



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

**THURSDAY, November 18, 2021  
2:00 P.M.**

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

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

Isabel Becerra, Chair  
Clayton Corwin  
Vacant  
Scott Schoeffel

INTERIM  
CHIEF EXECUTIVE OFFICER  
Michael Hunn

CHIEF COUNSEL  
Gary Crockett

CLERK OF THE BOARD  
Sharon Dwiers

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

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

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

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

- 1) Listen to the live audio at +1 (213) 929-4212 Access Code: 867-887-523 or**
- 2) Participate via Webinar at <https://attendee.gotowebinar.com/register/4996667239758892813> rather than attending in person. Webinar instructions are provided below.**

## **CALL TO ORDER**

Pledge of Allegiance  
Establish Quorum

## **MANAGEMENT REPORTS**

1. [Chief Financial Officer Report](#)

## **INVESTMENT ADVISORY COMMITTEE UPDATE**

2. [Treasurer's Report](#)

## **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.*

## **CONSENT CALENDAR**

3. [Minutes](#)
  - a. [Approve Minutes of the September 16, 2021 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee](#)
  - b. [Receive and File Minutes of the July 26, 2021 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee](#)

## **REPORTS**

4. [Consider Recommending Board of Directors Approval of Funding for an Independent Validation Audit as Required to Close Out the CMS Program Audit for the OneCare and OneCare Connect Programs](#)
5. [Consider Recommending Board of Directors Approval of Modifications to Policy GA.3400: Annual Investments](#)
6. [Consider Recommending Board of Directors Approval of Modifications to CalOptima Policy FF.3001: Financial Reporting](#)
7. [Consider Recommending that the Board of Directors Authorize Unbudgeted Expenditures for PACE and Appropriate Funds in the CalOptima Fiscal Year 2021-22 Operating and Capital Budgets](#)
8. [Consider Recommending Board of Directors Approval of Extension of Reimbursement for Necessary Business Expenditures Incurred by Employees on Temporary Telework Due to the Coronavirus \(COVID-19\) Pandemic](#)
9. [Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term, Supplemental Capitation Rate Increase for Contracted Medi-Cal Health Networks for COVID-Related Expenses for Services Provided to CalOptima Medi-Cal Members](#)

10. Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Fee-for-Service Providers for COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members
11. Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term Supplemental Payment Increase for Contracted CalOptima Community Network and CalOptima Direct Medi-Cal Fee-for-Service Community Health Centers, for COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members
12. Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Community Network and CalOptima Direct Medi-Cal Fee-for-Service Hospitals, for COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct-Medi-Cal Members
13. Consider Recommending that the Board of Directors Authorize Proposed Budget Reallocation of Fiscal Year 2021-22 Operating Budget Funds and Authorize Unbudgeted Expenditures and Appropriate Funds for Information Services Items

#### **INFORMATION ITEMS**

14. September 2021 Financial Summary
15. CalOptima Information Security Update
16. Quarterly Operating and Capital Budget Update
17. Quarterly Reports to the Finance and Audit Committee
  - a. Shared Risk Pool Performance
  - b. Whole-Child Model Financial Report
  - c. Health Homes Financial Report
  - d. Reinsurance Report
  - e. Health Network Financial Report
  - f. Contingency Contract Report

#### **COMMITTEE MEMBER COMMENTS**

#### **ADJOURNMENT**

## How to Join

1. Please register for Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee on November 18, 2021 2:00 PM PDT at:  
<https://attendee.gotowebinar.com/register/4996667239758892813>
2. After registering, you will **receive a confirmation email containing a link to join** the webinar at the specified time and date.

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

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

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

TO USE YOUR COMPUTER'S AUDIO:

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

--OR--

TO USE YOUR TELEPHONE:

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

United States: +1 (213) 929-4212

Access Code: 867-887-523

Audio PIN: Shown after joining the webinar



# **MANAGEMENT REPORTS**

## 1. Chief Financial Officer Report

Verbal Update

## Board of Directors' Finance and Audit Committee November 18, 2021

### Quarterly Treasurer's Report July 1, 2021, through September 30, 2021

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#### Overview

To fulfill the requirements of Government Code section 53646, subdivision (b) and the 2021 Annual Investment Policy adopted by CalOptima's Board of Directors on December 3, 2020, the Treasurer submits this quarterly investment report for the period July 1, 2021, through September 30, 2021.

Meketa Investment Group, Inc., completed an independent compliance review of the monthly investment reports prepared by CalOptima's two (2) investment managers: MetLife and Payden & Rygel. The review found that all investments were compliant with Government Code section 53600 *et seq.*, and CalOptima's 2021 Annual Investment Policy.

#### Portfolio Summary

At the June 3, 2021, meeting, the CalOptima Board of Directors approved MetLife Investment Management and Payden & Rygel as CalOptima's investment managers and authorized the allocation of management responsibility for the Operating, Tier 1 and Tier 2 investment accounts. The allocation changes for Operating and Tier One accounts were completed at the end of June, and the Tier Two accounts were completed in September 2021.

As of September 30, 2021, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows\*:

	Payden & Rygel	MetLife	Total
<b>Short-Term Operating</b>	\$722,449,833	\$690,582,633	\$1,413,032,466
<b>Board Designated Reserves</b>			
<b>Tier 1</b>	\$241,416,612	\$240,350,453	\$481,767,065
<b>Tier 2</b>	\$53,859,707	\$53,868,810	\$107,728,517
<b>Total</b>	\$1,017,726,152	\$984,801,896	\$2,002,528,049

Notes: Market values in the table are based on the updated investment report.  
Cash flow manager of the Operating Cash pool for each calendar year: MetLife for Q2 & Q3; Payden for Q1 & Q4  
Wells Capital accounts were closed in August 2021

### 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 September 30, 2021, demonstrating funds in excess to satisfy minimum requirements.

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

Reserve Name	Market Value	Benchmark		Variance	
		<i>Low 1.4</i>	<i>High 2.0</i>	<i>Low 1.4</i>	<i>High 2.0</i>
Tier 1 - Payden & Rygel	\$241,416,612				
Tier 1 - MetLife	\$240,350,453				
	\$481,767,066	\$368,581,364	\$571,968,227	\$113,185,701	(\$90,201,161)

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

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		<i>TNE</i>	<i>TNE</i>	<i>TNE</i>	<i>TNE</i>
Tier 2 – Payden & Rygel	\$53,859,707				
Tier 2 – MetLife	\$53,868,810				
	\$107,728,517	\$105,987,982	\$105,987,982	\$1,740,535	\$1,740,535
<b>Consolidated:</b>	<b>\$589,495,583</b>	<b>\$474,569,346</b>	<b>\$677,956,209</b>	<b>\$114,926,236</b>	<b>(\$88,460,626)</b>
<i>Compliance Level</i>	<i>1.74</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 \$114,926,236 as of September 30, 2021. At the end of September 2021, CalOptima's Board-designated reserve compliance level was 1.74.

### Update on Fund Transfers

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

### Next Quarter's Cash Flow Forecast

During the meeting, Investment Advisory Committee members and investment managers were updated regarding the events that may affect the cash inflow and outflow for the next quarter.

To preserve the viability of the Medi-Cal delivery system and strengthen members' access to care during the COVID-19 pandemic, CalOptima had implemented three rounds of supplemental rate increases, totaling over \$50 million in additional funding, to CalOptima's delegated health networks and contracted providers. The last round of increases covered qualifying providers for date of services from September through December 2021.

**Attachment**

[Quarterly Investment Report – July 1, 2021, through September 30, 2021](#)

CalOptima

Meeting Materials

October 25, 2021

Fund Evaluation Report

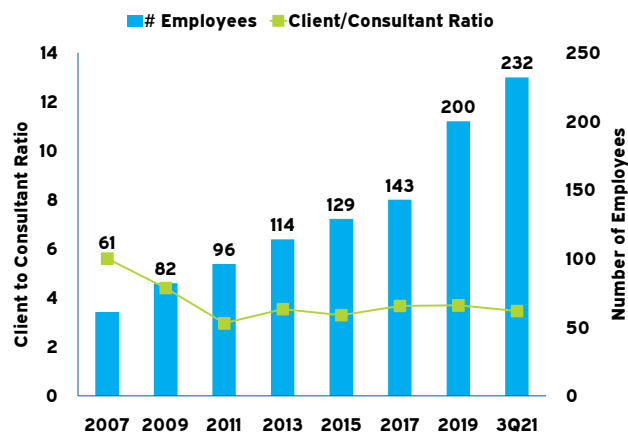
## Agenda

1. Corporate Update
2. 3Q21 Review
3. Quarterly Investment Report Supplement
4. Custom Peer Group
5. Performance Attribution
6. Appendices
  - Characteristics
  - Holdings
  - Economic and Market Update
  - Disclaimer, Glossary, and Notes

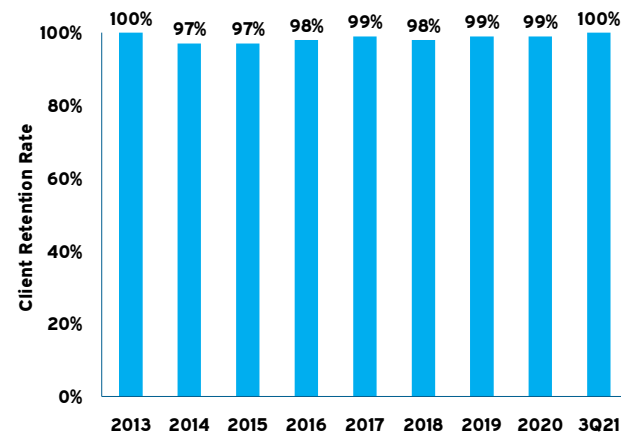
## **Meketa Investment Group Corporate Update**

- Staff of 232, including 158 investment professionals and 49 CFA Charterholders
- More than 220 clients, with over 350 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 \$1.7 trillion in client assets
  - Over \$150 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.

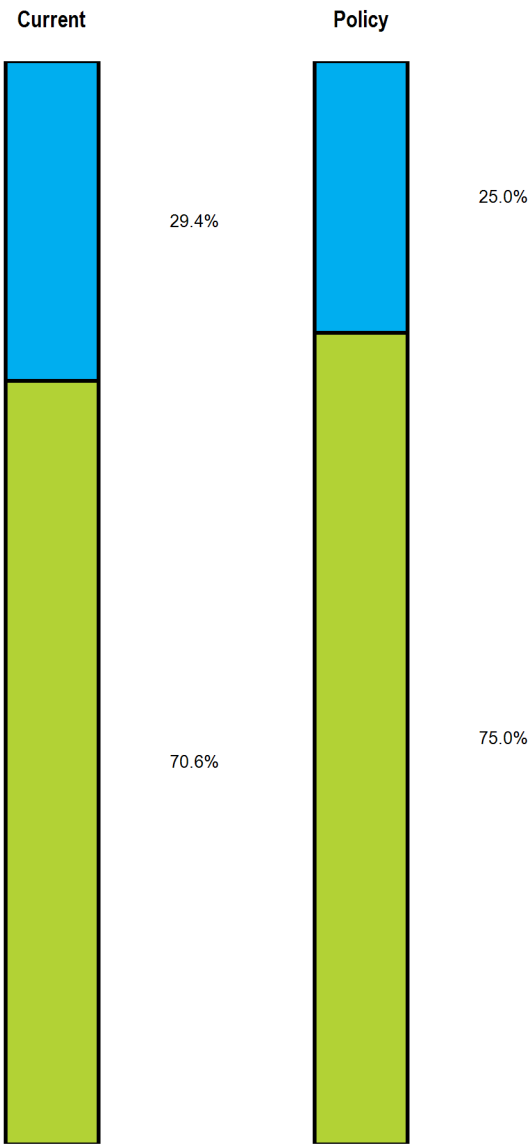
<sup>2</sup> Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year-end.



## Asset Classes Followed Intensively by Meketa Investment Group

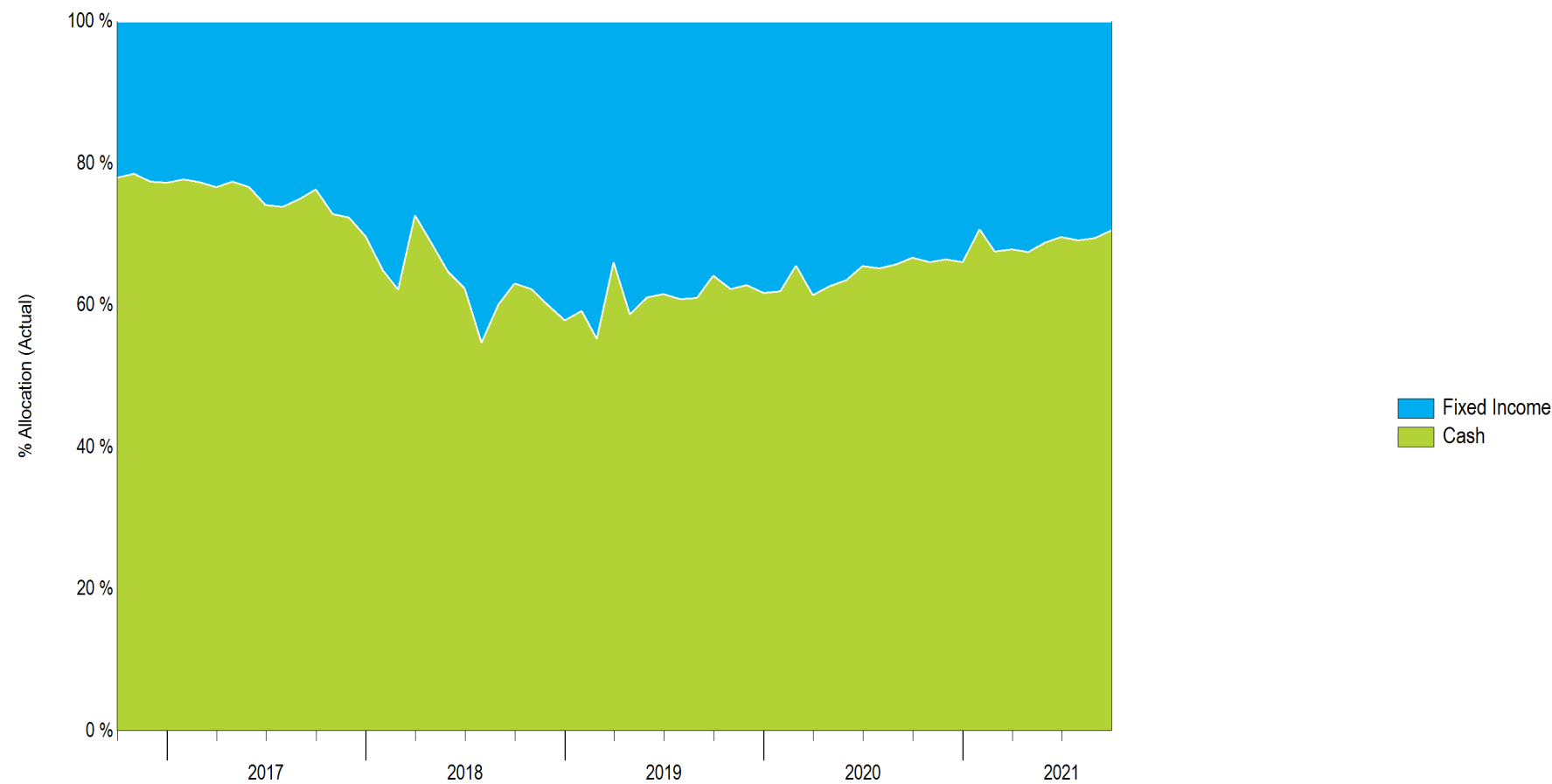
Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> <li>- Passive</li> <li>- Enhanced Index</li> <li>- Large Cap</li> <li>- Midcap</li> <li>- Small Cap</li> <li>- Microcap</li> <li>- 130/30</li> </ul>	<ul style="list-style-type: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

## 3Q21 Review



Allocation vs. Targets and Policy		
	Current Balance	Current Allocation
<div></div> Fixed Income	\$589,495,583	29%
<div></div> Cash	\$1,413,032,466	71%
Total	\$2,002,528,049	100%

Asset Allocation History  
5 Years Ending September 30, 2021



Total Fund | As of September 30, 2021

## Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	2,002,528,049	100.000	0.069	0.285	2.017	1.677	--	1.392	Oct-14
Total Fund(Net)			0.049	0.203	1.933	1.595	--	1.309	
Fixed Income(Gross)	589,495,583	29.438	0.116	0.407	2.941	2.035	--	1.843	Oct-14
Fixed Income(Net)			0.094	0.320	2.854	1.948	--	1.777	
ICE BofA 1-3 Yrs US Treasuries TR			0.058	0.027	2.642	1.632	1.161	1.457	Oct-14
Cash(Gross)	1,413,032,466	70.562	0.049	0.221	1.452	1.416	0.825	1.880	Jul-99
Cash(Net)			0.029	0.142	1.370	1.335	0.730	--	
FTSE T-Bill 3 Months TR			0.009	0.059	1.142	1.128	0.600	1.657	Jul-99

## Total Fund | As of September 30, 2021

	Trailing Period Performance									Inception Date
	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	
<b>Total Fund(Gross)</b>	<b>2,002,528,049</b>	<b>100.000</b>	<b>--</b>	<b>0.069</b>	<b>0.285</b>	<b>2.017</b>	<b>1.677</b>	<b>--</b>	<b>1.392</b>	<b>Oct-14</b>
<b>Fixed Income(Gross)</b>	<b>589,495,583</b>	<b>29.438</b>	<b>29.438</b>	<b>0.116</b>	<b>0.407</b>	<b>2.941</b>	<b>2.035</b>	<b>--</b>	<b>1.843</b>	<b>Oct-14</b>
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.058</i>	<i>0.027</i>	<i>2.642</i>	<i>1.632</i>	<i>1.161</i>	<i>1.457</i>	<i>Oct-14</i>
Tier One: Payden Low Duration(Gross)	241,416,612	12.056	40.953	0.102	0.360	2.912	2.087	1.521	2.930	Jul-99
Tier One: Payden Low Duration(Net)				0.083	0.280	2.833	2.009	1.426	--	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.058</i>	<i>0.027</i>	<i>2.642</i>	<i>1.632</i>	<i>1.161</i>	<i>2.774</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>				<i>0.087</i>	<i>0.350</i>	<i>2.901</i>	<i>1.920</i>	<i>1.513</i>	<i>3.096</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.073</i>	<i>0.165</i>	<i>2.776</i>	<i>1.795</i>	<i>1.378</i>	<i>2.982</i>	<i>Jul-99</i>
Tier One: MetLife STAMP 1-3 Year(Gross)	240,350,453	12.002	40.772	0.121	0.506	2.734	1.958	--	1.907	May-16
Tier One: MetLife STAMP 1-3 Year(Net)				0.100	0.425	2.657	1.880	--	1.827	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.058</i>	<i>0.027</i>	<i>2.642</i>	<i>1.632</i>	<i>1.161</i>	<i>1.578</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>				<i>0.087</i>	<i>0.350</i>	<i>2.901</i>	<i>1.920</i>	<i>1.513</i>	<i>1.874</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.073</i>	<i>0.165</i>	<i>2.776</i>	<i>1.795</i>	<i>1.378</i>	<i>1.744</i>	<i>May-16</i>
Tier Two: MetLife STAMP 1-5 Year(Gross)	53,868,810	2.690	9.138	0.136	0.394	3.381	2.152	--	1.915	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)				0.104	0.268	3.252	2.025	--	1.787	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>				<i>-0.002</i>	<i>-0.399</i>	<i>3.246</i>	<i>1.803</i>	<i>1.455</i>	<i>1.538</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>				<i>0.034</i>	<i>0.183</i>	<i>3.652</i>	<i>2.218</i>	<i>1.952</i>	<i>1.918</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.013</i>	<i>-0.162</i>	<i>3.426</i>	<i>2.015</i>	<i>1.738</i>	<i>1.741</i>	<i>Apr-13</i>
Tier Two: Payden Reserve Account(Gross)	53,859,707	2.690	9.137	--	--	--	--	--	-0.191	Sep-21
Tier Two: Payden Reserve Account(Net)				--	--	--	--	--	-0.201	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>				<i>-0.002</i>	<i>-0.399</i>	<i>3.246</i>	<i>1.803</i>	<i>1.455</i>	<i>-0.287</i>	<i>Sep-21</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>				<i>0.034</i>	<i>0.183</i>	<i>3.652</i>	<i>2.218</i>	<i>1.952</i>	<i>-0.267</i>	<i>Sep-21</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.013</i>	<i>-0.162</i>	<i>3.426</i>	<i>2.015</i>	<i>1.738</i>	<i>-0.281</i>	<i>Sep-21</i>

### Total Fund | As of September 30, 2021

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Cash(Gross)</b>	<b>1,413,032,466</b>	<b>70.562</b>	<b>70.562</b>	<b>0.049</b>	<b>0.221</b>	<b>1.452</b>	<b>1.416</b>	<b>0.825</b>	<b>1.880</b>	<b>Jul-99</b>
<i>FTSE T-Bill 3 Months TR</i>				<i>0.009</i>	<i>0.059</i>	<i>1.142</i>	<i>1.128</i>	<i>0.600</i>	<i>1.657</i>	<i>Jul-99</i>
Operating: Payden Enhanced Cash(Gross)	722,449,833	36.077	51.128	0.055	0.191	1.448	1.439	0.845	1.889	Jul-99
Operating: Payden Enhanced Cash(Net)				0.036	0.112	1.364	1.357	0.749	--	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.009</i>	<i>0.059</i>	<i>1.142</i>	<i>1.128</i>	<i>0.600</i>	<i>1.657</i>	<i>Jul-99</i>
Operating: MetLife Enhanced Cash(Gross)	690,582,633	34.486	48.872	0.044	0.273	1.469	1.431	--	1.377	May-16
Operating: MetLife Enhanced Cash(Net)				0.023	0.189	1.384	1.346	--	1.292	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.009</i>	<i>0.059</i>	<i>1.142</i>	<i>1.128</i>	<i>0.600</i>	<i>1.061</i>	<i>May-16</i>

## Asset Class Performance Summary

	Fiscal 2021 (%)	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)
Total Fund(Gross)	0.435	2.901	3.191	1.221	0.754	0.842	--	--
Total Fund(Net)	0.353	2.815	3.107	1.147	0.666	0.778	--	--
Fixed Income(Gross)	0.693	4.416	4.064	0.582	0.427	1.775	--	--
Fixed Income(Net)	0.605	4.324	3.982	0.495	0.336	1.699	--	--
ICE BofA 1-3 Yrs US Treasuries TR	0.073	4.071	3.974	0.079	-0.108	1.307	0.876	0.765
Cash(Gross)	0.296	2.022	2.573	1.492	0.858	0.509	0.166	0.131
Cash(Net)	0.217	1.940	2.489	1.427	0.758	0.446	0.058	0.018
FTSE T-Bill 3 Months TR	0.082	1.558	2.294	1.325	0.455	0.138	0.021	0.038



## Total Fund | As of September 30, 2021

## Trailing Period Performance

	Fiscal 2021 (%)	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)
<b>Total Fund(Gross)</b>	<b>0.435</b>	<b>2.901</b>	<b>3.191</b>	<b>1.221</b>	<b>0.754</b>	<b>0.842</b>	--	--
<b>Fixed Income(Gross)</b>	<b>0.693</b>	<b>4.416</b>	<b>4.064</b>	<b>0.582</b>	<b>0.427</b>	<b>1.775</b>	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.073</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>
Tier One: Payden Low Duration(Gross)	0.603	4.313	4.239	0.695	0.583	1.461	0.893	1.048
Tier One: Payden Low Duration(Net)	0.521	4.230	4.167	0.615	0.508	1.388	0.783	0.933
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.073</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.536</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.266</i>	<i>4.175</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>
Tier One: MetLife STAMP 1-3 Year(Gross)	0.775	4.192	3.544	0.842	0.478	--	--	--
Tier One: MetLife STAMP 1-3 Year(Net)	0.695	4.108	3.478	0.761	0.395	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.073</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.536</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.266</i>	<i>4.175</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>
Tier Two: MetLife STAMP 1-5 Year(Gross)	0.846	5.177	4.347	0.258	0.140	3.021	1.494	2.095
Tier Two: MetLife STAMP 1-5 Year(Net)	0.719	5.048	4.217	0.131	0.016	2.894	1.367	1.969
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>-0.272</i>	<i>5.254</i>	<i>4.903</i>	<i>-0.351</i>	<i>-0.532</i>	<i>2.426</i>	<i>1.376</i>	<i>1.157</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>	<i>0.572</i>	<i>5.332</i>	<i>5.384</i>	<i>-0.156</i>	<i>0.134</i>	<i>2.649</i>	<i>1.344</i>	<i>2.000</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.063</i>	<i>5.350</i>	<i>5.143</i>	<i>-0.220</i>	<i>-0.172</i>	<i>2.570</i>	<i>1.376</i>	<i>1.641</i>
Tier Two: Payden Reserve Account(Gross)	--	--	--	--	--	--	--	--
Tier Two: Payden Reserve Account(Net)	--	--	--	--	--	--	--	--
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>-0.272</i>	<i>5.254</i>	<i>4.903</i>	<i>-0.351</i>	<i>-0.532</i>	<i>2.426</i>	<i>1.376</i>	<i>1.157</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>	<i>0.572</i>	<i>5.332</i>	<i>5.384</i>	<i>-0.156</i>	<i>0.134</i>	<i>2.649</i>	<i>1.344</i>	<i>2.000</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.063</i>	<i>5.350</i>	<i>5.143</i>	<i>-0.220</i>	<i>-0.172</i>	<i>2.570</i>	<i>1.376</i>	<i>1.641</i>

Wells Fargo Tier 1 and Operating accounts were closed in August 2021.

### Total Fund | As of September 30, 2021

	Fiscal 2021 (%)	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)
<b>Cash(Gross)</b>	<b>0.296</b>	<b>2.022</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>
<i>FTSE T-Bill 3 Months TR</i>	<i>0.082</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>
Operating: Payden Enhanced Cash(Gross)	0.250	2.049	2.597	1.580	0.887	0.573	0.166	0.131
Operating: Payden Enhanced Cash(Net)	0.170	1.965	2.508	1.500	0.812	0.505	0.058	0.018
<i>FTSE T-Bill 3 Months TR</i>	<i>0.082</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>
Operating: MetLife Enhanced Cash(Gross)	0.361	1.967	2.605	1.501	0.898	--	--	--
Operating: MetLife Enhanced Cash(Net)	0.276	1.881	2.519	1.416	0.814	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>0.082</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>

**Cash Flow Summary**
**Quarter Ending September 30, 2021**

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Operating: MetLife Enhanced Cash	\$727,278,450	-\$37,000,000	\$304,183	\$690,582,633
Operating: Payden Enhanced Cash	\$622,098,426	\$100,000,000	\$351,407	\$722,449,833
Tier One: MetLife STAMP 1-3 Year	\$240,141,145	\$0	\$209,308	\$240,350,453
Tier One: Payden Low Duration	\$241,158,321	\$12,307	\$245,984	\$241,416,612
Tier Two: MetLife STAMP 1-5 Year	\$107,580,680	-\$53,962,500	\$250,630	\$53,868,810
Tier Two: Payden Reserve Account	--	\$53,962,500	-\$102,793	\$53,859,707
<b>Total</b>	<b>\$1,938,257,022</b>	<b>\$63,012,307</b>	<b>\$1,258,720</b>	<b>\$2,002,528,049</b>

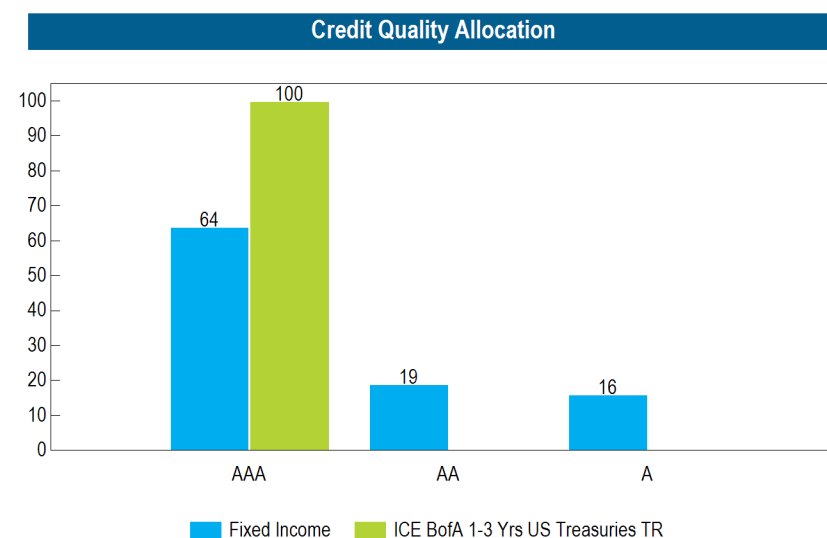
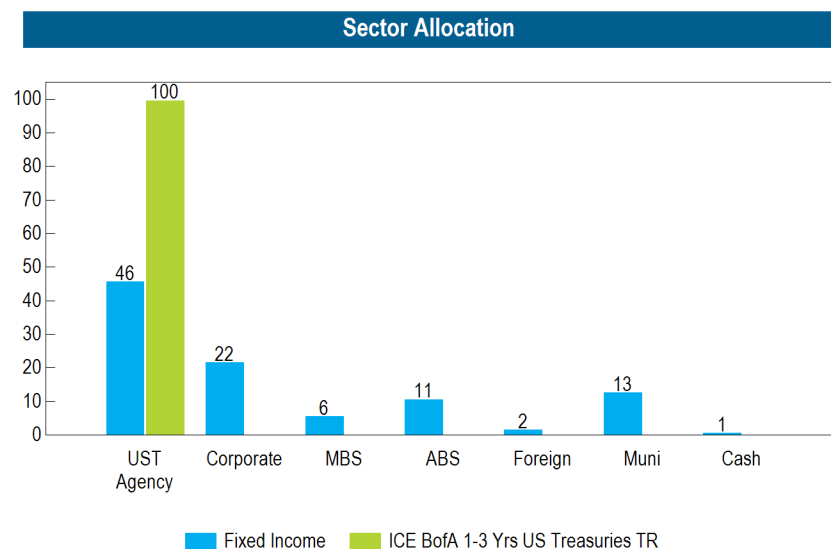
MetLife is the cash flow manager of the Operating Cash pool in Q2 and Q3 of each calendar year. Payden is the Cash Flow manager of the Operating Cash pool in Q1 and Q4 of each calendar year.

Wells Fargo Tier 1 and Operating accounts were closed in August 2021.

### Fixed Income | As of September 30, 2021

Asset Allocation on September 30, 2021		
	Actual	Actual
Tier One: Payden Low Duration	\$241,416,612	41.0%
Tier One: MetLife STAMP 1-3 Year	\$240,350,453	40.8%
Tier Two: MetLife STAMP 1-5 Year	\$53,868,810	9.1%
Tier Two: Payden Reserve Account	\$53,859,707	9.1%
<b>Total</b>	<b>\$589,495,583</b>	<b>100.0%</b>

Fixed Income Characteristics vs. ICE BofA 1-3 Yrs US Treasuries TR			
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.4	0.3	0.4
Average Duration	1.8	--	1.8
Average Quality	AA	AAA	AA



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

## Tier One: Payden Low Duration | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

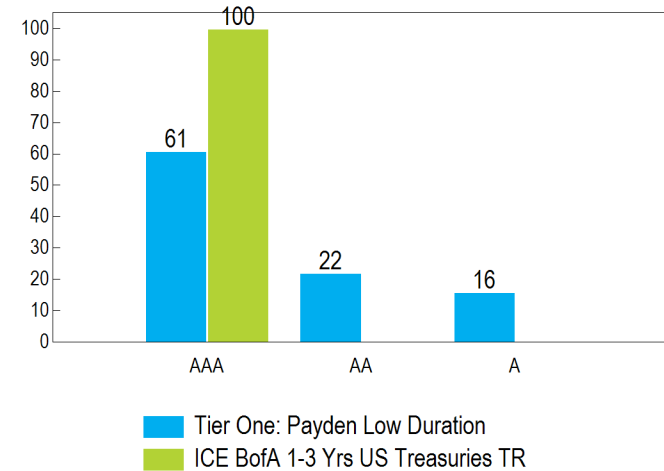
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.102	0.153	0.360	2.912	2.087	1.521	2.930	Jul-99
Tier One: Payden Low Duration(Net)	0.083	0.094	0.280	2.833	2.009	1.426	--	
ICE BofA 1-3 Yrs US Treasuries TR	0.058	-0.023	0.027	2.642	1.632	1.161	2.774	Jul-99
ICE BofA 1-3 Yrs US Corp & Govt TR	0.087	0.122	0.350	2.901	1.920	1.513	3.096	Jul-99
ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	0.073	0.041	0.165	2.776	1.795	1.378	2.982	Jul-99

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

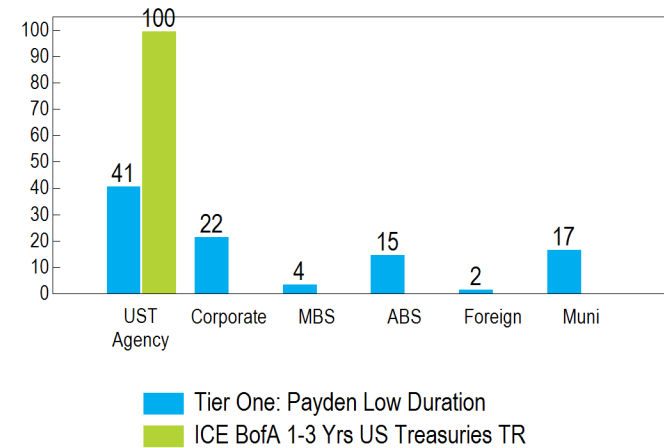
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.40	0.28	0.37
Average Duration	1.68	--	1.70
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



### US Sector Allocation



## Tier One: MetLife STAMP 1-3 Year | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

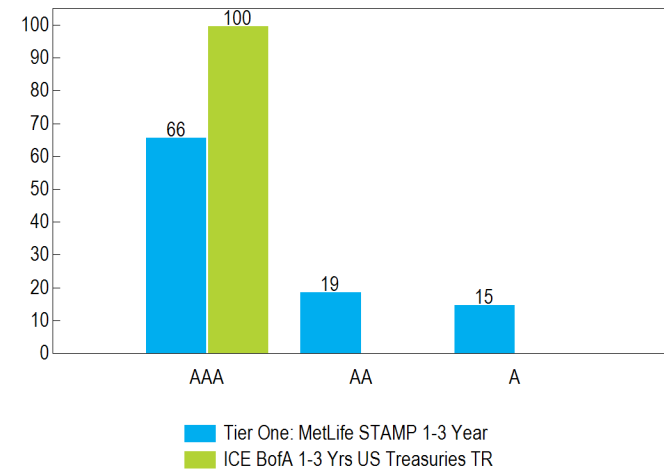
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	0.121	0.261	0.506	2.734	1.958	--	1.907	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	0.100	0.201	0.425	2.657	1.880	--	1.827	
ICE BofA 1-3 Yrs US Treasuries TR	0.058	-0.023	0.027	2.642	1.632	1.161	1.578	May-16
ICE BofA 1-3 Yrs US Corp & Govt TR	0.087	0.122	0.350	2.901	1.920	1.513	1.874	May-16
ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	0.073	0.041	0.165	2.776	1.795	1.378	1.744	May-16

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

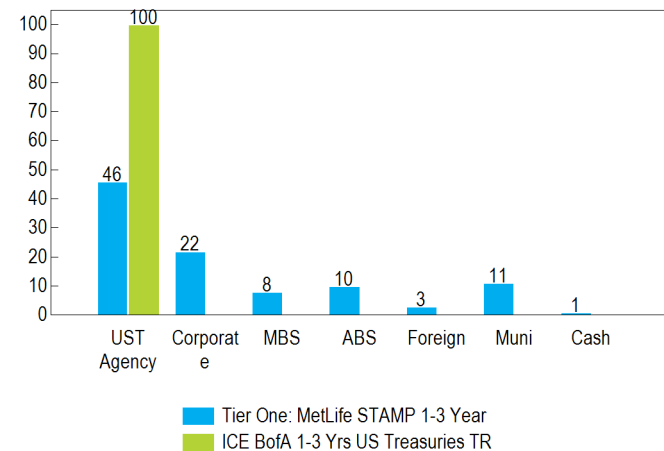
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.39	0.28	0.37
Average Duration	1.69	--	1.68
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



### US Sector Allocation



## Tier Two: MetLife STAMP 1-5 Year | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

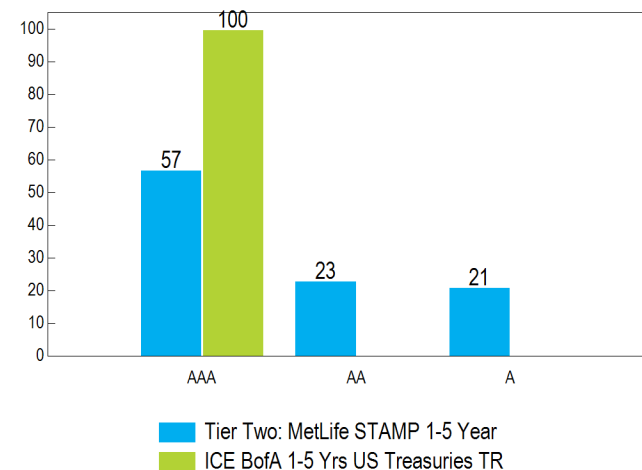
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	0.136	0.094	0.394	3.381	2.152	--	1.915	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	0.104	0.000	0.268	3.252	2.025	--	1.787	
ICE BofA 1-5 Yrs US Treasuries TR	-0.002	-0.417	-0.399	3.246	1.803	1.455	1.538	Apr-13
ICE BofA 1-5 Yrs US Corp & Govt TR	0.034	-0.182	0.183	3.652	2.218	1.952	1.918	Apr-13
ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR	0.013	-0.315	-0.162	3.426	2.015	1.738	1.741	Apr-13

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

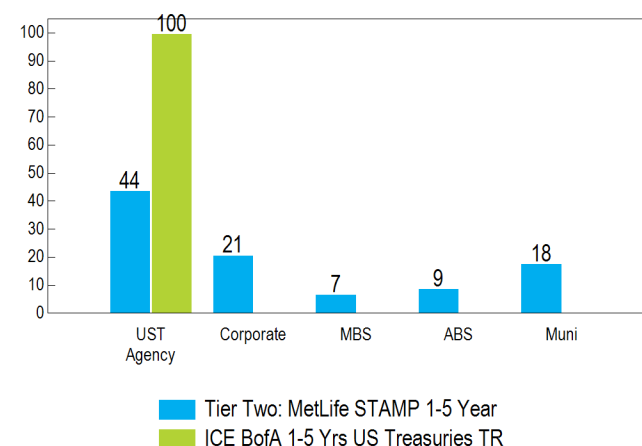
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.67	0.47	0.59
Average Duration	2.53	--	2.55
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



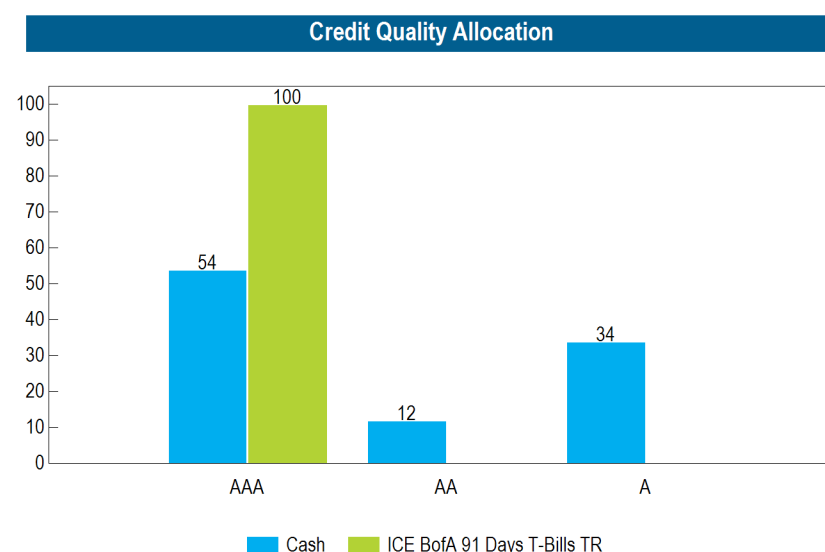
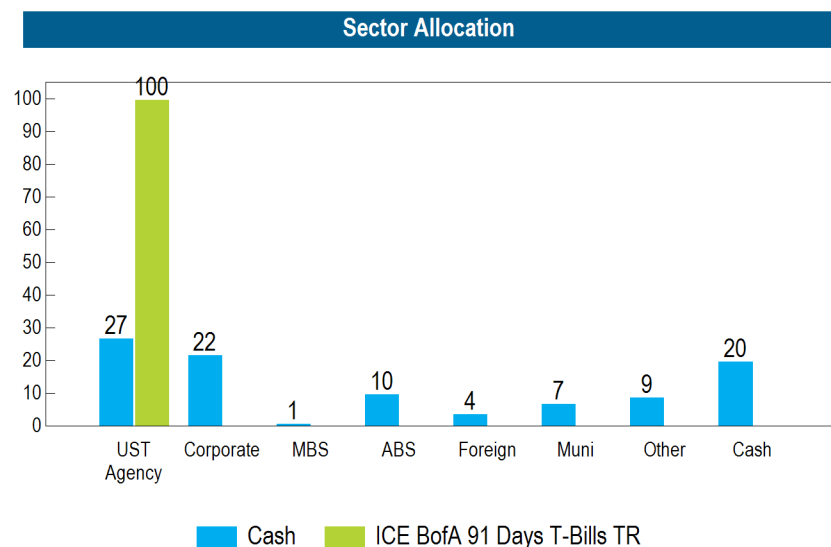
### US Sector Allocation



Cash | As of September 30, 2021

Asset Allocation on September 30, 2021		
	Actual	Actual
Operating: MetLife Enhanced Cash	\$690,582,633	48.9%
Operating: Payden Enhanced Cash	\$722,449,833	51.1%
<b>Total</b>	<b>\$1,413,032,466</b>	<b>100.0%</b>

Cash Characteristics vs. ICE BofA 91 Days T-Bills TR			
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.2	0.0	0.2
Average Duration	0.3	--	0.3
Average Quality	AA	AAA	AA



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



## Operating: Payden Enhanced Cash | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Payden Enhanced Cash(Gross)	0.055	0.129	0.191	1.448	1.439	0.845	1.889	Jul-99
Operating: Payden Enhanced Cash(Net)	0.036	0.068	0.112	1.364	1.357	0.749	--	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.009</i>	<i>0.034</i>	<i>0.059</i>	<i>1.142</i>	<i>1.128</i>	<i>0.600</i>	<i>1.657</i>	<i>Jul-99</i>

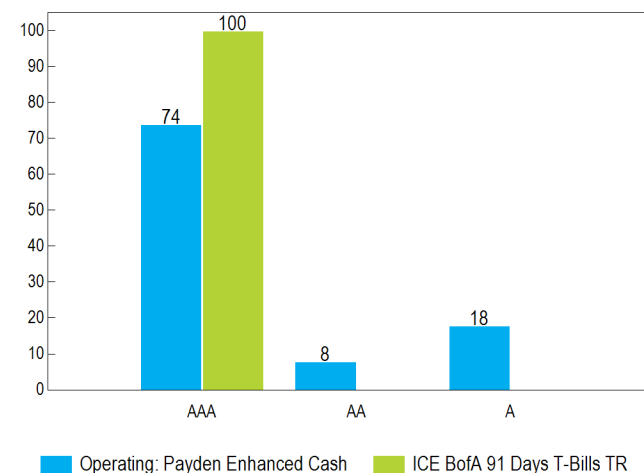
### Operating: Payden Enhanced Cash Fixed Income Characteristics

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

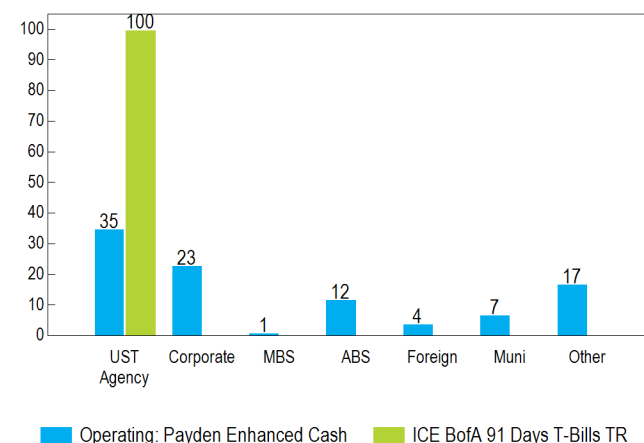
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.20	0.03	0.20
Average Duration	0.40	--	0.35
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



### US Sector Allocation



## Operating: MetLife Enhanced Cash | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: MetLife Enhanced Cash(Gross)	0.044	0.192	0.273	1.469	1.431	--	1.377	May-16
Operating: MetLife Enhanced Cash(Net)	0.023	0.129	0.189	1.384	1.346	--	1.292	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.009</i>	<i>0.034</i>	<i>0.059</i>	<i>1.142</i>	<i>1.128</i>	<i>0.600</i>	<i>1.061</i>	<i>May-16</i>

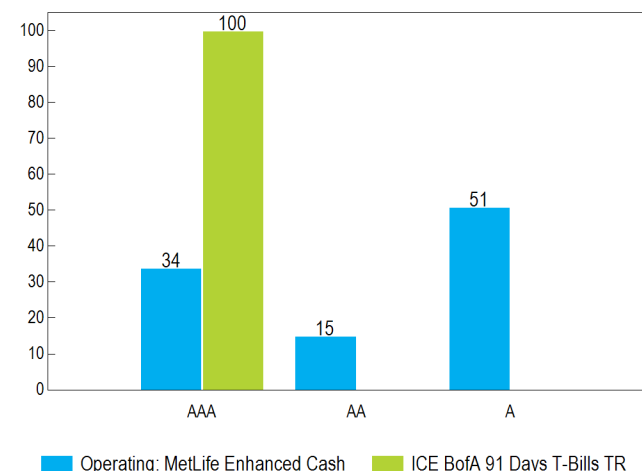
### Operating: MetLife Enhanced Cash Fixed Income Characteristics

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

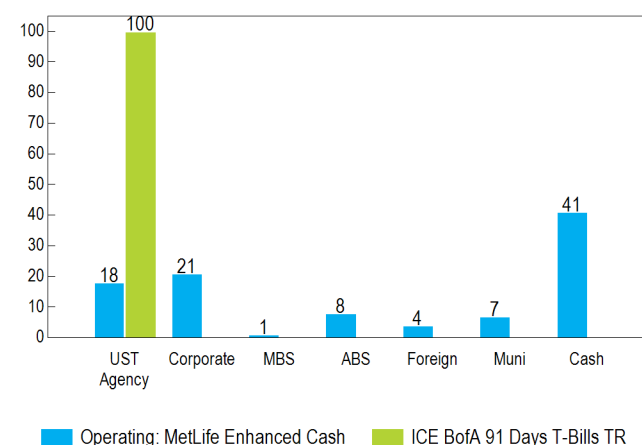
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.18	0.03	0.18
Average Duration	0.25	--	0.32
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



### US Sector Allocation



### Annual Investment Expense Analysis As Of September 30, 2021

Name	Fee Schedule	Market Value
Tier One: Payden Low Duration	0.08% of First 300.0 Mil, 0.07% of Next 300.0 Mil, 0.06% of Next 300.0 Mil, 0.05% Thereafter	\$241,416,612
Tier One: MetLife STAMP 1-3 Year	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.06% of Next 250.0 Mil, 0.05% Thereafter	\$240,350,453
Tier Two: MetLife STAMP 1-5 Year	0.15% of First 50.0 Mil, 0.10% of Next 250.0 Mil, 0.07% Thereafter	\$53,868,810
Tier Two: Payden Reserve Account	0.12% of First 100.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$53,859,707
Operating: Payden Enhanced Cash	0.08% of First 300.0 Mil, 0.07% of Next 300.0 Mil, 0.06% of Next 300.0 Mil, 0.05% Thereafter	\$722,449,833
Operating: MetLife Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.06% of Next 250.0 Mil, 0.05% Thereafter	\$690,582,633
<b>Total</b>		<b>\$2,002,528,049</b>

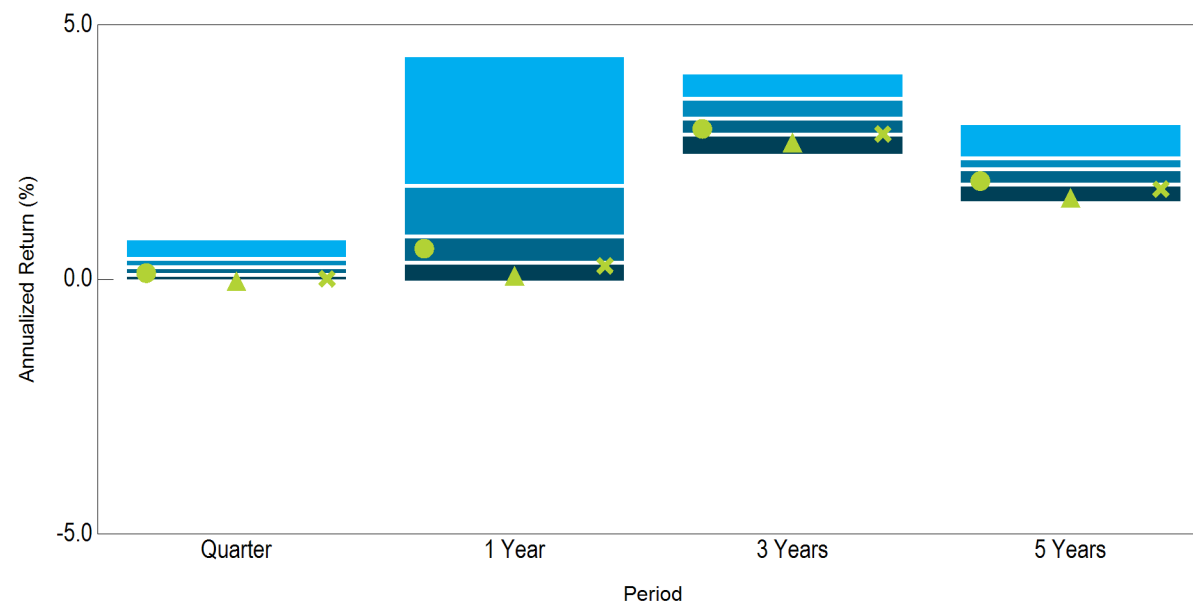
Please note that MetLife and Payden charge their investment management fees on an aggregate basis across Operating Cash and Tier One portfolios. The Tier Two fee is applied separately.

Statistics Summary	
1 Year Ending September 30, 2021	
	Sharpe Ratio
Fixed Income	0.74
ICE BofA 1-3 Yrs US Treasuries TR	-0.06
Tier One: Payden Low Duration	0.84
ICE BofA 1-3 Yrs US Treasuries TR	-0.06
Tier One: MetLife STAMP 1-3 Year	1.24
ICE BofA 1-3 Yrs US Treasuries TR	-0.06
Tier Two: MetLife STAMP 1-5 Year	0.31
ICE BofA 1-5 Yrs US Treasuries TR	-0.62
Tier Two: Payden Reserve Account	--
ICE BofA 1-5 Yrs US Treasuries TR	-0.62
Cash	3.09
FTSE T-Bill 3 Months TR	1.68
Operating: Payden Enhanced Cash	2.30
FTSE T-Bill 3 Months TR	1.68
Operating: MetLife Enhanced Cash	3.46
FTSE T-Bill 3 Months TR	1.68

Statistics Summary	
3 Years Ending September 30, 2021	
	Sharpe Ratio
Fixed Income	1.98
ICE BofA 1-3 Yrs US Treasuries TR	1.34
Tier One: Payden Low Duration	1.91
ICE BofA 1-3 Yrs US Treasuries TR	1.34
Tier One: MetLife STAMP 1-3 Year	2.15
ICE BofA 1-3 Yrs US Treasuries TR	1.34
Tier Two: MetLife STAMP 1-5 Year	1.92
ICE BofA 1-5 Yrs US Treasuries TR	1.30
Tier Two: Payden Reserve Account	--
ICE BofA 1-5 Yrs US Treasuries TR	1.30
Cash	0.85
FTSE T-Bill 3 Months TR	0.35
Operating: Payden Enhanced Cash	0.87
FTSE T-Bill 3 Months TR	0.35
Operating: MetLife Enhanced Cash	0.66
FTSE T-Bill 3 Months TR	0.35

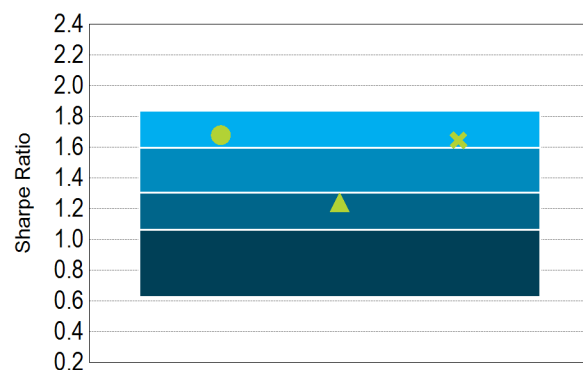
Statistics Summary	
5 Years Ending September 30, 2021	
	Sharpe Ratio
Fixed Income	0.98
ICE BofA 1-3 Yrs US Treasuries TR	0.50
Tier One: Payden Low Duration	1.09
ICE BofA 1-3 Yrs US Treasuries TR	0.50
Tier One: MetLife STAMP 1-3 Year	1.06
ICE BofA 1-3 Yrs US Treasuries TR	0.50
Tier Two: MetLife STAMP 1-5 Year	0.78
ICE BofA 1-5 Yrs US Treasuries TR	0.45
Tier Two: Payden Reserve Account	--
ICE BofA 1-5 Yrs US Treasuries TR	0.45
Cash	0.75
FTSE T-Bill 3 Months TR	0.12
Operating: Payden Enhanced Cash	0.84
FTSE T-Bill 3 Months TR	0.12
Operating: MetLife Enhanced Cash	0.60
FTSE T-Bill 3 Months TR	0.12

## eV US Short Duration Fixed Inc Net Return Comparison Ending June 30, 2021



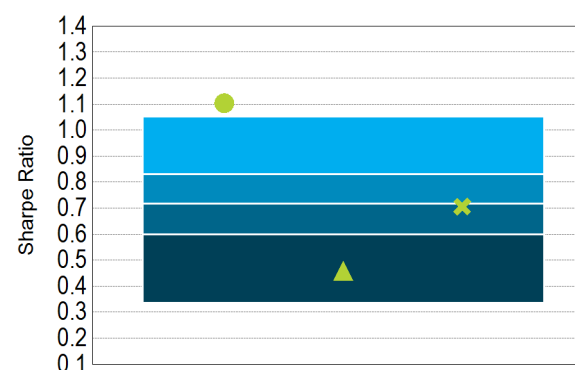
	Return (Rank)							
5th Percentile	0.8		4.4		4.1		3.1	
25th Percentile	0.4		1.8		3.6		2.4	
Median	0.3		0.8		3.2		2.2	
75th Percentile	0.1		0.3		2.9		1.9	
95th Percentile	0.0		-0.1		2.4		1.5	
# of Portfolios	150		149		146		138	
● Fixed Income	0.1	(70)	0.6	(60)	3.0	(68)	1.9	(71)
▲ ICE BofA 1-3 Yrs US Treasuries TR	0.0	(97)	0.1	(91)	2.7	(86)	1.6	(92)
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	0.0	(89)	0.3	(79)	2.9	(75)	1.8	(79)

## 3 Year Sharpe Ratio as of 6/30/2021 vs. eV US Short Duration Fixed Inc Net



● Total Fund	
Value	1.7
Rank	13
▲ ICE BofA 1-3 Yrs US Treasuries TR	
Value	1.2
Rank	58
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	
Value	1.6
Rank	18
Universe	
5th %tile	1.8
25th %tile	1.6
Median	1.3
75th %tile	1.1
95th %tile	0.6

## 5 Year Sharpe Ratio as of 6/30/2021 vs. eV US Short Duration Fixed Inc Net



● Total Fund	
Value	1.1
Rank	4
▲ ICE BofA 1-3 Yrs US Treasuries TR	
Value	0.5
Rank	89
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	
Value	0.7
Rank	54
Universe	
5th %tile	1.1
25th %tile	0.8
Median	0.7
75th %tile	0.6
95th %tile	0.3

## Quarterly Investment Report Supplement

## Annual Investment Policy (2021)

### 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	ML	P&R	ML	
US Treasuries	2 years	5 years	5 years	0.29 years	1.50 years	3.50 years	2.96 years	4.92 years	4.92 years	Yes
US Agencies	2 years	5 years	5 years	1.13 years	1.13 years	3.87 years	4.37 years	3.87 years	N/A	Yes
State & Local Obligations <sup>1</sup>	2 years	5 years	5 years	1.13 years	1.00 years	3.46 years	3.46 years	4.42 years	4.09 years	Yes
Supranationals	2 years	5 years	5 years	0.96 years	1.55 years	1.65 years	2.15 years	N/A	N/A	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	0.52 years	0.98 years	N/A	N/A	N/A	N/A	Yes
Commercial Paper	270 days	270 days	270 days	34 days	78 days	N/A	N/A	N/A	N/A	Yes
Repurchase Agreements	30 days	30 days	30 days	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Medium Term Notes	2 years	5 years	5 years	1.63 years	1.44 years	4.04 years	3.41 years	4.47 years	4.96 years	Yes
Mortgage/ Asset-Backed	2 years	5 years	5 years	1.97 years	1.08 years <sup>2</sup>	4.71 years	2.39 years	4.71 years	1.95 years	Yes
Variable & Floating Rate	2 years	5 years	5 years	0.68 years	0.30 years <sup>3</sup>	3.74 years	0.08 years	4.01 years	0.30 years	Yes
Manager Confirmed Adherence to 5% Issuer Limit				Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

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

<sup>2</sup> MBS & ABS minimum for security rating AA-, minimum issuer rating A- despite Code change 1/2019.

<sup>3</sup> Includes other Federal Agencies, Supranationals, Negotiable CDs, MTDs & Depository Notes, and MBS & ABS



## Annual Investment Policy (2021)

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

Allowable Instruments	Maximum (%)	MetLife (%)	MetLife (\$ mm)	Payden (%)	Payden (\$ mm)	Total (%)	Total (\$ mm)
US Treasuries	100	23.5	231.6	33.2	337.8	28.4	569.4
US Agencies	100	0.6	6.0	5.4	54.5	3.0	60.5
State & Local Obligations <sup>2</sup>	30	9.1	89.4	9.2	93.4	9.1	182.8
Supranationals	30	3.5	34.5	3.1	31.4	3.3	65.9
Negotiable Certificate of Deposit	30	10.4	102.1	12.1	122.6	11.2	224.7
Commercial Paper	25	17.0	167.1	0.2	1.8	8.4	168.9
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0
Medium-Term Notes	30	4.8	47.2	22.7	230.7	13.9	277.9
Money Market Funds	20	1.4	13.8	0.0	0.2	0.7	14.1
Mortgage/Asset-Backed	20	8.9	87.6	14.3	145.3	11.6	232.9
Variable & Floating Rate	30	20.9	205.5	0.0	0.0	10.3	205.5
<b>Total</b>		<b>100.0</b>	<b>984.8</b>	<b>100.0</b>	<b>1,017.7</b>	<b>100.0</b>	<b>2,002.5</b>

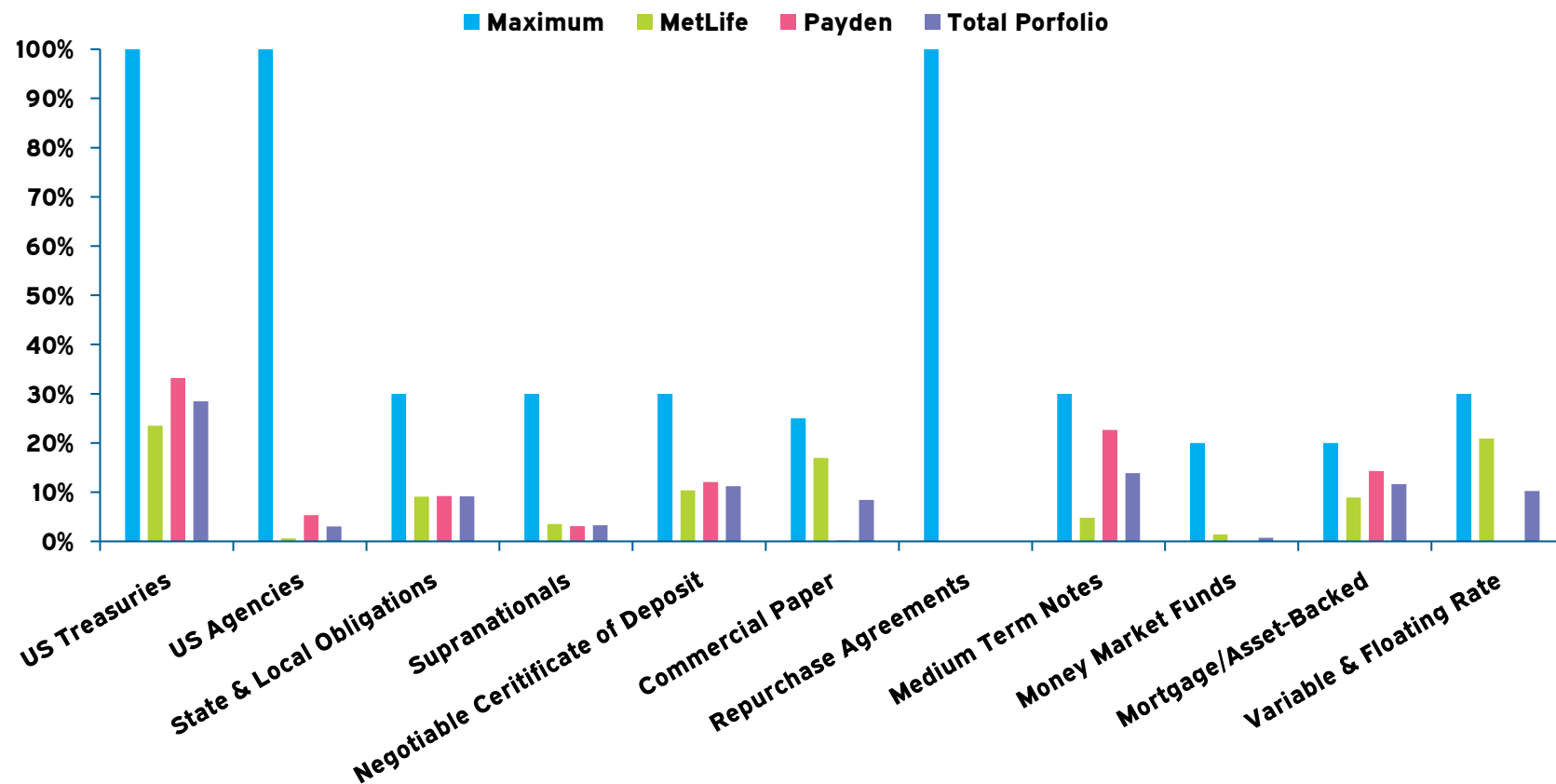
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2021.

<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 (2021)

Actual vs. Diversity Requirements  
As of September 30, 2021



## Custom Peer Group

### Custom Peer Group

- Given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best comparison tool for the Tier One and Tier Two pools.
- Meketa Investment Group surveyed the eVestment Alliance US Short Duration Fixed Income universe and Morningstar's Short Duration Fixed Income universe to create custom peer universes for each of the Tier One and Tier Two pools in order to provide a more accurate performance comparison.<sup>1</sup>
  - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
  - Two unique buckets were established based on each portfolio's historical average effective duration relative to the ICE BofA Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the ICE BofA Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
  - The Tier One peer group consists of fourteen strategies with a median effective duration of 1.71 years, while the Tier Two peer group consists of eight strategies with a median effective duration of 2.49 years as of June 30, 2021.
- Please note that the analysis is as of June 30, 2021, as the universe of investment managers that had reported data as of September 30, 2021 was very small at the date that these materials were submitted.
- This analysis is based on a small peer universe that may change significantly over time, potentially resulting in large changes in peer rankings quarter-to-quarter.

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

### Custom Peer Group: MetLife Tier One

Gross of Fees Returns as of 6/30/2021 <sup>1</sup>	2Q 2021 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Tier One: MetLife STAMP 1-3 Year	0.13	0.78	2.83	1.95
Peer Group Median Return	0.06	0.57	2.90	2.08
Peer Group Rank (percentile)	29	41	71	63

Standard Deviation as of 6/30/2021 <sup>2</sup>	3 Years (%)	5 Years (%)
Tier One: MetLife STAMP 1-3 Year	0.75	0.74
Median Standard Deviation	1.07	0.97
Peer Group Rank (percentile)	6	7

- The MetLife Tier One portfolio outperformed the peer group over the trailing quarter and year but slightly underperformed the peer group over the trailing three- and five-year time periods.
- Standard deviation has ranked very favorably versus peers 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.

### Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 6/30/2021 <sup>1</sup>	2Q 2021 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.12	0.60	3.04	2.07	1.55
Peer Group Median Return	0.06	0.57	2.90	2.08	1.65
Peer Group Rank (percentile)	33	46	39	51	66

Standard Deviation as of 6/30/2021 <sup>2</sup>	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.93	0.84	0.72
Median Standard Deviation	1.07	0.97	0.87
Peer Group Rank (percentile)	17	14	5

- The Payden Tier One portfolio's trailing returns rank in the second quartile of the peer group over the trailing quarter as well as one- and three-year time periods, and in the third quartile over the five- and ten-year time periods.
- Standard deviation has ranked very favorably versus peers over all trailing periods.

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

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

### Custom Peer Group: MetLife Tier Two

Gross of Fees Returns as of 6/30/2021 <sup>1</sup>	2Q 2021 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	0.28	0.85	3.44	2.13
Peer Group Median Return	0.11	0.39	3.31	2.03
Peer Group Rank (percentile)	28	36	22	26

Standard Deviation as of 6/30/2021 <sup>2</sup>	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	1.15	1.19
Median Standard Deviation	1.23	1.31
Peer Group Rank (percentile)	36	42

- MetLife's Tier Two portfolio performed in or near the top third of the peer group over the trailing quarter as well as one-, three-, and five-year time periods.
- Standard deviation for the strategy ranks in the second quartile of the peer group over the trailing three- and five-year periods.

<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, and the Payden & Rygel 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 September 30, 2021. Attribution data fields will vary slightly across investment managers.

## MetLife Tier One Performance Attribution<sup>1</sup>

Gross of Fees as of 9/30/2021

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	
	3Q 2021	1 Year	3Q 2021	1 Year
Duration	1	11	1	10
Yield Curve	0	-1	0	-2
Sector Selection	5	38	4	26
Treasury	0	0	0	0
Agency	0	2	0	-1
Corporate	2	15	1	6
Financial	1	10	1	4
Industrial	1	4	0	1
Utilities	0	1	0	1
MBS	0	0	0	0
CMBS	1	3	1	3
ABS	0	5	0	5
Municipal	2	13	2	13
Total Excess Return <sup>2</sup>	6	48	5	34
MetLife Tier One Return	12	51	12	51
Benchmark Return	6	3	7	17

<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 9/30/2021

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	
	3Q 2021	1 Year	3Q 2021	1 Year
Duration	-1	-4	-1	-5
Yield Curve	1	-3	1	-2
Sector Selection	4	38	3	24
Treasury	0	1	1	7
Agency	0	3	0	-1
Corporate	1	12	0	1
Financial	0	8	0	0
Industrial	1	3	0	1
Utilities	0	1	0	0
ABS/MBS	1	8	0	5
Municipal	2	14	2	12
Residual	0	2	0	2
Total Excess Return <sup>2</sup>	4	33	3	19
Payden & Rygel Tier One Return	10	36	10	36
Benchmark Return	6	3	7	17

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

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

## MetLife Tier Two Performance Attribution<sup>1</sup>

Gross of Fees as of 9/30/2021

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	
	3Q 2021	1 Year	3Q 2021	1 Year
Duration	5	14	4	13
Yield Curve	0	2	0	3
Sector Selection	9	63	8	40
Treasury	0	0	0	0
Agency	0	3	0	-3
Corporate	2	17	1	0
Financial	2	12	1	1
Industrial	0	4	0	-2
Utilities	0	1	0	1
MBS	0	0	0	0
CMBS	0	1	0	1
ABS	0	1	0	1
Municipal	7	41	7	41
Total Excess Return <sup>2</sup>	14	79	13	55
MetLife Tier Two Return	14	39	14	39
Benchmark Return	0	-40	1	-16

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

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

## Appendices

## Characteristics

## Tier One: Payden Low Duration | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

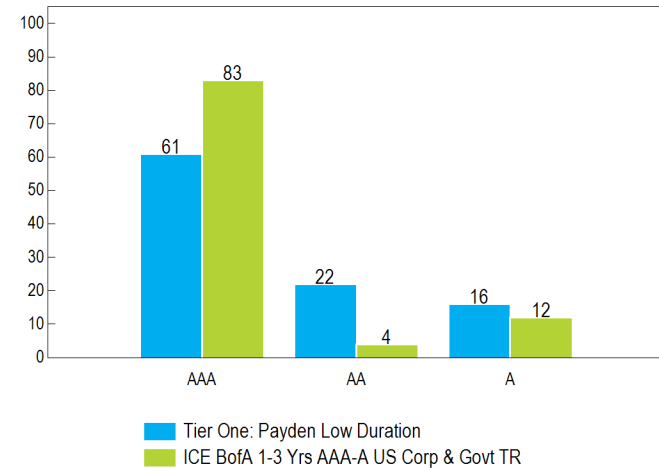
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.102	0.153	0.360	2.912	2.087	1.521	2.930	Jul-99
Tier One: Payden Low Duration(Net)	0.083	0.094	0.280	2.833	2.009	1.426	--	
ICE BofA 1-3 Yrs US Treasuries TR	0.058	-0.023	0.027	2.642	1.632	1.161	2.774	Jul-99
ICE BofA 1-3 Yrs US Corp & Govt TR	0.087	0.122	0.350	2.901	1.920	1.513	3.096	Jul-99
ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	0.073	0.041	0.165	2.776	1.795	1.378	2.982	Jul-99

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

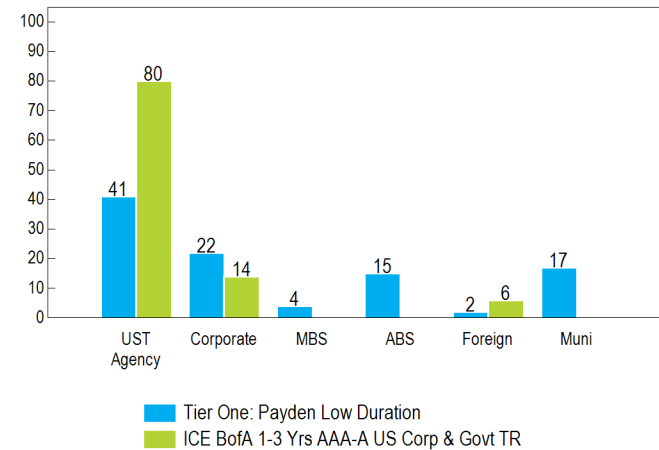
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.40	0.33	0.37
Average Duration	1.68	--	1.70
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



### US Sector Allocation



## Tier One: MetLife STAMP 1-3 Year | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

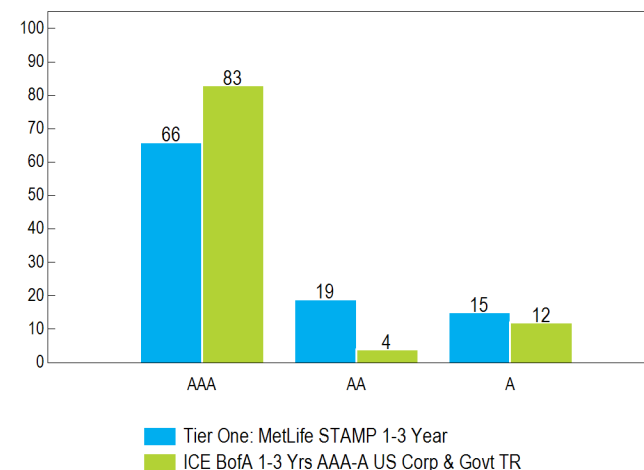
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	0.121	0.261	0.506	2.734	1.958	--	1.907	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	0.100	0.201	0.425	2.657	1.880	--	1.827	
ICE BofA 1-3 Yrs US Treasuries TR	0.058	-0.023	0.027	2.642	1.632	1.161	1.578	May-16
ICE BofA 1-3 Yrs US Corp & Govt TR	0.087	0.122	0.350	2.901	1.920	1.513	1.874	May-16
ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	0.073	0.041	0.165	2.776	1.795	1.378	1.744	May-16

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

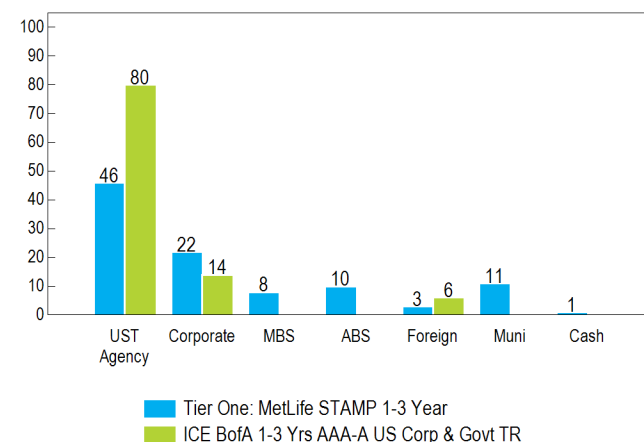
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.39	0.33	0.37
Average Duration	1.69	--	1.68
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



### US Sector Allocation





## Tier Two: MetLife STAMP 1-5 Year | As of September 30, 2021

### Account Information

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

### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	0.136	0.094	0.394	3.381	2.152	--	1.915	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	0.104	0.000	0.268	3.252	2.025	--	1.787	
ICE BofA 1-5 Yrs US Treasuries TR	-0.002	-0.417	-0.399	3.246	1.803	1.455	1.538	Apr-13
ICE BofA 1-5 Yrs US Corp & Govt TR	0.034	-0.182	0.183	3.652	2.218	1.952	1.918	Apr-13
ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR	0.013	-0.315	-0.162	3.426	2.015	1.738	1.741	Apr-13

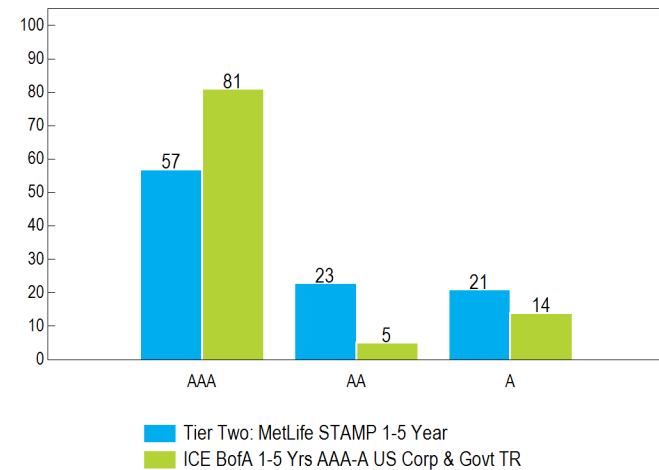
### Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics

vs. ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR

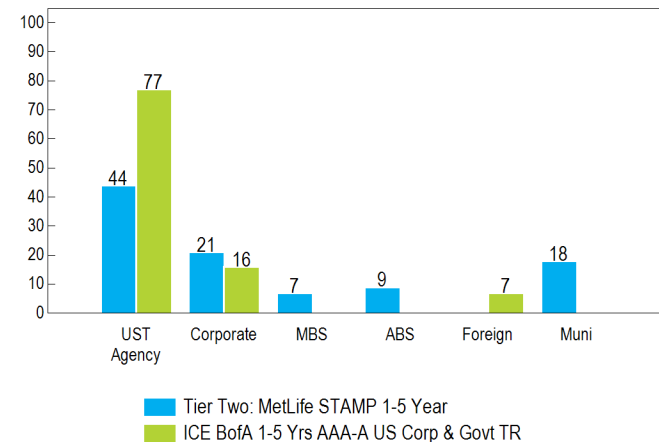
	Portfolio Q3-21	Index Q3-21	Portfolio Q2-21
Fixed Income Characteristics			
Yield to Maturity	0.67	0.55	0.59
Average Duration	2.53	--	2.55
Average Quality	AA	AAA	AA

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

### Credit Quality Allocation



### US Sector Allocation



## Holdings

**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

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>Cash</b>							
	CASH OR STIF	USD	1,091,276.30	1,091,276.30	0.00	1.000	0.45%
<b>Total for Cash</b>			<b>1,091,276.30</b>	<b>1,091,276.30</b>	<b>0.00</b>		<b>0.45%</b>
<b>Treasuries</b>							
20,300,000.000	U.S. TREASURY NOTE	91282CBG5	20,303,359.77	20,293,259.79	(10,099.98)	99.967	8.41%
	Mat: 1/31/23 Cpn: 0.13%		1,066.26	4,275.14			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/29/21 St Date: 2/1/21						
1,150,000.000	U.S. TREASURY NOTE	912828P79	1,184,455.08	1,171,719.73	(12,735.35)	101.889	0.49%
	Mat: 2/28/23 Cpn: 1.50%		0.00	1,477.21			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 12/18/20 St Date: 12/21/20						
7,700,000.000	U.S. TREASURY NOTE	91282CBU4	7,695,478.72	7,693,533.23	(1,945.49)	99.916	3.19%
	Mat: 3/31/23 Cpn: 0.13%		593.85	26.44			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/30/21 St Date: 3/31/21						
125,000.000	U.S. TREASURY NOTE	912828ZH6	125,029.30	125,114.75	85.45	100.092	0.05%
	Mat: 4/15/23 Cpn: 0.25%		0.00	144.30			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 4/15/20 St Date: 4/17/20						
6,250,000.000	U.S. TREASURY NOTE	91282CBX8	6,247,929.14	6,242,309.56	(5,619.58)	99.877	2.59%
	Mat: 4/30/23 Cpn: 0.13%		555.32	3,269.36			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 5/26/21 St Date: 5/27/21						
2,700,000.000	U.S. TREASURY NOTE	91282CAK7	2,696,777.35	2,692,195.33	(4,582.02)	99.711	1.12%
	Mat: 9/15/23 Cpn: 0.13%		0.00	149.17			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/9/20 St Date: 9/15/20						
19,315,000.000	U.S. TREASURY NOTE	91282CDA6	19,290,856.25	19,300,287.38	9,431.13	99.924	7.99%
	Mat: 9/30/23 Cpn: 0.25%		0.00	132.66			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/28/21 St Date: 9/30/21						
205,000.000	U.S. TREASURY NOTE	91282CBA8	204,479.49	204,071.09	(408.40)	99.547	0.08%
	Mat: 12/15/23 Cpn: 0.13%		0.00	75.61			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/6/21 St Date: 1/7/21						



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
8,455,000.000	U.S. TREASURY NOTE Mat: 7/15/24 Cpn: 0.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/31/21 St Date: 9/1/21	91282CCL3	8,452,357.81 4,135.60	8,430,890.06 6,720.35	(21,467.75)	99.715	3.50%
24,848,000.000	U.S. TREASURY NOTE Mat: 9/15/24 Cpn: 0.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/13/21 St Date: 9/15/21	91282CCX7	24,788,043.98 399.92	24,740,260.56 4,118.45	(47,783.42)	99.566	10.25%
<b>Total for Treasuries</b>			<b>90,988,766.89 6,750.94</b>	<b>90,893,641.48 20,388.69</b>	<b>(95,125.41)</b>		<b>37.66%</b>

**Government Related**

590,000.000	INTL BANK RECON & DEVELOP Mat: 4/20/23 Cpn: 0.13% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/13/21 St Date: 4/20/21	459058JV6	588,778.70 0.00	589,044.85 329.83	266.15	99.838	0.24%
1,510,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 5/24/23 Cpn: 0.50% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/17/20 St Date: 4/24/20	4581X0DM7	1,509,486.60 0.00	1,516,259.00 2,663.47	6,772.40	100.415	0.63%
960,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 11/15/23 Cpn: 0.25% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/25/20 St Date: 9/2/20	4581X0DP0	958,473.60 0.00	958,060.60 906.67	(413.00)	99.798	0.40%
1,000,000.000	INTL BANK RECON & DEVELOP Mat: 11/24/23 Cpn: 0.25% Moody's: Aaa S&P: AAA Fitch: Tr Date: 11/17/20 St Date: 11/24/20	459058JM6	997,850.00 0.00	997,998.77 881.94	148.77	99.800	0.41%
<b>Total for Government Related</b>			<b>4,054,588.90 0.00</b>	<b>4,061,363.22 4,781.91</b>	<b>6,774.32</b>		<b>1.68%</b>

**Agencies**

500,000.000	FFCB Mat: 1/18/22 Cpn: 2.60% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 1/16/19 St Date: 1/18/19	3133EJ5P0	499,295.00 0.00	503,734.68 2,636.11	4,439.68	100.747	0.21%
1,950,000.000	FFCB Mat: 1/18/22 Cpn: 1.88% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/26/19 St Date: 7/29/19	3133EKVD5	1,947,933.00 0.00	1,960,787.46 7,414.06	12,854.46	100.553	0.82%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,475,000.000	FHLB Mat: 9/9/22 Cpn: 2.00% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/28/19 St Date: 8/29/19	313380GJ0	1,497,449.50 0.00	1,501,356.94 1,802.78	3,907.44	101.787	0.62%
575,000.000	FHLMC Mat: 9/8/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 9/2/20 St Date: 9/4/20	3137EAEW5	574,810.25 0.00	574,633.04 91.84	(177.22)	99.936	0.24%
880,000.000	FHLMC C 11/25/22 Q Mat: 11/25/24 Cpn: 0.45% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/3/20 St Date: 12/4/20	3134GXDZ4	880,000.00 99.00	874,332.69 1,386.00	(5,667.31)	99.356	0.36%
1,610,000.000	FHLB C 05/12/21 Q Mat: 2/12/26 Cpn: 0.60% Moody's: WR S&P: AA+ Fitch: AAA Tr Date: 2/12/21 St Date: 2/16/21	3130AKXQ4	1,608,873.00 107.33	1,592,260.50 1,314.83	(16,612.50)	98.898	0.66%
<b>Total for Agencies</b>			<b>7,008,360.75 206.33</b>	<b>7,007,105.31 14,645.63</b>	<b>(1,255.44)</b>		<b>2.91%</b>

**Tax-Exempt**

500,000.000	CA SAN JUAN USD GO/ULT TXB Mat: 8/1/23 Cpn: 0.50% Moody's: Aa2 S&P: Fitch: WD Tr Date: 10/16/20 St Date: 10/29/20	798306WM4	500,000.00 0.00	500,873.57 415.83	873.57	100.175	0.21%
750,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/23 Cpn: 0.42% Moody's: S&P: AA- Fitch: Tr Date: 2/25/21 St Date: 3/4/21	5445872R8	750,000.00 0.00	749,978.77 1,806.94	(21.23)	99.997	0.31%
<b>Total for Tax-Exempt</b>			<b>1,250,000.00 0.00</b>	<b>1,250,852.33 2,222.77</b>	<b>852.33</b>		<b>0.52%</b>

**Taxable Muni**

330,000.000	CT STATE GO/ULT TXB Mat: 10/15/21 Cpn: 2.40% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 6/13/19 St Date: 6/17/19	20772JKP6	330,594.00 1,364.57	330,213.90 3,653.52	(380.10)	100.065	0.14%
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	560,441.39 7,731.17	441.39	100.079	0.24%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
540,000.000	HI STATE GO/ULT TXB Mat: 1/1/22 Cpn: 2.77% Moody's: Aa2 S&P: AA+ Fitch: AA Tr Date: 2/7/19 St Date: 2/21/19	419792YL4	540,000.00 0.00	543,348.51 3,739.50	3,348.51	100.620	0.23%
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	646,417.87 3,788.80	6,417.87	101.003	0.27%
500,000.000	CA RIVERSIDE USD TXB Mat: 2/1/22 Cpn: 1.80% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 12/4/19 St Date: 12/17/19	769059ZY5	500,000.00 0.00	502,633.97 1,503.33	2,633.97	100.527	0.21%
325,000.000	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	354,952.00 8,224.76	333,574.57 1,801.04	(21,377.43)	102.638	0.14%
1,000,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/22 Cpn: 2.13% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 9/20/19 St Date: 9/26/19	072024WW8	1,000,000.00 0.00	1,009,935.00 10,640.00	9,935.00	100.994	0.42%
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	942,989.00 11,803.25	12,989.00	101.397	0.40%
500,000.000	CA UC REGENTS MED CTR POOLED REV TXB Mat: 5/15/22 Cpn: 1.89% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 6/11/19 St Date: 6/13/19	913366HW3	495,140.00 0.00	504,612.20 3,564.33	9,472.20	100.922	0.21%
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	835,821.38 10,170.00	12,943.18	101.929	0.35%
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	1,516,565.55 9,465.00	16,565.55	101.104	0.63%
285,000.000	CA SANTA CLARA VLY WTR DIST REV TXB Mat: 6/1/22 Cpn: 1.77% Moody's: Aa1 S&P: Fitch: AA+ Tr Date: 11/20/19 St Date: 11/26/19	80168ACP0	285,000.00 0.00	287,725.65 1,684.35	2,725.65	100.956	0.12%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
340,000.000	CT STATE OF CONNECTICUT GO/ULT TXB Mat: 7/1/22 Cpn: 2.50% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 5/29/20 St Date: 6/11/20	20772KJU4	345,718.80 0.00	345,511.46 2,125.00	(207.34)	101.621	0.14%
500,000.000	CA CONTRA COSTA CCD GO/ULT TXB Mat: 8/1/22 Cpn: 1.65% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 8/29/19 St Date: 9/12/19	212204JC6	500,000.00 0.00	506,203.58 1,376.67	6,203.58	101.241	0.21%
250,000.000	CA GILROY USD GO/ULT TXB Mat: 8/1/22 Cpn: 1.73% Moody's: Aa3 S&P: AA- Fitch: Tr Date: 10/9/19 St Date: 10/31/19	376087FX5	250,000.00 0.00	252,981.78 719.17	2,981.78	101.193	0.11%
570,000.000	CA POWAY USD GO/ULT TXB Mat: 8/1/22 Cpn: 1.93% Moody's: S&P: AA- Fitch: Tr Date: 9/27/19 St Date: 10/16/19	738850SV9	570,000.00 0.00	578,092.38 1,837.30	8,092.38	101.420	0.24%
500,000.000	CA SAN DIEGO PUBLIC FACS WTR REV TXB Mat: 8/1/22 Cpn: 1.23% Moody's: Aa2 S&P: Fitch: AA Tr Date: 4/30/20 St Date: 5/11/20	79730CJF2	500,000.00 0.00	504,268.57 1,025.83	4,268.57	100.854	0.21%
960,000.000	CA UPPER SANTA CLARA VLY JPA REV TXB Mat: 8/1/22 Cpn: 0.53% Moody's: S&P: AA Fitch: AA- Tr Date: 7/16/20 St Date: 7/23/20	916544ER6	960,000.00 0.00	962,282.01 840.00	2,282.01	100.238	0.40%
350,000.000	CA SAN DIEGO REDEV AGY TAB TXB Mat: 9/1/22 Cpn: 3.25% Moody's: S&P: AA Fitch: Tr Date: 4/20/20 St Date: 4/22/20	79730WAY6	364,962.50 1,611.46	359,451.43 947.92	(5,511.07)	102.700	0.15%
315,000.000	CA ANAHEIM HSG & PUB IMP AUTH TXB Mat: 10/1/22 Cpn: 1.65% Moody's: S&P: AA- Fitch: AA- Tr Date: 2/7/20 St Date: 3/4/20	032556GN6	315,000.00 0.00	319,463.72 2,594.03	4,463.72	101.417	0.13%
500,000.000	CA MANTECA REDEV AGY TAB TXB Mat: 10/1/22 Cpn: 1.64% Moody's: S&P: AA Fitch: Tr Date: 2/20/20 St Date: 2/28/20	56453RAW4	500,000.00 0.00	506,180.27 4,100.00	6,180.27	101.236	0.21%
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	445,422.85 5,981.25	2,845.15	102.396	0.19%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
550,000.000	CA PASADENA PFA LEASE REV TXB Mat: 12/1/22 Cpn: 3.34% Moody's: S&P: AA+ Fitch: AA Tr Date: 5/20/20 St Date: 5/22/20	702274CN9	573,556.50 0.00	569,538.19 6,119.67	(4,018.31)	103.552	0.24%
810,000.000	CA SACRAMENTO CNTY SANTN DIST REV TXB Mat: 12/1/22 Cpn: 0.63% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 6/18/20 St Date: 7/14/20	786134WD4	810,000.00 0.00	813,218.94 1,698.30	3,218.94	100.397	0.34%
750,000.000	CA RIVERSIDE CNTY PENSN OBLG TXB Mat: 2/15/23 Cpn: 2.36% Moody's: A2 S&P: AA Fitch: Tr Date: 4/23/20 St Date: 5/6/20	76913CAX7	750,000.00 0.00	769,999.24 2,264.54	19,999.24	102.667	0.32%
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	1,510,395.95 16,052.40	40,395.95	102.748	0.63%
320,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/23 Cpn: 2.23% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 9/20/19 St Date: 9/26/19	072024WX6	320,000.00 0.00	329,308.89 3,574.40	9,308.89	102.909	0.14%
570,000.000	CT STATE OF CONNECTICUT TXB Mat: 4/15/23 Cpn: 2.92% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 3/29/19 St Date: 4/11/19	20772KGM5	570,000.00 0.00	591,637.23 7,677.36	21,637.23	103.796	0.25%
1,225,000.000	CA SAN DIEGO CONVENTION CTR REV TXB Mat: 4/15/23 Cpn: 1.27% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/24/20 St Date: 7/8/20	79727LBQ1	1,225,032.95 8.01	1,238,056.00 7,156.79	13,023.05	101.066	0.52%
870,000.000	CA CITY OF CORONA POBS TXB Mat: 5/1/23 Cpn: 0.41% Moody's: S&P: AA+ Fitch: Tr Date: 9/30/21 St Date: 10/14/21	21969AAB8	870,000.00 0.00	870,000.00 0.00	0.00	100.000	0.36%
370,000.000	CA ALAMEDA CNTY JT PWR AUTH LEASE TXB Mat: 6/1/23 Cpn: 3.10% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 2/13/20 St Date: 2/18/20	010831DQ5	386,298.50 2,449.35	386,706.88 3,817.17	408.38	104.515	0.16%
250,000.000	CA STWD CMNTYS DEV AUTH TRANS REV COPS Mat: 6/1/23 Cpn: 0.70% Moody's: S&P: AA Fitch: Tr Date: 9/23/20 St Date: 10/8/20	13079XBR6	250,000.00 0.00	249,243.43 584.17	(756.57)	99.697	0.10%





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Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
510,000.000	CA SAN JOSE FIN AUTH LEASE REV TXB Mat: 6/1/23 Cpn: 0.76% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 10/2/20 St Date: 10/15/20	798153NV0	510,008.46 2.37	511,705.30 1,286.90	1,696.84	100.334	0.21%
790,000.000	CA LOS ANGELES USD GO/ULT Mat: 7/1/23 Cpn: 5.00% Moody's: Aa3 S&P: Fitch: AA+ Tr Date: 4/24/20 St Date: 4/30/20	544647BE9	884,060.76 5.21	856,296.91 9,875.00	(27,763.85)	108.392	0.36%
2,185,000.000	CA SOUTHERN CA PUBLIC POWER TXB Mat: 7/1/23 Cpn: 0.53% Moody's: S&P: AA- Fitch: AA- Tr Date: 9/11/20 St Date: 9/24/20	842475P58	2,185,000.00 0.00	2,189,610.33 2,878.74	4,610.33	100.211	0.91%
500,000.000	CA FREMONT USD G/ULT TXB Mat: 8/1/23 Cpn: 0.30% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 1/15/21 St Date: 2/11/21	357155AW0	500,000.00 0.00	499,118.58 245.83	(881.43)	99.824	0.21%
250,000.000	CA FRESNO USD GO/ULT TXB Mat: 8/1/23 Cpn: 0.46% Moody's: Aa3 S&P: Fitch: Tr Date: 9/17/20 St Date: 9/30/20	3582326R2	250,000.00 0.00	250,106.77 192.50	106.77	100.043	0.10%
300,000.000	CA MILPITAS USD GO/ULT TXB Mat: 8/1/23 Cpn: 0.68% Moody's: Aa1 S&P: Fitch: Tr Date: 7/9/20 St Date: 7/23/20	601670MF6	300,000.00 0.00	301,676.15 341.00	1,676.15	100.559	0.13%
450,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/23 Cpn: 0.73% Moody's: Aa1 S&P: AA Fitch: Tr Date: 6/17/20 St Date: 7/7/20	796720NP1	450,000.00 0.00	453,162.21 546.75	3,162.21	100.703	0.19%
950,000.000	CA UPPER SANTA CLARA VLY JPA REV TXB Mat: 8/1/23 Cpn: 0.68% Moody's: S&P: AA Fitch: AA- Tr Date: 7/16/20 St Date: 7/23/20	916544ES4	950,000.00 0.00	954,756.75 1,076.67	4,756.75	100.501	0.40%
500,000.000	CA W CONTRA COSTA USD GO/ULT TXB Mat: 8/1/23 Cpn: 1.57% Moody's: A1 S&P: AA- Fitch: Tr Date: 5/5/20 St Date: 5/12/20	9523472D3	500,000.00 0.00	509,913.56 1,307.50	9,913.56	101.983	0.21%
350,000.000	CA GLENDALE USD GO/ULT TXB Mat: 9/1/23 Cpn: 1.18% Moody's: Aa1 S&P: Fitch: Tr Date: 5/13/20 St Date: 6/2/20	378460YC7	350,000.00 0.00	356,150.93 344.75	6,150.93	101.757	0.15%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
700,000.000	CA MORGAN HILL REDEV AGY TAB TXB Mat: 9/1/23 Cpn: 0.70% Moody's: S&P: AA Fitch: Tr Date: 9/23/20 St Date: 10/1/20	61741GAB6	700,000.00 0.00	703,817.87 408.92	3,817.87	100.545	0.29%
850,000.000	HI STATE GO/ULT TXB Mat: 10/1/23 Cpn: 0.57% Moody's: Aa2 S&P: AA+ Fitch: AA Tr Date: 10/22/20 St Date: 10/29/20	419792ZJ8	850,000.00 0.00	852,936.79 4,476.01	2,936.79	100.346	0.36%
430,000.000	CA STATE UNIVERSITY TXB Mat: 11/1/23 Cpn: 0.48% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 8/27/20 St Date: 9/17/20	13077DMJ8	430,000.00 0.00	430,069.52 851.04	69.52	100.016	0.18%
550,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/23 Cpn: 0.65% Moody's: S&P: AA- Fitch: Tr Date: 8/14/20 St Date: 8/20/20	544587Y36	550,000.00 0.00	552,602.42 1,489.58	2,602.42	100.473	0.23%
750,000.000	CA STWD CMTY DEV AUTH REV-CAISO-TXB Mat: 2/1/24 Cpn: 0.51% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/15/21 St Date: 1/26/21	13080SZK3	750,000.00 0.00	751,143.95 642.50	1,143.95	100.153	0.31%
675,000.000	CA SAN FRANCISCO MUNI TRANS AGY REV TXB Mat: 3/1/24 Cpn: 0.39% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 2/10/21 St Date: 2/23/21	797686EL2	675,000.00 0.00	671,527.72 218.81	(3,472.28)	99.486	0.28%
1,125,000.000	WI STATE GO/ULT TXB Mat: 5/1/24 Cpn: 0.36% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/18/21 St Date: 3/17/21	97705MUJ2	1,125,000.00 0.00	1,120,250.48 2,188.56	(4,749.53)	99.578	0.46%
750,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/24 Cpn: 0.37% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 2/24/21 St Date: 3/10/21	91412HJK0	750,000.00 0.00	745,442.45 1,536.81	(4,557.56)	99.392	0.31%
750,000.000	CA BEVERLY HILLS PFA LEASE REV TXB Mat: 6/1/24 Cpn: 0.73% Moody's: S&P: AA+ Fitch: Tr Date: 9/23/20 St Date: 10/15/20	088006JY8	750,000.00 0.00	753,779.64 1,825.00	3,779.64	100.504	0.31%
750,000.000	CA CITY OF CHULA VISTA POBS TXB Mat: 6/1/24 Cpn: 0.42% Moody's: S&P: AA Fitch: Tr Date: 2/12/21 St Date: 2/23/21	17131RAS5	750,000.00 0.00	744,644.63 1,902.96	(5,355.38)	99.286	0.31%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
440,000.000	CA CITY OF ORANGE POBS TXB Mat: 6/1/24 Cpn: 0.59% Moody's: S&P: AA Fitch: Tr Date: 3/4/21 St Date: 3/15/21	684100AC4	439,996.64 4.93	438,600.59 1,406.19	(1,396.05)	99.682	0.18%
500,000.000	LA ST HIGHWAY IMPT REV TXB Mat: 6/15/24 Cpn: 0.52% Moody's: S&P: AA Fitch: AA Tr Date: 1/21/21 St Date: 2/25/21	546486BU4	500,000.00 0.00	499,502.30 759.67	(497.71)	99.901	0.21%
1,360,000.000	CA LOS ALTOS SCH DIST GO BANS TXB Mat: 10/1/24 Cpn: 1.00% Moody's: S&P: AA+ Fitch: Tr Date: 5/28/21 St Date: 6/10/21	544290JH3	1,380,032.80 0.00	1,376,339.15 4,193.33	(3,693.65)	101.201	0.57%
670,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/24 Cpn: 0.68% Moody's: S&P: AA- Fitch: Tr Date: 2/25/21 St Date: 3/4/21	5445872S6	670,000.00 0.00	670,017.02 2,631.26	17.02	100.003	0.28%
1,180,000.000	NY STATE DORM AUTH PERS INC TAX TXB Mat: 3/15/25 Cpn: 0.89% Moody's: S&P: AA+ Fitch: AA+ Tr Date: 6/16/21 St Date: 6/23/21	64990FD43	1,180,000.00 0.00	1,182,259.68 2,849.24	2,259.68	100.192	0.49%
<b>Total for Taxable Muni</b>			<b>38,310,809.81 19,851.73</b>	<b>38,497,673.43 185,511.78</b>	<b>186,863.62</b>		<b>16.02%</b>

**Credit**

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	651,339.00 3,195.83	(9,145.50)	100.206	0.27%
109,000.000	WELLS FARGO Mat: 3/8/22 Cpn: 3.50% Moody's: A1 S&P: BBB+ Fitch: A+ Tr Date: 7/29/19 St Date: 7/31/19	94974BFC9	112,033.47 1,515.40	110,532.54 243.74	(1,500.93)	101.406	0.05%
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	668,573.40 495.00	10,253.10	101.299	0.28%
460,000.000	CITIGROUP FRN US0003M Mat: 4/25/22 Cpn: 1.09% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	460,000.00 0.00	461,990.69 929.09	1,990.69	100.433	0.19%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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	505,240.00 5,200.00	1,885.00	101.048	0.21%
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	628,599.40 6,204.31	9,343.40	101.387	0.26%
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	786,251.45 5,933.06	3,230.20	101.452	0.33%
350,000.000	TRUIST FIN CORP Mat: 6/20/22 Cpn: 3.05% Moody's: A3 S&P: A- Fitch: A Tr Date: 7/24/19 St Date: 7/26/19	05531FBG7	357,094.50 0.00	356,324.50 2,994.93	(770.00)	101.807	0.15%
545,000.000	CATERPILLAR FINANCIAL Mat: 9/6/22 Cpn: 1.90% Moody's: A2 S&P: A Fitch: A Tr Date: 9/3/19 St Date: 9/6/19	14913Q3A5	544,242.45 0.00	553,872.60 719.10	9,630.15	101.628	0.23%
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	438,638.70 467.03	5,547.00	102.009	0.18%
1,125,000.000	JPMORGAN CHASE Mat: 9/23/22 Cpn: 3.25% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/29/20 St Date: 10/1/20	46625HJE1	1,187,021.25 0.00	1,158,705.00 812.50	(28,316.25)	102.996	0.48%
730,000.000	GOLDMAN SACHS FRN US0003M Mat: 10/31/22 Cpn: 0.91% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 11/14/17 St Date: 11/16/17	38148YAB4	729,284.60 700.83	730,375.95 1,160.61	1,091.35	100.052	0.30%
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	475,745.75 4,484.32	745.75	100.157	0.20%
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	657,089.45 4,132.61	2,089.45	100.319	0.27%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
800,000.000	PRECISION CASTPARTS Mat: 1/15/23 Cpn: 2.50% Moody's: Aa2 S&P: AA Fitch: Tr Date: 7/30/19 St Date: 8/1/19	740189AG0	806,160.00 888.89	818,216.00 4,222.22	12,056.00	102.277	0.34%
1,125,000.000	BNY MELLON Mat: 1/27/23 Cpn: 1.85% Moody's: A1 S&P: A Fitch: AA- Tr Date: 1/21/20 St Date: 1/28/20	06406RAM9	1,124,212.50 0.00	1,147,286.25 3,700.00	23,073.75	101.981	0.48%
500,000.000	GOLDMAN SACHS Mat: 1/27/23 Cpn: 0.48% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 1/20/21 St Date: 1/27/21	38141GXP4	500,000.00 0.00	500,085.00 427.56	85.00	100.017	0.21%
1,570,000.000	FIFTH THIRD BANK Mat: 1/30/23 Cpn: 1.80% Moody's: A3 S&P: A- Fitch: A- Tr Date: 1/28/20 St Date: 1/31/20	31677QBS7	1,568,681.20 0.00	1,598,950.80 4,788.50	30,269.60	101.844	0.66%
610,000.000	HUNTINGTON NATL BANK Mat: 2/3/23 Cpn: 1.80% Moody's: A3 S&P: A- Fitch: A- Tr Date: 1/28/20 St Date: 2/4/20	44644MAA9	609,487.60 0.00	621,644.90 1,769.00	12,157.30	101.909	0.26%
625,000.000	MORGAN STANLEY Mat: 2/25/23 Cpn: 3.75% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 12/18/20 St Date: 12/22/20	61746BDJ2	669,475.00 0.00	653,950.00 2,343.75	(15,525.00)	104.632	0.27%
790,000.000	TRUIST BANK Mat: 3/9/23 Cpn: 1.25% Moody's: A2 S&P: A Fitch: A+ Tr Date: 3/4/20 St Date: 3/9/20	89788JAB5	789,447.00 0.00	800,096.20 603.47	10,649.20	101.278	0.33%
1,000,000.000	BERKSHIRE HATHAWAY Mat: 3/15/23 Cpn: 2.75% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 9/25/20 St Date: 9/29/20	084670BR8	1,054,180.00 0.00	1,031,720.00 1,222.22	(22,460.00)	103.172	0.43%
985,000.000	DUKE ENERGY CAROLINAS Mat: 3/15/23 Cpn: 2.50% Moody's: Aa3 S&P: A Fitch: WD Tr Date: 7/29/19 St Date: 7/31/19	26442CAQ7	995,766.05 9,302.78	1,012,540.60 1,094.44	16,774.55	102.796	0.42%
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	795,250.75 710.42	20,824.25	102.613	0.33%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
500,000.000	TOYOTA MOTOR CREDIT Mat: 4/6/23 Cpn: 0.40% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 4/6/21 St Date: 4/9/21	89236TJD8	499,595.00 0.00	500,945.00 955.56	1,350.00	100.189	0.21%
750,000.000	EXXON MOBIL Mat: 4/15/23 Cpn: 1.57% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 4/27/20 St Date: 4/29/20	30231GBL5	754,095.00 0.00	764,565.00 5,433.04	10,470.00	101.942	0.32%
1,160,000.000	APPLE Mat: 5/11/23 Cpn: 0.75% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/20 St Date: 5/11/20	037833DV9	1,156,844.80 0.00	1,168,874.00 3,383.33	12,029.20	100.765	0.49%
175,000.000	CHEVRON Mat: 5/11/23 Cpn: 1.14% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 5/7/20 St Date: 5/11/20	166764BV1	175,000.00 0.00	177,406.25 776.51	2,406.25	101.375	0.07%
240,000.000	OKLAHOMA GAS & ELECTRIC Mat: 5/26/23 Cpn: 0.55% Moody's: A3 S&P: A- Fitch: A Tr Date: 5/24/21 St Date: 5/27/21	678858BW0	240,000.00 0.00	240,045.60 457.15	45.60	100.019	0.10%
225,000.000	CONSUMERS ENERGY Mat: 6/1/23 Cpn: 0.35% Moody's: A1 S&P: A Fitch: A+ Tr Date: 12/2/20 St Date: 12/14/20	210518DM5	224,923.50 0.00	224,898.75 262.50	(24.75)	99.955	0.09%
500,000.000	AMAZON.COM Mat: 6/3/23 Cpn: 0.40% Moody's: A1 S&P: AA Fitch: AA- Tr Date: 6/1/20 St Date: 6/3/20	023135BP0	499,300.00 0.00	501,310.00 655.56	2,010.00	100.262	0.21%
410,000.000	GOLDMAN SACHS Mat: 6/5/23 Cpn: 2.91% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 3/26/21 St Date: 3/30/21	38141GWJ9	421,078.20 3,808.67	416,695.30 3,841.79	(4,382.90)	101.633	0.17%
250,000.000	PACCAR FINANCIAL Mat: 6/8/23 Cpn: 0.80% Moody's: A1 S&P: A+ Fitch: Tr Date: 12/15/20 St Date: 12/17/20	69371RQ82	252,810.00 0.00	251,845.00 627.78	(965.00)	100.738	0.10%
150,000.000	INTERCONTINENTALEXCHANGE Mat: 6/15/23 Cpn: 0.70% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 8/17/20 St Date: 8/20/20	45866FAM6	149,854.50 0.00	150,699.00 309.17	844.50	100.466	0.06%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
600,000.000	CATERPILLAR Mat: 7/7/23 Cpn: 0.65% Moody's: A2 S&P: A Fitch: A Tr Date: 7/6/20 St Date: 7/8/20	14913R2D8	599,664.00 0.00	603,588.00 910.00	3,924.00	100.598	0.25%
690,000.000	INTUIT Mat: 7/15/23 Cpn: 0.65% Moody's: A3 S&P: A- Fitch: Tr Date: 6/25/20 St Date: 6/29/20	46124HAA4	689,834.40 0.00	693,298.20 946.83	3,463.80	100.478	0.29%
780,000.000	COMERICA Mat: 7/31/23 Cpn: 3.70% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 2/19/20 St Date: 2/21/20	200340AS6	826,807.80 1,683.50	823,963.92 4,890.17	(2,843.88)	105.636	0.34%
1,250,000.000	CHEVRON Mat: 8/11/23 Cpn: 0.43% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 9/14/20 St Date: 9/16/20	166756AJ5	1,252,600.00 0.00	1,253,012.50 739.58	412.50	100.241	0.52%
632,000.000	TOYOTA MOTOR CREDIT Mat: 8/14/23 Cpn: 0.50% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 12/18/20 St Date: 12/22/20	89236THF5	634,855.51 1.06	633,845.44 412.56	(1,010.07)	100.292	0.26%
670,000.000	GILEAD SCIENCES Mat: 9/29/23 Cpn: 0.75% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 9/23/20 St Date: 9/30/20	375558BW2	670,135.50 0.00	670,087.10 27.92	(48.40)	100.013	0.28%
338,000.000	JOHN DEERE CAPITAL CORP Mat: 10/10/23 Cpn: 0.40% Moody's: A2 S&P: A Fitch: A Tr Date: 10/6/20 St Date: 10/9/20	24422EVJ5	337,609.05 0.53	338,256.88 642.20	647.83	100.076	0.14%
450,000.000	MORGAN STANLEY Mat: 11/10/23 Cpn: 0.56% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 11/9/20 St Date: 11/13/20	6174468T9	450,000.00 0.00	450,720.00 987.00	720.00	100.160	0.19%
340,000.000	BRISTOL-MYERS SQUIBB Mat: 11/13/23 Cpn: 0.54% Moody's: A2 S&P: A+ Fitch: WD Tr Date: 11/9/20 St Date: 11/13/20	110122DT2	340,000.00 0.00	340,061.20 699.89	61.20	100.018	0.14%
585,000.000	ENTERGY LOUISIANA Mat: 11/17/23 Cpn: 0.62% Moody's: A2 S&P: A Fitch: Tr Date: 11/17/20 St Date: 11/24/20	29364WBF4	585,086.10 0.00	585,122.85 1,350.05	36.75	100.021	0.24%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
565,000.000	GOLDMAN SACHS Mat: 11/17/23 Cpn: 0.63% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 11/16/20 St Date: 11/19/20	38141GXL3	565,000.00 0.00	565,508.50 1,318.62	508.50	100.090	0.23%
565,000.000	KEY BANK Mat: 1/3/24 Cpn: 0.42% Moody's: A3 S&P: A- Fitch: A- Tr Date: 12/7/20 St Date: 12/16/20	49327M3A0	565,000.00 0.00	565,096.05 584.21	96.05	100.017	0.23%
992,000.000	JOHN DEERE CAPITAL CORP Mat: 1/10/24 Cpn: 3.45% Moody's: A2 S&P: A Fitch: A Tr Date: 1/6/21 St Date: 1/8/21	24422EUR8	1,083,392.96 0.00	1,057,809.28 7,700.40	(25,583.68)	106.634	0.44%
1,000,000.000	CITIBANK Mat: 1/23/24 Cpn: 3.65% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 11/16/20 St Date: 11/18/20	17325FAS7	1,092,610.00 0.00	1,068,010.00 6,894.44	(24,600.00)	106.801	0.45%
1,125,000.000	PNC FINANCIAL Mat: 1/23/24 Cpn: 3.50% Moody's: A3 S&P: A- Fitch: A Tr Date: 2/16/21 St Date: 2/18/21	693475AV7	1,223,336.25 0.00	1,196,977.50 7,437.50	(26,358.75)	106.398	0.50%
900,000.000	MORGAN STANLEY Mat: 1/25/24 Cpn: 0.53% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 1/20/21 St Date: 1/25/21	6174468W2	900,000.00 0.00	900,639.00 872.85	639.00	100.071	0.37%
1,000,000.000	US BANCORP Mat: 2/5/24 Cpn: 3.38% Moody's: A2 S&P: A+ Fitch: A+ Tr Date: 1/5/21 St Date: 1/7/21	91159HHV5	1,086,970.00 0.00	1,062,760.00 5,250.00	(24,210.00)	106.276	0.44%
250,000.000	FIRST REPUBLIC BANK Mat: 2/12/24 Cpn: 1.91% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 2/5/20 St Date: 2/12/20	33616CHQ6	250,000.00 0.00	254,897.50 650.61	4,897.50	101.959	0.11%
265,000.000	PHILLIPS 66 Mat: 2/15/24 Cpn: 0.90% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 11/16/20 St Date: 11/18/20	718546AY0	264,713.80 0.00	265,063.60 304.75	349.80	100.024	0.11%
820,000.000	GOLDMAN SACHS Mat: 3/8/24 Cpn: 0.67% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 3/1/21 St Date: 3/8/21	38141GXZ2	820,000.00 0.00	821,148.00 352.58	1,148.00	100.140	0.34%





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
205,000.000	CIGNA Mat: 3/15/24 Cpn: 0.61% Moody's: Baa1 S&P: A- Fitch: BBB Tr Date: 3/1/21 St Date: 3/3/21	125523CN8	205,000.00 0.00	204,616.65 55.85	(383.35)	99.813	0.08%
820,000.000	JPMORGAN CHASE Mat: 3/16/24 Cpn: 0.70% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 3/9/21 St Date: 3/16/21	46647PBZ8	820,000.00 0.00	822,517.40 238.14	2,517.40	100.307	0.34%
1,843,000.000	CHARLES SCHWAB Mat: 3/18/24 Cpn: 0.75% Moody's: A2 S&P: A Fitch: A Tr Date: 3/16/21 St Date: 3/18/21	808513BN4	1,842,081.79 1.23	1,851,864.83 499.15	9,783.04	100.481	0.77%
340,000.000	MORGAN STANLEY Mat: 4/5/24 Cpn: 0.73% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 4/19/21 St Date: 4/22/21	61772BAA1	340,000.00 0.00	341,135.60 1,097.72	1,135.60	100.334	0.14%
795,000.000	AMAZON.COM Mat: 5/12/24 Cpn: 0.45% Moody's: A1 S&P: AA Fitch: AA- Tr Date: 5/10/21 St Date: 5/12/21	023135BW5	793,839.30 0.00	793,584.90 1,381.31	(254.40)	99.822	0.33%
665,000.000	UNITEDHEALTH GROUP Mat: 5/15/24 Cpn: 0.55% Moody's: A3 S&P: A+ Fitch: A Tr Date: 5/17/21 St Date: 5/19/21	91324PEB4	664,308.40 0.00	664,840.40 1,341.08	532.00	99.976	0.28%
825,000.000	CATERPILLAR Mat: 5/17/24 Cpn: 0.45% Moody's: A2 S&P: A Fitch: A Tr Date: 5/10/21 St Date: 5/17/21	14913R2L0	823,894.50 0.00	822,855.00 1,381.88	(1,039.50)	99.740	0.34%
140,000.000	HORMEL FOODS Mat: 6/3/24 Cpn: 0.65% Moody's: A1 S&P: A Fitch: Tr Date: 5/25/21 St Date: 6/3/21	440452AG5	139,974.80 0.00	140,109.20 298.28	134.40	100.078	0.06%
805,000.000	BANK OF AMERICA Mat: 6/14/24 Cpn: 0.52% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 6/7/21 St Date: 6/14/21	06051GJY6	805,000.00 0.00	804,686.05 1,251.35	(313.95)	99.961	0.33%
795,000.000	KEY BANK Mat: 6/14/24 Cpn: 0.43% Moody's: A3 S&P: A- Fitch: A- Tr Date: 6/8/21 St Date: 6/16/21	49327M3C6	795,000.00 0.00	794,713.80 1,004.02	(286.20)	99.964	0.33%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
290,000.000	SALESFORCE.COM Mat: 7/15/24 Cpn: 0.63% Moody's: A2 S&P: A+ Fitch: Tr Date: 6/29/21 St Date: 7/12/21	79466LAG9	289,852.10 0.00	290,603.20 397.74	751.10	100.208	0.12%
800,000.000	TRUIST BANK Mat: 8/2/24 Cpn: 3.69% Moody's: A2 S&P: A Fitch: A+ Tr Date: 6/10/21 St Date: 6/14/21	86787EAY3	855,496.00 10,821.07	848,048.00 4,836.69	(7,448.00)	106.006	0.35%
530,000.000	PACCAR FINANCIAL Mat: 8/9/24 Cpn: 0.50% Moody's: A1 S&P: A+ Fitch: Tr Date: 8/3/21 St Date: 8/9/21	69371RR40	529,713.80 0.00	528,187.40 382.78	(1,526.40)	99.658	0.22%
1,230,000.000	TOYOTA MOTOR CREDIT Mat: 9/13/24 Cpn: 0.63% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/8/21 St Date: 9/13/21	89236TJN6	1,229,421.90 0.00	1,227,380.10 384.38	(2,041.80)	99.787	0.51%
450,000.000	JPMORGAN CHASE Mat: 9/16/24 Cpn: 0.65% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/9/20 St Date: 9/16/20	46647PBS4	450,000.00 0.00	451,102.50 122.44	1,102.50	100.245	0.19%
240,000.000	ANALOG DEVICES FRN SOFRRATE Mat: 10/1/24 Cpn: 0.00% Moody's: A3 S&P: A- Fitch: Tr Date: 9/28/21 St Date: 10/5/21	032654AT2	240,000.00 0.00	240,367.86 0.00	367.86	100.153	0.10%
670,000.000	ENTERGY LOUISIANA Mat: 10/1/24 Cpn: 0.95% Moody's: A2 S&P: A Fitch: Tr Date: 9/28/21 St Date: 10/1/21	29364WBK3	668,995.00 0.00	670,314.90 0.00	1,319.90	100.047	0.28%
1,960,000.000	BANK OF AMERICA Mat: 10/24/24 Cpn: 0.81% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 10/16/20 St Date: 10/21/20	06051GJH3	1,960,000.00 0.00	1,967,212.80 6,923.70	7,212.80	100.368	0.82%
800,000.000	CITIBANK Mat: 10/30/24 Cpn: 0.78% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/23/20 St Date: 10/30/20	172967MT5	800,000.00 0.00	803,096.00 2,603.91	3,096.00	100.387	0.33%
355,000.000	JPMORGAN CHASE Mat: 2/16/25 Cpn: 0.56% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 2/9/21 St Date: 2/16/21	46647PBY1	355,000.00 0.00	353,391.85 249.83	(1,608.15)	99.547	0.15%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
50,000.000	NIKE Mat: 3/27/25 Cpn: 2.40% Moody's: A1 S&P: AA- Fitch: Tr Date: 3/25/20 St Date: 3/27/20	654106AH6	49,932.00 0.00	52,516.00 13.33	2,584.00	105.032	0.02%
680,000.000	BANK OF AMERICA Mat: 4/22/25 Cpn: 0.98% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 4/16/21 St Date: 4/22/21	06051GJR1	680,000.00 0.00	683,651.60 2,931.25	3,651.60	100.537	0.28%
240,000.000	CITIGROUP Mat: 5/1/25 Cpn: 0.98% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/27/21 St Date: 5/4/21	172967MX6	240,000.00 0.00	240,972.00 961.38	972.00	100.405	0.10%
180,000.000	WELLS FARGO Mat: 5/19/25 Cpn: 0.81% Moody's: A1 S&P: BBB+ Fitch: A+ Tr Date: 5/12/21 St Date: 5/19/21	95000U2T9	180,000.00 0.00	180,455.40 531.30	455.40	100.253	0.07%
665,000.000	MORGAN STANLEY Mat: 5/30/25 Cpn: 0.79% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 5/26/21 St Date: 6/1/21	61747YEA9	665,000.00 0.00	663,044.90 1,751.17	(1,955.10)	99.706	0.28%
520,000.000	JPMORGAN CHASE Mat: 6/1/25 Cpn: 0.82% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 5/24/21 St Date: 6/1/21	46647PCH7	520,000.00 0.00	519,833.60 1,428.27	(166.40)	99.968	0.22%
240,000.000	MORGAN STANLEY Mat: 10/21/25 Cpn: 0.86% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 10/16/20 St Date: 10/21/20	6174468R3	240,000.00 0.00	239,649.60 921.60	(350.40)	99.854	0.10%
<b>Total for Credit</b>			<b>52,862,666.83 45,772.36</b>	<b>52,910,919.89 150,516.78</b>	<b>48,253.06</b>		<b>21.98%</b>

