



COVERED CALIFORNIA PROGRAM REPORTS
October 24, 2013

FOUNDATIONS OF SUCCESS

Affordable,
Health Plans
(Covered
California
Plans)

Effective
Outreach and
Marketing

Smooth
Enrollment

LAUNCH UPDATE



Covered California Launch Day — Oct. 1, 2013

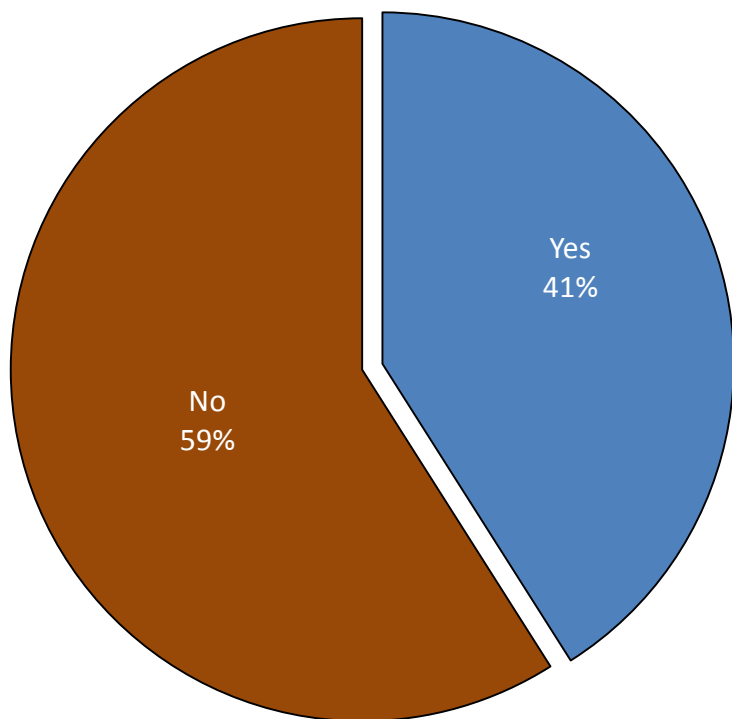


COVERED CALIFORNIA SERVICE METRICS

	10/1-5	10/6-12	10/13-19	Cumulative
Unique Web Visits (.com)	1,142,874	602,539	486,678	2,232,091
Applications	n/a	n/a	n/a	125,929
Total Call Volume	65,884	45,785	45,110	156,779
Referred to County (Quick Sort)	5,094	6,618	6,348	18,060
Average Daily Call Volume	13,177	7,631	7,518	n/a
Average Wait Time	11.7 min	1.9 min	45 sec	4 min, 32 sec
Average Handle Time	17.4 min	14.6 min	15.2 min	n/a

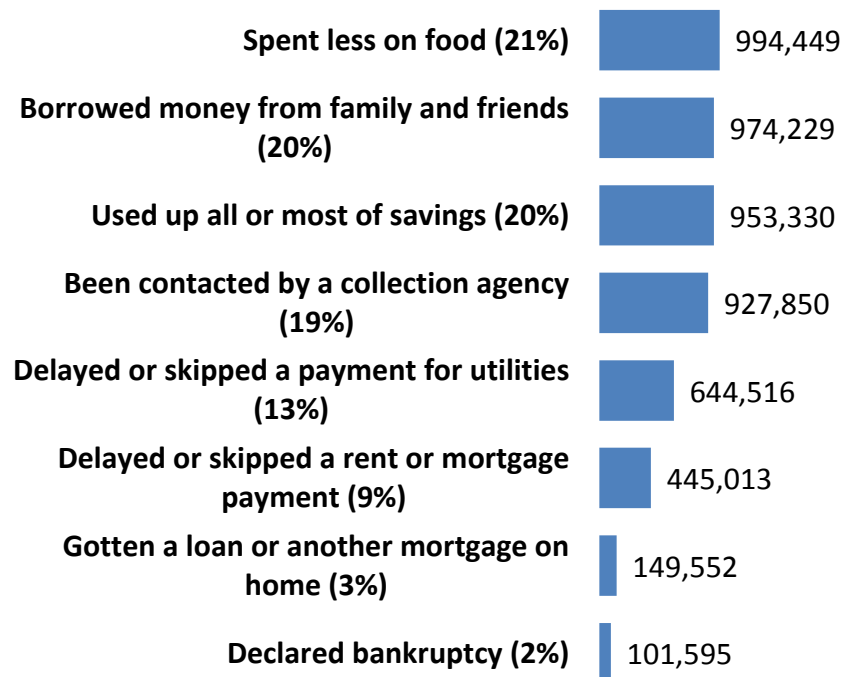
FOUR IN TEN OF UNINSURED REPORT PROBLEMS PAYING MEDICAL BILLS, MANY WITH SERIOUS CONSEQUENCES

In the past 12 months, did you have any problems paying medical bills, or not?



Asked of the 41% (1.9 million Californians) who had problems paying medical bills:

In the past twelve months, have you done any of the following because of medical bills, or not? (numbers shown based on total eligible uninsured)



ENROLLMENT SUPPORT FOR COVERED CA

In addition to Service Center Representatives, the following groups have been assisting consumers:

County Eligibility Workers: 10,725

Covered California Certified Agents

- Registered: 18,203
- Certified (Training and certification process completed): 2,304

Certified Enrollment Counselors

- Registered: 4,555
- Certified (Training and certification process completed): 390

Plan-Based Enrollers

- Registered: 1705
- Certified (Training and certification process completed): 426

COVERED CALIFORNIA HEALTH PLAN REPORT

Andrea Rosen, Senior Attorney, Plan Management

HEALTH PLAN STATUS: KEY METRICS

Covered California Plans

- 12 Health Plans
- 6 Dental Plans

Plan-Based Enrollers

- Registered: 1781
- Certified (Training and certification process completed): 587

Data Coming in future months

- Enrollment by metal tier
- Enrollment by carrier

HEALTH PLAN KEY UPDATES AND RECENT ACTIVITIES

- Key Updates

- Provider Directory is back online, currently for physician search only
- There have been PBE glitches, but we are working alongside carriers to develop fixes
- Work is underway on three major plan management processes: solicitation, plan compliance tracking, and recertification
- Recertification: developing criteria, prioritizing requirements, developed timeline

RECERTIFICATION/DECERTIFICATION TIMELINE

Proposed Recertification/Decertification/Certification Timeline	
ACTIVITY	DATE
Plan Advisory Group and Stakeholder Input on Re/De/ and Certification Regulations	NOVEMBER 15, 2013
Pediatric Dental Policy Discussion	NOVEMBER 21 BOARD MEETING
Health Plan Options/Recommendations: <ul style="list-style-type: none"> • Standard Plan Benefit Designs • Re/De/ and Certification Criteria • Recommendations for Potential New Entrants 	DECEMBER 19 BOARD MEETING
Pediatric Dental Policy Adopted by Covered California Board	DECEMBER 19 BOARD MEETING
Draft Re/De/ and Certification Regulations Presented to Board	JANUARY 23 BOARD MEETING
Stakeholder and Plan Feedback on Draft Regulations, Integration of Board Comments	JANUARY 2014
Board Adopts Regulations Containing Re/De and Certification Criteria (Includes Standard Plan Benefit Designs and recertification criteria)	FEBRUARY 20 BOARD MEETING

RECERTIFICATION/DECERTIFICATION TIMELINE

(CONTINUED)

Proposed Recertification/Decertification/Certification Timeline	
ACTIVITY	DATE
Plan Requests for Recertification/Decertification/Certification Due to Covered California	APRIL 2, 2014
Covered California Completes Preliminary Portfolio Evaluation	APRIL 11, 2014
2015 Proposed Rates and Networks Submitted to Covered California	MAY 1, 2014
Evaluation of Plan Data (rates, networks, quality, etc.) against Recertification / Certification criteria	MAY 1 – 9, 2014
Negotiations between Plans and Covered California	MAY 19 – JUNE 9, 2014
Covered California Makes QHP Recertification/Decertification/Certification decisions & selections (subject to rate review)	JUNE 13, 2014
Regulatory Rate Review	JUNE 16 – AUGUST 15, 2014
Final Recertification/Decertification/Certification decisions (and contract amendments, if necessary)	AUGUST 15, 2014
Data Validated	TBD
2015 Plan Data loaded into CalHEERS	TBD
Open Enrollment Begins for 2015 Coverage	OCTOBER 15 – DECEMBER 7, 2014

