

## California Health Plans end 2014 Solidly in the Black

**By David Peel**  
*Publisher and Editor*  
*California Healthcare News*



California health plans recently filed financial reports through December 31, 2014 and forty-three of the sixty-seven plans reported a profit. This compares favorably to the same period in 2013 when thirty-nine plans were profitable.

Thirteen plans began operations in either 2013 or 2014 and only three of these plans were profitable in 2014.

Kaiser Foundation HP led all plans

with a \$3.9 billion profit.

Tangible Net Equity (TNE) for the plans was generally greater at the end of 2014 than at the end of 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-seven of the plans when 2014 is compared to 2013.

Our report on pages two and three presents Revenues, Medical Costs, Administrative Expenses, Net Income and TNE for sixty-seven health plans that reported data to the California Department of Managed Health Care (DMHC) for four quarters in 2014 and 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 time periods. New plans, with their high start-up costs and low revenues, accounted for ten of the twenty-four plans that lost money or broke even in 2014.

Our next report will focus on the first quarter of 2015 compared to the first quarter of 2014.

*David Peel is the Publisher of the California Healthcare News. He has served as the Chief Financial Officer of three west coast health insurance companies. He can be reached at 425-577-1334 or [dpeel@healthcarenewssite.com](mailto:dpeel@healthcarenewssite.com).*

# California Health Plan Financial Results (Unaudited) - Page 1 of 2<sup>1</sup>

## For the Twelve Months Ended 12/31/14 compared to the Twelve Months Ended 12/31/13

Full Service Medical Plans Only - Sorted Alphabetically by Health Plan Name - 000's Omitted<sup>2</sup>

[cahcnws.com](http://cahcnws.com)