**Mortgage-Backed**

447,104.040	FHMS K018 A2 CMBS Mat: 1/25/22 Cpn: 2.79% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/21/19 St Date: 6/26/19	3137APP61	452,972.28 0.00	448,910.34 1,039.14	(4,061.94)	100.404	0.19%
291,047.329	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	293,002.80 573.52	294,314.04 573.52	1,311.24	101.122	0.12%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,540,000.000	FHMS KSMC A2 CMBS Mat: 1/25/23 Cpn: 2.62% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/24/20 St Date: 2/27/20	3137B04Y7	1,580,425.00 2,908.46	1,583,435.70 3,355.92	3,010.70	102.821	0.66%
520,209.103	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	526,427.23 947.53	528,277.55 1,093.31	1,850.32	101.551	0.22%
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	1,419,766.62 3,790.33	(11,663.46)	103.633	0.59%
51,761.956	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	51,414.18 43.91	52,451.37 119.74	1,037.19	101.332	0.02%
1,380,000.000	FHMS K031 A2 Mat: 4/25/23 Cpn: 3.30% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/5/20 St Date: 3/10/20	3137B3NX2	1,470,239.06 1,138.50	1,436,374.38 3,795.00	(33,864.68)	104.085	0.60%
277,792.750	FHR 4019 EV Mat: 6/15/23 Cpn: 3.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/7/18 St Date: 12/12/18	3137AN2K0	280,397.05 0.00	285,035.92 810.23	4,638.86	102.607	0.12%
1,410,000.000	FHMS K033 A2 Mat: 7/25/23 Cpn: 3.06% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/27/20 St Date: 3/3/20	3137B4WB8	1,479,839.06 239.70	1,469,461.11 3,595.50	(10,377.95)	104.217	0.61%
820,000.000	FHMS K034 A2 Mat: 7/25/23 Cpn: 3.53% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/6/20 St Date: 3/11/20	3137B5JM6	881,500.00 804.28	860,709.72 2,412.85	(20,790.28)	104.965	0.36%
393,017.388	FHMS KI05 A Mat: 7/25/24 Cpn: 0.42% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/16/20 St Date: 1/28/20	3137FQXG3	393,017.39 0.00	393,742.51 27.68	725.12	100.185	0.16%
606,814.310	FHMS KJ30 A1 CMBS Mat: 1/25/25 Cpn: 0.53% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/23/20 St Date: 7/30/20	3137FUZN7	606,802.78 257.13	604,643.74 265.99	(2,159.05)	99.642	0.25%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
585,710.958	FHMS KJ28 A1 Mat: 2/25/25 Cpn: 1.77% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/19/20 St Date: 2/27/20	3137FREB3	585,708.62 747.05	599,553.65 861.97	13,845.04	102.363	0.25%
<b>Total for Mortgage-Backed</b>			<b>10,033,175.54 9,905.67</b>	<b>9,976,676.64 21,741.17</b>	<b>(56,498.89)</b>		<b>4.14%</b>
<b>Asset-Backed</b>							
51,028.114	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	51,021.11 0.00	51,143.13 41.81	122.02	100.225	0.02%
221,955.967	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	221,952.46 0.00	223,174.73 134.96	1,222.27	100.549	0.09%
783,906.246	MERCEDES 2020-A A3 CAR LEASE Mat: 12/15/22 Cpn: 1.84% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/21/20 St Date: 1/29/20	58770FAC6	783,802.93 0.00	787,918.28 641.06	4,115.35	100.512	0.33%
246,263.484	HONDA 2019-1 A3 CAR Mat: 3/20/23 Cpn: 2.83% Moody's: S&P: AAA Fitch: AAA Tr Date: 12/19/19 St Date: 12/23/19	43814WAC9	250,111.35 0.00	248,389.97 251.67	(1,721.38)	100.864	0.10%
1,462,500.000	VERIZON 2018-A B PHONE Mat: 4/20/23 Cpn: 3.38% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 10/2/18 St Date: 10/10/18	92348XAC9	1,462,128.67 0.00	1,476,458.10 1,510.44	14,329.43	100.954	0.61%
261,163.886	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	261,131.79 0.00	263,464.22 337.77	2,332.43	100.881	0.11%
403,455.234	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	403,381.73 0.00	407,599.12 521.80	4,217.40	101.027	0.17%
513,322.196	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	513,317.93 0.00	517,174.17 406.09	3,856.23	100.750	0.21%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
474,182.864	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	474,178.97 0.00	477,752.04 402.53	3,573.07	100.753	0.20%
352,336.078	CAPITAL ONE 2019-1 A3 CAR Mat: 11/15/23 Cpn: 2.51% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 5/21/19 St Date: 5/30/19	14042WAC4	352,264.69 0.00	355,971.83 393.05	3,707.14	101.032	0.15%
370,000.000	MERCEDES 2020-B A3 LEASE Mat: 11/15/23 Cpn: 0.40% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/15/20 St Date: 9/23/20	58769EAC2	369,981.24 0.00	370,605.69 65.78	624.45	100.164	0.15%
800,000.000	AMERICREDIT 2017-4 D CAR Mat: 12/18/23 Cpn: 3.08% Moody's: Aaa S&P: AA Fitch: Tr Date: 6/9/21 St Date: 6/11/21	03066FAH4	818,406.25 1,574.22	813,510.40 889.78	(4,895.85)	101.689	0.34%
539,843.743	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	539,771.19 0.00	544,255.89 172.75	4,484.70	100.817	0.23%
695,360.601	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	695,306.78 0.00	700,773.29 723.18	5,466.51	100.778	0.29%
1,500,000.000	GMALT 2021-1 A3 LEASE Mat: 2/20/24 Cpn: 0.26% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/3/21 St Date: 3/5/21	36261RAC2	1,499,414.07 0.00	1,500,021.00 119.17	606.93	100.001	0.62%
1,087,500.000	CARMX 2018-4 B Mat: 5/15/24 Cpn: 3.67% Moody's: S&P: AAA Fitch: AAA Tr Date: 3/15/21 St Date: 3/17/21	14315EAE0	1,146,845.22 0.00	1,127,021.93 1,773.83	(19,823.30)	103.634	0.47%
871,667.456	SDART 2020-3 A3 CAR Mat: 7/15/24 Cpn: 0.52% Moody's: Aaa S&P: Fitch: AAA Tr Date: 9/15/20 St Date: 9/23/20	80285WAD9	871,584.12 0.00	872,080.63 201.45	496.51	100.047	0.36%
500,000.000	BMW 2021-1 A4 LEASE Mat: 7/25/24 Cpn: 0.37% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/2/21 St Date: 3/10/21	05591RAD6	499,980.15 0.00	500,126.00 30.83	145.85	100.025	0.21%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
500,000.000	COMET 2019-A2 A2 Mat: 8/15/24 Cpn: 1.72% Moody's: S&P: AAA Fitch: AAA Tr Date: 8/28/19 St Date: 9/5/19	14041NFU0	499,874.10 0.00	506,678.00 382.22	6,803.90	101.336	0.21%
1,230,000.000	JOHN DEERE 2020-A A3 EQP Mat: 8/15/24 Cpn: 1.10% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/4/20 St Date: 3/11/20	47789KAC7	1,229,924.85 0.00	1,238,671.50 601.33	8,746.65	100.705	0.51%
1,150,000.000	SDART 2021-1 A3 CAR Mat: 9/16/24 Cpn: 0.32% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/9/21 St Date: 2/17/21	80286NAD8	1,149,951.47 0.00	1,150,764.75 163.56	813.28	100.067	0.48%
1,600,000.000	EXETER 2021-2A A3 CAR Mat: 10/15/24 Cpn: 0.30% Moody's: Aaa S&P: AAA Fitch: Tr Date: 5/25/21 St Date: 6/2/21	30165XAC9	1,599,861.92 0.00	1,600,595.20 213.33	733.28	100.037	0.66%
1,200,000.000	HONDA 2020-3 A3 CAR Mat: 10/18/24 Cpn: 0.37% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/22/20 St Date: 9/29/20	43813KAC6	1,199,823.72 0.00	1,201,515.60 160.33	1,691.88	100.126	0.50%
1,330,000.000	CAPITAL ONE 2020-1 A3 CAR Mat: 11/15/24 Cpn: 1.60% Moody's: S&P: AAA Fitch: AAA Tr Date: 2/11/20 St Date: 2/19/20	14043MAC5	1,329,717.24 0.00	1,343,296.01 945.78	13,578.77	101.000	0.56%
500,000.000	DRIVE 2021-1 A3 CAR Mat: 11/15/24 Cpn: 0.44% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/13/21 St Date: 4/21/21	262108AC7	499,970.60 0.00	500,702.50 97.78	731.90	100.141	0.21%
1,050,000.000	MERCEDES 2021-B A3 LEASE Mat: 11/15/24 Cpn: 0.40% Moody's: S&P: AAA Fitch: AAA Tr Date: 6/22/21 St Date: 6/29/21	58769KAD6	1,049,920.73 0.00	1,050,027.30 186.67	106.57	100.003	0.44%
1,250,000.000	TAOT 2020-D A3 Mat: 1/15/25 Cpn: 0.35% Moody's: S&P: AAA Fitch: AAA Tr Date: 10/6/20 St Date: 10/13/20	89236XAC0	1,249,767.13 0.00	1,251,140.00 194.44	1,372.87	100.091	0.52%
750,000.000	SDART 2021-2 A3 CAR Mat: 2/18/25 Cpn: 0.34% Moody's: Aaa S&P: Fitch: AAA Tr Date: 5/17/21 St Date: 5/26/21	80286XAC8	749,938.73 0.00	750,539.25 113.33	600.52	100.072	0.31%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
785,000.000	GMCAR 2020-1 B CAR Mat: 4/16/25 Cpn: 2.03% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 6/22/21 St Date: 6/24/21	36258NAE2	806,740.82 354.12	802,921.55 663.98	(3,819.27)	102.283	0.33%
1,250,000.000	GMALT 2021-2 A LEASE Mat: 5/20/25 Cpn: 0.41% Moody's: S&P: AAA Fitch: AAA Tr Date: 5/18/21 St Date: 5/26/21	380144AD7	1,249,894.75 0.00	1,249,425.00 156.60	(469.75)	99.954	0.52%
875,000.000	FORD 2021-A A3 CAR Mat: 8/15/25 Cpn: 0.30% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/17/21 St Date: 2/22/21	34532NAC9	874,926.24 0.00	873,781.13 116.67	(1,145.12)	99.861	0.36%
1,600,000.000	JOHN DEERE 2021-A A3 EQP Mat: 9/15/25 Cpn: 0.36% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/2/21 St Date: 3/10/21	47788UAC6	1,599,692.48 0.00	1,598,966.40 256.00	(726.08)	99.935	0.66%
1,100,000.000	SDART 2021-2 B Mat: 9/15/25 Cpn: 0.59% Moody's: Aaa S&P: Fitch: AA Tr Date: 5/17/21 St Date: 5/26/21	80286XAD6	1,099,826.53 0.00	1,102,000.90 288.44	2,174.37	100.182	0.46%
740,000.000	CNH 2021-A A3 EQP Mat: 12/15/25 Cpn: 0.40% Moody's: S&P: AAA Fitch: AAA Tr Date: 3/9/21 St Date: 3/15/21	12598AAC4	739,826.99 0.00	738,635.44 131.56	(1,191.55)	99.816	0.31%
1,000,000.000	DRIVE 2021-2 B CAR Mat: 12/15/25 Cpn: 0.81% Moody's: Aaa S&P: AA Fitch: Tr Date: 8/17/21 St Date: 8/25/21	262104AD4	999,976.40 0.00	1,000,748.00 360.00	771.60	100.075	0.41%
1,000,000.000	SDART 2021-3 B CAR Mat: 12/15/25 Cpn: 0.60% Moody's: Aaa S&P: Fitch: AA Tr Date: 7/14/21 St Date: 7/21/21	80287EAD7	999,820.00 0.00	1,001,586.00 266.67	1,766.00	100.159	0.41%
1,300,000.000	CARMX 2021-2 A3 AUTO Mat: 2/17/26 Cpn: 0.52% Moody's: S&P: AAA Fitch: AAA Tr Date: 4/13/21 St Date: 4/21/21	14314QAC8	1,299,719.85 0.00	1,302,693.60 300.44	2,973.75	100.207	0.54%
1,050,000.000	CRVNA 2021-P2 A3 CAR Mat: 3/10/26 Cpn: 0.49% Moody's: S&P: AAA Fitch: Tr Date: 6/15/21 St Date: 6/24/21	14687TAC1	1,049,940.15 0.00	1,049,465.55 300.13	(474.60)	99.949	0.43%





## CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

### Portfolio Positions

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
360,000.000	GMCAR 2021-2 A3 CAR Mat: 4/16/26 Cpn: 0.51% Moody's: Aaa S&P: Fitch: AAA Tr Date: 4/6/21 St Date: 4/14/21	380149AC8	359,968.36 0.00	360,537.12 76.50	568.76	100.149	0.15%
2,400,000.000	CARMX 2021-3 A3 CAR Mat: 6/15/26 Cpn: 0.55% Moody's: Aaa S&P: AAA Fitch: Tr Date: 7/21/21 St Date: 7/28/21	14317DAC4	2,399,605.20 0.00	2,399,983.20 586.67	378.00	99.999	0.99%
<b>Total for Asset-Backed</b>			<b>35,253,268.92 1,928.34</b>	<b>35,312,114.39 15,180.38</b>	<b>58,845.47</b>		<b>14.63%</b>
<b>Grand Total</b>			<b>240,852,913.93 84,415.37</b>	<b>241,001,623.01 414,989.11</b>	<b>148,709.07</b>		<b>100.00%</b>



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Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	GL-110000	CASH				0.0000	1,576,568.04	0.00	1,576,568.04	0.00	0.00			
CALOPTIMA S1-3	023135BP0	Amazon.com Inc	0.4000	06/03/2023	Corporates	500,000.00	500,825.18	655.56	501,138.61	313.43	0.21	A1	AA	AA-
CALOPTIMA S1-3	032556GN6	Anaheim Housing & Public Improvements Authority	1.6470	10/01/2022	Municipal Securities	315,000.00	318,854.34	2,594.03	318,923.10	68.76	0.13	NR	AA-	AA-
CALOPTIMA S1-3	037833DV9	Apple Inc	0.7500	05/11/2023	Corporates	600,000.00	604,311.56	1,750.00	604,376.90	65.34	0.25	Aa1	AA+	NA
CALOPTIMA S1-3	04609QAC3	Association of American Medical Colleges	1.9260	10/01/2022	Corporates	1,170,000.00	1,170,000.00	11,267.10	1,176,945.80	6,945.80	0.49	NR	A+	AA
CALOPTIMA S1-3	06051GHC6	Bank of America Corp	3.0040	12/20/2023	Corporates	1,070,000.00	1,104,503.69	9,017.84	1,102,709.90	-1,793.79	0.46	A2	A-	AA-
CALOPTIMA S1-3	06051GJH3	Bank of America Corp	0.8100	10/24/2024	Corporates	1,125,000.00	1,128,018.09	3,974.06	1,128,896.76	878.67	0.47	A2	A-	AA-
CALOPTIMA S1-3	06051GJH3	Bank of America Corp	0.8100	10/24/2024	Corporates	1,200,000.00	1,202,619.55	4,239.00	1,204,156.55	1,537.00	0.50	A2	A-	AA-
CALOPTIMA S1-3	06406RAM9	Bank of New York Mellon Corp/The	1.8500	01/27/2023	Corporates	1,125,000.00	1,146,968.05	3,700.00	1,146,442.38	-525.67	0.48	A1	A	AA-
CALOPTIMA S1-3	072024WW8	Bay Area Toll Authority	2.1280	04/01/2022	Municipal Securities	1,000,000.00	1,008,685.08	10,640.00	1,009,738.10	1,053.02	0.42	A1	AA-	AA-
CALOPTIMA S1-3	072024WW8	Bay Area Toll Authority	2.1280	04/01/2022	Municipal Securities	1,145,000.00	1,145,000.00	12,182.80	1,156,150.12	11,150.12	0.49	A1	AA-	AA-
CALOPTIMA S1-3	072024WW8	Bay Area Toll Authority	2.1280	04/01/2022	Municipal Securities	425,000.00	425,550.84	4,522.00	429,138.69	3,587.85	0.18	A1	AA-	AA-
CALOPTIMA S1-3	072722AC5	BayCare Health System Inc	2.6100	11/15/2022	Corporates	560,000.00	562,824.25	5,521.60	572,721.70	9,897.45	0.24	Aa2	NR	AA
CALOPTIMA S1-3	084670BR8	Berkshire Hathaway Inc	2.7500	03/15/2023	Corporates	1,000,000.00	1,031,479.93	1,222.22	1,031,173.26	-306.67	0.43	Aa2	AA	A+
CALOPTIMA S1-3	12598AAC4	CNH Equipment Trust 2021-A	0.4000	12/15/2025	Asset Backed	740,000.00	739,571.66	131.56	738,328.78	-1,242.88	0.31	NR	AAA	AAA
CALOPTIMA S1-3	13063DLZ9	State of California	3.0000	04/01/2024	Municipal Securities	1,235,000.00	1,269,043.45	18,525.00	1,311,738.08	42,694.63	0.55	Aa2	AA-	AA
CALOPTIMA S1-3	13079XBR6	California Statewide Communities Development Authority	0.7010	06/01/2023	Municipal Securities	250,000.00	249,999.01	584.17	250,186.50	187.49	0.10	NR	AA	NR
CALOPTIMA S1-3	14041NFU0	Capital One Multi-Asset Execution Trust	1.7200	08/15/2024	Asset Backed	500,000.00	508,135.70	382.22	506,624.80	-1,510.90	0.21	NR	AAA	AAA
CALOPTIMA S1-3	14042WAC4	Capital One Prime Auto Receivables Trust 2019-1	2.5100	11/15/2023	Asset Backed	352,336.08	355,524.25	393.05	355,526.66	2.41	0.15	Aaa	AAA	AAA
CALOPTIMA S1-3	14043MAC5	Capital One Prime Auto Receivables Trust 2020-1	1.6000	11/15/2024	Asset Backed	500,000.00	505,308.08	355.56	504,952.40	-355.68	0.21	NR	AAA	AAA
CALOPTIMA S1-3	14315EAE0	CarMax Auto Owner Trust 2018-4	3.6700	05/15/2024	Asset Backed	1,087,500.00	1,122,648.41	1,773.83	1,126,623.79	3,975.38	0.47	NR	AAA	AAA
CALOPTIMA S1-3	14315FAF4	CarMax Auto Owner Trust 2020-3	1.0900	03/16/2026	Asset Backed	300,000.00	302,490.74	145.33	302,592.96	102.22	0.13	NR	AA	AA
CALOPTIMA S1-3	14315FAF4	CarMax Auto Owner Trust 2020-3	1.0900	03/16/2026	Asset Backed	150,000.00	151,252.23	72.67	151,296.48	44.25	0.06	NR	AA	AA
CALOPTIMA S1-3	14315VAE2	CarMax Auto Owner Trust 2020-2	2.0500	05/15/2025	Asset Backed	800,000.00	821,953.12	728.89	821,715.28	-237.84	0.34	NR	AAA	AAA
CALOPTIMA S1-3	14315XAD0	CarMax Auto Owner Trust 2020-1	2.0300	06/16/2025	Asset Backed	1,600,000.00	1,649,682.27	1,443.56	1,648,209.60	-1,472.67	0.69	NR	AAA	AAA
CALOPTIMA S1-3	157432KA2	Chaffey Community College District	1.6060	06/01/2022	Municipal Securities	285,000.00	285,000.00	1,525.70	287,816.57	2,816.57	0.12	Aa2	AA	NR
CALOPTIMA S1-3	166756AJ5	Chevron USA Inc	0.4260	08/11/2023	Corporates	1,250,000.00	1,251,381.48	739.58	1,253,156.14	1,774.66	0.52	Aa2	AA-	NR
CALOPTIMA S1-3	17131RAS5	City of Chula Vista CA	0.4190	06/01/2024	Municipal Securities	750,000.00	746,088.92	1,902.96	742,898.48	-3,190.44	0.31	NR	AA	NR
CALOPTIMA S1-3	172967MX6	Citigroup Inc	0.9810	05/01/2025	Corporates	980,000.00	980,000.00	3,925.64	983,173.78	3,173.78	0.41	A3	BBB+	A
CALOPTIMA S1-3	17325FAS7	Citibank NA	3.6500	01/23/2024	Corporates	1,000,000.00	1,067,369.09	6,894.44	1,067,926.05	556.96	0.45	Aa3	A+	A+
CALOPTIMA S1-3	20030NCS8	Comcast Corp	3.9500	10/15/2025	Corporates	1,410,000.00	1,558,943.61	25,681.58	1,564,133.64	5,190.03	0.66	A3	A-	A-
CALOPTIMA S1-3	21688AAQ5	Cooperative Rabobank UA/NY	0.3750	01/12/2024	Corporates	1,690,000.00	1,689,112.69	1,390.73	1,682,241.70	-6,870.99	0.70	Aa2	A+	AA-
CALOPTIMA S1-3	22550L2E0	Credit Suisse AG/New York NY	0.4950	02/02/2024	Corporates	1,055,000.00	1,055,000.00	855.87	1,051,195.45	-3,804.55	0.44	A1	A+	A
CALOPTIMA S1-3	24422EUR8	John Deere Capital Corp	3.4500	01/10/2024	v	992,000.00	1,056,765.18	7,700.40	1,058,726.55	1,961.37	0.44	A2	A	A
CALOPTIMA S1-3	24422EVJ5	John Deere Capital Corp	0.4000	10/10/2023	Corporates	337,000.00	336,858.59	640.30	337,257.93	399.34	0.14	A2	A	A
CALOPTIMA S1-3	282659AV3	City of El Cajon CA	0.6490	04/01/2023	Municipal Securities	240,000.00	240,000.00	1,055.71	240,177.26	177.26	0.10	NR	AA	NR
CALOPTIMA S1-3	282659AW1	City of El Cajon CA	0.9270	04/01/2024	Municipal Securities	210,000.00	210,000.00	1,319.43	210,253.03	253.03	0.09	NR	AA	NR
CALOPTIMA S1-3	283062DL8	El Dorado Irrigation District	0.8710	03/01/2023	Municipal Securities	280,000.00	280,000.00	203.23	282,000.01	2,000.01	0.12	Aa3	AA-	NR
CALOPTIMA S1-3	283062DM6	El Dorado Irrigation District	1.0800	03/01/2024	Municipal Securities	280,000.00	280,000.00	252.00	283,027.25	3,027.25	0.12	Aa3	AA-	NR
CALOPTIMA S1-3	30231GBL5	Exxon Mobil Corp	1.5710	04/15/2023	Corporates	750,000.00	763,558.87	5,433.04	764,522.54	963.67	0.32	Aa2	AA-	NR
CALOPTIMA S1-3	3128MBQD2	Freddie Mac Gold Pool	6.0000	12/01/2022	RMBS	16,453.69	16,592.17	82.27	16,728.26	136.09	0.01	Agency	AA+	Agency
CALOPTIMA S1-3	313380GJ0	Federal Home Loan Banks	2.0000	09/09/2022	Agency	1,475,000.00	1,500,508.78	1,802.78	1,501,482.62	973.84	0.63	Agency	AA+	Agency
CALOPTIMA S1-3	3133EJ5P0	Federal Farm Credit Banks Funding Corp	2.6000	01/18/2022	Agency	500,000.00	503,716.20	2,636.11	503,643.59	-72.61	0.21	Agency	AA+	Agency
CALOPTIMA S1-3	3133EKVD5	Federal Farm Credit Banks Funding Corp	1.8750	01/18/2022	Agency	1,950,000.00	1,960,347.43	7,414.06	1,960,350.02	2.59	0.82	Agency	AA+	Agency
CALOPTIMA S1-3	3133T1W81	Freddie Mac REMICS	6.5000	09/01/2023	RMBS	188,666.11	196,192.35	1,021.94	198,772.97	2,580.62	0.08	Agency	AA+	Agency
CALOPTIMA S1-3	3134GWN4	Federal Home Loan Mortgage Corp	0.6000	08/12/2025	Agency	1,600,000.00	1,598,633.47	1,306.67	1,594,241.54	-4,391.93	0.66	Agency	AA+	Agency
CALOPTIMA S1-3	3134GWY42	Federal Home Loan Mortgage Corp	0.3000	10/13/2023	Agency	1,600,000.00	1,599,457.50	2,240.00	1,599,110.35	-347.15	0.67	Agency	AA+	Agency
CALOPTIMA S1-3	3135G05G4	Federal National Mortgage Association	0.2500	07/10/2023	Agency	500,000.00	499,770.89	281.25	499,882.38	111.48	0.21	Agency	AA+	Agency
CALOPTIMA S1-3	3135G0S38	Federal National Mortgage Association	2.0000	01/05/2022	Agency	3,400,000.00	3,400,657.63	16,244.44	3,416,576.73	15,919.10	1.43	Agency	AA+	Agency
CALOPTIMA S1-3	3135G0S38	Federal National Mortgage Association	2.0000	01/05/2022	Agency	2,250,000.00	2,251,146.65	10,750.00	2,260,969.90	9,823.25	0.95	Agency	AA+	Agency
CALOPTIMA S1-3	3136A72D3	Fannie Mae-Aces	2.4820	04/01/2022	CMBS	9,924.01	9,930.61	20.53	9,990.33	59.72	0.00	Agency	AA+	Agency
CALOPTIMA S1-3	3136A72D3	Fannie Mae-Aces	2.4820	04/01/2022	CMBS	50,383.46	50,417.36	104.21	50,720.16	302.80	0.02	Agency	AA+	Agency

Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	3136G46A6	Federal National Mortgage Association	0.3000	10/27/2023	Agency	2,400,000.00	2,399,585.51	3,080.00	2,398,239.02	-1,346.49	1.00	Agency	AA+	Agency
CALOPTIMA S1-3	3137AN2K0	Freddie Mac REMICS	3.5000	06/01/2023	RMBS	277,792.75	284,128.21	810.23	285,000.86	872.65	0.12	Agency	AA+	Agency
CALOPTIMA S1-3	3137APP61	Freddie Mac Multifamily Structured Pass Through	2.7890	01/01/2022	CMBS	447,104.04	448,349.50	1,039.15	448,900.15	550.65	0.19	Agency	AA+	AAA
CALOPTIMA S1-3	3137APP61	Freddie Mac Multifamily Structured Pass Through	2.7890	01/01/2022	CMBS	89,420.81	89,491.86	207.83	89,780.03	288.17	0.04	Agency	AA+	AAA
CALOPTIMA S1-3	3137APP61	Freddie Mac Multifamily Structured Pass Through	2.7890	01/01/2022	CMBS	24,074.83	24,092.86	55.95	24,171.54	78.68	0.01	Agency	AA+	AAA
CALOPTIMA S1-3	3137AXHP1	Freddie Mac Multifamily Structured Pass Through	2.5730	09/01/2022	CMBS	700,000.00	701,462.09	1,500.92	712,731.25	11,269.16	0.30	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AXHP1	Freddie Mac Multifamily Structured Pass Through	2.5730	09/01/2022	CMBS	965,000.00	967,108.62	2,069.12	982,550.94	15,442.32	0.41	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AYCE9	Freddie Mac Multifamily Structured Pass Through	2.6820	10/01/2022	CMBS	200,000.00	201,025.97	447.00	204,146.08	3,120.11	0.09	Aaa	AA+	Agency
CALOPTIMA S1-3	3137AYCE9	Freddie Mac Multifamily Structured Pass Through	2.6820	10/01/2022	CMBS	1,425,000.00	1,432,315.95	3,184.88	1,454,540.82	22,224.87	0.61	Aaa	AA+	Agency
CALOPTIMA S1-3	3137B04Y7	Freddie Mac Multifamily Structured Pass Through	2.6150	01/01/2023	CMBS	750,000.00	753,774.01	1,634.38	771,029.33	17,255.31	0.32	Agency	AA+	Agency
CALOPTIMA S1-3	3137B1UG5	Freddie Mac Multifamily Structured Pass Through	2.6370	01/01/2023	CMBS	1,000,000.00	1,000,051.72	2,197.50	1,024,241.80	24,190.08	0.43	Agency	AA+	AAA
CALOPTIMA S1-3	3137B1UG5	Freddie Mac Multifamily Structured Pass Through	2.6370	01/01/2023	CMBS	840,000.00	840,164.28	1,845.90	860,363.11	20,198.83	0.36	Agency	AA+	AAA
CALOPTIMA S1-3	3137B2ZH6	Freddie Mac REMICS	1.5000	07/01/2023	RMBS	70,175.76	69,975.33	87.72	70,554.33	579.00	0.03	Agency	AA+	Agency
CALOPTIMA S1-3	3137B6RG8	Freddie Mac REMICS	2.0000	12/01/2023	RMBS	153,480.25	155,097.38	255.80	155,805.63	708.25	0.06	Agency	AA+	Agency
CALOPTIMA S1-3	3137B7MZ9	Freddie Mac Multifamily Structured Pass Through	3.5270	10/01/2023	CMBS	680,000.00	712,747.79	1,998.63	718,068.03	5,320.24	0.30	Aaa	AA+	AAA
CALOPTIMA S1-3	3137BEF80	Freddie Mac Multifamily Structured Pass Through	2.7200	08/01/2024	CMBS	2,256,031.34	2,317,113.18	5,113.67	2,327,067.90	9,954.72	0.97	Agency	AA+	AAA
CALOPTIMA S1-3	3137BJP56	Freddie Mac Multifamily Structured Pass Through	2.6970	01/01/2025	CMBS	214,748.38	220,705.47	482.65	222,540.07	1,834.60	0.09	Agency	AA+	AAA
CALOPTIMA S1-3	3137BJQ71	Freddie Mac Multifamily Structured Pass Through	2.7700	05/01/2025	CMBS	275,000.00	293,324.74	634.79	292,879.13	-445.61	0.12	Agency	AA+	Agency
CALOPTIMA S1-3	3137BJQ71	Freddie Mac Multifamily Structured Pass Through	2.7700	05/01/2025	CMBS	25,000.00	26,559.54	57.71	26,625.38	65.83	0.01	Agency	AA+	Agency
CALOPTIMA S1-3	3137BJQ71	Freddie Mac Multifamily Structured Pass Through	2.7700	05/01/2025	CMBS	150,000.00	159,728.98	346.25	159,752.25	23.27	0.07	Agency	AA+	Agency
CALOPTIMA S1-3	3137BLAC2	Freddie Mac Multifamily Structured Pass Through	3.2840	06/01/2025	CMBS	75,000.00	80,794.15	205.25	81,120.37	326.22	0.03	Agency	AA+	AAA
CALOPTIMA S1-3	3137BLW87	Freddie Mac Multifamily Structured Pass Through	2.8020	01/01/2025	CMBS	677,278.74	702,793.12	1,581.45	703,891.05	1,097.93	0.29	Agency	AA+	AAA
CALOPTIMA S1-3	3137BLW87	Freddie Mac Multifamily Structured Pass Through	2.8020	01/01/2025	CMBS	215,497.78	223,513.87	503.18	223,965.33	451.46	0.09	Agency	AA+	AAA
CALOPTIMA S1-3	3137BM7C4	Freddie Mac Multifamily Structured Pass Through	3.3080	09/01/2025	CMBS	1,530,000.00	1,657,560.15	4,217.70	1,662,508.25	4,948.10	0.69	Agency	AA+	AAA
CALOPTIMA S1-3	3137BM7C4	Freddie Mac Multifamily Structured Pass Through	3.3080	09/01/2025	CMBS	470,000.00	509,511.98	1,295.63	510,705.15	1,193.17	0.21	Agency	AA+	AAA
CALOPTIMA S1-3	3137BM7C4	Freddie Mac Multifamily Structured Pass Through	3.3080	09/01/2025	CMBS	120,000.00	129,923.85	330.80	130,392.80	468.95	0.05	Agency	AA+	AAA
CALOPTIMA S1-3	3137BMTX4	Freddie Mac Multifamily Structured Pass Through	3.1510	11/01/2025	CMBS	350,000.00	378,028.68	919.04	378,578.94	550.26	0.16	Agency	AA+	AAA
CALOPTIMA S1-3	3137BS6F5	Freddie Mac Multifamily Structured Pass Through	2.7350	09/01/2025	CMBS	400,000.00	423,607.38	911.67	424,371.40	764.02	0.18	Agency	AA+	Agency
CALOPTIMA S1-3	3137BWVV3	Freddie Mac Multifamily Structured Pass Through	2.8640	08/01/2022	CMBS	61,445.69	61,686.21	146.65	62,522.51	836.30	0.03	Agency	AA+	Agency
CALOPTIMA S1-3	3137EADB2	Federal Home Loan Mortgage Corp	2.3750	01/13/2022	Agency	2,250,000.00	2,253,541.61	11,578.13	2,264,715.00	11,173.39	0.95	Agency	AA+	Agency
CALOPTIMA S1-3	3137EADB2	Federal Home Loan Mortgage Corp	2.3750	01/13/2022	Agency	2,250,000.00	2,255,240.27	11,578.12	2,264,715.00	9,474.73	0.95	Agency	AA+	Agency
CALOPTIMA S1-3	3137EAEV7	Federal Home Loan Mortgage Corp	0.2500	08/24/2023	Agency	500,000.00	499,591.68	128.47	499,800.23	208.54	0.21	Agency	AA+	Agency
CALOPTIMA S1-3	3137EAEW5	Federal Home Loan Mortgage Corp	0.2500	09/08/2023	Agency	575,000.00	574,307.39	91.84	574,587.22	279.83	0.24	Agency	AA+	Agency
CALOPTIMA S1-3	3137FEUB4	Freddie Mac Multifamily Structured Pass Through	3.5900	01/01/2025	CMBS	1,350,000.00	1,459,624.08	4,038.75	1,454,763.51	-4,860.57	0.61	Aaa	AA	Agency
CALOPTIMA S1-3	3137FHPZ0	Freddie Mac Multifamily Structured Pass Through	3.2540	02/01/2025	CMBS	505,241.06	526,543.50	1,370.05	528,053.81	1,510.31	0.22	Agency	AA+	Agency
CALOPTIMA S1-3	3138EKXL4	Fannie Mae Pool	2.3360	03/01/2023	CMBS	242,827.47	243,680.82	472.70	246,009.50	2,328.68	0.10	Agency	AA+	Agency
CALOPTIMA S1-3	3138LOMH1	Fannie Mae Pool	2.3100	08/01/2022	CMBS	1,005,882.72	1,007,864.65	1,936.32	1,013,659.49	5,794.84	0.42	Agency	AA+	Agency
CALOPTIMA S1-3	3138L93A8	Fannie Mae Pool	2.6000	07/01/2025	#N/A	277,340.39	290,281.38	600.90	277,340.39	-12,940.99	0.12	Agency	AA+	Agency
CALOPTIMA S1-3	31393A2V8	Fannie Mae REMICS	5.5000	05/01/2023	RMBS	46,018.77	46,626.72	210.92	47,275.94	649.22	0.02	Agency	AA+	Agency
CALOPTIMA S1-3	31393DLQ2	Fannie Mae REMICS	5.0000	07/01/2023	RMBS	79,537.42	80,471.50	131.41	81,827.75	1,356.25	0.03	Agency	AA+	Agency
CALOPTIMA S1-3	31394PWU3	Freddie Mac REMICS	5.0000	02/01/2024	RMBS	88,645.71	90,740.10	369.36	91,096.10	356.00	0.04	Agency	AA+	Agency
CALOPTIMA S1-3	3140JAU97	Fannie Mae Pool	2.6420	05/01/2023	CMBS	325,928.94	331,452.21	717.59	330,600.41	-851.80	0.14	Agency	AA+	Agency
CALOPTIMA S1-3	31677QBS7	Fifth Third Bank NA	1.8000	01/30/2023	Corporates	1,000,000.00	1,017,941.80	3,050.00	1,018,231.30	289.50	0.43	A3	A-	A-
CALOPTIMA S1-3	34528QFU3	Ford Credit Floorplan Master Owner Trust A	2.4800	09/15/2024	Asset Backed	325,000.00	333,090.86	358.22	331,844.47	-1,246.39	0.14	NR	AAA	AAA
CALOPTIMA S1-3	34528QGX6	Ford Credit Floorplan Master Owner Trust A	3.2500	04/15/2026	Asset Backed	590,000.00	627,276.67	852.22	626,797.95	-478.72	0.26	Aa1	NR	AA
CALOPTIMA S1-3	34528QGX6	Ford Credit Floorplan Master Owner Trust A	3.2500	04/15/2026	Asset Backed	665,000.00	704,051.71	960.56	706,475.65	2,423.94	0.29	Aa1	NR	AA
CALOPTIMA S1-3	34528QHA5	Ford Credit Floorplan Master Owner Trust A	2.2300	09/15/2024	Asset Backed	1,500,000.00	1,530,369.72	1,486.67	1,527,856.50	-2,513.22	0.64	Aaa	AAA	NR
CALOPTIMA S1-3	34528QHK3	Ford Credit Floorplan Master Owner Trust A	0.7000	09/15/2025	Asset Backed	1,570,000.00	1,569,935.13	488.44	1,577,455.93	7,520.80	0.66	Aaa	NR	AAA
CALOPTIMA S1-3	34532NAC9	Ford Credit Auto Owner Trust 2021-A	0.3000	08/15/2025	Asset Backed	875,000.00	874,483.49	116.67	873,495.53	-987.96	0.36	Aaa	AAA	NR
CALOPTIMA S1-3	3582326R2	Fresno Unified School District	0.4620	08/01/2023	Municipal Securities	250,000.00	249,935.56	192.50	250,124.58	189.02	0.10	Aa3	NR	NR
CALOPTIMA S1-3	36202FAD8	Ginnie Mae II Pool	4.0000	08/01/2024	RMBS	250,290.15	258,351.31	834.30	261,684.20	3,332.89	0.11	Govt	AA+	Govt
CALOPTIMA S1-3	362569AE5	GM Financial Automobile Leasing Trust 2020-3	0.7600	10/21/2024	Asset Backed	2,000,000.00	2,000,460.78	464.44	2,008,676.00	8,215.22	0.84	Aa1	AA+	NR

Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	36261RAC2	GM Financial Leasing Trust	0.2600	02/20/2024	Asset Backed	1,500,000.00	1,498,339.28	119.17	1,499,770.35	1,431.07	0.62	Aaa	NR	AAA
CALOPTIMA S1-3	38141GXL3	Goldman Sachs Group Inc/The	0.6270	11/17/2023	Corporates	1,400,000.00	1,401,204.03	3,267.37	1,400,574.00	-630.03	0.58	A2	BBB+	A
CALOPTIMA S1-3	38141GXL3	Goldman Sachs Group Inc/The	0.6270	11/17/2023	Corporates	1,390,000.00	1,390,000.00	3,244.03	1,390,569.90	569.90	0.58	A2	BBB+	A
CALOPTIMA S1-3	38141GXP4	Goldman Sachs Group Inc/The	0.4810	01/27/2023	Corporates	500,000.00	499,958.21	427.56	500,081.08	122.86	0.21	A2	BBB+	A
CALOPTIMA S1-3	41978CAV7	State of Hawaii Airports System Revenue	1.8190	07/01/2022	Municipal Securities	285,000.00	285,000.00	1,296.04	287,549.24	2,549.24	0.12	A2	A-	A
CALOPTIMA S1-3	41978CAX3	State of Hawaii Airports System Revenue	2.0080	07/01/2024	Municipal Securities	285,000.00	285,000.00	1,430.70	291,734.58	6,734.58	0.12	A2	A-	A
CALOPTIMA S1-3	43814WAC9	Honda Auto Receivables 2019-1 Owner Trust	2.8300	03/20/2023	Asset Backed	246,263.48	248,279.66	251.67	248,359.63	79.97	0.10	NR	AAA	AAA
CALOPTIMA S1-3	43815EAC8	Honda Auto Receivables 2021-3 Owner Trust	0.4100	11/18/2025	Asset Backed	3,000,000.00	2,999,958.32	444.17	2,996,856.60	-3,101.72	1.25	NR	AAA	AAA
CALOPTIMA S1-3	440452AG5	Hormel Foods Corp	0.6500	06/03/2024	Corporates	1,285,000.00	1,284,792.21	2,737.76	1,286,236.53	1,444.32	0.54	A1	A	NR
CALOPTIMA S1-3	44891JAF5	Hyundai Auto Receivables Trust 2019-B	2.4000	06/15/2026	Asset Backed	525,000.00	543,776.91	560.00	543,418.16	-358.76	0.23	NR	AA	AA
CALOPTIMA S1-3	4581X0CN6	Inter-American Development Bank	1.7500	04/14/2022	Agency	755,000.00	755,431.36	6,129.13	761,545.63	6,114.27	0.32	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0CN6	Inter-American Development Bank	1.7500	04/14/2022	Agency	460,000.00	460,256.62	3,734.31	463,988.07	3,731.45	0.19	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0CN6	Inter-American Development Bank	1.7500	04/14/2022	Agency	315,000.00	315,174.49	2,557.19	317,730.96	2,556.47	0.13	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0CZ9	Inter-American Development Bank	1.7500	09/14/2022	Agency	750,000.00	747,991.26	619.79	761,097.46	13,106.20	0.32	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0CZ9	Inter-American Development Bank	1.7500	09/14/2022	Agency	3,000,000.00	2,998,656.05	2,479.17	3,044,389.83	45,733.78	1.27	Aaa	AAA	AAA
CALOPTIMA S1-3	4581X0DM7	Inter-American Development Bank	0.5000	05/24/2023	Agency	1,000,000.00	1,003,409.42	1,763.89	1,003,977.65	568.23	0.42	Aaa	AAA	NR
CALOPTIMA S1-3	46124HAA4	Intuit Inc	0.6500	07/15/2023	Corporates	690,000.00	692,749.00	946.83	692,930.78	181.78	0.29	A3	A-	NR
CALOPTIMA S1-3	46625HJE1	JPMorgan Chase & Co	3.2500	09/23/2022	Corporates	1,125,000.00	1,156,935.47	812.50	1,157,931.92	996.45	0.48	A2	A-	AA-
CALOPTIMA S1-3	46647PAY2	JPMorgan Chase & Co	4.0230	12/05/2024	Corporates	1,450,000.00	1,562,118.40	18,796.35	1,553,066.65	-9,051.75	0.65	A2	A-	AA-
CALOPTIMA S1-3	46647PAY2	JPMorgan Chase & Co	4.0230	12/05/2024	Corporates	1,400,000.00	1,507,077.63	18,148.20	1,499,512.63	-7,565.00	0.63	A2	A-	AA-
CALOPTIMA S1-3	47788UAC6	John Deere Owner Trust 2021	0.3600	09/15/2025	Asset Backed	700,000.00	697,977.56	112.00	699,421.94	1,444.38	0.29	Aaa	NR	AAA
CALOPTIMA S1-3	47788UAC6	John Deere Owner Trust 2021	0.3600	09/15/2025	Asset Backed	200,000.00	199,978.04	32.00	199,834.84	-143.20	0.08	Aaa	NR	AAA
CALOPTIMA S1-3	49327M2Q6	KeyBank NA/Cleveland OH	2.5000	11/22/2021	Corporates	500,000.00	499,513.32	4,479.17	501,578.68	2,065.35	0.21	A3	A-	A-
CALOPTIMA S1-3	5445872Q0	Municipal Improvement Corp of Los Angeles	0.3190	11/01/2022	Municipal Securities	630,000.00	630,000.00	1,155.58	630,279.53	279.53	0.26	NR	AA-	NR
CALOPTIMA S1-3	5445872R8	Municipal Improvement Corp of Los Angeles	0.4190	11/01/2023	Municipal Securities	750,000.00	744,757.70	1,806.94	748,819.35	4,061.65	0.31	NR	AA-	NR
CALOPTIMA S1-3	544587Y28	Municipal Improvement Corp of Los Angeles	0.5150	11/01/2022	Municipal Securities	350,000.00	350,000.00	751.04	350,891.10	891.10	0.15	NR	AA-	NR
CALOPTIMA S1-3	544587Y36	Municipal Improvement Corp of Los Angeles	0.6500	11/01/2023	Municipal Securities	280,000.00	280,000.00	758.33	280,892.75	892.75	0.12	NR	AA-	NR
CALOPTIMA S1-3	576051VW3	Massachusetts Water Resources Authority	1.7720	08/01/2023	Municipal Securities	945,000.00	945,000.00	2,790.90	969,868.05	24,868.05	0.40	Aa1	AA+	AA+
CALOPTIMA S1-3	58769EAC2	Mercedes-Benz Auto Lease Trust 2020-B	0.4000	11/15/2023	Asset Backed	370,000.00	370,510.22	65.78	370,558.59	48.37	0.15	NR	AAA	AAA
CALOPTIMA S1-3	601670MF6	Milpitas Unified School District/CA	0.6820	08/01/2023	Municipal Securities	300,000.00	300,304.82	341.00	300,529.71	224.89	0.13	Aa1	NR	NR
CALOPTIMA S1-3	61741GAB6	Morgan Hill Redevelopment Agency Successor Ag	0.7010	09/01/2023	Municipal Securities	700,000.00	700,763.07	408.92	703,403.05	2,639.98	0.29	NR	AA	NR
CALOPTIMA S1-3	6174468T9	Morgan Stanley	0.5600	11/10/2023	Corporates	2,230,000.00	2,230,000.00	4,891.13	2,232,880.29	2,880.29	0.93	A1	BBB+	A
CALOPTIMA S1-3	6174468T9	Morgan Stanley	0.5600	11/10/2023	Corporates	700,000.00	700,254.88	1,535.34	700,904.13	649.25	0.29	A1	BBB+	A
CALOPTIMA S1-3	6174468W2	Morgan Stanley	0.5290	01/25/2024	Corporates	185,000.00	184,882.05	179.42	185,133.24	251.19	0.08	A1	BBB+	A
CALOPTIMA S1-3	61746BDJ2	Morgan Stanley	3.7500	02/25/2023	Corporates	625,000.00	652,736.47	2,343.75	653,509.63	773.16	0.27	A1	BBB+	A
CALOPTIMA S1-3	64990FD43	New York State Dormitory Authority	0.8870	03/15/2025	Municipal Securities	1,050,000.00	1,050,000.00	2,535.34	1,052,966.04	2,966.04	0.44	NR	AA+	AA+
CALOPTIMA S1-3	65339KBF6	NextEra Energy Capital Holdings Inc	2.9000	04/01/2022	Corporates	1,500,000.00	1,513,542.07	21,750.00	1,519,749.50	6,207.43	0.64	Baa1	BBB+	A-
CALOPTIMA S1-3	65339KBU3	NextEra Energy Capital Holdings Inc	0.6500	03/01/2023	Corporates	2,125,000.00	2,124,845.22	1,151.04	2,132,184.92	7,339.70	0.89	Baa1	BBB+	A-
CALOPTIMA S1-3	684100AC4	City of Orange CA	0.5870	06/01/2024	Municipal Securities	435,000.00	433,744.02	1,390.21	434,397.92	653.90	0.18	NR	AA	NR
CALOPTIMA S1-3	693475AV7	PNC Financial Services Group Inc/The	3.5000	01/23/2024	Corporates	1,125,000.00	1,199,181.17	7,437.50	1,196,051.72	-3,129.45	0.50	A3	A-	A
CALOPTIMA S1-3	69353RFT0	PNC Bank NA	1.7430	02/24/2023	Corporates	250,000.00	250,000.00	447.85	251,467.50	1,467.50	0.10	A2	A	A+
CALOPTIMA S1-3	69371RQ82	PACCAR Financial Corp	0.8000	06/08/2023	Corporates	250,000.00	251,646.01	627.78	251,430.72	-215.29	0.10	A1	A+	NR
CALOPTIMA S1-3	738850SV9	Poway Unified School District	1.9340	08/01/2022	Municipal Securities	570,000.00	576,666.36	1,837.30	576,705.25	38.89	0.24	NR	AA-	NR
CALOPTIMA S1-3	752147HG6	Rancho Santiago Community College District	0.4150	09/01/2023	Municipal Securities	335,000.00	335,000.00	115.85	335,765.31	765.31	0.14	Aa2	AA	NR
CALOPTIMA S1-3	76913CAW9	County of Riverside CA	2.2650	02/15/2022	Municipal Securities	945,000.00	945,000.00	2,734.99	952,097.33	7,097.33	0.40	A2	AA	NR
CALOPTIMA S1-3	76913CAX7	County of Riverside CA	2.3630	02/15/2023	Municipal Securities	250,000.00	255,958.08	754.85	256,822.70	864.62	0.11	A2	AA	NR
CALOPTIMA S1-3	797272QM6	San Diego Community College District	1.9360	08/01/2022	Municipal Securities	600,000.00	600,000.00	1,936.00	608,816.34	8,816.34	0.25	Aaa	AAA	NR
CALOPTIMA S1-3	79727LBQ1	San Diego Convention Center Expansion Financin	1.2670	04/15/2023	Municipal Securities	1,220,000.00	1,227,677.52	7,127.58	1,228,500.96	823.44	0.51	NR	AA-	AA-
CALOPTIMA S1-3	797412DL4	San Diego County Water Authority	0.5930	05/01/2024	Municipal Securities	560,000.00	560,000.00	1,383.67	560,350.95	350.95	0.23	Aa2	AAA	AA+
CALOPTIMA S1-3	79766DSS9	San Francisco City & County Airport Comm-San F	1.7820	05/01/2022	Municipal Securities	845,000.00	843,159.82	6,274.13	851,357.86	8,198.04	0.36	A1	A	A+
CALOPTIMA S1-3	79766DST7	San Francisco City & County Airport Comm-San F	1.8670	05/01/2023	Municipal Securities	645,000.00	640,905.15	5,017.56	659,360.80	18,455.65	0.28	A1	A	A+
CALOPTIMA S1-3	797686EL2	San Francisco Municipal Transportation Agency	0.3890	03/01/2024	Municipal Securities	675,000.00	671,183.56	218.81	671,488.18	304.62	0.28	Aa2	AA-	NR



Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	798136XU6	Norman Y Mineta San Jose International Airport S	1.2090	03/01/2025	Municipal Securities	700,000.00	700,000.00	705.25	701,519.56	1,519.56	0.29	A2	A-	A
CALOPTIMA S1-3	798153NV0	San Jose Financing Authority	0.7570	06/01/2023	Municipal Securities	505,000.00	504,797.55	1,274.28	505,343.15	545.60	0.21	Aa3	AA	AA-
CALOPTIMA S1-3	798189RD0	San Jose Evergreen Community College District	0.6980	09/01/2022	Municipal Securities	170,000.00	170,000.00	98.88	170,799.66	799.66	0.07	Aa1	AA+	NR
CALOPTIMA S1-3	798189RV0	San Jose Evergreen Community College District	0.5010	09/01/2023	Municipal Securities	170,000.00	170,000.00	70.98	170,407.34	407.34	0.07	Aa1	NR	NR
CALOPTIMA S1-3	80286XAD6	Santander Drive Auto Receivables Trust 2021-2	0.5900	09/15/2025	Asset Backed	1,100,000.00	1,101,376.14	288.44	1,101,483.79	107.65	0.46	Aaa	NR	AA
CALOPTIMA S1-3	808513BN4	Charles Schwab Corp/The	0.7500	03/18/2024	Corporates	1,162,000.00	1,167,719.74	314.71	1,167,522.70	-197.04	0.49	A2	A	A
CALOPTIMA S1-3	87236YAG3	TD Ameritrade Holding Corp	0.5557	11/01/2021	Corporates	1,875,000.00	1,873,766.90	1,765.66	1,875,310.52	1,543.62	0.78	A2	A	NR
CALOPTIMA S1-3	89236THF5	Toyota Motor Credit Corp	0.5000	08/14/2023	Corporates	631,000.00	631,454.72	411.90	632,612.31	1,157.59	0.26	A1	A+	A+
CALOPTIMA S1-3	89236THU2	Toyota Motor Credit Corp	0.4500	01/11/2024	Corporates	995,000.00	994,954.07	995.00	992,670.58	-2,283.49	0.41	A1	A+	A+
CALOPTIMA S1-3	89236TJD8	Toyota Motor Credit Corp	0.4000	04/06/2023	Corporates	500,000.00	500,212.86	955.56	500,751.00	538.14	0.21	A1	A+	A+
CALOPTIMA S1-3	89236XAC0	Toyota Auto Receivables 2020-D Owner Trust	0.3500	01/15/2025	Asset Backed	1,250,000.00	1,249,935.64	194.44	1,250,916.63	980.99	0.52	NR	AAA	AAA
CALOPTIMA S1-3	89788MAF9	Truist Financial Corp	0.4500	06/09/2025	Corporates	1,435,000.00	1,435,000.00	394.63	1,440,667.55	5,667.55	0.60	A3	A-	A
CALOPTIMA S1-3	91159HHV5	US Bancorp	3.3750	02/05/2024	Corporates	2,885,000.00	3,072,750.69	15,146.25	3,066,645.63	-6,105.06	1.28	A2	A+	A+
CALOPTIMA S1-3	91159HHV5	US Bancorp	3.3750	02/05/2024	Corporates	1,000,000.00	1,062,917.73	5,250.00	1,062,962.09	44.36	0.44	A2	A+	A+
CALOPTIMA S1-3	912828L57	United States Treasury Note/Bond	1.7500	09/30/2022	US Governments	750,000.00	751,587.80	36.05	762,480.47	10,892.66	0.32	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	United States Treasury Note/Bond	1.7500	09/30/2022	US Governments	500,000.00	500,794.47	24.04	508,320.31	7,525.84	0.21	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	United States Treasury Note/Bond	1.7500	09/30/2022	US Governments	765,000.00	765,812.03	36.78	777,730.07	11,918.04	0.32	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	United States Treasury Note/Bond	1.7500	09/30/2022	US Governments	4,675,000.00	4,687,390.30	224.76	4,752,794.90	65,404.60	1.98	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	United States Treasury Note/Bond	1.7500	09/30/2022	US Governments	3,100,000.00	3,106,446.04	149.04	3,151,585.92	45,139.88	1.31	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	United States Treasury Note/Bond	1.7500	09/30/2022	US Governments	3,740,000.00	3,746,765.22	179.81	3,802,235.92	55,470.70	1.58	Govt	AA+	Govt
CALOPTIMA S1-3	912828P38	United States Treasury Note/Bond	1.7500	01/31/2023	US Governments	2,050,000.00	2,092,142.36	6,044.16	2,093,242.19	1,099.83	0.87	Govt	AA+	Govt
CALOPTIMA S1-3	912828P79	United States Treasury Note/Bond	1.5000	02/28/2023	US Governments	1,150,000.00	1,170,705.78	1,477.21	1,171,652.34	946.56	0.49	Govt	AA+	Govt
CALOPTIMA S1-3	912828TY6	United States Treasury Note/Bond	1.6250	11/15/2022	US Governments	1,750,000.00	1,778,183.95	10,741.34	1,779,531.25	1,347.30	0.75	Govt	AA+	Govt
CALOPTIMA S1-3	912828YK0	United States Treasury Note/Bond	1.3750	10/15/2022	US Governments	2,350,000.00	2,348,822.31	14,920.25	2,380,843.75	32,021.44	1.00	Govt	AA+	Govt
CALOPTIMA S1-3	912828YK0	United States Treasury Note/Bond	1.3750	10/15/2022	US Governments	1,235,000.00	1,231,427.37	7,841.07	1,251,209.38	19,782.01	0.52	Govt	AA+	Govt
CALOPTIMA S1-3	912828YW4	United States Treasury Note/Bond	1.6250	12/15/2022	US Governments	2,250,000.00	2,288,839.91	10,788.93	2,290,341.80	1,501.89	0.96	Govt	AA+	Govt
CALOPTIMA S1-3	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	3,500,000.00	3,645,768.85	15,478.94	3,631,386.71	-14,382.14	1.52	Govt	AA+	Govt
CALOPTIMA S1-3	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	1,730,000.00	1,796,390.71	7,651.01	1,794,942.57	-1,448.14	0.75	Govt	AA+	Govt
CALOPTIMA S1-3	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	2,480,000.00	2,572,528.46	10,967.94	2,573,096.87	568.41	1.08	Govt	AA+	Govt
CALOPTIMA S1-3	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	1,525,000.00	1,580,477.87	6,744.39	1,582,247.07	1,769.20	0.66	Govt	AA+	Govt
CALOPTIMA S1-3	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	1,525,000.00	1,584,008.61	6,744.40	1,582,247.07	-1,761.54	0.66	Govt	AA+	Govt
CALOPTIMA S1-3	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	2,200,000.00	2,283,255.13	9,729.62	2,282,585.93	-669.20	0.95	Govt	AA+	Govt
CALOPTIMA S1-3	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	1,380,000.00	1,436,810.11	6,103.13	1,431,803.90	-5,006.21	0.60	Govt	AA+	Govt
CALOPTIMA S1-3	912828ZD5	United States Treasury Note/Bond	0.5000	03/15/2023	US Governments	1,580,000.00	1,587,674.33	349.17	1,587,467.96	-206.37	0.66	Govt	Govt	Govt
CALOPTIMA S1-3	912828ZD5	United States Treasury Note/Bond	0.5000	03/15/2023	US Governments	2,200,000.00	2,210,282.36	486.19	2,210,398.43	116.07	0.92	Govt	Govt	Govt
CALOPTIMA S1-3	912828ZD5	United States Treasury Note/Bond	0.5000	03/15/2023	US Governments	675,000.00	678,121.62	149.17	678,190.43	68.81	0.28	Govt	Govt	Govt
CALOPTIMA S1-3	912828ZD5	United States Treasury Note/Bond	0.5000	03/15/2023	US Governments	1,975,000.00	1,984,813.82	436.46	1,984,334.96	-478.86	0.83	Govt	Govt	Govt
CALOPTIMA S1-3	912828ZD5	United States Treasury Note/Bond	0.5000	03/15/2023	US Governments	1,600,000.00	1,607,720.08	353.60	1,607,562.50	-157.58	0.67	Govt	Govt	Govt
CALOPTIMA S1-3	912828ZF0	United States Treasury Note/Bond	0.5000	03/31/2025	US Governments	3,615,000.00	3,595,010.04	49.66	3,594,948.03	-62.01	1.50	Govt	AA+	Govt
CALOPTIMA S1-3	912828ZP8	United States Treasury Note/Bond	0.1250	05/15/2023	US Governments	1,600,000.00	1,599,742.80	755.43	1,597,687.50	-2,055.30	0.67	Govt	AA+	Govt
CALOPTIMA S1-3	912828ZP8	United States Treasury Note/Bond	0.1250	05/15/2023	US Governments	3,300,000.00	3,299,176.73	1,558.09	3,295,230.48	-3,946.25	1.37	Govt	AA+	Govt
CALOPTIMA S1-3	91282CAK7	United States Treasury Note/Bond	0.1250	09/15/2023	US Governments	2,700,000.00	2,690,159.45	149.17	2,691,773.42	1,613.97	1.12	Govt	AA+	Govt
CALOPTIMA S1-3	91282CAP6	United States Treasury Note/Bond	0.1250	10/15/2023	US Governments	1,200,000.00	1,197,276.37	692.63	1,195,687.50	-1,588.87	0.50	Govt	AA+	Govt
CALOPTIMA S1-3	91282CAP6	United States Treasury Note/Bond	0.1250	10/15/2023	US Governments	4,800,000.00	4,789,982.53	2,770.49	4,782,750.00	-7,232.53	1.99	Govt	AA+	Govt
CALOPTIMA S1-3	91282CAP6	United States Treasury Note/Bond	0.1250	10/15/2023	US Governments	4,250,000.00	4,233,717.69	2,453.04	4,234,726.56	1,008.87	1.76	Govt	AA+	Govt
CALOPTIMA S1-3	91282CAP6	United States Treasury Note/Bond	0.1250	10/15/2023	US Governments	4,000,000.00	3,987,750.21	2,308.74	3,985,625.00	-2,125.21	1.66	Govt	AA+	Govt
CALOPTIMA S1-3	91282CAP6	United States Treasury Note/Bond	0.1250	10/15/2023	US Governments	1,600,000.00	1,598,966.95	923.50	1,594,250.00	-4,716.95	0.66	Govt	AA+	Govt
CALOPTIMA S1-3	91282CAP6	United States Treasury Note/Bond	0.1250	10/15/2023	US Governments	1,680,000.00	1,677,643.23	969.67	1,673,962.50	-3,680.73	0.70	Govt	AA+	Govt
CALOPTIMA S1-3	91282CBA8	United States Treasury Note/Bond	0.1250	12/15/2023	US Governments	2,655,000.00	2,644,486.94	979.31	2,642,554.69	-1,932.25	1.10	Govt	AA+	Govt
CALOPTIMA S1-3	91282CBA8	United States Treasury Note/Bond	0.1250	12/15/2023	US Governments	205,000.00	203,971.24	75.61	204,039.06	67.82	0.08	Govt	AA+	Govt
CALOPTIMA S1-3	91282CCG4	United States Treasury Note/Bond	0.2500	06/15/2024	US Governments	7,250,000.00	7,212,202.60	5,348.36	7,209,785.12	-2,417.48	3.00	Govt	AA+	Govt
CALOPTIMA S1-3	91282CCG4	United States Treasury Note/Bond	0.2500	06/15/2024	US Governments	2,415,000.00	2,399,732.90	1,781.56	2,401,604.28	1,871.38	1.00	Govt	AA+	Govt

Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	91412HJK0	University of California	0.3670	05/15/2024	Municipal Securities	750,000.00	743,376.84	1,536.81	745,500.38	2,123.54	0.31	Aa2	AA	AA
CALOPTIMA S1-3	916544ES4	Upper Santa Clara Valley Joint Powers Authority	0.6800	08/01/2023	Municipal Securities	1,010,000.00	1,010,000.00	1,144.67	1,015,973.95	5,973.95	0.42	NR	AA	AA-
CALOPTIMA S1-3	916544ES4	Upper Santa Clara Valley Joint Powers Authority	0.6800	08/01/2023	Municipal Securities	950,000.00	954,620.17	1,076.66	955,619.06	998.89	0.40	NR	AA	AA-
CALOPTIMA S1-3	916544ET2	Upper Santa Clara Valley Joint Powers Authority	0.8270	08/01/2024	Municipal Securities	1,025,000.00	1,025,000.00	1,412.79	1,031,187.00	6,187.00	0.43	NR	AA	AA-
CALOPTIMA S1-3	9174367H4	Utah Housing Corp	2.1000	01/01/2022	Municipal Securities	350,000.00	350,000.00	1,837.50	351,246.35	1,246.35	0.15	Aa2	NR	NR
CALOPTIMA S1-3	9174367J0	Utah Housing Corp	2.1500	07/01/2022	Municipal Securities	145,000.00	145,000.00	779.38	146,500.08	1,500.08	0.06	Aa2	NR	NR
CALOPTIMA S1-3	923078CS6	Ventura County Public Financing Authority	0.8480	11/01/2022	Municipal Securities	220,000.00	220,000.00	777.33	220,990.73	990.73	0.09	Aa1	AA+	NR
CALOPTIMA S1-3	923078CT4	Ventura County Public Financing Authority	1.0480	11/01/2023	Municipal Securities	280,000.00	282,589.61	1,222.67	282,204.05	-385.56	0.12	Aa1	AA+	NR
CALOPTIMA S1-3	923078CT4	Ventura County Public Financing Authority	1.0480	11/01/2023	Municipal Securities	280,000.00	280,000.00	1,222.66	282,204.05	2,204.05	0.12	Aa1	AA+	NR
CALOPTIMA S1-3	923078CT4	Ventura County Public Financing Authority	1.0480	11/01/2023	Municipal Securities	280,000.00	280,677.67	1,222.67	282,204.05	1,526.38	0.12	Aa1	AA+	NR
CALOPTIMA S1-3	92348XAC9	Verizon Owner Trust 2018-A	3.3800	04/20/2023	Asset Backed	1,462,500.00	1,481,539.23	1,510.44	1,476,392.43	-5,146.80	0.62	Aaa	AAA	AAA
CALOPTIMA S1-3	95000U2R3	Wells Fargo & Co	1.6540	06/02/2024	Corporates	2,345,000.00	2,389,525.91	12,821.03	2,390,834.29	1,308.38	1.00	A1	BBB+	A+

Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-5	GL-110000	CASH				0.00	238,271.37	0.00	238,271.37		0.00			
CALOPTIMA S1-5	025816BR9	American Express Co	3.0000	10/30/2024	Corporates	500,000.00	518,842.57	6,291.67	533,700.83	14,858.26	1.00	A3	BBB+	A
CALOPTIMA S1-5	04609QAD1	Association of American Medical Colleges	2.0270	10/01/2023	Corporates	710,000.00	710,000.00	7,195.85	717,084.83	7,084.83	1.35	NR	A+	AA
CALOPTIMA S1-5	06051GEU9	Bank of America Corp	3.3000	01/11/2023	Corporates	450,000.00	458,483.78	3,300.00	466,999.67	8,515.89	0.87	A2	A-	AA-
CALOPTIMA S1-5	06051GGT0	Bank of America Corp	3.0930	10/01/2025	Corporates	750,000.00	799,550.95	11,598.75	797,227.45	-2,323.50	1.50	A2	A-	AA-
CALOPTIMA S1-5	072024WX6	Bay Area Toll Authority	2.2340	04/01/2023	Municipal Securities	290,000.00	291,120.17	3,239.30	298,432.71	7,312.54	0.56	A1	AA-	AA-
CALOPTIMA S1-5	072722AD3	BayCare Health System Inc	2.6950	11/15/2023	Corporates	655,000.00	655,000.00	6,668.63	680,010.05	25,010.05	1.28	Aa2	NR	AA
CALOPTIMA S1-5	14315XAD0	Carmax Auto Owner Trust 2020-1	2.0300	06/16/2025	Asset Backed	800,000.00	824,841.17	721.78	824,104.80	-736.37	1.53	NR	AAA	AAA
CALOPTIMA S1-5	172967MX6	Citigroup Inc	0.9810	05/01/2025	Corporates	660,000.00	660,000.00	2,643.80	662,137.44	2,137.44	1.24	A3	BBB+	A
CALOPTIMA S1-5	22550L2E0	Credit Suisse AG/New York NY	0.4950	02/02/2024	Corporates	750,000.00	750,070.32	608.44	747,295.34	-2,774.98	1.39	A1	A+	A
CALOPTIMA S1-5	282659AX9	City of El Cajon CA	1.1790	04/01/2025	Municipal Securities	900,000.00	900,000.00	7,191.90	899,836.65	-163.35	1.69	NR	AA	NR
CALOPTIMA S1-5	283062DN4	El Dorado Irrigation District	1.2800	03/01/2025	Municipal Securities	500,000.00	500,000.00	533.33	505,961.05	5,961.05	0.94	Aa3	AA-	NR
CALOPTIMA S1-5	3134GWND4	Federal Home Loan Mortgage Corp	0.6000	08/12/2025	Agency	1,100,000.00	1,099,061.13	898.33	1,096,041.06	-3,020.07	2.04	Agency	AA+	Agency
CALOPTIMA S1-5	3136G46A6	Federal National Mortgage Association	0.3000	10/27/2023	Agency	1,600,000.00	1,599,722.64	2,053.33	1,598,826.02	-896.62	2.98	Agency	AA+	Agency
CALOPTIMA S1-5	3137AXHP1	Freddie Mac Multifamily Structured Pass Through Certificates	2.5730	09/01/2022	CMBS	160,000.00	160,325.51	343.07	162,910.00	2,584.49	0.30	Aaa	AA+	Agency
CALOPTIMA S1-5	3137AXHP1	Freddie Mac Multifamily Structured Pass Through Certificates	2.5730	09/01/2022	CMBS	640,000.00	641,362.05	1,372.26	651,640.00	10,277.95	1.21	Aaa	AA+	Agency
CALOPTIMA S1-5	3137B2ZH6	Freddie Mac REMICS	1.5000	07/01/2023	RMBS	32,806.62	32,639.06	41.01	32,983.60	344.54	0.06	Agency	AA+	Agency
CALOPTIMA S1-5	3137BJQ71	Freddie Mac Multifamily Structured Pass Through Certificates	2.7700	05/01/2025	CMBS	225,000.00	239,035.90	519.38	239,628.38	592.48	0.45	Agency	AA+	Agency
CALOPTIMA S1-5	3137BLW87	Freddie Mac Multifamily Structured Pass Through Certificates	2.8020	01/01/2025	CMBS	76,963.49	79,862.80	179.71	79,987.62	124.82	0.15	Agency	AA+	AAA
CALOPTIMA S1-5	3137BMTX4	Freddie Mac Multifamily Structured Pass Through Certificates	3.1510	11/01/2025	CMBS	250,000.00	270,020.47	656.46	270,413.53	393.05	0.50	Agency	AA+	AAA
CALOPTIMA S1-5	3137BYPQ7	Freddie Mac Multifamily Structured Pass Through Certificates	2.9050	04/01/2024	CMBS	464,855.06	484,922.87	1,125.34	487,185.81	2,262.94	0.91	Agency	AAA	Agency
CALOPTIMA S1-5	3137FKQG4	Freddie Mac Multifamily Structured Pass Through Certificates	3.4964	11/01/2024	CMBS	275,000.00	293,776.52	801.25	294,211.64	435.12	0.55	Agency	AA+	Agency
CALOPTIMA S1-5	3137GAUY1	Freddie Mac REMICS	1.5000	10/01/2022	CMBS		0.00	123.33	0.00	0.00	0.00	Agency	AA+	Agency
CALOPTIMA S1-5	3138EK7G4	Fannie Mae Pool	2.6980	04/01/2023	CMBS	373,797.01	377,156.02	840.42	382,715.16	5,559.14	0.71	Agency	AA+	Agency
CALOPTIMA S1-5	3138EKXL4	Fannie Mae Pool	2.3360	03/01/2023	CMBS	162,607.68	163,179.08	316.54	164,738.50	1,559.42	0.31	Agency	AA+	Agency
CALOPTIMA S1-5	3138L0MH1	Fannie Mae Pool	2.3100	08/01/2022	CMBS	694,538.07	695,904.53	1,336.99	699,907.75	4,003.22	1.30	Agency	AA+	Agency
CALOPTIMA S1-5	3140JAU97	Fannie Mae Pool	2.6420	05/01/2023	CMBS	217,285.96	220,968.25	478.39	220,400.27	-567.98	0.41	Agency	AA+	Agency
CALOPTIMA S1-5	34528QGX6	Ford Credit Floorplan Master Owner Trust A	3.2500	04/15/2026	Asset Backed	400,000.00	425,272.32	577.38	424,947.76	-324.56	0.79	Aa1	NR	AA
CALOPTIMA S1-5	34528QGX6	Ford Credit Floorplan Master Owner Trust A	3.2500	04/15/2026	Asset Backed	450,000.00	476,425.97	650.00	478,066.23	1,640.26	0.89	Aa1	NR	AA
CALOPTIMA S1-5	36202FAD8	Ginnie Mae II Pool	4.0000	08/01/2024	RMBS	109,019.30	112,530.47	363.40	113,982.22	1,451.75	0.21	Govt	AA+	Govt
CALOPTIMA S1-5	36258VAE4	GM Financial Consumer Automobile Receivables Trust 2020-2	1.7400	08/18/2025	Asset Backed	1,000,000.00	1,024,601.00	725.00	1,024,876.40	275.40	1.91	NR	AAA	AAA
CALOPTIMA S1-5	38141GW77	Goldman Sachs Group Inc/The	3.2000	02/23/2023	Corporates	750,000.00	762,262.47	2,533.33	777,040.92	14,778.45	1.45	A2	BBB+	A
CALOPTIMA S1-5	43815EAC8	Honda Auto Receivables 2021-3 Owner Trust	0.4100	11/18/2025	Asset Backed	625,000.00	624,991.32	92.53	624,345.13	-646.19	1.16	NR	AAA	AAA
CALOPTIMA S1-5	44891JAF5	Hyundai Auto Receivables Trust 2019-B	2.4000	06/15/2026	Asset Backed	225,000.00	233,047.25	240.00	232,893.50	-153.76	0.43	NR	AA	AA
CALOPTIMA S1-5	49151FN97	Kentucky State Property & Building Commission	1.0390	09/01/2025	Municipal Securities	350,000.00	350,000.00	909.13	349,268.26	-731.75	0.65	A1	NR	A+
CALOPTIMA S1-5	544445TU3	City of Los Angeles Department of Airports	0.6980	05/15/2025	Municipal Securities	850,000.00	850,000.00	3,691.64	839,001.85	-10,998.15	1.57	Aa3	A+	AA-
CALOPTIMA S1-5	544587Y44	Municipal Improvement Corp of Los Angeles	0.8900	11/01/2024	Municipal Securities	1,000,000.00	1,000,000.00	3,708.33	1,005,663.30	5,663.30	1.88	NR	AA-	NR
CALOPTIMA S1-5	6174468J1	Morgan Stanley	2.7200	07/22/2025	Corporates	450,000.00	474,681.35	2,346.00	471,521.38	-3,159.97	0.88	A1	BBB+	A
CALOPTIMA S1-5	646140DN0	New Jersey Turnpike Authority	0.8970	01/01/2025	Municipal Securities	575,000.00	574,988.84	1,289.44	575,411.70	422.86	1.07	A2	A+	A
CALOPTIMA S1-5	65339KBF6	NextEra Energy Capital Holdings Inc	2.9000	04/01/2022	Corporates	750,000.00	756,771.14	10,875.00	759,874.75	3,103.61	1.43	Baa1	BBB+	A-
CALOPTIMA S1-5	69353RFT0	PNC Bank NA	1.7430	02/24/2023	Corporates	750,000.00	750,000.00	1,343.56	754,402.50	4,402.50	1.41	A2	A	A+
CALOPTIMA S1-5	74460WAB3	Public Storage	0.5200	04/23/2024	Corporates	750,000.00	750,000.00	758.34	751,145.45	1,145.45	1.40	A2	A	NR
CALOPTIMA S1-5	762326AD8	Rhode Island Turnpike & Bridge Authority	2.2320	12/01/2023	Municipal Securities	680,000.00	680,000.00	5,059.20	703,828.08	23,828.08	1.32	NR	A-	A
CALOPTIMA S1-5	784710AB1	SSM Health Care Corp	3.6880	06/01/2023	Corporates	500,000.00	498,801.29	6,146.67	522,762.13	23,960.83	0.98	A1	A+	AA-
CALOPTIMA S1-5	784710AB1	SSM Health Care Corp	3.6880	06/01/2023	Corporates	100,000.00	100,188.23	1,229.33	104,552.43	4,364.19	0.20	A1	A+	AA-
CALOPTIMA S1-5	796720NQ9	San Bernardino Community College District	0.9420	08/01/2024	Municipal Securities	265,000.00	265,000.00	416.05	267,451.75	2,451.75	0.50	Aa1	AA	NR
CALOPTIMA S1-5	797669ZJ0	San Francisco Bay Area Rapid Transit District Sales Tax Revenue	1.9710	07/01/2024	Municipal Securities	250,000.00	250,000.00	1,231.88	259,097.35	9,097.35	0.48	NR	AA+	AA
CALOPTIMA S1-5	79766DSU4	San Francisco City & County Airport Comm-San Francisco International Airport	1.9770	05/01/2024	Municipal Securities	510,000.00	510,000.00	4,201.13	525,420.21	15,420.21	0.98	A1	A	A+
CALOPTIMA S1-5	79771FAX5	City of San Francisco CA Public Utilities Commission Water Revenue	0.7230	11/01/2024	Municipal Securities	500,000.00	500,000.00	1,506.25	498,779.85	-1,220.15	0.93	Aa2	AA-	NR
CALOPTIMA S1-5	798136XV4	Norman Y Mineta San Jose International Airport SJC	1.3590	03/01/2026	Municipal Securities	1,000,000.00	1,000,000.00	1,132.50	995,849.00	-4,151.00	1.85	A2	A-	A
CALOPTIMA S1-5	835569GR9	Sonoma County Junior College District	2.0610	08/01/2024	Municipal Securities	250,000.00	250,000.00	858.75	260,064.15	10,064.15	0.49	Aa2	AA	NR
CALOPTIMA S1-5	88278PZA5	Texas State University System	2.1030	03/15/2024	Municipal Securities	490,000.00	490,000.00	457.99	506,928.18	16,928.18	0.94	Aa2	NR	AA
CALOPTIMA S1-5	89788MAF9	Truist Financial Corp	0.4500	06/09/2025	Corporates	970,000.00	970,000.00	266.75	973,831.02	3,831.02	1.81	A3	A-	A
CALOPTIMA S1-5	91159HHZ6	US Bancorp	1.4500	05/12/2025	Corporates	300,000.00	304,154.17	1,679.58	304,804.68	650.51	0.57	A2	A+	A+
CALOPTIMA S1-5	91159HHZ6	US Bancorp	1.4500	05/12/2025	Corporates	150,000.00	150,217.01	839.80	152,402.34	2,185.33	0.28	A2	A+	A+
CALOPTIMA S1-5	912828D56	United States Treasury Note/Bond	2.3750	08/15/2024	US Governments	650,000.00	662,472.22	1,971.64	684,912.11	22,439.89	1.28	Govt	AA+	Govt
CALOPTIMA S1-5	912828G38	United States Treasury Note/Bond	2.2500	11/15/2024	US Governments	1,600,000.00	1,684,763.31	13,597.83	1,684,062.50	-700.81	3.16	Govt	AA+	Govt
CALOPTIMA S1-5	912828G38	United States Treasury Note/Bond	2.2500	11/15/2024	US Governments	690,000.00	708,450.88	5,864.06	726,251.95	17,801.07	1.36	Govt	AA+	Govt
CALOPTIMA S1-5	912828T26	United States Treasury Note/Bond	1.3750	09/30/2023	US Governments	2,435,000.00	2,491,214.37	91.98	2,487,790.05	-3,424.32	4.63	Govt	AA+	Govt
CALOPTIMA S1-5	912828YY0	United States Treasury Note/Bond	1.7500	12/31/2024	US Governments	310,000.00	321,691.91	1,370.99	321,637.11	-54.80	0.60	Govt	AA+	Govt
CALOPTIMA S1-5	912828ZD5	United States Treasury Note/Bond	0.5000	03/15/2023	US Governments	1,600,000.00	1,607,995.08	353.59	1,607,562.50	-432.58	2.99	Govt	Govt	Govt

Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-5	912828ZF0	United States Treasury Note/Bond	0.5000	03/31/2025	US Governments	950,000.00	945,264.33	13.05	944,730.46	-533.87	1.76	Govt	AA+	Govt
CALOPTIMA S1-5	912828ZF0	United States Treasury Note/Bond	0.5000	03/31/2025	US Governments	350,000.00	349,051.11	4.81	348,058.59	-992.52	0.65	Govt	AA+	Govt
CALOPTIMA S1-5	912828ZP8	United States Treasury Note/Bond	0.1250	05/15/2023	US Governments	1,400,000.00	1,399,650.46	661.01	1,397,976.57	-1,673.89	2.60	Govt	AA+	Govt
CALOPTIMA S1-5	912828ZP8	United States Treasury Note/Bond	0.1250	05/15/2023	US Governments	545,000.00	544,335.53	257.32	544,212.31	-123.22	1.01	Govt	AA+	Govt
CALOPTIMA S1-5	91282CAM3	United States Treasury Note/Bond	0.2500	09/30/2025	US Governments	810,000.00	806,431.52	5.56	792,629.30	-13,802.22	1.47	Govt	AA+	Govt
CALOPTIMA S1-5	91282CAM3	United States Treasury Note/Bond	0.2500	09/30/2025	US Governments	180,000.00	178,836.83	1.24	176,139.84	-2,696.99	0.33	Govt	AA+	Govt
CALOPTIMA S1-5	91282CAP6	United States Treasury Note/Bond	0.1250	10/15/2023	US Governments	880,000.00	878,002.66	507.92	876,837.50	-1,165.16	1.63	Govt	AA+	Govt
CALOPTIMA S1-5	91282CBA8	United States Treasury Note/Bond	0.1250	12/15/2023	US Governments	720,000.00	717,128.66	265.57	716,625.00	-503.66	1.33	Govt	AA+	Govt
CALOPTIMA S1-5	91282CBC4	United States Treasury Note/Bond	0.3750	12/31/2025	US Governments	815,000.00	801,522.88	772.37	798,572.66	-2,950.22	1.49	Govt	AA+	Govt
CALOPTIMA S1-5	91282CBC4	United States Treasury Note/Bond	0.3750	12/31/2025	US Governments	185,000.00	184,407.75	175.32	181,271.09	-3,136.66	0.34	Govt	AA+	Govt
CALOPTIMA S1-5	91282CBQ3	United States Treasury Note/Bond	0.5000	02/28/2026	US Governments	1,000,000.00	990,669.55	428.18	983,125.00	-7,544.55	1.83	Govt	AA+	Govt
CALOPTIMA S1-5	91282CBQ3	United States Treasury Note/Bond	0.5000	02/28/2026	US Governments	1,200,000.00	1,188,921.34	513.81	1,179,750.00	-9,171.34	2.20	Govt	AA+	Govt
CALOPTIMA S1-5	91282CBQ3	United States Treasury Note/Bond	0.5000	02/28/2026	US Governments	1,005,000.00	997,060.75	430.32	988,040.63	-9,020.13	1.84	Govt	AA+	Govt
CALOPTIMA S1-5	91282CCG4	United States Treasury Note/Bond	0.2500	06/15/2024	US Governments	665,000.00	662,144.76	490.57	661,311.32	-833.44	1.23	Govt	AA+	Govt
CALOPTIMA S1-5	91282CCW9	United States Treasury Note/Bond	0.7500	08/31/2026	US Governments	815,000.00	805,904.85	523.44	806,276.96	372.11	1.50	Govt	AA+	Govt
CALOPTIMA S1-5	91282CCW9	United States Treasury Note/Bond	0.7500	08/31/2026	US Governments	980,000.00	970,679.71	629.42	969,510.94	-1,168.77	1.80	Govt	AA+	Govt
CALOPTIMA S1-5	91282CCW9	United States Treasury Note/Bond	0.7500	08/31/2026	US Governments	1,350,000.00	1,348,540.96	867.06	1,335,550.79	-12,990.17	2.49	Govt	AA+	Govt
CALOPTIMA S1-5	916544ET2	Upper Santa Clara Valley Joint Powers Authority	0.8270	08/01/2024	Municipal Securities	345,000.00	345,000.00	475.53	347,082.45	2,082.45	0.65	NR	AA	AA-
CALOPTIMA S1-5	9174367M3	Utah Housing Corp	2.3400	01/01/2024	Municipal Securities	250,000.00	250,000.00	1,462.50	253,480.38	3,480.37	0.47	Aa2	NR	NR
CALOPTIMA S1-5	923078CU1	Ventura County Public Financing Authority	1.2230	11/01/2024	Municipal Securities	100,000.00	101,855.36	509.58	100,845.06	-1,010.30	0.19	Aa1	AA+	NR
CALOPTIMA S1-5	923078CU1	Ventura County Public Financing Authority	1.2230	11/01/2024	Municipal Securities	505,000.00	505,000.00	2,573.40	509,267.55	4,267.55	0.95	Aa1	AA+	NR
CALOPTIMA S1-5	92343VGG3	Verizon Communications Inc	1.4500	03/20/2026	Corporates	450,000.00	450,765.83	199.38	454,054.50	3,288.67	0.84	Baa1	BBB+	A-
CALOPTIMA S1-5	95000U2R3	Wells Fargo & Co	1.6540	06/02/2024	Corporates	750,000.00	764,240.59	4,100.54	764,659.16	418.57	1.43	A1	BBB+	A+
CALOPTIMA S1-5	98162VAF6	World Omni Auto Receivables Trust 2019-B	2.8600	06/16/2025	Asset Backed	1,030,000.00	1,061,420.51	1,309.24	1,059,085.66	-2,334.85	1.97	NR	AA	AA



# CALOPTIMA - RESERVE ACCOUNT TIER TWO

Portfolio 2484

## Portfolio Positions

as of September 30, 2021

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>Cash</b>							
	CASH OR STIF	USD	1,591,459.61	1,591,459.61	0.00	1.000	2.95%
<b>Total for Cash</b>			<b>1,591,459.61</b>	<b>1,591,459.61</b>	<b>0.00</b>		<b>2.95%</b>
<b>Money Markets</b>							
10,000,000.000	U.S. TREASURY BILL	912796K65	9,998,716.67	9,999,016.66	299.99	99.993	18.57%
	Mat: 1/6/22	Cpn: 0.00%	0.00	245.97			
	Moody's: Aaa	S&P: AA+u					
	Tr Date: 9/7/21	St Date: 9/8/21					
<b>Total for Money Markets</b>			<b>9,998,716.67</b>	<b>9,999,016.66</b>	<b>299.99</b>		<b>18.57%</b>
			<b>0.00</b>	<b>245.97</b>			
<b>Treasuries</b>							
4,460,000.000	U.S. TREASURY NOTE	91282CBU4	4,457,750.10	4,456,254.31	(1,495.79)	99.916	8.27%
	Mat: 3/31/23	Cpn: 0.13%	2,452.39	15.32			
	Moody's: Aaa	S&P: AA+u					
	Tr Date: 9/7/21	St Date: 9/8/21					
7,128,000.000	U.S. TREASURY NOTE	91282CDA6	7,119,090.00	7,122,570.46	3,480.46	99.924	13.22%
	Mat: 9/30/23	Cpn: 0.25%	0.00	48.96			
	Moody's: Aaa	S&P: AA+u					
	Tr Date: 9/28/21	St Date: 9/30/21					
8,023,000.000	U.S. TREASURY NOTE	91282CCX7	8,005,417.30	7,988,212.75	(17,204.55)	99.566	14.83%
	Mat: 9/15/24	Cpn: 0.38%	50.35	1,329.78			
	Moody's: Aaa	S&P: AA+u					
	Tr Date: 9/13/21	St Date: 9/15/21					
4,000,000.000	U.S. TREASURY NOTE	91282CAJ0	3,936,419.65	3,918,281.24	(18,138.41)	97.957	7.28%
	Mat: 8/31/25	Cpn: 0.25%	220.99	856.35			
	Moody's: Aaa	S&P: AA+u					
	Tr Date: 9/7/21	St Date: 9/8/21					
5,000,000.000	U.S. TREASURY NOTE	91282CCP4	4,955,631.35	4,918,359.40	(37,271.95)	98.367	9.14%
	Mat: 7/31/26	Cpn: 0.63%	3,357.67	5,264.95			
	Moody's: Aaa	S&P: AA+u					
	Tr Date: 9/7/21	St Date: 9/8/21					
540,000.000	U.S. TREASURY NOTE	91282CCW9	535,443.75	534,030.47	(1,413.28)	98.895	0.99%
	Mat: 8/31/26	Cpn: 0.75%	268.51	346.82			
	Moody's: Aaa	S&P: AA+u					
	Tr Date: 9/23/21	St Date: 9/24/21					
<b>Total for Treasuries</b>			<b>29,009,752.15</b>	<b>28,937,708.63</b>	<b>(72,043.52)</b>		<b>53.74%</b>
			<b>6,349.92</b>	<b>7,862.17</b>			



# CALOPTIMA - RESERVE ACCOUNT TIER TWO

Portfolio 2484

## Portfolio Positions

as of September 30, 2021

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>Taxable Muni</b>							
540,000.000	CA CITY OF CORONA POBS TXB Mat: 5/1/25 Cpn: 1.13% Moody's: S&P: AA+ Fitch: Tr Date: 9/30/21 St Date: 10/14/21	21969AAD4	540,000.00 0.00	540,000.00 0.00	0.00	100.000	1.00%
540,000.000	CA RIVERSIDE CNTY IFA LEASE REV TXB Mat: 11/1/25 Cpn: 1.22% Moody's: S&P: AA- Fitch: Tr Date: 9/29/21 St Date: 10/19/21	76913DFW2	540,000.00 0.00	540,718.18 0.00	718.18	100.133	1.00%
<b>Total for Taxable Muni</b>			<b>1,080,000.00 0.00</b>	<b>1,080,718.18 0.00</b>	<b>718.18</b>		<b>2.01%</b>
<b>Credit</b>							
270,000.000	TRUIST BANK FRN SOFRRATE Mat: 1/17/24 Cpn: 0.25% Moody's: A2 S&P: A Fitch: A+ Tr Date: 9/8/21 St Date: 9/13/21	89788JAD1	270,000.00 0.00	270,262.10 33.75	262.10	100.097	0.50%
300,000.000	SIMON PROPERTY GROUP Mat: 2/1/24 Cpn: 3.75% Moody's: A3 S&P: A- Fitch: WD Tr Date: 9/9/21 St Date: 9/13/21	828807CR6	320,631.00 1,312.50	319,605.00 1,875.00	(1,026.00)	106.535	0.60%
500,000.000	COMERICA Mat: 7/23/24 Cpn: 2.50% Moody's: A3 S&P: A- Fitch: A- Tr Date: 9/9/21 St Date: 9/13/21	20034DJA8	526,190.00 1,736.11	524,370.00 2,361.11	(1,820.00)	104.874	0.98%
60,000.000	JOHN DEERE CAPITAL CORP Mat: 9/10/24 Cpn: 0.63% Moody's: A2 S&P: A Fitch: A Tr Date: 9/7/21 St Date: 9/10/21	24422EVU0	59,961.00 0.00	60,032.40 21.88	71.40	100.054	0.11%
190,000.000	CATERPILLAR Mat: 9/13/24 Cpn: 0.60% Moody's: A2 S&P: A Fitch: A Tr Date: 9/7/21 St Date: 9/14/21	14913R2P1	189,741.60 0.00	189,969.60 53.83	228.00	99.984	0.35%
275,000.000	TOYOTA MOTOR CREDIT Mat: 9/13/24 Cpn: 0.63% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/8/21 St Date: 9/13/21	89236TJN6	274,870.75 0.00	274,414.25 85.94	(456.50)	99.787	0.51%
55,000.000	ANALOG DEVICES FRN SOFRRATE Mat: 10/1/24 Cpn: 0.00% Moody's: A3 S&P: A- Fitch: Tr Date: 9/28/21 St Date: 10/5/21	032654AT2	55,000.00 0.00	55,084.30 0.00	84.30	100.153	0.10%



**CALOPTIMA - RESERVE ACCOUNT TIER TWO**

Portfolio 2484

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
150,000.000	ENTERGY LOUISIANA Mat: 10/1/24 Cpn: 0.95% Moody's: A2 S&P: A Fitch: Tr Date: 9/28/21 St Date: 10/1/21	29364WBK3	149,775.00 0.00	150,070.50 0.00	295.50	100.047	0.28%
300,000.000	PACCAR FINANCIAL Mat: 2/6/25 Cpn: 1.80% Moody's: A1 S&P: A+ Fitch: Tr Date: 9/9/21 St Date: 9/13/21	69371RQ66	310,812.00 555.00	308,775.00 825.00	(2,037.00)	102.925	0.57%
300,000.000	AMGEN Mat: 2/21/25 Cpn: 1.90% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 9/9/21 St Date: 9/13/21	031162CV0	310,107.00 348.33	308,562.00 633.33	(1,545.00)	102.854	0.57%
300,000.000	AMERIPRISE FINANCIAL Mat: 4/2/25 Cpn: 3.00% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/21 St Date: 9/13/21	03076CAK2	320,358.00 4,025.00	318,762.00 4,475.00	(1,596.00)	106.254	0.60%
500,000.000	CITIGROUP Mat: 5/1/25 Cpn: 0.98% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 9/9/21 St Date: 9/13/21	172967MX6	502,235.00 1,757.63	502,025.00 2,002.88	(210.00)	100.405	0.94%
300,000.000	APPLE Mat: 5/11/25 Cpn: 1.13% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 9/9/21 St Date: 9/13/21	037833DT4	303,666.00 1,143.75	302,037.00 1,312.50	(1,629.00)	100.679	0.56%
500,000.000	PRINCIPAL FINANCIAL Mat: 5/15/25 Cpn: 3.40% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 9/15/21 St Date: 9/17/21	74251VAK8	540,285.00 5,761.11	537,235.00 6,422.22	(3,050.00)	107.447	1.01%
500,000.000	WELLS FARGO Mat: 5/19/25 Cpn: 0.81% Moody's: A1 S&P: BBB+ Fitch: A+ Tr Date: 9/9/21 St Date: 9/13/21	95000U2T9	501,780.00 1,274.58	501,265.00 1,475.83	(515.00)	100.253	0.93%
500,000.000	JPMORGAN CHASE Mat: 6/1/25 Cpn: 0.82% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/9/21 St Date: 9/13/21	46647PCH7	500,830.00 1,167.33	499,840.00 1,373.33	(990.00)	99.968	0.93%
500,000.000	BANK OF AMERICA Mat: 9/25/25 Cpn: 0.98% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/9/21 St Date: 9/13/21	06051GJG5	501,760.00 2,289.00	500,860.00 81.75	(900.00)	100.172	0.93%



**CALOPTIMA - RESERVE ACCOUNT TIER TWO**

Portfolio 2484

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
500,000.000	MORGAN STANLEY Mat: 10/21/25 Cpn: 0.86% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 9/9/21 St Date: 9/13/21	6174468R3	500,795.00 1,704.00	499,270.00 1,920.00	(1,525.00)	99.854	0.93%
300,000.000	WASTE MANAGEMENT Mat: 11/15/25 Cpn: 0.75% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 9/9/21 St Date: 9/13/21	94106LBL2	297,648.00 737.50	295,503.00 850.00	(2,145.00)	98.501	0.55%
270,000.000	INTERCONTINENTALEXCHANGE GROUP Mat: 12/1/25 Cpn: 3.75% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 9/15/21 St Date: 9/17/21	45866FAD6	298,625.40 2,981.25	296,711.10 3,375.00	(1,914.30)	109.893	0.56%
500,000.000	GOLDMAN SACHS Mat: 2/12/26 Cpn: 0.86% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 9/9/21 St Date: 9/13/21	38141GXS8	497,440.00 368.13	495,445.00 581.88	(1,995.00)	99.089	0.92%
270,000.000	BANK OF AMERICA Mat: 2/13/26 Cpn: 2.02% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/15/21 St Date: 9/17/21	06051GHY8	278,051.40 513.83	276,798.60 725.40	(1,252.80)	102.518	0.52%
270,000.000	STATE STREET Mat: 3/30/26 Cpn: 2.90% Moody's: A1 S&P: A Fitch: AA- Tr Date: 9/15/21 St Date: 9/17/21	857477BM4	287,779.50 3,633.50	286,707.60 21.76	(1,071.90)	106.188	0.53%
270,000.000	JPMORGAN CHASE Mat: 4/22/26 Cpn: 2.08% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/15/21 St Date: 9/17/21	46647PBK1	279,034.20 2,265.26	277,692.30 2,483.98	(1,341.90)	102.849	0.52%
270,000.000	MORGAN STANLEY Mat: 4/28/26 Cpn: 2.19% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 9/15/21 St Date: 9/17/21	6174468Q5	280,154.70 2,280.99	278,950.50 2,510.73	(1,204.20)	103.315	0.52%
270,000.000	WELLS FARGO Mat: 4/30/26 Cpn: 2.19% Moody's: A1 S&P: BBB+ Fitch: A+ Tr Date: 9/15/21 St Date: 9/17/21	95000U2N2	280,511.10 2,248.17	278,864.10 2,477.91	(1,647.00)	103.283	0.52%
270,000.000	CITIGROUP Mat: 5/1/26 Cpn: 3.40% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 9/15/21 St Date: 9/17/21	172967KN0	296,295.30 3,468.00	293,916.60 3,825.00	(2,378.70)	108.858	0.55%



**CALOPTIMA - RESERVE ACCOUNT TIER TWO**

Portfolio 2484

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
270,000.000	TOYOTA MOTOR CREDIT Mat: 6/18/26 Cpn: 1.13% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/8/21 St Date: 9/13/21	89236TJK2	269,400.60 717.19	268,466.40 869.06	(934.20)	99.432	0.50%
300,000.000	AMERICAN HONDA FINANCE Mat: 9/9/26 Cpn: 1.30% Moody's: A3 S&P: A- Fitch: Tr Date: 9/7/21 St Date: 9/9/21	02665WDZ1	299,769.00 0.00	299,589.00 238.33	(180.00)	99.863	0.56%
300,000.000	CATERPILLAR Mat: 9/14/26 Cpn: 1.15% Moody's: A2 S&P: A Fitch: A Tr Date: 9/7/21 St Date: 9/14/21	14913R2Q9	299,478.00 0.00	299,406.00 162.92	(72.00)	99.802	0.56%
290,000.000	TEXAS INSTRUMENTS Mat: 9/15/26 Cpn: 1.13% Moody's: Aa3 S&P: A+ Fitch: Tr Date: 9/7/21 St Date: 9/15/21	882508BK9	290,000.00 0.00	289,759.30 145.00	(240.70)	99.917	0.54%
540,000.000	WAL-MART STORES Mat: 9/17/26 Cpn: 1.05% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 9/8/21 St Date: 9/17/21	931142ER0	538,979.40 0.00	539,362.80 220.50	383.40	99.882	1.00%
<b>Total for Credit</b>			<b>10,631,963.95 42,288.16</b>	<b>10,599,611.45 43,440.82</b>	<b>(32,352.50)</b>		<b>19.76%</b>
<b>Asset-Backed</b>							
550,000.000	FORDL 2021-B A3 LEASE Mat: 10/15/24 Cpn: 0.37% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/21/21 St Date: 9/24/21	345329AC0	549,903.42 0.00	549,903.42 39.57	0.00	99.982	1.02%
550,000.000	CARMX 2021-4 A2A CAR Mat: 11/15/24 Cpn: 0.24% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/14/21 St Date: 9/22/21	14317JAB3	549,994.56 0.00	549,950.50 33.00	(44.06)	99.991	1.02%
500,000.000	BMW 2021-2 A3 LEASE Mat: 12/26/24 Cpn: 0.33% Moody's: Aaa S&P: Fitch: AAA Tr Date: 9/8/21 St Date: 9/15/21	09690AAC7	499,948.40 0.00	499,644.00 73.33	(304.40)	99.929	0.93%
<b>Total for Asset-Backed</b>			<b>1,599,846.38 0.00</b>	<b>1,599,497.92 145.90</b>	<b>(348.46)</b>		<b>2.97%</b>
<b>Grand Total</b>			<b>53,911,738.76 48,638.08</b>	<b>53,808,012.45 51,694.86</b>	<b>(103,726.31)</b>		<b>100.00%</b>



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

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>Cash</b>							
	CASH OR STIF	USD	(2,463,588.39)	(2,463,588.39)	0.00	1.000	(0.34)%
<b>Total for Cash</b>			<b>(2,463,588.39)</b>	<b>(2,463,588.39)</b>	<b>0.00</b>		<b>(0.34)%</b>
<b>Money Markets</b>							
10,000,000.000	FHLB DISCOUNT NOTE	313385MQ6	9,998,240.28	9,998,281.95	41.67	100.000	1.38%
	Mat: 10/6/21 Cpn: 0.00%		0.00	1,711.11			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 4/7/21 St Date: 4/8/21						
45,000,000.000	U.S. TREASURY BILL	9127964V8	44,999,825.00	44,999,786.15	(38.85)	100.000	6.23%
	Mat: 10/7/21 Cpn: 0.00%		0.00	43.75			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/28/21 St Date: 9/29/21						
45,000,000.000	U.S. TREASURY BILL	912796M30	44,999,696.13	44,999,707.68	11.55	99.999	6.23%
	Mat: 10/12/21 Cpn: 0.00%		0.00	46.75			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/28/21 St Date: 9/29/21						
2,500,000.000	FFCB DISCOUNT NOTE	313313MY1	2,498,111.11	2,498,198.61	87.50	100.000	0.35%
	Mat: 10/14/21 Cpn: 0.00%		0.00	1,798.61			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/15/21 St Date: 1/15/21						
2,500,000.000	FFCB DISCOUNT NOTE	313313NP9	2,497,944.45	2,498,106.91	162.46	99.998	0.35%
	Mat: 10/29/21 Cpn: 0.00%		0.00	1,861.11			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/6/21 St Date: 1/6/21						
1,000,000.000	MIZUHO BANK YCD	60710AXN7	1,000,065.37	1,000,132.05	66.68	100.013	0.14%
	Mat: 11/3/21 Cpn: 0.24%		240.00	1,600.00			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 3/10/21 St Date: 3/11/21						
2,500,000.000	FFCB DISCOUNT NOTE	313313PJ1	2,497,826.39	2,498,059.06	232.67	99.996	0.35%
	Mat: 11/17/21 Cpn: 0.00%		0.00	1,847.22			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/8/21 St Date: 1/8/21						
2,000,000.000	MIZUHO BANK YCD	60710AYK2	2,000,338.64	2,000,346.24	7.60	100.017	0.28%
	Mat: 11/17/21 Cpn: 0.23%		856.11	2,862.22			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 4/26/21 St Date: 4/27/21						



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,100,000.000	MIZUHO BANK YCD Mat: 11/29/21 Cpn: 0.12% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/19/21 St Date: 7/20/21	60710RTS4	2,099,853.00 154.00	2,100,069.87 665.00	216.87	100.003	0.29%
6,200,000.000	BANCO SANTANDER YCD Mat: 12/3/21 Cpn: 0.18% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/8/21 St Date: 7/9/21	05966DB84	6,200,744.01 1,147.00	6,200,866.26 3,751.00	122.25	100.014	0.86%
2,210,000.000	CANADIAN IMPERIAL BANK FRN YCD Mat: 12/3/21 Cpn: 0.14% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 7/7/21 St Date: 7/9/21	13606CPS7	2,210,223.37 328.19	2,210,147.45 238.72	(75.92)	100.007	0.31%
2,000,000.000	NATIXIS NY YCD FRN Mat: 12/9/21 Cpn: 0.25% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 5/6/21 St Date: 5/7/21	63873QLW2	2,001,694.00 1,033.75	2,000,554.64 300.67	(1,139.36)	100.028	0.28%
4,000,000.000	ROYAL BANK OF CANADA YCD FRN Mat: 12/15/21 Cpn: 0.23% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 4/19/21 St Date: 4/20/21	78012UZG3	4,002,876.00 1,175.52	4,001,018.68 401.78	(1,857.32)	100.026	0.55%
1,800,000.000	JPMORGAN SECURITIES CP Mat: 12/17/21 Cpn: 0.00% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 6/21/21 St Date: 6/21/21	46640PZH9	1,798,836.50 0.00	1,798,930.10 663.00	93.60	99.977	0.25%
2,000,000.000	FFCB DISCOUNT NOTE Mat: 12/22/21 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/1/21 St Date: 2/1/21	313313QV3	1,998,560.00 0.00	1,998,800.70 1,075.56	240.70	99.994	0.28%
2,000,000.000	SVENSKA HANDELSBANKEN YCD FRN Mat: 1/6/22 Cpn: 0.40% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 1/27/21 St Date: 1/28/21	86959RET3	2,005,160.00 607.75	2,001,451.52 1,923.09	(3,708.48)	100.073	0.28%
4,140,000.000	BANK OF NOVA SCOTIA YCD Mat: 1/7/22 Cpn: 0.20% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 4/14/21 St Date: 4/15/21	06417MNR2	4,139,999.96 23.00	4,140,988.96 3,910.00	989.00	100.024	0.57%
6,000,000.000	U.S. TREASURY BILL Mat: 1/13/22 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/30/21 St Date: 8/31/21	912796K73	5,999,190.00 0.00	5,999,303.22 186.00	113.22	99.991	0.83%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,000,000.000	CANADIAN IMPERIAL BANK FRN YCD Mat: 1/14/22 Cpn: 0.14% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 4/14/21 St Date: 4/14/21	13606CRX4	3,000,000.00 0.00	3,000,074.25 940.63	74.25	100.003	0.42%
10,000,000.000	CASH MGMT BILL Mat: 1/18/22 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/17/21 St Date: 9/21/21	912796Q77	9,998,760.42 0.00	9,998,828.86 104.17	68.44	99.989	1.38%
2,000,000.000	SUMITOMO MITSUI BANK FRN YCD Mat: 1/20/22 Cpn: 0.17% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 4/26/21 St Date: 4/27/21	86565CG60	2,000,280.00 266.39	2,000,500.18 706.68	220.18	100.025	0.28%
2,525,000.000	BAYERISCHE LANDESBANK FRN YCD Mat: 1/28/22 Cpn: 0.60% Moody's: P-1 S&P: NR Fitch: F1 Tr Date: 4/21/21 St Date: 4/22/21	0727MAY21	2,532,704.02 4,056.41	2,526,833.35 2,742.85	(5,870.67)	100.073	0.35%
2,000,000.000	MUFG BANK LTD YCD Mat: 1/31/22 Cpn: 0.25% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 5/19/21 St Date: 5/20/21	55380TRA0	2,000,709.13 680.56	2,000,880.08 2,541.67	170.95	100.044	0.28%
4,000,000.000	BANK OF MONTREAL CHICAGO FRN YCD Mat: 2/1/22 Cpn: 0.14% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 2/4/21 St Date: 2/5/21	06367CA80	4,000,195.84 222.88	4,000,048.80 905.00	(147.04)	100.001	0.55%
2,200,000.000	MITSUBISHI UFJ TRUST & BANK YCD Mat: 2/1/22 Cpn: 0.16% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/20/21 St Date: 7/21/21	60683BY80	2,200,000.00 0.00	2,200,292.60 704.00	292.60	100.013	0.30%
1,000,000.000	SKANDINAV ENSKILDA BK YCD Mat: 2/1/22 Cpn: 0.21% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 4/13/21 St Date: 4/14/21	83050PTQ2	999,999.94 35.00	1,000,304.86 1,026.67	304.92	100.031	0.14%
2,000,000.000	BAYERISCHE LANDESBANK FRN YCD Mat: 2/3/22 Cpn: 0.59% Moody's: P-1 S&P: NR Fitch: F1 Tr Date: 2/3/21 St Date: 2/4/21	0727MAZ20	2,008,678.00 36.97	2,001,849.56 1,926.51	(6,828.44)	100.093	0.28%
2,000,000.000	COOPERATIEVE RABOBANK YCD Mat: 2/4/22 Cpn: 0.20% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 4/29/21 St Date: 4/30/21	21684XQD1	1,999,999.95 33.33	2,000,547.02 1,744.44	547.07	100.027	0.28%





**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,000,000.000	WESTPAC BANK FRN YCD Mat: 2/4/22 Cpn: 0.12% Moody's: P-1 S&P: A-1+ Fitch: F1 Tr Date: 2/3/21 St Date: 2/4/21	96130AHN1	2,000,000.00 0.00	1,999,804.04 398.75	(195.96)	99.990	0.28%
2,000,000.000	NATIXIS NY YCD FRN Mat: 2/11/22 Cpn: 0.17% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 2/11/21 St Date: 2/12/21	63873QNF7	2,000,000.00 13.47	2,000,012.04 473.88	12.04	100.001	0.28%
3,200,000.000	CREDIT SUISSE NY YCD Mat: 2/15/22 Cpn: 0.24% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/14/21 St Date: 7/16/21	22552G2M1	3,201,136.00 3,050.67	3,201,395.46 4,693.33	259.46	100.044	0.44%
2,000,000.000	SKANDINAV ENSKILDA BK YCD Mat: 2/18/22 Cpn: 0.20% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 5/17/21 St Date: 5/18/21	83050PSB6	2,000,151.68 988.89	2,000,570.30 2,500.00	418.62	100.029	0.28%
32,000,000.000	U.S. TREASURY BILL Mat: 2/24/22 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/23/21 St Date: 8/26/21	912796D30	31,992,086.64 0.00	31,993,030.71 1,565.28	944.07	99.983	4.43%
4,700,000.000	NORDEA BANK NY YCD FRN Mat: 2/28/22 Cpn: 0.26% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 4/14/21 St Date: 4/15/21	65558TK20	4,704,483.80 1,941.10	4,700,708.34 1,065.33	(3,775.46)	100.015	0.65%
2,220,000.000	SUMITOMO MITSUI BANK YCD Mat: 3/3/22 Cpn: 0.15% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/3/21 St Date: 9/7/21	86565C5M7	2,220,000.00 0.00	2,220,177.07 222.00	177.07	100.008	0.31%
2,000,000.000	SWEDBANK NY YCD 3ML FRN Mat: 3/3/22 Cpn: 0.14% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 7/7/21 St Date: 7/9/21	87019VT56	2,000,237.26 307.00	1,999,096.22 223.81	(1,141.04)	99.955	0.28%
1,000,000.000	MIZUHO BANK YCD Mat: 3/4/22 Cpn: 0.16% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 8/12/21 St Date: 8/13/21	60710RC29	999,999.98 17.78	1,000,121.77 235.56	121.79	100.012	0.14%
5,000,000.000	SUMITOMO MITSUI TR NY YCD FRN SOFRRATE Mat: 3/25/22 Cpn: 0.15% Moody's: S&P: Fitch: Tr Date: 9/21/21 St Date: 9/23/21	86564GW64	5,000,000.00 0.00	4,999,601.15 166.67	(398.85)	99.992	0.69%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,000,000.000	SUMITOMO MITSUI BANK YCD Mat: 4/26/22 Cpn: 0.18% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/26/21 St Date: 7/27/21	86565C4B2	2,000,000.00 0.00	2,000,353.54 660.00	353.54	100.018	0.28%
4,000,000.000	TORONTO-DOMINION NY YCD Mat: 4/28/22 Cpn: 0.24% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 4/29/21 St Date: 4/30/21	89114W7M1	3,999,999.87 53.33	4,002,094.52 4,160.00	2,094.65	100.052	0.55%
3,200,000.000	SKANDINAV ENSKILDA BK YCD Mat: 5/10/22 Cpn: 0.23% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 8/24/21 St Date: 8/25/21	83050PUW7	3,201,142.37 2,187.56	3,201,495.52 2,944.00	353.15	100.047	0.44%
1,200,000.000	NORDEA BANK ABP NY YCD Mat: 5/11/22 Cpn: 0.21% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 8/26/21 St Date: 8/27/21	65558UBA9	1,200,341.33 763.00	1,200,412.45 1,008.00	71.12	100.034	0.17%
2,500,000.000	BAYERISCHE LANDESBANK YCD Mat: 5/12/22 Cpn: 0.21% Moody's: P-1 S&P: Fitch: F1 Tr Date: 9/28/21 St Date: 9/29/21	0727MCNR4	2,500,623.61 685.42	2,500,861.83 714.58	238.22	100.035	0.35%
2,000,000.000	CREDIT INDUST ET COMM YCD FRN SOFRRATE Mat: 5/16/22 Cpn: 0.17% Moody's: S&P: Fitch: Tr Date: 9/9/21 St Date: 9/10/21	22536UY61	1,999,999.99 236.11	1,999,814.26 141.67	(185.73)	99.991	0.28%
2,000,000.000	CREDIT AGRICOLE YCD FRN SOFRRATE Mat: 5/18/22 Cpn: 0.17% Moody's: S&P: Fitch: Tr Date: 9/20/21 St Date: 9/21/21	22532XQR2	2,000,133.29 9.44	2,000,243.58 103.89	110.29	100.012	0.28%
2,000,000.000	SVENSKA HANDELSBANKEN YCD Mat: 5/24/22 Cpn: 0.20% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 5/24/21 St Date: 5/25/21	86959RQS2	2,000,000.00 11.11	2,000,539.82 1,444.44	539.82	100.027	0.28%
4,000,000.000	BNP PARIBAS YCD Mat: 6/10/22 Cpn: 0.17% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 6/10/21 St Date: 6/11/21	05586FMQ7	4,000,000.00 0.00	4,000,156.76 2,115.56	156.76	100.004	0.55%
20,000,000.000	U.S. TREASURY BILL Mat: 6/16/22 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/17/21 St Date: 6/18/21	912796J42	19,985,681.67 0.00	19,987,886.05 4,141.66	2,204.38	99.960	2.77%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
4,200,000.000	SWEDBANK NY YCD Mat: 7/1/22 Cpn: 0.20% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 7/21/21 St Date: 7/23/21	87019V2B2	4,199,999.02 513.33	4,200,912.49 2,146.67	913.47	100.022	0.58%
4,210,000.000	CREDIT AGRICOLE YCD FRN Mat: 7/12/22 Cpn: 0.20% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/9/21 St Date: 7/12/21	22532XQJ0	4,210,000.00 0.00	4,211,016.93 421.00	1,016.93	100.024	0.58%
2,100,000.000	LLOYDS BANK CORP MKTS YCD Mat: 7/12/22 Cpn: 0.23% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 7/12/21 St Date: 7/14/21	53947CL55	2,100,000.00 0.00	2,100,911.65 1,059.92	911.65	100.043	0.29%
2,100,000.000	BANK OF NOVA SCOTIA YCD Mat: 7/21/22 Cpn: 0.20% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 7/22/21 St Date: 7/26/21	06417MQW8	2,099,999.88 58.33	2,100,375.54 840.00	375.66	100.018	0.29%
2,000,000.000	MUFG BANK LTD YCD Mat: 7/21/22 Cpn: 0.23% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 8/20/21 St Date: 8/23/21	55380TUH1	1,999,999.11 421.67	2,000,846.78 920.00	847.67	100.042	0.28%
2,300,000.000	BANK OF MONTREAL CHICAGO YCD Mat: 7/26/22 Cpn: 0.20% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 7/22/21 St Date: 7/26/21	06367CJH1	2,300,000.00 0.00	2,300,386.52 856.11	386.52	100.017	0.32%
2,000,000.000	CANADIAN IMPERIAL BANK YCD Mat: 8/9/22 Cpn: 0.19% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 8/6/21 St Date: 8/9/21	13606CVD3	2,000,000.00 0.00	2,000,097.54 559.44	97.54	100.005	0.28%
2,000,000.000	SVENSKA HANDELSBANKEN YCD Mat: 8/23/22 Cpn: 0.20% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 8/24/21 St Date: 8/26/21	86959RSN1	1,999,999.93 33.33	2,000,198.76 433.33	198.83	100.010	0.28%
2,210,000.000	TORONTO-DOMINION NY YCD Mat: 8/30/22 Cpn: 0.19% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 8/27/21 St Date: 8/30/21	89114WF83	2,210,000.00 0.00	2,209,972.13 373.24	(27.87)	99.999	0.31%
4,000,000.000	LLOYDS BANK CORP MKTS YCD Mat: 9/14/22 Cpn: 0.22% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/14/21 St Date: 9/15/21	53947CN87	4,000,000.00 0.00	4,000,915.40 391.11	915.40	100.023	0.55%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,000,000.000	BARCLAYS YCD Mat: 9/23/22 Cpn: 0.23% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/22/21 St Date: 9/24/21	06742TA63	2,000,000.00 0.00	2,000,608.62 89.44	608.62	100.030	0.28%
<b>Total for Money Markets</b>			<b>301,816,526.94 22,188.40</b>	<b>301,809,527.38 75,296.87</b>	<b>(6,999.56)</b>		<b>41.79%</b>
<b>Treasuries</b>							
30,000,000.000	U.S. TREASURY NOTE Mat: 1/31/23 Cpn: 0.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/25/21 St Date: 8/27/21	91282CBG5	29,988,281.25 2,751.36	29,990,039.10 6,317.93	1,757.85	99.967	4.15%
30,000,000.000	U.S. TREASURY NOTE Mat: 3/31/23 Cpn: 0.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/23/21 St Date: 9/27/21	91282CBU4	29,974,218.75 18,442.62	29,974,804.80 103.02	586.05	99.916	4.15%
<b>Total for Treasuries</b>			<b>59,962,500.00 21,193.98</b>	<b>59,964,843.90 6,420.96</b>	<b>2,343.90</b>		<b>8.30%</b>
<b>Government Related</b>							
7,100,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 4/14/22 Cpn: 1.75% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/19/21 St Date: 4/21/21	4581X0CN6	7,211,920.00 1,565.28	7,161,150.95 57,638.19	(50,769.05)	100.861	1.00%
5,000,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 9/14/22 Cpn: 1.75% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/8/21 St Date: 4/12/21	4581X0CZ9	5,112,300.00 0.00	5,076,308.00 4,131.94	(35,992.00)	101.526	0.70%
7,500,000.000	INTL BANK RECON & DEVELOP FRN SOFRRATE Mat: 1/13/23 Cpn: 0.15% Moody's: Aaa S&P: AAA Fitch: Tr Date: 5/17/21 St Date: 5/19/21	459058JQ7	7,505,025.00 0.00	7,505,468.93 2,473.33	443.93	100.073	1.04%
1,520,000.000	INTL BANK RECON & DEVELOP Mat: 4/20/23 Cpn: 0.13% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/13/21 St Date: 4/20/21	459058JV6	1,516,853.60 0.00	1,517,539.29 849.72	685.69	99.838	0.21%
6,000,000.000	INTL FINANCE CORP FRN SOFRRATE Mat: 6/30/23 Cpn: 0.14% Moody's: Aaa S&P: AAA Fitch: Tr Date: 6/22/21 St Date: 6/30/21	45950KCW8	6,000,000.00 0.00	5,999,761.74 23.33	(238.26)	99.996	0.83%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

