11/1/20 Cpn: 1.81% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 12/13/19 St Date: 1/9/20	79765R4K2	575,000.00 0.00	574,942.50 0.00	(57.50)	99.990	0.19%
360,000.000	BAYLOR SCOTT & WHITE TAXABLE Mat: 11/15/20 Cpn: 2.12% Moody's: Aa3 S&P: AA- Fitch: Tr Date: 8/21/19 St Date: 8/23/19	072863AA1	360,079.20 2,080.54	360,495.07 976.58	415.87	100.138	0.12%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
944,683.808	CA DEPT WTR RESOURCES-PWR SUPPLY TXB Mat: 5/1/21 Cpn: 1.71% Moody's: Aa1 S&P: AA Fitch: AA+ Tr Date: 6/18/19 St Date: 6/20/19	13066YTY5	937,573.15 2,202.61	943,166.65 2,697.07	5,593.50	99.839	0.31%
1,900,000.000	CA HEALTH FACS-NO PLACE LIKE HOME-TXB Mat: 6/1/21 Cpn: 1.90% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 11/20/19 St Date: 11/25/19	13032UUY2	1,900,000.00 0.00	1,901,375.60 3,602.40	1,375.60	100.072	0.62%
610,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/21 Cpn: 1.82% Moody's: Aa1 S&P: AA Fitch: Tr Date: 11/21/19 St Date: 12/12/19	796720MD9	610,000.00 0.00	610,150.67 587.23	150.67	100.025	0.20%
<b>Total for Taxable Muni</b>			<b>23,646,093.30</b> <b>30,429.23</b>	<b>23,642,046.26</b> <b>107,994.99</b>	<b>(4,047.04)</b>		<b>7.79%</b>

**Credit**

1,985,000.000	MANUFACTURERS & TRADERS TR-MAKE WHL1/07 Mat: 2/6/20 Cpn: 2.10% Moody's: A3 S&P: A Fitch: A Tr Date: 1/23/19 St Date: 1/25/19	55279HAJ9	1,969,295.65 19,856.08	1,985,089.33 16,789.79	15,793.68	100.005	0.66%
1,000,000.000	AMERICAN EXPRESS-MAKE WHOLE 2/3/20 Mat: 3/3/20 Cpn: 2.20% Moody's: A2 S&P: A- Fitch: A Tr Date: 1/23/19 St Date: 1/25/19	0258M0EE5	991,660.00 8,677.78	1,000,230.00 7,211.11	8,570.00	100.023	0.33%
405,000.000	CITIZENS BANK FRN Mat: 5/26/20 Cpn: 2.49% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAK7	405,000.00 0.00	405,768.36 1,007.34	768.36	100.190	0.13%
650,000.000	GOLDMAN SACHS FRN Mat: 9/15/20 Cpn: 3.09% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/16/18 St Date: 3/20/18	38141GVQ4	660,900.50 300.13	654,397.47 893.72	(6,503.03)	100.677	0.21%
500,000.000	DUPONT DE NEMOURS Mat: 11/15/20 Cpn: 3.77% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 11/1/19 St Date: 11/5/19	26078JAA8	509,210.00 8,891.94	508,070.00 2,406.06	(1,140.00)	101.614	0.17%
1,000,000.000	PINNACLE WEST CAPITAL Mat: 11/30/20 Cpn: 2.25% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 11/1/19 St Date: 11/5/19	723484AG6	1,002,440.00 9,687.50	1,001,692.00 1,937.50	(748.00)	100.169	0.33%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,585,000.000	AVALONBAY COMMUNITIES FRN Mat: 1/15/21 Cpn: 2.43% Moody's: A3 S&P: A- Fitch: Tr Date: 11/8/17 St Date: 11/15/17	05348EBD0	1,585,000.00 0.00	1,584,833.58 8,348.05	(166.43)	99.990	0.52%
1,000,000.000	MORGAN STANLEY Mat: 1/25/21 Cpn: 5.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/24/19 St Date: 10/28/19	61747WAF6	1,045,110.00 14,854.17	1,039,175.00 24,916.67	(5,935.00)	103.918	0.35%
645,000.000	TRUIST FIN CORP FRN Mat: 2/1/21 Cpn: 2.13% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 10/23/17 St Date: 10/26/17	05531FBA0	645,000.00 0.00	644,852.70 2,326.96	(147.30)	99.977	0.21%
1,330,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 2.44% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 3/2/17 St Date: 3/9/17	46647PAC0	1,330,000.00 0.00	1,330,477.47 2,069.07	477.47	100.036	0.44%
1,010,000.000	CITIBANK FRN Mat: 3/13/21 Cpn: 2.14% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 3/7/19 St Date: 3/13/19	17325FAW8	1,010,000.00 0.00	1,010,491.95 1,138.21	491.95	100.049	0.33%
1,000,000.000	REGIONS BANK FRN Mat: 4/1/21 Cpn: 2.48% Moody's: Baa2 S&P: A- Fitch: BBB+ Tr Date: 1/23/18 St Date: 1/26/18	759187CC9	1,000,000.00 0.00	1,000,413.00 6,334.28	413.00	100.041	0.33%
1,235,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 2.26% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/24/18 St Date: 4/26/18	90331HNQ2	1,235,000.00 0.00	1,238,278.93 5,029.74	3,278.93	100.266	0.41%
1,000,000.000	TRUIST FIN CORP Mat: 5/10/21 Cpn: 2.05% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 10/24/19 St Date: 10/28/19	05531FAV5	1,001,440.00 9,566.67	1,002,155.00 2,904.17	715.00	100.216	0.33%
1,000,000.000	CITIZENS BANK Mat: 5/13/21 Cpn: 2.55% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 11/1/19 St Date: 11/5/19	17401QAE1	1,007,940.00 12,183.33	1,007,600.00 3,400.00	(340.00)	100.760	0.33%
610,000.000	IBM Mat: 5/13/21 Cpn: 2.80% Moody's: A2 S&P: A Fitch: WD Tr Date: 5/8/19 St Date: 5/15/19	459200JW2	609,963.40 0.00	618,134.35 2,277.33	8,170.95	101.334	0.20%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,250,000.000	HUNTINGTON NATL BANK Mat: 5/14/21 Cpn: 3.25% Moody's: A3 S&P: A- Fitch: A- Tr Date: 10/24/19 St Date: 10/28/19	44644AAD9	1,273,607.50 19,138.89	1,271,350.00 5,303.82	(2,257.50)	101.708	0.42%
850,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 2.43% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/14/18 St Date: 5/17/18	025816BV0	850,000.00 0.00	853,707.70 2,523.60	3,707.70	100.436	0.28%
1,000,000.000	BANK OF AMERICA FRN Mat: 5/24/21 Cpn: 2.26% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 5/20/19 St Date: 5/24/19	06050TML3	1,000,000.00 0.00	1,000,697.19 2,322.26	697.19	100.070	0.33%
1,735,000.000	GOLDMAN SACHS FRN Mat: 5/24/21 Cpn: 2.14% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 5/20/19 St Date: 5/24/19	3814267X7	1,736,073.25 2,860.58	1,735,463.37 3,812.22	(609.88)	100.027	0.57%
1,000,000.000	PNC BANK FRN Mat: 6/10/21 Cpn: 2.20% Moody's: A2 S&P: A Fitch: A+ Tr Date: 6/5/19 St Date: 6/10/19	69353RFN3	1,000,000.00 0.00	1,000,738.46 1,344.75	738.46	100.074	0.33%
635,000.000	CITIGROUP Mat: 7/23/21 Cpn: 3.40% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 10/24/19 St Date: 10/28/19	17325FAQ1	650,119.35 5,697.36	648,887.45 9,475.61	(1,231.90)	102.187	0.22%
1,350,000.000	CATERPILLAR FINANCIAL FRN Mat: 9/7/21 Cpn: 2.17% Moody's: A3 S&P: A Fitch: A Tr Date: 9/4/18 St Date: 9/7/18	14913Q2P3	1,350,000.00 0.00	1,350,694.83 1,867.31	694.83	100.052	0.44%
1,250,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 9/10/21 Cpn: 2.15% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUJ6	1,250,000.00 0.00	1,251,472.79 1,642.74	1,472.79	100.118	0.41%
1,785,000.000	BANK OF AMERICA FRN Mat: 10/1/21 Cpn: 2.75% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	06051GGU7	1,785,000.00 0.00	1,790,280.03 12,538.33	5,280.03	100.296	0.59%
660,000.000	COMCAST FRN Mat: 10/1/21 Cpn: 2.54% Moody's: A3 S&P: A- Fitch: A- Tr Date: 10/2/18 St Date: 10/5/18	20030NCW9	660,000.00 0.00	663,418.80 4,281.82	3,418.80	100.518	0.22%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,185,000.000	WELLS FARGO FRN Mat: 10/22/21 Cpn: 2.46% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 10/16/18 St Date: 10/23/18	94988J5U7	1,185,000.00	0.00	1,190,334.42 5,756.82	5,334.42	100.450	0.39%
1,000,000.000	TRUIST BANK Mat: 10/26/21 Cpn: 3.53% Moody's: A2 S&P: A Fitch: A+ Tr Date: 11/1/19 St Date: 11/5/19	86787EBA4	1,014,060.00	881.25	1,012,135.00 6,364.58	(1,925.00)	101.214	0.33%
1,215,000.000	TD AMERITRADE FRN Mat: 11/1/21 Cpn: 2.34% Moody's: A2 S&P: A Fitch: Tr Date: 10/30/18 St Date: 11/1/18	87236YAG3	1,215,000.00	0.00	1,218,312.09 4,815.68	3,312.09	100.273	0.40%
545,000.000	DUKE ENERGY FLORIDA FRN Mat: 11/26/21 Cpn: 2.17% Moody's: A3 S&P: A- Fitch: Tr Date: 11/21/19 St Date: 11/26/19	26444HAG6	545,000.00	0.00	545,954.09 1,181.15	954.09	100.175	0.18%
377,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 3.15% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	377,000.00	0.00	380,611.87 2,371.99	3,611.87	100.958	0.13%
552,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 2.83% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/3/17 St Date: 10/5/17	949746SP7	557,944.56	1,027.10	556,014.16 2,170.15	(1,930.41)	100.727	0.18%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.84% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	1,330,000.00	0.00	1,344,512.43 2,408.96	14,512.43	101.091	0.44%
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 2.90% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00	0.00	1,342,743.72 7,257.13	17,743.72	101.339	0.44%
1,300,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 2.28% Moody's: A2 S&P: A Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	1,306,617.00	367.07	1,306,863.19 3,794.19	246.19	100.528	0.43%
1,000,000.000	WELLS FARGO FRN Mat: 5/27/22 Cpn: 2.54% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 5/20/19 St Date: 5/28/19	94988J5W3	1,000,000.00	0.00	1,005,023.38 2,468.11	5,023.38	100.502	0.33%



**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
955,000.000	MORGAN STANLEY FRN Mat: 6/10/22 Cpn: 2.36% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 6/5/19 St Date: 6/10/19	6174468H5	955,000.00 0.00	959,580.97 1,379.77	4,580.97	100.480	0.32%
1,240,000.000	JPMORGAN CHASE FRN Mat: 6/18/22 Cpn: 2.51% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 6/11/18 St Date: 6/18/18	46647PAT3	1,240,000.00 0.00	1,245,154.68 1,209.65	5,154.68	100.416	0.41%
1,015,000.000	PNC BANK FRN Mat: 12/9/22 Cpn: 2.32% Moody's: A2 S&P: A Fitch: A+ Tr Date: 12/4/19 St Date: 12/9/19	69353RFR4	1,015,000.00 0.00	1,016,078.44 1,501.21	1,078.44	100.106	0.33%
<b>Total for Credit</b>			<b>40,628,381.21</b> <b>113,989.85</b>	<b>40,721,688.19</b> <b>176,781.89</b>	<b>93,306.98</b>		<b>13.41%</b>

**Mortgage-Backed**

704,388.903	NGN 2011-R1 1A 1MOFRN NCUA GNTD Mat: 1/8/20 Cpn: 2.16% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 1/22/19 St Date: 1/24/19	62888YAA0	704,884.18 929.97	704,405.10 1,100.44	(479.07)	100.002	0.23%
1,412,867.093	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 2.12% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	1,419,074.45 215.97	1,412,888.29 1,745.29	(6,186.17)	100.002	0.46%
642,265.634	NGN 2010-R1 1A 1MOFRN NCUA GNTD Mat: 10/7/20 Cpn: 2.16% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/10/19 St Date: 6/12/19	62888VAA6	643,269.18 255.88	643,478.87 1,003.39	209.70	100.189	0.21%
1,386,825.027	NGN 2010-R2 2A 1MOFRN NCUA GNTD Mat: 11/5/20 Cpn: 2.18% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 9/25/19 St Date: 9/27/19	62888UAB6	1,389,316.98 2,044.49	1,387,174.51 2,186.61	(2,142.47)	100.025	0.46%
5,967,998.584	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 2.27% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	5,988,332.99 4,321.04	5,971,573.41 9,797.69	(16,759.58)	100.060	1.96%
52,667.817	FHMS KI01 A CMBS 1MOFRN Mat: 9/25/22 Cpn: 1.86% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/19/18 St Date: 3/22/18	3137FEC81	52,692.51 94.17	52,609.09 19.02	(83.41)	99.889	0.02%





**Portfolio Positions**

as of December 31, 2019

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
449,448.489	FHMS KI02 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 1.90% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/18 St Date: 8/14/18	3137FGZN8	449,448.49 0.00	449,469.61 165.80	21.12	100.005	0.15%
234,820.712	FHMS KI03 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 1.95% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/23/18 St Date: 10/31/18	3137FJXN4	234,820.71 0.00	234,725.61 88.91	(95.10)	99.960	0.08%
1,000,000.000	FHMS KI04 A 1MOFRN CMBS Mat: 7/25/24 Cpn: 2.15% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/8/19 St Date: 8/21/19	3137FNAV2	1,000,000.00 0.00	1,000,094.00 418.44	94.00	100.009	0.33%
<b>Total for Mortgage-Backed</b>			<b>11,881,839.48</b> <b>7,861.53</b>	<b>11,856,418.50</b> <b>16,525.59</b>	<b>(25,420.98)</b>		<b>3.89%</b>
<b>Asset-Backed</b>							
232,670.884	SDART 2019-3 A1 CAR Mat: 8/17/20 Cpn: 2.21% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 8/13/19 St Date: 8/21/19	80286HAA7	232,670.88 0.00	232,691.13 228.37	20.24	100.009	0.08%
467,975.002	BMW 2019-A A1 CAR Mat: 9/25/20 Cpn: 2.11% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 9/10/19 St Date: 9/18/19	05588CAA0	467,975.00 0.00	468,048.01 164.67	73.00	100.016	0.15%
1,482,158.545	VOLKSWAGEN 2019-A A1 LEASE Mat: 10/20/20 Cpn: 2.13% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 10/1/19 St Date: 10/4/19	92867XAA4	1,482,158.55 0.00	1,484,531.48 1,051.52	2,372.94	100.160	0.49%
1,076,014.894	BMW 2019-1 A2 LEASE Mat: 3/22/21 Cpn: 2.79% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/12/19 St Date: 3/20/19	05586VAB8	1,075,986.38 0.00	1,078,997.61 917.30	3,011.23	100.277	0.35%
1,370,000.000	NISSAN 2019-B A2B LEASE 1MOFRN Mat: 10/15/21 Cpn: 2.01% Moody's: Aaa S&P: AAA Fitch: Tr Date: 7/16/19 St Date: 7/24/19	65478LAC3	1,370,000.00 0.00	1,371,770.04 1,223.71	1,770.04	100.129	0.45%
770,000.000	TOYOTA 2019-C A2B CAR 1MOFRN Mat: 4/15/22 Cpn: 1.94% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/6/19 St Date: 8/14/19	89238UAC4	770,000.00 0.00	770,000.00 663.83	0.00	100.000	0.25%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of December 31, 2019

Currency: USD

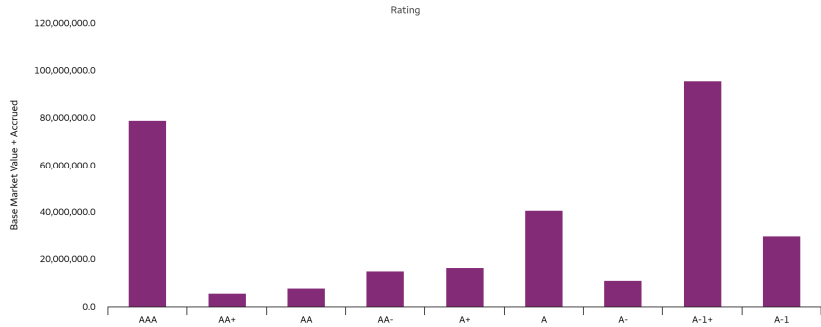
Units Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Total for Asset-Backed</b>		<b>5,398,790.81</b> <b>0.00</b>	<b>5,406,038.26</b> <b>4,249.40</b>	<b>7,247.45</b>		<b>1.77%</b>
<b>Grand Total</b>		<b>303,928,545.42</b> <b>201,124.82</b>	<b>304,037,170.09</b> <b>874,936.69</b>	<b>108,624.67</b>		<b>100.00%</b>





Source Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC	54438CXT4	LOS ANGELES CA CMNTY CLG DIST	1.650% 03/01/2020 DD 12/30/19	Municipal Securities	5,000,000.0000	5,000,000.00	229.17	5,000,000.00	0.00	0.00	1.65	Aaa	AA+	NR
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	9,698.91	1,815,000.00	0.00	0.00	0.60	A1	AA-	AA-
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	1,388.58	1,500,000.00	0.00	0.00	0.49	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	1,527.44	1,650,000.00	0.00	0.00	0.54	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	5,885.63	1,460,000.00	0.00	0.00	0.48	Aaa	AAA	NR
CALOPTIMA EC	62888UAB6	NCUA GUARANTEED NOTES TR R2 2A	VAR RT 11/05/2020 DD 11/17/10	RMBS	3,708,088.3350	3,743,097.54	5,621.69	3,708,653.82	0.00	-34,443.72	1.22	Aaa	AA+	Agency
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	1,579,538.0860	1,609,518.55	2,372.74	1,582,456.13	0.00	-27,062.42	0.52	Aaa	AA+	AAA
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	456,117.4630	456,829.88	685.17	456,960.09	130.21	0.00	0.15	Aaa	AA+	AAA
CALOPTIMA EC	62888YAA0	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 01/08/2020 DD 01/01/11	RMBS	1,244,966.5790	1,244,968.00	1,870.16	1,244,993.84	25.84	0.00	0.41	Aaa	AA+	Agency

Report: Credit Rating  
 Account: WC-CalOptima (66881)  
 As of: 12/31/2019  
 Base Currency: US Dollar



AAA

Identifier	Description	Ending Base Current Units	Ending Effective		Security Type	Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market Value +		Base Market Value +
			Maturity	Ending Final Maturity						Gain/Loss	Base Accrued Balance	Accrued	Accrued	
05584PAD9	BMWLT 172 A3	933,105.56	02/05/2020	02/20/2020	ABS	AAA	Aaa	NA	AAA	591.54	590.19	0.31%	933,693.32	
05586CAC8	BMWLT 181 A3	245,000.00	09/11/2020	07/20/2021	ABS	AAA	Aaa	AAA	NA	(56.26)	244.05	0.08%	247,471.61	
05586CAC8	BMWLT 181 A3	3,755,000.00	09/11/2020	07/20/2021	ABS	AAA	Aaa	AAA	NA	(862.30)	3,740.00	1.25%	3,792,881.23	
14041NEW7	COMET 153A A	6,000,000.00	05/15/2020	05/15/2020	ABS	AAA	NR	AAA	AAA	2,818.23	5,706.00	1.99%	6,012,463.80	
161571HJ6	CHAIF 171 A	6,000,000.00	01/14/2020	01/15/2020	ABS	AAA	NR	AAA	AAA	617.16	5,439.33	1.99%	6,006,220.53	
17305EGC3	CCIT 174A A4	850,000.00	04/07/2020	04/07/2020	ABS	AAA	NR	AAA	AAA	268.62	1,048.17	0.28%	851,346.86	
3133XXP50	FEDERAL HOME LOAN BANKS	1,500,000.00	03/13/2020	03/13/2020	AGCY BOND	AAA	Aaa	AA+	AAA	(259.18)	18,562.50	0.50%	1,525,704.26	
3134G9W37	FEDERAL HOME LOAN MORTGAGE CORP	5,000,000.00	08/10/2020	08/10/2020	AGCY BOND	AAA	Aaa	AA+	AAA	5,996.04	28,395.83	1.66%	5,024,598.18	
3137EADR7	FREDDIE MAC	3,000,000.00	05/01/2020	05/01/2020	AGCY BOND	AAA	Aaa	AA+	AAA	6,194.41	6,875.00	0.99%	3,004,107.50	
316175I08	FIDELITY IMM-GOVT I	3,410,193.59	12/31/2019	12/31/2019	MMFUND	AAA	Aaa	AAAm	AAA	0.00	0.00	1.13%	3,410,193.59	
43814WAB1	HAROT 191 A2	1,370,715.70	05/21/2020	09/20/2021	ABS	AAA	Aaa	AAA	AAA	(11.17)	1,361.20	0.46%	1,377,401.16	
43815HAB3	HAROT 183 A2	549,651.26	02/12/2020	12/21/2020	ABS	AAA	Aaa	NA	AAA	460.15	407.66	0.18%	550,524.47	
43815HAB3	HAROT 183 A2	75,119.01	02/12/2020	12/21/2020	ABS	AAA	Aaa	NA	AAA	61.32	55.71	0.02%	75,238.34	
43815HAB3	HAROT 183 A2	1,419,932.42	02/12/2020	12/21/2020	ABS	AAA	Aaa	NA	AAA	428.51	1,053.12	0.47%	1,422,188.22	
4581XOBL1	INTER-AMERICAN DEVELOPMENT BANK	2,000,000.00	02/14/2020	02/14/2020	SUPRANATIONAL	AAA	Aaa	AAA	AAA	1,792.16	28,847.22	0.67%	2,033,533.46	
4581XOCD8	INTER-AMERICAN DEVELOPMENT BANK	2,000,000.00	11/09/2020	11/09/2020	SUPRANATIONAL	AAA	Aaa	AAA	AAA	(153.72)	6,138.89	0.67%	2,012,811.25	
4581XOCP1	INTER-AMERICAN DEVELOPMENT BANK	3,007,000.00	06/16/2020	06/16/2020	SUPRANATIONAL	AAA	Aaa	AAA	AAA	2,482.36	2,349.22	1.00%	3,010,716.02	
4581XOCX4	INTER-AMERICAN DEVELOPMENT BANK	1,000,000.00	05/12/2020	05/12/2020	SUPRANATIONAL	AAA	Aaa	AAA	AAA	(233.60)	2,211.81	0.33%	1,001,636.21	
45905FA6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5,845,000.00	03/30/2020	03/30/2020	SUPRANATIONAL	AAA	Aaa	AAA	AAA	3,085.81	20,315.43	1.94%	5,859,708.85	
45905UP32	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	2,000,000.00	09/12/2020	09/12/2020	SUPRANATIONAL	AAA	Aaa	NA	AAA	4,264.22	9,452.72	0.66%	2,009,872.60	
45950KCG3	INTERNATIONAL FINANCE CORP	2,880,000.00	07/16/2020	07/16/2020	SUPRANATIONAL	AAA	Aaa	AAA	NA	641.55	21,450.00	0.96%	2,899,051.94	
58769QAB7	MBALT 19B A2	1,000,000.00	09/11/2020	12/15/2021	ABS	AAA	NA	AAA	AAA	295.42	893.33	0.33%	1,001,523.23	
58772QAD8	MBALT 18A A3	1,044,638.37	05/15/2020	02/16/2021	ABS	AAA	NA	AAA	AAA	1,212.22	1,118.92	0.35%	1,046,380.42	
58772QAD8	MBALT 18A A3	914,058.58	05/15/2020	02/16/2021	ABS	AAA	NA	AAA	AAA	666.14	979.06	0.30%	915,582.87	
58772QAD8	MBALT 18A A3	1,044,638.37	05/15/2020	02/16/2021	ABS	AAA	NA	AAA	AAA	421.13	1,118.92	0.35%	1,046,380.42	
654747AD6	NAROT 17A A3	969,618.06	04/11/2020	08/16/2021	ABS	AAA	Aaa	NA	AAA	424.54	749.84	0.32%	969,747.83	
65479BAD2	NALT 17B A3	353,561.77	01/14/2020	09/15/2020	ABS	AAA	Aaa	NA	AAA	80.40	322.13	0.12%	353,879.62	
65479PAB5	NALT 19A A2	2,761,736.50	06/04/2020	07/15/2021	ABS	AAA	Aaa	AAA	NA	1,980.27	3,326.36	0.92%	2,774,922.53	
89231AAB7	TAOT 18C A2A	1,101,039.63	04/03/2020	08/16/2021	ABS	AAA	Aaa	AAA	NA	131.39	1,355.50	0.37%	1,104,721.30	
89238MAD0	TAOT 17A A3	290,284.23	02/16/2020	02/16/2021	ABS	AAA	Aaa	AAA	NA	64.30	223.20	0.10%	290,369.31	
89238TAB9	TAOT 18B A2A	257,987.71	02/12/2020	03/15/2021	ABS	AAA	Aaa	AAA	NA	186.70	302.71	0.09%	258,450.05	
89238TAC7	TAOT 18B A2B	1,745,935.91	02/12/2020	03/15/2021	ABS	AAA	Aaa	AAA	NA	274.76	1,427.59	0.58%	1,747,232.73	
91282B58	UNITED STATES TREASURY	2,325,000.00	01/31/2021	01/31/2021	US GOV	AAA	Aaa	AA+	AAA	1,228.11	20,675.44	0.78%	2,337,844.49	
91282B987	UNITED STATES TREASURY	7,000,000.00	02/28/2021	02/28/2021	US GOV	AAA	Aaa	AA+	AAA	19,665.28	26,610.58	2.31%	6,985,597.58	
91282BV99	UNITED STATES TREASURY	4,350,000.00	08/31/2020	08/31/2020	US GOV	AAA	Aaa	AA+	AAA	7,538.15	31,235.75	1.45%	4,394,990.20	
92868LAC5	VALET 181 A2B	156,740.06	03/23/2020	07/20/2021	ABS	AAA	NA	AAA	AAA	3.71	101.60	0.05%	156,845.38	
92869BAC6	VALET 182 A2B	1,810,190.30	04/03/2020	08/20/2021	ABS	AAA	Aaa	AAA	NA	316.70	1,161.32	0.60%	1,811,443.76	
CCYUSD	Cash	5,125.99	12/31/2019	12/31/2019	CASH	AAA	Aaa	AAA	AAA	0.00	0.00	0.00%	5,125.99	
CCYUSD	Payable	(1,000,000.00)	12/31/2019	12/31/2019	CASH	AAA	Aaa	AAA	AAA	0.00	0.00	-0.33%	(1,000,000.00)	
CCYUSD	Receivable	6,559.49	12/31/2019	12/31/2019	CASH	AAA	Aaa	AAA	AAA	0.00	0.00	0.00%	6,559.49	
---	---	78,977,832.49	06/18/2020	09/27/2020	---	AAA	Aaa	AAA	AAA	62,615.08	255,846.69	26.21%	79,288,460.62	

AA+

Identifier	Description	Ending Base Current Units	Ending Effective		Security Type	Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market Value +		Base Market Value +
			Maturity	Ending Final Maturity						Gain/Loss	Base Accrued Balance	Accrued	Accrued	
231237N46	CUPERTINO CALIF UN SCH DIST	2,025,000.00	08/01/2020	08/01/2020	MUNI	AA+	Aa1	AA+	NA	(830.25)	5,259.38	0.67%	2,029,429.13	
419792YJ9	HAWAII ST	1,250,000.00	01/01/2020	01/01/2020	MUNI	AA+	Aa1	AA+	AA+	0.00	16,562.50	0.42%	1,266,562.50	



Identifier	Description	Ending Base Current Units	Ending Effective		Security Type	Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market Value + Accrued	Base Market Value + Accrued
			Maturity	Ending Final Maturity						Gain/Loss	Base Accrued Balance		
020002BE0	ALLSTATE CORP	800,000.00	03/29/2021	03/29/2021	CORP	A-	A3	A-	BBB+	1,876.48	106.24	0.27%	801,982.72
172967KB6	CTGROUP INC	4,000,000.00	10/26/2020	10/26/2020	CORP	A-	A3	BBB+	A	13,413.85	19,138.89	1.34%	4,040,971.85
20030NCW9	COMCAST CORP	1,600,000.00	10/01/2021	10/01/2021	CORP	A-	A3	A-	A-	7,861.65	10,380.18	0.54%	1,618,241.82
20030NCW9	COMCAST CORP	1,000,000.00	10/01/2021	10/01/2021	CORP	A-	A3	A-	A-	1,138.34	6,487.61	0.33%	1,011,401.14
6174467P8	MORGAN STANLEY	1,000,000.00	07/24/2020	07/24/2020	CORP	A-	A3	BBB+	A	2,839.11	23,986.11	0.35%	1,044,166.37
61747WAL3	MORGAN STANLEY	1,167,000.00	07/28/2021	07/28/2021	CORP	A-	A3	BBB+	A	832.30	27,278.63	0.42%	1,256,630.10
91324PDG4	UNITEDHEALTH GROUP INC	1,500,000.00	06/15/2021	06/15/2021	CORP	A-	A3	A+	A-	1,873.37	1,435.75	0.50%	1,503,309.12
---	---	<b>11,067,000.00</b>	<b>03/18/2021</b>	<b>03/18/2021</b>	<b>CORP</b>	<b>A-</b>	<b>A3</b>	<b>A-</b>	<b>A-</b>	<b>29,835.10</b>	<b>88,813.41</b>	<b>3.73%</b>	<b>11,276,703.13</b>

A-1+

Identifier	Description	Ending Base Current Units	Ending Effective		Security Type	Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market Value + Accrued	Base Market Value + Accrued
			Maturity	Ending Final Maturity						Gain/Loss	Base Accrued Balance		
30229AA90	Exxon Mobil Corporation	5,000,000.00	01/09/2020	01/09/2020	CP	A-1+	P-1	A-1+	NA	(178.05)	0.00	1.65%	4,997,977.50
313312N97	FEDERAL FARM CREDIT BANKS	5,000,000.00	11/10/2020	11/10/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	3,776.43	0.00	1.63%	4,933,922.20
313312RN2	FEDERAL FARM CREDIT BANKS	5,000,000.00	01/08/2020	01/08/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	259.53	0.00	1.65%	4,998,741.65
313312TM2	FEDERAL FARM CREDIT BANKS	10,000,000.00	02/24/2020	02/24/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	5,305.13	0.00	3.30%	9,977,622.20
313312ZZ6	FEDERAL FARM CREDIT BANKS	5,000,000.00	07/29/2020	07/29/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	5,908.89	0.00	1.64%	4,954,426.40
313384SK6	FEDERAL HOME LOAN BANKS	10,000,000.00	01/29/2020	01/29/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	3,182.95	0.00	3.30%	9,988,675.00
313384TN9	FEDERAL HOME LOAN BANKS	10,000,000.00	02/25/2020	02/25/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	1,418.48	0.00	3.30%	9,977,200.00
313384TP4	FEDERAL HOME LOAN BANKS	5,000,000.00	02/26/2020	02/26/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	2,030.23	0.00	1.65%	4,988,388.90
313396TN3	FEDERAL HOME LOAN MORTGAGE CORP	8,000,000.00	02/25/2020	02/25/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	590.69	0.00	2.64%	7,981,760.00
313388SC0	FEDERAL NATIONAL MORTGAGE ASSOCIATION	4,500,000.00	01/22/2020	01/22/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	245.86	0.00	1.49%	4,496,225.00
48306AA72	Kaiser Foundation Health Plan, Inc.	2,000,000.00	01/07/2020	01/07/2020	CP	A-1+	NA	A-1+	F1+	44.99	0.00	0.66%	1,999,311.66
50000DAD8	Koch Industries, Inc.	3,200,000.00	01/13/2020	01/13/2020	CP	A-1+	P-1	A-1+	NA	34.93	0.00	1.06%	3,198,221.60
50000DAD8	Koch Industries, Inc.	3,000,000.00	01/13/2020	01/13/2020	CP	A-1+	P-1	A-1+	NA	52.75	0.00	0.99%	2,998,332.75
63763PAU3	National Securities Clearing Corporation	2,600,000.00	01/28/2020	01/28/2020	CP	A-1+	P-1	A-1+	NA	(60.09)	0.00	0.86%	2,596,624.91
63763PBA6	National Securities Clearing Corporation	3,000,000.00	02/10/2020	02/10/2020	CP	A-1+	P-1	A-1+	NA	18.16	0.00	0.99%	2,994,184.83
67983TC46	Old Line Funding, LLC	7,029,000.00	03/04/2020	03/04/2020	CP	A-1+	NA	A-1+	F1+	219.45	0.00	2.32%	7,006,832.08
71708EAG0	Pfizer Inc.	2,800,000.00	01/16/2020	01/16/2020	CP	A-1+	P-1	A-1+	NA	141.56	0.00	0.93%	2,798,064.89
88602TC43	Thunder Bay Funding, LLC	5,000,000.00	03/04/2020	03/04/2020	CP	A-1+	P-1	A-1+	F1+	180.00	0.00	1.65%	4,984,080.00
---	---	<b>96,129,000.00</b>	<b>03/03/2020</b>	<b>03/03/2020</b>	<b>---</b>	<b>A-1+</b>	<b>Aaa</b>	<b>A-1+</b>	<b>AAA</b>	<b>23,171.90</b>	<b>0.00</b>	<b>31.70%</b>	<b>95,870,591.57</b>

A-1

Identifier	Description	Ending Base Current Units	Ending Effective		Security Type	Rating	Moody's	S&P	Fitch	Base Net Market Unrealized		% of Base Market Value + Accrued	Base Market Value + Accrued
			Maturity	Ending Final Maturity						Gain/Loss	Base Accrued Balance		
02665JCG3	American Honda Finance Corporation	3,000,000.00	03/16/2020	03/16/2020	CP	A-1	P-1	A-1	NA	(119.67)	0.00	0.99%	2,989,005.33
1247P2EB6	CAFCO LLC	7,000,000.00	05/11/2020	05/11/2020	CP	A-1	P-1	A-1	NA	3,383.74	0.00	2.30%	6,955,750.69
12619TAF1	CRC Funding, LLC	3,000,000.00	01/15/2020	01/15/2020	CP	A-1	P-1	A-1	NA	(148.34)	0.00	0.99%	2,997,774.99
19121AAM3	The Coca-Cola Company	4,000,000.00	01/21/2020	01/21/2020	CP	A-1	P-1	A-1	NA	998.67	0.00	1.32%	3,996,332.00
38346LA71	Gotham Funding Corporation	7,000,000.00	01/07/2020	01/07/2020	CP	A-1	P-1	A-1	F1	(225.59)	0.00	2.31%	6,997,686.00
38346LC20	Gotham Funding Corporation	1,000,000.00	03/02/2020	03/02/2020	CP	A-1	P-1	A-1	F1	(176.55)	0.00	0.33%	996,722.61
53127TCC5	Liberty Street Funding LLC	5,000,000.00	03/12/2020	03/12/2020	CP	A-1	P-1	A-1	NA	(38.34)	0.00	1.65%	4,981,620.00
---	---	<b>30,000,000.00</b>	<b>02/27/2020</b>	<b>02/27/2020</b>	<b>CP</b>	<b>A-1</b>	<b>P-1</b>	<b>A-1</b>	<b>A+</b>	<b>3,673.92</b>	<b>0.00</b>	<b>9.89%</b>	<b>29,914,891.70</b>

Summary

Identifier	Description	Ending Base Current Units	Ending Effective Maturity	Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Net Market Unrealized Gain/Loss	Base Accrued Balance	% of Base Market Value + Accrued	Base Market Value + Accrued
---	---	<b>301,481,832.49</b>	<b>06/11/2020</b>	<b>07/17/2020</b>	<b>---</b>	<b>AA</b>	<b>Aa1</b>	<b>AA</b>	<b>AA+</b>	<b>205,973.11</b>	<b>775,869.35</b>	<b>100.00%</b>	<b>302,463,062.36</b>

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

## **Disclaimer, Glossary, and Notes**



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.  
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

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

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

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

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

# MINUTES

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

CALOPTIMA  
505 CITY PARKWAY WEST  
ORANGE, CALIFORNIA

November 15, 2019

### **CALL TO ORDER**

Chair Lee Penrose called the meeting to order at 2:31 p.m. Director Berger 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 Dwiars, Interim 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 an update on the real estate services Request for Proposal (RFP), which was released on October 17, 2019. CalOptima received three proposals in response to the RFP. Staff is following the process in CalOptima's Board-approved purchasing policy and plans to bring the final vendor selection recommendation and funding request to the February Board meeting for approval.

Ms. Huang reported that CalOptima recently identified a potential overreporting of diagnoses for the OneCare and OneCare Connect programs, which could affect the Medicare Risk Adjustment/RAF scores, and CalOptima's rates for prior years. Staff reported the potential overreporting to the Centers for Medicare & Medicaid Services (CMS) and notified the health networks at the November 8, 2019 Health Network CEO meeting and at the November 12, 2019 Health Network Risk Adjustment Teams meeting. Ms. Huang noted that staff has corrected the programming logic that led to the overreporting and has engaged an outside vendor to manage this process for CalOptima going forward. Staff is reconciling the data and will submit the correction file to CMS in January 2020. CMS revenue adjustments are expected at the end of the first quarter or beginning of the second quarter of calendar 2020.

Chair Penrose and the other committee members indicated that they were comfortable with the results of the RFP going directly to the Board for review and approval, due to timing. Chair Penrose also mentioned that he planned on reaching out to Ms. Huang prior to the February Board for an update and encouraged the other committee members to do so as well.

With regard to the overreporting of diagnoses for the OneCare and OneCare Connect programs, Chair Penrose directed staff to provide regular updates on the data reconciliation, including between FAC meetings.

## **INVESTMENT ADVISORY COMMITTEE UPDATE**

### **2. Treasurer's Report**

Ms. Huang presented an overview of the Treasurer's Report for the period July 1, 2019 through September 30, 2019. As reported to the Board of Directors' Investment Advisory Committee, all investments were compliant with Government Code section 53600 *et seq.*, and with CalOptima's Annual Investment Policy during that period.

During this quarter, CalOptima received a Department of Health Care Services' (DHCS') Private Hospital Directed Payment Program (PHDP) payment of \$1.04 million, covering dates of service during the first six months of FY 2017-18. CalOptima distributed PHDP payments to all eligible local hospitals in early October. Due to immediate distribution requirements and to avoid unnecessary transactions fees, staff did not rebalance this funding between the three investment managers at quarter's end.

## **CONSENT CALENDAR**

### **3. Approve the Minutes of the September 19, 2019 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the July 22, 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 Proposed Changes to CalOptima Policy GA.3400: Annual Investments**

Mr. Huang introduced the recommended action that the Board of Directors approve proposed changes to Policy GA.3400: Annual Investments, for Calendar Year 2020. Ms. Huang also highlighted changes in revised policy, noting that the Investment Advisory Committee (IAC) reviewed and recommended FAC approval.

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

5. Consider Recommending Board of Directors' Approval of CalOptima's Health Homes Program Policies

Ms. Huang introduced the recommend actions and provided a brief overview. It was noted that payments to delegated health networks acting as Community Based Care Management Entities (CB-CMEs) may need to be adjusted because the Health Homes Program (HHP) is a new program, and there is a possibility that rate development assumptions used by DHCS to calculate CalOptima's capitation rates may be materially different from actual utilization and expenses. Staff will continue working closely with DHCS on appropriate funding levels and will communicate any discrepancies to health networks as needed.

***Action: On motion of Director Berger, seconded and carried, the Committee recommended that the Board of Directors' approve the CalOptima Policies and Procedures listed below to address Health Homes Program (HHP) implementation and requirements: 1) GG.1331: Health Homes Program Services and Care Management [Medi-Cal]; 2) GG.1350: Health Homes Program Member Eligibility [Medi-Cal]; 3) FF.4001: Special Payments: Health Homes Program Supplemental Payment for Capitated Health Networks [Medi-Cal]; which includes: a) Payment of a HHP Core Services Capitation Payment HHP eligible and enrolled members and a separate Engagement Activities Supplemental Capitation Payment for HHP eligible members regardless of HHP enrollment. (Motion carried 3-0-0)***

Chair Penrose thanked staff for the new QBAR-like process which has helped the Committee to more easily review important information about CalOptima's finances and expenditures. He also reminded staff that the Committee is looking forward to regular Whole-Child Model (WCM) updates.

**INFORMATION ITEMS**

The following Information Items were accepted as presented:

6. September 2019 Financials
7. CalOptima Information Security Update
8. Quarterly Operating and Capital Budget Update
9. Quarterly Reports to the Finance and Audit Committee
  - a. Shared Risk Pool Performance
  - b. Reinsurance Report
  - c. Health Network Financial Report
  - d. Contingency Contract Report

**COMMITTEE MEMBER COMMENTS**

Committee members thanked staff for their work in preparing the meeting materials and for moving the meeting forward on the calendar to accommodate Committee member schedules.

Minutes of the Special Meeting of the  
Board of Directors' Finance and Audit Committee  
November 15, 2019  
Page 4

**ADJOURNMENT**

Hearing no further business, Chair Penrose adjourned the meeting at 2:57 p.m.

/s/ Sharon Dwiars

Sharon Dwiars  
Interim Clerk of the Board

*Approved: February 20, 2020*



## MINUTES

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

October 21, 2019

A meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC) was held on Monday, October 21, 2019, at CalOptima, 505 City Parkway West, Orange, California.

#### **CALL TO ORDER**

Acting Chair Rodney Johnson called the meeting to order at 3:02 p.m. and led the Pledge of Allegiance.

#### **ROLL CALL**

Members Present: Acting Chair Rodney Johnson, Caroline Harkins, Peggy Eckroth, Nancy Huang, Susan Munson

Members Absent: Chair Patrick Moore and David Young

Others Present: Hannah Schriener, Stephanie Sorg, Meketa Investment Group; Asha Joshi, Payden & Rygel; Scott Pavlak, Erin Klepper, MetLife Investment Management; Steve Scharre, 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 July 22, 2019, Meeting of the CalOptima Board of Directors' Investment Advisory Committee**

*Action: On motion of Acting Chair Johnson, seconded and carried, the Minutes of the July 22, 2019, Special Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 5-0-0, Members Moore and Young 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 Union Bank has been chosen through the Request for Proposal (RFP) process as CalOptima's custodial bank. Since it is the incumbent vendor, there is no change in the current process and services.

She also reported that at the September quarter end, Payden & Rygels's account balance was \$100 million dollars higher, compared to the other managers' account balances. This was due to Private Hospital Directed Payments (PHDP) from the Department of Health Care Services (DHCS). These payments are a 100% pass through, the distribution was made in early October.

Ms. Huang also reported on CalOptima's newest program, the Health Home Program, that began January 1, 2020. This program is designed to serve the top five to eight percent of CalOptima's Medi-Cal population members with complex medical needs and chronic conditions. These members will receive enhanced care management services. Annual program revenue is expected to range from \$10 million to \$11 million.

## **REPORTS**

### **Consider Recommending Approval the Annual Investment Policy (AIP) for Calendar Year 2020 to the CalOptima Board of Directors' Finance and Audit Committee for Consideration**

Ms. Huang provided a review overview of the proposed changes and noted that a recommended change for discussion is for a 5% portfolio maximum for credit counter party, including all investment types, which will be considered on at the April 2020 IAC meeting.

**Action:** *On motion of Acting Chair Rodney Johnson, seconded and carried, the Investment Advisory Committee recommended the approval of the Annual Investment Policy for 2020. (Motion carried 5-0-0. Members Moore and Young Absent).*

## **INFORMATION ITEMS**

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

Hannah Schriener, Vice President, provided a company and staff update. Ms. Schriener reported that as of September 30, 2019, CalOptima's total fund market value, was \$1.57 billion. Ms. Schriener noted that the \$100 million (DHCS pass through payment) cash flow was disbursed shortly after October 1, 2019, so the fund is currently at \$1.47 billion. With the fixed income portfolio, the fund has hit the five-year mark since Meketa began serving as CalOptima's

investment advisor, with a five-year annual return 1.397%. All managers posted a positive return for the quarter.

Stephanie Sorg, Investment Manager, reported on CalOptima's total fund performance. Ms. Sorg reported that all managers were in compliance with CalOptima's 2019 Annual Investment Plan and that CalOptima's overall investment portfolio was in compliance with CalOptima's Annual Investment Policy for the quarter.

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

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

Scott Pavlak, Senior Portfolio Manager, reported on current economic themes, and provided a U.S. and global economic update.

#### **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.

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

Steve Scharre, Client Relations Director, Wells Capital Management, provided a firm update, and noted that the new Wells Fargo CEO Charles Sharp started today, October 21, 2019.

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

#### **Financial Update**

Ms. Huang provided a summary of CalOptima's August 2019 financials. She noted that overall, enrollment is on par with budget.

She also reported that CalOptima posted \$9 million to its bottom line, \$6.2 million was from investment income. Operating income was \$2.9 million for August. Year to date, the overall change in net assets was approximately \$7 million, with total investment income of \$7.9 million. On the operating side, CalOptima has reported a loss of nearly \$1 million year to date, largely due to the Whole Child Model (WCM) program that started this year.

Year to date, the Medical Loss Ratio (MLR) is 96%, and the Administrative Loss Ratio (ALR) is 3.7%.

Ms. Huang also reported on Phase I of the \$100 million in PHDP payments for the first half of Fiscal Year (FY) 2017-18. As instructed by DHCS, the directed payments were booked in regular operating revenue and medical expenses. Staff anticipates receiving Phase II directed payments for the second half of FY 2017-18 with a similar dollar amount in early 2020.

**ADJOURNMENT**

Hearing no further business, Chair Moore adjourned the meeting at 4:35 p.m.

*/s/ Pamela Reichardt* \_\_\_\_\_  
Pamela Reichardt  
Executive Assistant

*Approved: January 27, 2020*

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 20, 2020** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Action**

Recommend that the Finance and Audit Committee recommend the reappointment of Susan Munson to the Board of Directors' Investment Advisory Committee (IAC) for a two-year term beginning March 5, 2020.

#### **Background**

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

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

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

#### **Discussion**

The candidate recommended for reappointment, Susan Munson has consistently provided leadership and service to CalOptima's investment strategies through their participation as IAC member.

Susan Munson is a Managing Director in the Middle Market Sales Group for Cantor Fitzgerald and Company. She has 30 years of experience in the fixed income markets serving institutional accounts, with an emphasis on public agency investment practices and California Government Code. She has held positions with both registered investment advisory firms and sell side firms, including 13 years with Merrill Lynch's Institutional Advisory Division where she covered state and local governments, financial institutions, investment managers, and publicly traded corporations. Susan is the founder and Advisory Board Chair of Fixed Income Academy, an educational platform where financial professionals learn about the bond markets and develop investment management skills. She frequently speaks and teaches at national and regional conferences on the topic of investment strategy and policy development. Susan

maintains her Certified Financial Planner designation, is a Certified Fixed Income Practitioner, and serves on the Education and Conference Committee for the California Municipal Treasurers Association.

**Fiscal Impact**

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

**Rationale for Recommendation**

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

**Concurrence**

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

**Attachment**

None

/s/ Michael Schrader  
**Authorized Signature**

02/12/2019  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action to Be Taken February 20, 2020** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

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

#### **Contact**

Belinda Abeyta, Executive Director, Operations, (714) 246-8400

#### **Recommended Actions**

Recommend that the CalOptima 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.

#### **Background/Discussion**

On March 1, 2012, The CalOptima Board of Directors adopted CalOptima Resolution No. 12-0301-01., which includes provisions that delegate authority to the Chief Executive Officer to make budget allocation changes within certain parameters. Pursuant to this resolution, budget allocation changes (i.e., movement of unexpended budget dollars from one Board-approved program, item, or activity to another within the same expense category) of \$100,000 or more require Board approval.

CalOptima's Cultural & Linguistic Services Department utilization of transitional and interpreter services has increased by 22% which will deplete the budgeted Purchased Services funding allocation by April 2020. The primary drivers for the increase in utilization is related to Behavioral Health Services and the translating of member materials.

To address this anticipated shortfall, management proposes a reallocation of \$200,000 in budgeted, but unused funds within Cultural & Linguistic Services under the Medi-Cal line of business from Printing and Postage to Translation Expense. Customer Service will be sending fewer member notifications related to the Health Homes Program (HHP) than originally required by the Department of Health Care Services (DHCS). DHCS required MCPs to send an Errata and three (3) member notifications of the HHP program to all Medi-Cal membership. DHCS later determined the MCPs would mail only the Errata and member notifications to the members who would qualify for the HHP program, thereby making these funds available for reallocation.

#### **Fiscal Impact**

The fiscal impact for the recommended action to reallocate funds within Cultural & Linguistic Services to fund Translation Expense is budget neutral. As proposed, unused funds of \$200,000 for Printing and Postage that were approved as part of the CalOptima FY 2019-20 Operating Budget on June 6, 2019, will fund additional expenses in Translation Expense through June 30, 2020.

**Rationale for Recommendation**

CalOptima is obligated to provide appropriate and timely translation of member materials in all threshold languages, and face-to-face and telephonic interpretive services in any language upon request. The recommendation will ensure CalOptima remains compliant with contractual and statutory requirements.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

02/12/2020  
**Date**





**CalOptima**  
Better. Together.

# **Cultural & Linguistics Budget Reallocation**

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

**Belinda Abeyta  
Executive Director, Operations**

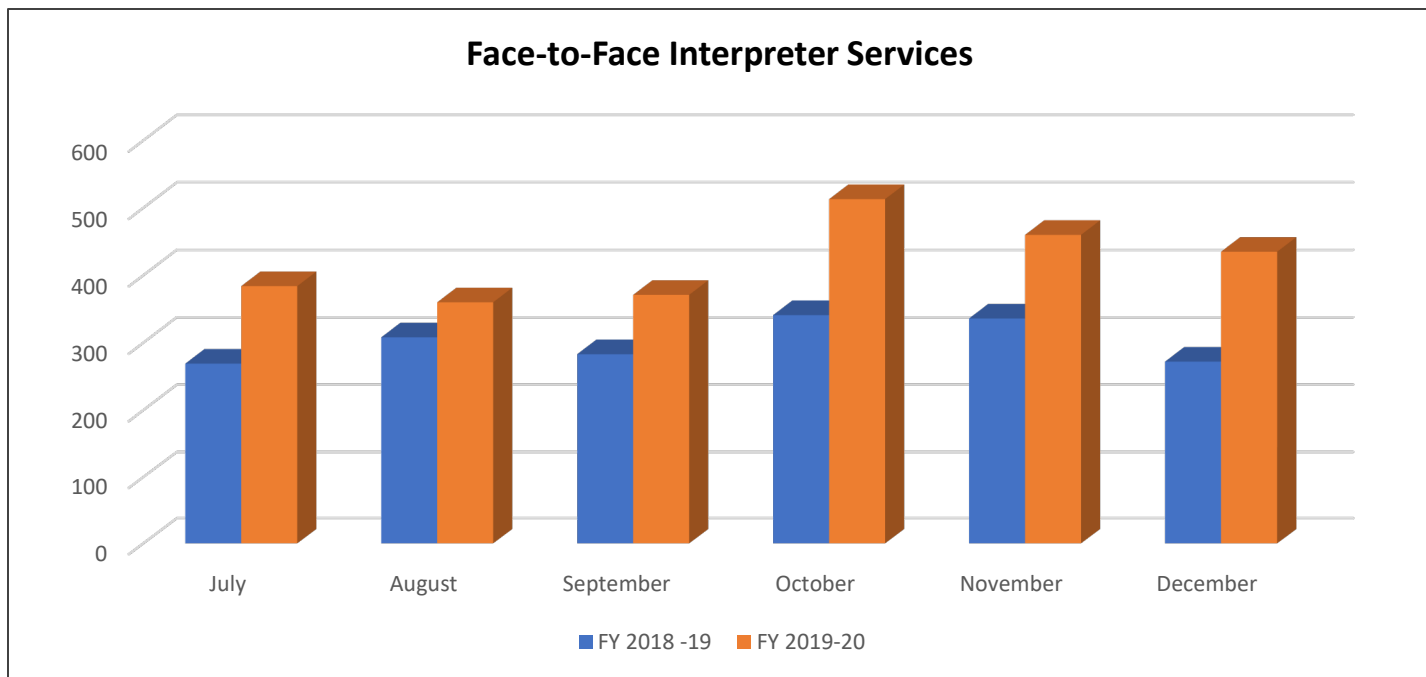
# Background

---

- Increased utilization of translations and interpreter services will deplete FY 2019–20 allocated budget by April 2020
  - Face-to-face interpreter services
    - External vendor
  - Telephonic interpreter services
    - Internal staff
    - External vendor
  - Translation of member materials
    - Internal staff
    - External vendor

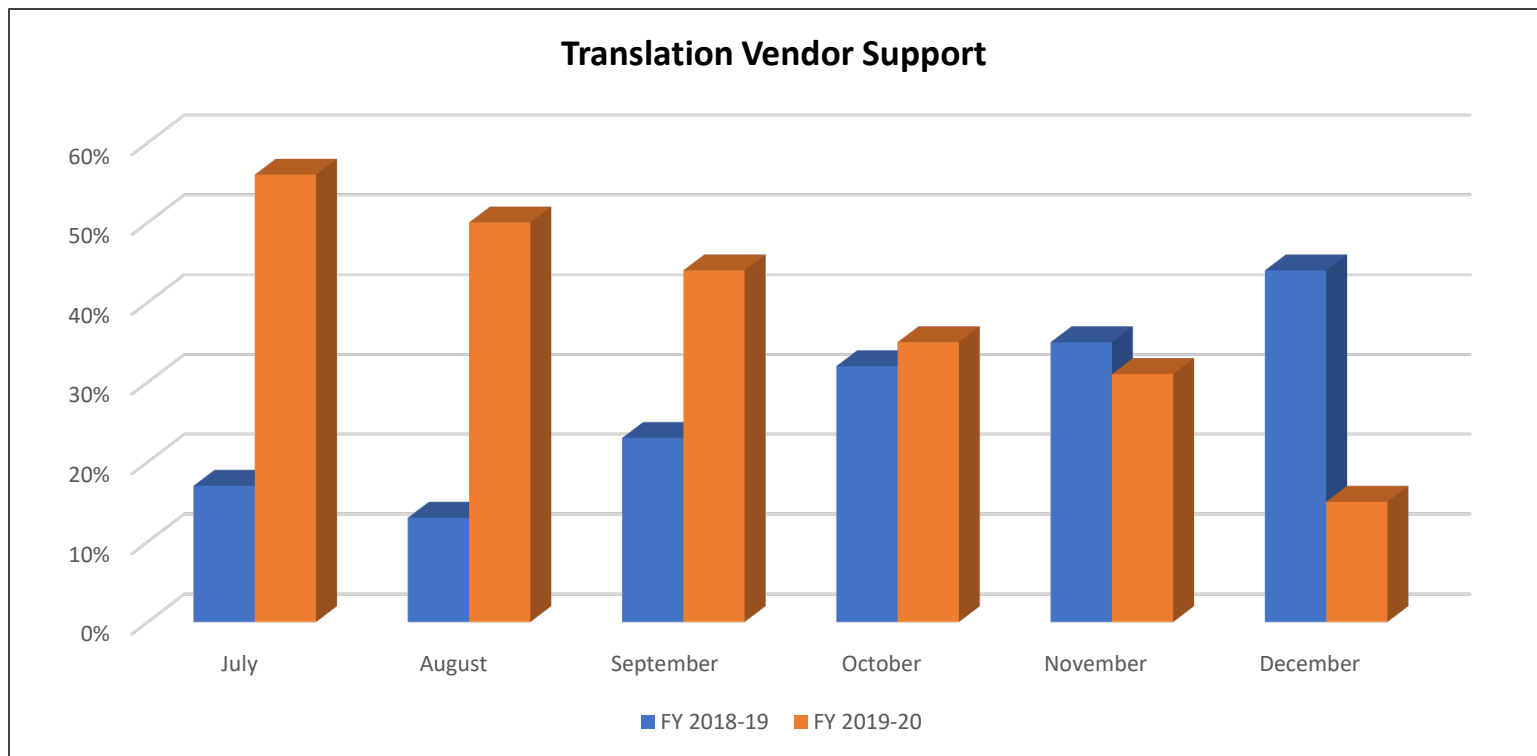
# Drivers for Increased Utilization

- Face-to-face interpreter services requests have increased from FY 2018–19
  - Increased member awareness
  - Behavioral Health transition



# Drivers for Increased Utilization (cont.)

- Translation of member materials
  - Increased utilization of vendor support



# Funding Source

---

- Unused funds in the printing and postage budgeted allocations
  - Decreased member notifications
    - Health Homes Program
      - Eliminated three notifications to all Medi-Cal members
        - Only one notice
        - Monthly member notifications to only qualified members

# Recommended Action

---

- Recommend that the CalOptima 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

# CalOptima's Mission

---

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



# 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 February 20, 2020** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

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

#### **Contact**

Belinda Abeyta, Executive Director, Operations, (714) 246-8400

#### **Recommended Actions**

Recommend 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 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 DRG and outpatient APC paid claims and non-pursuit fees.

#### **Background/Discussion**

The recommended budget adjustments for clinical editing solutions and recovery solutions are included within the Claims Administration Fiscal Year (FY) 2019-20 Operating budget as summarized below.

1. Cotiviti. Cotiviti is CalOptima's claims editing solution that identifies claim coding accuracy for providers rendering professional services. Cotiviti is a contingency contract based on a fee of 19.5% per claim based on the acceptance of the coding edit prior to the final claim payment. Cotiviti's claims editing software utilizes National Correct Coding Initiative Edits (NCCI), Medicare and Medi-Cal guidelines to determine the claim coding accuracy of professional services claims.

CalOptima's Claims Administration Department provides guidance to Cotiviti as to which claims coding edits can be utilized for professional service claims submitted to CalOptima for payment consideration. Savings for the first six months of FY 2019-20 total \$4,382,247 with contingency fees of \$832,646 paid to Cotiviti. Claims Administration increased the number of claims coding edits in FY 2019-20 Q3, generating \$1,110,917 in avoided overpayments from FY 2019-20 Q2.

Claims Administration has identified four additional claims coding edits that Claims Administration will request Cotiviti to implement for professional service claims within the next 120 days increasing savings to CalOptima. Claims Administration budgeted \$958,000 for contingency fees with \$125,354 remaining for FY 2019-20 budget. This requested addition to budget is to cover the additional contingency fees up to \$645,000.

2. Varis. Varis is CalOptima's clinical editing solutions for post-payment recoveries of overpayments of inpatient DRG and outpatient APC paid claims. Varis is a contingency contract based on a per claim fee of 25% for inpatient and 26% for outpatient contingent upon the successful recovery of overpayments. Claims Administration budgeted \$727,000 for contingency fees in the FY 2019-20 budget with \$6,384 for the remaining FY 2019-20 budget.

Current trending from FY 2018- 19 to FY 2019 -20 shows a 10% year-over-year growth in recovered overpayments that would generate increased contingency fees to Varis that are not budgeted. Management recommends authorization of additional funding of up to \$750,000 in contingency fees.

### **Fiscal Impact**

The recommended actions to authorize administrative expenditures within the Medi-Cal program for contingency fees for claims editing solution and recovery services is unbudgeted. An allocation in an amount not to exceed \$1,395,000 from existing reserves will fund this action. Staff anticipates that the changes to the contingency contracts will result in higher avoided and recovered overpayments in medical expenses with the level of recoveries fully offsetting the additional contingency fees.