Health Plan Name	Revenues			Medical Costs			Administrative Expenses			Net Income			Tangible Net Equity <sup>3</sup>		
	12/14	12/13	Change	12/14	12/13	Change	12/14	12/13	Change	12/14	12/13	Change	12/14	12/13	Change
Access Senior HealthCare <sup>4</sup>	2	0	2	0	0	0	27	0	27	-26	0	-26	2,114	0	2,114
Adventist Health Plan, Inc. <sup>4</sup>	9	0	9	0	0	0	1,499	0	1,499	-1,490	0	-1,490	1,055	0	1,055
Aetna Health of CA	1,974,370	1,928,909	45,461	1,651,554	1,626,887	24,667	256,474	232,124	24,350	36,702	53,400	-16,698	125,152	140,293	-15,141
Aids Healthcare Foundation	876,893	765,157	111,736	729,427	666,807	62,620	107,201	84,434	22,766	40,266	13,917	26,349	161,661	119,245	42,416
Alameda Alliance for Health	835,578	487,118	348,460	776,970	452,142	324,827	50,127	41,744	8,383	8,482	-6,768	15,250	27,275	13,627	13,649
AmericasHealth Plan, Inc. <sup>4</sup>	3	3	0	0	0	0	52	17	35	-48	-14	-34	1,425	1,261	163
Arcadian HP	71,703	229,782	-158,079	53,841	218,774	-164,933	8,727	29,660	-20,933	5,992	-10,423	16,416	6,084	73,222	-67,138
Aspire Health Plan <sup>4</sup>	4,150	0	4,149	3,506	0	3,506	4,969	4,571	398	-4,325	-4,570	245	1,390	2,453	-1,062
Blue Cross of CA	13,489,182	11,457,141	2,032,041	10,883,915	9,611,410	1,272,505	1,776,475	1,093,067	683,408	426,007	452,827	-26,820	1,600,656	1,309,292	291,364
Blue Shield of CA	11,746,460	8,632,344	3,114,116	9,520,183	7,306,607	2,213,576	1,720,200	1,081,679	638,521	161,831	170,635	-8,804	3,990,603	3,896,696	93,907
Brand New Day HMO	77,032	55,489	21,542	69,190	48,803	20,386	10,828	8,853	1,976	-3,039	-541	-2,498	4,873	6,842	-1,969
Brown and Toland	19,414	1,437	17,977	20,273	1,444	18,830	547	179	369	-929	-123	-806	5,360	1,217	4,142
California H and Wellness <sup>4</sup>	347,427	27,301	320,126	256,570	27,618	228,952	56,035	4,637	51,397	22,175	-3,186	25,361	42,574	12,814	29,760
CalOptima	2,853,451	1,833,755	1,019,695	2,341,237	1,677,836	663,401	89,565	82,977	6,588	282,664	57,134	225,529	507,152	224,499	282,653
CalViva	822,430	490,922	331,508	745,349	435,778	309,571	35,613	31,264	4,349	6,810	3,396	3,414	21,077	14,267	6,810
Care 1st HP	1,721,772	1,139,343	582,429	1,511,572	1,010,969	500,603	42,198	112,908	-70,710	53,225	9,232	43,993	166,386	105,072	61,314
CareMore HP	841,218	840,551	667	670,105	664,242	5,863	116,550	119,545	-2,995	27,097	34,508	-7,411	79,326	86,371	-7,045
GenCal Health	466,222	365,424	100,798	419,756	313,885	105,871	19,094	16,475	2,619	8,225	18,571	-10,346	47,926	39,700	8,225
Central CA Alliance for Health	790,550	686,259	104,291	652,308	522,710	129,598	47,695	36,483	11,212	90,547	127,585	-37,039	403,727	313,180	90,547
Central HP of CA	190,571	130,574	59,997	165,619	111,020	54,599	22,979	17,574	5,406	-267	1,211	-1,478	8,528	8,795	-267
Chinese Community HP	175,590	132,435	43,155	140,838	108,081	32,757	22,558	17,635	4,923	6,759	3,841	2,918	34,191	26,439	7,752
Choice Physicians Network	63,827	50,011	13,816	60,621	46,227	14,394	2,102	1,439	663	1,087	2,305	-1,219	4,195	3,020	1,175
Cigna Healthcare of CA	966,684	952,070	14,614	873,369	896,646	-23,277	83,630	45,934	37,696	10,213	2,534	7,678	60,338	43,239	17,098
Citizen's Choice HP	128,287	161,298	-33,011	133,093	147,148	-14,055	19,879	18,832	1,047	-22,440	-3,829	-18,612	6,844	1,715	5,129
Community Care HP <sup>4</sup>	18,196	0	18,196	14,968	0	14,968	2,856	161	2,695	372	-161	533	4,029	3,490	539
Community Health Group	684,123	343,273	340,850	627,821	338,033	289,788	21,059	17,134	3,925	35,243	-11,895	47,138	73,563	38,320	35,243
Contra Costa Health Plan	528,348	439,001	89,347	499,476	420,033	79,443	16,226	16,721	-495	12,646	2,247	10,399	26,636	14,805	11,831
County of LA - DOHS	88	302	-214	37	1,105	-1,068	0	-4	4	51	-800	850	12,475	12,881	-406
DaVita Healthcare Partners <sup>4</sup>	1,288,921	0	1,288,921	1,220,341	0	1,220,341	2,073	0	2,073	66,508	0	66,508	46,543	0	46,543
Easy Choice Health Plan	631,019	567,852	63,167	599,449	531,989	67,460	77,759	43,876	33,882	-32,897	-4,411	-28,486	26,326	23,155	3,171
EPIC Health Plan	301,590	65,391	236,199	299,416	63,486	235,930	2,174	901	1,273	0	697	-697	5,601	4,101	1,500
GEMCare Health Plan	145,689	141,608	4,081	130,773	125,560	5,213	15,947	13,776	2,171	-1,217	682	-1,899	5,412	6,629	-1,217
Golden State Medicare HP	18,611	8,916	9,695	17,941	8,142	9,799	2,739	1,613	1,126	-2,069	-840	-1,229	4,996	5,330	-334