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 Government Related</b>			<b>27,346,098.60 1,565.28</b>	<b>27,260,228.90 65,116.53</b>	<b>(85,869.70)</b>		<b>3.78%</b>
<b>Agencies</b>							
10,000,000.000	FFCB FRN Mat: 10/20/21 Cpn: 0.10% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/28/20 St Date: 7/29/20	3133ELW42	10,000,240.90 491.88	10,000,528.60 297.55	287.70	100.005	1.38%
3,000,000.000	FFCB 1ML+13 FRN Mat: 11/5/21 Cpn: 0.21% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/4/20 St Date: 5/8/20	3133EK5T9	3,006,024.00 108.35	3,000,340.47 461.24	(5,683.53)	100.011	0.42%
2,500,000.000	FFCB Mat: 11/18/22 Cpn: 0.09% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/17/21 St Date: 5/18/21	3133EMZZ8	2,498,712.50 0.00	2,496,791.85 831.25	(1,920.65)	99.872	0.35%
2,500,000.000	FFCB FRN SOFRRATE Mat: 2/17/23 Cpn: 0.10% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 2/11/21 St Date: 2/17/21	3133EMRL8	2,500,000.00 0.00	2,500,004.50 312.50	4.50	100.000	0.35%
<b>Total for Agencies</b>			<b>18,004,977.40 600.23</b>	<b>17,997,665.42 1,902.54</b>	<b>(7,311.98)</b>		<b>2.49%</b>
<b>Tax-Exempt</b>							
500,000.000	CT STATE GO/ULT Mat: 1/15/22 Cpn: 3.00% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 12/16/20 St Date: 1/6/21	20772KLH0	514,170.00 0.00	503,974.31 3,166.67	(10,195.70)	100.795	0.07%
750,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/22 Cpn: 0.16% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 2/24/21 St Date: 3/10/21	91412HJH7	750,000.00 0.00	749,590.76 682.56	(409.24)	99.945	0.10%
<b>Total for Tax-Exempt</b>			<b>1,264,170.00 0.00</b>	<b>1,253,565.07 3,849.23</b>	<b>(10,604.93)</b>		<b>0.17%</b>
<b>Taxable Muni</b>							
1,000,000.000	CA ANAHEIM HSG & PUB IMPT AUTH TXB Mat: 10/1/21 Cpn: 1.65% Moody's: S&P: AA- Fitch: AA- Tr Date: 2/7/20 St Date: 3/4/20	032556GM8	1,000,000.00 0.00	1,000,040.51 8,235.00	40.51	100.004	0.14%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,000,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/21 Cpn: 0.27% Moody's: S&P: AA- Fitch: Tr Date: 2/25/21 St Date: 3/4/21	5445872P2	1,000,000.00 0.00	1,000,107.50 1,546.75	107.50	100.011	0.14%
1,145,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/21 Cpn: 0.42% Moody's: S&P: AA- Fitch: Tr Date: 8/14/20 St Date: 8/20/20	544587X94	1,145,000.00 0.00	1,145,249.05 1,979.90	249.05	100.022	0.16%
1,020,000.000	MI STATE GO/ULT TXB Mat: 11/1/21 Cpn: 1.78% Moody's: Aa1 S&P: AA Fitch: AA Tr Date: 9/28/20 St Date: 9/30/20	594612CX9	1,037,013.60 7,510.35	1,021,272.51 7,560.75	(15,741.09)	100.125	0.14%
500,000.000	CA SAN FRAN PUB UTIL WATER-GREEN TXB Mat: 11/1/21 Cpn: 1.86% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 12/13/19 St Date: 1/9/20	79765R4L0	500,000.00 0.00	500,658.76 3,883.33	658.76	100.132	0.07%
6,000,000.000	CA STATE GO/ULT CP TXB Mat: 11/10/21 Cpn: 0.18% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 8/12/21 St Date: 8/12/21	13068BGY7	6,000,000.00 0.00	5,999,694.00 1,479.45	(306.00)	99.995	0.83%
965,000.000	CA DEPT OF WATER RESOURCES TXB Mat: 12/1/21 Cpn: 0.30% Moody's: Aa1 S&P: AAA Fitch: Tr Date: 7/30/20 St Date: 8/6/20	13067WQY1	965,001.62 0.93	965,380.19 961.78	378.57	100.039	0.13%
2,500,000.000	CA ST CMNTY CLG FIN AUTH TRANS TXB Mat: 12/30/21 Cpn: 0.25% Moody's: S&P: SP-1+ Fitch: Tr Date: 4/9/21 St Date: 4/20/21	13011CAY9	2,500,000.00 0.00	2,500,799.75 2,795.14	799.75	100.032	0.35%
1,500,000.000	CA ST EDU NTS PRGRM PARTICIPATIONS TXB Mat: 12/30/21 Cpn: 0.25% Moody's: S&P: SP-1+ Fitch: Tr Date: 3/11/21 St Date: 3/26/21	13017YAX7	1,500,000.00 0.00	1,500,554.81 1,927.08	554.81	100.037	0.21%
1,000,000.000	CA SCH FIN AUTH-ST AID INTERCEPT TXB Mat: 12/30/21 Cpn: 0.22% Moody's: S&P: SP-1+ Fitch: F1+ Tr Date: 3/11/21 St Date: 3/24/21	13059QAF2	1,000,000.00 0.00	1,000,119.86 1,142.78	119.86	100.012	0.14%
7,000,000.000	CA SAN JOSE FIN AUTH LEASE CP TXB Mat: 1/12/22 Cpn: 0.10% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/23/21 St Date: 9/23/21	79815WCT3	6,999,648.00 54.79	6,999,370.00 153.42	(278.00)	99.991	0.97%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,000,000.000	CA ST SCH CASH RES PROGRAM AUTH TRANS T Mat: 1/31/22 Cpn: 0.25% Moody's: S&P: SP-1+ Fitch: Tr Date: 3/17/21 St Date: 3/29/21	130583JL2	3,000,000.00 0.00	3,001,372.14 3,791.67	1,372.14	100.046	0.42%
4,750,000.000	CA SAN DIEGO CNTY TRANS TXB Mat: 1/31/22 Cpn: 0.25% Moody's: S&P: SP-1+ Fitch: Tr Date: 3/19/21 St Date: 3/29/21	797381BW9	4,750,000.00 0.00	4,752,552.70 6,003.47	2,552.70	100.054	0.66%
1,000,000.000	CA STWD CMTY DEV AUTH REV-CAISO-TXB Mat: 2/1/22 Cpn: 0.25% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/15/21 St Date: 1/26/21	13080SZH0	1,000,000.00 0.00	1,000,327.91 408.33	327.91	100.033	0.14%
1,000,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/22 Cpn: 2.13% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/12/21 St Date: 4/14/21	072024WW8	1,017,190.00 768.44	1,009,935.00 10,640.00	(7,255.00)	100.994	0.14%
500,000.000	CA SAN DIEGO CONVENTION CTR REV TXB Mat: 4/15/22 Cpn: 1.14% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/24/20 St Date: 7/8/20	79727LBP3	500,000.00 0.00	501,878.97 2,628.33	1,878.97	100.376	0.07%
1,250,000.000	CA CITY OF CORONA POBS TXB Mat: 5/1/22 Cpn: 0.25% Moody's: S&P: AA+ Fitch: Tr Date: 9/30/21 St Date: 10/14/21	21969AAA0	1,250,000.00 0.00	1,250,000.00 0.00	0.00	100.000	0.17%
750,000.000	CA UNIVERSITY OF CALIFORNIA TXB Mat: 5/15/22 Cpn: 0.46% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 7/10/20 St Date: 7/16/20	91412HFJ7	750,000.00 0.00	751,810.80 1,289.17	1,810.80	100.241	0.10%
500,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/22 Cpn: 0.27% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 2/26/21 St Date: 3/10/21	91412HKW2	500,000.00 0.00	500,417.18 764.92	417.18	100.083	0.07%
1,000,000.000	CA CITY OF CHULA VISTA POBS TXB Mat: 6/1/22 Cpn: 0.15% Moody's: S&P: AA Fitch: Tr Date: 2/12/21 St Date: 2/23/21	17131RAQ9	1,000,000.00 0.00	998,983.69 914.39	(1,016.31)	99.898	0.14%
1,170,000.000	CT STATE GO TXB Mat: 6/1/22 Cpn: 4.18% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 5/20/21 St Date: 6/4/21	20772KNT2	1,216,039.50 0.00	1,199,792.54 15,909.66	(16,246.96)	102.546	0.17%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,120,000.000	CA CITY OF ORANGE POBS TXB Mat: 6/1/22 Cpn: 0.29% Moody's: S&P: AA Fitch: Tr Date: 3/4/21 St Date: 3/15/21	684100AA8	1,120,001.16 2.45	1,119,914.56 1,774.45	(86.60)	99.992	0.16%
1,200,000.000	CA HUNTINGTON BEACH POBS TXB Mat: 6/15/22 Cpn: 0.22% Moody's: S&P: AA+ Fitch: AA+ Tr Date: 3/18/21 St Date: 4/1/21	446201AA3	1,200,000.00 0.00	1,199,305.67 1,326.00	(694.33)	99.942	0.17%
500,000.000	CA SAN FRANCISCO CMNTY CLG DIST GO/ULT Mat: 6/15/22 Cpn: 3.00% Moody's: A1 S&P: Fitch: A+ Tr Date: 12/2/20 St Date: 12/17/20	797683HF9	519,195.00 0.00	509,250.68 4,416.67	(9,944.32)	101.850	0.07%
2,000,000.000	CA FOOTHILL DE ANZA CCD GO/ULT TXB Mat: 8/1/22 Cpn: 0.25% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/8/21 St Date: 4/21/21	345102NQ6	2,000,000.00 0.00	2,002,294.32 843.33	2,294.32	100.115	0.28%
1,885,000.000	CA SILICON VALLEY CLEAN WTR REV TXB Mat: 8/1/22 Cpn: 0.23% Moody's: Aa2 S&P: AA Fitch: Tr Date: 3/3/21 St Date: 3/16/21	82707BDJ5	1,885,000.00 0.00	1,886,992.69 713.16	1,992.69	100.106	0.26%
1,750,000.000	CA LA QUINTA REDEV AGY TAB TXB Mat: 9/1/22 Cpn: 0.29% Moody's: S&P: AA- Fitch: Tr Date: 4/1/21 St Date: 4/14/21	50420BDB5	1,750,000.00 0.00	1,751,337.14 417.08	1,337.14	100.076	0.24%
4,000,000.000	HI STATE GO/ULT TXB Mat: 10/1/22 Cpn: 0.25% Moody's: Aa2 S&P: AA+ Fitch: AA Tr Date: 9/30/21 St Date: 10/12/21	419792A55	4,000,000.00 0.00	4,000,000.00 0.00	0.00	100.000	0.55%
<b>Total for Taxable Muni</b>			<b>51,104,088.88 8,336.96</b>	<b>51,069,412.91 83,506.02</b>	<b>(34,675.97)</b>		<b>7.08%</b>
<b>Credit</b>							
855,000.000	TOYOTA MOTOR CREDIT Mat: 10/7/21 Cpn: 1.80% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 12/4/20 St Date: 12/8/20	89236TGJ8	866,101.69 2.48	855,111.15 7,438.50	(10,990.54)	100.013	0.12%
2,476,000.000	CREDIT SUISSE NY Mat: 10/29/21 Cpn: 3.00% Moody's: A1 S&P: A+ Fitch: A Tr Date: 9/24/20 St Date: 9/28/20	22546QAR8	2,541,366.72 0.00	2,480,927.24 31,362.67	(60,439.48)	100.199	0.35%





**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,215,000.000	TD AMERITRADE FRN US0003M Mat: 11/1/21 Cpn: 0.56% Moody's: A2 S&P: A Fitch: Tr Date: 10/30/18 St Date: 11/1/18	87236YAG3	1,215,000.00 0.00	1,215,212.63 1,144.15	212.63	100.018	0.17%
3,210,000.000	CATERPILLAR FINANCIAL FRN US0003M Mat: 11/12/21 Cpn: 0.32% Moody's: A2 S&P: A Fitch: A Tr Date: 1/9/20 St Date: 1/13/20	14913Q3D9	3,213,710.00 0.00	3,210,746.74 1,438.93	(2,963.26)	100.023	0.44%
500,000.000	CREDIT SUISSE NY Mat: 11/12/21 Cpn: 2.10% Moody's: A1 S&P: A+ Fitch: A Tr Date: 1/6/21 St Date: 1/8/21	22550L2A8	508,000.00 0.00	501,045.00 4,054.17	(6,955.00)	100.209	0.07%
923,000.000	MORGAN STANLEY Mat: 11/17/21 Cpn: 2.63% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 1/29/21 St Date: 2/2/21	61746BED4	940,300.87 2.15	925,695.16 9,018.48	(14,605.71)	100.292	0.13%
400,000.000	SO CAL EDISON FRN US0003M Mat: 12/3/21 Cpn: 0.39% Moody's: A3 S&P: A- Fitch: BBB+ Tr Date: 12/1/20 St Date: 12/4/20	842400GX5	400,000.00 0.00	400,076.86 120.98	76.86	100.019	0.06%
740,000.000	CITIGROUP FRN US0003M Mat: 12/8/21 Cpn: 1.18% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/7/21 St Date: 1/11/21	172967LB5	746,208.60 0.00	740,778.48 560.07	(5,430.12)	100.105	0.10%
467,000.000	CITIGROUP Mat: 12/8/21 Cpn: 2.90% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/4/21 St Date: 1/5/21	172967LC3	477,264.66 0.00	468,214.20 4,251.00	(9,050.46)	100.260	0.07%
2,000,000.000	CITIGROUP Mat: 1/14/22 Cpn: 4.50% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/27/20 St Date: 7/29/20	172967FT3	2,085,880.00 18,375.00	2,024,020.00 19,250.00	(61,860.00)	101.201	0.28%
2,000,000.000	TRUIST BANK Mat: 1/15/22 Cpn: 2.63% Moody's: A2 S&P: A Fitch: A+ Tr Date: 11/6/20 St Date: 11/10/20	07330NAQ8	2,049,680.00 8,385.42	2,009,660.00 11,083.33	(40,020.00)	100.483	0.28%
1,904,000.000	NATL RURAL UTILITIES Mat: 1/21/22 Cpn: 1.75% Moody's: A2 S&P: A- Fitch: A Tr Date: 1/22/20 St Date: 2/5/20	63743HET5	1,902,324.48 0.00	1,912,663.20 7,034.22	10,338.72	100.455	0.27%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,030,000.000	US BANK CINCINNATI Mat: 1/21/22 Cpn: 1.80% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/16/20 St Date: 1/21/20	90331HPJ6	1,029,639.50 0.00	1,033,666.80 3,605.00	4,027.30	100.356	0.14%
1,750,000.000	US BANK CINCINNATI FRN US0003M Mat: 1/21/22 Cpn: 0.31% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 9/18/20 St Date: 9/22/20	90331HPK3	1,752,690.00 0.00	1,750,755.74 1,099.88	(1,934.26)	100.043	0.24%
2,663,000.000	BANK OF AMERICA Mat: 1/24/22 Cpn: 5.70% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 7/17/20 St Date: 7/21/20	06051GEM7	2,836,902.93 28,038.62	2,707,978.07 28,249.99	(128,924.86)	101.689	0.38%
1,250,000.000	JPMORGAN CHASE Mat: 1/24/22 Cpn: 4.50% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 1/11/21 St Date: 1/13/21	46625HJD3	1,305,000.00 0.00	1,266,662.50 10,468.75	(38,337.50)	101.333	0.18%
500,000.000	FIFTH THIRD BANK FRN US0003M Mat: 2/1/22 Cpn: 0.77% Moody's: S&P: A- Fitch: A- Tr Date: 5/20/21 St Date: 5/24/21	31677QBQ1	502,280.00 0.00	501,035.98 638.13	(1,244.02)	100.207	0.07%
850,000.000	BNY MELLON Mat: 2/7/22 Cpn: 2.60% Moody's: A1 S&P: A Fitch: AA- Tr Date: 2/26/21 St Date: 3/2/21	06406RAA5	867,382.50 0.00	855,380.50 3,315.00	(12,002.00)	100.633	0.12%
520,000.000	DUKE ENERGY FRN US0003M Mat: 2/18/22 Cpn: 0.30% Moody's: A2 S&P: BBB+ Fitch: Tr Date: 8/17/20 St Date: 8/20/20	26442UAJ3	520,000.00 0.00	520,021.96 193.53	21.96	100.004	0.07%
2,534,000.000	CHEVRON Mat: 3/3/22 Cpn: 2.50% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 3/30/21 St Date: 4/1/21	166764BN9	2,583,357.25 0.00	2,553,790.54 4,923.28	(29,566.71)	100.781	0.35%
1,383,000.000	PEPSICO Mat: 3/5/22 Cpn: 2.75% Moody's: A1 S&P: A+ Fitch: WD Tr Date: 3/30/21 St Date: 4/1/21	713448BY3	1,415,887.74 0.00	1,397,770.44 2,746.79	(18,117.30)	101.068	0.19%
513,000.000	EXXON MOBIL Mat: 3/6/22 Cpn: 2.40% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 4/6/21 St Date: 4/8/21	30231GAJ1	521,379.52 4.33	515,934.36 853.93	(5,445.16)	100.572	0.07%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,000,000.000	WELLS FARGO Mat: 3/8/22 Cpn: 3.50% Moody's: A1 S&P: BBB+ Fitch: A+ Tr Date: 5/24/21 St Date: 5/26/21	94974BFC9	2,051,900.00 15,166.67	2,028,120.00 4,472.22	(23,780.00)	101.406	0.28%
1,330,000.000	CAPITAL ONE FINL FRN US0003M Mat: 3/9/22 Cpn: 1.07% 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	1,334,102.86 866.42	4,102.86	100.309	0.18%
2,000,000.000	AMERIPRISE FINANCIAL Mat: 3/22/22 Cpn: 3.00% Moody's: A3 S&P: A- Fitch: Tr Date: 12/4/20 St Date: 12/8/20	03076CAJ5	2,069,060.00 12,666.67	2,025,980.00 1,500.00	(43,080.00)	101.299	0.28%
1,325,000.000	CITIGROUP FRN US0003M Mat: 4/25/22 Cpn: 1.09% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00 0.00	1,330,734.06 2,676.20	5,734.06	100.433	0.18%
855,000.000	NATL RURAL UTILITIES Mat: 4/25/22 Cpn: 2.40% Moody's: A1 S&P: A- Fitch: A+ Tr Date: 3/8/21 St Date: 3/10/21	637432NM3	871,892.44 2.70	863,960.40 8,892.00	(7,932.04)	101.048	0.12%
1,088,000.000	PEPSICO Mat: 5/2/22 Cpn: 2.25% Moody's: A1 S&P: A+ Fitch: WD Tr Date: 4/13/21 St Date: 4/15/21	713448DT2	1,109,746.48 2.31	1,099,326.08 10,132.00	(10,420.40)	101.041	0.15%
1,300,000.000	UNITED PARCEL SERVICE FRN US0003M Mat: 5/16/22 Cpn: 0.50% Moody's: A2 S&P: A- Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	1,306,617.00 367.07	1,302,790.09 838.45	(3,826.91)	100.215	0.18%
4,000,000.000	MORGAN STANLEY Mat: 5/19/22 Cpn: 2.75% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 5/20/21 St Date: 5/24/21	61744YAH1	4,100,320.00 1,527.78	4,064,680.00 40,333.33	(35,640.00)	101.617	0.57%
1,000,000.000	AMERICAN EXPRESS Mat: 5/20/22 Cpn: 2.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/27/20 St Date: 7/29/20	025816CD9	1,039,226.90 5,270.83	1,013,870.00 10,006.94	(25,356.90)	101.387	0.14%
500,000.000	US BANK CINCINNATI Mat: 5/23/22 Cpn: 2.65% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/8/21 St Date: 1/12/21	90331HPC1	515,735.00 0.00	506,760.00 4,711.11	(8,975.00)	101.352	0.07%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,445,000.000	CITIZENS BANK Mat: 5/26/22 Cpn: 2.65% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/27/21 St Date: 6/1/21	17401QAL5	3,521,031.15 1,267.95	3,491,852.00 31,698.78	(29,179.15)	101.360	0.49%
450,000.000	JOHN DEERE CAPITAL CORP Mat: 6/13/22 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 2/4/21 St Date: 2/8/21	24422EVA4	460,570.50 0.00	455,678.10 2,632.50	(4,892.40)	101.262	0.06%
1,500,000.000	TRUIST FIN CORP Mat: 6/20/22 Cpn: 3.05% Moody's: A3 S&P: A- Fitch: A Tr Date: 1/14/21 St Date: 1/19/21	05531FBG7	1,556,130.00 0.00	1,527,105.00 12,835.42	(29,025.00)	101.807	0.21%
3,500,000.000	HUNTINGTON NATL BANK Mat: 8/7/22 Cpn: 2.50% Moody's: A3 S&P: A- Fitch: A- Tr Date: 7/7/21 St Date: 7/9/21	44644AAB3	3,578,050.00 36,944.44	3,561,285.00 13,125.00	(16,765.00)	101.751	0.49%
2,000,000.000	HONEYWELL INTL FRN US0003M Mat: 8/8/22 Cpn: 0.50% Moody's: A2 S&P: Fitch: A Tr Date: 2/9/21 St Date: 2/11/21	438516BV7	2,010,264.00 0.00	2,006,117.80 1,458.62	(4,146.20)	100.306	0.28%
1,000,000.000	PACCAR FINANCIAL Mat: 8/10/22 Cpn: 2.30% Moody's: A1 S&P: A+ Fitch: Tr Date: 12/7/20 St Date: 12/9/20	69371RN77	1,033,940.00 0.00	1,018,340.00 3,258.33	(15,600.00)	101.834	0.14%
730,000.000	CHEVRON FRN US0003M Mat: 8/12/22 Cpn: 0.23% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 8/10/20 St Date: 8/12/20	166756AG1	730,000.00 0.00	730,651.71 235.98	651.71	100.089	0.10%
424,000.000	HONEYWELL Mat: 8/19/22 Cpn: 0.48% Moody's: A2 S&P: A Fitch: A Tr Date: 8/17/20 St Date: 8/19/20	438516CC8	424,000.00 0.00	424,156.88 238.92	156.88	100.037	0.06%
1,515,000.000	NEXTERA ENERGY CAPITAL Mat: 9/1/22 Cpn: 1.95% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 11/2/20 St Date: 11/4/20	65339KBN9	1,556,920.05 5,169.94	1,538,967.30 2,461.88	(17,952.75)	101.582	0.21%
1,500,000.000	JPMORGAN CHASE Mat: 9/23/22 Cpn: 3.25% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 3/4/21 St Date: 3/8/21	46625HJE1	1,569,225.00 0.00	1,544,940.00 1,083.33	(24,285.00)	102.996	0.21%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
363,000.000	PACCAR FINANCIAL Mat: 9/26/22 Cpn: 2.00% Moody's: A1 S&P: A+ Fitch: Tr Date: 2/4/21 St Date: 2/8/21	69371RQ33	373,624.04 3.06	369,610.23 100.83	(4,013.81)	101.821	0.05%
1,000,000.000	PAYPAL Mat: 9/26/22 Cpn: 2.20% Moody's: A3 S&P: A- Fitch: A- Tr Date: 10/28/20 St Date: 10/30/20	70450YAB9	1,035,050.00 2,077.78	1,019,388.00 305.56	(15,662.00)	101.939	0.14%
507,000.000	TOYOTA MOTOR CREDIT Mat: 10/14/22 Cpn: 0.35% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/4/21 St Date: 1/5/21	89236THM0	508,211.73 0.00	507,795.99 823.17	(415.74)	100.157	0.07%
300,000.000	NSTAR ELECTRIC Mat: 10/15/22 Cpn: 2.38% Moody's: A1 S&P: A Fitch: A+ Tr Date: 3/8/21 St Date: 3/10/21	67021CAG2	307,671.00 2,869.79	304,842.00 3,285.42	(2,829.00)	101.614	0.04%
504,000.000	UNITEDHEALTH GROUP Mat: 10/15/22 Cpn: 2.38% Moody's: A3 S&P: A+ Fitch: A Tr Date: 2/16/21 St Date: 2/18/21	91324PDD1	521,886.96 0.00	515,360.16 5,519.50	(6,526.80)	102.254	0.07%
2,502,000.000	PNC BANK Mat: 11/1/22 Cpn: 2.70% Moody's: A3 S&P: A- Fitch: A Tr Date: 1/4/21 St Date: 1/5/21	69349LAG3	2,607,534.36 0.00	2,562,298.20 28,147.50	(45,236.16)	102.410	0.36%
4,000,000.000	AMERICAN EXPRESS Mat: 12/2/22 Cpn: 2.65% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/20/21 St Date: 5/24/21	025816BD0	4,144,600.00 50,644.44	4,109,048.00 35,038.89	(35,552.00)	102.726	0.57%
1,015,000.000	PNC BANK FRN US0003M Mat: 12/9/22 Cpn: 0.55% 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	1,015,742.76 338.67	742.76	100.073	0.14%
2,378,000.000	MUFG UNION BANK Mat: 12/9/22 Cpn: 2.10% Moody's: A2 S&P: A Fitch: A Tr Date: 9/20/21 St Date: 9/22/21	90520EAK7	2,427,795.32 14,287.81	2,425,084.40 15,536.27	(2,710.92)	101.980	0.34%
725,000.000	JOHN DEERE CAPITAL CORP Mat: 1/17/23 Cpn: 0.25% Moody's: A2 S&P: A Fitch: A Tr Date: 3/1/21 St Date: 3/4/21	24422EVM8	724,746.25 0.00	725,130.50 372.57	384.25	100.018	0.10%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,315,000.000	BANK OF AMERICA Mat: 1/20/23 Cpn: 3.12% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 1/29/21 St Date: 2/2/21	06051GGE3	1,350,057.90 0.00	1,325,967.10 8,102.01	(24,090.80)	100.834	0.18%
1,015,000.000	MORGAN STANLEY FRN SOFRRATE Mat: 1/20/23 Cpn: 0.72% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 1/16/20 St Date: 1/22/20	6174468K8	1,015,000.00 0.00	1,016,810.16 1,491.18	1,810.16	100.178	0.14%
500,000.000	MORGAN STANLEY Mat: 1/23/23 Cpn: 3.13% Moody's: A1 S&P: BBB+ Fitch: A Tr Date: 6/2/21 St Date: 6/4/21	61744YAN8	523,095.00 0.00	517,880.00 2,951.39	(5,215.00)	103.576	0.07%
3,020,000.000	GOLDMAN SACHS Mat: 1/27/23 Cpn: 0.48% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 1/20/21 St Date: 1/27/21	38141GXP4	3,022,090.00 0.00	3,020,513.40 2,582.44	(1,576.60)	100.017	0.42%
430,000.000	NEXTERA ENERGY FRN US0003M Mat: 2/22/23 Cpn: 0.40% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 2/17/21 St Date: 2/22/21	65339KBT6	430,000.00 0.00	430,057.73 186.68	57.73	100.013	0.06%
1,570,000.000	GOLDMAN SACHS FRN US0003M Mat: 2/23/23 Cpn: 0.88% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 8/13/20 St Date: 8/17/20	38141GWU4	1,577,578.10 3,302.64	1,582,856.73 1,498.01	5,278.63	100.819	0.22%
745,000.000	PNC BANK FRN US0003M Mat: 2/24/23 Cpn: 0.45% Moody's: A2 S&P: A Fitch: A+ Tr Date: 2/20/20 St Date: 2/25/20	69353RFU7	745,000.00 0.00	745,821.93 356.53	821.93	100.110	0.10%
305,000.000	CITIGROUP Mat: 3/1/23 Cpn: 3.38% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/20/21 St Date: 5/24/21	172967GL9	321,198.55 2,373.28	317,819.15 857.81	(3,379.40)	104.203	0.04%
1,155,000.000	CENTERPOINT ENERGY FRN US0003M Mat: 3/2/23 Cpn: 0.62% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 2/26/21 St Date: 3/2/21	15189WAN0	1,155,000.00 0.00	1,155,232.37 576.51	232.37	100.020	0.16%
350,000.000	GOLDMAN SACHS FRN SOFRRATE Mat: 3/8/23 Cpn: 0.47% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 3/1/21 St Date: 3/8/21	38141GXV1	350,000.00 0.00	350,359.59 106.06	359.59	100.103	0.05%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,025,000.000	GOLDMAN SACHS Mat: 3/8/23 Cpn: 0.52% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 3/1/21 St Date: 3/8/21	38141GXY5	1,025,000.00 0.00	1,025,471.50 342.49	471.50	100.046	0.14%
1,225,000.000	ATMOS ENERGY FRN US0003M Mat: 3/9/23 Cpn: 0.50% Moody's: A1 S&P: A- Fitch: Tr Date: 3/4/21 St Date: 3/9/21	049560AV7	1,225,000.00 0.00	1,225,554.93 371.31	554.93	100.045	0.17%
4,000,000.000	KEY BANK Mat: 3/10/23 Cpn: 1.25% Moody's: A3 S&P: A- Fitch: A- Tr Date: 5/19/21 St Date: 5/21/21	49327M2Z6	4,071,520.00 9,861.11	4,053,080.00 2,916.67	(18,440.00)	101.327	0.56%
2,000,000.000	ALLSTATE FRN US0003M Mat: 3/29/23 Cpn: 0.76% Moody's: A3 S&P: A- Fitch: BBB+ Tr Date: 12/4/20 St Date: 12/8/20	020002BF7	2,021,540.00 3,297.31	2,015,828.00 84.64	(5,712.00)	100.791	0.28%
3,533,000.000	STATE STREET Mat: 3/30/23 Cpn: 2.83% Moody's: A1 S&P: A Fitch: AA- Tr Date: 5/19/21 St Date: 5/21/21	857477BL6	3,612,492.50 14,139.36	3,577,268.49 277.24	(35,224.01)	101.253	0.50%
2,050,000.000	SO CAL EDISON FRN SOFRRATE Mat: 4/3/23 Cpn: 0.66% Moody's: A3 S&P: A- Fitch: BBB+ Tr Date: 4/15/21 St Date: 4/19/21	842400HA4	2,054,838.00 0.00	2,060,641.45 3,432.91	5,803.45	100.519	0.29%
1,000,000.000	TOYOTA MOTOR CREDIT FRN SOFRRATE Mat: 4/6/23 Cpn: 0.34% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 4/6/21 St Date: 4/9/21	89236TJE6	1,000,000.00 0.00	1,002,754.76 813.42	2,754.76	100.276	0.14%
4,200,000.000	BANK OF AMERICA FRN US0003M Mat: 4/24/23 Cpn: 1.13% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 4/26/21 St Date: 4/28/21	06051GGJ2	4,234,513.72 994.72	4,223,192.40 8,795.70	(11,321.32)	100.552	0.59%
1,000,000.000	JPMORGAN CHASE FRN US0003M Mat: 4/25/23 Cpn: 1.03% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 11/20/20 St Date: 11/24/20	46647PAD8	1,009,250.00 897.99	1,006,680.94 1,908.10	(2,569.06)	100.668	0.14%
4,415,000.000	FLORIDA POWER & LIGHT FRN SOFRRATE Mat: 5/10/23 Cpn: 0.28% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/21 St Date: 5/10/21	341081GD3	4,415,000.00 0.00	4,415,686.67 1,796.72	686.67	100.016	0.61%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
610,000.000	CHEVRON FRN US0003M Mat: 5/11/23 Cpn: 1.03% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 5/7/20 St Date: 5/11/20	166764BU3	610,000.00 0.00	618,527.17 887.72	8,527.17	101.398	0.09%
620,000.000	OKLAHOMA GAS & ELECTRIC Mat: 5/26/23 Cpn: 0.55% Moody's: A3 S&P: A- Fitch: A Tr Date: 5/24/21 St Date: 5/27/21	678858BW0	620,000.00 0.00	620,117.80 1,180.96	117.80	100.019	0.09%
6,200,000.000	GOLDMAN SACHS Mat: 6/5/23 Cpn: 2.91% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 8/16/21 St Date: 8/18/21	38141GWJ9	6,321,272.00 36,560.02	6,301,246.00 58,095.38	(20,026.00)	101.633	0.88%
6,220,000.000	NVIDIA Mat: 6/15/23 Cpn: 0.31% Moody's: A2 S&P: A- Fitch: Tr Date: 6/14/21 St Date: 6/16/21	67066GAK0	6,220,000.00 0.00	6,219,875.60 5,605.78	(124.40)	99.998	0.86%
2,000,000.000	M&T BANK FRN US0003M Mat: 7/26/23 Cpn: 0.81% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 11/2/20 St Date: 11/4/20	55261FAK0	2,020,760.00 447.38	2,018,431.98 2,997.32	(2,328.02)	100.922	0.28%
745,000.000	CHEVRON FRN US0003M Mat: 8/11/23 Cpn: 0.33% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 8/10/20 St Date: 8/12/20	166756AK2	745,000.00 0.00	747,106.93 345.39	2,106.93	100.283	0.10%
595,000.000	SOUTHERN CAL GAS FRN US0003M Mat: 9/14/23 Cpn: 0.47% Moody's: A2 S&P: A Fitch: A+ Tr Date: 9/14/20 St Date: 9/21/20	842434CV2	595,000.00 0.00	595,395.68 130.86	395.68	100.067	0.08%
300,000.000	PPL ELECTRIC UTILITIES FRN US0003M Mat: 9/28/23 Cpn: 0.38% Moody's: A1 S&P: A Fitch: Tr Date: 9/28/20 St Date: 10/1/20	69351UAX1	300,000.00 0.00	299,788.81 9.56	(211.19)	99.930	0.04%
190,000.000	GILEAD SCIENCES FRN US0003M Mat: 9/29/23 Cpn: 0.65% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 9/23/20 St Date: 9/30/20	375558BV4	190,000.00 0.00	190,073.22 6.88	73.22	100.039	0.03%
2,000,000.000	JPMORGAN CHASE FRN US0003M Mat: 10/24/23 Cpn: 1.36% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 7/2/20 St Date: 7/7/20	46625HRW2	2,032,140.00 4,745.91	2,024,196.00 5,044.54	(7,944.00)	101.210	0.28%





**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,110,000.000	TRUIST BANK FRN SOFRRATE Mat: 1/17/24 Cpn: 0.25% Moody's: A2 S&P: A Fitch: A+ Tr Date: 9/8/21 St Date: 9/13/21	89788JAD1	3,110,000.00 0.00	3,113,018.97 388.76	3,018.97	100.097	0.43%
3,970,000.000	BANK OF AMERICA FRN US0003M Mat: 3/5/24 Cpn: 0.91% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 7/22/20 St Date: 7/24/20	06051GHE2	3,992,172.80 6,969.79	4,005,634.72 2,396.56	13,461.92	100.898	0.55%
595,000.000	PUBLIC STORAGE FRN SOFRRATE Mat: 4/23/24 Cpn: 0.50% Moody's: A2 S&P: A Fitch: Tr Date: 4/14/21 St Date: 4/23/21	74460WAB3	595,000.00 0.00	595,988.59 572.63	988.59	100.166	0.08%
2,250,000.000	BNY MELLON FRN SOFRRATE Mat: 4/26/24 Cpn: 0.31% Moody's: A1 S&P: A Fitch: AA- Tr Date: 4/19/21 St Date: 4/26/21	06406RAT4	2,250,000.00 0.00	2,253,361.46 1,298.14	3,361.46	100.149	0.31%
2,415,000.000	CITIGROUP FRN US0003M Mat: 5/17/24 Cpn: 1.22% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 9/23/21 St Date: 9/27/21	172967LL3	2,450,307.30 3,367.20	2,447,965.02 3,695.70	(2,342.28)	101.365	0.34%
1,985,000.000	CITIGROUP FRN US0003M Mat: 6/1/24 Cpn: 1.14% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 9/16/21 St Date: 9/20/21	172967MA6	2,011,360.80 1,197.33	2,012,007.91 1,890.51	647.11	101.361	0.28%
3,110,000.000	KEY BANK FRN SOFRRATE Mat: 6/14/24 Cpn: 0.37% Moody's: A3 S&P: A- Fitch: A- Tr Date: 6/8/21 St Date: 6/16/21	49327M3D4	3,110,000.00 0.00	3,118,137.75 543.39	8,137.75	100.262	0.43%
1,260,000.000	PPL ELECTRIC UTILITIES FRN SOFRRATE Mat: 6/24/24 Cpn: 0.38% Moody's: A1 S&P: A Fitch: Tr Date: 6/21/21 St Date: 6/24/21	69351UAY9	1,260,000.00 0.00	1,261,299.99 93.10	1,299.99	100.103	0.17%
2,400,000.000	BANK OF AMERICA FRN US0003M Mat: 7/23/24 Cpn: 1.10% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 8/20/21 St Date: 8/24/21	06051GHK8	2,434,608.00 2,342.14	2,431,991.90 5,123.44	(2,616.10)	101.333	0.34%
1,365,000.000	JPMORGAN CHASE FRN US0003M Mat: 7/23/24 Cpn: 1.03% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/23/21 St Date: 9/27/21	46647PAW6	1,382,492.45 2,624.81	1,383,721.99 2,728.16	1,229.54	101.372	0.19%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,890,000.000	GOLDMAN SACHS FRN SOFRRATE Mat: 9/10/24 Cpn: 0.55% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 6/7/21 St Date: 6/10/21	38141GYF5	1,890,000.00 0.00	1,891,639.50 602.06	1,639.50	100.087	0.26%
4,460,000.000	CATERPILLAR FRN SOFRRATE Mat: 9/13/24 Cpn: 0.32% Moody's: A2 S&P: A Fitch: A Tr Date: 9/7/21 St Date: 9/14/21	14913R2R7	4,460,000.00 0.00	4,478,072.32 673.96	18,072.32	100.405	0.62%
2,410,000.000	TOYOTA MOTOR CREDIT FRN SOFRRATE Mat: 9/13/24 Cpn: 0.34% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/8/21 St Date: 9/13/21	89236TJP1	2,410,000.00 0.00	2,412,563.85 409.70	2,563.85	100.106	0.33%
545,000.000	ANALOG DEVICES FRN SOFRRATE Mat: 10/1/24 Cpn: 0.00% Moody's: A3 S&P: A- Fitch: Tr Date: 9/28/21 St Date: 10/5/21	032654AT2	545,000.00 0.00	545,835.35 0.00	835.35	100.153	0.08%
1,000,000.000	BANK OF AMERICA FRN SOFRRATE Mat: 10/24/24 Cpn: 0.76% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 10/16/20 St Date: 10/21/20	06051GJJ9	1,000,000.00 0.00	1,009,533.65 1,409.13	9,533.65	100.953	0.14%
1,385,000.000	JPMORGAN CHASE FRN SOFRRATE Mat: 6/1/25 Cpn: 0.58% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 5/24/21 St Date: 6/1/21	46647PCG9	1,385,000.00 0.00	1,392,967.91 666.66	7,967.91	100.575	0.19%
2,100,000.000	TRUIST FINANCIAL FRN SOFRRATE Mat: 6/9/25 Cpn: 0.44% Moody's: A3 S&P: A- Fitch: A Tr Date: 6/22/21 St Date: 6/24/21	89788MAF9	2,100,000.00 422.92	2,105,955.03 570.02	5,955.03	100.284	0.29%
<b>Total for Credit</b>			<b>167,304,391.76 296,621.15</b>	<b>166,434,797.45 532,590.71</b>	<b>(869,594.31)</b>		<b>23.11%</b>

**Mortgage-Backed**

967,933.589	FHMS K020 A2 CMBS Mat: 5/25/22 Cpn: 2.37% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/1/20 St Date: 10/6/20	3137ATRW4	992,850.32 319.01	977,135.73 1,914.09	(15,714.59)	100.951	0.14%
617,815.831	FHMS Q009 A 1MOFRN CMBS Mat: 4/25/24 Cpn: 0.43% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/10/21 St Date: 2/16/21	3137FMTW2	618,636.37 186.47	617,846.10 44.53	(790.26)	100.005	0.09%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
422,870.211	FHMS KI04 A 1MOFRN CMBS Mat: 7/25/24 Cpn: 0.44% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/8/19 St Date: 8/21/19	3137FNAV2	422,870.21 0.00	423,065.15 31.19	194.94	100.046	0.06%
2,930,786.836	FHMS KI05 A Mat: 7/25/24 Cpn: 0.42% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/16/20 St Date: 1/28/20	3137FQXG3	2,934,087.13 433.12	2,936,194.14 206.38	2,107.00	100.185	0.41%
1,996,950.867	FHMS Q015 A 1MOFRN CMBS Mat: 8/25/24 Cpn: 0.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/27/21 St Date: 5/7/21	3137FYUR5	1,996,950.87 0.00	1,997,468.08 83.21	517.21	100.026	0.28%
1,143,222.627	FHMS KI06 A 1MOFRN CMBS Mat: 3/25/25 Cpn: 0.30% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/11/20 St Date: 8/25/20	3137FVNA6	1,143,222.63 0.00	1,144,130.35 57.64	907.72	100.079	0.16%
<b>Total for Mortgage-Backed</b>			<b>8,108,617.52 938.60</b>	<b>8,095,839.55 2,337.03</b>	<b>(12,777.97)</b>		<b>1.12%</b>
<b>Asset-Backed</b>							
656,248.651	CARMX 2021-2 A1 AUTO Mat: 4/15/22 Cpn: 0.14% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 4/13/21 St Date: 4/21/21	14314QAA2	656,248.65 0.00	656,254.56 41.10	5.91	100.001	0.09%
770,960.606	HYUNDAI 2021-A A1 CAR Mat: 5/16/22 Cpn: 0.25% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 4/20/21 St Date: 4/28/21	44933LAA1	770,960.61 0.00	770,963.69 84.67	3.08	100.000	0.11%
1,799,623.947	WORLD OMNI 2021-B A1 CAR Mat: 5/16/22 Cpn: 0.11% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 5/11/21 St Date: 5/19/21	98163LAA8	1,799,623.95 0.00	1,799,647.34 88.18	23.40	100.001	0.25%
1,831,976.832	GMALT 2021-2 A1 LEASE Mat: 5/20/22 Cpn: 0.11% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 5/18/21 St Date: 5/26/21	380144AA3	1,831,976.83 0.00	1,832,042.78 61.47	65.95	100.004	0.25%
898,207.290	CRVNA 2021-P2 A1 CAR Mat: 7/10/22 Cpn: 0.13% Moody's: S&P: A-1+ Fitch: Tr Date: 6/15/21 St Date: 6/24/21	14687TAA5	898,207.29 0.00	898,207.29 67.63	0.00	100.000	0.12%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
96,430.277	NISSAN 2019-B A3 LEASE Mat: 7/15/22 Cpn: 2.27% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/24/21 St Date: 3/26/21	65478LAD1	96,931.26 66.88	96,632.01 97.29	(299.25)	100.209	0.01%
3,711,270.545	SDART 2021-3 A1 CAR Mat: 7/15/22 Cpn: 0.14% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 7/14/21 St Date: 7/21/21	80287EAA3	3,711,270.54 0.00	3,711,259.41 233.12	(11.13)	100.000	0.51%
4,001,021.214	CNH 2021-B A1 EQP Mat: 8/15/22 Cpn: 0.14% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 7/20/21 St Date: 7/27/21	12657WAA8	4,001,021.21 0.00	4,001,229.27 252.03	208.05	100.005	0.55%
3,883,215.935	CARMX 2021-3 A1 CAR Mat: 8/15/22 Cpn: 0.16% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 7/21/21 St Date: 7/28/21	14317DAA8	3,883,215.94 0.00	3,883,332.43 272.48	116.50	100.003	0.54%
3,908,840.709	HYUNDAI 2021-B A1 CAR Mat: 8/15/22 Cpn: 0.14% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 7/20/21 St Date: 7/28/21	44934KAA2	3,908,840.71 0.00	3,908,954.07 235.80	113.36	100.003	0.54%
1,860,960.000	GMALT 2021-3 A1 LEASE Mat: 8/22/22 Cpn: 0.13% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 8/10/21 St Date: 8/18/21	36262XAA2	1,860,960.00 0.00	1,861,010.25 73.61	50.25	100.003	0.26%
5,650,000.000	CARMX 2021-4 A1 CAR Mat: 9/15/22 Cpn: 0.11% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/14/21 St Date: 9/22/21	14317JAA5	5,650,000.00 0.00	5,650,000.00 154.25	0.00	100.000	0.78%
5,550,000.000	CRVNA 2021-P3 A1 CAR Mat: 10/11/22 Cpn: 0.16% Moody's: S&P: A-1+ Fitch: Tr Date: 9/21/21 St Date: 9/29/21	14687JAC3	5,550,000.00 0.00	5,550,133.20 48.83	133.20	100.002	0.77%
4,550,000.000	WOSAT 2021-A A1 CAR Mat: 10/14/22 Cpn: 0.10% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 9/14/21 St Date: 9/22/21	98163HAA7	4,550,000.00 0.00	4,549,849.85 108.82	(150.15)	99.997	0.63%
1,803,670.408	FORD 2019-B A3 LEASE Mat: 10/15/22 Cpn: 2.22% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/18/21 St Date: 2/22/21	34528DAD5	1,809,737.93 2,085.27	1,805,167.45 1,779.62	(4,570.47)	100.083	0.25%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2021

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
7,750,000.000	FORDL 2021-B A1 LEASE Mat: 10/15/22 Cpn: 0.12% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 9/21/21 St Date: 9/24/21	345329AA4	7,750,000.00 0.00	7,750,000.00 178.39	0.00	100.000	1.07%
356,139.552	MERCEDES 2019-B A3 LEASE Mat: 10/17/22 Cpn: 2.00% Moody's: S&P: AAA Fitch: AAA Tr Date: 6/9/21 St Date: 6/11/21	58769QAC5	358,615.83 0.00	357,812.70 316.57	(803.14)	100.470	0.05%
44,656.999	NAROT 2020-B A2B Mat: 10/17/22 Cpn: 0.26% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/7/21 St Date: 4/8/21	65479CAC2	44,674.44 0.00	44,660.71 5.23	(13.74)	100.008	0.01%
119,658.511	HONDA 2020-1 A2 CAR Mat: 10/21/22 Cpn: 1.63% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/22/20 St Date: 10/26/20	43813RAB3	120,532.58 27.09	119,772.31 54.18	(760.27)	100.095	0.02%
3,462,806.222	WORLD OMNI 2019-B A3 LEASE Mat: 11/15/22 Cpn: 2.03% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/11/21 St Date: 2/16/21	98162GAD4	3,507,920.17 686.68	3,478,458.11 3,124.22	(29,462.06)	100.452	0.48%
6,958,972.415	VOLKSWAGEN 2019-A A3 LEASE Mat: 11/21/22 Cpn: 1.99% Moody's: S&P: AAA Fitch: AAA Tr Date: 5/3/21 St Date: 5/5/21	92867XAD8	7,029,611.49 1,899.92	6,997,184.13 4,231.44	(32,427.36)	100.549	0.97%
1,479,139.915	FORDL 2020-B A2A LEASE Mat: 12/15/22 Cpn: 0.50% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/13/21 St Date: 4/15/21	34531RAB3	1,480,715.70 54.78	1,479,602.89 328.70	(1,112.81)	100.031	0.20%
570,623.877	MERCEDES 2020-A A3 CAR LEASE Mat: 12/15/22 Cpn: 1.84% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/7/21 St Date: 4/9/21	58770FAC6	576,642.17 0.00	573,544.33 466.64	(3,097.84)	100.512	0.08%
3,760,790.977	GMALT 2020-1 A3 LEASE Mat: 12/20/22 Cpn: 1.67% Moody's: S&P: AAA Fitch: AAA Tr Date: 2/12/21 St Date: 2/17/21	36259KAD9	3,789,493.48 2,235.05	3,775,360.28 1,919.05	(14,133.20)	100.387	0.52%
12,477.227	VOLKSWAGEN 2020-1 A2A CAR Mat: 12/20/22 Cpn: 0.93% Moody's: Aaa S&P: Fitch: AAA Tr Date: 4/27/21 St Date: 4/29/21	92868JAB2	12,499.16 0.00	12,482.50 3.55	(16.65)	100.042	0.00%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,500,000.000	FORDL 2019-B B Mat: 1/15/23 Cpn: 2.36% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/17/21 St Date: 3/19/21	34528DAF0	1,522,910.16 0.00	1,508,541.00 1,573.33	(14,369.16)	100.569	0.21%
1,531,123.108	HAROT 2018-4 A3 Mat: 1/17/23 Cpn: 3.16% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/11/21 St Date: 2/16/21	43815AAC6	1,545,263.03 2,201.84	1,540,955.98 2,150.38	(4,307.05)	100.642	0.21%
145,584.083	JOHN DEERE 2020-A A2 EQP Mat: 1/17/23 Cpn: 1.01% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/10/21 St Date: 3/12/21	47789KAB9	145,885.49 0.00	145,672.60 65.35	(212.89)	100.061	0.02%
1,039,895.495	NISSAN 2020-A A3 LEASE Mat: 1/17/23 Cpn: 1.84% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/11/21 St Date: 2/16/21	65479NAD6	1,053,706.61 0.00	1,044,752.85 850.40	(8,953.76)	100.467	0.14%
1,407,200.638	MERCEDES 2020-B A2 LEASE Mat: 2/15/23 Cpn: 0.31% Moody's: S&P: AAA Fitch: AAA Tr Date: 3/10/21 St Date: 3/12/21	58769EAB4	1,407,915.23 0.00	1,407,728.34 193.88	(186.89)	100.038	0.19%
138,243.458	HONDA 2020-3 A2 CAR Mat: 2/21/23 Cpn: 0.27% Moody's: S&P: AAA Fitch: AAA Tr Date: 4/21/21 St Date: 4/23/21	43813KAB8	138,292.06 0.00	138,272.21 13.48	(19.85)	100.021	0.02%
2,370,691.928	FORDL 2020-A A3 LEASE Mat: 3/15/23 Cpn: 1.85% Moody's: S&P: AAA Fitch: AAA Tr Date: 5/19/21 St Date: 5/21/21	34531MAD0	2,389,295.81 553.99	2,378,728.57 1,949.24	(10,567.24)	100.339	0.33%
680,300.023	HYUNDAI 2020-B A2 CAR Mat: 3/15/23 Cpn: 0.38% Moody's: S&P: AAA Fitch: AAA Tr Date: 4/14/21 St Date: 4/16/21	44933FAB2	680,725.21 40.77	680,555.82 114.90	(169.39)	100.038	0.09%
1,722,841.297	VERIZON 2018-A A1A Mat: 4/20/23 Cpn: 3.23% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/23/21 St Date: 4/27/21	92348XAA3	1,738,770.26 1,083.30	1,729,310.57 1,700.35	(9,459.70)	100.376	0.24%
2,190,000.000	CCCIT 2016-A3 A3 Mat: 12/7/23 Cpn: 0.57% Moody's: Aaa S&P: AAA Fitch: Tr Date: 6/23/20 St Date: 6/25/20	17305EFY6	2,201,292.19 0.00	2,191,949.10 836.40	(9,343.09)	100.089	0.30%



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,073,139.906	VZOT 2019-B A1B Mat: 12/20/23 Cpn: 0.54% Moody's: Aaa S&P: AAA Fitch: Tr Date: 6/24/20 St Date: 6/26/20	92349GAB7	1,075,864.67 0.00	1,074,991.07 176.21	(873.60)	100.173	0.15%
2,250,000.000	CARMX 2021-2 A2B AUTO Mat: 6/17/24 Cpn: 0.15% Moody's: S&P: AAA Fitch: AAA Tr Date: 4/13/21 St Date: 4/21/21	14314QAH7	2,250,000.00 0.00	2,250,855.00 153.75	855.00	100.038	0.31%
4,500,000.000	CARMX 2021-3 2AB CAR Mat: 9/16/24 Cpn: 0.19% Moody's: Aaa S&P: AAA Fitch: Tr Date: 7/21/21 St Date: 7/28/21	14317DAH3	4,500,000.00 0.00	4,501,026.00 387.50	1,026.00	100.023	0.62%
2,600,000.000	CARMX 2021-4 A2B CAR Mat: 11/15/24 Cpn: 0.15% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/14/21 St Date: 9/22/21	14317JAC1	2,600,000.00 0.00	2,600,356.20 99.61	356.20	100.014	0.36%
1,472,000.000	COMET 2017-A2 A2 Mat: 1/15/25 Cpn: 0.49% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 3/9/21 St Date: 3/11/21	14041NFL0	1,477,290.00 0.00	1,474,449.41 323.02	(2,840.59)	100.166	0.20%
<b>Total for Asset-Backed</b>			<b>90,376,910.67 10,935.58</b>	<b>90,231,706.26 24,814.66</b>	<b>(145,204.42)</b>		<b>12.49%</b>
<b>Grand Total</b>			<b>722,824,693.39 362,380.18</b>	<b>721,653,998.45 795,834.55</b>	<b>(1,170,694.94)</b>		<b>100.00%</b>


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Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC		CASH				0.0000	-9,079,408.23	0.00	-9,079,408.23	0.00	0.00			
CALOPTIMA EC		TRI-PARTY CREDIT AGRICOLE CIB 20211001 0.05 MAT-00000651	0.0500	10/01/2021	Repo	11,000,000.00	11,000,000.00	15.28	11,000,000.00	0.00	1.55	P-1	A-1	F1
CALOPTIMA EC	025816CE7	American Express Co	0.7510	05/20/2022	Corporates	2,000,000.00	2,000,000.00	1,752.33	2,006,681.56	6,681.56	0.28	A3	BBB+	A
CALOPTIMA EC	02587AAL8	American Express Credit Account Master Trust	0.5337	09/16/2024	Asset Backed	3,255,000.00	3,265,542.87	772.16	3,260,170.57	-5,372.30	0.46	Aaa	NR	AAA
CALOPTIMA EC	02665JX54	AMERICAN HONDA FINANCE CORPORATION 3-a-3 20211005	0.0000	10/05/2021	CP	3,000,000.00	2,999,939.98	0.00	2,999,919.00	-20.98	0.42	P-2	A-2	F1
CALOPTIMA EC	02665JX54	AMERICAN HONDA FINANCE CORPORATION 3-a-3 20211005	0.0000	10/05/2021	CP	7,000,000.00	6,999,859.95	0.00	6,999,811.00	-48.95	0.99	P-2	A-2	F1
CALOPTIMA EC	02665JY38	AMERICAN HONDA FINANCE CORPORATION 3-a-3 20211103	0.0000	11/03/2021	CP	15,000,000.00	14,998,074.89	0.00	14,997,060.00	-1,014.89	2.12	P-2	A-2	F1
CALOPTIMA EC	03065HAG3	AmeriCredit Automobile Receivables Trust 2017-3	3.1800	07/18/2023	Asset Backed	1,300,000.00	1,315,894.53	1,492.83	1,315,791.23	-103.30	0.19	Aaa	NR	NR
CALOPTIMA EC	049560AV7	Atmos Energy Corp	0.4960	03/09/2023	Corporates	1,225,000.00	1,225,402.70	371.31	1,225,167.07	-235.63	0.17	A1	A-	NR
CALOPTIMA EC	05531FBG7	Truist Financial Corp	3.0500	06/20/2022	Corporates	1,500,000.00	1,527,754.01	12,835.42	1,526,941.28	-812.73	0.22	A3	A-	A
CALOPTIMA EC	05966DB84	BANCO SANTANDER SA (NEW YORK BRANC	0.1800	04/26/2024	Corporates	2,000,000.00	2,000,174.69	1,298.13	2,000,034.00	-140.69	0.28	P-1	A-1	F1
CALOPTIMA EC	06051GEM7	Bank of America Corp	5.7000	01/24/2022	Corporates	1,662,000.00	1,690,130.96	17,631.05	1,689,970.41	-160.55	0.24	A2	A-	AA-
CALOPTIMA EC	06051GGE3	Bank of America Corp	3.1240	01/20/2023	Corporates	1,315,000.00	1,331,543.36	8,102.01	1,325,926.76	-5,616.60	0.19	A2	A-	AA-
CALOPTIMA EC	06367CLT2	Bank of Montreal/Chicago IL	0.2000	09/27/2022	CD	20,000,000.00	20,000,000.00	444.44	20,000,199.00	199.00	2.83	P-1	A-1	F1+
CALOPTIMA EC	06406RAA5	Bank of New York Mellon Corp/The	2.6000	02/07/2022	Corporates	850,000.00	856,142.18	3,315.00	855,396.20	-745.98	0.12	A1	A	AA-
CALOPTIMA EC	06406RAT4	Bank of New York Mellon Corp/The	3.1800	04/26/2024	Corporates	2,250,000.00	2,250,946.63	1,298.13	2,257,208.87	6,262.23	0.32	A1	A	AA-
CALOPTIMA EC	07330NAQ8	Truist Bank	2.6250	01/15/2022	Corporates	1,000,000.00	1,005,959.58	5,541.67	1,004,885.66	-1,073.92	0.14	A2	A	A+
CALOPTIMA EC	13011CAY9	California Community College Financing Authority	0.2500	12/30/2021	Municipal Securities	2,500,000.00	2,500,639.12	2,795.14	2,500,712.50	73.38	0.35	NR	SP-1+	NR
CALOPTIMA EC	13013KAA1	California Community College Districts	0.2500	12/30/2021	Municipal Securities	1,530,000.00	1,530,000.00	1,923.13	1,530,033.97	33.97	0.22	NR	SP-1+	NR
CALOPTIMA EC	13032UXJ2	California Health Facilities Financing Authority	0.4170	06/01/2022	Municipal Securities	4,320,000.00	4,320,000.00	6,004.80	4,326,338.30	6,338.30	0.61	Aa3	AA-	AA-
CALOPTIMA EC	130583JL2	California School Cash Reserve Program Authority	0.2500	01/31/2022	Municipal Securities	3,000,000.00	3,000,005.01	3,791.67	3,000,131.40	126.39	0.42	NR	NR	NR
CALOPTIMA EC	13059QAF2	California School Finance Authority	0.2200	12/30/2021	Municipal Securities	1,000,000.00	1,000,132.07	1,142.78	1,000,117.80	-14.27	0.14	NR	SP-1+	UNK
CALOPTIMA EC	13067WQY1	State of California Department of Water Resources	0.2990	12/01/2021	Municipal Securities	960,000.00	960,311.94	956.80	960,316.61	4.67	0.14	Aa1	AAA	NR
CALOPTIMA EC	14041NFL0	Capital One Multi-Asset Execution Trust	0.4938	01/15/2025	Asset Backed	1,472,000.00	1,475,968.02	323.02	1,474,374.78	-1,593.24	0.21	NR	AAA	AAA
CALOPTIMA EC	14313FAD1	Carmax Auto Owner Trust 2018-3	3.1300	06/15/2023	Asset Backed	425,114.31	427,854.30	591.38	427,895.45	41.15	0.06	NR	AAA	AAA
CALOPTIMA EC	14314QAH7	CarMax Auto Owner Trust 2021-2	0.1537	06/17/2024	Asset Backed	1,000,000.00	1,000,377.60	68.33	1,000,315.00	-62.60	0.14	NR	AAA	AAA
CALOPTIMA EC	14913Q3D9	Caterpillar Financial Services Corp	0.3227	11/12/2021	Corporates	2,250,000.00	2,250,573.82	1,008.59	2,250,652.52	78.70	0.32	A2	A	A
CALOPTIMA EC	15189WAN0	CenterPoint Energy Resources Corp	0.6196	03/02/2023	Corporates	1,155,000.00	1,155,058.25	576.51	1,155,183.78	125.53	0.16	A3	BBB+	A-
CALOPTIMA EC	166764BN9	Chevron Corp	2.4980	03/03/2022	Corporates	2,534,000.00	2,555,433.21	4,923.28	2,553,496.82	-1,936.39	0.36	Aa2	AA-	NR
CALOPTIMA EC	17131RAQ9	City of Chula Vista CA	0.1510	06/01/2022	Municipal Securities	1,000,000.00	1,000,023.84	914.39	999,323.80	-700.04	0.14	NR	AA	NR
CALOPTIMA EC	172967LB5	Citigroup Inc	1.1846	12/08/2021	Corporates	740,000.00	741,034.17	560.07	740,766.91	-267.26	0.10	A3	BBB+	A
CALOPTIMA EC	172967LC3	Citigroup Inc	2.9000	12/08/2021	Corporates	467,000.00	468,864.50	4,251.00	468,190.79	-673.71	0.07	A3	BBB+	A
CALOPTIMA EC	172967LN9	Citigroup Inc	1.0753	07/24/2023	Corporates	3,750,000.00	3,775,995.29	7,504.35	3,773,418.00	-2,577.29	0.53	A3	BBB+	A
CALOPTIMA EC	17305EFY6	Citibank Credit Card Issuance Trust	0.5729	12/07/2023	Asset Backed	2,190,000.00	2,194,289.24	836.40	2,191,907.49	-2,381.75	0.31	Aaa	AAA	NR
CALOPTIMA EC	17308CC38	Citigroup Inc	0.9200	11/04/2022	Corporates	5,000,000.00	5,004,562.66	7,411.13	5,006,183.20	1,620.54	0.71	A3	BBB+	A
CALOPTIMA EC	20775HFT5	Connecticut Housing Finance Authority	0.3000	11/15/2022	Municipal Securities	2,860,000.00	2,860,000.00	3,241.33	2,858,938.94	-1,061.06	0.40	Aaa	AAA	NR
CALOPTIMA EC	21684XPQ3	COOPERATIVE RABOBANK UA (NEW YORK	0.2300	04/05/2022	CD	5,000,000.00	5,000,768.30	5,718.06	5,000,875.00	106.70	0.71	P-1	A-1	F1+
CALOPTIMA EC	21969AAA0	City of Corona CA	0.2490	05/01/2022	Municipal Securities	2,500,000.00	2,500,000.00	0.00	2,499,987.25	-12.75	0.35	NR	AA+	NR
CALOPTIMA EC	22532QXR2	Credit Agricole Corporate and Investment Bank/New York	0.1700	05/18/2022	CD	15,000,000.00	15,000,892.21	779.17	15,000,320.25	-571.96	2.12	P-1	A-1	F1
CALOPTIMA EC	22546QAR8	Credit Suisse AG/New York NY	3.0000	10/29/2021	Corporates	2,476,000.00	2,481,213.08	31,362.67	2,480,858.56	-354.52	0.35	A1	A+	A
CALOPTIMA EC	22550L2A8	Credit Suisse AG/New York NY	2.1000	11/12/2021	Corporates	500,000.00	501,044.10	4,054.17	501,044.83	0.73	0.07	A1	A+	A
CALOPTIMA EC	22550UAB7	Credit Suisse AG/New York NY	0.4400	02/02/2024	Corporates	4,800,000.00	4,800,000.00	3,520.02	4,809,024.00	9,024.00	0.68	A1	A+	A
CALOPTIMA EC	24422EVA4	John Deere Capital Corp	1.9500	06/13/2022	Corporates	450,000.00	455,413.08	2,632.50	455,616.67	203.59	0.06	A2	A	A
CALOPTIMA EC	24422EVM8	John Deere Capital Corp	0.2500	01/17/2023	Corporates	6,375,000.00	6,373,455.10	3,276.04	6,373,791.75	336.65	0.90	A2	A	A
CALOPTIMA EC	24422EVM8	John Deere Capital Corp	0.2500	01/17/2023	Corporates	725,000.00	724,562.77	372.57	724,862.59	299.82	0.10	A2	A	A
CALOPTIMA EC	26444HAG6	Duke Energy Florida LLC	0.3718	11/26/2021	Corporates	8,000,000.00	8,002,480.12	2,974.00	8,002,400.08	-80.04	1.13	A3	BBB+	NA
CALOPTIMA EC	282659AU5	City of El Cajon CA	0.4490	04/01/2022	Municipal Securities	1,035,000.00	1,035,000.00	3,149.74	1,035,066.34	66.34	0.15	NR	AA	NR
CALOPTIMA EC	30231GAJ1	Exxon Mobil Corp	2.3970	03/06/2022	Corporates	512,000.00	515,560.34	852.27	514,898.29	-662.05	0.07	Aa2	AA-	NR
CALOPTIMA EC	313313NP9	Federal Farm Credit Discount Notes	0.0000	10/29/2021	Discount Note	2,500,000.00	2,499,921.60	0.00	2,499,961.13	39.52	0.35	Agency	A-1+	Agency
CALOPTIMA EC	313313PJ1	Federal Farm Credit Discount Notes	0.0000	11/17/2021	Discount Note	2,500,000.00	2,499,835.66	0.00	2,499,869.48	33.82	0.35	Agency	A-1+	Agency
CALOPTIMA EC	313313QV3	Federal Farm Credit Discount Notes	0.0000	12/22/2021	Discount Note	2,000,000.00	1,999,770.92	0.00	1,999,817.82	46.90	0.28	Agency	A-1+	Agency
CALOPTIMA EC	3133EMRL8	Federal Farm Credit Banks Funding Corp	0.1000	02/17/2023	Agency	2,500,000.00	2,499,566.31	312.50	2,501,256.98	1,690.67	0.35	Agency	AA+	Agency
CALOPTIMA EC	3133EMZZ8	Federal Farm Credit Banks Funding Corp	0.0900	11/18/2022	Agency	2,500,000.00	2,497,045.82	831.25	2,495,048.25	-1,997.57	0.35	Agency	AA+	Agency
CALOPTIMA EC	3137AFT77	Freddie Mac REMICS	2.0000	10/01/2021	RMBS	874.64	874.64	1.46	874.52	-0.12	0.00	Agency	AA+	Agency
CALOPTIMA EC	3137B5JL8	Freddie Mac Multifamily Structured Pass Through Certificates	2.6690	02/01/2023	CMBS	60,812.35	61,537.45	135.26	61,525.50	-11.95	0.01	Agency	AA+	AAA
CALOPTIMA EC	3137BC2N7	Freddie Mac Multifamily Structured Pass Through Certificates	2.3640	02/01/2023	CMBS	1,490,020.54	1,499,991.04	2,935.34	1,500,275.01	283.97	0.21	Agency	AA+	Agency
CALOPTIMA EC	3137BQBZ9	Freddie Mac Multifamily Structured Pass Through Certificates	2.4660	03/01/2023	CMBS	250,000.00	254,516.16	501.25	255,647.58	1,131.42	0.04	Agency	AAA	AAA
CALOPTIMA EC	3137FMTW2	Freddie Mac Multifamily Structured Pass Through Certificates	0.4325	04/25/2024	CMBS	553,267.91	553,267.91	39.88	553,267.91	0.00	0.08	Agency	AA+	Agency
CALOPTIMA EC	3137FQXG3	Freddie Mac Multifamily Structured Pass Through Certificates	0.4225	07/25/2024	CMBS	2,807,267.09	2,807,267.09	197.68	2,811,469.29	4,202.20	0.40	Agency	AA+	Agency
CALOPTIMA EC	31677QBQ1	Fifth Third Bank NA	0.7658	02/01/2022	Corporates	500,000.00	500,975.50	648.76	501,079.00	103.50	0.07	NA	A-	A-
CALOPTIMA EC	341081GD3	Florida Power & Light Co	0.3000	05/10/2023	Corporates	250,000.00	250,048.62	108.33	250,033.31	-15.32	0.04	A1	A	A+
CALOPTIMA EC	345102NQ6	Foothill-De Anza Community College District	0.2530	08/01/2022	Municipal Securities	2,000,000.00	2,001,126.67	843.33	2,001,812.80	686.13	0.28	Aaa	AAA	NR
CALOPTIMA EC	34528DAD5	Ford Credit Auto Lease Trust 2019-B	2.2200	10/15/2022	Asset Backed	193,423.87	193,860.34	190.85	193,581.41	-278.93	0.03	Aaa	NR	AAA



Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC	34528DAD5	Ford Credit Auto Lease Trust 2019-B	2.2200	10/15/2022	Asset Backed	269,707.72	270,488.91	266.11	269,927.40	-561.51	0.04	Aaa	NR	AAA
CALOPTIMA EC	34528DAF0	Ford Credit Auto Lease Trust 2019-B	2.3600	01/15/2023	Asset Backed	1,500,000.00	1,511,342.89	1,573.33	1,508,413.05	-2,929.84	0.21	Aaa	NR	AAA
CALOPTIMA EC	34531MAD0	Ford Credit Auto Lease Trust 2020-A	1.8500	03/15/2023	Asset Backed	1,300,969.18	1,305,441.26	1,069.69	1,305,333.02	-108.24	0.18	NR	AAA	AAA
CALOPTIMA EC	34531MAD0	Ford Credit Auto Lease Trust 2020-A	1.8500	03/15/2023	Asset Backed	912,342.07	915,478.25	750.15	915,402.34	-75.91	0.13	NR	AAA	AAA
CALOPTIMA EC	34531MAD0	Ford Credit Auto Lease Trust 2020-A	1.8500	03/15/2023	Asset Backed	573,957.00	576,223.30	471.92	575,882.22	-341.08	0.08	NR	AAA	AAA
CALOPTIMA EC	34531MAD0	Ford Credit Auto Lease Trust 2020-A	1.8500	03/15/2023	Asset Backed	984,876.92	990,059.49	809.79	988,180.49	-1,879.00	0.14	NR	AAA	AAA
CALOPTIMA EC	34531MAD0	Ford Credit Auto Lease Trust 2020-A	1.8500	03/15/2023	Asset Backed	1,676,952.61	1,685,777.03	1,378.83	1,682,577.61	-3,199.42	0.24	NR	AAA	AAA
CALOPTIMA EC	34531RAB3	Ford Credit Auto Lease Trust 2020-B	0.5000	12/15/2022	Asset Backed	268,934.53	269,075.39	59.76	269,016.42	-58.97	0.04	Aaa	AAA	NR
CALOPTIMA EC	34531RAB3	Ford Credit Auto Lease Trust 2020-B	0.5000	12/15/2022	Asset Backed	614,067.17	614,427.41	136.46	614,254.15	-173.26	0.09	Aaa	AAA	NR
CALOPTIMA EC	34531RAB3	Ford Credit Auto Lease Trust 2020-B	0.5000	12/15/2022	Asset Backed	171,445.76	171,524.80	38.10	171,497.97	-26.83	0.02	Aaa	AAA	NR
CALOPTIMA EC	34533GAB5	Ford Credit Auto Owner Trust 2020-B	0.5000	02/15/2023	Asset Backed	224,765.02	224,895.37	49.95	224,850.36	-45.01	0.03	NR	AAA	AAA
CALOPTIMA EC	362569AA3	GM Financial Automobile Leasing Trust 2020-3	0.3500	11/21/2022	Asset Backed	477,010.07	477,165.09	51.01	477,172.97	7.88	0.07	Aaa	AAA	NR
CALOPTIMA EC	36259KAD9	GM Financial Automobile Leasing Trust 2020-1	1.6700	12/20/2022	Asset Backed	2,099,382.83	2,108,375.43	1,071.27	2,107,461.05	-914.38	0.30	NR	AAA	AAA
CALOPTIMA EC	36259KAD9	GM Financial Automobile Leasing Trust 2020-1	1.6700	12/20/2022	Asset Backed	1,245,151.20	1,251,292.67	635.38	1,249,942.42	-1,350.25	0.18	NR	AAA	AAA
CALOPTIMA EC	36259KAD9	GM Financial Automobile Leasing Trust 2020-1	1.6700	12/20/2022	Asset Backed	139,717.55	140,406.71	71.29	140,255.17	-151.54	0.02	NR	AAA	AAA
CALOPTIMA EC	36259PAB2	GM Financial Automobile Leasing Trust 2020-2	0.7100	10/20/2022	Asset Backed	1,466,180.45	1,467,839.38	318.08	1,467,361.60	-477.78	0.21	Aaa	AAA	NR
CALOPTIMA EC	38141GGS7	Goldman Sachs Group Inc/The	5.7500	01/24/2022	Corporates	3,962,000.00	4,030,889.46	42,398.90	4,029,026.34	-1,863.12	0.58	A2	BBB+	A
CALOPTIMA EC	38141GGS7	Goldman Sachs Group Inc/The	5.7500	01/24/2022	Corporates	1,070,000.00	1,087,836.36	11,450.49	1,088,101.51	265.15	0.16	A2	BBB+	A
CALOPTIMA EC	38141GWJ9	Goldman Sachs Group Inc/The	2.9080	06/05/2023	Corporates	5,000,000.00	5,094,545.74	46,851.11	5,081,580.80	-12,964.94	0.72	A2	BBB+	A
CALOPTIMA EC	38141GXP4	Goldman Sachs Group Inc/The	0.4810	01/27/2023	Corporates	2,000,000.00	1,999,832.83	1,710.22	2,000,324.30	491.47	0.28	A2	BBB+	A
CALOPTIMA EC	40054PFH3	Goldman Sachs Bank USA/New York NY	0.2100	10/01/2021	CD	5,000,000.00	5,000,000.00	5,716.67	5,000,015.00	15.00	0.71	P-1	A-1	F1
CALOPTIMA EC	419792F50	State of Hawaii	0.2470	02/01/2022	Municipal Securities	3,950,000.00	3,950,000.00	0.00	3,949,766.16	-233.84	0.56	Aa2	AA+	AA
CALOPTIMA EC	43813KAB8	Honda Auto Receivables 2020-3 Owner Trust	0.2700	02/21/2023	Asset Backed	138,243.46	138,301.51	13.48	138,268.11	-33.40	0.02	NR	AAA	AAA
CALOPTIMA EC	43815AAC6	Honda Auto Receivables 2018-4 Owner Trust	3.1600	01/17/2023	Asset Backed	210,898.50	212,269.45	296.20	212,237.62	-31.83	0.03	Aaa	AAA	NR
CALOPTIMA EC	43815AAC6	Honda Auto Receivables 2018-4 Owner Trust	3.1600	01/17/2023	Asset Backed	527,246.25	530,548.10	740.48	530,594.05	45.95	0.08	Aaa	AAA	NR
CALOPTIMA EC	438516BV7	Honeywell International Inc	0.4954	08/08/2022	Corporates	2,000,000.00	2,005,871.60	1,458.62	2,006,265.34	393.74	0.28	A2	NR	A
CALOPTIMA EC	446150AK0	Huntington Bancshares Inc/OH	2.3000	01/14/2022	Corporates	2,920,000.00	2,935,413.23	14,364.78	2,932,076.21	-3,337.02	0.42	Baa1	BBB+	A-
CALOPTIMA EC	446201AA3	City of Huntington Beach CA	0.2210	06/15/2022	Municipal Securities	1,200,000.00	1,199,912.21	1,326.00	1,199,541.24	-370.77	0.17	NR	AA+	AA+
CALOPTIMA EC	45818WCP9	Inter-American Development Bank	0.3100	09/16/2022	Agency	6,440,000.00	6,440,000.00	831.83	6,451,785.20	11,785.20	0.91	Aaa	AAA	AAA
CALOPTIMA EC	45818WCP9	Inter-American Development Bank	0.3100	09/16/2022	Agency	1,000,000.00	1,000,075.74	129.17	1,001,830.00	1,754.26	0.14	Aaa	AAA	AAA
CALOPTIMA EC	4581X0CN6	Inter-American Development Bank	1.7500	04/14/2022	Agency	2,500,000.00	2,521,826.13	20,295.14	2,521,674.28	-151.85	0.36	Aaa	AAA	AAA
CALOPTIMA EC	4581X0CZ9	Inter-American Development Bank	1.7500	09/14/2022	Agency	5,000,000.00	5,073,298.66	4,131.94	5,073,983.05	684.39	0.72	Aaa	AAA	AAA
CALOPTIMA EC	459058JQ7	International Bank for Reconstruction & Development	0.1800	01/13/2023	Agency	4,000,000.00	4,000,000.00	1,600.02	4,002,600.00	2,600.00	0.57	Aaa	AAA	AAA
CALOPTIMA EC	459058JQ7	International Bank for Reconstruction & Development	0.1800	01/13/2023	Agency	1,605,000.00	1,606,358.46	642.01	1,606,043.25	-315.21	0.23	Aaa	AAA	AAA
CALOPTIMA EC	459058JQ7	International Bank for Reconstruction & Development	0.1800	01/13/2023	Agency	7,500,000.00	7,502,808.99	3,000.05	7,504,875.00	2,066.01	1.06	Aaa	AAA	AAA
CALOPTIMA EC	46625HJD3	JPMorgan Chase & Co	4.5000	01/24/2022	Corporates	1,250,000.00	1,266,402.36	10,468.75	1,266,504.94	102.58	0.18	A2	A-	AA-
CALOPTIMA EC	46625HJE1	JPMorgan Chase & Co	3.2500	09/23/2022	Corporates	1,500,000.00	1,542,580.63	1,083.33	1,543,909.23	1,328.60	0.22	A2	A-	AA-
CALOPTIMA EC	46625HRL6	JPMorgan Chase & Co	2.7000	05/18/2023	Corporates	5,000,000.00	5,167,685.03	49,875.00	5,171,737.45	4,052.42	0.74	A2	A-	AA-
CALOPTIMA EC	46647PCA2	JPMorgan Chase & Co	0.6300	03/16/2024	Corporates	3,475,000.00	3,475,000.00	912.18	3,488,651.36	13,651.36	0.49	A2	A-	AA-
CALOPTIMA EC	46647PCA2	JPMorgan Chase & Co	0.6300	03/16/2024	Corporates	4,778,000.00	4,789,577.19	1,254.23	4,796,770.13	7,192.94	0.68	A2	A-	AA-
CALOPTIMA EC	47789KAB9	John Deere Owner Trust 2020	0.1010	01/17/2023	Asset Backed	145,584.08	145,704.79	65.35	145,671.79	-33.00	0.02	Aaa	NR	AAA
CALOPTIMA EC	49327M3B8	KeyBank NA/Cleveland OH	0.3900	01/03/2024	Corporates	2,548,000.00	2,552,391.32	2,401.49	2,552,395.78	4.46	0.36	A3	A-	A-
CALOPTIMA EC	49327M3B8	KeyBank NA/Cleveland OH	0.3900	01/03/2024	Corporates	3,500,000.00	3,502,001.77	3,298.75	3,506,038.17	4,036.39	0.50	A3	A-	A-
CALOPTIMA EC	50420BDB5	La Quinta Redevelopment Agency Successor Agency	0.2860	09/01/2022	Municipal Securities	1,750,000.00	1,750,145.09	417.08	1,750,579.60	434.51	0.25	NR	AA-	NR
CALOPTIMA EC	51501HAK5	LANDESBANKBADEN-WURTTENBERG 0.240% 10/25/2021 DD 02/01/21	0.2400	10/25/2021	CD	10,000,000.00	10,000,000.00	16,133.33	10,000,900.00	900.00	1.42	P-1	NR	F1
CALOPTIMA EC	5445872P2	Municipal Improvement Corp of Los Angeles	0.2690	11/01/2021	Municipal Securities	1,000,000.00	1,000,000.00	1,546.75	1,000,051.20	51.20	0.14	NR	AA-	NR
CALOPTIMA EC	544587X94	Municipal Improvement Corp of Los Angeles	0.4150	11/01/2021	Municipal Securities	625,000.00	625,072.89	1,080.73	625,100.31	27.42	0.09	NR	AA-	NR
CALOPTIMA EC	544587X94	Municipal Improvement Corp of Los Angeles	0.4150	11/01/2021	Municipal Securities	2,000,000.00	2,000,000.00	3,458.33	2,000,321.00	321.00	0.28	NR	AA-	NR
CALOPTIMA EC	55380TNT3	MUFG BANK LTD (NEW YORK BRANCH)	0.2400	10/20/2021	CD	10,000,000.00	10,000,790.83	16,866.67	10,000,720.00	-70.83	1.42	P-1	A-1	F1
CALOPTIMA EC	58769EAB4	Mercedes-Benz Auto Lease Trust 2020-B	0.3100	02/15/2023	Asset Backed	1,407,200.64	1,407,654.63	193.88	1,407,698.79	44.16	0.20	NR	AAA	AAA
CALOPTIMA EC	58769QAC5	Mercedes-Benz Auto Lease Trust 2019-B	2.0000	10/17/2022	Asset Backed	356,139.55	357,743.74	316.57	357,802.51	58.77	0.05	NR	AAA	AAA
CALOPTIMA EC	58770FAC6	Mercedes-Benz Auto Lease Trust 2020-A	1.8400	12/15/2022	Asset Backed	570,623.88	573,548.05	466.64	573,515.23	-32.82	0.08	Aaa	AAA	NR
CALOPTIMA EC	60683B2J1	MITSUBISHI UFJ TRUST AND BANKING C	0.1500	03/17/2022	CD	15,000,000.00	14,999,999.39	875.00	14,998,605.00	-1,394.39	2.12	P-1	A-1	F1
CALOPTIMA EC	60710AWS7	MIZUHO BANK LTD (NEW YORK BRANCH)	0.2400	10/27/2021	CD	10,000,000.00	10,001,009.85	16,466.67	10,000,970.00	-39.85	1.42	P-1	A-1	F1
CALOPTIMA EC	60710RSN6	MIZUHO BANK (USA)	0.1300	12/10/2021	CD	8,000,000.00	7,999,999.18	3,264.44	8,000,000.00	0.82	1.13	P-1	A-1	F1
CALOPTIMA EC	607802BW4	City of Modesto CA Wastewater Revenue	0.3790	11/01/2021	Municipal Securities	1,150,000.00	1,150,000.00	1,816.04	1,150,196.77	196.76	0.16	NR	AA	NR
CALOPTIMA EC	61744YAH1	Morgan Stanley	2.7500	05/19/2022	Corporates	2,386,000.00	2,422,878.30	24,058.83	2,424,509.23	1,630.93	0.35	A1	BBB+	A
CALOPTIMA EC	61744YAH1	Morgan Stanley	2.7500	05/19/2022	Corporates	1,485,000.00	1,507,952.20	14,973.75	1,508,967.40	1,015.20	0.22	A1	BBB+	A
CALOPTIMA EC	61744YAN8	Morgan Stanley	3.1250	01/23/2023	Corporates	2,500,000.00	2,587,583.26	14,756.94	2,587,450.78	-132.48	0.37	A1	BBB+	A
CALOPTIMA EC	61744YAN8	Morgan Stanley	3.1250	01/23/2023	Corporates	2,500,000.00	2,587,843.65	14,756.95	2,587,450.78	-392.88	0.37	A1	BBB+	A
CALOPTIMA EC	61744YAN8	Morgan Stanley	3.1250	01/23/2023	Corporates	500,000.00	517,514.43	2,951.39	517,490.16	-24.28	0.07	A1	BBB+	A
CALOPTIMA EC	61746BED4	Morgan Stanley	2.6250	11/17/2021	Corporates	922,000.00	924,899.63	9,008.71	924,642.64	-256.99	0.13	A1	BBB+	A
CALOPTIMA EC	637432NM3	National Rural Utilities Cooperative Finance Corp	2.4000	04/25/2022	Corporates	854,000.00	863,642.00	8,881.60	862,869.29	-772.71	0.12	A1	A-	A+

Reporting Account Name	Security ID	Security Description 1	Coupon	Maturity	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Total Base Unrealized Gain / Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC	63743CX57	NATIONAL RURAL UTILITIES COOP FINA 3-a-3 20211005	0.0000	10/05/2021	CP	10,670,000.00	10,669,905.15	0.00	10,669,807.94	-97.21	1.51	P-1	A-2	F1
CALOPTIMA EC	63743CX57	NATIONAL RURAL UTILITIES COOP FINA 3-a-3 20211005	0.0000	10/05/2021	CP	6,330,000.00	6,329,943.73	0.00	6,329,886.06	-57.67	0.89	P-1	A-2	F1
CALOPTIMA EC	63743CXJ7	NATIONAL RURAL UTILITIES COOP FINA 3-a-3 20211018	0.0000	10/18/2021	CP	9,000,000.00	8,999,660.00	0.00	8,999,415.00	-245.00	1.27	P-1	A-2	F1
CALOPTIMA EC	65339KB03	NextEra Energy Capital Holdings Inc	0.6500	03/01/2023	Corporates	4,000,000.00	4,009,197.11	2,166.67	4,013,524.56	4,327.45	0.57	Baa1	BBB+	A-
CALOPTIMA EC	65339KBV1	NextEra Energy Capital Holdings Inc	0.5900	03/01/2023	Corporates	2,265,000.00	2,265,000.00	1,113.63	2,274,845.96	9,845.96	0.32	Baa1	BBB+	A-
CALOPTIMA EC	65474VAQ4	Nissan Master Owner Trust Receivables	0.6438	02/15/2024	Asset Backed	4,500,000.00	4,513,482.95	1,287.50	4,508,625.60	-4,857.35	0.64	Aaa	NR	AAA
CALOPTIMA EC	65474VAS0	Nissan Master Owner Trust Receivables	0.5138	11/15/2023	Asset Backed	1,000,000.00	1,001,429.82	228.33	1,000,383.40	-1,046.42	0.14	Aaa	NR	AAA
CALOPTIMA EC	65479CAC2	Nissan Auto Receivables 2020-B Owner Trust	0.2637	10/17/2022	Asset Backed	44,657.00	44,665.60	5.23	44,660.49	-5.11	0.01	Aaa	AAA	NR
CALOPTIMA EC	65479NAD6	Nissan Auto Lease Trust 2020-A	1.8400	01/17/2023	Asset Backed	1,039,895.49	1,045,775.96	850.40	1,044,699.50	-1,076.46	0.15	Aaa	AAA	NR
CALOPTIMA EC	65480EAB7	Nissan Auto Lease Trust 2020-B	0.3400	12/15/2022	Asset Backed	586,481.63	586,666.20	88.62	586,757.86	91.66	0.08	Aaa	AAA	NR
CALOPTIMA EC	65480EAB7	Nissan Auto Lease Trust 2020-B	0.3400	12/15/2022	Asset Backed	813,214.22	813,470.12	122.89	813,597.24	127.12	0.11	Aaa	AAA	NR
CALOPTIMA EC	65558T6N0	NORDEA BANK ABP (NEW YORK BRANCH)	0.2300	04/07/2022	CD	5,000,000.00	5,000,254.29	5,686.11	5,000,885.00	630.71	0.71	P-1	A-1+	F1+
CALOPTIMA EC	65602YJZ4	NORINCHUKIN BANK (NEW YORK BRANCH)	0.1800	02/25/2022	CD	20,000,000.00	20,001,624.30	12,200.00	20,002,460.00	835.70	2.83	P-1	A-1	NR
CALOPTIMA EC	66522TX43	NORTHERN ILLINOIS GAS COMPANY 3-a-3 20211004	0.0000	10/04/2021	CP	20,000,000.00	19,999,883.33	0.00	19,999,720.00	-163.33	2.83	P-1	A-1	F1
CALOPTIMA EC	679111ZP2	Oklahoma Turnpike Authority	0.4910	01/01/2022	Municipal Securities	2,250,000.00	2,250,000.00	2,761.88	2,251,793.03	1,793.03	0.32	Aa3	AA-	AA-
CALOPTIMA EC	684100AA8	City of Orange CA	0.2910	06/01/2022	Municipal Securities	1,115,000.00	1,115,249.15	1,766.53	1,115,418.68	169.53	0.16	NR	AA	NR
CALOPTIMA EC	69349LAG3	PNC Bank NA	2.7000	11/01/2022	Corporates	2,502,000.00	2,561,743.60	28,147.50	2,561,687.44	-56.16	0.37	A3	A-	A
CALOPTIMA EC	69371RN77	PACCAR Financial Corp	2.3000	08/10/2022	Corporates	1,000,000.00	1,017,368.58	3,258.33	1,017,431.21	62.63	0.14	A1	A+	NR
CALOPTIMA EC	69371RQ33	PACCAR Financial Corp	2.0000	09/26/2022	Corporates	362,000.00	367,836.74	100.56	368,644.47	807.73	0.05	A1	A+	NR
CALOPTIMA EC	70450VAB9	PayPal Holdings Inc	2.2000	09/26/2022	Corporates	3,000,000.00	3,054,120.47	916.67	3,057,618.33	3,497.86	0.43	A3	A-	A-
CALOPTIMA EC	71112JX74	PEOPLES GAS LIGHT AND COKE COMPANY 3-a-3 20211007	0.0000	10/07/2021	CP	20,000,000.00	19,999,700.00	0.00	19,999,460.00	-240.00	2.83	P-1	A-2	F2
CALOPTIMA EC	713448BY3	PepsiCo Inc	2.7500	03/05/2022	Corporates	1,383,000.00	1,397,642.73	2,746.79	1,398,227.08	584.35	0.20	A1	A+	NR
CALOPTIMA EC	713448DT2	PepsiCo Inc	2.2500	05/02/2022	Corporates	1,087,000.00	1,098,884.77	10,122.69	1,097,853.51	-1,031.26	0.16	A1	A+	NR
CALOPTIMA EC	74460WAB3	Public Storage	0.5200	04/23/2024	Corporates	595,000.00	595,927.76	601.61	595,908.72	-19.04	0.08	A2	A	NR
CALOPTIMA EC	78012UV28	Royal Bank of Canada/New York NY	0.1800	08/01/2022	CD	20,000,000.00	20,000,000.00	100.00	20,000,000.00	0.00	2.83	P-1	A-1+	F1+
CALOPTIMA EC	79727LBP3	San Diego Convention Center Expansion Financing Authority	1.1400	04/15/2022	Municipal Securities	500,000.00	501,292.44	2,628.33	501,300.75	8.31	0.07	NR	AA-	AA-
CALOPTIMA EC	797381BW9	San Diego County CA / San Diego County School Districts	0.2500	01/31/2022	Municipal Securities	3,500,000.00	3,500,939.44	4,423.61	3,501,518.30	578.86	0.50	NR	SP-1+	NR
CALOPTIMA EC	79765R4L0	City of San Francisco CA Public Utilities Commission Water Revenue	1.8640	11/01/2021	Municipal Securities	500,000.00	500,700.40	3,883.33	500,642.00	-58.40	0.07	Aa2	AA-	NR
CALOPTIMA EC	797683HF9	San Francisco Community College District	3.0000	09/15/2022	Municipal Securities	2,780,000.00	2,830,397.88	24,556.67	2,830,738.61	340.73	0.40	A1	NR	A+
CALOPTIMA EC	797683HF9	San Francisco Community College District	3.0000	06/15/2022	Municipal Securities	500,000.00	509,437.88	4,416.66	509,125.65	-312.23	0.07	A1	NR	A+
CALOPTIMA EC	80286WAB2	Santander Drive Auto Receivables Trust 2020-4	0.4200	09/15/2023	Asset Backed	1,274,567.40	1,274,816.34	237.92	1,274,820.27	3.93	0.18	Aaa	NR	AAA
CALOPTIMA EC	82707BDJ5	Silicon Valley Clean Water	0.2270	08/01/2022	Municipal Securities	785,000.00	785,076.30	296.99	785,608.06	531.76	0.11	Aa2	AA	NR
CALOPTIMA EC	842400HA4	Southern California Edison Co	0.6900	04/03/2023	Corporates	2,050,000.00	2,054,250.17	3,614.85	2,054,944.01	693.84	0.29	A3	A-	BBB+
CALOPTIMA EC	842434CV2	Southern California Gas Co	0.4657	09/14/2023	Corporates	1,815,000.00	1,815,000.00	399.19	1,815,654.29	654.29	0.26	A2	A	A+
CALOPTIMA EC	86565C6K0	Sumitomo Mitsui Banking Corp/New York	0.1500	03/15/2022	CD	20,000,000.00	20,000,000.00	1,333.33	20,000,090.80	90.80	2.83	P-1	A-1	NR
CALOPTIMA EC	86565CS26	SUMITOMO MITSUI BANKING CORP (NEW	0.1600	11/18/2021	CD	4,000,000.00	4,000,319.63	2,417.78	4,000,164.00	-155.63	0.57	P-1	A-1	F1
CALOPTIMA EC	89236TGJ8	Toyota Motor Credit Corp	1.8000	10/07/2021	Corporates	854,000.00	854,221.76	7,429.80	854,096.31	-125.45	0.12	A1	A+	A+
CALOPTIMA EC	89236THM0	Toyota Motor Credit Corp	0.3500	10/14/2022	Corporates	507,000.00	507,558.71	823.17	507,804.65	245.94	0.07	A1	A+	A+
CALOPTIMA EC	89236TJE6	Toyota Motor Credit Corp	0.3700	04/06/2023	Corporates	1,000,000.00	1,001,655.19	894.17	1,002,290.00	634.81	0.14	A1	A+	A+
CALOPTIMA EC	90331HPC1	US Bank NA/Cincinnati OH	2.6500	05/23/2022	Corporates	500,000.00	507,145.16	4,711.11	506,862.70	-282.46	0.07	A1	AA-	AA-
CALOPTIMA EC	90331HPK3	US Bank NA/Cincinnati OH	0.3142	01/21/2022	Corporates	1,750,000.00	1,750,930.73	1,099.88	1,750,719.01	-211.72	0.25	A1	AA-	AA-
CALOPTIMA EC	9128285V8	United States Treasury Note/Bond	2.5000	01/15/2022	US Governments	60,000,000.00	60,422,976.70	317,934.78	60,423,667.20	690.50	8.58	Govt	AA+	Govt
CALOPTIMA EC	912828G87	United States Treasury Note/Bond	2.1250	12/31/2021	US Governments	50,000,000.00	50,257,798.37	268,512.23	50,256,740.50	-1,057.87	7.14	Govt	AA+	Govt
CALOPTIMA EC	912828G87	United States Treasury Note/Bond	2.1250	12/31/2021	US Governments	10,000,000.00	10,051,381.39	53,702.44	10,051,348.10	-33.29	1.43	Govt	AA+	Govt
CALOPTIMA EC	91324PDD1	UnitedHealth Group Inc	2.3750	10/15/2022	Corporates	504,000.00	514,247.28	5,519.50	515,344.79	1,097.51	0.07	A3	A+	A
CALOPTIMA EC	91412HFJ7	University of California	0.4550	05/15/2022	Municipal Securities	750,000.00	751,029.32	1,289.17	751,486.73	457.40	0.11	Aa2	AA	AA
CALOPTIMA EC	91412HJH7	University of California	0.1630	05/15/2022	Municipal Securities	750,000.00	749,668.62	682.56	750,143.40	474.78	0.11	Aa2	AA	AA
CALOPTIMA EC	91412HKW2	University of California	0.2740	05/15/2022	Municipal Securities	500,000.00	500,030.74	764.92	500,067.90	37.16	0.07	Aa3	AA-	AA-
CALOPTIMA EC	923078CR8	Ventura County Public Financing Authority	0.6980	11/01/2021	Municipal Securities	805,000.00	805,224.07	2,341.21	805,221.21	-2.86	0.11	Aa1	AA+	NR
CALOPTIMA EC	92343VDX9	Verizon Communications Inc	1.1180	03/16/2022	Corporates	3,674,000.00	3,687,267.02	1,711.47	3,690,239.08	2,972.06	0.52	Baa1	BBB+	A-
CALOPTIMA EC	92347YAA2	Verizon Owner Trust 2019-A	2.9300	09/20/2023	Asset Backed	5,481,778.25	5,533,598.19	4,907.71	5,531,131.25	-2,466.94	0.78	Aaa	AAA	AAA
CALOPTIMA EC	92348AAB1	Verizon Owner Trust 2019-C	0.5074	04/22/2024	Asset Backed	3,008,000.00	3,008,067.83	465.10	3,006,542.40	-1,525.43	0.42	NR	AAA	AAA
CALOPTIMA EC	92349GAB7	Verizon Owner Trust 2019-B	0.5374	12/20/2023	Asset Backed	1,073,139.91	1,074,976.98	176.21	1,074,940.53	-36.45	0.15	Aaa	AAA	NR
CALOPTIMA EC	92349GAB7	Verizon Owner Trust 2019-B	0.5374	12/20/2023	Asset Backed	5,141,409.83	5,153,317.61	844.22	5,150,036.60	-3,281.01	0.73	Aaa	AAA	NR
CALOPTIMA EC	927804FJ8	Virginia Electric and Power Co	3.4500	09/01/2022	Corporates	4,035,000.00	4,128,913.69	11,600.63	4,116,563.17	-12,350.52	0.58	A2	BBB+	A
CALOPTIMA EC	92780JXD8	VIRGINIA ELECTRIC AND POWER COMPAN 3-a-3 20211013	0.0000	10/13/2021	CP	12,295,000.00	12,294,262.05	0.00	12,293,979.52	-282.54	1.74	P-1	A-2	F2
CALOPTIMA EC	92867XAD8	Volkswagen Auto Lease Trust 2019-A	1.9900	11/21/2022	Asset Backed	2,291,368.97	2,301,580.55	1,393.28	2,301,086.67	-493.88	0.33	NR	AAA	AAA
CALOPTIMA EC	92868JAB2	Volkswagen Auto Loan Enhanced Trust 2020-1	0.9300	12/20/2022	Asset Backed	12,477.23	12,488.38	3.55	12,482.44	-5.94	0.00	Aaa	NR	AAA
CALOPTIMA EC	92868LAD3	Volkswagen Auto Loan Enhanced Trust 2018-1	3.0200	11/21/2022	Asset Backed	748,326.65	751,531.38	690.54	750,501.29	-1,030.09	0.11	NR	AAA	AAA
CALOPTIMA EC	95000U2B8	Wells Fargo & Co	2.6250	07/22/2022	Corporates	6,000,000.00	6,109,773.75	30,187.50	6,115,679.58	5,905.83	0.87	A1	BBB+	A+
CALOPTIMA EC	98162GAD4	World Omni Automobile Lease Securitization Trust 2019-B	2.0300	11/15/2022	Asset Backed	2,746,477.38	2,761,365.33	2,477.93	2,758,742.87	-2,622.46	0.39	Aaa	NR	AAA

## Economic and Market Update

Data as of August 31, 2021

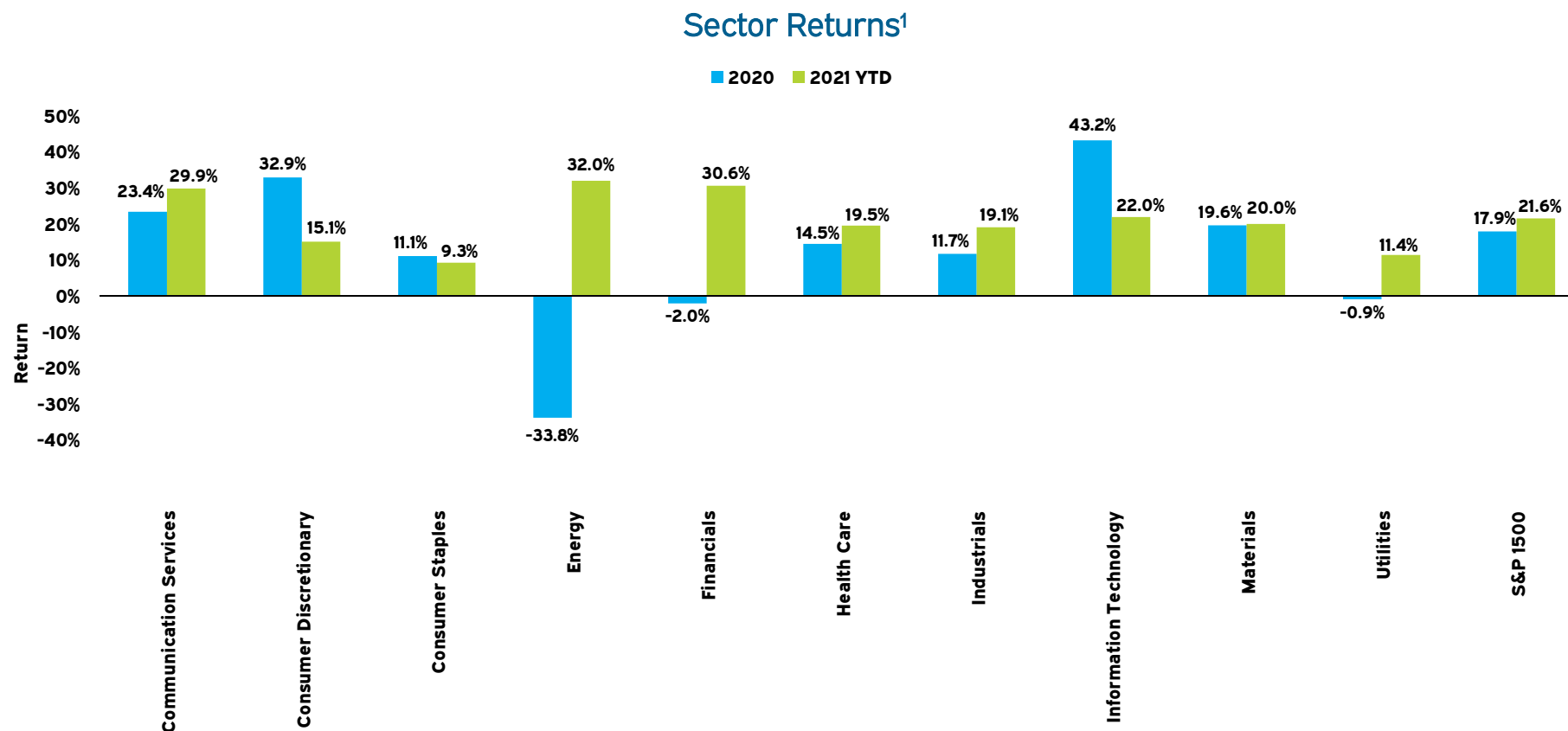


## Market Returns<sup>1</sup>

Indices	August	QTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	3.0%	5.5%	21.6%	31.2%	18.1%	18.0%	16.3%
MSCI EAFE	1.8%	2.5%	11.6%	26.1%	9.0%	9.7%	7.3%
MSCI Emerging Markets	2.6%	-4.3%	2.8%	21.1%	9.9%	10.4%	4.9%
MSCI China	0.0%	-13.8%	-12.3%	-5.1%	7.3%	10.8%	7.3%
Bloomberg Barclays Aggregate	-0.2%	0.9%	-0.7%	-0.1%	5.4%	3.1%	3.2%
Bloomberg Barclays TIPS	-0.2%	2.5%	4.3%	5.6%	7.3%	4.6%	3.2%
Bloomberg Barclays High Yield	0.5%	0.9%	4.6%	10.1%	7.1%	6.7%	7.1%
10-year US Treasury	-0.4%	1.8%	-2.5%	-4.1%	6.3%	2.2%	3.0%
30-year US Treasury	-0.3%	3.8%	-5.8%	-9.6%	9.4%	3.2%	5.8%

- Equity markets had strong results in August with the US extending its year-to-date outperformance. So far in 2021, struggles with the vaccine rollout have hurt the relative performance of international equity markets, with China's crackdown on technology companies further weighing on emerging markets.
- In August, Treasuries pulled back after a rally as growth expectations picked-up slightly.

<sup>1</sup> Source: Investment Metrics and Bloomberg. Data is as of August 31, 2021.

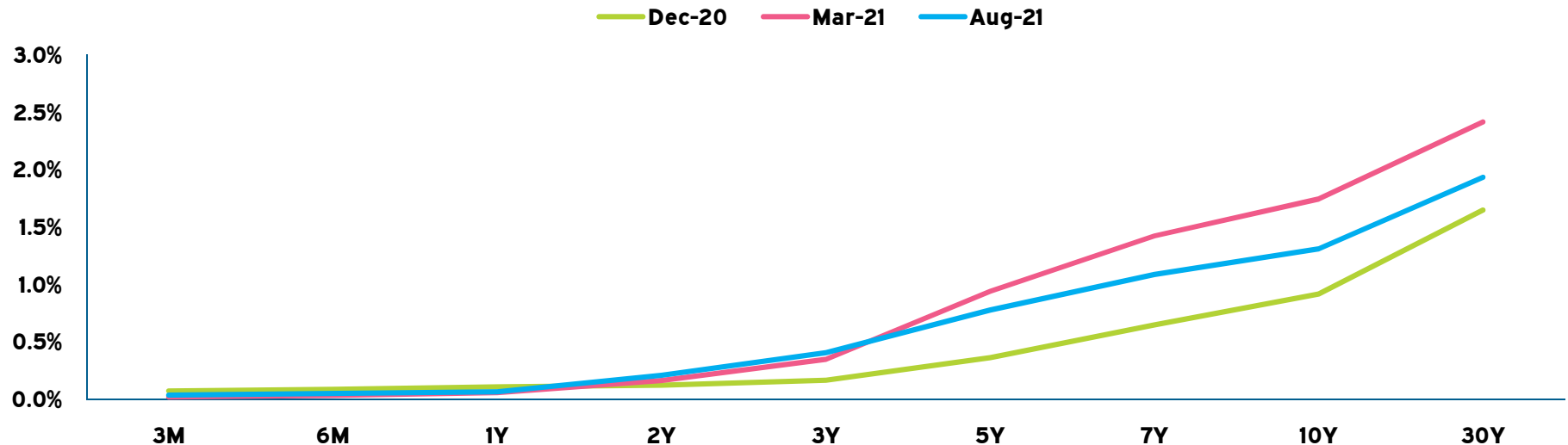


- Cyclical sectors like energy and financials continue to lead the way in 2021 with strong returns, followed closely by communication services.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2021.



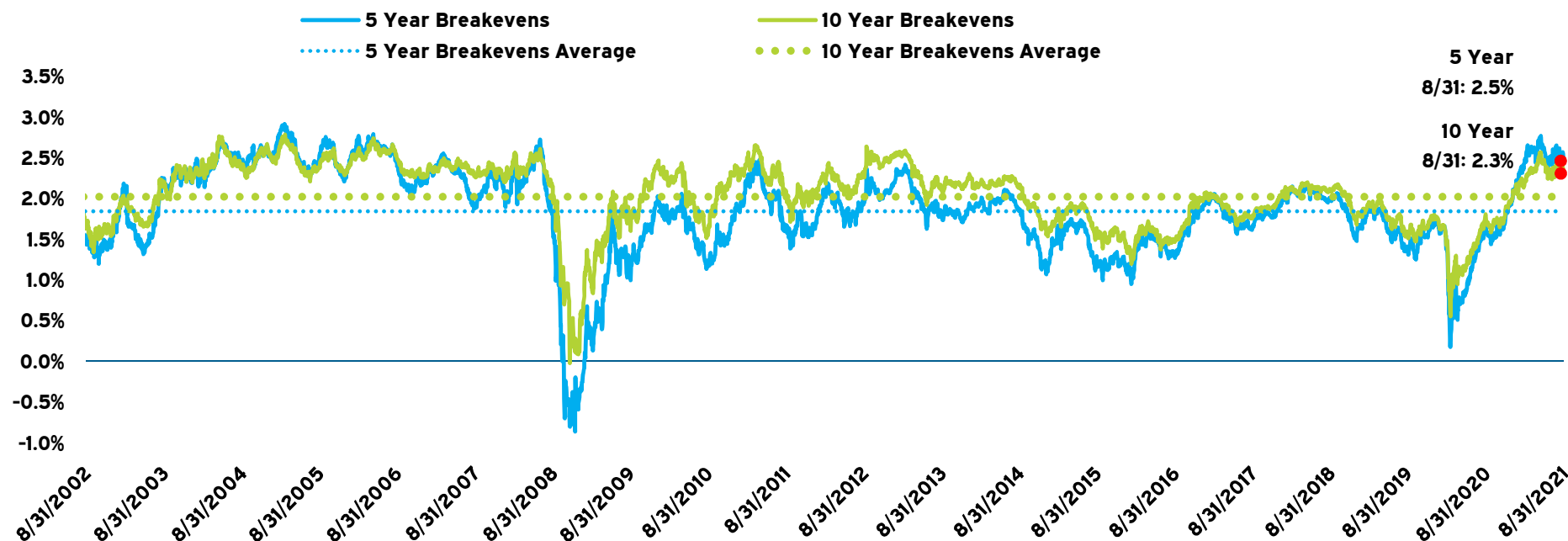
### US Yield Curve Begins to Flatten After Sharp Steepening to Start 2021<sup>1</sup>



- During the first half of 2021, the yield curve steepened, on higher growth expectations related to gradual signs of economic improvement given the vaccine rollout.
- Shorter-dated rates were largely unchanged due to Fed policy. Longer-dated rates rose slightly in August though given a modest improvement in growth expectations, but they remain below their recent peak in March 2021.
- The yield curve could resume its steepening if growth and inflation pressures build beyond current expectations. Alternatively, if the economy weakens, or if economic progress is simply accelerated versus prior expectations, a flattening trend could continue.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2021.

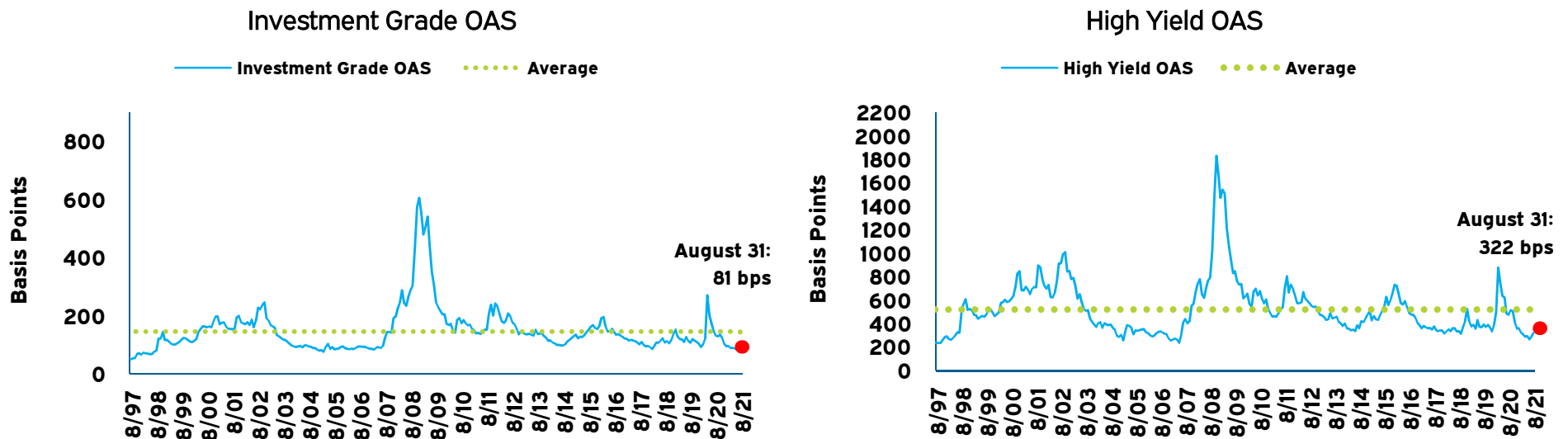
### Breakeven Inflation<sup>1</sup>



- Inflation expectations remain well above long-term averages, particularly in the short-term, with the vaccine roll-out, still relatively high raw material prices, and expected additional fiscal stimulus as key drivers.
- Recently though, inflation expectations declined from their peaks as base effects wane, growth forecasts moderate, and cost pressures slow.
- Looking ahead, the track of economic growth and the inflationary effects of the unprecedented US fiscal response will be key issues. Additionally, changes to Fed policy focused on an average inflation target may play a role in the inflation market dynamics.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2021.