### **Rationale for Recommendation**

Staff recommends approval of the recommended action to ensure CalOptima continual utilization of claim editing solutions and recovery services to ensure appropriate and accurate claims payments and recoveries through June 30, 2020.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachment**

1. Claims Administration Budget Request Presentation

/s/ Michael Schrader  
**Authorized Signature**

02/12/2020  
**Date**



**CalOptima**  
Better. Together.

# Claims Administration Budget Request

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

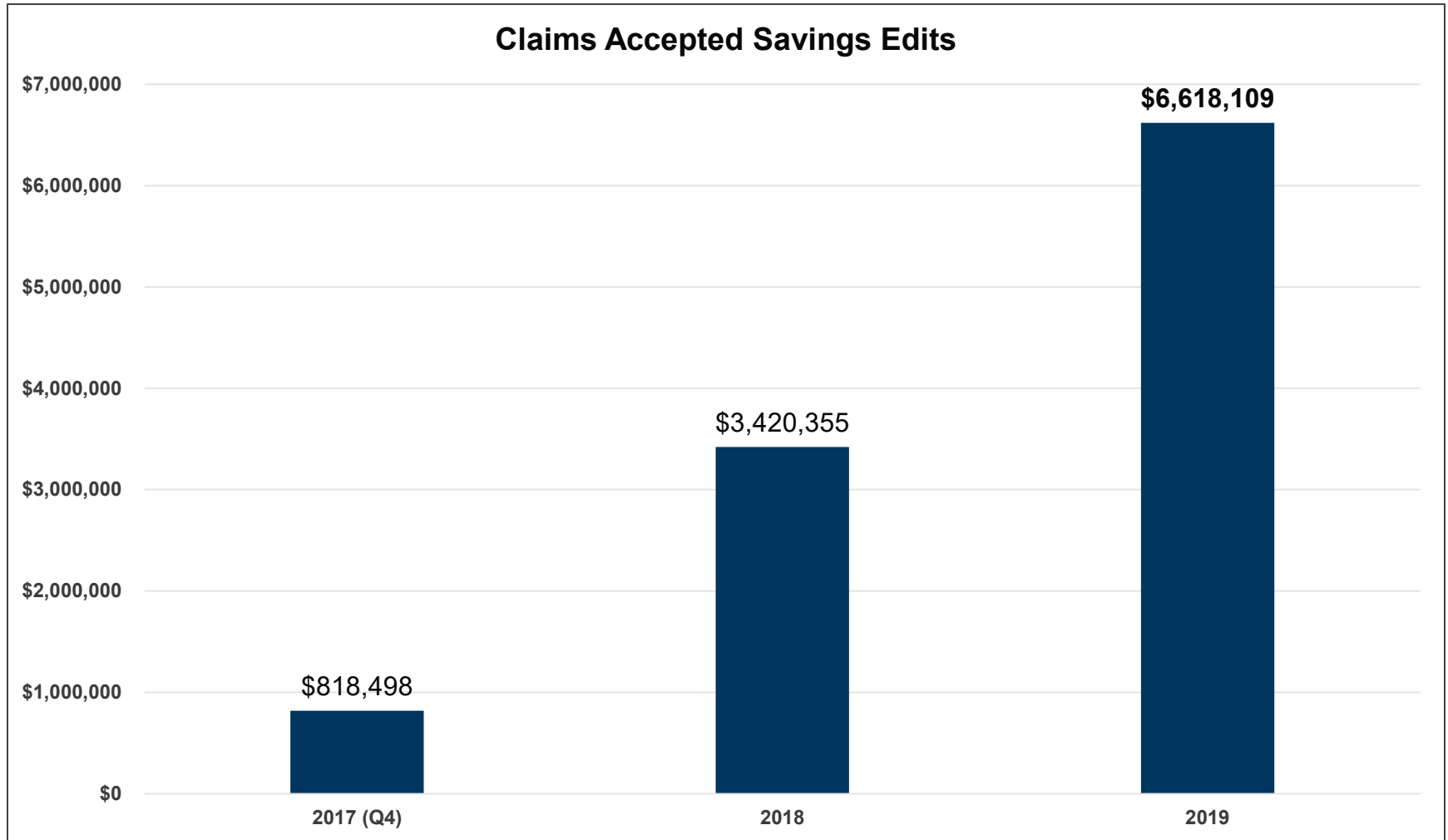
**Belinda Abeyta  
Executive Director, Operations**

# Cotiviti Background

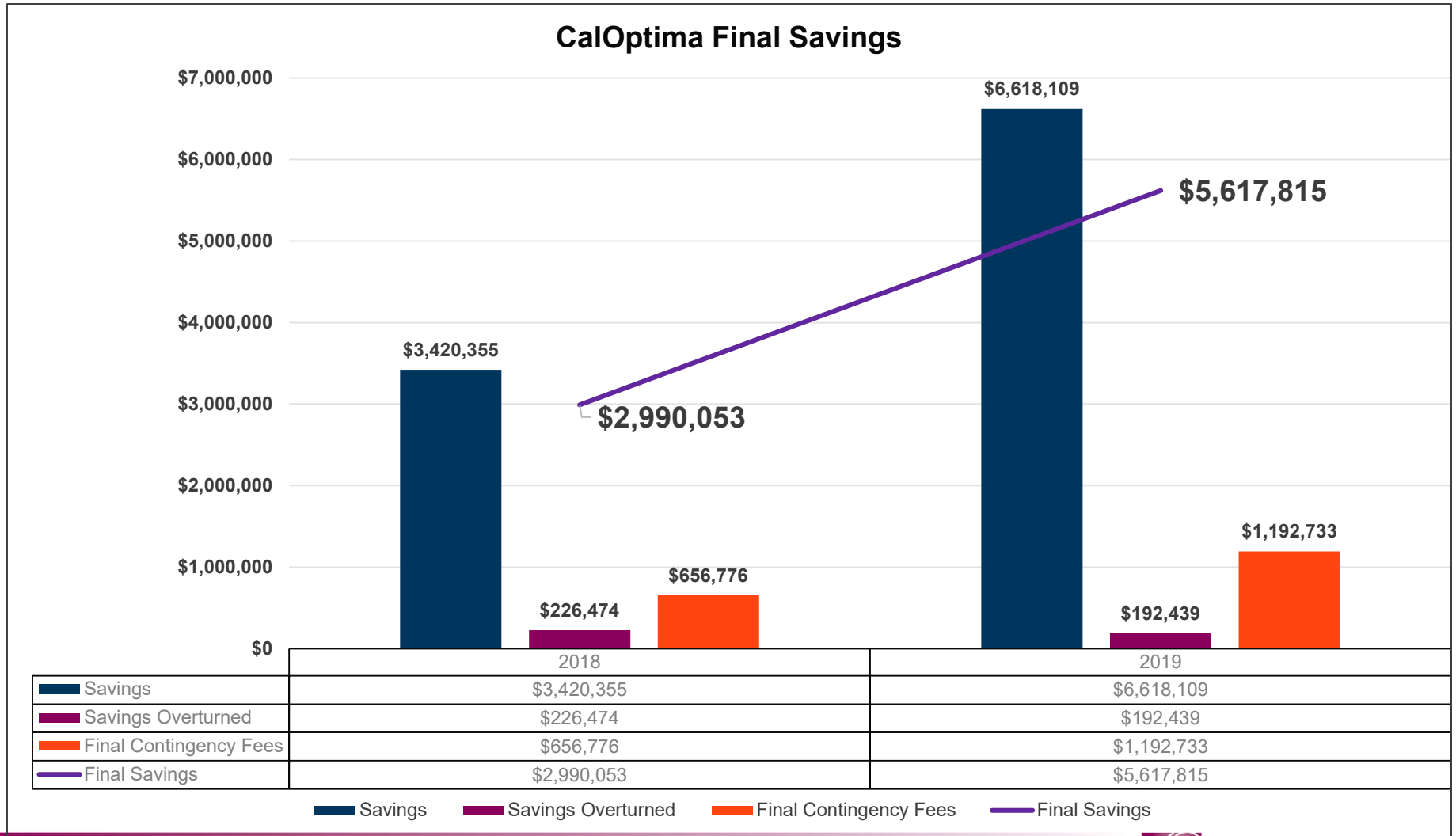
---

- Cotiviti is a claims coding solution
- Provides prepayment review of professional services to identify claims coding accuracy
  - Uses National Correct Coding Initiative (NCCI) edits
  - Follows Medi-Cal and Centers for Medicare & Medicaid Services guidelines
- Charges a contingency fee for acceptance of coding recommendations

# Year-Over-Year Growth



# Final Savings



# Top Five Coding Edits Accepted

---

- Unbundling
- Frequency
- Same provider
- Mutually exclusive
- Unlisted procedure code

# Top Five Provider Types

---

- Pathology
- Hospital
- Ambulance, medical transportation
- Obstetrics/Gynecology
- Internal medicine



# Next Steps

- Implement additional coding edits by June 30, 2020

Coding Edits	Projected Savings
Multiple Treatment Reduction	\$936,000
Imaging Family Reduction	\$513,000
Surgical Edits	\$156,000
Age	\$163,000

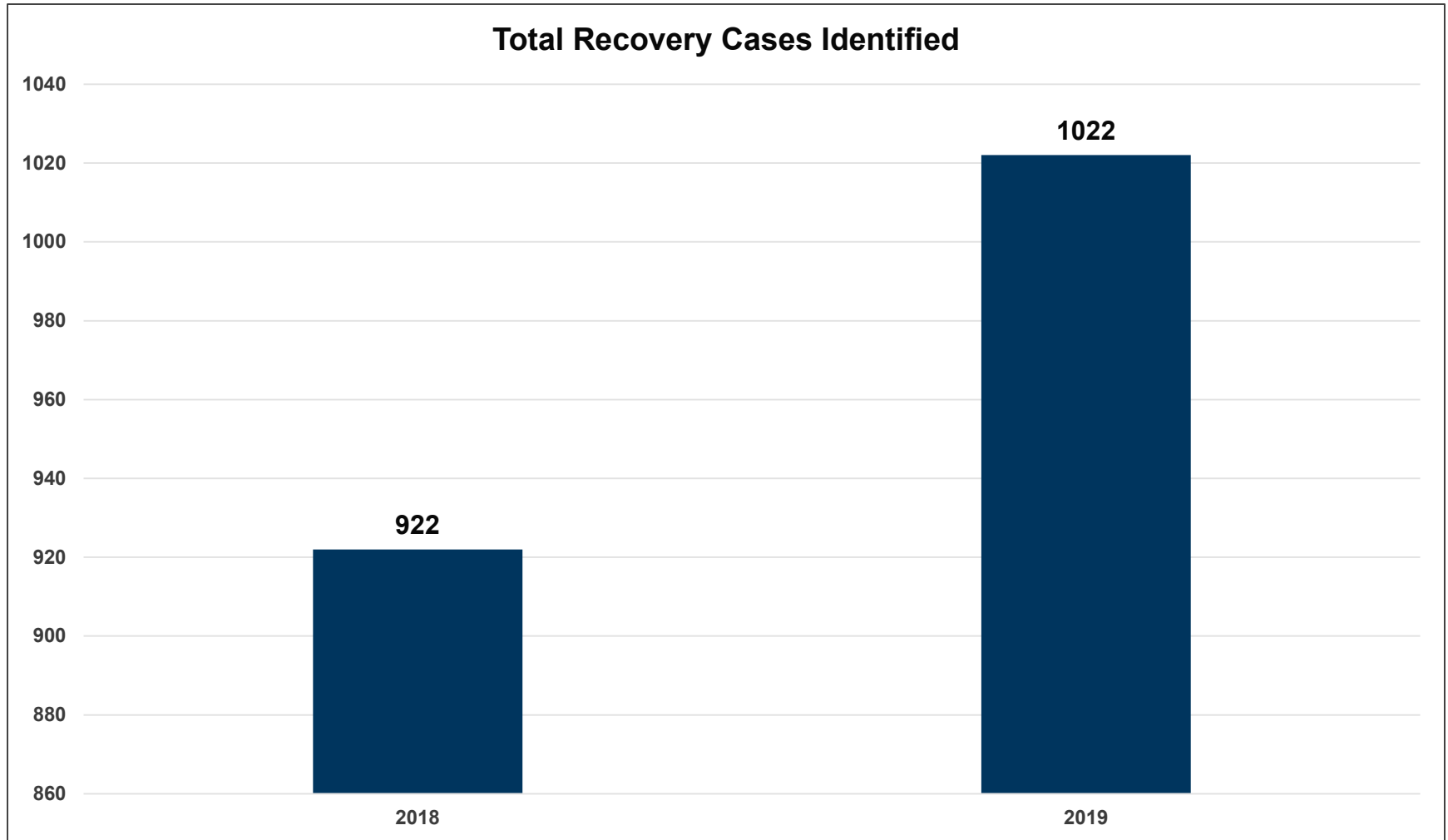
- Identify coding edits that can be implemented within Facets

# Varis Background

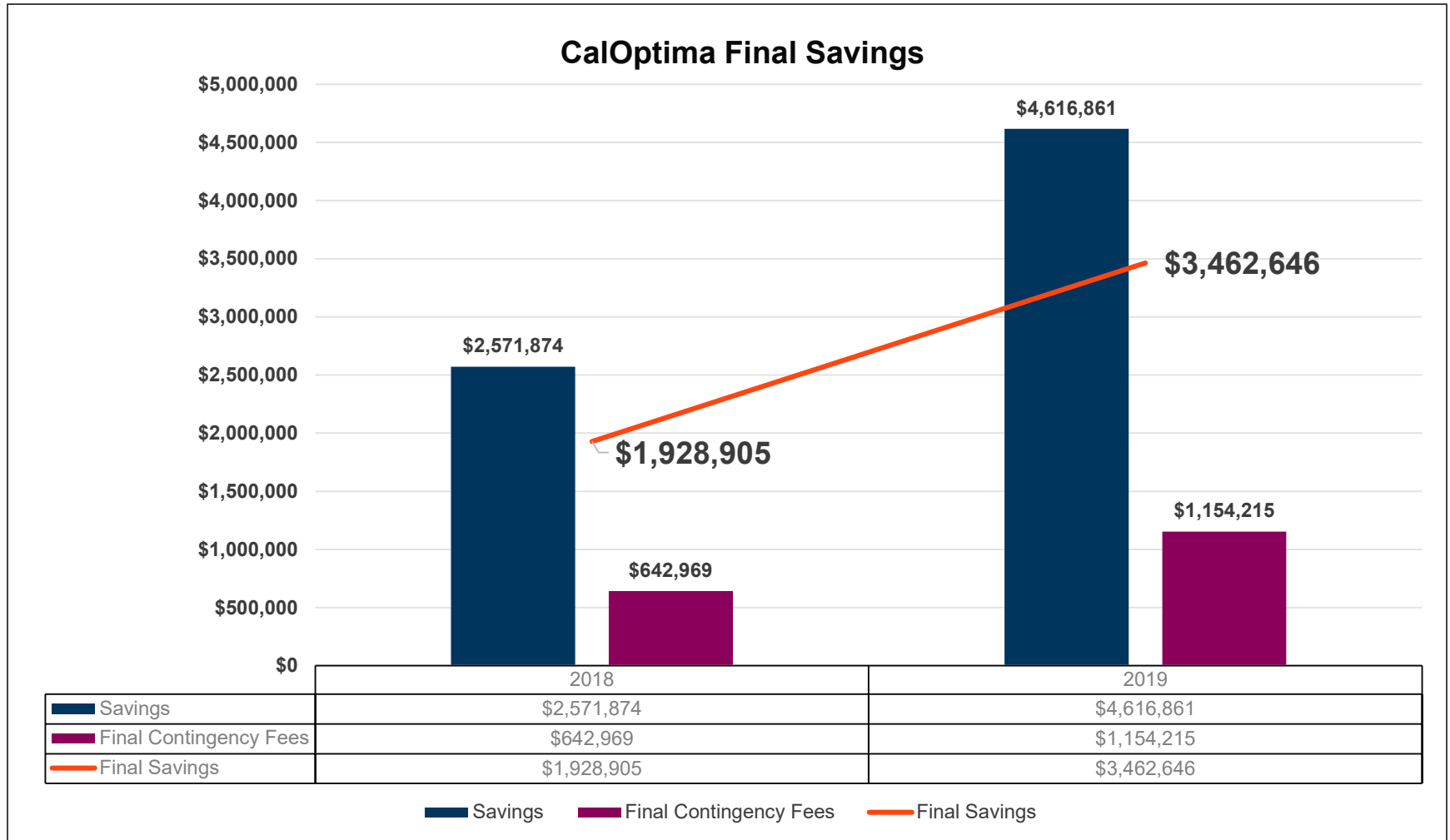
---

- Varis provides recovery identification services for overpayment of claims
  - Inpatient facility claims reimbursed at Diagnosis Related Group (DRG)
  - Outpatient facility claims reimbursed at Ambulatory Payment Classification (APC)
- Both contracted and noncontracted providers are subject to recovery identification, using medical records review
- Varis uses a fee structure
  - Contingency fee based on the overpayment recovery received
  - Recoveries can take up to a year to receive
    - Resulting contingency fees cross budget years
    - CalOptima can also incur non-pursuit fees

# Year-Over-Year Growth



# Final Savings



# Top Five DRG Codes by Recovery

DRG Code	Description
871	Septicemia or Severe Sepsis without Mechanical Ventilation >96 Hours with Major Complications or Comorbidity
682	Renal Failure with Major Complications or Comorbidity
246	Percutaneous Cardiovascular Procedures with Drug-Eluting Stent with Major Complications or Comorbidity or 4+ Arteries or Stents
329	Major Small and Large Bowel Procedures with Major Complications or Comorbidity
207	Respiratory System Diagnosis with Ventilator Support >96 Hours or Peripheral Extracorporeal Membrane OX

# Next Steps

---

- Continue seeking recoveries
  - 599 cases open
    - Subject to non-pursuit fees

# Recommended Action

---

- Authorize unbudgeted expenditures within the Medi-Cal purchased services expense category in an amount not to exceed ~~\$1.4~~ \$1,395,000 million from existing reserves | *Rev. 2/20/20*  
for the following:
  - An increase of up to \$645,000 to fund contingency fees for prepayment claims editing solutions of professional services claims
  - An increase of up to \$750,000 to fund contingency fees for overpayment recoveries related to inpatient DRG and outpatient APC paid claims and non-pursuit fees

# CalOptima's Mission

---

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner





## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 20, 2020** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

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

#### **Contact**

David Ramirez, Chief Medical Officer (714) 246-8400

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

Candice Gomez, Executive Director Program Implementation (714) 246-8400

#### **Recommended Actions**

Recommend that the Board of Directors:

1. Approve the recommended 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 Office, with the assistance of Legal Counsel, to take actions necessary to implement the proposed initiatives, 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.

#### **Background**

Intergovernmental Transfers (IGT) are transfers of public funds between eligible government entities which are used to draw down federal funds for the Medi-Cal program. To date, CalOptima has participated in eight Rate Range IGT transactions. Funds from IGTs 1 through 8 have been received and IGT 9 funds are expected from the state in the first quarter of 2020. IGTs 1 through 9 covered the applicable twelve-month state fiscal year (FY) periods (i.e., FY 2020-2011 through FY 2018-19). IGT 1 through 7 funds were retrospective payments for prior rate range years and were designated to be used to provide enhanced/additional benefits to existing Medi-Cal beneficiaries, as represented to CMS.

The IGT funds received under IGT 1 through 7 have supported special projects that address unmet healthcare needs of CalOptima members, such as vision and dental services for children, obesity prevention and intervention services, provider incentives for adolescent depression screenings, recuperative care for homeless members, and support for members through the Personal Care Coordinator (PCC) program. These funds have been best suited for one-time investments or as seed capital for enhanced health care services for the benefit of Medi-Cal beneficiaries.

Beginning with IGT 8, the IGT program covers the current fiscal year and funds are incorporated into the contract between the California Department of Health Care Services (DHCS) and CalOptima for the current fiscal year. Funds must be used for CalOptima covered Medi-Cal services per DHCS requirements. Upon Board approval, funds may be allocated and used over multiple years. IGT 8

funds have been allocated to the Homeless Health Initiative. In July 2018, CalOptima received notice from DHCS regarding the fiscal year 2018-19 Voluntary Rate Range IGT 9. While supporting documents were submitted to DHCS in August 2018, IGT 9 funds have not yet been received or allocated. Submission of documentation to participate in IGT 9 was ratified at the September 9, 2018 Board of Directors meeting. CalOptima is expected to receive funding from DHCS in calendar year 2020. CalOptima’s estimated share is expected to be approximately \$45 million.

**Discussion**

Beginning with IGT 8, the requirement is that IGT funds are to be used for Medi-Cal programs, services and operations. IGT funds are subject to all applicable requirements set forth in the CalOptima Medi-Cal contract with DHCS and are considered part of the capitation payments CalOptima receives from DHCS and are accounted for as either medical or administrative expenses, and factor into CalOptima’s Medical Loss Ratio (MLR) and Administrative Loss Ratio (ALR). As indicated, per DHCS, the use of these funds is limited to covered Medi-Cal benefits for existing CalOptima members.

While IGT 9 funds have not yet been received, CalOptima staff has begun planning to support use of the funds. CalOptima staff has considered the DHCS requirements for use of IGT 9 funds and Board approved strategic priorities and objectives in identifying the following focus areas:

- Member access and engagement
- Quality performance
- Data exchange and support
- Other priority areas identified

CalOptima staff has and will continue to share information about the proposed focus areas with various stakeholders.

CalOptima staff anticipates receiving approximately \$45 million in IGT 9 funding and proposes allocation of funds towards the following focus areas:

<b>Focus Area</b>	<b>Amount Requested</b>
Member access and engagement	\$6.5 million
Quality performance	\$3.4 million
Data exchange and support	\$2.0 million
Other identified priority areas	\$33.1 million

Within the IGT 9 focus areas, staff has identified initiatives targeted for \$40.5 million of the anticipated \$45 million. These initiatives include:

<b>Proposals</b>	<b>Focus Area</b>	<b>Term</b>	<b>Amount Requested</b>
1. Expanded Office Hours	Member access and engagement	Two–years	\$2.0 million
2. Post-Acute Infection Prevention (PIPQI)	Quality performance	Three–years	\$3.4 million

3. Hospital Data Exchange Incentive	Data exchange and support	One-year	\$2.0 million
4. IGT Program Administration	Other priority areas	Five-years	\$2.0 million
5. Whole Child Model (WCM) Program	Other priority areas	One-year	Up to \$31.1 million

Prior to implementation, CalOptima staff will return to the Board with recommendations related the remaining estimated \$4.5 million towards member access and engagement, as well as regarding new and/or modified policies and procedures, and contracts, as applicable.

**Fiscal Impact**

The recommended action has no net fiscal impact to CalOptima’s operating budget over the proposed project terms. Staff estimates that IGT 9 revenue from DHCS will be sufficient to cover the allocated expenditures and initiatives recommended in this COBAR.

**Rationale for Recommendation**

CalOptima staff is considering and has considered proposals that are consistent with the identified focus areas and CalOptima’s strategic priorities and objectives.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Power Point Presentation: Intergovernmental Transfer (IGT) 9 Update
2. CalOptima Board Action dated September 6, 2018, Consider and Authorize Activities to Secure Medi-Cal Funds through IGT 9
3. CalOptima Board Action dated June 6, 2019, Approve Post-Acute Infection Prevention Quality Initiative and Authorize Quality Incentive Payments
4. IGT Funding Proposals

/s/ Michael Schrader  
**Authorized Signature**

02/12/2020  
**Date**



**CalOptima**  
Better. Together.

# Intergovernmental Transfer (IGT) 9 Update

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

**David Ramirez, M.D., Chief Medical Officer**

**Nancy Huang, Chief Financial Officer**

**Candice Gomez, Executive Director, Program Implementation**

# IGT Background

---

- IGT process enables CalOptima to secure additional federal revenue to increase California's low Medi-Cal managed care capitation rates
  - IGT 1–7: Funds must be used to deliver enhanced services for the Medi-Cal population
    - Funds are outside of operating income and expenses
  - IGT 8–10: Funds must be used for Medi-Cal covered services for the Medi-Cal population
    - Funds are part of operating income and expenses

# IGT Funding Process

## High-Level Overview

1. CalOptima receives DHCS notice announcing IGT opportunity
2. CalOptima secures funding partnership commitments (e.g., UCI, Children and Families Commission, et al.)
3. CalOptima submits Letter of Interest to DHCS listing funding partners and their respective contribution amounts
4. Funding partners wire their contributions and an additional 20% fee to DHCS
5. CMS provides matching funds to DHCS
6. DHCS sends total amount to CalOptima
7. From the total amount, CalOptima returns each funding partner's original contribution
8. From the total amount, CalOptima also reimburses each funding partner's 20% fee and where applicable, retained amount for MCO tax (IGT 1–6 only)
9. Remaining balance of the total amount is split 50/50 between CalOptima and the funding partners or their designees

# CalOptima Share Totals to Date

IGTs	CalOptima Share	Date Received
IGT 1	\$12.43 million	September 2012
IGT 2	\$8.70 million	June 2013
IGT 3	\$4.88 million	September 2014
IGT 4	\$6.97 million	October 2015 (Classic)/ March 2016 (MCE)
IGT 5	\$14.42 million	December 2016
IGT 6	\$15.24 million	September 2017
IGT 7	\$15.91 million	May 2018
IGT 8	\$42.76 million	April 2019
IGT 9*	TBD	TBD (Spring 2020)
IGT 10*	TBD	TBD
<b>Total Received</b>	<b>\$121.31 million</b>	

\* Pending DHCS guidance



# IGT 9 Status

---

- CalOptima's estimated share is approximately \$45 million
  - Expect receipt of funding in calendar year 2020
  - Funds used for Medi-Cal programs, services and operations
  - Funds are part of operating income and expenses
    - Medical Loss Ratio (MLR) and Administrative Loss Ratio (ALR) apply
    - Managed through the fiscal year budget
- Stakeholder vetting on the following focus areas
  - Member access and engagement
  - Quality performance
  - Data exchange and support
  - Other identified priority areas

# Proposed Allocation

Focus Area	Amount Requested
Member access and engagement	\$6.5 million
Quality performance	\$3.4 million
Data exchange and support	\$2.0 million
Other identified priority areas	\$33.1 million

- Staff has identified initiatives targeted \$40.5 million of the anticipated \$45 million
- Additional initiatives in development will be presented before the end of the fiscal year

# 1. Member Access and Engagement: Expanded Office Hours

---

- Description
  - Offer additional incentives to providers and/or clinics
    - Expand office hours in the evening and weekends
    - Expand primary care services to ensure timely access
- Guidelines
  - Primary care providers in community clinics serving members in high-demand/impacted areas are eligible
  - Per-visit access incentive awarded to providers and/or clinics for members seen during expanded hours
- Key Components
  - Two-year initiative
  - Budget request of \$2.0 million (\$500,000 in FY 2019–20)

## 2. Quality Performance: Post-Acute Infection Prevention Initiative (PIPQI)

- Description
  - Expand CalOptima's PIPQI to suppress multidrug-resistant organisms in contracted skilled nursing facilities (SNFs) and decrease inpatient admissions for infection
- Guidelines
  - Phase 1: Training for 41 CalOptima-contracted SNFs not currently participating in initiative
  - Phase 2: Compliance, quality measures and performance incentives for all participating facilities
  - Two FTE to support adoption, training and monitoring
- Key Components
  - Three-year initiative
  - Budget request of \$3.4 million (\$1 million in FY 2019–20)

# 3. Data Exchange: Hospital Data Exchange Incentive

---

- Description
  - Support data sharing among contracted and participating hospitals via use of CalOptima selected vendors
    - Other organizations within the delivery system may also be added
  - Enhance monitoring of hospital activities for CalOptima's members, aiming to improve care management and lower costs
- Guidelines
  - Participating organizations will:
    - Work with CalOptima and vendor to facilitate sharing of ADT (Admit, Discharge, Transfer) and Electronic Health Record data
    - Be eligible for an incentive once each file exchange is in place
- Key Components
  - One-year initiative
  - Budget request of \$2.0 million (CY 2020)

# 4. Other: IGT Program Administration

---

- Definition

- Administrative support for prior, current and future IGTs
  - Continue support for two existing staff positions to manage IGT transaction process, project and expenditure oversight
  - Fund Grant Management System license, public activities and other administrative costs

- Guidelines

- Will be consistent with CalOptima policies and procedures
- Will provide oversight of the entire IGT process and ensure funding investments are aligned with CalOptima strategic priorities and member needs

- Key Components

- Five years of support
- Budget request of \$2.0 million

# 5. Other Priorities: Whole-Child Model (WCM) Program

---

- Definition
  - CalOptima launched WCM on July 1, 2019
  - Based on the initial analysis, CalOptima is projecting an overall loss of up to \$31.1 million in FY 2019–20
- Challenges
  - Insufficient revenue from DHCS to cover WCM services
  - Complex operations and financial reconciliation
- Key Components
  - One year
  - Budget request of up to \$31.1 million to fund the deficit from WCM program in FY 2019–20

# Next Steps

---

- Present recommendations during the March 2020 Board of Directors meeting
- Return to the Board as needed regarding
  - New or modified policy and procedures
  - Contracts
  - Additional initiatives



# CalOptima's Mission

---

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



# 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 September 6, 2018** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

14. Consider Ratification of the Pursuit of Proposals with Qualifying Funding Partners to Secure Medi-Cal Funds Through the Voluntary Rate Range Intergovernmental Transfer Program for Rate Year 2018-19 (IGT 9)

#### **Contact**

Phil Tsunoda, Executive Director, Public Policy and Public Affairs, (714) 246-8400

#### **Recommended Actions**

Ratify and authorize the following activities to secure Medi-Cal funds through the Voluntary Intergovernmental Transfer (IGT) Rate Range Program:

1. Submission of a proposal to the California Department of Health Care Services (DHCS) to participate in the Voluntary Rate Range Intergovernmental Transfer Program for Rate Year 2018-19 (IGT 9);
2. Pursuit of IGT funding partnerships with the University of California-Irvine, the Children and Families Commission, the County of Orange, the City of Orange, and the City of Newport Beach to participate in the upcoming Voluntary Rate Range Intergovernmental Transfer Program for Rate Year 2018-19 (IGT 9), and;
3. Authorize the Chief Executive Officer to execute agreements with these entities and their designated providers as necessary to seek IGT 9 funds.

#### **Background**

Intergovernmental Transfers (IGT) are transfers of public funds between eligible government entities which are used to draw down federal funds for the Medi-Cal program. To date, CalOptima has participated in seven Rate Range IGT transactions. Funds from IGTs 1 – 7 have been received and IGT 8 funds are expected in the first quarter of 2019. IGT 1 – 7 funds were retrospective payments for prior rate range years and have been used to provide enhanced/additional benefits to existing Medi-Cal beneficiaries. These funds have been best suited for one-time investments or as seed capital for new services or initiatives for the benefit of Medi-Cal beneficiaries.

The IGT funds that have been received to date have supported special projects that address unmet needs for CalOptima members, such as vision and dental services for children, obesity prevention and intervention services, provider incentives for adolescent depression screenings, recuperative care for homeless members, and support for members through the Personal Care Coordinator (PCC) program. For the approved and funded IGT transactions to date, the net proceeds have been evenly divided between CalOptima and the respective funding partners, and funds retained by CalOptima have been invested in addressing unmet needs.

#### **Discussion**

Beginning with IGT 8, the IGT program covers the current fiscal year and funds will be incorporated into the contract between DHCS and CalOptima for the current fiscal year. Unlike previous IGTs (1-7), IGT funds must now be used in the current rate year for CalOptima covered

services per DHCS instructions. CalOptima may determine how to spend the IGT funds (net proceeds) as long as they are for CalOptima covered services for Medi-Cal beneficiaries.

On July 31, 2018, CalOptima received notification from DHCS regarding the State Fiscal Year (SFY) 2018-19 Voluntary Rate Range Intergovernmental Transfer Program (IGT 9). CalOptima's proposal, along with the funding entities' supporting documents were due to DHCS on August 31, 2018.

The five eligible funding entities from the previous IGT transactions were contacted regarding their interest in participation. All five funding entities have submitted letters of interest regarding participation in the IGT program this year. These entities are:

1. University of California, Irvine,
2. Children and Families Commission of Orange County,
3. County of Orange,
4. City of Orange, and
5. City of Newport Beach.

Board approval is requested to ratify the submission of the proposal letter to DHCS for participation in the 2018-19 Voluntary IGT Rate Range Program and to authorize the Chief Executive Officer to enter into agreements with the five proposed funding entities or their designated providers for the purpose of securing available IGT funds. Consistent with the eight prior IGT transactions, it is anticipated that the net proceeds will be split evenly between the respective funding entities and CalOptima.

Staff will return to your Board with more information regarding the IGT 9 transaction and an expenditure plan for CalOptima's share of the net proceeds at a later date. .

### **Fiscal Impact**

The recommended action to ratify and authorize activities to secure Medi-Cal funds through IGT 9 will generate one-time IGT revenue that will be invested in Board-approved programs/initiatives. Expenditure of IGT funds is for restricted, one-time purposes and does not commit CalOptima to future budget allocations. As such, there is no net fiscal impact on CalOptima's current or future operating budgets as IGT funds have been accounted for separately.

### **Rationale for Recommendation**

Consistent with the previous eight IGT transactions, ratification of the proposal and authorization of funding agreements will allow the ability to maximize Orange County's available IGT funds for Rate Year 2018-19 (IGT 9).

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachment**

Department of Health Care Services Voluntary IGT Rate Range Program Notification Letter

/s/ Michael Schrader  
**Authorized Signature**

8/29/2018  
**Date**



JENNIFER KENT  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

July 31, 2018

Greg Hamblin  
Chief Financial Officer  
CalOptima  
505 City Parkway West  
Orange, CA 92868

**SUBJECT: State Fiscal Year (SFY) 2018-19 Voluntary Rate Range Program – Request for Medi-Cal Managed Care Plan's (MCP) Proposal**

Dear Mr. Hamblin:

The 2018-19 Voluntary Rate Range Program, authorized by Welfare and Institutions (W&I) Code sections 14164, 14301.4, and 14301.5, provides a mechanism for funding the non-federal share of the difference between the lower and upper bounds of a MCP's actuarially sound rate range, as determined by the Department of Health Care Services (DHCS). Governmental funding entities eligible to transfer the non-federal share are defined as counties, cities, special purpose districts, state university teaching hospitals, and other political subdivisions of the state, pursuant to W&I Code section 14164(a). These governmental funding entities may voluntarily transfer funds to DHCS via intergovernmental transfer (IGT). These voluntary IGTs, together with the applicable Federal Financial Participation (FFP), will be used to fund payments by DHCS to MCPs as part of the capitation rates paid for the service period of July 1, 2018 through June 30, 2019 (SFY 2018-19).

DHCS shall not direct the MCP's expenditure of payments received under the 2018-19 Voluntary Rate Range Program. These payments are subject to all applicable requirements set forth in the MCP's contract with DHCS. These payments must also be tied to covered Medi-Cal services provided on behalf of Medi-Cal beneficiaries enrolled within the MCP's rating region.

The funds transferred by an eligible governmental funding entity must qualify for FFP pursuant to Title 42 Code of Federal Regulations (CFR) Part 433, Subpart B, including the requirements that the funding source(s) shall not be derived from impermissible sources such as recycled Medicaid payments, Federal money excluded from use as state match, impermissible taxes, and non-bona fide provider-related donations. Impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the state as the source of funding.

---

Capitated Rates Development Division  
1501 Capitol Avenue, P.O. Box 997413, MS 4413  
Sacramento, CA 95899-7413  
Phone (916) 345-8268  
[www.dhcs.ca.gov](http://www.dhcs.ca.gov)

[Back to Agenda](#)

DHCS shall continue to administer all aspects of the IGT related to the 2018-2019 Voluntary Rate Range Program, including determinations related to fees.

### **PROCESS FOR SFY 2018-19:**

MCPs should refer to the estimated SFY 2018-19 county/region-specific non-federal share required to fund available rate range amounts for the MCP (see Attachment C). As a reminder, participation in the 2018-19 Voluntary Rate Range Program is voluntary on the part of the transferring entity and the MCP. If an MCP elect to participate in the 2018-19 Voluntary Rate Range Program, the MCP must adhere to the process for participation outlined below:

#### Soliciting Interest

The MCP shall contact potential governmental funding entities to determine their interest, ability, and desired level of participation in the 2018-19 Voluntary Rate Range Program. All providers and governmental funding entities who express their interest directly to DHCS will be redirected to the applicable MCP to facilitate negotiations related to participation. If, following the submission of the MCP's proposal, one or more governmental funding entities included in the MCP's proposal are unable or unwilling to participate in the Voluntary Rate Range Program, the MCP shall attempt to find other governmental funding entities able and willing to participate in their place.

The MCP must inform all participating governmental entities that, unless DHCS determines a statutory exemption applies, IGTs submitted in accordance with W&I Code section 14301.4 are subject to an additional 20 percent assessment fee (calculated on the value of their IGT contribution amount) to reimburse DHCS for the administrative costs of operating the Voluntary Rate Range Program and to support the Medi-Cal program. DHCS will determine if a fee waiver is appropriate.

#### Submission Requirements

Once the MCP has coordinated with the relevant governmental funding entities, the following documents must be submitted to DHCS in accordance with the requirements and procedures set forth below:

- The MCP must submit a **proposal** to DHCS. This proposal must include:
  1. A cover letter signed by the MCP's Chief Executive Officer or Chief Financial Officer on MCP letterhead.

2. The MCP's primary contact information (name, e-mail address, mailing address, and phone number).
  3. County/region-specific summaries of the selected governmental funding entities, related providers, and participation levels specified for SFY 2018-19. The combined amounts or percentages must not exceed 100 percent of the estimated non-federal share of the available rate range amounts provided by DHCS. If the MCP is unable to use the entire available rate range, the MCP must indicate the unfunded amount and percentage.
  4. All letters of interest (described below) and supporting documents must be attached to the proposal. If the "supplemental attachment" described below is not collected by the MCP and attached to the proposal at the time of submission, please indicate if the information will be submitted to DHCS directly by each governmental funding entity.
- The MCP must obtain a **letter of interest** (using the format provided in Attachment A) from each governmental funding entity included in the MCP's proposal to DHCS. An individual authorized to sign the certification on behalf of the governmental funding entity must sign the letter of interest. Each letter of interest must specify:
    1. The governmental funding entity's name and Federal Tax Identification Number,
    2. The dollar amount or percentage of the total available rate range the governmental funding entity will contribute for each MCP and county/region, and
    3. The governmental funding entity's primary contact information (name, e-mail address, mailing address, phone number).
  - The MCP must distribute to governmental funding entities and ensure submission to DHCS of the **SFY 2018-19 Voluntary Rate Range Program Supplemental Attachment** (see Attachment B) by Friday, August 31, 2018.
  - The proposals and letters of interest are due to DHCS **by 5pm on Friday, August 31, 2018**. Please send a PDF copy of the required documents by e-mail to [Sandra.Dixon@dhcs.ca.gov](mailto:Sandra.Dixon@dhcs.ca.gov). **Failure to submit all required documents by the due date may result in exclusion from the SFY 2018-19 Voluntary Rate Range Program.**

Each proposal is subject to review and approval by DHCS. The review will include an evaluation of the proposed provider participation levels in comparison to their

Greg Hamblin  
Page 4

uncompensated contracted Medi-Cal costs and/or charges. DHCS reserves the right to approve, amend, or deny the proposal at its discretion.

Upon DHCS' approval of the governmental funding entities and non-federal share amounts for the 2018-19 Voluntary Rate Range Program, DHCS will provide the necessary funding agreement templates, forms, and related due dates to the specified governmental funding entities and MCP contacts. The governmental funding entities will be responsible for completing all necessary funding agreement documents, responding to any inquiries necessary for obtaining approval, and obtaining all required signatures.

If you have any questions regarding this letter, please contact Sandra Dixon at (916) 345-8269 or by email at [Sandra.Dixon@dhcs.ca.gov](mailto:Sandra.Dixon@dhcs.ca.gov).

Sincerely,



Jennifer Lopez  
Division Chief  
Capitated Rates Development Division

#### Attachments

cc: Michael Schrader, Chief Executive Officer  
CalOptima  
505 City Parkway West  
Orange, CA 92868

Sandra Dixon  
Financial Management Section  
Capitated Rates Development Division  
Department of Health Care Services  
P.O. Box 997413, MS 4413  
Sacramento, CA 95899-7413



Greg Hamblin  
Page 5

## ATTACHMENT A – LETTER OF INTEREST TEMPLATE

Jennifer Lopez  
Division Chief  
Capitated Rates Development Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4413  
P.O. Box 997413  
Sacramento, CA 95899-7413

Dear Ms. Lopez:

This letter confirms the interest of Insert Participating Funding Entity Name, a governmental entity, federal I.D. Number Insert Federal Tax I.D. Number, in working with Managed Care Plan's Name (hereafter, "the MCP") and the California Department of Health Care Services (DHCS) to participate in the Voluntary Rate Range Program, including providing an Intergovernmental Transfer (IGT) to DHCS to be used as a portion of the non-federal share of actuarially sound Medi-Cal managed care capitation rate payments incorporated into the contract between the MCP and DHCS for the period of July 1, 2018, to June 30, 2019. This is a non-binding letter, stating our interest in helping to finance health improvements for Medi-Cal beneficiaries receiving services in our jurisdiction. The governmental entity's funds are being provided voluntarily, and the State of California is in no way requiring the governmental entity to provide any funding.

Insert Participating Funding Entity Name is willing to contribute up to \$                      for the SFY 2018-19 rating period as negotiated with the MCP. We recognize that, unless a waiver is approved by DHCS, there will be an additional 20-percent assessment fee payable to DHCS on the funding amount, for the administrative costs of operating the voluntary rate range program.

The following individual from our organization will serve as the point of communication between our organization, the MCP and DHCS on this issue:

Entity Contact Information:

(Please provide complete information including name, street address, e-mail address and phone number.)

I certify that I am authorized to sign this certification on behalf of the governmental entity and that the statements in this letter are true and correct.

Sincerely,  
Signature

**Attachment B**  
**SFY 2018-19 Voluntary Rate Range Program Supplemental Attachment**

Provider Name:   
 County:   
 Health Plan:

**Instructions**

Complete all yellow-highlighted fields. Submit this completed form via e-mail to Sandra Dixon ([sandra.dixon@dhcs.ca.gov](mailto:sandra.dixon@dhcs.ca.gov)) at the Department of Health Care Services (DHCS) by Friday, August 31, 2018.

1. In the table below, report charges/costs and payments received or expected to be received from the Health Plan indicated above for Medi-Cal services (Inpatient, Outpatient, and All Other) provided to Medi-Cal beneficiaries enrolled in the Health Plan and residing in the County indicated above, for dates of service from July 1, 2016 through June 30, 2017.

	Charges	Costs	Payments from Health Plan*	Uncompensated Charges (charges less payments)	Uncompensated Costs (Costs less payments)
Inpatient				\$	\$
Outpatient				\$	\$
All Other				\$	\$
Total	\$	\$	\$	\$	\$

\* Include payments received and anticipated to be received for service dates of July 1, 2016 through June 30, 2017.

2. Are you able to fund 100% of the higher of the uncompensated charges or uncompensated costs (as stated above)?   
 If No, please specify the amount of funding available:

3. Describe the scope of services provided to the specified Health Plan's Medi-Cal members, and if these services were provided under a contract arrangement.

4. For any capitation payments to be funded by the IGT, please provide the following:

(i) The name of the entity transferring funds:

(ii) The operational nature of the entity (state, county, city, other):

(iii) The source of the funds:  
(Funds must not be derived from impermissible sources such as recycled Medicaid payments, federal funds excluded from use as State match, impermissible taxes, and non-bona fide provider-related donations.)

(iv) Does the transferring entity have general taxing authority?

(v) Does the transferring entity receive appropriations from a state, county, city, or other local government jurisdiction?

5. Comments / Notes

ATTACHMENT C

TOTAL AVAILABLE RATE RANGE

Orange County Organized Health System dba Cal Optima - Orange (HCP 506)  
 IGT - 2018/19 (July 2018 - June 2019)

	Total	50% FMAP (Non-MCHIP and OE)	88% FMAP (MCHIP)	Optional Expansion (93.5%)
Total Funds Available	\$ 138,114,451	\$ 68,412,249	\$ 7,133,302	\$ 62,568,900
Federal Match	\$ 98,985,353	\$ 34,206,125	\$ 6,277,306	\$ 58,501,922
Governmental Funding Entity's Portion	\$ 39,129,098	\$ 34,206,124	\$ 855,996	\$ 4,066,978
	28.3%	50.0%	12.0%	6.5%

Rate Categories <sup>1</sup>	Member Months (per Mercer est.)	Lower Bound (per Mercer Rate Worksheets)	Upper Bound (per Mercer Rate Worksheets)	Difference between Upper and Lower Bound	Other Dept. Usage <sup>2</sup>	Available PMPM (less Other Dept. Usage)	Estimated Available Total Fund
Child - non MCHIP	2,474,781	\$ 84.85	\$ 89.93	\$ 5.08	-	\$ 5.08	\$ 12,571,887
Child - MCHIP	1,273,587	\$ 84.85	\$ 89.93	\$ 5.08	-	\$ 5.08	\$ 6,469,822
Adult - non MCHIP	1,082,406	\$ 299.18	\$ 316.64	\$ 17.46	-	\$ 17.46	\$ 18,898,809
Adult - MCHIP	38,000	\$ 299.18	\$ 316.64	\$ 17.46	-	\$ 17.46	\$ 663,480
SPD	466,754	\$ 755.18	\$ 798.48	\$ 43.30	-	\$ 43.30	\$ 20,210,448
SPD/Full-Dual	22,794	\$ 219.25	\$ 229.52	\$ 10.27	-	\$ 10.27	\$ 233,170
BCCTP	7,156	\$ 1,225.69	\$ 1,296.82	\$ 71.13	-	\$ 71.13	\$ 509,006
LTC	14,686	\$ 10,472.34	\$ 10,858.28	\$ 385.94	-	\$ 385.94	\$ 5,667,915
LTC/Full-Dual	0	\$ 6,036.73	\$ 6,235.58	\$ 198.85	-	\$ 198.85	\$ -
OBRA	0	\$ -	\$ -	\$ -	-	\$ -	\$ -
Whole Child Model	74,642	\$ 1,824.65	\$ 1,962.92	\$ 138.27	-	\$ 138.27	\$ 10,321,014
Optional Expansion	2,853,119	\$ 442.21	\$ 471.45	\$ 29.24	7.31	\$ 21.93	\$ 62,568,900
	8,307,835	\$ 309.49	\$ 328.62	\$ 19.14	2.51	\$ 16.62	\$ 138,114,451

<sup>1</sup>The supplemental payments (Maternity, BHT and HEP C) are not included in the rate range calculation.

<sup>2</sup>Other Departmental Usages decreases available rate funding.

**CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken June 6, 2019**  
**Regular Meeting of the CalOptima Board of Directors**

**Report Item**

33. Consider Approval of Quality Initiative Related to Post-Acute Infection Prevention and Authorization of Related Funding for Quality Initiative Payments

**Contact**

David Ramirez, M.D., Chief Medical Officer, (714) 246-8400

Emily Fonda, M.D., MMM, CHCQM, Medical Director, (714) 246-8400

Ladan Khamseh, Chief Operating Officer, (714) 246-8400

**Recommended Actions**

1. Authorize establishment of a Multi-Drug-Resistant Organisms (MDRO) suppression quality initiative; and
2. Authorize the distribution of up to \$2.3 million in FY 2019-20 CalOptima Medi-Cal funds in payments to providers meeting criteria for payment under this MDRO suppression quality initiative.

**Background**

The Centers for Disease Control and Prevention (CDC) and the University of California-Irvine (UCI) recently collaborated on an extensive study in 2017 through 2019 to suppress the spread of Multi-Drug-Resistant Organisms (MDRO) in Skilled Nursing Facilities (SNFs) across Orange County. The ambitious study also garnered the support of the California Department of Public Health as well as the Orange County Health Care Agency. This regional collaborative established a structured "...decolonization strategy to reduce the transmission of MDROs both countywide and within healthcare facilities." The name of the collaborative is SHIELD OC.

SHIELD OC is comprised of intervention protocols for both hospitals and nursing homes. There were 16 Orange County SNFs contracted with CalOptima that participated through to the conclusion of the study.

The study was focused on MDRO decolonization through "...the use of topical products to reduce bacteria on the body that can produce harmful infections." In SNFs, the study protocol involved the implementation of two interventions: (1) the consistent use of Chlorhexidine (CHG) antiseptic soap for routine bathing and showering of residents, and (2) the scheduled use of povidone-iodine nasal swabs on residents.

The preliminary study outcomes were very promising and gained the close attention of CDC senior leadership, who have reached out to CalOptima regarding the project on more than one occasion. Long term care (LTC) residents in facilities following the study protocol showed markedly lower rates of MDRO colonization, which translated into lower rates of hospital admissions and lower utilization costs for CalOptima members. The implications of the study, as well as the innovative regional collaboration model, have also garnered the interest of the press. News regarding the collaborative recently aired on National Public Radio and appeared in *USA Today* articles. The lead author in the study, Dr. Susan Huang, was also recently interviewed in a local news radio segment on KNX 1070.

The study concluded on May 2, 2019. At the SHIELD OC Wrap Up Event, concerns were expressed by facility participants as well as the CDC that the end of the project funding would prevent the SNFs in the study from continuing the study protocol efforts. Without continuation of the interventions, the momentum of the efforts by the participating SNFs would be interrupted, and the considerable gains made in regional decolonization could potentially be unraveled. While the responsibility of infection prevention in post-acute settings is not solely the responsibility of CalOptima, the extensive project has provided significant safety and health benefits to CalOptima members who reside in these facilities. After the conclusion of the study, the collaborative will face an absence of funding and direction. This presents an opportunity for CalOptima to take a leadership role in supporting the care delivery system by offering value-based quality incentives to facilities that follow evidence-based patient safety practices in the institutionalized population segment which are congruent with CalOptima's mission as well as the National Quality Assurance Committee (NCQA) Population Health Management Standards of Delivery System Support.

### **Discussion**

As proposed, the Post-Acute Infection Prevention Quality Initiative will provide an avenue through which CalOptima can incentivize SNFs to provide the study protocol interventions. The study protocols have been recognized to meaningfully suppress the spread of MDROs and will support the safety and health of CalOptima members receiving skilled interventions at or residing in SNFs. Implementation of the quality initiative is in line with CalOptima's commitment to continuous quality improvement.

The initiative would be comprised of two separate phases. Summarily, in Phase I, CalOptima-contracted SNFs in Orange County could initiate a commitment to implementing the study protocol and CalOptima would respond by providing funding to the facility for setup and protocol training. For each participating SNF, Phase I would last for two quarters. In Phase II of the quality initiative, after the SNF has been trained and can demonstrate successful adoption of the protocol, each SNF would be required to demonstrate consistent adherence to the study protocol as well as meet defined quality measures in order to be eligible to continue receiving the quality initiative payments on a retrospective quarterly basis.

#### *Phase I*

CalOptima to provide quality initiative funding to SNFs demonstrating a commitment to implementing the SHIELD OC study protocol. The quality initiative is intended to support start up and training for implementation of the protocols not currently in standard use in SNFs but, as per the SHIELD OC study, have been demonstrated to effectively suppress the spread of MDROs.

Contracted SNFs in Orange County must complete an Intent to Implement MDRO Suppression form, signed by both its Administrator and Director of Nursing.

CalOptima will then initiate payment for the first quarter of setting up and training. Payment will be based on an average expected usage cost per resident, to be determined by CalOptima for application across all participating facilities, so the amount of payment for each facility will be dependent on its size. These payments are intended to incentivize the facilities to meet the protocol requirements. The facility must demonstrate use of the supplies and the appropriate

application of the study protocol to the assigned CalOptima staff to qualify for the second quarterly Phase I payment.

The following supplies are required of the facility:

- 4% Chlorohexidine Soap
- 10% Iodine Swab Sticks

The following activities will be required of the facility:

- Proof of appropriate product usage.
- Acceptance of training and monitoring of infection prevention protocol by CalOptima and/or CDC/UCI staff.
- Evidence the decolonization program handouts are in admission packets.
- Monitoring and documentation of compliance with CHG bathing.
- Monitoring and documentation of compliance with iodophor nasal swab.
- Documentation of three peer-to-peer bathing skills assessments per month.

### *Phase II*

CalOptima will provide retrospective quality initiative payments on a quarterly basis for facilities that completed Phase I and meet Phase II criteria outlined below. The amount of each Phase II facility payment will reflect the methodology used in Phase I, accounting for facility size at the average expected usage cost. These payments are intended to support facilities in sustaining the quality practices they adopted during Phase I to suppress MDRO infections.

To qualify for Phase II quality initiative payments, the participating facility must continue demonstrating adherence to the study protocol through the requirements as outlined above for Phase I.

In addition, the facility must also meet minimum quality measures representative of effective decolonization and infection prevention efforts, to be further defined with the guidance of the UCI and CDC project leads. The facilities in Phase II of the initiative must meet these measures each quarter to be eligible for retrospective payment.

The 16 SNFs that participated in SHIELD OC would be eligible for Phase II of the quality initiative at implementation of this quality initiative since they have already been trained in the project and demonstrated adherence to the study protocol. Other contracted SNFs in Orange County not previously in SHILED OC and beginning participation in the quality initiative would be eligible for Phase I.

The proposed implementation of the quality initiative is Q3 2019.

**Fiscal Impact**

The recommended action to implement a Post-Acute Infection Prevention Quality Initiative program and make payments to qualifying SMFs, beginning in FY 2019-20 to CalOptima-contracted SNFs in Orange County is projected to cost up to and not to exceed \$2.3 million annually. Management plans to include projected expenses associated with the quality initiative in the upcoming CalOptima FY 2019-20 Operating Budget.

**Rationale for Recommendation**

The quality initiative presents an avenue for CalOptima to actively support an innovative regional collaborative of high visibility that has been widely recognized to support the safety and health of individuals receiving care in SNFs.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

1. PowerPoint Presentation
2. SHIELD OC Flyer
3. Letter of Support

/s/ Michael Schrader  
**Authorized Signature**

5/29/2019  
**Date**





**CalOptima**  
Better. Together.

# **Post-Acute Infection Prevention Quality Initiative**

**Regular Meeting of the Board of Directors  
June 6, 2019**

**Dr. Emily Fonda, MD, MMM, CHCQM**

**Medical Director**

**Care Management, Long-Term Services and Supports and  
Senior Programs**

# Background

---

- Efforts to lower hospitalization rates from long-term care (LTC) placed us in contact with Dr. Huang and her study
  - Through the Long-Term Services and Supports (LTSS) Quality Improvement Subcommittee
- Susan Huang, MD, MPH, Professor, Division of Infectious Diseases at U.C. Irvine — lead investigator for Project SHIELD Orange County (OC)
  - 36 facility decolonization intervention protocol supported by the Center for Disease Control and Prevention (CDC)
  - 16 of those facilities are CalOptima-contracted skilled nursing facilities
- Early results at wrap-up event on 1/30/19 → overall 25 percent lower colonization rate of multidrug resistant organisms in OC skilled nursing facilities

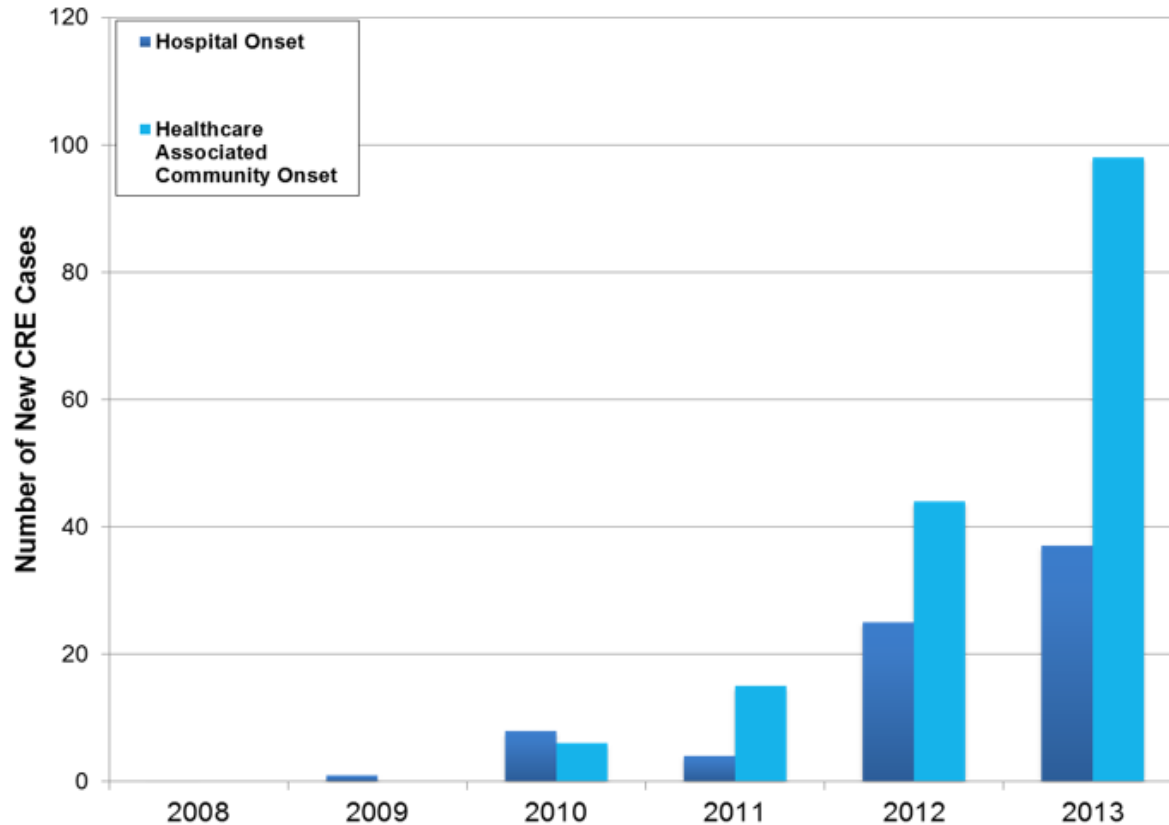
# Background

---

- Rise of Multi-Drug Resistant Organisms (MDROs)
  - Methicillin Resistant *Staphylococcus aureus* (MRSA)
  - Vancomycin Resistant Enterococcus (VRE)
  - Multi-Drug Resistant Pseudomonas
  - Multi-Drug Resistant Acinetobacter
  - Extended Spectrum Beta Lactamase Producers (ESBLs)
  - Carbapenem Resistant Enterobacteriaceae (CRE)
  - Hypervirulent KPC (NDM)
  - *Candida auris*
- **10–15% of hospital patients harbor at least one of the above**
- **65% of nursing home residents harbor at least one of the above**

# CRE Trends in Orange County, CA

**Hospital and Healthcare-Associated Community Onset CRE Incidence**  
(N = 21 Hospitals)



Gohil S. AJIC 2017; 45:1177-82

# CDC Interest

Orange County has historically had one of the highest carbapenem-resistant enterobacteriaceae (CRE) rates in California according to the OC Health Care Agency



Early Release / Vol. 64

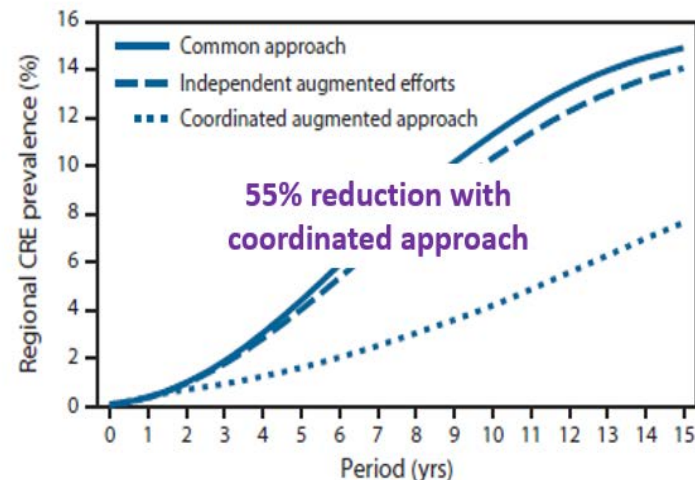
Morbidity and Mortality Weekly Report

August 4, 2015

## Vital Signs: Estimated Effects of a Coordinated Approach for Action to Reduce Antibiotic-Resistant Infections in Health Care Facilities — United States

Rachel B. Slayton, PhD<sup>1</sup>; Damon Toth, PhD<sup>2</sup>; Bruce Y. Lee, MD<sup>3</sup>; Windy Tanner, PhD<sup>2</sup>; Sarah M. Bartsch, MPH<sup>3</sup>; Karim Khader, PhD<sup>2</sup>; Kim Wong, PhD<sup>4</sup>; Kevin Brown, PhD<sup>2</sup>; James A. McKinnell, MD<sup>5</sup>; William Ray<sup>2</sup>; Loren G. Miller, MD<sup>6</sup>; Michael Rubin, MD, PhD<sup>2</sup>; Diane S. Kim<sup>7</sup>; Fred Adler, PhD<sup>8</sup>; Chenghua Cao, MPH<sup>7</sup>; Lacey Avery, MA<sup>1</sup>; Nathan T.B. Stone, PhD<sup>9</sup>; Alexander Kallen, MD<sup>3</sup>; Matthew Samore, MD<sup>2</sup>; Susan S. Huang, MD<sup>2</sup>; Scott Fridkin, MD<sup>1</sup>; John A. Jernigan, MD<sup>1</sup>

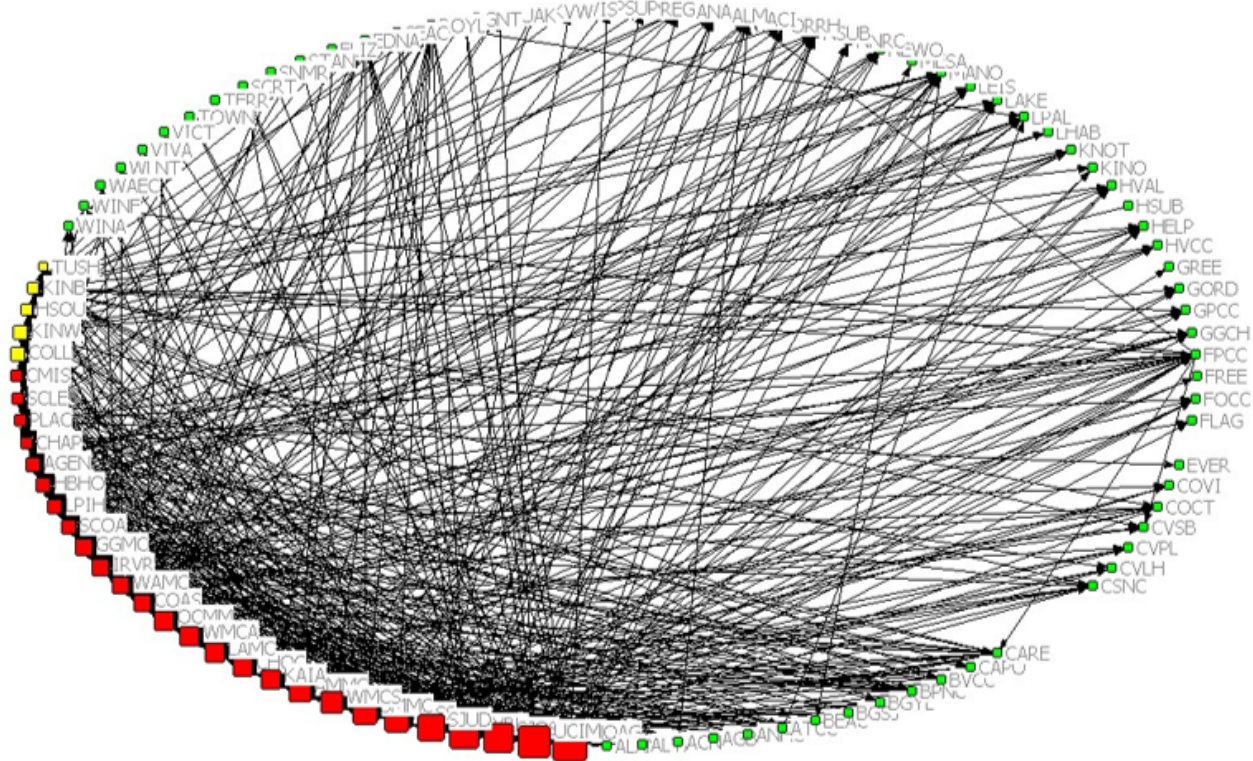
FIGURE 3. Projected countywide prevalence of carbapenem-resistant *Enterobacteriaceae* (CRE) over a 15-year period under three different intervention scenarios — 102-facility model, Orange County, California\*



\* Additional information available at <http://www.cdc.gov/drugresistance/resources/publications.html>.