HEALTH PLANS: UPCOMING ISSUES AND OPPORTUNITIES FOR STAKEHOLDER INPUT

- Future Board Consideration Issues
 - November 21, 2013: Pediatric Dental Policy Discussion
 - December 19, 2013: Stakeholder input on:
 - Standard Plan Benefit Designs
 - Re/De/ and Certification Criteria
 - Recommendations for Potential New Entrants
- Upcoming Plan Management Advisory Group meetings and/or webinars
 - October 29, 2013: Wakely Report, Go-Live Update
 - November 15, 2013: Recertification/Decertification

SMALL BUSINESS HEALTH OPTIONS (SHOP) REPORT

Anne Gezi, SHOP Manager

SHOP STATUS: KEY METRICS

Covered California SHOP Plans

- Six Health Plans

Covered California Certified Agents

- Registered: 18,203
- Training Process: 13,619 (3,543 have passed exam)
- Certified: 2,304

Coming in future months

- Number of employer groups enrolled
- Number of employees and dependents covered
- Enrollment by carrier

SHOP KEY UPDATES AND RECENT ACTIVITIES:

- **Enrolling in SHOP**

- The SHOP marketplace launched on October 1st, offering quotes through top industry quoting tools
- Online SHOP plan selection and employer/employee sign-up will be available by mid-November as announced on October 1st and consistent with traditional industry timelines

- **Quarterly SHOP Advisory Group – Oct 16, 2013**

- CoveredCA.com update
- Reviewed employee / employer applications
- Outreach and Education update
- Reviewed Dispute and Appeals process

SHOP KEY UPDATES AND RECENT ACTIVITIES:

- **Agent Outreach and Communication**
 - Webinars
 - E-mail blasts to entire Agent community
 - Conference calls
- **Challenges**
 - Learning Management System (LMS)
 - Improvements for accessibility
 - Provided training aids on our website
 - Process improvement
 - Certification Process
 - Improvements to completing agent agreement

SHOP: PARTNERS AND OPPORTUNITIES FOR STAKEHOLDER INPUT

- **Partnerships**

- SHOP Advisory Group
- CA Association of Health Underwriters (CAHU)
- Independent Insurance Agents & Brokers of CA (IIABCal)
- General Agents
 - Claremont Business Group
 - Dickerson Employee Benefits
 - LISI, Inc.
 - Warner Pacific Insurance Services

- **Opportunities for Input**

- SHOP Dispute & Appeals Regulations
- Consumer Protections
- Upcoming Webinars for Agents
 - To be scheduled within the next two weeks

MARKETING AND OUTREACH REPORT

Colleen Stevens, Marketing Lead
Sarah Soto-Taylor, Deputy Director of Community Relations

OUTREACH: KEY METRICS

- 1,500 activities completed (July – mid-October)
 - Reached over 650,000 consumers and small businesses
 - 50% of education contacts became leads (33,391)
- 120 organizations signed an MOU to partner with Covered California in the Community Outreach Network.
 - Additional 137 organizations are in the process to partner with Covered California

OUTREACH KEY UPDATES AND RECENT ACTIVITIES

- **Key Updates**

- Efforts to Streamline the Enrollment Entity Application Process include:
 - Worksheet to collect all information before starting on-line
 - Application timeline, process and flow charts on homepage and conducted webinar
 - Tool tips throughout application to help through application
- Agents will receive payments for successful Medi-Cal enrollment
 - Payment structure will follow Enrollment Assistance Program rules
 - If the application is a “mixed program family” no \$58 payment
 - Agents do not need to be Enrollment Counselors to receive payment

- **Feedback from Advisory group meetings, webinars and other plan/stakeholder feedback received in the last month**

- Continue to refine the Enrollment Entity Application Process
- Provide fingerprinting services at Certified Enrollment Counselor trainings

MARKETING AND OUTREACH: UPCOMING ISSUES AND OPPORTUNITIES FOR STAKEHOLDER INPUT

- Upcoming Marketing, Outreach and Enrollment Advisory Group meetings and/or webinars
 - Navigator Grant Program webinar Monday, October 28th
 - Market Segment Groups (Asian, African American, Latino, and Millennial/Students, Faith-Based), ongoing
 - Marketing, Outreach and Enrollment Assistance Advisory Group Meeting, December 5th
- Coming Soon
 - “Welcome to Answers” a series of educational tools
 - Immigration
 - Youth and Students
 - Enrollment for individuals with existing conditions
 - Roster of topics (working draft)
 - Send comments to: info@covered.ca.gov

If you're under 30 years old, you have quality and affordable options for health coverage. Because of the Affordable Care Act, you cannot be denied coverage for pre-existing conditions, you can stay on your parent's coverage until age 26, and you have access to affordable coverage.

If you're a college student, you may have even more options such as a student health plan offered by the school. It is important for you to get coverage for peace of mind and security, and to avoid the individual mandate penalty.

MAJOR POINTS

- If your school offers student health insurance, you may be eligible for premium assistance through Covered California if you decline your school's plan and enroll in a Covered California plan.
- Your student loans are not considered income when you're calculating how much premium assistance is available to you.
- If your parent claims you as a dependent on your parent's taxes, then you can enroll as a family through Covered California.

Details

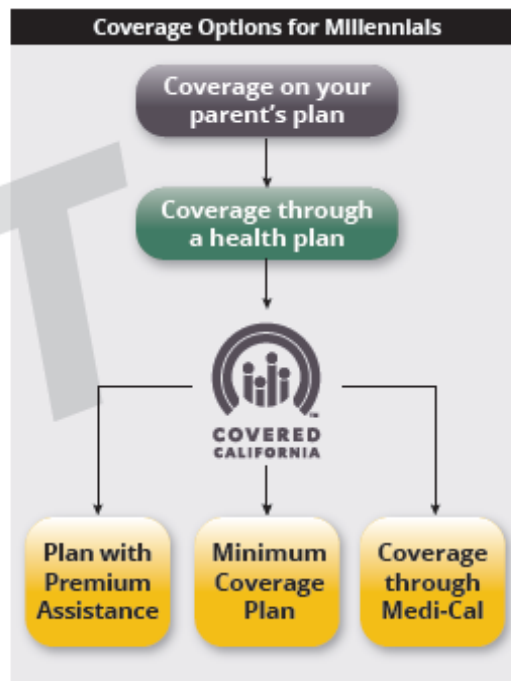
COVERAGE OPTIONS

Parent's plan: If you're younger than age 26, you may be able to get covered on a parent's health insurance plan. This applies to you even if you are at school, not living at home, eligible for an employer's plan, eligible for a plan through your school, or not financially dependent on your parents. It even applies to you if you are married.

Coverage through a health plan offered by my school: Your school may offer a health insurance plan that might be both affordable and convenient.

Premium assistance through Covered California: If your parents (or whoever claims you as a tax dependent) qualify for premium assistance through Covered California, your parents can add you to their family plan through Covered California and receive premium assistance for your coverage. If you file your own taxes (i.e. your parents do not claim you as a dependent), you may qualify for premium assistance through Covered California.

A minimum coverage plan (aka catastrophic plan) through Covered California: Use the Covered California Shop and Compare option to compare health insurance plans based on what's important to you. If you're under 30, you may be able to buy a special kind of health insurance plan that protects you from very high medical costs. These minimum coverage plans usually have lower premiums and protect you from worst-case scenarios. Minimum coverage plans through Covered California cover three doctor visits per year at no cost and free preventive benefits.



Medi-Cal: When you apply for coverage in Covered California, you'll find out if you qualify for free or low-cost coverage available through Medi-Cal (California's Medicaid program). Eligibility in Medi-Cal is based on your household income and other factors. Covered California service center representatives can help you determine if you qualify for Covered California plans or Medi-Cal.