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

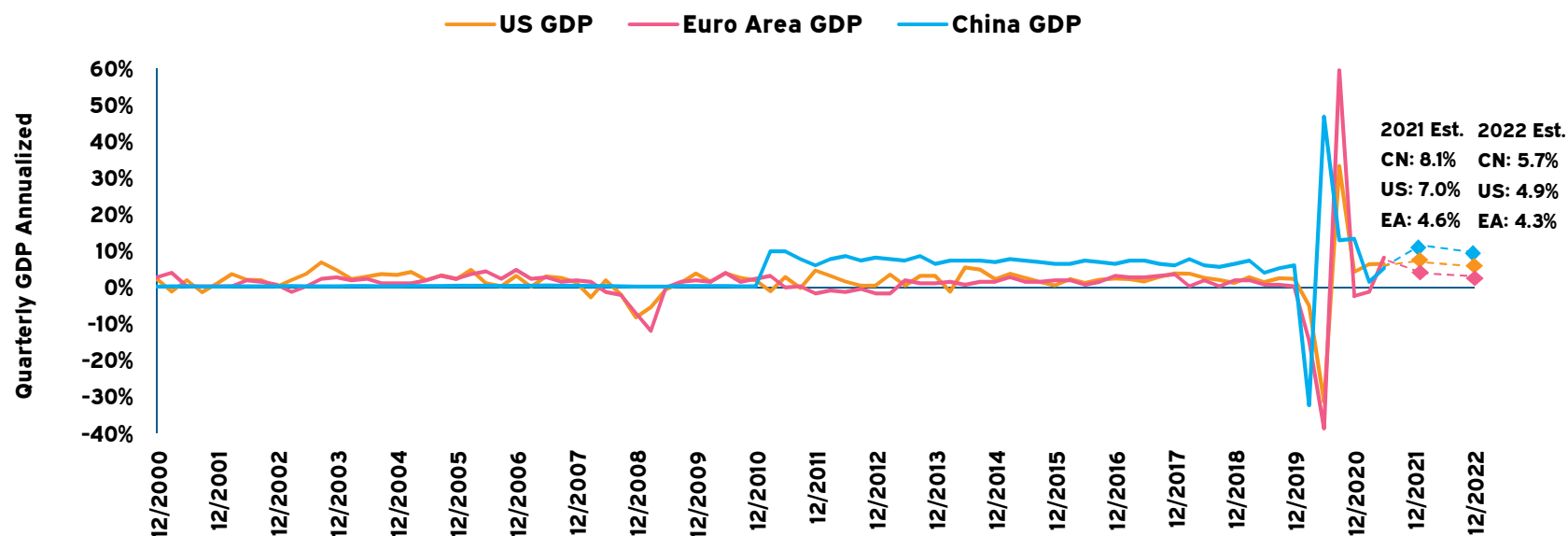


- Credit spreads (the spread above a comparable maturity Treasury) for investment-grade and high yield corporate debt remain at historically low levels in spite of elevated inflation expectations.
- Policy support and the search for yield in a low-rate environment have been key drivers in the decline in US credit spreads to below long-term averages, particularly for high yield issuers.

<sup>1</sup> Source: Barclays Live. Data represents OAS and is as of August 31, 2021.

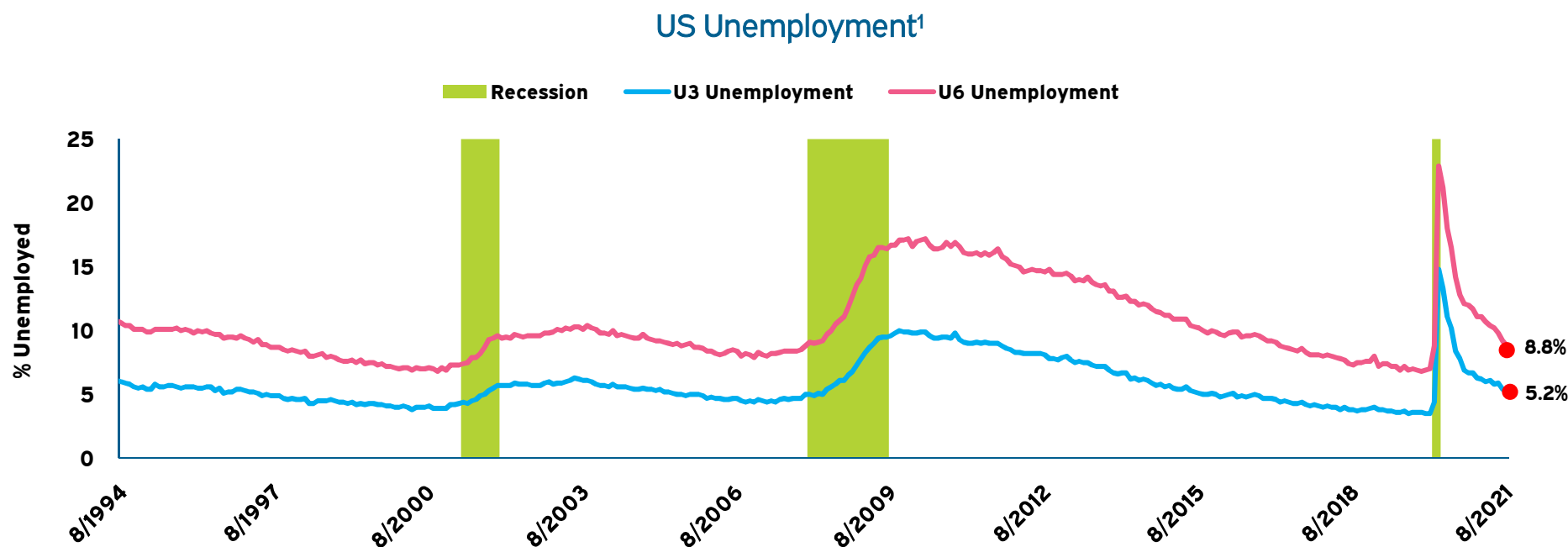


### GDP Data Shows Projected Improvements in 2021<sup>1</sup>



- In late 2020 and early 2021, major economies grew at rates far above potential. These very high rates of growth are not expected to continue, though, as reopening trends moderate and demand normalizes.
- The US is expected to grow faster than the euro area this year and next, with some growth pulled forward due to the relative success in distributing the vaccine and a substantially larger fiscal stimulus response to the pandemic.
- China is projected to grow at an impressive 8.1% in 2021 and 5.7% in 2022 both above the expected US growth rate.

<sup>1</sup> Source: Bloomberg, and IMF; Euro Area and China figures annualized by Meketa. Projections via July 2021 IMF World Economic Outlook and represent annual numbers.



- The unemployment rate (U3) fell in August from 5.4% to 5.2% and remains above pre-pandemic levels, but far below the pandemic peak.
- The broader measure of unemployment (U6) that includes discouraged and underemployed workers continues to decline but remains much higher at 8.8%.
- Pandemic related concerns, childcare issues, and a mismatch of skills and available jobs have contributed to the continued slack in the labor market. The track of the unemployment rate from here will be a key consideration in the Federal Reserve's pace of reducing its policy support.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2021. Bars represent recessions as observed by the National Bureau of Economic Research.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**September 16, 2021**

A Regular Meeting of the CalOptima Board of Directors’ Finance and Audit Committee was held on September 16, 2021 at CalOptima, 505 City Parkway West, Orange, California and via teleconference (Go-to-Webinar) in light of the COVID-19 public health emergency and consistent with Governor Newsom’s executive orders EO-N-25-20 and EO-N-29-20, which temporarily relax the teleconferencing limitations of the Brown Act.

**CALL TO ORDER**

Chair Isabel Becerra called the meeting to order at 2:07 p.m. Director Corwin led the Pledge of Allegiance.

**Members Present:** Isabel Becerra, Chair; Clayton Corwin; Scott Schoeffel (all Members at teleconference locations)

**Members Absent:** None

**Others Present:** Richard Sanchez, Chief Executive Officer; Gary Crockett, Chief Counsel; Nancy Huang, Chief Financial Officer; Ladan Khamseh, Chief Operating Officer; Emily Fonda, M.D., Chief Medical Officer; Carmen Dobry, Executive Director of Compliance; Sharon Dwiers, Clerk of the Board

Chair Becerra announced that she was reordering the agenda to hear Agenda Item 8, FY2020-2021 Internal Audit Final Results and Proposed Internal Audit Plan for FY2021-2022 immediately after Report Item 4.

**MANAGEMENT REPORTS**

**1. Chief Financial Officer Report**

Nancy Huang, Chief Financial Officer, provided a summary the Enhanced Care Management (ECM) Supplemental Reimbursement Policy. As part of the California Advancing and Innovating Medi-Cal (CalAIM) program, ECM will be a covered benefit. The ECM policy defines the criteria for delegated health networks to receive supplemental payments. Ms. Huang also provided an update on the In-Home Supportive Services reconciliation process.



## **INVESTMENT ADVISORY COMMITTEE UPDATE**

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

Ms. Huang presented the Treasurer's Report for April 1, 2021 through June 30, 2021. The portfolio totaled approximately \$1.9 billion as of June 30, 2021. Of this amount, \$1.3 billion was in CalOptima's operating account and \$589 million was included in CalOptima's Board-designated reserves. Meketa Investment Group Inc., CalOptima's Investment Advisor, completed an independent review of the monthly investment reports and reported that all investments were compliant with Government Code section 53600 *et seq.*, and with CalOptima's Annual Investment Policy.

## **PUBLIC COMMENTS**

There were no requests for public comment.

## **CONSENT CALENDAR**

**3. Approve the Minutes of the May 20, 2021 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee and Receive and File Minutes of the April 26, 2021 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee**

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

## **REPORT**

**4. Consider Recommending that the Board of Directors Accept and Receive and File Fiscal Year 2020-21 CalOptima Audited Financial Statements**

Ms. Huang introduced Moss Adams to provide further details on the audit results and was happy to inform the Finance and Audit Committee (FAC) that there were no significant issues that were noted during the audit.

Stacy Stelzriede of Moss-Adams, LLP, CalOptima's independent financial auditor, presented the draft audit of the consolidated financial statements for the fiscal year ending June 30, 2021. An overview of the areas of audit emphasis were presented, including capitation revenue and receivables, cash and investments, medical claims liability, and required communications. Ms. Stelzriede reported that Moss Adams will be issuing an unmodified opinion indicating that the FY 2020-21 financial statements fairly state the financial condition of CalOptima in all material respects. Ms. Stelzriede introduced Aparna Venkateswaran, who provided additional detail on the audit.

***Action: On motion of Director Schoeffel, seconded and carried, the Committee recommended that the CalOptima Board of Directors accept and receive and file the Fiscal Year (FY) 2020-21 CalOptima consolidated audited financial statements as submitted by independent auditors Moss-Adams, LLP. (Motion carried 3-0-0)***

As noted at the top of the meeting Chair Becerra reordered the agenda to hear Information Item 8, following Report Item 4.

## **INFORMATION ITEM**

### **8. FY2020-2021 Internal Audit Final Results and Proposed Internal Audit Plan for FY2021-2022**

Carmen Dobry, Executive Director of Compliance introduced representatives from the Grant Thornton internal audit team noting that audits from three focus areas have been conducted within the past year, which include regulatory guidance implementation, vendor management and provider and health network contract management.

Louise LaBrie, introduced her fellow Grant Thornton internal audit team members, who then provided details on the outcomes of the various audits conducted over the past year. In reviewing the results, the auditors noted that CalOptima follows leading practices in a number of the areas reviewed; however, they noted minor issues with documentation practices and provided recommendations to improve business controls.

Based on Committee member questions regarding the wording of certain audit findings, the auditors committed to revising the report language to more accurately describe their findings and incorporate recommendations to improve and build upon CalOptima's current best practices in those areas.

Grant Thornton auditors also reviewed the proposed internal audit plan for FY2021-2022, noting that it would include the following areas: cyber risk, provider credentialing and re-credentialing, telehealth coverage, budget and resource allocation, provider network communication and relationships.

Chair Becerra noted that Director Schoeffel was not participating in Report Items 5, 6 and 7 due to potential conflicts of interest. As such, Report Items 5, 6, and 7 will be continued due to lack of a quorum and will be considered at the October 7 Board meeting.

## **REPORTS**

### **5. Consider Recommending Board of Directors Approval of Program Year 1 CalAIM Performance Incentive Payment Methodology**

This item is continued to a future meeting.

Ms. Huang provided the Committee with a brief overview of the CalAIM Performance Incentive Payment Methodology.

### **6. Consider Recommending Board of Directors Authorization for the Extension of Contracts Related to CalOptima's Key Operational Systems**

This item was continued to a future meeting.

Ladan Khamseh, Chief Operating Officer provided an overview of the item for Committee members.

### **7. Consider Recommending Board of Directors Authorization of Unbudgeted Expenditures for Various Capital Improvements**

This item was continued to a future meeting.

Ms. Huang provided an overview of the item for Committee members.

## **INFORMATION ITEMS**

The following Information Items were accepted as presented.

9. July 2021 Financial Summary

10. CalOptima Information Security Update

11. Quarterly Operating and Capital Budget Update

12. Quarterly Reports to the Finance and Audit Committee

- a. Shared Risk Pool Performance Update
- b. Whole-Child Model Financial Report
- c. Health Homes Financial Report
- d. Reinsurance Report
- e. Health Network Financial Report
- f. Contingency Contract Report

## **COMMITTEE MEMBER COMMENTS**

Committee members thanked staff for the work that went into preparing for the meeting.

Hearing no further business, Finance and Audit Committee Chair Becerra adjourned the meeting at 3:17 p.m.

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Sharon Dwiers  
Clerk of the Board

## **MINUTES**

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

**July 26, 2021**

A virtual meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC) was held on Monday, July 26, 2021, at CalOptima, 505 City Parkway West, Orange, California. The meeting was held via teleconference in light of the COVID-19 public health emergency and consistent with Governor Newsom's executive orders EO-N-25-20 and EO-N-29-20, which temporarily relax the teleconferencing limitations of the Brown Act.

#### **CALL TO ORDER**

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

#### **ROLL CALL**

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

Members Absent: Colleen Clark

Others Present: Laura Wirick, Hannah Schriener, Jared Pratt, Meketa Investment Group; Darren Marco, Jeffrey Cleveland, Lynn Tran, Payden & Rygel; Scott Pavlak, Erin Klepper, Juan Peruyero, MetLife Investment Management; Richard Sanchez, Chief Executive Officer; Gary Crockett, Chief Counsel; Jason Kaing, Controller; Eric Rustad, Director, Financial Analysis; Faye Heidari, Accounting Supervisor; Pamela Reichardt, Executive Assistant

#### **MINUTES**

##### **Approve Minutes of the April 26, 2021, Meeting of the CalOptima Board of Directors' Investment Advisory Committee**

*Action: On motion of Chair Moore, seconded and carried, the Minutes of the April 26, 2021, Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0). Member Clark absent.*

#### **PUBLIC COMMENT**

There were no requests for public comment.

## **MANAGEMENT REPORTS**

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

There was no report given.

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

CFO Nancy Huang reported on the State Budget highlights and CalOptima's budget update. The state launched a massive California Comeback Plan focused on education, homelessness, infrastructure, and healthcare. Key initiatives that will impact CalOptima include California Advancing and Innovating Medi-Cal (CalAIM), behavioral health for children and youth, and Medi-Cal eligibility expansion.

Ms. Huang reported on CalOptima's budget update. CalOptima's Board of Directors approved the fiscal year 2021-22 Budget at the June 3, 2021, meeting. The overall estimated deficit for next year's budget is approximately \$58 million at a consolidated level. The two provider drivers for the deficit are deferred services from prior periods and provider rate enhancements.

Ms. Huang reported that Wells Fargo Asset Management completed their fund management transition as of June 1, 2021, and staff thanked them for their service.

Ms. Huang reported on the 2022 Annual Investment Policy review process. Staff will present policy revisions at the October 25, 2021, IAC meeting, the November 18, 2021, Finance and Audit Committee (FAC) meeting, and the December 2, 2021, Board of Directors meeting.

## **INFORMATION ITEMS**

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

Laura Wirick, Principal, gave a firm update. Ms. Wirick reported on total fund performance. Both the Tier One and Tier Two funds outperformed benchmark in the quarter. Meketa worked with Union Bank during the Wells liquidation and the transition went very smoothly.

Hannah Schriner, Vice President, reported on fund performance for each investment manager, including cash flows, fixed income and total fund performance by account. Jared Pratt, Investment Analyst, reported on the supplemental material in their report, as well as the attribution, performance, and custom peer group results for the investment managers.

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

Darren Marco, Senior Vice President, gave a firm update, an operating portfolio update, and reported on Operating and Tier One fund performance attributes.

Jeffrey Cleveland, Chief Economist, reported on the economic forecast. Mr. Cleveland predicted a strong rebound, improvements in economic growth, with hiring remaining robust. He reported that the economy is still a long way from pre-COVID, and that it may take until the end of 2023 or the beginning of 2024 to fully rebound. Overall, the economy will continue to recover.

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

Erin Klepper, Associate Director, provided a firm overview. Ms. Klepper gave an operating portfolio update and noted that the portion of CalOptima's investment portfolio managed by MetLife was in compliance with CalOptima's Annual Investment Policy for the quarter ending June 30, 2021.

Scott Pavlak, Head of Short Duration, gave a market review update and reported on current themes and inflation.

Juan Peruyero, Portfolio Manager, gave a Tier One and Tier Two fund update and portfolio strategies for the period ending June 30, 2021.

### **Financial Update**

Jason Kaing, Controller, reported that, as of April 30, 2021, CalOptima's consolidated membership was 833,848, favorable to budget by roughly 20,000 members. Enrollment was favorable primarily in the Medi-Cal Expansion category.

Mr. Kaing reported a \$14.2 million change in net assets as of April 30, 2021, which includes an \$11.9 million surplus from operations, and \$2.2 million from investment and other activities. The surplus for the month is largely due to the lower utilization seen during the pandemic. CalOptima's year-to-date (YTD) Medical Loss Ratio (MLR) was 95.8%, and the YTD Administrative Loss Ratio (ALR) was 3.3%. Current assets, as of April 30, 2021, were \$1.7 billion and current liabilities were at \$1.2 billion. The current ratio was 1.3. Board-designated reserves totaled \$589 million. The current reserve level of 1.88 was in compliance with the Board's reserve policy.

### **Committee Member Comments**

Chair Moore reported that Committee Member Caroline Harkins has decided to retire from the IAC. She has served on the Committee continuously since 2013, and we will miss her expertise. The Committee thanked Caroline for her service and wished her the very best in the future.

In view of Caroline's retirement, Chair Moore informed the Committee that staff will be initiating the recruitment process that will be coordinated by Nancy Huang and Pamela Reichardt. If the Committee has any candidates they would like to recommend, they were directed to contact Ms. Reichardt.

**ADJOURNMENT**

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

/s/ Pamela Reichardt

Pamela Reichardt  
Executive Assistant

*Approved: October 25, 2021*

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken November 18, 2021** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

4. Consider Recommending Board of Directors Approval of Funding for an Independent Validation Audit as Required to Close Out the CMS Program Audit for the OneCare and OneCare Connect Programs

#### **Contacts**

Michael Hunn, Interim Chief Executive Officer, (657) 900-1481

Carmen Dobry, Executive Director, Compliance, (657) 235-6997

#### **Recommended Action**

Recommend that the Board of Directors authorize unbudgeted expenditures in an amount up to \$300,000 from existing reserves to fund an Independent Validation Audit as required under the CMS Medicare Advantage and Prescription Drug Program Audit ("CMS Audit").

#### **Background**

On June 7, 2021, CalOptima was formally engaged by the Centers for Medicare & Medicaid Services (CMS) for a full-scope program audit of OneCare (OC) and OneCare Connect (OCC). Between July 19 and August 5, CMS conducted the webinar audit sessions and concluded with an exit conference on August 6. CMS released the preliminary draft audit report on August 6, 2021, which identified twenty-eight (28) preliminary conditions from six (6) program areas.

On October 21, 2021, CMS released an updated draft audit report, which reduced the 28 preliminary conditions to 20 conditions. The findings consist of 1 Immediate Corrective Action Required (ICAR), 8 Corrective Action Required (CAR), and 11 observations. Staff's dedicated efforts during the CMS audit helped CalOptima achieve a score of 0.59 (lower percentage scores denote higher performance) which ranked it between 12<sup>th</sup> and 13<sup>th</sup> out of 52 plans.

CalOptima has until November 4, 2021, to submit any comments and rebuttals to the draft audit report. CMS will review and then issue the Final Audit Report and request for Corrective Action Plan (CAP) responses within thirty (30) calendar days of the final audit report issuance. Once CMS accepts the CAP responses, CMS will follow up with a request to CalOptima to demonstrate correction of all conditions cited in the final audit report, by undergoing an independent validation audit.

A summary of the affected program areas is provided in the following table regarding the 20 conditions.



Program Area	# of Invalid Data Submission (IDS)	# of Observations	# of Corrective Action Required (CAR)	# of Immediate Corrective Action Required (ICAR)	Points (IDS) + (CARs) + (2 x ICARs)	# of Audit Elements Tested	Score <sup>1</sup> (Points / Elements Tested)
Total - Compliance Program Effectiveness(CPE)	0	0	0	0	0	3	0.00
Total - Part D Formulary and Benefit Administration(FA)	0	1	1	0	1	2	0.50
Total - Part D Coverage Determinations, Appeals, and Grievances(CDAG)	0	1	0	0	0	3	0.00
Total - Part C Organization Determinations, Appeals, and Grievances(ODAG)	0	4	0	1	2	4	0.50
Total - Special Needs Plans - Model of Care(SNP-MOC)	0	1	2	0	2	1	2.00
Total - Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances(MMP-SARAG)	0	4	0	0	0	3	0.00
Total - Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness(MMP-CCQIPE)	0	0	5	0	5	1	5.00
<b>Overall Audit Score</b>	<b>0</b>	<b>11</b>	<b>8</b>	<b>1</b>	<b>10</b>	<b>17</b>	<b>0.59</b>

<sup>1</sup>Note that a lower audit score denotes better performance.

## **Discussion**

CalOptima staff has initiated the Request for Proposal (RFP) process to find a vendor that can assist CalOptima with conducting an independent validation audit. Currently, CalOptima contracts with Blue Peak Advisors (BPA) for remediation activities related to the conditions identified in the preliminary audit report. However, under CMS requirements for an independent validation auditor, Blue Peak is conflicted from undertaking the validation audit. Based on research, the estimated costs for the independent validation audit can be up to \$300,000. Once the RFP responses are received and evaluated, staff shall present the results to the Board for final selection of the validation audit firm.

## **Prerequisites for Independent Validation Audit**

Per CMS guidelines, CalOptima is responsible for soliciting and hiring an independent audit organization that meets the following CMS standards prior to entering into a contract with the firm to conduct the independent validation audit. These are the prerequisites for the independent auditor:

- Is not employed, represented, or considered to be a first-tier, downstream or related entity by CalOptima
- Is free of conflicts of interest. A conflict of interest occurs when a person or person's objectivity in performing the validation audit is compromised by their proximity or relationship to the immediate task and can possibly give cause for influencing a decision. For example, CMS has indicated that consultants who provide management consulting to CalOptima, assist CalOptima with its audit-related operations, and/or assist with the correction of audit conditions to have a conflict of interest.

- No Conflict of Interest: Consultants used to conduct mock audits, pre-assessments, or prior independent audits and that have never provided consulting services or assistance with the correction of audit findings do not have a conflict of interest. For example, CalOptima is not precluded from selecting the same independent auditing firm that conducts their annual external CPE audit, as long as the firm has not provided consulting services or assistance with the correction of audit findings.
- Has sufficient subject matter and clinical expertise in the Medicare Part C and Part D program areas that are included in the audit. Licensed pharmacists, physicians, or registered nurses may be required depending on the scope of the validation audit.
- In addition, in the development and submission of the Validation Audit Workplan, CMS recommends that the auditor identify a minimum of two (2) auditors per program area, including their credentials in the audit workplan.

### **Fiscal Impact**

The recommended action is unbudgeted. As proposed, an allocation of up to \$300,000 from existing reserves would fund the recommended action.

### **Rationale for Recommendation**

To ensure all conditions cited in the Final Audit report are remediated, CMS requires CalOptima to undergo an independent validation audit. CMS determines whether the audit can be closed based on the results in the validation audit report and any supplemental information provided by CalOptima. Upon receipt of all information, CMS will determine if the validation audit demonstrates substantial correction of the conditions and whether the program audit for OneCare and OneCare Connect can be closed.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. [2021 CMS Program Audit Process Overview](#)
2. [Draft Audit Report](#)

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**



# **2021 Program Audit Process Overview**

Medicare Parts C and D Oversight and  
Enforcement Group

Division of Audit Operations

Updated October 2020

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## I. Executive Summary – 2021 Audit Process Timeline



## II. Background

The Medicare Parts C and D Oversight and Enforcement Group (MOEG) is the Group within the Centers for Medicare & Medicaid Services (CMS) responsible for creating and administering the audit strategy to oversee the Part C and Part D programs. MOEG conducts audits of Medicare Advantage Organizations (MAOs), Prescription Drug Plans (PDPs), and Medicare-Medicaid Plans (MMPs)<sup>1</sup>, collectively referred to as “sponsoring organizations,” that participate in these programs. These program audits measure a sponsoring organization’s compliance with the terms of its contract with CMS, in particular, the requirements associated with access to medical services, drugs, and other enrollee protections required by Medicare. On an annual basis, CMS solicits feedback on the audit process from industry stakeholders through a variety of mediums. CMS uses the feedback to update and improve audit operations as well as to explore new program areas that may require oversight.

This document outlines the program audit process for 2021. CMS will send engagement letters to initiate routine audits beginning March 2021 through July 2021. Engagement letters for ad hoc audits may be sent at any time throughout the year. The program areas for the 2021 audits include:

- CDAG: Part D Coverage Determinations, Appeals, and Grievances
- CPE: Compliance Program Effectiveness
- FA: Part D Formulary and Benefit Administration
- MMP- SARAG: Medicare-Medicaid Plan Service Authorization Requests, Appeals, and Grievances
- MMP- CCQIPE: Medicare-Medicaid Plan Care Coordination Quality Improvement Program Effectiveness
- ODAG: Part C Organization Determinations, Appeals, and Grievances
- SNP-MOC: Special Needs Plans – Model of Care

## III. Summary of Audit Phases

The program audit consists of four phases:

- I. Audit Engagement and Universe Submission**
- II. Audit Field Work**
- III. Audit Reporting**
- IV. Audit Validation and Close Out**

The following sections describe important milestones in each phase of the audit.

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<sup>1</sup> MOEG also oversees, coordinates, and conducts audits of Programs of All-Inclusive Care for the Elderly (PACE) Organizations. Information regarding PACE audits is posted on the CMS PACE Audits Website located at [https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PACE\\_Audits.html](https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PACE_Audits.html)

## Phase I: Audit Engagement and Universe Submission

The Audit Engagement and Universe Submission phase is the six-week period prior to the field work portion of the audit. During this phase, a sponsoring organization is notified that it has been selected for a program audit and is required to submit the requested data, which is outlined in the respective Program Audit Data Request document. Key milestones within Phase I include:

***Engagement Letter*** – The Auditor-in-Charge (AIC) conducts a courtesy call to the sponsoring organization's Medicare Compliance Officer to notify the organization of the program audit. After the phone call, the AIC sends an audit engagement letter via the Health Plan Management System (HPMS). The engagement letter contains instructions for downloading important audit documents from the HPMS. Attached with the engagement letter is the Audit Submission Checklist<sup>2</sup>, which identifies all universe requests and deliverables due to CMS prior to the start of audit field work. The review period for universe files is based on a sponsoring organization's total enrollment, as outlined in CMS's program audit protocols. However, CMS reserves the right to expand the review period to ensure sufficient universe size.

***Engagement Letter Follow-Up Call*** – Within 2 business days of the date of the engagement letter, CMS conducts a follow-up call with the sponsoring organization. The purpose of this call is to provide an opportunity for the sponsoring organization to ask questions about the engagement letter and audit process, as well as for CMS to emphasize important information within the engagement letter and outline next steps in the audit process.

***Program Area Follow-Up Calls*** – Within 5 business days of the date of the engagement letter, CMS conducts universe follow-up calls for each audited program area. The purpose of these calls is to answer any questions the sponsoring organization may have regarding the universes and supplemental documentation files requested in the respective Program Audit Data Request documents.

***Pre-Audit Issue Summary*** – Within 5 business days of the date of the engagement letter, the sponsoring organization is asked to provide a list of all disclosed issues of noncompliance that are relevant to the program areas being audited and may be detected during the audit. A disclosed issue is one that the sponsoring organization reported to CMS prior to the date of the audit engagement letter. Issues identified by CMS through on-going monitoring or other account management/oversight activities during the plan year are not considered disclosed. Sponsoring organizations should provide a description of each disclosed issue as well as the status of correction and remediation using the Pre-Audit Issue Summary (PAIS) template found in the HPMS. The sponsoring organization's Account Manager will review the PAIS to validate that disclosed issues were known to CMS prior to the date of the audit engagement letter.

***Universe Submission*** – Within 15 business days of the date of the engagement letter, the sponsoring organization must submit all requested universes to CMS following the instructions in the engagement letter, Audit Submission Checklist, and each respective program area Audit Process and Data Request document.

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<sup>2</sup> A blank version of the Audit Submission Checklist is posted on the CMS Program Audit Website located at <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/ProgramAudits.html>.

**Universe Assessment** – In preparation for universe integrity testing, CMS conducts a universe assessment. This assessment is a desk review of the sponsoring organization’s submitted universes and/or supplemental documentation to ensure completeness and acceptable data formatting, and to understand how a sponsoring organization operates.

**Universe Integrity Testing** – Within 5 business days of receipt of universes, and prior to the live portion of the audit, CMS will schedule separate webinars with the sponsoring organization to verify that the data provided in the CDAG, ODAG, and/or SARAG universe submissions used for calculating timeliness are accurate. The sponsoring organization should have available the information and documents necessary to demonstrate that the data provided in the universes is accurate. CMS will review specific documents in the sponsoring organization’s live system, or that of their delegated entities, during the webinar and may request that the sponsoring organization produce screenshots for additional review.

The integrity of the universe will be questioned if more than 1 of the 5 sample cases does not match the data provided in the universe. If this occurs, CMS may request the sponsoring organization correct identified discrepancies and upload a new universe to the HPMS. Sponsoring organizations will have a maximum of 3 attempts to provide complete and accurate universes. These attempts may occur prior to or after the entrance conference, depending on when the issue is identified. However, 3 attempts may not always be feasible depending on when the data issues are identified and the impact that the universe resubmission request could have on the audit schedule and/or integrity of the audit findings (*e.g. sponsoring organizations will not be allowed to resubmit universes after CMS has shared timeliness test results with the sponsoring organization*). When multiple attempts are made, CMS will only use the last universe submitted.

If the sponsoring organization fails to provide accurate and timely universe submissions twice, CMS will document this as an observation in the sponsoring organization’s program audit report. After the third failed attempt, or when the sponsoring organization determines after fewer attempts that it is unable to provide an accurate universe within the timeframe specified during the audit, the sponsoring organization will be cited an Invalid Data Submission (IDS) condition relative to each element that cannot be tested, grouped by the type of case.

**Audit Sample Selection** – CMS selects targeted samples from the submitted universes to test during audit field work. Specific sample sizes vary by program area and element and are listed within the respective program area Audit Process and Data Request documents. If an IDS condition is cited for an element, CMS may still sample for other elements within the universe. While CMS reviews most samples at a case level, other samples are reviewed using a tracer methodology. The tracer methodology used in CPE, allows sponsoring organizations to tell the story of an issue or policy as it evolves over a period of time.

**Coordination of Audit Field Work Schedule** – The AIC coordinates with the sponsoring organization to schedule the field work phase of the audit. Within a week prior to the entrance conference, the AIC sends the final audit field work schedule to the sponsoring organization with the list of individual webinar sessions occurring each day to ensure the sponsoring organization has appropriate staff available for each session. Please note, webinars for various program areas run concurrently, so adequate staff will need to be available to support each webinar. In addition, CMS aims to adhere to the sponsoring organization’s normal business hours, but may request alternative hours depending on the progress of audit field work.



## Phase II: Audit Field Work

Program audit field work is conducted over a period of 3 weeks. Generally, audit field work is conducted via webinar with the exception of the CPE review, which may occur onsite during the last week of audit field work. Key milestones within Phase II include:

***Notification of Sample Selection*** – In most program areas, CMS informs the sponsoring organization of the sample selections via the HPMS upload on the day the field work begins, approximately one hour before the start of the webinar. However, the audit team will provide sponsoring organizations with tracer sample selections two weeks prior to the entrance conference for CPE, and for SNP-MOC, samples will be provided on the Thursday before the entrance conference.

***Entrance Conference*** – Audit field work begins with an entrance conference held on the morning of the first day of field work. The AIC leads the meeting, reviews the schedule, and discusses expectations for the week. The sponsoring organization will also have an opportunity to make a presentation about its organization.

***Webinar Reviews*** – Webinar audits will begin as listed in the field work schedule and will normally conclude by the end of the first week, but may continue into the second week. During the webinar audits, the sponsoring organization is expected to present its supporting documentation while CMS evaluates sample cases live in the sponsoring organization's system(s) to determine whether the sample cases are compliant. For cases deemed pended or noncompliant, the sponsoring organization must take screen shots or otherwise upload the supporting documentation, as requested, to the HPMS using the designated naming convention and within the timeframe specified by CMS.

***Root Cause Analysis Submissions*** – Sponsoring organizations must submit a root cause analysis for any noncompliance identified during the audit, as requested by CMS. The sponsoring organization's root cause analysis must describe the issue identified and the methodology used to determine the root cause and full scope of the impact. Root cause analyses are due within 2 business days of the request and must be uploaded to the HPMS as instructed by CMS. CMS will review the submission and instruct the sponsoring organization on next steps for completing an impact analysis. NOTE: A root cause analysis may evolve as sponsoring organizations look further into issues and prepare their impact analyses (discussed below). Sponsoring organizations should provide updated root cause analyses, as necessary, to ensure the stated cause reflects the total impact identified.

***Impact Analysis Submissions*** – Within 10 business days of the request, sponsoring organizations must upload the impact analysis to the HPMS as instructed by CMS. The impact analysis must identify all parties subjected to or impacted by the issue of noncompliance, including the sample cases cited as noncompliant during the audit. CMS may validate the accuracy of the impact analysis submission(s). In the event an impact analysis cannot be produced, CMS will report that the scope of the noncompliance could not be fully measured and impacted an unknown number of parties across all applicable contracts audited<sup>3</sup>. CMS reviews the submitted impact analysis, in part, to quantify the effect of the cited noncompliance.

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<sup>3</sup> Alternatively, sponsoring organizations that are unable to quantify the exact or total impact by the requested due date may choose to estimate the impact (e.g., *at least 200 enrollees impacted*) by the requested due date, so long as the sponsoring organization (1) continues to quantify the noncompliance, and (2) provides CMS with an updated impact analysis with total impact at the time of its submission of comments to the draft audit report.

**Status Conference(s)** – CMS conducts a status conference with the sponsoring organization at the end of each webinar week to discuss the status of supporting audit documentation requests (*e.g.* screenshots, root cause analyses, impact analyses, etc.) and the schedule for the upcoming portion of the field work. The classification and scoring of audit conditions is determined after receipt and review of all audit documentation by CMS. This is discussed in more detail within the Audit Reporting section.

**(Onsite) Compliance Program Effectiveness Audit** – In the third week of field work, CMS may travel to the sponsoring organization’s location for a period of 4 to 5 business days to conduct the CPE portion of the audit. Otherwise, field work will continue with webinars for the CPE portion of the audit. During this time, CMS evaluates the sponsoring organization’s comprehensive approach to addressing an identified issue or noted deficiency through tracer samples.

**Issuance of Preliminary Draft Audit Report** – At the conclusion of the audit field work phase, the AIC issues a preliminary draft audit report to the sponsoring organization, identifying all potential conditions and observations noted during the audit. The AIC issues this report via the HPMS at least one hour prior to the exit conference.

**Exit Conference** – The final day of field work concludes with an exit conference (generally conducted onsite if CMS travels for the CPE portion of the audit). CMS will present the preliminary draft audit report to the sponsoring organization and discuss any other outstanding requests for information. During the exit conference, the sponsoring organization may ask questions about the findings and provide any follow-up information as appropriate. Sponsoring organizations will have an opportunity to formally respond to, or provide comments for, CMS consideration during the draft audit report process.

## Phase III: Audit Reporting

Audit reporting occurs in multiple stages beginning at the conclusion of audit field work. As previously mentioned, CMS first share audit results with the sponsoring organization at the exit conference via the preliminary draft report. However, the findings in this preliminary draft report are subject to additional review and evaluation after all supporting documentation has been received and evaluated, at which point classification occurs. Key milestones within Phase III include:

***Condition Classification and Audit Scoring*** – Upon receipt of all audit documentation, auditors meet with Program Audit Consistency Teams (PACTs) for each program area included in the audit. PACTs serve as the subject matter experts on programs and audit policy, and ensure consistency in classification of audit conditions across all audits in accordance with the following definitions:

**Immediate Corrective Action Required (ICAR)** – If CMS identifies systemic deficiencies during an audit that are so severe that they require immediate correction, the sponsoring organization is cited an ICAR. Identified issues of this nature would be limited to situations where the condition resulted in an enrollee’s lack of access to medications and/or services, or posed an immediate threat to an enrollee’s health and safety<sup>4</sup>. The ICAR counts as two points in the audit scoring methodology.

**Corrective Action Required (CAR)** – If CMS identifies systemic conditions during an audit that must be corrected, but the correction can wait until the audit report is issued, the sponsoring organization is cited a CAR. While these issues may affect enrollees, they are not of such a severe nature that enrollees’ immediate health and safety is affected. Generally, CARs involve noncompliance with respect to non-existent or inadequate policies and procedures, systems, internal controls, training, operations, or staffing. The CAR counts as one point in the audit scoring methodology.

**Observations** – If CMS identifies cases of noncompliance that are not systemic, or represent an anomaly or “one-off” issue, the sponsoring organization is cited an observation. Observations do not count as points in the audit scoring methodology.

**Invalid Data Submission (IDS)** – CMS cites an IDS condition when the sponsoring organization fails to produce an accurate or complete universe within 3 attempts. An IDS condition is cited for each element that cannot be tested, grouped by type of case. As an example, CMS would cite an IDS condition if CMS was unable to evaluate timeliness for a sponsoring organization’s coverage determinations (standard or expedited, pre-service, or payment) due to invalid data submission(s). The IDS condition counts as one point in the audit scoring methodology.

Once condition classification is complete, CMS will generate an overall audit score by totaling the points from each element and program area reviewed and then dividing the total points by the total number of audit elements tested. Some elements and program areas may not apply to certain sponsoring organizations and therefore will not be considered when calculating program area and overall audit scores.

***Notification of Immediate Corrective Action Required (ICAR) Conditions*** – If ICAR conditions are identified, the sponsoring organization’s Medicare Compliance Officer (or primary point of contact for

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<sup>4</sup> If CMS determines that a disclosed issue was promptly identified, corrected (or is actively undergoing correction), and the risk to enrollees has been mitigated, CMS will not apply the ICAR condition classification to that condition.

the audit) will be notified and immediate corrective action must be taken to stop or prevent the noncompliance from recurring. Sponsoring organizations are required to submit Corrective Action Plans (CAPs) describing the actions taken to stop the noncompliance within 3 business days of being informed of the ICAR condition(s).

***Draft Audit Report Preparation and Issuance to Sponsoring Organization*** – CMS prepares a draft audit report (inclusive of condition classification and an audit score) with a target for issuance of 60 calendar days from the date of the exit conference. The sponsoring organization has 10 business days to respond to the draft audit report with comments to CMS. CMS takes into consideration and responds to any comments the sponsoring organization submits in the HPMS and determines if the comments warrant a change in the final audit report.

***Issuance of the Final Audit Report*** – CMS normally issues the final audit report within 10 business days from receipt of the sponsoring organization's comments to the draft audit report. The final audit report contains the final audit score and classification of conditions noted during the audit.

***Audit Feedback*** – Following issuance of the final audit report, CMS will send sponsoring organizations a link to participate in an optional and anonymous feedback questionnaire. CMS uses feedback collected from the questionnaire to improve the program audit process.

***Referral for Enforcement Action*** – Conditions noted in the audit may be referred to the Division of Compliance Enforcement (DCE) to determine if an enforcement action (Civil Money Penalty, sanction, or contract termination) is warranted. If an audit is referred to DCE, sponsoring organizations will be notified by a DCE Enforcement Lead.

***Impact on Performance Measures*** – Noncompliance found during the audit may adversely affect CMS Part C and Part D Star Ratings. If the audit finds that a particular issue of noncompliance impacts the data source for a Star measure, the Star measure may be reduced if the data set is deemed inaccurate or biased (per CMS Star Ratings regulation).

## Phase IV: Audit Validation and Close Out

The final phase of the program audit process is the longest phase as it occurs over a period of approximately 6 months. In this phase, a sponsoring organization has an opportunity to demonstrate to CMS that it has corrected the noncompliance that was identified during the program audit. Key milestones within Phase IV include:

***Submission of Non-ICAR Corrective Action Plans (CAPs)*** – Sponsoring organizations have 30 calendar days from the issuance of the final audit report to submit CAPs associated with non-ICAR conditions. Typically, observations do not require a CAP submission; however, CMS reserves the right to request CAPs for observations and will explicitly request them in the audit report when required. Upon receipt of the CAPs, CMS performs a reasonableness review and notifies the sponsoring organization of either CAP acceptance or the need for additional information. CMS continues the reasonableness review process until it deems all CAPs acceptable.

***Validation Audit*** – CMS requires sponsoring organizations to demonstrate correction of all conditions cited in the final audit report by undergoing a validation audit. Conditions subject to validation audit include those that required a CAP. The validation audit is a limited-scope audit that tests only the conditions of noncompliance found during the initial program audit. For the validation audit, sponsoring organizations that received an IDS condition must produce the universes that auditors were unable to test

during the original audit to demonstrate their compliance with CMS requirements. Similar to the initial program audit, the validation audit is outcome focused and tests the compliance of actual transactions whenever possible. The validation audit does not measure or evaluate whether a CAP was fully implemented; it measures whether the CAP achieved its intended result by remediating the noncompliance.

Sponsoring organizations have 180 calendar days from the date that all CAPs are accepted by CMS to complete a validation audit and submit the validation audit report to CMS for review. To mark the beginning of this period, a CMS validation audit lead will contact the Medicare Compliance Officer to schedule a call to discuss this process in more detail. With the exception of the validation audit report due date, sponsoring organizations may determine the timing and scheduling of validation audit activities within that 180 day period. For example, if a sponsoring organization was able to quickly correct certain audit conditions, a sponsoring organization may choose to audit specific program areas and/or conditions earlier in the 180-day period than others. However, prior to conducting any validation audit work, the audit work plan must be reviewed and approved by CMS. Finally, sponsoring organizations may submit a request for extension of the 180-day deadline as needed and as early in the process as possible. Requests for an extension must be made in writing to the CMS validation audit lead. The written request for extension must include a new target due date and a justification for why the extension should be granted. CMS will consider these requests on a case-by-case basis.

***Auditor Selection for Validation Audit*** – The validation audit must be conducted by CMS or by an independent auditor hired by the sponsoring organization, pursuant to 42 CFR §422.503(d)(2)(iv) and §423.504(d)(2)(iv). CMS will make this determination and clearly state whether CMS or an independent auditor will be conducting the validation audit in the final audit report. Generally, CMS requires the hiring of an independent auditor when there are more than 5 non-CPE conditions that must be tested during the validation audit. Once a sponsoring organization meets or exceeds the threshold and an independent audit is required, all findings (*including CPE conditions and any observations requiring a CAP*) identified during the program audit must be validated by the independent auditor. Likewise, if the sponsoring organization's audit results were below the threshold, CMS would conduct the validation of all findings.

When an independent auditor is required, the sponsoring organization is responsible for soliciting and hiring an independent audit organization that meets the following standards prior to entering into a contract with the firm to conduct the independent validation audit:

- Is not employed, represented or considered to be a first-tier, downstream or related entity by the sponsoring organization (the definitions of these terms are in the federal regulations at 42 CFR §422.500 and §423.501).
- Is free of conflict of interest. A conflict of interest occurs when a person or person's objectivity in performing the validation audit is compromised by their proximity or relationship to the immediate task, and can possibly give cause for influencing a decision. Here are some common examples of when a conflict of interest is and is not present:
  - Conflict of Interest: Consultants who provide management consulting to the sponsoring organization, assist the sponsoring organization with its audit-related operations, and/or assist with the correction of audit conditions.
  - No Conflict of Interest: Consultants used to conduct mock audits, pre-assessments, or prior independent audits and have never provided consult or assistance with the correction of audit findings. For example, sponsoring organizations are not precluded from selecting the same independent auditing firm that conducts their annual external CPE audit, as long as the firm has not provided consulting services or assistance with the correction of audit findings.

- Has sufficient subject matter and clinical expertise in the Medicare Part C and Part D program areas that are included in the audit. Licensed pharmacists, physicians, or registered nurses may be required depending on the scope of the validation audit.

CMS does not provide independent auditor recommendations and does not have a list of pre-approved auditors for hire. CMS recommends that sponsoring organizations solicit proposals and select an independent auditor as early as possible to allow extra time for development and approval of the validation audit work plan. In addition, sponsoring organizations will need to complete an attestation in the HPMS Audit Module that the selected audit organization is free of any conflicts of interest. Sponsoring organizations with specific questions as to whether a potential conflict of interest exists should contact their CMS validation audit lead for guidance.

***Development and Submission of Validation Audit Work Plan*** – The development of a thorough and complete validation audit work plan is a critical step in the validation and close out process. Before any audit work is executed, the validation audit work plan must be reviewed and approved by CMS. If CMS is conducting the validation audit, CMS will design the audit work plan and inform the sponsoring organization about how the audit will be conducted and what information/universes will need to be submitted. Sponsoring organizations will be asked to provide input on the universe periods subject to review and the timing and execution of the field work.

When an independent auditor is conducting the validation audit, the independent audit organization must prepare an audit validation work plan with input from the sponsoring organization and/or the sponsoring organization's delegated entities, as applicable. Once the Independent Audit Validation Work Plan is complete, the sponsoring organization must submit it to CMS for review and approval. Usually a follow up call is required with the sponsoring organization, independent auditor, and CMS to answer questions about the work plan and to request modifications. It may take approximately 3 weeks to complete this process and approve a final work plan.

CMS recommends that auditors follow these basic principles when developing the audit work plan and conducting the audit:

- Use standard testing procedures that ensure the integrity and completeness of universes submitted by sponsoring organizations.
- Test actual transactions and compliance outcomes; do not test whether the CAP was fully implemented. If limited transactions are available, a CAP review may be done to supplement the audit.
- Evaluate timeliness processing conditions at the universe level; do not sample cases. Compliance with timeliness processing requirements must be assessed for all applicable cases within the universe.
- Align the duration of universe review periods with those requested in the initial CMS program audit, when feasible.
- Target samples related to the original root cause(s) of noncompliance. Look for similar reject message codes, drugs, service types, etc. A minimum of 10 samples must be selected for a single condition. If a minimum of 10 samples cannot be achieved, propose alternative approaches to evaluate the condition (e.g., extend period of review, run test claims).
- Request impact analyses for noncompliance found in sampled cases to get a better understanding of the root cause(s) and scope of the issue(s). Use CMS impact analysis templates, as needed, to collect information.
- Include a summary of any Medicare-related work previously performed for the sponsoring organization by the independent auditing firm to assist CMS in assessing potential conflicts of interest.



- Identify a minimum of 2 auditors per program area, including their credentials.
- Provide a copy of the proposed validation audit report template.

***Conducting the Validation Audit & Delivery of Validation Audit Report*** – Auditors must conduct the validation audit in accordance with the approved work plan. If the audit team must deviate from the approved work plan, auditors must work with the sponsoring organization to contact the assigned CMS validation audit lead to discuss the recommended change and to obtain approval. If CMS is conducting the audit, the results of the audit will be reported in a letter from CMS. If an independent auditor is conducting the audit, the audit report must be submitted to the sponsoring organization. It is the sponsoring organization's responsibility to submit the final validation audit report to CMS, without modification, by the deadline. The sponsoring organization must copy the independent auditor on this submission in order to demonstrate completion of a complete and full independent review under 42 CFR §422.503(d)(2)(iv) and §423.504(d)(2)(iv).

CMS does not require the validation audit report in a particular format. However, at a minimum, the report must include:

- Independent auditing firm's identifying information;
- Objective, scope, and methodology of the validation audit;
- Summary of results (i.e., detailed outcome of transactions or all sample cases tested for each condition), less any opinion about any individual audit condition's classification or correction;
- Description of criteria, cause, and effect of any noncompliance, as well as new issues of noncompliance (i.e., new conditions not previously cited in the initial audit report) found during the validation audit, including references to failed case samples, impact analyses, universe record layouts, and other information that support the noncompliance.

Validation audit reports submitted by independent auditors do not require an opinion by the auditor about whether any individual audit condition has been corrected. The report must focus on delivering enough information about the samples or transactions tested and the results of audit tests so that CMS can make an informed decision about whether audit conditions have been substantially corrected and the audit can be closed. Sponsoring organizations should also provide any additional information addressing any concerns with, or rebuttals to, the validation audit report when submitting the final validation audit report. After reviewing the validation audit report and any additional information provided by the sponsoring organization, CMS may request a follow-up call to discuss outstanding questions or request additional information from the independent auditor or the sponsoring organization.

***Audit Close Out*** – CMS determines whether the audit can be closed based on the results in the validation audit report and any supplemental information provided by the sponsoring organization. Upon receipt of all information, CMS will determine if the validation audit demonstrates substantial correction of the conditions and whether the audit can be closed. CMS will communicate its decision in a letter sent to the sponsoring organization. The letter will also contain information about any uncorrected recurring conditions and/or new conditions that were found during the audit. If CMS determines that the audit can be closed, any isolated issues of noncompliance that remain will be referred to the CMS Account Manager for follow up with the sponsoring organization. If CMS determines that the audit conditions have not been substantially corrected, the audit will remain open and the sponsoring organization must submit new CAPs and undergo another validation audit for the remaining uncorrected conditions. In addition, any uncorrected conditions that require another validation audit may be referred to DCE to determine if an enforcement action is warranted.

# *CENTERS FOR MEDICARE & MEDICAID SERVICES*

## **Medicare Advantage & Prescription Drug Program Audit: Orange County Health Authority**

**Contracts: H5433, H8016**

**Draft Report Issued: October 21, 2021**



<p>Draft - Preliminary For Discussion Purposes Only Subject to Change As of October 21, 2021</p>
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# 1. BACKGROUND

The Medicare Advantage (Part C) and Prescription Drug (Part D) programs, administered by the Centers for Medicare & Medicaid Services (CMS), provide health and prescription drug benefits for eligible individuals 65 years and older and eligible individuals with disabilities. CMS contracts with private companies, known as sponsors, to administer these benefits. In addition, these sponsors may also partner with CMS and the state(s) to integrate primary, acute, behavioral health care, and long-term services and supports for Medicare-Medicaid enrollees through the Medicare-Medicaid Financial Alignment Initiative. CMS is responsible for conducting oversight of the Medicare Advantage and Prescription Drug programs and, pursuant to 42 CFR §422.503(d)(2) and §423.504(d)(2), may conduct audits to ensure that sponsors are in compliance with program requirements. Sponsors must provide CMS full access to its facilities and records pursuant to its Medicare contract (or three-way contract for Medicare-Medicaid Plans) and 42 CFR §422.504(e) and §423.505(e). In furtherance of that objective, Orange County Health Authority was selected for a program audit.

Sponsor currently has 16,995 Medicare enrolled members, and offers both Medicare Part C and Part D coverage. Sponsor has 1 pharmacy benefit manager (PBM), MedImpact Healthcare Systems, Inc., which provides various services on behalf of Sponsor, including:

- Adjudication and processing of pharmacy claims at the point of sale,
- Administration and tracking of enrollees' drug benefits in real time,
- Coordination with other drug benefit programs, including for example, Medicaid, SPAPS or other insurance,
- Negotiation with prescription drug manufacturers and others for rebates, discounts, or other price concessions on prescription drugs,
- Pharmacy technical assistance service functionality.

## 2. OBJECTIVE, SCOPE, AND METHODOLOGY

### 2.1 Objective

This audit focused on evaluating compliance with the following program areas:

- Compliance Program Effectiveness (CPE)
- Part D Formulary and Benefit Administration (FA)
- Part D Coverage Determinations, Appeals, and Grievances (CDAG)
- Part C Organization Determinations, Appeals, and Grievances (ODAG)
- Special Needs Plans - Model of Care (SNP-MOC)
- Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances (MMP-SARAG)
- Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)

### 2.2 Scope

CMS requested that Sponsor provide universes of data in each program area for the following time periods:

Program Area	Time Period
Compliance Program Effectiveness (CPE)	June 07, 2020 - June 07, 2021
Part D Formulary and Benefit Administration (FA)	April 07, 2021 - June 07, 2021
Part D Formulary and Benefit Administration (FA Transition)	November 01, 2020 - February 28, 2021
Part D Coverage Determinations, Appeals, and Grievances (CDAG)	March 07, 2021 - June 07, 2021
Part C Organization Determinations, Appeals, and Grievances (ODAG)	March 07, 2021 - June 07, 2021
Special Needs Plans - Model of Care (SNP-MOC)	May 01, 2020 - June 07, 2021
Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances (MMP-SARAG)	March 07, 2021 - June 07, 2021
Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)	May 01, 2020 - June 07, 2021

Audit fieldwork began on July 19, 2021, and concluded with an exit conference on August 06, 2021.

### 2.3 Methodology

To conduct our assessment, CMS developed audit procedures to test Sponsor's compliance with program requirements in each area. Our procedures were designed to test specific audit objectives, to identify non-compliance and to evaluate outcomes achieved by Sponsor. Our approach to conducting these procedures included:

- Reviewing documentation submitted by Sponsor prior to the webinar reviews,
- Analyzing and selecting samples from data universes submitted by Sponsor prior to the webinar examinations to probe for and to evaluate areas of potential non-compliance,
- Reviewing Sponsor data systems, operations, and documentation by conducting webinars and reviews of the samples, and
- Interviewing Sponsor personnel.

### 3. EXECUTIVE SUMMARY OF FINDINGS

This chart summarizes the results of our review of Sponsor's compliance with CMS Medicare Advantage and Prescription Drug Program requirements.

Program Area	# of Invalid Data Submission (IDS)	# of Observations	# of Corrective Action Required (CAR)	# of Immediate Corrective Action Required (ICAR)	Points (IDS) + (CARs) + (2 x ICARs)	# of Audit Elements Tested	Score <sup>1</sup> (Points / Elements Tested)
Total - Compliance Program Effectiveness(CPE)	0	0	0	0	0	3	0.00
Total - Part D Formulary and Benefit Administration(FA)	0	1	1	0	1	2	0.50
Total - Part D Coverage Determinations, Appeals, and Grievances(CDAG)	0	1	0	0	0	3	0.00
Total - Part C Organization Determinations, Appeals, and Grievances(ODAG)	0	4	0	1	2	4	0.50
Total - Special Needs Plans - Model of Care(SNP-MOC)	0	1	2	0	2	1	2.00
Total - Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances(MMP-SARAG)	0	4	0	0	0	3	0.00
Total - Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness(MMP-CCQIPE)	0	0	5	0	5	1	5.00
<b>Overall Audit Score</b>	<b>0</b>	<b>11</b>	<b>8</b>	<b>1</b>	<b>10</b>	<b>17</b>	<b>0.59</b>

<sup>1</sup>Note that a lower audit score denotes better performance.

## 4. FINDINGS

This report summarizes the results of our evaluation of Sponsor's compliance with Part C and Part D requirements. Audit findings can result in an "Immediate Corrective Action Required (ICAR)," "Corrective Action Required (CAR)," "Observation," or "Invalid Data Submission (IDS)." A description of each is found below:

**Immediate Corrective Action Required (ICAR)** - An ICAR is a systemic deficiency that is so severe that it requires immediate correction. These types of issues would be limited to situations where the identified deficiency resulted in a lack of access to medications and/or services or posed an immediate threat to enrollee health and safety.

**Corrective Action Required (CAR)** - A CAR is a systemic deficiency that must be corrected, but the correction can wait until the audit report is issued. These issues may affect beneficiaries, but are not of a nature that immediately affects their health and safety. Generally, they involve deficiencies with respect to non-existent or inadequate policies and procedures, systems, internal controls, training, operations or staffing.

**Observations** - Observations are conditions of non-compliance that are not systemic, or represent a "one-off issue." A "one-off issue" may be an issue dealing with one employee or a singular case that was lost or misidentified.

**Invalid Data Submission (IDS)** - An IDS condition is the result of Sponsor's failure to produce an accurate universe within 3 attempts.

Please note, the "Condition" statements listed below are general descriptions of non-compliance and are not written specifically for the condition being cited. Similarly, the "Criteria" section provides a list of all criteria that may apply to the cited condition statement. All criteria listed may not apply in every condition. The "Cause" and "Effect" sections provide customized descriptions of the non-compliance based on the audit team's evaluation of all audit documentation.

### 4.1 Compliance Program Effectiveness (CPE)

Table 1: Results of the sample reviews for Compliance Program Effectiveness(CPE)

Audit Elements	# of Invalid Data Submission (IDS)	# of Observations	# of Corrective Action Required (CAR)	# of Immediate Corrective Action Required (ICAR)
Prevention Controls and Activities	0	0	0	0
Detection Controls and Activities	0	0	0	0
Correction Controls and Activities	0	0	0	0

## 4.2 Part D Formulary and Benefit Administration (FA)

**Table 2: Results of the sample reviews for Part D Formulary and Benefit Administration(FA)**

Audit Elements	# of Invalid Data Submission (IDS)	# of Observations	# of Corrective Action Required (CAR)	# of Immediate Corrective Action Required (ICAR)
Formulary Administration	0	0	1	0
Transition	0	1	0	0

### 4.2.1 Formulary Administration

The following conditions represent Sponsor's non-compliance in this audit element:

#### **CONDITION #2.06:**

Sponsor failed to properly administer its CMS-approved formulary by applying unapproved utilization management practices.

#### **CRITERIA:**

42 CFR § 423.120(b)(2)

Announcement of Calendar Year (CY) 2014 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter Memo, pages 146-147, HPMS, April 1, 2013

Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.2

Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.2.2.1

Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.2.2.3

Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.2.5

Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.3.3.1

Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.3.3.3

Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.4.3

Medicare Prescription Drug Benefit Manual, Chapter 7, Section 20.4

#### **CAUSE:**

Sponsor improperly coded medications with an approved type 2 quantity limit to not provide up to a 90-day supply when the submitted quantity and days supply ratio was less than or equal to the approved 30-day supply limitation.

#### **EFFECT:**

Sponsor identified 84 enrollees that were inappropriately denied coverage for two medications at the point of sale. This resulted in delayed access to medications.

#### **CONTRACT NUMBER(S) AFFECTED:**

H8016, H5433

#### **SUPPORTING DOCUMENTATION:**

8609-96 Orange County\_QL\_Restrictions\_IA\_Follow up.pdf, 8609-96\_FA\_NPC\_6\_QL\_IA (v2).xlsx, FA\_NPC\_6\_Screenshots.pdf

FA NPC 6

#### **CORRECTIVE ACTION REQUIRED:**

Sponsor must properly administer its CMS-approved formulary by applying approved utilization management practices.

#### 4.2.2 Transition

##### **OBSERVATION[S]:**

1. Sponsor system's did not recognize an updated provider transition letter template which resulted in delayed mailing of 20 provider letters. Sponsor identified this issue prior to the audit and CMS validated correction during the program audit (TRN New PC 8, Provider\_Notification\_Letters\_IA.xlsx, TRN\_NEW\_PC\_8\_Screenshots.pdf). (Finding ID: 41283)

### **4.3 Part D Coverage Determinations, Appeals, and Grievances (CDAG)**

**Table 3: Results of the sample reviews for Part D Coverage Determinations, Appeals, and Grievances(CDAG)**

<b>Audit Elements</b>	<b># of Invalid Data Submission (IDS)</b>	<b># of Observations</b>	<b># of Corrective Action Required (CAR)</b>	<b># of Immediate Corrective Action Required (ICAR)</b>
<b>Timeliness</b>	0	1	0	0
<b>Appropriateness of Clinical Decision-Making &amp; Compliance with Processing Requirements</b>	0	0	0	0
<b>Grievances and Misclassification of Requests</b>	0	0	0	0

#### **4.3.1 Timeliness**

##### **OBSERVATION[S]:**

1. In 3 out of 25 expedited redetermination requests, Sponsor failed to check the after-hours request queue, and misclassified an expedited request as a standard request, causing enrollee notifications to be untimely. These were non-systemic incidents relative to other compliant cases that were tested (Expedited Redeterminations (ERD) Universe, Orange County\_CDAG\_ERD Notification\_Root Cause.xlsx). (Finding ID: 41082)



#### **4.4 Part C Organization Determinations, Appeals, and Grievances (ODAG)**

**Table 4: Results of the sample reviews for Part C Organization Determinations, Appeals, and Grievances(ODAG)**

<b>Audit Elements</b>	<b># of Invalid Data Submission (IDS)</b>	<b># of Observations</b>	<b># of Corrective Action Required (CAR)</b>	<b># of Immediate Corrective Action Required (ICAR)</b>
<b>Timeliness</b>	0	0	0	1
<b>Appropriateness of Clinical Decision-Making &amp; Compliance with Processing Requirements</b>	0	3	0	0
<b>Grievances and Misclassification of Requests</b>	0	1	0	0
<b>Dismissals</b>	0	0	0	0

##### **4.4.1 Timeliness**

The following conditions represent Sponsor's non-compliance in this audit element:

##### **CONDITION #4.16:**

Sponsor failed to notify enrollees of its favorable standard pre-service reconsidered decisions, or to auto-forward its upheld adverse decisions to the IRE, within 30 days, plus extension (if applicable).

##### **CRITERIA:**

42 CFR § 422.590(a)(1)

42 CFR § 422.590(a)(2)

##### **CAUSE:**

Sponsor experienced a shortage of Grievance and Appeals staff due to unexpected leaves of absence.

##### **EFFECT:**

Of the seven cases evaluated, five cases were noncompliant for untimely auto-forwarding to the IRE for upheld adverse decisions.

##### **CONTRACT NUMBER(S) AFFECTED:**

H5433

##### **SUPPORTING DOCUMENTATION:**

2142\_Sub\_1.xlsx, Orange County Health Authority ODAG SREC Untimely Forwarding to IRE Root Cause Request\_Response.xlsx

Standard Pre-service Reconsiderations (SREC) Universe

##### **IMMEDIATE CORRECTIVE ACTION REQUIRED:**

Sponsor must make standard reconsideration decisions and, as appropriate, notify enrollees of its decisions or forward them to the IRE timely.

##### **4.4.2 Appropriateness of Clinical Decision-Making & Compliance with Processing Requirements**

##### **OBSERVATION[S]:**

1. In four cases, Sponsor failed to implement updated Integrated Denial Notices (IDNs) into production and sent enrollees IDNs with expired OMB-approved language. These were non-systemic incidents relevant to other compliant cases that were tested (CDM-10, CDM-11, ODAG\_CDM\_IA request for Expired IDN template use response.xlsx). (Finding ID: 41348)
2. In one case, Sponsor denied an enrollee's request for reimbursement of COVID-19 testing due to Sponsor not following its payment policy. This was a non-systemic incident relative to other compliant cases that were tested (CDM-24, Orange County Health Authority ODAG\_CDM\_IA request for Incorrect COVID Test Denial response.xlsx). (Finding ID: 41347)
3. In one case, Sponsor did not follow its process to notify the enrollee in writing that it was transferring an expedited reconsideration to the standard timeframe. This was a non-systemic incident relative to other compliant cases that were tested (CDM-28, Orange County Health Authority ODAG\_CDM\_ Expedited Downgrade Impact Analysis request response.xlsx). (Finding ID: 41346)

#### **4.4.3 Grievances and Misclassification of Requests**

##### **OBSERVATION[S]:**

1. In two cases, Sponsor continued outreach to delegated medical groups regarding delays in obtaining referrals and did not follow its policy to initiate requests for organization determinations. These were non-systemic incidents relevant to other compliant cases that were tested (GRV-11, GRV-12, ODAG\_CDM\_ Grievance Classification Impact Analysis response.xlsx). (Finding ID: 41655)

## 4.5 Special Needs Plans - Model of Care (SNP-MOC)

**Table 5: Results of the sample reviews for Special Needs Plans - Model of Care(SNP-MOC)**

Audit Elements	# of Invalid Data Submission (IDS)	# of Observations	# of Corrective Action Required (CAR)	# of Immediate Corrective Action Required (ICAR)
Care Coordination	0	1	2	0
Plan Performance Monitoring and Evaluation of the MOC	NA	NA	NA	NA

### 4.5.1 Care Coordination

The following conditions represent Sponsor's non-compliance in this audit element:

#### CONDITION #5.51:

Sponsor did not comply with its Model of Care (MOC) for providing training to network and/or out-of-network providers.

#### CRITERIA:

42 CFR § 422.101(f)(2)(ii)

Approved Model of Care

Medicare Managed Care Manual, Chapter 5, Section 20.2.2, MOC 3, Element C, Factors 1 and 2

#### CAUSE:

Two root causes contributed to this condition. First, Sponsor was unable locate MOC training documentation for one contracted provider. Second, Sponsor did not have a process in place to ensure that model of care training was offered to in network and out of network providers.

#### EFFECT:

Sponsor identified 824 enrollees that were impacted by providers that did not complete MOC training.

#### CONTRACT NUMBER(S) AFFECTED:

H5433

#### SUPPORTING DOCUMENTATION:

OC\_SNP MOC\_Case file for SNP\_05.pdf, OC\_SNP MOC\_Case file for SNP\_08.pdf, OC\_SNP MOC\_Case file for SNP\_10.pdf, OC\_SNP MOC\_Case file for SNP\_11.pdf, OC\_SNP MOC\_Case file for SNP\_12.pdf, OC\_SNP MOC\_Case file for SNP\_13.pdf, OC\_SNP MOC\_Case file for SNP\_15.pdf, OC\_SNP MOC\_Case file for SNP\_16.pdf, OC\_SNP MOC\_Case file for SNP\_17.pdf, OC\_SNP MOC\_Case file for SNP\_18.pdf, OC\_SNP MOC\_Case file for SNP\_19.pdf, OC\_SNP MOC\_Case file for SNP\_23.pdf, OC\_SNP MOC\_Case file for SNP\_24.pdf, OC\_SNP MOC\_Case file for SNP\_26.pdf, OC\_SNP MOC\_Case file for SNP\_30.pdf, OC\_SNP MOC\_Case file for SNP\_4.pdf, OC\_SNP MOC\_Case file for SNP\_7.pdf, OC\_SNP MOC\_Training.zip, Orange County\_SNP\_Provider\_MOC\_Training\_IA.xlsx, Orange County\_SNP\_Training\_Employed and contracted staff\_IA.xlsx, SNP-1 Case File Resubmission 2.pdf

SNP-1, SNP-2, SNP-4, SNP-5, SNP-7, SNP-8, SNP-10, SNP-11, SNP-12, SNP-13, SNP-15, SNP-16, SNP-17, SNP-18, SNP-19, SNP-20, SNP-21, SNP-23, SNP-24, SNP-25, SNP-26, SNP-27, SNP-29, SNP-30

#### CORRECTIVE ACTION REQUIRED:

Sponsor must conduct outreach to provide and/or facilitate education to network providers on the MOC.

#### CONDITION #5.41:

Sponsor did not review and/or revise individualized care plans (ICPs) consistent with its model of care (MOC) or as warranted by changes in the health status or care transitions of enrollees.

**CRITERIA:**

42 CFR § 422.101(f)(1)

42 CFR § 422.152(g)

Approved Model of Care

Medicare Managed Care Manual, Chapter 5, Section 20.2.2, MOC 2, Element C, Factors 2 and 3

**CAUSE:**

Three root causes contributed to this condition. First, Sponsor did not update the enrollee care plan following enrollee transitions of care. Second, Sponsor staff did not know to include measurable goals and outcomes in the ICPs. Third, Sponsor's system did not have the ability to modify or add measurable goals and outcomes.

**EFFECT:**

This condition affected enrollees in two ways. First, Sponsor identified 13 enrollees that did not receive revisions to their ICP following a care transition. Second, 462 enrollees did not have measurable outcomes included in their ICP.

**CONTRACT NUMBER(S) AFFECTED:**

H5433

**SUPPORTING DOCUMENTATION:**

OC\_SNP\_MOC\_Case file for SNP\_01.pdf, OC\_SNP\_MOC\_Case file for SNP\_03.pdf, OC\_SNP\_MOC\_Case file for SNP\_05.pdf, OC\_SNP\_MOC\_Case file for SNP\_06.pdf, OC\_SNP\_MOC\_Case file for SNP\_08.pdf, OC\_SNP\_MOC\_Case file for SNP\_09.pdf, OC\_SNP\_MOC\_Case file for SNP\_10.pdf, OC\_SNP\_MOC\_Case file for SNP\_11.pdf, OC\_SNP\_MOC\_Case file for SNP\_12.pdf, OC\_SNP\_MOC\_Case file for SNP\_13.pdf, OC\_SNP\_MOC\_Case file for SNP\_15.pdf, OC\_SNP\_MOC\_Case file for SNP\_18.pdf, OC\_SNP\_MOC\_Case file for SNP\_19.pdf, OC\_SNP\_MOC\_Case file for SNP\_23.pdf, OC\_SNP\_MOC\_Case file for SNP\_26.pdf, OC\_SNP\_MOC\_Case file for SNP\_30.pdf, OC\_SNP\_MOC\_Case file for SNP\_4.pdf, OC\_SNP\_MOC\_Case file for SNP\_7.pdf, Orange County\_SNP\_ICP not updated\_IA\_response.xlsx, Orange County\_SNP\_ICP not updated\_RCA.xlsx, Orange County\_SNP-MOC\_No Measurable Outcomes V2\_RCA.xlsx, Orange County\_SNP-MOC\_No Measurable Outcomes\_IA\_response.xlsx

SNP-1, SNP-3, SNP-4, SNP-5, SNP-6, SNP-7, SNP-8, SNP-9, SNP-10, SNP-11, SNP-12, SNP-13, SNP-15, SNP-18, SNP-19, SNP-23, SNP-26, SNP-30

**CORRECTIVE ACTION REQUIRED:**

Sponsor must review and/or revise ICPs consistent with its MOC or as warranted by enrollees' health status change or care transition.

**OBSERVATION[S]:**

1. Sponsor incorrectly classified 18 enrollees as non MOC status in its case management system which caused the transition of care to not be completed. This observation requires correction and submission of a corrective action plan (SNP-1, SNP-26, Orange County\_SNP\_TOC coordination\_IA.xlsx). (Finding ID: 41349) (Finding ID: 41349)

## **4.6 Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances (MMP-SARAG)**

**Table 6: Results of the sample reviews for Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances(MMP-SARAG)**

<b>Audit Elements</b>	<b># of Invalid Data Submission (IDS)</b>	<b># of Observations</b>	<b># of Corrective Action Required (CAR)</b>	<b># of Immediate Corrective Action Required (ICAR)</b>
<b>Timeliness</b>	0	3	0	0
<b>Appropriateness of Clinical Decision-Making &amp; Compliance with Processing Requirements</b>	0	1	0	0
<b>Grievances and Misclassification of Requests</b>	0	0	0	0

### **4.6.1 Timeliness**

#### **OBSERVATION[S]:**

1. In two out of six MMP standard plan level appeals, Sponsor effectuated its decisions late due to unexpected leaves of absences that impacted staffing levels. These were non-systemic incidents relative to other compliant cases that were tested (MSPLA Universe.xlsx, MSPLA Effectuation Untimeliness RCA response revised.xlsx). (Finding ID: 41453)
2. In 2 out of 33 MMP standard plan level appeals, Sponsor failed to send notifications of its decisions timely due to unexpected leaves of absences that impacted staffing levels. These were non-systemic incidents relative to other compliant cases that were tested (MSPLA Universe.xlsx, MSPLA Notification Untimeliness RCA response.xlsx). (Finding ID: 41452)
3. For the one MMP expedited plan level appeal, Sponsor failed to follow proper procedure to coordinate effectuation of its decision due to unexpected leaves of absences that impacted staffing levels (MEPLA Universe.xlsx, MEPLA Effectuation Untimeliness RCA response.xlsx). (Finding ID: 41451)

### **4.6.2 Appropriateness of Clinical Decision-Making & Compliance with Processing Requirements**

#### **OBSERVATION[S]:**

1. Sponsor failed to follow its process and issued denial notifications to two enrollees that did not address all requested services. These were non-systemic incidents relative to other compliant cases that were tested (CDM-18 Case File.zip, CalOptima\_SARAG\_Impact Analysis Request for unclear denial notification response.xlsx). (Finding ID: 41454)

#### **4.7 Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)**

**Table 7: Results of the sample reviews for Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness(MMP-CCQIPE)**

<b>Audit Elements</b>	<b># of Invalid Data Submission (IDS)</b>	<b># of Observations</b>	<b># of Corrective Action Required (CAR)</b>	<b># of Immediate Corrective Action Required (ICAR)</b>
<b>Care Coordination</b>	0	0	5	0
<b>Quality Improvement Program Effectiveness</b>	NA	NA	NA	NA

##### **4.7.1 Care Coordination**

The following conditions represent Sponsor's non-compliance in this audit element:

##### **CONDITION #8.23:**

Sponsor did not ensure the interdisciplinary care team (ICT) performed all prescribed functions as required per the contract.

##### **CRITERIA:**

Cal MediConnect contract, Section 1.59

Cal MediConnect contract, Section 2.5.2.8

Cal MediConnect contract, Section 5.7.2

##### **CAUSE:**

Sponsor relied on the guidance found in an outdated state addendum to only offer an ICT when the enrollee demonstrated a need for an ICT or when one was requested by the enrollee. Per the three-way contract, Sponsor shall offer ICTs for each enrollee.

##### **EFFECT:**

Sponsor identified 5,218 enrollees that were not offered ICT meetings inclusive of the Primary Care Provider and Care Coordinator, and other providers at the discretion of the enrollee.

##### **CONTRACT NUMBER(S) AFFECTED:**

H8016

##### **SUPPORTING DOCUMENTATION:**

OC\_CCQIPE\_Case file for MMPM\_04.pdf, OC\_CCQIPE\_Case file for MMPM\_10.pdf, OC\_CCQIPE\_Case file for MMPM\_11.pdf, OC\_CCQIPE\_Case file for MMPM\_12.pdf, OC\_CCQIPE\_Case file for MMPM\_13.pdf, OC\_CCQIPE\_Case file for MMPM\_14.pdf, OC\_CCQIPE\_Case file for MMPM\_18.pdf, OC\_CCQIPE\_Case file for MMPM\_21.pdf, OC\_CCQIPE\_Case file for MMPM\_24.pdf, OC\_CCQIPE\_Case file for MMPM\_25.pdf, OC\_CCQIPE\_Case file for MMPM\_27.pdf, OC\_CCQIPE\_Case file for MMPM\_29.pdf, OC\_CCQIPE\_Case file for MMPM\_3.pdf, OC\_CCQIPE\_Case file for MMPM\_5.pdf, OC\_CCQIPE\_Case file for MMPM\_7.pdf, OC\_CCQIPE\_Case file for MMPM\_9.pdf, Orange County\_CCQIPE\_No ICT\_IA.xlsx

MMP-3, MMP-4, MMP-5, MMP-7, MMP-9, MMP-10, MMP-11, MMP-12, MMP-13, MMP-14, MMP-18, MMP-21, MMP-24, MMP-25, MMP-27, MMP-29

##### **CORRECTIVE ACTION REQUIRED:**

Sponsor must ensure the interdisciplinary care team (ICT) performs all prescribed functions as required per the contract.

**CONDITION #8.17:**

Sponsor did not coordinate Individualized Care Plan (ICP) communications among plan personnel, providers, and enrollees.

**CRITERIA:**

Cal MediConnect contract, Section 2.5.2

**CAUSE:**

Two root causes that contributed to this condition. First, Sponsor did not include ICP communication in its training process. Second, Sponsor did not quality review its transition of care process.

**EFFECT:**

This condition affected enrollees in two ways. First, Sponsor identified 103 enrollees that did not have ICT coordination. Second, Sponsor identified 145 enrollees that did not receive transition of care coordination.

**CONTRACT NUMBER(S) AFFECTED:**

H8016

**SUPPORTING DOCUMENTATION:**

OC\_CCQIPE\_Case file for MMPM\_13.pdf, OC\_CCQIPE\_Case file for MMPM\_29.pdf, OC\_CCQIPE\_Case file for MMPM\_3.pdf, OC\_CCQIPE\_Case file for MMPM\_30.pdf, OC\_CCQIPE\_Case file for MMPM\_5.pdf, OC\_CCQIPE\_Case file for MMPM\_7.pdf, OC\_CCQIPE\_Case file for MMPM\_9.pdf, Orange County\_MMP-CCQIPE\_TOC\_response.xlsx, Orange\_County\_CCQIPE\_No ICP Coordination\_IA.xlsx

MMP-3, MMP-5, MMP-7, MMP-9, MMP-13, MMP-29, MMP-30

**CORRECTIVE ACTION REQUIRED:**

Sponsor must coordinate ICP communications among plan personnel, providers, and enrollees.

**CONDITION #8.14:**

Sponsor did not include measurable outcomes in Individualized Care Plans (ICPs).

**CRITERIA:**

Cal MediConnect contract, Section 2.5.2

**CAUSE:**

Three root causes contributed to this condition. First, Sponsor did not provide training to staff pertaining to plan requirements. Second, Sponsor did not quality review care plans before they were sent to enrollees. Third, Sponsor was unable to modify or add measurable outcomes to the enrollee's care plans due to system limitations.

**EFFECT:**

Sponsor identified 3,976 enrollees that did not have measurable outcomes contained within their care plans.

**CONTRACT NUMBER(S) AFFECTED:**

H8016

**SUPPORTING DOCUMENTATION:**

OC\_CCQIPE\_Case file for MMPM\_10.pdf, OC\_CCQIPE\_Case file for MMPM\_11.pdf, OC\_CCQIPE\_Case file for MMPM\_12.pdf, OC\_CCQIPE\_Case file for MMPM\_14.pdf, OC\_CCQIPE\_Case file for MMPM\_17.pdf, OC\_CCQIPE\_Case file for MMPM\_19.pdf, OC\_CCQIPE\_Case file for MMPM\_21.pdf, OC\_CCQIPE\_Case file for MMPM\_24.pdf, OC\_CCQIPE\_Case file for MMPM\_25.pdf, OC\_CCQIPE\_Case file for MMPM\_27.pdf, OC\_CCQIPE\_Case file for MMPM\_28.pdf, OC\_CCQIPE\_Case file for MMPM\_30.pdf, Orange County\_SNP-MOC\_No Measurable Outcomes\_IA\_response.xlsx

MMP-10, MMP-11, MMP-12, MMP-14, MMP-17, MMP-19, MMP-21, MMP-24, MMP-25, MMP-27, MMP-28, MMP-30

**CORRECTIVE ACTION REQUIRED:**

Sponsor must ensure that it develops and implements comprehensive individualized plans of care that identify goals and objectives, including measurable outcomes, and specific services and benefits to be provided.

**CONDITION #8.08:**

Sponsor did not develop Individualized Care Plans (ICP) for enrollees.

**CRITERIA:**

Cal MediConnect contract, Section 2.5.2

**CAUSE:**

Sponsor relied on the guidance found in an outdated state addendum to only develop a care plan when an enrollee demonstrated a need for a care plan. In accordance with the three-way contract, Sponsor must develop an ICP for each enrollee no less than annually.

**EFFECT:**

Sponsor identified 3,065 enrollees that did not have an individualized care plan developed.

**CONTRACT NUMBER(S) AFFECTED:**

H8016

**SUPPORTING DOCUMENTATION:**

OC\_CCQIPE\_Case file for MMPM\_01.pdf, OC\_CCQIPE\_Case file for MMPM\_04.pdf, OC\_CCQIPE\_Case file for MMPM\_10.pdf, OC\_CCQIPE\_Case file for MMPM\_3.pdf, OC\_CCQIPE\_Case file for MMPM\_9.pdf, Orange County\_CCQIPE\_No\_ICP\_IA.xlsx

MMP-1, MMP-3, MMP-4, MMP-9, MMP-10

**CORRECTIVE ACTION REQUIRED:**

Sponsor must maintain a comprehensive ICP for each enrollee.

**CONDITION #8.07:**

Sponsor did not conduct reassessments of enrollees timely as per the contract.

**CRITERIA:**

Cal MediConnect contract, Section 2.8.2

**CAUSE:**

Sponsor did not have a process in place to resume HRA mailings for enrollees that were discharged from long term care facilities.

**EFFECT:**

Sponsor identified 125 enrollees that did not receive IHRA or AHRA mailings in accordance with the three-way contract.

**CONTRACT NUMBER(S) AFFECTED:**

H8016

**SUPPORTING DOCUMENTATION:**

OC\_CCQIPE\_Case file for MMPM\_01.pdf, OC\_CCQIPE\_Case file for MMPM\_7.pdf, Orange County\_MMP-CCQIPE\_AHRA Mailings\_IA\_response.xlsx



MMP-1, MMP-7

**CORRECTIVE ACTION REQUIRED:**

Sponsor must conduct reassessments of enrollees timely as per the contract.

## 5. CORRECTION AND VALIDATION OF AUDIT CONDITIONS

Sponsor must correct and submit Corrective Action Plans (CAPs) for all conditions/findings noted with a "Yes" in the Corrective Action Plan Required column of the chart below. All CAPs must be submitted for each condition in the CAP tab of the Health Plan Management System (HPMS) Audit Module. Sponsor's CAPs must describe the corrective actions taken (or that will be taken) to cure the non-compliance and the expected date of correction. While a narrative summary of the corrective actions taken is acceptable, Sponsor may supplement the CAPs with additional documentation as needed. This documentation must also be uploaded to the HPMS Audit Module, Data Upload tab, as "CAP File" type in the associated program area. In addition, CMS expects Sponsor to remediate all parties adversely affected by the non-compliance identified in this report.

All required CAPs must be submitted in HPMS within 30 calendar days from the issuance of the final report. All CAPs for ICAR conditions required submission of CAPs within 3 business days of formal notification by CMS. CMS will review all CAPs and inform your organization if additional information is required or the CAP is acceptable.

This audit will not be closed until your organization demonstrates sufficient correction of all audit conditions in a validation audit. Like this audit, the validation audit will be outcome focused, but the scope will be limited to testing only the conditions of non-compliance found in the original audit. The validation audit will follow similar protocols where applicable to test correction of conditions. It will not be a test of whether the CAP was fully implemented by Sponsor. CMS may conduct the validation audit or will require Sponsor to hire an independent auditor to conduct an audit approved by CMS.

For this audit, CMS is requiring your organization to hire an independent auditor to perform the validation audit. Your organization will have 180 calendar days from the date your CAPs were accepted by CMS to complete a validation audit and submit the validation audit report to CMS. If conditions are found to be uncorrected, your organization may be required to re-submit CAPs and undergo another validation audit. Please refer to the 2021\_Program\_Audit\_Process\_Overview document under Submission Materials in HPMS for more information.

The following chart lists all of the conditions/findings in the report and the type of corrective action that is required.

Program Area	Audit Element	Condition #/ Finding ID	Corrective Action Plan Required	Included In Sanction	Potential Impact on IRE Data
Part D Formulary and Benefit Administration (FA)	Formulary Administration	#2.06	Yes	N/A	No
Part D Formulary and Benefit Administration (FA)	Transition	41283	No	N/A	No
Part D Coverage Determinations, Appeals, and Grievances (CDAG)	Timeliness	41082	No	N/A	No
Part C Organization Determinations, Appeals, and Grievances (ODAG)	Timeliness	#4.16	Yes	N/A	Yes
Part C Organization Determinations, Appeals, and Grievances (ODAG)	Appropriateness of Clinical Decision-Making & Compliance with Processing Requirements	41348	No	N/A	No
Part C Organization Determinations, Appeals, and Grievances (ODAG)	Appropriateness of Clinical Decision-Making & Compliance with Processing Requirements	41347	No	N/A	No
Part C Organization Determinations, Appeals, and Grievances (ODAG)	Appropriateness of Clinical Decision-Making & Compliance with Processing Requirements	41346	No	N/A	No

Program Area	Audit Element	Condition #/ Finding ID	Corrective Action Plan Required	Included In Sanction	Potential Impact on IRE Data
<b>Part C Organization Determinations, Appeals, and Grievances (ODAG)</b>	Grievances and Misclassification of Requests	41655	No	N/A	No
<b>Special Needs Plans - Model of Care (SNP-MOC)</b>	Care Coordination	#5.51	Yes	N/A	No
<b>Special Needs Plans - Model of Care (SNP-MOC)</b>	Care Coordination	#5.41	Yes	N/A	No
<b>Special Needs Plans - Model of Care (SNP-MOC)</b>	Care Coordination	41349	Yes	N/A	No
<b>Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances (MMP-SARAG)</b>	Timeliness	41453	No	N/A	No
<b>Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances (MMP-SARAG)</b>	Timeliness	41452	No	N/A	No
<b>Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances (MMP-SARAG)</b>	Timeliness	41451	No	N/A	No
<b>Medicare Medicaid Plan - Service Authorization Requests, Appeals, and Grievances (MMP-SARAG)</b>	Appropriateness of Clinical Decision-Making & Compliance with Processing Requirements	41454	No	N/A	No
<b>Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)</b>	Care Coordination	#8.23	Yes	N/A	No
<b>Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)</b>	Care Coordination	#8.17	Yes	N/A	No
<b>Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)</b>	Care Coordination	#8.14	Yes	N/A	No
<b>Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)</b>	Care Coordination	#8.08	Yes	N/A	No
<b>Medicare Medicaid Plan - Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)</b>	Care Coordination	#8.07	Yes	N/A	No

## 6. ENFORCEMENT ACTIONS AND PERFORMANCE MEASURES

As is customary for program audits, this audit may be referred to the Division of Compliance Enforcement (DCE) for an independent evaluation to determine whether non-compliance discovered during the audit warrants an enforcement action, as described in 42 CFR. Parts 422 and 423, Subpart O. This evaluation is separate from the audit process and is not conducted by the audit team. Your organization will receive notification from DCE for matters related to enforcement actions.

In addition, failure to correct conditions during the validation audit or to provide sufficient documentation and evidence to CMS of their correction may result in another referral to DCE to determine if additional enforcement actions are warranted, including the imposition of intermediate sanctions, civil money penalties, and/or contract termination or non-renewal as described in 42 CFR Parts 422 and 423, Subparts K and O.

Non-compliance found during the audit may adversely affect CMS Part C and Part D Star Ratings. If the audit finds that a particular issue of non-compliance impacts the data source for a Star measure, the Star measure may be reduced if the data set is deemed inaccurate or biased (per CMS Star Ratings regulation).

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken November 18, 2021**

**Regular Meeting of the CalOptima Board of Directors'**

**Finance and Audit Committee**

### **Report Item**

5. Consider Recommending Board of Directors Approval of Modifications to Policy GA.3400: Annual Investments

### **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

### **Recommended Action**

Recommend that the Board of Directors approve modifications to CalOptima Policy GA.3400: Annual Investments

### **Background**

At its February 27, 1996, meeting, the CalOptima Board of Directors (Board) approved the Annual Investment Policy (AIP) covering investments made between March 1, 1996, and February 28, 1997. In September 1996, the Board authorized the creation of the Investment Advisory Committee (IAC). The IAC reviews the AIP each year and recommends changes in said policy to the FAC and the Board for their respective approvals.

At its December 3, 2020, meeting, the Board approved changes to CalOptima Policy GA.3400: Annual Investments for Calendar Year (CY) 2021. The policy was revised to conform to language in the California Government Code (the Code) and Local Agency Guidelines and establish a distinction between separate securitized trusts for the maximum issuer limits at the deal level, since each is generally a unique “issuer”.

At its October 25, 2021, meeting, the IAC discussed the potential credit risk associated with the proposed policy revision of increasing the maximum allocation for Commercial Paper from 25% to 40% as the Code allows. The IAC committee members recommended approval of the proposed modifications to CalOptima Policy GA.3400 except for the proposed increase in maximum allocation of Commercial Paper. The IAC requested additional information from the investment manager and staff to address their concerns. Further consideration of this issue will occur at a future IAC meeting or during next year’s AIP review.

### **Discussion**

Payden & Rygel and MetLife, CalOptima’s investment managers, and Meketa Investment Group, Inc., CalOptima’s investment adviser submitted proposed revisions to CalOptima Policy GA.3400: Annual Investments for CY 2022. Staff has reviewed the proposed revisions and recommends that the Board approve the following modifications to conform to recent updates to the California Government Code and to increase investment opportunities in fixed-rate securities.

Below is a list of substantive proposed changes to the policy, which are reflected in the attached redline. The list does not include non-substantive changes that may also be reflected in the redline

(e.g., formatting, spelling, punctuations, capitalization, minor clarifying language and/or grammatical changes).

<b>Policy Section</b>	<b>Proposed Change</b>	<b>Rationale</b>	<b>Impact</b>
Page 4, Section III.D.1.a	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns
Page 4, Section III.D.1.c	Update policy to allow for 144a securities	To conform to updated California Government Code effective 1/1/2021	None
Page 5, Section III.D.2.a.iv	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio for U.S. Treasuries	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns
Page 6, Section III.D.2.b.iii	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio for Federal Agencies and U.S. Government Sponsored Enterprises	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns
Page 6, Section III.D.2.c.ii	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio for State and California Local Agency Obligations	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns
Page 9, Section III.D.2.h.ii	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio for Corporate Securities	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns
Page 10, Section III.D.k.iv	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio for Mortgage and Asset-backed Securities	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns
Page 11, Section III.D.l.iii	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns

<b>Policy Section</b>	<b>Proposed Change</b>	<b>Rationale</b>	<b>Impact</b>
	for Variable and Floating Rate Securities		
Page 12, Section III.D.m.iii	Extend the fixed maturity limit to three years from existing two years in the Operating Funds Portfolio for Supranational Obligations	To increase the investment opportunities for CalOptima's investment managers	Potential increase in CalOptima's investment returns
Page 12, Section III.E.3.	Increase the maximum percentage of the portfolio that can be State and Local California Agency Obligations (30% to 40%)	For State and Local, increase flexibility for investing in this high-quality, defensive sector. Average credit quality in the funds is "AA".	Potential increase in CalOptima's investment returns

### **Fiscal Impact**

There is no immediate fiscal impact.

### **Rationale for Recommendation**

The proposed changes to CalOptima Policy GA.3400: Annual Investments reflect the recommendations of CalOptima's investment managers, Payden & Rygel and MetLife, and concurrence by CalOptima's investment adviser, Meketa Investment Group, Inc. These recommended changes continue to support CalOptima's goals to maintain safety of principal and achieve a market rate of return while maintaining necessary liquidity during periods of uncertainty. Per the review conducted by Meketa Investment Group, Inc., there were no changes in the California Government Code affecting local agencies noted for CY 2022.

### **Concurrence**

Meketa Investment Group, Inc.  
Gary Crockett, Chief Counsel  
Investment Advisory Committee

### **Attachments**

1. [Policy GA.3400: Annual Investment Policy – redline and clean versions](#)

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**

Policy: GA.3400  
Title: **Annual Investments**  
Department: CalOptima Administrative  
Section: Finance

CEO Approval: /s/

Effective Date: 01/01/2018

Revised Date: 01/01/2022

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006, to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.

## II. POLICY

A. CalOptima investments may only be made as authorized by this Policy.

1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large Capital losses are avoided from securities or Broker-Dealer default.
  - a. CalOptima shall seek to ensure that Capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of Risk: Credit Risk and Market Risk.
    - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the Investment Portfolio, in accordance with this Policy.
    - ii. Market Risk shall be mitigated by matching Maturity Dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
  - b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.
3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that each portfolio contain investments for which there is a secondary market and which offer the



flexibility to be easily sold at any time with minimal Risk of loss of either the principal or interest based upon then prevailing rates.

4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average Rate of Return through Economic Cycles given an acceptable level of Risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.

a. The performance Benchmark for each Investment Portfolio shall be based upon published Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for short-term investments of comparable Risk and duration.

i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and quarterly by CalOptima's Treasurer and the Investment Advisory Committee members and shall be reported to the Board of Directors.

B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code, Section 53608.

C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other than themselves) or financial institutions in compliance with California Government Code, Section 53601.5 and this Policy.

D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined in the Code, which shall be applied in the context of managing an overall portfolio.

E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to fulfill their roles in the investment process.

1. CalOptima's Officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with CalOptima, and are not permitted to have any personal financial, or investment holdings, that could be materially related to the performance of CalOptima's investments.

F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for review and adoption by the Board, to ensure that all investments made are following this Policy.

1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code, Section 53646, Subdivision (a).

2. This policy may only be changed by the Board of Directors.

### III. PROCEDURE

#### A. Delegation of Authority

1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.

- a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.
  - i. The Board of Directors may renew the delegation of authority annually.
- b. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by CalOptima's Treasurer.

#### B. CalOptima Treasurer Responsibilities

1. The Treasurer shall be responsible for:
  - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board-approved Investment Managers;
  - b. The oversight of CalOptima's Investment Portfolio;
  - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
  - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
2. The Treasurer shall also be responsible for ensuring that:
  - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
  - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
    - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause or other appropriate remedies or sanctions, as determined by the Board of Directors.
  - c. Investment diversification and portfolio performance is reviewed monthly to ensure that Risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
  - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

#### C. Investment Advisory Committee

1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any particular investment, purchase any particular investment product, or conduct business with any particular investment companies, or brokers.
  - a. It shall not be the purpose of the Investment Advisory Committee to advise on particular investment decisions of CalOptima.
2. The Investment Advisory Committee shall be responsible for the following functions:

- a. Annual review of this Policy before its consideration by the Board of Directors and revision recommendations, as necessary, to the Finance and Audit Committee of the Board of Directors.
- b. Quarterly review of CalOptima's Investment Portfolio for conformance with this Policy's diversification and maturity guidelines, and recommendations to the Finance and Audit Committee of the Board of Directors, as appropriate.
- c. Provision of comments to CalOptima's staff regarding potential investments and potential investment strategies.
- d. Performance of such additional duties and responsibilities pertaining to CalOptima's investment program as may be required from time to time by specific action and direction of the Board of Directors.

#### D. Permitted Investments

1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations of this Policy.
  - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of ~~two (2)~~three (3) years. Note that the Code allows for up to five (5) years.
  - ~~b.~~ Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
  - ~~e-b.~~
  - ~~d.~~ Private placement (144a) securities are prohibited.
  - ~~e-c.~~ The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
2. Permitted investments shall include:
  - a. U.S. Treasuries
    - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
    - ii. U.S. Government securities include:
      - a) Treasury Bills: U.S. Government securities issued and traded at a discount;
      - b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;
      - c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;

- d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or Bonds, that offer protection from Inflation. Coupon payments and underlying principal are automatically increased to compensate for Inflation, as measured by the Consumer Price Index (CPI); and
- e) Treasury Floating Rate Notes (FRNs): U.S. Treasury Bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.
- iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	23 years	5 years
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	5 years 5 years	5 years 5 years

- b. Federal Agencies and U.S. Government Sponsored Enterprises
  - i. These investments represent obligations, participations, or other Instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
  - ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
    - a) Federal Home Loan Banks (FHLB);
    - b) Federal Home Loan Mortgage Corporation (FHLMC);
    - c) Federal National Mortgage Association (FNMA);
    - d) Federal Farm Credit Banks (FFCB);
    - e) Government National Mortgage Association (GNMA);
    - f) Small Business Administration (SBA);
    - g) Export-Import Bank of the United States;
    - h) U.S. Maritime Administration;
    - i) Washington Metro Area Transit Authority (WMATA);
    - j) U.S. Department of Housing & Urban Development;
    - k) Tennessee Valley Authority;

- l) Federal Agricultural Mortgage Company (FAMC);
- m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	23 years	5 years
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	5 years 5 years	5 years 5 years

- iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

c. State and California Local Agency Obligations

- i. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or Rated F1 by Fitch, or equivalent or better for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public agency Bonds issued for private purposes (e.g., industrial development Bonds) are specifically excluded as permitted investments.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	23 years	5 years
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	5 years 5 years	5 years 5 years

d. Banker's Acceptances

- i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the Banker's Acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:
  - a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	180 days	180 days

Fund Type	Term Assigned	Term Allowed by the Code
Board-Designated Reserve Funds		
▪ Tier One (1)	180 days	180 days
▪ Tier Two (2)	180 days	180 days

e. Commercial Paper (CP)

- i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:
  - a) CP of “prime” quality, rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term by Moody's, or are comparably rated by a nationally recognized statistical rating organization (NRSRO);
  - b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):
    - (1) The entity meets the following criteria:
      - (A) Is organized and operating in the United States as a general corporation.
      - (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
      - (C) Has debt other than commercial paper, if any, that is rated in a Rating Category of “A” or its equivalent or higher by an NRSRO.
    - (2) The entity meets the following criteria:
      - (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      - (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
      - (C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO; and
  - c) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	270 days	270 days
Board-Designated Reserve Funds		
▪ Tier One (1)	270 days	270 days
▪ Tier Two (2)	270 days	270 days

f. Negotiable Certificates of Deposit

- i. Negotiable Certificates of Deposit must be issued by a Nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's; or are comparably rated by a nationally recognized rating agency.
- ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	1 year	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	1 year	5 years
▪ Tier Two (2)	1 year	5 years

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary Broker-Dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by Fitch Ratings Service provided:
  - a) A Broker-Dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
  - b) The securities are held free and clear of any Lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined Capital, Surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any Lien, as agent for CalOptima's custodian;
  - c) A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
  - d) The Agent will notify CalOptima's custodian and CalOptima if the Valuation of the Collateral Securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the Collateral Securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such Valuation.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	30 days	1 year



Fund Type	Term Assigned	Term Allowed by the Code
Board-Designated Reserve Funds		
▪ Tier One (1)	30 days	1 year
▪ Tier Two (2)	30 days	1 year

iii. Reverse Repurchase Agreements are not allowed.

h. Corporate Securities

i. For the purpose of this Policy, permissible Corporate Securities shall be rated in a Rating Category of "A" or its equivalent or better by an NRSRO and:

- a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
- b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to CP, i.e., Medium Term Notes (MTNs).

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	<del>2</del> 3 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

i. Money Market Funds

i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):

- a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
- b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

j. Joint Powers Authority Pool

- i. A joint powers authority formed pursuant to California Government Code; Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:
  - a) Registered or exempt from registration with the Securities and Exchange Commission;
  - b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and



- c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
- iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.
- iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	Not Applicable	Not Applicable
Board-Designated Reserve Funds		
▪ Tier One (1)	Not Applicable	Not Applicable
▪ Tier Two (2)	Not Applicable	Not Applicable

k. Mortgage or Asset-backed Securities

- i. Pass-through securities are Instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.
- ii. Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt Instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.
- iii. Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:
  - a) Are rated AA or ~~better or its~~ equivalent or better by an NRSRO.

iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	<u>23</u> years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years stated final maturity	5 years
▪ Tier Two (2)	5 years stated final maturity	5 years

l. Variable and Floating Rate Securities

- i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce Risk.
  - a) They should have the same stability, Liquidity, and quality as traditional money market securities.

- b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.
  - c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that pre-determined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.
- ii. Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and California Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, federal funds, CP, London Interbank Offered Rate (LIBOR), the Secured Overnight Financing Rate (SOFR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security.
- a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.
  - b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.
  - c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.

iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	23 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

m. Supranational Obligations

- i. The three (3) Supranational Institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
  - a) International Bank for Reconstruction and Development (IBRD);
  - b) International Finance Corporation (IFC); and
  - c) Inter-American Development Bank (IADB).
- ii. Supranational obligations shall be rated in a Rating Category of “AA” or its equivalent or better by a Nationally Statistical Rating Organization (NRSRO).
- iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	23 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

n. Pooled Investments

- i. Pooled investments include deposits, or investments pooled with those of other local agencies consistent with the requirements of California Government Code, Section 53635 et seq. Such pools may contain a variety of investments but are limited to those permissible under the Code.

E. Diversification Guidelines

- Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one (1) type, industry, or entity, thereby assuring adequate portfolio liquidity should one (1) sector or company experience difficulties.
- CalOptima's Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima's diversification guidelines on a continuous basis.
- Table 1: Maximum Percentage (%) of Investment Portfolio, by Instrument Type*

INSTRUMENTS	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPS)	100% (Code)
B. Federal Agencies and U.S. Government Sponsored Enterprises	100% (Code)
C. State and California Local Agency Obligations	3040% (Code 100%)
D. Bankers Acceptances	30% (Code 40%)
E. Commercial Paper	25% (Code)
F. Negotiable Certificates of Deposit	30% (Code)
G. Repurchase Agreements	100% (Code)
H. Corporate Securities	30% (Code)
I. Money Market Funds	20% (Code)
J. Joint Powers Authority Pool	100% (Code)
K. Mortgage or Asset-backed Securities	20% (Code)
L. Variable and Floating Rate Securities	30% (Code)
M. Supranational Obligations	30% (Code)

- Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
  - Any one (1) Federal Agency or Government Sponsored Enterprise: None
  - Any one (1) repurchase agreement counterparty name:

If maturity/term is  $\leq$  7 days: 50%  
If maturity/term is  $>$  7 days: 25%

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5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.
    - a. Any one (1) corporation, bank, local agency, or other corporate name for one (1) or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage or asset-backed securities, the maximum issuer limits apply at the deal level with each securitized trust being considered a unique “issuer.”
    - b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the Portfolio’s market value will be invested in securities of a single issuer.
  6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.
    - a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's Treasurer and Investment Advisory consultant (if any) by close of business on the day of the occurrence.
    - b. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in the context of.
      - i. The amount in relation to the total portfolio concentration;
      - ii. Market and security specific conditions contributing to a breach of this Policy; and
      - iii. The Investment Managers’ actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.

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F. Maximum Stated Term

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1. Maximum stated terms for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security.

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G. Rating Downgrades

1. CalOptima may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this Policy.
2. If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business days of the downgrade.
  - a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or Designee, within five (5) business days of the downgrade.

H. Investment Restrictions

1. Investment securities shall not be lent to an Investment Manager, or Broker-Dealer.
2. The Investment Portfolio or Investment Portfolios, managed by an Investment Manager, shall not be used as collateral to obtain additional investable funds.

3. Any investment not specifically referred to herein shall be considered a prohibited investment.
4. CalOptima reserves the right to prohibit its Investment Managers from making investments in organizations which have a line of business that conflicts with the interests of public health, as determined by the Board of Directors.
5. CalOptima reserves the right to prohibit investments in organizations with which it has a business relationship through contracting, purchasing, or other arrangements.
6. Except as expressly permitted by this Policy, investments in derivative securities shall not be allowed.
7. A list of prohibited investments does not currently exist, however, the Board of Directors shall provide CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and Investment Advisory Committee with a list, should such a list be adopted by CalOptima in the future, of organizations that do not comply with this Policy and shall immediately notify CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment Advisory Committee of any changes.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. California Government Code, §6509.7
- B. California Government Code, §53600 et seq.
- C. California Government Code, §53601(h), (k), (q)
- D. California Government Code, §53635 et seq.
- E. California Government Code, §53646, Subdivision (a) and Subdivision (b)
- F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

Date	Meeting
10/30/2017	Special Meeting of the CalOptima Investment Advisory Committee
11/16/2017	Regular Meeting of the CalOptima Finance and Audit Committee
12/07/2017	Regular Meeting of the CalOptima Board of Directors
11/05/2018	Special Meeting of the CalOptima Investment Advisory Committee
11/15/2018	Regular Meeting of the CalOptima Finance and Audit Committee
12/06/2018	Regular Meeting of the CalOptima Board of Directors
10/21/2019	Regular Meeting of the CalOptima Investment Advisory Committee
11/15/2019	Regular Meeting of the CalOptima Finance and Audit Committee
12/05/2019	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors

Date	Meeting
<u>TBD</u>	Regular Meeting of the CalOptima Board of Directors

## VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2018	GA.3400	Annual Investments	Administrative
Revised	01/01/2019	GA.3400	Annual Investments	Administrative
Revised	01/01/2020	GA.3400	Annual Investments	Administrative
Revised	06/04/2020	GA.3400	Annual Investments	Administrative
Revised	01/01/2021	GA.3400	Annual Investments	Administrative
<u>Revised</u>	<u>01/01/2022</u>	<u>GA.3400</u>	<u>Annual Investments</u>	<u>Administrative</u>

For 20211118 FAC Review

**IX. GLOSSARY**

<b>Term</b>	<b>Definition</b>
Banker's Acceptance (BA)	<p>Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:</p> <ul style="list-style-type: none"><li>• Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard &amp; Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and</li><li>• May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.</li></ul>
Benchmark	<p>Benchmarks are usually constructed using unmanaged indices, exchange-traded Funds or mutual fund categories to represent each asset class. Benchmarks are often used as a tool to assess the allocation, Risk and return of a portfolio.</p>
Board-Designated Reserve Funds	<p>Funds established to address unexpected agency needs and not intended for use in the normal course of business. The amount of Board-Designated Reserve Funds should be offset by any working Capital or net current asset deficits. The desired level for these funds is a minimum of 1.4 and maximum of 2.0 months of capitation revenues as specified by CalOptima Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:</p> <ol style="list-style-type: none"><li>1. Tier One<ol style="list-style-type: none"><li>a. Used for the benefit and protection of CalOptima's long-term financial viability;</li><li>b. Used to cover "Special Purposes" as defined in CalOptima Policy GA.3001: Board-Designated Reserve Funds;</li></ol>or<ol style="list-style-type: none"><li>c. May be used for operational cash flow needs in lieu of a bank line of credit in the event of disruption of monthly capitation revenue receipts from the State, subject to the Board-Designated Reserve Funds having a "floor" equal to Tier Two requirements.</li></ol></li><li>2. Tier Two<ol style="list-style-type: none"><li>a. Used to meet CalOptima's regulatory compliance requirements; or</li><li>b. Currently defined as CalOptima's tangible net equity requirements as defined by Subdivision (e) of Section 1300.76 of Title 28 of the California Code of Regulations.</li></ol></li></ol>
Bonds	<p>A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest (the coupon) and/or to repay the principal at a later date, termed the maturity date.</p>
Broker-Dealer	<p>In financial services, a Broker-Dealer is a natural person, a company or other organization that engages in the business of trading securities for its own account or on behalf of its customers.</p>



<b>Term</b>	<b>Definition</b>
CalOptima Treasurer	Appointed by CalOptima's Board of Directors, the treasurer is a person responsible for overseeing CalOptima's investment funds.
Capital	Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.
Cash Flow Draws	Amount of cash needs to support CalOptima business operation.
Chief Officers	For the purposes of this policy, may include, but is not limited to, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief Counsel.
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guarantee its validity or convertibility or insure its performance; so that, if the direct security fails, the creditor may fall back upon the collateral security.
Commercial Paper (CP)	Unsecured promissory notes issued by companies and government entities at a discount.
Consumer Price Index (CPI)	The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
Corporate Securities	Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.
Credit Risk	The Risk of loss due to failure of the issuer of a security.
Custodian Bank	A specialized financial institution responsible for safeguarding a firm's or individual's financial assets and is not engaged in "traditional" commercial or consumer/retail banking such as mortgage or personal lending, branch banking, personal accounts, automated teller machines (ATMs) and so forth.
Custom Peer Group Report	Developed based on a small peer universe with similar investment guidelines. The Purpose of the report is to provide more accurate performance comparison.
Designee	For purposes of this policy, a person who has been designated to act on behalf of the CalOptima Treasurer.
Economic Cycles	The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession).
Finance and Audit Committee (FAC)	A standing committee of the CalOptima Board of Directors with oversight responsibilities for all financial matters of CalOptima including but not limited to: budget development and approval, financial reporting, investment practices and policies, purchasing and procurement practices and policies, insurance issues, and capitation and claims. The Committee serves as the primary level of Board review for any finance-related issues or policies affecting the CalOptima program.
Inflation	Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.
Instrument	Refers to a financial Instrument or asset that can be traded. These assets can be cash, Bonds, or shares in a company
Investment Advisor(s)	Registered or non-registered person or group that makes investment recommendations or conducts securities analysis in return for a fee.
Investment Advisory Committee (IAC)	A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding CalOptima's Investment Policies, Procedures and Practices.



<b>Term</b>	<b>Definition</b>
Investment Manager(s)	A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, Bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.
Joint Powers Authority Pool	Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the Underlying Pool of Securities owned by the joint powers authority.
Lien	A legal right granted by the owner of property, by a law or otherwise acquired by a creditor
Liquidity	Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.
Market Indices	Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).
Market Risk	The Risk of market value fluctuations due to overall changes in the general level of interest rates.
Maturity Dates	The date on which the principal amount of a note, draft, acceptance bond or another debt Instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an installment loan must be paid in full.
Medium Term Notes (MTN)	A debt note that usually matures (is paid back) in five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (100) years. They can be issued on a fixed or floating coupon basis.
Nationally Recognized Statistical Ratings Organization (NRSRO)	A credit rating agency that the Securities and Exchange Commission in the United States registers and uses for regulatory purposes. Current NRSROs listed at <a href="http://www.sec.gov/ocr/ocr-current-nrsros.html">www.sec.gov/ocr/ocr-current-nrsros.html</a> .
Negotiable Certificates of Deposit	A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution, for a fixed time and interest rate.
Operating Funds	Funds intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.
Prudent Person Standard	When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the Liquidity needs of the agency (California Government Code, Section 53600.3)
Rate of Return	The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost. Gains on investments are defined as income received plus any Capital gains realized on the sale of the investment.

<b>Term</b>	<b>Definition</b>
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase Agreements	A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.
Risk	Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.
State and California Local Agency Obligations	Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.
Supranational Institutions	International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.
Surplus	Assets beyond liabilities.
Underlying Pool of Securities	Those securities and obligations that are eligible for direct investment by local public agencies.
Valuation	An estimation of the worth of a financial Instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the Valuation of each financial Instrument that they own on behalf of CalOptima. Each asset manager uses a variety of market sources to determine individual Valuations.

Policy: GA.3400  
Title: **Annual Investments**  
Department: CalOptima Administrative  
Section: Finance

CEO Approval: /s/

Effective Date: 01/01/2018

Revised Date: 01/01/2022

Applicable to:

- ☐ Medi-Cal
- ☐ OneCare
- ☐ OneCare Connect
- ☐ PACE
- ☒ Administrative

## I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006, to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.

## II. POLICY

A. CalOptima investments may only be made as authorized by this Policy.

1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large Capital losses are avoided from securities or Broker-Dealer default.
  - a. CalOptima shall seek to ensure that Capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of Risk: Credit Risk and Market Risk.
    - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the Investment Portfolio, in accordance with this Policy.
    - ii. Market Risk shall be mitigated by matching Maturity Dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
  - b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.
3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that each portfolio contain investments for which there is a secondary market and which offer the

flexibility to be easily sold at any time with minimal Risk of loss of either the principal or interest based upon then prevailing rates.

4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average Rate of Return through Economic Cycles given an acceptable level of Risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.

a. The performance Benchmark for each Investment Portfolio shall be based upon published Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for short-term investments of comparable Risk and duration.

i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and quarterly by CalOptima's Treasurer and the Investment Advisory Committee members and shall be reported to the Board of Directors.

B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code, Section 53608.

C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other than themselves) or financial institutions in compliance with California Government Code, Section 53601.5 and this Policy.

D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined in the Code, which shall be applied in the context of managing an overall portfolio.

E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to fulfill their roles in the investment process.

1. CalOptima's Officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with CalOptima, and are not permitted to have any personal financial, or investment holdings, that could be materially related to the performance of CalOptima's investments.

F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for review and adoption by the Board, to ensure that all investments made are following this Policy.

1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code, Section 53646, Subdivision (a).

2. This policy may only be changed by the Board of Directors.

### III. PROCEDURE

#### A. Delegation of Authority

1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.

- a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.
  - i. The Board of Directors may renew the delegation of authority annually.
- b. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by CalOptima's Treasurer.

#### B. CalOptima Treasurer Responsibilities

1. The Treasurer shall be responsible for:
  - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board-approved Investment Managers;
  - b. The oversight of CalOptima's Investment Portfolio;
  - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
  - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
2. The Treasurer shall also be responsible for ensuring that:
  - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
  - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
    - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause or other appropriate remedies or sanctions, as determined by the Board of Directors.
  - c. Investment diversification and portfolio performance is reviewed monthly to ensure that Risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
  - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

#### C. Investment Advisory Committee

1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any particular investment, purchase any particular investment product, or conduct business with any particular investment companies, or brokers.
  - a. It shall not be the purpose of the Investment Advisory Committee to advise on particular investment decisions of CalOptima.
2. The Investment Advisory Committee shall be responsible for the following functions:

- a. Annual review of this Policy before its consideration by the Board of Directors and revision recommendations, as necessary, to the Finance and Audit Committee of the Board of Directors.
- b. Quarterly review of CalOptima's Investment Portfolio for conformance with this Policy's diversification and maturity guidelines, and recommendations to the Finance and Audit Committee of the Board of Directors, as appropriate.
- c. Provision of comments to CalOptima's staff regarding potential investments and potential investment strategies.
- d. Performance of such additional duties and responsibilities pertaining to CalOptima's investment program as may be required from time to time by specific action and direction of the Board of Directors.

#### D. Permitted Investments

1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations of this Policy.
  - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of three (3) years. Note that the Code allows for up to five (5) years.
  - b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
  - c. The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
2. Permitted investments shall include:
  - a. U.S. Treasuries
    - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
    - ii. U.S. Government securities include:
      - a) Treasury Bills: U.S. Government securities issued and traded at a discount;
      - b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;
      - c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;
      - d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or Bonds, that offer protection from Inflation. Coupon payments and underlying



principal are automatically increased to compensate for Inflation, as measured by the Consumer Price Index (CPI); and

- e) Treasury Floating Rate Notes (FRNs): U.S. Treasury Bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.
- iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	3 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

b. Federal Agencies and U.S. Government Sponsored Enterprises

- i. These investments represent obligations, participations, or other Instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
- ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
  - a) Federal Home Loan Banks (FHLB);
  - b) Federal Home Loan Mortgage Corporation (FHLMC);
  - c) Federal National Mortgage Association (FNMA);
  - d) Federal Farm Credit Banks (FFCB);
  - e) Government National Mortgage Association (GNMA);
  - f) Small Business Administration (SBA);
  - g) Export-Import Bank of the United States;
  - h) U.S. Maritime Administration;
  - i) Washington Metro Area Transit Authority (WMATA);
  - j) U.S. Department of Housing & Urban Development;
  - k) Tennessee Valley Authority;
  - l) Federal Agricultural Mortgage Company (FAMC);

m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and

n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	3 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

c. State and California Local Agency Obligations

i. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or Rated F1 by Fitch, or equivalent or better for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public agency Bonds issued for private purposes (e.g., industrial development Bonds) are specifically excluded as permitted investments.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	3 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

d. Banker's Acceptances

i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the Banker's Acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:

a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	180 days	180 days



Fund Type	Term Assigned	Term Allowed by the Code
Board-Designated Reserve Funds		
▪ Tier One (1)	180 days	180 days
▪ Tier Two (2)	180 days	180 days

e. Commercial Paper (CP)

- i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:
  - a) CP of “prime” quality, rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term by Moody's, or are comparably rated by a nationally recognized statistical rating organization (NRSRO);
  - b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):
    - (1) The entity meets the following criteria:
      - (A) Is organized and operating in the United States as a general corporation.
      - (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
      - (C) Has debt other than commercial paper, if any, that is rated in a Rating Category of “A” or its equivalent or higher by an NRSRO.
    - (2) The entity meets the following criteria:
      - (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      - (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
      - (C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO; and
  - c) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	270 days	270 days
Board-Designated Reserve Funds		
▪ Tier One (1)	270 days	270 days
▪ Tier Two (2)	270 days	270 days

f. Negotiable Certificates of Deposit

- i. Negotiable Certificates of Deposit must be issued by a Nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's or are comparably rated by a nationally recognized rating agency.
- ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	1 year	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	1 year	5 years
▪ Tier Two (2)	1 year	5 years

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary Broker-Dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by Fitch Ratings Service provided:
  - a) A Broker-Dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
  - b) The securities are held free and clear of any Lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined Capital, Surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any Lien, as agent for CalOptima's custodian;
  - c) A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
  - d) The Agent will notify CalOptima's custodian and CalOptima if the Valuation of the Collateral Securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the Collateral Securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such Valuation.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	30 days	1 year

Fund Type	Term Assigned	Term Allowed by the Code
Board-Designated Reserve Funds		
▪ Tier One (1)	30 days	1 year
▪ Tier Two (2)	30 days	1 year

iii. Reverse Repurchase Agreements are not allowed.

h. Corporate Securities

i. For the purpose of this Policy, permissible Corporate Securities shall be rated in a Rating Category of "A" or its equivalent or better by an NRSRO and:

- a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
- b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to CP, i.e., Medium Term Notes (MTNs).