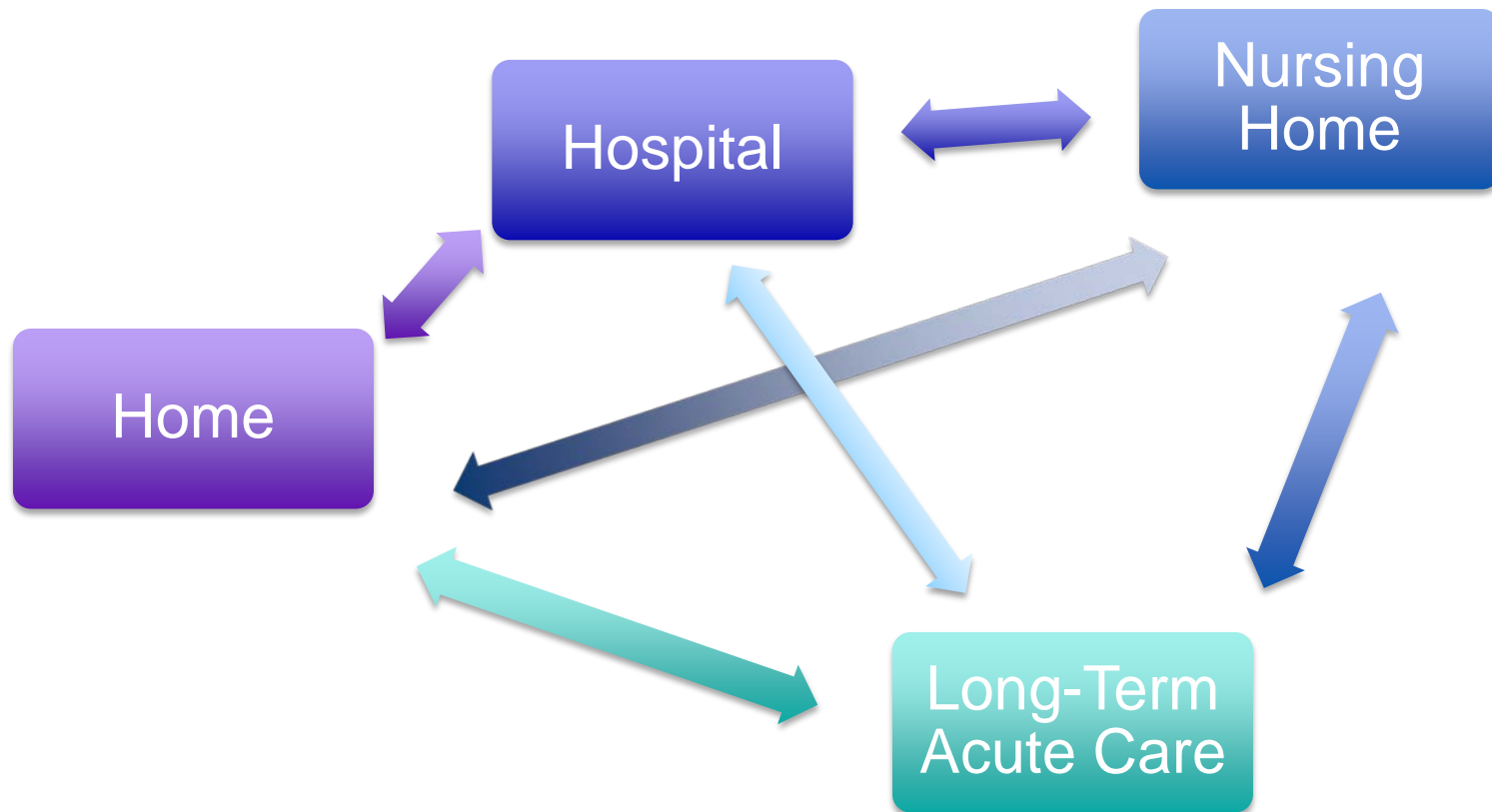
# Extent of the Problem

## OC Hospitals and Nursing Homes 10 patients shared



Lee BY et al. Plos ONE. 2011;6(12):e29342

# Extent of the Problem



# Baseline MDRO Prevalence — 16 Nursing Homes

	N	Any MDRO	MRSA	VRE	ESBL	CRE
Nares	900	28%	28%	-	-	-
Axilla/Groin	900	47%	30%	10%	22%	1%
Peri-Rectal	900	52%	25%	15%	31%	1%
All Body Sites	900	<b>64%</b>	<b>42%</b>	<b>16%</b>	<b>34%</b>	<b>2%</b>

- 64% MDRO carriers, facility range 44–88%
- Among MDRO pathogens detected, only 14% known to facility
- Among all residents, 59% harbored  $\geq 1$  MDRO unknown to facility



# Participating Health Care Facilities

## 16 Nursing Homes Contracted with CalOptima

- Alamitos West Health Care Center
- Anaheim Healthcare Center
- Beachside Nursing Center
- Crystal Cove Care Center
- French Park Care Center
- Garden Park Care Center
- Healthcare Center of Orange County
- Laguna Hills Health and Rehab Center
- Lake Forest Nursing Center
- Mesa Verde Post Acute Care Center
- New Orange Hills
- Orange Healthcare & Wellness Centre
- Regents Point – Windcrest
- Seal Beach Health and Rehab Center
- Town and Country Manor
- Victoria Healthcare and Rehab Center

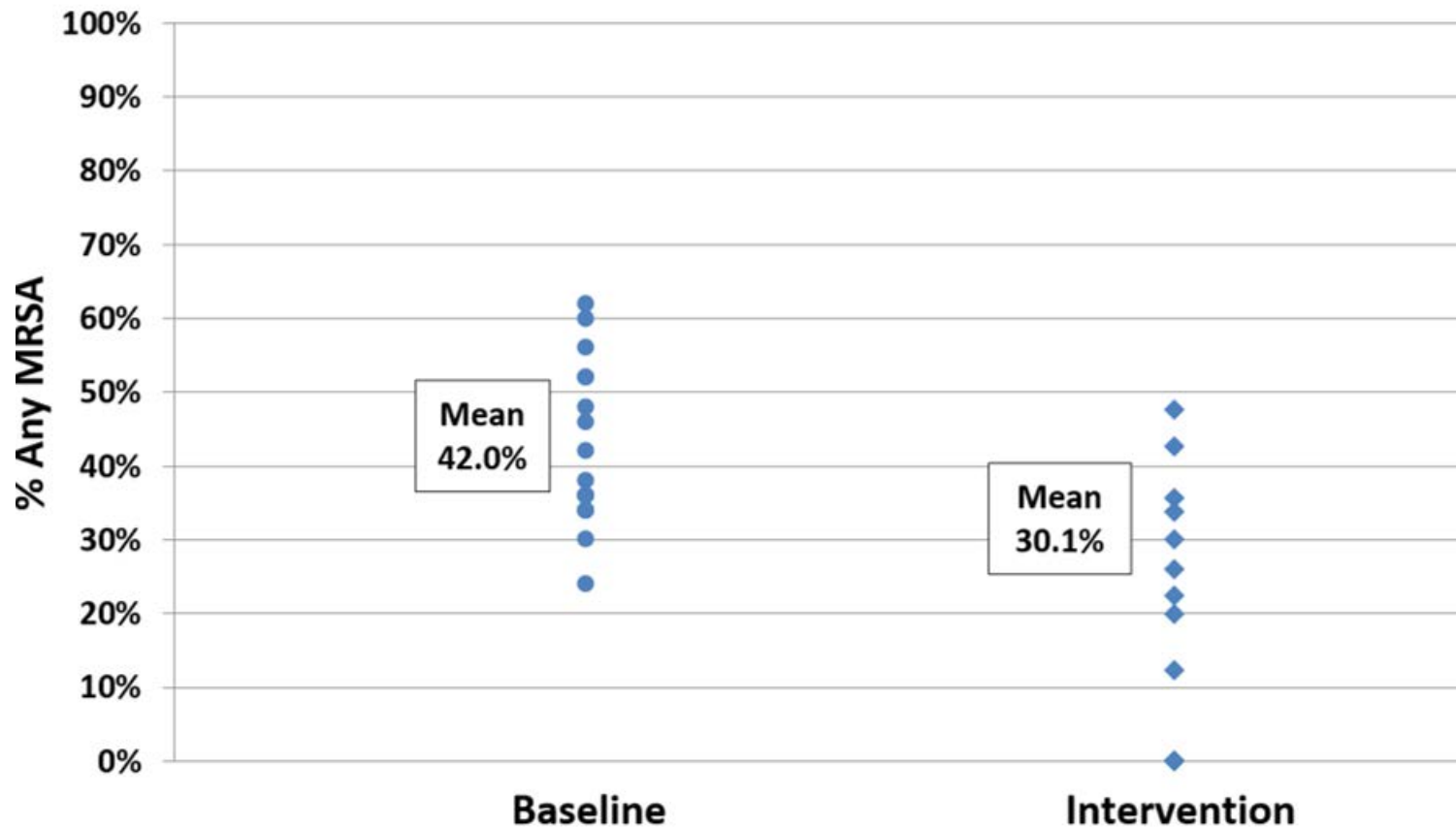
# SHIELD OC Decolonization Protocol

---

- Nursing Homes: Decolonize All Patients
  - Replaced regular soap with chlorhexidine (CHG) antiseptic soap
  - CHG on admit and for all routine bathing/showering
  - Nasal iodophor on admit and every other week
    - <https://www.cdc.gov/hai/research/cdc-mdro-project.html>
- Following initial testing and training
  - Intervention timeline (22 months) July 1, 2017–May 2, 2019
- Outcome: MDRO Prevalence
  - MRSA, VRE, ESBL, CRE and any MDRO
  - By body site
    - Nasal product reduces MRSA
    - CHG bathing reduces skin carriage

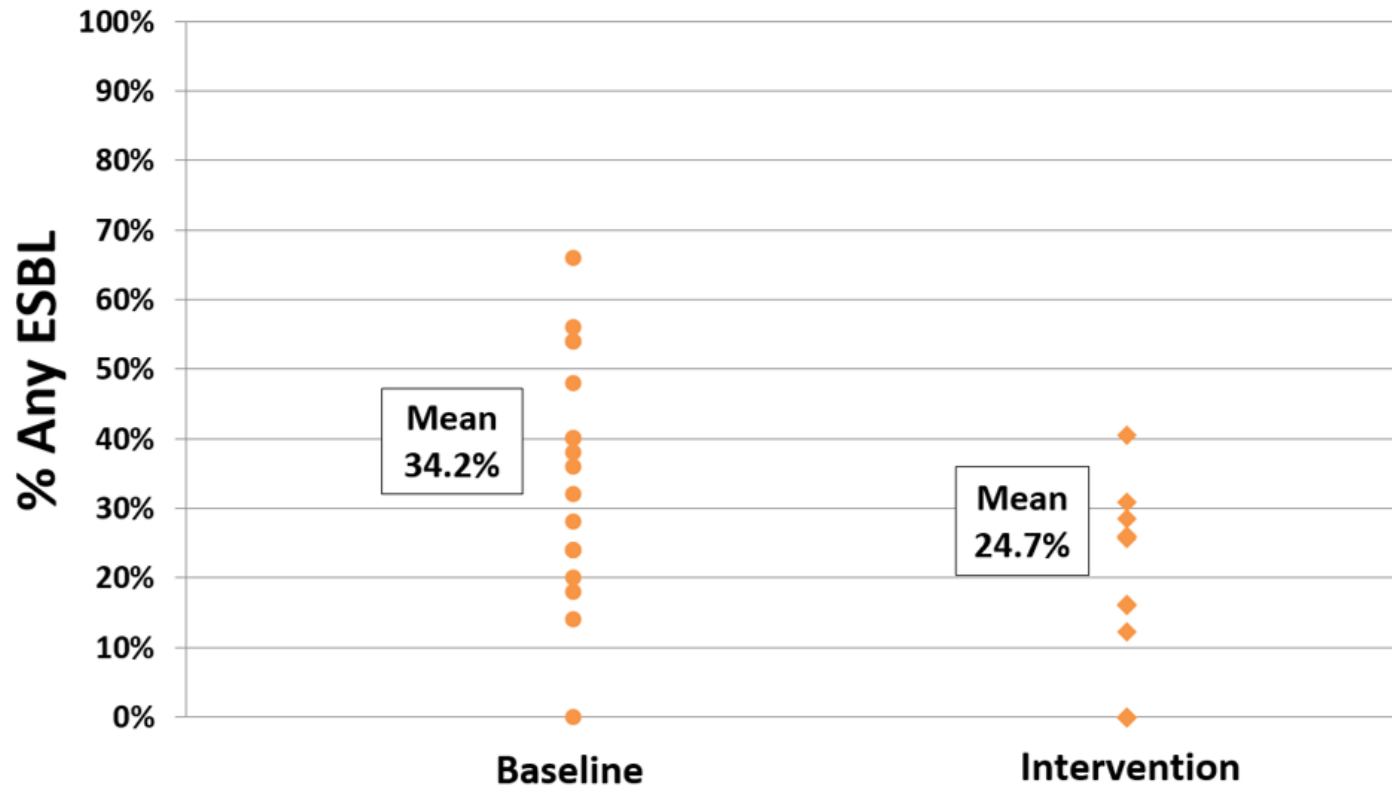
# SHIELD Outcomes

## SHIELD Impact: Nursing Homes 28% reduction in MRSA



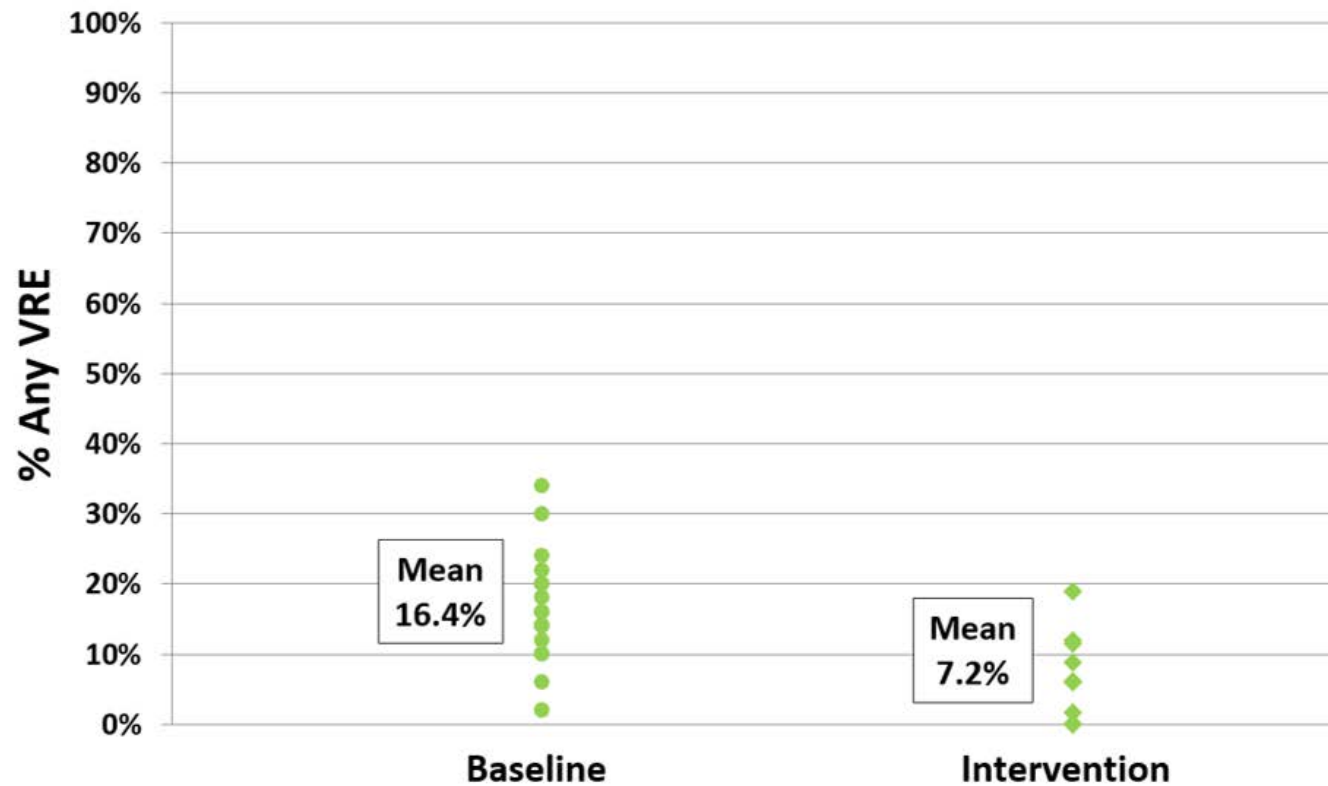
# SHIELD Outcomes (cont)

## SHIELD Impact: Nursing Homes 28% reduction in ESBLs



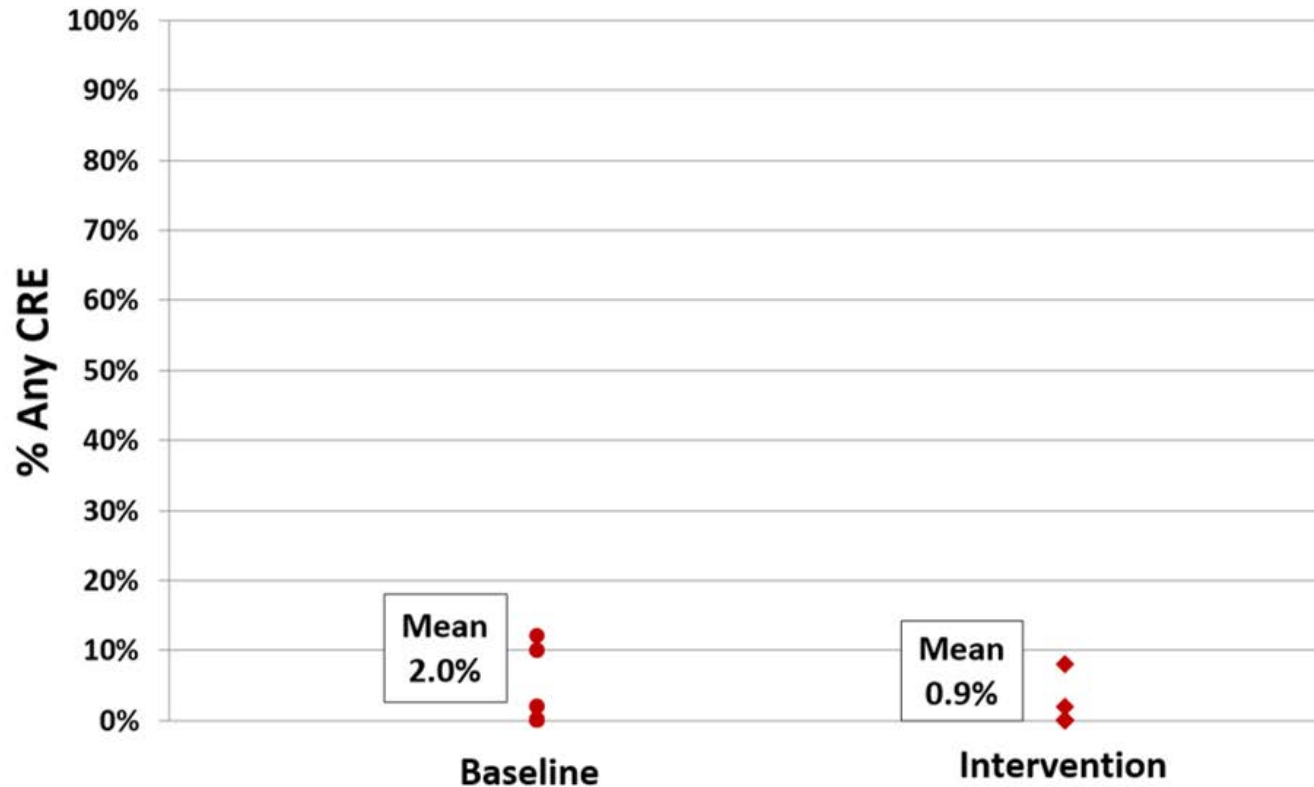
# SHIELD Outcomes (cont)

## SHIELD Impact: Nursing Homes 56% reduction in VRE



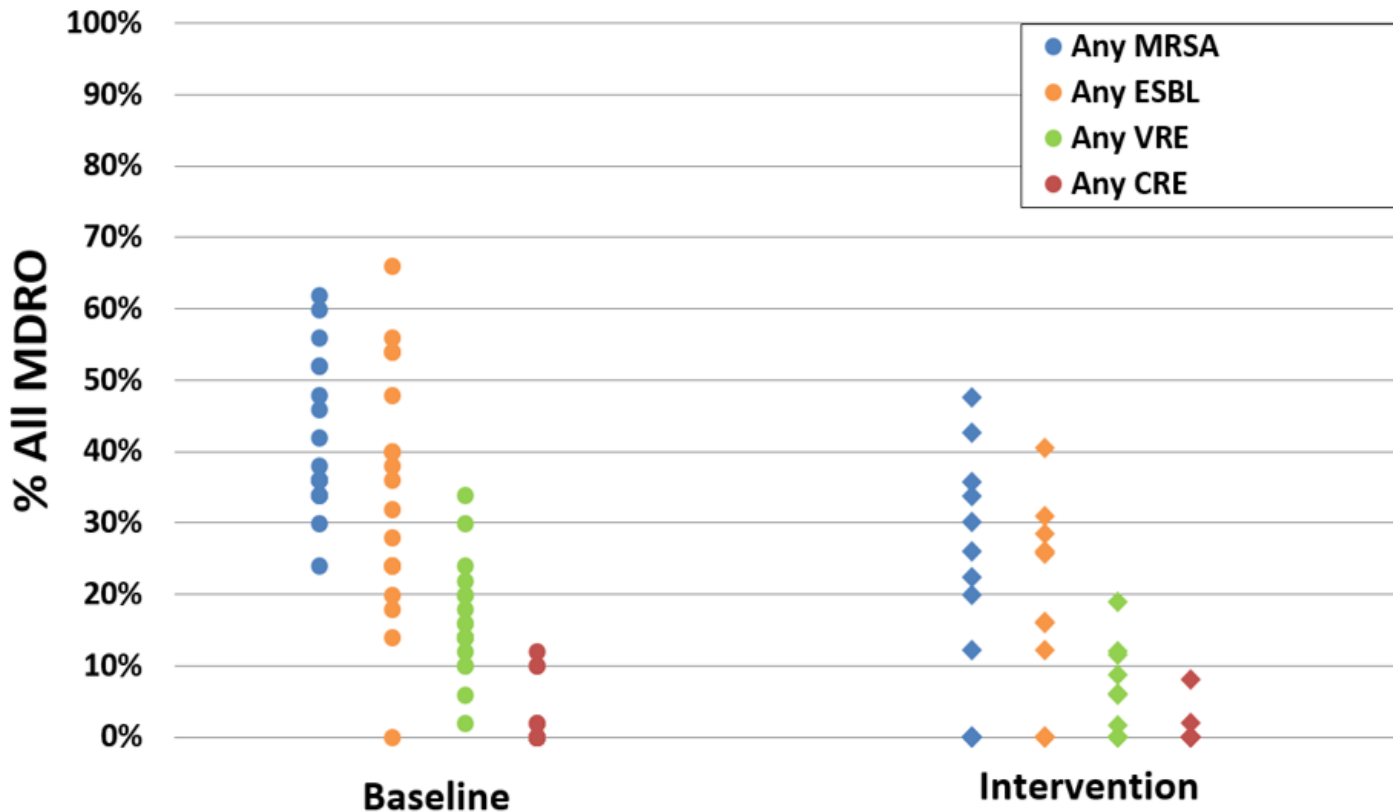
# SHIELD Outcomes (cont)

## SHIELD Impact: Nursing Homes 55% reduction in CRE



# SHIELD Outcomes (cont)

## SHIELD Impact: Nursing Homes 25% reduction in all MDROs



# Quarterly Inpatient Trends

## SHIELD OC Project: Quarterly Inpatient Trends

LTC Facility County: **ORANGE**

From: **2015-10** To: **2018-12**

Category P - Primary Diagnosis

		Select Year-Month Begin 2015-10	Select Year-Month End 2018-12	Select Category P Diagnosis Level Category P - Primary Diagnosis	Select Risk Group * Multiple values	Select LTC Facility County ORANGE								
		<div style="display: flex; justify-content: space-around;"> <span>Before SHIELD OC</span> <span>During SHIELD OC</span> </div>												
		2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4
CONTROL	Admission Count	47	61	60	51	56	65	60	49	36	46	59	48	47
	Bed Day Ct	336	383	536	383	561	570	390	376	296	377	401	456	398
	Paid Amt	\$682,769	\$854,676	\$1,159,922	\$920,317	\$1,691,337	\$1,231,903	\$997,810	\$1,236,197	\$634,628	\$979,762	\$1,113,238	\$1,176,910	\$1,024,854
	Avg Mbrs	3,064	2,964	2,901	2,945	2,994	3,033	3,035	3,074	3,116	3,105	3,088	3,102	3,085
SHIELD OC	Admission Count	10	10	9	11	12	9	8	5	3	4	7	3	1
	Bed Day Ct	54	84	66	90	98	60	59	49	12	30	46	11	2
	Paid Amt	\$133,362	\$311,661	\$124,676	\$189,669	\$227,224	\$209,419	\$175,738	\$164,181	\$40,354	\$84,565	\$127,609	\$41,123	\$10,177
	Avg Mbrs	590	564	564	580	576	567	581	606	625	632	641	663	652

\* Risk Groups Selected: CCN - MC CCN OCC COD Admin OneCare Shared Risk - MC Shared Risk - OCC

Average member count includes all Risk Groups

Admission counts and costs significantly lower in the SHIELD OC group



# Quarterly Inpatient Trends

- 16 contracted facilities utilizing the CHG program:
  - Inpatient costs for infection for 6 quarters prior to the Chlorhexidine protocol = \$1,196,011
  - Inpatient costs for the last 6 quarters following training and use of CHG protocol = \$468,009
    - \$728,002 lowered inpatient expenditure (61%) for infection in the participating facilities
- 51 contracted facilities not utilizing the CHG program:
  - Inpatient costs for the last 6 quarters = \$6,165,589
  - Potential 61% lowered inpatient expenditure for infection = \$3,761,009 if the CHG protocol had been expanded

# SHIELD Impact on CalOptima

- Adoption of the SHIELD protocol is well-supported by the Center for Disease Control
  - Plan for extended use of an existing trainer in OC for one year
  - Plan for extended monitoring of Orange County MDROs for one year
- 25% decrease in MDRO prevalence translates to the following for CalOptima's LTC population of 3,800 members as of December 2018:
  - Decreased infection-related hospitalizations
  - An opportunity for a significant advancement in population health management
  - Practice transformation for skilled nursing facilities in fulfillment of National Committee for Quality Assurance (NCQA) requirements
  - Continuation of cost savings

# CalOptima Post-Acute Infection Prevention Quality Initiative

- Adoption of the SHIELD protocol in all 67 CalOptima post-acute contracted facilities (long-term care and subacute facilities) will:
  - Support the continuation of care in the 16 participating facilities as Phase 2 without loss of momentum
  - Initiate the chlorhexidine bathing protocol in the remaining facilities as Phase 1 utilizing the CDC-supported trainer
  - Require quarterly reporting and fulfillment of quality measures with payments proportional to compliance
  - Include a trainer provided by the CDC for one year
  - Train current CalOptima LTSS nurses to quantify best practices and oversee compliance
  - Provide consideration around adding this patient safety initiative as a Pay 4 Value (P4V) opportunity to the next quality plan

# Recommended Actions

---

- Authorize establishment of a Multi-Drug-Resistant Organisms (MDRO) suppression quality initiative; and
- Authorize the distribution of up to \$2.3 million in FY 2019-20 CalOptima Medi-Cal funds in payments to providers meeting criteria for payment under this MDRO suppression quality initiative.

# CalOptima's Mission

---

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



A Public Agency

# CalOptima

Better. Together.



A Public Agency

Medi-Cal

## CalOptima

Better. Together.



A Public Agency

OneCare (HMO SNP)

## CalOptima

Better. Together.



A Public Agency

OneCare Connect

## CalOptima

Better. Together.



A Public Agency

PACE

## CalOptima

Better. Together.



**Shared  
Healthcare  
Intervention to  
Eliminate  
Life-threatening  
Dissemination of MDROs in  
Orange County**

## **SHIELD Orange County – Together We Can Make a Difference!**

### **What is SHIELD Orange County?**

SHIELD OC is a public health collaborative initiated by the Centers for Disease Control and Prevention (CDC) to combat the spread of endemic and emerging multi-drug resistant organisms (MDROs) across healthcare facilities in Orange County. This effort is supported by the California Department of Public Health (CDPH) and the Orange County Health Care Agency (OCHCA). This regional collaborative will implement a decolonization strategy to reduce transmission of MDROs both countywide and within healthcare facilities.

#### **SHIELD OC Goals:**

- Reduce MDRO carriage
- Reduce countywide MDRO clinical cultures
- Assess impact in participants and non-participants

**Visit our CDC webpage here!**

<https://www.cdc.gov/hai/research/dc-mdro-project.html>

SHIELD OC is coordinated by the University of California Irvine and LA BioMed at Harbor-UCLA.

### **Who is participating?**

38 healthcare facilities are participating in SHIELD OC. These facilities were invited to participate based on their inter-connectedness by patient sharing statistics. In total, participants include 17 hospitals, 3 long-term acute care hospitals (LTACHs), and 18 nursing homes.

### **What is the decolonization intervention?**

In the SHIELD OC collaborative, decolonization refers to the use of topical products to reduce bacteria on the body that can produce harmful infections.

- **Hospitals (for adult patients on contact precautions)**
  - Chlorhexidine (CHG) antiseptic soap for daily bathing or showering
  - Nasal decolonization with 10% povidone-iodine
  - Continue CHG bathing for adult patients in ICU units
- **Nursing homes and LTACHs**
  - Chlorhexidine (CHG) antiseptic soap for routine bathing and showering
  - Nasal decolonization with 10% povidone-iodine on admission and every other week

All treatments used for decolonization are topical and their safety profile is excellent.

**With questions, please contact the SHIELD OC Coordinating Team**

(949) 824-7806 or [SHIELDOrangeCounty@gmail.com](mailto:SHIELDOrangeCounty@gmail.com)



# CalOptima Checklist

Nursing Home Name: \_\_\_\_\_

Month Audited (Month/year): \_\_\_\_\_ / \_\_\_\_\_

Today's Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Completed by: \_\_\_\_\_

- Proof of product purchase
- Evidence the decolonization program handout is in admission packet
- Monitor and document compliance with bathing one day each week
- Monitor and document compliance with iodophor one day each week iodophor is used
- Conduct three peer-to-peer bathing skills assessments per month

## Product Usage

PRODUCT DESCRIPTION	RECEIPT PROVIDED	QUANTITY DELIVERED	ESTIMATED MONTHLY USAGE
4% CHG Gallons	<input type="checkbox"/>	_____ gallons	_____ gallons
10% Iodine Swabsticks	<input type="checkbox"/>	_____ boxes	_____ boxes

\_\_\_\_\_ swabs per box

### INTERNAL USE ONLY –APPROVAL:



Facility Name: \_\_\_\_\_ Unit: \_\_\_\_\_ Date: \_\_\_\_\_

## STAFF Skills Assessment: CHG Bed Bath Observation Checklist

### Individual Giving CHG Bath

Please indicate who performed the CHG bath.

Nursing Assistant (CNA)       Nurse       LVN       Other: \_\_\_\_\_

### Observed CHG Bathing Practices

Please check the appropriate response for each observation.

- Y     N    Resident received CHG bathing handout
- Y     N    Resident told that no rinse bath provides protection from germs
- Y     N    Provided rationale to the resident for not using soap at any time while in unit
- Y     N    Massaged skin *firmly* with CHG cloth to ensure adequate cleansing
- Y     N    Cleaned face and neck well
- Y     N    Cleaned between fingers and toes
- Y     N    Cleaned between all folds
- Y     N     N/A    Cleaned occlusive and semi-permeable dressings with CHG cloth
- Y     N     N/A    Cleaned 6 inches of all tubes, central lines, and drains closest to body
- Y     N     N/A    Used CHG on superficial wounds, rash, and stage 1 & 2 decubitus ulcers
- Y     N     N/A    Used CHG on surgical wounds (unless primary dressing or packed)
- Y     N    Allowed CHG to air-dry / does not wipe off CHG
- Y     N    Disposed of used cloths in trash /does not flush

### Query to Bathing Assistant/Nurse

1. How many cloths were used for the bath?

\_\_\_\_\_

2. If more than 6 cloths was used, provide reason.

\_\_\_\_\_

3. Are you comfortable applying CHG to superficial wounds, including surgical wounds?

\_\_\_\_\_

4. Are you comfortable applying CHG to lines, tubes, drains and non-gauze dressings?

\_\_\_\_\_

5. Do you ever wipe off the CHG after bathing?

\_\_\_\_\_

## ORIGINAL ARTICLE

# Decolonization to Reduce Postdischarge Infection Risk among MRSA Carriers

S.S. Huang, R. Singh, J.A. McKinnell, S. Park, A. Gombosev, S.J. Eells, D.L. Gillen, D. Kim, S. Rashid, R. Macias-Gil, M.A. Bolaris, T. Tjoa, C. Cao, S.S. Hong, J. Lequieu, E. Cui, J. Chang, J. He, K. Evans, E. Peterson, G. Simpson, P. Robinson, C. Choi, C.C. Bailey, Jr., J.D. Leo, A. Amin, D. Goldmann, J.A. Jernigan, R. Platt, E. Septimus, R.A. Weinstein, M.K. Hayden, and L.G. Miller, for the Project CLEAR Trial

## ABSTRACT

**BACKGROUND**

Hospitalized patients who are colonized with methicillin-resistant *Staphylococcus aureus* (MRSA) are at high risk for infection after discharge.

**METHODS**

We conducted a multicenter, randomized, controlled trial of postdischarge hygiene education, as compared with education plus decolonization, in patients colonized with MRSA (carriers). Decolonization involved chlorhexidine mouthwash, baths or showers with chlorhexidine, and nasal mupirocin for 5 days twice per month for 6 months. Participants were followed for 1 year. The primary outcome was MRSA infection as defined according to Centers for Disease Control and Prevention (CDC) criteria. Secondary outcomes included MRSA infection determined on the basis of clinical judgment, infection from any cause, and infection-related hospitalization. All analyses were performed with the use of proportional-hazards models in the per-protocol population (all participants who underwent randomization, met the inclusion criteria, and survived beyond the recruitment hospitalization) and as-treated population (participants stratified according to adherence).

**RESULTS**

In the per-protocol population, MRSA infection occurred in 98 of 1063 participants (9.2%) in the education group and in 67 of 1058 (6.3%) in the decolonization group; 84.8% of the MRSA infections led to hospitalization. Infection from any cause occurred in 23.7% of the participants in the education group and 19.6% of those in the decolonization group; 85.8% of the infections led to hospitalization. The hazard of MRSA infection was significantly lower in the decolonization group than in the education group (hazard ratio, 0.70; 95% confidence interval [CI], 0.52 to 0.96;  $P=0.03$ ; number needed to treat to prevent one infection, 30; 95% CI, 18 to 230); this lower hazard led to a lower risk of hospitalization due to MRSA infection (hazard ratio, 0.71; 95% CI, 0.51 to 0.99). The decolonization group had lower likelihoods of clinically judged infection from any cause (hazard ratio, 0.83; 95% CI, 0.70 to 0.99) and infection-related hospitalization (hazard ratio, 0.76; 95% CI, 0.62 to 0.93); treatment effects for secondary outcomes should be interpreted with caution owing to a lack of prespecified adjustment for multiple comparisons. In as-treated analyses, participants in the decolonization group who adhered fully to the regimen had 44% fewer MRSA infections than the education group (hazard ratio, 0.56; 95% CI, 0.36 to 0.86) and had 40% fewer infections from any cause (hazard ratio, 0.60; 95% CI, 0.46 to 0.78). Side effects (all mild) occurred in 4.2% of the participants.

**CONCLUSIONS**

Postdischarge MRSA decolonization with chlorhexidine and mupirocin led to a 30% lower risk of MRSA infection than education alone. (Funded by the AHRQ Healthcare-Associated Infections Program and others; ClinicalTrials.gov number, NCT01209234.)

The authors' full names, academic degrees, and affiliations are listed in the Appendix. Address reprint requests to Dr. Huang at the University of California Irvine School of Medicine, Division of Infectious Diseases, 100 Theory, Suite 120, Irvine, CA 92617, or at sshuang@uci.edu.

N Engl J Med 2019;380:638-50.

DOI: 10.1056/NEJMoa1716771

Copyright © 2019 Massachusetts Medical Society.

**M**ETHICILLIN-RESISTANT *STAPHYLOCOCCUS aureus* (MRSA) causes more than 80,000 invasive infections in the United States annually.<sup>1</sup> It is the most common cause of skin, soft-tissue, and procedure-related infections.<sup>2</sup> Rates of invasive MRSA infection are highest within 6 months after hospital discharge and do not normalize for 1 year.<sup>1,3,4</sup>

Approaches to MRSA have included education about both hygiene and environmental cleaning as well as decolonization with nasal mupirocin and chlorhexidine antiseptic baths to reduce carriage and prevent infection.<sup>5,6</sup> Decolonization has reduced the risks of surgical-site infection, recurrent skin infection, and infection in the intensive care unit (ICU).<sup>7-10</sup> Our goal was to evaluate whether, after hospital discharge, decolonization plus hygiene education was superior to education alone in reducing the likelihood of MRSA infection among patients colonized with MRSA (carriers).

## METHODS

### TRIAL DESIGN AND INTERVENTION

We conducted the Project CLEAR (Changing Lives by Eradicating Antibiotic Resistance) Trial as a multicenter, two-group, unblinded, randomized, controlled trial to compare the effect of hygiene education with that of education plus decolonization on the likelihood of postdischarge infection among MRSA carriers. This trial was approved by the institutional review board of the University of California Irvine. The authors vouch for the accuracy and completeness of the data and for the fidelity of the trial to the protocol, available with the full text of this article at NEJM.org.

Participants were randomly assigned, in a 1:1 ratio, to the education group or the decolonization group. Randomization was performed with a randomized block design stratified according to Hispanic ethnic group and nursing home residence. In the education group, participants received and reviewed an educational binder (provided in English and Spanish) about MRSA and how it is spread and about recommendations for personal hygiene, laundry, and household cleaning (Appendix A in the Supplementary Appendix, available at NEJM.org). In the decolonization group, participants received and reviewed the identical educational binder and also underwent decolonization for 5 days twice monthly for a period of 6 months after hospital discharge

(Appendix B in the Supplementary Appendix). The decolonization intervention involved the use of 4% rinse-off chlorhexidine for daily bathing or showering, 0.12% chlorhexidine mouthwash twice daily, and 2% nasal mupirocin twice daily. All products were purchased with grant funds and were provided free of charge to the participants.

### RECRUITMENT AND ELIGIBILITY CRITERIA

Recruitment involved written informed consent provided between January 10, 2011, and January 2, 2014, during inpatient admissions in 17 hospitals and 7 nursing homes in Southern California (Table S1 in the Supplementary Appendix). Eligibility requirements included an age of 18 years or older, hospitalization within the previous 30 days, positive testing for MRSA during the enrollment hospitalization or within the 30 days before or afterward, and the ability to bathe or shower (alone or assisted by a caregiver). Key exclusion criteria were hospice care and allergy to the decolonization products at recruitment. California mandates MRSA screening at hospital admission in high-risk patients: those undergoing hemodialysis, those who had a recent hospitalization (within the preceding 30 days), those who were undergoing imminent surgery, those who were admitted to the ICU, and those who were transferred from a nursing home.

### FOLLOW-UP

Participants were followed for 12 months after discharge. In-person visits at home or in a research clinic occurred at recruitment and at months 1, 3, 6, and 9. An exit interview was conducted at 12 months. The trial had a fixed end date of June 30, 2014. Participants who were enrolled after July 1, 2013, had a truncated follow-up and had their data administratively censored at that time. Loss to follow-up was defined as the inability of trial staff to contact participants for 3 months, at which point the participant was removed from the trial as of the date of last contact. Participants received escalating compensation for completing follow-up visits (\$25, \$30, \$35, and \$50).

All participants were contacted monthly and requested to report any hospitalizations or clinic visits for infection. After trial closure, medical records from reported visits were requested, double-redacted for protected health information and trial-group assignment, and reviewed for trial outcomes. Records from enrollment hospi-

talizations were requested and reviewed for characteristics of the participants and the presence or absence of MRSA infection at the enrollment hospitalization. Records were requested up to five times, with five additional attempts to address incomplete records.

#### TRIAL OUTCOMES

Redacted medical records from enrollment hospitalizations and all reported subsequent medical visits were reviewed in a blinded fashion, with the use of standardized forms, by two physicians with expertise in infectious diseases (five of the authors) for coexisting conditions, antibiotic agents, and infection outcomes. If consensus was not reached, discordant outcomes were adjudicated by a third physician with expertise in infectious diseases.

The primary outcome was MRSA infection according to medical-record documentation of disease-specific infection criteria (according to 2013 guidelines) from the Centers for Disease Control and Prevention (CDC) in a time-to-event analysis.<sup>11</sup> A priori secondary outcomes included MRSA infection defined in a time-to-event analysis according to the clinical judgment of two reviewers with expertise in infectious diseases who were unaware of the trial-group assignments, infection from any cause according to disease-specific CDC criteria in a time-to-event analysis, infection from any cause according to infectious disease clinical judgment in a time-to-event analysis, hospitalization due to infection, and new carriage of a MRSA strain that was resistant to mupirocin (evaluated by Etest, bioMérieux)<sup>12</sup> or that had an elevated minimum inhibitory concentration (MIC) of chlorhexidine ( $\geq 8 \mu\text{g}$  per milliliter) on microbroth dilution.<sup>13,14</sup> All outcomes were assessed on the basis of the first event per participant.

#### DATA COLLECTION

Surveys of health conditions, health care utilization, and household cleaning and bathing habits were administered during recruitment and all follow-up visits. Swabs of both nares, the throat, skin (axilla and groin), and any wounds were taken, but the results are not reported here. At each visit, participants in the decolonization group reported adherence to the intervention, and staff assessed the remaining product. Potential discrepancies were broached with the par-

ticipant to obtain affirmation of actual adherence. Adherence was assessed as full (no missed doses), partial (some missed doses), and non-adherence (no doses used).

#### STATISTICAL ANALYSIS

The characteristics of the participants and outcomes were described by frequency and type according to trial group. Outcomes were summarized with the use of Kaplan–Meier estimates of infection-free distributions across the follow-up period and analyzed with the use of unadjusted Cox proportional-hazard models (per-protocol primary analysis) for the postdischarge trial population (all the participants who underwent randomization, met inclusion criteria, and survived beyond the recruitment hospitalization); outcomes were also analyzed according to the as-treated adherence strata (fully adherent, partially adherent, and nonadherent participant-time). In the as-treated analyses, information about participant adherence during at-risk periods before each visit was updated with the use of the adherence assessment at that visit.

The assumption of proportional hazards was assessed by means of residual diagnostic tests and formal hypothesis tests. P values are provided only for the primary outcome. Because the statistical analysis plan did not include a provision for correction for multiple comparisons when tests for prespecified secondary outcomes or post hoc exploratory outcomes were conducted, those results are reported as point estimates with 95% confidence intervals. The widths of the confidence intervals were not adjusted for multiple comparisons, so intervals should not be used to infer definitive treatment effects within subgroups or for secondary outcomes.

In post hoc exploratory analyses, we used adjusted Cox proportional-hazard models to address potential residual imbalances in the characteristics of the participants between the two groups after randomization. The characteristics of the participants were entered into the model if they were associated with outcomes at a P value of less than 0.20 in bivariate analyses. Characteristics included demographic data; educational level; insurance type; presence of coexisting conditions, devices, or wounds at enrollment; hospitalization or residence in a nursing home in the year before enrollment; ICU admission or surgery during enrollment hospitalization; need

for assistance with bathing; frequency of bathing; and randomization strata. Adjusted models also accounted for two time-dependent covariates: receipt of anti-MRSA antibiotics and adherence to the intervention. The number needed to treat was calculated with the use of rates that accounted for participant-time that incorporated censoring due to loss to follow-up, withdrawal from the trial, or the end of the trial.<sup>15</sup> Full details of the trial design and analytic approach are provided in the protocol and in the Supplementary Appendix.

## RESULTS

### PARTICIPANTS

Figure 1 shows the randomization and follow-up of 2140 participants, of whom 19 were excluded after randomization because they did not meet inclusion criteria (6 participants did not have a positive MRSA test, and 13 died during the enrollment hospitalization). The characteristics of the final 2121 enrolled participants (per-protocol population) are provided in Table 1, and in Tables S2 through S4 in the Supplementary Appendix.

According to the randomization strata, Hispanic participants made up 31.9% of the education group (339 participants) and 32.0% of the decolonization group (339), and nursing home residents made up 11.3% of the education group (120) and 11.0% of the decolonization group (116). In a comparison of the education group with the decolonization group across the 1-year follow-up, early exit from the trial occurred in 34.9% of the participants (371 participants) and 37.0% (391), respectively ( $P=0.32$ ); withdrawal from the trial in 6.8% (72) and 11.6% (123), respectively ( $P<0.001$ ); loss to follow-up in 17.4% (185) and 16.1% (170), respectively ( $P=0.41$ ); and death in 10.7% (114) and 9.3% (98), respectively ( $P=0.26$ ). The characteristics of the participants who withdrew from the trial or were lost to follow-up and of the participants in the decolonization group according to adherence category are shown in Table S5 in the Supplementary Appendix.

### OUTCOMES

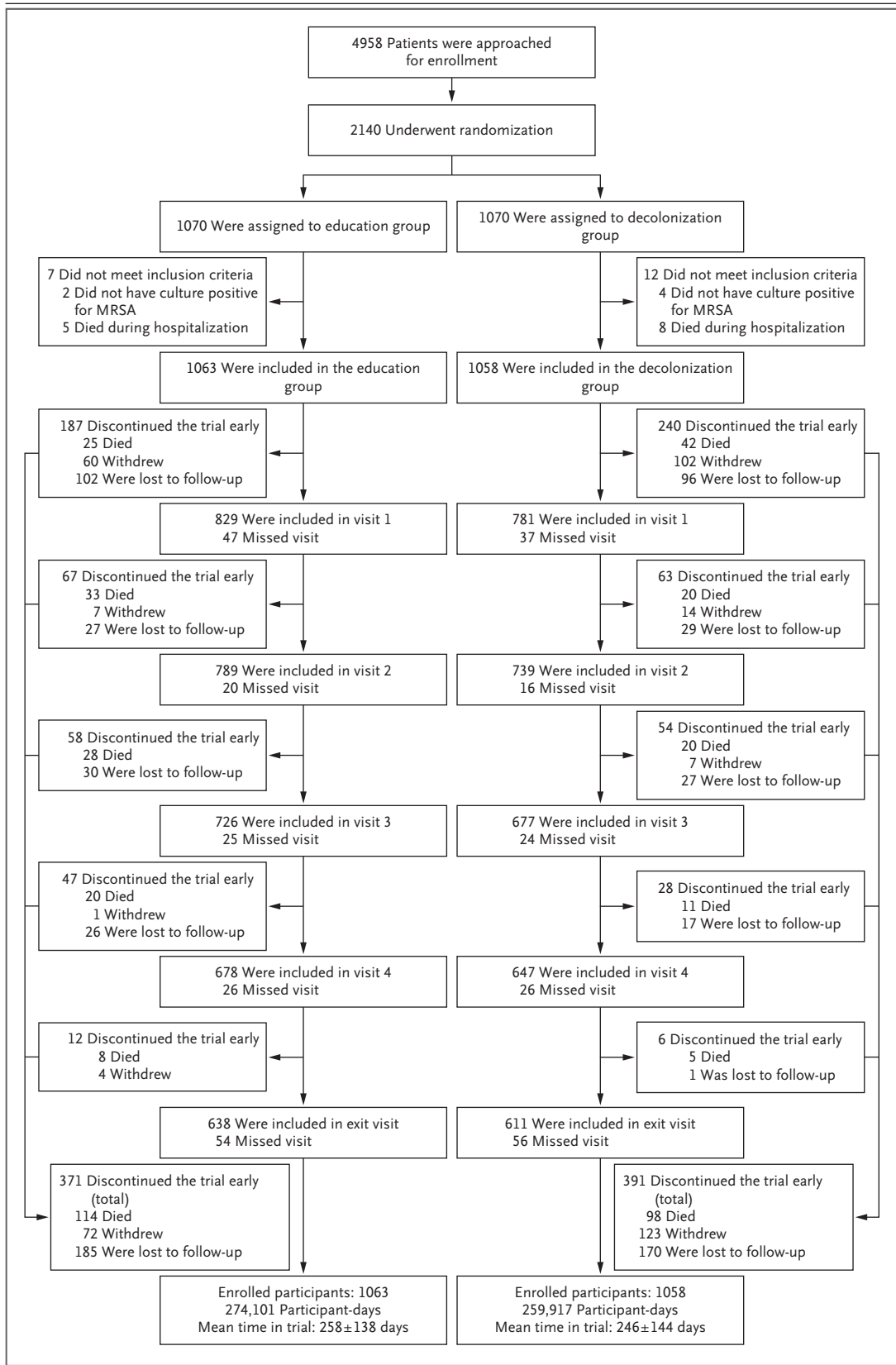
A total of 8395 full-text medical records were requested, and 8067 (96.1%) were received and redacted. Charts underwent duplicate blinded review (16,134 reviews) by physicians with expertise in infectious diseases at a rate of approxi-

mately 800 charts per month for 20 months. Of the 2121 enrollment admission records, 2100 (99.0%) were received. Of the 6271 subsequent inpatient and outpatient records, 5967 (95.2%) were received for outcome assessment. The overall rate of reported hospitalizations per 365 days of follow-up was 1.97 in the education group and 1.75 in the decolonization group.

Regarding the primary outcome in the per-protocol analysis, 98 participants (9.2%) in the education group had a MRSA infection, as compared with 67 (6.3%) in the decolonization group (Table 2). This corresponded to an estimated MRSA infection rate in the education group of 0.139 infections per participant-year, as compared with 0.098 infections per participant-year in the decolonization group. Among first MRSA infections per participant, skin and soft-tissue infections and pneumonia were common. Across both groups, 84.8% (140 of 165) of the MRSA infections resulted in hospitalization, at a rate of 0.117 hospitalizations per participant-year in the education group and 0.083 per participant-year in the decolonization group. Bacteremia occurred in 28.5% (47 of 165) of all MRSA infections; the MRSA bacteremia rate was 0.040 events per participant-year in the education group and 0.028 per participant-year in the decolonization group. Findings were similar when MRSA infection was determined according to the clinical judgment of physicians with expertise in infectious diseases and according to CDC criteria (Table 2). All the MRSA infections were treated with an antibiotic, but the receipt of an antibiotic was not sufficient to render a decision of a MRSA infection.

In the analysis of infection from any cause according to CDC criteria, 23.7% of the participants in the education group (252 participants) had an infection, as compared with 19.6% of those in the decolonization group (207), which corresponded to an estimated rate of 0.407 infections per participant-year in the education group and 0.338 per participant-year in the decolonization group (Table 2). Skin and soft-tissue infections and pneumonia remained the most common infection types.

Pathogens were identified in 67.7% of the infections (Table S6 in the Supplementary Appendix). Participants in the decolonization intervention had a lower rate of infections due to gram-positive pathogens or without cultured pathogens than those in the education group. There was a



**Figure 1 (facing page). Randomization and Follow-up of the Participants.**

This flow chart describes the recruitment and the four follow-up visits (at 1, 3, 6, and 9 months) for the 1-year period after hospital discharge. Recruitment occurred during hospitalization, and 19 participants were excluded from the postdischarge trial population because they did not meet inclusion criteria, leaving 2121 participants in the per-protocol population (1063 participants in the education group and 1058 in the decolonization group). Early exit from the trial was provided between each visit and included active withdrawal from the trial, loss to follow-up, and death. Active withdrawal represented situations in which participants indicated their desire to withdraw from the trial. Loss to follow-up was defined as the inability to contact the participant for 3 months, at which point the participant was removed from the trial at the time of last contact. Visits indicate both participants who successfully completed the visit and those who remained in the trial but missed that visit. The mean ( $\pm$ SD) time in the trial (in days) is shown for each group. All deaths were considered by the investigators to be unrelated to side effects from decolonization products. Summary boxes are provided at the bottom of the figure. MRSA denotes methicillin-resistant *Staphylococcus aureus*.

higher rate of gram-negative infection among the CDC-defined all-cause infections when participants in the decolonization intervention were compared with those in the education group, but this was not seen among clinically defined infections.

Across the two trial groups, infection from any cause led to hospitalization in 85.8% of the participants (394 of 459), and bacteremia occurred in 18.1% (83 of 459). The observed rate of hospitalization due to infection from any cause was 0.356 events per participant-year in the education group and 0.269 per participant-year in the decolonization group. The rate of bacteremia among participants with infection from any cause was 0.074 events per participant-year in the education group and 0.060 per participant-year in the decolonization group. Findings were similar when infection from any cause was determined according to clinical judgment (Table 2).

Estimates of the per-protocol treatment effects are shown in Table 3. No significant departures from proportional hazards were observed. In the main unadjusted analysis, the hazard of MRSA infection according to the CDC criteria (the primary outcome) was significantly lower in the decolonization group than in the education group (hazard ratio, 0.70; 95% confidence interval [CI],

0.52 to 0.96;  $P=0.03$ ). This lower hazard of MRSA infection led to a 29% lower risk of hospitalization due to CDC-defined MRSA infection in the decolonization group than in the education group (hazard ratio, 0.71; 95% CI, 0.51 to 0.99). The effect was nearly identical for cases and hospitalizations involving clinically defined MRSA infection. Kaplan–Meier curves showing the infection-free time for the primary outcome of CDC-defined MRSA infection and the secondary outcome of infection from any cause show that the curves remained separated even after the intervention ended in month 6 (Fig. 2, and Table S7 in the Supplementary Appendix). Adjusted models showed greater MRSA infection effects that were significant (Table 3). A total of 10 participants (0.9%) in the education group and in 3 (0.3%) in the decolonization group died from MRSA infection. Results of sensitivity analyses conducted regarding death and early withdrawal from the trial are provided in Table S8 in the Supplementary Appendix.

The hazard of infection from any cause according to clinical judgment was lower in the decolonization group than in the education group (hazard ratio, 0.83; 95% CI, 0.70 to 0.99); similarly, the hazard of infection from any cause according to CDC criteria was lower in the decolonization group (hazard ratio, 0.84; 95% CI, 0.70 to 1.01) (Fig. 2B and Table 3). The risk of hospitalization due to infection from any cause was lower in the decolonization group than in the education group (hazard ratio, 0.76; 95% CI, 0.62 to 0.93). The results of the adjusted analyses were similar to those of the unadjusted analyses (Table 3). Deaths due to any infection occurred in 25 participants (2.3%) in the education group and 17 (1.6%) in the decolonization group.

**EFFECT OF ADHERENCE**

In as-treated analyses, 65.6% of the participant-time in the decolonization group involved full adherence; 19.6%, partial adherence; and 14.8%, nonadherence. Participants were highly consistent in adherence across the follow-up time. Increasing adherence was associated with increasingly lower rates of infection in both the adjusted and unadjusted models (Table 3). In comparisons of the adherence-category subgroups in the decolonization group with the education group overall, the likelihood of CDC-defined MRSA infection decreased 36% and 44%, respectively, as adher-

**Table 1. Characteristics of the Participants at Recruitment Hospitalization.\***

Characteristic	Education Group (N=1063)	Decolonization Group (N=1058)	P Value†
Age — yr	56±17	56±17	0.78
Male sex — no. (%)	583 (54.8)	565 (53.4)	0.51
Coexisting conditions‡			
Diabetes — no./total no. (%)	424/1062 (39.9)	462/1056 (43.8)	0.08
Chronic obstructive pulmonary disease — no./total no. (%)	212/1055 (20.1)	203/1045 (19.4)	0.70
Congestive heart failure — no./total no. (%)	145/1055 (13.7)	149/1045 (14.3)	0.73
Cancer — no./total no. (%)	153/1055 (14.5)	161/1045 (15.4)	0.56
Renal disease — no./total no. (%)	140/1062 (13.2)	134/1056 (12.7)	0.74
Charlson Comorbidity Index score§	1.7±1.6	1.7±1.6	0.49
Bathe daily or every other day — no./total no. (%)¶	926/1037 (89.3)	927/1034 (89.7)	0.73
Bathing assistance needed — no./total no. (%)¶	200/1025 (19.5)	224/1013 (22.1)	0.15
MRSA source at enrollment — no. (%)			0.79
Nares	580 (54.6)	602 (56.9)	
Wound	320 (30.1)	305 (28.8)	
Respiratory	44 (4.1)	45 (4.3)	
Blood	43 (4.0)	31 (2.9)	
Other	76 (7.1)	75 (7.1)	
Recruitment hospitalization**			
Hospitalized in previous yr — no./total no. (%)‡	595/1046 (56.9)	598/1041 (57.4)	0.80
Nursing home stay in previous yr — no./total no. (%)‡	165/1043 (15.8)	168/1040 (16.2)	0.84
ICU stay — no./total no. (%)	188/1055 (17.8)	206/1045 (19.7)	0.27
Surgery — no./total no. (%)	392/1055 (37.2)	399/1045 (38.2)	0.63
MRSA infection — no./total no. (%)††	447/1055 (42.4)	438/1045 (41.9)	0.83
Wound at hospital discharge — no./total no. (%)	587/1055 (55.6)	588/1045 (56.3)	0.77
Medical device at hospital discharge — no./total no. (%)‡‡	320/1055 (30.3)	307/1045 (29.4)	0.63
Discharged to nursing home — no. (%)	120 (11.3)	116 (11.0)	0.81

\* Plus-minus values are means ±SD. There were no significant differences between the two groups. Selected descriptive data are shown. For a full descriptive list of characteristics, see Table S2 in the Supplementary Appendix. ICU denotes intensive care unit.

† Student's t-test was performed for continuous variables, chi-square test for proportions, and Fisher's exact test for proportions if the numerator was 5 or less.

‡ Data reflect a positive response to either a survey question or chart review. Not all participants responded to every question, and not all enrollment charts were received from recruiting hospitals despite a signed release request, so data were missing for 21 participants.

§ Scores on the Charlson Comorbidity Index range from 0 to 10, with higher scores indicating more coexisting illness.