MARKETING REPORT

Colleen Stevens, Marketing Lead



COVERED CALIFORNIA CONSUMER MARKET BASELINE/SEGMENTATION STUDY

September, 2013

TWO MAIN GOALS

1

To assess awareness, knowledge, attitudes and purchase intentions prior to the launch of the campaign, both to inform strategy development and to serve as a baseline so change over time can be measured

2

To segment the subsidy-eligible market in order to further inform strategy development

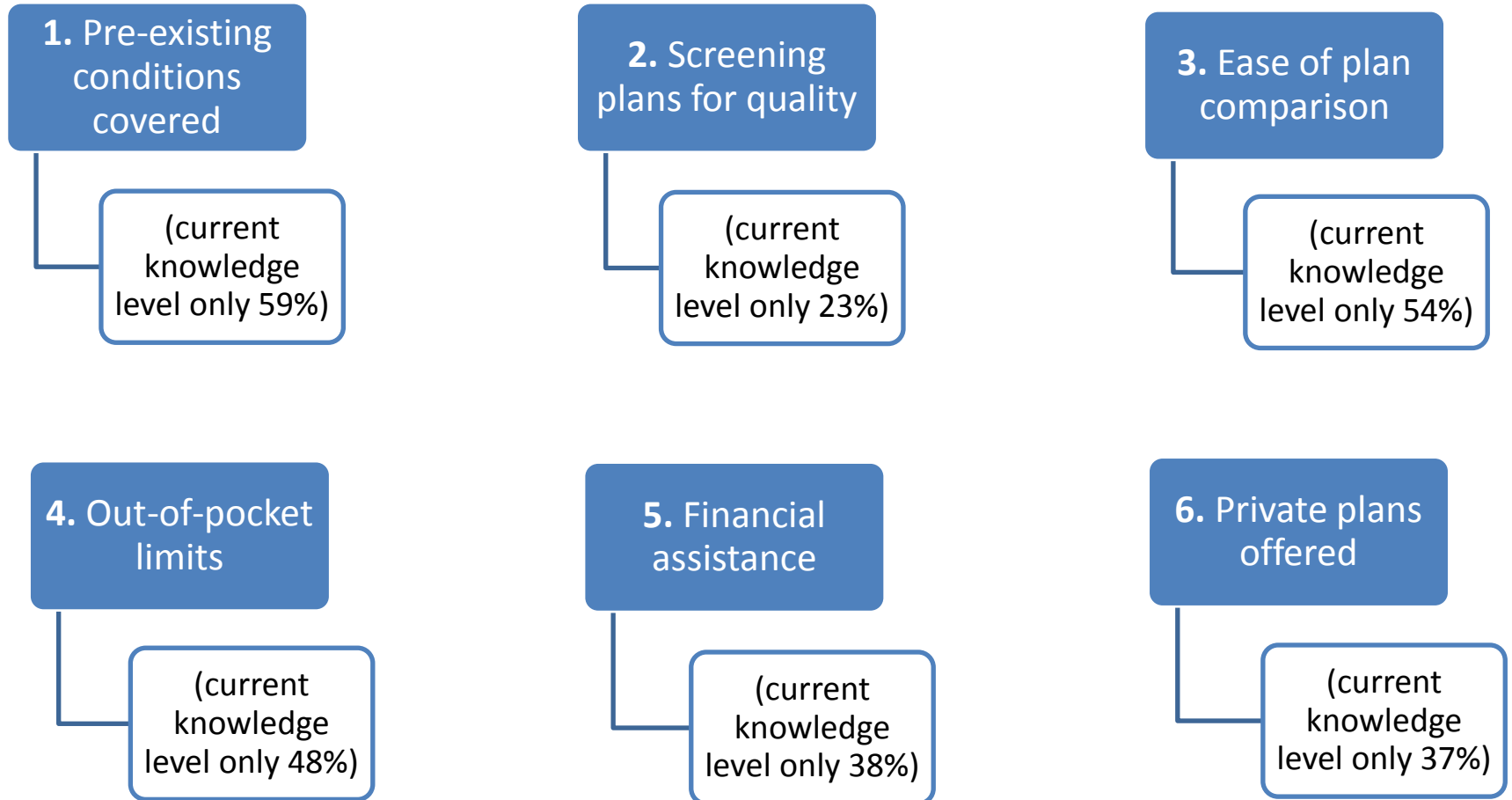
KNOWLEDGE

Baseline levels of knowledge about Covered California are low

Critical to inoculate against organized efforts to mislead consumers about the Covered California benefits/impact of the ACA

Study indicated that once consumers are informed, large numbers are interested in purchasing a health plan

KEY SHOPPING DECISION-MAKING FACTORS (IN THE ORDER OF IMPORTANCE) & KNOWLEDGE LEVELS FOR EACH

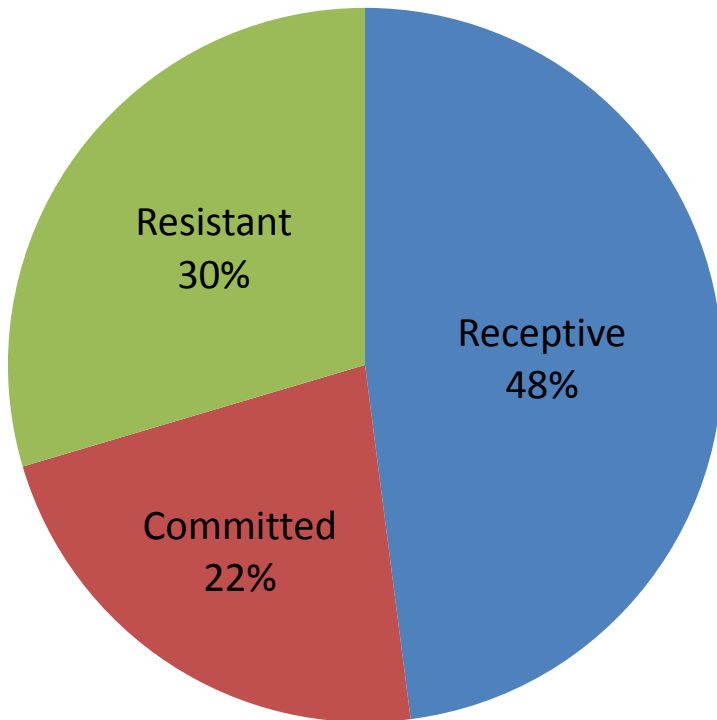


Note: Rankings are similar among sample as whole and subsidy-eligible.

PURCHASE INTENT AFTER COST & BENEFITS WERE DESCRIBED

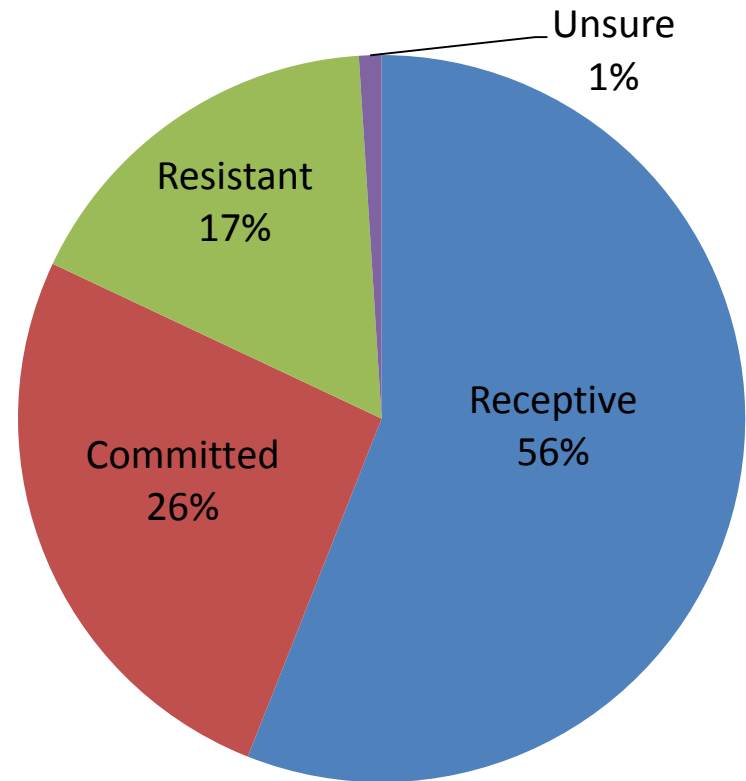
Entire Sample

Almost 70% of privately insured and uninsured Californians are receptive/committed to enrolling in health coverage

