

California Plans Remain Financially Healthy Through Third Quarter 2014

By David Peel
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California health plans recently filed financial reports for the first nine months of 2014 and forty-three of the sixty-five plans were profitable. This compares unfavorably to the first nine months of 2013 when fifty plans were profitable.

Twelve plans began operations in either 2013 or 2014 and four of these new plans broke even or reported a profit.

Kaiser Foundation HP led all plans

with a \$3.141 billion profit.

Tangible Net Equity (TNE) for the plans was generally greater at the end of the third quarter 2014 than at the end of the third quarter 2013. TNE is defined by state statute and measures a plan's solvency. It approximates net worth assuming intangible assets are removed and subordinated debt is added. TNE was higher for forty-four of the fifty-nine plans that were operational in the third quarter of 2013.

Our report on pages two and three presents Revenues, Medical Costs, Administrative Expenses, Net Income and TNE for sixty-five health plans that reported data to the DMHC for the first nine months of 2014 and the first nine months of 2013.

All information in this report was obtained from publicly available data on the DMHC web site. However, the DMHC web site doesn't always incorporate post-close adjustments or audit adjustments. Information not required to be filed with the DMHC (self-insured and parts of California insured business

from non-domestic carriers) is not included in this report nor is it referenced in this article.

We prepared this report so a user could quickly determine the financial health of the California health plan industry. Additional in-depth analysis is beyond the scope of this article.

Concluding Comments

The California health plan industry remains healthy with comparable financials between the two nine month periods. New plans, with their higher start-up costs and lower revenues, account for the lower relative level of profitability between the two periods.

Our next report will focus on calendar year end 2014 financials compared to calendar year end 2013.

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California Health Plan Financial Results (Unaudited) - Page 1 of 2¹

For the Nine Months Ended 09/30/14 compared to the Nine Months Ended 09/30/13

Full Service Medical Plans Only - Sorted Alphabetically by Health Plan Name - 000's Omitted²
cahcnws.com