¶ Data reflect respondents to the survey question among all the participants. Not all the participants responded to every question.

|| By law, California requires hospitals to screen five groups of patients for MRSA on hospital admission (patients who are transferred from a nursing home, who have been hospitalized in the past 30 days, who are undergoing hemodialysis, who are undergoing imminent surgery, and who are admitted to an ICU).

\*\* Data reflect chart review from the received medical records. Not all recruiting hospitals released participants' medical records to the trial despite a signed release request, so records were missing for 21 participants.

†† Assessment of infection was based on criteria of the Centers for Disease Control and Prevention (CDC). Information regarding infection types is provided in Table S3 in the Supplementary Appendix.

‡‡ Information about medical device types is provided in Table S4 in the Supplementary Appendix.

ence increased from partial adherence (hazard ratio, 0.64; 95% CI, 0.40 to 1.00) to full adherence (hazard ratio, 0.56; 95% CI, 0.36 to 0.86). Similar effects were seen with regard to CDC-defined infection from any cause, which was 40% lower among fully adherent participants than among the participants in the education group (hazard ratio, 0.60; 95% CI, 0.46 to 0.78).



**Table 2. MRSA Infection Outcomes (First Infection per Person) per 365 Days of Follow-up, According to Trial Group.\***

Variable	MRSA Infection, According to CDC Criteria†		MRSA Infection, According to Clinical Criteria		Any Infection, According to CDC Criteria		Any Infection, According to Clinical Criteria	
	Education	Decolonization	Education	Decolonization	Education	Decolonization	Education	Decolonization
<b>All Participants</b>								
Infection — no. of participants (no. of events/participant-yr)								
Any infection	98 (0.139)	67 (0.098)	98 (0.139)	68 (0.100)	252 (0.407)	207 (0.338)	298 (0.498)	246 (0.414)
Skin or soft-tissue infection	34 (0.048)	32 (0.047)	35 (0.050)	32 (0.047)	80 (0.129)	59 (0.096)	97 (0.162)	82 (0.138)
Pneumonia	18 (0.026)	9 (0.013)	20 (0.028)	10 (0.015)	39 (0.063)	25 (0.041)	45 (0.075)	34 (0.057)
Primary bloodstream or vascular infection	11 (0.016)	10 (0.015)	12 (0.017)	11 (0.016)	20 (0.032)	14 (0.023)	20 (0.033)	14 (0.024)
Bone or joint infection	13 (0.019)	9 (0.013)	12 (0.017)	8 (0.012)	20 (0.032)	22 (0.036)	0.18 (0.030)	17 (0.029)
Surgical-site infection	13 (0.019)	2 (0.003)	13 (0.018)	2 (0.003)	20 (0.032)	8 (0.013)	22 (0.037)	9 (0.015)
Urinary tract infection	3 (0.004)	2 (0.003)	1 (0.001)	1 (0.002)	38 (0.061)	46 (0.075)	52 (0.087)	56 (0.094)
Abdominal infection	1 (0.001)	2 (0.003)	1 (0.001)	2 (0.003)	20 (0.032)	21 (0.034)	26 (0.044)	18 (0.030)
Other infection	5 (0.007)	1 (0.002)	4 (0.006)	2 (0.003)	15 (0.024)	12 (0.020)	18 (0.030)	16 (0.027)
Infection involving bacteremia	28 (0.040)	19 (0.028)	27 (0.038)	18 (0.026)	46 (0.074)	37 (0.060)	46 (0.077)	33 (0.056)
Infection leading to hospitalization	83 (0.117)	57 (0.083)	82 (0.115)	56 (0.082)	225 (0.356)	169 (0.269)	259 (0.420)	199 (0.325)
Time to infection — days	111±91	117±93	116±94	117±95	103±87	110±91	107±91	113±94
<b>Adherent Participants in Decolonization Group‡</b>								
Infection — no. of participants (no. of events/participant-yr)								
Any infection		42 (0.085)		42 (0.088)		118 (0.272)		142 (0.338)
Skin or soft-tissue infection		22 (0.045)		22 (0.046)		40 (0.092)		54 (0.129)
Pneumonia		5 (0.010)		5 (0.011)		11 (0.025)		16 (0.038)
Primary bloodstream or vascular infection		5 (0.010)		6 (0.013)		8 (0.019)		8 (0.019)
Bone or joint infection		5 (0.010)		4 (0.008)		14 (0.032)		11 (0.026)
Surgical-site infection		2 (0.004)		2 (0.004)		6 (0.014)		7 (0.017)
Urinary tract infection		0		0		22 (0.051)		27 (0.064)
Abdominal infection		2 (0.004)		2 (0.004)		12 (0.028)		11 (0.026)
Other infection		1 (0.002)		1 (0.002)		5 (0.012)		8 (0.019)
Infection involving bacteremia		9 (0.019)		8 (0.017)		19 (0.045)		16 (0.039)
Infection leading to hospitalization		36 (0.075)		34 (0.071)		98 (0.226)		115 (0.274)
Time to infection — days		122±93		125±96		119±89		123±94

\* Participant-day denominators were censored by the specified outcome. Dates of infection onset based on CDC criteria may differ from those based on clinical judgment.

† This was the primary outcome.

‡ A total of 546 participants were considered to have adhered fully to the decolonization intervention.

**Table 3. Effect of Decolonization Plus Education, as Compared with Education Alone, According to Cox Proportional-Hazard Models.\***

Variable	MRSA Infection, According to CDC Criteria	MRSA Infection, According to Clinical Criteria	Any Infection, According to CDC Criteria	Any Infection, According to Clinical Criteria
<b>Per-protocol analysis</b>				
Unadjusted hazard ratio (95% CI)	0.70 (0.52–0.96) <sup>†</sup>	0.71 (0.52–0.97)	0.84 (0.70–1.01)	0.83 (0.70–0.99)
Adjusted hazard ratio (95% CI) <sup>‡</sup>	0.61 (0.44–0.85)	0.61 (0.43–0.84)	0.80 (0.66–0.98)	0.81 (0.68–0.97)
<b>As-treated analysis<sup>§</sup></b>				
Unadjusted hazard ratio (95% CI)				
Nonadherent	1.31 (0.72–2.38)	1.09 (0.57–2.10)	1.68 (1.19–2.36)	1.53 (1.11–2.13)
Partially adherent	0.64 (0.40–1.00)	0.72 (0.47–1.11)	0.86 (0.67–1.11)	0.92 (0.74–1.16)
Fully adherent	0.56 (0.36–0.86)	0.53 (0.34–0.83)	0.60 (0.46–0.78)	0.58 (0.45–0.74)
Adjusted hazard ratio (95% CI) <sup>¶</sup>				
Nonadherent	0.78 (0.36–1.71)	0.72 (0.37–1.41)	0.780 (0.51–1.26)	0.76 (0.40–1.45)
Partially adherent	0.75 (0.59–0.95)	0.69 (0.54–0.88)	0.78 (0.64–0.97)	0.76 (0.63–0.92)
Fully adherent	0.72 (0.57–0.92)	0.66 (0.51–0.84)	0.75 (0.60–0.94)	0.72 (0.58–0.88)

\* The per-protocol population included all the participants (2121) who underwent randomization, met the inclusion criteria, and survived beyond the recruitment hospitalization. The unadjusted analyses included all these participants. The adjusted models included the 1901 participants who provided data for all the baseline characteristics shown in Table S2 in the Supplementary Appendix.

<sup>†</sup> A P value is provided only for the primary outcome (P=0.03). Because the statistical analysis plan did not include a provision for correcting for multiple comparisons when tests for prespecified secondary outcomes or post hoc exploratory outcomes were conducted, these results are reported as point estimates with 95% confidence intervals. The widths of these confidence intervals were not adjusted for multiple comparisons, so intervals should not be used to infer definitive treatment effects within subgroups or for secondary outcomes.

<sup>‡</sup> Models evaluating the outcomes of MRSA infection according to CDC criteria and any infection according to clinical criteria were adjusted for randomization strata, sex, primary insurance type, diabetes, renal disease, liver disease, cancer, cerebrovascular disease, hospitalization within 12 months before enrollment hospitalization, medical device on discharge from enrollment hospitalization, bathing frequency, need for bathing assistance, and anti-MRSA antibiotics as time-varying covariates on the basis of variables associated with outcomes at a P value of less than 0.20 in bivariate analyses. Models evaluating the outcome of MRSA infection according to clinical criteria and any infection according to CDC criteria were adjusted for the same variables with the addition of age. Resistance to mupirocin did not significantly modify the effect of the trial group.

<sup>§</sup> The as-treated analysis assessed the effect on trial outcomes on the basis of the participant's level of adherence to the use of decolonization products as compared with the education group. Among the participants in the decolonization group, 65.6% of the participant-time involved full adherence (no missed doses); 19.6%, partial adherence (some missed doses); and 14.8%, nonadherence (no doses used). The comparator for each adherence subgroup was the overall education group.

<sup>¶</sup> As-treated models for all outcomes were adjusted for randomization strata, sex, primary insurance type, diabetes, renal disease, liver disease, hospitalization within 12 months before enrollment hospitalization, medical device on discharge from enrollment hospitalization, bathing frequency, and need for bathing assistance on the basis of variables associated with outcomes at a P value of less than 0.20 in bivariate analyses.

Nonadherence was associated with a higher likelihood of infection from any cause than was observed among participants in the education group.

#### NUMBER NEEDED TO TREAT

Overall, the estimated number needed to treat to prevent a MRSA infection was 30 (95% CI, 18 to 230) and to prevent an associated hospitalization, 34 (95% CI, 20 to 336). The number needed to treat to prevent any infection was 26 (95% CI, 13 to 212) and to prevent an associated hospitalization, 28 (95% CI, 21 to 270). Among the participants who adhered fully to the intervention (all of whom were in the decolonization group), the number needed to treat to prevent a MRSA infec-

tion was 26 (95% CI, 18 to 83) and to prevent an associated hospitalization, 27 (95% CI, 20 to 46). The number needed to treat to prevent any infection was 11 (95% CI, 8 to 21) and to prevent an associated hospitalization, 12 (95% CI, 8 to 23).

#### ADVERSE EVENTS

Adverse events that were associated with the topical decolonization intervention were mild and uncommon, occurring in 44 participants (4.2%) (Table S9 in the Supplementary Appendix). Local irritation occurred with mupirocin in 1.1% of the participants (12 of 1058), with chlorhexidine bathing in 2.3% (24), and with chlorhexidine mouthwash in 1.1% (12). In those respective

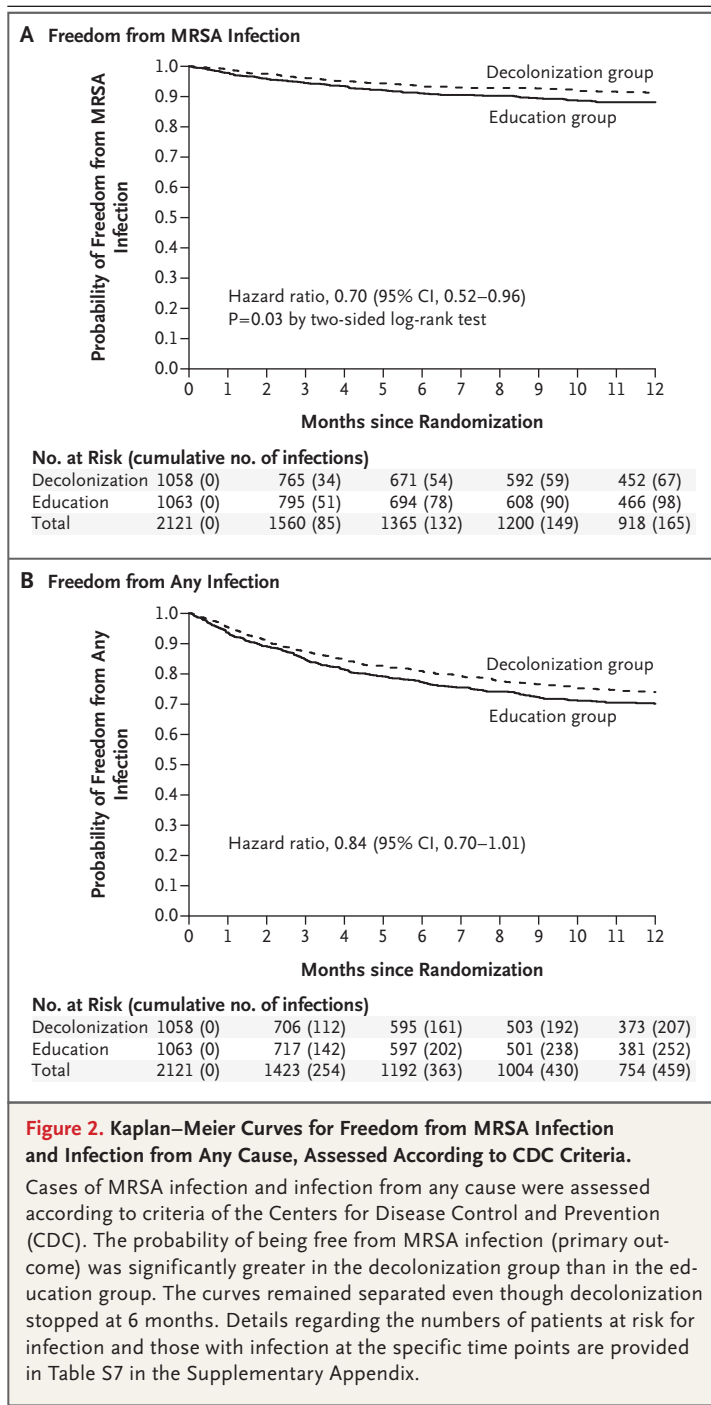
categories, 33% (4 of 12), 29% (7 of 24), and 50% (6 of 12) of the participants chose to continue using the product (overall, 39% of the participants with side effects).

A total of 12.6% of the 1591 participants with postrecruitment MRSA strains had high-level resistance to mupirocin (9.4% [150 participants]) or low-level resistance to mupirocin (3.1% [50]). A total of 1.9% of the participants were newly found to have a mupirocin-resistant strain at subsequent visits (1.9% [16 of 826 participants] in the education group and 2.0% [15 of 765] in the decolonization group,  $P=0.97$ ). A total of 1.5% of the participants in each group were newly found to have high-level mupirocin-resistant strains (1.6% [13 of 826 participants] in the education group and 1.4% [11 of 765] in the decolonization group,  $P=0.82$ ) when only sensitive strains were detected at recruitment. Chlorhexidine MICs of 8  $\mu\text{g}$  or more per milliliter were rare (occurring in 2 participants overall [0.1%]). Both patients were in the intervention group, and both isolates had an MIC of 8  $\mu\text{g}$  per milliliter and were negative for the *qac A/B* gene).

DISCUSSION

Infection-prevention campaigns have reduced the risks of health care-associated infections in hospitals, leaving the majority of preventable infections to the postdischarge setting.<sup>16</sup> MRSA carriers are an appealing population target because of their higher risks of infection and postdischarge rehospitalization and the common practice of screening selected inpatients for MRSA colonization.<sup>1,17-19</sup> In the CLEAR trial, topical decolonization led to lower risks of infections and readmissions than hygiene education alone among patients after the transition from hospital to home and other care settings. With a number needed to treat between 25 and 30 to prevent infection and hospitalization, this intervention is relevant to 1.8 million MRSA carriers (5% of inpatients) who are discharged from hospitals each year.<sup>16</sup>

Although decolonization has successfully prevented disease during temporary high-risk circumstances (e.g., recurrent skin infections, ICU care, and arthroplasty and cardiac surgery),<sup>6-10,19-22</sup> a single 5-day decolonization regimen produced short-lived MRSA clearance in half the carriers.<sup>23-26</sup> In contrast, twice-monthly decolonization



**Figure 2. Kaplan-Meier Curves for Freedom from MRSA Infection and Infection from Any Cause, Assessed According to CDC Criteria.** Cases of MRSA infection and infection from any cause were assessed according to criteria of the Centers for Disease Control and Prevention (CDC). The probability of being free from MRSA infection (primary outcome) was significantly greater in the decolonization group than in the education group. The curves remained separated even though decolonization stopped at 6 months. Details regarding the numbers of patients at risk for infection and those with infection at the specific time points are provided in Table S7 in the Supplementary Appendix.

provided protection for many months after discharge. The protective benefit continued after decolonization. In addition, this regimen was effective despite the greater variability in application with home bathing and showering than has occurred in previous inpatient trials that evaluated nursing-assisted chlorhexidine bath-

ing and mupirocin application.<sup>8,9,22</sup> This trial also showed that 4% rinse-off chlorhexidine was effective in a postdischarge population that typically takes showers or baths and is unlikely to use a 2% leave-on chlorhexidine product.<sup>8,9,22</sup>

Not surprisingly, participants who adhered fully to the decolonization intervention had rates of MRSA infection and infection from any cause that were at least 40% lower than the rates among participants in the education group, with a number needed to treat of 12 to prevent infection-related hospitalization. This finding probably is attributable to both the decolonization effect and the likelihood that these participants were more adherent to other prescribed treatments and health-promotion behavior than participants in the education group. Participants who fully adhered to the intervention had fewer coexisting conditions, had fewer devices, required less bathing assistance, and were more likely to have MRSA infection (rather than asymptomatic colonization) at the time of enrollment than either participants in the education group or participants in the decolonization group who had lower levels of adherence. These differences represent an important practical distinction. To the extent that physicians can identify patients who are able to adhere to an intervention, those patients would derive greater benefit from the recommendation to decolonize. Nonadherence was common among nursing home residents, which raises questions about research barriers in that care setting.

Decolonization appeared to affect the risks of skin and soft-tissue infections, surgical-site infections, pneumonia, and bacteremia, although sample-size constraints necessitate cautious speculation. Decolonization also appeared to reduce the rate of gram-positive pathogens and infections without a cultured pathogen. The higher rate of gram-negative pathogens in the decolonization group than in the education group was seen among the CDC-defined all-cause infections but not among the clinically defined infections and requires further substantiation. These observations are based on relatively small numbers; larger studies have shown that chlorhexidine can reduce the incidence of gram-negative infections and bacteriuria.<sup>27-30</sup>

The design of this trial did not permit us to determine the effect of hygiene education alone. Both trial groups received in-person visits and

reminders about the importance of MRSA-prevention activities. In addition, the free product overcame financial disparities that could become evident with post-trial adoption of the decolonization intervention.

Some participants (<5%) in the decolonization group had mild side effects; among those participants, nearly 40% opted to continue using the agent. Resistance to chlorhexidine and mupirocin was not differentially engendered in the two groups. We defined an elevated chlorhexidine MIC as at least 8  $\mu\text{g}$  per milliliter, although 4% chlorhexidine applies 40,000  $\mu\text{g}$  per milliliter to the skin.

This trial is likely to be generalizable because it was inclusive. For example, the enrollment of participants with late-stage cancer contributed to the 10% anticipated mortality and the approximate 25% rate of withdrawal and loss to follow-up. These rates are similar to other postdischarge trials with shorter durations of follow-up than the durations in our trial.<sup>31-33</sup> It is unknown whether the participants who withdrew or were lost to follow-up had different infection rates or intervention benefits. They were more educated and less likely to be Hispanic than those who did not withdraw or were not lost to follow-up, but the percentages of participants with coexisting conditions were similar.

Limitations of this trial include the unblinded intervention, although outcomes were assessed in a blinded fashion. The trial also had substantial attrition over the 1-year follow-up, and adherence was based on reports by the participants, with spot checks of remaining product, both of which may not reflect actual use. In addition, nearly all infections led to hospitalization, which suggests that milder infections escaped detection. Most outpatient and nursing home records had insufficient documentation for the event to be deemed infection according to the CDC or clinical criteria. Thus, it remains unknown whether the observed 30% lower risk of MRSA infection or the observed 17% lower risk of infection from any cause with decolonization than with education alone would apply to less severe infections that did not lead to hospitalization. Finally, although resistance to chlorhexidine and mupirocin did not emerge during the trial, the development of resistance may take time, beyond the follow-up period of this trial.

In conclusion, inpatients with MRSA-positive

cultures who had been randomly assigned to undergo decolonization with topical chlorhexidine and mupirocin for 6 months after discharge had lower risks of MRSA infection, infection from any cause, and hospitalization over the 1 year after discharge than those who had been randomly assigned to receive hygiene education only.

The findings and conclusions in this article are those of the authors and do not necessarily represent the views of the Centers for Disease Control and Prevention (CDC), the National Institutes of Health (NIH), or the Agency for Healthcare Research and Quality (AHRQ).

Supported by a grant (R01HS019388, to Dr. Huang) from the AHRQ Healthcare-Associated Infections Program and by the University of California Irvine Institute for Clinical and Translational Science, which was funded by a grant from the NIH Clinical and Translational Sciences Award program (UL1 TR000153).

Dr. Huang reports conducting clinical studies in which participating nursing homes and hospitals received donated products from Stryker (Sage Products), Mölnlycke, 3M, Clorox, Xttrium Laboratories, and Medline; Ms. Singh, Dr. Park, and Mr. Chang, conducting clinical studies in which participating nursing homes and hospitals received donated products from Stryker (Sage Products), 3M, Clorox, Xttrium Laboratories, and Medline; Dr. McKinnell, receiving grant support and consulting fees from Achaogen and Theravance Biopharma, grant support, consulting fees, and lecture fees from Allergan, consulting fees from Cemptra, Melinta Therapeutics, Menarini Group, and Thermo Fisher Scientific, and fees for serving as a research investigator from Science 37, conducting clinical studies in which participating nursing homes and hospitals received donated products from Stryker (Sage Products), 3M, Clorox, Xttrium Laboratories, and Medline, and serving as cofounder of Expert Stewardship; Ms. Gombosev, conducting clinical studies in which participating nursing homes and hospitals received donated products from Stryker (Sage Products), Mölnlycke, 3M, and Clorox; Dr. Rashid, conducting clinical studies in which participating nursing homes and hospitals received donated products from Stryker (Sage Products), Clorox, and Medline; Dr. Bolaris, conducting clinical studies in which participating nursing homes received donated products from 3M and Clorox; Dr. Robinson, serving as cofounder of Expert Stewardship; Dr. Amin, receiving consulting fees from Paratek Pharmaceuticals; Dr. Septimus, conducting clinical studies in which participating hospitals received

donated product from Stryker (Sage Products), Mölnlycke, and Medline; Dr. Weinstein, conducting clinical studies in which participating nursing homes and hospitals received donated products from Stryker (Sage Products) and Mölnlycke; Dr. Hayden, conducting clinical studies in which participating nursing homes and hospitals received donated product from Stryker (Sage Products), Mölnlycke, and Medline and donated laboratory services from OpGen and receiving grant support and conducting clinical studies in which participating nursing homes and hospitals received donated product from Clorox; and Dr. Miller, receiving grant support from Gilead Sciences, Merck, Abbott, Cepheid, Genentech, Atox Bio, and Paratek Pharmaceuticals, grant support and fees for serving on an advisory board from Achaogen and grant support, consulting fees, and fees for serving on an advisory board from Tetrphase and conducting clinical studies in which participating nursing homes and hospitals received donated products from Stryker (Sage Products), 3M, Clorox, Xttrium Laboratories, and Medline. No other potential conflict of interest relevant to this article was reported. Disclosure forms provided by the authors are available with the full text of this article at NEJM.org.

Disclosure forms provided by the authors are available with the full text of this article at NEJM.org.

We thank the trial participants and their families; the trial staff (Lauren Akahoshi, Jenna Alcaron, Isabel Alegria, Stephanie Arredondo-Glacet, Elizabeth Arreola, Donald Bayley, Nelly Beltran, Barbara Bodenhofer, Stefan Boghossian, Diane Capobianco, Claudia Cervantes, Sarah Chevallier, Heather Clayton, Ramiro Correa, Nathalia Cressey, Tiffany Dam, Rupak Datta, Jennifer Do, Phillip Duffy, Tabitha Dutciuc, Marlene Estevez, Margarita Flores, Lauren Heim, Sandra Ibarra, Usme Khusbu, Bryn Launer, Cameron Lee, Brian Lewis, Karen Lolans, Andrea Marcantonio, Donna Matsudairas, Lisa [Angie] McErlain, Maria Mejia, Job Mendez, Angela Mendoza, Melanie Meton, Nicole Mohajer, Jennifer Nam, Ann Nguyen, Hanna Owens, Jalpa Patel, Lena Portillo, Sean Prendergast, Katy Precaido, Belinda Prado, Deborah Prunean, Victor Quan, Courtney Reynolds, Diana Romero, Aubrienne Rose, Maureen Schroeder, Grace Tagudar, Cynthia Toyoshima, Ivonne Turner, Qixin Wang, Emily Wawro, and Jun Zozobrado); two physicians who actively supported and facilitated recruitment (David Petreccia and Anjali Vora); the members of our community advisory board (Patricia Cantero, Ph.D., and Jeanine Thomas); the members of our data and safety monitoring board (Honghu Liu, David Beenhouwer, and George Sakoulas); and the staff of the many hospitals and nursing homes that supported the recruitment of participants in the trial.

#### APPENDIX

The authors' full names and academic degrees are as follows: Susan S. Huang, M.D., M.P.H., Raveena Singh, M.A., James A. McKinnell, M.D., Steven Park, M.D., Ph.D., Adrijana Gombosev, M.S., Samantha J. Eells, M.P.H., Daniel L. Gillen, Ph.D., Diane Kim, B.S., Syma Rashid, M.D., Raul Macias-Gil, M.D., Michael A. Bolaris, M.D., Thomas Tjoa, M.P.H., M.S., Chenghua Cao, M.P.H., Suzie S. Hong, M.S., Jennifer Lequieu, B.S., Eric Cui, B.S., Justin Chang, B.S., Jiayi He, M.S., Kaye Evans, B.A., Ellena Peterson, Ph.D., Gail Simpson, M.D., Philip Robinson, M.D., Chester Choi, M.D., Charles C. Bailey, Jr., M.D., James D. Leo, M.D., Alpesh Amin, M.D., Donald Goldmann, M.D., John A. Jernigan, M.D., Richard Platt, M.D., Edward Septimus, M.D., Robert A. Weinstein, M.D., Mary K. Hayden, M.D., and Loren G. Miller, M.D., M.P.H.

The authors' affiliations are as follows: the Division of Infectious Diseases (S.S. Huang, R.S., S.P., D.K., S.R., T.T., C. Cao, S.S. Hong, J.L., E.C., J.C., J.H.), the Health Policy Research Institute (S.S. Huang), and the Department of Medicine (A.A.), University of California Irvine School of Medicine, and the Institute for Clinical and Translational Science (A.G.) and the Department of Statistics (D.L.G.), University of California Irvine, Irvine, the Infectious Disease Clinical Outcomes Research Unit, Division of Infectious Diseases, Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center, Torrance (J.A.M., S.J.E., R.M.-G., M.A.B., L.G.M.), the Department of Pathology and Laboratory Medicine, University of California Irvine School of Medicine, Orange (K.E., E.P.), Ventura County Medical Center, Ventura (G.S.), the Division of Infectious Disease, Hoag Hospital, Newport Beach (P.R.), the Division of Infectious Disease, St. Mary Medical Center (C. Choi), and MemorialCare Health System (J.D.L.), Long Beach, and the Division of Infectious Disease, Mission Hospital, Mission Viejo (C.C.B.) — all in California; the Institute of Healthcare Improvement, Cambridge (D.G.), and the Department of Population Medicine, Harvard Medical School and Harvard Pilgrim Health Care, Boston (R.P.) — both in Massachusetts; the Division of Healthcare Quality Promotion, Centers for Disease Control and Prevention, Atlanta (J.A.J.); Texas A&M Health Science Center, Houston (E.S.); and Cook County Health and Hospitals System (R.A.W.) and the Division of Infectious Diseases, Rush University Medical Center (R.A.W., M.K.H.), Chicago.

## REFERENCES

1. Dantes R, Mu Y, Belflower R, et al. National burden of invasive methicillin-resistant *Staphylococcus aureus* infections, United States, 2011. *JAMA Intern Med* 2013;173:1970-8.
2. Sievert DM, Ricks P, Edwards JR, et al. Antimicrobial-resistant pathogens associated with healthcare-associated infections: summary of data reported to the National Healthcare Safety Network at the Centers for Disease Control and Prevention, 2009-2010. *Infect Control Hosp Epidemiol* 2013;34:1-14.
3. von Eiff C, Becker K, Machka K, Stammer H, Peters G. Nasal carriage as a source of *Staphylococcus aureus* bacteremia. *N Engl J Med* 2001;344:11-6.
4. Huang SS, Hinrichsen VL, Datta R, et al. Methicillin-resistant *Staphylococcus aureus* infection and hospitalization in high-risk patients in the year following detection. *PLoS One* 2011;6(9):e24340.
5. Methicillin-resistant *Staphylococcus aureus*: information for patients. Atlanta: Centers for Disease Control and Prevention, 2016 (<https://www.cdc.gov/mrsa/healthcare/patient/index.html>).
6. Septimus EJ, Schweizer ML. Decolonization in prevention of health care-associated infections. *Clin Microbiol Rev* 2016;29:201-22.
7. Bode LGM, Kluytmans JAJW, Wertheim HFL, et al. Preventing surgical-site infections in nasal carriers of *Staphylococcus aureus*. *N Engl J Med* 2010;362:9-17.
8. Huang SS, Septimus E, Kleinman K, et al. Targeted versus universal decolonization to prevent ICU infection. *N Engl J Med* 2013;368:2255-65.
9. Climo MW, Yokoe DS, Warren DK, et al. Effect of daily chlorhexidine bathing on hospital-acquired infection. *N Engl J Med* 2013;368:533-42.
10. Liu C, Bayer A, Cosgrove SE, et al. Clinical practice guidelines by the Infectious Diseases Society of America for the treatment of methicillin-resistant *Staphylococcus aureus* infections in adults and children. *Clin Infect Dis* 2011;52(3):e18-e55.
11. CDC/NHSN protocol clarifications: Identifying healthcare-associated infections (HAI) in NHSN. Atlanta: Centers for Disease Control and Prevention, 2013 ([https://www.cdc.gov/nhsn/pdfs/validation/2013/psmanual\\_july2013.pdf](https://www.cdc.gov/nhsn/pdfs/validation/2013/psmanual_july2013.pdf)).
12. Hayden MK, Lolans K, Haffenreffer K, et al. Chlorhexidine and mupirocin susceptibility of methicillin-resistant *Staphylococcus aureus* isolates in the REDUCE-MRSA trial. *J Clin Microbiol* 2016;54:2735-42.
13. Methods for dilution antimicrobial susceptibility tests for bacteria that grow aerobically; approved standard. 8th ed. Wayne, PA: Clinical and Laboratory Standards Institute, 2009.
14. Morrissey I, Oggioni MR, Knight D, et al. Evaluation of epidemiological cut-off values indicates that biocide resistant subpopulations are uncommon in natural isolates of clinically-relevant microorganisms. *PLoS One* 2014;9(1):e86669.
15. Altman DG, Andersen PK. Calculating the number needed to treat for trials where the outcome is time to an event. *BMJ* 1999;319:1492.
16. Klevens RM, Edwards JR, Richards CL Jr, et al. Estimating health care-associated infections and deaths in U.S. hospitals, 2002. *Public Health Rep* 2007;122:160-6.
17. Klein EY, Mojica N, Jiang W, et al. Trends in methicillin-resistant *Staphylococcus aureus* hospitalizations in the United States, 2010-2014. *Clin Infect Dis* 2017;65:1921-3.
18. Duffy J, Dumyati G, Bulens S, et al. Community-onset invasive methicillin-resistant *Staphylococcus aureus* infections following hospital discharge. *Am J Infect Control* 2013;41:782-6.
19. Jarvis WR, Schlosser J, Chinn RY, Tweeten S, Jackson M. National prevalence of methicillin-resistant *Staphylococcus aureus* in inpatients at US health care facilities, 2006. *Am J Infect Control* 2007;35:631-7.
20. Perl TM, Cullen JJ, Wenzel RP, et al. Intranasal mupirocin to prevent postoperative *Staphylococcus aureus* infections. *N Engl J Med* 2002;346:1871-7.
21. Schweizer ML, Chiang HY, Septimus E, et al. Association of a bundled intervention with surgical site infections among patients undergoing cardiac, hip, or knee surgery. *JAMA* 2015;313:2162-71.
22. Milstone AM, Elward A, Song X, et al. Daily chlorhexidine bathing to reduce bacteraemia in critically ill children: a multicentre, cluster-randomised, crossover trial. *Lancet* 2013;381:1099-106.
23. Wertheim HFL, Verveer J, Boelens HAM, van Belkum A, Verbrugh HA, Vos MC. Effect of mupirocin treatment on nasal, pharyngeal, and perineal carriage of *Staphylococcus aureus* in healthy adults. *Antimicrob Agents Chemother* 2005;49:1465-7.
24. Immerman I, Ramos NL, Katz GM, Hutzler LH, Phillips MS, Bosco JA III. The persistence of *Staphylococcus aureus* decolonization after mupirocin and topical chlorhexidine: implications for patients requiring multiple or delayed procedures. *J Arthroplasty* 2012;27:870-6.
25. Mody L, Kauffman CA, McNeil SA, Galecki AT, Bradley SE. Mupirocin-based decolonization of *Staphylococcus aureus* carriers in residents of 2 long-term care facilities: a randomized, double-blind, placebo-controlled trial. *Clin Infect Dis* 2003;37:1467-74.
26. Wendt C, Schinck S, Würtemberger M, Oberdorfer K, Bock-Hensley O, von Baum H. Value of whole-body washing with chlorhexidine for the eradication of methicillin-resistant *Staphylococcus aureus*: a randomized, placebo-controlled, double-blind clinical trial. *Infect Control Hosp Epidemiol* 2007;28:1036-43.
27. Hayden MK, Lin MY, Lolans K, et al. Prevention of colonization and infection by *Klebsiella pneumoniae* carbapenemase-producing enterobacteriaceae in long-term acute-care hospitals. *Clin Infect Dis* 2015;60:1153-61.
28. Lin MY, Lolans K, Blom DW, et al. The effectiveness of routine daily chlorhexidine gluconate bathing in reducing *Klebsiella pneumoniae* carbapenemase-producing Enterobacteriaceae skin burden among long-term acute care hospital patients. *Infect Control Hosp Epidemiol* 2014;35:440-2.
29. Cassir N, Thomas G, Hraiech S, et al. Chlorhexidine daily bathing: impact on health care-associated infections caused by gram-negative bacteria. *Am J Infect Control* 2015;43:640-3.
30. Huang SS, Septimus E, Hayden MK, et al. Effect of body surface decolonisation on bacteriuria and candiduria in intensive care units: an analysis of a cluster-randomised trial. *Lancet Infect Dis* 2016;16:70-9.
31. Cohen AT, Spiro TE, Büller HR, et al. Rivaroxaban for thromboprophylaxis in acutely ill medical patients. *N Engl J Med* 2013;368:513-23.
32. Prasad Shrestha M, Scott RM, Man Joshi D, et al. Safety and efficacy of a recombinant hepatitis E vaccine. *N Engl J Med* 2007;356:895-903.
33. Michaels JA, Brazier JE, Campbell WB, MacIntyre JB, Palfreyman SJ, Ratcliffe J. Randomized clinical trial comparing surgery with conservative treatment for uncomplicated varicose veins. *Br J Surg* 2006;93:175-81.

Copyright © 2019 Massachusetts Medical Society.



[PUBLIC HEALTH](#)

# Hospitals Look To Nursing Homes To Help Stop Drug-Resistant Infections

April 2, 2019 5:00 AM ET

ANNA GORMAN



A certified nursing assistant wipes Neva Shinkle's face with chlorhexidine, an antimicrobial wash. Shinkle is a patient at Coventry Court Health Center, a nursing home in Anaheim, Calif., that is part of a multicenter research project aimed at stopping the spread of MRSA and CRE — two types of bacteria resistant to most antibiotics.

*Heidi de Marco/KHN*

Hospitals and nursing homes in California and Illinois are testing a surprisingly simple strategy to stop the dangerous, antibiotic-resistant superbugs that kill thousands of people each year: washing patients with a special soap.

The efforts — funded with roughly \$8 million from the federal government's Centers for Disease Control and Prevention — are taking place at 50 facilities in those two states.

This novel collaboration recognizes that superbugs don't remain isolated in one hospital or nursing home but move quickly through a community, said [Dr. John Jernigan](#), who directs the CDC's office on health care-acquired infection research.



"No health care facility is an island," Jernigan says. "We all are in this complicated network."

At least 2 million people in the U.S. become infected with some type of antibiotic-resistant bacteria each year, and about 23,000 die from those infections, according to the CDC.

People in hospitals are vulnerable to these bugs, and people in nursing homes are particularly vulnerable. Up to [15 percent of hospital patients and 65 percent of nursing home residents](#) harbor drug-resistant organisms, though not all of them will develop an infection, says [Dr. Susan Huang](#), who specializes in infectious diseases at the University of California, Irvine.

"Superbugs are scary and they are unabated," Huang says. "They don't go away."

Some of the most common bacteria in health care facilities are methicillin-resistant *Staphylococcus aureus*, or MRSA, and carbapenem-resistant *Enterobacteriaceae*, or [CRE](#), often called "nightmare bacteria." *E.Coli* and *Klebsiella pneumoniae* are two common germs that can fall into this category when they become resistant to last-resort antibiotics known as [carbapenems](#). CRE bacteria cause an estimated 600 deaths each year, according to the CDC.

CRE have "basically spread widely" among health care facilities in the Chicago region, says [Dr. Michael Lin](#), an infectious-diseases specialist at Rush University Medical Center, who is heading the CDC-funded effort there. "If MRSA is a superbug, this is the extreme — the super superbug."

Containing the dangerous bacteria has been a challenge for hospitals and nursing homes. As part of the CDC effort, doctors and health care workers in Chicago and Southern California are using the antimicrobial soap chlorhexidine, which [has been shown](#) to reduce infections when patients bathe with it.







The Centers for Disease Control and Prevention funds the project in California, based in Orange County, in which 36 hospitals and nursing homes are using an antiseptic wash, along with an iodine-based nose swab, on patients to stop the spread of deadly superbugs.

*Heidi de Marco/KHN*

Though hospital intensive care units frequently rely on chlorhexidine in preventing infections, it is used less commonly for bathing in nursing homes. Chlorhexidine also is sold over the counter; the FDA noted in 2017 it has caused [rare but severe allergic reactions](#).

In Chicago, researchers are working with 14 nursing homes and long-term acute care hospitals, where staff are screening people for the CRE bacteria at admission and bathing them daily with chlorhexidine.

The Chicago project, which started in 2017 and ends in September, includes a campaign to promote hand-washing and increased communication among hospitals about which patients carry the drug-resistant organisms.

The infection-control protocol was new to many nursing homes, which don't have the same resources as hospitals, Lin says.

In fact, three-quarters of nursing homes in the U.S. received citations for infection-control problems over a four-year period, according to a [Kaiser Health News analysis](#), and the facilities with repeat citations almost never were fined. Nursing home residents often are sent back to hospitals because of infections.

In California, health officials are closely watching the CRE bacteria, which are less prevalent there than elsewhere in the country, and they are trying to prevent CRE from taking hold, says [Dr. Matthew Zahn](#), medical director of epidemiology at the Orange County Health Care Agency

"We don't have an infinite amount of time," Zahn says. "Taking a chance to try to make a difference in CRE's trajectory now is really important."

The CDC-funded project in California is based in Orange County, where 36 hospitals and nursing homes are using the antiseptic wash along with an iodine-based nose swab. The goal is to prevent new people from getting drug-resistant bacteria and keep the ones who already have the bacteria on their skin or elsewhere from developing infections, says Huang, who is leading the project.



Licensed vocational nurse Joana Bartolome swabs Shinkle's nose with an antibacterial, iodine-based solution at Anaheim's Coventry Court Health Center. Studies find patients can harbor drug-resistant strains in the nose that haven't yet made them sick.

*Heidi de Marco/KHN*

Huang kicked off the project by studying how patients move among different hospitals and nursing homes in Orange County — she discovered they do so far more than previously thought. That prompted a key question, she says: "What can we do to not just protect our patients but to protect them when they start to move all over the place?"

Her previous research showed that patients who were carriers of MRSA bacteria on their skin or in their nose, for example, who, for six months, used chlorhexidine for bathing and as a mouthwash, and swabbed their noses with a nasal antibiotic were able to reduce their risk of developing a MRSA infection by 30 percent. But all the patients in that study, [published in February](#) in the *New England Journal of Medicine*, already had been discharged from hospitals.

Now the goal is to target patients still in hospitals or nursing homes and extend the work to CRE. The traditional hospitals participating in the new project are focusing on patients in intensive care units and those who already carry drug-resistant bacteria, while the nursing homes and the long-term acute care hospitals perform the cleaning — also called "decolonizing" — on every resident.

One recent morning at Coventry Court Health Center, a nursing home in Anaheim, Calif., 94-year-old Neva Shinkle sat patiently in her wheelchair. Licensed vocational nurse Joana Bartolome swabbed her nose and asked if she remembered what it did.

"It kills germs," Shinkle responded.



"That's right. It protects you from infection."

In a nearby room, senior project coordinator Raveena Singh from UCI talked with Caridad Coca, 71, who had recently arrived at the facility. She explained that Coca would bathe with the chlorhexidine rather than regular soap. "If you have some kind of open wound or cut, it helps protect you from getting an infection," Singh said. "And we are not just protecting you, one person. We protect everybody in the nursing home."

Coca said she had a cousin who had spent months in the hospital after getting MRSA. "Luckily, I've never had it," she said.

Coventry Court administrator [Shaun Dahl](#) says he was eager to participate because people were arriving at the nursing home carrying MRSA or other bugs. "They were sick there and they are sick here," Dahl says. Results from the Chicago project are pending. Preliminary results of the Orange County project, which ends in May, show that it seems to be working, Huang says. After 18 months, researchers saw a 25 percent decline in drug-resistant organisms in nursing home residents, 34 percent in patients of long-term acute care hospitals and 9 percent in traditional hospital patients. The most dramatic drops were in CRE, though the number of patients with that type of bacteria was smaller.

The preliminary data also show a promising ripple effect in facilities that aren't part of the effort, a sign that the project may be starting to make a difference in the county, says Zahn of the Orange County Health Care Agency.

"In our community, we have seen an increase in antimicrobial-resistant infections," he says. "This offers an opportunity to intervene and bend the curve in the right direction."

*Kaiser Health News is a nonprofit news service and editorially independent program of the Kaiser Family Foundation. KHN is not affiliated with Kaiser Permanente.*

# How to fight ‘scary’ superbugs that kill thousands each year? Cooperation — and a special soap

Anna Gorman, Kaiser Health News Published 9:27 a.m. ET April 12, 2019 | Updated 1:47 p.m. ET April 12, 201

Hospitals and nursing homes in California and Illinois are testing a surprisingly simple strategy against the dangerous, antibiotic-resistant superbugs that kill thousands of people each year: washing patients with a special soap.

The efforts — funded with roughly \$8 million from the federal government’s Centers for Disease Control and Prevention — are taking place at 50 facilities in those two states.

This novel approach recognizes that superbugs don’t remain isolated in one hospital or nursing home but move quickly through a community, said Dr. John Jernigan, who directs the CDC’s office on health care-acquired infection research.

“No health care facility is an island,” Jernigan said. “We all are in this complicated network.”

At least 2 million people in the U.S. become infected with an antibiotic-resistant bacterium each year, and about 23,000 die from those infections, according to the CDC.

People in hospitals are vulnerable to these bugs, and people in nursing homes are particularly vulnerable. Up to 15% of hospital patients and 65% of nursing home residents harbor drug-resistant organisms, though not all of them will develop an infection, said Dr. Susan Huang, who specializes in infectious diseases at the University of California-Irvine.



Certified nursing assistant Cristina Zainos prepares a special wash using antimicrobial soap. (Photo: Heidi de Marco, Kaiser Health News)

“Superbugs are scary and they are unabated,” Huang said. “They don’t go away.”

Some of the most common bacteria in health care facilities are methicillin-resistant *Staphylococcus aureus*, or MRSA, and carbapenem-resistant Enterobacteriaceae, or CRE, often called “nightmare bacteria.” *E. coli* and *Klebsiella pneumoniae* are two common germs that can fall into this category when they become resistant to last-resort antibiotics known as carbapenems. CRE bacteria cause an estimated 600 deaths each year, according to the CDC.

CREs have “basically spread widely” among health care facilities in the Chicago region, said Dr. Michael Lin, an infectious-diseases specialist at Rush University Medical Center, who is heading the CDC-funded effort there. “If MRSA is a superbug, this is the extreme — the super superbug.”

Containing the dangerous bacteria has been a challenge for hospitals and nursing homes. As part of the CDC effort, doctors and health care workers in Chicago and Southern California are using the antimicrobial soap chlorhexidine, which has been shown to reduce infections when patients bathe with it. Though chlorhexidine is frequently used for bathing in hospital intensive care units and as a mouthwash for dental infections, it is used less commonly for bathing in nursing homes.

In Chicago, researchers are working with 14 nursing homes and long-term acute care hospitals, where staff are screening people for the CRE bacteria at admission and bathing them daily with chlorhexidine.

The Chicago project, which started in 2017 and ends in September, includes a campaign to promote handwashing and increased communication among hospitals about which patients carry the drug-resistant organisms.

The infection-control work was new to many nursing homes, which don't have the same resources as hospitals, Lin said.

In fact, three-quarters of nursing homes in the U.S. received citations for infection-control problems over a four-year period, according to a Kaiser Health News analysis, and the facilities with repeat citations almost never were fined. Nursing home residents often are sent back to hospitals because of infections.

In California, health officials are closely watching the CRE bacteria, which are less prevalent there than elsewhere in the country, and they are trying to prevent CRE from taking hold, said Dr. Matthew Zahn, medical director of epidemiology at the Orange County Health Care Agency. "We don't have an infinite amount of time," he said. "Taking a chance to try to make a difference in CRE's trajectory now is really important."

The CDC-funded project in California is based in Orange County, where 36 hospitals and nursing homes are using the antiseptic wash along with an iodine-based nose swab. The goal is to prevent new people from getting drug-resistant bacteria and keep the ones who already have the bacteria on their skin or elsewhere from developing infections, said Huang, who is leading the project.

Huang kicked off the project by studying how patients move among different hospitals and nursing homes in Orange County, and discovered they do so far more than imagined. That prompted a key question: "What can we do to not just protect our patients but to protect them when they start to move all over the place?" she recalled.

Her previous research showed that patients with the MRSA bacteria who used chlorhexidine for bathing and as a mouthwash, and swabbed their noses with a nasal antibiotic, could reduce their risk of developing a MRSA infection by 30%. But all the patients in that study, published in February in the New England Journal of Medicine, already had been discharged from hospitals.

Now the goal is to target patients still in hospitals or nursing homes and extend the work to CRE. The traditional hospitals participating in the new project are focusing on patients in intensive care units and those who already carried drug-resistant bacteria, while the nursing homes and the

long-term acute care hospitals perform the cleaning — also called “decolonizing” — on every resident.

One recent morning at Coventry Court Health Center, a nursing home in Anaheim, Calif., 94-year-old Neva Shinkle sat patiently in her wheelchair. Licensed vocational nurse Joana Bartolome swabbed her nose and asked if she remembered what it did.

“It kills germs,” Shinkle responded.

“That’s right — it protects you from infection.”

In a nearby room, senior project coordinator Raveena Singh from UC-Irvine talked with Caridad Coca, 71, who had recently arrived at the facility. She explained that Coca would bathe with the chlorhexidine rather than regular soap. “If you have some kind of open wound or cut, it helps protect you from getting an infection,” Singh said. “And we are not just protecting you, one person. We protect everybody in the nursing home.”

Coca said she had a cousin who had spent months in the hospital after getting MRSA. “Luckily, I’ve never had it,” she said.

Coventry Court administrator Shaun Dahl said he was eager to participate because people were arriving at the nursing home carrying MRSA or other bugs. “They were sick there and they are sick here,” Dahl said.

Results from the Chicago project are pending. Preliminary results of the Orange County project, which ends in May, show that it seems to be working, Huang said. After 18 months, researchers saw a 25% decline in drug-resistant organisms in nursing home residents, 34% in patients of long-term acute care hospitals and 9% in traditional hospital patients. The most dramatic drops were in CRE, though the number of patients with that type of bacteria was smaller.

The preliminary data also shows a promising ripple effect in facilities that aren’t part of the effort, a sign that the project may be starting to make a difference in the county, said Zahn of the Orange County Health Care Agency.

“In our community, we have seen an increase in antimicrobial-resistant infections,” he said. “This offers an opportunity to intervene and bend the curve in the right direction.”

*Kaiser Health News is a national health policy news service that is part of the nonpartisan Henry J. Kaiser Family Foundation.*



Centers for Disease Control  
and Prevention (CDC)  
Atlanta GA 30341-3724

May 14, 2019

CalOptima Board of Directors  
505 City Parkway West  
Orange, CA 92868

Dear CalOptima Board of Directors:

As the Director of the Division of Healthcare Quality Promotion at the Centers for Disease Control and Prevention (CDC), I want to relay that CDC is very encouraged by your proposed Post-Acute Infection Prevention Quality Initiative (PIPQI). We hope that this type of insurer initiative will help protect nursing home residents from infections and hospitalization.

To combat antibiotic resistant – an important global threat – CDC has activities to prevent infections, improve antibiotic use, and detect and contain the spread of new and emerging resistant bacteria. The nursing home population is at particular risk for acquiring these bacteria and developing infections that require antibiotics and hospital admission because of their age, complex health status, frequency of wounds, and need for medical devices. Surveillance data have shown that the majority of nursing home residents currently have one of these highly antibiotic resistant bacteria on their body, and often these bacteria are spread between residents, within the nursing home, and to other healthcare facilities.

There is a need for public health agencies, insurers, and healthcare providers to forge coordinated efforts to promote evidence-based infection prevention strategies to prevent infections and save lives. We see great synergy in linking CDC's role in providing surveillance and infection prevention guidance to CalOptima's ability to protect its members by supporting patient safety initiatives to reduce infections and the hospitalizations they cause.

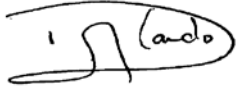
CDC funded the Orange County regional decolonization collaborative (SHIELD) as a demonstration project to inform broader national infection prevention guidance. The ability to maintain its resounding success in reducing antibiotic resistant bacteria and infections is critical and Orange County will benefit on initiatives such as PIPQI that provide incentives to enable its adoption into operational best practices.

CDC plans to continue transitional support for this initiative, including training support for the 16 nursing homes currently in the SHIELD collaborative for at least one year. We hope that this training effort can complement and synergize the efforts of CalOptima's education and liaison nurses. In addition, we are providing transitional support to the Orange County Health Department to continue their ongoing surveillance efforts in order that the ongoing benefits of the intervention can be captured.



We look forward to collaborating with you. We believe this partnership is a valuable opportunity to protect highly vulnerable patients and to set an example of how insurers and public health can work together to improve healthcare quality.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Cardo". The signature is enclosed within a hand-drawn oval shape.

Denise Cardo, MD  
*Director*, Division of Healthcare Quality Promotion  
Centers for Disease Control and Prevention

## **Attachment 4: IGT Funding Proposals**

### **Proposal 1: Expanded Office Hours**

**Initiative Description:** The Member Access and Engagement: Expanded Office Hours (Expanded Office Hours) is a two-year program to incentivize primary care providers and/or clinics for providing after-hour primary care services to CalOptima members in highly demanded and highly impacted areas. The Expanded Office Hours aims to improve member experience, timely access to needed care, and achieve positive population health outcomes.

**Target Population(s):** Primary care providers serving CalOptima's Medi-Cal members in highly demanded/impacted areas

#### **Plan of Action/Key Milestones:**

High level actions of how CalOptima will invest financial and staff resources to support the Expanded Office Hours initiative, such as:

1. Provider Data Gathering and Internal System Configuration
  - Identify primary care providers in community clinics who serve members in highly demanded and impacted areas
  - Configure the internal system (using codes 99050 and 99051) so claims can be adjudicated, and providers can receive expanded office hour incentives.
    - CPT code descriptions:
      - 99050: Services provided in the office at times other than regularly scheduled office hours, or days when the office is normally closed (e.g., holidays, Saturday or Sunday), in addition to basic service
      - 99051: Service(s) provided in the office during regularly scheduled evening, weekend, or holiday office hours, in addition to basic service
2. Provider Outreach
  - Collaborate with Provider Relations and Health Network Relations to promote the opportunity and encourage providers to provide these services.
  - \$125 per member per visit incentive
3. Announce the Expanded Office Hours initiative to impacted Members
  - Call Center and frontline staff training
4. Monitor utilization of the expanded office hour services
  - Monitor and report claims and encounter for identification and linkage to primary care providers providing expanded office hour services

5. Evaluation

- Conduct evaluation after pilot to see if member access has improved and depending on the outcome, consider expanding the initiative.

**Estimated Budget:** Total \$2 million (up to \$500,000 for FY2019/20, remaining amounts from FY2019/20 and \$750,000 for FY2020/21, \$750,000 FY2021/22)

**Project Timeframe:** April 2020 – March 2022

**IGT 9 Focus Area:** Member access and engagement

**Strategic Plan Priority/Objectives:** Expand CalOptima’s Member-Centric Focus

- Focus on Population Health
- Strengthen Provider Network and Access to Care
- Enhance Member Experience and Customer Service

**Participating/Collaborating Partners/Vendors/Covered Entities:** Participating providers

## **Proposal 2: Post-Acute Infection Prevention Initiative (PIPQI)**

**Initiative Description:** Expand CalOptima’s program to suppress Multi Drug Resistant Organisms (MDROs) in CalOptima’s contracted nursing facilities and decrease inpatient admissions due to infection. The pilot program was approved by CalOptima’s Board of Directors on June 6, 2019.

### **Benefits of the Initiative:**

- Member-centric focus: avoid MDRO colonization and inpatient admissions
- Potential cost savings from decreased antibiotic utilization
- Decreased demand for antibiotic-related c. difficile isolation beds
- Decreased Healthcare Acquired Infection rates (HAI):
  - Potential improved Star ratings
  - Strengthens community and national partnerships:
    - UCI (Professor Susan Huang -Department of Infectious Diseases)
    - Matthew Zahn, MD, Orange County Health Care Agency-Division of Epidemiology, CDC
    - (John A. Jernigan, MD, MS, Director, Office of Prevention Research and Evaluation Division of Healthcare Quality Promotion Centers for Disease Control and Prevention)
    - contracted nursing facilities
    - members/families
- Increased value and improved care delivery
- Enhanced operational excellence and efficiency

\*Please note that there is currently an outbreak of a fungal infection called C. auris in Orange County LTACHs and NFs. It’s a costly and virulent infection and the Public Health Department is involved. There are currently 160 cases in OC (need updated numbers). Chlorhexidine eradicates and protects against this fungus as well as Multi Drug Resistant Organisms (MDROs)

**Target Member Population(s):** CalOptima Members receiving services at contracted nursing facilities

### **Plan of Action/Key Milestones:**

A. Teleconference requested by the CDC scheduled for April 2, 2020, as CalOptima is the only County in the U.S. that is an early adopter of CHG/Iodophor in NFs to lower MDRO colonization rates

B. Dedicate two Long Term Support Services Nurses to:

- 1) Provide training for newly participating facilities,
- 2) Provide ongoing support and compliance monitoring\* at all participating facilities,
- 3) Develop additional informing, training and monitoring materials.

C. Promote the expansion of the Post-Acute of Infection Prevention Program and engage nursing facility administration and staff at the March 20, 202 LTSS Workshop.

\*Monitoring includes monthly random testing (five patients per facility confirming presence of Chlorhexidine, invoices /delivery receipt for Chlorhexidine and Iodophor). Additional metrics: acute inpatient admission rates due to infection, Hospital Acquired Infection (HAI) rates.

**Estimated Budget:** Total budgeted amount \$3.4 million over 3 fiscal years (\$1 million for FY2019/20, \$1.2 million for FY 2020/21 and \$1.2 million for FY 2021/22)

**Project Timeframe:** Three years FY 2019/20– 2021/22

**IGT 9 Focus Area:** Quality performance and data exchange and support

**Strategic Plan Priority/Objectives:** Innovate and Be Proactive, Expand CalOptima’s Member-Centric Focus, Strengthen Community Partnerships, Increase Value and Improve Care Delivery, Enhance Operational Excellence and Efficiency.

**Participating/Collaborating Partners/Vendors/Covered Entities:** University of California Irvine Medical Center, Department of Infectious Disease, Dr. Susan Huang; Orange County Health Care Agency-Division of Epidemiology, Centers for Disease Control (CDC); John A. Jernigan, MD, MS, Director, Office of Prevention Research and Evaluation Division of Healthcare Quality Promotion Centers for Disease Control and Prevention; CalOptima contracted nursing facilities.

### **Proposal 3: Hospital Data Sharing Initiative**

**Initiative Description:** Establish incentives for implementation of a data sharing solution for Admit, Discharge, Transfer (ADT) and Electronic Health Record data to support alerting of hospital activities for CalOptima members for the purposes of improving care management. Participating entity will be eligible for incentive once each file exchange is in place. The overall goal is to improve costs, quality, care, and satisfaction.

**Target Population(s):** Contracted and participating Orange County hospitals serving CalOptima members and, potentially, other Community Based Organizations within the delivery system

**Plan of Action/Key Milestones:** Staff will obtain Board of Directors approval, contract with selected vendors, implement the solutions, establish an incentive plan and details, and work with the vendors and the hospitals to establish the means of sharing data.

**Estimated Budget:** \$2 million to be exhausted by end of FY 2020-2021

**Project Timeframe:** Until end of FY 2020-2021

**IGT 9 Focus Area:** Data exchange and support

**Strategic Plan Priority/Objectives:** Expand CalOptima's Member-Centric Focus and Increase Value and Improve Care Delivery

**Participating/Collaborating Partners/Vendors/Covered Entities:** Hospitals providing the requested data

## **Proposal 4: Intergovernmental Transfer (IGT) Program Administration**

**Initiative Description:** Administrative support activities related to prior, current and future IGTs opportunities, grants, internal initiatives. This will continue support for management of the IGT transaction process, project and expenditure oversight related to prior IGTs (outstanding grants and internal projects), as well as current IGTs in progress (i.e., IGTs 9 and 10) and oversight. Administration will be consistent with CalOptima standard policies, procedures and practices and will ensure funding investments are aligned with CalOptima's strategic priorities and member needs. Two staff positions, the Grant Management System license, public activities and other administrative costs are included.

**Target Member Population(s):** NA

**Plan of Action/Key Milestones:** NA

**Estimated Budget:** \$2,000,000

**Project Timeframe:** Five-years

**IGT 9 Focus Area:** Other priority areas

**Strategic Plan Priority/Objectives:** Innovate and Be Proactive, Strengthen Community Partnerships, Increase Value and Improve Care Delivery

**Participating/Collaborating Partners/Vendors/Covered Entities:** NA

**Proposal 5: Whole Child Model (WCM) Program**

**Initiative Description:** To fund WCM program deficit in year one

**Target Member Population(s):** WCM eligible members (12,000 to 13,000)

**Plan of Action/Key Milestones:** N/A

**Estimated Budget:** Total \$31.1 million for FY 2019-20

**Project Timeframe:** FY 2019-20 (July 1, 2019 to June 30, 2020)

**IGT 9 Focus Area:** Other priority areas

**Strategic Plan Priority/Objectives:**

To Support care delivery for WCM population in FY 2019-20

- 1) Insufficient revenue from DHCS
- 2) Complexity in operation and financial reconciliation

**Participating/Collaborating Partners/Vendors/Covered Entities:** N/A



## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 20, 2020** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

8. Consider Extension of Altruista Health Contract for Comprehensive Medical Management System

#### **Contact**

Nora Onishi, Director Information Services, (714) 246-8400

#### **Recommended Action(s)**

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.

#### **Background**

Altruista Health is the vendor that supplies CalOptima with its comprehensive medical management solution known as Guiding Care.

At the December 5, 2013 Regular Meeting of the CalOptima Board of Directors, the CEO was authorized to (1) select a vendor through an RFP process for a new comprehensive care management system and (2) contract with the selected vendor for an initial term of three years with five one-year extension options, each extension subject to Board approval.

Through the CalOptima competitive bidding process, the Guiding Care system, from Altruista Health, was ultimately selected as the solution of choice. The contract effective and execution date was April 7, 2014. Implementation began in May of 2014 and CalOptima was live with this new solution on Monday, March 30, 2015.

On March 2, 2017, the CalOptima Board of Directors authorized a one-year extension to April 6, 2018 along with delegating authority to the CEO to execute the four remaining one-year extensions. On December 6, 2018, the Board approved execution of the remaining extension options through April 6, 2021.

#### **Discussion**

The medical management system, Guiding Care, is one of the two primary systems used to operate the business of CalOptima. The other is Facets, from Cognizant/TriZetto. These two systems are not only tightly embedded into CalOptima business operations, but tightly integrated from a technology perspective with many other ancillary software solutions. Guiding Care has over thirty technology interfaces that have been custom developed to support the operations.