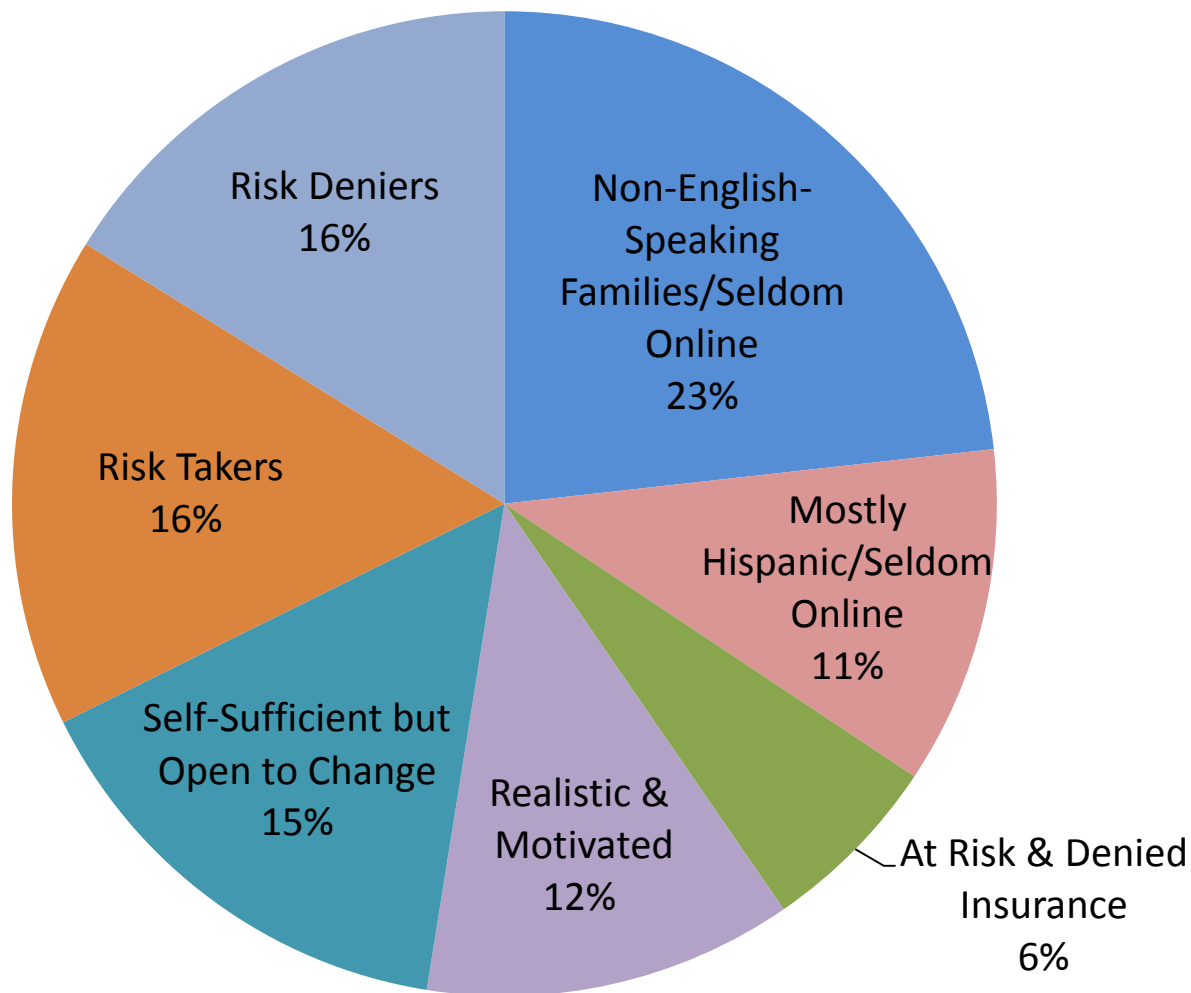


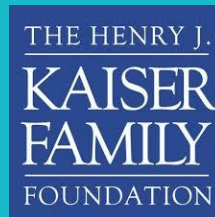
Subsidy-eligible

Among the subsidy-eligible interest is higher: over 80%



SEVEN SEGMENTS OF THE SUBSIDY-ELIGIBLE



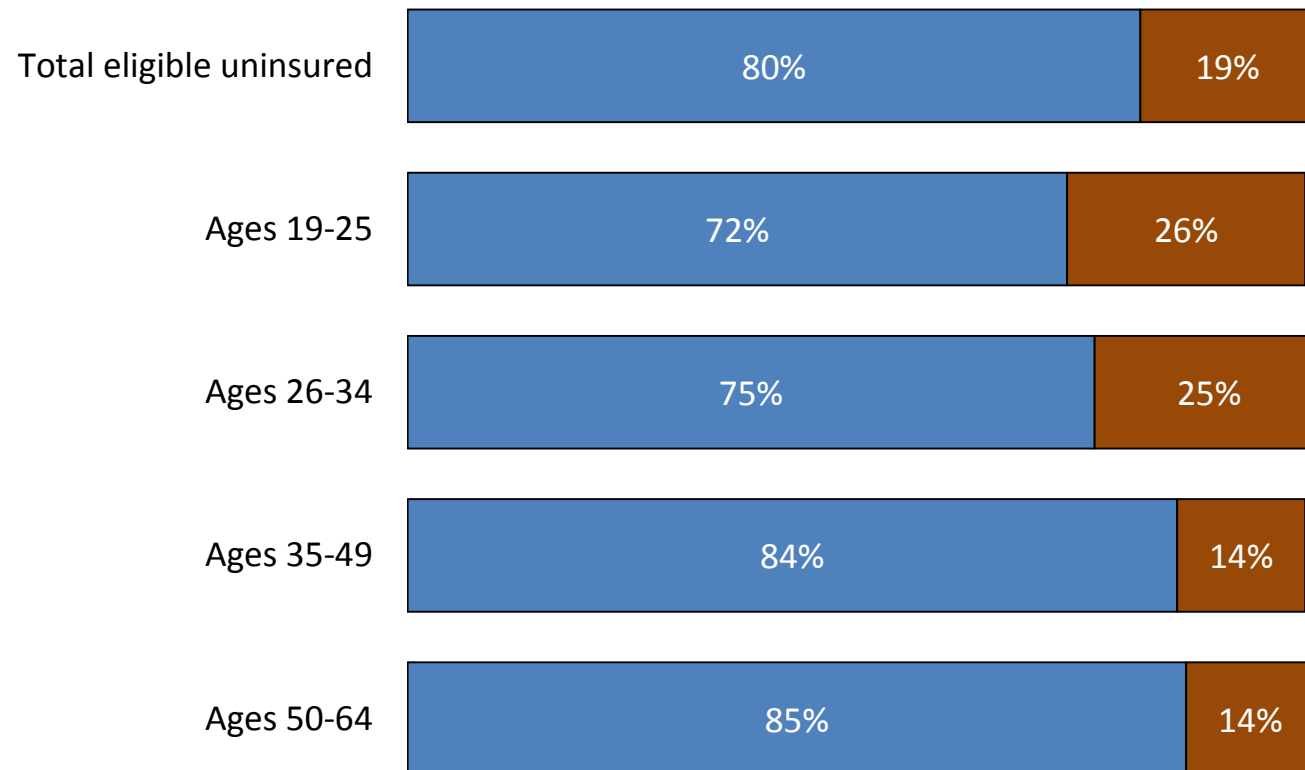


CALIFORNIA'S UNINSURED ON THE EVE OF AFFORDABLE CARE ACT OPEN ENROLLMENT

September, 2013

LARGE MAJORITY—including young adults—say health insurance is something they need

■ Health insurance is something I need ■ I'm healthy enough that I don't really need health insurance

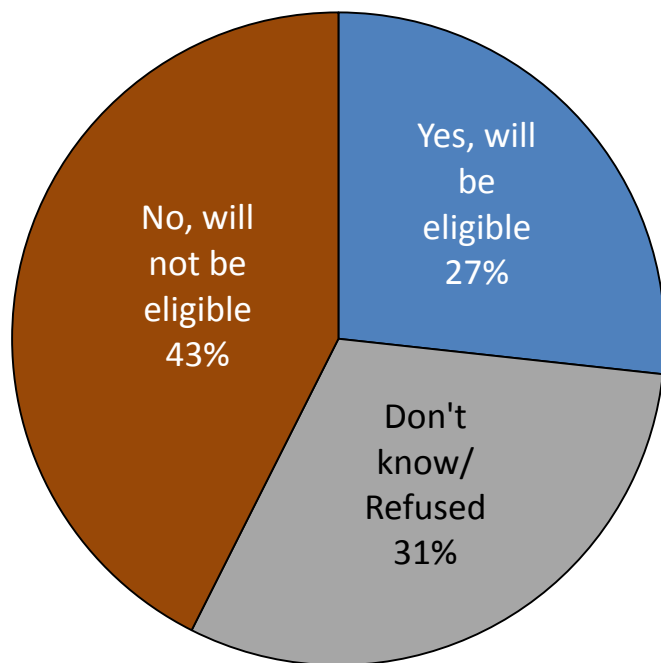


MANY WHO ARE LIKELY TO BE ELIGIBLE FOR MEDI-CAL OR EXCHANGE SUBSIDIES ARE UNAWARE OR UNSURE IF THEY QUALIFY

Exchange subsidy target group

Among California eligible uninsured with incomes >138-400% FPL (Exchange subsidy target group):