**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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cchcnews.com

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	12/14	12/13	Change	12/14	12/13	Change	12/14	12/13	Change	12/14	12/13	Change	12/14	12/13	Change
Health Net Comm Sols	4,577,874	2,312,489	2,265,384	3,776,363	1,870,811	1,905,552	457,927	314,242	143,685	195,714	75,300	120,414	339,111	202,963	136,148
Health Net of CA	7,469,081	7,179,477	289,604	6,406,422	6,269,502	136,920	1,001,015	807,426	193,589	6,582	65,425	-58,843	922,149	864,325	57,824
Heritage Provider Network	2,126,109	1,901,825	224,284	1,941,547	1,738,919	202,628	156,161	160,057	-3,895	17,692	2,383	15,309	95,722	76,619	19,103
HP of San Mateo	732,258	507,638	224,620	596,312	416,060	180,252	66,779	34,167	32,613	69,167	57,411	11,755	214,328	145,161	69,167
Humana HP of CA	344,296	205,725	138,571	330,161	189,507	140,654	48,427	24,850	23,578	-23,305	-5,186	-18,118	47,056	36,826	10,231
Inland Empire HP	2,783,097	1,343,643	1,439,454	2,439,412	1,263,817	1,175,594	100,855	74,118	26,737	146,025	5,707	140,317	245,308	99,284	146,025
Inter Valley Health Plan	242,957	238,683	4,274	220,876	219,010	1,866	20,505	21,988	-1,483	1,576	-2,316	3,891	21,807	20,258	1,549
Kaiser Foundation HP	57,533,106	54,241,244	3,291,862	50,558,241	49,090,937	1,467,304	3,901,534	2,465,525	1,436,009	3,073,331	2,684,782	388,549	20,796,970	23,015,647	-2,218,677
Kern Family Health Care	408,160	264,366	143,794	363,809	230,724	133,085	27,298	18,527	8,771	1,794	5,507	-3,713	79,718	72,500	7,218
LA Care HP	5,154,925	2,950,544	2,204,382	4,667,960	2,671,813	1,996,147	194,851	123,615	71,236	101,230	41,996	59,233	272,997	171,767	101,230
Medi-Excel, SA de CV	1,764	554	1,210	1,150	257	893	1,078	750	328	-464	-453	-11	1,723	1,797	-74
Molina Healthcare of CA	1,528,705	760,341	768,364	1,295,001	683,118	611,883	124,414	79,947	44,467	67,881	-1,283	69,165	113,701	43,476	70,225
Monarch HP	181,972	133,118	48,854	177,919	132,276	45,643	3,148	2,961	186	524	-1,382	1,906	10,615	8,991	1,624
On Lok Senior Health	114,308	108,717	5,591	98,590	93,630	4,961	9,540	9,413	126	5,865	5,674	192	85,233	92,299	-7,066
Partnership HP of CA	2,053,694	1,149,631	904,063	1,704,187	975,893	728,293	72,223	52,701	19,522	197,031	97,822	99,208	528,098	286,270	241,828
PIH Health Care Solutions <sup>4</sup>	3,193	0	3,193	2,834	0	2,834	416	0	416	-56	0	-56	2,365	0	2,365
Premier HP	77,356	44,001	33,355	58,300	35,158	23,142	13,721	4,992	8,728	3,040	2,245	795	8,185	5,143	3,042
PRIMCARE Med Ntwrk	676,544	623,911	52,633	567,699	511,830	55,869	75,744	75,454	290	18,879	21,419	-2,539	61,951	42,450	19,501
Prospect Health Plan <sup>4</sup>	0	0	0	0	0	0	15	0	15	-15	0	-15	0	0	0
Providence Health Ntwrk <sup>4</sup>	33,772	0	33,772	33,364	0	33,364	986	0	986	-579	0	-579	1,721	2,300	-579
Santa Clara Family HP	607,437	310,541	296,896	557,906	285,402	272,504	27,741	20,001	7,740	21,790	5,138	16,652	54,224	32,879	21,345
Satellite Health Plan <sup>4</sup>	6,267	1	6,266	7,553	0	7,553	3,951	2,308	1,643	-5,238	-2,307	-2,930	1,102	1,203	-101
Scan HP	2,038,815	1,905,372	133,443	1,864,222	1,692,373	171,849	230,850	175,033	55,817	-56,257	37,966	-94,223	405,215	425,702	-20,487
Scripps HP	397,313	268,696	128,617	384,662	256,591	128,070	12,513	11,677	836	23	287	-264	18,530	9,416	9,115
Seaside Health Plan	14,902	3,745	11,157	15,766	3,585	12,180	7,647	2,158	5,488	-8,510	-1,999	-6,511	4,391	1,201	3,190
SF Health Plan	454,986	275,094	179,892	399,362	229,749	169,613	35,407	31,654	3,753	20,217	13,691	6,526	60,579	40,361	20,217
Sharp HP	405,194	333,121	72,072	351,542	298,778	52,764	44,856	26,455	18,401	8,796	7,889	907	57,983	49,367	8,617
Sistemas Medicos	65,301	52,882	12,418	40,030	30,137	9,893	21,378	15,991	5,386	2,725	4,695	-1,970	11,714	9,237	2,477
Sutter Health Plan <sup>4</sup>	31,008	20	30,988	28,174	0	28,174	21,865	46,446	-24,581	-19,031	-46,426	27,395	23,664	28,746	-5,083
UnitedHealthcare CHP <sup>4</sup>	1	0	1	0	0	0	0	0	0	0	0	0	1,002	0	1,002
UnitedHealthcare of CA	6,249,313	6,559,498	-310,185	5,250,053	5,628,300	-378,247	592,018	470,803	121,215	211,244	277,238	-65,994	280,967	315,934	-34,967
Valley HP	389,250	223,306	165,944	361,975	199,941	162,034	20,635	14,865	5,770	6,640	8,500	-1,860	27,627	20,809	6,818
Ventura County HP	55,914	55,632	282	48,850	49,313	-462	7,279	6,096	1,182	-215	223	-438	10,189	10,404	-215
Western Health Advantage	553,840	474,043	79,796	503,357	436,994	66,362	47,149	34,206	12,942	-245	1,476	-1,722	20,069	20,346	-277

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