During calendar year 2020, the Guiding Care system is undergoing a significant upgrade, scheduled to be completed during third quarter. This upgrade is intended to improve existing functionality and enable the use of new functionality.

Typically, it may be time to conduct a Request for Proposal (RFP) process to evaluate the marketplace for comparable solutions. Although the existing contract expires in 2021, the upcoming upgrade is significant enough that an RFP process would be premature at this time. It will be important to stabilize the upgrade before deciding if the Guiding Care system will be sustainable for a longer term or if a replacement should be considered.

For these reasons, staff is requesting approval to extend the contract with Altruista for an additional three years with the same terms, conditions, and rates. This will provide enough time to adopt and stabilize the upgrade and to evaluate whether an RFP should be issued. If so, the three-year extension will also provide the necessary time to complete an RFP process if warranted.

### **Fiscal Impact**

Management will include expenses for the recommended action to extend the Altruista Health contract for comprehensive medical management from April 6, 2021, through April 6, 2024, in future CalOptima operating budgets.

### **Rationale for Recommendation**

The extension will enable operations to continue in a seamless manner.

### **Concurrence**

Gary Crockett, Chief Counsel  
David Ramirez, MD, Chief Medical Officer

### **Attachments**

1. Board Action: December 5, 2013, Authorize CEO to Select and Contract with a Vendor for a Medical Management System
2. Board Action: March 2, 2017, Consider Authorizing Extension of Contract with Altruista Health for Comprehensive Medical Management System and Delegating Authority to Exercise Remaining Contract Extension Options
3. Board Action: December 6, 2018, Consider Extension of Contracts Related to CalOptima's Key Operational and Human Resource Systems

/s/ Michael Schrader  
**Authorized Signature**

02/12/2020  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken December 5, 2013** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

VI. F. Authorize the Chief Executive Officer (CEO) to Select and Contract with a Vendor for a Medical Management System

#### **Contact**

Bill Jones, Chief Operating Officer, (714) 246-8400

#### **Recommended Actions**

Authorize the CEO to:

1. Select a vendor through a Request for Proposal (RFP) process for a comprehensive medical management system that will meet current and anticipated business requirements; and
2. With the assistance of legal counsel, contract with the selected vendor for an initial term not to exceed three years, with five one-year extension options, with each option year exercisable at CalOptima's sole discretion, with each extension option subject to prior Board approval.

Amended  
12/5/13

#### **Background**

On March 4, 2010, following an RFP process, the CalOptima Board of Directors authorized management to engage in negotiations with McKesson, our current medical management system vendor, to enter into a new agreement provided the parties could come to terms agreeable to CalOptima. Staff ultimately closed the RFP and extended the existing contract because it was determined that the industry was moving toward more integrated systems that would combine medical management with CalOptima's core claims processing system. The contract with the current vendor was extended for a three year period through May 18, 2013. On April 4, 2013, the Board authorized staff to further extend the McKesson contract through December 31, 2016. The extension was deemed critical at the time to allow CalOptima to maintain the current medical management system and achieve ICD-10 compliance by the October 1, 2014. Several short term extensions of the McKesson agreement have been implemented as contract negotiations have progressed. The agreement currently expires on December 31, 2013, and negotiations are continuing.

In addition, the Board authorized staff to conduct an overall systems assessment and make recommendations to upgrade current systems or implement new systems as part of the three year strategic plan approved in September 2013.

#### **Discussion**

Both the California Department of Health Care Services (DHCS) and the Centers for Medicare & Medicaid Services (CMS) are pursuing aggressive, and constantly evolving, program requirements and timelines for implementation of the Cal Medi-Connect program. As noted previously, an additional delay in implementation was announced by DHCS on August 13, 2013, and the key milestone dates have shifted from the prior dates shared with the Board. At present, the expected start date for Cal MediConnect is April 1, 2014. In preparation, CalOptima participated in an on-site readiness review July 25-26, 2013 and a subsequent systems readiness review on October 21, 2013.

As a result of the feedback from the on-site and systems readiness reviews, consistent with Board direction to conduct an overall systems assessment, staff has conducted an evaluation and discussion relative to the capabilities of the current medical management system and whether those capabilities support CalOptima's need for Cal MediConnect and to scale for other products.

In the discussion of the April 4, 2013 Board action authorizing the extension of the McKesson agreement, it was recognized that, with the addition of new programs and member populations, there may clinical needs for additional modules for the existing medical management system. While extending and upgrading the current system is an option, management believes that it is in the best interest of CalOptima to evaluate other alternatives to ensure that we are getting the best value from the medical management solution that is chosen as part of our long term solution set.

In order to minimize member and provider disruption, management proposes to complete the RFP process and select a vendor and initiate implementation as soon as January, 2014. Regardless of the outcome of the RFP process, this timeline should minimize the number of members that would need to be moved from one platform to another, should a different system be selected than the current medical management system. With the impending start date for Cal MediConnect currently set at April 1, 2014, this timing is critical. The length of time it takes to get the system replaced or upgraded will directly correlate with the number of members that have to be potentially converted. Conversions of this nature are complex and best if kept to a minimum.

#### **Fiscal Impact**

The financial impact is included in the proposed budget for Cal MediConnect, which will be presented in a separate action.

#### **Rationale for Recommendation**

The Cal MediConnect program requires tighter integration between all services that are included in the program. Building a system that fully integrates the administrative and clinical responsibilities for Medi-Cal and Medicare covered services is critical in supporting a reduced opt out rate and achieving better outcomes for our members.

#### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

11/27/2013  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken March 2, 2017** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

9. Consider Authorizing Extension of Contract with Altruista Health for Comprehensive Medical Management System and Delegating Authority to Exercise Remaining Contract Extension Options

#### **Contact**

Len Rosignoli, Chief Information Officer, (714) 246-8400

#### **Recommended Actions**

1. Authorize the Chief Executive Officer (CEO) to exercise a one year extension option to extend the Altruista contract through April 6, 2018;
2. Authorize payment of maintenance and support fees to Altruista through this extension period; and
3. Delegate authority to the CEO to exercise the remaining four individual one year contract extension options and to include related maintenance and support fees in future CalOptima operating budgets as applicable.

#### **Background**

Altruista Health is the vendor that supplies CalOptima with its comprehensive medical management solution known as Guiding Care.

At the December 5, 2013 Regular Meeting of the CalOptima Board of Directors, the CEO was authorized to (1) select a vendor through a Request for Proposal (RFP) process for a new comprehensive care management system and (2) contract with the selected vendor for an initial term of three years with five one-year extension options, each extension subject to Board approval (see attached).

Through the CalOptima RFP process, the Guiding Care system from Altruista Health was selected as the solution of choice. The contract effective and execution date was April 7, 2014. Implementation began in May of 2014 and CalOptima was ultimately live with this new solution on March 30, 2015. The initial three-year term expires on April 6, 2017.

#### **Discussion**

The medical management system, Guiding Care, is one of the two primary systems used to operate the business of CalOptima. The other is Facets, from Cognizant/TriZetto, used for membership enrollment/eligibility, customer service, benefits administration, provider data management, provider reimbursement, and claims processing. These two systems are not only tightly embedded into CalOptima business operations, but tightly integrated from a technology perspective with many other ancillary software solutions. Guiding Care has 29 technology interfaces that have been custom developed to support the operations. Replacing the most tightly integrated solutions is possible, but requires a substantial investment and can be disruptive to operations.

With two years of usage, staff does not believe that it would be prudent at this time to consider evaluation of possible replacements for this still new solution.

For these reasons, staff is requesting that the Board delegate the authority to exercise the remaining one-year extension options to the CEO. If each one is exercised, the five one-year extension options would run through April 6, 2022. Based on this timeline, staff will likely evaluate the market with a request for information (RFI) or request for proposal (RFP) process in the first quarter of 2020. This will provide sufficient time to complete solution evaluation, selection, and implementation, should it be determined that a new solution is warranted.

**Fiscal Impact**

The fiscal impact of this extension is budget neutral. The CalOptima Fiscal Year 2016-17 Operating Budget includes the annual fees for the Altruista solution. Management plans to include anticipated expenses for the recommended contract extension periods on or after July 1, 2017 in future CalOptima Operating Budgets.

**Rationale for Recommendation**

The extension will enable operations to continue in a seamless manner.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

Board Action dated December 5, 2013, Authorize the Chief Executive Officer (CEO) to Select and Contract with a Vendor for a Medical Management System

/s/ Michael Schrader  
**Authorized Signature**

2/23/2017  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken December 5, 2013** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

VI. F. Authorize the Chief Executive Officer (CEO) to Select and Contract with a Vendor for a Medical Management System

#### **Contact**

Bill Jones, Chief Operating Officer (714) 246-8400

#### **Recommended Actions**

Authorize the CEO to:

1. Select a vendor through a Request for Proposal (RFP) process for a comprehensive medical management system that will meet current and anticipated business requirements; and
2. With the assistance of legal counsel, contract with the selected vendor for an initial term not to exceed three years with five one-year extension options, with each option year exercisable at CalOptima's discretion.

#### **Background**

On March 4, 2010, following an RFP process, the CalOptima Board of Directors authorized management to engage in negotiations with McKesson, our current medical management system vendor, to enter into a new agreement provided the parties could come to terms agreeable to CalOptima. Staff ultimately closed the RFP and extended the existing contract because it was determined that the industry was moving toward more integrated systems that would combine medical management with CalOptima's core claims processing system. The contract with the current vendor was extended for a three year period through May 18, 2013. On April 4, 2013, the Board authorized staff to further extend the McKesson contract through December 31, 2016. The extension was deemed critical at the time to allow CalOptima to maintain the current medical management system and achieve ICD-10 compliance by the October 1, 2014. Several short term extensions of the McKesson agreement have been implemented as contract negotiations have progressed. The agreement currently expires on December 31, 2013, and negotiations are continuing.

In addition, the Board authorized staff to conduct an overall systems assessment and make recommendations to upgrade current systems or implement new systems as part of the three year strategic plan approved in September 2013.

#### **Discussion**

Both the California Department of Health Care Services (DHCS) and the Centers for Medicare & Medicaid Services (CMS) are pursuing aggressive, and constantly evolving, program requirements and timelines for implementation of the Cal Medi-Connect program. As noted previously, an additional delay in implementation was announced by DHCS on August 13, 2013, and the key milestone dates have shifted from the prior dates shared with the Board. At present, the expected start date for Cal MediConnect is April 1, 2014. In preparation, CalOptima participated in an on-site readiness review July 25-26, 2013 and a subsequent systems readiness review on October 21, 2013.

As a result of the feedback from the on-site and systems readiness reviews, consistent with Board direction to conduct an overall systems assessment, staff has conducted an evaluation and discussion relative to the capabilities of the current medical management system and whether those capabilities support CalOptima's need for Cal MediConnect and to scale for other products.

In the discussion of the April 4, 2013 Board action authorizing the extension of the McKesson agreement, it was recognized that, with the addition of new programs and member populations, there may clinical needs for additional modules for the existing medical management system. While extending and upgrading the current system is an option, management believes that it is in the best interest of CalOptima to evaluate other alternatives to ensure that we are getting the best value from the medical management solution that is chosen as part of our long term solution set.

In order to minimize member and provider disruption, management proposes to complete the RFP process and select a vendor and initiate implementation as soon as January, 2014. Regardless of the outcome of the RFP process, this timeline should minimize the number of members that would need to be moved from one platform to another, should a different system be selected than the current medical management system. With the impending start date for Cal MediConnect currently set at April 1, 2014, this timing is critical. The length of time it takes to get the system replaced or upgraded will directly correlate with the number of members that have to be potentially converted. Conversions of this nature are complex and best if kept to a minimum.

#### **Fiscal Impact**

The financial impact is included in the proposed budget for Cal MediConnect, which will be presented in a separate action.

#### **Rationale for Recommendation**

The Cal MediConnect program requires tighter integration between all services that are included in the program. Building a system that fully integrates the administrative and clinical responsibilities for Medi-Cal and Medicare covered services is critical in supporting a reduced opt out rate and achieving better outcomes for our members.

#### **Concurrence**

Gary Crockett, Chief Counsel

#### **Attachments**

None

/s/ Michael Schrader  
**Authorized Signature**

11/27/2013  
**Date**



## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken December 6, 2018** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

11. Consider Extension of Contracts Related to CalOptima's Key Operational and Human Resource Systems

#### **Contact**

Len Rosignoli, Chief Information Officer, (714) 246-8400

Ladan Khamseh, Chief Operating Officer, (714) 246-8400

#### **Recommended Actions**

Authorize the Chief Executive Officer (CEO) to:

1. Extend the contracts with the following vendors as listed below through the dates indicated in the attachment:
  - a. Altruista Guiding Care
  - b. Burgess Reimbursement System
  - c. Edifecs XEngine
  - d. Catalyst Solutions
  - e. Medecision
  - f. Star MTM
  - g. Ansafone
  - h. Ceridian Dayforce
  - i. Silk Road Open Hire and Wingspan
2. Authorize payment of maintenance and support fees to these vendors through the dates and up to the amounts indicated in the attachment, Table 1.

#### **Background**

CalOptima contracts with many vendors that provide a variety of software solutions to support the overall business model. Two core systems are central to this infrastructure while many other supporting solutions surround the core.

Within the managed care industry, this is standard practice, as no commercially-available single solution meets the demands of the industry for all functions, especially when considering the varying lines of business, government regulations, and the uniqueness of each health plan. The trend over the past ten years or more has been to utilize this approach by using a core administrative processing system surrounded by specialty solutions. CalOptima, as well as the other 15 Local Health Plans of California, and virtually all health plans, use this approach.

The two core systems for CalOptima are:

1. Cognizant Facets – This solution handles the key functions of enrollment of members, health benefit configuration, claims processing and adjudication, provider contract reimbursement, and customer service.

2. Altruista Guiding Care – This solution handles the key functions of Care Management, including Case Management, Utilization Management, Authorizations/Referrals, Disease Management, as well as Appeals & Grievances.

The systems included in this staff recommendation are:

- a. Altruista Guiding Care – As mentioned above, this is one of CalOptima's two core systems. CalOptima originally contracted with Altruista in April of 2014 for a term of seven total years, including an initial term and five one-year optional renewal terms extending to 4/6/2021. The system was live as of April 2015. There are two years remaining on the current contract, supporting the decision to recommend approval to extend for those two years, to 4/6/2021. Replacement of this core system was a substantial investment in money and time. It can take years for a core system of this type to fully stabilize. There are additional features yet to be explored, including the Population Health modules. No later than during Fiscal Year (FY) 2019-2020, a Request for Information (RFI) will be issued, primarily to remain informed and evaluate the marketplace for systems of this type, to help determine how long this system will remain or when it may be considered for replacement through a Request for Proposal (RFP) process.
- b. Burgess Reimbursement System – This solution provides two key function. One - it enables continuous monitoring of the hundreds of claims reimbursement Medicare fee schedules maintained by the Federal Centers for Medicare and Medicaid Services (CMS) ensuring that CalOptima's Medicare fee schedules are up-to-date as soon as Medicare makes a change. Two - it uses sophisticated algorithms to calculate the reimbursement pricing for all CalOptima Medicare related claims. In the future, this solution will be expanded to perform the same functions for the Medi-Cal fee schedules and claims pricing. This system is very tightly integrated within the Facets core system software.
- c. Edifecs – XEngine – This tool supports quality for the CalOptima Facets Claims process. XEngine is a tool that validates and ensures compliance with regulatory transaction standards and streamlines operational efficiency.
- d. Catalyst Solutions – This vendor provides essential supplemental maintenance services and support of the Facets system based on their depth of knowledge of Facets and the inner workings of the software.
- e. Medecision - Aerial Care Coordination - This solution is the current CalOptima provider portal – more commonly known to the CalOptima provider partners as CalOptima Link. This portal enables thousands of provider office users to verify eligibility, review claims status, view patient rosters, and submit service authorization requests. This will ultimately be replaced by the new CalOptima Provider Portal.
- f. Star MTM – This vendor provides the system and services to support the Pharmacy Medication Therapy Management process required by The Centers for Medicare and Medicaid Services (CMS) for both the OneCare and OneCare Connect lines of business. This process is tightly integrated within the overall administration of CalOptima's pharmacy benefit. An RFP will be issued during FY 2020-2021 to re-evaluate this service.

- g. Ansafone – This vendor provides critical services supporting both CalOptima's Customer Service function and the Medical Affairs function. Ansafone provides after-hours call center support for both general customer service calls as well as more specific medical affairs calls. Ansafone also periodically conducts designed member outreach calls, as needed. An RFP for this service will be issued during FY 2018-2019 to evaluate the marketplace and to determine if CalOptima will retain the existing vendor or consider other alternatives.
- h. Ceridian Dayforce – This is the primary Human Resources (HR) system handling employee benefits and payroll.
- i. Silk Road Open Hire and Wingspan – Open Hire is the current HR applicant tracking and recruitment system. Wingspan is the current performance management system where all CalOptima employee performance evaluations are stored.

These three HR systems are tightly woven into the support and management of the CalOptima employees and are mission-critical for ongoing smooth operations. CalOptima has been on these systems for nearly ten years. During FY2019-20, CalOptima will issue an RFP for these functions to evaluate the marketplace to determine if a replacement is warranted, and if a single comprehensive HR solution can be procured rather than separate systems.

### **Discussion**

The vendors listed in the attached table represent the solutions described above with contracts expiring in 2019 or sooner.

Many of these solutions are tightly embedded/integrated into either Facets and/or Guiding Care or are mission critical to the Human Resources function. Replacing any of these solutions would require a substantial additional investment, time commitment, and significant disruption to operations.

### **Fiscal Impact**

The CalOptima FY 2018-19 Operating Budget includes the annual fees for the listed contracted vendors related to CalOptima's core and HR systems through June 30, 2019. Management will include expenses for the recommended contract extension periods on or after July 1, 2019, in future CalOptima Operating Budgets.

### **Rationale for Recommendation**

Extension of the contracts for these systems will ensure there is no disruption to the services provided by each of the solutions and allow continuity of operations throughout the organization and with CalOptima's member and provider community, and its employees.

### **Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Proposed Contract Extensions – Table 1
2. Contracted Entities Covered by this Recommended Board Action

/s/ Michael Schrader  
**Authorized Signature**

11/28/2018  
**Date**

**Attachment – Table 1 - Proposed Contract Extensions**

Vendor – Solution Name	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Comments	Annual Cost Based on Fiscal Year 2018-19 Fees
Altruista Health – Guiding Care	Core Care Management Solution	4/6/2014	4/6/2019	4/6/2021	2 years remaining on the original contract	\$1,485,000
Burgess – Burgess Reimbursement System	Medicare/Medi-Cal Fee Schedules and Claims Pricing	1/1/2008	12/31/2019	6/30/2022	Tightly Integrated with Facets	\$442,162
Edifecs – XEngine	Electronic transaction standardization tool	3/9/2011	12/31/2019	12/31/2021	Tightly Integrated with Facets	\$90,000
Catalyst Solutions	Facets Support Services	4/21/2014	12/31/18	6/30/2022	Integral supplemental maintenance services for Facets	\$35,000
Medecision – Aerial Care Coordination	Provider Portal (CalOptima Link)	3/23/2011	12/31/2019	12/31/2020	Eventually to be replaced with Provider Portal	\$1,560,000
Star MTM	Pharmacy Medication Therapy Management Services	11/1/2014	3/21/2020	3/21/2022	Tightly Integrated into the Pharmacy process. Expect to issue RFP during Fiscal Year 2020-2021.	\$156,000
Ephonamation.com, Inc., DBA Ansafone	After hours customer service call center; after hours medical affairs call center; member outreach.	9/1/2016	8/31/2019	8/31/2020	Tightly integrated within Customer Service and Medical Affairs. RFP to be issued during Fiscal Year 2018-2019.	\$213,000
Ceridian - Dayforce	The main Human Resources System for Benefits and Payroll	6/29/2008	6/30/2019	12/31/2021	Plan to issue RFP during Fiscal Year 2019-2020	\$254,000

Vendor – Solution Name	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Comments	Annual Cost Based on Fiscal Year 2018-19 Fees
Silk Road – Open Hire and Wingspan	Human Resources Support Systems – Performance Management, Applicant Tracking	6/19/2009	6/30/2019	12/31/2021	Plan to issue RFP during Fiscal Year 2019-2020	\$58,500

**CONTRACTED ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Altruista Health, Inc.	11800 Sunrise Valley Dr Suite 1000	Reston	VA	20191
Burgess Group, LLC	1701 Duke St	Alexandria	VA	22314
Edifecs, Inc.	1756 114 <sup>th</sup> Ave SE	Bellevue	WA	98004
Catalyst Solutions, LLC	2353 S Broadway	Denver	CO	80210
Medecision, Inc.	550 E Swedesford Rd Building D, Suite 220	Wayne	PA	19087
Star MTM, LLC DBA Clinical Support Services	701 Seneca St	Buffalo	NY	14210
Ephonamation.com, Inc., DBA AnsaFone Communications	145 E Columbine Ave	Santa Ana	CA	92707
Ceridian Corporation	3311 E Old Shakopee Rd	Minneapolis	MN	55425
SilkRoad Technology, Inc.	100 S Wacker Dr Suite 425	Chicago	IL	60606



A Public Agency

**CalOptima**  
Better. Together.

# **Financial Summary**

**November 2019**

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

**Nancy Huang  
Chief Financial Officer**



# FY 2019-20: Consolidated Enrollment

## November 2019 MTD

Overall enrollment was 755,539 members

- Actual higher than budget 9,578 members or 1.3%
  - Medi-Cal favorable to budget 9,568 members or 1.3%
    - Medi-Cal Expansion (MCE) favorable variance of 522 members
    - Whole Child Model (WCM) unfavorable variance of 1,189 members
    - Seniors and Persons with Disabilities (SPD) favorable variance of 2,502 members
    - Temporary Assistance for Needy Families (TANF) favorable variance of 7,565
    - Long-Term Care (LTC) favorable variance of 168 members
  - OneCare Connect favorable to budget 10 members or 0.1%
  - OneCare unfavorable to budget 5 members or 0.3%
- 12,074 increase or 1.6% from October
  - Medi-Cal increase of 12,164 members
  - OneCare Connect decrease of 28 members
  - OneCare decrease of 69 members
  - PACE increase of 7 members

# FY 2019-20: Consolidated Enrollment (cont.)

---

## November 2019 YTD

Overall enrollment was 3,745,003 member months

- Actual lower than budget 1,908 members or 0.1%
  - Medi-Cal unfavorable to budget 2,137 members or 0.1%
    - MCE unfavorable variance of 11,225 members
    - WCM unfavorable variance of 5,465 members
    - SPD favorable variance of 5,576 members
    - TANF favorable variance of 8,711 members
    - LTC favorable variance of 266 members
  - OneCare Connect favorable to budget 14 members
  - OneCare favorable to budget 212 members or 2.8%
  - PACE favorable to budget 3 members or 0.2%

# FY 2019-20: Consolidated Revenues

## November 2019 MTD

- Actual higher than budget \$7.1 million or 2.4%
  - Medi-Cal favorable to budget \$6.6 million or 2.5%
    - Favorable volume variance of \$3.5 million
    - Favorable price variance of \$3.1 million
      - \$3.0 million of fiscal year (FY) 2020 Department of Health Care Services (DHCS) year to date (YTD) acuity rate adjustment
      - \$2.8 million of FY 2020 LTC revenue from non-LTC members
      - Offset by \$3.3 million of WCM revenue
  - OneCare Connect favorable to budget \$0.3 million or 1.4%
    - Favorable volume variance of \$16.8 thousand
    - Favorable price variance of \$318.3 thousand

# FY 2019-20: Consolidated Revenues (cont.)

---

## November 2019 MTD (cont.)

- OneCare unfavorable to budget \$40.3 thousand or 2.5%
  - Unfavorable volume variance of \$5.4 thousand
  - Unfavorable price variance of \$34.9 thousand
- PACE favorable to budget \$210.4 thousand or 7.3%
  - Favorable volume variance of \$38.8 thousand
  - Favorable price variance of \$171.6 thousand

# FY 2019-20: Consolidated Revenues (cont.)

## November 2019 YTD

- Actual higher than budget \$126.7 million or 8.5%
  - Medi-Cal favorable to budget \$122.9 million 9.1%
    - Unfavorable volume variance of \$0.8 million
    - Favorable price variance of \$123.7 million
      - \$104.3 million of directed payment (DP) revenue
      - \$15.0 million due to DHCS acuity rate adjustment
      - \$6.8 million of Coordinated Care Initiative (CCI) revenue
      - Offset by \$15.9 million of WCM revenue
  - OneCare Connect favorable to budget \$2.9 million or 2.4%
    - Favorable volume variance of \$23.6 thousand
    - Favorable price variance of \$2.9 million

# FY 2019-20: Consolidated Revenues (cont.)

---

## November 2019 YTD (cont.)

- OneCare favorable to budget \$697.4 thousand or 8.6%
  - Favorable volume variance of \$230.3 thousand
  - Favorable price variance of \$467.1 thousand
- PACE favorable to budget \$189.7 thousand or 1.4%
  - Favorable volume variance of \$23.3 thousand
  - Favorable price variance of \$166.4 thousand

# FY 2019-20: Consolidated Medical Expenses

## November 2019 MTD

- Actual higher than budget \$13.6 million or 4.9%
  - Medi-Cal unfavorable variance of \$13.6 million or 5.4%
    - Unfavorable volume variance of \$3.3 million
    - Unfavorable price variance of \$10.3 million
      - Facilities expenses unfavorable variance of \$10.1 million due to claims Incurred But Not Reported (IBNR)
  - OneCare Connect unfavorable variance of \$14.4 thousand or 0.1%
    - Unfavorable volume variance of \$16.3 thousand
    - Favorable price variance of \$1.9 thousand

# FY 2019-20: Consolidated Medical Expenses (cont.)

## November 2019 YTD

- Actual higher than budget \$143.4 million or 10.2%
  - Medi-Cal unfavorable variance of \$141.4 million or 11.1%
    - Favorable volume variance of \$0.7 million
    - Unfavorable price variance of \$142.2 million
      - Reinsurance and Other Expense category unfavorable variance of \$96.5 million due to \$104.0 million of DP, offset by favorable variance in homeless health initiative
      - Professional Claims expenses unfavorable variance of \$18.1 million
      - MLTSS expenses unfavorable variance of \$12.2 million
      - Facilities expenses unfavorable variance of \$17.5 million
  - OneCare Connect unfavorable variance of \$2.6 million or 2.2%
    - Unfavorable volume variance of \$23.1 thousand
    - Unfavorable price variance of \$2.6 million

## Medical Loss Ratio (MLR)

- November 2019 MTD:                      Actual: 96.4%                      Budget: 94.2%
- November 2019 YTD:                      Actual: 96.5%                      Budget: 95.0%



# FY 2019-20: Consolidated Administrative Expenses

## November 2019 MTD

- Actual lower than budget \$1.2 million or 9.6%
  - Salaries, wages and benefits: favorable variance of \$0.1 million
  - Other categories: favorable variance of \$1.0 million

## November 2019 YTD

- Actual lower than budget \$9.1 million or 14.1%
  - Salaries, wages and benefits: favorable variance of \$4.3 million
  - Other categories: favorable variance of \$4.9 million

## Administrative Loss Ratio (ALR)

- November 2019 MTD:                      Actual: 3.6%                      Budget: 4.1%
- November 2019 YTD:                      Actual: 3.4%                      Budget: 4.4%
  - Actual ALR (excluding DP revenue) is 3.7% YTD

# FY 2019-20: Change in Net Assets

---

## November 2019 MTD

- \$1.3 million change in net assets
- \$5.0 million unfavorable to budget
  - Higher than budgeted revenue of \$7.1 million
  - Higher than budgeted medical expenses of \$13.6 million
  - Lower than budgeted administrative expenses of \$1.2 million
  - Higher than budgeted investment and other income of \$0.3 million

## November 2019 YTD

- \$16.4 million change in net assets
- \$0.9 million favorable to budget
  - Higher than budgeted revenue of \$126.7 million
  - Higher than budgeted medical expenses of \$143.4 million
  - Lower than budgeted administrative expenses of \$9.1 million
  - Higher than budgeted investment and other income of \$8.5 million

# Enrollment Summary: November 2019

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
66,470	65,714	756	1.2%	Aged	327,902	327,256	646	0.2%
545	615	(70)	(11.4%)	BCCTP	2,727	3,075	(348)	(11.3%)
45,542	43,726	1,816	4.2%	Disabled	224,258	218,980	5,278	2.4%
287,130	282,069	5,061	1.8%	TANF Child	1,429,118	1,424,158	4,960	0.3%
88,675	86,171	2,504	2.9%	TANF Adult	439,438	435,687	3,751	0.9%
3,572	3,404	168	4.9%	LTC	17,286	17,020	266	1.6%
235,916	235,394	522	0.2%	MCE	1,164,865	1,176,090	(11,225)	(1.0%)
11,751	12,940	(1,189)	(9.2%)	WCM	59,235	64,700	(5,465)	(8.4%)
<b>739,601</b>	<b>730,033</b>	<b>9,568</b>	<b>1.3%</b>	<b>Medi-Cal</b>	<b>3,664,829</b>	<b>3,666,966</b>	<b>(2,137)</b>	<b>(0.1%)</b>
<b>14,065</b>	<b>14,055</b>	<b>10</b>	<b>0.1%</b>	<b>OneCare Connect</b>	<b>70,691</b>	<b>70,677</b>	<b>14</b>	<b>0.0%</b>
<b>1,498</b>	<b>1,503</b>	<b>(5)</b>	<b>(0.3%)</b>	<b>OneCare</b>	<b>7,704</b>	<b>7,492</b>	<b>212</b>	<b>2.8%</b>
<b>375</b>	<b>370</b>	<b>5</b>	<b>1.4%</b>	<b>PACE</b>	<b>1,779</b>	<b>1,776</b>	<b>3</b>	<b>0.2%</b>
<b>755,539</b>	<b>745,961</b>	<b>9,578</b>	<b>1.3%</b>	<b>CalOptima Total</b>	<b>3,745,003</b>	<b>3,746,911</b>	<b>(1,908)</b>	<b>(0.1%)</b>

# Financial Highlights: November 2019

Month-to-Date			
Actual	Budget	\$ Budget	% Budget
755,539	745,961	9,578	1.3%
303,891,806	296,774,801	7,117,005	2.4%
293,046,697	279,471,749	(13,574,948)	-4.9%
11,035,135	12,209,263	1,174,128	9.6%
<b>(190,026)</b>	<b>5,093,789</b>	<b>(5,283,815)</b>	<b>-103.7%</b>
1,506,949	1,250,000	256,949	20.6%
<b>1,316,923</b>	<b>6,343,789</b>	<b>(5,026,866)</b>	<b>-79.2%</b>
96.4%	94.2%	-2.3%	
3.6%	4.1%	0.5%	
<u>-0.1%</u>	<u>1.7%</u>	-1.8%	
100.0%	100.0%		

Year-to-Date				
Actual	Budget	\$ Budget	% Budget	
Member Months	3,745,003	3,746,911	(1,908)	-0.1%
Revenues	1,613,344,704	1,486,671,484	126,673,220	8.5%
Medical Expenses	1,556,088,581	1,412,664,307	(143,424,274)	-10.2%
Administrative Expenses	55,649,233	64,791,847	9,142,614	14.1%
<b>Operating Margin</b>	<b>1,606,890</b>	<b>9,215,330</b>	<b>(7,608,440)</b>	<b>-82.6%</b>
Non Operating Income (Loss)	14,791,800	6,250,000	8,541,800	136.7%
<b>Change in Net Assets</b>	<b>16,398,690</b>	<b>15,465,330</b>	<b>933,360</b>	<b>6.0%</b>
Medical Loss Ratio	96.5%	95.0%	-1.4%	
Administrative Loss Ratio	3.4%	4.4%	0.9%	
Operating Margin Ratio	<u>0.1%</u>	<u>0.6%</u>	-0.5%	
Total Operating	100.0%	100.0%		
Administrative Loss Ratio (excluding Directed Payments)*	3.7%	4.4%	0.7%	

\*CalOptima updated the categorization of Directed Payments per Department of Healthcare Services instructions

# Consolidated Performance Actual vs. Budget: November 2019 (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>
(0.0)	6.0	(6.0)	Medi-Cal	5.2	16.0	(10.7)
(0.6)	(1.1)	0.6	OCC	(5.3)	(6.9)	1.6
0.0	(0.1)	0.1	OneCare	0.8	(0.6)	1.4
<u>0.4</u>	<u>0.3</u>	<u>0.1</u>	<u>PACE</u>	<u>0.9</u>	<u>0.7</u>	<u>0.1</u>
<b>(0.2)</b>	<b>5.1</b>	<b>(5.3)</b>	<b>Operating</b>	<b>1.6</b>	<b>9.2</b>	<b>(7.6)</b>
<u>1.5</u>	<u>1.3</u>	<u>0.3</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>14.8</u>	<u>6.3</u>	<u>8.5</u>
<b>1.5</b>	<b>1.3</b>	<b>0.3</b>	<b>Non-Operating</b>	<b>14.8</b>	<b>6.3</b>	<b>8.5</b>
<b>1.3</b>	<b>6.3</b>	<b>(5.0)</b>	<b>TOTAL</b>	<b>16.4</b>	<b>15.5</b>	<b>0.9</b>

# Consolidated Revenue & Expense:

## November 2019 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	491,934	235,916	11,751	739,601	14,065	1,498	375	755,539
<b>REVENUES</b>								
Capitation Revenue	145,240,253	\$ 106,968,328	\$ 23,055,078	\$ 275,263,660	\$ 23,964,600	\$ 1,579,623	\$ 3,083,924	\$ 303,891,806
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>145,240,253</u>	<u>106,968,328</u>	<u>23,055,078</u>	<u>275,263,660</u>	<u>23,964,600</u>	<u>1,579,623</u>	<u>3,083,924</u>	<u>303,891,806</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	38,389,739	44,529,292	8,415,082	91,334,114	10,514,674	467,378	-	102,316,166
Facilities	30,356,443	23,324,620	4,758,128	58,439,191	3,844,912	405,449	629,626	63,319,178
Ancillary	-	-	-	-	561,484	62,654	-	624,138
Professional Claims	17,749,716	7,719,070	1,918,925	27,387,711	-	-	633,485	28,021,196
Prescription Drugs	14,405,454	22,082,169	5,025,863	42,113,487	5,450,006	451,124	229,342	48,243,959
MLTSS	34,355,385	2,584,913	3,206,243	40,146,541	1,260,375	20,747	40,767	41,468,430
Medical Management	1,976,560	1,199,442	248,676	3,424,679	958,486	32,872	694,054	5,110,091
Quality Incentives	829,329	462,075	141,236	1,432,639	210,620	-	4,688	1,647,947
Reinsurance & Other	912,450	845,219	59,194	1,816,863	197,807	-	280,923	2,295,593
<b>Total Medical Expenses</b>	<u>138,975,077</u>	<u>102,746,801</u>	<u>24,373,348</u>	<u>266,095,225</u>	<u>22,998,363</u>	<u>1,440,223</u>	<u>2,512,885</u>	<u>293,046,697</u>
<b>Medical Loss Ratio</b>	95.7%	96.1%	105.7%	96.7%	96.0%	91.2%	81.5%	96.4%
<b>GROSS MARGIN</b>	<b>6,265,176</b>	<b>4,221,528</b>	<b>(1,318,269)</b>	<b>9,168,435</b>	<b>966,237</b>	<b>139,399</b>	<b>571,039</b>	<b>10,845,109</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,292,660	713,908	71,598	149,313	7,227,479
Professional fees				284,410	11,963	15,000	123	311,496
Purchased services				770,655	133,133	12,289	(381)	915,695
Printing & Postage				354,374	123,566	4,163	9,594	491,697
Depreciation & Amortization				330,613	-	-	2,087	332,700
Other expenses				1,384,981	32,470	426	3,627	1,421,504
Indirect cost allocation & Occupancy				(224,635)	519,792	35,589	3,818	334,565
<b>Total Administrative Expenses</b>				<u>9,193,058</u>	<u>1,534,831</u>	<u>139,065</u>	<u>168,181</u>	<u>11,035,135</u>
<b>Admin Loss Ratio</b>				3.3%	6.4%	8.8%	5.5%	3.6%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(24,623)	(568,595)	334	402,858	(190,026)
<b>INVESTMENT INCOME</b>								1,505,220
<b>NET RENTAL INCOME</b>								(1)
<b>TOTAL MCO TAX</b>								-
<b>TOTAL GRANT INCOME</b>				1,687				1,687
<b>QAF/IGT</b>								-
<b>OTHER INCOME</b>				43				43
<b>CHANGE IN NET ASSETS</b>				<u>\$ (22,893)</u>	<u>\$ (568,595)</u>	<u>\$ 334</u>	<u>\$ 402,858</u>	<u>\$ 1,316,924</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				6,025,348	(1,118,964)	(97,337)	284,742	6,343,789
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (6,048,242)</u>	<u>\$ 550,369</u>	<u>\$ 97,671</u>	<u>\$ 118,116</u>	<u>\$ (5,026,866)</u>

# Consolidated Revenue & Expense:

## November 2019 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	2,440,729	1,164,865	59,235	3,664,829	70,691	7,704	1,779	3,745,003
<b>REVENUES</b>								
Capitation Revenue	780,167,507	\$ 571,804,960	\$ 116,636,098	\$ 1,468,608,565	\$ 121,900,087	\$ 8,836,215	\$ 13,999,836	\$ 1,613,344,704
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>780,167,507</u>	<u>571,804,960</u>	<u>116,636,098</u>	<u>1,468,608,565</u>	<u>121,900,087</u>	<u>8,836,215</u>	<u>13,999,836</u>	<u>1,613,344,704</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	195,249,196	225,311,491	49,397,460	469,958,146	55,218,590	2,381,773	-	527,558,510
Facilities	131,385,014	109,472,492	17,560,517	258,418,023	18,549,468	1,915,924	3,482,362	282,365,776
Ancillary	-	-	-	-	3,326,021	241,105	-	3,567,125
Professional Claims	91,535,076	35,858,448	5,908,077	133,301,601	-	-	2,832,781	136,134,382
Prescription Drugs	85,284,171	107,610,817	27,691,705	220,586,693	28,321,586	2,576,275	1,120,004	252,604,557
MLTSS	174,408,991	13,621,668	9,183,658	197,214,317	6,831,795	59,993	175,073	204,281,177
Medical Management	10,702,412	5,996,453	1,291,673	17,990,538	5,116,885	179,895	3,447,824	26,735,142
Quality Incentives	4,201,852	2,345,857	707,610	7,255,319	1,022,675	-	22,599	8,300,593
Reinsurance & Other	64,678,933	47,594,116	160,258	112,433,307	951,413	-	1,156,598	114,541,318
<b>Total Medical Expenses</b>	<u>757,445,645</u>	<u>547,811,341</u>	<u>111,900,959</u>	<u>1,417,157,944</u>	<u>119,338,432</u>	<u>7,354,964</u>	<u>12,237,241</u>	<u>1,556,088,581</u>
<b>Medical Loss Ratio</b>	97.1%	95.8%	95.9%	96.5%	97.9%	83.2%	87.4%	96.5%
<b>GROSS MARGIN</b>	<b>22,721,862</b>	<b>23,993,620</b>	<b>4,735,139</b>	<b>51,450,621</b>	<b>2,561,655</b>	<b>1,481,251</b>	<b>1,762,596</b>	<b>57,256,123</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				31,741,856	3,543,407	298,821	711,058	36,295,141
Professional fees				966,602	444,486	114,371	1,013	1,526,472
Purchased services				3,760,561	841,999	78,805	45,784	4,727,148
Printing & Postage				1,380,274	297,270	20,651	54,204	1,752,399
Depreciation & Amortization				1,861,769	-	-	10,455	1,872,224
Other expenses				7,483,525	76,207	1,427	18,666	7,579,824
Indirect cost allocation & Occupancy				(990,404)	2,657,716	191,216	37,496	1,896,024
<b>Total Administrative Expenses</b>				<u>46,204,182</u>	<u>7,861,086</u>	<u>705,291</u>	<u>878,674</u>	<u>55,649,233</u>
<b>Admin Loss Ratio</b>				3.1%	6.4%	8.0%	6.3%	3.4%
<b>INCOME (LOSS) FROM OPERATIONS</b>				5,246,439	(5,299,431)	775,960	883,921	1,606,890
<b>INVESTMENT INCOME</b>								14,798,702
<b>NET RENTAL INCOME</b>								(0)
<b>TOTAL MCO TAX</b>								-
<b>TOTAL GRANT INCOME</b>				(7,079)				(7,079)
<b>QAF/IGT</b>								-
<b>OTHER INCOME</b>				177				177
<b>CHANGE IN NET ASSETS</b>				<u>\$ 5,239,538</u>	<u>\$ (5,299,431)</u>	<u>\$ 775,960</u>	<u>\$ 883,921</u>	<u>\$ 16,398,690</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				15,973,419	(6,888,554)	(607,203)	737,668	15,465,330
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (10,733,881)</u>	<u>\$ 1,589,123</u>	<u>\$ 1,383,163</u>	<u>\$ 146,253</u>	<u>\$ 933,360</u>

# Balance Sheet:

## As of November 2019

### ASSETS

Current Assets	
Operating Cash	\$516,875,446
Investments	480,312,226
Capitation receivable	291,253,021
Receivables - Other	28,231,556
Prepaid expenses	5,962,576
<b>Total Current Assets</b>	<b><u>1,322,634,825</u></b>
Capital Assets	
Furniture & Equipment	37,086,365
Building/Leasehold Improvements	10,376,533
505 City Parkway West	<u>50,489,717</u>
	97,952,615
Less: accumulated depreciation	<u>(49,431,106)</u>
Capital assets, net	<u>48,521,509</u>
Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	58,198,913
Board-designated assets:	
Cash and Cash Equivalents	5,636,128
Long-term Investments	<u>560,210,171</u>
Total Board-designated Assets	<u>565,846,299</u>
<b>Total Other Assets</b>	<b><u>624,345,212</u></b>
<b>TOTAL ASSETS</b>	<b><u>1,995,501,545</u></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><u>2,006,591,994</u></b>

### LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$5,671,058
Medical Claims liability	762,212,657
Accrued Payroll Liabilities	10,671,064
Deferred Revenue	61,175,372
Deferred Lease Obligations	12,718
Capitation and Withholds	158,544,500
<b>Total Current Liabilities</b>	<b><u>998,287,369</u></b>
Other (than pensions) post employment benefits liability	
Net Pension Liabilities	25,334,747
Bldg 505 Development Rights	23,621,483
	-
<b>TOTAL LIABILITIES</b>	<b><u>1,047,243,600</u></b>
Deferred Inflows	
Excess Earnings	156,330
Change in Assumptions	4,747,505
OPEB Changes in Assumptions	2,503,000
Net Position	
TNE	93,903,325
Funds in Excess of TNE	<u>858,038,235</u>
<b>TOTAL NET POSITION</b>	<b><u>951,941,560</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b><u>2,006,591,994</u></b>



# Board Designated Reserve and TNE Analysis

## As of November 2019

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	155,127,701				
	Tier 1 - Logan Circle	153,938,061				
	Tier 1 - Wells Capital	154,353,406				
Board-designated Reserve						
		463,419,168	313,333,389	487,863,410	150,085,779	(24,444,242)
TNE Requirement	Tier 2 - Logan Circle	102,427,130	93,903,325	93,903,325	8,523,806	8,523,806
<b>Consolidated:</b>		<b>565,846,298</b>	<b>407,236,714</b>	<b>581,766,734</b>	<b>158,609,584</b>	<b>(15,920,436)</b>
<i>Current reserve level</i>		<i>1.95</i>	<i>1.40</i>	<i>2.00</i>		



# CalOptima

Better. Together.



Medi-Cal

# CalOptima

Better. Together.



OneCare (HMO SNP)

# CalOptima

Better. Together.



OneCare Connect

# CalOptima

Better. Together.



PACE

# CalOptima

Better. Together.



**CalOptima**  
Better. Together.

---

## **UNAUDITED FINANCIAL STATEMENTS**

**November 2019**

## Table of Contents

Financial Highlights	3
Financial Dashboard	4
Statement of Revenues and Expenses – Consolidated Month to Date	5
Statement of Revenues and Expenses – Consolidated Year to Date	6
Statement of Revenues and Expenses – Consolidated LOB Month to Date	7
Statement of Revenues and Expenses – Consolidated LOB Year to Date	8
Highlights – Overall	9
Enrollment Summary	10
Enrollment Trended by Network Type	11
Highlights – Enrollment	12
Statement of Revenues and Expenses – Medi-Cal	13
Highlights – Medi-Cal	14
Statement of Revenues and Expenses – OneCare Connect	15
Highlights – OneCare Connect	16
Statement of Revenues and Expenses – OneCare	17
Statement of Revenues and Expenses – PACE	18
Statement of Revenues and Expenses – 505 City Parkway	19
Highlights – OneCare, PACE & 505 City Parkway	20
Balance Sheet	21
Board Designated Reserve & TNE Analysis	22
Statement of Cash Flow	23
Highlights – Balance Sheet & Statement of Cash Flow	24
Homeless Health Reserve Report	25
Budget Allocation Changes	26

**CalOptima - Consolidated  
Financial Highlights  
For the Five Months Ended November 30, 2019**

Month-to-Date			
Actual	Budget	\$ Budget	% Budget
755,539	745,961	9,578	1.3%
303,891,806	296,774,801	7,117,005	2.4%
293,046,697	279,471,749	(13,574,948)	-4.9%
11,035,135	12,209,263	1,174,128	9.6%
<b>(190,026)</b>	<b>5,093,789</b>	<b>(5,283,815)</b>	<b>-103.7%</b>
1,506,949	1,250,000	256,949	20.6%
<b>1,316,923</b>	<b>6,343,789</b>	<b>(5,026,866)</b>	<b>-79.2%</b>
96.4%	94.2%	-2.3%	
3.6%	4.1%	0.5%	
<u>-0.1%</u>	<u>1.7%</u>	-1.8%	
100.0%	100.0%		

Year-to-Date			
Actual	Budget	\$ Budget	% Budget
3,745,003	3,746,911	(1,908)	-0.1%
1,613,344,704	1,486,671,484	126,673,220	8.5%
1,556,088,581	1,412,664,307	(143,424,274)	-10.2%
55,649,233	64,791,847	9,142,614	14.1%
<b>1,606,890</b>	<b>9,215,330</b>	<b>(7,608,440)</b>	<b>-82.6%</b>
14,791,800	6,250,000	8,541,800	136.7%
<b>16,398,690</b>	<b>15,465,330</b>	<b>933,360</b>	<b>6.0%</b>
96.5%	95.0%	-1.4%	
3.4%	4.4%	0.9%	
<u>0.1%</u>	<u>0.6%</u>	-0.5%	
100.0%	100.0%		
3.7%	4.4%	0.7%	

\*CalOptima updated the categorization of Directed Payments per Department of Healthcare Services instructions

**CalOptima**  
**Financial Dashboard**  
**For the Five Months Ended November 30, 2019**

**MONTH - TO - DATE**

Enrollment	Actual	Budget		Fav / (Unfav)	
Medi-Cal	739,601	730,033	↑	9,568	1.3%
OneCare Connect	14,065	14,055	↑	10	0.1%
OneCare	1,498	1,503	↓	(5)	(0.3%)
PACE	375	370	↑	5	1.4%
<b>Total</b>	<b>755,539</b>	<b>745,961</b>	<b>↑</b>	<b>9,578</b>	<b>1.3%</b>

Change in Net Assets (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ (23)	\$ 6,025	↓	\$ (6,048)	(100.4%)
OneCare Connect	(569)	(1,119)	↑	550	49.2%
OneCare	-	(97)	↑	97	100.0%
PACE	403	285	↑	118	41.4%
505 Bldg.	-	-	↑	-	0.0%
Investment Income & Other	1,505	1,250	↑	255	20.4%
<b>Total</b>	<b>\$ 1,316</b>	<b>\$ 6,344</b>	<b>↓</b>	<b>\$ (5,028)</b>	<b>(79.3%)</b>

MLR	Actual	Budget		% Point Var
Medi-Cal	96.7%	94.0%	↓	(2.7)
OneCare Connect	96.0%	97.3%	↑	1.3
OneCare	91.2%	97.2%	↑	6.1

Administrative Cost (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 9,193	\$ 10,134	↑	\$ 941	9.3%
OneCare Connect	1,535	1,765	↑	230	13.0%
OneCare	139	142	↑	3	2.1%
PACE	168	169	↑	1	0.3%
<b>Total</b>	<b>\$ 11,035</b>	<b>\$ 12,209</b>	<b>↑</b>	<b>\$ 1,174</b>	<b>9.6%</b>

Total FTE's Month	Actual	Budget		Fav / (Unfav)
Medi-Cal	1,001	1,183		182
OneCare Connect	177	210		33
OneCare	10	9		(1)
PACE	71	93		21
<b>Total</b>	<b>1,260</b>	<b>1,495</b>		<b>235</b>

MM per FTE	Actual	Budget		Fav / (Unfav)
Medi-Cal	739	617		122
OneCare Connect	79	67		12
OneCare	145	162		(17)
PACE	5	4		1
<b>Total</b>	<b>969</b>	<b>850</b>		<b>119</b>

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget		Fav / (Unfav)	
Medi-Cal	3,664,829	3,666,966	↓	(2,137)	(0.1%)
OneCare Connect	70,691	70,676	↑	15	0.0%
OneCare	7,704	7,492	↑	212	2.8%
PACE	1,779	1,776	↑	3	0.2%
<b>Total</b>	<b>3,745,003</b>	<b>3,746,910</b>	<b>↓</b>	<b>(1,907)</b>	<b>(0.1%)</b>

Change in Net Assets (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 5,240	\$ 15,973	↓	\$ (10,733)	(67.2%)
OneCare Connect	(5,299)	(6,889)	↑	1,590	23.1%
OneCare	776	(607)	↑	1,383	227.8%
PACE	884	738	↑	146	19.8%
505 Bldg.	-	-	↑	-	0.0%
Investment Income & Other	14,799	6,250	↑	8,549	136.8%
<b>Total</b>	<b>\$ 16,400</b>	<b>\$ 15,465</b>	<b>↑</b>	<b>\$ 935</b>	<b>6.0%</b>

MLR	Actual	Budget		% Point Var
Medi-Cal	96.5%	94.8%	↓	(1.7)
OneCare Connect	97.9%	98.1%	↑	0.2
OneCare	83.2%	98.4%	↑	15.2

Administrative Cost (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 46,204	\$ 54,019	↑	\$ 7,815	14.5%
OneCare Connect	7,861	9,124	↑	1,263	13.8%
OneCare	705	736	↑	30	4.1%
PACE	879	913	↑	34	3.8%
<b>Total</b>	<b>\$ 55,649</b>	<b>\$ 64,792</b>	<b>↑</b>	<b>\$ 9,143</b>	<b>14.1%</b>

Total FTE's YTD	Actual	Budget		Fav / (Unfav)
Medi-Cal	4,790	5,765		975
OneCare Connect	895	1,009		113
OneCare	40	47		6
PACE	355	459		103
<b>Total</b>	<b>6,080</b>	<b>7,279</b>		<b>1,198</b>

MM per FTE	Actual	Budget		Fav / (Unfav)
Medi-Cal	765	636		129
OneCare Connect	79	70		9
OneCare	191	161		30
PACE	5	4		1
<b>Total</b>	<b>1,041</b>	<b>871</b>		<b>169</b>

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the One Month Ended November 30, 2019**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>MEMBER MONTHS</b>	755,539		745,961		9,578	
<b>REVENUE</b>						
Medi-Cal	\$ 275,263,660	\$ 372.18	\$ 268,651,866	\$ 368.00	\$ 6,611,794	\$ 4.18
OneCare Connect	23,964,600	1,703.85	23,629,470	1,681.21	335,130	22.64
OneCare	1,579,623	1,054.49	1,619,938	1,077.80	(40,315)	(23.31)
PACE	3,083,924	8,223.80	2,873,527	7,766.29	210,397	457.51
Total Operating Revenue	<u>303,891,806</u>	<u>402.22</u>	<u>296,774,801</u>	<u>397.84</u>	<u>7,117,005</u>	<u>4.38</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	266,095,225	359.78	252,492,580	345.86	(13,602,645)	(13.92)
OneCare Connect	22,998,363	1,635.15	22,983,918	1,635.28	(14,445)	0.13
OneCare	1,440,223	961.43	1,575,160	1,048.01	134,937	86.58
PACE	2,512,885	6,701.03	2,420,091	6,540.79	(92,794)	(160.24)
Total Medical Expenses	<u>293,046,697</u>	<u>387.86</u>	<u>279,471,749</u>	<u>374.65</u>	<u>(13,574,948)</u>	<u>(13.21)</u>
<b>GROSS MARGIN</b>	10,845,109	14.36	17,303,052	23.19	(6,457,943)	(8.83)
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	7,227,479	9.57	7,359,644	9.87	132,165	0.30
Professional fees	311,496	0.41	473,968	0.64	162,472	0.23
Purchased services	915,695	1.21	1,233,276	1.65	317,581	0.44
Printing & Postage	491,697	0.65	573,630	0.77	81,933	0.12
Depreciation & Amortization	332,700	0.44	457,866	0.61	125,166	0.17
Other expenses	1,421,504	1.88	1,728,179	2.32	306,675	0.44
Indirect cost allocation & Occupancy expense	334,565	0.44	382,700	0.51	48,135	0.07
Total Administrative Expenses	<u>11,035,135</u>	<u>14.61</u>	<u>12,209,263</u>	<u>16.37</u>	<u>1,174,128</u>	<u>1.76</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	(190,026)	(0.25)	5,093,789	6.83	(5,283,815)	(7.08)
<b>INVESTMENT INCOME</b>						
Interest income	2,608,596	3.45	1,250,000	1.68	1,358,596	1.77
Realized gain/(loss) on investments	130,410	0.17	-	-	130,410	0.17
Unrealized gain/(loss) on investments	(1,233,785)	(1.63)	-	-	(1,233,785)	(1.63)
Total Investment Income	<u>1,505,220</u>	<u>1.99</u>	<u>1,250,000</u>	<u>1.68</u>	<u>255,220</u>	<u>0.31</u>
<b>NET RENTAL INCOME</b>	(1)	-	-	-	(1)	-
<b>TOTAL MCO TAX</b>	-	-	-	-	-	-
<b>TOTAL GRANT INCOME</b>	1,687	-	-	-	1,687	-
<b>QAF/IGT</b>	-	-	-	-	-	-
<b>OTHER INCOME</b>	43	-	-	-	43	-
<b>CHANGE IN NET ASSETS</b>	<u>1,316,924</u>	<u>1.74</u>	<u>6,343,789</u>	<u>8.50</u>	<u>(5,026,866)</u>	<u>(6.76)</u>
<b>MEDICAL LOSS RATIO</b>	96.4%		94.2%		-2.3%	
<b>ADMINISTRATIVE LOSS RATIO</b>	3.6%		4.1%		0.5%	

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the Five Months Ended November 30, 2019**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>MEMBER MONTHS</b>	3,745,003		3,746,911		(1,908)	
<b>REVENUE</b>						
Medi-Cal	\$ 1,468,608,565	\$ 400.73	\$ 1,345,728,498	\$ 366.99	\$ 122,880,067	\$ 33.74
OneCare Connect	121,900,087	1,724.41	118,994,053	1,683.66	2,906,034	40.75
OneCare	8,836,215	1,146.96	8,138,812	1,086.33	697,403	60.63
PACE	13,999,836	7,869.50	13,810,121	7,775.97	189,715	93.53
Total Operating Revenue	<u>1,613,344,704</u>	<u>430.80</u>	<u>1,486,671,484</u>	<u>396.77</u>	<u>126,673,220</u>	<u>34.03</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	1,417,157,944	386.69	1,275,735,851	347.90	(141,422,093)	(38.79)
OneCare Connect	119,338,432	1,688.17	116,758,830	1,652.03	(2,579,602)	(36.14)
OneCare	7,354,964	954.69	8,010,346	1,069.19	655,382	114.50
PACE	12,237,241	6,878.72	12,159,280	6,846.44	(77,961)	(32.28)
Total Medical Expenses	<u>1,556,088,581</u>	<u>415.51</u>	<u>1,412,664,307</u>	<u>377.02</u>	<u>(143,424,274)</u>	<u>(38.49)</u>
<b>GROSS MARGIN</b>	57,256,123	15.29	74,007,177	19.75	(16,751,054)	(4.46)
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	36,295,141	9.69	40,577,433	10.83	4,282,292	1.14
Professional fees	1,526,472	0.41	2,346,257	0.63	819,785	0.22
Purchased services	4,727,148	1.26	6,166,380	1.65	1,439,232	0.39
Printing & Postage	1,752,399	0.47	2,836,493	0.76	1,084,094	0.29
Depreciation & Amortization	1,872,224	0.50	2,289,330	0.61	417,106	0.11
Other expenses	7,579,824	2.02	8,651,660	2.31	1,071,836	0.29
Indirect cost allocation & Occupancy expense	1,896,024	0.51	1,924,294	0.51	28,270	-
Total Administrative Expenses	<u>55,649,233</u>	<u>14.86</u>	<u>64,791,847</u>	<u>17.29</u>	<u>9,142,614</u>	<u>2.43</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	1,606,890	0.43	9,215,330	2.46	(7,608,440)	(2.03)
<b>INVESTMENT INCOME</b>						
Interest income	14,358,803	3.83	6,250,000	1.67	8,108,803	2.16
Realized gain/(loss) on investments	1,052,085	0.28	-	-	1,052,085	0.28
Unrealized gain/(loss) on investments	(612,186)	(0.16)	-	-	(612,186)	(0.16)
Total Investment Income	<u>14,798,702</u>	<u>3.95</u>	<u>6,250,000</u>	<u>1.67</u>	<u>8,548,702</u>	<u>2.28</u>
<b>NET RENTAL INCOME</b>	(0)	-	-	-	(0)	-
<b>TOTAL MCO TAX</b>	-	-	-	-	-	-
<b>TOTAL GRANT INCOME</b>	(7,079)	-	-	-	(7,079)	-
<b>QAF/IGT</b>	-	-	-	-	-	-
<b>OTHER INCOME</b>	177	-	-	-	177	-
<b>CHANGE IN NET ASSETS</b>	<u>16,398,690</u>	<u>4.38</u>	<u>15,465,330</u>	<u>4.13</u>	<u>933,360</u>	<u>0.25</u>
<b>MEDICAL LOSS RATIO</b>	96.5%		95.0%		-1.4%	
<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 November 30, 2019**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
<b>MEMBER MONTHS</b>	491,934	235,916	11,751	739,601	14,065	1,498	375	755,539
<b>REVENUES</b>								
Capitation Revenue	145,240,253	\$ 106,968,328	\$ 23,055,078	\$ 275,263,660	\$ 23,964,600	\$ 1,579,623	\$ 3,083,924	\$ 303,891,806
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>145,240,253</u>	<u>106,968,328</u>	<u>23,055,078</u>	<u>275,263,660</u>	<u>23,964,600</u>	<u>1,579,623</u>	<u>3,083,924</u>	<u>303,891,806</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	38,389,739	44,529,292	8,415,082	91,334,114	10,514,674	467,378		102,316,166
Facilities	30,356,443	23,324,620	4,758,128	58,439,191	3,844,912	405,449	629,626	63,319,178
Ancillary	-	-	-	-	561,484	62,654	-	624,138
Professional Claims	17,749,716	7,719,070	1,918,925	27,387,711	-	-	633,485	28,021,196
Prescription Drugs	14,405,454	22,082,169	5,625,863	42,113,487	5,450,006	451,124	229,342	48,243,959
MLTSS	34,355,385	2,584,913	3,206,243	40,146,541	1,260,375	20,747	40,767	41,468,430
Medical Management	1,976,560	1,199,442	248,676	3,424,679	958,486	32,872	694,054	5,110,091
Quality Incentives	829,329	462,075	141,236	1,432,639	210,620		4,688	1,647,947
Reinsurance & Other	912,450	845,219	59,194	1,816,863	197,807		280,923	2,295,593
<b>Total Medical Expenses</b>	<u>138,975,077</u>	<u>102,746,801</u>	<u>24,373,348</u>	<u>266,095,225</u>	<u>22,998,363</u>	<u>1,440,223</u>	<u>2,512,885</u>	<u>293,046,697</u>
<b>Medical Loss Ratio</b>	95.7%	96.1%	105.7%	96.7%	96.0%	91.2%	81.5%	96.4%
<b>GROSS MARGIN</b>	<b>6,265,176</b>	<b>4,221,528</b>	<b>(1,318,269)</b>	<b>9,168,435</b>	<b>966,237</b>	<b>139,399</b>	<b>571,039</b>	<b>10,845,109</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,292,660	713,908	71,598	149,313	7,227,479
Professional fees				284,410	11,963	15,000	123	311,496
Purchased services				770,655	133,133	12,289	(381)	915,695
Printing & Postage				354,374	123,566	4,163	9,594	491,697
Depreciation & Amortization				330,613			2,087	332,700
Other expenses				1,384,981	32,470	426	3,627	1,421,504
Indirect cost allocation & Occupancy				(224,635)	519,792	35,589	3,818	334,565
<b>Total Administrative Expenses</b>				<u>9,193,058</u>	<u>1,534,831</u>	<u>139,065</u>	<u>168,181</u>	<u>11,035,135</u>
<b>Admin Loss Ratio</b>				3.3%	6.4%	8.8%	5.5%	3.6%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(24,623)	(568,595)	334	402,858	(190,026)
<b>INVESTMENT INCOME</b>								1,505,220
<b>NET RENTAL INCOME</b>								(1)
<b>TOTAL MCO TAX</b>								-
<b>TOTAL GRANT INCOME</b>				1,687				1,687
<b>QAF/IGT</b>								-
<b>OTHER INCOME</b>				43				43
<b>CHANGE IN NET ASSETS</b>				<u>\$ (22,893)</u>	<u>\$ (568,595)</u>	<u>\$ 334</u>	<u>\$ 402,858</u>	<u>\$ 1,316,924</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				6,025,348	(1,118,964)	(97,337)	284,742	6,343,789
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (6,048,242)</u>	<u>\$ 550,369</u>	<u>\$ 97,671</u>	<u>\$ 118,116</u>	<u>\$ (5,026,866)</u>