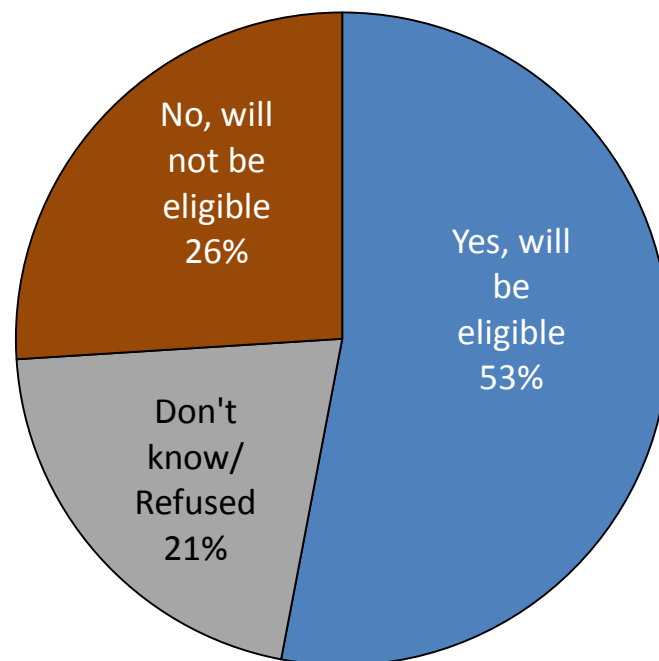
As far as you know, will you personally be eligible to get financial assistance from the government to help pay for health insurance as a result of the health care law, or not?



Medi-Cal target group

Among California eligible uninsured with incomes 138% FPL or less (Medi-Cal target group):

As far as you know, will you personally be eligible to get insurance through Medi-Cal as a result of the health care law, or not?



ADVERTISING UPDATE

OPEN ENROLLMENT ADVERTISING CAMPAIGN

OCTOBER 1- MARCH 31



REACHING CALIFORNIA'S DIVERSE POPULATION

1. Identify key populations

2. Tailor messages to be culturally relevant

3. Reach ethnic groups in their communities, in their native language



Multi-segment (English), Latino (Spanish), African American (English), Asian (Mandarin/Cantonese, Vietnamese, Korean, Tagalog), Millennial (English)



Multi-segment (English), Latino (Spanish), African American (English), Asian (Mandarin/Cantonese, Vietnamese, Korean, Tagalog, Hmong, Lao, Khmer), Millennial (English)



Multi-segment (English), Latino (Spanish), African American (English), Asian (Chinese - Traditional/Simplified, Vietnamese, Korean, Taglish/Filipino)



Multi-segment (English), Latino (Spanish), African American (English), Asian (Chinese, Vietnamese, Korean), LGBT (English)



Multi-segment (English), Latino (Bi-lingual Spanish/English), African American (English), Asian (Chinese, Vietnamese, Korean)



Multi-segment (English), Latino (Spanish), Asian (Chinese, Vietnamese, Korean, Taglish/Filipino), African American (English), Millennial (English)



Multi-segment (English), Latino (Spanish), LGBT (English)

ENSURING EFFECTIVE & ACCURATE COMMUNICATIONS

Workgroups:

**Millennial/Students
Latinos
African American
Asian
Faith based**

- Created to effectively reach key populations critical to our success
- Consist of internal and community subject matter experts

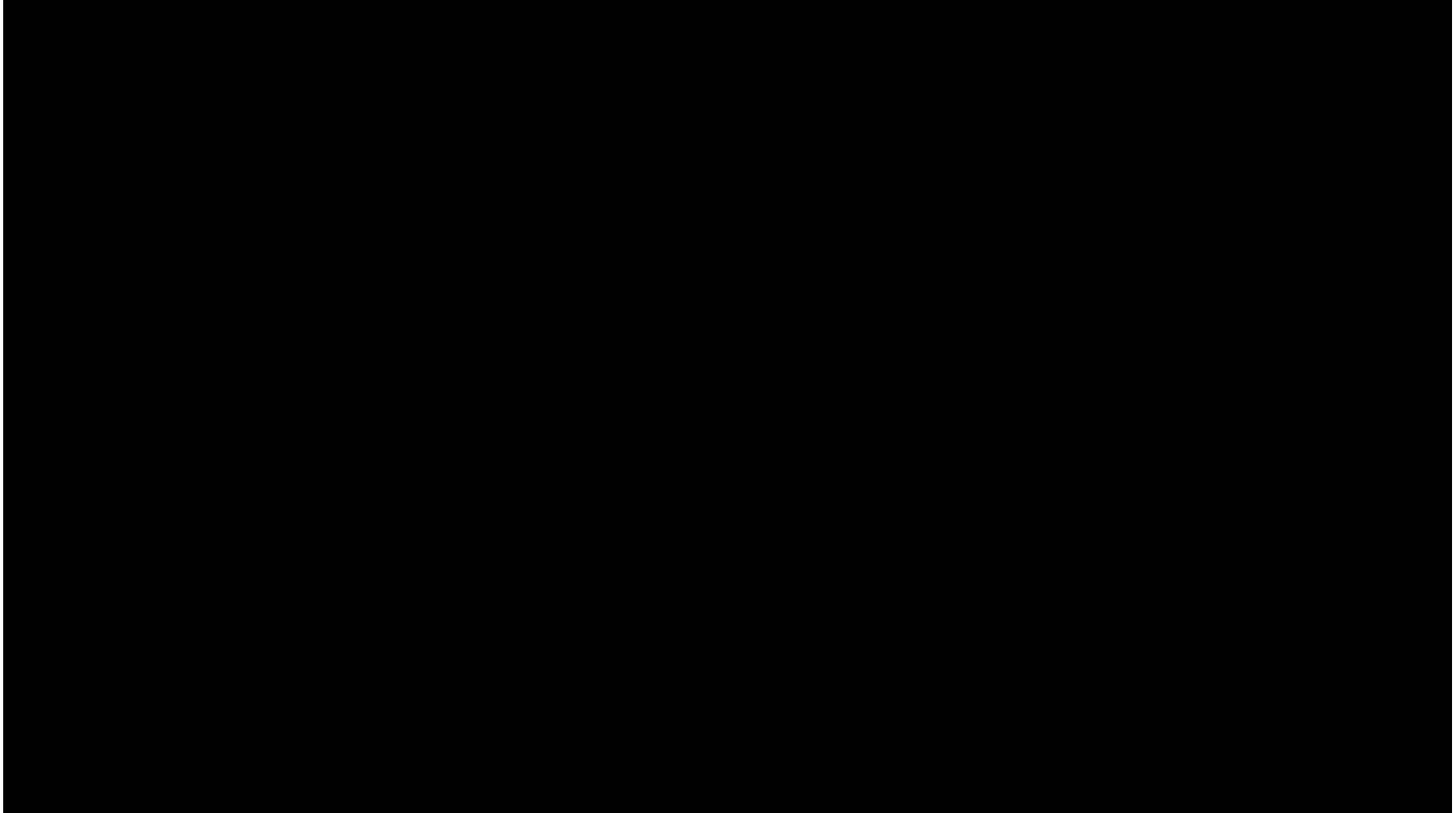
Translated Materials Review

Process set to help ensure cultural competency, including review by at least one of the following:

- Internal bilingual staff
- Workgroup team
- Community organizations
- Ethnic media outlets