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	3 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

i. Money Market Funds

i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):

- a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
- b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

j. Joint Powers Authority Pool

- i. A joint powers authority formed pursuant to California Government Code; Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:
  - a) Registered or exempt from registration with the Securities and Exchange Commission;
  - b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and

- c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
- iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.
- iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	Not Applicable	Not Applicable
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	Not Applicable Not Applicable	Not Applicable Not Applicable

k. Mortgage or Asset-backed Securities

- i. Pass-through securities are Instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.
- ii. Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt Instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.
- iii. Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:
  - a) Are rated AA or its equivalent or better by an NRSRO.
- iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	3 years	5 years
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	5 years stated final maturity 5 years stated final maturity	5 years 5 years

l. Variable and Floating Rate Securities

- i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce Risk.
  - a) They should have the same stability, Liquidity, and quality as traditional money market securities.

- b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.
- c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that pre-determined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.
- ii. Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and California Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, federal funds, CP, London Interbank Offered Rate (LIBOR), the Secured Overnight Financing Rate (SOFR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security.
  - a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.
  - b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.
  - c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.
- iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	3 years	5 years
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	5 years 5 years	5 years 5 years

m. Supranational Obligations

- i. The three (3) Supranational Institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
  - a) International Bank for Reconstruction and Development (IBRD);
  - b) International Finance Corporation (IFC); and
  - c) Inter-American Development Bank (IADB).
- ii. Supranational obligations shall be rated in a Rating Category of “AA” or its equivalent or better by a Nationally Statistical Rating Organization (NRSRO).
- iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	3 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

n. Pooled Investments

- i. Pooled investments include deposits, or investments pooled with those of other local agencies consistent with the requirements of California Government Code, Section 53635 et seq. Such pools may contain a variety of investments but are limited to those permissible under the Code.

E. Diversification Guidelines

- Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one (1) type, industry, or entity, thereby assuring adequate portfolio liquidity should one (1) sector or company experience difficulties.
- CalOptima's Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima's diversification guidelines on a continuous basis.
- Table 1: Maximum Percentage (%) of Investment Portfolio, by Instrument Type*

INSTRUMENTS	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPS)	100% (Code)
B. Federal Agencies and U.S. Government Sponsored Enterprises	100% (Code)
C. State and California Local Agency Obligations	40% (Code 100%)
D. Bankers Acceptances	30% (Code 40%)
E. Commercial Paper	25% (Code)
F. Negotiable Certificates of Deposit	30% (Code)
G. Repurchase Agreements	100% (Code)
H. Corporate Securities	30% (Code)
I. Money Market Funds	20% (Code)
J. Joint Powers Authority Pool	100% (Code)
K. Mortgage or Asset-backed Securities	20% (Code)
L. Variable and Floating Rate Securities	30% (Code)
M. Supranational Obligations	30% (Code)

- Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
  - Any one (1) Federal Agency or Government Sponsored Enterprise: None
  - Any one (1) repurchase agreement counterparty name:

If maturity/term is  $\leq$  7 days: 50%

If maturity/term is  $>$  7 days: 25%

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5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.
    - a. Any one (1) corporation, bank, local agency, or other corporate name for one (1) or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage or asset-backed securities, the maximum issuer limits apply at the deal level with each securitized trust being considered a unique “issuer.”
    - b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the Portfolio’s market value will be invested in securities of a single issuer.
  6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.
    - a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's Treasurer and Investment Advisory consultant (if any) by close of business on the day of the occurrence.
    - b. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in the context of.
      - i. The amount in relation to the total portfolio concentration;
      - ii. Market and security specific conditions contributing to a breach of this Policy; and
      - iii. The Investment Managers’ actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.

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F. Maximum Stated Term

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1. Maximum stated terms for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security.

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G. Rating Downgrades

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1. CalOptima may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this Policy.
  2. If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business days of the downgrade.
    - a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or Designee, within five (5) business days of the downgrade.

H. Investment Restrictions

1. Investment securities shall not be lent to an Investment Manager, or Broker-Dealer.
2. The Investment Portfolio or Investment Portfolios, managed by an Investment Manager, shall not be used as collateral to obtain additional investable funds.



3. Any investment not specifically referred to herein shall be considered a prohibited investment.
4. CalOptima reserves the right to prohibit its Investment Managers from making investments in organizations which have a line of business that conflicts with the interests of public health, as determined by the Board of Directors.
5. CalOptima reserves the right to prohibit investments in organizations with which it has a business relationship through contracting, purchasing, or other arrangements.
6. Except as expressly permitted by this Policy, investments in derivative securities shall not be allowed.
7. A list of prohibited investments does not currently exist, however, the Board of Directors shall provide CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and Investment Advisory Committee with a list, should such a list be adopted by CalOptima in the future, of organizations that do not comply with this Policy and shall immediately notify CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment Advisory Committee of any changes.

#### IV. ATTACHMENT(S)

Not Applicable

#### V. REFERENCE(S)

- A. California Government Code, §6509.7
- B. California Government Code, §53600 et seq.
- C. California Government Code, §53601(h), (k), (q)
- D. California Government Code, §53635 et seq.
- E. California Government Code, §53646, Subdivision (a) and Subdivision (b)
- F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.

#### VI. REGULATORY AGENCY APPROVAL(S)

None to Date

#### VII. BOARD ACTION(S)

Date	Meeting
10/30/2017	Special Meeting of the CalOptima Investment Advisory Committee
11/16/2017	Regular Meeting of the CalOptima Finance and Audit Committee
12/07/2017	Regular Meeting of the CalOptima Board of Directors
11/05/2018	Special Meeting of the CalOptima Investment Advisory Committee
11/15/2018	Regular Meeting of the CalOptima Finance and Audit Committee
12/06/2018	Regular Meeting of the CalOptima Board of Directors
10/21/2019	Regular Meeting of the CalOptima Investment Advisory Committee
11/15/2019	Regular Meeting of the CalOptima Finance and Audit Committee
12/05/2019	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors
12/03/2020	Regular Meeting of the CalOptima Board of Directors



Date	Meeting
TBD	Regular Meeting of the CalOptima Board of Directors

## VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2018	GA.3400	Annual Investments	Administrative
Revised	01/01/2019	GA.3400	Annual Investments	Administrative
Revised	01/01/2020	GA.3400	Annual Investments	Administrative
Revised	06/04/2020	GA.3400	Annual Investments	Administrative
Revised	01/01/2021	GA.3400	Annual Investments	Administrative
Revised	01/01/2022	GA.3400	Annual Investments	Administrative

For 20211118 FAC Review ONLY

1 IX. GLOSSARY

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Term	Definition
Banker's Acceptance (BA)	<p>Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:</p> <ul style="list-style-type: none"> <li>• Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard &amp; Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and</li> <li>• May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.</li> </ul>
Benchmark	<p>Benchmarks are usually constructed using unmanaged indices, exchange-traded Funds or mutual fund categories to represent each asset class. Benchmarks are often used as a tool to assess the allocation, Risk and return of a portfolio.</p>
Board-Designated Reserve Funds	<p>Funds established to address unexpected agency needs and not intended for use in the normal course of business. The amount of Board-Designated Reserve Funds should be offset by any working Capital or net current asset deficits. The desired level for these funds is a minimum of 1.4 and maximum of 2.0 months of capitation revenues as specified by CalOptima Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:</p> <ol style="list-style-type: none"> <li>1. Tier One <ol style="list-style-type: none"> <li>a. Used for the benefit and protection of CalOptima's long-term financial viability;</li> <li>b. Used to cover "Special Purposes" as defined in CalOptima Policy GA.3001: Board-Designated Reserve Funds;</li> <li>or</li> <li>c. May be used for operational cash flow needs in lieu of a bank line of credit in the event of disruption of monthly capitation revenue receipts from the State, subject to the Board-Designated Reserve Funds having a "floor" equal to Tier Two requirements.</li> </ol> </li> <li>2. Tier Two <ol style="list-style-type: none"> <li>a. Used to meet CalOptima's regulatory compliance requirements; or</li> <li>b. Currently defined as CalOptima's tangible net equity requirements as defined by Subdivision (e) of Section 1300.76 of Title 28 of the California Code of Regulations.</li> </ol> </li> </ol>
Bonds	<p>A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest (the coupon) and/or to repay the principal at a later date, termed the maturity date.</p>
Broker-Dealer	<p>In financial services, a Broker-Dealer is a natural person, a company or other organization that engages in the business of trading securities for its own account or on behalf of its customers.</p>

<b>Term</b>	<b>Definition</b>
CalOptima Treasurer	Appointed by CalOptima's Board of Directors, the treasurer is a person responsible for overseeing CalOptima's investment funds.
Capital	Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.
Cash Flow Draws	Amount of cash needs to support CalOptima business operation.
Chief Officers	For the purposes of this policy, may include, but is not limited to, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief Counsel.
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guarantee its validity or convertibility or insure its performance; so that, if the direct security fails, the creditor may fall back upon the collateral security.
Commercial Paper (CP)	Unsecured promissory notes issued by companies and government entities at a discount.
Consumer Price Index (CPI)	The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
Corporate Securities	Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.
Credit Risk	The Risk of loss due to failure of the issuer of a security.
Custodian Bank	A specialized financial institution responsible for safeguarding a firm's or individual's financial assets and is not engaged in "traditional" commercial or consumer/retail banking such as mortgage or personal lending, branch banking, personal accounts, automated teller machines (ATMs) and so forth.
Custom Peer Group Report	Developed based on a small peer universe with similar investment guidelines. The Purpose of the report is to provide more accurate performance comparison.
Designee	For purposes of this policy, a person who has been designated to act on behalf of the CalOptima Treasurer.
Economic Cycles	The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession).
Finance and Audit Committee (FAC)	A standing committee of the CalOptima Board of Directors with oversight responsibilities for all financial matters of CalOptima including but not limited to: budget development and approval, financial reporting, investment practices and policies, purchasing and procurement practices and policies, insurance issues, and capitation and claims. The Committee serves as the primary level of Board review for any finance-related issues or policies affecting the CalOptima program.
Inflation	Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.
Instrument	Refers to a financial Instrument or asset that can be traded. These assets can be cash, Bonds, or shares in a company
Investment Advisor(s)	Registered or non-registered person or group that makes investment recommendations or conducts securities analysis in return for a fee.
Investment Advisory Committee (IAC)	A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding CalOptima's Investment Policies, Procedures and Practices.

<b>Term</b>	<b>Definition</b>
Investment Manager(s)	A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, Bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.
Joint Powers Authority Pool	Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the Underlying Pool of Securities owned by the joint powers authority.
Lien	A legal right granted by the owner of property, by a law or otherwise acquired by a creditor
Liquidity	Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.
Market Indices	Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).
Market Risk	The Risk of market value fluctuations due to overall changes in the general level of interest rates.
Maturity Dates	The date on which the principal amount of a note, draft, acceptance bond or another debt Instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an installment loan must be paid in full.
Medium Term Notes (MTN)	A debt note that usually matures (is paid back) in five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (100) years. They can be issued on a fixed or floating coupon basis.
Nationally Recognized Statistical Ratings Organization (NRSRO)	A credit rating agency that the Securities and Exchange Commission in the United States registers and uses for regulatory purposes. Current NRSROs listed at <a href="http://www.sec.gov/ocr/ocr-current-nrsros.html">www.sec.gov/ocr/ocr-current-nrsros.html</a> .
Negotiable Certificates of Deposit	A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution, for a fixed time and interest rate.
Operating Funds	Funds intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.
Prudent Person Standard	When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the Liquidity needs of the agency (California Government Code, Section 53600.3)
Rate of Return	The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost. Gains on investments are defined as income received plus any Capital gains realized on the sale of the investment.

<b>Term</b>	<b>Definition</b>
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase Agreements	A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.
Risk	Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.
State and California Local Agency Obligations	Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.
Supranational Institutions	International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.
Surplus	Assets beyond liabilities.
Underlying Pool of Securities	Those securities and obligations that are eligible for direct investment by local public agencies.
Valuation	An estimation of the worth of a financial Instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the Valuation of each financial Instrument that they own on behalf of CalOptima. Each asset manager uses a variety of market sources to determine individual Valuations.

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

### Action To Be Taken November 18, 2021 Regular Meeting of the CalOptima Board of Directors’ Finance and Audit Committee

#### **Report Item**

6. Consider Recommending Board of Directors Approval of Modifications to CalOptima Policy FF.3001: Financial Reporting

#### **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

Recommend Board of Directors approval of modifications to CalOptima Policy FF.3001: Financial Reporting.

#### **Background/Discussion**

CalOptima regularly reviews its policies and procedures to ensure they are up to date and aligned with federal and state health care program requirements, contractual obligations and laws, as well as CalOptima operations.

*Below is a description of the policy, followed by a list of substantive changes to the policy, which are reflected in the attached redline. The list does not include non-substantive changes that may also be reflected in the redline (i.e., formatting, spelling, punctuation, capitalization, minor clarifying language and/or grammatical changes).*

Policy FF.3001: Financial Reporting outlines the process by which CalOptima monitors the timely submission of required financial reports by Health Networks.

Section	Proposed Change	Rationale	Impact
II.A and II.D	Changed “Contract for Health Care Services” to “Health Network Contract”	For clarity	None
Tables in II.C.1, II.C.3, II.C.5	Removed ‘Incurred But Not Reported (IBNR)’ documentation	IBNR is reviewed as part of the annual Health Network Medical Loss Ratio (MLR) audit. Reporting requirement is removed based on Grant Thornton’s internal audit recommendation/ finding. (i.e., Finding #4, Grant Thornton Provider and Health Network Contract Management Audit Report 2021, pp. 16-17)	None; aligns with current process

Section	Proposed Change	Rationale	Impact
II.C.2.b.ii. and II.C.4.b.ii	Removed requirement to submit IBNR documentation with annual audited financial statements	IBNR is reviewed as part of the annual HN MLR audit.	None; aligns with current process
II.C.2.c. and II.C.4.c	Removed requirement to submit IBNR documentation and certification	IBNR is reviewed as part of the annual HN MLR audit.	None; aligns with current process
II.C.5 and II.C.6	Added requirement that HMOs submit their annual audited financial statements to DMHC by DMHC's established due date; removed requirement to submit IBNR documentation and certification	Staff downloads statements from the DMHC website; IBNR is reviewed as part of the annual HN MLR audit.	None; aligns with current process
V	Updated references	Provide accurate references	None
IX	Updated definitions	Provide accurate definitions	None

### **Fiscal Impact**

The recommended action to revise CalOptima Policy FF.3001 is operational in nature and has no additional fiscal impact beyond what was incorporated in the CalOptima Fiscal Year 2021-22 Operating Budget approved by the Board on June 3, 2021.

### **Rationale for Recommendation**

To ensure CalOptima's continuing commitment to conducting its operations in compliance with ethical and legal standards and all applicable laws, regulations, rules and accreditation standards, CalOptima staff recommends that the Board of Directors approve and adopt the presented CalOptima policy and procedure, which will supersede prior versions.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. Policy FF.3001: Financial Reporting (redline and clean)
2. Grant Thornton CalOptima Provider and Health Network Contract Management Audit Report 2021

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**





Policy: FF.3001  
Title: **Financial Reporting**  
Department: Finance  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/01/2007

Revised Date: 12/02/2021

Applicable to:

- ☒ Medi-Cal
- ☒ OneCare
- ☒ OneCare Connect
- ☐ PACE
- ☐ ~~Administrative~~

## I. PURPOSE

This policy outlines the process by which CalOptima monitors the timely submission of required financial reports by Health Networks.

## II. POLICY

- A. A Health Network shall submit required financial information to CalOptima in accordance with the Health Network Contract for Health Care Services, and the terms and conditions of this Policy.
- B. CalOptima shall use such financial information to monitor the financial viability and stability of a Health Network and to ensure that appropriate resources are available to provide Covered Services to Members.
- C. A Health Network shall submit the following reports to CalOptima according to the schedule and in the manner set forth in this Policy.

### 1. Physician Hospital Consortium (PHC) Reporting Due Date Summary

Financial Reports	Due Date
a. Quarterly Total Business Reports (Financial Statements)	Forty-five (45) calendar days after the end of the quarter.
<del>b. Annual Audited Financial Statements</del>	One hundred twenty (120) calendar days after the end of the organization's fiscal year.
<del>d. Incurred But Not Reported (IBNR) Documentation</del>	<del>One hundred twenty (120) calendar days after the end of the organization's fiscal year.</del>
<del>e.c.</del> Medical Loss Ratio (MLR) Report	Interim: Six (6) months ended June 30 due August 15, and twelve (12) months ended December 31 due February 15. Final: Twelve (12) months ended December 31 due by June 30.
<del>f.d.</del> Risk Bearing Organization (RBO) Financial Survey Reports	Quarterly: Forty-five (45) calendar days after the end of the quarter. Annual: One hundred fifty (150) calendar days after the end of the organization's fiscal year.



## 2. PHC Financial Report Details

### a. Quarterly Total Business Reports (Financial Statements)

- i. Each PHC partner shall submit their respective year-to-date financial statements to CalOptima forty-five (45) calendar days after the end of each quarter.
- ii. Financial statements shall include:
  - a) Balance sheet;
  - b) Statement of revenues and expenses;
  - c) Statement of cash flows; and
  - d) Related disclosures.

### b. Annual Audited Financial Statements

- i. Each PHC partner shall submit their audited financial statements, including any letters to management, within one hundred twenty (120) calendar days after the end of the organization's fiscal year.
- ~~ii. Each PHC partner shall submit IBNR documentation as described in Section II.C.2.c. of this Policy, concurrently with the annual audited financial statement.~~
- ~~iii.ii.~~ If a PHC partner is part of a larger entity, the PHC partner shall submit the consolidated corporate audited financial statements to CalOptima.
- ~~iv.iii.~~ Each PHC partner shall submit the following financial statements:
  - a) Balance sheet;
  - b) Statement of revenues and expenses;
  - c) Statement of cash flows;
  - d) Related notes and disclosures; and
  - e) Audit opinion.

### ~~e. IBNR Documentation~~

- ~~i. Each PHC partner shall provide CalOptima with written policies and procedures, or any related documentation of the methodology used to estimate its liability for Incurred But Not Reported (IBNR) claims. A PHC shall also provide supporting documentation for the IBNR calculation.~~
- ~~ii. Upon CalOptima's request, a PHC partner shall provide CalOptima an IBNR certificate issued by an independent actuarial service consultant.~~

### d.c. Medical Loss Ratio (MLR) Report

- i. A Primary Physician Group shall utilize the most current Annual Financial Reporting Form (AFRF), provided by CalOptima, to report the MLR of the PHC. PHC submissions shall include both Physician and Primary Hospital data.
- ii. A Primary Physician Group shall submit interim AFRF reports to CalOptima as follows:
  - a) For the period six (6) months ended June 30, due August 15; and
  - b) For the period of twelve (12) months ended December 31, due February 15.
- iii. A Primary Physician Group shall submit a final AFRF report (if changed from the second interim submission above) to CalOptima as follows:
  - a) For the period of twelve (12) months ended December 31, due June 30 (one hundred eighty (180) calendar days after the end of the calendar year).

#### e.d. Risk Bearing Organization (RBO) Financial Survey Reports

- i. Quarterly: A Primary Physician Group shall submit a copy of the Department of Managed Health Care (DMHC) RBO Quarterly Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima forty-five (45) calendar days after the end of each quarter.
- ii. Annual: A Primary Physician Group shall submit a copy of the DMHC RBO Annual Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima within one hundred fifty (150) calendar days of the close of the Primary Physician Group's fiscal year.

#### 2.3. Shared Risk Group (SRG) Reporting Due Date Summary

Financial Reports	Due Date
a. Quarterly Total Business Reports (Financial Statements)	Forty-five (45) calendar days after the end of the quarter.
<del>b.</del> Annual Audited Financial Statements <del>e.b.</del>	One hundred twenty (120) calendar days after the end of the organization's fiscal year.
<del>d.</del> Incurred But Not Reported (IBNR) Documentation	<del>One hundred twenty (120) calendar days after the end of the organization's fiscal year.</del>
<del>e.c.</del> Medical Loss Ratio (MLR) Report	Interim: Six (6) months ended June 30 due August 15, and twelve (12) months ended December 31 due February 15. Final: Twelve (12) months ended December 31 due by June 30.
<del>f.d.</del> Risk Bearing Organization (RBO) Financial Survey Reports	Quarterly: Forty-five (45) calendar days after the end of the quarter. Annual: One hundred fifty (150) calendar days after the end of the organization's fiscal year

#### 3.4. SRG Financial Report Details

- a. Quarterly Total Business Reports (Financial Statements)

- 1 i. An SRG shall submit their respective year-to-date financial statements to CalOptima  
2 forty-five (45) calendar days after the end of each quarter.  
3  
4 ii. Financial statements shall include:  
5  
6 a) Balance sheet;  
7  
8 b) Statement of revenues and expenses;  
9  
10 c) Statement of cash flows; and  
11  
12 d) Related disclosures.  
13  
14 b. Annual Audited Financial Statements  
15  
16 i. An SRG shall submit its audited financial statements, including any letters to  
17 management, within one hundred twenty (120) calendar days after the end of the  
18 organization's fiscal year.  
19  
20 ~~ii. An SRG shall submit IBNR documentation as described in Section II.C.4.c. of this~~  
21 ~~Policy, concurrently with the annual audited financial statement.~~  
22  
23 ~~iii.ii.~~ If an SRG is part of a larger entity, the SRG shall submit the consolidated corporate  
24 audited financial statements to CalOptima.  
25  
26 ~~iv.iii.~~ An SRG shall submit the following financial statements:  
27  
28 a) Balance sheet;  
29  
30 b) Statement of revenues and expenses;  
31  
32 c) Statement of cash flows;  
33  
34 d) Related notes and disclosures; and  
35  
36 e) Audit opinion.  
37  
38 ~~c. IBNR Documentation~~  
39  
40 ~~i. An SRG shall provide CalOptima with written policies and procedures or any related~~  
41 ~~documentation of the methodology used to estimate its liability for Incurred But Not~~  
42 ~~Reported (IBNR) claims. An SRG shall also provide supporting documentation for the~~  
43 ~~IBNR calculation.~~  
44  
45 ~~ii. Upon CalOptima's request, an SRG shall provide CalOptima an IBNR Certificate~~  
46 ~~which was issued by an independent actuarial service consultant.~~  
47  
48 ~~d.c.~~ Medical Loss Ratio (MLR) Report  
49  
50 i. An SRG shall utilize the most current AFRF, provided by CalOptima, to report the  
51 MLR of the SRG. SRG submissions may include physician data only.  
52  
53 ii. An SRG shall submit interim AFRF reports to CalOptima as follows:  
54

- a) For the period six (6) months ended June 30, due August 15; and
- b) For the period of twelve (12) months ended December 31, due February 15.
- iii. An SRG shall submit a final AFRF report (if changed from the second interim submission above) to CalOptima as follows:
  - a) For the period of twelve (12) months ended December 31, due June 30 (one hundred eighty (180) calendar days after the end of the calendar year).

**e.d. Risk Bearing Organization (RBO) Financial Survey Reports**

- i. Quarterly: An SRG shall submit a copy of the DMHC RBO Quarterly Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima forty-five (45) calendar days after the end of each quarter.
- ii. Annual: An SRG shall submit a copy of the DMHC RBO Annual Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima within one hundred fifty (150) calendar days of the close of the SRG's fiscal year.

**4.5 Health Maintenance Organization (HMO) Reporting Due Date Summary**

Financial Reports	Due Date
a. Annual Audited Financial Statements	<del>One hundred twenty (120) calendar days after the end of the organization's fiscal year. Submit to the DMHC by DMHC established due date.</del>
<del>b. Incurred But Not Reported (IBNR) Documentation</del>	<del>One hundred twenty (120) calendar days after the end of the organization's fiscal year.</del>
<del>e.b.</del> Medical Loss Ratio (MLR) Report	Interim: Six (6) months ended June 30 due August 15, and twelve (12) months ended December 31 due February 15. Final: Twelve (12) months ended December 31 due by June 30.

**5.6 HMO Financial Report Details**

- a. Annual Audited Financial Statements
  - ~~i. An HMO shall submit their annual audited financial statements, including any letters to management, within one hundred twenty (120) calendar days after the end of the HMO's fiscal year~~
  - ~~ii. If an HMO is part of a larger entity, the HMO shall submit the consolidated corporate audited financial statements to CalOptima.~~
  - ~~iii. An HMO shall submit IBNR documentation as described DMHC in Section II.C.6.b. of this Policy, concurrently accordance with the annual audited financial statement.~~
- ~~b. IBNR Documentation~~
  - ~~i. An HMO shall provide CalOptima with written policies requirements and procedures or any related documentation of the methodology used to estimate its liability for Incurred~~

~~But Not Reported (IBNR) claims. An HMO shall also provide supporting documentation for the IBNR calculation.~~

~~ii.i. Upon CalOptima's request, an HMO shall provide CalOptima an IBNR Certificate which was issued due dates established by an independent actuarial service consultant the DMHC.~~

~~e.b.~~ Medical Loss Ratio (MLR) Report

- i. An HMO shall utilize the most current Annual Financial Reporting Form (AFRF), provided by CalOptima, to report the MLR of the HMO. HMO submissions shall include both physician and hospital data.
- ii. An HMO shall submit interim AFRF reports to CalOptima as follows:
  - a) For the period six (6) months ended June 30, due August 15; and
  - b) For the period of twelve (12) months ended December 31, due February 15.
- iii. An HMO shall submit a final AFRF report (if changed from the second interim submission above) to CalOptima as follows:
  - a) For the period of twelve (12) months ended December 31, due June 30 (one hundred eighty (180) calendar days after the end of the calendar year).

D. CalOptima may request that a Health Network provide additional data or may modify the form, content, instructions, and timetables for the collection and reporting of data as set forth in the Health Network Contract ~~for Health Care Services~~ and this Policy~~policy~~, subject to the provision of adequate notice to the Health Network.

E. CalOptima may assess a late fee or other form of Sanction, or issue a Corrective Action Plan (CAP), on a Health Network for failure to comply with this Policy~~policy~~ in accordance with CalOptima Policy HH.2002Δ: Sanctions.

### III. PROCEDURE

- A. A Health Network shall submit financial reports electronically to CalOptima's Secure File Transfer Protocol (SFTP) site, within the deadlines specified in this Policy~~policy~~. The reports are automatically routed to CalOptima's Finance Department.
- B. If a Health Network fails to submit a report or fails to submit a report on a timely basis, the CalOptima Office of Compliance may issue a Sanction in accordance with CalOptima Policy HH.2002Δ: Sanctions.

### IV. ATTACHMENT(S)

- A. Annual Financial Reporting Form (AFRF) for PHC and SRG
- B. Annual Financial Reporting Form (AFRF) for HMO
- C. Health Network MLR Guidelines for PHC and SRG
- D. Health Network MLR Guidelines for HMO
- E. Health Network IBNR Guidance

### V. REFERENCE(S)

- 1 ~~A. CalOptima Contract with the Department of Health Care Services (DHCS) for Health Network~~  
2 ~~Contract~~  
3 ~~A. Medi-Cal~~  
4 ~~B. CalOptima Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare~~  
5 ~~Advantage~~  
6 ~~C. CalOptima Three-Way Contract with the Centers for Medicare & Medicaid Services (CMS) and the~~  
7 ~~Department of Health Care Services (DHCS) for Cal MediConnect~~  
8 ~~D. Contract for Health Care Services~~  
9 ~~E.B.~~ CalOptima Policy HH.2002Δ: Sanctions  
10 ~~F.C.~~ Title 28, California Code of Regulations, §§ 1300.75.4 - 1300.75.4.8  
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12 **VI. REGULATORY AGENCY APPROVAL(S)**  
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Date	Regulatory Agency
05/20/2016	Department of Health Care Services (DHCS)

14 +  
15 **VII. BOARD ACTION(S)**  
16

Date	Regulatory Agency
<u>12/02/2021</u>	<u>Regular Meeting of the CalOptima Board of Directors</u>

17 **VIII. REVISION HISTORY**  
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Action	Date	Policy	Policy Title	Program(s)
Effective	06/01/2001	FF.1103	Monitoring Financial Reporting	Medi-Cal
Revised	04/01/2003	FF.1103	Monitoring Financial Reporting	Medi-Cal
Revised	01/01/2007	FF.3001	Financial Reporting	Medi-Cal
Revised	01/01/2008	FF.3001	Financial Reporting	Medi-Cal
Revised	08/01/2008	FF.3001	Financial Reporting	Medi-Cal
Revised	01/01/2016	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	03/01/2017	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	12/01/2017	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	01/01/2019	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	10/01/2019	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	06/01/2020	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
<u>Revised</u>	<u>12/02/2021</u>	<u>FF.3001</u>	<u>Financial Reporting</u>	<u>Medi-Cal</u> <u>OneCare</u> <u>OneCare Connect</u>

1 IX. GLOSSARY  
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Term	Definition
<b>Contract for Health Care Services</b>	<del>For the purposes of this policy, the written instrument between CalOptima and a Physician Hospital Consortium (PHC), Shared Risk Group (SRG), Health Maintenance Organization (HMO), or other entity, for the purpose of providing delegated services to assigned Members. Contract shall include any Memoranda of Understanding entered into by CalOptima that is binding on the PHC, SRG, or HMO; DHCS Medi-Cal Managed Care Division All Plan and Policy Letters, and Contract Interpretation.</del>
Corrective Action Plan (CAP)	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers of Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. First Tier, Downstream and Related Entities (FDRs) and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima and its regulators.
Department of Managed Health Care (DMHC)	The State Agency that responsible for licensing and regulating health care services plans/health maintenance organizations in accordance with the Knox Keene Health Care Service Plan Act of 1975 and as subsequently amended.
Health Maintenance Organization (HMO)	A health care service plan, as defined in the Knox-Keene Health Care Service Plan Act of 1975, as amended, commencing with Section 1340 of the California Health and Safety Code.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or <del>health care service plan, such as a Health Maintenance Organization (HMO)</del> that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.
<u>Health Network Contract</u>	<u>For purposes of this policy, the applicable written instrument between CalOptima and a Health Network, for the purposes of providing delegated services to assigned Members. Health Network Contracts include the Contract for Health Care Services, the Cal MediConnect Services Contract, and the Medicare Advantage Service Agreement, including any and all amendments thereto.</u>
Incurred But Not Reported (IBNR)	IBNR means “incurred but not reported,” and refers to an estimate of claims that have been incurred for medical services provided, but for which claims have not yet been received by the Health Network.
Medical Loss Ratio (MLR)	The percentage calculated by dividing the Health Network’s total medical costs paid on behalf of CalOptima Members by the total revenue received from CalOptima. Health Network medical costs would include incurred claims, expenditures for activities that improve healthcare quality, and fraud reduction activities <del>...</del> .
Member	A <del>Member</del> -beneficiary <del>of</del> <u>enrolled in</u> a CalOptima program.
Physician Hospital Consortium (PHC)	A physician group or physician groups contractually aligned with at least one (1) hospital to provide Medi-Cal services to a common set of assigned Members, as described in CalOptima’s Contract for Health Care Services.
Primary Hospital	A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).



<b>Term</b>	<b>Definition</b>
Primary Physician Group	A physician group contracted with CalOptima on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).
Risk Bearing Organization (RBO)	<p>A professional medical corporation, other form of corporation controlled by physicians and surgeons, a medical partnership, or another lawfully organized group of physicians that;</p> <ol style="list-style-type: none"> <li>1. Delivers, furnishes, or otherwise arranges for or provides health care services; and</li> <li>2. Does all the following: <ol style="list-style-type: none"> <li>a. Contracts directly with a health care service plan or arranges for health care services for the health care service plan's enrollees;</li> <li>b. Receives compensation for those services on a capitated or fixed periodic payment basis; and</li> <li>c. Is responsible for the processing and payment of claims made by providers for services rendered by those providers on behalf of a health care service plan that are covered under the capitation payment made by the plan to the risk bearing organization.</li> </ol> </li> </ol>
Sanction	An action taken by CalOptima, including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs.
Shared Risk Group (SRG)	A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.





Policy: FF.3001  
Title: **Financial Reporting**  
Department: Finance  
Section: Not Applicable

CEO Approval: /s/

Effective Date: 01/01/2007

Revised Date: 12/02/2021

Applicable to:

- ☒ Medi-Cal
- ☒ OneCare
- ☒ OneCare Connect
- ☐ PACE
- ☐ Administrative

## I. PURPOSE

This policy outlines the process by which CalOptima monitors the timely submission of required financial reports by Health Networks.

## II. POLICY

- A. A Health Network shall submit required financial information to CalOptima in accordance with the Health Network Contract, and the terms and conditions of this policy.
- B. CalOptima shall use such financial information to monitor the financial viability and stability of a Health Network and to ensure that appropriate resources are available to provide Covered Services to Members.
- C. A Health Network shall submit the following reports to CalOptima according to the schedule and in the manner set forth in this policy.

### 1. Physician Hospital Consortium (PHC) Reporting Due Date Summary

Financial Reports	Due Date
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b. Annual Audited Financial Statements	One hundred twenty (120) calendar days after the end of the organization's fiscal year.
c. Medical Loss Ratio (MLR) Report	Interim: Six (6) months ended June 30 due August 15, and twelve (12) months ended December 31 due February 15.
	Final: Twelve (12) months ended December 31 due by June 30.
d. Risk Bearing Organization (RBO) Financial Survey Reports	Quarterly: Forty-five (45) calendar days after the end of the quarter.
	Annual: One hundred fifty (150) calendar days after the end of the organization's fiscal year.

### 2. PHC Financial Report Details

#### a. Quarterly Total Business Reports (Financial Statements)

- 1 i. Each PHC partner shall submit their respective year-to-date financial statements to  
2 CalOptima forty-five (45) calendar days after the end of each quarter.  
3  
4 ii. Financial statements shall include:  
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6 a) Balance sheet;  
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8 b) Statement of revenues and expenses;  
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10 c) Statement of cash flows; and  
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12 d) Related disclosures.  
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14 b. Annual Audited Financial Statements  
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16 i. Each PHC partner shall submit their audited financial statements, including any letters  
17 to management, within one hundred twenty (120) calendar days after the end of the  
18 organization's fiscal year.  
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20 ii. If a PHC partner is part of a larger entity, the PHC partner shall submit the consolidated  
21 corporate audited financial statements to CalOptima.  
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23 iii. Each PHC partner shall submit the following financial statements:  
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25 a) Balance sheet;  
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27 b) Statement of revenues and expenses;  
28  
29 c) Statement of cash flows;  
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31 d) Related notes and disclosures; and  
32  
33 e) Audit opinion.  
34  
35 c. Medical Loss Ratio (MLR) Report  
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37 i. A Primary Physician Group shall utilize the most current Annual Financial Reporting  
38 Form (AFRF), provided by CalOptima, to report the MLR of the PHC. PHC  
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41 ii. A Primary Physician Group shall submit interim AFRF reports to CalOptima as  
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44 a) For the period six (6) months ended June 30, due August 15; and  
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46 b) For the period of twelve (12) months ended December 31, due February 15.  
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48 iii. A Primary Physician Group shall submit a final AFRF report (if changed from the  
49 second interim submission above) to CalOptima as follows:  
50  
51 a) For the period of twelve (12) months ended December 31, due June 30 (one  
52 hundred eighty (180) calendar days after the end of the calendar year).  
53  
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d. Risk Bearing Organization (RBO) Financial Survey Reports

- i. Quarterly: A Primary Physician Group shall submit a copy of the Department of Managed Health Care (DMHC) RBO Quarterly Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima forty-five (45) calendar days after the end of each quarter.
- ii. Annual: A Primary Physician Group shall submit a copy of the DMHC RBO Annual Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima within one hundred fifty (150) calendar days of the close of the Primary Physician Group's fiscal year.

3. Shared Risk Group (SRG) Reporting Due Date Summary

Financial Reports	Due Date
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d. Risk Bearing Organization (RBO) Financial Survey Reports	Quarterly: Forty-five (45) calendar days after the end of the quarter.
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4. SRG Financial Report Details

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  - iii. An SRG shall submit the following financial statements:
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    - d) Related notes and disclosures; and
    - e) Audit opinion.
  - c. Medical Loss Ratio (MLR) Report
    - i. An SRG shall utilize the most current AFRF, provided by CalOptima, to report the MLR of the SRG. SRG submissions may include physician data only.
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      - b) For the period of twelve (12) months ended December 31, due February 15.
    - iii. An SRG shall submit a final AFRF report (if changed from the second interim submission above) to CalOptima as follows:
      - a) For the period of twelve (12) months ended December 31, due June 30 (one hundred eighty (180) calendar days after the end of the calendar year).
  - d. Risk Bearing Organization (RBO) Financial Survey Reports
    - i. Quarterly: An SRG shall submit a copy of the DMHC RBO Quarterly Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima forty-five (45) calendar days after the end of each quarter.
    - ii. Annual: An SRG shall submit a copy of the DMHC RBO Annual Financial Survey Report, pursuant to Title 28, California Code of Regulations, Section 1300.75.4.3, to CalOptima within one hundred fifty (150) calendar days of the close of the SRG's fiscal year.
5. Health Maintenance Organization (HMO) Reporting Due Date Summary

Financial Reports	Due Date
a. Annual Audited Financial Statements	Submit to the DMHC by DMHC established due date.
b. Medical Loss Ratio (MLR) Report	Interim: Six (6) months ended June 30 due August 15, and twelve (12) months ended December 31 due February 15.
	Final: Twelve (12) months ended December 31 due by June 30.

6. HMO Financial Report Details

a. Annual Audited Financial Statements

- i. An HMO shall submit their annual audited financial statements to the DMHC in accordance with the requirements and due dates established by the DMHC.

b. Medical Loss Ratio (MLR) Report

- i. An HMO shall utilize the most current Annual Financial Reporting Form (AFRF), provided by CalOptima, to report the MLR of the HMO. HMO submissions shall include both physician and hospital data.

- ii. An HMO shall submit interim AFRF reports to CalOptima as follows:

- a) For the period six (6) months ended June 30, due August 15; and  
b) For the period of twelve (12) months ended December 31, due February 15.

- iii. An HMO shall submit a final AFRF report (if changed from the second interim submission above) to CalOptima as follows:

- a) For the period of twelve (12) months ended December 31, due June 30 (one hundred eighty (180) calendar days after the end of the calendar year).

D. CalOptima may request that a Health Network provide additional data or may modify the form, content, instructions, and timetables for the collection and reporting of data as set forth in the Health Network Contract and this policy, subject to the provision of adequate notice to the Health Network.

E. CalOptima may assess a late fee or other form of Sanction, or issue a Corrective Action Plan (CAP), on a Health Network for failure to comply with this policy in accordance with CalOptima Policy HH.2002Δ: Sanctions.

**III. PROCEDURE**

A. A Health Network shall submit financial reports electronically to CalOptima's Secure File Transfer Protocol (SFTP) site, within the deadlines specified in this policy. The reports are automatically routed to CalOptima's Finance Department.

B. If a Health Network fails to submit a report or fails to submit a report on a timely basis, the CalOptima Office of Compliance may issue a Sanction in accordance with CalOptima Policy HH.2002Δ: Sanctions.

**IV. ATTACHMENT(S)**

- A. Annual Financial Reporting Form (AFRF) for PHC and SRG  
B. Annual Financial Reporting Form (AFRF) for HMO  
C. Health Network MLR Guidelines for PHC and SRG  
D. Health Network MLR Guidelines for HMO  
E. Health Network IBNR Guidance

**V. REFERENCE(S)**

- A. Health Network Contract

- B. CalOptima Policy HH.2002Δ: Sanctions  
C. Title 28, California Code of Regulations, §§ 1300.75.4 - 1300.75.4.8

**VI. REGULATORY AGENCY APPROVAL(S)**

Date	Regulatory Agency
05/20/2016	Department of Health Care Services (DHCS)

**VII. BOARD ACTION(S)**

Date	Regulatory Agency
12/02/2021	Regular Meeting of the CalOptima Board of Directors

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	06/01/2001	FF.1103	Monitoring Financial Reporting	Medi-Cal
Revised	04/01/2003	FF.1103	Monitoring Financial Reporting	Medi-Cal
Revised	01/01/2007	FF.3001	Financial Reporting	Medi-Cal
Revised	01/01/2008	FF.3001	Financial Reporting	Medi-Cal
Revised	08/01/2008	FF.3001	Financial Reporting	Medi-Cal
Revised	01/01/2016	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	03/01/2017	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	12/01/2017	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	01/01/2019	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	10/01/2019	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	06/01/2020	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect
Revised	12/02/2021	FF.3001	Financial Reporting	Medi-Cal OneCare OneCare Connect

1 IX. GLOSSARY  
2

Term	Definition
Corrective Action Plan (CAP)	A plan delineating specific identifiable activities or undertakings that address and are designed to correct program deficiencies or problems identified by formal audits or monitoring activities by CalOptima, the Centers of Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS), or designated representatives. First Tier, Downstream and Related Entities (FDRs) and/or CalOptima departments may be required to complete CAPs to ensure compliance with statutory, regulatory, or contractual obligations and any other requirements identified by CalOptima and its regulators.
Department of Managed Health Care (DMHC)	The State Agency that responsible for licensing and regulating health care services plans/health maintenance organizations in accordance with the Knox Keene Health Care Service Plan Act of 1975 and as subsequently amended.
Health Maintenance Organization (HMO)	A health care service plan, as defined in the Knox-Keene Health Care Service Plan Act of 1975, as amended, commencing with Section 1340 of the California Health and Safety Code.
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or HMO that contracts with CalOptima to provide Covered Services to Members assigned to that Health Network.
Health Network Contract	For purposes of this policy, the applicable written instrument between CalOptima and a Health Network, for the purposes of providing delegated services to assigned Members. Health Network Contracts include the Contract for Health Care Services, the Cal MediConnect Services Contract, and the Medicare Advantage Service Agreement, including any and all amendments thereto.
Incurred But Not Reported (IBNR)	IBNR means “incurred but not reported,” and refers to an estimate of claims that have been incurred for medical services provided, but for which claims have not yet been received by the Health Network.
Medical Loss Ratio (MLR)	The percentage calculated by dividing the Health Network’s total medical costs paid on behalf of CalOptima Members by the total revenue received from CalOptima. Health Network medical costs would include incurred claims, expenditures for activities that improve healthcare quality, and fraud reduction activities.
Member	A beneficiary enrolled in a CalOptima program.
Physician Hospital Consortium (PHC)	A physician group or physician groups contractually aligned with at least one (1) hospital to provide Medi-Cal services to a common set of assigned Members, as described in CalOptima’s Contract for Health Care Services.
Primary Hospital	A hospital contracted with CalOptima on a capitated and delegated basis as the hospital partner of a Physician Hospital Consortium (PHC).
Primary Physician Group	A physician group contracted with CalOptima on a capitated and delegated basis as the physician partner of a Physician Hospital Consortium (PHC).



<b>Term</b>	<b>Definition</b>
Risk Bearing Organization (RBO)	<p>A professional medical corporation, other form of corporation controlled by physicians and surgeons, a medical partnership, or another lawfully organized group of physicians that;</p> <ol style="list-style-type: none"> <li>1. Delivers, furnishes, or otherwise arranges for or provides health care services; and</li> <li>2. Does all the following: <ol style="list-style-type: none"> <li>a. Contracts directly with a health care service plan or arranges for health care services for the health care service plan's enrollees;</li> <li>b. Receives compensation for those services on a capitated or fixed periodic payment basis; and</li> <li>c. Is responsible for the processing and payment of claims made by providers for services rendered by those providers on behalf of a health care service plan that are covered under the capitation payment made by the plan to the risk bearing organization.</li> </ol> </li> </ol>
Sanction	An action taken by CalOptima, including, but not limited to, restrictions, limitations, monetary fines, termination, or a combination thereof, based on an FDR's or its agent's failure to comply with statutory, regulatory, contractual, and/or other requirements related to CalOptima Programs.
Shared Risk Group (SRG)	A Health Network who accepts delegated clinical and financial responsibility for professional services for assigned Members, as defined by written contract and enters into a risk sharing agreement with CalOptima as the responsible partner for facility services.



## Annual Financial Reporting Form

For the Year Ending:

For Health Network:

Financial Reporting Contact Person and Phone Number:

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### **Certification:**

*I certify (or declare) that I have read and reviewed the financial information, together with the related exhibits, schedules and explanations herein contained, and know the contents thereof, and that this information represents a full and true statement of the condition and affairs of the health network as of the reporting period stated above, according to the best of my knowledge and belief.*

Name:

Signature:

Title:

Date:

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# CalOptima Annual Financial Reporting Form

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### Attention:

Yellow color tabs require data entry

Shared Risk Group does not complete the "H" tabs

### Tab

Certification

TOC

MC\_IS\_P

MC\_IS\_H

MCE\_IS\_P

MCE\_IS\_H

WCM\_IS\_P

WCM\_IS\_H

OCC\_IS\_P

OCC\_IS\_H

MLR (MC)

MLR (MC&OCC)

Notes - If applicable

Health Network:  
*Medi-Cal Classic Statement of Revenues and Expenses - Physician*  
**X** Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation													\$ -
Supplemental OB Delivery Care													-
Reinsurance													-
Risk Pool Revenues													-
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation													\$ -
SCP/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management													\$ -
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co													\$ -
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Health Network:**  
*Medi-Cal Classic Statement of Revenues and Expenses - Hospital*  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS	0	0	0	0	0	0	0	0	0	0	0	0	-
REVENUES													
Capitation												\$	-
Supplemental OB Delivery Care													-
Reinsurance													-
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
Partner Hospital I/P Claims												\$	-
All Other Hospital I/P Claims													-
O/P Services													-
IBNR													-
Other Medical Expenses													-
Hospital Subcapitation													-
Risk Pool Settlement Payments													
- Hospital component													-
- Physician component													-
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co												\$	-
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Health Network:  
*Medi-Cal Expansion Statement of Revenues and Expenses - Physician*  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation													\$ -
Supplemental OB Delivery Care													-
Reinsurance													-
Risk Pool Revenues													-
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation													\$ -
SCP/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management													\$ -
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co													\$ -
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Health Network:  
*Medi-Cal Expansion Statement of Revenues and Expenses - Hospital*  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS	0	0	0	0	0	0	0	0	0	0	0	0	-
REVENUES													
Capitation												\$	-
Supplemental OB Delivery Care													-
Reinsurance													-
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
Partner Hospital I/P Claims												\$	-
All Other Hospital I/P Claims													-
O/P Services													-
IBNR													-
Other Medical Expenses													-
Hospital Subcapitation													-
Risk Pool Settlement Payments													
- Hospital component													-
- Physician component													-
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co												\$	-
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Health Network:  
*Medi-Cal Whole Child Model Statement of Revenues and Expenses - Physician*  

X

 Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation												\$	-
Supplemental OB Delivery Care													-
Catastrophic/Risk Corridor Settlement													-
Risk Pool Revenues													-
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation												\$	-
SCP/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management												\$	-
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co												\$	-
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Health Network:  
*Medi-Cal Whole Child Model Statement of Revenues and Expenses - Hospital*  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS	0	0	0	0	0	0	0	0	0	0	0	0	-
REVENUES													
Capitation												\$	-
Supplemental OB Delivery Care													-
Catastrophic/Risk Corridor Settlement													-
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
Partner Hospital I/P Claims												\$	-
All Other Hospital I/P Claims													-
O/P Services													-
IBNR													-
Other Medical Expenses													-
Hospital Subcapitation													-
Risk Pool Settlement Payments													
- Hospital component													-
- Physician component													-
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co												\$	-
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

For 20211118 FAC Review Only



Health Network:  
OneCare Connect Statement of Revenues and Expenses - Physician  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation													\$ -
(1) Supplemental OB Delivery Care													
(1) Reinsurance													
Risk Pool Revenues													-
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation													\$ -
SCP/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management													\$ -
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co													\$ -
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Health Network:**

*OneCare Connect Statement of Revenues and Expenses - Hospital*

☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS	0	0	0	0	0	0	0	0	0	0	0	0	-
REVENUES													
Capitation													\$ -
(1) Supplemental OB Delivery Care													
(1) Reinsurance													
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
Partner Hospital I/P Claims													\$ -
All Other Hospital I/P Claims													-
O/P Services													-
IBNR													-
Other Medical Expenses													-
Hospital Subcapitation													-
Risk Pool Settlement Payments													
- Hospital component													-
- Physician component													-
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co													\$ -
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Not applicable to OCC

Health Network:  
Medical Loss Ratio Calculation  
X Months Ended XX/XX/XXXX

0.0%	= MC MLR
0.0%	= MC Admin
-	= Member Months

0.0%	= MCE MLR
0.0%	= MCE Admin
-	= Member Months

need to change  
T5 link

0.0%	= WCM MLR
0.0%	= WCM Admin
-	= Member Months

0.0%	= Combined MLR
0.0%	= Combined Admin
-	= Member Months

	Medi-Cal Classic					Medi-Cal Expansion					Whole Child Model					All Medi-Cal Combined				
	Physician	Hospital	Eliminations	Total	PMPM	Physician	Hospital	Eliminations	Total	PMPM	Physician	Hospital	Eliminations	Total	PMPM	Physician	Hospital	Eliminations	Total	PMPM
REVENUES																				
Capitation	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
(1) Supplemental OB Delivery Care	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
(1) Reinsurance/Catastrophic	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -
Risk Pool Revenues	-		-	\$ -	\$ -	-		-	\$ -	\$ -	-		-	\$ -	\$ -	-		-	\$ -	\$ -
Quality Incentives	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -
Other Revenue	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -
Total Revenues	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
MEDICAL EXPENSES																				
PCP Capitation	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
SCP/Other Capitation	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Physician Salaries and Benefits	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
FFS Claims Expense	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
IBNR	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Physician Distributions	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Staff Model Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Other Qualified Medical Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Subtotal	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Partner Hospital I/P Claims		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
All Other Hospital I/P Claims		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
O/P Services		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
IBNR		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
Other Medical Expenses		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
Hospital Subcapitation		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
Risk Pool Settlement Payments																				
- Hospital component		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
- Physician component		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
Subtotal		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -	-		-	\$ -	\$ -
Care Management	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Specifically Identifiable Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Other Medical Management Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Subtotal	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -	-	-		\$ -	\$ -
Total Medical Expenses	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
Gross Margin	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
ADMIN. EXPENSES																				
Admin - Mgt Co	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
Admin - Other	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
Total Admin Expenses	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
NET INCOME (LOSS)	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -

For 20211118 FAC Review Only

Health Network:

Medical Loss Ratio Calculation

X Months Ended XX/XX/XXXX

0.0%	= MC MLR
0.0%	= MC Admin
-	= Member Months

0.0%	= OCC MLR
0.0%	= OCC Admin
-	= Member Months

0.0%	= Combined MLR
0.0%	= Combined Admin
-	= Member Months

	All Medi-Cal Combined					OneCare Connect					All Medi-Cal and OCC Combined				
	Physician	Hospital	Eliminations	Total	PMPM	Physician	Hospital	Eliminations	Total	PMPM	Physician	Hospital	Eliminations	Total	PMPM
REVENUES															
Capitation	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -
(1) Supplemental OB Delivery Care	-	-		\$ -	\$ -				\$ -	\$ -	-	-		\$ -	\$ -
(1) Reinsurance/Catastrophic	-	-		\$ -	\$ -				\$ -	\$ -	-	-		\$ -	\$ -
Risk Pool Revenues	-		-	\$ -	\$ -	-		-	\$ -	\$ -	-		-	\$ -	\$ -
Quality Incentives	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -
Other Revenue	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -
Total Revenues	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
MEDICAL EXPENSES															
PCP Capitation	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
SCP/Other Capitation	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Physician Salaries and Benefits	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
FFS Claims Expense	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
IBNR	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Physician Distributions	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Staff Model Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Other Qualified Medical Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Subtotal	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Partner Hospital I/P Claims		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -
All Other Hospital I/P Claims		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -
O/P Services		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -
IBNR		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -
Other Medical Expenses		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -
Hospital Subcapitation		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -
Risk Pool Settlement Payments															
- Hospital component		-		\$ -	\$ -		-		\$ -	\$ -		-		\$ -	\$ -
- Physician component		-	-	\$ -	\$ -		-	-	\$ -	\$ -		-	-	\$ -	\$ -
Subtotal		-	-	\$ -	\$ -		-	-	\$ -	\$ -		-	-	\$ -	\$ -
Care Management	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Specifically Identifiable Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Other Medical Management Expenses	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Subtotal	-			\$ -	\$ -	-			\$ -	\$ -	-			\$ -	\$ -
Total Medical Expenses	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
Gross Margin	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -
ADMIN. EXPENSES															
Admin - Mgt Co	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -
Admin - Other	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -
Total Admin Expenses	-	-		\$ -	\$ -	-	-		\$ -	\$ -	-	-		\$ -	\$ -
NET INCOME (LOSS)	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -	-	-	-	\$ -	\$ -

**Health Network:**

*This is for self-reported notes and additional comments for each section being reported.*

For 20211118 FAC Review Only

## Annual Financial Reporting Form

For the Year Ending:

For Health Network:

Financial Reporting Contact Person and Phone Number:

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### **Certification:**

*I certify (or declare) that I have read and reviewed the financial information, together with the related exhibits, schedules and explanations herein contained, and know the contents thereof, and that this information represents a full and true statement of the condition and affairs of the health network as of the reporting period stated above, according to the best of my knowledge and belief.*

Name:

Signature:

Title:

Date:

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# CalOptima Annual Financial Reporting Form

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Page 2	Table of Contents
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Page 4	Medi-Cal Expansion Statement of Revenues & Expenses - HMO
Page 5	Medi-Cal Whole Child Model Statement of Revenues & Expenses - HMO
Page 9	Cal Medi-Connect Statement of Revenues & Expenses - HMO
Page 7	Medical Loss Ratio Calculations
Page 8	Notes

### Attention:

Yellow color tabs require data entry

### Tab

Certification

TOC

MC\_IS\_HMO

MCE\_IS\_HMO

WCM\_IS\_HMO

OCC\_IS\_HMO

MLR

Notes - If applicable

Health Network:  
Medi-Cal Classic Statement of Revenues and Expenses - HMO  
X Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation													\$ -
Supplemental OB Delivery Care													-
Reinsurance													-
(1) Risk Pool Revenues													
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation													\$ -
SCP/Hospital/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management													\$ -
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co													\$ -
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Health Network:  
*Medi-Cal Expansion Statement of Revenues and Expenses - HMO*  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation													\$ -
Supplemental OB Delivery Care													-
Reinsurance													-
(1) Risk Pool Revenues													
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation													\$ -
SCP/Hospital/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management													\$ -
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co													\$ -
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Health Network:  
*Medi-Cal Whole Child Model Statement of Revenues and Expenses - HMO*  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation												\$	-
Supplemental OB Delivery Care													-
Catastrophic/Risk Corridor Settlement													-
(1) Risk Pool Revenues													
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation												\$	-
SCP/Hospital/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management												\$	-
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co												\$	-
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Health Network:  
OneCare Connect Statement of Revenues and Expenses - HMO  
☒ Months Ended XX/XX/XXXX

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
MEMBER MONTHS													-
REVENUES													
Capitation													\$ -
(1) Supplemental OB Delivery Care													
(1) Reinsurance													
(2) Risk Pool Revenues													
Quality Incentives													-
Other Revenue													-
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEDICAL EXPENSES													
PCP Capitation													\$ -
SCP/Hospital/Other Capitation													-
Physician Salaries and Benefits													-
FFS Claims Expense													-
IBNR													-
Physician Distributions													-
Staff Model Expenses													-
Other Qualified Medical Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Care Management													\$ -
Specifically Identifiable Expenses													-
Other Medical Management Expenses													-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Medical Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMIN. EXPENSES													
Admin - Mgt Co													\$ -
Admin - Other													-
Total Admin Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Health Network:**

**Medical Loss Ratio Calculation**

☒ Months Ended XX/XX/XXXX

0.0%	= MC MLR
0.0%	= MC Admin
-	= Member Months

0.0%	= MCE MLR
0.0%	= MCE Admin
-	= Member Months

0.0%	= WCM MLR
0.0%	= WCM Admin
-	= Member Months

0.0%	= OCC MLR
0.0%	= OCC Admin
-	= Member Months

0.0%	= Combined MLR
0.0%	= Combined Admin
-	= Member Months

Medi-Cal Classic	
Total	PMPM

Medi-Cal Expansion	
Total	PMPM

Whole Child Model	
Total	PMPM

OneCare Connect	
Total	PMPM

Combined	
Total	PMPM

**REVENUES**

Capitation	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
(1) Supplemental OB Delivery Care	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
(1) Reinsurance/Catastrophic	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
(2) Risk Pool Revenues																
Quality Incentives	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Revenue	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Revenues	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

**MEDICAL EXPENSES**

PCP Capitation	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
SCP/Hospital/Other Capitation	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Physician Salaries and Benefits	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
FFS Claims Expense	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
IBNR	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Physician Distributions	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Staff Model Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Qualified Medical Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Subtotal	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Care Management	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Specifically Identifiable Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Other Medical Management Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Subtotal	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Medical Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Gross Margin	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

**ADMIN. EXPENSES**

Admin - Mgt Co	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Admin - Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Admin Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
NET INCOME (LOSS)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

**Health Network:**

*This is for self-reported notes and additional comments for each section being reported.*

For 20211118 FAC Review Only

# CalOptima Health Network MLR Guidelines

Issued January 4, 2021

For 20211118 FAC Review Only

# CalOptima Health Network MLR Guidelines

## NOTES:

- *These guidelines are for the treatment of certain costs and revenue related to the CalOptima MLR Reporting process. They are not guidelines or directions for specific accounting treatment of either revenues or expenses. These guidelines are subject to change, based on information provided by DHCS and/or CMS related to MLR Reporting.*
- Report revenue and expenses related to **Health Homes Program (HHP)** under Medi-Cal Classic (MC\_IS\_P, MC\_IS\_H)

**PHYSICIAN** (tabs MC\_IS\_P, MCE\_IS\_P, WCM\_IS\_P, OCC\_IS\_P)

Member Months (Row 8) - Total Member Months for reporting period should reconcile to CalOptima payment records unless supported by accrual or timing difference.

Revenues - Unless specifically directed by CalOptima, all payments received from CalOptima should be reported on the MLR as revenue and not shown as an offset to expense. Exceptions to this include payments specifically identified as pass-through revenue, which should be offset against the corresponding expense.

- Capitation (Row 11) - Gross capitation revenue (before withholds for solvency requirements, adult vaccine expense true-ups, etc.) received from CalOptima. Should reconcile to CalOptima payment records unless supported by accrual or timing difference.
- Supplemental OB Delivery Care (Row 12) - Supplemental OB Delivery Care payments received from CalOptima related to Policy FF.1005f. Should reconcile to CalOptima payment records unless supported by accrual or timing difference. Not applicable to OCC.
- Reinsurance/Catastrophic (Row 13)
  - MC Classic/MCE - Reinsurance payments received from CalOptima, and/or other reinsurance carriers for CalOptima-specific claims recoveries. Should reconcile to CalOptima payment records unless additional reinsurance is purchased from another entity. Variance may also be supported by accrual or timing difference.
  - Whole Child Model – Interim catastrophic reimbursement and retrospective risk corridor settlement payments. Should reconcile to CalOptima payment records.
  - Not applicable to OCC.
- Risk Pool Revenues (Row 14) - **SRG:** Risk Pool settlement payments received from CalOptima. Should reconcile to CalOptima payment records unless additional supported accrual methodology is used. **PHC:** Risk Pool settlement payments received from partner hospital. Should match Hospital Risk Pool Distribution (Expense) - Physician Component (page 4, row 27 below).
- Quality Incentives (Row 15) - Pay for Performance incentives including HEDIS, CAHPS Survey and MUHIT payments. Should reconcile to CalOptima payment records unless supported by accrual or timing difference.
- Other Revenue (Row 16) - All other revenue received from CalOptima, including PCC funding, BHT and/or Hep C kick payments, and Prop 56 admin payments, as applicable.

## Medical Expenses

- PCP Capitation (Row 20) – For SRG and PHC health networks, include actual (not estimated or allocated) PCP capitation payments specific to each line of business.
- SCP/Other Capitation (Row 21) - For SRG and PHC health networks, include actual (not estimated or allocated) SCP/Other capitation payment specific to each line of business.

MLR Guidelines

Issued January 4, 2021

## CalOptima Health Network MLR Guidelines

- Physician Salaries and Benefits (Row 22) - For PHCs and SRGs that resemble a staff model, include salaries & benefits paid to employed physicians (PCPs and Specialists); and non-physician staff (e.g., coordinators for Medical Management activities) and clinical providers (e.g., nurse practitioners, PAs, RNs, physician extenders, Medical Assistants, etc.) who participate in quality- or member-related activities for CalOptima members.
- FFS Claims Expense (Row 23) – Include actual (not estimated or allocated) FFS Claims paid for each line of business and Medi-Cal category of aid (Expansion v. Classic), net of any overpayment recoveries. Include expenses withheld from capitation due to adult vaccine true-ups, typically withheld in December of each year. Also, include Prop 56 expense payments made to providers, OFFSET by Prop 56 payments received from CalOptima (expense offset).
- IBNR (Row 24) - Current calculated IBNR for CalOptima business (not allocations). See document regarding methodologies.
- Physician Distributions (Row 25) - SRGs: Include distribution of risk pool settlement payments (Revenue) received from CalOptima. PHCs: Include distribution of risk pool settlement payments (Revenue) received from partner hospital. All Networks: include distributions related to quality incentives, and any other distributions to physicians related to patient care. Amounts can be on an accrued or paid basis; there must be support for subsequent payments if accrued. Distribution methodology should be auditable and able to be identified as service being provided to CalOptima members. Any allocation methodology must be based on relevant units of service such as member months, quality measure benchmarks, access standards benchmarks, or financial performance based on P&L calculations. See CMS Final Rule guidelines, below, on qualified activities/expenses. Do not include amounts related to administrative activities, marketing or shareholder distributions (e.g. board stipends).
- Staff Model Expenses (Row 26): For PHCs and SRGs that resemble a staff model, include direct costs associated with the operations of the staff model (e.g., malpractice insurance, clinic rent, occupancy, supplies and equipment, etc.)
- Other Qualified Medical Expenses (Row 27) - All other qualified medical expenses, including Prop 56 admin payments expense offset (which should equal the admin revenue received and reported on Other Revenue). See CMS Final Rule guidelines, below.
- Care Management (Row 30) - Include expenses related to Case Management, Utilization Management (quality improvement activities only), Disease Management, and Quality Management. Methodology must be described and auditable. See CMS Final Rule guidelines, below, for additional guidelines:
  - Case Management - Payments made to case management vendors (e.g., 24-hr telephone triage) and/or allocated staff members' salary & benefits. Activity examples: Approving covered services; Coordinating medically necessary covered services with other benefits; Maintaining medical record with documentation of referral services; Ordering therapy; Coordinating hospital admissions; Discharge planning; Authorization of referred services; Coordinating members' care with all external agencies; Coordinating members' care transitioning networks; Target services regarding special health needs. If allocation is performed, a relevant unit of service must be used as the basis.
  - Utilization Management - Allocated staff members' salary & benefits for quality improvement activities only, NOT cost-controlling activities. Activity examples: Transitions of care; Assessing durable medical equipment (DME) and home health needs; Evaluating levels of care. If allocation is performed, a relevant unit of service must be used as the basis.
  - Disease Management – Payments made to disease management vendors and/or allocated staff members' salary & benefits. "Disease Management" is a multi-disciplinary, continuum-based approach to health care delivery that proactively identifies populations with, or at risk for, established medical conditions; supports physician-patient relationship; and emphasizes



## CalOptima Health Network MLR Guidelines

prevention of exacerbation & complications. Activity examples: Development of care plans; Managing programs for Diabetes, Hypertension, Chronic Heart Failure, etc.; Monitoring and evaluating programs' outcomes.

- Quality Management - Payments made to quality management vendors and/or allocated staff members' salary & benefits. Activity examples: Evaluating clinical outcomes of quality indicators and care plans; Taking corrective action. "Quality Indicators" means measurable variables relating to a specified clinical or health service delivery area, which are reviewed over a period of time to monitor the process or outcome of care.
- Specifically Identifiable Expenses (Row 31) - Include expenses related to CMO Review, Quality Promotion, Provider Site Reviews, and Interpretive Services. See CMS Final Rule guidelines, below, for additional guidelines:
  - CMO Review - Allocated costs related to Chief Medical Officer reviews of CalOptima members' charts/medical history.
  - Quality Promotion - Payments made to quality promotion vendors. Activity examples: Clinical quality assurance; Other medical care quality improvement. Do NOT include expenses for Newsletters, quality improvement idea emails, CalOptima's quality reporting requirements including HEDIS, and encounter data submissions.
  - Provider Site Reviews - Payments made to provider site review vendors (e.g., auditors) and/or allocated staff members' salary & benefits to conduct facility reviews of provider practices.
  - Interpretive Services - Payments made to interpretation vendors (e.g., language line services) and/or allocated staff members' salary & benefits to conduct interpretive services in connection with the provision of covered services.

Other Medical Management Expenses (Row 32) - All other qualified medical management expenses (e.g., fraud prevention activities, PCC expenses).

**HOSPITAL** (tabs MC\_IS\_H, MCE\_IS\_H, WCM\_IS\_H, OCC\_IS\_H). *Note: Only PHCs need to complete the Hospital tabs.*

Member Months (Row 8) - Total Member Months for reporting period should reconcile to CalOptima payment records unless supported by accrual or timing difference.

Revenues - Unless specifically directed by CalOptima, all payments received from CalOptima should be reported on the MLR as revenue and not shown as an offset to expense. Exceptions to this include payments specifically identified as pass-through revenue, which should be offset against the corresponding expense. E.g. non-admin ACA Funding, Vaccine Funding, etc.

- Capitation (Row 11) – Gross hospital capitation revenue (before withholds) received from CalOptima. Should reconcile to CalOptima payment records unless supported by accrual or timing difference.
- Supplemental OB Delivery Care (Row 12) - Supplemental OB Delivery Care payments received from CalOptima. Should reconcile to CalOptima payment records unless supported by accrual or timing difference. Not applicable to OCC.
- Reinsurance/Catastrophic (Row 13)
  - MC Classic/MCE - Reinsurance payments received from CalOptima, and/or other reinsurance carriers for CalOptima-specific claims recoveries. Should reconcile to CalOptima payment records unless additional reinsurance is purchased from another entity. Variance may also be supported by accrual or timing difference.
  - Whole Child Model – Interim catastrophic reimbursement and retrospective risk corridor settlement payments. Should reconcile to CalOptima payment records.
  - Not applicable to OCC.

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- Quality Incentives (Row 14) - Pay for Performance incentives including HEDIS, CAHPS Survey and MUHIT payments. Should reconcile to CalOptima payment records unless supported by accrual or timing difference.
- Other Revenue (Row 15) - All other Hospital revenue received from CalOptima that is not included above, including Prop 56 admin payments, as applicable.

### Medical Expenses

- Partner Hospital I/P Claims (Row 19) – Actual paid claims for hospital partner.
- All Other Hospital I/P Claims (Row 20) - Actual paid claims for all other hospitals.
- O/P Services (Row 21) - Actual paid outpatient claims for all hospitals.
- IBNR (Row 22)- Current calculated IBNR for CalOptima business (not allocations). See document regarding methodologies.
- Other Medical Expenses (Row 23) - Actual paid claims for all hospitals not included in IP/OP, net of any overpayment recoveries for all claim types/hospitals; any other expenses not reported elsewhere (e.g., fraud prevention activities). In addition, include Prop 56 expense payments made to providers (which includes GEMT direct payments beginning in 2020), OFFSET by Prop 56 payments received from CalOptima (expense offset), and also include Prop 56 admin payments expense offset (which should equal the admin revenue received and reported on Other Revenue).
- Hospital Subcapitation (Row 24) - Partner Hospital shall report subcapitation paid to another Hospital on an accrual basis.
- Risk Pool Settlement Payments
  - Hospital Component (Row 26) - Hospital risk pool surplus/deficit retained by Hospital, reported on an accrual basis.
  - Physician Component (Row 27) - Hospital risk pool surplus/deficit paid from Hospital to partner Physician Group, reported on an accrual basis. Should match Physician Risk Pool Revenues. This amount is automatically carried forward to the elimination column and is also eliminated from the Physician Risk Pool Revenues (page 1, row 14 above).

ADDITIONAL NOTES - Amounts that must be excluded from allowable physician and hospital medical expenses include: Amounts paid to third party vendors for secondary network savings; Amounts paid to third party vendors for network development, administrative fees, claims processing, and utilization management; Amounts paid for professional or administrative services that do not represent compensation or reimbursement for covered services provided to a member; Amounts paid for cost-controlling activities.

### CMS FINAL RULE GUIDELINES:

(A) Per CMS' Final Rule, activities conducted to improve quality must meet the following requirements:

(1) The activity must be designed to:

- (i) Improve health quality.
- (ii) Increase the likelihood of desired health outcomes in ways that are capable of being objectively measured and of producing verifiable results and achievements.
- (iii) Be directed toward individual members or incurred for the benefit of specified segments of members or provide health improvements to the population beyond those enrolled in coverage as long as no additional costs are incurred due to the non-members.
- (iv) Be grounded in evidence-based medicine, widely accepted best clinical practice, or criteria issued by recognized professional medical associations, accreditation bodies, government agencies or other nationally recognized health care quality organizations.

## CalOptima Health Network MLR Guidelines

- (2) The activity must be primarily designed to:
- (i) Improve health outcomes including increasing the likelihood of desired outcomes compared to a baseline and reduce health disparities among specified populations.
    - (a) Examples include the direct interaction of the providers and the member or the member's representative (for example, face-to-face, telephonic, web-based interactions or other means of communication) to improve health outcomes, including activities such as:
      - (1) Effective case management, care coordination, chronic disease management, and medication and care compliance initiatives including through the use of the medical homes model as defined in section 3502 of the Affordable Care Act.
      - (2) Identifying and addressing ethnic, cultural or racial disparities in effectiveness of identified best clinical practices and evidence based medicine.
      - (3) Quality reporting and documentation of care in non-electronic format.
      - (4) Health information technology to support these activities.
      - (5) Accreditation fees directly related to quality of care activities.
    - (ii) Prevent hospital readmissions through a comprehensive program for hospital discharge.  
Examples include:
      - (a) Comprehensive discharge planning (for example, arranging and managing transitions from one setting to another, such as hospital discharge to home or to a rehabilitation center) in order to help assure appropriate care that will, in all likelihood, avoid readmission to the hospital;
      - (b) Patient-centered education and counseling.
      - (c) Personalized post-discharge reinforcement and counseling by an appropriate health care professional.
      - (d) Any quality reporting and related documentation in non-electronic form for activities to prevent hospital readmission.
      - (e) Health information technology to support these activities.
    - (iii) Improve patient safety, reduce medical errors, and lower infection and mortality rates.
      - (a) Examples of activities primarily designed to improve patient safety, reduce medical errors, and lower infection and mortality rates include:
        - (1) The appropriate identification and use of best clinical practices to avoid harm.
        - (2) Activities to identify and encourage evidence-based medicine in addressing independently identified and documented clinical errors or safety concerns.
        - (3) Activities to lower the risk of facility-acquired infections.
        - (4) Prospective prescription drug Utilization Review aimed at identifying potential adverse drug interactions.
        - (5) Any quality reporting and related documentation in non-electronic form for activities that improve patient safety and reduce medical errors.
        - (6) Health information technology to support these activities.
    - (iv) Implement, promote, and increase wellness and health activities:
      - (a) Examples of activities primarily designed to implement, promote, and increase wellness and health activities, include -
        - (1) Wellness assessments;
        - (2) Wellness/lifestyle coaching programs designed to achieve specific and measurable improvements;
        - (3) Coaching programs designed to educate individuals on clinically effective methods for dealing with a specific chronic disease or condition;
        - (4) Public health education campaigns that are performed in conjunction with State or local health departments;

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- (5) Any quality reporting and related documentation in non-electronic form for wellness and health promotion activities;
- (6) Coaching or education programs and health promotion activities designed to change member behavior and conditions (for example, smoking or obesity); and
- (7) Health information technology to support these activities.

(B) Exclusions - Expenditures and activities that must not be included in quality improving activities are:

- (1) Those that are designed primarily to control or contain costs;
- (2) The pro rata share of expenses that are for lines of business or products other than CalOptima Medi-Cal or OneCare Connect;
- (3) Those which otherwise meet the definitions for quality improvement activities but which were paid for with other funding separate from premium revenue;
- (4) Those activities that can be billed or allocated by a provider for care delivery and which are, therefore, reimbursed as clinical services;
- (5) Establishing or maintaining a claims adjudication system, including costs directly related to upgrades in health information technology that are designed primarily or solely to improve claims payment capabilities or to meet regulatory requirements for processing claims;
- (6) That portion of the activities of health care professional hotlines that does not meet the definition of activities that improve health quality;
- (7) All retrospective and concurrent utilization review;
- (8) The cost of developing and executing provider contracts and fees associated with establishing or managing a provider network, including fees paid to a vendor for the same reason;
- (9) Provider credentialing;
- (10) Marketing expenses;
- (11) Costs associated with calculating and administering individual member or member incentives; and
- (12) That portion of prospective utilization management or review that does not meet the definition of activities that improve health quality.

# CalOptima Health Network MLR Guidelines - HMO

Issued January 4, 2021

For 20211118 FAC Review Only

# CalOptima Health Network MLR Guidelines

## NOTES:

- *These guidelines are for the treatment of certain costs and revenue related to the CalOptima MLR Reporting process. They are not guidelines or directions for specific accounting treatment of either revenues or expenses. These guidelines are subject to change, based on information provided by DHCS and/or CMS related to MLR Reporting.*
- Report revenue and expenses related to **Health Homes Program (HHP)** under Medi-Cal Classic (MC\_IS\_HMO)

**AGGREGATE** (tabs MC\_IS\_HMO, MCE\_IS\_HMO, WCM\_IS\_HMO, OCC\_IS\_HMO)

Member Months (Row 8) - Total Member Months for reporting period should reconcile to CalOptima payment records unless supported by accrual or timing difference.

Revenues - Unless specifically directed by CalOptima, all payments received from CalOptima should be reported on the MLR as revenue and not shown as an offset to expense. Exceptions to this include payments specifically identified as pass-through revenue, which should be offset against the corresponding expense.

- Capitation (Row 11) - Gross capitation revenue (before withholds for solvency requirements, adult vaccine expense true-ups, etc.) received from CalOptima. Should reconcile to CalOptima payment records unless supported by accrual or timing difference.
- Supplemental OB Delivery Care (Row 12) - Supplemental OB Delivery Care payments received from CalOptima related to Policy FF.1005f. Should reconcile to CalOptima payment records unless supported by accrual or timing difference. Not applicable to OCC.
- Reinsurance/Catastrophic (Row 13)
  - MC Classic/MCE - Reinsurance payments received from CalOptima, and/or other reinsurance carriers for CalOptima-specific claims recoveries. Should reconcile to CalOptima payment records unless additional reinsurance is purchased from another entity. Variance may also be supported by accrual or timing difference.
  - Whole Child Model – Interim catastrophic reimbursement and retrospective risk corridor settlement payments. Should reconcile to CalOptima payment records.
  - Not applicable to OCC.
- Risk Pool Revenues (Row 14) - **HMO:** Not applicable.
- Quality Incentives (Row 15) - Pay for Performance incentives including HEDIS, CAHPS Survey and MUHIT payments. Should reconcile to CalOptima payment records unless supported by accrual or timing difference.
- Other Revenue (Row 16) - All other revenue received from CalOptima, including PCC funding, BHT and/or Hep C kick payments, and Prop 56 admin payments, as applicable.

## Medical Expenses

- PCP Capitation (Row 20) - Include actual (not estimated or allocated) PCP capitation payments specific to each line of business.
- SCP/Hospital/Other Capitation (Row 21) - Include actual (not estimated or allocated) SCP/Other and Hospital capitation payments specific to each line of business.
- Physician Salaries and Benefits (Row 22) - Include salaries & benefits paid to employed physicians (PCPs and Specialists); and non-physician staff (e.g., coordinators for Medical Management activities) and

## CalOptima Health Network MLR Guidelines

clinical providers (e.g., nurse practitioners, PAs, RNs, physician extenders, Medical Assistants, etc.) who participate in quality- or member-related activities for CalOptima members.

- FFS Claims Expense (Row 23) – Include actual (not estimated or allocated) FFS Claims (professional and facility) paid for each line of business and Medi-Cal category of aid (Expansion v. Classic), net of any overpayment recoveries. Include expenses withheld from capitation due to adult vaccine true-ups if applicable, typically withheld in December of each year. Also, include Prop 56 expense payments made to providers, OFFSET by Prop 56 payments received from CalOptima (expense offset).
- IBNR (Row 24) - Current calculated IBNR for CalOptima business (not allocations). See document regarding methodologies.
- Physician Distributions (Row 25) - All Networks: include distributions related to quality incentives, and any other distributions to physicians related to patient care. Amounts can be on an accrued or paid basis; there must be support for subsequent payments if accrued. Distribution methodology should be auditable and able to be identified as service being provided to CalOptima members. Any allocation methodology must be based on relevant units of service such as member months, quality measure benchmarks, access standards benchmarks, or financial performance based on P&L calculations. See CMS Final Rule guidelines, below, on qualified activities/expenses. Do not include amounts related to administrative activities, marketing or shareholder distributions (e.g. board stipends).
- Staff Model Expenses (Row 26): Include direct costs associated with the operations of the staff model (e.g., malpractice insurance, clinic rent, occupancy, supplies and equipment, etc.)
- Other Qualified Medical Expenses (Row 27) - All other qualified medical expenses, including Prop 56 admin payments expense offset (which should equal the admin revenue received and reported on Other Revenue). See CMS Final Rule guidelines, below.
- Care Management (Row 30) - Include expenses related to Case Management, Utilization Management (quality improvement activities only), Disease Management, and Quality Management. Methodology must be described and auditable. See CMS Final Rule guidelines, below, for additional guidelines:
  - Case Management - Payments made to case management vendors (e.g., 24-hr telephone triage) and/or allocated staff members' salary & benefits. Activity examples: Approving covered services; Coordinating medically necessary covered services with other benefits; Maintaining medical record with documentation of referral services; Ordering therapy; Coordinating hospital admissions; Discharge planning; Authorization of referred services; Coordinating members' care with all external agencies; Coordinating members' care transitioning networks; Target services regarding special health needs. If allocation is performed, a relevant unit of service must be used as the basis.
  - Utilization Management - Allocated staff members' salary & benefits for quality improvement activities only, NOT cost-controlling activities. Activity examples: Transitions of care; Assessing durable medical equipment (DME) and home health needs; Evaluating levels of care. If allocation is performed, a relevant unit of service must be used as the basis.
  - Disease Management – Payments made to disease management vendors and/or allocated staff members' salary & benefits. "Disease Management" is a multi-disciplinary, continuum-based approach to health care delivery that proactively identifies populations with, or at risk for, established medical conditions; supports physician-patient relationship; and emphasizes prevention of exacerbation & complications. Activity examples: Development of care plans; Managing programs for Diabetes, Hypertension, Chronic Heart Failure, etc.; Monitoring and evaluating programs' outcomes.



## CalOptima Health Network MLR Guidelines

- Quality Management - Payments made to quality management vendors and/or allocated staff members' salary & benefits. Activity examples: Evaluating clinical outcomes of quality indicators and care plans; Taking corrective action. "Quality Indicators" means measurable variables relating to a specified clinical or health service delivery area, which are reviewed over a period of time to monitor the process or outcome of care.
- Specifically Identifiable Expenses (Row 31) - Include expenses related to CMO Review, Quality Promotion, Provider Site Reviews, and Interpretive Services. See CMS Final Rule guidelines, below, for additional guidelines:
  - CMO Review - Allocated costs related to Chief Medical Officer reviews of CalOptima members' charts/medical history.
  - Quality Promotion - Payments made to quality promotion vendors. Activity examples: Clinical quality assurance; Other medical care quality improvement. Do NOT include expenses for Newsletters, quality improvement idea emails, CalOptima's quality reporting requirements including HEDIS, and encounter data submissions.
  - Provider Site Reviews - Payments made to provider site review vendors (e.g., auditors) and/or allocated staff members' salary & benefits to conduct facility reviews of provider practices.
  - Interpretive Services - Payments made to interpretation vendors (e.g., language line services) and/or allocated staff members' salary & benefits to conduct interpretive services in connection with the provision of covered services.
- Other Medical Management Expenses (Row 32) - All other qualified medical management expenses (e.g., fraud prevention activities, PCC expenses).

ADDITIONAL NOTES - Amounts that must be excluded from allowable physician and hospital medical expenses include: Amounts paid to third party vendors for secondary network savings; Amounts paid to third party vendors for network development, administrative fees, claims processing, and utilization management; Amounts paid for professional or administrative services that do not represent compensation or reimbursement for covered services provided to a member; Amounts paid for cost-controlling activities.

### CMS FINAL RULE GUIDELINES:

(A) Per CMS' Final Rule, activities conducted to improve quality must meet the following requirements:

- (1) The activity must be designed to:
  - (i) Improve health quality.
  - (ii) Increase the likelihood of desired health outcomes in ways that are capable of being objectively measured and of producing verifiable results and achievements.
  - (iii) Be directed toward individual members or incurred for the benefit of specified segments of members or provide health improvements to the population beyond those enrolled in coverage as long as no additional costs are incurred due to the non-members.
  - (iv) Be grounded in evidence-based medicine, widely accepted best clinical practice, or criteria issued by recognized professional medical associations, accreditation bodies, government agencies or other nationally recognized health care quality organizations.
- (2) The activity must be primarily designed to:
  - (i) Improve health outcomes including increasing the likelihood of desired outcomes compared to a baseline and reduce health disparities among specified populations.



## CalOptima Health Network MLR Guidelines

- (a) Examples include the direct interaction of the providers and the member or the member's representative (for example, face-to-face, telephonic, web-based interactions or other means of communication) to improve health outcomes, including activities such as:
  - (1) Effective case management, care coordination, chronic disease management, and medication and care compliance initiatives including through the use of the medical homes model as defined in section 3502 of the Affordable Care Act.
  - (2) Identifying and addressing ethnic, cultural or racial disparities in effectiveness of identified best clinical practices and evidence based medicine.
  - (3) Quality reporting and documentation of care in non-electronic format.
  - (4) Health information technology to support these activities.
  - (5) Accreditation fees directly related to quality of care activities.
- (ii) Prevent hospital readmissions through a comprehensive program for hospital discharge.  
Examples include:
  - (a) Comprehensive discharge planning (for example, arranging and managing transitions from one setting to another, such as hospital discharge to home or to a rehabilitation center) in order to help assure appropriate care that will, in all likelihood, avoid readmission to the hospital;
  - (b) Patient-centered education and counseling.
  - (c) Personalized post-discharge reinforcement and counseling by an appropriate health care professional.
  - (d) Any quality reporting and related documentation in non-electronic form for activities to prevent hospital readmission.
  - (e) Health information technology to support these activities.
- (iii) Improve patient safety, reduce medical errors, and lower infection and mortality rates.
  - (a) Examples of activities primarily designed to improve patient safety, reduce medical errors, and lower infection and mortality rates include:
    - (1) The appropriate identification and use of best clinical practices to avoid harm.
    - (2) Activities to identify and encourage evidence-based medicine in addressing independently identified and documented clinical errors or safety concerns.
    - (3) Activities to lower the risk of facility-acquired infections.
    - (4) Prospective prescription drug Utilization Review aimed at identifying potential adverse drug interactions.
    - (5) Any quality reporting and related documentation in non-electronic form for activities that improve patient safety and reduce medical errors.
    - (6) Health information technology to support these activities.
- (iv) Implement, promote, and increase wellness and health activities:
  - (a) Examples of activities primarily designed to implement, promote, and increase wellness and health activities, include -
    - (1) Wellness assessments;
    - (2) Wellness/lifestyle coaching programs designed to achieve specific and measurable improvements;
    - (3) Coaching programs designed to educate individuals on clinically effective methods for dealing with a specific chronic disease or condition;
    - (4) Public health education campaigns that are performed in conjunction with State or local health departments;
    - (5) Any quality reporting and related documentation in non-electronic form for wellness and health promotion activities;

## CalOptima Health Network MLR Guidelines

- (6) Coaching or education programs and health promotion activities designed to change member behavior and conditions (for example, smoking or obesity); and
- (7) Health information technology to support these activities.

(B) Exclusions - Expenditures and activities that must not be included in quality improving activities are:

- (1) Those that are designed primarily to control or contain costs;
- (2) The pro rata share of expenses that are for lines of business or products other than CalOptima Medi-Cal or OneCare Connect;
- (3) Those which otherwise meet the definitions for quality improvement activities but which were paid for with other funding separate from premium revenue;
- (4) Those activities that can be billed or allocated by a provider for care delivery and which are, therefore, reimbursed as clinical services;
- (5) Establishing or maintaining a claims adjudication system, including costs directly related to upgrades in health information technology that are designed primarily or solely to improve claims payment capabilities or to meet regulatory requirements for processing claims;
- (6) That portion of the activities of health care professional hotlines that does not meet the definition of activities that improve health quality;
- (7) All retrospective and concurrent utilization review;
- (8) The cost of developing and executing provider contracts and fees associated with establishing or managing a provider network, including fees paid to a vendor for the same reason;
- (9) Provider credentialing;
- (10) Marketing expenses;
- (11) Costs associated with calculating and administering individual member or member incentives; and
- (12) That portion of prospective utilization management or review that does not meet the definition of activities that improve health quality.

## CALOPTIMA HEALTH NETWORK MLR GUIDELINES INCURRED BUT NOT REPORTED (IBNR) LIABILITY

### *Definition*

- IBNR are those claims that are not yet known or received, but will be a financial obligation.
- An accounting mechanism to adjust from a cash basis to an accrual basis of accounting.
- Balance Sheet item – a liability.
- IBNR liability should contain the following major components:
  - Total claims that have been processed, but not paid.
  - Claims received, but have not been processed.
  - Claims that are anticipated, but have not been received.

### *Common Methodologies Used to Calculate IBNR Liability*

- **Lag Analysis (or loss triangles) – most commonly used**
  - Based on the level of outstanding claims, based on historical receipt and payment of services.
  - The lag is a percentage of claims per time period (usually monthly) that have not been reported.
  - The calculation involves:
    - Developing historical claims lag analysis;
    - Calculating historical percentage of claims paid by month of receipt (monthly claims divided by the cumulative payment amount);
    - Presenting claims by month of receipt;
    - Developing completion factors by month of receipt;
    - Estimate covered claims costs, which get reported in the balance sheet.
- **Actuarial Method (or Per Member Per Month Method)**
  - Using the services of an actuary to determine the liability.
- **Tracking Method (or Open Authorization Analysis)**
  - Count of all open authorizations times the average cost per authorization.
- **External Reference Method**
  - Referring to published sources for a percentage-of-completion factor.
- **Time Based Estimation**
  - Uses an average period of claims paid to develop the liability.



**CalOptima**  
Better. Together.

# Provider and Health Network Contract Management Audit Report

July 23, 2021

*This document was originally prepared for CalOptima by Grant Thornton, solely for the purpose and on the terms agreed between CalOptima and Grant Thornton based on specific information provided by CalOptima at a certain point in time. Third-party recipients of this document agree and acknowledge that they are being provided this document "as is" with no warranty of any kind.*



# Audit Report

- 1 Scope and Background
- 2 Executive Summary
- 3 Leading Practices Observed
- 4 Audit Report Rating
- 5 Summary Observations
- 6 Detailed Observations and Recommendations
- 7 Appendices

# Scope and Background

## Scope

The overall purpose of this audit was to conduct an assessment of CalOptima's provider and health network contract management processes to determine whether current processes are functioning effectively and as intended, and to assist in identifying process improvements. The scope of this audit included CalOptima's process for: monitoring contracts with providers (health networks and direct providers), inventorying and terminating the contracts.

The audit focused on the processes of governance, monitoring of contract requirements, remediation of non-compliance findings, and contract terminations. Internal Audit reviewed five samples for direct providers and five samples for health networks. The samples were randomly selected from the data universe of direct provider and health network contracts. The contract requirements were reviewed to determine if they are appropriately delegated and monitored by the corresponding functional areas.\* Additionally, Internal Audit conducted interviews with CalOptima staff members from multiple departments, reviewed policies, procedures, and relevant documentation against leading practices. Please see **Appendix A** for documents reviewed. The scope of this internal audit covered contract management processes from April 1, 2020, to March 31, 2021, and fieldwork was performed April 19, 2021, through June 28, 2021. Please see **Appendices B and C** for a list of the CalOptima business units in scope and audit objectives.

## Background

In January 2021, Internal Audit completed an Enterprise Risk Assessment to identify and prioritize the most prevalent risks to the organization. Through this assessment, one of the high risks noted was the contract management process for providers contracted directly (direct providers) and health networks. CalOptima has 1746 direct provider and 12 health network active contracts. The contract templates are provided by the State and updated periodically by CalOptima to reflect changes in federal and state requirements. It is important for CalOptima to have an adequate contract management process in place to ensure that all the contract requirements are being monitored by their respective departments and that contract obligations are being adhered to.

\* A comprehensive in-depth review of each area of the contract requirements (e.g., The utilization management process, credentialing, the grievances and appeals process, etc.) was not included as part of this audit. A focused audit for each area of the contract would be required in order to assess how each of these areas are performing.



# Executive Summary

CalOptima has engaged with Grant Thornton to perform their Internal Audit (IA) activities under the management of the CalOptima compliance function. The purpose of the Provider and Health Network Contract Management Audit was to evaluate the design of CalOptima processes and controls in order to mitigate the key inherent risks related to contract management of direct providers and health networks.

In reviewing the contract management process, IA noted several leading practices being exhibited by CalOptima, including foundational policies and processes being in place for monitoring contract requirements and termination of contracts. The business units have detailed monitoring and auditing processes for the contract requirements for which they were responsible for.

However; IA identified some opportunities for improvement:

- There is no policy that states which functional area is responsible for delegating the contract requirements to the appropriate functional areas for ensuring that all the contract requirements are being monitored. Without a functional area overseeing the entire contract management process, monitoring of contract requirements might not be appropriately delegated or performed, and remediation might not be carried out.
- Some contracts incorrectly stated that CAPs should be submitted within 30 calendar days of being requested instead of 14 calendar days per CalOptima policy. Having incorrect timeframes for responding to CAP requests could cause delays in remediation efforts.
- Policy was not consistently followed when adding providers to CalOptima directories. Some providers were added based on an email communication rather than the submission of an Add/Change/Term (ACT) Form as required by CalOptima policy. Not following established policy and procedures could cause operational deficiencies.
- The Financial Reporting policy had not been updated to reflect that Incurred but not reported (IBNR) reports are no longer required to be submitted to CalOptima due to a contracted vendor verifying this as part of the annual Medical Loss Ratio audit. For some of the sample contracts, the IBNRs had not been provided. Having a policy that is not congruent with current practices may reduce operating effectiveness.
- The CalOptima policy for the CMS Medicare Opt-Out verification was not compliant with CMS requirements due to a misunderstanding of the requirements. The Medicare Opt-Out verification was not consistently performed for some providers during the scope period. After clarification from CMS, CalOptima began verifying for Medicare Opt-Out, but the change to the policy has not been approved and communicated.

The recommendations contained in this report outline the steps necessary to remediate these issues.



# Best Practices Observed

Based on the documentation reviewed and interviews conducted with CalOptima Management during the course of this audit, IA noted several leading practices being exhibited as it relates to the contract management process, specifically:

- CalOptima has foundational policies and processes in place for the monitoring of contract requirements. For all of the contract requirements, there was a policy or procedure document from the applicable business function. The documents provided to IA generally included sufficient details to describe the process and requirements.
- CalOptima has an adequate process for inventorying and terminating provider or health network contracts. When a contract is added or terminated, the appropriate functional areas perform all of their corresponding tasks.
- The business units involved in monitoring the contract requirements have detailed monitoring and auditing processes for the contract requirements for which they are responsible for. These include, monthly, quarterly, and annual audits. Audit and monitoring reports are shared with all the applicable functional areas.



# Audit Report Rating

**Audit Report Rating:** *Satisfactory with opportunities for enhancement*

REPORT RATING	Satisfactory	Requires Moderate Improvement	Requires Significant Improvement	Critical
RATING DEFINITION	Key controls* are in place and functioning effectively. There may be some opportunities for business process and operational enhancements.	Some control deficiencies exist and require improvements to the effectiveness and/or efficiency of the control and/or business environment.	Several control deficiencies exist, preventing business objectives from being adequately achieved.	Significant control deficiencies or material weaknesses exist that have or may have an immediate and/or material impact on the financial statements, operations, and/or compliance with regulatory requirements.

\* Key controls are identified during the audit based on a risk assessment of the audited areas. Controls are evaluated by assessing their design and operating effectiveness in managing the related key risks, and in supporting management's ability to accomplish its business objectives.

# Summary Observations

	<i>Program Design</i>	<i>Operating Effectiveness of Control Environment</i>
<b>Moderate</b>	<p>1 There is no specific functional area overseeing the end-to-end contracted provider process for assignments of roles and responsibilities within the contracts</p>	<p><i>No moderate-risk observations noted.</i></p>
<b>Low</b>	<p><i>No low-risk observations noted.</i></p>	<p>2 The contract requirement for responding to requests for corrective action plans incorrectly stated 30 days instead of 14 days.</p> <p>3 CalOptima deviated from policy when adding providers to the directories</p> <p>4 Policy for financial reporting has not been updated to reflect existing processes for IBNR</p> <p>5 Policy &amp; Procedures (P&amp;P) for credentialing did not include Medicare Opt-out verification</p>



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## Section I: Program Design

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# 1 There is no specific functional area overseeing the end-to-end contracted provider process for assignments of roles and responsibilities within the contracts

<b>Risk Rating</b>	<b>Moderate</b>
<b>Potential Risk</b>	Without a centralized owner over the end-to-end contracted provider process, some contract requirements may not be monitored, which could lead to patient harm or dissatisfaction, provider dissatisfaction, fines and sanctions.
<b>Owner</b>	Provider Network Operations
<b>Observation</b>	<p>There is no specific functional area overseeing the end-to-end contracted provider process for assignments of roles and responsibilities within the contracts. Internal audit reviewed documentation (policies, procedures, workflows) provided by the functional areas involved in the contracted provider process. Based on the documentation reviewed and interviews conducted, it was determined that each section of the contracts is monitored by various applicable functional areas (See Appendix B for list of all the functional areas), but there is no specific owner for assignments of the contracted functions of the entire process. Without a specified accountable owner over the contracted provider process, monitoring of contracted provider requirements might not be appropriately delegated or performed, and any remediation might not be carried out.</p> <p>Leading practice is to have an accountable owner for assignment of the end-to-end process and for this to be documented in a policy or desktop procedure, along with the list of activities that will be delegated to other functional areas.</p>
<b>Recommendations</b>	<p>1-1 CalOptima should assign a specific accountable owner over the end-to-end contracted provider process with authority to delegate the monitoring and enforcement activities to the appropriate functional areas.</p> <p>1-2 A policy or desktop procedure should be developed that outlines roles and responsibilities for the contracted provider oversight and monitoring process. This should include the overall accountable owner of the end-to-end process and the functional areas delegated to monitor and enforce the contracted provider requirements. The policy or desktop procedure should be communicated to all applicable staff and made available to all staff in a central policy library.</p>

1 **There is no specific functional area overseeing the end-to-end contracted provider process for assignments of roles and responsibilities within the contracts**

Management Action Plan		Due Date
1.1	In order to document and supplement the existing processes to delegate the monitoring and enforcement activities to the appropriate functional areas, a business owner will be listed under each section of the boilerplate agreements. The Contracting Department will prepare the document as approved by the Executive Director of Provider Network Operations. These contract terms and conditions sections will be shared with the appropriate business owner for use by auditors and ongoing monitoring activities.	November 2021
1.2	Contracting Department will create a desktop procedure to document the process to have a business owner identified for all contract terms and conditions. Contract term assignments by boilerplate contract will be shared with Audit and Oversight for oversight of the business owner monitoring activities.	September 2021

Responsible Parties	
<b>Primary Owner:</b> Michelle Laughlin, Executive Director Network Operations	<b>Lead:</b> Shelly Myers, Director of Contracting
<b>Secondary Owner (If applicable):</b> Shelly Myers, Director of Contracting	

## **Section II: Operating Effectiveness of Control Environment**

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## 2 The contract requirement for responding to requests for corrective action plans incorrectly stated 30 days instead of 14 days

<b>Risk Rating</b>	<b>Low</b>
<b>Potential Risk</b>	Incorrect timeframes (in the contract templates) for submitting corrective action plans (CAPs) may cause delays in remediating deficiencies, which could lead to patient harm or dissatisfaction, fines and sanctions.
<b>Owner</b>	Contracting
<b>Observation</b>	Of the ten sample contracts selected for case testing, six contracts stated that CAPs should be submitted within 30 calendar days of being requested. However, the correct timeframe should be 14 calendar days per CalOptima policy. This was confirmed during interviews with representatives from CalOptima. Having incorrect timeframes for responding to CAP requests could cause delays in remediation efforts.
<b>Recommendations</b>	2-1 CalOptima should correct their contract templates to reflect 14 calendar days for submitting CAPs.
	2-2 All the applicable providers and health networks with this error in their contracts should be sent an update notice or amendment reflecting this correction.
	2-3 Contracting should develop and implement a QA process for ensuring that the correct verbiage is included in the contract templates, amendments, and any other applicable documents. The QA process should be communicated to all applicable staff.

## 2 The contract requirement for responding to requests for corrective action plans incorrectly stated 30 days instead of 14 days

Management Action Plan		Due Date
2.1	For every boilerplate agreement with impacted language, new contract templates will be created with revised language.	Sept. 2021 or sooner
2.2	For every impacted active provider contract, language will be amended on next amendment cycle.	Dependent on upcoming contracting cycles by provider type
2.3	All contract documents are approved for use by the Legal Department prior to use and sent to RAC to submit to the appropriate regulatory agency, DHCS or DMHC. Contracting Department submits related documents, provides business owner input, language grids representing current and proposed terms, and contracting staff's input on each section. CalOptima does not negotiate separate terms and conditions by provider type and all contracting projects are presented to CalOptima Board of Directors through the COBAR process for authority.	Ongoing and already in process

Responsible Parties	
<b><u>Primary Owner:</u></b> Michelle Laughlin, Executive Director Network Operations	<b><u>Lead:</u></b> Shelly Myers, Director of Contracting
<b><u>Secondary Owner (If applicable):</u></b> Shelly Myers, Director of Contracting	



### 3 CalOptima deviated from policy when adding providers to the directories

<b>Risk Rating</b>	<b>Low</b>
<b>Potential Risk</b>	Failure to adhere to established policy when adding providers to the CalOptima directories may cause incorrect information to be added to the directories, which could lead to members delaying their treatments, member and provider dissatisfaction, fines and penalties.
<b>Owner</b>	Provider Relations
<b>Observation</b>	For two of the five health network sample contracts selected for testing, providers had been added to the CalOptima directories based on an email communication rather than the submission of an Add/Change/Term (ACT) Form. Per CalOptima policy, an ACT Form must be submitted when adding a new provider to the CalOptima directories. Not following established policy and procedures could cause operational deficiencies.
<b>Recommendations</b>	3-1 If CalOptima will continue to accept email communications in lieu of an ACT Form, then they should modify their existing policy and procedure to reflect this. If an ACT Form will be required, then a formal communication should be provided to all applicable parties so that current policy is adhered to.
	3-2 If the current policy and procedure for adding new providers to CalOptima directories is modified so that email communications are an acceptable form for submitting requests, then this change in policy should be communicated to all applicable parties and the new policy should be uploaded to a central policy library and made available to all applicable CalOptima staff.

### 3 CalOptima deviated from policy when adding providers to the directories

Management Action Plan		Due Date
3.1	The Provider Relations department made revisions to Policy EE.1101: Additions, Changes, and Terminations to CalOptima Provider Information, CalOptima Provider Directory, and Web-based Directory; to allow the CalOptima (ACT) form or other CalOptima approved notifications that meet all required data elements to process additions, changes or terminations to provider information.	Completed
3.2	Upon approval of Policy EE.1101 from the CalOptima Policy Review Committee (PRC), the Board of Directors and from the Department of Health Care Services (DHCS), health networks and providers will receive notice of the updated and approved policy and procedure. The new policy will be uploaded to CalOptima's central policy library and available to all applicable CalOptima staff.	January 2022

Responsible Parties	
<b>Primary Owner :</b> Michelle Laughlin, Executive Director Network Operations	<b>Lead:</b> Jennifer Bamberg, Director Network Management
<b>Secondary Owner (If applicable):</b> Jennifer Bamberg, Director Network Management	

#### 4 Policy for financial reporting has not been updated to reflect existing processes for IBNR

<b>Risk Rating</b>	<b>Low</b>
<b>Potential Risk</b>	The absence of updated policies and procedures may negatively impact business practices.
<b>Owner</b>	Finance
<b>Observation</b>	For four of the five samples of health network contracts, the Incurred but not reported (IBNR) reports were not provided. Per policy "FF.3001: Financial Reporting", IBNR reports must be submitted by the Health Network within 120 days after the end of the organization's fiscal year. Per inquiry with Finance, this process is no longer followed by CalOptima due to a contracted vendor verifying this as part of the Health Network's annual Medical Loss Ratio audit. Having a policy that is not congruent with current practices may negatively impact business practices.
<b>Recommendations</b>	4-1 Finance should update policy FF.3001, as well as any other associated policies to reflect that the IBNR report does not need to be sent to CalOptima with the rest of the financial reporting documents and it is instead reviewed during the MLR audit. The updated policy should be communicated to all applicable staff and saved in a central policy library that is available to all staff.

## 4 Policy for financial reporting has not been updated to reflect existing processes for IBNR

Management Action Plan		Due Date
4.1	The Finance department will update policy FF.3001, to reflect that the IBNR report no longer needs to be sent to CalOptima with the audited financial report documents, as IBNR is reviewed during the annual Health Network MLR audit. Upon approval of the policy from the CalOptima Policy Review Committee (PRC), the Board of Directors and from the Department of Health Care Services (DHCS), health networks and providers will receive notice. The new policy will be uploaded to CalOptima's central policy library and available to all applicable CalOptima staff.	December 2021

Responsible Parties	
<b>Primary Owner:</b> Nancy Huang, Chief Financial Officer	<b>Lead:</b> Kelly Klipfel, Director Financial Compliance
<b>Secondary Owner (If applicable):</b> Kelly Klipfel, Director Financial Compliance	

## 5 Policies & Procedures (P&P) for credentialing did not include Medicare Opt-out verification

<b>Risk Rating</b>	<b>Low</b>
<b>Potential Risk</b>	Failure to verify all necessary credentialing criteria for providers may lead to fines and penalties from regulatory agencies.
<b>Owner</b>	Quality Improvement
<b>Observation</b>	For one of the five samples of direct provider contracts, the provider did not undergo the CMS Medicare Opt-Out verification process. Up until July of 2020, CalOptima policy did not require that the Medicare Opt-Out be verified. This was due to a misunderstanding of Medicare requirements. After clarification from Medicare, CalOptima updated a desktop procedure and began verifying for Medicare Opt-Out, but the policy has not been finalized to reflect this.
<b>Recommendations</b>	5-1 CalOptima should finalize their credentialing policy to reflect the changes to the Medicare Opt-Out verification process, communicate the new policy to all applicable staff, and upload it to a central policy library that is available to all staff.

## 5 Policies & Procedures (P&P) for credentialing did not include Medicare Opt-out verification

Management Action Plan		Due Date
5.1	The Quality Improvement department will update Credentialing Policy GG.1650: Credentialing and Recredentialing of Practitioners to include Medicare Opt-out verifications. Upon approval of the policy from the CalOptima Policy Review Committee (PRC), the Board of Directors and from the Department of Health Care Services (DHCS), health networks and providers will receive notice. The new policy will be uploaded to CalOptima's central policy library and available to all applicable CalOptima staff.	December 2021

Responsible Parties	
<b><u>Primary Owner:</u></b> Marie Jeannis, Executive Director of Quality and Population Health Management  <b><u>Secondary Owner (If applicable):</u></b> Esther Okajima, Director Quality Improvement	<b><u>Lead:</u></b> Esther Okajima, Director Quality Improvement



## Appendices: Items A through D

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## Appendix A: CalOptima documents and files examined

Document Type	Document Name	Date Provided
Process Diagram	Various End to End Flow Charts	4/14/21
Policy & Procedures	Various P&P (GG, HH, EE)	4/14/21
Quarterly Report	LexusNexus Report	6/8/21
Attestation Form	ACT Forms	6/8/21
Attestation Form	Training Attestation Forms	6/8/21
Annual Audit	Various Annual Audit by External A&O	6/8/21
Quarterly Report	Interpreter Services Statistical Quarterly Report	6/8/21
Monthly Report	GARS KPI Dashboard	6/8/21
Quarterly Report	GARS Quarterly Committee Meeting Presentation	6/8/21
Program	Utilization Management Program	6/8/21
Monthly Report	PCC Profile Report	6/10/21
Annual Assessment	HRA form	6/11/21
Annual Report	Financial Reporting (Financial Statement, IBNR, MLR, RBO)	6/11/21
Monthly Report	Claims Audit (Large Dollar Audit, Monthly Sample Audit)	6/14/21
Quarterly Report	Overpayment Documentation	6/14/21



## Appendix A: CalOptima documents and files examined (Continued)

Document Type	Document Name	Date Provided
Annual Report	QI Program Workbook	6/14/21
Quarterly Report	QI Meeting Minute and Presentation	6/14/21
Credentialing Document	OIG,SAM, Medi-Cal Exclusion, CMC preclusion, Medicare Opt-Out Physician, California State Licensing Boards for Practitioners, RPD	6/14/21
Credentialing Document	FSR/MMR/PARS Audit	6/14/21
Quarterly Report	Access and Availability (Grievance and Appeals data, Encounter/Claims data, PQI , and IHA/IHEBA)	6/16/21
Annual Report	HEDIS Audit	6/16/21
Quarterly Report	Network Adequacy (Provider Type, Provider Ratio, Timely Access and Availability, and Geographic Standards)	6/16/21
Dashboard	Various Delegation Oversight Dashboard	6/16/21

## Appendix B: Functional areas involved in the provider and health network contract management process

Functional Areas / Business Units
Audit & Oversight
Behavioral Health Integration
Case Management
Claims
Compliance
Contracting
Cultural & Linguistics Service
Customer Service
Finance
Grievance and Appeals
Health Network Relations
Medical Management
Provider Relations
Quality Analytics
Quality Improvement
Utilization Management

# Appendix C: Contract Management: Internal Audit Objectives

## Program Design

Assess contract management process, policies, procedures, and guidelines for potential design gaps, including assessment of current program against leading practice guidelines

#	Sub Process	Procedures and Focus*	Strategic	Operational	Compliance
1.1	Completeness	<ul style="list-style-type: none"> <li>Evaluate the organization's process or controls to: <ul style="list-style-type: none"> <li>✓ Inventory all contracts executed and the periodic review of this listing for completeness.</li> <li>✓ Organize contracts by type/group for monitoring.</li> </ul> </li> </ul>		✓	✓
2.1	Collecting Requirements	<ul style="list-style-type: none"> <li>Evaluate the organization's process to solicit and collect certifications, reports, liability policies, participation &amp; credentialing criteria, as agreed upon within the contract.</li> </ul>	✓	✓	
3.1	Monitoring	<ul style="list-style-type: none"> <li>Evaluate the organization's process to communicate changing regulatory requirements to provider network.</li> <li>Evaluate the organization's process to assess provider's implementation and execution of regulatory requirements.</li> <li>Measure third party against member care KPI's (by group/type) and the consistency of the KPIs established.</li> <li>Evaluate the organization's utilized KPIs (member care, appeals/complaints, billing promptness, data and record management) against industry benchmarks.</li> <li>Assess periodic review of contracts for renewal or auto-renewal appropriateness.</li> </ul>		✓	
					✓
			✓		
			✓		
				✓	

\* Audit period under review: April 1st, 2020 to March 31st, 2021. Fieldwork was performed April 19, 2021 thru June 28, 2021.

## Appendix C: Contract Management: Internal Audit Objectives (Continued)

#	Sub Process	Procedures and Focus*	Strategic	Operational	Compliance
3.1	Monitoring (cont.)	<ul style="list-style-type: none"> <li>Evaluate the organization's periodic assessment of changes to the facilities or providers within a healthcare network for impact to member care.</li> </ul>		✓	✓
		<ul style="list-style-type: none"> <li>Evaluate the organization's process to review and monitor downstream &amp; related entities (i.e., subcontractors) changes and how those changes are communicated by the provider back to the organization.</li> </ul>			✓

### Operating Effectiveness

Evaluate the effectiveness, precision, and appropriateness of the contract management control environment by performing control test procedures over a sample of five provider and five network contracts

\* Audit period under review: April 1st, 2020 to March 31st, 2021. Fieldwork was performed April 19, 2021 thru June 28, 2021.

## Appendix D: Finding Risk Rating Criteria - Page 1 of 2

CATEGORY	LOW	MODERATE	HIGH	SIGNIFICANT
<b>Compliance</b> <ul style="list-style-type: none"> <li>Legal</li> <li>Policy</li> <li>Regulatory</li> <li>Confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>Minimal or no potential for non-compliance, unlikely to require or optional regulatory reporting or follow-up</li> <li>Minimal or no deviations from Company policies and procedures, other required standards and codes of conduct, or regulations</li> <li>Organizational restrictions which could temporarily disrupt normal operations</li> <li>Minimal or no impact to the confidentiality of information</li> </ul>	<ul style="list-style-type: none"> <li>Potential for non-compliance, resulting in regulatory reporting</li> <li>Organizational restrictions which could disrupt normal operations for an extended period of time</li> <li>Moderate deviations from Company policies and procedures, other required standards and codes of conduct or regulations</li> <li>Moderate impact to the confidentiality of information</li> </ul>	<ul style="list-style-type: none"> <li>Compliance violations or potential for non-compliance resulting in regulatory reporting warranting public disclosure and/or fines</li> <li>High number of occurrences or high impact deviations from Company policies and procedures, other required standards and codes of conduct, or regulations</li> <li>High impact to the confidentiality of information</li> </ul>	<ul style="list-style-type: none"> <li>Significant compliance violations which significantly impair the organization's ability to continue normal level of service, result in litigation, or threaten the continuation of the business without corrective action</li> <li>Significant deviations from Company policies and procedures, other required standards and codes of conduct, or regulations</li> <li>Significant impact to the confidentiality of information</li> </ul>
<b>Controls Environment</b> <ul style="list-style-type: none"> <li>Monitoring and follow-up</li> <li>Policies and Procedures</li> <li>Preventive versus detective controls</li> <li>Recurring or unresolved audit findings</li> </ul>	<ul style="list-style-type: none"> <li>Minimal residual risk</li> <li>Risk management structures and key control processes are in place, operating as expected, and/or require few or minor improvements</li> <li>Well-established policies and procedures</li> <li>No recurring or unresolved audit findings</li> </ul>	<ul style="list-style-type: none"> <li>Moderate residual risk</li> <li>Weaknesses observed in the risk management structures and key control processes, key controls are not operating as expected, and/or are not applied completely or consistently, but are not material to the department, business function, or organization</li> <li>Some policies and procedures exist</li> <li>Some recurring or unresolved audit findings</li> </ul>	<ul style="list-style-type: none"> <li>Key risks not effectively managed</li> <li>Weaknesses observed in the risk management structures and key control processes, key controls are not operating as expected, and/or are not applied completely or consistently, which are material to the department, business function, or organization; however, mitigating or compensating controls exist</li> <li>Inadequate and/or missing policies and procedures</li> <li>Several recurring or unresolved audit findings</li> </ul>	<ul style="list-style-type: none"> <li>Key controls do not exist</li> <li>Significant deficiencies observed in the risk management structures and control processes, with minimal or no mitigating or compensating controls</li> <li>Policies and procedures do not exist</li> <li>Significant recurring or unresolved audit findings</li> </ul>

## Appendix D: Finding Risk Rating Criteria – Page 2 of 2

CATEGORY	LOW	MODERATE	HIGH	SIGNIFICANT
<b>Financial</b> <ul style="list-style-type: none"> <li>Fraud</li> <li>Loss (actual or potential)</li> </ul>	<ul style="list-style-type: none"> <li>Minimal or no potential for fraud or Management misconduct</li> </ul>	<ul style="list-style-type: none"> <li>Potential for fraud or Management misconduct</li> </ul>	<ul style="list-style-type: none"> <li>High potential for fraud or Management misconduct</li> </ul>	<ul style="list-style-type: none"> <li>Occurrence(s) of fraud or Management misconduct</li> </ul>
<b>Operational</b> <ul style="list-style-type: none"> <li>Ability to achieve business objectives</li> <li>Efficiency and process improvements</li> <li>Employee and member relations</li> <li>Information and communication</li> <li>Use of resources</li> </ul>	<ul style="list-style-type: none"> <li>Minimal or no impact to the Organization's ability to meet strategic goals, objectives, or initiatives</li> <li>Effective job roles, use of resources, and/or cross-functional touch points</li> <li>Process improvements that will generate some or isolated operational savings or efficiencies</li> <li>Minimal or no impact to member services and employees</li> <li>Minimal or no impact to the reliability, integrity, availability and protection of information</li> </ul>	<ul style="list-style-type: none"> <li>Moderate or temporary impact to the Organization's ability to meet strategic goals, objectives, or initiatives</li> <li>Partially effective job roles, use of resources, and/or cross-functional touch points</li> <li>Process improvements that provide some enhanced operational effectiveness</li> <li>Moderate impact to member services and employees</li> <li>Moderate impact to the reliability, integrity, availability and protection of information</li> </ul>	<ul style="list-style-type: none"> <li>High impact or short-term impact to the Organization's ability to meet strategic goals, objectives, or initiatives</li> <li>Ineffective job roles, use of resources, and/or cross-functional touch points</li> <li>Process improvements that will generate significant operational savings or efficiencies</li> <li>High impact to member services and employees</li> <li>High impact to the reliability, integrity, availability and protection of information</li> </ul>	<ul style="list-style-type: none"> <li>Significant or long-term impact to the Organization's ability to meet strategic goals, objectives, or initiatives</li> <li>Significant reliance on third parties to execute key functions</li> <li>Lack of synergies with other functions</li> <li>Process improvements are required for the process to continue functions, or will generate enterprise operational savings or efficiencies</li> <li>Significant impact to member services and employees</li> <li>Significant impact to the reliability, integrity, availability and protection of information</li> </ul>
<b>Reputational</b> <ul style="list-style-type: none"> <li>Adverse/Negative media coverage</li> <li>Market share</li> <li>Employee, research, or donor confidence</li> </ul>	<ul style="list-style-type: none"> <li>Minimal or no damage (actual or potential)</li> </ul>	<ul style="list-style-type: none"> <li>Moderate damage (actual or potential)</li> </ul>	<ul style="list-style-type: none"> <li>Significant, short-term damage (actual or potential)</li> </ul>	<ul style="list-style-type: none"> <li>Significant, sustained damage (actual or potential)</li> </ul>
<b>Safeguarding of Assets</b> <ul style="list-style-type: none"> <li>Tangible or intangible</li> </ul>	<ul style="list-style-type: none"> <li>Minimal or no potential for loss or misappropriation of assets</li> </ul>	<ul style="list-style-type: none"> <li>Potential for loss or misappropriation of key assets</li> </ul>	<ul style="list-style-type: none"> <li>High potential for loss or misappropriation of key asset</li> </ul>	<ul style="list-style-type: none"> <li>Actual loss or misappropriation of key assets</li> </ul>

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken November 18, 2021** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

7. Consider Recommending that the Board of Directors Authorize Unbudgeted Expenditures for PACE and Appropriate Funds in the CalOptima Fiscal Year 2021-22 Operating and Capital Budgets

#### **Contact**

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

Recommend that the Board of Directors authorize unbudgeted:

1. Capital expenditures and appropriate funds in an amount not to exceed \$11,000 from existing reserves for Security Camera System Replacement at the PACE Center; and
2. Operating expenditures and appropriate funds in an amount not to exceed \$90,000 from existing reserves for the PACE program administrative expenses category under "PACE-Other Operating Expenses-Repairs & Maintenance" to support additional operating expenses through June 30, 2022.