**CalOptima - Consolidated - Year to Date**  
**Statement of Revenues and Expenses by LOB**  
**For the Five Months Ended November 30, 2019**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
<b>MEMBER MONTHS</b>	2,440,729	1,164,865	59,235	3,664,829	70,691	7,704	1,779	3,745,003
<b>REVENUES</b>								
Capitation Revenue	780,167,507	\$ 571,804,960	\$ 116,636,098	\$ 1,468,608,565	\$ 121,900,087	\$ 8,836,215	\$ 13,999,836	\$ 1,613,344,704
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>780,167,507</u>	<u>571,804,960</u>	<u>116,636,098</u>	<u>1,468,608,565</u>	<u>121,900,087</u>	<u>8,836,215</u>	<u>13,999,836</u>	<u>1,613,344,704</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	195,249,196	225,311,491	49,397,460	469,958,146	55,218,590	2,381,773		527,558,510
Facilities	131,385,014	109,472,492	17,560,517	258,418,023	18,549,468	1,915,924	3,482,362	282,365,776
Ancillary	-	-	-	-	3,326,021	241,105	-	3,567,125
Professional Claims	91,535,076	35,858,448	5,908,077	133,301,601	-	-	2,832,781	136,134,382
Prescription Drugs	85,284,171	107,610,817	27,691,705	220,586,693	28,321,586	2,576,275	1,120,004	252,604,557
MLTSS	174,408,991	13,621,668	9,183,658	197,214,317	6,831,795	59,993	175,073	204,281,177
Medical Management	10,702,412	5,996,453	1,291,673	17,990,538	5,116,885	179,895	3,447,824	26,735,142
Quality Incentives	4,201,852	2,345,857	707,610	7,255,319	1,022,675		22,599	8,300,593
Reinsurance & Other	64,678,933	47,594,116	160,258	112,433,307	951,413		1,156,598	114,541,318
<b>Total Medical Expenses</b>	<u>757,445,645</u>	<u>547,811,341</u>	<u>111,900,959</u>	<u>1,417,157,944</u>	<u>119,338,432</u>	<u>7,354,964</u>	<u>12,237,241</u>	<u>1,556,088,581</u>
<b>Medical Loss Ratio</b>	97.1%	95.8%	95.9%	96.5%	97.9%	83.2%	87.4%	96.5%
<b>GROSS MARGIN</b>	<b>22,721,862</b>	<b>23,993,620</b>	<b>4,735,139</b>	<b>51,450,621</b>	<b>2,561,655</b>	<b>1,481,251</b>	<b>1,762,596</b>	<b>57,256,123</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				31,741,856	3,543,407	298,821	711,058	36,295,141
Professional fees				966,602	444,486	114,371	1,013	1,526,472
Purchased services				3,760,561	841,999	78,805	45,784	4,727,148
Printing & Postage				1,380,274	297,270	20,651	54,204	1,752,399
Depreciation & Amortization				1,861,769			10,455	1,872,224
Other expenses				7,483,525	76,207	1,427	18,666	7,579,824
Indirect cost allocation & Occupancy				(990,404)	2,657,716	191,216	37,496	1,896,024
<b>Total Administrative Expenses</b>				<u>46,204,182</u>	<u>7,861,086</u>	<u>705,291</u>	<u>878,674</u>	<u>55,649,233</u>
<b>Admin Loss Ratio</b>				3.1%	6.4%	8.0%	6.3%	3.4%
<b>INCOME (LOSS) FROM OPERATIONS</b>				5,246,439	(5,299,431)	775,960	883,921	1,606,890
<b>INVESTMENT INCOME</b>								14,798,702
<b>NET RENTAL INCOME</b>								(0)
<b>TOTAL MCO TAX</b>								-
<b>TOTAL GRANT INCOME</b>				(7,079)				(7,079)
<b>QAF/IGT</b>								-
<b>OTHER INCOME</b>				177				177
<b>CHANGE IN NET ASSETS</b>				<u>\$ 5,239,538</u>	<u>\$ (5,299,431)</u>	<u>\$ 775,960</u>	<u>\$ 883,921</u>	<u>\$ 16,398,690</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				15,973,419	(6,888,554)	(607,203)	737,668	15,465,330
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (10,733,881)</u>	<u>\$ 1,589,123</u>	<u>\$ 1,383,163</u>	<u>\$ 146,253</u>	<u>\$ 933,360</u>

## November 30, 2019 Unaudited Financial Statements

### SUMMARY

#### MONTHLY RESULTS:

- Change in Net Assets is \$1.3 million, \$5.0 million unfavorable to budget
- Operating deficit is \$0.2 million, with a surplus in non-operating income of \$1.5 million

#### YEAR TO DATE RESULTS:

- Change in Net Assets is \$16.4 million, \$0.9 million favorable to budget
- Operating surplus is \$1.6 million, with a surplus in non-operating income of \$14.8 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>
(0.0)	6.0	(6.0)	Medi-Cal	5.2	16.0	(10.7)
(0.6)	(1.1)	0.6	OCC	(5.3)	(6.9)	1.6
0.0	(0.1)	0.1	OneCare	0.8	(0.6)	1.4
<u>0.4</u>	<u>0.3</u>	<u>0.1</u>	<u>PACE</u>	<u>0.9</u>	<u>0.7</u>	<u>0.1</u>
<b>(0.2)</b>	<b>5.1</b>	<b>(5.3)</b>	<b>Operating</b>	<b>1.6</b>	<b>9.2</b>	<b>(7.6)</b>
<u>1.5</u>	<u>1.3</u>	<u>0.3</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>14.8</u>	<u>6.3</u>	<u>8.5</u>
<b>1.5</b>	<b>1.3</b>	<b>0.3</b>	<b>Non-Operating</b>	<b>14.8</b>	<b>6.3</b>	<b>8.5</b>
<b>1.3</b>	<b>6.3</b>	<b>(5.0)</b>	<b>TOTAL</b>	<b>16.4</b>	<b>15.5</b>	<b>0.9</b>

**CalOptima - Consolidated  
Enrollment Summary  
For the Five Months Ended November 30, 2019**

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
66,470	65,714	756	1.2%	Aged	327,902	327,256	646	0.2%
545	615	(70)	(11.4%)	BCCTP	2,727	3,075	(348)	(11.3%)
45,542	43,726	1,816	4.2%	Disabled	224,258	218,980	5,278	2.4%
287,130	282,069	5,061	1.8%	TANF Child	1,429,118	1,424,158	4,960	0.3%
88,675	86,171	2,504	2.9%	TANF Adult	439,438	435,687	3,751	0.9%
3,572	3,404	168	4.9%	LTC	17,286	17,020	266	1.6%
235,916	235,394	522	0.2%	MCE	1,164,865	1,176,090	(11,225)	(1.0%)
11,751	12,940	(1,189)	(9.2%)	WCM	59,235	64,700	(5,465)	(8.4%)
<b>739,601</b>	<b>730,033</b>	<b>9,568</b>	<b>1.3%</b>	<b>Medi-Cal</b>	<b>3,664,829</b>	<b>3,666,966</b>	<b>(2,137)</b>	<b>(0.1%)</b>
<b>14,065</b>	<b>14,055</b>	<b>10</b>	<b>0.1%</b>	<b>OneCare Connect</b>	<b>70,691</b>	<b>70,677</b>	<b>14</b>	<b>0.0%</b>
<b>1,498</b>	<b>1,503</b>	<b>(5)</b>	<b>(0.3%)</b>	<b>OneCare</b>	<b>7,704</b>	<b>7,492</b>	<b>212</b>	<b>2.8%</b>
<b>375</b>	<b>370</b>	<b>5</b>	<b>1.4%</b>	<b>PACE</b>	<b>1,779</b>	<b>1,776</b>	<b>3</b>	<b>0.2%</b>
<b>755,539</b>	<b>745,961</b>	<b>9,578</b>	<b>1.3%</b>	<b>CalOptima Total</b>	<b>3,745,003</b>	<b>3,746,911</b>	<b>(1,908)</b>	<b>(0.1%)</b>

Enrollment (By Network)								
160,633	161,983	(1,350)	(0.8%)	HMO	809,616	813,433	(3,817)	(0.5%)
207,353	208,741	(1,388)	(0.7%)	PHC	1,044,548	1,050,889	(6,341)	(0.6%)
178,041	187,009	(8,968)	(4.8%)	Shared Risk Group	915,010	939,786	(24,776)	(2.6%)
193,574	172,300	21,274	12.3%	Fee for Service	895,655	862,858	32,797	3.8%
<b>739,601</b>	<b>730,033</b>	<b>9,568</b>	<b>1.3%</b>	<b>Medi-Cal</b>	<b>3,664,829</b>	<b>3,666,966</b>	<b>(2,137)</b>	<b>(0.1%)</b>
<b>14,065</b>	<b>14,055</b>	<b>10</b>	<b>0.1%</b>	<b>OneCare Connect</b>	<b>70,691</b>	<b>70,677</b>	<b>14</b>	<b>0.0%</b>
<b>1,498</b>	<b>1,503</b>	<b>(5)</b>	<b>(0.3%)</b>	<b>OneCare</b>	<b>7,704</b>	<b>7,492</b>	<b>212</b>	<b>2.8%</b>
<b>375</b>	<b>370</b>	<b>5</b>	<b>1.4%</b>	<b>PACE</b>	<b>1,779</b>	<b>1,776</b>	<b>3</b>	<b>0.2%</b>
<b>755,539</b>	<b>745,961</b>	<b>9,578</b>	<b>1.3%</b>	<b>CalOptima Total</b>	<b>3,745,003</b>	<b>3,746,911</b>	<b>(1,908)</b>	<b>(0.1%)</b>

CalOptima - Consolidated  
Enrollment Trend by Network Type  
Fiscal Year 2020

Network Type	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	MIMs
<b>HMO</b>													
Aged	3,723	3,740	3,754	3,821	3,827								18,865
BCCTP	1	1	2	2	1								7
Disabled	6,539	6,547	6,572	6,613	6,633								32,904
TANF Child	54,046	53,703	52,620	53,069	52,791								266,229
TANF Adult	27,944	27,740	27,446	27,279	27,012								137,421
LTC	2	1	3	3	2								11
MCE	68,973	69,077	68,729	68,881	68,361								344,021
WCM	2,026	2,087	2,052	1,987	2,006								10,158
	<b>163,254</b>	<b>162,896</b>	<b>161,178</b>	<b>161,655</b>	<b>160,633</b>								<b>809,616</b>
<b>PHC</b>													
Aged	1,548	1,540	1,524	1,542	1,577								7,731
BCCTP	-	-	-	-	-								-
Disabled	5,416	5,499	5,323	5,425	5,500								27,163
TANF Child	148,665	148,131	143,994	146,390	145,734								732,914
TANF Adult	11,149	11,322	10,925	10,865	10,743								55,004
LTC	-	-	1	-	1								2
MCE	37,510	37,479	37,084	37,037	36,728								185,838
WCM	7,209	7,276	7,190	7,151	7,070								35,896
	<b>211,497</b>	<b>211,247</b>	<b>206,041</b>	<b>208,410</b>	<b>207,353</b>								<b>1,044,548</b>
<b>Shared Risk Group</b>													
Aged	3,569	3,523	3,470	3,501	3,527								17,590
BCCTP	-	-	-	-	-								-
Disabled	7,275	7,294	7,144	7,177	7,200								36,090
TANF Child	63,291	62,381	57,001	59,579	58,690								300,942
TANF Adult	28,681	28,390	27,842	27,428	26,946								139,287
LTC	1	3	3	2	1								10
MCE	84,595	83,922	82,492	81,749	80,096								412,854
WCM	1,732	1,706	1,620	1,598	1,581								8,237
	<b>189,144</b>	<b>187,219</b>	<b>179,572</b>	<b>181,034</b>	<b>178,041</b>								<b>915,010</b>
<b>Fee for Service (Dual)</b>													
Aged	51,730	52,454	52,097	52,050	52,649								260,980
BCCTP	15	18	17	18	19								87
Disabled	20,752	20,053	20,586	20,577	20,781								102,749
TANF Child	-	19	1	1	1								22
TANF Adult	964	1,923	949	941	963								5,740
LTC	3,044	3,097	3,061	3,161	3,204								15,567
MCE	2,116	2,171	1,935	1,717	1,737								9,676
WCM	15	15	15	16	15								76
	<b>78,636</b>	<b>79,750</b>	<b>78,661</b>	<b>78,481</b>	<b>79,369</b>								<b>394,897</b>
<b>Fee for Service (Non-Dual)</b>													
Aged	4,682	4,211	4,370	4,583	4,890								22,736
BCCTP	550	542	484	532	525								2,633
Disabled	4,928	5,692	4,374	4,930	5,428								25,352
TANF Child	25,571	32,106	16,125	25,295	29,914								129,011
TANF Adult	19,658	19,951	19,512	19,854	23,011								101,986
LTC	328	326	331	347	364								1,696
MCE	40,680	41,152	40,342	41,308	48,994								212,476
WCM	843	960	978	1,008	1,079								4,868
	<b>97,240</b>	<b>104,940</b>	<b>86,516</b>	<b>97,857</b>	<b>114,205</b>								<b>500,758</b>
<b>MEDI-CAL TOTAL</b>													
Aged	65,252	65,468	65,215	65,497	66,470								327,902
BCCTP	566	561	503	552	545								2,727
Disabled	44,910	45,085	43,999	44,722	45,542								224,258
TANF Child	291,573	296,340	269,741	284,334	287,130								1,429,118
TANF Adult	88,396	89,326	86,674	86,367	88,675								439,438
LTC	3,375	3,427	3,399	3,513	3,572								17,286
MCE	233,874	233,801	230,582	230,692	235,916								1,164,865
WCM	11,825	12,044	11,855	11,760	11,751								59,235
	<b>739,771</b>	<b>746,052</b>	<b>711,968</b>	<b>727,437</b>	<b>739,601</b>								<b>3,664,829</b>
<b>OneCare Connect</b>													
	14,257	14,090	14,186	14,093	14,065								70,691
<b>OneCare</b>													
	1,530	1,545	1,564	1,567	1,498								7,704
<b>PACE</b>													
	335	345	356	368	375								1,779
<b>TOTAL</b>	<b>755,893</b>	<b>762,032</b>	<b>728,074</b>	<b>743,465</b>	<b>755,539</b>								<b>3,745,003</b>

## **ENROLLMENT:**

**Overall** November enrollment was 755,539

- Favorable to budget 9,578 or 1.3%
- Increased 12,074 or 1.6% from prior month (PM) (October 2019)
- Decreased 13,677 or 1.8% from PY (November 2018)

**Medi-Cal** enrollment was 739,601

- Favorable to budget 9,568 or 1.3%
  - Medi-Cal Expansion (MCE) favorable 522
  - Whole Child Model (WCM) unfavorable 1,189
  - Seniors and Persons with Disabilities (SPD) favorable 2,502
  - Temporary Assistance for Needy Families (TANF) favorable 7,565
  - Long-Term Care (LTC) favorable 168
- Increased 12,164 from prior month

**OneCare Connect** enrollment was 14,065

- Favorable to budget 10 or 0.1%
- Decreased 28 from prior month

**OneCare** enrollment was 1,498

- Unfavorable to budget 5 or 0.3%
- Decreased 69 from prior month

**PACE** enrollment was 375

- Favorable to budget 5 or 1.4%
- Increased 7 from prior month

**CalOptima  
Medi-Cal Total  
Statement of Revenues and Expenses  
For the Five Months Ending November 30, 2019**

Month				Year to Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
739,601	730,033	9,568	1.3%	<b>Member Months</b>			
<b>Revenues</b>				3,664,829	3,666,966	(2,137)	(0.1%)
275,263,660	268,651,866	6,611,794	2.5%	<b>Revenues</b>			
-	-	-	0.0%	1,468,608,565	1,345,728,498	122,880,067	9.1%
<u>275,263,660</u>	<u>268,651,866</u>	<u>6,611,794</u>	<u>2.5%</u>	-	-	-	0.0%
<b>Medical Expenses</b>				<u>1,468,608,565</u>	<u>1,345,728,498</u>	<u>122,880,067</u>	<u>9.1%</u>
92,766,753	94,927,115	2,160,361	2.3%	<b>Total Operating Revenue</b>			
58,439,191	47,667,099	(10,772,093)	(22.6%)	1,468,608,565	1,345,728,498	122,880,067	9.1%
27,387,711	22,733,178	(4,654,533)	(20.5%)	<b>Medical Expenses</b>			
42,113,487	43,266,430	1,152,943	2.7%	477,213,466	476,084,874	(1,128,592)	(0.2%)
40,146,541	36,414,898	(3,731,643)	(10.2%)	258,418,023	241,100,048	(17,317,975)	(7.2%)
3,424,679	4,293,719	869,040	20.2%	133,301,601	115,250,905	(18,050,696)	(15.7%)
1,816,863	3,190,143	1,373,280	43.0%	220,586,693	219,775,465	(811,229)	(0.4%)
<u>266,095,225</u>	<u>252,492,580</u>	<u>(13,602,645)</u>	<u>(5.4%)</u>	197,214,317	185,164,764	(12,049,553)	(6.5%)
<b>Gross Margin</b>				17,990,538	22,386,012	4,395,474	19.6%
9,168,435	16,159,286	(6,990,851)	(43.3%)	112,433,307	15,973,785	(96,459,523)	(603.9%)
<b>Administrative Expenses</b>				<u>1,417,157,944</u>	<u>1,275,735,851</u>	<u>(141,422,093)</u>	<u>(11.1%)</u>
6,292,660	6,428,139	135,479	2.1%	<b>Total Medical Expenses</b>			
284,410	374,539	90,129	24.1%	477,213,466	476,084,874	(1,128,592)	(0.2%)
770,655	954,253	183,598	19.2%	258,418,023	241,100,048	(17,317,975)	(7.2%)
354,374	450,570	96,196	21.3%	133,301,601	115,250,905	(18,050,696)	(15.7%)
330,613	455,750	125,137	27.5%	220,586,693	219,775,465	(811,229)	(0.4%)
1,384,981	1,647,417	262,436	15.9%	197,214,317	185,164,764	(12,049,553)	(6.5%)
(224,635)	(176,730)	47,905	27.1%	Medical management	17,990,538	22,386,012	4,395,474
<u>9,193,058</u>	<u>10,133,938</u>	<u>940,880</u>	<u>9.3%</u>	Reinsurance & other	112,433,307	15,973,785	(96,459,523)
<b>Operating Tax</b>				<u>1,417,157,944</u>	<u>1,275,735,851</u>	<u>(141,422,093)</u>	<u>(11.1%)</u>
-	11,256,041	(11,256,041)	(100.0%)	<b>Total Administrative Expenses</b>			
-	11,256,041	11,256,041	100.0%	31,741,856	35,523,464	3,781,608	10.6%
-	-	-	0.0%	Professional fees	966,602	1,849,112	882,510
-	-	-	<b>0.0%</b>	Purchased services	3,760,561	4,771,266	1,010,705
<b>Grant Income</b>				1,380,274	2,221,192	840,918	37.9%
13,217	-	13,217	0.0%	Depreciation and amortization	1,861,769	2,278,750	416,981
(2,763)	-	2,763	0.0%	Other operating expenses	7,483,525	8,247,850	764,325
14,293	-	(14,293)	0.0%	Indirect cost allocation, Occupancy Expense	(990,404)	(872,406)	117,998
1,687	-	1,687	<b>0.0%</b>	<b>Total Administrative Expenses</b>	<u>46,204,182</u>	<u>54,019,228</u>	<u>7,815,046</u>
<b>QAF and IGT - Net</b>				<u>46,204,182</u>	<u>54,019,228</u>	<u>7,815,046</u>	<u>14.5%</u>
-	-	-	<b>0.0%</b>	<b>Operating Tax</b>			
43	-	43	<b>0.0%</b>	Tax Revenue	-	56,534,741	(56,534,741)
<u>(22,893)</u>	<u>6,025,348</u>	<u>(6,048,242)</u>	<u>(100.4%)</u>	Premium tax expense	-	56,534,741	56,534,741
<b>Medical Loss Ratio</b>				56,534,741	(56,534,741)	(100.0%)	(1.8%)
96.7%	94.0%	(2.7%)	(2.9%)	Sales tax expense	-	-	0.0%
3.3%	3.8%	0.4%	11.5%	<b>Total Net Operating Tax</b>	-	-	<b>0.0%</b>
<b>Admin Loss Ratio</b>				56,534,741	56,534,741	100.0%	21.6%
<b>Change in Net Assets</b>				56,534,741	56,534,741	100.0%	0.9%

## **MEDI-CAL INCOME STATEMENT - NOVEMBER MONTH:**

**REVENUES** of \$275.3 million are favorable to budget \$6.6 million driven by:

- Favorable volume related variance of \$3.5 million
- Favorable price related variance of \$3.1 million due to:
  - \$3.0 million of fiscal year (FY) 2020 Department of Health Care Services (DHCS) year to date (YTD) acuity rate adjustment
  - \$2.8 million of FY 2020 LTC revenue from non-LTC members
  - Offset by \$3.3 million of WCM revenue

**MEDICAL EXPENSES** of \$266.1 million are unfavorable to budget \$13.6 million driven by:

- Unfavorable volume related variance of \$3.3 million
- Unfavorable price variance of \$10.3 million due to:
  - **Facilities** unfavorable variance of \$10.1 million due to claims Incurred But Not Reported (IBNR)

**ADMINISTRATIVE EXPENSES** of \$9.2 million are favorable to budget \$0.9 million driven by:

- Salaries & Benefit expenses are favorable to budget \$0.1 million due
- Other Non-Salary expenses are favorable to budget \$0.8 million

**CHANGE IN NET ASSETS is** (\$22.9) thousand for the month, unfavorable to budget \$6.0 million



**CalOptima**  
**OneCare Connect Total**  
**Statement of Revenue and Expenses**  
**For the Five Months Ending November 30, 2019**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
14,065	14,055	10	0.1%	<b>Member Months</b>	70,691	70,677	14	0.0%
				Revenues				
2,543,688	2,768,973	(225,285)	(8.1%)	Medi-Cal Capitation revenue	12,153,113	13,962,613	(1,809,500)	(13.0%)
16,749,713	16,090,866	658,847	4.1%	Medicare Capitation revenue part C	84,009,061	81,093,720	2,915,341	3.6%
4,671,199	4,769,631	(98,432)	(2.1%)	Medicare Capitation revenue part D	25,737,913	23,937,720	1,800,193	7.5%
-	-	-	0.0%	Other Income	-	-	-	0.0%
<b>23,964,600</b>	<b>23,629,470</b>	<b>335,130</b>	<b>1.4%</b>	<b>Total Operating Revenue</b>	<b>121,900,087</b>	<b>118,994,053</b>	<b>2,906,034</b>	<b>2.4%</b>
				Medical Expenses				
10,725,294	10,811,618	86,324	0.8%	Provider capitation	56,241,265	54,589,720	(1,651,545)	(3.0%)
3,844,912	3,445,739	(399,173)	(11.6%)	Facilities	18,549,468	17,425,377	(1,124,091)	(6.5%)
561,484	669,924	108,440	16.2%	Ancillary	3,326,021	3,396,184	70,163	2.1%
1,260,375	1,513,586	253,211	16.7%	Long Term Care	6,831,795	7,776,769	944,974	12.2%
5,450,006	5,285,886	(164,120)	(3.1%)	Prescription drugs	28,321,586	26,989,211	(1,332,375)	(4.9%)
958,486	1,038,520	80,034	7.7%	Medical management	5,116,885	5,496,328	379,443	6.9%
197,807	218,645	20,838	9.5%	Other medical expenses	951,413	1,085,241	133,828	12.3%
<b>22,998,363</b>	<b>22,983,918</b>	<b>(14,445)</b>	<b>(0.1%)</b>	<b>Total Medical Expenses</b>	<b>119,338,432</b>	<b>116,758,830</b>	<b>(2,579,602)</b>	<b>(2.2%)</b>
<b>966,237</b>	<b>645,552</b>	<b>320,685</b>	<b>49.7%</b>	<b>Gross Margin</b>	<b>2,561,655</b>	<b>2,235,223</b>	<b>326,432</b>	<b>14.6%</b>
				Administrative Expenses				
713,908	756,191	42,283	5.6%	Salaries, wages & employee benefits	3,543,407	4,082,151	538,744	13.2%
11,963	77,796	65,834	84.6%	Professional fees	444,486	388,980	(55,506)	(14.3%)
133,133	242,989	109,856	45.2%	Purchased services	841,999	1,214,944	372,945	30.7%
123,566	95,860	(27,706)	(28.9%)	Printing and postage	297,270	479,301	182,031	38.0%
-	-	-	0.0%	Depreciation & amortization	-	-	-	0.0%
32,470	71,888	39,418	54.8%	Other operating expenses	76,207	359,441	283,234	78.8%
519,792	519,792	-	0.0%	Indirect cost allocation	2,657,716	2,598,960	(58,756)	(2.3%)
<b>1,534,831</b>	<b>1,764,516</b>	<b>229,685</b>	<b>13.0%</b>	<b>Total Administrative Expenses</b>	<b>7,861,086</b>	<b>9,123,777</b>	<b>1,262,691</b>	<b>13.8%</b>
				Operating Tax				
-	-	-	0.0%	Tax Revenue	-	-	-	0.0%
-	-	-	0.0%	Premium tax expense	-	-	-	0.0%
-	-	-	0.0%	Sales tax expense	-	-	-	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>(568,595)</b>	<b>(1,118,964)</b>	<b>550,369</b>	<b>49.2%</b>	<b>Change in Net Assets</b>	<b>(5,299,431)</b>	<b>(6,888,554)</b>	<b>1,589,123</b>	<b>23.1%</b>
<b>96.0%</b>	<b>97.3%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>Medical Loss Ratio</b>	<b>97.9%</b>	<b>98.1%</b>	<b>0.2%</b>	<b>0.2%</b>
<b>6.4%</b>	<b>7.5%</b>	<b>1.1%</b>	<b>14.2%</b>	<b>Admin Loss Ratio</b>	<b>6.4%</b>	<b>7.7%</b>	<b>1.2%</b>	<b>15.9%</b>

**ONECARE CONNECT INCOME STATEMENT - NOVEMBER MONTH:**

**REVENUES** of \$24.0 million are favorable to budget \$0.3 million driven by:

- Favorable volume related variance of \$16.8 thousand
- Favorable price related variance of \$318.3 thousand

**MEDICAL EXPENSES** of \$23.0 million are unfavorable to budget \$14.4 thousand

- Unfavorable volume related variance of \$16.3 thousand
- Favorable price related variance of \$1.9 thousand

**ADMINISTRATIVE EXPENSES** of \$1.5 million are favorable to budget \$0.2 million

**CHANGE IN NET ASSETS** is (\$0.6) million, favorable to budget \$0.5 million

**CalOptima  
OneCare  
Statement of Revenues and Expenses  
For the Five Months Ending November 30, 2019**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
<b>1,498</b>	<b>1,503</b>	<b>(5)</b>	<b>(0.3%)</b>	<b>Member Months</b>	<b>7,704</b>	<b>7,492</b>	<b>212</b>	<b>2.8%</b>
				<b>Revenues</b>				
1,042,132	1,100,609	(58,477)	(5.3%)	Medicare Part C revenue	6,078,685	5,550,466	528,219	9.5%
537,491	519,329	18,162	3.5%	Medicare Part D revenue	2,757,530	2,588,346	169,184	6.5%
<b>1,579,623</b>	<b>1,619,938</b>	<b>(40,315)</b>	<b>(2.5%)</b>	<b>Total Operating Revenue</b>	<b>8,836,215</b>	<b>8,138,812</b>	<b>697,403</b>	<b>8.6%</b>
				<b>Medical Expenses</b>				
467,378	436,278	(31,100)	(7.1%)	Provider capitation	2,381,773	2,199,532	(182,241)	(8.3%)
405,449	495,413	89,964	18.2%	Inpatient	1,915,924	2,519,577	603,653	24.0%
62,654	54,149	(8,505)	(15.7%)	Ancillary	241,105	275,210	34,105	12.4%
20,747	44,466	23,719	53.3%	Skilled nursing facilities	59,993	226,078	166,085	73.5%
451,124	489,188	38,064	7.8%	Prescription drugs	2,576,275	2,496,114	(80,161)	(3.2%)
32,872	44,818	11,946	26.7%	Medical management	179,895	239,762	59,867	25.0%
-	10,848	10,848	100.0%	Other medical expenses	-	54,073	54,073	100.0%
<b>1,440,223</b>	<b>1,575,160</b>	<b>134,937</b>	<b>8.6%</b>	<b>Total Medical Expenses</b>	<b>7,354,964</b>	<b>8,010,346</b>	<b>655,382</b>	<b>8.2%</b>
<b>139,399</b>	<b>44,778</b>	<b>94,621</b>	<b>211.3%</b>	<b>Gross Margin</b>	<b>1,481,251</b>	<b>128,466</b>	<b>1,352,785</b>	<b>1053.0%</b>
				<b>Administrative Expenses</b>				
71,598	46,578	(25,020)	(53.7%)	Salaries, wages & employee benefits	298,821	257,984	(40,837)	(15.8%)
15,000	21,480	6,480	30.2%	Professional fees	114,371	107,400	(6,971)	(6.5%)
12,289	17,063	4,774	28.0%	Purchased services	78,805	85,315	6,510	7.6%
4,163	16,667	12,504	75.0%	Printing and postage	20,651	83,335	62,684	75.2%
426	4,738	4,312	91.0%	Other operating expenses	1,427	23,690	22,263	94.0%
35,589	35,589	-	0.0%	Indirect cost allocation, occupancy expense	191,216	177,945	(13,271)	(7.5%)
<b>139,065</b>	<b>142,115</b>	<b>3,050</b>	<b>2.1%</b>	<b>Total Administrative Expenses</b>	<b>705,291</b>	<b>735,669</b>	<b>30,378</b>	<b>4.1%</b>
<b>334</b>	<b>(97,337)</b>	<b>97,671</b>	<b>100.3%</b>	<b>Change in Net Assets</b>	<b>775,960</b>	<b>(607,203)</b>	<b>1,383,163</b>	<b>227.8%</b>
<b>91.2%</b>	<b>97.2%</b>	<b>6.1%</b>	<b>6.2%</b>	<b>Medical Loss Ratio</b>	<b>83.2%</b>	<b>98.4%</b>	<b>15.2%</b>	<b>15.4%</b>
<b>8.8%</b>	<b>8.8%</b>	<b>(0.0%)</b>	<b>(0.4%)</b>	<b>Admin Loss Ratio</b>	<b>8.0%</b>	<b>9.0%</b>	<b>1.1%</b>	<b>11.7%</b>

**CalOptima  
PACE  
Statement of Revenues and Expenses  
For the Five Months Ending November 30, 2019**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
375	370	5	1.4%	<b>Member Months</b>	1,779	1,776	3	0.2%
				<b>Revenues</b>				
2,315,569	2,223,841	91,728	4.1%	Medi-Cal capitation revenue	11,032,648	10,677,098	355,550	3.3%
560,023	513,052	46,971	9.2%	Medicare Part C revenue	2,325,826	2,477,729	(151,903)	(6.1%)
208,332	136,634	71,698	52.5%	Medicare Part D revenue	641,363	655,294	(13,931)	(2.1%)
<b>3,083,924</b>	<b>2,873,527</b>	<b>210,397</b>	<b>7.3%</b>	<b>Total Operating Revenue</b>	<b>13,999,836</b>	<b>13,810,121</b>	<b>189,715</b>	<b>1.4%</b>
				<b>Medical Expenses</b>				
694,054	815,891	121,837	14.9%	Medical Management	3,447,824	4,361,058	913,234	20.9%
629,626	532,006	(97,620)	(18.3%)	Claims payments to hospitals	3,482,362	2,594,740	(887,622)	(34.2%)
633,485	582,939	(50,546)	(8.7%)	Professional claims	2,832,781	2,847,145	14,364	0.5%
280,923	234,239	(46,684)	(19.9%)	Patient transportation	1,156,598	1,128,076	(28,522)	(2.5%)
229,342	221,844	(7,498)	(3.4%)	Prescription drugs	1,120,004	1,082,076	(37,928)	(3.5%)
40,767	26,505	(14,262)	(53.8%)	MLTSS	175,073	112,851	(62,222)	(55.1%)
4,688	6,667	1,980	29.7%	Other Expenses	22,599	33,334	10,735	32.2%
<b>2,512,885</b>	<b>2,420,091</b>	<b>(92,794)</b>	<b>(3.8%)</b>	<b>Total Medical Expenses</b>	<b>12,237,241</b>	<b>12,159,280</b>	<b>(77,961)</b>	<b>(0.6%)</b>
<b>571,039</b>	<b>453,436</b>	<b>117,603</b>	<b>25.9%</b>	<b>Gross Margin</b>	<b>1,762,596</b>	<b>1,650,841</b>	<b>111,755</b>	<b>6.8%</b>
				<b>Administrative Expenses</b>				
149,313	128,736	(20,577)	(16.0%)	Salaries, wages & employee benefits	711,058	713,834	2,776	0.4%
123	153	30	19.4%	Professional fees	1,013	765	(248)	(32.4%)
(381)	18,971	19,352	102.0%	Purchased services	45,784	94,855	49,071	51.7%
9,594	10,533	939	8.9%	Printing and postage	54,204	52,665	(1,539)	(2.9%)
2,087	2,116	29	1.4%	Depreciation & amortization	10,455	10,580	125	1.2%
3,627	4,136	509	12.3%	Other operating expenses	18,666	20,679	2,013	9.7%
3,818	4,049	231	5.7%	Indirect cost allocation, Occupancy Expense	37,496	19,795	(17,701)	(89.4%)
<b>168,181</b>	<b>168,694</b>	<b>513</b>	<b>0.3%</b>	<b>Total Administrative Expenses</b>	<b>878,674</b>	<b>913,173</b>	<b>34,499</b>	<b>3.8%</b>
				<b>Operating Tax</b>				
5,565	-	5,565	0.0%	Tax Revenue	26,400	-	26,400	0.0%
5,565	-	(5,565)	0.0%	Premium tax expense	26,400	-	(26,400)	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>402,858</b>	<b>284,742</b>	<b>118,116</b>	<b>41.5%</b>	<b>Change in Net Assets</b>	<b>883,921</b>	<b>737,668</b>	<b>146,253</b>	<b>19.8%</b>
<i>81.5%</i>	<i>84.2%</i>	<i>2.7%</i>	<i>3.2%</i>	<i>Medical Loss Ratio</i>	<i>87.4%</i>	<i>88.0%</i>	<i>0.6%</i>	<i>0.7%</i>
<i>5.5%</i>	<i>5.9%</i>	<i>0.4%</i>	<i>7.1%</i>	<i>Admin Loss Ratio</i>	<i>6.3%</i>	<i>6.6%</i>	<i>0.3%</i>	<i>5.1%</i>

**CalOptima**  
**BUILDING 505 - CITY PARKWAY**  
**Statement of Revenues and Expenses**  
**For the Five Months Ending November 30, 2019**

Month				Year to Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
<b>Revenues</b>							
-	-	-	0.0%	-	-	-	0.0%
-	-	-	<b>0.0%</b>	-	-	-	<b>0.0%</b>
<b>Administrative Expenses</b>							
42,304	23,101	(19,203)	(83.1%)	239,733	115,505	(124,228)	(107.6%)
164,494	174,725	10,231	5.9%	822,469	873,625	51,156	5.9%
17,476	15,866	(1,610)	(10.2%)	87,382	79,330	(8,052)	(10.2%)
109,456	140,162	30,706	21.9%	551,736	700,810	149,074	21.3%
17,812	46,432	28,620	61.6%	264,597	232,160	(32,437)	(14.0%)
(351,541)	(400,286)	(48,745)	(12.2%)	(1,965,917)	(2,001,430)	(35,513)	(1.8%)
<b>1</b>	<b>-</b>	<b>(1)</b>	<b>0.0%</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>0.0%</b>
<b>(1)</b>	<b>-</b>	<b>(1)</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 - NOVEMBER MONTH:**

**ONECARE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is \$334, favorable to budget \$97.7 thousand

**PACE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is \$0.4 million, favorable to budget \$0.1 million

**CalOptima**  
**Balance Sheet**  
**November 30, 2019**

**ASSETS**

Current Assets	
Operating Cash	\$516,875,446
Investments	480,312,226
Capitation receivable	291,253,021
Receivables - Other	28,231,556
Prepaid expenses	5,962,576
<b>Total Current Assets</b>	<b><u>1,322,634,825</u></b>

Capital Assets	
Furniture & Equipment	37,086,365
Building/Leasehold Improvements	10,376,533
505 City Parkway West	<u>50,489,717</u>
	97,952,615
Less: accumulated depreciation	<u>(49,431,106)</u>
Capital assets, net	<u>48,521,509</u>

Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	58,198,913
Board-designated assets:	
Cash and Cash Equivalents	5,636,128
Long-term Investments	<u>560,210,171</u>
Total Board-designated Assets	<u>565,846,299</u>
<b>Total Other Assets</b>	<b><u>624,345,212</u></b>

**TOTAL ASSETS** **1,995,501,545**

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** **2,006,591,994**

**LIABILITIES & NET POSITION**

Current Liabilities	
Accounts Payable	\$5,671,058
Medical Claims liability	762,212,657
Accrued Payroll Liabilities	10,671,064
Deferred Revenue	61,175,372
Deferred Lease Obligations	12,718
Capitation and Withholds	158,544,500
<b>Total Current Liabilities</b>	<b><u>998,287,369</u></b>

Other (than pensions) post employment benefits liability	25,334,747
Net Pension Liabilities	23,621,483
Bldg 505 Development Rights	-

**TOTAL LIABILITIES** **1,047,243,600**

Deferred Inflows	
Excess Earnings	156,330
Change in Assumptions	4,747,505
OPEB Changes in Assumptions	2,503,000

Net Position	
TNE	93,903,325
Funds in Excess of TNE	<u>858,038,235</u>

**TOTAL NET POSITION** **951,941,560**

**TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION** **2,006,591,994**

**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of November 30, 2019**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	155,127,701				
	Tier 1 - Logan Circle	153,938,061				
	Tier 1 - Wells Capital	154,353,406				
<b>Board-designated Reserve</b>						
		463,419,168	313,333,389	487,863,410	150,085,779	(24,444,242)
TNE Requirement	Tier 2 - Logan Circle	102,427,130	93,903,325	93,903,325	8,523,806	8,523,806
	<b>Consolidated:</b>	<b>565,846,298</b>	<b>407,236,714</b>	<b>581,766,734</b>	<b>158,609,584</b>	<b>(15,920,436)</b>
	<i>Current reserve level</i>	<i>1.95</i>	<i>1.40</i>	<i>2.00</i>		



**CalOptima**  
**Statement of Cash Flows**  
**as of November 30, 2019**

	<u>Month Ended</u>	<u>Year-To-Date</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	1,316,924	16,398,690
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	497,193	2,694,693
Changes in assets and liabilities:		
Prepaid expenses and other	(689,689)	(174,834)
Catastrophic reserves		
Capitation receivable	10,282,192	32,457,190
Medical claims liability	21,591,006	9,901,706
Deferred revenue	21,583,759	10,140,609
Payable to health networks	4,054,574	49,641,360
Accounts payable	(237,177)	(36,995,669)
Accrued payroll	(3,624,535)	312,758
Other accrued liabilities	(6,359)	(31,794)
Net cash provided by/(used in) operating activities	<u>54,767,886</u>	<u>84,344,708</u>
 GASB 68 CalPERS Adjustments	 -	 -
<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	(28,308,793)	93,394,071
Change in Property and Equipment	(164,949)	(4,591,313)
Change in Board designated reserves	(107,355)	(5,700,891)
Change in Homeless Health reserve	-	1,801,087
Net cash provided by/(used in) investing activities	<u>(28,581,096)</u>	<u>84,902,954</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 26,186,790	 169,247,662
 CASH AND CASH EQUIVALENTS, beginning of period	 490,688,657	 347,627,784
 <b>CASH AND CASH EQUIVALENTS, end of period</b>	 <b><u>516,875,446</u></b>	 <b><u>516,875,446</u></b>

## **BALANCE SHEET - NOVEMBER MONTH:**

**ASSETS** of \$2.0 billion increased \$44.7 million from October or 2.3%

- **Investments** increased \$28.3 million due timing of capitation received
- **Operating Cash** increased \$26.2 million due to timing of capitation received
- **Receivables - Other** decreased \$13.3 million due to timing of capitation received from DHCS and The Centers for Medicare & Medicaid Services (CMS)

**LIABILITIES** of \$1.0 billion increased \$43.4 million from October or 4.3%

- **Medical Claims Liability** increased \$21.6 million due to increase in IBNR
- **Deferred Revenue** increased \$21.6 million due to prepayment from CMS

**NET ASSETS** total \$951.9 million

**Homeless Health Initiative and Allocated Funds  
as of November 30, 2019**

	<b>Amount</b>
<b>Program Commitment</b>	<b>\$ 100,000,000</b>
<b>Funds Allocation, approved initiatives:</b>	
Be Well OC	\$ 11,400,000
Recuperative Care	8,500,000
Housing Supportive Services	2,500,000
Clinical Field Team Start-Up & Federally 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>
<b>Funds Allocation Total</b>	<b><u>41,801,087</u></b>
<b>Program Commitment Balance, available for new initiatives</b>	<b>\$ 58,198,913</b>

**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 November 2019**

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
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

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.



**CalOptima**  
Better. Together.

# **Financial Summary**

**December 2019**

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

**Nancy Huang  
Chief Financial Officer**

# FY 2019-20: Consolidated Enrollment

## December 2019 MTD

Overall enrollment was 738,535 members

- Actual lower than budget 5,736 or 0.8%
  - Medi-Cal unfavorable to budget 5,959 or 0.8%
    - Temporary Assistance for Needy Families (TANF) unfavorable variance of 7,347
    - Whole Child Model (WCM) unfavorable variance of 1,439
    - Medi-Cal Expansion (MCE) unfavorable variance of 410
    - Long-Term Care (LTC) unfavorable variance of 125
    - Seniors and Persons with Disabilities (SPD) favorable variance of 3,361
  - OneCare Connect favorable to budget 249 or 1.8%
  - OneCare unfavorable to budget 41 or 2.7%
  - PACE favorable to budget 15 or 4.0%
- 17,004 decrease or 2.3% from November
  - Medi-Cal decrease of 17,188
  - OneCare Connect increase of 199
  - OneCare decrease of 33
  - PACE increase of 18

# FY 2019-20: Consolidated Enrollment (cont.)

## December 2019 YTD

Overall enrollment was 4,483,538 member months

- Actual lower than budget 7,644 or 0.2%
  - Medi-Cal unfavorable to budget 8,096 or 0.2%
    - MCE unfavorable variance of 11,635
    - WCM unfavorable variance of 6,904
    - SPD favorable variance of 8,937
    - TANF favorable variance 1,364
    - LTC favorable variance of 141
  - OneCare Connect favorable to budget 263 or 0.3%
  - OneCare favorable to budget 171 or 1.9%
  - PACE favorable to budget 18 or 0.8%

# FY 2019-20: Consolidated Revenues

## December 2019 MTD

- Actual higher than budget \$10.1 million or 3.4%
  - Medi-Cal favorable to budget \$7.6 million or 2.8%
    - Unfavorable volume variance of \$2.2 million
    - Favorable price variance of \$9.8 million
      - \$6.4 million of Coordinated Care Initiative (CCI) revenue, \$2.0 million from prior year
      - \$3.0 million of fiscal year (FY) 2020 Department of Health Care Services (DHCS) acuity rate adjustment
      - \$2.8 million of LTC revenue from non-LTC members
      - Offset by \$3.3 million of WCM revenue
  - OneCare Connect favorable to budget \$2.1 million or 9.1%
    - Favorable volume variance of \$0.4 million
    - Favorable price variance of \$1.7 million



# FY 2019-20: Consolidated Revenues (cont.)

---

## December 2019 MTD (cont.)

- OneCare favorable to budget \$252.5 thousand or 15.7%
  - Unfavorable volume variance of \$43.7 thousand
  - Favorable price variance of \$296.3 thousand
- PACE favorable to budget \$185.0 thousand or 6.3%
  - Favorable volume variance of \$116.4 thousand
  - Favorable price variance of \$68.6 thousand

# FY 2019-20: Consolidated Revenues (cont.)

## December 2019 YTD

- Actual higher than budget \$136.8 million or 7.7%
  - Medi-Cal favorable to budget \$130.4 million or 8.1%
    - Unfavorable volume variance of \$3.0 million
    - Favorable price variance of \$133.4 million
      - \$104.3 million of directed payment (DP) revenue
      - \$18.0 million due to DHCS acuity rate adjustment
      - \$15.0 million of CCI revenue
      - \$7.0 million of Behavioral Health Treatment (BHT) revenue
      - \$3.2 million of LTC revenue from non-LTC members
      - Offset by \$19.6 million of WCM revenue
  - OneCare Connect favorable to budget \$5.0 million or 3.5%
    - Favorable volume variance of \$0.4 million
    - Favorable price variance of \$4.6 million

# FY 2019-20: Consolidated Revenues (cont.)

---

## December 2019 YTD (cont.)

- OneCare favorable to budget \$949.9 thousand or 9.7%
  - Favorable volume variance of \$185.2 thousand
  - Favorable price variance of \$764.8 thousand
- PACE favorable to budget \$374.8 thousand or 2.2%
  - Favorable volume variance of \$139.9 thousand
  - Favorable price variance of \$234.8 thousand

# FY 2019-20: Consolidated Medical Expenses

## December 2019 MTD

- Actual higher than budget \$13.1 million or 4.6%
  - Medi-Cal unfavorable variance of \$12.2 million or 4.7%
    - Favorable volume variance of \$2.1 million
    - Unfavorable price variance of \$14.3 million
      - Facilities Claims unfavorable variance of \$11.6 million due to WCM
      - Provider Capitation unfavorable variance of \$2.3 million due to Proposition 56
  - OneCare Connect unfavorable variance of \$1.3 million or 5.5%
    - Unfavorable volume variance of \$0.4 million
    - Unfavorable price variance of \$0.9 million

# FY 2019-20: Consolidated Medical Expenses (cont.)

## December 2019 YTD

- Actual higher than budget \$156.6 million or 9.2%
  - Medi-Cal unfavorable variance of \$153.6 million or 10.0%
    - Favorable volume variance of \$2.8 million
    - Unfavorable price variance of \$156.4 million
      - Reinsurance and Other Expense category unfavorable variance of \$96.0 million due to \$104.0 million of DP, offset by favorable variance in homeless health initiative
      - Facilities Claims unfavorable variance of \$29.1 million
      - Professional Claims unfavorable variance of \$19.2 million
      - MLTSS unfavorable variance of \$14.3 million
  - OneCare Connect unfavorable variance of \$3.9 million or 2.8%
    - Unfavorable volume variance of \$0.4 million
    - Unfavorable price variance of \$3.4 million

## Medical Loss Ratio (MLR)

- December 2019 MTD:      Actual: 97.1%      Budget: 96.0%
- December 2019 YTD:      Actual: 96.6%      Budget: 95.2%

# FY 2019-20: Consolidated Administrative Expenses

## December 2019 MTD

- Actual lower than budget \$1.8 million or 14.0%
  - Salaries, wages and benefits: favorable variance of \$0.6 million
  - Other categories: favorable variance of \$1.2 million

## December 2019 YTD

- Actual lower than budget \$11.0 million or 14.1%
  - Salaries, wages and benefits: favorable variance of \$4.9 million
  - Other categories: favorable variance of \$6.1 million

## Administrative Loss Ratio (ALR)

- December 2019 MTD:      Actual: 3.6%      Budget: 4.4%
- December 2019 YTD:      Actual: 3.5%      Budget: 4.4%
  - Actual ALR (excluding DP revenue) is 3.7% YTD

# FY 2019-20: Change in Net Assets

---

## December 2019 MTD

- \$0.4 million change in net assets
- \$0.3 million favorable to budget
  - Higher than budgeted revenue of \$10.1 million
  - Higher than budgeted medical expenses of \$13.1 million
  - Lower than budgeted administrative expenses of \$1.8 million
  - Higher than budgeted investment and other income of \$1.5 million

## December 2019 YTD

- \$16.8 million change in net assets
- \$1.3 million favorable to budget
  - Higher than budgeted revenue of \$136.8 million
  - Higher than budgeted medical expenses of \$156.6 million
  - Lower than budgeted administrative expenses of \$11.0 million
  - Higher than budgeted investment and other income of \$10.0 million

# Enrollment Summary: December 2019

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
<u>Actual</u>	<u>Budget</u>	<u>S</u> <u>Variance</u>	<u>%</u> <u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>S</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
64,297	65,846	(1,549)	(2.4%)	Aged	392,199	393,102	(903)	(0.2%)
540	615	(75)	(12.2%)	BCCTP	3,267	3,690	(423)	(11.5%)
48,677	43,692	4,985	11.4%	Disabled	272,935	262,672	10,263	3.9%
269,845	280,701	(10,856)	(3.9%)	TANF Child	1,698,963	1,704,859	(5,896)	(0.3%)
89,202	85,693	3,509	4.1%	TANF Adult	528,640	521,380	7,260	1.4%
3,279	3,404	(125)	(3.7%)	LTC	20,565	20,424	141	0.7%
235,071	235,481	(410)	(0.2%)	MCE	1,399,936	1,411,571	(11,635)	(0.8%)
11,501	12,940	(1,439)	(11.1%)	WCM	70,736	77,640	(6,904)	(8.9%)
<b>722,413</b>	<b>728,372</b>	<b>(5,959)</b>	<b>(0.8%)</b>	<b>Medi-Cal Total</b>	<b>4,387,242</b>	<b>4,395,338</b>	<b>(8,096)</b>	<b>(0.2%)</b>
<b>14,264</b>	<b>14,015</b>	<b>249</b>	<b>1.8%</b>	<b>OneCare Connect</b>	<b>84,955</b>	<b>84,692</b>	<b>263</b>	<b>0.3%</b>
<b>1,465</b>	<b>1,506</b>	<b>(41)</b>	<b>(2.7%)</b>	<b>OneCare</b>	<b>9,169</b>	<b>8,998</b>	<b>171</b>	<b>1.9%</b>
<b>393</b>	<b>378</b>	<b>15</b>	<b>4.0%</b>	<b>PACE</b>	<b>2,172</b>	<b>2,154</b>	<b>18</b>	<b>0.8%</b>
<b>738,535</b>	<b>744,271</b>	<b>(5,736)</b>	<b>(0.8%)</b>	<b>CalOptima Total</b>	<b>4,483,538</b>	<b>4,491,182</b>	<b>(7,644)</b>	<b>(0.2%)</b>



# Financial Highlights: December 2019

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Budget	% Budget		Actual	Budget	\$ Budget	% Budget
738,535	744,271	(5,736)	(0.8%)	Member Months	4,483,538	4,491,182	(7,644)	(0.2%)
306,580,089	296,434,889	10,145,200	3.4%	Revenues	1,919,924,793	1,783,106,373	136,818,420	7.7%
297,836,656	284,699,585	(13,137,071)	(4.6%)	Medical Expenses	1,853,925,237	1,697,363,892	(156,561,345)	(9.2%)
11,137,046	12,956,600	1,819,554	14.0%	Administrative Expenses	66,786,278	77,748,447	10,962,169	14.1%
<b>(2,393,612)</b>	<b>(1,221,296)</b>	<b>(1,172,316)</b>	<b>(96.0%)</b>	Operating Margin	<b>(786,722)</b>	<b>7,994,034</b>	<b>(8,780,756)</b>	<b>(109.8%)</b>
2,748,312	1,250,000	1,498,312	119.9%	Non Operating Income (Loss)	17,540,112	7,500,000	10,040,112	133.9%
<b>354,699</b>	<b>28,704</b>	<b>325,996</b>	<b>1135.7%</b>	Change in Net Assets	<b>16,753,389</b>	<b>15,494,034</b>	<b>1,259,356</b>	<b>8.1%</b>
97.1%	96.0%	(1.1%)		Medical Loss Ratio	96.6%	95.2%	(1.4%)	
3.6%	4.4%	0.7%		Administrative Loss Ratio	3.5%	4.4%	0.9%	
<u>(0.8%)</u>	<u>(0.4%)</u>	(0.4%)		Operating Margin Ratio	<u>(0.0%)</u>	<u>0.4%</u>	(0.5%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		
				Administrative Loss Ratio (excluding Directed Payments)*	3.7%	4.4%	0.7%	

\*CalOptima updated the categorization of Directed payments per Department of Health Care Services instructions

# Consolidated Performance Actual vs. Budget: December 2019 (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>
(2.6)	0.4	(3.0)	Medi-Cal	2.7	16.4	(13.7)
(0.5)	(1.7)	1.1	OCC	(5.8)	(8.6)	2.7
0.1	(0.2)	0.2	OneCare	0.8	(0.8)	1.6
<u>0.7</u>	<u>0.2</u>	<u>0.5</u>	<u>PACE</u>	<u>1.5</u>	<u>0.9</u>	<u>0.6</u>
<b>(2.4)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>Operating</b>	<b>(0.8)</b>	<b>8.0</b>	<b>(8.8)</b>
<u>2.7</u>	<u>1.3</u>	<u>1.5</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>17.5</u>	<u>7.5</u>	<u>10.0</u>
2.7	1.3	1.5	<b>Non-Operating</b>	17.5	7.5	10.0
<b>0.4</b>	<b>0.0</b>	<b>0.3</b>	<b>TOTAL</b>	<b>16.8</b>	<b>15.5</b>	<b>1.3</b>

# Consolidated Revenue & Expense:

## December 2019 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	475,841	235,071	11,501	722,413	14,264	1,465	393	738,535
<b>REVENUES</b>								
Capitation Revenue	146,845,776	\$ 106,356,246	\$ 22,765,719	\$ 275,967,740	\$ 25,634,924	\$ 1,858,375	\$ 3,119,050	\$ 306,580,089
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>146,845,776</u>	<u>106,356,246</u>	<u>22,765,719</u>	<u>275,967,740</u>	<u>25,634,924</u>	<u>1,858,375</u>	<u>3,119,050</u>	<u>306,580,089</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	39,236,442	45,000,600	10,663,970	94,901,012	11,257,299	464,784	-	106,623,094
Facilities	22,833,756	20,548,011	16,731,199	60,112,967	4,128,273	458,684	596,149	65,296,072
Ancillary	-	-	-	-	787,781	27,660	-	815,441
Professional Claims	16,190,145	6,466,456	1,763,936	24,420,537	-	-	465,224	24,885,761
Prescription Drugs	14,902,871	21,721,138	6,066,522	42,690,532	5,510,016	606,397	258,988	49,065,933
MLTSS	34,707,645	2,547,833	2,226,169	39,481,647	1,445,842	(7,830)	35,723	40,955,382
Medical Management	2,024,330	1,269,441	270,896	3,564,666	1,095,695	55,690	768,467	5,484,517
Quality Incentives	836,841	467,784	141,200	1,445,825	205,020	-	127,935	1,778,780
Reinsurance & Other	1,453,676	1,226,637	51,250	2,731,563	175,380	-	24,733	2,931,676
<b>Total Medical Expenses</b>	<u>132,185,706</u>	<u>99,247,900</u>	<u>37,915,142</u>	<u>269,348,748</u>	<u>24,605,306</u>	<u>1,605,384</u>	<u>2,277,218</u>	<u>297,836,656</u>
<b>Medical Loss Ratio</b>	90.0%	93.3%	166.5%	97.6%	96.0%	86.4%	73.0%	97.1%
<b>GROSS MARGIN</b>	<b>14,660,070</b>	<b>7,108,346</b>	<b>(15,149,423)</b>	<b>6,618,992</b>	<b>1,029,618</b>	<b>252,991</b>	<b>841,832</b>	<b>8,743,433</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,661,257	684,801	68,915	119,464	7,534,437
Professional fees				259,364	4,000	15,000	123	278,488
Purchased services				716,263	133,352	13,555	4,847	868,017
Printing & Postage				380,057	22,212	40,781	7,066	450,117
Depreciation & Amortization				296,109	-	-	2,087	298,195
Other expenses				1,342,959	30,781	(0)	4,175	1,377,914
Indirect cost allocation & Occupancy				(461,735)	693,393	51,701	46,518	329,877
<b>Total Administrative Expenses</b>				<u>9,194,275</u>	<u>1,568,539</u>	<u>189,951</u>	<u>184,280</u>	<u>11,137,046</u>
<b>Admin Loss Ratio</b>				3.3%	6.1%	10.2%	5.9%	3.6%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(2,575,283)	(538,921)	63,040	657,552	(2,393,612)
<b>INVESTMENT INCOME</b>								2,744,132
<b>TOTAL GRANT INCOME</b>				3,983				3,983
<b>OTHER INCOME</b>				197				197
<b>CHANGE IN NET ASSETS</b>				<u>\$ (2,571,103)</u>	<u>\$ (538,921)</u>	<u>\$ 63,040</u>	<u>\$ 657,552</u>	<u>\$ 354,699</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				416,117	(1,663,191)	(152,051)	177,829	28,704
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (2,987,220)</u>	<u>\$ 1,124,270</u>	<u>\$ 215,091</u>	<u>\$ 479,723</u>	<u>\$ 325,996</u>

# Consolidated Revenue & Expense: December 2019 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	2,916,570	1,399,936	70,736	4,387,242	84,955	9,169	2,172	4,483,538
<b>REVENUES</b>								
Capitation Revenue	927,013,283	\$ 678,161,206	\$ 139,401,817	\$ 1,744,576,305	\$ 147,535,011	\$ 10,694,591	\$ 17,118,886	\$ 1,919,924,793
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>927,013,283</u>	<u>678,161,206</u>	<u>139,401,817</u>	<u>1,744,576,305</u>	<u>147,535,011</u>	<u>10,694,591</u>	<u>17,118,886</u>	<u>1,919,924,793</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	234,485,638	270,312,091	60,061,429	564,859,158	66,475,888	2,846,557	-	634,181,604
Facilities	154,218,771	130,020,503	34,291,716	318,530,989	22,677,741	2,374,608	4,078,511	347,661,848
Ancillary	-	-	-	-	4,113,802	268,765	-	4,382,566
Professional Claims	107,725,220	42,324,904	7,672,013	157,722,137	-	-	3,298,005	161,020,142
Prescription Drugs	100,187,043	129,331,955	33,758,227	263,277,225	33,831,602	3,182,671	1,378,992	301,670,490
MLTSS	209,116,636	16,169,500	11,409,828	236,695,964	8,277,637	52,163	210,796	245,236,559
Medical Management	12,726,742	7,265,893	1,562,569	21,555,204	6,212,580	235,585	4,216,291	32,219,659
Quality Incentives	5,038,693	2,813,641	848,810	8,701,144	1,227,695	-	150,534	10,079,373
Reinsurance & Other	66,132,609	48,820,753	211,508	115,164,870	1,126,793	-	1,181,331	117,472,994
<b>Total Medical Expenses</b>	<u>889,631,351</u>	<u>647,059,241</u>	<u>149,816,100</u>	<u>1,686,506,692</u>	<u>143,943,738</u>	<u>8,960,348</u>	<u>14,514,459</u>	<u>1,853,925,237</u>
<b>Medical Loss Ratio</b>	96.0%	95.4%	107.5%	96.7%	97.6%	83.8%	84.8%	96.6%
<b>GROSS MARGIN</b>	<b>37,381,932</b>	<b>31,101,965</b>	<b>(10,414,283)</b>	<b>58,069,613</b>	<b>3,591,273</b>	<b>1,734,242</b>	<b>2,604,428</b>	<b>65,999,556</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				38,403,113	4,228,209	367,735	830,522	43,829,579
Professional fees				1,225,966	448,486	129,371	1,136	1,804,960
Purchased services				4,476,824	975,351	92,360	50,631	5,595,165
Printing & Postage				1,760,331	319,482	61,433	61,270	2,202,515
Depreciation & Amortization				2,157,878	-	-	12,541	2,170,419
Other expenses				8,826,484	106,988	1,427	22,841	8,957,739
Indirect cost allocation & Occupancy				(1,452,138)	3,351,109	242,917	84,014	2,225,902
<b>Total Administrative Expenses</b>				<u>55,398,457</u>	<u>9,429,625</u>	<u>895,242</u>	<u>1,062,954</u>	<u>66,786,278</u>
<b>Admin Loss Ratio</b>				3.2%	6.4%	8.4%	6.2%	3.5%
<b>INCOME (LOSS) FROM OPERATIONS</b>				2,671,157	(5,838,352)	839,000	1,541,473	(786,722)
<b>INVESTMENT INCOME</b>								17,542,834
<b>TOTAL GRANT INCOME</b>				(3,096)				(3,096)
<b>OTHER INCOME</b>				374				374
<b>CHANGE IN NET ASSETS</b>				<u>\$ 2,668,435</u>	<u>\$ (5,838,352)</u>	<u>\$ 839,000</u>	<u>\$ 1,541,473</u>	<u>\$ 16,753,389</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				16,389,536	(8,551,745)	(759,254)	915,497	15,494,034
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (13,721,101)</u>	<u>\$ 2,713,393</u>	<u>\$ 1,598,254</u>	<u>\$ 625,976</u>	<u>\$ 1,259,356</u>

# Balance Sheet:

## As of December 2019

### ASSETS

Current Assets	
Operating Cash	\$465,465,756
Investments	456,122,997
Capitation receivable	383,024,805
Receivables - Other	30,875,068
Prepaid expenses	7,065,129
<b>Total Current Assets</b>	<b><u>1,342,553,755</u></b>
Capital Assets	
Furniture & Equipment	37,086,365
Building/Leasehold Improvements	10,574,782
505 City Parkway West	50,489,717
	<u>98,150,864</u>
Less: accumulated depreciation	(49,943,873)
Capital assets, net	<u>48,206,991</u>
Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	58,198,913
Board-designated assets:	
Cash and Cash Equivalents	8,236,462
Long-term Investments	558,844,370
Total Board-designated Assets	<u>567,080,832</u>
<b>Total Other Assets</b>	<b><u>625,579,745</u></b>
<b>TOTAL ASSETS</b>	<b><u>2,016,340,491</u></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><u>2,027,430,940</u></b>

### LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$89,098,516
Medical Claims liability	753,310,433
Accrued Payroll Liabilities	11,421,423
Deferred Revenue	32,885,838
Deferred Lease Obligations	6,359
Capitation and Withholds	131,892,675
<b>Total Current Liabilities</b>	<b><u>1,018,615,245</u></b>
Other (than pensions) post employment benefits liability	
	25,440,671
Net Pension Liabilities	23,671,930
Bldg 505 Development Rights	-
<b>TOTAL LIABILITIES</b>	<b><u>1,067,727,846</u></b>
Deferred Inflows	
Excess Earnings	156,330
Change in Assumptions	4,747,505
OPEB Changes in Assumptions	2,503,000
Net Position	
TNE	95,518,594
Funds in Excess of TNE	856,777,665
<b>TOTAL NET POSITION</b>	<b><u>952,296,259</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b><u>2,027,430,940</u></b>

# Board Designated Reserve and TNE Analysis

## As of December 2019

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	155,430,553				
	Tier 1 - Logan Circle	154,299,315				
	Tier 1 - Wells Capital	154,707,630				
<b>Board-designated Reserve</b>						
		464,437,498	316,285,764	492,773,346	148,151,734	(28,335,848)
TNE Requirement	Tier 2 - Logan Circle	102,643,334	95,518,594	95,518,594	7,124,740	7,124,740
<b>Consolidated:</b>		<b>567,080,832</b>	<b>411,804,358</b>	<b>588,291,940</b>	<b>155,276,474</b>	<b>(21,211,108)</b>
	<i>Current reserve level</i>	<i>1.93</i>	<i>1.40</i>	<i>2.00</i>		



# CalOptima

Better. Together.