Health Plan Name	Revenues			Medical Costs			Administrative Expenses			Net Income			Tangible Net Equity ³		
	09/14	09/13	Change	09/14	09/13	Change	09/14	09/13	Change	09/14	09/13	Change	09/14	09/13	Change
Adventist Health Plan ⁴	7	0	7	0	0	0	1,275	0	1,275	(1,268)	0	(1,268)	1,174	0	1,174
Aetna Health of CA	1,484,250	1,434,275	49,975	1,226,282	1,210,411	15,871	199,089	165,336	33,753	32,456	42,941	(10,485)	120,833	171,966	(51,133)
Aids Healthcare Foundation	651,935	571,937	79,998	544,586	493,057	51,530	72,867	60,177	12,691	34,482	18,704	15,778	155,758	122,571	33,186
Alameda Alliance for Health	598,882	355,263	243,618	559,710	335,180	224,530	38,367	32,056	6,310	805	(11,973)	12,778	19,548	8,422	11,127
America's Health Plan ⁴	2	2	0	0	0	0	36	15	21	(34)	(13)	(21)	1,431	1,062	369
Arcadian HP	53,795	171,542	(117,746)	41,718	158,203	(116,485)	6,504	16,314	(9,810)	4,145	405	3,740	58,677	83,158	(24,481)
Aspire Health Plan ⁴	3,059	0	3,058	2,526	0	2,526	3,124	1,667	1,457	(2,592)	(1,667)	(925)	2,374	2,013	360
Blue Cross of CA	10,053,204	8,616,822	1,436,382	8,080,197	7,170,671	909,526	1,266,901	792,588	474,313	367,620	389,699	(22,079)	1,688,597	1,228,039	460,558
Blue Shield of CA	8,744,546	6,483,962	2,260,584	7,019,645	5,396,650	1,622,995	1,204,719	775,173	429,546	274,592	235,136	39,456	4,149,464	3,936,899	212,565
Brand New Day HMO	54,919	39,673	15,246	49,751	35,757	13,994	7,951	6,733	1,217	(2,869)	40	(2,909)	3,363	6,461	(3,098)
Brwn and Tolnd Health Svcs ⁴	4,183	569	3,614	4,063	553	3,509	283	97	186	(107)	(53)	(54)	1,151	1,277	(126)
California Health/Wilns Pln ⁴	232,386	0	232,386	174,230	0	174,230	36,940	0	36,940	13,535	0	13,535	33,949	0	33,949
CalOptima	1,966,381	1,440,928	525,453	1,564,429	1,324,661	239,768	67,600	64,630	2,970	228,992	48,448	180,545	453,502	215,651	237,851
CalViva	550,761	373,774	176,987	495,349	331,306	164,044	27,727	23,180	4,547	4,314	2,804	1,510	18,581	13,675	4,906
Care 1st HP	1,203,512	820,660	382,852	1,067,149	730,853	336,295	105,114	79,881	25,233	30,059	5,908	24,151	142,281	108,971	33,309
CareMore HP	622,761	635,668	(12,907)	496,582	494,976	1,606	80,123	84,355	(4,232)	24,431	33,820	(9,389)	80,806	98,330	(17,524)
GenCal Health	327,778	277,920	49,858	300,293	234,651	65,642	13,967	12,178	1,789	1,789	18,029	(18,009)	39,720	39,157	562
Gen CA Alliance for Health	556,533	454,011	102,522	473,523	388,578	84,945	35,805	25,658	10,147	47,205	40,295	6,910	360,386	225,890	134,496
Central HP of CA	136,268	93,081	43,188	116,427	80,055	36,372	16,421	11,682	4,740	853	768	85	9,648	8,352	1,296
Chinese Community HP	132,283	99,764	32,519	105,300	81,257	24,043	16,075	12,482	3,593	6,076	3,444	2,632	33,507	26,144	7,363
Choice Physicians Network	46,291	37,978	8,313	44,023	35,386	8,638	1,180	1,049	131	1,071	1,516	(445)	4,177	4,120	56
Cigna Healthcare of CA	720,093	710,515	9,578	655,699	659,535	(3,837)	62,991	32,917	30,073	(2,043)	10,697	(12,741)	47,874	64,642	(16,767)
Citizen's Choice HP	95,417	122,472	(27,055)	101,080	108,370	(7,290)	13,737	13,514	223	(17,590)	589	(18,179)	11,000	6,548	4,452
Community Care HP ⁴	13,664	0	13,664	11,239	0	11,239	2,156	128	2,028	269	(128)	398	3,927	3,523	404
Community Health Group	452,217	250,411	201,806	422,724	250,647	172,078	14,697	12,760	1,937	14,795	(12,996)	27,792	53,115	37,173	15,943
Contra Costa Health Plan	373,838	338,129	35,709	354,463	323,442	31,021	11,570	12,875	(1,305)	7,804	1,812	5,993	22,361	14,369	7,991
County of LA - DOHS	84	264	(181)	310	1,093	(783)	0	(4)	4	(226)	(825)	599	13,552	12,754	797
DaVita Hlthcare Pfrms Plan ⁴	955,075	0	955,075	901,824	0	901,824	1,187	0	1,187	52,064	0	52,064	67,283	0	67,283
Easy Choice Health Plan	478,802	432,923	45,879	466,937	397,094	69,843	62,161	35,295	26,866	(40,097)	1,784	(41,881)	17,558	22,966	(5,407)
EPIC Health Plan	222,525	32,375	190,150	220,528	30,138	190,390	1,802	516	1,286	0	1,669	(1,669)	5,601	4,573	1,028
GEMCare Health Plan	108,965	105,394	3,571	97,774	93,813	3,960	12,000	9,864	2,136	(934)	1,011	(1,945)	5,696	6,959	(1,263)
Golden State Medicare HP	14,228	6,853	7,375	13,647	6,182	7,465	1,849	1,049	801	(1,268)	(377)	(891)	16,605	3,427	13,178
Health Net Comm Solutions	3,212,341	1,737,403	1,474,937	2,677,262	1,386,864	1,290,398	328,402	233,244	95,158	116,325	69,539	46,786	284,982	197,102	87,880

Notes:

- All information from the California Department of Managed Health Care (DMHC) web site.
- 000's omitted means the last three digits of each figure is removed. For example, the number 1,000 becomes 1.
- Tangible Net Equity or TNE is the statutorily defined amount of company equity. It is used to determine solvency and is frequently different than a company's net worth.
- New health plan in 2013 or 2014.