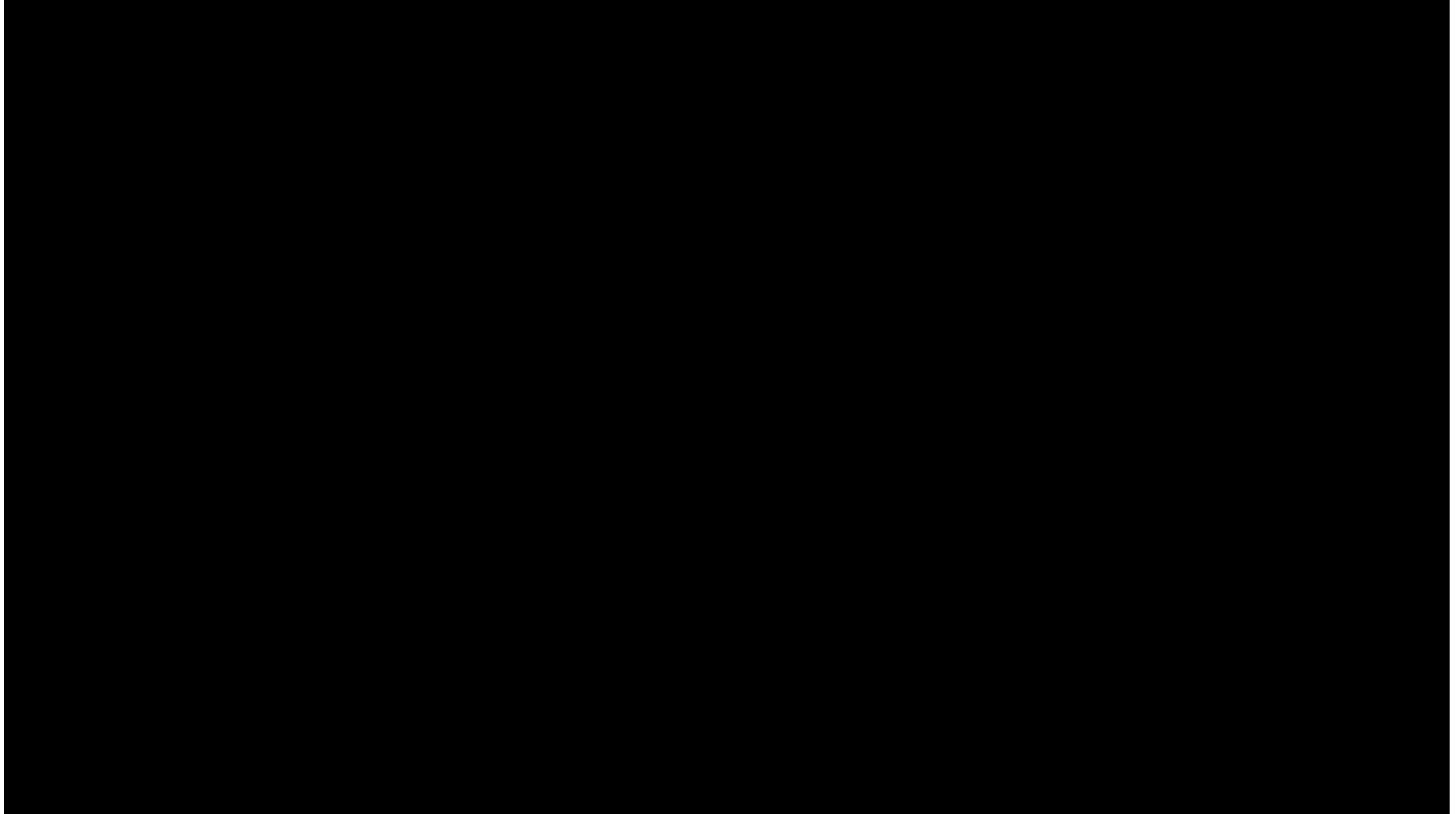
CREATIVE – TV

MILLENIAL TV SPOT: 15



CREATIVE – TV

ASIAN TV SPOT: 30



CREATIVE - OUTDOOR



Welcome
to health insurance made affordable.

Enroll now at CoveredCA.com



歡迎
讓健康保險變得容易負擔的新時代

現在就到 CoveredCA.com 申請加入



Bienvenido
a seguros de salud ahora a tu alcance.



Somos Covered California™, el lugar donde encontrarás seguros de salud accesibles y de calidad. Brindamos asistencia económica a aquellos que necesitan ayuda con sus pagos mensuales de seguro de salud, y nadie puede ser rechazado por tener un problema previo de salud.

Bienvenido a un nuevo estado de salud. Bienvenido a Covered California.

Inscríbete ya en CoveredCA.com 1 (800) 300-0213




CREATIVE - DIRECT MAIL

Welcome
to health insurance made affordable.

Call Covered California today, and see
if you qualify for financial assistance.

800-000-0000 CoveredCA.com



José Rodríguez,
You may qualify for financial
help with your health insurance.

- Call Covered California to see if you can get **financial assistance** that helps pay for your coverage every month.
- You can also learn about **quality private insurance plans** available in your area.
- And, you can now get insurance, even if you have a **pre-existing condition**.

Enroll by December 15 to be covered
starting January 1, 2014

800-000-0000

CoveredCA.com



VERSION 123456
DO NOT REMOVE THIS BARCODE



2 23-4
ECRWSS*****C-55
Full Name
1234 Street Name
Anywhere, ST 55555

PSN
Permit 2112
Shreveport, LA
Post Master please mail
by 12/12 - 12/14/12
Time sensitive

NO USPS REGULATIONS BOX ON SOLO MAIL



October 24, 2013

SERVICE CENTER REPORT

Carene Carolan, Deputy Director of the Service Center

SERVICE CENTER UPDATE

- The Rancho Cordova Service Center and Contra Costa Call Center facilities are up and running, with staff trained and actively supporting Covered California customers.
- The Fresno facility is supporting the October 7, 2013, training resources and remains on schedule for receiving first call on November 18, 2013.
- Received huge interest the initial week of launch and have since trended towards service level targets by balancing workforce to better match call arrival patterns.
- Continually reinforcing and up-training service center team while increasing both accuracy of information and quality of Covered California customer experience.

STAFFING UPDATE

- Rancho Cordova and Contra Costa have added application contact volumes on October 1st and are supporting the Covered California marketing efforts statewide.
- Hiring continues, with plans to phase in additional training Waves to meet Open Enrollment support targets.

Staff Group	10/1 Target	10/1 To Date	11/1 Target	11/1 To Date
Service Center Representatives	442	381	557	481
Other staff (Management, Back Office, Quality Assurance, etc...)	253	151	253	204
Total	695	532	810	685

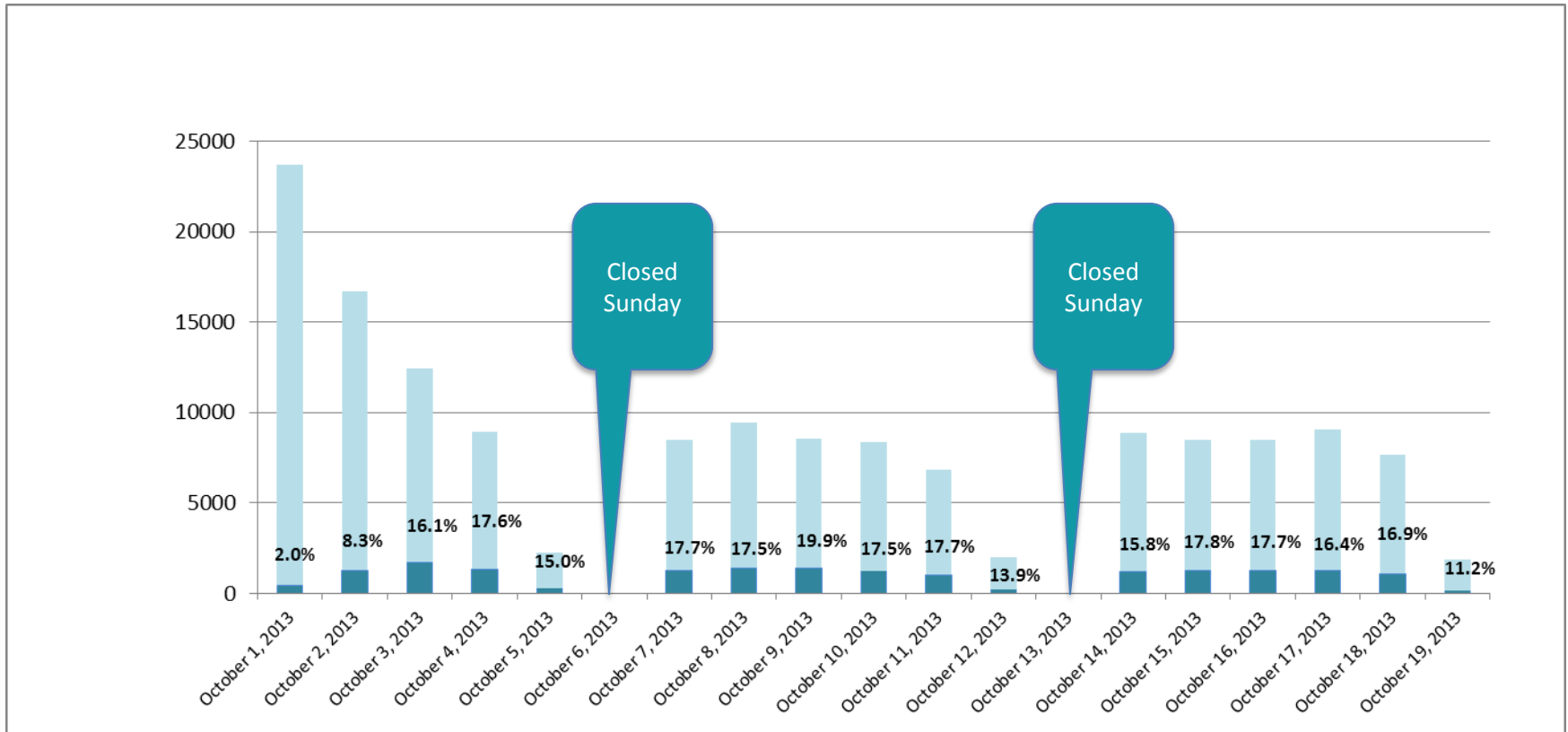
- Fresno training is underway, and we are behind hiring projections of forecasted 158 new hires with only 70 resources in training.
- Projected hires in Fresno by end of year total 280, in anticipation of higher call volumes in November/December.
- On November 18th with the launch of the Fresno site, all three Covered California Service Centers will handle statewide calls using the first available SCR model with a total of 481 resources.