Medi-Cal

# CalOptima

Better. Together.



OneCare (HMO SNP)

# CalOptima

Better. Together.



OneCare Connect

# CalOptima

Better. Together.



PACE

# CalOptima

Better. Together.



**CalOptima**  
Better. Together.

---

**UNAUDITED FINANCIAL STATEMENTS**

**December 2019**



## Table of Contents

Financial Highlights	3
Financial Dashboard	4
Statement of Revenues and Expenses – Consolidated Month to Date	5
Statement of Revenues and Expenses – Consolidated Year to Date	6
Statement of Revenues and Expenses – Consolidated LOB Month to Date	7
Statement of Revenues and Expenses – Consolidated LOB Year to Date	8
Highlights – Overall	9
Enrollment Summary	10
Enrollment Trended by Network Type	11
Highlights – Enrollment	12
Statement of Revenues and Expenses – Medi-Cal	13
Highlights – Medi-Cal	14
Statement of Revenues and Expenses – OneCare Connect	15
Highlights – OneCare Connect	16
Statement of Revenues and Expenses – OneCare	17
Statement of Revenues and Expenses – PACE	18
Statement of Revenues and Expenses – 505 City Parkway	19
Highlights – OneCare, PACE & 505 City Parkway	20
Balance Sheet	21
Board Designated Reserve & TNE Analysis	22
Statement of Cash Flow	23
Highlights – Balance Sheet & Statement of Cash Flow	24
Homeless Health Reserve Report	25
Budget Allocation Changes	26

**CalOptima - Consolidated  
Financial Highlights  
For the Six Months Ended December 31, 2019**

Month-to-Date				Year-to-Date			
Actual	Budget	\$ Budget	% Budget	Actual	Budget	\$ Budget	% Budget
738,535	744,271	(5,736)	(0.8%)	4,483,538	4,491,182	(7,644)	(0.2%)
306,580,089	296,434,889	10,145,200	3.4%	1,919,924,793	1,783,106,373	136,818,420	7.7%
297,836,656	284,699,585	(13,137,071)	(4.6%)	1,853,925,237	1,697,363,892	(156,561,345)	(9.2%)
11,137,046	12,956,600	1,819,554	14.0%	66,786,278	77,748,447	10,962,169	14.1%
<b>(2,393,612)</b>	<b>(1,221,296)</b>	<b>(1,172,316)</b>	<b>(96.0%)</b>	<b>(786,722)</b>	<b>7,994,034</b>	<b>(8,780,756)</b>	<b>(109.8%)</b>
2,748,312	1,250,000	1,498,312	119.9%	17,540,112	7,500,000	10,040,112	133.9%
<b>354,699</b>	<b>28,704</b>	<b>325,996</b>	<b>1135.7%</b>	<b>16,753,389</b>	<b>15,494,034</b>	<b>1,259,356</b>	<b>8.1%</b>
97.1%	96.0%	(1.1%)		96.6%	95.2%	(1.4%)	
3.6%	4.4%	0.7%		3.5%	4.4%	0.9%	
<u>(0.8%)</u>	<u>(0.4%)</u>	(0.4%)		<u>(0.0%)</u>	<u>0.4%</u>	(0.5%)	
100.0%	100.0%			100.0%	100.0%		
				3.7%	4.4%	0.7%	

\*CalOptima updated the categorization of Directed Payments per Department of Healthcare Services instructions

**CalOptima**  
**Financial Dashboard**  
**For the Six Months Ended December 31, 2019**

**MONTH - TO - DATE**

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	722,413	728,372 ↓	(5,959)	(0.8%)
OneCare Connect	14,264	14,015 ↑	249	1.8%
OneCare	1,465	1,506 ↓	(41)	(2.7%)
PACE	393	378 ↑	15	4.0%
<b>Total</b>	<b>738,535</b>	<b>744,271 ↓</b>	<b>(5,736)</b>	<b>(0.8%)</b>

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (2,571)	\$ 416 ↓	\$ (2,987)	(718.0%)
OneCare Connect	(539)	(1,663) ↑	1,124	67.6%
OneCare	63	(152) ↑	215	141.4%
PACE	658	178 ↑	480	269.7%
505 Bldg.	-	- ↑	-	0.0%
Investment Income & Other	2,744	1,250 ↑	1,494	119.5%
<b>Total</b>	<b>\$ 355</b>	<b>\$ 29 ↑</b>	<b>\$ 326</b>	<b>1124.1%</b>

MLR	Actual	Budget	% Point Var	
Medi-Cal	97.6%	95.8% ↓	(1.8)	
OneCare Connect	96.0%	99.3% ↑	3.3	
OneCare	86.4%	100.3% ↑	14.0	

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 9,194	\$ 10,794 ↑	\$ 1,600	14.8%
OneCare Connect	1,569	1,834 ↑	265	14.5%
OneCare	190	147 ↓	(43)	(29.5%)
PACE	184	182 ↓	(2)	(1.3%)
<b>Total</b>	<b>\$ 11,137</b>	<b>\$ 12,957 ↑</b>	<b>\$ 1,820</b>	<b>14.0%</b>

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	976	1,183	207	
OneCare Connect	174	210	36	
OneCare	9	9	(0)	
PACE	72	93	21	
<b>Total</b>	<b>1,231</b>	<b>1,495</b>	<b>263</b>	

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	740	616	124	
OneCare Connect	82	67	15	
OneCare	157	162	(5)	
PACE	5	4	1	
<b>Total</b>	<b>984</b>	<b>849</b>	<b>136</b>	

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	4,387,242	4,395,338 ↓	(8,096)	(0.2%)
OneCare Connect	84,955	84,692 ↑	263	0.3%
OneCare	9,169	8,998 ↑	171	1.9%
PACE	2,172	2,154 ↑	18	0.8%
<b>Total</b>	<b>4,483,538</b>	<b>4,491,182 ↓</b>	<b>(7,644)</b>	<b>(0.2%)</b>

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 2,668	\$ 16,390 ↓	\$ (13,722)	(83.7%)
OneCare Connect	(5,838)	(8,552) ↑	2,714	31.7%
OneCare	839	(759) ↑	1,598	210.5%
PACE	1,541	915 ↑	626	68.4%
505 Bldg.	-	- ↑	-	0.0%
Investment Income & Other	17,543	7,500 ↑	10,043	133.9%
<b>Total</b>	<b>\$ 16,753</b>	<b>\$ 15,494 ↑</b>	<b>\$ 1,259</b>	<b>8.1%</b>

MLR	Actual	Budget	% Point Var	
Medi-Cal	96.7%	95.0% ↓	(1.7)	
OneCare Connect	97.6%	98.3% ↑	0.7	
OneCare	83.8%	98.7% ↑	15.0	

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 55,398	\$ 64,813 ↑	\$ 9,415	14.5%
OneCare Connect	9,430	10,958 ↑	1,528	13.9%
OneCare	895	882 ↓	(13)	(1.5%)
PACE	1,063	1,095 ↑	32	2.9%
<b>Total</b>	<b>\$ 66,786</b>	<b>\$ 77,748 ↑</b>	<b>\$ 10,962</b>	<b>14.1%</b>

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	5,756	6,948	1,192	
OneCare Connect	1,069	1,219	149	
OneCare	50	56	6	
PACE	427	551	124	
<b>Total</b>	<b>7,302</b>	<b>8,773</b>	<b>1,471</b>	

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	762	633	130	
OneCare Connect	79	70	10	
OneCare	185	161	24	
PACE	5	4	1	
<b>Total</b>	<b>1,032</b>	<b>867</b>	<b>164</b>	

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the One Month Ended December 31, 2019**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>MEMBER MONTHS</b>	738,535		744,271		(5,736)	
<b>REVENUE</b>						
Medi-Cal	\$ 275,967,740	\$ 382.01	\$ 268,400,817	\$ 368.49	\$ 7,566,924	\$ 13.52
OneCare Connect	25,634,924	1,797.18	23,494,229	1,676.24	2,140,695	120.94
OneCare	1,858,375	1,268.52	1,605,835	1,066.29	252,540	202.23
PACE	3,119,050	7,936.51	2,934,008	7,761.93	185,042	174.58
Total Operating Revenue	<u>306,580,089</u>	<u>415.12</u>	<u>296,434,889</u>	<u>398.29</u>	<u>10,145,200</u>	<u>16.83</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	269,348,748	372.85	257,190,594	353.10	(12,158,154)	(19.75)
OneCare Connect	24,605,306	1,724.99	23,323,461	1,664.06	(1,281,845)	(60.93)
OneCare	1,605,384	1,095.83	1,611,247	1,069.89	5,863	(25.94)
PACE	2,277,218	5,794.45	2,574,283	6,810.27	297,065	1,015.82
Total Medical Expenses	<u>297,836,656</u>	<u>403.28</u>	<u>284,699,585</u>	<u>382.52</u>	<u>(13,137,071)</u>	<u>(20.76)</u>
<b>GROSS MARGIN</b>	8,743,433	11.84	11,735,304	15.77	(2,991,871)	(3.93)
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	7,534,437	10.20	8,117,930	10.91	583,493	0.71
Professional fees	278,488	0.38	473,968	0.64	195,480	0.26
Purchased services	868,017	1.18	1,233,276	1.66	365,259	0.48
Printing & Postage	450,117	0.61	565,973	0.76	115,856	0.15
Depreciation & Amortization	298,195	0.40	457,866	0.62	159,671	0.22
Other expenses	1,377,914	1.87	1,726,055	2.32	348,141	0.45
Indirect cost allocation & Occupancy expense	329,877	0.45	381,532	0.51	51,655	0.06
Total Administrative Expenses	<u>11,137,046</u>	<u>15.08</u>	<u>12,956,600</u>	<u>17.41</u>	<u>1,819,554</u>	<u>2.33</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	(2,393,612)	(3.24)	(1,221,296)	(1.64)	(1,172,316)	(1.60)
<b>INVESTMENT INCOME</b>						
Interest income	2,712,729	3.67	1,250,000	1.68	1,462,729	1.99
Realized gain/(loss) on investments	192,523	0.26	-	-	192,523	0.26
Unrealized gain/(loss) on investments	(161,120)	(0.22)	-	-	(161,120)	(0.22)
Total Investment Income	<u>2,744,132</u>	<u>3.72</u>	<u>1,250,000</u>	<u>1.68</u>	<u>1,494,132</u>	<u>2.04</u>
<b>TOTAL GRANT INCOME</b>	3,983	0.01	-	-	3,983	0.01
<b>OTHER INCOME</b>	197	-	-	-	197	-
<b>CHANGE IN NET ASSETS</b>	<u><b>354,699</b></u>	<u><b>0.48</b></u>	<u><b>28,704</b></u>	<u><b>0.04</b></u>	<u><b>325,996</b></u>	<u><b>0.44</b></u>
<b>MEDICAL LOSS RATIO</b>	<b>97.1%</b>		<b>96.0%</b>		<b>(1.1%)</b>	
<b>ADMINISTRATIVE LOSS RATIO</b>	<b>3.6%</b>		<b>4.4%</b>		<b>0.7%</b>	

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2019**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>MEMBER MONTHS</b>	4,483,538		4,491,182		(7,644)	
<b>REVENUE</b>						
Medi-Cal	\$ 1,744,576,305	\$ 397.65	\$ 1,614,129,315	\$ 367.24	\$ 130,446,991	\$ 30.41
OneCare Connect	147,535,011	1,736.63	142,488,282	1,682.43	5,046,729	54.20
OneCare	10,694,591	1,166.39	9,744,647	1,082.98	949,944	83.41
PACE	17,118,886	7,881.62	16,744,129	7,773.50	374,757	108.12
Total Operating Revenue	<u>1,919,924,793</u>	<u>428.22</u>	<u>1,783,106,373</u>	<u>397.02</u>	<u>136,818,420</u>	<u>31.20</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	1,686,506,692	384.41	1,532,926,445	348.76	(153,580,247)	(35.65)
OneCare Connect	143,943,738	1,694.35	140,082,291	1,654.02	(3,861,447)	(40.33)
OneCare	8,960,348	977.24	9,621,593	1,069.30	661,245	92.06
PACE	14,514,459	6,682.53	14,733,563	6,840.09	219,104	157.56
Total Medical Expenses	<u>1,853,925,237</u>	<u>413.50</u>	<u>1,697,363,892</u>	<u>377.93</u>	<u>(156,561,345)</u>	<u>(35.57)</u>
<b>GROSS MARGIN</b>	65,999,556	14.72	85,742,481	19.09	(19,742,925)	(4.37)
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	43,829,579	9.78	48,695,363	10.84	4,865,784	1.06
Professional fees	1,804,960	0.40	2,820,225	0.63	1,015,266	0.23
Purchased services	5,595,165	1.25	7,399,656	1.65	1,804,491	0.40
Printing & Postage	2,202,515	0.49	3,402,466	0.76	1,199,951	0.27
Depreciation & Amortization	2,170,419	0.48	2,747,196	0.61	576,777	0.13
Other expenses	8,957,739	2.00	10,377,715	2.31	1,419,976	0.31
Indirect cost allocation & Occupancy expense	2,225,902	0.50	2,305,826	0.51	79,924	0.01
Total Administrative Expenses	<u>66,786,278</u>	<u>14.90</u>	<u>77,748,447</u>	<u>17.31</u>	<u>10,962,169</u>	<u>2.41</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	(786,722)	(0.18)	7,994,034	1.78	(8,780,756)	(1.96)
<b>INVESTMENT INCOME</b>						
Interest income	17,071,532	3.81	7,500,000	1.67	9,571,532	2.14
Realized gain/(loss) on investments	1,244,608	0.28	-	-	1,244,608	0.28
Unrealized gain/(loss) on investments	(773,307)	(0.17)	-	-	(773,307)	(0.17)
Total Investment Income	<u>17,542,834</u>	<u>3.91</u>	<u>7,500,000</u>	<u>1.67</u>	<u>10,042,834</u>	<u>2.24</u>
<b>TOTAL GRANT INCOME</b>	(3,096)	-	-	-	(3,096)	-
<b>OTHER INCOME</b>	374	-	-	-	374	-
<b>CHANGE IN NET ASSETS</b>	<u><u>16,753,389</u></u>	<u><u>3.74</u></u>	<u><u>15,494,034</u></u>	<u><u>3.45</u></u>	<u><u>1,259,356</u></u>	<u><u>0.29</u></u>
<b>MEDICAL LOSS RATIO</b>	<b>96.6%</b>		<b>95.2%</b>		<b>(1.4%)</b>	
<b>ADMINISTRATIVE LOSS RATIO</b>	<b>3.5%</b>		<b>4.4%</b>		<b>0.9%</b>	

**CalOptima - Consolidated - Month to Date  
Statement of Revenues and Expenses by LOB  
For the One Month Ended December 31, 2019**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
<b>MEMBER MONTHS</b>	475,841	235,071	11,501	722,413	14,264	1,465	393	738,535
<b>REVENUES</b>								
Capitation Revenue	146,845,776	\$ 106,356,246	\$ 22,765,719	\$ 275,967,740	\$ 25,634,924	\$ 1,858,375	\$ 3,119,050	\$ 306,580,089
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>146,845,776</u>	<u>106,356,246</u>	<u>22,765,719</u>	<u>275,967,740</u>	<u>25,634,924</u>	<u>1,858,375</u>	<u>3,119,050</u>	<u>306,580,089</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	39,236,442	45,000,600	10,663,970	94,901,012	11,257,299	464,784		106,623,094
Facilities	22,833,756	20,548,011	16,731,199	60,112,967	4,128,273	458,684	596,149	65,296,072
Ancillary	-	-	-	-	787,781	27,660	-	815,441
Professional Claims	16,190,145	6,466,456	1,763,936	24,420,537	-	-	465,224	24,885,761
Prescription Drugs	14,902,871	21,721,138	6,066,522	42,690,532	5,510,016	606,397	258,988	49,065,933
MLTSS	34,707,645	2,547,833	2,226,169	39,481,647	1,445,842	(7,830)	35,723	40,955,382
Medical Management	2,024,330	1,269,441	270,896	3,564,666	1,095,695	55,690	768,467	5,484,517
Quality Incentives	836,841	467,784	141,200	1,445,825	205,020		127,935	1,778,780
Reinsurance & Other	1,453,676	1,226,637	51,250	2,731,563	175,380		24,733	2,931,676
<b>Total Medical Expenses</b>	<u>132,185,706</u>	<u>99,247,900</u>	<u>37,915,142</u>	<u>269,348,748</u>	<u>24,605,306</u>	<u>1,605,384</u>	<u>2,277,218</u>	<u>297,836,656</u>
<b>Medical Loss Ratio</b>	90.0%	93.3%	166.5%	97.6%	96.0%	86.4%	73.0%	97.1%
<b>GROSS MARGIN</b>	<b>14,660,070</b>	<b>7,108,346</b>	<b>(15,149,423)</b>	<b>6,618,992</b>	<b>1,029,618</b>	<b>252,991</b>	<b>841,832</b>	<b>8,743,433</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,661,257	684,801	68,915	119,464	7,534,437
Professional fees				259,364	4,000	15,000	123	278,488
Purchased services				716,263	133,352	13,555	4,847	868,017
Printing & Postage				380,057	22,212	40,781	7,066	450,117
Depreciation & Amortization				296,109			2,087	298,195
Other expenses				1,342,959	30,781	(0)	4,175	1,377,914
Indirect cost allocation & Occupancy				(461,735)	693,393	51,701	46,518	329,877
<b>Total Administrative Expenses</b>				<u>9,194,275</u>	<u>1,568,539</u>	<u>189,951</u>	<u>184,280</u>	<u>11,137,046</u>
<b>Admin Loss Ratio</b>				3.3%	6.1%	10.2%	5.9%	3.6%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(2,575,283)	(538,921)	63,040	657,552	(2,393,612)
<b>INVESTMENT INCOME</b>								2,744,132
<b>TOTAL GRANT INCOME</b>				3,983				3,983
<b>OTHER INCOME</b>				197				197
<b>CHANGE IN NET ASSETS</b>				<u>\$ (2,571,103)</u>	<u>\$ (538,921)</u>	<u>\$ 63,040</u>	<u>\$ 657,552</u>	<u>\$ 354,699</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				416,117	(1,663,191)	(152,051)	177,829	28,704
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (2,987,220)</u>	<u>\$ 1,124,270</u>	<u>\$ 215,091</u>	<u>\$ 479,723</u>	<u>\$ 325,996</u>

**CalOptima - Consolidated - Year to Date  
Statement of Revenues and Expenses by LOB  
For the Six Months Ended December 31, 2019**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
<b>MEMBER MONTHS</b>	2,916,570	1,399,936	70,736	4,387,242	84,955	9,169	2,172	4,483,538
<b>REVENUES</b>								
Capitation Revenue	927,013,283	\$ 678,161,206	\$ 139,401,817	\$ 1,744,576,305	\$ 147,535,011	\$ 10,694,591	\$ 17,118,886	\$ 1,919,924,793
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>927,013,283</u>	<u>678,161,206</u>	<u>139,401,817</u>	<u>1,744,576,305</u>	<u>147,535,011</u>	<u>10,694,591</u>	<u>17,118,886</u>	<u>1,919,924,793</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	234,485,638	270,312,091	60,061,429	564,859,158	66,475,888	2,846,557		634,181,604
Facilities	154,218,771	130,020,503	34,291,716	318,530,989	22,677,741	2,374,608	4,078,511	347,661,848
Ancillary	-	-	-	-	4,113,802	268,765	-	4,382,566
Professional Claims	107,725,220	42,324,904	7,672,013	157,722,137	-	-	3,298,005	161,020,142
Prescription Drugs	100,187,043	129,331,955	33,758,227	263,277,225	33,831,602	3,182,671	1,378,992	301,670,490
MLTSS	209,116,636	16,169,500	11,409,828	236,695,964	8,277,637	52,163	210,796	245,236,559
Medical Management	12,726,742	7,265,893	1,562,569	21,555,204	6,212,580	235,585	4,216,291	32,219,659
Quality Incentives	5,038,693	2,813,641	848,810	8,701,144	1,227,695		150,534	10,079,373
Reinsurance & Other	66,132,609	48,820,753	211,508	115,164,870	1,126,793		1,181,331	117,472,994
<b>Total Medical Expenses</b>	<u>889,631,351</u>	<u>647,059,241</u>	<u>149,816,100</u>	<u>1,686,506,692</u>	<u>143,943,738</u>	<u>8,960,348</u>	<u>14,514,459</u>	<u>1,853,925,237</u>
<b>Medical Loss Ratio</b>	96.0%	95.4%	107.5%	96.7%	97.6%	83.8%	84.8%	96.6%
<b>GROSS MARGIN</b>	<b>37,381,932</b>	<b>31,101,965</b>	<b>(10,414,283)</b>	<b>58,069,613</b>	<b>3,591,273</b>	<b>1,734,242</b>	<b>2,604,428</b>	<b>65,999,556</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				38,403,113	4,228,209	367,735	830,522	43,829,579
Professional fees				1,225,966	448,486	129,371	1,136	1,804,960
Purchased services				4,476,824	975,351	92,360	50,631	5,595,165
Printing & Postage				1,760,331	319,482	61,433	61,270	2,202,515
Depreciation & Amortization				2,157,878			12,541	2,170,419
Other expenses				8,826,484	106,988	1,427	22,841	8,957,739
Indirect cost allocation & Occupancy				(1,452,138)	3,351,109	242,917	84,014	2,225,902
<b>Total Administrative Expenses</b>				<u>55,398,457</u>	<u>9,429,625</u>	<u>895,242</u>	<u>1,062,954</u>	<u>66,786,278</u>
<b>Admin Loss Ratio</b>				3.2%	6.4%	8.4%	6.2%	3.5%
<b>INCOME (LOSS) FROM OPERATIONS</b>				2,671,157	(5,838,352)	839,000	1,541,473	(786,722)
<b>INVESTMENT INCOME</b>								17,542,834
<b>TOTAL GRANT INCOME</b>				(3,096)				(3,096)
<b>OTHER INCOME</b>				374				374
<b>CHANGE IN NET ASSETS</b>				<u>\$ 2,668,435</u>	<u>\$ (5,838,352)</u>	<u>\$ 839,000</u>	<u>\$ 1,541,473</u>	<u>\$ 16,753,389</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				16,389,536	(8,551,745)	(759,254)	915,497	15,494,034
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (13,721,101)</u>	<u>\$ 2,713,393</u>	<u>\$ 1,598,254</u>	<u>\$ 625,976</u>	<u>\$ 1,259,356</u>

## December 31, 2019 Unaudited Financial Statements

### SUMMARY

#### MONTHLY RESULTS:

- Change in Net Assets is \$0.4 million, \$0.3 million favorable to budget
- Operating deficit is \$2.4 million, with a surplus in non-operating income of \$2.7 million

#### YEAR TO DATE RESULTS:

- Change in Net Assets is \$16.8 million, \$1.3 million favorable to budget
- Operating deficit is \$0.8 million, with a surplus in non-operating income of \$17.5 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>
(2.6)	0.4	(3.0)	Medi-Cal	2.7	16.4	(13.7)
(0.5)	(1.7)	1.1	OCC	(5.8)	(8.6)	2.7
0.1	(0.2)	0.2	OneCare	0.8	(0.8)	1.6
<u>0.7</u>	<u>0.2</u>	<u>0.5</u>	<u>PACE</u>	<u>1.5</u>	<u>0.9</u>	<u>0.6</u>
<b>(2.4)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>Operating</b>	<b>(0.8)</b>	<b>8.0</b>	<b>(8.8)</b>
<u>2.7</u>	<u>1.3</u>	<u>1.5</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>17.5</u>	<u>7.5</u>	<u>10.0</u>
<b>2.7</b>	<b>1.3</b>	<b>1.5</b>	<b>Non-Operating</b>	<b>17.5</b>	<b>7.5</b>	<b>10.0</b>
<b>0.4</b>	<b>0.0</b>	<b>0.3</b>	<b>TOTAL</b>	<b>16.8</b>	<b>15.5</b>	<b>1.3</b>



**CalOptima - Consolidated  
Enrollment Summary  
For the Six Months Ended December 31, 2019**

<b>Month-to-Date</b>				<b>Year-to-Date</b>					
<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Enrollment (by Aid Category)</b>	<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>	
64,297	65,846	(1,549)	(2.4%)	Aged	392,199	393,102	(903)	(0.2%)	
540	615	(75)	(12.2%)	BCCTP	3,267	3,690	(423)	(11.5%)	
48,677	43,692	4,985	11.4%	Disabled	272,935	262,672	10,263	3.9%	
269,845	280,701	(10,856)	(3.9%)	TANF Child	1,698,963	1,704,859	(5,896)	(0.3%)	
89,202	85,693	3,509	4.1%	TANF Adult	528,640	521,380	7,260	1.4%	
3,279	3,404	(125)	(3.7%)	LTC	20,565	20,424	141	0.7%	
235,071	235,481	(410)	(0.2%)	MCE	1,399,936	1,411,571	(11,635)	(0.8%)	
11,501	12,940	(1,439)	(11.1%)	WCM	70,736	77,640	(6,904)	(8.9%)	
<b>722,413</b>	<b>728,372</b>	<b>(5,959)</b>	<b>(0.8%)</b>	<b>Medi-Cal Total</b>	<b>4,387,242</b>	<b>4,395,338</b>	<b>(8,096)</b>	<b>(0.2%)</b>	
<b>14,264</b>	<b>14,015</b>	<b>249</b>	<b>1.8%</b>	<b>OneCare Connect</b>	<b>84,955</b>	<b>84,692</b>	<b>263</b>	<b>0.3%</b>	
<b>1,465</b>	<b>1,506</b>	<b>(41)</b>	<b>(2.7%)</b>	<b>OneCare</b>	<b>9,169</b>	<b>8,998</b>	<b>171</b>	<b>1.9%</b>	
<b>393</b>	<b>378</b>	<b>15</b>	<b>4.0%</b>	<b>PACE</b>	<b>2,172</b>	<b>2,154</b>	<b>18</b>	<b>0.8%</b>	
<b>738,535</b>	<b>744,271</b>	<b>(5,736)</b>	<b>(0.8%)</b>	<b>CalOptima Total</b>	<b>4,483,538</b>	<b>4,491,182</b>	<b>(7,644)</b>	<b>(0.2%)</b>	
<b>Enrollment (by Network)</b>									
159,384	161,635	(2,251)	(1.4%)	HMO	969,000	975,068	(6,068)	(0.6%)	
202,278	208,003	(5,725)	(2.8%)	PHC	1,246,826	1,258,892	(12,066)	(1.0%)	
175,852	186,538	(10,686)	(5.7%)	Shared Risk Group	1,090,862	1,126,324	(35,462)	(3.1%)	
184,898	172,196	12,702	7.4%	Fee for Service	1,080,553	1,035,054	45,499	4.4%	
<b>722,413</b>	<b>728,372</b>	<b>(5,959)</b>	<b>(0.8%)</b>	<b>Medi-Cal Total</b>	<b>4,387,242</b>	<b>4,395,338</b>	<b>(8,096)</b>	<b>(0.2%)</b>	
<b>14,264</b>	<b>14,015</b>	<b>249</b>	<b>1.8%</b>	<b>OneCare Connect</b>	<b>84,955</b>	<b>84,692</b>	<b>263</b>	<b>0.3%</b>	
<b>1,465</b>	<b>1,506</b>	<b>(41)</b>	<b>(2.7%)</b>	<b>OneCare</b>	<b>9,169</b>	<b>8,998</b>	<b>171</b>	<b>1.9%</b>	
<b>393</b>	<b>378</b>	<b>15</b>	<b>4.0%</b>	<b>PACE</b>	<b>2,172</b>	<b>2,154</b>	<b>18</b>	<b>0.8%</b>	
<b>738,535</b>	<b>744,271</b>	<b>(5,736)</b>	<b>(0.8%)</b>	<b>CalOptima Total</b>	<b>4,483,538</b>	<b>4,491,182</b>	<b>(7,644)</b>	<b>(0.2%)</b>	

**CalOptima  
Enrollment Trend by Network  
Fiscal Year 2020**

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	YTD Actual	YTD Budget	Variance
<b>HMOs</b>									
Aged	3,723	3,740	3,754	3,821	3,827	3,743	22,608	22,803	(195)
BCCTP	1	1	2	2	1	1	8	6	2
Disabled	6,539	6,547	6,572	6,613	6,633	6,546	39,450	39,618	(168)
TANF Child	54,046	53,703	52,620	53,069	52,791	51,642	317,871	318,204	(333)
TANF Adult	27,944	27,740	27,446	27,279	27,012	27,168	164,589	167,015	(2,426)
LTC	2	1	3	3	2	4	15	12	3
MCE	68,973	69,077	68,729	68,881	68,361	68,256	412,277	413,232	(955)
WCM	2,026	2,087	2,052	1,987	2,006	2,024	12,182	14,178	(1,996)
<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>969,000</b>	<b>975,068</b>	<b>(6,068)</b>
<b>PHCs</b>									
Aged	1,548	1,540	1,524	1,542	1,577	1,579	9,310	9,180	130
BCCTP									0
Disabled	5,416	5,499	5,323	5,425	5,500	5,474	32,637	32,014	623
TANF Child	148,665	148,131	143,994	146,390	145,734	140,237	873,151	882,838	(9,687)
TANF Adult	11,149	11,322	10,925	10,865	10,743	11,285	66,289	62,640	3,649
LTC			1			1	3		3
MCE	37,510	37,479	37,084	37,037	36,728	36,708	222,546	226,116	(3,570)
WCM	7,209	7,276	7,190	7,151	7,070	6,994	42,890	46,104	(3,214)
<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>1,246,826</b>	<b>1,258,892</b>	<b>(12,066)</b>
<b>Shared Risk Groups</b>									
Aged	3,569	3,523	3,470	3,501	3,527	3,364	20,954	21,752	(798)
BCCTP						1	1		1
Disabled	7,275	7,294	7,144	7,177	7,200	7,139	43,229	41,079	2,150
TANF Child	63,291	62,381	57,001	59,579	58,690	56,771	357,713	370,885	(13,172)
TANF Adult	28,681	28,390	27,842	27,428	26,946	27,269	166,556	171,814	(5,258)
LTC	1	3	3	2	1	1	11	6	5
MCE	84,595	83,922	82,492	81,749	80,096	79,714	492,568	508,986	(16,418)
WCM	1,732	1,706	1,620	1,598	1,581	1,593	9,830	11,802	(1,972)
<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>1,090,862</b>	<b>1,126,324</b>	<b>(35,462)</b>
<b>Fee for Service (Dual)</b>									
Aged	51,730	52,454	52,097	52,050	52,649	51,770	312,750	312,411	339
BCCTP	15	18	17	18	19	20	107	108	(1)
Disabled	20,752	20,053	20,586	20,577	20,781	20,848	123,597	123,224	373
TANF Child		19	1	1	1	1	23		23
TANF Adult	964	1,923	949	941	963	938	6,678	5,389	1,289
LTC	3,044	3,097	3,061	3,161	3,204	2,971	18,538	18,294	244
MCE	2,116	2,171	1,935	1,717	1,737	2,255	11,931	12,390	(459)
WCM	15	15	15	16	15	16	92	96	(4)
<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>473,716</b>	<b>471,912</b>	<b>1,804</b>
<b>Fee for Service (Non-Dual)</b>									
Aged	4,682	4,211	4,370	4,583	4,890	3,841	26,577	26,956	(379)
BCCTP	550	542	484	532	525	518	3,151	3,576	(425)
Disabled	4,928	5,692	4,374	4,930	5,428	8,670	34,022	26,737	7,285
TANF Child	25,571	32,106	16,125	25,295	29,914	21,194	150,205	132,932	17,273
TANF Adult	19,658	19,951	19,512	19,854	23,011	22,542	124,528	114,522	10,006
LTC	328	326	331	347	364	302	1,998	2,112	(114)
MCE	40,680	41,152	40,342	41,308	48,994	48,138	260,614	250,847	9,767
WCM	843	960	978	1,008	1,079	874	5,742	5,460	282
<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>606,837</b>	<b>563,142</b>	<b>43,695</b>
<b>Grand Totals</b>									
Aged	65,252	65,468	65,215	65,497	66,470	64,297	392,199	393,102	(903)
BCCTP	566	561	503	552	545	540	3,267	3,690	(423)
Disabled	44,910	45,085	43,999	44,722	45,542	48,677	272,935	262,672	10,263
TANF Child	291,573	296,340	269,741	284,334	287,130	269,845	1,698,963	1,704,859	(5,896)
TANF Adult	88,396	89,326	86,674	86,367	88,675	89,202	528,640	521,380	7,260
LTC	3,375	3,427	3,399	3,513	3,572	3,279	20,565	20,424	141
MCE	233,874	233,801	230,582	230,692	235,916	235,071	1,399,936	1,411,571	(11,635)
WCM	11,825	12,044	11,855	11,760	11,751	11,501	70,736	77,640	(6,904)
<b>Total MediCal MM</b>	<b>739,771</b>	<b>746,052</b>	<b>711,968</b>	<b>727,437</b>	<b>739,601</b>	<b>722,413</b>	<b>4,387,242</b>	<b>4,395,338</b>	<b>(8,096)</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>84,955</b>	<b>84,692</b>	<b>263</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>9,169</b>	<b>8,998</b>	<b>171</b>
<b>PACE</b>	<b>335</b>	<b>345</b>	<b>356</b>	<b>368</b>	<b>375</b>	<b>393</b>	<b>2,172</b>	<b>2,154</b>	<b>18</b>
<b>Grand Total</b>	<b>755,893</b>	<b>762,032</b>	<b>728,074</b>	<b>743,465</b>	<b>755,539</b>	<b>738,535</b>	<b>4,483,538</b>	<b>4,491,182</b>	<b>(7,644)</b>

## **ENROLLMENT:**

**Overall** December enrollment was 738,535

- Unfavorable to budget 5,736 or 0.8%
- Decreased 17,004 or 2.3% from prior month (PM) (November 2019)
- Decreased 27,659 or 3.6% from prior year (PY) (December 2018)

**Medi-Cal** enrollment was 722,413

- Unfavorable to budget 5,959 or 0.8%
  - Temporary Assistance for Needy Families (TANF) unfavorable 7,347
  - Whole Child Model (WCM) unfavorable 1,439
  - Medi-Cal Expansion (MCE) unfavorable 410
  - Long-Term Care (LTC) unfavorable 125
  - Seniors and Persons with Disabilities (SPD) favorable 3,361
- Decreased 17,188 from PM

**OneCare Connect** enrollment was 14,264

- Favorable to budget 249 or 1.8%
- Increased 199 from PM

**OneCare** enrollment was 1,465

- Unfavorable to budget 41 or 2.7%
- Decreased 33 from PM

**PACE** enrollment was 393

- Favorable to budget 15 or 4.0%
- Increased 18 from PM

**CalOptima  
Medi-Cal Total  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2019**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
722,413	728,372	(5,959)	(0.8%)	<b>Member Months</b>	4,387,242	4,395,338	(8,096)	(0.2%)
<b>Revenues</b>				<b>Revenues</b>				
275,967,740	268,400,817	7,566,924	2.8%	Capitation Revenue	1,744,576,305	1,614,129,315	130,446,991	8.1%
-	-	-	0.0%	Other Income	-	-	-	0.0%
<b>275,967,740</b>	<b>268,400,817</b>	<b>7,566,924</b>	<b>2.8%</b>	<b>Total Operating Revenue</b>	<b>1,744,576,305</b>	<b>1,614,129,315</b>	<b>130,446,991</b>	<b>8.1%</b>
<b>Medical Expenses</b>				<b>Medical Expenses</b>				
96,346,837	94,788,872	(1,557,965)	(1.6%)	Provider Capitation	573,560,302	570,873,746	(2,686,556)	(0.5%)
60,112,967	48,878,808	(11,234,159)	(23.0%)	Facilities Claims	318,530,989	289,978,856	(28,552,134)	(9.8%)
24,420,537	23,486,089	(934,448)	(4.0%)	Professional Claims	157,722,137	138,736,994	(18,985,144)	(13.7%)
42,690,532	44,503,249	1,812,717	4.1%	Prescription Drugs	263,277,225	264,278,714	1,001,489	0.4%
39,481,647	37,649,494	(1,832,153)	(4.9%)	MLTSS	236,695,964	222,814,257	(13,881,706)	(6.2%)
3,564,666	4,674,658	1,109,992	23.7%	Medical Management	21,555,204	27,060,670	5,505,466	20.3%
2,731,563	3,209,424	477,861	14.9%	Reinsurance & Other	115,164,870	19,183,208	(95,981,662)	(500.3%)
<b>269,348,748</b>	<b>257,190,594</b>	<b>(12,158,154)</b>	<b>(4.7%)</b>	<b>Total Medical Expenses</b>	<b>1,686,506,692</b>	<b>1,532,926,445</b>	<b>(153,580,247)</b>	<b>(10.0%)</b>
<b>6,618,992</b>	<b>11,210,223</b>	<b>(4,591,230)</b>	<b>(41.0%)</b>	<b>Gross Margin</b>	<b>58,069,613</b>	<b>81,202,870</b>	<b>(23,133,256)</b>	<b>(28.5%)</b>
<b>Administrative Expenses</b>				<b>Administrative Expenses</b>				
6,661,257	7,099,305	438,048	6.2%	Salaries, Wages & Employee Benefits	38,403,113	42,622,769	4,219,656	9.9%
259,364	374,540	115,176	30.8%	Professional Fees	1,225,966	2,223,652	997,686	44.9%
716,263	954,254	237,991	24.9%	Purchased Services	4,476,824	5,725,520	1,248,696	21.8%
380,057	442,912	62,855	14.2%	Printing and Postage	1,760,331	2,664,104	903,773	33.9%
296,109	455,750	159,641	35.0%	Depreciation & Amortization	2,157,878	2,734,500	576,622	21.1%
1,342,959	1,645,292	302,333	18.4%	Other Operating Expenses	8,826,484	9,893,142	1,066,658	10.8%
(461,735)	(177,947)	283,788	159.5%	Indirect Cost Allocation, Occupancy Expense	(1,452,138)	(1,050,353)	401,785	38.3%
<b>9,194,275</b>	<b>10,794,106</b>	<b>1,599,831</b>	<b>14.8%</b>	<b>Total Administrative Expenses</b>	<b>55,398,457</b>	<b>64,813,334</b>	<b>9,414,877</b>	<b>14.5%</b>
<b>Operating Tax</b>				<b>Operating Tax</b>				
83,763,850	11,230,877	72,532,973	645.8%	Tax Revenue	83,763,850	67,765,618	15,998,232	23.6%
83,763,850	11,230,877	(72,532,973)	(645.8%)	Premium Tax Expense	83,763,850	67,765,618	(15,998,232)	(23.6%)
-	-	-	0.0%	Sales Tax Expense	-	-	-	0.0%
<b>0</b>	<b>-</b>	<b>(0)</b>	<b>0.0%</b>	<b>Total Net Operating Tax</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>0.0%</b>
<b>Grant Income</b>				<b>Grant Income</b>				
27,648	-	27,648	0.0%	Grant Revenue	46,651	-	46,651	0.0%
11,767	-	(11,767)	0.0%	Grant expense - Service Partner	(8,713)	-	8,713	0.0%
11,898	-	(11,898)	0.0%	Grant expense - Administrative	58,460	-	(58,460)	0.0%
<b>3,983</b>	<b>-</b>	<b>3,983</b>	<b>0.0%</b>	<b>Total Grant Income</b>	<b>(3,096)</b>	<b>-</b>	<b>(3,096)</b>	<b>0.0%</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>QAF and IGT - Net</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>0.0%</b>
<b>197</b>	<b>-</b>	<b>197</b>	<b>0.0%</b>	<b>Other income</b>	<b>374</b>	<b>-</b>	<b>374</b>	<b>0.0%</b>
<b>(2,571,103)</b>	<b>416,117</b>	<b>(2,987,220)</b>	<b>(717.9%)</b>	<b>Change in Net Assets</b>	<b>2,668,435</b>	<b>16,389,536</b>	<b>(13,721,101)</b>	<b>(83.7%)</b>
<b>97.6%</b>	<b>95.8%</b>	<b>(1.8%)</b>	<b>(1.9%)</b>	<b>Medical Loss Ratio</b>	<b>96.7%</b>	<b>95.0%</b>	<b>(1.7%)</b>	<b>(1.8%)</b>
<b>3.3%</b>	<b>4.0%</b>	<b>0.7%</b>	<b>17.2%</b>	<b>Admin Loss Ratio</b>	<b>3.2%</b>	<b>4.0%</b>	<b>0.8%</b>	<b>20.9%</b>

## **MEDI-CAL INCOME STATEMENT - DECEMBER MONTH:**

**REVENUES** of \$276.0 million are favorable to budget \$7.6 million driven by:

- Unfavorable volume related variance of \$2.2 million
- Favorable price related variance of \$9.8 million due to:
  - \$6.4 million of Coordinated Care Initiative (CCI) revenue, \$2.0 million from prior year
  - \$3.0 million of FY 2020 revenue due to Department of Health Care Services (DHCS) acuity rate adjustment
  - \$2.8 million of FY 2020 LTC revenue from non-LTC members
  - Offset by \$3.3 million of WCM revenue

**MEDICAL EXPENSES** of \$269.3 million are unfavorable to budget \$12.2 million driven by:

- Favorable volume related variance of \$2.1 million
- Unfavorable price variance of \$14.3 million due to:
  - Facilities Claims unfavorable variance of \$11.6 million due to WCM
  - Provider Capitation unfavorable variance of \$2.3 million due to Proposition 56

**ADMINISTRATIVE EXPENSES** of \$9.2 million are favorable to budget \$1.6 million driven by:

- Salaries & Benefit expenses are favorable to budget \$0.4 million
- Other Non-Salary expenses are favorable to budget \$1.2 million

**CHANGE IN NET ASSETS** is (\$2.6) million for the month, unfavorable to budget \$3.0 million

**CalOptima**  
**OneCare Connect Total**  
**Statement of Revenue and Expenses**  
**For the Six Months Ending December 31, 2019**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
14,264	14,015	249	1.8%	<b>Member Months</b>	84,955	84,692	263	0.3%
				Revenues				
2,428,984	2,757,701	(328,717)	(11.9%)	Medi-Cal Capitation Revenue	14,582,097	16,720,314	(2,138,217)	(12.8%)
16,907,270	15,980,441	926,829	5.8%	Medicare Capitation Revenue Part C	100,916,331	97,074,161	3,842,170	4.0%
6,298,670	4,756,087	1,542,583	32.4%	Medicare Capitation Revenue Part D	32,036,583	28,693,807	3,342,776	11.6%
-	-	-	0.0%	Other Income	-	-	-	0.0%
<b>25,634,924</b>	<b>23,494,229</b>	<b>2,140,695</b>	<b>9.1%</b>	<b>Total Operating Revenue</b>	<b>147,535,011</b>	<b>142,488,282</b>	<b>5,046,729</b>	<b>3.5%</b>
				Medical Expenses				
11,462,319	10,731,329	(730,990)	(6.8%)	Provider Capitation	67,703,583	65,321,049	(2,382,534)	(3.6%)
4,128,273	3,516,949	(611,324)	(17.4%)	Facilities Claims	22,677,741	20,942,326	(1,735,415)	(8.3%)
787,781	694,005	(93,776)	(13.5%)	Ancillary	4,113,802	4,090,189	(23,613)	(0.6%)
1,445,842	1,557,141	111,299	7.1%	MLTSS	8,277,637	9,333,910	1,056,273	11.3%
5,510,016	5,466,446	(43,570)	(0.8%)	Prescription Drugs	33,831,602	32,455,657	(1,375,945)	(4.2%)
1,095,695	1,138,158	42,463	3.7%	Medical Management	6,212,580	6,634,486	421,906	6.4%
175,380	219,433	44,053	20.1%	Other Medical Expenses	1,126,793	1,304,674	177,881	13.6%
<b>24,605,306</b>	<b>23,323,461</b>	<b>(1,281,845)</b>	<b>(5.5%)</b>	<b>Total Medical Expenses</b>	<b>143,943,738</b>	<b>140,082,291</b>	<b>(3,861,447)</b>	<b>(2.8%)</b>
<b>1,029,618</b>	<b>170,768</b>	<b>858,850</b>	<b>502.9%</b>	<b>Gross Margin</b>	<b>3,591,273</b>	<b>2,405,991</b>	<b>1,185,282</b>	<b>49.3%</b>
				Administrative Expenses				
684,801	825,634	140,833	17.1%	Salaries, Wages & Employee Benefits	4,228,209	4,907,785	679,576	13.8%
4,000	77,795	73,795	94.9%	Professional Fees	448,486	466,775	18,289	3.9%
133,352	242,988	109,636	45.1%	Purchased Services	975,351	1,457,932	482,581	33.1%
22,212	95,861	73,649	76.8%	Printing and Postage	319,482	575,162	255,680	44.5%
-	-	-	0.0%	Depreciation & Amortization	-	-	-	0.0%
30,781	71,889	41,108	57.2%	Other Operating Expenses	106,988	431,330	324,342	75.2%
693,393	519,792	(173,601)	(33.4%)	Indirect Cost Allocation	3,351,109	3,118,752	(232,357)	(7.5%)
<b>1,568,539</b>	<b>1,833,959</b>	<b>265,420</b>	<b>14.5%</b>	<b>Total Administrative Expenses</b>	<b>9,429,625</b>	<b>10,957,736</b>	<b>1,528,111</b>	<b>13.9%</b>
				Operating Tax				
-	-	-	0.0%	Tax Revenue	-	-	-	0.0%
-	-	-	0.0%	Premium Tax Expense	-	-	-	0.0%
-	-	-	0.0%	Sales Tax Expense	-	-	-	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>(538,921)</b>	<b>(1,663,191)</b>	<b>1,124,270</b>	<b>67.6%</b>	<b>Change in Net Assets</b>	<b>(5,838,352)</b>	<b>(8,551,745)</b>	<b>2,713,393</b>	<b>31.7%</b>
<b>96.0%</b>	<b>99.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>Medical Loss Ratio</b>	<b>97.6%</b>	<b>98.3%</b>	<b>0.7%</b>	<b>0.8%</b>
<b>6.1%</b>	<b>7.8%</b>	<b>1.7%</b>	<b>21.6%</b>	<b>Admin Loss Ratio</b>	<b>6.4%</b>	<b>7.7%</b>	<b>1.3%</b>	<b>16.9%</b>

**ONECARE CONNECT INCOME STATEMENT - DECEMBER MONTH:**

**REVENUES** of \$25.6 million are favorable to budget \$2.1 million driven by:

- Favorable volume related variance of \$0.4 million
- Favorable price related variance of \$1.7 million

**MEDICAL EXPENSES** of \$24.6 million are unfavorable to budget \$1.3 million

- Unfavorable volume related variance of \$0.4 million
- Unfavorable price related variance of \$0.9 million

**ADMINISTRATIVE EXPENSES** of \$1.6 million are favorable to budget \$0.3 million

**CHANGE IN NET ASSETS** is (\$0.5) million, favorable to budget \$1.1 million

**CalOptima  
OneCare  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2019**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
<b>1,465</b>	<b>1,506</b>	<b>(41)</b>	<b>(2.7%)</b>	<b>Member Months</b>	<b>9,169</b>	<b>8,998</b>	<b>171</b>	<b>1.9%</b>
				<b>Revenues</b>				
1,255,303	1,086,743	168,560	15.5%	Medicare Part C revenue	7,333,988	6,637,209	696,779	10.5%
603,072	519,092	83,980	16.2%	Medicare Part D revenue	3,360,603	3,107,438	253,165	8.1%
<b>1,858,375</b>	<b>1,605,835</b>	<b>252,540</b>	<b>15.7%</b>	<b>Total Operating Revenue</b>	<b>10,694,591</b>	<b>9,744,647</b>	<b>949,944</b>	<b>9.7%</b>
				<b>Medical Expenses</b>				
464,784	430,945	(33,839)	(7.9%)	Provider capitation	2,846,557	2,630,477	(216,080)	(8.2%)
458,684	513,200	54,516	10.6%	Inpatient	2,374,608	3,032,777	658,169	21.7%
27,660	56,033	28,373	50.6%	Ancillary	268,765	331,243	62,478	18.9%
(7,830)	46,040	53,870	117.0%	Skilled nursing facilities	52,163	272,118	219,955	80.8%
606,397	506,425	(99,972)	(19.7%)	Prescription drugs	3,182,671	3,002,539	(180,132)	(6.0%)
55,690	47,734	(7,956)	(16.7%)	Medical Management	235,585	287,496	51,911	18.1%
-	10,870	10,870	100.0%	Other medical expenses	-	64,943	64,943	100.0%
<b>1,605,384</b>	<b>1,611,247</b>	<b>5,863</b>	<b>0.4%</b>	<b>Total Medical Expenses</b>	<b>8,960,348</b>	<b>9,621,593</b>	<b>661,245</b>	<b>6.9%</b>
<b>252,991</b>	<b>(5,412)</b>	<b>258,403</b>	<b>4774.6%</b>	<b>Gross Margin</b>	<b>1,734,242</b>	<b>123,054</b>	<b>1,611,188</b>	<b>1309.3%</b>
				<b>Administrative Expenses</b>				
68,915	51,102	(17,813)	(34.9%)	Salaries, wages & employee benefits	367,735	309,086	(58,649)	(19.0%)
15,000	21,480	6,480	30.2%	Professional fees	129,371	128,880	(491)	(0.4%)
13,555	17,063	3,508	20.6%	Purchased services	92,360	102,378	10,018	9.8%
40,781	16,667	(24,114)	(144.7%)	Printing and postage	61,433	100,002	38,569	38.6%
(0)	4,738	4,738	100.0%	Other operating expenses	1,427	28,428	27,001	95.0%
51,701	35,589	(16,112)	(45.3%)	Indirect cost allocation, occupancy expense	242,917	213,534	(29,383)	(13.8%)
<b>189,951</b>	<b>146,639</b>	<b>(43,312)</b>	<b>(29.5%)</b>	<b>Total Administrative Expenses</b>	<b>895,242</b>	<b>882,308</b>	<b>(12,934)</b>	<b>(1.5%)</b>
<b>63,040</b>	<b>(152,051)</b>	<b>215,091</b>	<b>141.5%</b>	<b>Change in Net Assets</b>	<b>839,000</b>	<b>(759,254)</b>	<b>1,598,254</b>	<b>210.5%</b>
<b>86.4%</b>	<b>100.3%</b>	<b>14.0%</b>	<b>13.9%</b>	<b>Medical Loss Ratio</b>	<b>83.8%</b>	<b>98.7%</b>	<b>15.0%</b>	<b>15.1%</b>
<b>10.2%</b>	<b>9.1%</b>	<b>(1.1%)</b>	<b>(11.9%)</b>	<b>Admin Loss Ratio</b>	<b>8.4%</b>	<b>9.1%</b>	<b>0.7%</b>	<b>7.5%</b>



**CalOptima  
PACE  
Statement of Revenues and Expenses  
For the Six Months Ending December 31, 2019**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
393	378	15	4.0%	<b>Member Months</b>	2,172	2,154	18	0.8%
				<b>Revenues</b>				
2,432,327	2,273,074	159,253	7.0%	Medi-Cal Capitation Revenue	13,464,975	12,950,172	514,803	4.0%
508,501	521,583	(13,082)	(2.5%)	Medicare Part C Revenue	2,834,326	2,999,312	(164,986)	(5.5%)
178,222	139,351	38,871	27.9%	Medicare Part D Revenue	819,585	794,645	24,940	3.1%
<b>3,119,050</b>	<b>2,934,008</b>	<b>185,042</b>	<b>6.3%</b>	<b>Total Operating Revenue</b>	<b>17,118,886</b>	<b>16,744,129</b>	<b>374,757</b>	<b>2.2%</b>
				<b>Medical Expenses</b>				
768,467	876,083	107,616	12.3%	Medical Management	4,216,291	5,237,141	1,020,850	19.5%
596,149	562,615	(33,534)	(6.0%)	Facilities Claims	4,078,511	3,157,355	(921,156)	(29.2%)
465,224	616,049	150,825	24.5%	Professional claims	3,298,005	3,463,194	165,189	4.8%
24,733	249,252	224,519	90.1%	Patient transportation	1,181,331	1,377,328	195,997	14.2%
258,988	234,600	(24,388)	(10.4%)	Prescription drugs	1,378,992	1,316,676	(62,316)	(4.7%)
35,723	29,018	(6,705)	(23.1%)	MLTSS	210,796	141,869	(68,927)	(48.6%)
127,935	6,666	(121,269)	(1819.2%)	Other Expenses	150,534	40,000	(110,534)	(276.3%)
<b>2,277,218</b>	<b>2,574,283</b>	<b>297,065</b>	<b>11.5%</b>	<b>Total Medical Expenses</b>	<b>14,514,459</b>	<b>14,733,563</b>	<b>219,104</b>	<b>1.5%</b>
<b>841,832</b>	<b>359,725</b>	<b>482,107</b>	<b>134.0%</b>	<b>Gross Margin</b>	<b>2,604,428</b>	<b>2,010,566</b>	<b>593,862</b>	<b>29.5%</b>
				<b>Administrative Expenses</b>				
119,464	141,889	22,425	15.8%	Salaries, wages & employee benefits	830,522	855,723	25,201	2.9%
123	153	30	19.4%	Professional fees	1,136	918	(218)	(23.7%)
4,847	18,971	14,124	74.4%	Purchased services	50,631	113,826	63,195	55.5%
7,066	10,533	3,467	32.9%	Printing and postage	61,270	63,198	1,928	3.1%
2,087	2,116	29	1.4%	Depreciation & amortization	12,541	12,696	155	1.2%
4,175	4,136	(39)	(0.9%)	Other operating expenses	22,841	24,815	1,974	8.0%
46,518	4,098	(42,420)	(1035.1%)	Indirect Cost Allocation, Occupancy Expense	84,014	23,893	(60,121)	(251.6%)
<b>184,280</b>	<b>181,896</b>	<b>(2,384)</b>	<b>(1.3%)</b>	<b>Total Administrative Expenses</b>	<b>1,062,954</b>	<b>1,095,069</b>	<b>32,115</b>	<b>2.9%</b>
				<b>Operating Tax</b>				
5,832	-	5,832	0.0%	Tax Revenue	32,232	-	32,232	0.0%
5,832	-	(5,832)	0.0%	Premium Tax Expense	32,232	-	(32,232)	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>657,552</b>	<b>177,829</b>	<b>479,723</b>	<b>269.8%</b>	<b>Change in Net Assets</b>	<b>1,541,473</b>	<b>915,497</b>	<b>625,976</b>	<b>68.4%</b>
73.0%	87.7%	14.7%	16.8%	<i>Medical Loss Ratio</i>	84.8%	88.0%	3.2%	3.6%
5.9%	6.2%	0.3%	4.7%	<i>Admin Loss Ratio</i>	6.2%	6.5%	0.3%	5.1%

**CalOptima**  
**BUILDING 505 - CITY PARKWAY**  
**Statement of Revenues and Expenses**  
**For the Six Months Ending December 31, 2019**

Month				Year to Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
<b>Revenues</b>							
-	-	-	0.0%	-	-	-	0.0%
-	-	-	<b>0.0%</b>	-	-	-	<b>0.0%</b>
<b>Administrative Expenses</b>							
47,933	23,102	(24,831)	(107.5%)	287,666	138,607	(149,059)	(107.5%)
164,494	174,725	10,231	5.9%	986,963	1,048,350	61,387	5.9%
17,476	15,866	(1,610)	(10.2%)	104,859	95,196	(9,663)	(10.2%)
83,911	140,162	56,251	40.1%	635,647	840,972	205,325	24.4%
23,494	46,432	22,938	49.4%	288,091	278,592	(9,499)	(3.4%)
(337,309)	(400,287)	(62,978)	(15.7%)	(2,303,226)	(2,401,717)	(98,491)	(4.1%)
<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>Total Administrative Expenses</b>							
<b>Change in Net Assets</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>

**OTHER INCOME STATEMENTS – DECEMBER MONTH:**

**ONECARE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is \$63.0 thousand, favorable to budget \$215.1 thousand

**PACE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is \$657.6 thousand, favorable to budget \$479.7 thousand

**CalOptima**  
**Balance Sheet**  
**December 31, 2019**

**ASSETS**

Current Assets	
Operating Cash	\$465,465,756
Investments	456,122,997
Capitation receivable	383,024,805
Receivables - Other	30,875,068
Prepaid expenses	7,065,129
<b>Total Current Assets</b>	<b><u>1,342,553,755</u></b>

Capital Assets	
Furniture & Equipment	37,086,365
Building/Leasehold Improvements	10,574,782
505 City Parkway West	<u>50,489,717</u>
	98,150,864
Less: accumulated depreciation	<u>(49,943,873)</u>
Capital assets, net	<u>48,206,991</u>

Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	58,198,913
Board-designated assets:	
Cash and Cash Equivalents	8,236,462
Long-term Investments	<u>558,844,370</u>
Total Board-designated Assets	<u>567,080,832</u>
<b>Total Other Assets</b>	<b><u>625,579,745</u></b>

**TOTAL ASSETS** **2,016,340,491**

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** **2,027,430,940**

**LIABILITIES & NET POSITION**

Current Liabilities	
Accounts Payable	\$89,098,516
Medical Claims liability	753,310,433
Accrued Payroll Liabilities	11,421,423
Deferred Revenue	32,885,838
Deferred Lease Obligations	6,359
Capitation and Withholds	131,892,675
<b>Total Current Liabilities</b>	<b><u>1,018,615,245</u></b>

Other (than pensions) post employment benefits liability	25,440,671
Net Pension Liabilities	23,671,930
Bldg 505 Development Rights	-

**TOTAL LIABILITIES** **1,067,727,846**

Deferred Inflows	
Excess Earnings	156,330
Change in Assumptions	4,747,505
OPEB Changes in Assumptions	2,503,000

Net Position	
TNE	95,518,594
Funds in Excess of TNE	<u>856,777,665</u>

**TOTAL NET POSITION** **952,296,259**

**TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION** **2,027,430,940**

**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of December 31, 2019**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	155,430,553				
	Tier 1 - Logan Circle	154,299,315				
	Tier 1 - Wells Capital	154,707,630				
<b>Board-designated Reserve</b>						
		464,437,498	316,285,764	492,773,346	148,151,734	(28,335,848)
TNE Requirement	Tier 2 - Logan Circle	102,643,334	95,518,594	95,518,594	7,124,740	7,124,740
<b>Consolidated:</b>		<b>567,080,832</b>	<b>411,804,358</b>	<b>588,291,940</b>	<b>155,276,474</b>	<b>(21,211,108)</b>
<i>Current reserve level</i>		<i>1.93</i>	<i>1.40</i>	<i>2.00</i>		

**CalOptima**  
**Statement of Cash Flows**  
**December 31, 2019**

	<b>Month Ended</b>	<b>Year-To-Date</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	354,699	16,753,389
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	462,689	3,157,382
Changes in assets and liabilities:		
Prepaid expenses and other	(1,102,553)	(1,277,388)
Catastrophic reserves		
Capitation receivable	(94,415,296)	(61,958,106)
Medical claims liability	(8,902,224)	999,481
Deferred revenue	(28,289,534)	(18,148,925)
Payable to health networks	(26,651,825)	22,989,535
Accounts payable	83,427,458	46,431,790
Accrued payroll	906,731	1,219,488
Other accrued liabilities	(6,359)	(38,153)
Net cash provided by/(used in) operating activities	(74,216,214)	10,128,494
 GASB 68 CalPERS Adjustments	-	-
<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	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in Investments	24,189,229	117,583,300
Change in Property and Equipment	(148,171)	(4,739,484)
Change in Board designated reserves	(1,234,534)	(6,935,425)
Change in Homeless Health Reserve	-	1,801,087
Net cash provided by/(used in) investing activities	22,806,524	107,709,478
 <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(51,409,691)</b>	<b>117,837,972</b>
 CASH AND CASH EQUIVALENTS, beginning of period	516,875,446	347,627,784
 <b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>465,465,756</b>	<b>465,465,756</b>

## **BALANCE SHEET - DECEMBER MONTH:**

**ASSETS** of \$2.0 billion increased \$20.8 million from November or 1.0%

- Capitation Receivables increased \$91.8 million due to FY 2020 Managed Care Organization (MCO) tax and timing of capitation received
- Operating Cash decreased \$51.4 million due to timing of capitation received and shared risk payments
- Investments decreased \$24.2 million due timing of capitation received and shared risk payments

**LIABILITIES** of \$1.1 billion increased \$20.5 million from November or 2.0%

- Accounts Payable increased \$83.4 million due to the state's retroactive reinstatement of MCO tax for FY 2020 year-to-date
- Deferred Revenue decreased \$28.3 million due to prepayment from Centers for Medicare & Medicaid Services (CMS) in prior month
- Capitation and Withhold decreased \$26.7 million due to payout of shared risk pool
- Medical Claims Liability decreased \$8.9 million due to timing of claim payments

**NET ASSETS** total \$952.3 million

**Homeless Health Initiative and Allocated Funds  
as of December 31, 2019**

	<b>Amount</b>
<b>Program Commitment</b>	<b>\$ 100,000,000</b>
<b>Funds Allocation, approved initiatives:</b>	
Be Well OC	\$ 11,400,000
Recuperative Care	8,500,000
Housing Supportive Services	2,500,000
Clinical Field Team Start-Up & Federally 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>
<b>Funds Allocation Total</b>	<b><u>41,801,087</u></b>
<b>Program Commitment Balance, available for new initiatives</b>	<b>\$ 58,198,913</b>

**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 December 2019**

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
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	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
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	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

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 February 20, 2020**

### **Information Systems Security Update - Quarter Ending September 30, 2019**

---

#### **Recent and Upcoming Activities:**















---

- During this quarter, there was no downtime caused by security incidents.
  - The Information Security team reported 50 Data Loss Prevention incidents to the Privacy team. Most were due to accidental Internet search with PHI by users & sending PHI to personal mail account by selecting the wrong email address.
  - The 2018 Annual HIPAA Risk Assessment Mitigation is completed.
  - The 2019 October Cyber Security Awareness Month was completed. Total attendees to the weekly speaker sessions = 147.
  - The 2019 internal and external penetration test was completed and the annual risk assessment will be started in February 2020.
  - The Information Security Team had completed the bi-annual enterprise phishing test in 4<sup>th</sup> quarter and the failure rate was 27%.
- 

#### **Monthly Executive Report December 2019**

All CalOptima employees are tested with phishing e-mails once per year. Information Security team conducts phishing simulations as it is an effective way to raise employee's cyber security awareness and test their susceptibility to social engineering phishing and ransomware attacks

The following charts show the inbound email traffic through our IronPort appliances with the ultimate goal of delivering clean messages to the intended CalOptima email recipients. The majority of the messages that are stopped are from senders of poor reputation and spammers. Other protection that is applied protects CalOptima against malicious emails containing known viruses, malware and malicious URLs.