#### **Background**

CalOptima leases a one-story tilt up concrete building located at 13300 Garden Grove Boulevard in Garden Grove, which is the location of the CalOptima PACE Center. Pursuant to the repair and maintenance section of CalOptima's lease, the landlord is only responsible for structural repairs to the PACE Center. CalOptima is responsible to ensure that the facility is secure, clean, and fully operational in order to safely accommodate the needs of employees, members, and other visitors.

The CalOptima Fiscal Year (FY) 2021-22 Operating Budget and Capital Budget were approved by the CalOptima Board of Directors on June 3, 2021. Operating and Capital expenditures for the PACE Center were budgeted by asset categories. Staff included the best available information at the time of budgeting.

#### **Discussion**

##### **1. Capital Expenditures**

In September 2021, issues related to the security camera system at the PACE Center were identified and the system is currently not fully operable. To enhance safety and comply with applicable recording retention requirements, an amount up to \$11,000 is requested for Capital Equipment for this PACE project, which includes expenditures for ten cameras and associated hardware and software. Upon Board approval, staff plans to utilize a bid exception (emergency purchase) to engage a CalOptima contracted vendor in accordance with section II.P. of CalOptima Policy GA.5002: Purchasing Policy to update the security camera system and ensure compatibility with the current system. Staff proposes to have this work performed on an expedited basis as the security camera system is integral to the PACE security system and to ensuring safety at the PACE Center.

##### **2. Operating Expenditures**

In response to the COVID-19 public health emergency, CalOptima has successfully implemented

“PACE Without Walls.” These operational changes were necessary to mitigate the spread of COVID-19 and maintain the health of our PACE participants in the community. The FY 2021-22 Operating Budget includes \$200,000 for expenditures falling under “PACE-Other Operating Expenses-Repairs & Maintenance.” Staff forecasts a budget shortfall of approximately \$90,000 in this expense category in the current fiscal year due to:

- The FY 2021-22 Operating Budget used prior year actual expenses. These expenses were adjusted to reflect the lower operating expenses during the COVID-19 public health emergency. With the subsequent reopening of the PACE Center, the property experienced higher than anticipated repairs in a number of categories, including plumbing, fireline safety, interior lighting, and building access. As such, staff projects a budget shortfall of \$71,000 in operating expenses through June 30, 2022.
- During the closure of the PACE Center, CalOptima experienced vandalism to the property. The total estimated repair costs from a recent incident are approximately \$14,000.
- Maintenance fees related to the new security system replacement are estimated at \$5,000 through June 30, 2022.

An amount of up to \$90,000 is requested for the “PACE-Other Operating Expenses-Repairs & Maintenance” expense category to support the above unforeseen expenses through June 30, 2022.

### **Fiscal Impact**

The recommended action is unbudgeted. An appropriation of up to \$101,000 from existing reserves will fund the recommended actions through June 30, 2022.

### **Rationale for Recommendation**

Staff recommends approval of the recommended action to protect CalOptima’s property and assets and to keep them fully functional and operational in accordance with state and federal guidelines. Authorization of the expenditures will allow CalOptima to provide a secure and professional work environment for our employees and members.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachment**

1. [Entities Covered by this Recommended Action](#)

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**



**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Secure Site Solutions, Inc	14252 Culver Dr. A 500	Irvine	CA	92604

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken November 18, 2021** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

8. Consider Recommending Board of Directors Approval of Extension of Reimbursement for Necessary Business Expenditures Incurred by Employees on Temporary Telework Due to the Coronavirus (COVID-19) Pandemic

#### **Contacts**

Nancy Huang, Chief Financial Officer, (657) 235-6935

Brigette Hoey, Executive Director, Human Resources, (714) 246-8405

#### **Recommended Actions**

Recommend that the Board of Directors:

1. Approve extension of reimbursement at a flat rate of \$45 per month per temporary teleworker, continuing January 1, 2022 on a month-to-month basis through June 30, 2022 for necessary business expenditures incurred by regular full-time and part-time employees on temporary telework due to the COVID-19 pandemic;
2. Authorize the Chief Executive Officer (CEO) to extend the flat rate reimbursement on a month-to-month basis from January 1, 2022 through June 30, 2022 for employees on temporary telework; and
3. Authorize and appropriate unbudgeted expenditures in an amount up to \$162,000 from existing reserves to fund the reimbursement for necessary business expenses of employees on temporary telework through June 30, 2022.

#### **Background**

In response to the national emergency resulting from the COVID-19 pandemic and recommendations for social distancing for COVID-19 community mitigation strategies, beginning in late March 2020, state and local agencies began implementing stay-at-home orders to limit professional, social, and community gatherings outside of a list of “essential activities.” In order to maintain continuity of essential services and business functions while complying with the social distancing guidelines and a safe work environment for employees, CalOptima management initiated a phased-in deployment of temporary telework for CalOptima staff whose job duties could be performed remotely.

As the circumstances favor the continuation of temporary telework to minimize the number of employees present in CalOptima buildings and to slow the spread of COVID-19 in our community, management believes a delayed and gradual return of employees from temporary telework will be the best option for the safety of CalOptima employees. The temporary telework program has continued since March 2020, and temporary telework is in alignment with regulatory recommendations and guidance by the Centers for Disease Control. Based on the current circumstances and applicable guidelines, management considered CalOptima’s obligations under California Labor Code section

2802 to reimburse employees for reasonable expenses in direct consequence of the performance of their obligations for employees on temporary telework. At its June 4, 2020 meeting, the Board approved reimbursement at a flat rate of \$45 per month, commencing April 1, 2020 through June 30, 2020 for necessary business expenditures incurred by regular full-time and part-time employees on temporary telework in response to the public health emergency arising from the COVID-19 pandemic and authorized the CEO to extend the flat rate reimbursement on a month-to-month basis thereafter through December 31, 2020 for employees on temporary telework. At its February 4, 2021 meeting, the Board extended this authority through June 30, 2021. At its June 3, 2021 meeting, the Board extended this authority through December 31, 2021.

### **Discussion**

Temporary telework was not contemplated as part of CalOptima Policy GA. 8044: Telework Program, and approximately 39% of employees are currently on temporary telework, which is in addition to those employees who were already teleworking as part of CalOptima's Telework Program. As temporary telework has evolved from a voluntary program to one that is instrumental in CalOptima's efforts to mitigate the spread of the coronavirus, CalOptima, as an employer, has an obligation to pay for a "reasonable percentage" of necessary business expenses such as internet and cell phone service even if it does not require an employee to incur an extra cost.

While personal cell phone use is discouraged, management recognizes that during these unique circumstances, the use of a personal cell phone might be required on an occasional basis. Management also recognizes that internet costs are not generally covered as a business expense and most employees do not use the internet exclusively for CalOptima business. However, to ensure compliance with reimbursement requirements under the Labor Code during these unique circumstances, management is recommending that employees on temporary telework continue to be reimbursed for a reasonable percentage of these and other necessary business expenses.

Staff has determined that a flat reimbursement rate of \$45 per month is a reasonable estimate of the proportional cost of cell phone, internet and other necessary business expenses. Management is requesting Board approval of the extension of the flat rate reimbursement for employees on temporary telework for the months of January 2022 through June 2022, for each month an employee is on temporary telework. Employees who believe they are entitled to additional reimbursement must submit an expense reimbursement request with supporting documentation showing why they believe they should receive additional reimbursement, which will be reviewed on a case-by-case basis.

**Fiscal Impact**

The fiscal impact for the monthly reimbursement for necessary business expenses of employees on temporary telework for the period of January 1, 2022, through June 30, 2022, is \$162,000 and is an unbudgeted item. An appropriation and authorization of up to \$162,000 from existing reserves will fund the recommended action.

**Rationale for Recommendation**

Continuing the flat reimbursement rate will ensure compliance with Labor Code section 2802 to provide reimbursement for necessary business expenses as a result of temporary telework and also avoid the administrative burden of evaluating individual requests and potentially making disparate determinations on the appropriate reimbursement amount(s) based on a reasonable percentage(s) for each expense item.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

None

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken November 18, 2021** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

9. Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term, Supplemental Capitation Rate Increase for Contracted Medi-Cal Health Networks for COVID-Related Expenses for Services Provided to CalOptima Medi-Cal Members

#### **Contacts**

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

Recommend that the Board of Directors:

1. Authorize extending Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organization (HMO), except Kaiser Foundation Health Plan Inc. (Kaiser) on Child, Adult and Seniors and Persons with Disabilities (SPD) Categories of Aid (COA) by 7.5% from Fiscal Year (FY) 2021-22 original budgeted base rates for the period of January 1, 2022, through June 30, 2022;
2. Authorize unbudgeted expenditures in an aggregate amount for all health networks up to \$16.2 million from existing reserves to provide funding for Health Network capitation rate adjustments; and
3. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to implement the health network capitation rate adjustments

#### **Background**

On January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency (PHE) under Section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor of California and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is continuing efforts to support providers serving CalOptima members during the pandemic.

At its April 2, 2020, meeting, the Board authorized a temporary, short-term supplemental 5% health network Medi-Cal capitation rate increase from reserves for contracted PHCs, SRGs and HMOs for the period of April 1, 2020, through June 30, 2020, to support CalOptima's provider networks and ensure member access proactively at the beginning of the pandemic.

At its January 7, 2021, special meeting, the Board authorized another 5% Health Network Medi-Cal capitation rate increase for contracted PHCs, SRGs and HMOs, except Kaiser, on Child, Adult and SPD COAs for the period of January 1, 2021, through June 30, 2021.

At its September 2, 2021, meeting, the Board authorized a Health Network Medi-Cal capitation rate increase of 7.5% from current levels, (i.e., FY 2021-22 original budgeted base rates) for the period of September 1, 2021, through December 31, 2021.

### **Discussion**

Management recognizes that continued support is necessary to help providers promote and improve vaccination rates, address additional variants of the COVID-19 virus, cover increased expenses for testing and treatment, and ensure uninterrupted, medically necessary Medi-Cal covered services for CalOptima members. Aligned with increased funding from the Department of Health Care Services (DHCS) for such expenses, staff recommends continuing enhanced funding to CalOptima providers. This action will help preserve the viability of CalOptima's Medi-Cal provider network and strengthen members' access to care in anticipation of higher expense levels post-pandemic.

To support our contracted health networks, Staff requests authority to:

1. Extend a 7.5% increase from FY 2021-22 original budgeted base rates to contracted PHC, SRG and HMO Medi-Cal capitation rates, and shared risk pool funding on Child, Adult and SPD COAs, for the period of January 1, 2022, through June 30, 2022. The projected aggregate fiscal impact is approximately \$16.2 million for the six-month period and will be funded from existing reserves.
2. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to reflect this increase for the period stated above.

### **Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 7.5% of total medical capitation expenditures, on Child, Adult and SPD COAs for the period of January 1, 2022, through June 30, 2022, in the CalOptima FY 2021-22 Operating Budget. The projected aggregate fiscal impact for all health networks is approximately \$16.2 million for the six-month period and will be funded from existing reserves.

### **Rationale for Recommendation**

Authorizing the Health Network Medi-Cal capitation rate increases for PHC, SRG, and HMO Medi-Cal health networks will ensure the viability of CalOptima's provider network, strengthen access to member care and support Orange County's safety net system serving CalOptima members.

### **Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Entities Covered by this Recommended Action
2. Board Action Dated September 2, 2021: Authorize Medi-Cal Health Network Capitation Rate Increases for the Period of September 1, 2021, through December 31, 2021, due to COVID-Related Expenses
3. Board Action Dated January 7, 2021: Authorize Health Network Medi-Cal Capitation Rate Increases for the Period of January 1, 2021, through June 30, 2021, due to COVID-Related Expenses
4. Board Action Dated April 2, 2020: Consider Actions Related to Coronavirus (COVID-19) Pandemic
5. Proposed Medi-Cal Health Network Amendment

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**

## ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

CalOptima Medi-Cal Health Networks				
Name	Address	City	State	Zip Code
AltaMed Health Services Corporation	2040 Camfield Ave.	Los Angeles	CA	90040
AMVI Care Health Network	600 City Parkway West Ste. 800	Orange	CA	92868
ARTA Western California, Inc.	2175 Park Place	El Segundo	CA	90245
CHOC Physicians Network and Children's Hospital of Orange County	1120 West La Veta Avenue Ste. 450	Orange	CA	92868
Family Choice Medical Group, Inc.	7631 Wyoming St. Ste. 202	Westminster	CA	92683
Fountain Valley Regional Hospital and Medical Center	17100 Euclid St.	Fountain Valley	CA	92708
Heritage Provider Network, Inc.	8510 Balboa Blvd. Ste. 285	Northridge	CA	91325
Monarch Health Plan, Inc.	11 Technology Dr.	Irvine	CA	92618
Orange County Physicians IPA Medical Group, Inc dba Noble Community Medical Associates, Inc.	5785 Corporate Ave.	Cypress	CA	90630
Prospect Health Plan, Inc.	600 City Parkway West Ste. 800	Orange	CA	92868
Talbert Medical Group, P.C.	2175 Park Place	El Segundo	CA	90245
United Care Medical Group, Inc.	600 City Parkway West	Orange	CA	92868



## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken September 2, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

13. Authorize Medi-Cal Health Network Capitation Rate Increases for the Period of September 1, 2021, through December 31, 2021, due to COVID-Related Expenses

#### **Contacts**

Nancy Huang, Chief Financial Officer, (657) 235-6935

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize resuming Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organizations (HMO), except Kaiser Foundation Health Plan, Inc. (Kaiser), on Child, Adult and Seniors and Persons with Disabilities (SPD) Categories of Aid (COA), by 7.5% from current levels for the period from September 1, 2021, through December 31, 2021;
2. Authorize unbudgeted expenditures up to \$10.4 million from existing reserves to provide funding for Health Network capitation rate adjustments; and
3. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to implement the Health Network capitation rate adjustments.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency (PHE) under section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

At its April 2, 2020, meeting, the Board authorized a 5% health network Medi-Cal capitation rate increase from reserves for contracted PHCs, SRGs and HMOs for the period from April 1, 2020, through June 30, 2020, to support CalOptima's provider networks and ensure member access proactively at the beginning of the pandemic.

At its January 7, 2021, special meeting, the Board authorized another 5% Health Network Medi-Cal capitation rate increase for contracted PHCs, SRGs and HMOs, except Kaiser, on Child, Adult and SPD COAs for the period from January 1, 2021, through June 30, 2021.

#### **Discussion**

Management recognizes that the coronavirus pandemic continues to place significant stress on the healthcare providers and delivery system serving CalOptima members. In late June, the Centers for Disease Control and Prevention (CDC) issued new guidance and data related to the more contagious Delta variant. Orange County has experienced a surge of Delta variant cases leading to increased hospitalizations and strain on health care resources. In addition, the demand for coronavirus testing is

expected to increase as children return to school in the fall. This will be especially true for certain age groups who are not currently eligible to receive the vaccine.

In mid-July, the California Department of Health Care Services (DHCS) released its Medi-Cal COVID-19 Vaccine Incentive Program. This program will use \$350 million dollars statewide to improve the vaccination rates among Medi-Cal beneficiaries. The focus populations include members who:

1. Are homebound and unable to travel to vaccination sites;
2. Are 50-64 years of age with multiple chronic diseases;
3. Self-identify as persons of color; and
4. With the return to school, are youth 12-25 years old.

The rate increase recommendation is intended to utilize and support health networks to improve vaccination rates for CalOptima's delegated members and create a vaccine strategy consistent with DHCS's COVID-19 Vaccine Incentive Program and CalOptima's Vaccine Response Plan. The health network's vaccine strategy will include working with primary care providers (PCPs) to conduct direct outreach to unvaccinated members assigned to the PCP offices and may include member outreach, implementation of best practices, health education strategies for members who are hesitant, development of partnerships with community organizations, and increased accessibility of vaccinations for hard-to-reach members (e.g., pop-up clinics, mobile units, vaccinations for homebound members). A health network will be responsible for meeting pre-identified outcome measures to demonstrate improvements in vaccination rates among DHCS-identified populations of focus. Each health network will collaborate with CalOptima's Quality Improvement Department to ensure a streamlined approach for CalOptima members.

In recognition of the demands the pandemic has placed on health networks, providing the supplemental payment increase for the referenced period for medically necessary Medi-Cal services is recommended. The increase will help preserve the viability of CalOptima's health networks and strengthen access to care considering the higher utilization levels including COVID-19-related testing and treatment.

In order to support our contracted health networks, Staff requests authority to:

1. Provide a 7.5% increase from current levels to contracted PHC, SRG and HMO Medi-Cal capitation rates (except for Kaiser), and shared risk pool funding for Child, Adult and SPD COAs, for the period from September 1, 2021, through December 31, 2021. The projected aggregate fiscal impact is approximately \$10.4 million for the four-month period and will be funded from existing reserves.
2. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to reflect this increase for the period stated above.

This additional funding will assist Health Networks to address the latest surge in Delta variant cases and projected increase in demand for coronavirus testing, and to promote an increase in vaccinations within the Medi-Cal focus populations identified by DHCS.

### **Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 7.5% of total medical capitation expenditures, on Child, Adult and SPD COAs for the period of September 1, 2021, through December 31, 2021, in the CalOptima Fiscal Year (FY) 2021-22 Operating Budget. The projected aggregate fiscal impact is approximately \$10.4 million for the four-month period and will be funded from existing reserves.

As of this writing, DHCS has not released detailed guidance on their Medi-Cal COVID-19 Vaccine Incentive Program. Management anticipates that the use of reserves may be reduced depending on actual funding provided by DHCS for this purpose.

### **Rationale for Recommendation**

Resuming the supplemental capitation rate increase for Medi-Cal PHC, SRG, and HMO Health Networks, except Kaiser, during the coronavirus pandemic will ensure providers remain viable and accessible to our members, as well as providing increased financial security for the Orange County safety net system.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. [Entities Covered by this Recommended Action](#)
2. [Board Action Dated January 7, 2021: Authorize Health Network Medi-Cal Capitation Rate Increases for the Period of January 1, 2021, through June 30, 2021, due to COVID-Related Expenses](#)
3. [Board Action Dated April 2, 2020: Consider Actions Related to Coronavirus \(COVID-19\) Pandemic](#)
4. [Proposed Contract Amendment with Health Networks](#)

/s/ Richard Sanchez  
**Authorized Signature**

08/26/2021  
**Date**

**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

CalOptima Medi-Cal Health Networks				
Name	Address	City	State	Zip Code
AltaMed Health Services Corporation	2040 Camfield Ave.	Los Angeles	CA	90040
AMVI Care Health Network	600 City Parkway West Ste. 800	Orange	CA	92868
ARTA Western California, Inc.	2175 Park Place	El Segundo	CA	90245
CHOC Physicians Network and Children's Hospital of Orange County	1120 West La Veta Avenue Ste. 450	Orange	CA	92868
Family Choice Medical Group, Inc.	7631 Wyoming St. Ste. 202	Westminster	CA	92683
Fountain Valley Regional Hospital and Medical Center	17100 Euclid St.	Fountain Valley	CA	92708
Heritage Provider Network, Inc.	8510 Balboa Blvd. Ste. 285	Northridge	CA	91325
Monarch Health Plan, Inc.	11 Technology Dr.	Irvine	CA	92618
Orange County Physicians IPA Medical Group, Inc dba Noble Community Medical Associates, Inc.	5785 Corporate Ave.	Cypress	CA	90630
Prospect Health Plan, Inc.	600 City Parkway West Ste. 800	Orange	CA	92868
Talbert Medical Group, P.C.	2175 Park Place	El Segundo	CA	90245
United Care Medical Group, Inc.	600 City Parkway West	Orange	CA	92868

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken January 7, 2021** **Special Meeting of the CalOptima Board of Directors**

#### **Report Item**

7. Authorize Health Network Medi-Cal Capitation Rate Increases for the Period of January 1, 2021, through June 30, 2021, due to COVID-Related Expenses

#### **Contacts**

Richard Sanchez, Chief Executive Officer, (657) 900-1481

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

1. Authorize Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organizations (HMO), except Kaiser Foundation Health Plan, Inc.(Kaiser), on Child, Adult and Seniors and Persons with Disabilities (SPD) Categories of Aid (COA), by 5.0% from current levels for the period of January 1, 2021 through June 30, 2021;
2. Authorize unbudgeted expenditures up to \$9 million to provide funding for Health Network capitation rate adjustments; and
3. Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to implement the Health Network capitation rate adjustments.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

At its April 2, 2020, meeting, the Board authorized a 5% health network Medi-Cal capitation rate increase from reserve for contracted PHCs, SRGs and HMOs for the period of April 1, 2020, through June 30, 2020 to support CalOptima's provider networks and ensure member access proactively in the beginning of pandemic.

On December 23, 2020, CalOptima received final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS). The final rates included an update rate component for COVID-related adjustments.

#### **Discussion**

Management recognizes that the coronavirus pandemic has placed significant stress on healthcare providers and on the delivery system serving CalOptima members. Consistent with DHCS's rate adjustment methodology, staff has included COVID-related testing and treatment costs, as well as potential changes in utilization in the evaluation. As such, in order to support the viability of our contracted health networks, Management requests authority to:

1. Provide a 5.0% increase from current levels to contracted PHC, SRG and HMO Medi-Cal capitation rates, and shared risk pool funding on Child, Adult and SPD COAs, for the period of January 1, 2021, through June 30, 2021, except Kaiser. The estimated aggregate monthly fiscal impact is approximately \$1.5 million.
2. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to reflect this increase for the period stated above.

### **Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 5.0% of total medical capitation expenditures, on Child, Adult and SPD COAs, in the CalOptima Fiscal Year (FY) 2020-21 Operating Budget. The projected aggregate monthly fiscal impact is approximately \$1.5 million or up to \$9 million for the period of January 1, 2021, through June 30, 2021. It will be net budget neutral since additional funding from DHCS is anticipated to be sufficient to cover the unbudgeted Medi-Cal capitation rate increase.

### **Rationale for Recommendation**

Providing additional provider payments during the coronavirus pandemic will ensure providers remain viable and accessible to our members, as well as increased financial security for the Orange County safety net system.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. [Entities Covered by this Recommended Action](#)
2. [Board Action Dated April 2, 2020: Consider Actions Related to Coronavirus \(COVID-19\) Pandemic](#)

/s/ Richard Sanchez  
**Authorized Signature**

12/31/2020  
**Date**

## ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION

Name	Address	City	State	Zip Code
Heritage Provider Network, Inc.	8510 Balboa Blvd., Ste. 285	Northridge	CA	91325
Monarch Health Plan, Inc.	11 Technology Dr.	Irvine	CA	92618
Prospect Health Plan, Inc.	600 City Parkway West, Ste. 800	Orange	CA	92868
CHOC Physicians Network and Children's Hospital of Orange County	1120 West La Veta Ave., Ste. 450	Orange	CA	92868
Family Choice Medical Group, Inc.	7631 Wyoming St., Ste. 202	Westminster	CA	92683
Fountain Valley Regional Hospital and Medical Center	17100 Euclid St.	Fountain Valley	CA	92708
AMVI Care Health Network	600 City Parkway West, Ste. 800	Orange	CA	92868
Orange County Physicians IPA Medical Group, Inc dba Noble Community Medical Associates, Inc.	10855 Business Center Dr., Ste. C	Cypress	CA	90630
Talbert Medical Group, P.C.	2175 Park Place	El Segundo	CA	90245
ARTA Western California, Inc.	2175 Park Place	El Segundo	CA	90245
United Care Medical Group, Inc.	600 City Parkway West	Orange	CA	92868
AltaMed Health Services Corporation	2040 Camfield Ave.	Los Angeles	CA	90040

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

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

#### Report Item

4. Consider Actions Related to Coronavirus (COVID-19) Pandemic

#### Contact

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

Michelle Laughlin, Executive Director Network Operations (714) 246-8400

#### Recommended Actions

1. Authorize Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organizations (HMO) by 5% from current levels for the period of April 1, 2020, through June 30, 2020;
2. Authorize waiver of the minimum stay requirement and expand types of services eligible for per diem payments for contracted Community-Based Adult Services (CBAS) providers for Medi-Cal and OneCare Connect;
3. Authorize unbudgeted expenditures from existing reserves of up to \$14 million to provide funding for rates adjustments for Health Network capitation rates;
4. ~~Authorize interim Medi-Cal rate for coronavirus testing for dates of service on or after February 4, 2020;~~ Amended  
4/2/20
5. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to:
  - a. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts to implement the 5% capitation rate increase; and
  - b. Amend Medi-Cal and OneCare Connect contracts with CBAS providers effective March 13, 2020 to provide flexibility for services, in accordance with the Department of Health Care Services' (DHCS) section 1135 Waiver application.

#### Background

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

As an unprecedented safety measure, the state has issued self-quarantine and social distancing requirements for an unknown period of time. These requirements have and continue to affect CalOptima's provider networks as the coronavirus pandemic develops. One immediate downstream effect of these measures has been CBAS closures as a result of a reduction of in-person utilization. Left



unaddressed, this can rapidly jeopardize the viability of CalOptima's CBAS provider network. Moreover, it underscores the need for CalOptima to take necessary measures to ensure there is limited disruption of care and access to services for our members, which includes vulnerable individuals.

### **Discussion**

CalOptima management recognizes that healthcare service delivery to our members has undergone significant changes during the coronavirus pandemic. Management recommends the following actions in order to provide immediate aid and service authorization flexibilities to CalOptima's provider network in order to ensure that members received access to covered, medically necessary health care services:

### **Medi-Cal Rate Enhancement for Health Networks**

To provide immediate aid and support and maintain the viability of the health networks, Management proposes to:

1. Provide a 5% increase from current levels to contracted PHC, SRG and HMO Medi-Cal capitation rates for the period of April 1, 2020, through June 30, 2020. The estimated aggregate monthly fiscal impact is approximately \$4.4 million.
2. Amend the Medi-Cal Health Network contracts to reflect this increase for the period stated above.

### **Special Reimbursement to CBAS providers**

Staff anticipates face-to-face visits at CBAS centers to continue decreasing due to the Governor's stay at home executive order issued on March 19, 2020, and the County of Orange's social distancing requirements. CalOptima currently holds contracts with 31 CBAS centers, serving approximately 2,580 members. Preventing this is critical at this time, as CBAS centers serve CalOptima's most vulnerable senior members. On March 19, 2020, the California Department of Health Care Services (DHCS) submitted a request for additional Section 1135 Waiver flexibilities related to coronavirus. This request included additional flexibilities related to the CBAS benefit and individual plan of care. In order to continue uninterrupted access to CBAS services, effective March 13, 2020, Management proposes to:

1. Waive the 1115 waiver requirement of a minimum of a four-hour stay at the center. This change will enable CalOptima members to receive appropriate services at home and remove barriers to access.
2. Expand the types of services eligible for per diem payments. Pursuant to DHCS' 1135 Waiver request, CalOptima will provide per diem payments to CBAS providers who provide:
  - Telephonic or live video interactions in lieu of face-to-face social/therapeutic visits and/or assessments;
  - Arrange for home delivered meals in absence of meals provided at the CBAS center; and/or
  - Provide physical therapy or occupational therapy in the home
3. Amend CBAS contracts to reflect the waiver of the minimum four-hour stay requirement and expansion of services pursuant to DHCS 1135 Waiver request.

**Interim Medi-Cal Rate for Coronavirus Testing**

~~The Centers for Medicare & Medicaid Services (CMS) established, for the Medicare program, procedure codes and provider reimbursement rates for coronavirus testing conducted on or after February 4, 2020. DHCS adopted these same procedure codes for the Medi-Cal program effective February 4, 2020. As of this writing, DHCS has not established Medi-Cal reimbursement rates for coronavirus testing.~~

Amended  
4/2/20

~~Management proposes to adopt the Medicare provider reimbursement rates on an interim basis for CalOptima's Medi-Cal program for dates of service on or after February 4, 2020. Once DHCS establishes Medi-Cal reimbursement rates for coronavirus testing, CalOptima will make retroactive adjustments to Medi-Cal claims, as appropriate.~~

Amended  
4/2/20

**Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 5% of total medical capitation expenditures, in aggregate, in the CalOptima Fiscal Year (FY) 2019-20 Operating Budget. Staff projects the monthly incremental funding at approximately \$4.4 million. An allocation of up to \$14 million from existing reserves will fund this action.

The CalOptima FY 2019-20 Operating Budget includes funding for Professional medical expenditures for contracted CBAS providers. Currently, the net fiscal impact for the recommended action is unknown. However, assuming current utilization levels will continue, Staff anticipates the recommended action will not have an additional fiscal impact to the operating budget.

~~The fiscal impact for the recommended action to authorize an interim Medi-Cal rate for coronavirus testing is unknown at this time, since both utilization and costs estimates are difficult to quantify. However, Staff anticipates future funding received from DHCS for this purpose will fully offset expenses incurred by CalOptima.~~

Amended  
4/2/20

**Rationale for Recommendation**

Providing additional provider payments during the coronavirus pandemic will ensure providers remain viable and accessible to our members, as well as increased financial security for the Orange County safety net system.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. DHCS Request for Additional Section 1135 Waiver Flexibilities Related to Novel Coronavirus Disease (COVID-19) National Emergency/Public Health Emergency dated March 19, 2020

/s/ Michael Schrader  
**Authorized Signature**

03/26/2020  
**Date**



BRADLEY P. GILBERT, MD, MPP  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

March 19, 2020

Jackie Glaze  
CMS Acting Director  
Medicaid & CHIP Operations Group Center for Medicaid & CHIP  
Services 7500 Security Boulevard  
Baltimore, MD 21244  
Jackie.Glaze@cms.hhs.gov

**REQUEST FOR ADDITIONAL SECTION 1135 WAIVER FLEXIBILITIES  
RELATED TO NOVEL CORONAVIRUS DISEASE (COVID-19) NATIONAL  
EMERGENCY/PUBLIC HEALTH EMERGENCY**

Dear Ms. Glaze:

The Department of Health Care Services (DHCS) writes to request approval for the below-detailed additional flexibilities under Section 1135 of the Social Security Act (42 U.S.C. § 1320b-5) as related to the Novel Coronavirus Disease (COVID-19). These flexibilities are in addition to the request submitted from DHCS on March 16, 2020. As you know, the COVID-19 outbreak was declared a national emergency on March 13, 2020, and was previously declared a nationwide public health emergency on January 31, 2020 (retroactive to January 27, 2020).

The below list represents California's additional requested flexibilities under the Section 1135 authority in connection with the COVID-19 outbreak and emergency based on further exploration of need. Because circumstances surrounding the COVID-19 emergency remain quite fluid, DHCS may subsequently request approval for additional flexibilities, which we can commit to doing promptly as soon as the need is discovered. Consistent with Section 1 of the President's March 13, 2020, national emergency declaration, DHCS requests a retroactive effective date of January 27, 2020, for the requested Section 1135 flexibilities to coincide with the effective start date of the Public Health Emergency, unless otherwise specified. In the event a requested flexibility below is not approvable under the Section 1135 authority, DHCS requests CMS technical assistance to identify any other authority (e.g. under the State Plan or Section 1115) for which approval may be available. Per our discussion with CMS on March 19, 2020, DHCS will request the flexibilities associated with Inmate and Institutions for Mental Disease (IMD) funding exclusions in the Section 1115 context (according to the forthcoming CMS instructions/Section 1115 template).

In addition, DHCS requests confirmation that any approved flexibility granted with respect to fee-for-service Medi-Cal benefits and providers would apply equally, to the extent applicable, to our various federally approved delivery systems, such as Medi-Cal managed care plans (MCPs), county organized health systems, county mental health plans, and Drug Medi-Cal organized delivery systems (DMC-ODS) and to the State's standalone Children's Health Insurance Program.

**1. Service authorization and utilization controls**, including but not necessarily limited to:

- Waiver of Attachment 3.1 – A.1, page 2 of the State Plan, exclusion of adult receipt of acetaminophen-containing and cough/cold products.
- For individuals with developmental disabilities receiving services under the State Plan 1915(i) authority, the state requests retainer payments. Retainer payments are available only for absences (maximum 30 consecutive days) in excess of the average number of absences experienced by the provider during the 12 month period prior to 2020.
- For Community-Based Adult Services (CBAS) – CBAS Benefit and Individual Plan of Care (IPC), the state requests:
  - Flexibility to reduce day center activities/gatherings and limit exposure to vulnerable populations.
  - Flexibility to utilize telephonic or live video interactions in lieu of face-to-face social/therapeutic visits.
  - Flexibility to utilize telephonic or live video interactions in lieu of face-to-face assessments.
  - Flexibility to allow following services to be provided at a beneficiary's home:
    - Physical Therapy
    - Occupational Therapy
  - Flexibility to provide or arrange for home delivered meals in absence of meals provided at the CBAS Center.
  - Flexibility for DHCS and MCPs to provide per diem payments to CBAS providers who provide telephonic or live video interactions in lieu of face-to-face social/therapeutic visits and/or assessments, arrange for home delivered meals in absence of meals provided at the CBAS Center, and/or provide physical therapy or occupational therapy in the home.

**2. Eligibility Flexibilities**, including but not necessarily limited to:

- Flexibility in the hospital presumptive eligibility (HPE) program to cover more than one HPE period in a given 12-month timeframe. To the extent a beneficiary seeks care for coronavirus but has already used an HPE period in the last 12 months, or tests negative and then seeks care for a suspected episode later in the same 12-month period, HPE can provide a fast, low-barrier way to provide immediate, temporary coverage during the emergency period.

**3. Telehealth/Telephonic/Virtual Visits**, including but not necessarily limited to:

- Waiver of 42 C.F.R. §438.6(c)(1), as necessary, to permit the State to direct MCO and PIHP payments to network providers, where telehealth/telephonic service is medically appropriate and feasible, at the same rate the MCO or PIHP would pay if the service was provided in person, unless the MCO/PIHP and the provider otherwise agree to a different rate for the telehealth modality.
- Similar to flexibility granted at the federal level, DHCS requests authority for the State not to impose penalties for noncompliance with the regulatory requirements under the Health Insurance Portability and Accountability Act (HIPAA) against covered health care providers in connection with the good faith provision of telehealth during the COVID-19 emergency.

**4. Administrative Activities**, regarding deadlines and timetables for performance of required activities, DHCS requests extension of time for activities conducted by the state, MCPs, and/or county mental health and substance use disorder prepaid inpatient health plans (PIHPs), as applicable, due to social distancing to reduce the spread of COVID-19 and to allow the state, MCP, and/or PIHP resources to prioritize COVID-19 response efforts including:

- Waiver of the two-year claiming submission limit (42 USC §1320b-2; 45 CFR §95.1, et seq.) for federal financial participation or claiming adjustments with respect to medical assistance and administrative expenditures.
- Waiver of the requirement in 42 CFR §447.45(d)(1), that DHCS require providers to submit all claims no later than 12 months from the date of service. DHCS is requesting authority to extend the 12-month timeframe for services provided with dates of service during this emergency.
- Modification of the federal deadlines for submission of cost reports for Medicare and Medicaid (currently due Nov. 2020) by at least 6 months, with no late penalties, so that providers have time to file the appropriate documents. Many provider and hospital staff have been told to work remotely or have been reassigned to

emergency response activities, which will cause delays in meeting reporting timelines.

- Waiver of the timeframe required for financial oversight and medical compliance audits for PIHPs and State Plan Drug Medi-Cal counties. DHCS requests this waiver to allow flexibility regarding deploying staff resources to manage the emergency.

**5. Payment Rates**, including but not necessarily limited to:

- Waiver of the county interim rate setting methodology described beginning on page 10 of the [Certified Public Expenditure \(CPE\) protocol](#) approved through the 1915(b) waiver. The CPE protocol requires DHCS to calculate county interim rates using prior year cost reports trended forward using the Home Health Agency Market Basket Index or a CMS approved cost of living index. As utilization drops and costs increase during this emergency, DHCS is requesting authority to use alternative methodologies, at DHCS's discretion, to temporarily increase county interim rates.
- Waiver of the interim rate setting methodology described on page 5 and 6 of the [Drug Medi-Cal Organized Delivery System \(DMC ODS\) Certified Public Expenditure protocol](#) approved through the 1115 demonstration. The CPE protocol requires DHCS to reimburse DMC ODS counties on an interim basis pursuant to county developed and DHCS approved interim rates for each service, which are expected to be based upon the most recently calculated or estimated county costs for the specific service. DHCS is requesting authority, if counties reimburse DMC providers up to actual cost, to reimburse counties the federal and state share of their certified public expenditures for services rendered during this emergency.
- Waiver of the Statewide Maximum Allowance (SMA) rate limitation on interim reimbursement and final settlement for Drug Medi-Cal (DMC) services provided in state plan counties. California's State Plan describes the reimbursement methodology for DMC services in Attachment 4.19-B, pages 38-41b (SPA 09-022 and SPA 15-013), which limits interim payments to DMC providers to the lower of the SMA or the USDR (Section E.1, page 41). Furthermore, the Medicaid State Plan also limits final reimbursement to lower of actual cost, usual and customary charges, or the SMA for DMC providers. DHCS is requesting authority to waive the SMA and usual and customary charge limitations on interim and final reimbursement for DMC state plan services.

**6. Clarification of Previous Requests:**

- Item 2 in the March 16, 2020 1135 Waiver requested to waive various federal and State Plan requirements pertaining to service authorization and utilization controls



imposed on covered benefits. DHCS seeks to clarify that the requested waivers would extend to any limitations for elective procedures and informed consent (including, but not necessarily limited, to 42 C.F.R. § 441.253) to enable provider to postpone elective procedures to prioritize COVID-19 response activities. DHCS suggests extending the current 180-day limit for beneficiary informed consent to 360 days.

- Item 5 in the March 16, 2020 1135 Waiver requested to waive restrictions existing restrictions on individual counseling sessions under the Drug Medi-Cal state plan. DHCS wants to clarify that we are requesting to waive Supplement 3 to Attachment 3.1-B, to allow individual visits in lieu of group visits, and that these visits may be conducted by telephone, telehealth, and/or in-person. Waive the current restriction on individual visits (only allowed for intake, crisis intervention, collateral services, and treatment and discharge planning). Allow individual visits to be used for counseling focused on short-term personal, family, job/school and other problems and their relationship to substance use. This waiver is needed so the services previously provided in groups can be done in individual sessions during the emergency, to prevent COVID-19 exposure.
- Item 6 in the March 16, 2020 1135 Waiver requested to waive State Plan Attachment 4.19-D, including any applicable Supplements, which establishes the payment methodology for Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) and skilled nursing facilities (SNFs). The state wanted to clarify that the waiver being requested would apply to all SNF and ICF-DD facility types and the reimbursement flexibilities would not be limited solely to the costs associated with suspension of Day Programs. SNFs and ICF-DDs are experiencing increased cost pressures in a variety of areas as a result of the COVID-19 response and the state is seeking flexibility to allow consideration of all costs being incurred by facilities to ensure the health and safety of residents.

## **7. Flexibilities to be Requested under Section 1115 Authority (according to forthcoming CMS guidance):**


- Waiver of the inmate exclusion (42 U.S.C. §1396d(a)(30)(A)) to allow for Medi-Cal claiming for services provided *in* jails and prisons for the testing, diagnosis and treatment of COVID-19 or services to ensure other care is provided in a safe way without transporting individuals to acute care facilities.
- Waiver of the 16-bed limitation/prohibition on receipt of federal financial participation for patients residing in Institutions for Mental Disease (IMD) pursuant to 42 U.S.C. §1396d(a)(30)(B). DHCS believes waiver of the IMD exclusion is necessary to temporarily increase bed capacity for affected beneficiaries and to allow facilities to claim for services provided for these

Jackie Glaze  
Page 6  
March 19, 2020

additional beds. Evaluation of less restrictive settings would be completed prior to placement.

During such difficult times for California and the nation, DHCS greatly appreciates the prompt attention exhibited by CMS to these matters and we look forward to the continued partnership.

Sincerely,  
Original Signed By: 

  
Jacey Cooper  
Chief Deputy Director  
Health Care Programs  
State Medicaid Director

cc: Bradley P. Gilbert, MD, MPP  
Director  
Department of Health Care Services

Erika Sperbeck  
Chief Deputy Director  
Policy & Program Support  
Department of Health Care



## CALOPTIMA BOARD ACTION AGENDA REFERRAL

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

#### Report Item

4. Consider Actions Related to Coronavirus (COVID-19) Pandemic

#### Contact

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

Michelle Laughlin, Executive Director Network Operations (714) 246-8400

#### Recommended Actions

1. Authorize Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organizations (HMO) by 5% from current levels for the period of April 1, 2020, through June 30, 2020;
2. Authorize waiver of the minimum stay requirement and expand types of services eligible for per diem payments for contracted Community-Based Adult Services (CBAS) providers for Medi-Cal and OneCare Connect;
3. Authorize unbudgeted expenditures from existing reserves of up to \$14 million to provide funding for rates adjustments for Health Network capitation rates;
4. ~~Authorize interim Medi-Cal rate for coronavirus testing for dates of service on or after February 4, 2020;~~ Amended  
4/2/20
5. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to:
  - a. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts to implement the 5% capitation rate increase; and
  - b. Amend Medi-Cal and OneCare Connect contracts with CBAS providers effective March 13, 2020 to provide flexibility for services, in accordance with the Department of Health Care Services' (DHCS) section 1135 Waiver application.

#### Background

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

As an unprecedented safety measure, the state has issued self-quarantine and social distancing requirements for an unknown period of time. These requirements have and continue to affect CalOptima's provider networks as the coronavirus pandemic develops. One immediate downstream effect of these measures has been CBAS closures as a result of a reduction of in-person utilization. Left

unaddressed, this can rapidly jeopardize the viability of CalOptima's CBAS provider network. Moreover, it underscores the need for CalOptima to take necessary measures to ensure there is limited disruption of care and access to services for our members, which includes vulnerable individuals.

### **Discussion**

CalOptima management recognizes that healthcare service delivery to our members has undergone significant changes during the coronavirus pandemic. Management recommends the following actions in order to provide immediate aid and service authorization flexibilities to CalOptima's provider network in order to ensure that members received access to covered, medically necessary health care services:

### **Medi-Cal Rate Enhancement for Health Networks**

To provide immediate aid and support and maintain the viability of the health networks, Management proposes to:

1. Provide a 5% increase from current levels to contracted PHC, SRG and HMO Medi-Cal capitation rates for the period of April 1, 2020, through June 30, 2020. The estimated aggregate monthly fiscal impact is approximately \$4.4 million.
2. Amend the Medi-Cal Health Network contracts to reflect this increase for the period stated above.

### **Special Reimbursement to CBAS providers**

Staff anticipates face-to-face visits at CBAS centers to continue decreasing due to the Governor's stay at home executive order issued on March 19, 2020, and the County of Orange's social distancing requirements. CalOptima currently holds contracts with 31 CBAS centers, serving approximately 2,580 members. Preventing this is critical at this time, as CBAS centers serve CalOptima's most vulnerable senior members. On March 19, 2020, the California Department of Health Care Services (DHCS) submitted a request for additional Section 1135 Waiver flexibilities related to coronavirus. This request included additional flexibilities related to the CBAS benefit and individual plan of care. In order to continue uninterrupted access to CBAS services, effective March 13, 2020, Management proposes to:

1. Waive the 1115 waiver requirement of a minimum of a four-hour stay at the center. This change will enable CalOptima members to receive appropriate services at home and remove barriers to access.
2. Expand the types of services eligible for per diem payments. Pursuant to DHCS' 1135 Waiver request, CalOptima will provide per diem payments to CBAS providers who provide:
  - Telephonic or live video interactions in lieu of face-to-face social/therapeutic visits and/or assessments;
  - Arrange for home delivered meals in absence of meals provided at the CBAS center; and/or
  - Provide physical therapy or occupational therapy in the home
3. Amend CBAS contracts to reflect the waiver of the minimum four-hour stay requirement and expansion of services pursuant to DHCS 1135 Waiver request.

**Interim Medi-Cal Rate for Coronavirus Testing**

~~The Centers for Medicare & Medicaid Services (CMS) established, for the Medicare program, procedure codes and provider reimbursement rates for coronavirus testing conducted on or after February 4, 2020. DHCS adopted these same procedure codes for the Medi-Cal program effective February 4, 2020. As of this writing, DHCS has not established Medi-Cal reimbursement rates for coronavirus testing.~~

Amended  
4/2/20

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Amended  
4/2/20

**Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 5% of total medical capitation expenditures, in aggregate, in the CalOptima Fiscal Year (FY) 2019-20 Operating Budget. Staff projects the monthly incremental funding at approximately \$4.4 million. An allocation of up to \$14 million from existing reserves will fund this action.

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Amended  
4/2/20

**Rationale for Recommendation**

Providing additional provider payments during the coronavirus pandemic will ensure providers remain viable and accessible to our members, as well as increased financial security for the Orange County safety net system.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

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/s/ Michael Schrader  
**Authorized Signature**

03/26/2020  
**Date**



BRADLEY P. GILBERT, MD, MPP  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

March 19, 2020

Jackie Glaze  
CMS Acting Director  
Medicaid & CHIP Operations Group Center for Medicaid & CHIP  
Services 7500 Security Boulevard  
Baltimore, MD 21244  
Jackie.Glaze@cms.hhs.gov

## **REQUEST FOR ADDITIONAL SECTION 1135 WAIVER FLEXIBILITIES RELATED TO NOVEL CORONAVIRUS DISEASE (COVID-19) NATIONAL EMERGENCY/PUBLIC HEALTH EMERGENCY**

Dear Ms. Glaze:

The Department of Health Care Services (DHCS) writes to request approval for the below-detailed additional flexibilities under Section 1135 of the Social Security Act (42 U.S.C. § 1320b-5) as related to the Novel Coronavirus Disease (COVID-19). These flexibilities are in addition to the request submitted from DHCS on March 16, 2020. As you know, the COVID-19 outbreak was declared a national emergency on March 13, 2020, and was previously declared a nationwide public health emergency on January 31, 2020 (retroactive to January 27, 2020).

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Jackie Glaze  
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March 19, 2020

additional beds. Evaluation of less restrictive settings would be completed prior to placement.

During such difficult times for California and the nation, DHCS greatly appreciates the prompt attention exhibited by CMS to these matters and we look forward to the continued partnership.

Sincerely,  
Original Signed By: 

  
Jacey Cooper  
Chief Deputy Director  
Health Care Programs  
State Medicaid Director

cc: Bradley P. Gilbert, MD, MPP  
Director  
Department of Health Care Services

Erika Sperbeck  
Chief Deputy Director  
Policy & Program Support  
Department of Health Care

**AMENDMENT IX TO  
CONTRACT FOR HEALTH CARE SERVICES**

THIS AMENDMENT IX TO THE CONTRACT FOR HEALTH CARE SERVICES (“Amendment”) is effective as of \_\_\_\_\_ by and between Orange County Health Authority, a Public Agency, dba CalOptima (“CalOptima”), and, \_\_\_\_\_ (“HMO”), with respect to the following facts:

**RECITALS**

- A. CalOptima and HMO have entered into a Contract for Health Care Services (“Contract”), by which Physician has agreed to provide or arrange for the provision of Covered Services to Members.
- B. On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under section 319 of the Public Health Service ACT (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (COVID-19), the COVID-19 Public Health Emergency (“COVID-19 PHE”).
- C. CalOptima and HMO have entered into amendments for the periods of April 1, 2020, through June 30, 2020, and January 1, 2021, through June 30, 2021 that have included the Medi-Cal capitation base rate enhancement approved by the CalOptima Board of Directors for immediate aid due to the COVID-19 PHE.
- D. CalOptima and HMO desire to amend the Contract to include the Medi-Cal capitation base rate enhancement approved by the CalOptima Board of Directors for immediate aid due to the COVID-19 PHE.

NOW, THEREFORE, the parties agree as follows:

- 1. Attachment E-9, “MEDI-CAL RATE ENHANCEMENT” shall be added to the Contract and is attached hereto.
- 2. CONTRACT REMAINS IN FULL FORCE AND EFFECT – Except as specifically amended by this Amendment, all other conditions contained in the Contract shall continue in full force and effect. This Amendment is subject to approval by the Government Agencies and by the CalOptima Board of Directors.

IN WITNESS WHEREOF, CalOptima and \_\_\_\_\_ have executed this Amendment:

FOR HMO:

FOR CALOPTIMA:

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

Ladan Khamseh  
\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
TITLE

Chief Operating Officer  
\_\_\_\_\_  
TITLE

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DATE

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DATE

## **ATTACHMENT E-9**

### **MEDI-CAL RATE ENHANCEMENT**

For the period from September 1, 2021, through December 31, 2021, the base physician and base hospital capitation rates set forth in Attachment E-Amendment VI for the Child/Adult and SPD aid code categories shall be increased by \_%. This rate enhancement shall not apply to the capitation rates for ESRD and AIDS aid code categories, the Whole Child Model base capitation rates in Attachment E - Amendment VI, Adult Expansion Member capitation rates in Attachment E-1 Amendment V, or the Health Homes Program supplemental capitation payments in Attachment E-5 - Amendment VI.

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken January 7, 2021** **Special Meeting of the CalOptima Board of Directors**

#### **Report Item**

7. Authorize Health Network Medi-Cal Capitation Rate Increases for the Period of January 1, 2021, through June 30, 2021, due to COVID-Related Expenses

#### **Contacts**

Richard Sanchez, Chief Executive Officer, (657) 900-1481

Nancy Huang, Chief Financial Officer, (657) 235-6935

#### **Recommended Actions**

1. Authorize Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organizations (HMO), except Kaiser Foundation Health Plan, Inc.(Kaiser), on Child, Adult and Seniors and Persons with Disabilities (SPD) Categories of Aid (COA), by 5.0% from current levels for the period of January 1, 2021 through June 30, 2021;
2. Authorize unbudgeted expenditures up to \$9 million to provide funding for Health Network capitation rate adjustments; and
3. Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to implement the Health Network capitation rate adjustments.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

At its April 2, 2020, meeting, the Board authorized a 5% health network Medi-Cal capitation rate increase from reserve for contracted PHCs, SRGs and HMOs for the period of April 1, 2020, through June 30, 2020 to support CalOptima's provider networks and ensure member access proactively in the beginning of pandemic.

On December 23, 2020, CalOptima received final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS). The final rates included an update rate component for COVID-related adjustments.

#### **Discussion**

Management recognizes that the coronavirus pandemic has placed significant stress on healthcare providers and on the delivery system serving CalOptima members. Consistent with DHCS's rate adjustment methodology, staff has included COVID-related testing and treatment costs, as well as potential changes in utilization in the evaluation. As such, in order to support the viability of our contracted health networks, Management requests authority to:

1. Provide a 5.0% increase from current levels to contracted PHC, SRG and HMO Medi-Cal capitation rates, and shared risk pool funding on Child, Adult and SPD COAs, for the period of January 1, 2021, through June 30, 2021, except Kaiser. The estimated aggregate monthly fiscal impact is approximately \$1.5 million.
2. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts, except Kaiser, to reflect this increase for the period stated above.

### **Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 5.0% of total medical capitation expenditures, on Child, Adult and SPD COAs, in the CalOptima Fiscal Year (FY) 2020-21 Operating Budget. The projected aggregate monthly fiscal impact is approximately \$1.5 million or up to \$9 million for the period of January 1, 2021, through June 30, 2021. It will be net budget neutral since additional funding from DHCS is anticipated to be sufficient to cover the unbudgeted Medi-Cal capitation rate increase.

### **Rationale for Recommendation**

Providing additional provider payments during the coronavirus pandemic will ensure providers remain viable and accessible to our members, as well as increased financial security for the Orange County safety net system.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. [Entities Covered by this Recommended Action](#)
2. [Board Action Dated April 2, 2020: Consider Actions Related to Coronavirus \(COVID-19\) Pandemic](#)

/s/ Richard Sanchez  
**Authorized Signature**

12/31/2020  
**Date**

**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Heritage Provider Network, Inc.	8510 Balboa Blvd., Ste. 285	Northridge	CA	91325
Monarch Health Plan, Inc.	11 Technology Dr.	Irvine	CA	92618
Prospect Health Plan, Inc.	600 City Parkway West, Ste. 800	Orange	CA	92868
CHOC Physicians Network and Children's Hospital of Orange County	1120 West La Veta Ave., Ste. 450	Orange	CA	92868
Family Choice Medical Group, Inc.	7631 Wyoming St., Ste. 202	Westminster	CA	92683
Fountain Valley Regional Hospital and Medical Center	17100 Euclid St.	Fountain Valley	CA	92708
AMVI Care Health Network	600 City Parkway West, Ste. 800	Orange	CA	92868
Orange County Physicians IPA Medical Group, Inc dba Noble Community Medical Associates, Inc.	10855 Business Center Dr., Ste. C	Cypress	CA	90630
Talbert Medical Group, P.C.	2175 Park Place	El Segundo	CA	90245
ARTA Western California, Inc.	2175 Park Place	El Segundo	CA	90245
United Care Medical Group, Inc.	600 City Parkway West	Orange	CA	92868
AltaMed Health Services Corporation	2040 Camfield Ave.	Los Angeles	CA	90040

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

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

#### Report Item

4. Consider Actions Related to Coronavirus (COVID-19) Pandemic

#### Contact

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

Michelle Laughlin, Executive Director Network Operations (714) 246-8400

#### Recommended Actions

1. Authorize Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organizations (HMO) by 5% from current levels for the period of April 1, 2020, through June 30, 2020;
2. Authorize waiver of the minimum stay requirement and expand types of services eligible for per diem payments for contracted Community-Based Adult Services (CBAS) providers for Medi-Cal and OneCare Connect;
3. Authorize unbudgeted expenditures from existing reserves of up to \$14 million to provide funding for rates adjustments for Health Network capitation rates;
4. ~~Authorize interim Medi-Cal rate for coronavirus testing for dates of service on or after February 4, 2020;~~ Amended  
4/2/20
5. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to:
  - a. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts to implement the 5% capitation rate increase; and
  - b. Amend Medi-Cal and OneCare Connect contracts with CBAS providers effective March 13, 2020 to provide flexibility for services, in accordance with the Department of Health Care Services' (DHCS) section 1135 Waiver application.

#### Background

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

As an unprecedented safety measure, the state has issued self-quarantine and social distancing requirements for an unknown period of time. These requirements have and continue to affect CalOptima's provider networks as the coronavirus pandemic develops. One immediate downstream effect of these measures has been CBAS closures as a result of a reduction of in-person utilization. Left



unaddressed, this can rapidly jeopardize the viability of CalOptima's CBAS provider network. Moreover, it underscores the need for CalOptima to take necessary measures to ensure there is limited disruption of care and access to services for our members, which includes vulnerable individuals.

### **Discussion**

CalOptima management recognizes that healthcare service delivery to our members has undergone significant changes during the coronavirus pandemic. Management recommends the following actions in order to provide immediate aid and service authorization flexibilities to CalOptima's provider network in order to ensure that members received access to covered, medically necessary health care services:

### **Medi-Cal Rate Enhancement for Health Networks**

To provide immediate aid and support and maintain the viability of the health networks, Management proposes to:

1. Provide a 5% increase from current levels to contracted PHC, SRG and HMO Medi-Cal capitation rates for the period of April 1, 2020, through June 30, 2020. The estimated aggregate monthly fiscal impact is approximately \$4.4 million.
2. Amend the Medi-Cal Health Network contracts to reflect this increase for the period stated above.

### **Special Reimbursement to CBAS providers**

Staff anticipates face-to-face visits at CBAS centers to continue decreasing due to the Governor's stay at home executive order issued on March 19, 2020, and the County of Orange's social distancing requirements. CalOptima currently holds contracts with 31 CBAS centers, serving approximately 2,580 members. Preventing this is critical at this time, as CBAS centers serve CalOptima's most vulnerable senior members. On March 19, 2020, the California Department of Health Care Services (DHCS) submitted a request for additional Section 1135 Waiver flexibilities related to coronavirus. This request included additional flexibilities related to the CBAS benefit and individual plan of care. In order to continue uninterrupted access to CBAS services, effective March 13, 2020, Management proposes to:

1. Waive the 1115 waiver requirement of a minimum of a four-hour stay at the center. This change will enable CalOptima members to receive appropriate services at home and remove barriers to access.
2. Expand the types of services eligible for per diem payments. Pursuant to DHCS' 1135 Waiver request, CalOptima will provide per diem payments to CBAS providers who provide:
  - Telephonic or live video interactions in lieu of face-to-face social/therapeutic visits and/or assessments;
  - Arrange for home delivered meals in absence of meals provided at the CBAS center; and/or
  - Provide physical therapy or occupational therapy in the home
3. Amend CBAS contracts to reflect the waiver of the minimum four-hour stay requirement and expansion of services pursuant to DHCS 1135 Waiver request.

**Interim Medi-Cal Rate for Coronavirus Testing**

~~The Centers for Medicare & Medicaid Services (CMS) established, for the Medicare program, procedure codes and provider reimbursement rates for coronavirus testing conducted on or after February 4, 2020. DHCS adopted these same procedure codes for the Medi-Cal program effective February 4, 2020. As of this writing, DHCS has not established Medi-Cal reimbursement rates for coronavirus testing.~~

Amended  
4/2/20

~~Management proposes to adopt the Medicare provider reimbursement rates on an interim basis for CalOptima's Medi-Cal program for dates of service on or after February 4, 2020. Once DHCS establishes Medi-Cal reimbursement rates for coronavirus testing, CalOptima will make retroactive adjustments to Medi-Cal claims, as appropriate.~~

Amended  
4/2/20

**Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 5% of total medical capitation expenditures, in aggregate, in the CalOptima Fiscal Year (FY) 2019-20 Operating Budget. Staff projects the monthly incremental funding at approximately \$4.4 million. An allocation of up to \$14 million from existing reserves will fund this action.

The CalOptima FY 2019-20 Operating Budget includes funding for Professional medical expenditures for contracted CBAS providers. Currently, the net fiscal impact for the recommended action is unknown. However, assuming current utilization levels will continue, Staff anticipates the recommended action will not have an additional fiscal impact to the operating budget.

~~The fiscal impact for the recommended action to authorize an interim Medi-Cal rate for coronavirus testing is unknown at this time, since both utilization and costs estimates are difficult to quantify. However, Staff anticipates future funding received from DHCS for this purpose will fully offset expenses incurred by CalOptima.~~

Amended  
4/2/20

**Rationale for Recommendation**

Providing additional provider payments during the coronavirus pandemic will ensure providers remain viable and accessible to our members, as well as increased financial security for the Orange County safety net system.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. DHCS Request for Additional Section 1135 Waiver Flexibilities Related to Novel Coronavirus Disease (COVID-19) National Emergency/Public Health Emergency dated March 19, 2020

/s/ Michael Schrader  
**Authorized Signature**

03/26/2020  
**Date**



BRADLEY P. GILBERT, MD, MPP  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

March 19, 2020

Jackie Glaze  
CMS Acting Director  
Medicaid & CHIP Operations Group Center for Medicaid & CHIP  
Services 7500 Security Boulevard  
Baltimore, MD 21244  
Jackie.Glaze@cms.hhs.gov

**REQUEST FOR ADDITIONAL SECTION 1135 WAIVER FLEXIBILITIES  
RELATED TO NOVEL CORONAVIRUS DISEASE (COVID-19) NATIONAL  
EMERGENCY/PUBLIC HEALTH EMERGENCY**

Dear Ms. Glaze:

The Department of Health Care Services (DHCS) writes to request approval for the below-detailed additional flexibilities under Section 1135 of the Social Security Act (42 U.S.C. § 1320b-5) as related to the Novel Coronavirus Disease (COVID-19). These flexibilities are in addition to the request submitted from DHCS on March 16, 2020. As you know, the COVID-19 outbreak was declared a national emergency on March 13, 2020, and was previously declared a nationwide public health emergency on January 31, 2020 (retroactive to January 27, 2020).

The below list represents California's additional requested flexibilities under the Section 1135 authority in connection with the COVID-19 outbreak and emergency based on further exploration of need. Because circumstances surrounding the COVID-19 emergency remain quite fluid, DHCS may subsequently request approval for additional flexibilities, which we can commit to doing promptly as soon as the need is discovered. Consistent with Section 1 of the President's March 13, 2020, national emergency declaration, DHCS requests a retroactive effective date of January 27, 2020, for the requested Section 1135 flexibilities to coincide with the effective start date of the Public Health Emergency, unless otherwise specified. In the event a requested flexibility below is not approvable under the Section 1135 authority, DHCS requests CMS technical assistance to identify any other authority (e.g. under the State Plan or Section 1115) for which approval may be available. Per our discussion with CMS on March 19, 2020, DHCS will request the flexibilities associated with Inmate and Institutions for Mental Disease (IMD) funding exclusions in the Section 1115 context (according to the forthcoming CMS instructions/Section 1115 template).

In addition, DHCS requests confirmation that any approved flexibility granted with respect to fee-for-service Medi-Cal benefits and providers would apply equally, to the extent applicable, to our various federally approved delivery systems, such as Medi-Cal managed care plans (MCPs), county organized health systems, county mental health plans, and Drug Medi-Cal organized delivery systems (DMC-ODS) and to the State's standalone Children's Health Insurance Program.

**1. Service authorization and utilization controls**, including but not necessarily limited to:

- Waiver of Attachment 3.1 – A.1, page 2 of the State Plan, exclusion of adult receipt of acetaminophen-containing and cough/cold products.
- For individuals with developmental disabilities receiving services under the State Plan 1915(i) authority, the state requests retainer payments. Retainer payments are available only for absences (maximum 30 consecutive days) in excess of the average number of absences experienced by the provider during the 12 month period prior to 2020.
- For Community-Based Adult Services (CBAS) – CBAS Benefit and Individual Plan of Care (IPC), the state requests:
  - Flexibility to reduce day center activities/gatherings and limit exposure to vulnerable populations.
  - Flexibility to utilize telephonic or live video interactions in lieu of face-to-face social/therapeutic visits.
  - Flexibility to utilize telephonic or live video interactions in lieu of face-to-face assessments.
  - Flexibility to allow following services to be provided at a beneficiary's home:
    - Physical Therapy
    - Occupational Therapy
  - Flexibility to provide or arrange for home delivered meals in absence of meals provided at the CBAS Center.
  - Flexibility for DHCS and MCPs to provide per diem payments to CBAS providers who provide telephonic or live video interactions in lieu of face-to-face social/therapeutic visits and/or assessments, arrange for home delivered meals in absence of meals provided at the CBAS Center, and/or provide physical therapy or occupational therapy in the home.

**2. Eligibility Flexibilities**, including but not necessarily limited to:

- Flexibility in the hospital presumptive eligibility (HPE) program to cover more than one HPE period in a given 12-month timeframe. To the extent a beneficiary seeks care for coronavirus but has already used an HPE period in the last 12 months, or tests negative and then seeks care for a suspected episode later in the same 12-month period, HPE can provide a fast, low-barrier way to provide immediate, temporary coverage during the emergency period.

**3. Telehealth/Telephonic/Virtual Visits**, including but not necessarily limited to:

- Waiver of 42 C.F.R. §438.6(c)(1), as necessary, to permit the State to direct MCO and PIHP payments to network providers, where telehealth/telephonic service is medically appropriate and feasible, at the same rate the MCO or PIHP would pay if the service was provided in person, unless the MCO/PIHP and the provider otherwise agree to a different rate for the telehealth modality.
- Similar to flexibility granted at the federal level, DHCS requests authority for the State not to impose penalties for noncompliance with the regulatory requirements under the Health Insurance Portability and Accountability Act (HIPAA) against covered health care providers in connection with the good faith provision of telehealth during the COVID-19 emergency.

**4. Administrative Activities**, regarding deadlines and timetables for performance of required activities, DHCS requests extension of time for activities conducted by the state, MCPs, and/or county mental health and substance use disorder prepaid inpatient health plans (PIHPs), as applicable, due to social distancing to reduce the spread of COVID-19 and to allow the state, MCP, and/or PIHP resources to prioritize COVID-19 response efforts including:

- Waiver of the two-year claiming submission limit (42 USC §1320b-2; 45 CFR §95.1, et seq.) for federal financial participation or claiming adjustments with respect to medical assistance and administrative expenditures.
- Waiver of the requirement in 42 CFR §447.45(d)(1), that DHCS require providers to submit all claims no later than 12 months from the date of service. DHCS is requesting authority to extend the 12-month timeframe for services provided with dates of service during this emergency.
- Modification of the federal deadlines for submission of cost reports for Medicare and Medicaid (currently due Nov. 2020) by at least 6 months, with no late penalties, so that providers have time to file the appropriate documents. Many provider and hospital staff have been told to work remotely or have been reassigned to

emergency response activities, which will cause delays in meeting reporting timelines.

- Waiver of the timeframe required for financial oversight and medical compliance audits for PIHPs and State Plan Drug Medi-Cal counties. DHCS requests this waiver to allow flexibility regarding deploying staff resources to manage the emergency.

**5. Payment Rates**, including but not necessarily limited to:

- Waiver of the county interim rate setting methodology described beginning on page 10 of the [Certified Public Expenditure \(CPE\) protocol](#) approved through the 1915(b) waiver. The CPE protocol requires DHCS to calculate county interim rates using prior year cost reports trended forward using the Home Health Agency Market Basket Index or a CMS approved cost of living index. As utilization drops and costs increase during this emergency, DHCS is requesting authority to use alternative methodologies, at DHCS's discretion, to temporarily increase county interim rates.
- Waiver of the interim rate setting methodology described on page 5 and 6 of the [Drug Medi-Cal Organized Delivery System \(DMC ODS\) Certified Public Expenditure protocol](#) approved through the 1115 demonstration. The CPE protocol requires DHCS to reimburse DMC ODS counties on an interim basis pursuant to county developed and DHCS approved interim rates for each service, which are expected to be based upon the most recently calculated or estimated county costs for the specific service. DHCS is requesting authority, if counties reimburse DMC providers up to actual cost, to reimburse counties the federal and state share of their certified public expenditures for services rendered during this emergency.
- Waiver of the Statewide Maximum Allowance (SMA) rate limitation on interim reimbursement and final settlement for Drug Medi-Cal (DMC) services provided in state plan counties. California's State Plan describes the reimbursement methodology for DMC services in Attachment 4.19-B, pages 38-41b (SPA 09-022 and SPA 15-013), which limits interim payments to DMC providers to the lower of the SMA or the USDR (Section E.1, page 41). Furthermore, the Medicaid State Plan also limits final reimbursement to lower of actual cost, usual and customary charges, or the SMA for DMC providers. DHCS is requesting authority to waive the SMA and usual and customary charge limitations on interim and final reimbursement for DMC state plan services.

**6. Clarification of Previous Requests:**

- Item 2 in the March 16, 2020 1135 Waiver requested to waive various federal and State Plan requirements pertaining to service authorization and utilization controls



imposed on covered benefits. DHCS seeks to clarify that the requested waivers would extend to any limitations for elective procedures and informed consent (including, but not necessarily limited, to 42 C.F.R. § 441.253) to enable provider to postpone elective procedures to prioritize COVID-19 response activities. DHCS suggests extending the current 180-day limit for beneficiary informed consent to 360 days.

- Item 5 in the March 16, 2020 1135 Waiver requested to waive restrictions existing restrictions on individual counseling sessions under the Drug Medi-Cal state plan. DHCS wants to clarify that we are requesting to waive Supplement 3 to Attachment 3.1-B, to allow individual visits in lieu of group visits, and that these visits may be conducted by telephone, telehealth, and/or in-person. Waive the current restriction on individual visits (only allowed for intake, crisis intervention, collateral services, and treatment and discharge planning). Allow individual visits to be used for counseling focused on short-term personal, family, job/school and other problems and their relationship to substance use. This waiver is needed so the services previously provided in groups can be done in individual sessions during the emergency, to prevent COVID-19 exposure.
- Item 6 in the March 16, 2020 1135 Waiver requested to waive State Plan Attachment 4.19-D, including any applicable Supplements, which establishes the payment methodology for Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) and skilled nursing facilities (SNFs). The state wanted to clarify that the waiver being requested would apply to all SNF and ICF-DD facility types and the reimbursement flexibilities would not be limited solely to the costs associated with suspension of Day Programs. SNFs and ICF-DDs are experiencing increased cost pressures in a variety of areas as a result of the COVID-19 response and the state is seeking flexibility to allow consideration of all costs being incurred by facilities to ensure the health and safety of residents.

## **7. Flexibilities to be Requested under Section 1115 Authority (according to forthcoming CMS guidance):**


- Waiver of the inmate exclusion (42 U.S.C. §1396d(a)(30)(A)) to allow for Medi-Cal claiming for services provided *in* jails and prisons for the testing, diagnosis and treatment of COVID-19 or services to ensure other care is provided in a safe way without transporting individuals to acute care facilities.
- Waiver of the 16-bed limitation/prohibition on receipt of federal financial participation for patients residing in Institutions for Mental Disease (IMD) pursuant to 42 U.S.C. §1396d(a)(30)(B). DHCS believes waiver of the IMD exclusion is necessary to temporarily increase bed capacity for affected beneficiaries and to allow facilities to claim for services provided for these

Jackie Glaze  
Page 6  
March 19, 2020

additional beds. Evaluation of less restrictive settings would be completed prior to placement.

During such difficult times for California and the nation, DHCS greatly appreciates the prompt attention exhibited by CMS to these matters and we look forward to the continued partnership.

Sincerely,  
Original Signed By: 

  
Jacey Cooper  
Chief Deputy Director  
Health Care Programs  
State Medicaid Director

cc: Bradley P. Gilbert, MD, MPP  
Director  
Department of Health Care Services

Erika Sperbeck  
Chief Deputy Director  
Policy & Program Support  
Department of Health Care



## CALOPTIMA BOARD ACTION AGENDA REFERRAL

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

#### Report Item

4. Consider Actions Related to Coronavirus (COVID-19) Pandemic

#### Contact

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

Michelle Laughlin, Executive Director Network Operations (714) 246-8400

#### Recommended Actions

1. Authorize Health Network Medi-Cal capitation rate increases for contracted Physician Hospital Consortia (PHC), Shared Risk Group (SRG), and Health Maintenance Organizations (HMO) by 5% from current levels for the period of April 1, 2020, through June 30, 2020;
2. Authorize waiver of the minimum stay requirement and expand types of services eligible for per diem payments for contracted Community-Based Adult Services (CBAS) providers for Medi-Cal and OneCare Connect;
3. Authorize unbudgeted expenditures from existing reserves of up to \$14 million to provide funding for rates adjustments for Health Network capitation rates;
4. ~~Authorize interim Medi-Cal rate for coronavirus testing for dates of service on or after February 4, 2020;~~ Amended  
4/2/20
5. Authorize the Chief Executive Officer (CEO), with the assistance of Legal Counsel, to:
  - a. Amend the Medi-Cal PHC, SRG, and HMO Health Network contracts to implement the 5% capitation rate increase; and
  - b. Amend Medi-Cal and OneCare Connect contracts with CBAS providers effective March 13, 2020 to provide flexibility for services, in accordance with the Department of Health Care Services' (DHCS) section 1135 Waiver application.

#### Background

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

As an unprecedented safety measure, the state has issued self-quarantine and social distancing requirements for an unknown period of time. These requirements have and continue to affect CalOptima's provider networks as the coronavirus pandemic develops. One immediate downstream effect of these measures has been CBAS closures as a result of a reduction of in-person utilization. Left

unaddressed, this can rapidly jeopardize the viability of CalOptima's CBAS provider network. Moreover, it underscores the need for CalOptima to take necessary measures to ensure there is limited disruption of care and access to services for our members, which includes vulnerable individuals.

### **Discussion**

CalOptima management recognizes that healthcare service delivery to our members has undergone significant changes during the coronavirus pandemic. Management recommends the following actions in order to provide immediate aid and service authorization flexibilities to CalOptima's provider network in order to ensure that members received access to covered, medically necessary health care services:

### **Medi-Cal Rate Enhancement for Health Networks**

To provide immediate aid and support and maintain the viability of the health networks, Management proposes to:

1. Provide a 5% increase from current levels to contracted PHC, SRG and HMO Medi-Cal capitation rates for the period of April 1, 2020, through June 30, 2020. The estimated aggregate monthly fiscal impact is approximately \$4.4 million.
2. Amend the Medi-Cal Health Network contracts to reflect this increase for the period stated above.

### **Special Reimbursement to CBAS providers**

Staff anticipates face-to-face visits at CBAS centers to continue decreasing due to the Governor's stay at home executive order issued on March 19, 2020, and the County of Orange's social distancing requirements. CalOptima currently holds contracts with 31 CBAS centers, serving approximately 2,580 members. Preventing this is critical at this time, as CBAS centers serve CalOptima's most vulnerable senior members. On March 19, 2020, the California Department of Health Care Services (DHCS) submitted a request for additional Section 1135 Waiver flexibilities related to coronavirus. This request included additional flexibilities related to the CBAS benefit and individual plan of care. In order to continue uninterrupted access to CBAS services, effective March 13, 2020, Management proposes to:

1. Waive the 1115 waiver requirement of a minimum of a four-hour stay at the center. This change will enable CalOptima members to receive appropriate services at home and remove barriers to access.
2. Expand the types of services eligible for per diem payments. Pursuant to DHCS' 1135 Waiver request, CalOptima will provide per diem payments to CBAS providers who provide:
  - Telephonic or live video interactions in lieu of face-to-face social/therapeutic visits and/or assessments;
  - Arrange for home delivered meals in absence of meals provided at the CBAS center; and/or
  - Provide physical therapy or occupational therapy in the home
3. Amend CBAS contracts to reflect the waiver of the minimum four-hour stay requirement and expansion of services pursuant to DHCS 1135 Waiver request.

**Interim Medi-Cal Rate for Coronavirus Testing**

~~The Centers for Medicare & Medicaid Services (CMS) established, for the Medicare program, procedure codes and provider reimbursement rates for coronavirus testing conducted on or after February 4, 2020. DHCS adopted these same procedure codes for the Medi-Cal program effective February 4, 2020. As of this writing, DHCS has not established Medi-Cal reimbursement rates for coronavirus testing.~~

Amended  
4/2/20

~~Management proposes to adopt the Medicare provider reimbursement rates on an interim basis for CalOptima's Medi-Cal program for dates of service on or after February 4, 2020. Once DHCS establishes Medi-Cal reimbursement rates for coronavirus testing, CalOptima will make retroactive adjustments to Medi-Cal claims, as appropriate.~~

Amended  
4/2/20

**Fiscal Impact**

The total funds for the Health Network Medi-Cal capitation rates for contracted PHCs, SRGs and HMOs will not exceed 5% of total medical capitation expenditures, in aggregate, in the CalOptima Fiscal Year (FY) 2019-20 Operating Budget. Staff projects the monthly incremental funding at approximately \$4.4 million. An allocation of up to \$14 million from existing reserves will fund this action.

The CalOptima FY 2019-20 Operating Budget includes funding for Professional medical expenditures for contracted CBAS providers. Currently, the net fiscal impact for the recommended action is unknown. However, assuming current utilization levels will continue, Staff anticipates the recommended action will not have an additional fiscal impact to the operating budget.

~~The fiscal impact for the recommended action to authorize an interim Medi-Cal rate for coronavirus testing is unknown at this time, since both utilization and costs estimates are difficult to quantify. However, Staff anticipates future funding received from DHCS for this purpose will fully offset expenses incurred by CalOptima.~~

Amended  
4/2/20

**Rationale for Recommendation**

Providing additional provider payments during the coronavirus pandemic will ensure providers remain viable and accessible to our members, as well as increased financial security for the Orange County safety net system.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. DHCS Request for Additional Section 1135 Waiver Flexibilities Related to Novel Coronavirus Disease (COVID-19) National Emergency/Public Health Emergency dated March 19, 2020

/s/ Michael Schrader  
**Authorized Signature**

03/26/2020  
**Date**



BRADLEY P. GILBERT, MD, MPP  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

March 19, 2020

Jackie Glaze  
CMS Acting Director  
Medicaid & CHIP Operations Group Center for Medicaid & CHIP  
Services 7500 Security Boulevard  
Baltimore, MD 21244  
Jackie.Glaze@cms.hhs.gov

## **REQUEST FOR ADDITIONAL SECTION 1135 WAIVER FLEXIBILITIES RELATED TO NOVEL CORONAVIRUS DISEASE (COVID-19) NATIONAL EMERGENCY/PUBLIC HEALTH EMERGENCY**

Dear Ms. Glaze:

The Department of Health Care Services (DHCS) writes to request approval for the below-detailed additional flexibilities under Section 1135 of the Social Security Act (42 U.S.C. § 1320b-5) as related to the Novel Coronavirus Disease (COVID-19). These flexibilities are in addition to the request submitted from DHCS on March 16, 2020. As you know, the COVID-19 outbreak was declared a national emergency on March 13, 2020, and was previously declared a nationwide public health emergency on January 31, 2020 (retroactive to January 27, 2020).

The below list represents California's additional requested flexibilities under the Section 1135 authority in connection with the COVID-19 outbreak and emergency based on further exploration of need. Because circumstances surrounding the COVID-19 emergency remain quite fluid, DHCS may subsequently request approval for additional flexibilities, which we can commit to doing promptly as soon as the need is discovered. Consistent with Section 1 of the President's March 13, 2020, national emergency declaration, DHCS requests a retroactive effective date of January 27, 2020, for the requested Section 1135 flexibilities to coincide with the effective start date of the Public Health Emergency, unless otherwise specified. In the event a requested flexibility below is not approvable under the Section 1135 authority, DHCS requests CMS technical assistance to identify any other authority (e.g. under the State Plan or Section 1115) for which approval may be available. Per our discussion with CMS on March 19, 2020, DHCS will request the flexibilities associated with Inmate and Institutions for Mental Disease (IMD) funding exclusions in the Section 1115 context (according to the forthcoming CMS instructions/Section 1115 template).

In addition, DHCS requests confirmation that any approved flexibility granted with respect to fee-for-service Medi-Cal benefits and providers would apply equally, to the extent applicable, to our various federally approved delivery systems, such as Medi-Cal managed care plans (MCPs), county organized health systems, county mental health plans, and Drug Medi-Cal organized delivery systems (DMC-ODS) and to the State's standalone Children's Health Insurance Program.

**1. Service authorization and utilization controls**, including but not necessarily limited to:

- Waiver of Attachment 3.1 – A.1, page 2 of the State Plan, exclusion of adult receipt of acetaminophen-containing and cough/cold products.
- For individuals with developmental disabilities receiving services under the State Plan 1915(i) authority, the state requests retainer payments. Retainer payments are available only for absences (maximum 30 consecutive days) in excess of the average number of absences experienced by the provider during the 12 month period prior to 2020.
- For Community-Based Adult Services (CBAS) – CBAS Benefit and Individual Plan of Care (IPC), the state requests:
  - Flexibility to reduce day center activities/gatherings and limit exposure to vulnerable populations.
  - Flexibility to utilize telephonic or live video interactions in lieu of face-to-face social/therapeutic visits.
  - Flexibility to utilize telephonic or live video interactions in lieu of face-to-face assessments.
  - Flexibility to allow following services to be provided at a beneficiary's home:
    - Physical Therapy
    - Occupational Therapy
  - Flexibility to provide or arrange for home delivered meals in absence of meals provided at the CBAS Center.
  - Flexibility for DHCS and MCPs to provide per diem payments to CBAS providers who provide telephonic or live video interactions in lieu of face-to-face social/therapeutic visits and/or assessments, arrange for home delivered meals in absence of meals provided at the CBAS Center, and/or provide physical therapy or occupational therapy in the home.

**2. Eligibility Flexibilities**, including but not necessarily limited to:

- Flexibility in the hospital presumptive eligibility (HPE) program to cover more than one HPE period in a given 12-month timeframe. To the extent a beneficiary seeks care for coronavirus but has already used an HPE period in the last 12 months, or tests negative and then seeks care for a suspected episode later in the same 12-month period, HPE can provide a fast, low-barrier way to provide immediate, temporary coverage during the emergency period.

**3. Telehealth/Telephonic/Virtual Visits**, including but not necessarily limited to:

- Waiver of 42 C.F.R. §438.6(c)(1), as necessary, to permit the State to direct MCO and PIHP payments to network providers, where telehealth/telephonic service is medically appropriate and feasible, at the same rate the MCO or PIHP would pay if the service was provided in person, unless the MCO/PIHP and the provider otherwise agree to a different rate for the telehealth modality.
- Similar to flexibility granted at the federal level, DHCS requests authority for the State not to impose penalties for noncompliance with the regulatory requirements under the Health Insurance Portability and Accountability Act (HIPAA) against covered health care providers in connection with the good faith provision of telehealth during the COVID-19 emergency.

**4. Administrative Activities**, regarding deadlines and timetables for performance of required activities, DHCS requests extension of time for activities conducted by the state, MCPs, and/or county mental health and substance use disorder prepaid inpatient health plans (PIHPs), as applicable, due to social distancing to reduce the spread of COVID-19 and to allow the state, MCP, and/or PIHP resources to prioritize COVID-19 response efforts including:

- Waiver of the two-year claiming submission limit (42 USC §1320b-2; 45 CFR §95.1, et seq.) for federal financial participation or claiming adjustments with respect to medical assistance and administrative expenditures.
- Waiver of the requirement in 42 CFR §447.45(d)(1), that DHCS require providers to submit all claims no later than 12 months from the date of service. DHCS is requesting authority to extend the 12-month timeframe for services provided with dates of service during this emergency.
- Modification of the federal deadlines for submission of cost reports for Medicare and Medicaid (currently due Nov. 2020) by at least 6 months, with no late penalties, so that providers have time to file the appropriate documents. Many provider and hospital staff have been told to work remotely or have been reassigned to



emergency response activities, which will cause delays in meeting reporting timelines.

- Waiver of the timeframe required for financial oversight and medical compliance audits for PIHPs and State Plan Drug Medi-Cal counties. DHCS requests this waiver to allow flexibility regarding deploying staff resources to manage the emergency.

**5. Payment Rates**, including but not necessarily limited to:

- Waiver of the county interim rate setting methodology described beginning on page 10 of the [Certified Public Expenditure \(CPE\) protocol](#) approved through the 1915(b) waiver. The CPE protocol requires DHCS to calculate county interim rates using prior year cost reports trended forward using the Home Health Agency Market Basket Index or a CMS approved cost of living index. As utilization drops and costs increase during this emergency, DHCS is requesting authority to use alternative methodologies, at DHCS's discretion, to temporarily increase county interim rates.
- Waiver of the interim rate setting methodology described on page 5 and 6 of the [Drug Medi-Cal Organized Delivery System \(DMC ODS\) Certified Public Expenditure protocol](#) approved through the 1115 demonstration. The CPE protocol requires DHCS to reimburse DMC ODS counties on an interim basis pursuant to county developed and DHCS approved interim rates for each service, which are expected to be based upon the most recently calculated or estimated county costs for the specific service. DHCS is requesting authority, if counties reimburse DMC providers up to actual cost, to reimburse counties the federal and state share of their certified public expenditures for services rendered during this emergency.
- Waiver of the Statewide Maximum Allowance (SMA) rate limitation on interim reimbursement and final settlement for Drug Medi-Cal (DMC) services provided in state plan counties. California's State Plan describes the reimbursement methodology for DMC services in Attachment 4.19-B, pages 38-41b (SPA 09-022 and SPA 15-013), which limits interim payments to DMC providers to the lower of the SMA or the USDR (Section E.1, page 41). Furthermore, the Medicaid State Plan also limits final reimbursement to lower of actual cost, usual and customary charges, or the SMA for DMC providers. DHCS is requesting authority to waive the SMA and usual and customary charge limitations on interim and final reimbursement for DMC state plan services.

**6. Clarification of Previous Requests:**

- Item 2 in the March 16, 2020 1135 Waiver requested to waive various federal and State Plan requirements pertaining to service authorization and utilization controls

imposed on covered benefits. DHCS seeks to clarify that the requested waivers would extend to any limitations for elective procedures and informed consent (including, but not necessarily limited, to 42 C.F.R. § 441.253) to enable provider to postpone elective procedures to prioritize COVID-19 response activities. DHCS suggests extending the current 180-day limit for beneficiary informed consent to 360 days.

- Item 5 in the March 16, 2020 1135 Waiver requested to waive restrictions existing restrictions on individual counseling sessions under the Drug Medi-Cal state plan. DHCS wants to clarify that we are requesting to waive Supplement 3 to Attachment 3.1-B, to allow individual visits in lieu of group visits, and that these visits may be conducted by telephone, telehealth, and/or in-person. Waive the current restriction on individual visits (only allowed for intake, crisis intervention, collateral services, and treatment and discharge planning). Allow individual visits to be used for counseling focused on short-term personal, family, job/school and other problems and their relationship to substance use. This waiver is needed so the services previously provided in groups can be done in individual sessions during the emergency, to prevent COVID-19 exposure.
- Item 6 in the March 16, 2020 1135 Waiver requested to waive State Plan Attachment 4.19-D, including any applicable Supplements, which establishes the payment methodology for Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) and skilled nursing facilities (SNFs). The state wanted to clarify that the waiver being requested would apply to all SNF and ICF-DD facility types and the reimbursement flexibilities would not be limited solely to the costs associated with suspension of Day Programs. SNFs and ICF-DDs are experiencing increased cost pressures in a variety of areas as a result of the COVID-19 response and the state is seeking flexibility to allow consideration of all costs being incurred by facilities to ensure the health and safety of residents.

## **7. Flexibilities to be Requested under Section 1115 Authority (according to forthcoming CMS guidance):**

- Waiver of the inmate exclusion (42 U.S.C. §1396d(a)(30)(A)) to allow for Medi-Cal claiming for services provided *in* jails and prisons for the testing, diagnosis and treatment of COVID-19 or services to ensure other care is provided in a safe way without transporting individuals to acute care facilities.
- Waiver of the 16-bed limitation/prohibition on receipt of federal financial participation for patients residing in Institutions for Mental Disease (IMD) pursuant to 42 U.S.C. §1396d(a)(30)(B). DHCS believes waiver of the IMD exclusion is necessary to temporarily increase bed capacity for affected beneficiaries and to allow facilities to claim for services provided for these




Jackie Glaze  
Page 6  
March 19, 2020

additional beds. Evaluation of less restrictive settings would be completed prior to placement.

During such difficult times for California and the nation, DHCS greatly appreciates the prompt attention exhibited by CMS to these matters and we look forward to the continued partnership.

Sincerely,  
Original Signed By: 

  
Jacey Cooper  
Chief Deputy Director  
Health Care Programs  
State Medicaid Director

cc: Bradley P. Gilbert, MD, MPP  
Director  
Department of Health Care Services

Erika Sperbeck  
Chief Deputy Director  
Policy & Program Support  
Department of Health Care

**AMENDMENT 10 TO  
CONTRACT FOR HEALTH CARE SERVICES**

THIS AMENDMENT 10 TO THE CONTRACT FOR HEALTH CARE SERVICES (“Amendment”) is effective as of **January 1, 2022** by and between Orange County Health Authority, a Public Agency, dba CalOptima (“CalOptima”), and, \_\_\_\_\_ (“Physician”), with respect to the following facts:

**RECITALS**

- A. CalOptima and Physician have entered into a Contract for Health Care Services (“Contract”), by which Physician has agreed to provide or arrange for the provision of Covered Services to Members.
- B. On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under section 319 of the Public Health Service ACT (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (COVID-19), the COVID-19 Public Health Emergency (“COVID-19 PHE”).
- C. CalOptima and Physician have entered into amendments for the periods of April 1, 2020, through June 30, 2020, January 1, 2021, through June 30, 2021 and September 1, 2021 through December 31, 2021 that have included the Medi-Cal capitation base rate enhancement approved by the CalOptima Board of Directors for immediate aid due to the COVID-19 PHE.
- D. CalOptima and Physician desire to amend the Contract to extend the Medi-Cal capitation base rate enhancement approved by the CalOptima Board of Directors through June 30, 2022 for immediate aid due to the COVID-19 PHE. This additional funding is to address the increasing COVID-19 related expenses and to continuously improve vaccination rates for CalOptima’s members within the Medi-Cal focus populations.

NOW, THEREFORE, the parties agree as follows:

- 1. Attachment E-8, “MEDI-CAL RATE ENHANCEMENT” shall be deleted in its entirety and replaced with a new Attachment E-8 – Amendment 10 “MEDI-CAL RATE ENHANCEMENT” attached hereto.
- 2. CONTRACT REMAINS IN FULL FORCE AND EFFECT – Except as specifically amended by this Amendment, all other conditions contained in the Contract shall continue in full force and effect. This Amendment is subject to approval by the Government Agencies and by the CalOptima Board of Directors.

IN WITNESS WHEREOF, CalOptima and \_\_\_\_\_ have executed this Amendment.

FOR PHYSICIAN:

FOR CALOPTIMA:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

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Date

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Date

## **ATTACHMENT E-8 – AMENDMENT 10**

### **MEDI-CAL RATE ENHANCEMENT**

For the period from September 1, 2021, through June 30, 2022, the base physician and base hospital capitation rates set forth in Attachment E-Amendment 8 for the Child/Adult and SPD aid code categories shall be increased by ■■■%. This rate enhancement shall not apply to the capitation rates for ESRD and AIDS aid code categories, the Whole Child Model base capitation rates in Attachment E - Amendment 8, Adult Expansion Member capitation rates in Attachment E-1 Amendment 8, or the Health Homes Program supplemental capitation payments in Attachment E-4 - Amendment VI.

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken November 18, 2021** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

10. Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Fee-for-Service Providers for COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members

#### **Contacts**

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

Recommend that the Board of Directors:

1. Authorize extending a temporary, short-term supplemental payment increase of 5% from Fiscal Year (FY) 2021-22 original budgeted funding levels, for compliant, contracted Medi-Cal fee-for-service (FFS) primary care, specialist and ancillary providers, for certain medically necessary services provided to CalOptima Community Network (CCN) and CalOptima Direct (COD) Medi-Cal members on dates of service January 1, 2022, through June 30, 2022;
2. Authorize extending a temporary, short-term supplemental payment increase of 5% from FY 2021-22 original budgeted funding levels, for compliant, contracted Medi-Cal FFS behavioral health providers for services provided to all CalOptima Medi-Cal members on dates of service January 1, 2022, through June 30, 2022; and
3. Authorize unbudgeted expenditures up to \$8.3 million from existing reserves to provide funding for the recommended supplemental payment increases.

#### **Background**

On January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency (PHE) under Section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor of California and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is continuing efforts to support providers serving CalOptima members during the pandemic.

At its March 4, 2021, meeting, the Board authorized a temporary, short-term supplemental increase of 5% from current levels, (i.e., FY 2020-21 original budgeted funding levels) to contracted CalOptima Medi-Cal primary care, specialist, behavioral health, and ancillary providers for certain medically necessary services provided to CCN and COD-A members between January 1, 2021, and June 30, 2021.

At its September 2, 2021, meeting, the Board authorized resuming the temporary, short-term supplemental increase of 5% from current levels, (i.e., FY 2021-22 original budgeted funding levels) for dates of service September 1, 2021, through December 31, 2021. The Board also expanded the

supplemental payments for behavioral health providers to include services provided to all CalOptima Medi-Cal members, rather than only CCN and COD-A members.

### **Discussion**

Management recognizes that continued support is necessary to help providers promote and improve vaccination rates, address additional variants of the COVID-19 virus, cover increased expenses for testing and treatment, account for anticipated increased utilization of mental health services, and ensure uninterrupted, medically necessary Medi-Cal covered services for CalOptima members. Aligned with increased funding from the California Department of Health Care Services (DHCS) for such expenses, staff recommends continuing enhanced funding to CalOptima providers. This action will help preserve the viability of CalOptima's Medi-Cal FFS provider network and strengthen members' access to care in anticipation of higher expense levels post-pandemic.

Staff recommends extending the temporary, short-term supplemental 5% payment increase for providers, excluding those services listed in Attachment 4, and authorizing necessary unbudgeted expenditures to implement this payment increase for dates of service January 1, 2022, through June 30, 2022.

### **Fiscal Impact**

The recommended action to authorize extending a temporary, short-term supplemental payment increase of 5% from FY 2021-22 original budgeted funding levels for the period of January 1, 2022, through June 30, 2022, for compliant, contracted Medi-Cal FFS primary care, specialist, behavioral health, and ancillary providers is an unbudgeted item.

The projected aggregate fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal FFS providers is approximately \$5.6 million for the six-month period. The projected aggregate fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal FFS behavioral health providers is approximately \$2.7 million. An allocation of up to \$8.3 million from existing reserves will fund these actions.

### **Rationale for Recommendation**

Extending the temporary, COVID-related supplemental payment increase for contracted CCN and COD Medi-Cal FFS providers will ensure the viability of CalOptima's provider network, strengthen access to member care and support Orange County's safety net system serving CalOptima members.

### **Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Board Action dated September 2, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Fee-for-Service Providers due to COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Members
2. Board Action Dated March 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, for Mitigation of COVID-19-Related Expenses
3. Board Action Dated March 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Medi-Cal Providers Affiliated with Providence St. Joseph Heritage Healthcare for Mitigation of COVID-19-Related Expenses
4. Services Excluded from Temporary Increase

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken September 2, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

14. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Fee-for-Service Providers due to COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Members

#### **Contacts**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize resuming a temporary, short-term supplemental payment increase of 5% from current levels, for compliant, contracted Medi-Cal Fee-for-Service (FFS) Primary Care, Specialist and Ancillary Providers, for certain medically necessary services provided to CalOptima Community Network (CCN) and CalOptima Direct-Administrative (COD-A) Medi-Cal Members on dates of service September 1, 2021, through December 31, 2021;
2. Authorize resuming a temporary, short-term supplemental payment increase of 5% from current levels, for compliant, contracted Medi-Cal FFS Behavioral Health Providers to include all CalOptima Medi-Cal members; and
3. Authorize unbudgeted expenditures up to \$5.5 million from existing reserves to provide funding for the recommended supplemental payment increases.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency (PHE) under section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

At its March 4, 2021, meeting, the Board authorized a short-term supplemental increase of 5% from current levels to contracted CalOptima Medi-Cal primary care, specialist, behavioral health and ancillary providers for certain medically necessary services provided to CCN and COD-A members between January 1, 2021, and June 30, 2021.

#### **Discussion**

Management recognizes that the coronavirus pandemic continues to place significant stress on the healthcare providers and delivery system serving CalOptima members. In late June, the Centers for Disease Control and Prevention (CDC) issued new guidance and data related to the more contagious Delta variant. Orange County has experienced a surge of Delta variant cases leading to increased hospitalizations and strain on health care resources.

In mid-July, the California Department of Health Care Services (DHCS) released its Medi-Cal COVID-19 Vaccine Incentive Program. This program will use \$350 million dollars statewide to improve the vaccination rates among Medi-Cal beneficiaries. The focus populations include members who:

1. Are homebound and unable to travel to vaccination sites;
2. Are 50-64 years of age with multiple chronic diseases;
3. Self-identify as persons of color; and
4. With the return to school, are youth 12-25 years old.

This additional funding will assist providers to address the latest surge in Delta variant cases and to help improve vaccination rates for CalOptima's members by promoting an increase in vaccinations within the Medi-Cal focus populations, consistent with DHCS's COVID-19 vaccination strategy.

The prior supplemental payments to behavioral health provides included medically necessary services provided only to CCN and COD-A members. This recommended action is to expand these supplemental payments to behavioral health to include all CalOptima Medi-Cal members.

In recognition of the demands the pandemic has placed on providers, providing the supplemental payment increase for the referenced period for medically necessary Medi-Cal services, is recommended. The increase will help preserve the viability of CalOptima's Medi-Cal FFS provider network, and strengthen access to care in light of the higher utilization levels, including COVID-19-related treatment.

Staff recommends that the Board approve a resumption of the temporary, supplemental 5% increase for providers, excluding those services listed in Attachment 3, and necessary unbudgeted expenditures to implement this increase for dates of service from September 1, 2021, through December 31, 2021.

### **Fiscal Impact**

The recommended action to authorize resuming a temporary, short-term supplemental payment increase of 5% from current levels for the period of September 1, 2021, through December 31, 2021, for compliant, contracted Medi-Cal FFS primary care, specialist, behavioral health and ancillary providers is an unbudgeted item.

The projected aggregate fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal FFS providers is approximately \$3.7 million for the four-month period. The projected aggregate fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal FFS behavioral health providers is approximately \$1.8 million. An allocation of up to \$5.5 million from existing reserves will fund these actions.

As of this writing, DHCS has not released detailed guidance on their Medi-Cal COVID-19 Vaccine Incentive Program. Management anticipates that the use of reserves may be reduced depending on actual funding provided by DHCS for this purpose.



### **Rationale for Recommendation**

Resuming the temporary, PHE-related supplemental payment for contracted CCN and COD-A Medi-Cal FFS providers is intended to ensure the viability of CalOptima's FFS Medi-Cal providers, strengthens access to member care and supports the safety net system serving CalOptima members during the pandemic.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. Board Action Dated March 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, for Mitigation of COVID-19-Related Expenses
2. Board Action Dated March 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Medi-Cal Providers Affiliated with Providence St. Joseph Heritage Healthcare for Mitigation of COVID-19-Related Expenses
3. Services Excluded from Temporary Increase

/s/ Richard Sanchez  
**Authorized Signature**

08/26/2021  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken March 4, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

24. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, for Mitigation of COVID-19-Related Expenses

#### **Contacts**

Ladan Khamseh, Chief Operations Officer (714) 246-8866

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental payment increase of 5% from current levels, for compliant, contracted CalOptima Medi-Cal Community Network (CCN) and CalOptima Direct-Administrative (COD-A) Medi-Cal Fee-for-Service (FFS) Primary Care, Specialist, Behavioral Health and Ancillary Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, for certain medically necessary services provided retroactive to dates of service January 1, 2021, through June 30, 2021; and
2. Authorize the additional 5% in unbudgeted expenditures to provide funding for the recommended supplemental payment increase.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

#### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic, and the strain it has placed on providers, a supplemental payment increase for contracted CCN and COD-A Medi-Cal FFS providers, except those affiliated with Providence St. Joseph Heritage Healthcare, is recommended. CalOptima staff recommends that the Board approve a supplemental payment increase for certain medically necessary services provided retroactive to the period of January 1, 2021, through June 30, 2021. The increase is intended to support CalOptima's Medi-Cal FFS providers and strengthen access to care,

given potential utilization changes and COVID-19-related testing and treatment in the current environment. In some cases, groups and/or categories of services/providers not included here have separately received COVID-19-related increases based on direction from the Department of Health Care Services (e.g., long term care providers), prior CalOptima Board action (health networks), or staff recommendations for other actions on today's Board agenda (e.g., hospitals and community health centers). Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment increase.

Pending Board approval, the supplemental payment increase will be administered to eligible providers for identified services through the claims payment system. Staff will give notice to the providers covered by this recommended action of the 5% increase. Staff proposes making supplemental payment increases beginning in March 2021. Adjudicated and paid claims between January 1, 2021, and the processing date (a March date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment. Staff plans to identify and process the supplemental payments at the claim line level that, at a minimum, identifies the eligible date of service, service code and payment. CalOptima staff anticipates that supplemental payments will be issued to eligible providers monthly from prior month's payment by the end of each month. Supplemental payments on identified claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to already adjudicated and paid claims, timely payment requirements, such as interest, will not be applied. Staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels for contracted CCN and COD-A Medi-Cal FFS Primary Care, Specialist, Behavioral Health and Ancillary Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, is an unbudgeted item.

The projected aggregate fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal FFS providers is approximately \$5.1 million for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Certain Contracted  
CalOptima Medi-Cal Community Network and  
CalOptima Direct-Administrative Medi-Cal Fee-for-Service  
Providers, Except those Affiliated with Providence  
St. Joseph Heritage Healthcare, for Mitigation of  
COVID-19-Related Expenses  
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**Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment for contracted CCN and COD-A Medi-Cal FFS providers is intended to ensure the viability of certain CalOptima's FFS Medi-Cal providers, strengthens access to member care and supports the safety net system serving CalOptima members during the pandemic.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

1. [Services excluded from Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

02/24/2021  
**Date**

*Attachment 1: Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken March 4, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

23. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted to Medi-Cal Providers Affiliated with Providence St. Joseph Heritage Healthcare for Mitigation of COVID-19-Related Expenses

#### **Contacts**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental Medi-Cal payment increase of 5% from current levels to certain Providers affiliated with Providence St. Joseph Heritage Healthcare for certain medically necessary services provided retroactive to dates of service January 1, 2021, through June 30, 2021; and
2. Authorize the additional 5% unbudgeted expenditures to provide funding for the recommended supplemental payment increase.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

#### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic, and the strain it has placed on providers, a supplemental payment increase for certain providers affiliated with Providence St. Joseph Heritage Healthcare is recommended. CalOptima staff recommends that the Board approve a supplemental payment increase for certain medically necessary services provided retroactive to the period of January 1, 2021, through June 30, 2021. The increase is intended to support certain providers affiliated with Providence St. Joseph Heritage Healthcare and strengthen access to care, given potential utilization changes and COVID-19-related testing and treatment in the current environment. In some cases, groups and/or categories of services/providers not included here have separately received COVID-19-related increases based on direction from the Department of Health Care Services (e.g., long term care providers), prior CalOptima Board action (health networks), or staff recommendations for

other actions on today's Board agenda (e.g., hospitals and community health centers). Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment increase.

Pending Board approval, the supplemental payment increase will be administered to certain providers affiliated with Providence St. Joseph Heritage Healthcare for identified services through the claims payment system. Staff will give notice to certain providers affiliated with Providence St. Joseph Heritage Healthcare of the 5% increase. Staff proposes making supplemental payment increases beginning in March 2021. Adjudicated and paid claims between January 1, 2021, and the processing date (a March date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment. Staff plans to identify and process the supplemental payments at the claim line level that, at a minimum, identifies the eligible date of service, service code and payment. CalOptima staff anticipates that supplemental payments will be issued to certain providers affiliated with Providence St. Joseph Heritage Healthcare monthly from prior month's payment by the end of each month. Supplemental payments on identified claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to already adjudicated and paid claims, timely payment requirements, such as interest, will not be applied. Staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels to certain providers affiliated with Providence St. Joseph Heritage Healthcare is an unbudgeted item.

The projected aggregated fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal fee-for-service providers is approximately \$5.1 million for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

### **Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment for St. Joseph Heritage Healthcare is intended to ensure the viability of certain CalOptima's FFS Medi-Cal providers, strengthen access to member care and support the safety net system serving CalOptima members during the pandemic.

CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Certain Contracted to  
Medi-Cal Providers Affiliated with Providence St. Joseph  
Heritage Healthcare for Mitigation of COVID-19-Related Expenses  
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**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

1. [Services excluded from Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

02/24/2021  
**Date**



*Attachment 1: Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

*Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken March 4, 2021**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

24. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, for Mitigation of COVID-19-Related Expenses

#### **Contacts**

Ladan Khamseh, Chief Operations Officer (714) 246-8866

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental payment increase of 5% from current levels, for compliant, contracted CalOptima Medi-Cal Community Network (CCN) and CalOptima Direct-Administrative (COD-A) Medi-Cal Fee-for-Service (FFS) Primary Care, Specialist, Behavioral Health and Ancillary Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, for certain medically necessary services provided retroactive to dates of service January 1, 2021, through June 30, 2021; and
2. Authorize the additional 5% in unbudgeted expenditures to provide funding for the recommended supplemental payment increase.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

#### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic, and the strain it has placed on providers, a supplemental payment increase for contracted CCN and COD-A Medi-Cal FFS providers, except those affiliated with Providence St. Joseph Heritage Healthcare, is recommended. CalOptima staff recommends that the Board approve a supplemental payment increase for certain medically necessary services provided retroactive to the period of January 1, 2021, through June 30, 2021. The increase is intended to support CalOptima's Medi-Cal FFS providers and strengthen access to care,

given potential utilization changes and COVID-19-related testing and treatment in the current environment. In some cases, groups and/or categories of services/providers not included here have separately received COVID-19-related increases based on direction from the Department of Health Care Services (e.g., long term care providers), prior CalOptima Board action (health networks), or staff recommendations for other actions on today's Board agenda (e.g., hospitals and community health centers). Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment increase.

Pending Board approval, the supplemental payment increase will be administered to eligible providers for identified services through the claims payment system. Staff will give notice to the providers covered by this recommended action of the 5% increase. Staff proposes making supplemental payment increases beginning in March 2021. Adjudicated and paid claims between January 1, 2021, and the processing date (a March date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment. Staff plans to identify and process the supplemental payments at the claim line level that, at a minimum, identifies the eligible date of service, service code and payment. CalOptima staff anticipates that supplemental payments will be issued to eligible providers monthly from prior month's payment by the end of each month. Supplemental payments on identified claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to already adjudicated and paid claims, timely payment requirements, such as interest, will not be applied. Staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels for contracted CCN and COD-A Medi-Cal FFS Primary Care, Specialist, Behavioral Health and Ancillary Providers, except those affiliated with Providence St. Joseph Heritage Healthcare, is an unbudgeted item.

The projected aggregate fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal FFS providers is approximately \$5.1 million for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Certain Contracted  
CalOptima Medi-Cal Community Network and  
CalOptima Direct-Administrative Medi-Cal Fee-for-Service  
Providers, Except those Affiliated with Providence  
St. Joseph Heritage Healthcare, for Mitigation of  
COVID-19-Related Expenses  
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**Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment for contracted CCN and COD-A Medi-Cal FFS providers is intended to ensure the viability of certain CalOptima's FFS Medi-Cal providers, strengthens access to member care and supports the safety net system serving CalOptima members during the pandemic.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

1. [Services excluded from Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

02/24/2021  
**Date**

*Attachment 1: Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken March 4, 2021**

### **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

23. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted to Medi-Cal Providers Affiliated with Providence St. Joseph Heritage Healthcare for Mitigation of COVID-19-Related Expenses

#### **Contacts**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental Medi-Cal payment increase of 5% from current levels to certain Providers affiliated with Providence St. Joseph Heritage Healthcare for certain medically necessary services provided retroactive to dates of service January 1, 2021, through June 30, 2021; and
2. Authorize the additional 5% unbudgeted expenditures to provide funding for the recommended supplemental payment increase.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

#### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic, and the strain it has placed on providers, a supplemental payment increase for certain providers affiliated with Providence St. Joseph Heritage Healthcare is recommended. CalOptima staff recommends that the Board approve a supplemental payment increase for certain medically necessary services provided retroactive to the period of January 1, 2021, through June 30, 2021. The increase is intended to support certain providers affiliated with Providence St. Joseph Heritage Healthcare and strengthen access to care, given potential utilization changes and COVID-19-related testing and treatment in the current environment. In some cases, groups and/or categories of services/providers not included here have separately received COVID-19-related increases based on direction from the Department of Health Care Services (e.g., long term care providers), prior CalOptima Board action (health networks), or staff recommendations for

other actions on today's Board agenda (e.g., hospitals and community health centers). Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment increase.

Pending Board approval, the supplemental payment increase will be administered to certain providers affiliated with Providence St. Joseph Heritage Healthcare for identified services through the claims payment system. Staff will give notice to certain providers affiliated with Providence St. Joseph Heritage Healthcare of the 5% increase. Staff proposes making supplemental payment increases beginning in March 2021. Adjudicated and paid claims between January 1, 2021, and the processing date (a March date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment. Staff plans to identify and process the supplemental payments at the claim line level that, at a minimum, identifies the eligible date of service, service code and payment. CalOptima staff anticipates that supplemental payments will be issued to certain providers affiliated with Providence St. Joseph Heritage Healthcare monthly from prior month's payment by the end of each month. Supplemental payments on identified claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to already adjudicated and paid claims, timely payment requirements, such as interest, will not be applied. Staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels to certain providers affiliated with Providence St. Joseph Heritage Healthcare is an unbudgeted item.

The projected aggregated fiscal impact of the temporary, short-term supplemental payment increase to Medi-Cal fee-for-service providers is approximately \$5.1 million for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

### **Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment for St. Joseph Heritage Healthcare is intended to ensure the viability of certain CalOptima's FFS Medi-Cal providers, strengthen access to member care and support the safety net system serving CalOptima members during the pandemic.



CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Certain Contracted to  
Medi-Cal Providers Affiliated with Providence St. Joseph  
Heritage Healthcare for Mitigation of COVID-19-Related Expenses  
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**Concurrence**

Gary Crockett, Chief Counsel

**Attachment**

1. [Services excluded from Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

02/24/2021  
**Date**

*Attachment 1: Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

*Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken November 18, 2021** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

11. Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term Supplemental Payment Increase for Contracted CalOptima Community Network and CalOptima Direct Medi-Cal Fee-for-Service Community Health Centers, for COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members

#### **Contacts**

Yunkyoung Kim, Chief Operating Officer, (714) 246-8408

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

Recommend that the Board of Directors:

1. Authorize extending a temporary, short-term supplemental payment increase of 5% from Fiscal Year (FY) 2021-22 original budgeted funding levels, for compliant, contracted CalOptima Community Network (CCN) and CalOptima Direct (COD) Medi-Cal Fee-for-Service (FFS) Community Health Centers, for certain medically necessary services provided to CalOptima CCN and COD Medi-Cal members on dates of service January 1, 2022, through June 30, 2022; and
2. Authorize unbudgeted expenditures up to \$240,000 from existing reserves to provide funding for the recommended supplemental payment increases.

#### **Background**

On January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency (PHE) under Section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor of California and the Orange County Health Officer have similarly taken steps in order to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is continuing efforts to support providers serving CalOptima members during the pandemic.

At its February 4, 2021, meeting, the Board authorized a temporary, short-term supplemental payment increase of 5% from current levels, (i.e., FY 2020-21 original budgeted funding levels) to contracted CCN and COD Medi-Cal FFS community health centers for certain medically necessary services provided between January 1, 2021, and June 30, 2021.

At its September 2, 2021, meeting, the Board authorized resuming the temporary, short-term supplemental increase of 5% from current levels, (i.e., FY 2021-22 original budgeted funding levels) for dates of service September 1, 2021, through December 31, 2021.

#### **Discussion**

Management recognizes that continued support is necessary to help providers promote and improve vaccination rates, address additional variants of the COVID-19 virus, cover increased expenses for

CalOptima Board Action Agenda Referral  
Consider Recommending that the Board of Directors  
Authorize Extension of a Temporary, Short-Term  
Supplemental Payment Increase for Contracted CalOptima  
Community Network and CalOptima Direct Medi-Cal  
Fee-for-Service Community Health Centers, for COVID-Related  
Expenses for Services Provided to CalOptima Community Network and  
CalOptima Direct Medi-Cal Members  
Page 2

testing and treatment, and ensure uninterrupted, medically necessary Medi-Cal covered services for CalOptima members. Aligned with increased funding from the Department of Health Care Services (DHCS) for such expenses, staff recommends continuing enhanced funding to CalOptima providers. This action will help preserve the viability of CalOptima's Medi-Cal FFS community health centers and strengthen members' access to care in anticipation of higher expense levels post-pandemic.

Staff recommends extending the temporary, supplemental 5% increase for Contracted CalOptima CCN and COD Medi-Cal Fee-for-Service community health centers, excluding those services listed in Attachment 3, and authorizing necessary unbudgeted expenditures to implement this payment increase for dates of service January 1, 2022, through June 30, 2022.

**Fiscal Impact**

The recommended action to authorize extending a temporary, short term supplemental payment increase of 5% from FY 2021-22 original budgeted funding levels for the period of January 1, 2022, through June 30, 2022, for compliant, contracted CCN and COD Medi-Cal FFS Community Health Centers is an unbudgeted item. The projected aggregate fiscal impact is approximately \$240,000 for the six-month period and will be funded from existing reserves.

**Rationale for Recommendation**

Extending the temporary, COVID-related supplemental payment increase for contracted CCN and COD Medi-Cal Fee-for-Service community health centers will ensure the viability of CalOptima's provider network, strengthen access to member care and support Orange County's safety net system serving CalOptima members.

**Concurrence**

Gary Crockett, Chief Counsel

CalOptima Board Action Agenda Referral  
Consider Recommending that the Board of Directors  
Authorize Extension of a Temporary, Short-Term  
Supplemental Payment Increase for Contracted CalOptima  
Community Network and CalOptima Direct Medi-Cal  
Fee-for-Service Community Health Centers, for COVID-Related  
Expenses for Services Provided to CalOptima Community Network and  
CalOptima Direct Medi-Cal Members  
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### **Attachments**

1. Board Action Dated February 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Community Health Centers, for Mitigation of COVID-19-Related Expenses
2. Board Action Dated September 2, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal Fee-for-Service Community Health Centers due to COVID-19-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members
3. Services Excluded from Temporary Increase

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 4, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

21. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Community Health Centers, for Mitigation of COVID-19-Related Expenses

#### **Contact**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental payment increase of 5% from current levels, for compliant, contracted CalOptima Medi-Cal Community Network (CCN) and CalOptima Direct-Administrative (COD-A) Medi-Cal Fee-for-Service (FFS) Community Health Centers, for certain medically necessary services provided on dates of service January 1, 2021, through June 30, 2021; and
2. Authorize unbudgeted expenditures up to \$210,000 to provide funding for the supplemental payment increase to Medi-Cal FFS Community Health Centers.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

#### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic and the strain it has placed on providers, a supplemental payment increase for contracted CCN and COD-A Medi-Cal FFS Community Health Centers is recommended. CalOptima staff recommends that the Board approve a supplemental payment increase for services provided by CCN and COD-A Medi-Cal FFS Community Health Centers during the period of January 1, 2021 through June 30, 2021. The increase is intended to support CalOptima's FFS Medi-Cal providers and strengthen access to care, given potential utilization changes and COVID-19-related testing and treatment in the current environment.

This item applies solely to CalOptima’s Community Health Centers—including Federally Qualified Health Centers (FQHC), FQHC look alike clinics, and community clinics—which are an important part of the safety net serving CalOptima members. They provide increased access to care for CalOptima’s various member populations, including the homeless, by reducing barriers such as language, distance, and wait time. In addition to the variety of primary, preventive, and health education services they provide, Community Health Centers have a direct impact in preventing the spread of COVID-19 throughout the community by providing COVID-19 testing and treatment. Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment Increase.

Pending Board approval, the supplemental payment increase will be administered to eligible providers for identified services through the claims payment system. Staff will give notice to contracted CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Community Health Centers of the 5% increase following Board approval. Staff proposes making supplemental payment increases for dates of service beginning January 1, 2021 in February 2021. Adjudicated and paid claims for dates of service January 1, 2021, up until the supplemental payment processing date (a February date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment, on a rolling time schedule. Staff plans to identify and process the supplemental payment at the covered service claim line level that, at a minimum, identifies the eligible date of service, covered billing service code and payment amount. CalOptima staff anticipates that supplemental payments will be issued to eligible providers monthly from prior month’s payment by the end of each month. Supplemental payments on identified eligible claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to adjudicated and paid claims, timely payment requirements, such as interest, will not be applied. However, staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels for contracted CCN and COD-A Medi-Cal FFS Community Health Centers is an unbudgeted item. The projected aggregate fiscal impact is approximately \$210,000 for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

### **Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment for contracted CCN and COD-A Medi-Cal FFS Community Health Centers is intended to ensure the viability of CalOptima’s FFS Medi-



CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Contracted CalOptima  
Medi-Cal Community Network and CalOptima Direct-  
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Health Centers, for Mitigation of COVID-19-Related Expenses  
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Cal clinic providers, strengthens access to member care and supports the safety net system serving CalOptima members during the pandemic.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. [List of Exclusions for Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

01/27/2021  
**Date**

*List of Exclusions from Temporary, Short-Term Supplemental Payment Increase*

<b>List of Exclusions from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care services
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima’s Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken September 2, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

15. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal Fee-for-Service Community Health Centers due to COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members

#### **Contacts**

Nancy Huang, Chief Financial Officer (657) 235-6935

Michelle Laughlin, Executive Director, Network Operations (657) 900-1116

#### **Recommended Actions**

1. Authorize resuming a temporary, short-term supplemental payment increase of 5% from current levels, for compliant, contracted Medi-Cal Fee-for-Service (FFS) Community Health Centers, for certain medically necessary services provided to CalOptima Community Network (CCN) and CalOptima Direct (COD) Medi-Cal members on dates of service from September 1, 2021 through December 31, 2021; and
2. Authorize unbudgeted expenditures up to \$150,000 from existing reserves to provide funding for the supplemental payment increase to Medi-Cal FFS Community Health Centers.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency (PHE) under section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

At its February 4, 2021, meeting, the Board authorized a temporary, short-term supplemental payment increase of 5% from current levels to contracted CCN and COD Medi-Cal FFS community health centers for certain medically necessary services provided between January 1, 2021, and June 30, 2021.

