



Alameda Alliance for Health

Monthly Financial Statement Package

For the Month & Year to Date Ended March 31, 2007

Financial Statement Package

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Alameda Alliance for Health
CFO Finance Report
For the Month & Year to Date Ended March 31, 2007

Summary of Operating Results

For the month, the Alliance recorded a net loss of \$2.1 million compared to a budgeted net loss of \$343 thousand, resulting in an unfavorable variance from budget of \$1.8 million. For the year to date, the Alliance recorded a net loss of \$1.4 million versus a budgeted net loss of \$170 thousand, resulting in an unfavorable variance from budget of \$1.3 million. The table below summarizes the components of the overall variance from budget:

Summary Operating Results - Actual vs. Plan
For the Current Month & Fiscal Year to Date
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$11,901,290	\$ 11,910,593	\$ (9,303)	0%	Revenue	\$105,625,281	\$105,883,313	\$ (258,032)	0%
12,851,509	11,165,455	(1,686,054)	-15%	Medical Expense	97,501,335	96,040,971	(1,460,364)	-2%
(950,219)	745,138	(1,695,357)	-228%	Gross Margin	8,123,946	9,842,342	(1,718,396)	-17%
1,303,264	1,148,564	(154,700)	-13%	Administrative Expense	10,480,274	10,598,453	118,179	1%
(2,253,483)	(403,426)	(1,850,057)	-459%	Net Operating Income	(2,356,328)	(756,111)	(1,600,217)	-212%
99,082	60,850	38,232	63%	Non-Operating Income	920,196	586,112	334,084	57%
\$ (2,154,401)	\$ (342,576)	\$ (1,811,825)	-529%	Net Income/(Loss)	\$ (1,436,132)	\$ (169,999)	\$ (1,266,133)	-745%

Of the \$1.8 million unfavorable current month variance, \$1.7 million pertains to medical expense and \$155 thousand pertains to administrative expense. The majority of the unfavorable current month and year to date medical expense variances result from a sharp increase in high-dollar inpatient hospitalizations, coupled with increased utilization of specialty care physicians. Administrative expense, while unfavorable in the current month, is favorable on a year to date basis.

Results for the current month and year to date were also affected by changes in estimated medical expense for prior months. These changes in estimates (which were not related to the current month's operations) increased reported medical expense for the current month and for the year to date. Excluding these items, net loss for the month would have been \$910 thousand, while net loss for the year to date would have been \$721 thousand, as per the table below:

Summary Operating Results - Actual vs. Plan
For the Current Month & Fiscal Year to Date
Adjusted to Exclude Prior Period Activity
Favorable/(Unfavorable)

Current Month					Year to Date			
Actual	Budget	Variance \$	Variance %		Actual	Budget	Variance \$	Variance %
\$11,901,290	\$ 11,910,593	\$ (9,303)	0%	Revenue	\$105,625,281	\$105,883,313	\$ (258,032)	0%
11,606,811	11,165,455	(441,356)	-4%	Medical Expense	96,786,299	96,040,971	(745,328)	-1%
294,479	745,138	(450,659)	-60%	Gross Margin	8,838,982	9,842,342	(1,003,360)	-10%
1,303,264	1,148,564	(154,700)	-13%	Administrative Expense	10,480,274	10,598,453	118,179	1%
(1,008,785)	(403,426)	(605,359)	-150%	Net Operating Income	(1,641,292)	(756,111)	(885,181)	-117%
-99,082	60,850	38,232	63%	Non-Operating Income	920,196	586,112	334,084	57%
(909,703)	(342,576)	(567,127)	-166%	Current Period Net Income/(Loss)	(721,096)	(169,999)	(551,097)	-324%
(1,244,698)	-	(1,244,698)	N/A	Prior Period Activity	(715,036)	-	(715,036)	N/A
\$ (2,154,401)	\$ (342,576)	\$ (1,811,825)	-529%	Reported Net Income/(Loss)	\$ (1,436,132)	\$ (169,999)	\$ (1,266,133)	-745%

Alameda Alliance for Health
CFO Finance Report
For the Month & Year to Date Ended March 31, 2007