Overview > Incoming Mail Summary <span style="float: right;">✕</span>		
Message Category	%	Messages
 Stopped by Reputation Filtering	76.6%	1.0M
 Stopped as Invalid Recipients	0.0%	16
 Spam Detected	3.0%	39.2k
 Virus Detected	0.0%	8
 Detected by Advanced Malware Protection	0.0%	3
 Messages with Malicious URLs	0.0%	293
 Stopped by Content Filter	1.0%	12.5k
 Stopped by DMARC	0.0%	0
 S/MIME Verification/Decryption Failed	0.0%	0
<b>Total Threat Messages:</b>		<b>80.5%</b> <b>1.1M</b>
 Marketing Messages	5.0%	65.2k
 Social Networking Messages	0.1%	1,857
 Bulk Messages	2.3%	30.5k
<b>Total Graymails:</b>		<b>7.4%</b> <b>97.5k</b>
 S/MIME Verification/Decryption Successful	0.0%	0
 Clean Messages	12.1%	158.4k
<b>Total Attempted Messages:</b>		<b>1.3M</b>



**CalOptima**  
Better. Together.

# The Future of CalOptima's Core Administrative System

**Board of Directors' Finance & Audit Committee Meeting  
February 20, 2020**

**Nora Onishi  
Director, Information Services**

# Facets - Overview

---

- Facets is CalOptima's Core Administrative Processing System. Facets handles all enrollment/eligibility, benefits, provider contracts/affiliations and fee schedules, capitation, customer service, and claims – just to name the core functions.
- Facets was originally implemented in 2001.
- The system is not only carefully configured, but also includes more than 300 interfaces to other systems, and many custom extensions to support CalOptima's business needs.
- Due to the complexity of the installation of Facets, continuation of the existing system has been proposed and authorized thus far.
- CalOptima has been able to leverage Facets for our operational needs with some identified gaps in functionality. These gaps have been handled through various other extensions and customizations to Facets and other supporting systems.

# Facets – Current Status

---

- The current contract term expires June 30, 2022.
- A Request For Information (RFI) process was initiated in August 2018 with the intent to review the marketplace and determine if a Request For Proposal (RFP) was warranted.
- Current gaps in functionality and ‘must-have’ requirements were developed by a cross-functional team of business participants.
- Staff also reviewed market information available from Gartner, a technology research firm, on the top solutions in the marketplace, as well as recommended RFI and RFP content.
- Ten responses were received, and four demonstrations were conducted for the evaluation team in May 2019.
- There was sufficient team interest in some of the offerings from other vendors to consider an RFP process.

# Facets – RFP Considerations

- Facets has been live at CalOptima since 2001.
- The current cost of Facets is approximately \$1.5M per year.
- Completion of an RFP process and vendor selection is a significant undertaking, requiring involvement from the cross-functional team, and consuming potentially three years.
  - Development of the RFP can take approximately six months.
  - Releasing the RFP, evaluating the proposals, and conducting demonstrations and information sessions can take an additional six to twelve months.
  - If a new vendor is selected, a replacement project will likely take eighteen months to two years for implementation in addition to the time required to agree on contract terms and conditions.
- A project of this magnitude requires a full-time dedicated team for the duration of the two-year project and backfill resources for the team.
- A contract for a new system would likely include a greater annual cost than current. The cost to implement a new system can be in the \$10M to \$20M range.

# Facets – Discussion and Options

---

- 1) Request approval to extend the current agreement for three years to accommodate the time needed for potential RFP and implementation.
- 2) Consider continuing with Facets – and either migrate to the hosted/cloud version – and/or complete a reconfiguration for either the on-premise or hosted solution. Determine pros and cons of these alternatives.
- 3) As some leadership staff has changed since the RFI was completed, re-evaluate and confirm business needs with all operational and clinical areas.
- 4) Develop an RFP to further review the marketplace. Next steps may include:
  - Consider alternative solutions, such as use of an additional third-party solution to improve functionality without replacing Facets.



# CalOptima Mission

---

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



# CalOptima

Better. Together.



Medi-Cal

# CalOptima

Better. Together.



OneCare (HMO SNP)

# CalOptima

Better. Together.



OneCare Connect

# CalOptima

Better. Together.



PACE

# CalOptima

Better. Together.



**CalOptima**  
Better. Together.

# Health Network Medi-Cal Capitation Rate Structure

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

**Nancy Huang, Chief Financial Officer**

# Overview – Medi-Cal Rebasing

- Periodically, CalOptima works with a third-party consulting firm to evaluate the sufficiency of reimbursements for both FFS and capitation
  - Determine appropriate capitation rates by population categories
  - Ensure Health Networks are appropriately reimbursed
- Rebasing assumptions
  - Calculate capitation rates to be sufficient to cover both medical and non-medical expenses
  - Reflect recent rate changes in FFS reimbursement
  - Include forward trend assumptions
  - Collect encounter data and reprice it to CalOptima's FFS reimbursement
- Historically, CalOptima has engaged Milliman for rebasing services
  - Milliman will consider the completion of the encounters during the rebasing exercise

# Opportunities to Update Rate Structure

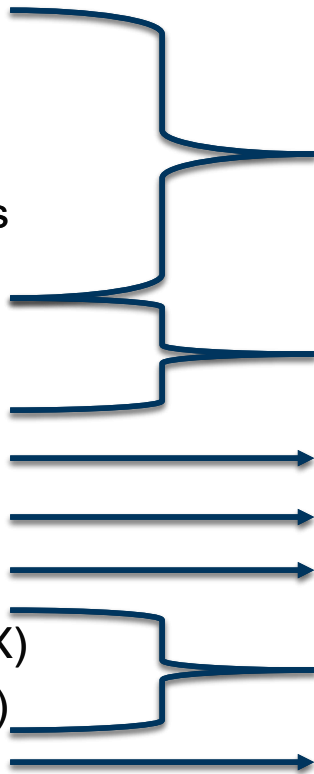
---

1. To better align CalOptima's Health Network capitation rate categories to how CalOptima receives revenue
2. To simplify and align the age/gender bands Health Networks are paid on
3. Administrative simplification

# Rebasing: COA Consolidation Proposal

## Current

- Family
- Poverty
- Child
- Healthy Families
- Adult
- Aged
- Disabled
- ESRD
- AIDS
- BCCTP
- Expansion (MCX)
- Expansion (MSI)
- WCM



## Proposed

- Child
- Adult
- Seniors and Persons with Disabilities (SPD)
- ESRD
- AIDS
- BCCTP
- Expansion
- WCM

# Rebasing: Age/Gender Band Simplification Proposal

## Current

Kaiser HN	0 year, Both
Family	01 - 14 years, Both
Poverty	15 - 18 years, Female
Child	15 - 18 years, Male
Health Families	19 - 39 years, Female
	19 - 39 years, Male
	40 + years, Both
Non-Kaiser HN	0 year, Both
Family	01 - 14 years, Both
Poverty	15 - 19 years, Female
Child	15 - 19 years, Male
Health Families	20 - 39 years, Female
	20 - 39 years, Male
	40 + years, Both
Disabled	0 - 14 years, Both
Expansion (MCX)	15 - 20 years, Fem
Expansion (MSI)	15 - 20 years, Male
	21 - 44 years, Fem
	21 - 44 years, Male
	45 + years, Both
Adult, Aged, ESRD	All ages, Both
Aids, BCCTP	
WCM	21 under, Both

## Proposed

0 year, Both
01 - 14 years, Both
15 - 18 years, Female
15 - 18 years, Male
19 - 39 years, Female
19 - 39 years, Male
40 - 64 years, Both
65 + years, Both



# FY 2020-21 Budget Considerations

---

- Revenue neutral to CalOptima
- Minimal financial impact to each individual Health Network
- Communication to the Health Networks
  - Capitation payment remittance
  - Capitation reporting
- Effective July 2020
  - Sample report will be available to Health Networks before implementation



# CalOptima's Mission

---

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner





**CalOptima**  
Better. Together.

# **Business Insurance Policy Year 2021**

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

**Nancy Huang, Chief Financial Officer**

**Kelly Klipfel, Director Financial Compliance**

# Agenda

---

- Coverage Summary
  - Mandatory Coverage
  - Additional Coverage
- Business Insurance Renewal
  - Process
  - Timeline
- Board Communication and Approval Process

# Coverage Summary

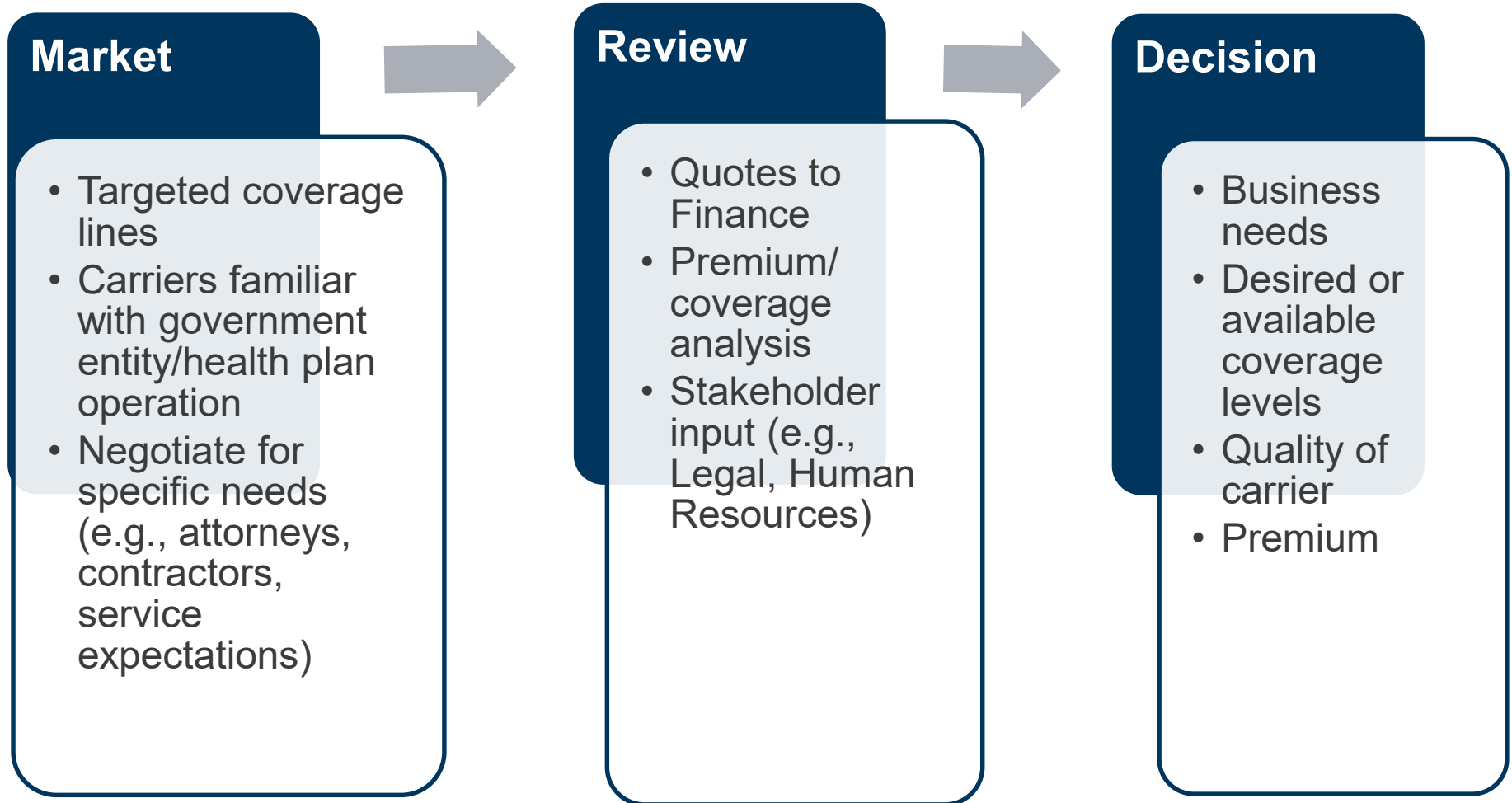
## Mandatory Coverage

- Workers' Compensation
- General Liability
- Property
- Managed Care Errors and Omissions (E&O)
- Medical Malpractice

## Additional Coverage

- Directors and Officers (D&O) – primary and excess
- Employment Practices Liability (EPL)
- Crime
- Network/Privacy (Cyber)
- Commercial Auto
- Earthquake
- Pollution
- Umbrella
- Excess Liability
- Wage and Hour Coverage
- Fiduciary

# Business Insurance Renewal: Process

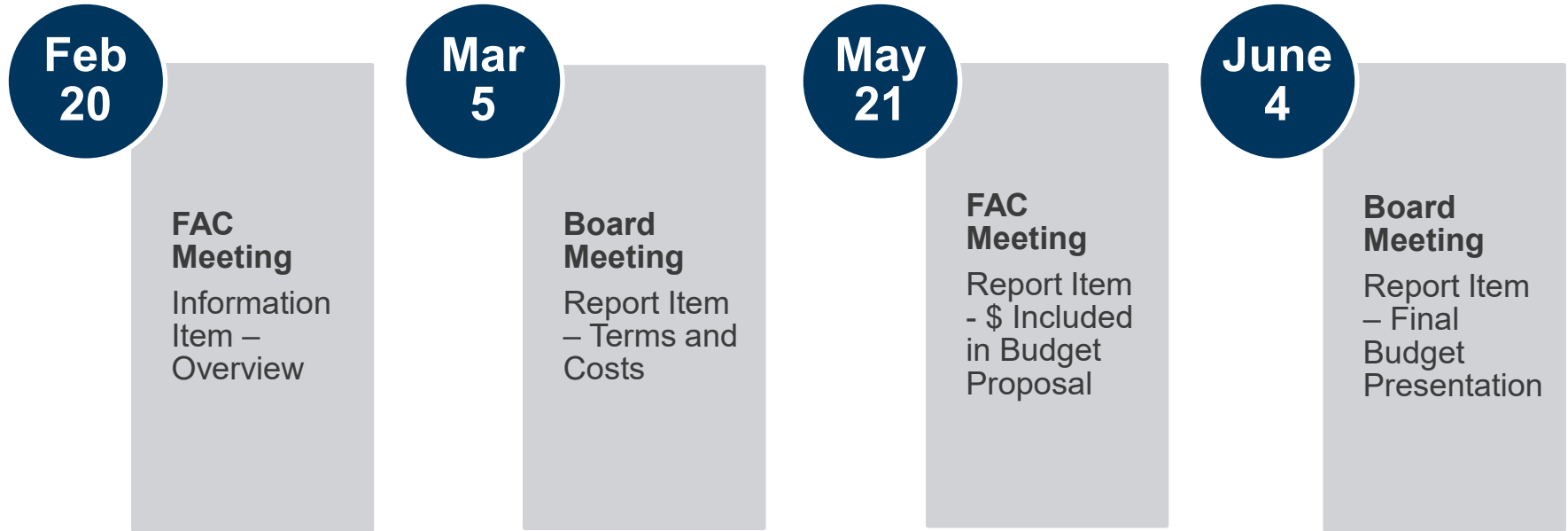


# Business Insurance Renewal: Timeline

Timeline	Action
November 2019	<ul style="list-style-type: none"><li>• Complete applications</li><li>• Broker/Finance meeting to discuss marketing strategy</li></ul>
December 2019 – March 2020	<ul style="list-style-type: none"><li>• Broker markets coverage lines</li><li>• Initial quotes/terms presented to Finance on 2/5/20</li><li>• Stakeholder input</li><li>• Broker issues bind orders for 4/7/20 policy effective date</li></ul>
April 2020	<ul style="list-style-type: none"><li>• Binders received and reviewed</li><li>• Invoices paid</li></ul>

Note: Carriers are hesitant to issue quotes prior to approximately two months before the policy expiration date

# Board Communication and Approval







# CalOptima

Better. Together.



Medi-Cal

# CalOptima

Better. Together.



OneCare (HMO SNP)

# CalOptima

Better. Together.



OneCare Connect

# CalOptima

Better. Together.



PACE

# CalOptima

Better. Together.



**CalOptima**  
Better. Together.

# Update on DHCS and CMS Recoupments

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

**Nancy Huang, Chief Financial Officer**

# Agenda

---

- Adjustments/Refunds of overpayments for Risk Adjustment Processing System (RAPS) over submission for OneCare and OneCare Connect
  - Background
  - Fiscal Impact and Remediation Timeline
- Recoupment of unallowed capitation payments for deceased Medi-Cal members
  - Background
  - Fiscal Impact and Next Steps

# RAPS Over Submission: Background

---

- CMS bases Medicare payments on each enrollee's expected health care costs based on risk adjustment factors
  - Risk adjustment is prospective (i.e., CMS uses diagnoses for one year to predict costs for the following year)
  - CMS uses two data sources to calculate RAF scores
    - Risk Adjustment Processing System (RAPS) data
    - Encounter Data System (EDS) data

# RAPS Over Submission: Background (Cont.)

---

- CalOptima identified potential overreporting of RAPS data for Payment Years (PY) 2015 – 2018
  - RAPS data should only include face-to-face visits with an acceptable provider type
  - Identified files submitted without an associated face-to-face visit and/or acceptable provider type
- Once identified, CalOptima contracted with Inovalon to provide reconciliation and data resubmission services for adjustments/refunds of overpayments to CMS

# Fiscal Impact and Remediation Timeline

- Fiscal impact for PY 2015 – PY 2018
  - Estimated total OneCare and OneCare Connect: \$21.9 million
  - Estimated impact on health networks: \$9.5 million
- Remediation timeline

Date	Action
Nov 2019 – Mid-Jan 2020	CalOptima and Health Networks validate potential delete records provided by Inovalon
Jan 2020	Inovalon performs reconciliation and prepare resubmission to CMS <ul style="list-style-type: none"><li>• Will resubmit by PY as they are completed</li></ul>
Feb 2020	CalOptima meetings with Health Network leadership
June 2020	Target date for Inovalon to resubmit all PY's to CMS

# Recoupment of Unallowed Capitation Payments for Deceased Members: Background

- Oct 2018: State Auditor report on \$4 billion in questionable Medi-Cal payments from 2014 – 2017
  - Key driver: Discrepancies between state and county Medi-Cal eligibility systems
- May 2019: HHS OIG audit found DHCS paid Medi-Cal managed care plans capitation payments for deceased beneficiaries
  - Recommended DHCS pay back CMS for these inappropriate capitation payments
- DHCS to perform one-time recoupment of capitation payments from managed care plans in FY 2019-20
  - Recoupment period covers 2011 through 2019

# Fiscal Impact and Next Steps

---

- Fiscal impact
  - Statewide estimate: \$71 million Total Funds
  - Estimated impact to CalOptima members: \$10.2 million
    - To date, DHCS has recouped \$9.2 million from CalOptima
- Next steps
  - Staff is currently reviewing the impact to Health Networks
    - Health Network impact estimated at less than \$2 million
    - Staff will bring future recommendations to the Board regarding potential capitation adjustments





# **Quarterly Operating and Capital Budget Update**

**October 1, 2019 to December 31, 2019**

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 2020**

# TABLE OF CONTENTS

<b>Quarterly Operating Budget Update as of December 31, 2019</b> .....	3
<b>FY 2019-20 Board Approved Attachment A</b> .....	4
<b>Board Action Approval Details and Summary for Administrative Budget</b> .....	5
<b>CEO Administrative Budget Allocation Changes</b> .....	6
<b>FY 2019-20 Revised Attachment A</b> .....	7
<b>Personnel Budget and Market Adjustment Summary</b> .....	8
<b>Administrative Expense Summary by Category</b> .....	9
<b>Quarterly Capital Budget Update as of December 31, 2019</b> .....	10
<b>FY 2019-20 Capital Attachment A</b> .....	11
<b>Board Action and CEO Approval Details for Capital Projects</b> .....	12
<b>CEO Capital Budget Allocation Changes</b> .....	13
<b>FY 2019-20 Revised Capital Attachment A</b> .....	14
<b>Quarterly Purchasing Report</b> .....	15
<b>FY 2019-20 Second Quarter Purchasing Report</b> .....	16
<b>IGT Project Report</b> .....	19
<b>IGT Project Update as of December 2019</b> .....	20
<b>IGT Project Update as of December 2019 (Cont'd)</b> .....	21

# **Quarterly Operating Budget Update as of December 31, 2019**

# FY 2019-20 Board Approved Attachment A

Attachment A  
Board Approved on June 6, 2019

## CalOptima Fiscal Year 2019-20 Budget By Line of Business

	Medi-Cal	OCC	OneCare	PACE	Facilities	Other	Consolidated
Member Months	8,731,182	167,957	18,081	4,600	-		8,921,820
Avg Members	727,599	13,996	1,507	383	-		743,485
<b>Revenues</b>							
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
<b>Medical Costs</b>							
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
<b>Administrative Expenses</b>							
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
<b>CHANGE IN NET ASSETS</b>	\$ 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	\$ (135,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (135,000)
Administrative Expenses							
Salaries, Wages, & Employee Benefits	\$ 135,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,000
Professional Fees	\$ 335,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,000
Purchased services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Printing & Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation & Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expenses	\$ 123,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,000
Indirect Cost Allocation, Occupancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 593,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 593,000
<b>Net Impact</b>	<b>\$ 458,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 458,000</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

# CEO Administrative Budget Allocation Changes

---

**Administrative Budget Allocation Changes**  
**Reporting Changes as of December 31, 2019**

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

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

Attachment A - Revised

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
<b>Revenues</b>							
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
<b>Medical Costs</b>							
Total	\$ 3,068,900,404	\$ 280,093,118	\$ 19,184,286	\$ 30,993,360	\$ -		\$ 3,399,171,169
MLR	95.2%	97.7%	97.8%	86.8%		*	95.3%
Gross Margin	\$ 155,001,631	\$ 6,461,096	\$ 435,398	\$ 4,696,657	\$ -		\$ 166,594,783
<b>Administrative Expenses</b>							
Salaries, Wages, & Employee Benefits	\$ 85,835,709	\$ 9,980,046	\$ 621,380	\$ 1,719,501	\$ -		\$ 98,156,637
Professional Fees	\$ 4,559,576	\$ 933,550	\$ 257,750	\$ 1,840	\$ -		\$ 5,752,716
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	\$ 19,765,076	\$ 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	\$ 130,258,524	\$ 21,479,928	\$ 1,767,797	\$ 2,199,992	\$ -		\$ 155,706,241
ALR	4.0%	7.5%	9.0%	6.2%		*	4.4%
Operating Income/(Loss)	\$ 24,743,107	\$ (15,018,832)	\$ (1,332,399)	\$ 2,496,665	\$ -	\$ -	\$ 10,888,542
Investment Income						\$ 15,000,000	\$ 15,000,000
<b>CHANGE IN NET ASSETS</b>	<b>\$ 24,743,107</b>	<b>\$ (15,018,832)</b>	<b>\$ (1,332,399)</b>	<b>\$ 2,496,665</b>	<b>\$ -</b>	<b>\$ 15,000,000</b>	<b>\$ 25,888,542</b>

# Personnel Budget and Market Adjustment Summary

## FY 2019 - 20 Personnel Summary

		FY 2019 - 20 Personnel (FTEs) - December 2019			
Line of Business		Filled	Open	Total	Vacancy %
Medi-Cal	MC	1,020.8	165.3	1,186.1	13.9%
OC	OC	9.3		9.3	0.0%
OCC	OCC	187.8	21.0	208.8	10.1%
PACE	PACE	81.5	25.0	106.5	23.5%
<b>Total</b>		<b>1,299.4</b>	<b>211.3</b>	<b>1,510.6</b>	<b>14.0%</b>

Notes:

FTE count is based on position control reconciliation.

FTE count includes both medical and administrative positions.

### Salary Market Adjustments as of December 31, 2019

Title	Effective Date	Quarter	Market Adjustment (% Increase)
Director, Regulatory Affairs and Compliance	5/26/19	Q4 (FY18-19)	8%
Business Analyst, Sr.	8/9/19	Q1	7%
Supervisor, Claims	8/18/2019	Q1	7.69%
Credentialing Coordinator	9/15/2019	Q1	12.80%
Director, Customer Service	11/24/2019	Q2	6.50%
		Total Financial Impact	\$42,096.76

Source: Salary Market Adjustments provided by the Human Resources department.



# Administrative Expense Summary by Category

## Administrative Expense Summary by Category as of December 31, 2019

### Consolidated Administrative Expense Summary

LOB	December MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 2,698,644	\$ 3,416,998	\$ 718,354	21%	\$ 16,289,604	\$ 20,506,418	\$ 4,216,814	21%	\$ 41,098,886
OC	\$ 69,336	\$ 59,948	\$ (9,388)	-16%	\$ 284,590	\$ 359,688	\$ 75,098	21%	\$ 719,350
OCC	\$ 190,345	\$ 488,533	\$ 298,188	61%	\$ 1,850,307	\$ 2,931,199	\$ 1,080,892	37%	\$ 5,262,379
PACE	\$ 16,211	\$ 33,793	\$ 17,582	52%	\$ 135,877	\$ 202,757	\$ 66,880	33%	\$ 405,537
<b>Total</b>	<b>\$ 2,974,536</b>	<b>\$ 3,999,272</b>	<b>\$ 1,024,736</b>	<b>26%</b>	<b>\$ 18,560,379</b>	<b>\$ 24,000,062</b>	<b>\$ 5,439,683</b>	<b>23%</b>	<b>\$ 47,486,152</b>

### Professional Fees\*

LOB	December MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 259,364	\$ 374,540	\$ 115,176	31%	\$ 1,225,966	\$ 2,223,652	\$ 997,686	45%	\$ 4,559,576
OC	\$ 15,000	\$ 21,480	\$ 6,480	30%	\$ 129,371	\$ 128,880	\$ (491)	0%	\$ 257,750
OCC	\$ 4,000	\$ 77,795	\$ 73,795	95%	\$ 448,486	\$ 466,775	\$ 18,289	4%	\$ 933,550
PACE	\$ 123	\$ 153	\$ 30	19%	\$ 1,136	\$ 918	\$ (218)	-24%	\$ 1,836
<b>Total</b>	<b>\$ 278,488</b>	<b>\$ 473,968</b>	<b>\$ 195,480</b>	<b>41%</b>	<b>\$ 1,804,960</b>	<b>\$ 2,820,225</b>	<b>\$ 1,015,266</b>	<b>36%</b>	<b>\$ 5,752,712</b>

### Purchased Services

LOB	December MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 716,263	\$ 954,254	\$ 237,991	25%	\$ 4,476,824	\$ 5,725,520	\$ 1,248,696	22%	\$ 11,454,021
OC	\$ 13,555	\$ 17,063	\$ 3,508	21%	\$ 92,360	\$ 102,378	\$ 10,018	10%	\$ 204,750
OCC	\$ 133,352	\$ 242,988	\$ 109,636	45%	\$ 975,351	\$ 1,457,932	\$ 482,581	33%	\$ 2,315,867
PACE	\$ 4,847	\$ 18,971	\$ 14,124	74%	\$ 50,631	\$ 113,826	\$ 63,195	56%	\$ 227,652
<b>Total</b>	<b>\$ 868,017</b>	<b>\$ 1,233,276</b>	<b>\$ 365,259</b>	<b>30%</b>	<b>\$ 5,595,165</b>	<b>\$ 7,399,656</b>	<b>\$ 1,804,491</b>	<b>24%</b>	<b>\$ 14,202,290</b>

### Printing and Postage

LOB	December MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 380,057	\$ 442,912	\$ 62,855	14%	\$ 1,760,331	\$ 2,664,104	\$ 903,773	34%	\$ 5,320,217
OC	\$ 40,781	\$ 16,667	\$ (24,114)	-145%	\$ 61,433	\$ 100,002	\$ 38,569	39%	\$ 200,000
OCC	\$ 22,212	\$ 95,861	\$ 73,649	77%	\$ 319,482	\$ 575,162	\$ 255,680	44%	\$ 1,150,320
PACE	\$ 7,066	\$ 10,533	\$ 3,467	33%	\$ 61,270	\$ 63,198	\$ 1,928	3%	\$ 126,400
<b>Total</b>	<b>\$ 450,117</b>	<b>\$ 565,973</b>	<b>\$ 115,856</b>	<b>20%</b>	<b>\$ 2,202,515</b>	<b>\$ 3,402,466</b>	<b>\$ 1,199,951</b>	<b>35%</b>	<b>\$ 6,796,937</b>

### Other Operating Expenses

LOB	December MTD		Variance		YTD		Variance		FY 2020
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget
MC	\$ 1,342,959	\$ 1,645,292	\$ 302,333	18%	\$ 8,826,484	\$ 9,893,142	\$ 1,066,658	11%	\$ 19,765,072
OC	\$ (0)	\$ 4,738	\$ 4,738	100%	\$ 1,427	\$ 28,428	\$ 27,001	95%	\$ 56,850
OCC	\$ 30,781	\$ 71,889	\$ 41,108	57%	\$ 106,988	\$ 431,330	\$ 324,342	75%	\$ 862,642
PACE	\$ 4,175	\$ 4,136	\$ (39)	-1%	\$ 22,841	\$ 24,815	\$ 1,974	8%	\$ 49,649
<b>Total</b>	<b>\$ 1,377,914</b>	<b>\$ 1,726,055</b>	<b>\$ 348,141</b>	<b>20%</b>	<b>\$ 8,957,739</b>	<b>\$ 10,377,715</b>	<b>\$ 1,419,976</b>	<b>14%</b>	<b>\$ 20,734,213</b>

\* The negative YTD variances in professional fees are due to timing of invoices paid.

Administrative expense summary by category does not include expenditures and budget for facilities.

# **Quarterly Capital Budget Update as of December 31, 2019**

# 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 December 31, 2019

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 Second Quarter Purchasing Report

Quarterly Purchase Report  
October 1, 2019 through December 31, 2019  
Completed Major Commitments over \$100,000

Nature of Services	FY20 Q2 Budgeted Current	Purchase or Contract Highlights	Bidding Outcome	Previous Vendor	Contract Amount	Spent Year 2020	Remaining Amount on Contract	Expires
Member newsletters	\$ 100,300	Dome Printing	Three proposals received	Dome	\$ 100,300	\$ -	\$ 100,300	12/16/19
Shape Your Life program evaluation	\$ 102,300	Harder & Company Community Research	Four proposals received	New	\$ 102,300	\$ 6,990	\$ 95,310	04/20/20
Timely Access surveys	\$ 120,510	Center for the Study of Services (CSS)	Renewal	CSS	\$ 120,510	\$ -	\$ 120,510	10/31/20
Communications software	\$ 144,352	Smart Communications	Renewal	Smart	\$ 144,352	\$ -	\$ 144,352	12/31/20
Workforce Management software license	\$ 161,005	Intelli-Flex Inc	Renewal	Intelli-Flex	\$ 161,005	\$ -	\$ 161,005	12/20/24
2021 MAPD bid submission	\$ 180,400	Milliman USA	Bid Exception	Milliman	\$ 180,400	\$ -	\$ 180,400	03/30/20
Cloud Computing software	\$ 198,080	Informatica LLC	Renewal	Informatica	\$ 198,080	\$ 15,530	\$ 182,550	06/30/20
Business Intelligence Software	\$ 218,505	Intuitive Technology Group Inc	Renewal	Intuitive	\$ 218,505	\$ 218,505	\$ -	10/30/20
Copying services at physician offices	\$ 221,078	J & H Copy Services Inc	Four proposals received	J&H	\$ 221,078	\$ 221,078	\$ -	10/31/22
Scheduled replacement of desktop computers	\$ 242,352	Dell Computers	Bid Exception	Dell	\$ 242,352	\$ 242,352	\$ 0	11/23/19
Claims Review (Contingency)	\$ 465,000	Cotiviti Inc	COBAR	Optum CES	\$ 465,000	\$ -	\$ 465,000	10/07/22
Network Software	\$ 703,001	JT Tech Inc	Five proposals received	JT tech	\$ 703,001	\$ -	\$ 703,001	12/31/20
General Contracting services for 10th floor	\$ 1,029,164	Seashore Construction Inc	Four bids received	New	\$ 1,029,164	\$ 993,567	\$ 35,597	12/31/19
Microsoft desktop software	\$ 1,271,531	Crayon Software Experts LLC	Renewal	Crayon	\$ 1,271,531	\$ 1,271,531	\$ -	10/31/20
Care Management System	\$ 1,313,915	Altruista Health Inc.	Renewal	Altruista	\$ 1,313,915	\$ 418,720	\$ 895,195	06/30/20
Claims Management System	\$ 1,408,934	Trizetto Group	Renewal	Trizetto	\$ 1,408,934	\$ 1,414,061	\$ (5,126)	12/31/20 *

\*The negative variance in Claims Management System is due to incorrect posting and will be corrected.



# FY 2019-20 Second Quarter Purchasing Report (Cont'd)

**Quarterly Purchasing Report  
October 1, 2019 through December 31, 2019  
Major Commitments Greater than \$100,000 in Process**

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>Mobile Texting Software Services</u> 19-020	RFP issued 04/16/19 Eight proposals received RFP was cancelled
<u>Print and Mailing Services</u> 19-027	RFP issued 01/05/19 Nine proposals received Contracts were awarded to Kenny the Printer, KP, The Dot and Sapphire Printing
<u>Third Party Liability and Subrogation Services</u> 19-030	RFP issued 04/18/19 Three proposals received Staff is negotiating Contract
<u>General Contractor Services (10th Floor)</u> 19-042	ITB issued 04/10/19 Four proposals received Contract awarded to Seashore Construction
<u>Copy Machine Leasing Services</u> 19-043	RFP issued 05/27/19 Six proposals received Contract awarded to CBE Solutions
<u>Medical Records Copying Services</u> 19-047	RFP issued 04/29/19 Four proposals received Contract awarded to J&H Copying Services
<u>Hospital Data Exchange Services</u> 20-002	RFP issued 7/17/19 Nine proposals received Staff is negotiating Contract
<u>Internal Auditing Services</u> 20-004	RFP issued 8/7/19 Five proposals received Staff is negotiating Contract
<u>Employee Benefits Broker</u> 20-005	RFP issued 8/14/19 Five proposals received Contract awarded to Alliant
<u>Learning Management Content Services</u> 20-007	RFP issued 10/8/19 Five proposals received Staff is interviewing finalist vendors
<u>Member Communications Mailings</u> 20-013	RFP issued 11/13/19 Six proposals received Staff is interviewing finalist vendors

# FY 2019-20 Second Quarter Purchasing Report (Cont'd)

---

**Quarterly Purchasing Report**  
**October 1, 2019 through December 31, 2019**  
**Major Commitments Greater than \$100,000 in Process**

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>Translation Services</u> 20-015	RFP issued 9/19/19 Fifteen proposals received Staff is interviewing finalist vendors
<u>Real Estate Services</u> 20-022	RFP issued 10/17/19 Three proposals received Staff is making recommendation to the Board 2/6/20
<u>PACE ACS Services</u> 20-023	RFP issued 12/17/19 Staff is awaiting proposals
<u>Cooling Tower replacement</u> 20-027	RFP issued 11/22/19 Staff is awaiting proposals

# **IGT Project Report**

# IGT Project Update as of December 2019

#	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 POCs	1	4/16/2014	6/30/2017	\$3,850,000	\$3,850,000	100%	\$0	Non-Grant Project
5	OneCare Connect POCs	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	Shape Your Life Program	1	4/28/2017	7/1/2020	\$500,000	\$473,233	95%	\$26,767	Non-Grant Project
9	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
SUBTOTAL					\$12,504,026	\$12,432,259	99%	\$71,767	
<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; Last: 08/2016
2	FQHC Support Phase 2 (to support FQHC readiness analysis)	2	7/6/2015	12/31/2016	\$202,091	\$202,091	100%	\$0	First: 10/2015; Last: 11/2016
3	FQHC Support Phase 3 (behavioral/dental expansion)	2	7/6/2015	6/30/2017	\$875,000	\$875,000	100%	\$0	First: 03/2016; Last: 05/2017
4	Children's Dental Services	2	7/2/2015	7/1/2017	\$400,000	\$400,000	100%	\$0	First: 06/2015; Last: 08/2016
5	Children's Vision Services	2	9/8/2015	8/1/2017	\$500,000	\$500,000	100%	\$0	First: 09/2015; Last: 08/2016
6	Security Audit Remediation	2	6/28/2014	7/1/2015	\$98,000	\$98,000	100%	\$0	Non-Grant Project
7	PACE EHR Implementation	2	5/16/2016	12/31/2016	\$80,000	\$80,000	100%	\$0	Non-Grant Project
8	Facets Upgrade, Expansion, and Reconfiguration	2	6/18/2014	6/30/2017	\$1,756,620	\$1,756,620	100%	\$0	Non-Grant Project
9	Continuation of COREC	2	11/3/2014	12/31/2017	\$970,000	\$970,000	100%	\$0	Non-Grant Project
10	Recuperative Care	2	6/1/2015	12/31/2018	\$500,000	\$500,000	100%	\$0	Non-Grant Project
11	OneCare Connect POCs (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	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 (COBAR)
4	Provider Portal Communications & Interconnectivity	4	5/9/2017	12/31/2019	\$1,500,000	\$1,351,105	90%	\$148,895	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	\$6,249,064	95%	\$300,937	

# IGT Project Update as of December 2019 (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	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
4	Access to Children's Dental Services (Grant RFP)	5	TBD	N/A	\$1,000,000	\$0	0%	\$1,000,000	Awarded on 10/3/19
SUBTOTAL					\$14,811,488	\$12,716,666	86%	\$2,094,822	
<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	\$940,000	85%	\$160,000	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	WPC Recuperative Care	6	TBD	N/A	\$7,250,000	\$612,880	8%	\$6,637,120	8/2/2018 (COBAR)
5	Integrate Children's Mental Health Services Into Primary Care Settings (Grant RFP: CHOC Children's; Friends of Family Health Center)	7	TBD	N/A	\$4,850,000	\$400,000	8%	\$4,450,000	Awarded on 8/1/19
6	Post-WPC Medical Respite Program	6	TBD	N/A	\$250,000	\$0	0%	\$250,000	4/4/2019 (COBAR)
7	Housing Support Services	6	TBD	N/A	\$2,500,000	\$0	0%	\$2,500,000	12/5/2019 (COBAR)
8	Whole Child Model Assistance for Implementation and Development	6	TBD	N/A	\$1,750,000	\$0	0%	\$1,750,000	Non-Grant Project
9	Master Electronic Health Record System	6	TBD	N/A	\$650,000	\$0	0%	\$650,000	Non-Grant Project
10	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
11	Increase Access to Medication-Assisted Treatment (Grant RFP: Coalition of Orange County Community Health Center)	7	TBD	N/A	\$6,000,000	\$0	0%	\$6,000,000	Awarded on 8/1/19
SUBTOTAL					\$30,200,000	\$5,017,357	17%	\$25,182,643	
GRAND TOTAL					\$76,798,825	\$48,943,013	64%	\$27,855,812	

Source: IGT Project Report provided by the Strategic Development department.

**Board of Directors' Regular Finance and Audit Committee Meeting  
February 20, 2020**

**Shared Risk Pool Performance Update**

**Medi-Cal:** As of December 31, 2019, Medi-Cal has five (5) Shared Risk Groups (SRGs).

Effective Dates:

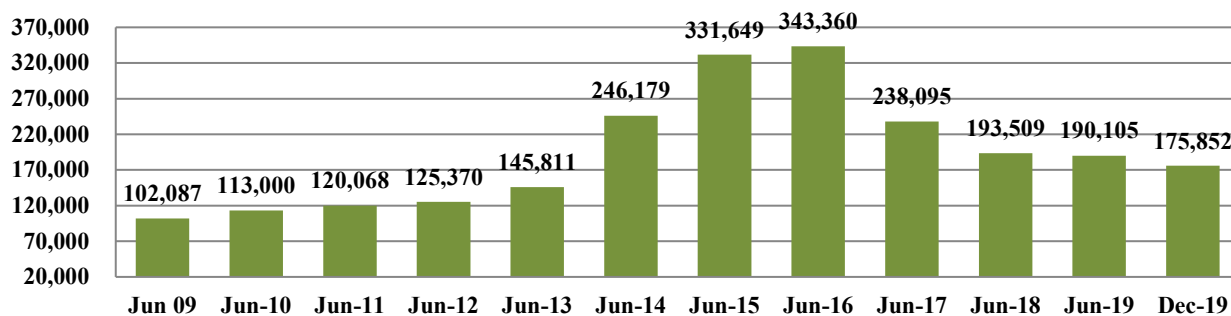
- Noble and Talbert – January 2008
- AltaMed – March 2014
- Prospect\* – May 2007 to June 2017
- Arta and UCMG – July 2008
- Monarch\* – July 2008 to January 2017

\* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

Enrollment

SRGs are serving approximately 180,000 members. It represents about 24% of CalOptima's Medi-Cal enrollment.

**Medi-Cal Shared Risk Groups (SRG)  
Enrollment**



Pool Performance - (Medi-Cal Classic + Expansion)

Fiscal Year	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2007	\$ (729,095)	\$ -	\$ (573,542)	\$ (155,553)	1	1	0
2008	(534,826)	618,829	247,532	(163,529)	3	1	2
2009	(6,786,764)	623,088	(2,465,470)	(3,698,206)	6	3	3
2010	(5,890,543)	1,636,861	(1,701,473)	(2,552,209)	6	4	2
2011	(5,127,172)	5,042,040	(34,053)	(51,079)	6	3	3
2012	(1,688,610)	7,574,810	2,354,480	3,531,720	6	3	3
One-Time Revenue		17,233,958	12,917,452	4,316,506	6	3	3
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

Fiscal Year	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2018	-	109,929,867	43,971,947	65,957,920	5	0	5
2019	-	94,814,735	37,925,894	56,888,841	5	0	5
2020Q1	-	9,654,170	3,861,668	5,792,502	5	0	5
	\$(22,325,123)	\$ 1,372,822,605	\$ 546,147,314	\$ 804,350,168			

Note: IBNR is calculated based on the paid claims experience.

**OneCare:** As of December 31, 2019, OneCare has eight (8) Participating Medical Groups (PMGs).

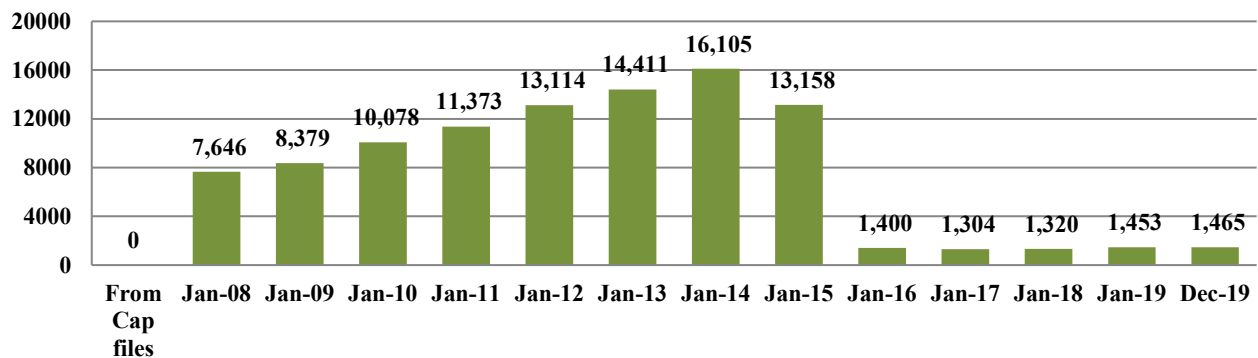
Effective Dates:

- 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.

**OneCare Shared Risk Groups (PMG)  
Enrollment**



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
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

Calendar Year	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
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	(331,174)	338,011	(132,217)	139,054	8	4	4
2018	(884,811)	916,977	(379,692)	411,858	8	3	5
2019Q2	(811,141)	122,526	(740,128)	51,513	8	4	4
	\$ (9,966,590)	\$ 83,296,779	\$ 32,936,269	\$ 40,393,919			

Note: Group share deficit limited to \$5.00 PMPM

**OneCare Connect:** As of December 31, 2019, OneCare Connect has six (6) Shared Risk Groups (SRGs).

Effective Dates:

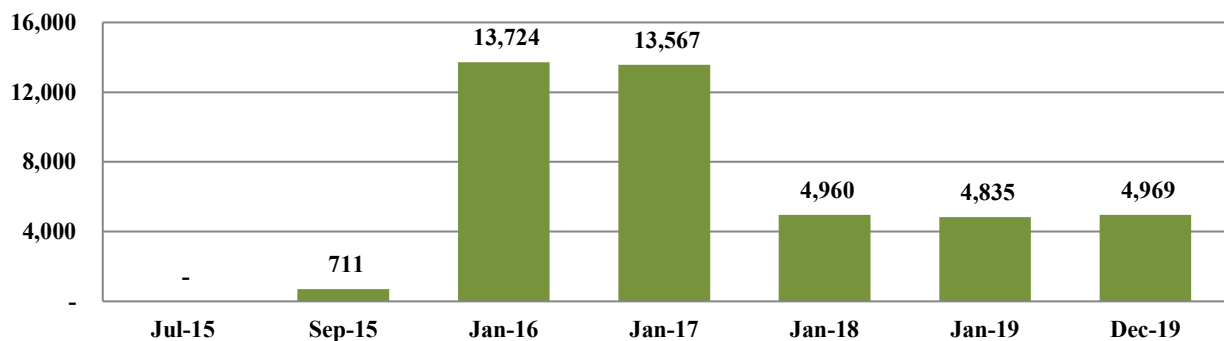
- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Monarch\* – July 2015 to January 2017
- FCMG – January 2016
- Talbert – January 2016
- Arta Western – January 2016
- Prospect\* – July 2015 to June 2017

\* 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 (SRG) Enrollment**



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	(1,437,672)	8,649,626	3,012,036	4,199,918	8	2	6
2018	-	8,628,566	4,314,283	4,314,283	6	0	6
2019Q4	-	7,362,320	3,681,160	3,681,160	6	0	6
	\$ (2,460,697)	\$ 45,065,220	\$ 20,258,718	\$ 22,345,805			

Note: Group share deficit limited to \$5.00 PMPM





**CalOptima**

Better. Together.

# **Financial Summary – Whole Child Model**

## **December 2019**

### **Board of Directors’ Finance and Audit Committee Meeting**

#### **February 20, 2020**

**Nancy Huang**

**Chief Financial Officer**

# Whole Child Model Financial Highlights

## December 2019

Month				Year to Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
11,501	12,940	(1,439)	(11.1%)	70,736	77,640	(6,904)	(8.9%)
<b>Member Months</b>							
<b>Revenues</b>							
22,765,719	25,523,466	(2,757,748)	(10.8%)	139,401,817	153,140,797	(13,738,981)	(9.0%)
<b>22,765,719</b>	<b>25,523,466</b>	<b>(2,757,748)</b>	<b>(10.8%)</b>	<b>139,401,817</b>	<b>153,140,797</b>	<b>(13,738,981)</b>	<b>(9.0%)</b>
<b>Total Operating Revenue</b>							
<b>Medical Expenses</b>							
10,805,170	11,327,349	522,179	4.6%	60,910,240	67,964,108	7,053,869	10.4%
16,731,199	3,590,376	(13,140,823)	(366.0%)	34,291,716	21,542,256	(12,749,460)	(59.2%)
1,763,936	1,347,268	(416,667)	(30.9%)	7,672,013	7,946,857	274,844	3.5%
2,226,169	627,696	(1,598,473)	(254.7%)	11,409,828	3,766,175	(7,643,652)	(203.0%)
6,066,522	6,662,133	595,611	8.9%	33,758,227	39,972,799	6,214,572	15.5%
270,896	718,851	447,955	62.3%	1,562,569	4,313,105	2,750,536	63.8%
51,250	835	(50,415)	(6036.3%)	211,508	4,802	(206,707)	(4305.0%)
<b>37,915,142</b>	<b>24,274,508</b>	<b>(13,640,633)</b>	<b>(56.2%)</b>	<b>149,816,100</b>	<b>145,510,102</b>	<b>(4,305,998)</b>	<b>(3.0%)</b>
<b>Total Medical Expenses</b>							
(15,149,423)	1,248,958	(16,398,381)	(1313.0%)	(10,414,283)	7,630,695	(18,044,979)	(236.5%)
<b>Gross Margin</b>							
<b>166.5%</b>	<b>95.1%</b>	<b>Medical Loss Ratio</b>		<b>107.5%</b>	<b>95.0%</b>		

# FY 2019-20: Whole Child Model Enrollment

---

## December 2019 MTD

WCM enrollment was 11,501 members

- Actual lower than budget 1,439 or 11.1%

## December 2019 YTD

WCM enrollment was 70,736 members

- Actual lower than budget 6,904 or 8.9%

# FY 2019-20: Whole Child Model Revenue

---

## December 2019 MTD

WCM revenue was \$22.8 million

- Actual lower than budget \$2.8 million or 10.8%
  - Unfavorable volume variance of \$2.8 million
  - Favorable price variance of \$0.1 million

## December 2019 YTD

WCM revenue was \$139.4 million

- Actual lower than budget \$13.7 million or 9.0%
  - Unfavorable volume variance of \$13.6 million
  - Unfavorable price variance of \$0.1 million

# FY 2019-20: Whole Child Model Expenses

---

## December 2019 MTD

WCM expenses were \$37.9 million

- Actual higher than budget \$13.6 million or 56.2%
  - Favorable volume variance of \$2.7 million
  - Unfavorable price variance of \$16.3 million
    - Facilities claims unfavorable variance of \$13.5 million due to claims incurred but not reported (IBNR) and Neonatal Intensive Care Unit (NICU) estimates
    - MLTSS expense unfavorable variance of \$1.7 million due to higher than budgeted utilization
    - Provider Capitation estimated based on budgeted rather than actual expenses due to limited information available; reflects an unfavorable variance of \$0.7 million

# FY 2019-20: Whole Child Model Expenses

---

## December 2019 YTD

WCM expenses were \$149.8 million

- Actual higher than budget \$4.3 million or 3.0%
  - Favorable volume variance of \$12.9 million
  - Unfavorable price variance of \$17.2 million
    - Facilities claims unfavorable variance of \$14.7 million due to IBNR, NICU estimates and a \$2.2 million Zolgensma treatment paid in August
    - MLTSS expense unfavorable variance of \$8.0 million due to higher than budgeted utilization
    - Prescription Drug expense favorable variance of \$2.7 million
    - Provider Capitation estimated based on budgeted rather than actual expenses due to limited information available; reflects a favorable variance of \$1.0 million

**Board of Directors' Finance and Audit Committee Meeting  
February 20, 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 December 31, 2019.

	<b>PY 2018</b>	<b>PY 2019</b>	<b>PY 2020</b>
YTD Budgeted Reinsurance Expense @ 12/31/19	\$2,780,209	\$5,016,633	\$6,370,489
Reinsurance paid through 12/31/19	\$(4,038,889)	\$(2,274,008)	\$(29,372)
Estimated Reinsurance Accrual @ 12/31/19	\$(35,331)	\$(1,856,677)	\$(2,142,689)
Total Estimated Reinsurance Expense @ 12/31/19	\$(4,074,220)	\$(4,130,685)	\$(2,172,061)
YTD Budgeted Savings/(Deficit) @ 12/31/19	\$(1,294,011)	\$885,948	\$4,198,428

The total estimated liability at December 31, 2019, is \$4.0 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  
February 20, 2020**

**Quarterly Health Network Financial Update**

---

On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated Physician Groups, Hospitals and HMOs that comprise CalOptima's Health Networks. After internal review, CalOptima's financial staff makes a determination as to whether the capitated entity has the ability to assume the risk of a capitated contract.

With the exception of one entity whose quarter-end financial statements ended as of July 31, 2019, all other Health Network entities were required to submit their unaudited financial statements for the period ending September 30, 2019.

**Results of the September 30, 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		Q2 FY20		invoiced as of 1/25/2020																
Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid																				
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20								
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total				
<b>MEDICAL COST</b>																				
<i>HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/2020)</i>																				
Savings	\$ 1,189,393	\$ 2,811,751	\$ 1,937,748	\$ 2,565,125	\$ 2,346,048	\$ 1,444,807	\$ 3,336,995	\$ 3,954,564	\$ 4,067,881	\$ 5,864,338	\$ 4,863,112	\$ 730,121	\$ 361,347			\$ 1,091,469				
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			\$ 251,038				
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	-	-	\$ 840,431				
<i>Cativiti (Verscend/Verisk/HCI) - Claims review for appropriate billing - (expires 10/07/2021)</i>																				
Savings	\$ 164,913	\$ 2,397,831	\$ 3,385,560	\$ 2,517,497	\$ 2,817,113	\$ 2,647,841	\$ 3,562,859	\$ 3,524,096	\$ 2,690,597	\$ 2,571,045	\$ 4,482,782	\$ 1,635,715	\$ 2,746,632			\$ 4,382,347				
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			\$ 832,646				
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	-	-	\$ 3,549,701				
<i>Verscend (Verisk/HCI)/ TAG - Facility claims forensic review - (services terminated 12/31/2017)</i>																				
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	\$ -					\$ -				
<i>Socrates - Third party liability - (expires 3/31/2020)</i>																				
Savings	-	-	13,783	244,770	53,141	\$ 3,108	N/A	\$ 219,258	N/A	N/A	N/A	\$ 194	\$ 12,342			\$ 12,536				
Fee	-	-	3,446	61,223	13,285	\$ 777	N/A	\$ 54,815	N/A	N/A	N/A	\$ 48	\$ 3,086			\$ 3,134				
Net Savings	-	-	10,338	183,548	39,856	2,331		164,443				\$ 145	\$ 9,257	-	-	\$ 9,402				
<i>Varis - Facility claims forensic review - (expires 9/24/2020)</i>																				
Savings	-	-	-	-	-	-	-	-	-	-	\$ 3,057,075	\$ 504,987	\$ 1,185,999			\$ 1,690,986				
Fee	-	-	-	-	-	-	-	-	-	-	\$ 764,269	\$ 126,247	\$ 296,500			\$ 422,747				
Net Savings	-	-	-	-	-	-	-	-	-	-	\$ 2,292,806	\$ 378,740	\$ 889,499	-	-	\$ 1,268,240				
<i>OptumInsight - Credit balance recovery - (expires 12/31/2021)</i>																				
Savings	-	-	-	\$ 76,715	\$ 26,203	\$ 30,246	N/A	\$ 44,834	\$ 404,824	\$ 154,308	\$ 416,557	\$ 33,322	\$ 49,791			\$ 83,113				
Fee	-	-	-	\$ 9,206	\$ 3,144	\$ 3,630	N/A	\$ 5,380	\$ 48,579	\$ 18,517	\$ 49,987	\$ 3,999	\$ 5,975			\$ 9,974				
Net Savings	-	-	-	\$ 67,509	\$ 23,059	\$ 26,616		\$ 39,454	\$ 356,245	\$ 135,791	\$ 366,570	\$ 29,323	\$ 43,816	-	-	\$ 73,139				
<b>TOTAL</b>																				
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	\$ 2,904,145	\$ 4,343,770			\$ 7,247,915				
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	\$ 608,959	\$ 907,445			\$ 1,516,404				
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	\$ 2,295,186	\$ 3,436,325	-	-	\$ 5,731,511				
<b>REVENUE</b>																				
<i>Human Arc - SSI Outreach &amp; Aid Code Conversion - (expires 6/30/2020)</i>																				
Capitation Revenue				\$ 1,723,235	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 9,281,708	\$ 11,188,354	\$ 12,961,036	\$ 3,597,055	\$ 3,757,048			\$ 7,354,103				
Fee				\$ 501,700	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 360,018	\$ 350,084	\$ 513,800	\$ 134,400	\$ 141,400			\$ 275,800				
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	-	-	\$ 7,078,303				