SERVICE CENTER PERFORMANCE UPDATE*

Service Center Metric		Week 1	Week 2	Week 3
Calls Offered		59,007	38,750	38,129
Total Calls Offered			135,886	
Service Center Metric	Goal	Week 1	Week 2	Week 3
Service Level	80% of calls answered within 30 seconds	20.9% of calls answered within 30 seconds	77.1% of calls answered within 30 seconds	73.2% of calls answered within 30 seconds
Abandoned Calls	3% or less of calls abandoned	41.5% of calls abandoned	5.4% of calls abandoned	4.8% of calls abandoned
Busy Signals Presented to Callers	0% or less of calls receive busy signal	0% of calls received busy signal	0% of calls received busy signal	0% of calls received busy signal
Top Inquiries				
1. What is considered annual income?				
2. Does the 9.5% income threshold apply to Individual Family Plans or Employer Group Plans?				
3. How much will health insurance cost through Covered California and will I qualify for premium assistance?				
4. What are the different ways I can enroll in Covered California?				
5. What are the coverage levels?				

* Metrics are from the week ending October 19th, 2013. Performance metrics are measured monthly.

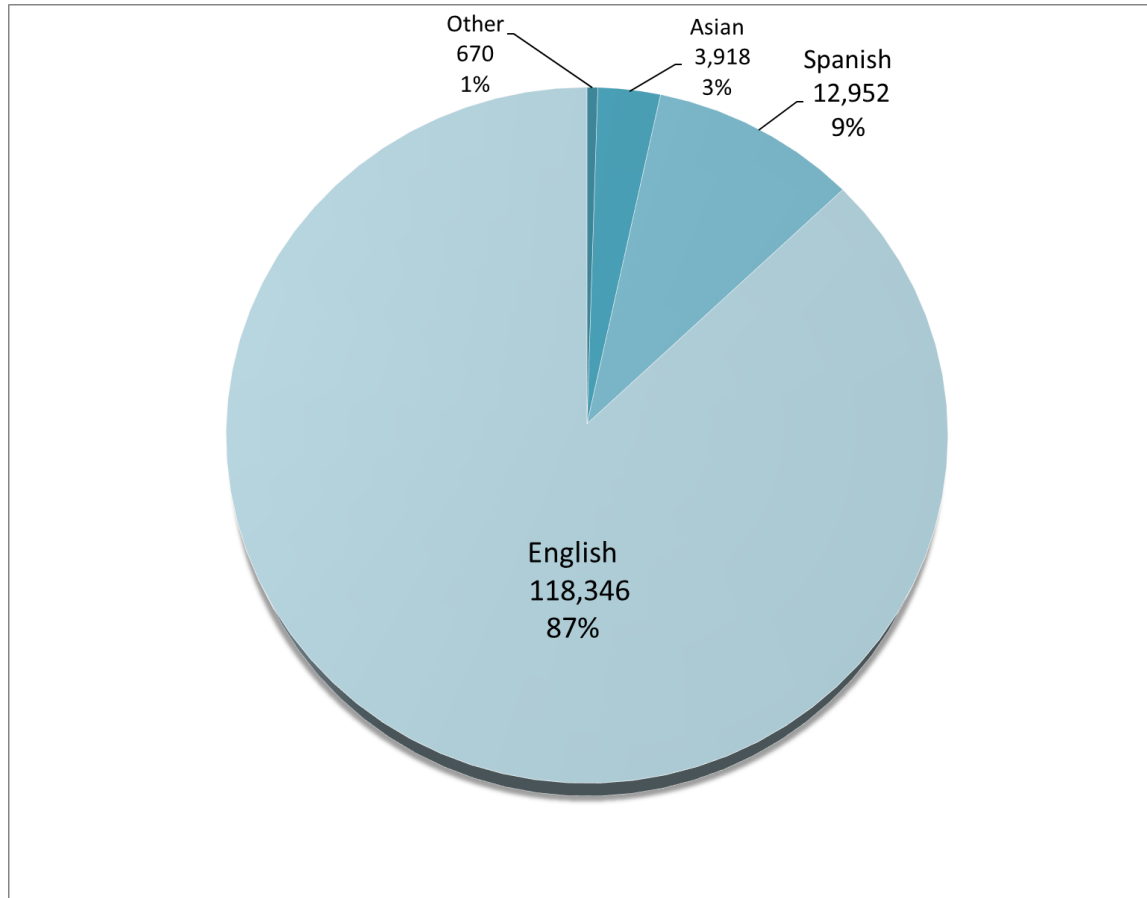
QUICK SORT TRENDS



Continuing refinement of Quick Sort processes with the Consortia and have showed continued improvement in process accuracy and delivering a seamless customer experience.

** Metrics are from the week ending October 19th, 2013. Performance metrics are measured monthly.*

LANGUAGE DISTRIBUTION OF CALLS HANDLED



Service Centers are supporting calls in all 13 languages and using an interpreter service when an in-language SCR is not available

** Metrics are from the week ending October 19th, 2013. Performance metrics are measured monthly.*

CONSUMER WEBSITE REPORT

Karen Ruiz, CalHEERS Project Director
Keith Ketcher, Accenture Project Manager

COVEREDCA.COM ROLLOUT SCHEDULE

Planned Date	Description	Current Status
August 19	Initiated registration for Licensed Insurance Agents seeking Covered California Certification	Completed
August 26	Opened Service Centers with supporting technologies	Completed – Rancho Cordova and Contra Costa service centers opened.
October 1	Launched CoveredCA.com for Open Enrollment	Completed – Refer to Launch Report
October 2	Regular planned maintenance releases	Ongoing
November 18	Major Release 2.5 for Financial Management and SHOP features	In progress
January 1	Major Release 3.0 for CalHEERS / SAWS Integration and other significant enhancements for Medi-Cal and related programs	In progress

LAUNCH REPORT

- Authority to Connect received from CMS on September 30
- Launch of Open Enrollment began October 1 at 8 a.m.:
 - Successfully provides access to consumers for enrollment
 - Connects to Federal Hub for verifications
 - Since October 1, system has been up and running 90.1% of the time
 - Continuous enhancements and performance changes underway
- Some early challenges:
 - Logins for internal users (County Workers, Agents, Enrollment Counselors)
 - Resolved; large effort to get people logged in and able to assist consumers first two weeks
 - System Performance
 - Focused effort in first two weeks to reduce average page load times to below 2 seconds, required downtime during off-hours to implement enhancements and additional monitoring
 - Several errors not detected prior to launch
 - Priority fixes were completed to help consumers can enroll with or without assistance
 - Three scheduled maintenance releases to date; additional maintenance planned

LAUNCH REPORT, CONTINUED

- Continue to improve consumer experience through maintenance releases and upcoming major releases
 - Monitoring tools provide insight into consumer experience
 - Supplementing automation tools with additional focus groups and feedback
- Continue to focus on system performance
 - Improving the now “good” performance to even better performance
- Continue to work with all internal users to enable them to quickly and efficiently assist consumers in applying for and making health care choices