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	09/14	09/13	Change	09/14	09/13	Change	09/14	09/13	Change	09/14	09/13	Change	09/14	09/13	Change
Health Net of CA	5,585,860	5,406,793	179,067	4,794,851	4,705,145	89,706	734,409	602,001	132,408	5,093	64,666	(59,573)	898,052	893,628	4,424
Heritage Provider Network	1,566,216	1,417,382	148,834	1,450,801	1,294,781	156,020	113,551	120,218	(6,667)	1,740	1,895	(155)	81,561	71,706	9,856
HP of San Mateo	495,363	341,886	153,476	415,826	303,096	112,730	48,174	18,550	29,623	31,363	20,240	11,122	176,524	107,991	68,534
Humana HP of CA	256,907	155,298	101,609	238,585	136,567	102,018	34,712	16,841	17,872	(12,951)	977	(13,928)	27,079	46,931	(19,853)
Inland Empire HP	1,856,968	1,009,769	847,199	1,637,298	948,997	688,301	73,182	53,821	19,361	99,237	6,951	92,286	198,521	100,528	97,993
Inter Valley Health Plan	185,093	181,438	3,655	168,212	165,771	2,441	14,363	16,197	(1,834)	2,518	(530)	3,049	22,759	22,064	695
Kaiser Foundation HP	43,239,848	40,593,471	2,646,377	37,278,096	36,610,677	667,419	2,820,451	1,827,034	993,417	3,141,301	2,155,760	985,541	25,878,354	19,180,727	6,697,627
LA Care HP	3,567,448	2,208,661	1,358,787	3,246,547	1,989,094	1,257,453	141,275	88,065	53,211	44,729	46,172	(1,443)	216,496	175,943	40,553
MD Care	673	1,207	(534)	2,433	(3,577)	6,010	52	56	(4)	(30)	4,482	(4,512)	46,466	45,396	1,070
Medi-Excel, SA de CV	1,105	268	837	754	156	598	702	366	336	(351)	(255)	(97)	1,746	1,956	(210)
Molina Healthcare of CA	1,063,414	557,395	506,019	908,244	508,948	399,295	89,421	56,994	32,426	40,142	(6,352)	46,494	85,376	37,204	48,171
Monarch HP	128,610	100,819	27,791	123,172	99,083	24,089	2,574	2,158	416	1,709	(341)	2,050	10,700	8,489	2,211
On Lok Senior Health	84,149	79,176	4,973	72,898	69,742	3,155	6,977	6,662	315	3,961	2,771	1,190	83,799	89,387	(5,588)
Partnership HP of CA	1,472,537	788,185	684,352	1,238,379	663,169	575,210	52,885	37,533	15,352	125,890	77,182	48,709	456,957	265,629	191,328
Premier HP Services	57,773	24,472	33,301	42,005	20,878	21,127	7,591	2,757	4,834	4,751	481	4,270	9,896	3,405	6,491
PIH HP ⁴	1,227	0	1,227	1,088	0	1,088	224	0	224	(85)	0	(85)	2,336	0	2,336
PRIMCARE Med Network	509,679	470,214	39,465	430,182	383,771	46,411	57,589	56,940	649	12,960	17,441	(4,481)	56,061	38,912	17,149
Providence Health Ntwrk ⁴	25,188	0	25,188	24,245	0	24,245	673	0	673	269	0	269	2,569	0	2,569
Santa Clara Family HP	417,966	232,470	185,496	381,013	213,796	167,217	18,268	14,680	3,588	18,685	3,994	14,691	51,119	31,735	19,384
Satellite Health Plan, Inc. ⁴	4,291	0	4,291	5,176	0	5,176	2,559	1,259	1,300	(3,443)	(1,259)	(2,184)	1,484	1,247	237
Scan HP	1,528,827	1,427,261	101,566	1,403,129	1,278,117	125,012	141,667	119,623	22,044	(15,969)	29,521	(45,490)	413,711	491,795	(78,084)
Scripps HP	284,974	202,881	82,093	275,191	193,661	81,530	9,503	8,913	590	164	181	(17)	18,730	9,310	9,420
Seaside Health Plan ⁴	10,239	766	9,472	10,951	735	10,216	4,342	967	3,375	(5,055)	(935)	(4,120)	1,847	2,265	(418)
SF Health Plan	313,979	206,216	107,763	275,384	172,439	102,945	25,866	23,520	2,347	12,728	10,257	2,471	53,090	36,927	16,163
Sharp HP	300,064	247,720	52,344	259,751	222,620	37,131	33,060	19,364	13,696	7,253	5,736	1,517	56,440	47,214	9,227
Simmsa Healthcare	48,891	39,985	8,906	29,190	21,815	7,374	11,365	8,815	2,550	5,835	6,549	(713)	11,931	15,513	(3,582)
Sutter Health Plus ⁴	21,253	74	21,179	19,437	0	19,437	14,947	26,380	(11,433)	(13,131)	(26,306)	13,175	25,591	31,512	(5,921)
UnitedHealthcare of CA	4,732,929	4,944,079	(211,150)	3,990,502	4,265,792	(275,290)	440,456	347,571	92,885	151,360	196,810	(45,450)	256,536	238,333	18,203
University HealthCare Adv ⁴	2	0	2	0	0	0	311	0	311	(309)	0	(309)	2,992	0	2,992
Valley HP	271,366	164,853	106,513	254,590	147,645	106,945	14,588	10,116	4,472	2,188	7,092	(4,904)	23,175	19,401	3,774
Ventura County HP	41,676	42,614	(937)	36,245	38,219	(1,973)	5,498	4,355	1,143	(67)	40	(107)	10,337	10,221	116
Western Health Advantage	413,975	350,899	63,075	376,268	323,476	52,792	35,239	25,075	10,164	(53)	1,193	(1,247)	20,299	19,965	333

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