#### **Discussion**

Management recognizes that the coronavirus pandemic continues to place significant stress on the healthcare providers and delivery system serving CalOptima members. In late June, the Centers for Disease Control and Prevention (CDC) issued new guidance and data related to the more contagious Delta variant. Orange County has experienced a surge of Delta variant cases leading to increased hospitalizations and strain on health care resources. In addition, the demand for coronavirus testing is expected to increase as children return to school in the fall. This will be especially true for certain age groups who are not currently eligible to receive the vaccine.

In mid-July, the California Department of Health Care Services (DHCS) released its Medi-Cal COVID-19 Vaccine Incentive Program. This program will use \$350 million dollars statewide to

improve the vaccination rates among Medi-Cal beneficiaries. The focus populations include members who:

1. Are homebound and unable to travel to vaccination sites;
2. Are 50-64 years of age with multiple chronic diseases;
3. Self-identify as persons of color; and
4. With the return to school, are youth 12-25 years old.

The rate increase recommendation is intended to utilize and support providers in improving vaccination rates for CalOptima's members, consistent with DHCS's COVID-19 vaccination strategy. Pending additional guidance from DHCS, community health centers are expected to participate in the COVID-19 incentive program that CalOptima will develop. This additional funding will assist providers in addressing the latest surge in Delta variant cases and projected increase in demand for coronavirus testing, and to promote an increase in vaccinations within the Medi-Cal focus populations identified by DHCS.

In recognition of the demands the pandemic has placed on community health centers, providing the supplemental payment increase for the referenced period for medically necessary Medi-Cal services is recommended. The increase will help preserve the viability of CalOptima's Medi-Cal FFS community health centers and strengthen access to care in light of the higher utilization levels including COVID-19-related testing and treatment.

Staff recommends approving the temporary, supplemental 5% increase for providers, excluding those services listed in Attachment 2, and necessary unbudgeted expenditures to implement this increase for dates of service September 1, 2021 through December 31, 2021.

### **Fiscal Impact**

The recommended action to authorize resuming a temporary, short term supplemental payment increase of 5% from current levels for the period of September 1, 2021 through December 31, 2021 for compliant, contracted Medi-Cal FFS Community Health Centers is an unbudgeted item. The projected aggregate fiscal impact is approximately \$150,000 for the four-month period and will be funded from existing reserves.

As of this writing, DHCS has not released detailed guidance on their Medi-Cal COVID-19 Vaccine Incentive Program. Management anticipates that the use of reserves may be reduced depending on actual funding provided by DHCS for this purpose.

### **Rationale for Recommendation**

The temporary, PHE-related supplemental payment for contracted CCN and COD-A Medi-Cal FFS Community Health Centers ensures the viability of CalOptima's FFS Medi-Cal providers, strengthens access to member care and supports Orange County's safety net system during the pandemic.

CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Contracted  
Medi-Cal Fee-for-Service Community Health Centers  
due to COVID-Related Expenses for Services  
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CalOptima Direct Medi-Cal Members  
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**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Board Action Dated February 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Community Health Centers, for Mitigation of COVID-19-Related Expenses
2. Services Excluded from Temporary Increase

/s/ Richard Sanchez  
**Authorized Signature**

08/25/2021  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 4, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

21. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted CalOptima Medi-Cal Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Community Health Centers, for Mitigation of COVID-19-Related Expenses

#### **Contact**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental payment increase of 5% from current levels, for compliant, contracted CalOptima Medi-Cal Community Network (CCN) and CalOptima Direct-Administrative (COD-A) Medi-Cal Fee-for-Service (FFS) Community Health Centers, for certain medically necessary services provided on dates of service January 1, 2021, through June 30, 2021; and
2. Authorize unbudgeted expenditures up to \$210,000 to provide funding for the supplemental payment increase to Medi-Cal FFS Community Health Centers.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

#### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic and the strain it has placed on providers, a supplemental payment increase for contracted CCN and COD-A Medi-Cal FFS Community Health Centers is recommended. CalOptima staff recommends that the Board approve a supplemental payment increase for services provided by CCN and COD-A Medi-Cal FFS Community Health Centers during the period of January 1, 2021 through June 30, 2021. The increase is intended to support CalOptima's FFS Medi-Cal providers and strengthen access to care, given potential utilization changes and COVID-19-related testing and treatment in the current environment.

This item applies solely to CalOptima’s Community Health Centers—including Federally Qualified Health Centers (FQHC), FQHC look alike clinics, and community clinics—which are an important part of the safety net serving CalOptima members. They provide increased access to care for CalOptima’s various member populations, including the homeless, by reducing barriers such as language, distance, and wait time. In addition to the variety of primary, preventive, and health education services they provide, Community Health Centers have a direct impact in preventing the spread of COVID-19 throughout the community by providing COVID-19 testing and treatment. Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment Increase.

Pending Board approval, the supplemental payment increase will be administered to eligible providers for identified services through the claims payment system. Staff will give notice to contracted CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Community Health Centers of the 5% increase following Board approval. Staff proposes making supplemental payment increases for dates of service beginning January 1, 2021 in February 2021. Adjudicated and paid claims for dates of service January 1, 2021, up until the supplemental payment processing date (a February date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment, on a rolling time schedule. Staff plans to identify and process the supplemental payment at the covered service claim line level that, at a minimum, identifies the eligible date of service, covered billing service code and payment amount. CalOptima staff anticipates that supplemental payments will be issued to eligible providers monthly from prior month’s payment by the end of each month. Supplemental payments on identified eligible claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to adjudicated and paid claims, timely payment requirements, such as interest, will not be applied. However, staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels for contracted CCN and COD-A Medi-Cal FFS Community Health Centers is an unbudgeted item. The projected aggregate fiscal impact is approximately \$210,000 for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

### **Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment for contracted CCN and COD-A Medi-Cal FFS Community Health Centers is intended to ensure the viability of CalOptima’s FFS Medi-

CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Contracted CalOptima  
Medi-Cal Community Network and CalOptima Direct-  
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Cal clinic providers, strengthens access to member care and supports the safety net system serving CalOptima members during the pandemic.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. [List of Exclusions for Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

01/27/2021  
**Date**



*List of Exclusions from Temporary, Short-Term Supplemental Payment Increase*

<b>List of Exclusions from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care services
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima’s Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima’s Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

*Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken November 18, 2021** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

12. Consider Recommending that the Board of Directors Authorize Extension of a Temporary, Short-Term Supplemental Payment Increase for Certain Contracted CalOptima Community Network and CalOptima Direct Medi-Cal Fee-for-Service Hospitals, for COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct-Medi-Cal Members

#### **Contacts**

Yunkyung Kim, Chief Operating Officer, (714) 246-8408

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

Recommend that the Board of Directors:

1. Authorize extending a temporary, short-term supplemental payment increase of 5% from Fiscal Year (FY) 2021-22 original budgeted funding levels, for compliant, CalOptima Community Network (CCN) and CalOptima Direct (COD) Medi-Cal Fee-for-Service Hospitals, for certain medically necessary services provided to CCN and COD Medi-Cal members for dates of service January 1, 2022, through June 30, 2022; and
2. Authorize unbudgeted expenditures up to \$5.5 million from existing reserves to provide funding for the supplemental payment increase to Medi-Cal FFS hospitals

#### **Background**

On January 31, 2020, the U.S. Secretary of Health and Human Services declared a public health emergency (PHE) under Section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor of California and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is continuing efforts to support providers serving CalOptima members during the pandemic.

At its February 4, 2021, meeting, the Board authorized a short-term supplemental increase of 5% from current levels, (i.e., FY 2020-21 original budgeted funding levels) to contracted CCN and COD Medi-Cal FFS Hospitals for certain medically necessary services provided between January 1, 2021, and June 30, 2021. The Board authorized additional increased compensation to Long Term Acute Care Hospitals (LTAC) for authorized inpatient services provided to CalOptima Members, setting reimbursement at the Chronic/Maintenance Level of Care for Members admitted on or after January 1, 2021, through June 30, 2021.

At its September 2, 2021, meeting, the Board authorized resuming the temporary, short-term supplemental increase of 5% from current levels, (i.e., FY 2021-22 original budgeted funding levels) for dates of service September 1, 2021, through December 31, 2021.

CalOptima Board Action Agenda Referral  
Consider Recommending that the Board of Directors  
Authorize Extension of a Temporary, Short-Term  
Supplemental Payment Increase for Certain Contracted  
CalOptima Community Network and CalOptima Direct  
Medi-Cal Fee-for-Service Hospitals, for COVID-Related  
Expenses for Services Provided to CalOptima Community  
Network and CalOptima Direct- Medi-Cal Members  
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### **Discussion**

Management recognizes that continued support is necessary to help providers promote and improve vaccination rates, address additional variants of the COVID-19 virus, cover increased expenses for testing and treatment, and ensure uninterrupted, medically necessary Medi-Cal covered services to our members. Aligned with increased funding from the California Department of Health Care Services (DHCS) for such expenses, staff recommends continuing enhanced funding to CalOptima providers. This action will help preserve the viability of CalOptima's Medi-Cal FFS Hospitals and strengthen members' access to care in anticipation of higher expense levels post-pandemic.

Staff recommends extending the temporary, supplemental 5% payment increase for CalOptima CCN and COD- Medi-Cal FFS Hospitals, excluding those services listed in Attachment 4, and authorizing necessary unbudgeted expenditures to implement this payment increase for dates of service January 1, 2022, through June 30, 2022.

### **Fiscal Impact**

The recommended action to authorize extending a temporary, short-term supplemental payment increase of 5% from FY 2021-22 original budgeted funding levels for the period of January 1, 2022, through June 30, 2022, for CCN and COD Medi-Cal FFS Hospitals is an unbudgeted item. The projected aggregate fiscal impact is approximately \$5.5 million for the six-month period and will be funded from existing reserves.

### **Rationale for Recommendation**

Extending the temporary, COVID-related supplemental payment increase for contracted CCN and COD Medi-Cal FFS Hospitals will ensure the viability of CalOptima's provider network, strengthen access to member care and support Orange County's safety net system serving CalOptima members.

### **Concurrence**

Gary Crockett, Chief Counsel

CalOptima Board Action Agenda Referral  
Consider Recommending that the Board of Directors  
Authorize Extension of a Temporary, Short-Term  
Supplemental Payment Increase for Certain Contracted  
CalOptima Community Network and CalOptima Direct  
Medi-Cal Fee-for-Service Hospitals, for COVID-Related  
Expenses for Services Provided to CalOptima Community  
Network and CalOptima Direct- Medi-Cal Members  
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### **Attachments**

1. Board Action Dated February 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Hospitals for Mitigation of COVID-Related Expenses
2. Board Action Dated September 2, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal Fee-for-Service Hospitals due to COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members
3. Services Excluded from Temporary Increase

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 4, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

20. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Hospitals for Mitigation of COVID-19 Related Expenses

#### **Contacts**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866

Michelle Laughlin, Executive, Director Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental payment increase of 5% from current levels, for compliant contracted CalOptima Community Network (CCN) and CalOptima Direct (COD) Medi-Cal Fee-for-Service (FFS) Hospitals for certain medically necessary services provided on dates of service January 1, 2021 through June 30, 2021;
2. Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to amend contracts with Long Term Acute Care Hospitals (LTAC) to increase compensation for authorized inpatient services provided to CalOptima Members at the Chronic/Maintenance Level of Care for Members admitted on or after January 1, 2021, and through June 30, 2021, to offset the impacts of the COVID-19 Public Health Emergency (PHE). The increased compensation will apply to authorized dates of service between January 1, 2021, and June 30, 2021; and
3. Authorize unbudgeted expenditures up to \$5.0 million to provide funding for the supplemental payment increase to Medi-Cal FFS hospitals.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic and the strain it has placed on hospitals, a supplemental payment increase for contracted CCN and COD-A Medi-Cal FFS hospitals is recommended. CalOptima's recommends that the Board approve a supplemental payment increase for contracted Medi-Cal FFS hospitals on qualifying claims during the period of January 1, 2021, through June 30, 2021. This increase is intended to support CalOptima's contracted hospitals for covered services, for a limited period. The increase is intended to support CalOptima's Medi-Cal FFS hospitals and strengthen access to care, given potential utilization changes and COVID-19-related testing and treatment in the current environment.

This item applies solely to CalOptima's contracted hospitals, including LTAC hospitals, which play a key role in treating members infected with COVID-19, and preventing the spread of COVID-19 throughout the community. Long Term Acute Care Hospitals are acute care hospitals designed for patients requiring inpatient care for an extended period of time. Admitting access to LTAC hospitals has been a key concern for members who require longer term hospital care. CalOptima's reimbursement for LTAC services falls into two levels of care: "LTAC," for which CalOptima pays a higher acute level reimbursement rate, and "chronic maintenance," a level of care that is reimbursed at a lower rate. To ensure member access to LTACs during this public health emergency, staff recommends amending contracts with LTAC hospitals to increase compensation for authorized Medi-Cal inpatient services provided to CalOptima Members at the Chronic/Maintenance Level of Care for Members admitted on or after January 1, 2021, and through June 30, 2021, to offset the impacts of the COVID-19 PHE. The increased compensation will apply to authorized dates of service between January 1, 2021, and June 30, 2021. This will be in addition to the 5% supplemental payment increase, for all authorized services for members in these facilities. Contractual billing and authorization requirements will remain in place; however, the LTAC reimbursement rate will be applied during this temporary period. Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment Increase.

Pending Board approval, the 5% supplemental payment increase will be administered to eligible hospitals for identified services through the claims payment system. Staff will provide notice to the providers covered by this recommended action of the 5% increase. Staff proposes making supplemental payment increases beginning in February 2021. Adjudicated and paid claims for dates of service between January 1, 2021, and the supplemental payment processing date (a February date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment, on a rolling time schedule. Staff plans to identify and process the supplemental payment at the claim line level that, at a minimum, identify the eligible date of service, covered billing service code and payment. CalOptima staff anticipates that supplemental payments will be issued to eligible hospitals monthly from prior month's payment by the end of each month. Supplemental payments on identified claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to already adjudicated and paid claims,



timely payment requirements, such as interest, will not be applied. However, staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels for contracted CCN and COD-A Medi-Cal FFS Hospitals is an unbudgeted item. The projected aggregate fiscal impact is approximately \$5.0 million for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

### **Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment is intended to ensure the viability of CalOptima's FFS Medi-Cal contracted hospitals, strengthens access for member care and supports the Orange County's hospital care delivery system serving CalOptima members during the pandemic.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. [List of Exclusions from Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

01/27/2021  
**Date**

*List of Exclusions from Temporary, Short-Term Supplemental Payment Increase*

<b>List of Exclusions from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care services
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima’s Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken September 2, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

- 16 Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal Fee-for-Service Hospitals due to COVID-Related Expenses for Services Provided to CalOptima Community Network and CalOptima Direct Medi-Cal Members

#### **Contacts**

Nancy Huang, Chief Financial Officer, (657) 235-6935

Michelle Laughlin, Executive Director, Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize resuming a temporary, short-term supplemental payment increase of 5% from current levels, for claims for members associated with compliant, contracted Medi-Cal Fee-for-Service (FFS) Hospitals for certain medically necessary services provided to CalOptima Community Network (CCN) and CalOptima Direct-Administrative (COD-A) Medi-Cal members between September 1, 2021 and December 31, 2021; and
2. Authorize unbudgeted expenditures up to \$3.6 million from existing reserves to provide funding for the supplemental payment increase to Medi-Cal FFS hospitals

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency (PHE) under section 319, of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have similarly taken steps to slow the spread of the coronavirus and protect the public. As with federal, state, and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

At its February 4, 2021, meeting, the Board authorized a short-term supplemental increase of 5% from current levels to contracted CCN and COD-A Medi-Cal FFS Hospitals for certain medically necessary services provided between January 1, 2021, and June 30, 2021. The Board authorized additional increased compensation to Long Term Acute Care Hospitals (LTAC) for authorized inpatient services provided to CalOptima Members, setting reimbursement at the Chronic/Maintenance Level of Care for Members admitted on or after January 1, 2021, through June 30, 2021.

#### **Discussion**

Management recognizes that the coronavirus pandemic continues to place significant stress on healthcare providers and delivery system serving CalOptima members. In late June, the Centers for Disease Control and Prevention (CDC) issued new guidance and data related to the more contagious Delta variant. Orange County has experienced a surge of Delta variant cases leading to increased hospitalizations and strain on health care resources.

In mid-July, the California Department of Health Care Services (DHCS) released its Medi-Cal COVID-19 Vaccine Incentive Program. This program will use \$350 million dollars statewide to improve the vaccination rates among Medi-Cal beneficiaries. The focus populations include members who:

1. Are homebound and unable to travel to vaccination sites;
2. Are 50-64 years of age with multiple chronic diseases;
3. Self-identify as persons of color; and
4. With the return to school, are youth 12-25 years old.

This additional funding will assist hospitals in addressing the latest surge in Delta variant cases, and help improve vaccination rates for CalOptima members by promoting an increase in vaccinations within the Medi-Cal focus populations identified by DHCS.

In recognition of the demands the pandemic has placed on hospitals, providing the supplemental payment increase for the referenced period for claims of CCN and COD-A Medi-Cal members, for medically necessary Medi-Cal services is recommended. The increase will help preserve the viability of CalOptima's FFS Medi-Cal hospitals, and strengthen access to care in light of the higher utilization levels including COVID-19-related treatment.

Staff recommends approving the temporary, supplemental 5% increase, excluding those services listed in Attachment 3, and necessary unbudgeted expenditures to implement this increase for dates of service September 1, 2021, through December 31, 2021.

### **Fiscal Impact**

The recommended action to authorize resuming a temporary, short-term supplemental payment increase of 5% from current levels for the period of September 1, 2021, through December 31, 2021, for claims of members associated with compliant, contracted Medi-Cal FFS Hospitals is an unbudgeted item. The projected aggregate fiscal impact is approximately \$3.6 million for the four-month period and will be funded from existing reserves.

As of this writing, DHCS has not released detailed guidance on their Medi-Cal COVID-19 Vaccine Incentive Program. Management anticipates that the use of reserves may be reduced depending on actual funding provided by DHCS for this purpose.

### **Rationale for Recommendation**

Resuming the temporary, PHE-related supplemental payment is intended to ensure the viability of contracted CCN and COD-A Medi-Cal FFS Hospitals, and strengthens access for member care and supports the Orange County's hospital care delivery system serving CalOptima members during the pandemic.

CalOptima Board Action Agenda Referral  
Consider Authorizing a Temporary, Short-Term  
Supplemental Payment Increase for Contracted  
Medi-Cal Fee-for-Service Hospitals due to  
COVID-Related Expenses for Services Provided to  
CalOptima Community Network and  
CalOptima Direct Medi-Cal Members  
Page 3

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Entities Covered by this Recommended Action
2. Board Action Dated February 4, 2021: Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Hospitals for Mitigation of COVID-19-Related Expenses
3. Services Excluded from Temporary Increase

/s/ Richard Sanchez  
**Authorized Signature**

08/25/2021  
**Date**

**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Anaheim Regional Medical Center	1111 W La Palma Ave	Anaheim	CA	92801
Whittier Hospital Medical Center	9080 Colima Rd	Whittier	CA	90605
Foothill Regional Medical Center	14662 Newport Ave	Tustin	CA	92780
Anaheim Global Medical Center	1025 S Anaheim Blvd	Anaheim	CA	92805
Beverly Hospital	309 W Beverly Blvd	Montebello	CA	90640
Chapman Global Medical Center	2601 E Chapman Ave	Orange	CA	92869
College Hospital Costa Mesa	301 Victoria St	Costa Mesa	CA	92627
CHOC Children's at Mission Hospital	27700 Medical Center Rd	Mission Viejo	CA	92691
Childrens Hospital of Los Angeles	4650 W Sunset Blvd	Los Angeles	CA	90027
Children's Hospital of Orange County	1201 W La Veta Ave	Orange	CA	92868
Encompass Health Rehabilitation Hospital of Tustin	14851 Yorba St	Tustin	CA	92780
Fountain Valley Regional Hospital & Medical Center	17100 Euclid St	Fountain Valley	CA	92708
HealthBridge Children's Hospital - Orange	393 S Tustin St	Orange	CA	92866
Hoag Memorial Hospital Presbyterian	1 Hoag Dr	Newport Beach	CA	92663
Long Beach Memorial Medical Center	2801 Atlantic Ave	Long Beach	CA	90806
Long Beach Memorial Medical Ctr Miller Children's	2801 Atlantic Ave	Long Beach	CA	90806
Providence Mission Hospital	27700 Medical Center Rd	Mission Viejo	CA	92691
Providence Mission Hospital Regional Medical Ctr	27700 Medical Center Rd	Mission Viejo	CA	92691
Orange Coast Memorial Medical Center	9920 Talbert Ave	Fountain Valley	CA	92708
Orange County Global Medical Center	1001 N Tustin Ave	Santa Ana	CA	92705
Placentia Linda Hospital	1301 N Rose Dr	Placentia	CA	92870
Pomona Valley Hospital Medical Center	1798 N Garey Ave	Pomona	CA	91767
West Anaheim Medical Center	3033 W Orange Ave	Anaheim	CA	92804
Garden Grove Hospital Medical Center	12601 Garden Grove Blvd	Garden Grove	CA	92843
Huntington Beach Hospital	17772 Beach Blvd	Huntington Beach	CA	92647
La Palma Intercommunity Hospital	7901 Walker St	La Palma	CA	90623
UCI Medical Center	101 The City Dr South	Orange	CA	92868
Saddleback Memorial Medical Center	24451 Health Center Dr	Laguna Hills	CA	92653
South Coast Global Medical Center	2701 S Bristol St	Santa Ana	CA	92704
Kindred Hospital - La Mirada	14900 E Imperial Hwy	La Mirada	CA	90638
Kindred Hospital - Santa Ana	1901 N College Ave	Santa Ana	CA	92706
Providence St Joseph Hospital	1100 W Stewart Dr	Orange	CA	92868
Providence St Jude Medical Center	101 E Valencia Mesa Dr	Fullerton	CA	92835
Kindred Hospital - Brea	875 N Brea Blvd	Brea	CA	92821
Kindred Hospital - Westminster	200 Hospital Circle	Westminster	CA	92683

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 4, 2021** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

20. Consider Authorizing a Temporary, Short-Term Supplemental Payment Increase for Contracted Medi-Cal CalOptima Community Network and CalOptima Direct-Administrative Medi-Cal Fee-for-Service Hospitals for Mitigation of COVID-19 Related Expenses

#### **Contacts**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866

Michelle Laughlin, Executive, Director Network Operations, (657) 900-1116

#### **Recommended Actions**

1. Authorize a temporary, short-term supplemental payment increase of 5% from current levels, for compliant contracted CalOptima Community Network (CCN) and CalOptima Direct (COD) Medi-Cal Fee-for-Service (FFS) Hospitals for certain medically necessary services provided on dates of service January 1, 2021 through June 30, 2021;
2. Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to amend contracts with Long Term Acute Care Hospitals (LTAC) to increase compensation for authorized inpatient services provided to CalOptima Members at the Chronic/Maintenance Level of Care for Members admitted on or after January 1, 2021, and through June 30, 2021, to offset the impacts of the COVID-19 Public Health Emergency (PHE). The increased compensation will apply to authorized dates of service between January 1, 2021, and June 30, 2021; and
3. Authorize unbudgeted expenditures up to \$5.0 million to provide funding for the supplemental payment increase to Medi-Cal FFS hospitals.

#### **Background**

On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency under Section 319 of the Public Health Service Act (42 U.S.C. 247d) in response to a novel coronavirus known as SARS-CoV-2 (coronavirus). On March 13, 2020, the President of the United States declared a national emergency based on the spread of this coronavirus. Subsequently, the Governor and the Orange County Health Officer have taken similar steps to slow the spread of the coronavirus and protect the public. In collaboration with federal, state and local agencies, CalOptima is taking action to continue efforts to support providers serving CalOptima members during the pandemic.

In response to the public health emergency, the Board authorized a Medi-Cal capitation rate increase to CalOptima's health networks on April 2, 2020. Following receipt of the final Calendar Year 2021 Medi-Cal capitation rates from the California Department of Health Care Services (DHCS) (which included an updated rate component for COVID-19-related adjustments), the Board authorized a second capitation rate increase for Medi-Cal health networks on January 7, 2021.

### **Discussion**

In recognition of the unprecedented and dynamic nature of the pandemic and the strain it has placed on hospitals, a supplemental payment increase for contracted CCN and COD-A Medi-Cal FFS hospitals is recommended. CalOptima's recommends that the Board approve a supplemental payment increase for contracted Medi-Cal FFS hospitals on qualifying claims during the period of January 1, 2021, through June 30, 2021. This increase is intended to support CalOptima's contracted hospitals for covered services, for a limited period. The increase is intended to support CalOptima's Medi-Cal FFS hospitals and strengthen access to care, given potential utilization changes and COVID-19-related testing and treatment in the current environment.

This item applies solely to CalOptima's contracted hospitals, including LTAC hospitals, which play a key role in treating members infected with COVID-19, and preventing the spread of COVID-19 throughout the community. Long Term Acute Care Hospitals are acute care hospitals designed for patients requiring inpatient care for an extended period of time. Admitting access to LTAC hospitals has been a key concern for members who require longer term hospital care. CalOptima's reimbursement for LTAC services falls into two levels of care: "LTAC," for which CalOptima pays a higher acute level reimbursement rate, and "chronic maintenance," a level of care that is reimbursed at a lower rate. To ensure member access to LTACs during this public health emergency, staff recommends amending contracts with LTAC hospitals to increase compensation for authorized Medi-Cal inpatient services provided to CalOptima Members at the Chronic/Maintenance Level of Care for Members admitted on or after January 1, 2021, and through June 30, 2021, to offset the impacts of the COVID-19 PHE. The increased compensation will apply to authorized dates of service between January 1, 2021, and June 30, 2021. This will be in addition to the 5% supplemental payment increase, for all authorized services for members in these facilities. Contractual billing and authorization requirements will remain in place; however, the LTAC reimbursement rate will be applied during this temporary period. Attachment 1 provides additional details regarding exclusions from the Temporary, Short-Term Supplemental Payment Increase.

Pending Board approval, the 5% supplemental payment increase will be administered to eligible hospitals for identified services through the claims payment system. Staff will provide notice to the providers covered by this recommended action of the 5% increase. Staff proposes making supplemental payment increases beginning in February 2021. Adjudicated and paid claims for dates of service between January 1, 2021, and the supplemental payment processing date (a February date to be determined) will receive a 5% supplemental payment adjustment. Moving forward, the 5% supplemental payment will be made monthly, for paid claims identified subsequent to the prior monthly supplemental payment, on a rolling time schedule. Staff plans to identify and process the supplemental payment at the claim line level that, at a minimum, identify the eligible date of service, covered billing service code and payment. CalOptima staff anticipates that supplemental payments will be issued to eligible hospitals monthly from prior month's payment by the end of each month. Supplemental payments on identified claims will be made so long as timely filing requirements have been met. Since supplemental payments are provided as an additional payment to already adjudicated and paid claims,



timely payment requirements, such as interest, will not be applied. However, staff will monitor the process to ensure that the supplemental payment adjustments are processed and paid appropriately. Additionally, current policies and procedures related to provider payment recoupment, grievance and appeals, and provider dispute resolution will be followed where applicable.

### **Fiscal Impact**

The recommended action to authorize a temporary, short-term supplemental payment increase of 5% from current levels for contracted CCN and COD-A Medi-Cal FFS Hospitals is an unbudgeted item. The projected aggregate fiscal impact is approximately \$5.0 million for the six-month period. Staff anticipates the net fiscal impact will be budget neutral, as decreased utilization of certain services within the Medi-Cal program in the current fiscal year will be sufficient to support the additional costs in unbudgeted FFS payments.

### **Rationale for Recommendation**

The temporary, public health emergency-related supplemental payment is intended to ensure the viability of CalOptima's FFS Medi-Cal contracted hospitals, strengthens access for member care and supports the Orange County's hospital care delivery system serving CalOptima members during the pandemic.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. [List of Exclusions from Temporary, Short-Term Supplemental Payment Increase](#)

/s/ Richard Sanchez  
**Authorized Signature**

01/27/2021  
**Date**

*List of Exclusions from Temporary, Short-Term Supplemental Payment Increase*

<b>List of Exclusions from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care services
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima’s Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima’s Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

*Services Excluded from Temporary, Short-Term Supplemental Payment Increase*

<b>Services excluded from Temporary, Short-Term Supplemental Payment Increase</b>	
▪	Pharmacy and Pharmacy Benefit Management Services, and other contracted Administrative Service providers for which CalOptima covers the cost of claims
▪	Non-pharmacy administered drugs
▪	Long Term Care facilities
▪	Durable Medical Equipment; Orthotics and Prosthetics and other medical devices
▪	Members in CalOptima's Program for All Inclusive Care for the Elderly (PACE), OneCare, and OneCare Connect
▪	Crossover Claims
▪	Other supplemental or directed payments, such as Proposition 56
▪	Claims paid by Letter of Agreement (LOA)

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action to be Taken November 18, 2021**

**Regular Meeting of the CalOptima Board of Directors'**

**Finance and Audit Committee**

### **Report Item**

13. Consider Recommending that the Board of Directors Authorize Proposed Budget Reallocation of Fiscal Year 2021-22 Operating Budget Funds and Authorize Unbudgeted Expenditures and Appropriate Funds for Information Services Items

### **Contacts**

Yunkyung Kim, Chief Operations Officer, (714) 246-8408

Nora Onishi, Director, Information Services, (714) 246-8630

### **Recommended Actions**

Consider recommending that the Board of Directors:

1. Authorize the reallocation of \$120,000 for The Burgess Group, LLC, to different budget categories within the budget for the same vendor as follows:
  - a. \$50,000 from Medi-Cal: "Other Operating Expenses: Maintenance" to expense category "Medi-Cal: Purchased Services;" and
  - b. \$70,000 from "Medi-Cal: Other Operating Expenses: Maintenance" to expense category "OneCare Connect: Purchased Services."
2. Authorize unbudgeted expenditures and appropriate funds from existing reserves for Information System expenses based on existing contracts with the referenced vendors in amounts up to:
  - a. \$8,000 to expense category "OneCare Connect: Purchased Services" for Infocrossing, A WIPRO Company;
  - b. \$127,000 to expense category "Medi-Cal: Other Operating Expenses: Maintenance" for Medecision, Inc;
  - c. \$18,000 to expense category "Medi-Cal: Other Operating Expenses: Purchased Services" for Medecision, Inc; and
  - d. \$60,000 to expense category "Medi-Cal: Other Operating Expenses: Purchased Services" for Imagenet, LLC.

### **Background**

Pursuant to CalOptima Policy GA. 5003: Budget and Operations Forecasting, budget allocation changes that are not otherwise specifically delegated to the Chief Executive Officer require approval of the Board of Directors. Under CalOptima Policy GA. 3202: CalOptima Signature Authority, for an expenditure to be authorized, it must appear in a budget line item as part of the Operating or Capital Budgets, or by way of an individual Board of Directors' action. To ensure compliance with CalOptima policies, there are four budget items for Information Services that require Board of Directors' approval, as follows, is recommended:

1. The Burgess Group, L.L.C. is a contracted vendor that supports CalOptima's regulatory standard fee schedule pricing for claims through the Burgess Reimbursement System (BRS). This solution enables continuous monitoring of the hundreds of claims reimbursement Medicare fee schedules

maintained by the Centers for Medicare & Medicaid Services (CMS), ensuring that CalOptima's Medicare fee schedules are up to date when Medicare makes changes. BRS uses algorithms to calculate the reimbursement pricing for all CalOptima Medicare-related claims. The BRS solution performs the same functions for the Medi-Cal fee schedules and claims pricing. Recently, staff conducted a Request for Proposal (RFP) and re-selected this vendor's upgraded platform to provide these services.

2. Infocrossing, A WIPRO Company, is a CMS third party vendor that supports CalOptima's process to submit enrollment and disenrollment updates to CMS. Infocrossing provides CMS data files for membership reconciliation for OneCare, OneCare Connect, and PACE. CalOptima's Infocrossing budget for the past two years has averaged approximately \$2,000 per month, with a total annual budget of \$24,000.
3. Medecision, Inc. is a contracted vendor that supports the CalOptima Link provider portal, which will be discontinued on December 31, 2021. The CalOptima Link portal enables thousands of provider office users to verify eligibility, review claims status, view patient rosters, and submit service authorization requests. In August 2021, following approval by the CalOptima Board of Directors, CalOptima staff started to transition providers to the new CalOptima provider portal.
4. Imagenet, LLC. is a CalOptima vendor that provides imaging, scanning, data extraction and document archive solutions for various departments, including Claims Administration and Customer Service. The Grievance and Appeals Resolution Services (GARS) Department has utilized this vendor in the past for the archiving of documents and plans to utilize the scanning and data extraction options to facilitate entry of information into the GARS tracking system. This vendor's scanning and data extraction options allow staff to more efficiently utilize their time in handling and addressing member and provider cases, rather than manually scanning records.

### **Discussion**

When the budget was developed in March of 2021, staff used the most accurate information available at the time. The proposed changes reflect more current information and take into consideration changes in volume as well as other developments and program requirements.

1. **The Burgess Group, L.L.C.:** The RFP and re-selection of BRS will change the budget categories associated with the use of BRS. The new platform changes the contract from a license and purchased service agreement to a full software as a service (SAAS) agreement that incorporates the claims run rate. Purchased services would only apply if CalOptima exceeded the contract threshold. During the FY 2021-2022 budget process, staff anticipated that CalOptima would be up and running on the new contract terms within the first quarter of this fiscal year. Therefore, the amount authorized and appropriated in the adopted budget only included a limited amount in the purchased services category for the fiscal year. Staff now anticipates the contracting process to be executed by the third quarter of this fiscal year. Therefore, staff requests a budget reallocation totaling \$120,000 to more accurately align budget amounts with the appropriate expense categories to be consistent with the current version of the contract.
2. **Infocrossing, A WIPRO Company:** In May 2021, CMS identified a gap in CalOptima's data submissions and requested that CalOptima review and resubmit its encounter transactions. In

July and August 2021, CalOptima staff created resubmission files totaling almost 325,000 encounter transactions covering calendar years 2016 through 2018. Staff completed the analysis and resubmitted the required transactions to fulfill the identified data gap from CMS. Staff requests an additional \$8,000 for the OneCare Connect Budget to cover these unplanned costs for Infocrossing associated with the resubmission of additional encounters for services within Calendar Years 2016-2018. The resubmission of encounter data records is a CMS regulatory requirement and may help improve CalOptima's risk scores with the additional data set.

3. **Medecision, Inc.:** CalOptima's Medecision contract is based on a per member per month (PMPM) calculation. As CalOptima's membership has continued to increase during the COVID-19 pandemic, the monthly invoice rate for Medecision has increased. At the end of FY 2020-2021, the final monthly invoices exceed the budgeted amount by \$43,000 allocated for this expense. For FY2021-2022, the monthly calculated rate is estimated to increase approximately \$84,000 for the six remaining contract months (July 2021 to December 2021). As such, staff requests approval for an additional \$127,000 to cover the additional cost due to the increased monthly membership. In addition, to support the final closure of Medecision's CalOptima Link provider portal, Medecision must transfer historical data to CalOptima for long-term storage. CalOptima must maintain proper record keeping to support audits, reference documents for reviews, and meet data retention requirements. Based on the existing scope of work, the cost of the hours needed to complete the historical data transfer will amount to \$18,000. Staff requests a total of \$145,000 for Medecision, Inc. to address the monthly membership increases from May 2020 through December 2021, the closure of the Provider Portal, and the transition of clinical supporting documentation to CalOptima's records retention and storage. The termination date for the contract is December 2021.
4. **Imagenet, LLC.:** With the increase in CalOptima's membership, there has been an increase in provider appeal cases. These appeal submissions often include the attachment of medical records and other relevant documentation consisting of up to hundreds of pages that need entry into CalOptima's system. The request to increase funding for Imagenet is based on the last ten months' volume of cases, as well as anticipated increases in the volume of OneCare and OneCare Connect non-contracted provider appeals due to regulatory requirements. Use of the current vendor for scanning and data extraction allows staff to focus on addressing and resolving cases in a timely manner. Staff requests approval and appropriation of \$60,000 for Imagenet, LLC to address costs associated with scanning and data extraction services. This will ensure timely entry of provider appeal cases for resolution and will maintain compliance with regulatory timelines.

### **Fiscal Impact**

Recommended Action #1: The recommended action is budget neutral. Unspent budgeted funds from expense category "Medi-Cal: Other Operating Expenses: Maintenance" approved in the FY 2021-22 Operating Budget will fund the total budget reallocation of \$120,000 for this action.

Recommended Action #2: The recommended action to authorize expenditures and appropriate funds is unbudgeted. An appropriation and authorization of up to \$213,000 from existing reserves will fund this action.

### **Rationale for Recommendation**

**The Burgess Group, LLC:** The reallocation of funds will ensure budget categories are properly aligned with the current operating contract supporting CalOptima's fee schedule pricing.

**Infocrossing, A Wipro Company:** The resubmission of encounter data records is a CMS regulatory requirement and may help improve CalOptima's risk scores with the additional data set.

**Medecision, Inc.:** The appropriation and authorization of funds is needed to ensure CalOptima can pay and meet our contractual obligations based on Per Member Per Month (PMPM) calculated rates, and to support retention of clinical information with the closure of the contract.

**Imagenet, LLC:** The appropriation and authorization of funds to cover scanning and data extraction services will ensure timely entry of provider appeal cases and compliance with regulatory timelines.

### **Concurrence**

Gary Crockett, Chief Counsel

### **Attachments**

1. Entities Covered by this Recommended Board Action
2. Summary of Contract History
3. Board Action date October 7, 2021: Consider Extension of Contracts Related to CalOptima's Key Operational Systems
4. Board Action date March 5, 2020: Consider Extension of Contracts Related to CalOptima's Key Operations
5. Contract and amendments Board Action dated December 6, 2018: Consider Extension of Contracts Related to CalOptima's Key Operational and Human Resource Systems

/s/ Michael Hunn  
**Authorized Signature**

11/12/2021  
**Date**



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

Name	Address	City	State	Zip Code
The Burgess Group, L.L.C.	1701 Duke Street, 3 <sup>rd</sup> Floor	Alexandria	VA	22314
Infocrossing, A WIPRO Company	2 Tower Center	East Brunswick	NJ	08816
Medecision, Inc.	500 N. Akard Street, Suite 1400	Dallas	TX	75201
Imagenet, LLC	5401 W. Kennedy Blvd.	Tampa	FL	33609

## APPENDIX TO AGENDA ITEM 13

### Summary of Contract History

<b>Vendor</b>	<b>Contract Number(s)</b>	<b>History of Contract Changes (Summary)</b>	<b>Last Approval</b>
1. The Burgess Group, LLC.	OC 03194	There have been 17 amendments to the contract. The amendments included date extensions along with services modifications required to meet CalOptima and regulatory requirements.	Board Approval December 6, 2018
2. Infocrossing, A Wipro Company	PO 06195	There have been eight amendments to the contract. The amendments included date extensions along with service modifications required to meet Centers for Medicare & Medicaid Services (CMS) regulatory requirements. An additional extension was most recently approved at the October 7, 2021, Board of Directors meeting. The amendment is in progress.	Board Approval October 7, 2021
3. Medecision, Inc.	MC 01808	There have been 16 amendments to the contract. The amendments included date extensions along with service modifications required to meet CalOptima and regulatory requirements.	Board Approval March 5, 2020
4. Imagenet, LLC	18-10184	There have been seven amendments to the contract. The amendments include service additions to accommodate changes to regulatory and business requirements as well as exercising options to extend the contract. An additional extension was most recently approved at the October 7, 2021, Board of Directors meeting. The amendment is in progress.	Board Approval October 7, 2021

## CALOPTIMA BOARD ACTION AGENDA REFERRAL

### Action To Be Taken October 7, 2021 Regular Meeting of the CalOptima Board of Directors

#### **Report Item**

16. Consider Authorizing Extension of Contracts Related to CalOptima's Key Operational Systems

#### **Contacts**

Ladan Khamseh, Chief Operations Officer, (714) 246-8866  
Nora Onishi, Director, Information Services, (714) 246-8630

*Rev 10/7/21: All contracts below  
extended for 3 years, except c. and d.  
were extended for 3.5 years.*

#### **Recommended Actions**

Authorize the Chief Executive Officer (CEO) to:

*Rev. 10/7/21: Option for one-year extensions  
exercisable at the Board's discretion.*

1. Extend the contracts with the following vendors through the dates indicated in the attached Tables 1, 2 and 3:
  - a. Cognizant TriZetto Software Group, Inc.
  - b. Catalyst Solutions, LLC
  - c. Edifecs, Inc.
  - d. Imagenet, LLC
  - e. LexisNexis Risk Solutions FL Inc, and Enclarity, Inc.
  - f. Symplr
  - g. Change Healthcare Technologies, LLC
  - h. Ceridian Corporation
  - i. Silk Road Technology, Inc.
  - j. Varis, LLC
  - k. SmartComms, LLC
  - l. InfoCrossing, A WIPRO Company
  - m. Intuitive Technology Group, Inc.
  - n. Lumen Technologies
2. Authorize payment of maintenance and support fees to these vendors through the dates and up to the amounts indicated in the attached Tables 1, 2 and 3.

#### **Background**

CalOptima contracts with several vendors that provide a variety of software solutions to support CalOptima's overall business model. There are two core systems, Facets and Guiding Care, that are central to CalOptima's infrastructure while many other supporting solutions surround them.

Within the managed care industry, it is standard practice to have multiple systems because no commercially available single solution can meet the demands of the industry for all necessary functions. The trend over the past ten years or more has been to utilize each core application for what that system handle best, and to use specialty solutions to supplement the core. CalOptima, along with virtually all other local health plans in the state, use this approach.

Primary and supporting systems include:

- a. **Cognizant TriZetto Software Group, Inc.** – Facets is CalOptima's core business system that manages Membership/eligibility data, Customer Service, Claims and Provider Dispute

*Rev 10/7/21: All contracts below  
extended for 3 years, except c. and d.  
were extended for 3.5 years.*

*Rev. 10/7/21: Option for one-year extensions  
exercisable at the Board's discretion.*

Requests. In 2018, CalOptima initiated a Request for Information (RFI) to review available systems within the industry to determine whether it would make sense for CalOptima to replace the current system. There is no one system that handles everything well, and although we identified systems that can perform some functions better than CalOptima's current core system, there are trade-offs to consider. To replace a core system like this would require a minimum of two to three years to issue a Request for Proposal (RFP), enter into a contract and implement the transition. In addition, the cost would be at a minimum of \$10–15 million (based on information from other county organized health systems (COHS) that have recently gone through this process). In further review and discussion with Gartner<sup>1</sup>, the recommendation was to consider procuring supplemental systems to offset some of the functionality gaps within the core system. At the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended staying with our current core system and to consider supplemental functions to fill any gaps. One such supplemental initiative include the Provider Data Management System RFP that is currently in progress. Staff recommends approval of extending the Facets contract for three additional years with the options to extend the agreement for two additional one-year terms (through June 2027) in order to provide staff with sufficient time to implement supplemental systems and re-evaluate whether the functional gaps have been fully addressed.

- b. **Catalyst Solutions, LLC** is a vendor utilized for technical support for Facets. This vendor has supported many of our Facets upgrades over the years. The vendor is extremely familiar with our infrastructure and the Facets product. Catalyst Solutions' contract was extended by the Board on December 6, 2018, in line with the Facets Core System extension, due to the vendor's knowledge of CalOptima's infrastructure and the application. Staff recommends extending the contract for three additional years with the options to extend the agreement for two additional one-year terms (through June 2027) in alignment with the Facets contract.
- c. **Edifecs, Inc.** is a software tool that supports quality for the CalOptima Facets Claims processes. XEngine through Edifecs is a tool that validates and ensures compliance with regulatory transaction standards and streamlines operational efficiency. This vendor has provided solutions that are tightly integrated with our core system. Staff recommends approval of extending the contract for three and a half additional years with the option to add two one-year extensions (through June 2027) to match the extension date of the Facets contract.
- d. **Imagenet, LLC** is the vendor that provides imaging, scanning, data lift and document archive solutions. Multiple departments utilize their scanning and image data lift to provide data files for claims and enrollment selection processes. Along with that, Imagenet provides the electronic data imaging archives for provider documents and Medication Therapy Management (MTM) letter documentation, as well as historical Grievance and Appeals documentation. This vendor has provided solutions that are tightly integrated with our core system. Staff recommends approval of extending the contract for three and a half additional years with the option to add two one-year extensions (through June 2027) to match the extension date of the Facets contract.
- e. **LexisNexis Risk Solutions FL Inc. and Enclarity, Inc.** provides a solution to validate Provider Data used at CalOptima, including demographic data and identification of providers that are on Federal exclusion lists. This software is tightly integrated to the core system. Staff

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<sup>1</sup> Gartner is a leading technical research and advisory company that provides senior CalOptima leaders with the indispensable business insights and advice to achieve the mission-critical priorities.

*Rev 10/7/21: All contracts below  
extended for 3 years, except c. and d.  
were extended for 3.5 years.*

*Rev. 10/7/21: Option for one-year extensions  
exercisable at the Board's discretion.*

recommends approval of extending the contract for an additional two years and eight months with the option to add three one-year extensions (through June 2027) to match the extension date of the Facets contract.

### **Provider Credentialing and Contracting Systems:**

The following two contracts are for provider credentialing (Symplr) and provider contracting (Change Healthcare Technologies). Staff is currently in the RFP process to select and implement an integrated solution for Provider Data Management, Contracting and Credentialing. This integrated solution will potentially replace the current Credentialing and Contracting systems if new vendor(s) are selected consistent with the Board-approved Purchasing policy. Due to the complexity of this effort, staff estimates that the integrated solution implementation will be completed by the end of 2024. Staff recommends approval of extending both contracts annually for up to two additional years (through December 2024) to allow sufficient time for completion of the RFP and implementation of the selected system.

- a. **Symplr** provides provider credentialing software. As noted above, staff plans to complete the RFP process and implement a new solution by the end of 2024. Staff recommends approval of extending the contract for one additional year and sixteen days with an option for two additional one year extensions.(through December 2024).
- b. **Change Healthcare Technologies, LLC** is a provider contract management software system. As noted above, staff plans to complete the RFP process and implement a new solution by the end of 2024. Staff recommends approval of extending the contract for an additional one year and one day with an option for two additional one year extensions (through December 2024).

### **Human Capital Management (HCM) Systems:**

The following three systems support our Human Resources (HR) function. CalOptima's HR Department currently utilizes several disparate systems to assist in managing employee information and applicant tracking. The RFP planned for FY 2019–2020 to replace these three systems was deferred due to other priorities related to the COVID pandemic. Staff is currently preparing a Human Capital Management (HCM) solution RFP to be issued in Fall 2021 to review products in the marketplace. This RFP seeks an integrated solution to support several HR and Finance functions, including, but not limited to, core HR functions, benefits, workforce management, payroll, applicant tracking and recruitment, and performance management, which are currently provided by several different systems. By allowing a one-year extension to these three systems below, staff will have time to complete the RFP, contract with the successful vendor, and implement a new solution for HCM.

- a. **Ceridian Corporation-** Dayforce is the primary HR and Finance system handling employee benefits and payroll. As noted above, by allowing a one-year extension to this contract, staff will have sufficient time to complete the HCM RFP and implement a new solution. Staff recommends approval of extending the contract for one additional year (through January 6<sup>th</sup> 2023).
- b. **Silk Road Technology, Inc.-** OpenHire is the current HR applicant tracking and recruitment system. WingSpan is the current employee performance management system where all CalOptima staff performance evaluations are created and stored. As noted above, by allowing a one-year extension to this contract, staff will have sufficient time to complete the HCM RFP and implement a new solution. Staff recommends approval of extending the contract for one additional year (through December 2022).

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## Other Systems

- a. **Varis LLC** provides overpayment identification and post-payment recovery services of potential overpayment of services that utilized Diagnosis Related Group (DRG) for Inpatient Medicare and Medi-Cal and Outpatient or Ambulatory Payment Classification (APC) payment guidelines to determine the claims payment amount. To summarize the audit review process, Varis conducts the data and clinical analysis based on CalOptima's paid files and review of medical records, as needed, and identifies the dollar recovery amounts based on their audit findings. By allowing a one-year extension, staff will have time to complete the RFP process, and if the same vendor is not selected, it will allow sufficient time to contract and implement a new solution. Staff recommends approval of extending the contract for one additional year (through September 24<sup>th</sup>, 2023).
- b. **SmartComms, LLC** provides system generated letters for claims requests as well as claims denials. This solution was originally selected to support the Care Management vendor solution. With the decision to process a RFP to select a Care Management solution, the letter generating solution may change with that direction. Staff recommends approval of extending the contract for one additional year (through December 30<sup>th</sup>, 2022) to allow time to complete the Care Management System RFP which will impact the letter communication system.
- c. **InfoCrossing, A WIPRO Company** is a CMS third party vendor that supports our process to submit enrollment and disenrollment updates to CMS. The vendor provides CMS data files for membership reconciliation for OneCare, OneCare Connect, and PACE. WIPRO supports file transfers between CalOptima and CMS. This vendor has maintained our stability to process regulatory file requirements to CMS. With the Duals Demonstration coming to an end and the transition of member planning in progress, it would be best to stay with the existing vendor to assure stability in transition. Staff recommends approval of extending the contract for an additional three years, two months and three days, to cover the period of the transition and the first year thereafter (through December 31<sup>st</sup>, 2024). Post transition, staff will issue an RFP to review the available systems in the market.
- d. **Intuitive Technology Group, Inc.** Tableau is an enterprise-wide reporting and analysis tool that provides staff with the capability to review and analyze clinical, financial, and other data to monitor and improve performance. In addition to costs associated with selecting and implementing a new tool, to replace a system like this, it would require the use of a new tool for staff to perform data analysis and to be re-trained to re-create the many reports and dashboards developed over the last four years. Staff's recommendation is to approve extending the contract for three additional years (through November 28<sup>th</sup>, 2024).
- e. **Lumen Technologies** is CalOptima's carrier for telecommunications as well as Internet connectivity. This vendor supports this particular area of the County. Internet and telecommunication stability during the pandemic has been essential to keep our communications functioning. We have not experienced any major issues with the vendor during the pandemic. Staff's recommendation is to approve extending the contract for three additional years (through 12/31/2024).

## Discussion

The vendors listed above and in the attached tables represent the solutions described and contracts expiring in 2021 and 2022. Replacing any of these solutions in the short term would require substantial additional investment, time commitment, as well as significant disruption to operations.

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exercisable at the Board's discretion.*

Many of these solutions are tightly embedded and integrated into either Facets or Guiding Care (the core systems):

- I. Table 1. Unless core systems are replaced, replacing these tightly integrated solutions is not feasible without substantial investment and significant disruption to the operations. Some of the vendors also represent the most viable solution considering CalOptima's operating environment.
- II. Table 2. The vendors in this category have expiring contracts, but due to the complications related to the COVID-19 pandemic during the past 18 months, staff needs additional time to complete the RFP processes and selection of new vendors. Extending these contracts as proposed will allow sufficient time for selection and implementation of new systems and avoid potential gaps in services.
- III. Table 3. This table lists the technical solutions that provide support to the infrastructure and stability for the above systems. Extending these vendor solution contracts will allow additional time to complete the other RFP processes and determine whether an RFP to change technical directions is needed.

### **Fiscal Impact**

The CalOptima Fiscal Year 2021–22 Operating Budget, approved by the Board on June 3, 2021 includes the annual fees for the listed contracted vendors related to CalOptima's core and supporting systems through June 30, 2022. Management will include expenses for the recommended contract extension periods on or after July 1, 2022, 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 allows continuity of operations throughout the organization that impact CalOptima's member and provider community.

### **Concurrence**

Gary Crockett, Chief Counsel



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extended for 3 years, except c. and d.  
were extended for 3.5 years.*

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exercisable at the Board's discretion.*

### **Attachments**

1. Tables of Proposed Contract Extensions
2. Entities Covered by this Recommended Board Action
3. Appendix: Summary of Contract History
4. Board Action dated June 3, 2021: Consider Approval of the CalOptima Fiscal Year 2021–22 Operating Budget
5. Board Action dated March 5, 2020: Consider Authorization of Expenditures in the CalOptima Fiscal Year 2019–20 Operating Budget for Claims Editing Solution and Recovery Services
6. Board Action dated December 6, 2018: Consider Extension of Contract Related to CalOptima's Core System, Facets
7. Board Action dated December 6, 2018: Consider Extension of Contracts Related to CalOptima's Key Operational and Human Resource Systems
8. Board Action dated September 1, 2016: Consider Extension of Contracts Related to CalOptima's Core Systems

/s/ Richard Sanchez  
**Authorized Signature**

09/29/2021  
**Date**



## Tables — Proposed Contract Extensions

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.*

*Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

**Table 1** — Solutions tightly integrated with the two core systems (Facets and/or Altruista)

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2021–22 Budget
a. Cognizant TriZetto Software Group, Inc.	Core business applications supporting membership, claims	2/22/2000	6/30/2022	6/30/2027	\$1,915,000
b. Catalyst Solutions, LLC	Technical consultant support for Facets	4/21/2014	6/30/2022	6/30/2027	\$28,000
c. Edifecs, Inc.	Electronic transaction standardization software	03/09/2011	12/31/2021	6/30/2027	\$114,100
d. Imagenet, LLC	Archiving and document imaging services	11/21/2017	12/31/2021	6/30/2027	\$350,000
e. Lexis Nexis Risk Solutions FI Inc. and Enclarity, Inc.	Provider exclusion software	5/01/2015	10/31/2021	6/30//2027	\$324,000

**Table 2** — Solutions defined as essential systems with contracts that need extending to allow time for RFP selection and contract negotiation with implementation of the selected vendor to replace existing systems, and to assure there are no gaps in service.

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2021–22 Budget
f. Symplr	Credentialling system	11/29/2011	12/15/2021	12/31/2024	\$119,000
g. Change Healthcare Technologies, LLC	Contract management software system	12/30/2016	12/30/2021	12/31/2024	\$355,000
h. Ceridian Corporation	Employee payroll	6/29/2008	1/06/2022	1/06/2023	\$384,000
i. Silk Road Technology, Inc.	HR recruitment tracking (Open Hire) and HR performance management (Wingspan)	06/19/2009	12/31/2021	12/31/2022	\$81,000
j. Varis LLC	High dollar and forensic claims review	9/25/2017	9/24/2022	9/24/2023	\$1,450,000
k. SmartComms, LLC	Letter generation software	12/31/2016	12/30/2021	12/30/2022	\$145,000
l. InfoCrossing, A WIPRO Company	CMS enrollment/eligibility verification and CMS file reconciliation	05/01/2005	10/28/2021	12/31/2024	\$24,000

## Tables — Proposed Contract Extensions

*Rev 10/7/21: All contracts below extended for 3 years, except c. and d. were extended for 3.5 years.*

**Table 3** — Technical solutions that maintain service level consistency.

*Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

Number from List, Vendor, Solution Name (if applicable)	Description of Service	Original Contract Start Date	Current Contract Expires	Recommend Contract Extension Through	Annual Cost Based on Fiscal Year 2021–22 Budget
m. Intuitive Technology Group, Inc.	Business intelligence software — Tableau	11/22/2017	11/28/2021	11/28/2024	\$238,505
n. Lumen Technologies	Internet connectivity	02/15/2012	12/31/2021	12/31/2024	\$984,000

**ENTITIES COVERED BY THIS RECOMMENDED BOARD ACTION**

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Cognizant Trizetto Software Group, Inc.	300 Frank W Burr Blvd.	Teaneck	NJ	07666
Catalyst Solutions, LLC	6400 S. Fiddlers Green Circle	Greenwood Village	CO	80111
Edifecs, Inc	1756 114 <sup>th</sup> Ave. SE	Bellevue	WA	98004
Imagenet, LLC	5401 W. Kennedy Blvd.	Tampa	FL	33609
LexisNexis Risk Solutions FL Inc. and Enclarity, Inc.	1105 N Market St, Ste 501	Wilmington	DE	19801
Symplr	315 Capitol St., Suite 100	Houston	TX	77002
Change Healthcare Technologies, LLC	100 Airpark Center Drive East	Nashville	TN	37217
Ceridian Corporation	3311 E Old Shakopee Rd	Minneapolis	MN	55425
Silk Road Technology, Inc	100 S. Wacker Dr, Suite 425	Chicago	IL	60606
Varis, LLC	3915 Security Park Dr, Ste B	Rancho Cordova	CA	95742
SmartComms, LLC	250 Commercial Street	Manchester	NH	03101
InfoCrossing, A WIPRO Company	2 Tower Center	East Brunswick	NJ	08816
Intuitive Technology Group, Inc.	4530 W 77th Street, Suite 255	Edina	MN	55435
Lumen Technologies	100 CenturyLink Dr.	Monroe	LA	71203

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Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

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## APPENDIX TO AGENDA ITEM 16

### Summary of Contract History

Vendor	Contract Number(s)	History of Contract Changes (Summary)	Last Approval
a. Cognizant TriZetto Software Group, Inc.	00-849-2197	There have been 48 amendments to the contract. These amendments have included time extensions, functional enhancements to support changes to regulatory and business requirements over the years, and administrative changes. Staff conducted multiple RFIs to survey the market for claims processing and customer service systems. Most recently, at the February 2020 meeting of the Finance and Audit Committee (FAC) of the Board, staff recommended to stay with our current core systems and to consider supplemental functions to fill the gap.	Board Approval December 6, 2018
b. Catalyst Solutions, LLC	14005	There have been 9 amendments to the contract. The amendments included date extensions along with technical support for system configuration changes required to meet regulatory and business requirements.	Board Approval December 6, 2018
c. Edifecs, Inc.	MC 01759	This contract has been extended 10 times. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.	Board Approval December 6, 2018
d. Imagenet, LLC	18-10184	There have been 7 amendments to the contract. The amendments include service additions to accommodate changes to regulatory and business requirements and the exercise of options to extend the contract that was included in the original contract.	Budget Approval June 3, 2021
e. Lexis Nexis Risk Solutions FL Inc. and Enclarity, Inc.	15-0964/ 15-0973	There have been 6 amendments to the contract. The amendments include date extensions, administrative changes and pricing updates.	Budget Approval June 3, 2021

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*Rev. 10/7/21: Option for one-year extensions exercisable at the Board's discretion.*

<b>Vendor</b>	<b>Contract Number(s)</b>	<b>History of Contract Changes (Summary)</b>	<b>Last Approval</b>
f. Symplr	MC 01611	There have been 9 extensions to the contract. The extensions have included date extensions along with licensing modifications and technical support to accommodate changes to regulatory and business requirements.	Budget Approval June 3, 2021
g. Change Healthcare Technologies, LLC	17-10538	There have been 2 amendments to the contract. The amendments include technical support services related to the implementation and upgrade of the software.	Budget Approval June 3, 2021
h. Ceridian Corporation	MC 03232	There have been 12 extensions to the contract. The extensions have included software license modifications and technical support services related to the implementation and upgrade required to meet regulatory and business requirements.	Board Approval December 6, 2018
i. Silk Road Technology, Inc.	MC 02042	There have been 10 extensions to the contract. The extensions have included technical support services related to the implementation and upgrade of the software.	Board Approval December 6, 2018
j. Varis, LLC	17-10537	There have been 2 amendments to the contract. The amendments were for date extensions.	Board Approval March 5, 2020
k. SmartComms, LLC	17-10511	There have been 2 amendments to the contract. The amendments include technical service additions to support implementation and the exercise of options to extend the contract that was included in the original contract.	Budget Approval June 3, 2021
l. InfoCrossing, A WIPRO Company	PO 06195	There have been 8 amendments to the contract. The amendments included date extensions along with service modifications required to meet CMS regulatory requirements.	Budget Approval June 3, 2021
m. Intuitive Technology Group, Inc.	18-10487	There have been 2 amendments to the contract. The amendments include additional licenses to support organizational growth and the exercise of options to extend the contract that was included in the original contract.	Budget Approval June 3, 2021

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken March 5, 2020** **Regular Meeting of the CalOptima Board of Directors**

#### **Report Item**

17. Consider Extension of Contracts Related to CalOptima's Key Operations

#### **Contact**

Nora Onishi, Director, Information Services 714 246-8400

Belinda Abeyta, Executive Director, Operations, 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 attached Tables 1 and 2:
  - a. Office Ally, Inc. (Claims Clearinghouse)
  - b. Change Healthcare Technologies, LLC (Claims Clearinghouse)
  - c. Health Management Systems, Inc. (HMS) (Medi-Cal Cost Containment)
  - d. Medecision, Inc. (CalOptima Link)
  - e. Star Medical Therapy Management (MTM), LLC (Clinical Support Services)
2. Authorize payment of maintenance and support fees to these vendors through the dates and up to the amounts indicated in the attached Tables 1 and 2.

#### **Background**

CalOptima contracts with many vendors that provide a variety of software solutions to support the overall business model. Two core systems (medical data management and claims processing) are central to this infrastructure, while many other supporting solutions surround the core systems.

Within the managed care industry, this is standard practice, as no commercially available single solution can meet the demands of the industry for all functions. The trend over the past 10 or more years has been to utilize this approach by using the core for what those systems handle best, and to use specialty solutions to surround the core. CalOptima, the other 15 local health plans of California, and virtually all health plans, use this approach.

Supporting Systems include:

- a. Office Ally – Claims clearinghouse. Providers in the community interact with Office Ally systems to submit claims to CalOptima for payment consideration. The Office Ally clearinghouse provides these services to the majority of California providers. Office Ally also provides electronic health record and practice management solutions at no additional cost to provider offices, including hundreds of CalOptima-contracted provider offices.
- b. Change Healthcare Technologies – Claims clearinghouse. Providers in the community interact with Change Healthcare systems to submit Long Term Care claims for payment to CalOptima. In addition, Change Healthcare is responsible for printing CalOptima provider remittance advices (RA) biweekly. The RA provides a notice and explanation of reasons for payment, adjustment,

- and denial of charges on a medical claim.
- c. HMS – HMS is a coordination of benefits recovery cost containment service vendor. For CalOptima, as well as the California Department of Health Care Services (DHCS). HMS is a contingency contract to identify and recover overpayments for improper Medi-Cal payments related to coordination of benefits. HMS' mission is to help protect the integrity of government-sponsored health and human services programs. HMS provides similar services to 23 states, including 41 state Medicaid programs.
  - d. Medecision Aerial Care Coordination – This solution is the current CalOptima provider portal, more commonly known to 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 internal development of our new CalOptima Provider Portal.
  - e. Star MTM Clinical Support Services – This vendor provides the system and services to support the Pharmacy Medication Therapy Management Program (MTMP) required by the Centers for Medicare & Medicaid Services (CMS) for both the OneCare and OneCare Connect programs. This highly regulated program is integrated within the overall administration of CalOptima's pharmacy benefit. Since initial contracting, the vendor was acquired by Star MTMP, resulting in much needed enhancements that have directly benefited CalOptima members and have led to a more efficient workflow. Given the strength and success of the MTMP in CalOptima's annual CMS data validation audits, staff recommends extending the current contract by two years with a re-evaluation for RFP scheduled during Fiscal Year (FY) 2022-23. With the upcoming plan for a PBM RFP, this extension will also help support the resources to focus on one major Pharmacy RFP at a time.

### **Discussion**

The vendors listed in the attached tables represent the solutions described above with contracts expiring in 2020 and 2022. Replacing any of these solutions would require substantial additional investment, time commitment, and significant disruption to operations.

Many of these solutions are tightly embedded/integrated into either Facets and/or Altruista (the core systems) – see Table 1. Unless Facets or Altruista were replaced, changing these tightly integrated solutions is infeasible without substantial investment and significant disruption to CalOptima's operations. Some also represent the most viable solution considering CalOptima's operating environment. See Table 2. Staff recommends that those falling into this category will have their contracts extended without going through the competitive bidding process at this time.

### **Fiscal Impact**

The CalOptima FY 2019-20 Operating Budget includes the annual fees for the listed contracted vendors related to CalOptima's core and supporting systems through June 30, 2020. Management plans to include expenses for the recommended contract extension periods on or after July 1, 2020, in future CalOptima Operating Budgets.

### **Rationale for Recommendation**

Staff recommends extension of the contracts for the referenced systems to ensure that there is no disruption to the services provided by each of the solutions and to allow for continuity of operations throughout the organization and CalOptima's member and provider communities.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

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

/s/ Michael Schrader  
**Authorized Signature**

02/26/2020  
**Date**



*Attachment 1 to the March 20, 2020 Board of Directors Meeting – Agenda Item 17*

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

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
Office Alley	1300 SE Cardinal Court Suite 190	Vancouver	WA	98683
Change Healthcare Technologies, LLC	3055 Lebanon Pike Street	Nashville	TN	37214
HMS	401 Park Avenue South	New York	NY	91803
Medecision, Inc.	550 E. Swedesford Road	Wayne	PA	19087
Star Medical Therapy Management (MTM), LLC	701 Seneca Street	Buffalo	NY	14210

Attachment - Proposed Contract Extensions

Table 1 — Solutions tightly integrated with core Facets (claims processing) and/or Altruista (medical data management) systems

<b>Number from List, Vendor, Solution Name (if applicable)</b>	<b>Description of Service</b>	<b>Original Contract Start Date</b>	<b>Current Contract Expires</b>	<b>Recommend Contract Extension Through:</b>	<b>Competitive Bid Initiation (approximate):</b>	<b>Annual Cost Based on Fiscal Year 2019–20 Budget</b>
d. Medecision	Provider Portal	3/23/2011	12/31/2020	12/31/2021	N/A	\$1,560,000
a. e. Star MTM	Pharmacy	11/1/2014	3/21/2022	3/21/2024	N/A	\$156,000

Table 2 — Solutions defined as “most viable” based on market standard, lack of competition or related to state consistency

<b>Number from List, Vendor, Solution Name (if applicable)</b>	<b>Description of Service</b>	<b>Original Contract Start Date</b>	<b>Current Contract Expires</b>	<b>Recommend Contract Extension Through:</b>	<b>Competitive Bid Initiation (approximate):</b>	<b>Annual Cost Based on Fiscal Year 2019–20 Budget</b>
a. Office Alley	Claims Clearinghouse	7/1/2004	12/31/2020	12/31/2023	N/A	\$685,000
b. Change Healthcare	Claims Clearinghouse	10/12/2000	12/31/2020	12/31/2023	N/A	\$17,000
c. HMS	Coordination of Benefits Recovery	5/15/2008	5/14/2020	5/14/2023	N/A	\$1,425,000

## **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. Ansaone – This vendor provides critical services supporting both CalOptima's Customer Service function and the Medical Affairs function. Ansaone provides after-hours call center support for both general customer service calls as well as more specific medical affairs calls. Ansaone 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

September 30, 2021

Finance and Audit Committee Meeting

November 18, 2021

Nancy Huang, Chief Financial Officer

# FY 2021–22: Management Summary

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## ○ Change in Net Assets Surplus or (Deficit)

- MTD: \$1.9 million, favorable to budget \$4.2 million or 185.2%
- YTD: \$12.2 million, favorable to budget \$25.0 million or 196.1%

## ○ Enrollment

- MTD: 856,825 members, favorable to budget 14,889 or 1.8%
- YTD: 2,554,478 members, favorable to budget 34,884 or 1.4%

## ○ Revenue

- MTD: \$481.9 million, favorable to budget \$150.6 million or 45.5% driven by Medi-Cal (MC) line of business (LOB):
  - \$132.6 million of Fiscal Year (FY) 2020 hospital Directed Payments (DP)
  - \$9.3 million of net Proposition 56 revenue due the extension of Proposition 56 by the Department of Health Care Services (DHCS) and Proposition 56 risk corridor
  - \$4.0 million due to increase in Long-Term Care (LTC), pharmacy funding from DHCS, and Coordinated Care Initiative (CCI) revenue
- YTD: \$1.2 billion, favorable to budget \$203.2 million or 20.5% driven by MC LOB:
  - \$132.6 million of FY 2020 hospital DP
  - \$40.3 million due to the extension of Proposition 56 and updates to the Proposition 56 risk corridor
  - \$17.1 million due to favorable enrollment and increase in LTC, pharmacy funding from DHCS, and CCI

# FY 2021–22: Management Summary (cont.)

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## ○ Medical Expenses

- MTD: \$467.9 million, unfavorable to budget \$148.1 million or 46.3% driven by MC LOB:
  - Reinsurance & Other expense unfavorable variance of \$133.0 million primarily due to FY 2020 DP
  - Provider Capitation expense unfavorable variance of \$12.3 million due to Proposition 56 estimates and short-term supplemental rate increase due to COVID-19
  - All other medical expense categories, with the exception of facilities, are experiencing higher than budgeted utilization. In addition, reflects the board approved short-term supplemental rate increase due to COVID-19
- YTD: \$1.1 billion, unfavorable to budget \$184.4 million or 19.1% driven by MC LOB:
  - Reinsurance & Other expense unfavorable variance of \$135.1 million due to FY 2020 DP
  - Provider Capitation expense unfavorable variance of \$38.8 million due primarily to the extension of Proposition 56 and short-term supplemental rate increase due to COVID-19
  - All other medical expense categories with the exception of facilities are experiencing higher than budgeted utilization. In addition, reflects the board approved short-term supplemental rate increase due to COVID-19

## ○ Administrative Expenses

- MTD: \$12.0 million, favorable to budget \$2.6 million or 18.1%
- YTD: \$35.9 million, favorable to budget \$7.2 million or 16.7%

## ○ Net Investment & Other Income

- MTD: (\$0.1) million, unfavorable to budget \$1.0 million or 115.5%
- YTD: \$1.5 million, unfavorable to budget \$1.0 million or 40.4%

# FY 2021–22: Key Financial Ratios

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- Medical Loss Ratio (MLR)

- MTD: Actual 97.1% (96.0% excluding DP), Budget 96.5%
- YTD: Actual 96.1% (95.6% excluding DP), Budget 97.2%

- Administrative Loss Ratio (ALR)

- MTD: Actual 2.5% (3.4% excluding DP), Budget 4.4%
- YTD: Actual 3.0% (3.4% excluding DP), Budget 4.3%

- Balance Sheet Ratios

- Current ratio: 1.7
- Board-designated reserve funds level: 1.74
- Net position: \$1.3 billion, including required Tangible Net Equity (TNE) of \$106.0 million

# Enrollment Summary: September 2021

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
118,567	117,101	1,466	1.3%	SPD	354,136	350,992	3,144	0.9%
299,389	296,833	2,556	0.9%	TANF Child	896,321	890,038	6,283	0.7%
110,684	106,717	3,967	3.7%	TANF Adult	328,352	319,316	9,036	2.8%
3,116	3,191	(75)	(2.4%)	LTC	9,310	9,573	(263)	(2.7%)
295,867	289,707	6,160	2.1%	MCE	879,006	864,664	14,342	1.7%
11,824	11,159	665	6.0%	WCM	35,531	33,477	2,054	6.1%
<b>839,447</b>	<b>824,708</b>	<b>14,739</b>	<b>1.8%</b>	<b>Medi-Cal Total</b>	<b>2,502,656</b>	<b>2,468,060</b>	<b>34,596</b>	<b>1.4%</b>
<b>14,817</b>	<b>15,059</b>	<b>(242)</b>	<b>(1.6%)</b>	<b>OneCare Connect</b>	<b>44,324</b>	<b>45,062</b>	<b>(738)</b>	<b>(1.6%)</b>
<b>2,152</b>	<b>1,771</b>	<b>381</b>	<b>21.5%</b>	<b>OneCare</b>	<b>6,281</b>	<b>5,284</b>	<b>997</b>	<b>18.9%</b>
<b>409</b>	<b>398</b>	<b>11</b>	<b>2.8%</b>	<b>PACE</b>	<b>1,217</b>	<b>1,188</b>	<b>29</b>	<b>2.4%</b>
<b>856,825</b>	<b>841,936</b>	<b>14,889</b>	<b>1.8%</b>	<b>CalOptima Total</b>	<b>2,554,478</b>	<b>2,519,594</b>	<b>34,884</b>	<b>1.4%</b>

# Financial Highlights: September 2021

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
856,825	841,936	14,889	1.8%	Member Months	2,554,478	2,519,594	34,884	1.4%
481,870,062	331,295,696	150,574,366	45.5%	Revenues	1,194,742,364	991,515,980	203,226,384	20.5%
467,875,446	319,787,636	(148,087,810)	(46.3%)	Medical Expenses	1,148,055,520	963,641,860	(184,413,660)	(19.1%)
11,950,888	14,588,612	2,637,724	18.1%	Administrative Expenses	35,931,710	43,114,845	7,183,135	16.7%
<b>2,043,729</b>	<b>(3,080,552)</b>	<b>5,124,281</b>	<b>166.3%</b>	<b>Operating Margin</b>	<b>10,755,134</b>	<b>(15,240,725)</b>	<b>25,995,859</b>	<b>170.6%</b>
(128,992)	833,334	(962,326)	(115.5%)	Non Operating Income (Loss)	1,490,182	2,500,000	(1,009,818)	(40.4%)
<b>1,914,737</b>	<b>(2,247,218)</b>	<b>4,161,955</b>	<b>185.2%</b>	<b>Change in Net Assets</b>	<b>12,245,316</b>	<b>(12,740,725)</b>	<b>24,986,041</b>	<b>196.1%</b>
97.1%	96.5%	(0.6%)		Medical Loss Ratio	96.1%	97.2%	1.1%	
2.5%	4.4%	1.9%		Administrative Loss Ratio	3.0%	4.3%	1.3%	
<u>0.4%</u>	<u>(0.9%)</u>	1.4%		Operating Margin Ratio	<u>0.9%</u>	<u>(1.5%)</u>	2.4%	
100.0%	100.0%			Total Operating	100.0%	100.0%		
96.0%	96.5%	0.5%		*MLR (excluding Directed Payments)	95.6%	97.2%	1.6%	
3.4%	4.4%	1.0%		*ALR (excluding Directed Payments)	3.4%	4.3%	1.0%	

\*CalOptima updated the category of Directed Payments per Department of Health Care Services instructions

# Consolidated Performance Actual vs. Budget: September 2021 (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>
1.5	(3.0)	4.6	Medi-Cal	8.5	(14.3)	22.8
0.4	(0.1)	0.6	OCC	2.0	(1.1)	3.1
(0.0)	(0.1)	0.0	OneCare	(0.2)	(0.3)	0.1
<u>0.1</u>	<u>0.2</u>	<u>(0.1)</u>	<u>PACE</u>	<u>0.4</u>	<u>0.5</u>	<u>(0.1)</u>
<b>2.0</b>	<b>(3.1)</b>	<b>5.1</b>	<b>Operating</b>	<b>10.8</b>	<b>(15.2)</b>	<b>26.0</b>
<u>(0.1)</u>	<u>0.8</u>	<u>(1.0)</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>1.5</u>	<u>2.5</u>	<u>(1.0)</u>
<b>(0.1)</b>	<b>0.8</b>	<b>(1.0)</b>	<b>Non-Operating</b>	<b>1.5</b>	<b>2.5</b>	<b>(1.0)</b>
<b>1.9</b>	<b>(2.2)</b>	<b>4.2</b>	<b>TOTAL</b>	<b>12.2</b>	<b>(12.7)</b>	<b>25.0</b>



# Consolidated Revenue & Expenses: September 2021 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	531,756	295,867	11,824	839,447	14,817	2,152	409	856,825
<b>REVENUES</b>								
Capitation Revenue	240,313,596	\$ 182,786,954	\$ 24,791,008	\$ 447,891,558	\$ 27,770,802	\$ 2,966,781	\$ 3,240,922	\$ 481,870,062
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>240,313,596</b>	<b>182,786,954</b>	<b>24,791,008</b>	<b>447,891,558</b>	<b>27,770,802</b>	<b>2,966,781</b>	<b>3,240,922</b>	<b>481,870,062</b>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	43,901,409	48,540,759	9,917,369	102,359,537	10,504,105	750,792		113,614,433
Facilities	24,999,808	25,149,765	4,828,111	54,977,684	4,477,219	1,034,199	859,189	61,348,291
Professional Claims	23,481,596	11,540,230	1,144,307	36,166,133	1,159,535	106,760	738,228	38,170,656
Prescription Drugs	23,169,266	31,105,922	6,492,420	60,767,608	6,957,253	896,343	359,382	68,980,586
MLTSS	35,405,071	4,024,571	2,003,628	41,433,269	1,605,555	27,397	44,997	43,111,218
Medical Management	2,365,904	1,411,390	296,889	4,074,183	1,104,241	30,617	819,532	6,028,573
Quality Incentives	1,454,808	940,591	50,763	2,446,163	220,485		5,113	2,671,760
Reinsurance & Other	83,677,277	50,026,501	10,112	133,713,890	108,357		127,681	133,949,928
<b>Total Medical Expenses</b>	<b>238,455,139</b>	<b>172,739,729</b>	<b>24,743,600</b>	<b>435,938,468</b>	<b>26,136,750</b>	<b>2,846,107</b>	<b>2,954,121</b>	<b>467,875,446</b>
<b>Medical Loss Ratio</b>	<b>99.2%</b>	<b>94.5%</b>	<b>99.8%</b>	<b>97.3%</b>	<b>94.1%</b>	<b>95.9%</b>	<b>91.2%</b>	<b>97.1%</b>
<b>GROSS MARGIN</b>	<b>1,858,457</b>	<b>10,047,226</b>	<b>47,408</b>	<b>11,953,090</b>	<b>1,634,052</b>	<b>120,674</b>	<b>286,800</b>	<b>13,994,617</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,858,531	747,374	76,672	121,587	7,804,164
Professional fees				160,220	73,326	16,000	3,083	252,628
Purchased services				967,935	130,077	13,548	16,436	1,127,996
Printing & Postage				256,951	76,423	5,756	12,556	351,686
Depreciation & Amortization				389,386			303	389,689
Other expenses				1,636,633	2,806		15,802	1,655,241
Indirect cost allocation & Occupancy				151,663	161,262	49,168	7,390	369,483
<b>Total Administrative Expenses</b>				<b>10,421,319</b>	<b>1,191,267</b>	<b>161,144</b>	<b>177,157</b>	<b>11,950,888</b>
<b>Admin Loss Ratio</b>				<b>2.3%</b>	<b>4.3%</b>	<b>5.4%</b>	<b>5.5%</b>	<b>2.5%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>				<b>1,531,771</b>	<b>442,785</b>	<b>(40,470)</b>	<b>109,643</b>	<b>2,043,729</b>
<b>INVESTMENT INCOME</b>								<b>(410,894)</b>
<b>TOTAL MCO TAX</b>				<b>281,858</b>				<b>281,858</b>
<b>OTHER INCOME</b>				<b>45</b>				<b>45</b>
<b>CHANGE IN NET ASSETS</b>				<b>\$ 1,813,673</b>	<b>\$ 442,785</b>	<b>\$ (40,470)</b>	<b>\$ 109,643</b>	<b>\$ 1,914,737</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>				<b>(3,044,646)</b>	<b>(141,148)</b>	<b>(89,652)</b>	<b>194,894</b>	<b>(2,247,218)</b>
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<b>\$ 4,858,319</b>	<b>\$ 583,933</b>	<b>\$ 49,182</b>	<b>\$ (85,251)</b>	<b>\$ 4,161,955</b>

# Consolidated Revenue & Expenses: September 2021 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	1,588,119	879,006	35,531	2,502,656	44,324	6,281	1,217	2,554,478
<b>REVENUES</b>								
Capitation Revenue	567,210,775	\$ 451,386,826	\$ 74,750,186	\$ 1,093,347,787	\$ 83,189,607	\$ 8,257,683	\$ 9,947,287	\$ 1,194,742,364
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>567,210,775</b>	<b>451,386,826</b>	<b>74,750,186</b>	<b>1,093,347,787</b>	<b>83,189,607</b>	<b>8,257,683</b>	<b>9,947,287</b>	<b>1,194,742,364</b>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	133,513,035	147,050,196	27,305,477	307,868,707	31,866,975	2,286,725		342,022,407
Facilities	77,736,546	73,939,666	18,815,110	170,491,323	12,501,380	2,338,707	2,691,991	188,023,401
Professional Claims	69,363,371	33,036,327	4,345,313	106,745,011	3,321,756	362,968	2,251,263	112,680,998
Prescription Drugs	67,294,631	90,042,592	19,863,458	177,200,681	20,155,272	2,641,506	1,002,033	200,999,493
MLTSS	116,212,303	12,743,984	6,215,538	135,171,825	4,437,672	250,977	203,784	140,064,258
Medical Management	7,093,779	4,267,060	898,094	12,258,932	3,087,845	99,798	2,505,834	17,952,408
Quality Incentives	4,462,995	2,867,409	161,626	7,492,030	662,400		15,213	8,169,643
Reinsurance & Other	85,595,911	51,539,720	32,409	137,168,040	606,506		368,367	138,142,913
<b>Total Medical Expenses</b>	<b>561,272,570</b>	<b>415,486,954</b>	<b>77,637,026</b>	<b>1,054,396,550</b>	<b>76,639,806</b>	<b>7,980,679</b>	<b>9,038,485</b>	<b>1,148,055,520</b>
<b>Medical Loss Ratio</b>	<b>99.0%</b>	<b>92.0%</b>	<b>103.9%</b>	<b>96.4%</b>	<b>92.1%</b>	<b>96.6%</b>	<b>90.9%</b>	<b>96.1%</b>
<b>GROSS MARGIN</b>	<b>5,938,204</b>	<b>35,899,873</b>	<b>(2,886,839)</b>	<b>38,951,238</b>	<b>6,549,801</b>	<b>277,004</b>	<b>908,802</b>	<b>46,686,844</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				21,392,442	2,351,268	237,597	344,511	24,325,818
Professional fees				345,493	115,694	48,000	6,439	515,626
Purchased services				2,723,790	319,311	38,363	20,987	3,102,450
Printing & Postage				1,020,295	231,484	15,848	32,202	1,299,829
Depreciation & Amortization				1,225,481			5,051	1,230,532
Other expenses				4,324,510	3,156		23,564	4,351,230
Indirect cost allocation & Occupancy				(592,774)	1,521,368	151,016	26,615	1,106,224
<b>Total Administrative Expenses</b>				<b>30,439,236</b>	<b>4,542,281</b>	<b>490,824</b>	<b>459,369</b>	<b>35,931,710</b>
<b>Admin Loss Ratio</b>				<b>2.8%</b>	<b>5.5%</b>	<b>5.9%</b>	<b>4.6%</b>	<b>3.0%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>				<b>8,512,002</b>	<b>2,007,519</b>	<b>(213,821)</b>	<b>449,434</b>	<b>10,755,134</b>
<b>INVESTMENT INCOME</b>								<b>906,419</b>
<b>TOTAL MCO TAX</b>				<b>583,693</b>				<b>583,693</b>
<b>OTHER INCOME</b>				<b>70</b>				<b>70</b>
<b>CHANGE IN NET ASSETS</b>				<b>\$ 9,095,765</b>	<b>\$ 2,007,519</b>	<b>\$ (213,821)</b>	<b>\$ 449,434</b>	<b>\$ 12,245,316</b>
<b>BUDGETED CHANGE IN NET ASSETS</b>				<b>(14,318,249)</b>	<b>(1,090,141)</b>	<b>(341,206)</b>	<b>508,871</b>	<b>(12,740,725)</b>
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<b>\$ 23,414,014</b>	<b>\$ 3,097,660</b>	<b>\$ 127,385</b>	<b>\$ (59,437)</b>	<b>\$ 24,986,041</b>

# Balance Sheet: As of September 2021

## ASSETS

### Current Assets

Operating Cash	\$246,094,051
Short-term Investments	1,183,285,213
Capitation receivable	212,884,500
Receivables - Other	58,820,249
Prepaid expenses	18,121,859

<b>Total Current Assets</b>	<b>1,719,205,872</b>
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### Capital Assets

Furniture & Equipment	46,251,085
Building/Leasehold Improvements	6,211,579
505 City Parkway West	51,777,223
	104,239,887
Less: accumulated depreciation	(59,427,815)
Capital assets, net	44,812,072

### Other Assets

Restricted Deposit & Other	300,000
Homeless Health Reserve	56,798,913
Board-designated assets:	
Cash and Cash Equivalents	4,497,575
Investments	584,997,898
Total Board-designated Assets	589,495,474

<b>Total Other Assets</b>	<b>646,594,387</b>
---------------------------	--------------------

### TOTAL ASSETS

<b>2,410,612,331</b>
----------------------

### Deferred Outflows

Contributions	1,508,025
Difference in Experience	3,236,721
Excess Earning	2,104,780
Changes in Assumptions	3,692,771
OPEB 75 Changes in Assumptions	3,906,000
Pension Contributions	544,000

<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>2,425,604,628</b>
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## LIABILITIES & NET POSITION

### Current Liabilities

Accounts Payable	\$48,209,621
Medical Claims liability	795,971,800
Accrued Payroll Liabilities	18,812,216
Deferred Revenue	9,924,885
Deferred Lease Obligations	124,462
Capitation and Withholds	164,945,869

<b>Total Current Liabilities</b>	<b>1,037,988,853</b>
----------------------------------	----------------------

Other (than pensions) post employment benefits liability	31,737,773
Net Pension Liabilities	30,488,751
Bldg 505 Development Rights	-

<b>TOTAL LIABILITIES</b>	<b>1,100,215,376</b>
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### Deferred Inflows

Excess Earnings	344,198
OPEB 75 Difference in Experience	536,000
Change in Assumptions	2,709,945
OPEB Changes in Assumptions	773,000

### Net Position

TNE	105,987,982
Funds in Excess of TNE	1,215,038,127

<b>TOTAL NET POSITION</b>	<b>1,321,026,109</b>
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<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>2,425,604,628</b>
---	----------------------

# Board Designated Reserve and TNE Analysis: As of September 2021

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	241,416,612				
	Tier 1 - MetLife	240,350,345				
Board-designated Reserve		481,766,957	368,581,364	571,968,227	113,185,592	(90,201,270)
	Tier 2 - Payden & Rygel	53,859,707				
	Tier 2 - MetLife	53,868,810				
TNE Requirement		107,728,517	105,987,982	105,987,982	1,740,535	1,740,535
	<b>Consolidated:</b>	<b>589,495,474</b>	<b>474,569,346</b>	<b>677,956,209</b>	<b>114,926,127</b>	<b>(88,460,735)</b>
	<i>Current reserve level</i>	<i>1.74</i>	<i>1.40</i>	<i>2.00</i>		

# Our Mission

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



**CalOptima**  
Better. Together.

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## **UNAUDITED FINANCIAL STATEMENTS**

**September 2021**

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**CalOptima - Consolidated  
Financial Highlights  
For the Three Months Ended September 30, 2021**

Month-to-Date			
Actual	Budget	\$ Variance	% Variance
856,825	841,936	14,889	1.8%
481,870,062	331,295,696	150,574,366	45.5%
467,875,446	319,787,636	(148,087,810)	(46.3%)
11,950,888	14,588,612	2,637,724	18.1%
<b>2,043,729</b>	<b>(3,080,552)</b>	<b>5,124,281</b>	<b>166.3%</b>
(128,992)	833,334	(962,326)	(115.5%)
<b>1,914,737</b>	<b>(2,247,218)</b>	<b>4,161,955</b>	<b>185.2%</b>
97.1%	96.5%	(0.6%)	
2.5%	4.4%	1.9%	
<u>0.4%</u>	<u>(0.9%)</u>	1.4%	
100.0%	100.0%		
96.0%	96.5%	0.5%	
3.4%	4.4%	1.0%	

Member Months  
Revenues  
Medical Expenses  
Administrative Expenses

**Operating Margin**

Non Operating Income (Loss)

**Change in Net Assets**

Medical Loss Ratio  
Administrative Loss Ratio  
Operating Margin Ratio  
Total Operating

\*MLR (excluding Directed Payments)  
\*ALR (excluding Directed Payments)

Year-to-Date			
Actual	Budget	\$ Variance	% Variance
2,554,478	2,519,594	34,884	1.4%
1,194,742,364	991,515,980	203,226,384	20.5%
1,148,055,520	963,641,860	(184,413,660)	(19.1%)
35,931,710	43,114,845	7,183,135	16.7%
<b>10,755,134</b>	<b>(15,240,725)</b>	<b>25,995,859</b>	<b>170.6%</b>
1,490,182	2,500,000	(1,009,818)	(40.4%)
<b>12,245,316</b>	<b>(12,740,725)</b>	<b>24,986,041</b>	<b>196.1%</b>
96.1%	97.2%	1.1%	
3.0%	4.3%	1.3%	
<u>0.9%</u>	<u>(1.5%)</u>	2.4%	
100.0%	100.0%		
95.6%	97.2%	1.6%	
3.4%	4.3%	1.0%	

\*CalOptima updated the category of Directed Payments per Department of Health Care Services instructions



**CalOptima**  
**Financial Dashboard**  
**For the Three Months Ended September 30, 2021**

**MONTH - TO - DATE**

Enrollment					
	Actual	Budget		Fav / (Unfav)	
Medi-Cal	839,447	824,708	↑	14,739	1.8%
OneCare Connect	14,817	15,059	↓	(242)	(1.6%)
OneCare	2,152	1,771	↑	381	21.5%
PACE	409	398	↑	11	2.8%
Total	856,825	841,936	↑	14,889	1.8%

Change in Net Assets (000)					
	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 1,814	\$ (3,045)	↑	\$ 4,859	159.6%
OneCare Connect	443	(141)	↑	584	414.2%
OneCare	(40)	(90)	↑	50	55.6%
PACE	110	195	↓	(85)	(43.6%)
505 Bldg.	-	-	↑	-	0.0%
Investment Income & Other	(411)	833	↓	(1,244)	(149.3%)
Total	\$ 1,916	\$ (2,248)	↑	\$ 4,164	185.2%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	97.3%	96.9%	↓
OneCare Connect	94.1%	93.9%	↓
OneCare	95.9%	95.6%	↓

Administrative Cost (000)					
	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 10,421	\$ 12,345	↑	\$ 1,924	15.6%
OneCare Connect	1,191	1,837	↑	645	35.1%
OneCare	161	179	↑	18	10.1%
PACE	177	228	↑	51	22.2%
Total	\$ 11,951	\$ 14,589	↑	\$ 2,638	18.1%

Total FTE's Month			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,079	1,219	140
OneCare Connect	195	210	14
OneCare	10	9	(1)
PACE	94	115	20
Total	1,378	1,552	174

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	778	677	102
OneCare Connect	76	72	4
OneCare	218	190	28
PACE	4	3	1
Total	1,077	942	134

**YEAR - TO - DATE**

Year To Date Enrollment					
	Actual	Budget		Fav / (Unfav)	
Medi-Cal	2,502,656	2,468,060	↑	34,596	1.4%
OneCare Connect	44,324	45,062	↓	(738)	(1.6%)
OneCare	6,281	5,284	↑	997	18.9%
PACE	1,217	1,188	↑	29	2.4%
Total	2,554,478	2,519,594	↑	34,884	1.4%

Change in Net Assets (000)					
	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 9,096	\$ (14,318)	↑	\$ 23,414	163.5%
OneCare Connect	2,008	(1,090)	↑	3,098	284.2%
OneCare	(214)	(341)	↑	127	37.2%
PACE	449	509	↓	(60)	(11.8%)
505 Bldg.	-	-	↑	-	0.0%
Investment Income & Other	906	2,500	↓	(1,594)	(63.8%)
Total	\$ 12,245	\$ (12,740)	↑	\$ 24,985	196.1%

MLR			
	Actual	Budget	% Point Var
Medi-Cal	96.4%	97.6%	↑
OneCare Connect	92.1%	94.6%	↑
OneCare	96.6%	96.7%	↑

Administrative Cost (000)					
	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 30,439	\$ 36,345	↑	\$ 5,906	16.2%
OneCare Connect	4,542	5,585	↑	1,042	18.7%
OneCare	491	539	↑	49	9.0%
PACE	459	646	↑	186	28.9%
Total	\$ 35,932	\$ 43,115	↑	\$ 7,183	16.7%

Total FTE's YTD			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	3,218	3,644	426
OneCare Connect	579	627	49
OneCare	30	28	(2)
PACE	277	335	58
Total	4,103	4,634	531

MM per FTE			
	Actual	Budget	Fav / (Unfav)
Medi-Cal	778	677	100
OneCare Connect	77	72	5
OneCare	212	189	23
PACE	4	4	1
Total	1,071	942	129

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the One Month Ended September 30, 2021**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>MEMBER MONTHS</b>	856,825		841,936		14,889	
<b>REVENUE</b>						
Medi-Cal	\$ 447,891,558	\$ 533.56	\$ 298,455,782	\$ 361.89	\$ 149,435,776	\$ 171.67
OneCare Connect	27,770,802	1,874.25	27,578,039	1,831.33	192,763	42.92
OneCare	2,966,781	1,378.62	2,034,814	1,148.96	931,967	229.66
PACE	3,240,922	7,924.01	3,227,061	8,108.19	13,861	(184.18)
Total Operating Revenue	<u>481,870,062</u>	<u>562.39</u>	<u>331,295,696</u>	<u>393.49</u>	<u>150,574,366</u>	<u>168.90</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	435,938,468	519.32	289,155,433	350.62	(146,783,035)	(168.70)
OneCare Connect	26,136,750	1,763.97	25,882,661	1,718.75	(254,089)	(45.22)
OneCare	2,846,107	1,322.54	1,945,228	1,098.38	(900,879)	(224.16)
PACE	2,954,121	7,222.79	2,804,314	7,046.02	(149,807)	(176.77)
Total Medical Expenses	<u>467,875,446</u>	<u>546.06</u>	<u>319,787,636</u>	<u>379.82</u>	<u>(148,087,810)</u>	<u>(166.24)</u>
<b>GROSS MARGIN</b>	13,994,617	16.33	11,508,060	13.67	2,486,557	2.66
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	7,804,164	9.11	9,384,764	11.15	1,580,600	2.04
Professional fees	252,628	0.29	627,312	0.75	374,684	0.46
Purchased services	1,127,996	1.32	1,300,515	1.54	172,519	0.22
Printing & Postage	351,686	0.41	556,998	0.66	205,312	0.25
Depreciation & Amortization	389,689	0.45	492,900	0.59	103,211	0.14
Other expenses	1,655,241	1.93	1,787,189	2.12	131,948	0.19
Indirect cost allocation & Occupancy expense	369,483	0.43	438,934	0.52	69,451	0.09
Total Administrative Expenses	<u>11,950,888</u>	<u>13.95</u>	<u>14,588,612</u>	<u>17.33</u>	<u>2,637,724</u>	<u>3.38</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	2,043,729	2.39	(3,080,552)	(3.66)	5,124,281	6.05
<b>INVESTMENT INCOME</b>						
4 Interest income	561,686	0.66	833,334	0.99	(271,648)	(0.33)
3 Realized gain/(loss) on investments	640,265	0.75	-	-	640,265	0.75
2 Unrealized gain/(loss) on investments	(1,612,845)	(1.88)	-	-	(1,612,845)	(1.88)
Total Investment Income	<u>(410,894)</u>	<u>(0.48)</u>	<u>833,334</u>	<u>0.99</u>	<u>(1,244,228)</u>	<u>(1.47)</u>
<b>TOTAL MCO TAX</b>	281,858	0.33	-	-	281,858	0.33
<b>OTHER INCOME</b>	45	-	-	-	45	-
<b>CHANGE IN NET ASSETS</b>	<u><u>1,914,737</u></u>	<u><u>2.23</u></u>	<u><u>(2,247,218)</u></u>	<u><u>(2.67)</u></u>	<u><u>4,161,955</u></u>	<u><u>4.90</u></u>
<b>MEDICAL LOSS RATIO</b>	<b>97.1%</b>		<b>96.5%</b>		<b>-0.6%</b>	
<b>ADMINISTRATIVE LOSS RATIO</b>	<b>2.5%</b>		<b>4.4%</b>		<b>1.9%</b>	

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the Three Months Ended September 30, 2021**

	<b>Actual</b>		<b>Budget</b>		<b>Variance</b>	
	<b>\$</b>	<b>PMPM</b>	<b>\$</b>	<b>PMPM</b>	<b>\$</b>	<b>PMPM</b>
<b>MEMBER MONTHS</b>	2,554,478		2,519,594		34,884	
<b>REVENUE</b>						
Medi-Cal	\$ 1,093,347,787	\$ 436.87	\$ 893,015,396	\$ 361.83	\$ 200,332,391	\$ 75.04
OneCare Connect	83,189,607	1,876.85	82,794,566	1,837.35	395,041	39.50
OneCare	8,257,683	1,314.71	6,075,319	1,149.76	2,182,364	164.95
PACE	9,947,287	8,173.61	9,630,699	8,106.65	316,588	66.96
Total Operating Revenue	<u>1,194,742,364</u>	<u>467.71</u>	<u>991,515,980</u>	<u>393.52</u>	<u>203,226,384</u>	<u>74.19</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	1,054,396,550	421.31	870,988,613	352.90	(183,407,937)	(68.41)
OneCare Connect	76,639,806	1,729.08	78,300,043	1,737.61	1,660,237	8.53
OneCare	7,980,679	1,270.61	5,877,193	1,112.26	(2,103,486)	(158.35)
PACE	9,038,485	7,426.86	8,476,011	7,134.69	(562,474)	(292.17)
Total Medical Expenses	<u>1,148,055,520</u>	<u>449.43</u>	<u>963,641,860</u>	<u>382.46</u>	<u>(184,413,660)</u>	<u>(66.97)</u>
<b>GROSS MARGIN</b>	46,686,844	18.28	27,874,120	11.06	18,812,724	7.22
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	24,325,818	9.52	27,706,464	11.00	3,380,646	1.48
Professional fees	515,626	0.20	1,691,482	0.67	1,175,856	0.47
Purchased services	3,102,450	1.21	3,883,366	1.54	780,916	0.33
Printing & Postage	1,299,829	0.51	1,670,994	0.66	371,165	0.15
Depreciation & Amortization	1,230,532	0.48	1,478,700	0.59	248,168	0.11
Other expenses	4,351,230	1.70	5,367,037	2.13	1,015,807	0.43
Indirect cost allocation & Occupancy expense	1,106,224	0.43	1,316,802	0.52	210,578	0.09
Total Administrative Expenses	<u>35,931,710</u>	<u>14.07</u>	<u>43,114,845</u>	<u>17.11</u>	<u>7,183,135</u>	<u>3.04</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	10,755,134	4.21	(15,240,725)	(6.05)	25,995,859	10.26
<b>INVESTMENT INCOME</b>						
Interest income	1,723,547	0.67	2,500,000	0.99	(776,453)	(0.32)
Realized gain/(loss) on investments	889,343	0.35	-	-	889,343	0.35
Unrealized gain/(loss) on investments	(1,706,472)	(0.67)	-	-	(1,706,472)	(0.67)
Total Investment Income	<u>906,419</u>	<u>0.35</u>	<u>2,500,000</u>	<u>0.99</u>	<u>(1,593,581)</u>	<u>(0.64)</u>
<b>TOTAL MCO TAX</b>	583,693	0.23	-	-	583,693	0.23
<b>OTHER INCOME</b>	70	-	-	-	70	-
<b>CHANGE IN NET ASSETS</b>	<u><u>12,245,316</u></u>	<u><u>4.79</u></u>	<u><u>(12,740,725)</u></u>	<u><u>(5.06)</u></u>	<u><u>24,986,041</u></u>	<u><u>9.85</u></u>
<b>MEDICAL LOSS RATIO</b>	<b>96.1%</b>		<b>97.2%</b>		<b>1.1%</b>	
<b>ADMINISTRATIVE LOSS RATIO</b>	<b>3.0%</b>		<b>4.3%</b>		<b>1.3%</b>	

**CalOptima - Consolidated - Month to Date  
Statement of Revenues and Expenses by LOB  
For the One Month Ended September 30, 2021**

	<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>	531,756	295,867	11,824	839,447	14,817	2,152	409	856,825
<b>REVENUES</b>								
Capitation Revenue	240,313,596	\$ 182,786,954	\$ 24,791,008	\$ 447,891,558	\$ 27,770,802	\$ 2,966,781	\$ 3,240,922	\$ 481,870,062
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>240,313,596</u>	<u>182,786,954</u>	<u>24,791,008</u>	<u>447,891,558</u>	<u>27,770,802</u>	<u>2,966,781</u>	<u>3,240,922</u>	<u>481,870,062</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	43,901,409	48,540,759	9,917,369	102,359,537	10,504,105	750,792		113,614,433
Facilities	24,999,808	25,149,765	4,828,111	54,977,684	4,477,219	1,034,199	859,189	61,348,291
Professional Claims	23,481,596	11,540,230	1,144,307	36,166,133	1,159,535	106,760	738,228	38,170,656
Prescription Drugs	23,169,266	31,105,922	6,492,420	60,767,608	6,957,253	896,343	359,382	68,980,586
MLTSS	35,405,071	4,024,571	2,003,628	41,433,269	1,605,555	27,397	44,997	43,111,218
Medical Management	2,365,904	1,411,390	296,889	4,074,183	1,104,241	30,617	819,532	6,028,573
Quality Incentives	1,454,808	940,591	50,763	2,446,163	220,485		5,113	2,671,760
Reinsurance & Other	83,677,277	50,026,501	10,112	133,713,890	108,357		127,681	133,949,928
<b>Total Medical Expenses</b>	<u>238,455,139</u>	<u>172,739,729</u>	<u>24,743,600</u>	<u>435,938,468</u>	<u>26,136,750</u>	<u>2,846,107</u>	<u>2,954,121</u>	<u>467,875,446</u>
<b>Medical Loss Ratio</b>	99.2%	94.5%	99.8%	97.3%	94.1%	95.9%	91.2%	97.1%
<b>GROSS MARGIN</b>	<b>1,858,457</b>	<b>10,047,226</b>	<b>47,408</b>	<b>11,953,090</b>	<b>1,634,052</b>	<b>120,674</b>	<b>286,800</b>	<b>13,994,617</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,858,531	747,374	76,672	121,587	7,804,164
Professional fees				160,220	73,326	16,000	3,083	252,628
Purchased services				967,935	130,077	13,548	16,436	1,127,996
Printing & Postage				256,951	76,423	5,756	12,556	351,686
Depreciation & Amortization				389,386			303	389,689
Other expenses				1,636,633	2,806		15,802	1,655,241
Indirect cost allocation & Occupancy				151,663	161,262	49,168	7,390	369,483
<b>Total Administrative Expenses</b>				<u>10,421,319</u>	<u>1,191,267</u>	<u>161,144</u>	<u>177,157</u>	<u>11,950,888</u>
<b>Admin Loss Ratio</b>				2.3%	4.3%	5.4%	5.5%	2.5%
<b>INCOME (LOSS) FROM OPERATIONS</b>				1,531,771	442,785	(40,470)	109,643	2,043,729
<b>INVESTMENT INCOME</b>								(410,894)
<b>TOTAL MCO TAX</b>				281,858				281,858
<b>OTHER INCOME</b>				45				45
<b>CHANGE IN NET ASSETS</b>				<u>\$ 1,813,673</u>	<u>\$ 442,785</u>	<u>\$ (40,470)</u>	<u>\$ 109,643</u>	<u>\$ 1,914,737</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				(3,044,646)	(141,148)	(89,652)	194,894	(2,247,218)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ 4,858,319</u>	<u>\$ 583,933</u>	<u>\$ 49,182</u>	<u>\$ (85,251)</u>	<u>\$ 4,161,955</u>

**CalOptima - Consolidated - Year to Date**  
**Statement of Revenues and Expenses by LOB**  
**For the Three Months Ended September 30, 2021**

	<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>	1,588,119	879,006	35,531	2,502,656	44,324	6,281	1,217	2,554,478
<b>REVENUES</b>								
Capitation Revenue	567,210,775	\$ 451,386,826	\$ 74,750,186	\$ 1,093,347,787	\$ 83,189,607	\$ 8,257,683	\$ 9,947,287	\$ 1,194,742,364
Other Income	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<u>567,210,775</u>	<u>451,386,826</u>	<u>74,750,186</u>	<u>1,093,347,787</u>	<u>83,189,607</u>	<u>8,257,683</u>	<u>9,947,287</u>	<u>1,194,742,364</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	133,513,035	147,050,196	27,305,477	307,868,707	31,866,975	2,286,725		342,022,407
Facilities	77,736,546	73,939,666	18,815,110	170,491,323	12,501,380	2,338,707	2,691,991	188,023,401
Professional Claims	69,363,371	33,036,327	4,345,313	106,745,011	3,321,756	362,968	2,251,263	112,680,998
Prescription Drugs	67,294,631	90,042,592	19,863,458	177,200,681	20,155,272	2,641,506	1,002,033	200,999,493
MLTSS	116,212,303	12,743,984	6,215,538	135,171,825	4,437,672	250,977	203,784	140,064,258
Medical Management	7,093,779	4,267,060	898,094	12,258,932	3,087,845	99,798	2,505,834	17,952,408
Quality Incentives	4,462,995	2,867,409	161,626	7,492,030	662,400		15,213	8,169,643
Reinsurance & Other	85,595,911	51,539,720	32,409	137,168,040	606,506		368,367	138,142,913
<b>Total Medical Expenses</b>	<u>561,272,570</u>	<u>415,486,954</u>	<u>77,637,026</u>	<u>1,054,396,550</u>	<u>76,639,806</u>	<u>7,980,679</u>	<u>9,038,485</u>	<u>1,148,055,520</u>
<b>Medical Loss Ratio</b>	99.0%	92.0%	103.9%	96.4%	92.1%	96.6%	90.9%	96.1%
<b>GROSS MARGIN</b>	<b>5,938,204</b>	<b>35,899,873</b>	<b>(2,886,839)</b>	<b>38,951,238</b>	<b>6,549,801</b>	<b>277,004</b>	<b>908,802</b>	<b>46,686,844</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				21,392,442	2,351,268	237,597	344,511	24,325,818
Professional fees				345,493	115,694	48,000	6,439	515,626
Purchased services				2,723,790	319,311	38,363	20,987	3,102,450
Printing & Postage				1,020,295	231,484	15,848	32,202	1,299,829
Depreciation & Amortization				1,225,481			5,051	1,230,532
Other expenses				4,324,510	3,156		23,564	4,351,230
Indirect cost allocation & Occupancy				(592,774)	1,521,368	151,016	26,615	1,106,224
<b>Total Administrative Expenses</b>				<u>30,439,236</u>	<u>4,542,281</u>	<u>490,824</u>	<u>459,369</u>	<u>35,931,710</u>
<b>Admin Loss Ratio</b>				2.8%	5.5%	5.9%	4.6%	3.0%
<b>INCOME (LOSS) FROM OPERATIONS</b>				8,512,002	2,007,519	(213,821)	449,434	10,755,134
<b>INVESTMENT INCOME</b>								906,419
<b>TOTAL MCO TAX</b>				583,693				583,693
<b>OTHER INCOME</b>				70				70
<b>CHANGE IN NET ASSETS</b>				<u>\$ 9,095,765</u>	<u>\$ 2,007,519</u>	<u>\$ (213,821)</u>	<u>\$ 449,434</u>	<u>\$ 12,245,316</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				(14,318,249)	(1,090,141)	(341,206)	508,871	(12,740,725)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ 23,414,014</u>	<u>\$ 3,097,660</u>	<u>\$ 127,385</u>	<u>\$ (59,437)</u>	<u>\$ 24,986,041</u>

## September 30, 2021 Unaudited Financial Statements

### SUMMARY MONTHLY RESULTS:

- Change in Net Assets is \$1.9 million, \$4.2 million favorable to budget
- Operating surplus is \$2.0 million, with a deficit in non-operating income of \$0.1 million

### YEAR TO DATE RESULTS:

- Change in Net Assets is \$12.2 million, \$25.0 million favorable to budget
- Operating surplus is \$10.8 million, with a surplus in non-operating income of \$1.5 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>
1.5	(3.0)	4.6	Medi-Cal	8.5	(14.3)	22.8
0.4	(0.1)	0.6	OCC	2.0	(1.1)	3.1
(0.0)	(0.1)	0.0	OneCare	(0.2)	(0.3)	0.1
<u>0.1</u>	<u>0.2</u>	<u>(0.1)</u>	<u>PACE</u>	<u>0.4</u>	<u>0.5</u>	<u>(0.1)</u>
<b>2.0</b>	<b>(3.1)</b>	<b>5.1</b>	<b>Operating</b>	<b>10.8</b>	<b>(15.2)</b>	<b>26.0</b>
<u>(0.1)</u>	<u>0.8</u>	<u>(1.0)</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>1.5</u>	<u>2.5</u>	<u>(1.0)</u>
<b>(0.1)</b>	<b>0.8</b>	<b>(1.0)</b>	<b>Non-Operating</b>	<b>1.5</b>	<b>2.5</b>	<b>(1.0)</b>
<b>1.9</b>	<b>(2.2)</b>	<b>4.2</b>	<b>TOTAL</b>	<b>12.2</b>	<b>(12.7)</b>	<b>25.0</b>

**CalOptima - Consolidated  
Enrollment Summary  
For the Three Months Ended September 30, 2021**

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
118,567	117,101	1,466	1.3%	SPD	354,136	350,992	3,144	0.9%
299,389	296,833	2,556	0.9%	TANF Child	896,321	890,038	6,283	0.7%
110,684	106,717	3,967	3.7%	TANF Adult	328,352	319,316	9,036	2.8%
3,116	3,191	(75)	(2.4%)	LTC	9,310	9,573	(263)	(2.7%)
295,867	289,707	6,160	2.1%	MCE	879,006	864,664	14,342	1.7%
11,824	11,159	665	6.0%	WCM	35,531	33,477	2,054	6.1%
<b>839,447</b>	<b>824,708</b>	<b>14,739</b>	<b>1.8%</b>	<b>Medi-Cal Total</b>	<b>2,502,656</b>	<b>2,468,060</b>	<b>34,596</b>	<b>1.4%</b>
<b>14,817</b>	<b>15,059</b>	<b>(242)</b>	<b>(1.6%)</b>	<b>OneCare Connect</b>	<b>44,324</b>	<b>45,062</b>	<b>(738)</b>	<b>(1.6%)</b>
<b>2,152</b>	<b>1,771</b>	<b>381</b>	<b>21.5%</b>	<b>OneCare</b>	<b>6,281</b>	<b>5,284</b>	<b>997</b>	<b>18.9%</b>
<b>409</b>	<b>398</b>	<b>11</b>	<b>2.8%</b>	<b>PACE</b>	<b>1,217</b>	<b>1,188</b>	<b>29</b>	<b>2.4%</b>
<b>856,825</b>	<b>841,936</b>	<b>14,889</b>	<b>1.8%</b>	<b>CalOptima Total</b>	<b>2,554,478</b>	<b>2,519,594</b>	<b>34,884</b>	<b>1.4%</b>

				Enrollment (by Network)				
195,066	190,788	4,278	2.2%	HMO	582,099	570,644	11,455	2.0%
228,396	227,809	587	0.3%	PHC	683,659	682,378	1,281	0.2%
205,150	203,079	2,071	1.0%	Shared Risk Group	612,755	607,360	5,395	0.9%
210,835	203,032	7,803	3.8%	Fee for Service	624,143	607,678	16,465	2.7%
<b>839,447</b>	<b>824,708</b>	<b>14,739</b>	<b>1.8%</b>	<b>Medi-Cal Total</b>	<b>2,502,656</b>	<b>2,468,060</b>	<b>34,596</b>	<b>1.4%</b>
<b>14,817</b>	<b>15,059</b>	<b>(242)</b>	<b>(1.6%)</b>	<b>OneCare Connect</b>	<b>44,324</b>	<b>45,062</b>	<b>(738)</b>	<b>(1.6%)</b>
<b>2,152</b>	<b>1,771</b>	<b>381</b>	<b>21.5%</b>	<b>OneCare</b>	<b>6,281</b>	<b>5,284</b>	<b>997</b>	<b>18.9%</b>
<b>409</b>	<b>398</b>	<b>11</b>	<b>2.8%</b>	<b>PACE</b>	<b>1,217</b>	<b>1,188</b>	<b>29</b>	<b>2.4%</b>
<b>856,825</b>	<b>841,936</b>	<b>14,889</b>	<b>1.8%</b>	<b>CalOptima Total</b>	<b>2,554,478</b>	<b>2,519,594</b>	<b>34,884</b>	<b>1.4%</b>



**CalOptima**  
**Enrollment Trend by Network**  
**Fiscal Year 2022**

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	YTD Actual	YTD Budget	Variance
<b>HMOs</b>															
SPD	10,759	10,772	10,796										32,327	32,353	(26)
TANF Child	57,684	57,453	57,592										172,729	170,987	1,742
TANF Adult	33,827	34,099	34,339										102,265	99,106	3,159
LTC		1	3										4		4
MCE	88,797	89,334	90,159										268,290	262,168	6,122
WCM	2,114	2,193	2,177										6,484	6,030	454
<b>Total</b>	<b>193,181</b>	<b>193,852</b>	<b>195,066</b>										<b>582,099</b>	<b>570,644</b>	<b>11,455</b>
<b>PHCs</b>															
SPD	6,896	6,819	6,942										20,657	21,335	(678)
TANF Child	155,214	154,985	155,440										465,639	463,846	1,793
TANF Adult	14,006	14,054	14,197										42,257	41,258	999
LTC		2	1										3		3
MCE	44,256	44,359	44,580										133,195	135,323	(2,128)
WCM	7,304	7,368	7,236										21,908	20,616	1,292
<b>Total</b>	<b>227,676</b>	<b>227,587</b>	<b>228,396</b>										<b>683,659</b>	<b>682,378</b>	<b>1,281</b>
<b>Shared Risk Groups</b>															
SPD	10,063	10,104	10,074										30,241	30,967	(726)
TANF Child	59,085	58,837	58,641										176,563	178,593	(2,030)
TANF Adult	33,013	33,123	33,374										99,510	99,037	473
LTC	1	1	1										3		3
MCE	99,994	100,643	101,666										302,303	294,515	7,788
WCM	1,373	1,368	1,394										4,135	4,248	(113)
<b>Total</b>	<b>203,529</b>	<b>204,076</b>	<b>205,150</b>										<b>612,755</b>	<b>607,360</b>	<b>5,395</b>
<b>Fee for Service (Dual)</b>															
SPD	79,829	80,117	80,139										240,085	235,296	4,789
TANF Child	1	1	1										3		3
TANF Adult	1,318	1,351	1,392										4,061	3,484	577
LTC	2,788	2,778	2,806										8,372	8,661	(289)
MCE	3,612	3,813	4,013										11,438	7,729	3,709
WCM	16	16	18										50	45	5
<b>Total</b>	<b>87,564</b>	<b>88,076</b>	<b>88,369</b>										<b>264,009</b>	<b>255,215</b>	<b>8,794</b>
<b>Fee for Service (Non-Dual - Total)</b>															
SPD	10,163	10,047	10,616										30,826	31,041	(215)
TANF Child	26,720	26,952	27,715										81,387	76,612	4,775
TANF Adult	26,224	26,653	27,382										80,259	76,431	3,828
LTC	309	314	305										928	912	16
MCE	53,947	54,384	55,449										163,780	164,929	(1,149)
WCM	993	962	999										2,954	2,538	416
<b>Total</b>	<b>118,356</b>	<b>119,312</b>	<b>122,466</b>										<b>360,134</b>	<b>352,463</b>	<b>7,671</b>
SPD	117,710	117,859	118,567										354,136	350,992	3,144
TANF Child	298,704	298,228	299,389										896,321	890,038	6,283
TANF Adult	108,388	109,280	110,684										328,352	319,316	9,036
LTC	3,098	3,096	3,116										9,310	9,573	(263)
MCE	290,606	292,533	295,867										879,006	864,664	14,342
WCM	11,800	11,907	11,824										35,531	33,477	2,054
<b>Total Medi-Cal MM</b>	<b>830,306</b>	<b>832,903</b>	<b>839,447</b>										<b>2,502,656</b>	<b>2,468,060</b>	<b>34,596</b>
<b>OneCare Connect</b>	<b>14,688</b>	<b>14,819</b>	<b>14,817</b>										<b>44,324</b>	<b>45,062</b>	<b>(738)</b>
<b>OneCare</b>	<b>2,019</b>	<b>2,110</b>	<b>2,152</b>										<b>6,281</b>	<b>5,284</b>	<b>997</b>
<b>PACE</b>	<b>401</b>	<b>407</b>	<b>409</b>										<b>1,217</b>	<b>1,188</b>	<b>29</b>
<b>Grand Total</b>	<b>847,414</b>	<b>850,239</b>	<b>856,825</b>										<b>2,554,478</b>	<b>2,519,594</b>	<b>34,884</b>