RELEASE 2.5 – FINANCIAL MANAGEMENT AND SHOP

- System testing still underway with formal User Acceptance Testing scheduled to begin on November 3
- Tracking Release 2.5 functions to 3 key business dates: November 18, December 9, and January 1
 - If necessary, multiple releases will be performed to coincide with business needs

RELEASE 3.0 – INTEGRATION WITH SAWS

- System Testing underway
- End-to-End and User Acceptance Testing planned to begin November 11
- Weekly readiness meetings focused on January 1 started this week

FINANCIAL REPORT

John Hiber, Chief Financial Officer

FISCAL YEAR 2013-14 YEAR-TO-DATE BUDGET & EXPENDITURE REPORT (PERIOD ENDING AUGUST 31, 2013)

Performance versus Budget						
Budgeted		Current FTE *				
Positions	1,230	704				
	Annual Budget	August Expenditures	Year-to-Date Expenditures	% Expended YTD	Encumbrances	Encumbrances & Expenditures
Salaries & Benefits	\$ 80,992,522	\$ 2,497,772	\$ 4,220,282	5%	\$ -	\$ 4,220,282
Contractual Costs	\$ 291,286,812	\$ 4,476,346	\$ 5,431,834	2%	\$ 232,210,092	\$ 237,641,927
Travel	\$ 905,783	\$ 32,508	\$ 34,921	4%	\$ -	\$ 34,921
Supplies	\$ 3,320,311	\$ 50,720	\$ 50,747	2%	\$ 39,940	\$ 90,687
Equipment	\$ 2,123,303	\$ 139,587	\$ 139,587	7%	\$ 64,398	\$ 203,986
Facilities	\$ 14,659,487	\$ 118,256	\$ 196,569	1%	\$ 104,249	\$ 300,818
Other	\$ 6,402,051	\$ 9,985	\$ 9,985	0%	\$ 83,779	\$ 93,764
Expenses	<u>\$ 399,690,269</u>	<u>\$ 7,325,175</u>	<u>\$ 10,083,925</u>	3%	<u>\$ 232,502,458</u>	<u>\$ 242,586,384</u>
CalHEERS Cost Sharing	\$ (15,742,641)	\$ (543,032)	\$ (578,882)	4%	\$ (20,992,845)	\$ (21,571,727)
Total Operating Costs	<u>\$ 383,947,628</u>	<u>\$ 6,782,143</u>	<u>\$ 9,505,043</u>	2%	<u>\$ 211,509,614</u>	<u>\$ 221,014,657</u>

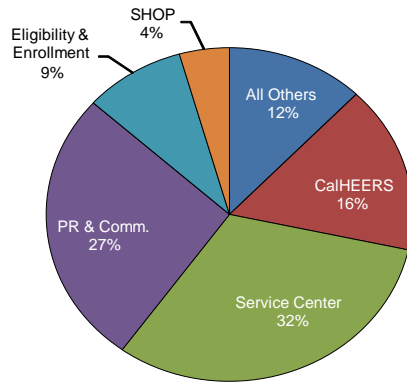
Notes: * Includes the approximately 150 FTEs in the Contra Costa call center

Commentary
- Expenditures through August remain low reflecting the phased hiring of Service Center staff after the start of the fiscal year. Other business units continue to increase staffing.

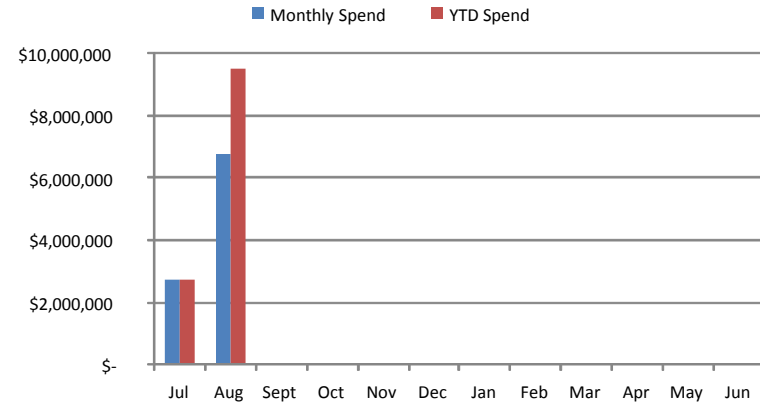
FISCAL YEAR 2013-14 YEAR-TO-DATE BUDGET & EXPENDITURE REPORT

(PERIOD ENDING AUGUST 31, 2013)

Annual Budget - \$383.9 million



Spending Trend



Expenditures versus Budget by Organizational Unit

	Annual Budget	August Expenditures	Year-to-Date Expenditures	% Expended YTD	Encumbrances	Encumbrances & Expenditures
SHOP	\$ 16,899,206	\$ 656,108	\$ 812,963	5%	\$ 12,238,467	\$ 13,051,430
Service Center	\$ 121,080,758	\$ 1,051,359	\$ 1,290,085	1%	\$ 20,121,766	\$ 21,411,851
CalHEERS	\$ 78,152,275	\$ 3,037,471	\$ 3,257,265	4%	\$ 116,626,915	\$ 119,884,180
Eligibility & Enrollment	\$ 34,281,294	\$ 149,150	\$ 263,260	1%	\$ 719,419	\$ 982,679
PR & Communications	\$ 102,575,501	\$ 592,400	\$ 1,626,351	2%	\$ 79,450,061	\$ 81,076,411
All Others	\$ 46,701,235	\$ 1,838,687	\$ 2,834,002	6%	\$ 3,345,831	\$ 6,179,832
Total Expenses	\$ 399,690,269	\$ 7,325,175	\$ 10,083,925	3%	\$ 232,502,458	\$ 242,586,384
CalHEERS Cost Sharing	\$ (15,742,641)	\$ (543,032)	\$ (578,882)	4%	\$ (20,992,845)	\$ (21,571,727)
Total Operating Costs	\$ 383,947,628	\$ 6,782,143	\$ 9,505,043	2%	\$ 211,509,614	\$ 221,014,657

FISCAL YEAR 2012-13 EXPENDITURE REPORT

Revised*

Expenditures versus Budget *				
	FY 2012-13 Budget	FY 2012-13 Year End	Variance	Percent Expended
Positions	677	179	498	
Salaries & Benefits	\$ 28,407,155	\$ 9,456,557	\$ 18,950,598	33%
Contractual Costs	\$ 362,901,317	\$ 263,470,709	\$ 99,430,608	73%
Travel	\$ 1,116,530	\$ 143,151	\$ 973,379	13%
Supplies	\$ 1,715,638	\$ 608,407	\$ 1,107,231	35%
Equipment	\$ 1,057,680	\$ 3,463,830	\$ (2,406,150)	327%
Facilities	\$ 2,738,860	\$ 1,177,526	\$ 1,561,334	43%
Other	\$ 3,018,106	\$ 374,353	\$ 2,643,753	12%
Expenses	<u>\$ 400,955,286</u>	<u>\$ 278,694,534</u>	<u>\$ 122,260,752</u>	70%
CalHEERS Cost Sharing	\$ (34,568,734)	\$ (27,814,718)	\$ (6,754,016)	80%
Total Operating Costs	<u>\$ 366,386,552</u>	<u>\$ 250,879,816</u>	<u>\$ 115,506,736</u>	68%

Commentary

For Fiscal Year 2012-13, total year end expenditures were \$278.7 million. Total operating costs for the year were \$250.9 million after reimbursements for CalHEERS cost sharing. Operating costs represented 68% of the \$366.4 million budgeted for the year, with \$115.5 million carried forward for future expenditure.

Activities in Fiscal Year 2012-13 were focused on preparing the Exchange to become operational. During the year it became apparent that the rate of hiring and the timing of significant expenditures would be later than originally anticipated, and would result in delaying some of these expenditures to FY 2013-14. This shift in timing resulted in the underspend in salaries and benefits and contracts.

Hiring occurred at a much slower pace than originally budgeted in most organizational units and was noticeably impacted due to the delay in timing and challenges associated with onboarding high numbers of staff in the Service Center.

Contractual spending also occurred at a slower pace primarily due to the timing of media campaigns, the timing of Service Center and other activities.

* The 2012-13 expenditure report presented at the September 19th meeting incorrectly reflected the CalHEERS cost Sharing at \$43.9 million. The correct amount is \$27.8 million, as reflected above.

Notes: * Expenditures include encumbrances; ** Does not include the approximately 150 positions as of June 30 in the Contra Costa call center