

Meeting fiscal challenges

CenCal Health experienced a net gain of \$6.7 million for fiscal year 2010-2011. At year end, the fund balance was \$20.9 million and the Tangible Net Equity (TNE) was at 127% of the minimum required by the Department of Managed Healthcare.

CenCal Health's operating revenue increased this year from \$248 per member per month (PMPM) to \$259. The medical expense decreased minimally by .8% this year from \$236 to \$234 PMPM, primarily as a result of lower inpatient hospital bed days this fiscal year. The medical loss ratio decreased from 95% to 92%.

CenCal Health's total administrative costs were \$17 million and under budget by \$532,186. On a PMPM basis this is a slight increase from \$13.10 to \$13.57. The administrative cost ratio (general and administrative cost to revenue) was reduced from 5.5% to 5.3%.

CenCal Health's challenge as it moves into fiscal year 2011-12 include limiting the impact the state-wide Medi-Cal program cuts has on the provider network and members while continuing to build reserves back to a strong financial position.

David Ambrose,
Chief Financial Officer



Clockwise from top left: Kate Shipley, Celeste Garcia, Dana Osborne, Elena Bisquera, Renee Nimocks, Jim Sutherland, Mouline Chiourn, Connie Mendez, Irma Garcia, Kashina Bishop, Amy Sim, David Ambrose

Audited Financial Statements

Statement of Revenue and Expense*		
<small>(Rounded in Millions of Dollars)</small>		
	2011	2010
REVENUES:	\$371.1	\$255.1
MEDICAL EXPENSES:		
Physician Capitation	12.6	14.3
Physician Fee for Service	50.3	47.7
Pharmaceuticals	42.0	39.2
Hospital Services	77.0	73.3
Long Term Care Services	90.3	82.5
Other Medical Care	22.3	21.7
Hospital Fee/IGT	21.7	
Reinsurance/Recoveries - net	(1.6)	(2.5)
TOTAL MEDICAL EXPENSES	339.2	276.6
ADMINISTRATIVE EXPENSES:	17.0	15.5
MCO TAX EXPENSE:	8.7	7.0
TOTAL EXPENSES	364.9	299.1
TOTAL REVENUES GREATER (LESS) THAN EXPENSES	\$6.7	\$(6.3)

Medical Expenses