## **ENROLLMENT:**

**Overall**, September enrollment was 856,825

- Favorable to budget 14,889 or 1.8%
- Increased 6,586 or 0.8% from Prior Month (PM) (August 2021)
- Increased 68,905 or 8.7% from Prior Year (PY) (September 2021)

**Medi-Cal** enrollment was 839,447

- Favorable to budget 14,739 or 1.8%
  - Temporary Assistance for Needy Families (TANF) favorable 6,523
  - Medi-Cal Expansion (MCE) favorable 6,160
  - Seniors and Persons with Disabilities (SPD) favorable 1,466
  - Whole Child Model (WCM) favorable 665
  - Long-Term Care (LTC) unfavorable 75
- Increased 6,544 from PM

**OneCare Connect** enrollment was 14,817

- Unfavorable to budget 242 or 1.6%
- Decreased 2 from PM

**OneCare** enrollment was 2,152

- Favorable to budget 381 or 21.5%
- Increased 42 from PM

**PACE** enrollment was 409

- Favorable to budget 11 or 2.8%
- Increased 2 from PM

**CalOptima  
Medi-Cal Total  
Statement of Revenues and Expenses  
For the Three Months Ending September 30, 2021**

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
839,447	824,708	14,739	1.8%	Member Months	2,502,656	2,468,060	34,596	1.4%
				Revenues				
447,891,558	298,455,782	149,435,776	50.1%	Capitation Revenue	1,093,347,787	893,015,396	200,332,391	22.4%
-	-	-	0.0%	Other Income	-	-	-	0.0%
447,891,558	298,455,782	149,435,776	50.1%	Total Operating Revenue	1,093,347,787	893,015,396	200,332,391	22.4%
				Medical Expenses				
104,805,700	92,500,353	(12,305,347)	(13.3%)	Provider Capitation	315,360,737	276,575,094	(38,785,643)	(14.0%)
54,977,684	62,252,003	7,274,319	11.7%	Facilities Claims	170,491,323	186,666,699	16,175,376	8.7%
36,166,133	30,618,390	(5,547,743)	(18.1%)	Professional Claims	106,745,011	92,622,930	(14,122,081)	(15.2%)
60,767,608	56,291,569	(4,476,039)	(8.0%)	Prescription Drugs	177,200,681	171,746,278	(5,454,403)	(3.2%)
41,433,269	41,363,689	(69,580)	(0.2%)	MLTSS	135,171,825	125,647,685	(9,524,140)	(7.6%)
4,074,183	5,428,747	1,354,564	25.0%	Medical Management	12,258,932	15,627,877	3,368,945	21.6%
133,713,890	700,682	(133,013,208)	(18983.4%)	Reinsurance & Other	137,168,040	2,102,050	(135,065,990)	(6425.4%)
435,938,468	289,155,433	(146,783,035)	(50.8%)	Total Medical Expenses	1,054,396,550	870,988,613	(183,407,937)	(21.1%)
				Gross Margin	38,951,238	22,026,783	16,924,455	76.8%
				Administrative Expenses				
6,858,531	8,276,835	1,418,304	17.1%	Salaries, Wages & Employee Benefits	21,392,442	24,418,715	3,026,273	12.4%
160,220	586,229	426,009	72.7%	Professional Fees	345,493	1,493,233	1,147,740	76.9%
967,935	1,141,814	173,879	15.2%	Purchased Services	2,723,790	3,407,263	683,473	20.1%
256,951	383,828	126,877	33.1%	Printing and Postage	1,020,295	1,151,484	131,189	11.4%
389,386	492,500	103,114	20.9%	Depreciation & Amortization	1,225,481	1,477,500	252,019	17.1%
1,636,633	1,760,776	124,143	7.1%	Other Operating Expenses	4,324,510	5,287,798	963,288	18.2%
151,663	(296,987)	(448,650)	(151.1%)	Indirect Cost Allocation, Occupancy Expense	(592,774)	(890,961)	(298,187)	(33.5%)
10,421,319	12,344,995	1,923,676	15.6%	Total Administrative Expenses	30,439,236	36,345,032	5,905,796	16.2%
				Operating Tax				
14,136,024	13,888,078	247,946	1.8%	Tax Revenue	42,146,193	41,562,129	584,064	1.4%
13,854,167	13,888,078	33,911	0.2%	Premium Tax Expense	41,562,500	41,562,129	(371)	(0.0%)
-	-	-	0.0%	Sales Tax Expense	-	-	-	0.0%
281,858	-	281,858	0.0%	Total Net Operating Tax	583,693	-	583,693	0.0%
				Other income	70	-	70	0.0%
				Change in Net Assets	9,095,765	(14,318,249)	23,414,014	163.5%
				Medical Loss Ratio	96.4%	97.5%	1.1%	1.1%
97.3%	96.9%	(0.4%)	(0.5%)	Admin Loss Ratio	2.8%	4.1%	1.3%	31.6%
2.3%	4.1%	1.8%	43.7%					

## **MEDI-CAL INCOME STATEMENT– SEPTEMBER MONTH:**

**REVENUES** of \$447.9 million are favorable to budget \$149.4 million driven by:

- Favorable volume related variance of \$5.3 million
- Favorable price related variance of \$144.1 million
  - \$132.6 million of Fiscal Year (FY) 2020 hospital Directed Payments (DP)
  - \$8.7 million of net Proposition 56 revenue due to the extension by the Department of Health Care Services (DHCS) and Proposition 56 risk corridor estimates
  - \$4.0 million due to increase in LTC and pharmacy funding from DHCS in primary and Coordinated Care Initiative (CCI) revenue
  - Offset by \$2.7 million due to Proposition 56 risk corridor
  - \$1.8 million of PY Bridge Period Gross Medical Expenditures (GME) risk corridor estimates

**MEDICAL EXPENSES** of \$435.9 million are unfavorable to budget \$146.8 million driven by:

- Unfavorable volume related variance of \$5.2 million
- Unfavorable price related variance of \$141.6 million
  - Reinsurance & Other expense unfavorable variance of \$133.0 million primarily due to FY 2020 DP
  - Provider Capitation expense unfavorable variance of \$10.7 million due to Proposition 56 estimates and short-term supplemental rate increase due to COVID-19
  - Professional Claims expense unfavorable variance of \$5.0 million due to Proposition 56 estimates and short-term supplemental rate increase due to COVID-19
  - Prescription Drugs expense unfavorable variance of \$3.5 million
  - Offset by Facilities Claims expense favorable variance of \$8.4 million due to Incurred But Not Reported (IBNR) claims

**ADMINISTRATIVE EXPENSES** of \$10.4 million are favorable to budget \$1.9 million driven by:

- Salaries & Benefit expense favorable to budget \$1.4
- Other Non-Salary expense favorable to budget \$0.5 million

**CHANGE IN NET ASSETS** is \$1.8 million for the month, favorable to budget \$4.9 million

**CalOptima**  
**OneCare Connect Total**  
**Statement of Revenue and Expenses**  
**For the Three Months Ending September 30, 2021**

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
14,817	15,059	(242)	(1.6%)	Member Months	44,324	45,062	(738)	(1.6%)
				Revenues				
2,713,442	2,808,847	(95,405)	(3.4%)	Medi-Cal Capitation Revenue	8,151,892	8,427,966	(276,074)	(3.3%)
17,751,211	19,062,722	(1,311,511)	(6.9%)	Medicare Capitation Revenue Part C	54,945,784	57,284,602	(2,338,818)	(4.1%)
7,306,149	5,706,470	1,599,679	28.0%	Medicare Capitation Revenue Part D	20,091,931	17,081,998	3,009,933	17.6%
-	-	-	0.0%	Other Income	-	-	-	0.0%
27,770,802	27,578,039	192,763	0.7%	Total Operating Revenue	83,189,607	82,794,566	395,041	0.5%
				Medical Expenses				
10,724,590	11,470,787	746,197	6.5%	Provider Capitation	32,529,375	34,473,786	1,944,411	5.6%
4,477,219	4,231,699	(245,520)	(5.8%)	Facilities Claims	12,501,380	12,822,432	321,052	2.5%
1,159,535	1,013,606	(145,929)	(14.4%)	Ancillary	3,321,756	3,091,900	(229,856)	(7.4%)
1,605,555	1,415,327	(190,228)	(13.4%)	MLTSS	4,437,672	4,349,820	(87,852)	(2.0%)
6,957,253	6,358,880	(598,373)	(9.4%)	Prescription Drugs	20,155,272	19,376,683	(778,589)	(4.0%)
1,104,241	1,219,539	115,298	9.5%	Medical Management	3,087,845	3,658,620	570,775	15.6%
108,357	172,823	64,466	37.3%	Other Medical Expenses	606,506	526,802	(79,704)	(15.1%)
26,136,750	25,882,661	(254,089)	(1.0%)	Total Medical Expenses	76,639,806	78,300,043	1,660,237	2.1%
1,634,052	1,695,378	(61,326)	(3.6%)	Gross Margin	6,549,801	4,494,523	2,055,278	45.7%
				Administrative Expenses				
747,374	876,930	129,556	14.8%	Salaries, Wages & Employee Benefits	2,351,268	2,630,876	279,608	10.6%
73,326	11,750	(61,576)	(524.0%)	Professional Fees	115,694	110,250	(5,444)	(4.9%)
130,077	108,609	(21,468)	(19.8%)	Purchased Services	319,311	325,827	6,516	2.0%
76,423	138,109	61,686	44.7%	Printing and Postage	231,484	414,327	182,843	44.1%
2,806	21,075	18,269	86.7%	Other Operating Expenses	3,156	63,225	60,069	95.0%
161,262	680,053	518,791	76.3%	Indirect Cost Allocation	1,521,368	2,040,159	518,791	25.4%
1,191,267	1,836,526	645,259	35.1%	Total Administrative Expenses	4,542,281	5,584,664	1,042,383	18.7%
442,785	(141,148)	583,933	413.7%	Change in Net Assets	2,007,519	(1,090,141)	3,097,660	284.2%
94.1%	93.9%	(0.3%)	(0.3%)	Medical Loss Ratio	92.1%	94.6%	2.4%	2.6%
4.3%	6.7%	2.4%	35.6%	Admin Loss Ratio	5.5%	6.7%	1.3%	19.1%

## **ONECARE CONNECT INCOME STATEMENT – SEPTEMBER MONTH:**

**REVENUES** of \$27.8 million are favorable to budget \$0.2 million driven by:

- Unfavorable volume related variance of \$0.4 million
- Favorable price related variance of \$0.6 million

**MEDICAL EXPENSES** of \$26.1 million are unfavorable to budget \$0.3 million driven by:

- Favorable volume related variance of \$0.4 million
- Unfavorable price related variance of \$0.7 million
  - Prescription Drugs expense unfavorable variance of \$0.7 million
  - Facilities Claims expense unfavorable variance of \$0.3 million
  - MLTSS expense unfavorable variance of \$0.2 million
  - Ancillary expense unfavorable variance of \$0.2 million
  - Offset by Provider Capitation expense favorable variance of \$0.6 million
  - Medical Management favorable variance of \$0.1 million

**ADMINISTRATIVE EXPENSES** of \$1.2 million are favorable to budget \$0.6 million

**CHANGE IN NET ASSETS** is \$0.4 million, favorable to budget \$0.6 million

**CalOptima  
OneCare  
Statement of Revenues and Expenses  
For the Three Months Ending September 30, 2021**

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
2,152	1,771	381	21.5%	Member Months	6,281	5,284	997	18.9%
				Revenues				
1,917,227	1,398,441	518,786	37.1%	Medicare Part C revenue	5,429,708	4,174,516	1,255,192	30.1%
1,049,554	636,373	413,181	64.9%	Medicare Part D revenue	2,827,975	1,900,803	927,172	48.8%
2,966,781	2,034,814	931,967	45.8%	Total Operating Revenue	8,257,683	6,075,319	2,182,364	35.9%
				Medical Expenses				
750,792	543,108	(207,684)	(38.2%)	Provider Capitation	2,286,725	1,621,241	(665,484)	(41.0%)
1,034,199	595,701	(438,498)	(73.6%)	Inpatient	2,338,707	1,790,286	(548,421)	(30.6%)
106,760	70,337	(36,423)	(51.8%)	Ancillary	362,968	213,910	(149,058)	(69.7%)
27,397	28,894	1,497	5.2%	Skilled Nursing Facilities	250,977	88,355	(162,622)	(184.1%)
896,343	660,942	(235,401)	(35.6%)	Prescription Drugs	2,641,506	2,009,870	(631,636)	(31.4%)
30,617	44,936	14,319	31.9%	Medical Management	99,798	149,622	49,824	33.3%
-	1,310	1,310	100.0%	Other Medical Expenses	-	3,909	3,909	100.0%
2,846,107	1,945,228	(900,879)	(46.3%)	Total Medical Expenses	7,980,679	5,877,193	(2,103,486)	(35.8%)
120,674	89,586	31,088	34.7%	Gross Margin	277,004	198,126	78,878	39.8%
				Administrative Expenses				
76,672	73,129	(3,543)	(4.8%)	Salaries, wages & employee benefits	237,597	221,005	(16,592)	(7.5%)
16,000	29,166	13,166	45.1%	Professional fees	48,000	87,498	39,498	45.1%
13,548	9,167	(4,381)	(47.8%)	Purchased services	38,363	27,501	(10,862)	(39.5%)
5,756	15,823	10,067	63.6%	Printing and postage	15,848	47,469	31,621	66.6%
-	1,029	1,029	100.0%	Other operating expenses	-	3,087	3,087	100.0%
49,168	50,924	1,756	3.4%	Indirect cost allocation, occupancy expense	151,016	152,772	1,756	1.1%
161,144	179,238	18,094	10.1%	Total Administrative Expenses	490,824	539,332	48,508	9.0%
(40,470)	(89,652)	49,182	54.9%	Change in Net Assets	(213,821)	(341,206)	127,385	37.3%
95.9%	95.6%	(0.3%)	(0.4%)	Medical Loss Ratio	96.6%	96.7%	0.1%	0.1%
5.4%	8.8%	3.4%	38.3%	Admin Loss Ratio	5.9%	8.9%	2.9%	33.0%

**CalOptima  
PACE  
Statement of Revenues and Expenses  
For the Three Months Ending September 30, 2021**

Month					Year to Date			
		\$	%				\$	%
Actual	Budget	Variance	Variance		Actual	Budget	Variance	Variance
409	398	11	2.8%	Member Months	1,217	1,188	29	2.4%
				Revenues				
2,497,334	2,474,262	23,072	0.9%	Medi-Cal Capitation Revenue	7,504,140	7,385,927	118,213	1.6%
577,011	607,864	(30,853)	(5.1%)	Medicare Part C Revenue	1,772,308	1,812,116	(39,808)	(2.2%)
166,577	144,935	21,642	14.9%	Medicare Part D Revenue	670,840	432,656	238,184	55.1%
3,240,922	3,227,061	13,861	0.4%	Total Operating Revenue	9,947,287	9,630,699	316,588	3.3%
				Medical Expenses				
819,532	986,236	166,704	16.9%	Medical Management	2,505,834	2,943,840	438,006	14.9%
859,189	705,206	(153,983)	(21.8%)	Facilities Claims	2,691,991	2,148,244	(543,747)	(25.3%)
738,228	638,578	(99,650)	(15.6%)	Professional Claims	2,251,263	1,944,744	(306,519)	(15.8%)
127,681	125,720	(1,961)	(1.6%)	Patient Transportation	368,367	383,583	15,216	4.0%
359,382	308,971	(50,411)	(16.3%)	Prescription Drugs	1,002,033	935,972	(66,061)	(7.1%)
44,997	34,750	(10,247)	(29.5%)	MLTSS	203,784	104,820	(98,964)	(94.4%)
5,113	4,853	(260)	(5.3%)	Other Expenses	15,213	14,808	(405)	(2.7%)
2,954,121	2,804,314	(149,807)	(5.3%)	Total Medical Expenses	9,038,485	8,476,011	(562,474)	(6.6%)
286,800	422,747	(135,947)	-32.2%	Gross Margin	908,802	1,154,688	(245,886)	-21.3%
				Administrative Expenses				
121,587	157,870	36,283	23.0%	Salaries, wages & employee benefits	344,511	435,868	91,357	21.0%
3,083	167	(2,916)	(1746.1%)	Professional fees	6,439	501	(5,938)	(1185.1%)
16,436	40,925	24,489	59.8%	Purchased services	20,987	122,775	101,788	82.9%
12,556	19,238	6,682	34.7%	Printing and postage	32,202	57,714	25,512	44.2%
303	400	97	24.2%	Depreciation & amortization	5,051	1,200	(3,851)	(321.0%)
15,802	4,309	(11,493)	(266.7%)	Other operating expenses	23,564	12,927	(10,637)	(82.3%)
7,390	4,944	(2,446)	(49.5%)	Indirect Cost Allocation, Occupancy Expense	26,615	14,832	(11,783)	(79.4%)
177,157	227,853	50,696	22.2%	Total Administrative Expenses	459,369	645,817	186,448	28.9%
				Operating Tax				
6,070	-	6,070	0.0%	Tax Revenue	18,060	-	18,060	0.0%
6,070	-	(6,070)	0.0%	Premium Tax Expense	18,060	-	(18,060)	0.0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
109,643	194,894	(85,251)	(43.7%)	Change in Net Assets	449,434	508,871	(59,437)	(11.7%)
91.2%	86.9%	(4.3%)	(4.9%)	Medical Loss Ratio	90.9%	88.0%	(2.9%)	(3.2%)
5.5%	7.1%	1.6%	22.6%	Admin Loss Ratio	4.6%	6.7%	2.1%	31.1%

**CalOptima**  
**Building 505 - City Parkway**  
**Statement of Revenues and Expenses**  
**For the Three Months Ending September 30, 2021**

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>							
36,931	54,250	17,319	31.9%	112,259	162,750	50,491	31.0%
172,617	206,000	33,383	16.2%	517,852	618,000	100,148	16.2%
19,565	19,750	185	0.9%	58,694	59,250	556	0.9%
83,832	131,583	47,751	36.3%	279,209	394,749	115,540	29.3%
65,565	43,000	(22,565)	(52.5%)	200,577	129,000	(71,577)	(55.5%)
(378,510)	(454,583)	(76,073)	(16.7%)	(1,168,591)	(1,363,749)	(195,159)	(14.3%)
-	-	-	<b>0.0%</b>	-	-	-	<b>0.0%</b>
-	-	-	<b>0.0%</b>	-	-	-	<b>0.0%</b>
<b>Change in Net Assets</b>							



**OTHER INCOME STATEMENTS – SEPTEMBER MONTH:**

**ONECARE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is (\$40,470), favorable to budget \$49,182

**PACE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is \$0.1 million, unfavorable to budget \$0.1 million

**CalOptima**  
**Balance Sheet**  
**September 30, 2021**

**ASSETS**

Current Assets

Operating Cash	\$246,094,051
Short-term Investments	1,183,285,213
Capitation receivable	212,884,500
Receivables - Other	58,820,249
Prepaid expenses	18,121,859

<b>Total Current Assets</b>	<b>1,719,205,872</b>
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Capital Assets

Furniture & Equipment	46,251,085
Building/Leasehold Improvements	6,211,579
505 City Parkway West	51,777,223
	104,239,887
Less: accumulated depreciation	(59,427,815)
Capital assets, net	44,812,072

Other Assets

Restricted Deposit & Other	300,000
Homeless Health Reserve	56,798,913
Board-designated assets:	
Cash and Cash Equivalents	4,497,575
Investments	584,997,898
Total Board-designated Assets	589,495,474

<b>Total Other Assets</b>	<b>646,594,387</b>
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<b>TOTAL ASSETS</b>	<b>2,410,612,331</b>
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Deferred Outflows

Contributions	1,508,025
Difference in Experience	3,236,721
Excess Earning	2,104,780
Changes in Assumptions	3,692,771
OPEB 75 Changes in Assumptions	3,906,000
Pension Contributions	544,000

<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>2,425,604,628</b>
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**LIABILITIES & NET POSITION**

Current Liabilities

Accounts Payable	\$48,209,621
Medical Claims liability	795,971,800
Accrued Payroll Liabilities	18,812,216
Deferred Revenue	9,924,885
Deferred Lease Obligations	124,462
Capitation and Withholds	164,945,869

<b>Total Current Liabilities</b>	<b>1,037,988,853</b>
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Other (than pensions) post employment benefits liability	31,737,773
Net Pension Liabilities	30,488,751
Bldg 505 Development Rights	-

<b>TOTAL LIABILITIES</b>	<b>1,100,215,376</b>
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Deferred Inflows

Excess Earnings	344,198
OPEB 75 Difference in Experience	536,000
Change in Assumptions	2,709,945
OPEB Changes in Assumptions	773,000

Net Position

TNE	105,987,982
Funds in Excess of TNE	1,215,038,127

<b>TOTAL NET POSITION</b>	<b>1,321,026,109</b>
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<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>2,425,604,628</b>
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**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of September 30, 2021**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	241,416,612				
	Tier 1 - MetLife	240,350,345				
Board-designated Reserve		481,766,957	368,581,364	571,968,227	113,185,592	(90,201,270)
	Tier 2 - Payden & Rygel	53,859,707				
	Tier 2 - MetLife	53,868,810				
TNE Requirement		107,728,517	105,987,982	105,987,982	1,740,535	1,740,535
	<b>Consolidated:</b>	<b>589,495,474</b>	<b>474,569,346</b>	<b>677,956,209</b>	<b>114,926,127</b>	<b>(88,460,735)</b>
	<i>Current reserve level</i>	<i>1.74</i>	<i>1.40</i>	<i>2.00</i>		

**CalOptima**  
**Statement of Cash Flows**  
**September 30, 2021**

	<u>Month Ended</u>	<u>Year-To-Date</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	1,914,737	12,245,316
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	562,306	1,748,384
Changes in assets and liabilities:		
Prepaid expenses and other	(1,683,772)	(6,143,248)
Catastrophic reserves		
Capitation receivable	23,491,508	203,191,269
Medical claims liability	22,947,788	(148,347,148)
Deferred revenue	(2,357,809)	(3,661,941)
Payable to health networks	8,702,617	20,166,081
Accounts payable	13,029,556	1,795,200
Accrued payroll	950,748	2,591,814
Other accrued liabilities	-	(2,867)
Net cash provided by/(used in) operating activities	<u>67,557,680</u>	<u>83,582,862</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	(117,747,759)	(117,875,407)
Change in Property and Equipment	(368,388)	(832,581)
Change in Board designated reserves	455,468	(615,322)
Change in Homeless Health Reserve	-	-
Net cash provided by/(used in) investing activities	<u>(117,660,678)</u>	<u>(119,323,310)</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 (50,102,998)	 (35,740,447)
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$296,197,049</u>	 <u>281,834,499</u>
 <b>CASH AND CASH EQUIVALENTS, end of period</b>	 <u><b>246,094,051</b></u>	 <u><b>246,094,051</b></u>

## **BALANCE SHEET – SEPTEMBER MONTH:**

**ASSETS** of \$2.4 billion increased \$45.2 million from August or 1.9%

- Operating Cash and Short-term Investments net increase of \$67.6 million due to higher Centers for Medicare & Medicaid Services (CMS) capitation receipts and lower claim payments
  - Operating cash decreased \$50.1 million
  - Short-term Investments increased \$117.7 million
- Capitation Receivables decreased \$28.0 million due to the timing of cash receipts

**LIABILITIES** of \$1.1 billion increased \$43.3 million from August or 4.1%

- Claims Liabilities increased \$22.9 million due to timing of claim payments and changes in IBNR
- Accounts Payable increased \$13.0 million due to the timing of accruals for the quarterly premium tax payment
- Capitation and Withhold increased \$8.7 million due to timing of capitation payments

**NET ASSETS** of \$1.3 billion, increased \$1.9 million from August or 0.1%

## Summary of Homeless Health Initiatives and Allocated Funds As of September 30, 2021

		Amount
<b>Program Commitment</b>	\$	<b>100,000,000</b>
<b>Funds Allocation, approved initiatives:</b>		
Enhanced Medi-Cal Services at the Be Well OC Regional Mental Health and Wellness Campus		11,400,000
Recuperative Care		8,250,000
Medical Respite		250,000
Day Habilitation (County for HomeKey)		2,500,000
Clinical Field Team Start-up & Federal Qualified Health Center (FQHC)		1,600,000
CalOptima Homeless Response Team		6,000,000
Homeless Coordination at Hospitals		10,000,000
CalOptima Days & QI Program - Homeless Clinic Access Program or HCAP		1,231,087
FQHC (Community Health Center) Expansion and HHI Support		570,000
HCAP Expansion for Telehealth and CFT On Call Days		1,000,000
Vaccination Intervention and Member Incentive Strategy		400,000
<b>Funds Allocation Total</b>	\$	<b>43,201,087</b>
<b>Program Commitment Balance, available for new initiatives*</b>	\$	<b>56,798,913</b>

On June 27, 2019 at a Special Board meeting, the Board approved four funding categories.

This report only lists Board approved projects.

\* Funding sources of the remaining balance are IGT8 and CalOptima's operating income, which must be used for Medi-Cal covered services for the Medi-Cal population

**Budget Allocation Changes**  
**Reporting Changes for September 2021**

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	No budget reallocations for July					
August	No budget reallocations for August					
September	No budget reallocations for September					

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 November 18, 2021**

### **Information Systems Security Update - Quarter Ending September 30, 2021**

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#### **Security Events**

- The Information Security team reported 17 Data Loss Prevention incidents to the Privacy team, all of which were related to accidental copying of Personal Health Information (PHI) into the Google field search. The Privacy team investigates and educates the individuals as needed.
- The Information Security team also blocked 3 emails containing PHI from reaching personal or non-healthcare related accounts. We escalated these 3 incidents to our HR teams for review and education/training of these individuals.

#### **Security Updates:**

- The Information Security team closed a risk assessment finding (#2020.03) from our 2020 Information Security risk assessment. This finding was related to storing Secure/Sensitive Data Within a Temporary Folder. Access to this temporary location was removed as of August 6th, 2021.

#### **User Awareness - Phishing Exercises:**

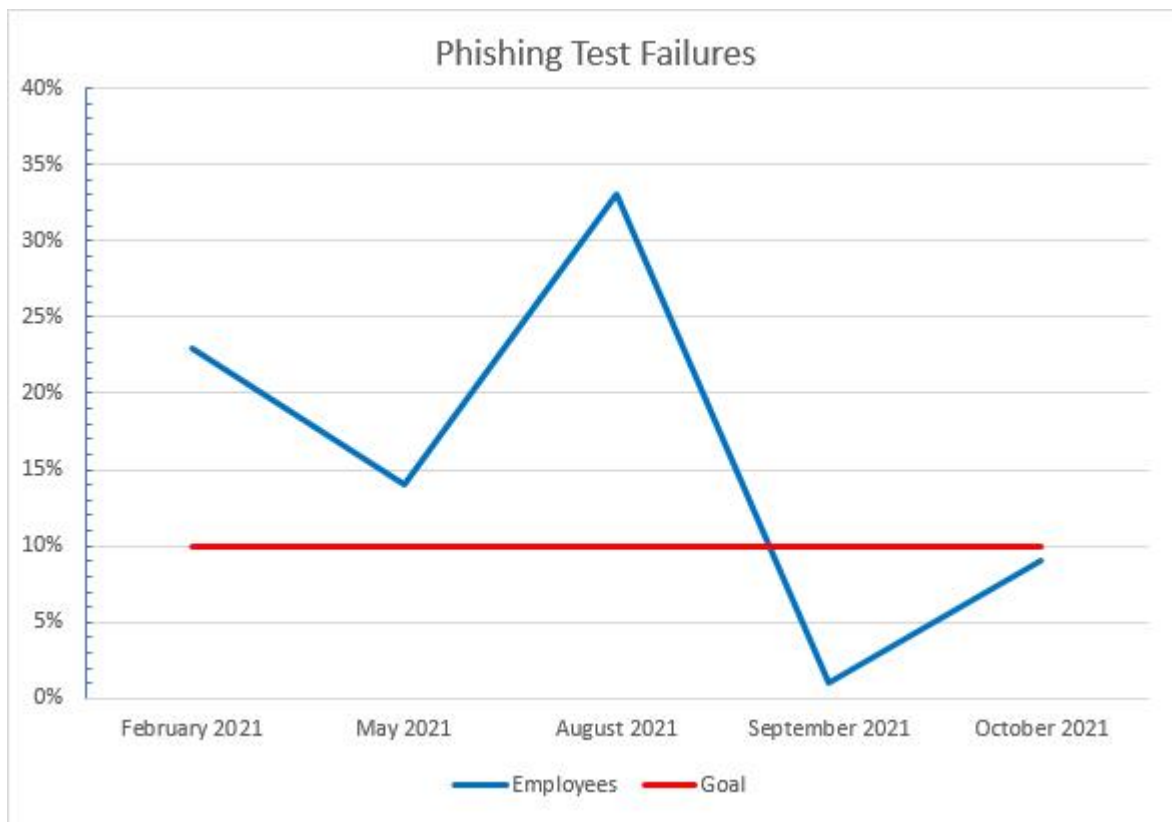
The following table illustrates our program to improve employee awareness with identifying and avoiding targeted Phishing email threats. Phishing is a common and dangerous security threat where bad actors attempt to trick CalOptima users by sending fraudulent emails that look legitimate.

Historically, (through Q3, 2021) we have conducted quarterly exercises to educate and train our users on how to spot and report these threats. To improve our awareness and experience identifying these threats, we have increased the frequency of these exercises to monthly. We have also increased the difficulty of these exercises to match the threats. Our targeted goal is to achieve a less than 10% failure rate for CalOptima users to spot a phishing email.



## **Results:**

Increasing the difficulty and frequency of the exercises caused our failure rate to increase sharply in August. This was expected and through repeated exercises and continuous training, we have reduced the failure rate below 10%. Our goal is to keep driving these failure rates lower by maintaining awareness through a mature program of consistent testing and education of our end-users.



# **Quarterly Operating and Capital Budget Update**

**July 1, 2021 to September 30, 2021**

**Board of Directors' Finance and Audit Committee Meeting  
November 18, 2021**

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# **Quarterly Operating Budget Update as of September 30, 2021**

# FY 2021-22 Board Approved Attachment A

## Attachment A

## CalOptima Fiscal Year 2021-22 Budget By Line of Business

	MC	OCC	OneCare	PACE	MSSP	Facilities	Consolidated
Member Months	9,866,491	181,341	21,382	4,953	2,730	-	10,074,167
Avg Members	822,208	15,112	1,782	413	455	-	839,514
Revenues							
Capitation revenue	\$ 3,249,878,660	\$ 339,332,450	\$ 25,409,771	\$ 40,274,039	\$ 1,218,536	\$ -	\$ 3,656,113,456
Total	\$ 3,249,878,660	\$ 339,332,450	\$ 25,409,771	\$ 40,274,039	\$ 1,218,536	\$ -	\$ 3,656,113,456
Medical Costs							
1 Provider capitation	\$ 1,090,695,714	\$ 143,668,277	\$ 6,785,567	\$ -	\$ -	\$ -	\$ 1,241,149,558
2 Claims Payments	\$ 1,108,883,950	\$ 65,335,099	\$ 8,663,244	\$ 17,133,053	\$ -	\$ -	\$ 1,200,015,346
3 LTC/Skilled Nursing Facilities	\$ 506,856,724	\$ 16,976,719	\$ -	\$ 582,219	\$ 158,410	\$ -	\$ 524,574,072
4 Prescription Drugs	\$ 345,521,587	\$ 79,340,804	\$ 8,226,385	\$ 3,994,675	\$ -	\$ -	\$ 437,083,451
5 Case Mgmt & Oth Medical	\$ 120,142,918	\$ 16,770,208	\$ 558,297	\$ 14,392,728	\$ 722,982	\$ -	\$ 152,587,132
Total	\$ 3,172,100,893	\$ 322,091,108	\$ 24,233,492	\$ 36,102,675	\$ 881,391	\$ -	\$ 3,555,409,559
MLR	97.6%	94.9%	95.4%	89.6%	72.3%		97.2%
Gross Margin	\$ 77,777,767	\$ 17,241,342	\$ 1,176,279	\$ 4,171,365	\$ 337,144	\$ -	\$ 100,703,897
Administrative Expenses							
Salaries, Wages, & Employee Benefits	\$ 95,901,835	\$ 10,543,897	\$ 880,620	\$ 1,855,157	\$ 354,746	\$ -	\$ 109,536,255
Professional Fees	\$ 5,312,550	\$ 441,000	\$ 350,000	\$ 2,000	\$ 6,750	\$ -	\$ 6,112,300
Purchased services	\$ 12,183,620	\$ 1,303,282	\$ 110,000	\$ 491,100	\$ -	\$ 651,000	\$ 14,739,002
Printing & Postage	\$ 4,605,940	\$ 1,657,320	\$ 189,869	\$ 230,860	\$ -	\$ 2,000	\$ 6,685,989
Depreciation & Amortization	\$ 5,910,000	\$ -	\$ -	\$ 4,800	\$ -	\$ 2,472,000	\$ 8,386,800
Other Operating Expenses	\$ 21,108,133	\$ 252,865	\$ 12,350	\$ 51,716	\$ 43,846	\$ 2,330,000	\$ 23,798,910
Indirect Cost Allocation, Occupancy Expense	\$ (3,593,146)	\$ 8,160,631	\$ 611,082	\$ 59,335	\$ 29,307	\$ (5,455,000)	\$ (187,791)
Total	\$ 141,428,932	\$ 22,358,995	\$ 2,153,921	\$ 2,694,968	\$ 434,649	\$ -	\$ 169,071,466
ALR	4.4%	6.6%	8.5%	6.7%	35.7%		4.6%
Operating Income/(Loss)	\$ (63,651,165)	\$ (5,117,653)	\$ (977,642)	\$ 1,476,397	\$ (97,505)	\$ -	\$ (68,367,569)
Investment Income							\$ 10,000,000
MCO Tax Revenue	\$ 168,406,719						\$ 168,406,719
MCO Tax Expense	\$ (168,406,719)						\$ (168,406,719)
CHANGE IN NET ASSETS	\$ (63,651,165)	\$ (5,117,653)	\$ (977,642)	\$ 1,476,397	\$ (97,505)	\$ -	\$ (58,367,569)

# Board Action Approval Details and Summary for Administrative Budget

## CalOptima Fiscal Year 2021-22 Budget Board Action Approval Summary

Board Action Approval Summary	Medi-Cal	OCC	OneCare	PACE	MSSP	Facilities	Net Impact
Medical Costs	\$ 4,133,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,133,329
Administrative Expenses							
Salaries, Wages, & Employee Benefits	\$ 2,974,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,974,000
Professional Fees	\$ 1,450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,450,000
Purchased Services	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Printing & Postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation & Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Cost Allocation, Occupancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 4,624,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,624,000
<b>Net Impact</b>	<b>\$ 8,757,329</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,757,329</b>

## CalOptima Fiscal Year 2021-22 Budget Board Action Approval Details

Board Action Approval Details:	Medi-Cal	OCC	OneCare	PACE	MSSP	Facilities	Net Impact
1 BOD Date - August 5, 2021 Report Item No. 10 To: Medical Costs	\$ 106,000						\$ 106,000
To: Salaries, Wages, & Employee Benefits	\$ 382,000						\$ 382,000
2 BOD Date - August 5, 2021 Report Item No. 13 To: Professional Fees	\$ 225,000						\$ 225,000
3 BOD Date - August 5, 2021 Report Item No. 14 To: Medical Costs	\$ 4,027,329						\$ 4,027,329
4 BOD Date - August 5, 2021 Report Item No. 15 To: Purchased Services	\$ 200,000						\$ 200,000
5 BOD Date - September 2, 2021 Report Item No. 11 To: Salaries, Wages, & Employee Benefits	\$ 250,000						\$ 250,000
To: Professional Fees	\$ 500,000						\$ 500,000
6 BOD Date - September 2, 2021 Report Item No. 12 To: Salaries, Wages, & Employee Benefits	\$ 2,342,000						\$ 2,342,000
To: Professional Fees	\$ 500,000						\$ 500,000
7 BOD Date - September 2, 2021 Report Item No. 18 To: Professional Fees	\$ 225,000						\$ 225,000

# CEO Administrative Budget Allocation Changes

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There were no FY22 administrative budget allocation changes to report in the first quarter.

# FY 2021-22 Revised Attachment A

## CalOptima Fiscal Year 2021-22 Budget Budgeted Statement of Revenue & Expenses By Line of Business

Attachment A - Revised								
	Homeless Initiative	Medi-Cal	OCC	One Care	PACE	MSSP	Facilities	Consolidated
Member Months	-	9,866,491	181,341	21,382	4,953	2,730	-	10,074,167
Avg Members	-	822,208	15,112	1,782	413	455	-	839,514
Revenues								
Capitation revenue	\$ -	\$ 3,249,878,660	\$ 339,332,450	\$ 25,409,771	\$ 40,274,039	\$ 1,218,536	\$ -	3,656,113,456
Total	\$ -	\$ 3,249,878,660	\$ 339,332,450	\$ 25,409,771	\$ 40,274,039	\$ 1,218,536	\$ -	\$ 3,656,113,456
Medical Costs								
Provider capitation	\$ -	\$ 1,090,695,714	\$ 143,668,277	\$ 6,785,567	\$ -	\$ -	\$ -	\$ 1,241,149,558
Claims Payments	\$ -	\$ 1,108,883,950	\$ 65,335,099	\$ 8,663,244	\$ 17,133,053	\$ -	\$ -	\$ 1,200,015,346
LTC/Skilled Nursing Facilities	\$ -	\$ 506,856,724	\$ 16,976,719	\$ -	\$ 582,219	\$ 158,410	\$ -	\$ 524,574,072
Prescription Drugs	\$ -	\$ 345,521,587	\$ 79,340,804	\$ 8,226,385	\$ 3,994,675	\$ -	\$ -	\$ 437,083,451
Case Mgmt & Oth Medical	\$ -	\$ 124,276,247	\$ 16,770,208	\$ 558,297	\$ 14,392,728	\$ 722,982	\$ -	\$ 156,720,461
Total	\$ -	\$ 3,176,234,222	\$ 322,091,108	\$ 24,233,492	\$ 36,102,675	\$ 881,391	\$ -	\$ 3,559,542,888
MLR		97.7%	94.9%	95.4%	89.6%	72.3%		97.4%
Gross Margin	\$ -	\$ 73,644,438	\$ 17,241,342	\$ 1,176,279	\$ 4,171,365	\$ 337,144	\$ -	\$ 96,570,568
Administrative Expenses								
Salaries, Wages, & Employee Benefits	\$	98,875,835	\$ 10,543,897	\$ 880,620	\$ 1,855,157	\$ 354,746	\$ -	\$ 112,510,255
Professional Fees	\$	6,762,550	\$ 441,000	\$ 350,000	\$ 2,000	\$ 6,750	\$ -	\$ 7,562,300
Purchased services	\$	12,383,620	\$ 1,303,282	\$ 110,000	\$ 491,100	\$ -	\$ 651,000	\$ 14,939,002
Printing & Postage	\$	4,605,940	\$ 1,657,320	\$ 189,869	\$ 230,860	\$ -	\$ 2,000	\$ 6,685,989
Depreciation & Amortization	\$	5,910,000	\$ -	\$ -	\$ 4,800	\$ -	\$ 2,472,000	\$ 8,386,800
Other Operating Expenses	\$	21,108,133	\$ 252,865	\$ 12,350	\$ 51,716	\$ 43,846	\$ 2,330,000	\$ 23,798,910
Indirect Cost Allocation, Occupancy Expense	\$	(3,593,146)	\$ 8,160,631	\$ 611,082	\$ 59,335	\$ 29,307	\$ (5,455,000)	\$ (187,791)
Total	\$	146,052,932	\$ 22,358,995	\$ 2,153,921	\$ 2,694,968	\$ 434,649	\$ -	\$ 173,695,466
ALR		4.5%	6.6%	8.5%	6.7%	35.7%		4.8%
Operating Income/(Loss)	\$	(72,408,494)	\$ (5,117,653)	\$ (977,642)	\$ 1,476,397	\$ (97,505)	\$ -	\$ (77,124,898)
Investment Income								\$ 10,000,000
MCO Tax Revenue	\$	168,406,719						\$ 168,406,719
MCO Tax Expense	\$	(168,406,719)						\$ (168,406,719)
CHANGE IN NET ASSETS	\$	(72,408,494)	\$ (5,117,653)	\$ (977,642)	\$ 1,476,397	\$ (97,505)	\$ -	\$ (67,124,898)



# Personnel Budget Summary

## FY 2021 - 22 Personnel Summary

FY 2021-22 Personnel (FTEs) - September 2021				
Line of Business	Filled	Open	Total	Vacancy %
Medi-Cal	1,077.3	132.5	1,209.8	11.0%
OC	9.3		9.3	0.0%
OCC	200.8	9.0	209.8	4.3%
PACE	94.0	27.5	121.5	22.6%
MSSP	17.0	1.0	18.0	5.6%
<b>Total</b>	<b>1,398.4</b>	<b>170.0</b>	<b>1,568.4</b>	<b>10.8%</b>

Notes:

FTE count is based on position control reconciliation.

FTE count includes both medical and administrative positions.

### Market Adjustments ending September 30, 2021

Title	Effective Date	Reason	Quarter	Market Adjustment (% Increase)
Chief Financial Officer	9/12/21	Bring to minimum of new pay grade	Q1	22.15%
Chief Operating Officer	9/12/21	Bring to minimum of new pay grade	Q1	18.46%
Executive Director Human Resources	9/12/21	Bring to minimum of new pay grade	Q1	2.53%
Executive Director Public Affairs	9/12/21	Bring to minimum of new pay grade	Q1	3.94%
			Total Financial Impact	\$148,365.21

### Changes to Executive Compensation ending September 30, 2021

Title	Effective Date	Reason	Quarter	% Increase
Executive Director Program Implementation (Interim)	8/1/2021	Interim appointment	Q1	3.00%
Executive Director Compliance	7/12/2021	New hire	Q1	N/A
			Total Financial Impact	\$267,174.19

Source: Market Adjustments and Changes to Executive Compensation provided by the Human Resources Department.

# Administrative Expense Summary by Category

## Administrative Expense Summary by Category as of September 30, 2021

### Consolidated Administrative Expense Summary

LOB	September MTD		Variance		YTD		Variance		FY 2022 Budget
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 3,021,739	\$ 3,872,647	\$ 850,908	22%	\$ 8,414,087	\$ 11,339,778	\$ 2,925,691	26%	\$ 44,910,855
OC	\$ 35,304	\$ 55,185	\$ 19,881	36%	\$ 102,211	\$ 165,555	\$ 63,344	38%	\$ 662,219
OCC	\$ 282,632	\$ 279,543	\$ (3,089)	-1%	\$ 669,645	\$ 913,629	\$ 243,984	27%	\$ 3,654,467
PACE	\$ 47,877	\$ 64,639	\$ 16,762	26%	\$ 83,192	\$ 193,917	\$ 110,725	57%	\$ 775,677
<b>Total</b>	<b>\$ 3,387,552</b>	<b>\$ 4,272,014</b>	<b>\$ 884,462</b>	<b>21%</b>	<b>\$ 9,269,135</b>	<b>\$ 12,612,879</b>	<b>\$ 3,343,744</b>	<b>27%</b>	<b>\$ 50,003,218</b>

### Professional Fees

LOB	September MTD		Variance		YTD		Variance		FY 2022 Budget
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 160,220	\$ 586,229	\$ 426,009	73%	\$ 345,493	\$ 1,493,233	\$ 1,147,740	77%	\$ 6,769,316
OC	\$ 16,000	\$ 29,166	\$ 13,166	45%	\$ 48,000	\$ 87,498	\$ 39,498	45%	\$ 350,000
OCC	\$ 73,326	\$ 11,750	\$ (61,576)	-524%	\$ 115,694	\$ 110,250	\$ (5,444)	-5%	\$ 441,000
PACE	\$ 3,083	\$ 167	\$ (2,916)	-1746%	\$ 6,439	\$ 501	\$ (5,938)	-1185%	\$ 2,000
<b>Total</b>	<b>\$ 252,628</b>	<b>\$ 627,312</b>	<b>\$ 374,684</b>	<b>60%</b>	<b>\$ 515,626</b>	<b>\$ 1,691,482</b>	<b>\$ 1,175,856</b>	<b>70%</b>	<b>\$ 7,562,316</b>

### Purchased Services

LOB	September MTD		Variance		YTD		Variance		FY 2022 Budget
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 967,935	\$ 1,141,814	\$ 173,879	15%	\$ 2,723,790	\$ 3,407,263	\$ 683,473	20%	\$ 12,383,620
OC	\$ 13,548	\$ 9,167	\$ (4,381)	-48%	\$ 38,363	\$ 27,501	\$ (10,862)	-39%	\$ 110,000
OCC	\$ 130,077	\$ 108,609	\$ (21,468)	-20%	\$ 319,311	\$ 325,827	\$ 6,516	2%	\$ 1,303,282
PACE	\$ 16,436	\$ 40,925	\$ 24,489	60%	\$ 20,987	\$ 122,775	\$ 101,788	83%	\$ 491,100
<b>Total</b>	<b>\$ 1,127,996</b>	<b>\$ 1,300,515</b>	<b>\$ 172,519</b>	<b>13%</b>	<b>\$ 3,102,450</b>	<b>\$ 3,883,366</b>	<b>\$ 780,916</b>	<b>20%</b>	<b>\$ 14,288,002</b>

### Printing and Postage

LOB	September MTD		Variance		YTD		Variance		FY 2022 Budget
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 256,951	\$ 383,828	\$ 126,877	33%	\$ 1,020,295	\$ 1,151,484	\$ 131,189	11%	\$ 4,605,940
OC	\$ 5,756	\$ 15,823	\$ 10,067	64%	\$ 15,848	\$ 47,469	\$ 31,621	67%	\$ 189,869
OCC	\$ 76,423	\$ 138,109	\$ 61,686	45%	\$ 231,484	\$ 414,327	\$ 182,843	44%	\$ 1,657,320
PACE	\$ 12,556	\$ 19,238	\$ 6,682	35%	\$ 32,202	\$ 57,714	\$ 25,512	44%	\$ 230,860
<b>Total</b>	<b>\$ 351,686</b>	<b>\$ 556,998</b>	<b>\$ 205,312</b>	<b>37%</b>	<b>\$ 1,299,829</b>	<b>\$ 1,670,994</b>	<b>\$ 371,165</b>	<b>22%</b>	<b>\$ 6,683,989</b>

### Other Operating Expenses

LOB	September MTD		Variance		YTD		Variance		FY 2022 Budget
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 1,636,633	\$ 1,760,776	\$ 124,143	7%	\$ 4,324,510	\$ 5,287,798	\$ 963,288	18%	\$ 21,151,979
OC	\$ -	\$ 1,029	\$ 1,029	100%	\$ -	\$ 3,087	\$ 3,087	100%	\$ 12,350
OCC	\$ 2,806	\$ 21,075	\$ 18,269	87%	\$ 3,156	\$ 63,225	\$ 60,069	95%	\$ 252,865
PACE	\$ 15,802	\$ 4,309	\$ (11,493)	-267%	\$ 23,564	\$ 12,927	\$ (10,637)	-82%	\$ 51,717
<b>Total</b>	<b>\$ 1,655,241</b>	<b>\$ 1,787,189</b>	<b>\$ 131,948</b>	<b>7%</b>	<b>\$ 4,351,230</b>	<b>\$ 5,367,037</b>	<b>\$ 1,015,807</b>	<b>19%</b>	<b>\$ 21,468,911</b>

Administrative expense summary by category does not include expenditures and budget for Facilities.

# **Quarterly Capital Budget Update as of September 30, 2021**

# FY 2021-22 Capital Attachment A

## Attachment A

Fiscal Year 2021 - 2022 Capital Budget by Project

INFRASTRUCTURE	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Upgrade the Portal Application Load Balancer Appliance	303,000	176,000	81,000	560,000
Office Wireless Network System Upgrade	164,000	84,000	153,000	401,000
Implement Data Operations and Virtualization	165,000	133,000	30,000	328,000
Implement a New Virtual Desktop For Employee Computers	125,000	125,000	75,000	325,000
Upgrade the Database Disk Storage Equipment	300,000		3,500	303,500
Implement a Test Lab to Support Production Upgrades	300,000			300,000
Encrypt Sensitive Data Within Production Environments	60,000	200,000	40,000	300,000
Upgrade the Citrix Virtual Servers to Support Version	249,000	2,500	7,500	259,000
Upgrade and Expand the Server Monitoring Software	72,000	170,000		242,000
Implement a Solution to Prevent Data Loss Within Cloud Application		140,000	60,000	200,000
Implement the Customer Services Call Recording System		150,000	50,000	200,000
Upgrade the Online Fax System to a Cloud Solution		170,000	15,000	185,000
Increase Virus Protection Licenses for On-Premise Servers		85,000	100,000	185,000
Upgrade the Citrix Disk Storage Equipment	150,000		3,500	153,500
Upgrade and Expand the Network Monitoring Software	140,000			140,000
Implement New Software to Manage Employee Access Accounts			100,000	100,000
Upgrade the Core Systems Development and Test Environments	100,000			100,000
Upgrade the Database Security And Monitoring Software	60,000		25,000	85,000
Upgrade the Corporate Building Server Disk Storage	75,000		3,000	78,000
Upgrade the System Backup Application Disk Storage	75,000			75,000
Computer Network Load Balancer System Upgrade	46,000			46,000
Implement Secure Data Masking for HIPAA Transaction File Sets		36,000		36,000
Upgrade the Email Phishing Software		30,000		30,000
Upgrade the Internet Secure Email Gateway Software	24,000			24,000
Implement New Software to Monitor and Resolve Computer Network Traffic Issues		23,000		23,000
Upgrade and Expand the Computer Network Switches	15,000			15,000
Upgrade the Internet Monitoring Appliance		8,000		8,000
<b>TOTAL INFRASTRUCTURE</b>	<b>\$ 2,423,000</b>	<b>\$ 1,532,500</b>	<b>\$ 746,500</b>	<b>\$ 4,702,000</b>
APPLICATIONS MANAGEMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Implement a New Provider Data Management System		2,250,000	225,000	2,475,000
Upgrade the Core Facets System to Latest Supported Version	329,000	5,000	41,000	375,000
Implement a Provider to Provider eConsult Application (Additional Funding)		200,000	150,000	350,000
Implement Claims Auditing Software		150,000	30,000	180,000
<b>TOTAL APPLICATIONS MANAGEMENT</b>	<b>\$ 329,000</b>	<b>\$ 2,605,000</b>	<b>\$ 446,000</b>	<b>\$ 3,380,000</b>
APPLICATIONS DEVELOPMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Implement a New Human Capital Management (HCM) System for HR	75,000	500,000	150,000	725,000
Implement and Install Business Continuity Plan Software		400,000	250,000	650,000
Implement a New Service Desk Software to Support Operational Requests	10,000	425,000	85,000	520,000
Implement a New Board Material Software to Streamline Operations		365,000	150,000	515,000
Implement Data Governance Software		400,000	50,000	450,000
Upgrade the Portal Application Audit Log Storage	350,000	50,000		400,000
Upgrade the Caloptima.Org Web Content Management Infrastructure	300,000	15,000	40,000	355,000
Implement a Risk Management Software Application to Support Compliance and Security Activities		235,000	62,000	297,000
Implement Software to Support Compliance with ADA and Web Content Accessibility		233,000	59,000	292,000
Upgrade the Accounting AR/AP Software			135,000	135,000
Upgrade the Web Portal Access Management Software	100,000		20,000	120,000
Increase the Portal File System to Support Performance and Education Campaigns	100,000	5,000	10,000	115,000
Migrate the Budget Software to Cloud Solution		49,000	38,000	87,000
Implement Customer Service Member Online Chat Services		36,000	12,000	48,000
Implement a New Procurement and Requisition Software Application			35,000	35,000
Upgrade the Data Warehouse Infrastructure	17,000			17,000
Integrate Employees Online Chat Services With the HR Learning Management System			10,000	10,000
Implement Test Automation Software for Web Application Development	4,000			4,000
<b>TOTAL APPLICATIONS DEVELOPMENT</b>	<b>\$ 956,000</b>	<b>\$ 2,713,000</b>	<b>\$ 1,106,000</b>	<b>\$ 4,775,000</b>
505 BUILDING IMPROVEMENTS	BUILDING	EQUIPMENT	PROFESSIONAL FEES	TOTAL CAPITAL
New Member Services Entrance and Lobby Improvements for Enhanced Security	530,000		95,000	625,000
Office Suite Renovation and Improvements	443,000		35,000	478,000
New Roof Membrane Continuation	100,000			100,000
Capital Lease for Copiers	75,000			75,000
Enhanced HVAC Ionization Filter to Treat Airborne Viruses	75,000			75,000
Cooling Tower Continuation	40,000			40,000
IDF Room HVAC Unit Replacement	20,000		5,000	25,000
Recording Studio for Education, Training, Outreach, and Marketing	8,000		2,000	10,000
<b>TOTAL 505 BUILDING IMPROVEMENTS</b>	<b>\$ 1,291,000</b>	<b>\$ -</b>	<b>\$ 137,000</b>	<b>\$ 1,428,000</b>
PACE	EQUIPMENT		PROFESSIONAL FEES	TOTAL CAPITAL
Electronic Storage Expansion	120,000		3,000	\$123,000
Interior Light Repairs	75,000			\$75,000
Work Station Renovation	57,000			\$57,000
Conference Rooms 110 and 109 Furniture and Analog Audio Visual Systems Upgrade	35,000	5,000	10,000	\$50,000
Conference Room Table Upgrades	24,000	20,000		\$44,000
Upgrade Phone Systems to Add Redundancy		24,000	11,000	\$35,000
Upgrade Employee Outdoor Patio	20,000			\$20,000
Upgrade Lobby Furniture	18,000			\$18,000
<b>TOTAL PACE</b>	<b>\$ 349,000</b>	<b>\$ 49,000</b>	<b>\$ 24,000</b>	<b>\$ 422,000</b>
<b>TOTAL FY22 NEW CAPITAL BUDGET</b>	<b>\$ 5,348,000</b>	<b>\$ 6,899,500</b>	<b>\$ 2,459,500</b>	<b>\$ 14,707,000</b>

# Board Action and CEO Approval Details for Capital Projects

There were no FY22 capital board actions for capital projects to report in the first quarter.

CEO Approved Action Details	Project Description	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
1 CEO Date - July 8, 2021					
From: 505 Building Improvement	Recording Studio for Education, Training, Outreach, and Marketing	(3,000)	-	-	(3,000)
To: 505 Building Improvement	IDF Room HVAC Unit Replacement	3,000	-	-	3,000
TOTAL CEO Approved Actions		\$ -	\$ -	\$ -	\$ -

# FY 2021-22 Revised Capital Attachment A

## Revised Attachment A

Fiscal Year 2021-22 Capital Budget by Project

INFRASTRUCTURE	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Upgrade the Portal Application Load Balancer Appliance	303,000	176,000	81,000	560,000
Office Wireless Network System Upgrade	164,000	84,000	153,000	401,000
Implement Data Operations and Virtualization	165,000	133,000	30,000	328,000
Implement a New Virtual Desktop For Employee Computers	125,000	125,000	75,000	325,000
Upgrade the Database Disk Storage Equipment	300,000	-	3,500	303,500
Implement a Test Lab to Support Production Upgrades	300,000	-	-	300,000
Encrypt Sensitive Data Within Production Environments	60,000	200,000	40,000	300,000
Upgrade the Citrix Virtual Servers to Support Version	249,000	2,500	7,500	259,000
Upgrade and Expand the Server Monitoring Software	72,000	170,000	-	242,000
Implement a Solution to Prevent Data Loss Within Cloud Application	-	140,000	60,000	200,000
Implement the Customer Services Call Recording System	-	150,000	50,000	200,000
Upgrade the Online Fax System to a Cloud Solution	-	170,000	15,000	185,000
Increase Virus Protection Licenses for On-Premise Servers	-	85,000	100,000	185,000
Upgrade the Citrix Disk Storage Equipment	150,000	-	3,500	153,500
Upgrade and Expand the Network Monitoring Software	140,000	-	-	140,000
Implement New Software to Manage Employee Access Accounts	-	-	100,000	100,000
Upgrade the Core Systems Development and Test Environments	100,000	-	-	100,000
Upgrade the Database Security And Monitoring Software	60,000	-	25,000	85,000
Upgrade the Corporate Building Server Disk Storage	75,000	-	3,000	78,000
Upgrade the System Backup Application Disk Storage	75,000	-	-	75,000
Computer Network Load Balancer System Upgrade	46,000	-	-	46,000
Implement Secure Data Masking for HIPAA Transaction File Sets	-	36,000	-	36,000
Upgrade the Email Phishing Software	-	30,000	-	30,000
Upgrade the Internet Secure Email Gateway Software	24,000	-	-	24,000
Implement New Software to Monitor and Resolve Computer Network Traffic Issues	-	23,000	-	23,000
Upgrade and Expand the Computer Network Switches	15,000	-	-	15,000
Upgrade the Internet Monitoring Appliance	-	8,000	-	8,000
TOTAL INFRASTRUCTURE	\$ 2,423,000	\$ 1,532,500	\$ 746,500	\$ 4,702,000

APPLICATIONS MANAGEMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Implement a New Provider Data Management System	-	2,250,000	225,000	2,475,000
Upgrade the Core Facets System to Latest Supported Version	329,000	5,000	41,000	375,000
Implement a Provider to Provider eConsult Application (Additional Funding)	-	200,000	150,000	350,000
Implement Claims Auditing Software	-	150,000	30,000	180,000
TOTAL APPLICATIONS MANAGEMENT	\$ 329,000	\$ 2,605,000	\$ 446,000	\$ 3,380,000

APPLICATIONS DEVELOPMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES	TOTAL CAPITAL
Implement a New Human Capital Management (HCM) System for HR	75,000	500,000	150,000	725,000
Implement and Install Business Continuity Plan Software	-	400,000	250,000	650,000
Implement a New Service Desk Software to Support Operational Requests	10,000	425,000	85,000	520,000
Implement a New Board Material Software to Streamline Operations	-	365,000	150,000	515,000
Implement Data Governance Software	-	400,000	50,000	450,000
Upgrade the Portal Application Audit Log Storage	350,000	50,000	-	400,000
Upgrade the Caloptima.Org Web Content Management Infrastructure	300,000	15,000	40,000	355,000
Implement a Risk Management Software Application to Support Compliance and Security Activities	-	235,000	62,000	297,000
Implement Software to Support Compliance with ADA and Web Content Accessibility	-	233,000	59,000	292,000
Upgrade the Accounting AR/AP Software	-	-	135,000	135,000
Upgrade the Web Portal Access Management Software	100,000	-	20,000	120,000
Increase the Portal File System to Support Performance and Education Campaigns	100,000	5,000	10,000	115,000
Migrate the Budget Software to Cloud Solution	-	49,000	38,000	87,000
Implement Customer Service Member Online Chat Services	-	36,000	12,000	48,000
Implement a New Procurement and Requisition Software Application	-	-	35,000	35,000
Upgrade the Data Warehouse Infrastructure	17,000	-	-	17,000
Integrate Employees Online Chat Services With the HR Learning Management System	-	-	10,000	10,000
Implement Test Automation Software for Web Application Development	4,000	-	-	4,000
TOTAL APPLICATIONS DEVELOPMENT	\$ 956,000	\$ 2,713,000	\$ 1,106,000	\$ 4,775,000

505 BUILDING IMPROVEMENTS	BUILDING	EQUIPMENT	PROFESSIONAL FEES	TOTAL CAPITAL
New Member Services Entrance and Lobby Improvements for Enhanced Security	530,000	-	95,000	625,000
Office Suite Renovation and Improvements	443,000	-	35,000	478,000
New Roof Membrane Continuation	100,000	-	-	100,000
Capital Lease for Copiers	75,000	-	-	75,000
Enhanced HVAC Ionization Filter to Treat Airborne Viruses	75,000	-	-	75,000
Cooling Tower Continuation	40,000	-	-	40,000
IDF Room HVAC Unit Replacement	23,000	-	5,000	28,000
Recording Studio for Education, Training, Outreach, and Marketing	5,000	-	2,000	7,000
TOTAL 505 BUILDING IMPROVEMENTS	\$ 1,291,000	\$ -	\$ 137,000	\$ 1,428,000

PACE	EQUIPMENT	PROFESSIONAL FEES	TOTAL CAPITAL	
Electronic Storage Expansion	120,000	3,000	\$123,000	
Interior Light Repairs	75,000	-	\$75,000	
Work Station Renovation	57,000	-	\$57,000	
Conference Rooms 110 and 109 Furniture and Analog Audio Visual Systems Upgrade	35,000	5,000	\$50,000	
Conference Room Table Upgrades	24,000	20,000	\$44,000	
Upgrade Phone Systems to Add Redundancy	-	24,000	\$35,000	
Upgrade Employee Outdoor Patio	20,000	-	\$20,000	
Upgrade Lobby Furniture	18,000	-	\$18,000	
TOTAL PACE	\$ 349,000	\$ 49,000	\$ 24,000	\$ 422,000

TOTAL FY22 REVISED NEW CAPITAL BUDGET	\$ 5,348,000	\$ 6,899,500	\$ 2,459,500	\$ 14,707,000
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# **Quarterly Purchasing Report**

# FY 2021-22 First Quarter Purchasing Report

**Quarterly Purchase Report**  
**July 1, 2021 through September 30, 2021**  
**Completed Major Commitments over \$100,000**

<i>Nature of Services</i>	<i>FY22 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>PO #</i>	<i>Contract Amount</i>	<i>Spent Year 2022</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
State Advocacy Services - FY22 Funding	\$ 100,600	Edelstein, Gilbert, Robson & Smith	Incumbent via Previous RFP	N/A	18-10701-001	\$ 100,600	\$ 16,817	\$ 83,783	06/30/22
Interpreting and Translation Services - FY22 Funding	\$ 100,700	Language Line Services, Inc.	Incumbent via Previous RFP	N/A	21-10214-MC22	\$ 100,700	\$ 54,693	\$ 46,007	02/28/23
Palo Alto Maintenance Renewal	\$ 102,258	CDW Corporation	RFQ 22-008	Presidio	22-10081	\$ 102,258	\$ 102,258	\$ -	07/22/22
PACE and 505 Janitorial Services - FY22 Funding	\$ 104,410	Able Building Maint Co	Incumbent via Previous RFP	N/A	19-10494-003	\$ 104,410	\$ 24,292	\$ 80,117	12/01/21
Citrix XenDesktop License Renewal	\$ 106,080	Citrix Systems Inc	Sole Source	N/A	21-10309-001	\$ 106,080	\$ -	\$ 106,080	11/07/22
Reimbursement System Services - FY22 Funding	\$ 109,058	Burgess Group	Incumbent via Previous RFP	N/A	20-10581-008	\$ 109,058	\$ 109,060	\$ (2)	06/30/22
Insurance Brokerage and Advisory Services - Annual Fees	\$ 115,000	Woodruff- Sawyer & Co.	Incumbent via Previous RFP	N/A	19-10205-004	\$ 115,000	\$ -	\$ 115,000	12/31/21
Benefit Broker Services - Annual Fees	\$ 115,000	Alliant Insurance Services Inc	Incumbent via Previous RFP	N/A	20-10690-002	\$ 115,000	\$ 28,750	\$ 86,250	03/31/23
Call Recording System Implementation	\$ 116,808	Intelli-Flex Inc	Incumbent via Previous RFP	N/A	21-10622-002	\$ 116,808	\$ -	\$ 116,808	06/30/22
Investment Management Services - FY22 Funding	\$ 124,276	MetLife Investment Management LLC	Incumbent via Previous RFP	N/A	17-10176-006	\$ 124,276	\$ -	\$ 124,276	09/30/21
Investment Management Services - FY22 Funding	\$ 124,276	Payden & Rygel	Incumbent via Previous RFP	N/A	17-10177-005	\$ 124,276	\$ -	\$ 124,276	09/30/21
PACE Dental Services - FY22 Funding	\$ 125,000	Karmen Bakaen, DDS A ProfCorp	Contract held by Contracting Department	N/A	20-10895-008	\$ 125,000	\$ 115,935	\$ 9,065	06/30/22
PACE Dental Services - FY22 Funding	\$ 125,000	Karmen Bakaen, DDS A ProfCorp	Contract held by Contracting Department	N/A	20-10895-009	\$ 125,000	\$ 15,505	\$ 109,495	06/30/22
Membership fees for LHPC	\$ 150,000	Local Health Plans of California	N/A	N/A	22-10183	\$ 150,000	\$ 150,000	\$ -	06/30/22
Federal Advocacy Services - FY22 Funding	\$ 155,000	Potomac Partners DC LLC	RFP 21-018	Akin Gump	21-10013-001	\$ 155,000	\$ 12,500	\$ 142,500	06/30/24
Laptop Refresh for FY22	\$ 173,097	Dell Computers	N/A	N/A	22-10165	\$ 173,097	\$ -	\$ 173,097	09/06/21
OC/OCC COVID Vaccine Incentives - Visa Cards	\$ 174,227	Blackhawk Network Inc	N/A	N/A	22-10186	\$ 174,227	\$ 174,227	\$ -	N/A
Interpreting and Translation Services - FY22 Funding	\$ 174,867	Language Line Services, Inc.	Incumbent via Previous RFP	N/A	21-10214 MC21	\$ 174,867	\$ 174,873	\$ (6)	02/28/23
Strategic Communication Services - FY22 Funding	\$ 180,000	Westbound Communications Inc	Incumbent via Previous RFP	N/A	20-10813-003	\$ 180,000	\$ 10,456	\$ 169,544	01/31/23
Colocation Services - FY22 Funding	\$ 198,000	Orange County Treasurer-Tax Collector	Sole Source	N/A	17-10329-005	\$ 198,000	\$ 23,182	\$ 174,818	02/28/23
PACE EHR - FY22 Funding	\$ 200,000	Tabula Rasa Healthcare	Incumbent via Previous RFP	N/A	19-10100-003	\$ 200,000	\$ 49,543	\$ 150,457	02/29/24
CalAIM Readiness Consulting	\$ 200,000	Public Consulting Group	Board Action	N/A	22-10071	\$ 200,000	\$ -	\$ 200,000	06/30/22



# FY 2021-22 First Quarter Purchasing Report (Cont'd)

**Quarterly Purchase Report**  
**July 1, 2021 through September 30, 2021**  
**Completed Major Commitments over \$100,000**

<i>Nature of Services</i>	<i>FY22 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>PO #</i>	<i>Contract Amount</i>	<i>Spent Year 2022</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
Organizational Leadership Consulting	\$ 225,000	Michael F Hunn	Board Action	N/A	22-10029	\$ 225,000	\$ 23,133	\$ 201,867	06/30/22
CalAIM Consulting Services	\$ 225,000	Carol Gleeson	Board Action	N/A	22-10174	\$ 225,000	\$ -	\$ 225,000	06/30/22
PCP Services for PACE - FY22 Funding	\$ 250,000	Omid Mousavi Behbahani	Contract held by Contracting Department	N/A	21-10417-002	\$ 250,000	\$ 92,576	\$ 157,424	06/30/22
FACETs Membership True-up fees for FY22	\$ 311,000	Trizetto Group	Incumbent via Previous RFP	N/A	17-10220-020	\$ 311,000	\$ -	\$ 311,000	06/30/22
ProviderPoint Exclusion Monitoring Software - FY22 Funding	\$ 311,520	LexisNexis	Incumbent via Previous RFP	N/A	17-10213-005	\$ 311,520	\$ 251,882	\$ 59,639	07/31/22
Gartner Annual Subscription	\$ 313,100	Gartner Inc	Sole Source	N/A	17-10689-005	\$ 313,100	\$ 313,100	\$ -	07/31/22
Internal Auditing Services	\$ 325,000	Grant Thornton Public Sector LLC	Incumbent via Previous RFP	N/A	20-10642-003	\$ 325,000	\$ 19,025	\$ 305,976	06/30/22
FACETs ROBOT Claims Review Services - FY22 Funding	\$ 350,000	Trizetto Group	Incumbent via Previous RFP	N/A	17-10220-019	\$ 350,000	\$ -	\$ 350,000	06/30/22
Claims Scanning Services - FY22 Funding	\$ 350,000	Imagenet LLC	Incumbent via Previous RFP	N/A	18-10184-014	\$ 350,000	\$ -	\$ 350,000	12/31/21
GC Services for 2nd & 4th Floor Remodels	\$ 382,953	Seashore Construction Inc	Incumbent via Previous RFP	N/A	21-10597	\$ 382,953	\$ 230,434	\$ 152,519	11/31/21
Interpreting and Translation Services - FY22 Funding	\$ 400,000	Hanna Interpreting Services LLC	Incumbent via Previous RFP	N/A	20-10883-MC22	\$ 400,000	\$ 104,748	\$ 295,253	02/28/23
OC/OCC OTC Supplemental Benefit Services - FY22 Funding	\$ 575,000	Convey Health Solutions Inc	Incumbent via Previous RFP	N/A	20-10221-003	\$ 575,000	\$ 217,313	\$ 357,687	12/31/21
PACE Transportation Services	\$ 600,000	Secure Transportation Company Inc	Incumbent via Previous RFP	N/A	17-10066-015	\$ 600,000	\$ 245,255	\$ 354,745	06/30/22
Interpreting and Translation Services - FY22 Funding	\$ 680,123	Hanna Interpreting Services LLC	Incumbent via Previous RFP	N/A	20-10883-MC2	\$ 680,123	\$ 680,125	\$ (3)	02/28/23
Web Portal Licensing - FY22 Funding	\$ 792,000	Medecision Inc	Incumbent via Previous RFP	N/A	19-10162-002	\$ 792,000	\$ 427,603	\$ 364,397	12/31/21
Nurse Advice Line - FY22 Funding	\$ 800,000	Infomedia Group Inc	Contract held by Contracting Department	N/A	20-10238-002	\$ 800,000	\$ 48,909	\$ 751,091	06/30/22
OC/OCC OTC Supplemental Benefit Services - FY22 Funding	\$ 859,095	Convey Health Solutions Inc	Incumbent via Previous RFP	N/A	20-10221-002	\$ 859,095	\$ 853,669	\$ 5,426	12/31/21
PACE Home Care Services - FY22 Funding	\$ 900,000	Cambrian Home Care	Contract held by Contracting Department	N/A	18-10180-015	\$ 900,000	\$ 280,254	\$ 619,747	06/30/22
PCP Services for PACE - FY22 Funding	\$ 900,000	NR Medical Associates	Contract held by Contracting Department	N/A	20-10937-006	\$ 900,000	\$ 317,220	\$ 582,780	06/30/22
Coordination of Benefit and Overpayment Contingency Services - FY22 Funding	\$ 1,200,000	Health Management Systems Inc	Incumbent via Previous RFP	N/A	17-10691-006	\$ 1,200,000	\$ -	\$ 1,200,000	05/14/23
Milliman Care Guidelines - FY22 Funding	\$ 1,271,833	MCG Health LLC	Sole Source	N/A	19-10908-002	\$ 1,271,833	\$ 1,271,832	\$ 1	06/30/24

# FY 2021-22 First Quarter Purchasing Report (Cont'd)

Quarterly Purchase Report  
July 1, 2021 through September 30, 2021  
Completed Major Commitments over \$100,000

<i>Nature of Services</i>	<i>FY22 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>PO #</i>	<i>Contract Amount</i>	<i>Spent Year 2022</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
Claims Review Services - FY22 Funding	\$ 1,450,000	Varis LLC	Incumbent via Previous RFP	N/A	17-10537-003	\$ 1,450,000	\$ 19,527	\$ 1,430,473	09/25/22
Incentive Tracking and Management Software	\$ 1,500,000	ChipRewards, Inc.	RFP 21-017	N/A	22-10104	\$ 1,500,000	\$ -	\$ 1,500,000	TBD
GuidingCare Annual Fees	\$ 1,530,000	Altruista Health Inc.	Incumbent via Previous RFP	N/A	17-10447-009	\$ 1,530,000	\$ -	\$ 1,530,000	04/07/22
COVID Vaccine Incentive Gift Cards - Target	\$ 1,875,008	Target Corp	N/A	N/A	22-10052	\$ 1,875,008	\$ 1,875,008	\$ -	N/A
Claims Review Services - FY22 Funding	\$ 2,040,000	Cotiviti Inc	Incumbent via Previous RFP	N/A	19-10311-003	\$ 2,040,000	\$ 348,321	\$ 1,691,679	10/01/22
COVID Vaccine Incentive Gift Cards - Target	\$ 2,250,008	Target Corp	N/A	N/A	22-10177	\$ 2,250,008	\$ 2,250,008	\$ -	N/A
COVID Vaccine Incentive Gift Cards - Target	\$ 2,500,008	Target Corp	N/A	N/A	22-10085	\$ 2,500,008	\$ 2,500,008	\$ -	N/A

# FY 2021-22 First Quarter Purchasing Report (Cont'd)

**Quarterly Purchasing Report**  
**July 1, 2021 through September 30, 2021 - FY22-Q1**  
**IN PROCESS: Open Bids Anticipated to Exceed \$100,000**

<i>Nature of Services</i>	<i>Procurement Status</i>
<b>New For Q1-FY22</b>	
<u>Fresh Produce Delivery Program</u> 22-001	RFP Issued 7/1/2021 3 Proposals Received Staff Reviewing Proposals
<u>IT Hardware &amp; Software Asset Management Services</u> 22-004	RFP Issued 8/4/2021 3 Proposals Received Staff Reviewing Proposals
<u>Retirement Investment Advisor</u> 22-005	RFP Issued 7/28/2021 3 Proposals Received Staff Reviewing Proposals
<u>Palo Alto Renewal</u> 22-008	RFQ Issued 7/9/2021 5 Proposals Received PO Issued 7/23/2021 - RFQ Closed
<u>CalOptima Re-Roof at 505</u> 22-009	RFP Issued 7/20/2021 7 Proposals Received Staff Reviewing Proposals
<u>TV and Digital Advertising</u> 22-011	RFP Issued 8/24/2021 5 Proposals Received Staff Reviewing Proposals
<u>Claims Pricing Solutions</u> 22-012	RFP Issued 7/29/2021 4 Proposals Received Staff Reviewing Proposals
<u>PBM Audit Services</u> 22-014	RFP Issued 9/9/2021 Bids Due 10/15/2021
<u>Outside Legal Counsel Services</u> 22-018	RFP Issued 9/10/2021 Bids Due 10/1/2021
<b>Ongoing from Previous Quarters</b>	
<u>Identity Management System</u> 20-039	RFP issued 6/20/2020 9 Proposals Received Contract Signed 6/30/2021 - RFP Closed
<u>eConsult Platform</u> 21-005	RFP issued 9/1/2020 4 Proposals Received Staff Evaluating Proposals
<u>Document/back-up tape storage and retrieval services</u> 21-006	RFP issued 8/6/2020 4 Proposals Received Staff Negotiating Contracts
<u>General Contractor Services - 2nd/4th Floor Restrooms</u> RFP 21-023	RFP Issued 1/6/2021 4 Bids Received 2/17/2021 Contract Signed 4/7/2021 - RFP Closed
<u>Third Party Liability and Subrogation Services</u> RFP 21-029	RFP Issued 1/14/2021 3 Bids Received 2/18/2021 Staff Negotiating Contract
<u>Investment Management Services</u> RFP 21-031	RFP Issued 1/30/2021 16 Proposals Received 2 Contracts Signed 9/1/2021 - RFP Closed
<u>2021 CPE Audit Services</u> RFP 21-032	RFP Issued 2/15/2021 5 Proposals Received Staff Negotiating Contract
<u>QC/OCC Member Fitness Benefit</u> RFP 21-030	RFP Issued 2/17/2021 2 Proposals Received Staff Negotiating Contract
<u>Health Network Medical Loss Ratio (MLR) Review</u> RFP 21-036	RFP Issued 3/11/2021 1 Proposal Received Contract signed 6/19/2021
<u>CMS Audit Readiness Services</u> RFP 21-037	RFP Issued 3/17/2021 3 Proposals Received Contract Signed 6/9/2021 - RFP Closed

# **IGT Project Report**

# IGT Project Update as of September 2021

IGTs 1-7: Funds must be used to deliver enhanced services for the Medi-Cal population

#	IGT Projects	IGT	First Payment Dispersed Date	COBAR Project End Date	Budget	Spend	% Spent	Balance	Grant Disbursement Date
<b>IGT 1 (Funds Received: September 2012)</b>									
1	Case Management System (Altruista)	1	4/7/2014	12/31/2016	\$2,095,380	\$2,095,380	100%	\$0	Non-Grant Project
2	Telemedicine [Funds Reallocated]	1	4/7/2014	12/1/2016	\$30,810	\$30,810	100%	\$0	Non-Grant Project
3	Strategies to Reduce Readmission	1	12/28/2014	12/31/2016	\$611,421	\$611,421	100%	\$0	Non-Grant Project
4	OneCare PCCs	1	4/16/2014	6/30/2017	\$3,850,000	\$3,850,000	100%	\$0	Non-Grant Project
5	OneCare Connect PCCs	1	8/18/2015	6/30/2017	\$3,550,000	\$3,550,000	100%	\$0	Non-Grant Project
6	Case Management Consulting	1	10/1/2014	12/31/2017	\$866,415	\$866,415	100%	\$0	Non-Grant Project
7	Clinical Field Team Pilot Program [Reallocated Funds]	1	4/8/2019	N/A	\$500,000	\$500,000	100%	\$0	4/8/2019
8	Depression Screenings	1	2/28/2018	Reallocated to IGT 6	\$455,000	\$455,000	100%	\$0	Non-Grant Project
9	Shape Your Life Program	1	4/28/2017	7/1/2020	\$500,000	\$499,980	100%	\$20	Non-Grant Project
SUBTOTAL					\$12,459,026	\$12,459,006	100%	\$20	
<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 PCCs (Continued)	2	6/28/2017	12/31/2018	\$2,400,000	\$2,400,000	100%	\$0	Non-Grant Project
12	Autism Screening	2	8/3/2016	Reallocated to IGT 5	\$51,600	\$51,600	100%	\$0	Non-Grant Project
SUBTOTAL					\$8,033,311	\$8,033,311	100%	\$0	
<b>IGT 3 (Funds Received: September 2014)</b>									
1	Personal Care Coordinators	3	5/15/2017	5/31/2018	\$3,450,000	\$3,450,000	100%	\$0	Non-Grant Project
2	Recuperative Care (Phase 2)	3	8/16/2018	Reallocated to IGT 6	\$499,750	\$499,750	100%	\$0	Non-Grant Project
3	Data Warehouse Expansion	3	2/14/2017	12/31/2019	\$750,000	\$735,200	98%	\$14,800	Pending Reallocation
SUBTOTAL					\$4,699,750	\$4,684,950	100%	\$14,800	
<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	Reallocated to IGT 6	\$744,600	\$744,600	100%	\$0	Non-Grant Project
4	Provider Portal Communications & Interconnectivity	4	5/9/2017	Reallocated to IGT 6	\$1,456,510	\$1,456,510	100%	\$0	Non-Grant Project
5	Member Health Homes Program	4	9/7/2017	Reallocated to IGT 6	\$177,809	\$177,809	100%	\$0	Non-Grant Project
SUBTOTAL					\$6,428,919	\$6,428,919	100%	\$0	

# IGT Project Update as of September 2021 (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	7/10/2019	N/A	\$11,400,000	\$11,400,000	100%	\$0	12/6/2018 (COBAR)
2	Access to Adult Dental Services (Grant RFP: Korean Community Services)	5	12/5/2019	N/A	\$1,000,000	\$850,000	85%	\$150,000	Awarded on 8/1/19
3	Access to Children's Dental Services (Grant RFP)	5	1/15/2020	N/A	\$1,000,000	\$844,800	84%	\$155,200	Awarded on 10/3/19
4	Primary Care Services and Programs Addressing Social Determinants of Health (Grant RFP: Santa Ana Unified School District)	5	12/4/2019	N/A	\$1,411,488	\$933,333	66%	\$478,155	Awarded on 8/1/19
SUBTOTAL					\$14,811,488	\$14,028,133	95%	\$783,355	
<b>IGT 6 &amp; 7 (Funds Received: September 2017/May 2018)</b>									
1	Clinical Field Team Pilot Program	7	4/8/2019	N/A	\$1,100,000	\$1,100,000	100%	\$0	4/8/2019
2	Post-WPC Medical Respite Program	6	TBD	N/A	\$250,000	\$250,000	100%	\$0	4/4/2019 (COBAR)
3	Expand Access to Outpatient Children's Mental Health Services (Grant RFP: Children's Bureau of Southern California; Orange County Asian & Pacific Islander Community Alliances, Inc.; Boys & Girls Clubs of Garden Grove; Jamboree Housing Corporation)	6	10/28/2019	6/30/2023	\$4,188,990	\$4,188,990	100%	\$0	Awarded on 8/1/19
4	Whole Child Model Assistance for Implementation and Development	6	4/2/2020	N/A	\$1,750,000	\$1,749,982	100%	\$18	Non-Grant Project
5	Homekey Program*	6	TBD	N/A	\$2,500,000	\$2,500,000	100%	\$0	11/5/2020 (COBAR)
6	Expand Access to Food Distribution Services Focused on Children and Families (Grant RFP: Serve the People)	7	12/11/2019	9/30/2022	\$1,000,000	\$750,470	75%	\$249,530	Awarded on 8/1/19
7	Integrate Children's Mental Health Services Into Primary Care Settings (Grant RFP: CHOC Children's; Friends of Family Health Center)	7	12/4/2019	6/30/2024	\$4,850,000	\$3,342,166	69%	\$1,507,834	Awarded on 8/1/19
8	Increase Access to Medication-Assisted Treatment (Grant RFP: Coalition of Orange County Community Health Center)	7	12/4/2019	6/30/2023	\$6,000,000	\$4,000,000	67%	\$2,000,000	Awarded on 8/1/19
9	WPC Recuperative Care	6	6/20/2019	12/31/2021	\$7,250,000	\$4,656,720	64%	\$2,593,280	8/2/2018 (COBAR)
10	Master Electronic Health Record System	6	8/7/2020	N/A	\$650,000	\$68,793	11%	\$581,207	Non-Grant Project
11	Expand Access to Outpatient Children's Mental Health Services (Grant RFP: Children's Bureau of Southern California; Orange County Asian & Pacific Islander Community Alliances, Inc.; Boys & Girls Clubs of Garden Grove; Jamboree Housing Corporation)	7	2/2/2021	6/30/2023	\$661,010	\$66,058	10%	\$594,952	Awarded on 8/1/19
12	WPC Housing Navigation and Support Services	6	TBD	N/A	\$640,000	\$0	0%	\$640,000	6/3/2021 (COBAR)
SUBTOTAL					\$30,840,000	\$22,673,179	74%	\$8,166,821	
GRAND TOTAL					\$77,272,494	\$68,307,498	88%	\$8,964,996	

\* Be Well OC Regional Wellness Hub and Homekey Program have pending utilization information against advanced payment of services.

# IGT Project Update as of September 2021 (Cont'd)

IGTs 8-9: Funds must be used for Medi-Cal covered services for the Medi-Cal population

#	IGT Projects	IGT	Budget	Committed/ Spent Amount	Committed/ Spent Percent	Balance	Board Approval Date
<b>IGT 8 (Funds Received: March 2019/April 2019)</b>							
1	Homeless Health Initiative (HHI)						
	HHI - PI, QI & CM Support/Staffing	8	\$501,087	\$394,221	79%	\$106,866	8/1/2019
	CalOptima Days & QI Program - HCAP and HCAP Expansion (04/01/20-12/31/20)	8	\$2,000,000	\$1,475,200	74%	\$524,800	8/1/2019; 4/16/2020
	Homeless Coordination at Hospitals	8	\$10,000,000	\$4,500,000	45%	\$5,500,000	4/4/2019
	Homeless Response Team	8	\$6,000,000	\$1,307,154	22%	\$4,692,846	4/4/2019
	Vaccination Intervention and Member Incentive Strategy	8	\$400,000	\$42,874	11%	\$357,126	1/7/2021
	CFT & FQHC Expansion Claims	8	\$300,000	\$9,678	3%	\$290,322	8/1/2019; 4/16/2020
	New initiatives	8	\$23,390,917	\$0	0%	\$23,390,917	TBD
SUBTOTAL			\$42,592,004	\$7,729,127	18%	\$34,862,877	
<b>IGT 9 (Funds Received: April 2020)</b>							
1	OC COVID-19 Skilled Nursing Facility Prevention Program	9	\$629,723	\$629,723	100%	\$0	5/7/2020
2	Whole Child Model (WCM) Program	9	\$29,976,980	\$29,862,744	100%	\$114,236	4/2/2020
3	Post-Acute Infection Prevention (PIPQI)	9	\$3,400,000	\$1,595,517	47%	\$1,804,483	4/2/2020
4	Text Messaging Solutions for Members	9	\$3,900,000	\$1,241,570	32%	\$2,658,430	5/7/2020
5	24/7 Virtual Urgent Care Services After Hours Initiative	9	\$2,000,000	\$0	0%	\$2,000,000	10/1/2020
6	Hospital Data Exchange Incentive	9	\$2,000,000	\$0	0%	\$2,000,000	4/2/2020
SUBTOTAL			\$41,906,703	\$33,329,554	80%	\$8,577,149	
<b>IGT 10 (Funds Received: May 2020/Anticipated Fall 2021)</b>							
1	Orange County COVID-19 Nursing Home Prevention Program (Expansion & Extension)	10	\$1,200,000	\$630,500	53%	\$569,500	
2	COVID-19 Vaccination Incentive Program (VIP) CY2021	10	\$35,000,000	\$4,833,339	14%	\$30,166,661	
3	COVID-19 Vaccination Incentive Program (VIP) CY2021 - Staffing	10	\$221,145	\$25,821	12%	\$195,324	
SUBTOTAL			\$36,421,145	\$5,489,660	15%	\$30,931,485	
<b>GRAND TOTAL</b>			<b>\$120,919,852</b>	<b>\$46,548,341</b>	<b>38%</b>	<b>\$74,371,511</b>	

Note: IGT 8 and 9 funding have been updated to reflect DHCS recoupment after initial disbursement

Source: IGT Project Report provided by the Strategic Development Department.

## Board of Directors' Finance and Audit Committee Meeting November 18, 2021

### Shared Risk Pool Performance Update

**Medi-Cal:** As of September 30, 2021, Medi-Cal has five (5) Shared Risk Groups (SRGs).

Effective Dates:

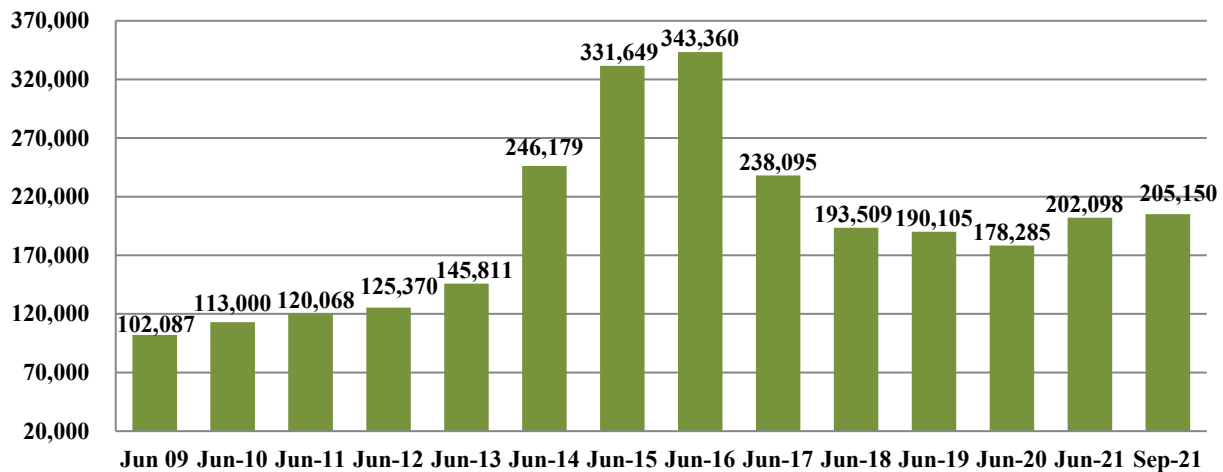
- Noble and Talbert – January 2008
- Arta and UCMG – July 2008
- AltaMed – March 2014
- Monarch\* – July 2008 to January 2017
- Prospect\* – May 2007 to June 2017

*\* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.*

Enrollment

SRGs are serving approximately 205,000 members. This 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



Fiscal Year	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
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
2018	-	111,191,833	44,476,733	66,715,100	5	0	5
2019	-	98,625,485	39,450,194	59,175,291	5	0	5
2020	-	55,908,444	22,363,378	33,545,066	5	0	5
2021	-	41,171,627	16,468,651	24,702,976	5	0	5
	\$(22,325,123)	\$ 1,465,321,222	\$ 583,146,761	\$ 859,849,338			

Note: IBNR is calculated based on the paid claims experience.

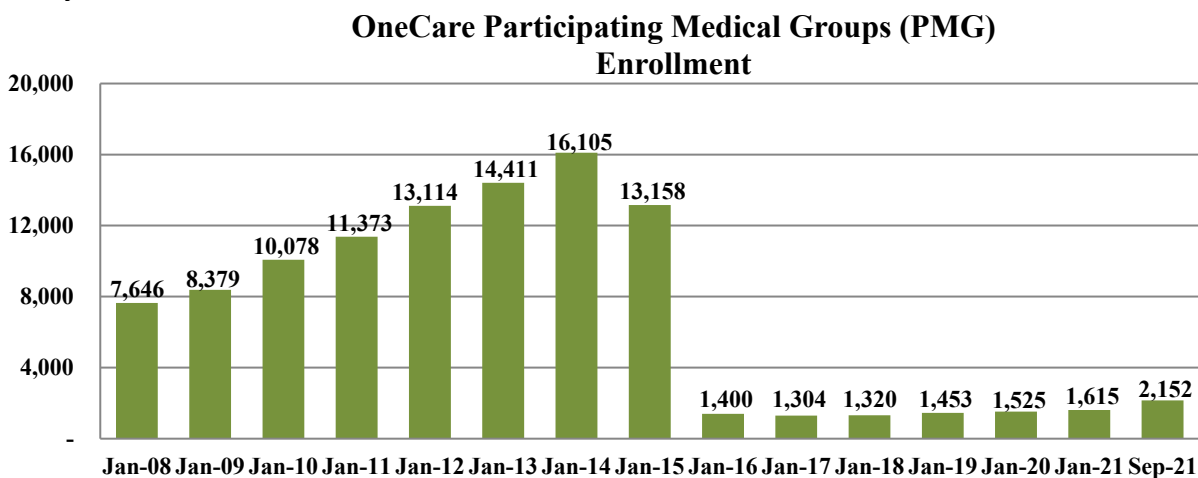
**OneCare:** As of September 30, 2021, OneCare has eight (8) Participating Medical Groups (PMGs).

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 decreased due to transitioning of members from OneCare to OneCare Connect in January 2016.



Pool Performance

Calendar Year	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2005	\$(14,225)	\$163,580	\$67,920	\$81,435	4	1	3
2006	-	15,004,268	7,502,134	7,502,134	5	0	5

# Shared Risk Pool Performance Update

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Calendar Year	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
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
2015	(154,268)	10,372,797	5,050,405	5,168,124	8	1	7
2016	(508,749)	379,472	(288,034)	158,757	8	3	5
2017	(310,790)	360,774	(110,282)	160,266	8	4	4
2018	(648,012)	905,714	(148,420)	406,122	8	3	5
2019	(275,882)	544,643	14,735	254,027	8	3	5
2020	(36,130)	1,664,338	797,654	830,554	8	1	7
2021Q2	(781,207)	127,573	(669,551)	15,916	8	7	1
	\$ (9,991,489)	\$ 85,522,307	\$ 34,072,441	\$ 41,458,379			

Note: Group share deficit limited to \$5.00 PMPM. Estimated RAPS recoupment excluded from the above data.

**OneCare Connect:** As of September 30, 2021, OneCare Connect has six (6) Shared Risk Groups (SRGs).

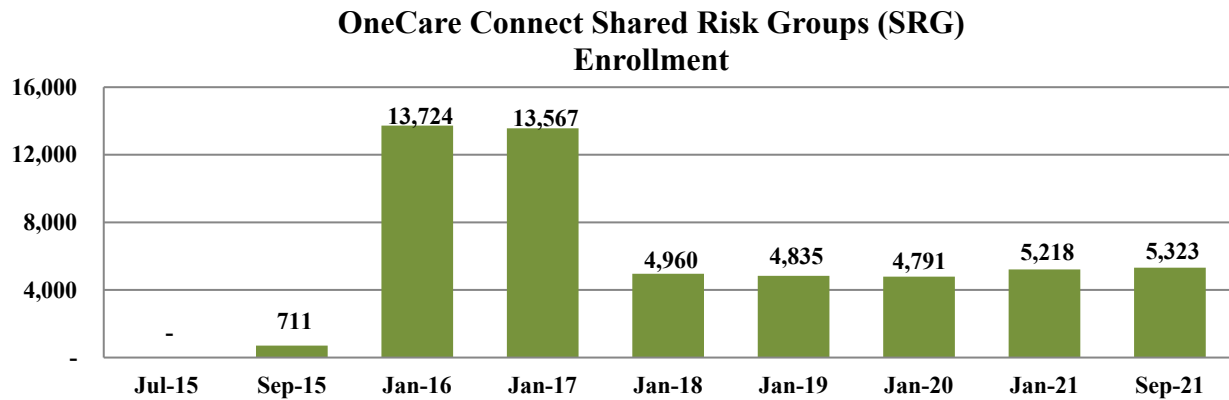
## Effective Dates:

- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Monarch\* – July 2015 to January 2017
- Family Choice – January 2016
- Talbert – January 2016
- Arta Western – January 2016
- Prospect\* – July 2015 to June 2017

\* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

## Enrollment

SRGs are serving approximately 5,300 members. This represents about 36% of CalOptima's OneCare Connect 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	(1,020,988)	8,976,815	3,592,320	4,363,508	8	2	6
2018	-	9,952,022	4,976,011	4,976,011	6	0	6
2019	(36,030)	7,953,504	3,958,737	3,958,737	6	1	5
2020	-	12,323,594	6,161,797	6,161,797	6	0	6
2021Q3	(69,231)	3,465,783	1,691,231	1,705,321	6	1	5
	\$ (2,149,274)	\$ 63,096,426	\$ 29,631,334	\$ 31,315,817			

Note: Group share deficit limited to \$5.00 PMPM. QI withhold reimbursement and estimated RAPS recoupment excluded from the above data.



A Public Agency

# CalOptima

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## Whole Child Model Financial Report – September 2021

Finance and Audit Committee

November 18, 2021

Nancy Huang

Chief Financial Officer

# Whole Child Model Enrollment: FY 2021-22

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## September 2021 MTD

WCM enrollment was 11,824 members

- Actual higher than budget 665 or 6.0%

## September 2021 YTD

WCM enrollment was 35,531 members

- Actual higher than budget 2,054 or 6.1%

# Whole Child Model Revenue: FY 2021-22

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## September 2021 MTD

WCM revenue was \$24.8 million

- Actual higher than budget \$1.9 million or 8.5%
  - Favorable volume related variance of \$1.4 million
  - Favorable price related variance of \$0.6 million

## September 2021 YTD

WCM revenue was \$74.8 million

- Actual higher than budget \$6.2 million or 9.0%
  - Favorable volume related variance of \$4.2 million
  - Favorable price related variance of \$2.0

# Whole Child Model Medical Expenses: FY 2021-22

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## September 2021 MTD

WCM expenses were \$24.7 million

- Actual higher than budget \$3.1 million or 14.2%
  - Unfavorable volume related variance of \$1.3 million
  - Unfavorable price related variance of \$1.8 million
    - Provider Capitation expense unfavorable variance of \$1.8 million
    - Prescription Drug expense unfavorable variance of \$0.2 million
    - Facilities Claims expense unfavorable variance of \$0.1 million
    - Offset by:
      - Professional Claims expense favorable variance of \$0.2 million
      - Medical management expenses favorable variance of \$0.1 million

# Whole Child Model Medical Expenses: FY 2021-22 (cont.)

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## September 2021 YTD

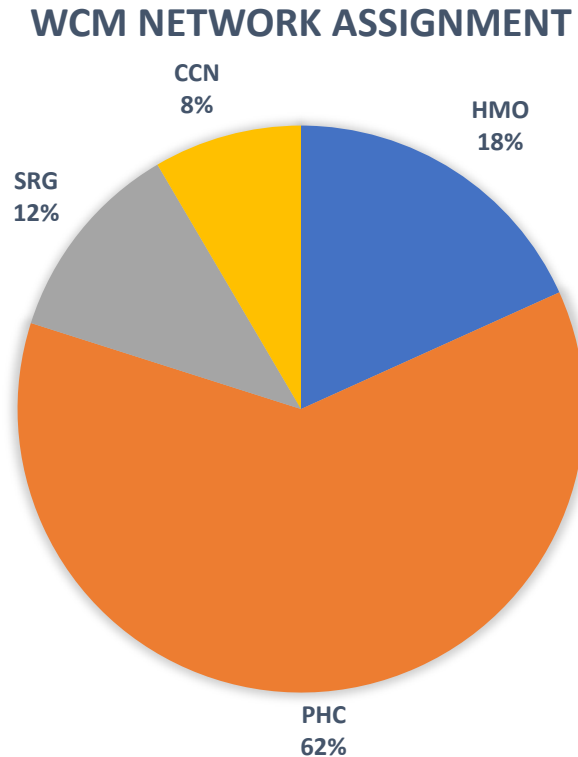
WCM expenses were \$77.6 million

- Actual higher than budget \$12.1 million or 18.5%
  - Unfavorable volume related variance of \$4.0 million
  - Unfavorable price related variance of \$8.1 million
    - Facilities Claims expense unfavorable variance of \$4.5 million due to Incurred But Not Reported (IBNR)
    - Provider Capitation expense unfavorable variance of \$2.9 million
    - Prescription Drugs expense unfavorable variance of \$0.5 million
    - Professional Claims expense unfavorable variance of \$0.3 million
    - Offset by:
      - Medical Management expense favorable variance of \$0.3 million



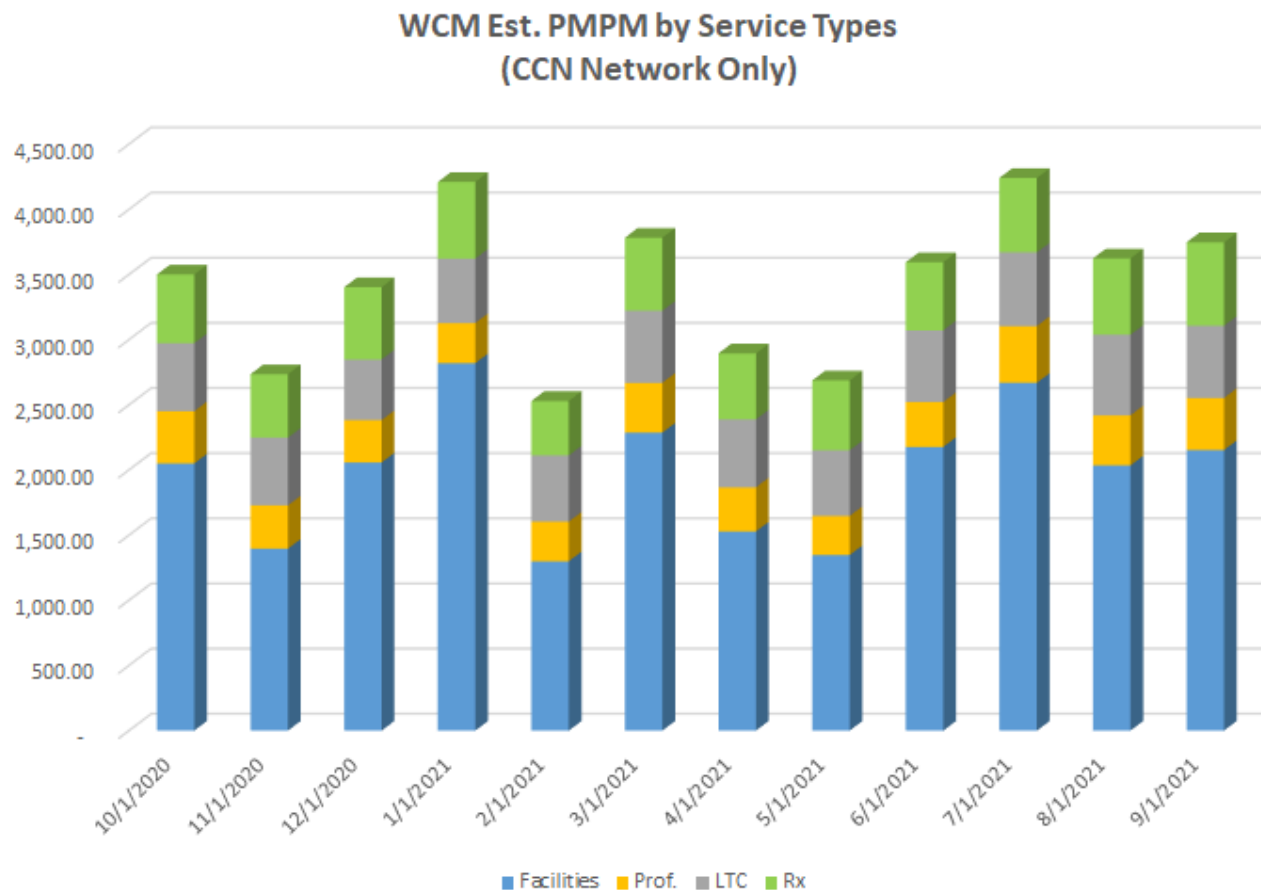
# Enrollment Distribution: FY 2021-22

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Note: % calculated based on YTD MM average

# WCM Monthly Expenditures by Service Types: September 2021



Note: Estimated PMPM for last 12 months are based on CCN network experience and includes IBNR

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# Whole Child Model Financial Highlights: September 2021

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
11,824	11,159	665	6.0%	Member Months	35,531	33,477	2,054	6.1%
				Revenues				
24,791,008	22,857,263	1,933,745	8.5%	Capitation Revenue	74,750,186	68,571,786	6,178,400	9.0%
24,791,008	22,857,263	1,933,745	8.5%	Total Operating Revenue	74,750,186	68,571,786	6,178,400	9.0%
				Medical Expenses				
9,968,132	7,729,117	(2,239,015)	(29.0%)	Provider Capitation	27,467,103	23,187,357	(4,279,746)	(18.5%)
4,828,111	4,449,514	(378,597)	(8.5%)	Facilities Claims	18,815,110	13,452,569	(5,362,541)	(39.9%)
1,144,307	1,242,952	98,645	7.9%	Professional Claims	4,345,313	3,770,352	(574,961)	(15.2%)
2,003,628	1,889,138	(114,490)	(6.1%)	MLTSS	6,215,538	5,736,581	(478,957)	(8.3%)
6,492,420	5,972,755	(519,665)	(8.7%)	Prescription Drugs	19,863,458	18,251,189	(1,612,269)	(8.8%)
296,889	377,634	80,745	21.4%	Medical Management	898,094	1,142,889	244,795	21.4%
10,112	-	(10,112)	0.0%	Reinsurance & Other	32,409	-	(32,409)	0.0%
24,743,600	21,661,110	(3,082,490)	(14.2%)	Total Medical Expenses	77,637,026	65,540,937	(12,096,089)	(18.5%)
47,408	1,196,153	(1,148,745)	(96.0%)	Gross Margin	(2,886,839)	3,030,849	(5,917,688)	(195.2%)
986,865	909,888	(76,977)	(8.5%)	Administrative Expenses	3,078,405	2,823,962	254,443	9.0%
(939,457)	286,265	(1,225,723)	(428.2%)	Change in Net Assets	(5,965,244)	206,887	(6,172,131)	(2983.3%)
99.8%	94.8%	(5.0%)	(5.3%)	Medical Loss Ratio	103.9%	95.6%	(8.3%)	(8.7%)
4.0%	4.0%	(0.0%)	(0.0%)	Admin Loss Ratio	4.1%	4.1%	(0.0%)	(0.0%)

\*Note: Administrative Expenses presented are based on budgeted percentages

# Our Mission

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



A Public Agency

# CalOptima

Better. Together.

## Health Homes Financial Report – September 2021

Finance and Audit Committee  
November 18, 2021

Nancy Huang  
Chief Financial Officer

# Health Homes Program Background

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- Health Homes Program (HHP)
  - Serves eligible Medi-Cal beneficiaries with complex medical needs and chronic conditions
  - Improves care coordination and program integration
  
- HHP Implementation
  - Phase I began January 1, 2020, for members with chronic conditions only
  - Phase II began July 1, 2020, for members with Serious Mental Illness (SMI), with or without chronic conditions
  - Program will be transitioning under new Enhanced Care Management (ECM) program effective January 1, 2022

# FY 2020-21 HHP Enrollment:

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September 2021 MTD

HHP enrollment was 517

- Actual lower than budget 532 or 50.7%

September 2021 YTD

HHP enrollment was 1,576

- Actual lower than budget 1,485 or 48.5%

# FY 2020-21 HHP Revenue:

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## September 2021 MTD

HHP revenue was \$287.6 thousand

- Actual lower than budget \$213.8 thousand or 42.6%
  - Unfavorable volume related variance of \$254.3 thousand
  - Favorable price related variance of \$40.5 thousand

## September 2021 YTD

HHP revenue was \$860.6 thousand

- Actual lower than budget \$602.5 thousand or 41.2%
  - Unfavorable volume related variance of \$709.8 thousand
  - Favorable price related variance of \$107.3 thousand



# FY2020-21 HHP Medical Expenses:

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## September 2021 MTD

HHP expenses were \$385.7 thousand

- Actual lower than budget \$207.7 thousand or 35.0%
  - Favorable volume related variance of \$300.9 thousand
  - Unfavorable price related variance of \$93.2 thousand

## September 2021 YTD

HHP expenses were \$924.0 thousand

- Actual lower than budget \$841.6 thousand or 47.7%
  - Favorable volume related variance of \$856.5 thousand
  - Unfavorable price related variance of \$15.0 thousand

# Financial Highlights: September 2021

**CalOptima  
Health Homes Program  
Statement of Revenues and Expenses  
For the Three Months Ending September 30, 2021**

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
517	1,049	(532)	(50.7%)	Member Months	1,576	3,061	(1,485)	(48.5%)
				<b>Revenues</b>				
287,637	501,401	(213,764)	(42.6%)	Capitation Revenue	860,641	1,463,097	(602,456)	(41.2%)
<b>287,637</b>	<b>501,401</b>	<b>(213,764)</b>	<b>(42.6%)</b>	<b>Total Operating Revenue</b>	<b>860,641</b>	<b>1,463,097</b>	<b>(602,456)</b>	<b>(41.2%)</b>
				<b>Medical Expenses</b>				
267,413	274,278	6,865	2.5%	Provider Capitation	551,784	827,255	275,470	33.3%
10,095	218,284	208,189	95.4%	Professional Claims	69,746	635,842	566,096	89.0%
108,181	100,818	(7,363)	(7.3%)	Medical Management*	302,454	302,454	-	0.0%
<b>385,690</b>	<b>593,380</b>	<b>207,690</b>	<b>35.0%</b>	<b>Total Medical Expenses</b>	<b>923,984</b>	<b>1,765,551</b>	<b>841,566</b>	<b>47.7%</b>
<b>(98,053)</b>	<b>(91,979)</b>	<b>(6,074)</b>	<b>7%</b>	<b>Gross Margin</b>	<b>(63,344)</b>	<b>(302,454)</b>	<b>239,110</b>	<b>-79%</b>
<b>134.1%</b>	<b>118.3%</b>	<b>(15.7%)</b>	<b>(13.3%)</b>	<b>Medical Loss Ratio</b>	<b>107.4%</b>	<b>120.7%</b>	<b>13.3%</b>	<b>11.0%</b>

\* Professional claims was budgeted in Medical Management due to the nature of the program

# Our Mission

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## Board of Directors' Finance and Audit Committee Meeting November 18, 2021

### Quarterly Reinsurance Report

#### **Summary of Reinsurance Payments Made by CalOptima to Contracted Medi-Cal Providers for Policy Years (PY) 2020, 2021, and 2022**

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 2020, PY 2021, and PY 2022 as of September 30, 2021.

	<b>PY 2020</b>	<b>PY 2021</b>	<b>PY 2022</b>
Estimated YTD Reinsurance Expense @ 09/30/21	\$4,372,658	\$4,680,002	\$1,170,001
Reinsurance Paid @ 09/30/21	\$2,726,835	\$2,937,596	\$0
Adjustments	\$1,645,823	\$0	\$0
Reinsurance Accrual balance @ 09/30/21	\$0	\$1,742,407	\$1,170,001
Annual Budgeted Reinsurance Expense	\$12,740,978	\$5,898,552	\$7,671,216

The total estimated liability at September 30, 2021, is \$1.2 million.

The policy thresholds are \$17,000 for Professional and \$150,000 for Hospital. The coinsurance level is at 20%.

#### **Policy Years:**

PY 2020 = Fiscal Year 2020 (July 1, 2019, through June 30, 2020)

PY 2021 = Fiscal Year 2021 (July 1, 2020, through June 30, 2021)

PY 2022 = Fiscal Year 2022 (July 1, 2021, through June 30, 2022)

**Board of Directors' Finance and Audit Committee Meeting  
November 18, 2021**

**Quarterly Health Network Financial Update**

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On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated Physician Groups, Hospitals and HMOs that comprise CalOptima's Health Networks. After internal review, CalOptima's financial staff makes a determination as to whether the capitated entity has the ability to assume the risk of a capitated contract.

CalOptima reviewed the unaudited financial statements for each Health Network entity for the period ending June 30, 2021.

**Results of the June 30, 2021 Financial Review**

	<b>Physician Groups</b>	<b>Hospitals</b>	<b>HMOs</b>
<b>Total</b>	8	3	4
<b>Passed Review</b>	8	3	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		Q1 FY22		invoiced as of 10/18/21											
Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid															
	FY13	FY14	FY15	FY16	FY17	FY18	Qtr	FY19	FY20	FY21	FY22				
	Total	Total	Total	Total	Total	Total		Total	Total	Total	Qtr 1	Total			
MEDICAL COST															
HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/2023)															
Savings	\$ 2,346,048	\$ 1,444,807	\$ 3,336,995	\$ 3,954,564	\$ 4,067,881	\$ 5,864,338		\$ 4,863,112	\$ 2,435,998	\$ 4,128,009	\$ 1,391,905	\$ 1,391,905			
Fee	\$ 586,762	\$ 361,202	\$ 794,557	\$ 909,550	\$ 935,613	\$ 1,348,798		\$ 1,118,516	\$ 560,280	\$ 949,442	\$ 320,138	\$ 320,138			
Net Savings	\$ 1,759,286	\$ 1,083,605	\$ 2,542,438	\$ 3,045,014	\$ 3,132,268	\$ 4,515,540		\$ 3,744,596	\$ 1,875,718	\$ 3,178,567	\$ 1,071,767	\$ 1,071,767			
Cotiviti (Verscend/Verisk/HCI) - Claims review for appropriate billing - (expires 10/07/2022)															
Savings	\$ 2,817,113	\$ 2,647,841	\$ 3,562,859	\$ 3,524,096	\$ 2,690,597	\$ 2,571,045		\$ 4,482,782	\$ 8,804,673	\$ 9,750,432	\$ 2,968,630	\$ 2,968,630			
Fee	\$ 595,632	\$ 727,333	\$ 1,371,137	\$ 638,601	\$ 393,455	\$ 580,345		\$ 932,051	\$ 1,695,000	\$ 1,901,334	\$ 578,883	\$ 578,883			
Net Savings	\$ 2,221,482	\$ 1,920,508	\$ 2,191,722	\$ 2,885,495	\$ 2,297,143	\$ 1,990,700		\$ 3,550,731	\$ 7,109,674	\$ 7,849,098	\$ 2,389,747	\$ 2,389,747			
Socrates - Third party liability - (termed 12/31/2020) *															
Savings	53,141	\$ 3,108	N/A	\$ 219,258	N/A	N/A		N/A	\$ 18,864	\$ 19,630					
Fee	13,285	\$ 777	N/A	\$ 54,815	N/A	N/A		N/A	\$ 4,716	\$ 4,907					
Net Savings	39,856	2,331		164,443					\$ 14,148	\$ 14,722					
Varis - Facility claims forensic review - (expires 9/24/2022)															
Savings	-	-	-	-	-	-		\$ 3,057,075	\$ 3,929,330	\$ 2,607,568	\$ 508,146	\$ 508,146			
Fee	-	-	-	-	-	-		\$ 764,269	\$ 982,332	\$ 651,892	\$ 127,037	\$ 127,037			
Net Savings	-	-	-	-	-	-		\$ 2,292,806	\$ 2,946,997	\$ 1,955,676	\$ 381,110	\$ 381,110			
OptumInsight - Credit balance recovery - (expires 12/31/2021)															
Savings	\$ 26,203	\$ 30,246	N/A	\$ 44,834	\$ 404,824	\$ 154,308		\$ 416,557	\$ 125,155	\$ 361,228	\$ 32,575	\$ 32,575			
Fee	\$ 3,144	\$ 3,630	N/A	\$ 5,380	\$ 48,579	\$ 18,517		\$ 49,987	\$ 15,019	\$ 43,347	\$ 3,909	\$ 3,909			
Net Savings	\$ 23,059	\$ 26,616		\$ 39,454	\$ 356,245	\$ 135,791		\$ 366,570	\$ 110,136	\$ 317,881	\$ 28,666	\$ 28,666			
TOTAL															
Savings	\$ 8,705,661	\$ 7,850,202	\$ 23,438,635	\$ 11,249,969	\$ 11,232,038	\$ 9,823,995		\$ 12,819,526	\$ 15,314,020	\$ 16,866,867	\$ 4,901,256	\$ 4,901,256			
Fee	\$ 2,240,427	\$ 2,210,357	\$ 4,173,694	\$ 2,345,328	\$ 2,518,002	\$ 2,256,236		\$ 2,864,823	\$ 3,257,346	\$ 3,550,923	\$ 1,029,967	\$ 1,029,967			
Net Savings	\$ 6,465,234	\$ 5,639,844	\$ 19,264,941	\$ 8,904,640	\$ 8,714,036	\$ 7,567,760		\$ 9,954,704	\$ 12,056,674	\$ 13,315,944	\$ 3,871,290	\$ 3,871,290			
REVENUE															
Centauri/Human Arc - SSI Outreach & Aid Code Conversion - (expires 6/30/2022)															
Capitation Revenue	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 9,281,708	\$ 11,188,354		\$ 12,961,036	\$ 15,343,180	\$ 17,639,381	\$ 4,714,879	\$ 4,714,879			
Fee	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 360,018	\$ 350,084		\$ 513,800	\$ 567,000	\$ 462,000	\$ 75,600	\$ 75,600			
Total Net Revenue	\$ 4,181,083	\$ 4,946,337	\$ 6,307,261	\$ 7,480,589	\$ 8,921,690	\$ 10,838,270		\$ 12,447,236	\$ 14,776,180	\$ 17,177,381	\$ 4,639,279	\$ 4,639,279			
*New vendor in process of pre-implementation															