Operating Results

Membership

Overall, membership has declined 4% on a year to date basis. Compared to the end of the previous fiscal year, Medi-Cal Mandatory and Healthy Families membership declined 6% and 7%, respectively. This was partially offset by increases in Medi-Cal Non-Mandatory and Group Care membership of 8% and 16%, respectively. Current membership, YTD member months and changes in membership since the beginning of the fiscal year are summarized in the following tables:

Current Membership and YTD Member Months
For the Current Month and Fiscal Year to Date
 Favorable/(Unfavorable)

Membership					Member Months			
Current Month					Year to Date			
Actual	Budget	Variance	Variance %		Actual	Budget	Variance	Variance %
72,465	74,108	(1,643)	-2%	Medi-Cal	669,850	669,892	(42)	0%
7,454	8,364	(910)	-11%	Healthy Families	67,956	73,764	(5,808)	-8%
5,047	4,400	647	15%	Group Care	42,777	39,600	3,177	8%
1,057	1,100	(43)	-4%	Healthy Kids	9,397	9,900	(503)	-5%
86,023	87,972	(1,949)	-2%	Total	789,980	793,156	(3,176)	0%

YTD Change in Actual Membership by Program
Current Month-End vs. Prior Fiscal Year End

	Membership			
	Current	June-06	Change	% Change
Medi-Cal Mandatory	63,323	67,722	(4,399)	-6%
Medi-Cal Non-Mandatory	9,142	8,458	684	8%
Healthy Families	7,454	8,035	(581)	-7%
Group Care	5,047	4,344	703	16%
Healthy Kids (new 10/05)	1,057	993	64	6%
Total	86,023	89,552	(3,529)	-4%

Revenue

For the current month and for the year to date, revenue was within 1% of budget. Overall this reflected a changing Medi-Cal mix, with declines in the membership offset by increases in the mandatory population that are capitated by the State at a higher revenue rate.

Medical Expense

For the current month, total medical expense was \$12.8 million or \$1.7 million (15%) over budget while year to date total medical expense was \$97.5 million or \$1.5 million (1.5%) over budget. Much of the current month and year to date unfavorable medical expense variances pertain to a sharp increase in high dollar inpatient hospitalizations. In the previous fiscal year, high dollar cases averaged approximately \$600 thousand per quarter. In the current fiscal year, average quarterly high dollar case expenses were

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For the Month & Year to Date Ended March 31, 2007

\$1.5 million with \$1.9 million for the quarter ended March 31, 2007. Many of these cases come from the Medi-Cal Non-Mandatory and Group Care programs and result from a mix of chronic conditions, accidents and premature births. Also noted was a rise in the average cost per admission. For cases under \$50 thousand, the average cost per admission has increased approximately 10% over the prior fiscal year.

Pharmacy costs reflect an increase in specialty pharmacy costs (infusion and chemo therapies) and correction of a timing difference in the current month pertaining to the payment of bi-weekly invoices. specialty care expense is higher than budget, mainly due to higher than anticipated obstetrics expenses. Partially offsetting the inpatient and other unfavorable variances are: (1) visits to directly contracted primary care physicians under fee-for-service arrangements continue to be lower than expected and (2) emergency room utilization has not increased at the rate anticipated.

Certain factors are included in the year to date totals that relate to prior periods, including: (a) PCP provider bonuses for FY06 performance (\$880 thousand, unfavorable), (b) changes in prior period medical expense estimates (\$1.1 million, unfavorable), and (c) reinsurance recoveries in excess of projected receivable (\$348 thousand, favorable). If these items are excluded, medical expense for the year to date would have been \$96.8 million, \$745 thousand (<1%) over budget for the year to date, including the unfavorable trends discussed above. Year to date medical expense, adjusted to exclude the impact of the above factors, was comprised of the following:

Year to Date Medical Expense - Actual vs. Plan
Adjusted to Reflect Prior Period Activity

Favorable/(Unfavorable)

				Per Member Month			
	Actual	Budget	Variance	Actual	Budget	Variance	
Primary Care Physician	\$ 10,532,597	\$ 11,590,647	\$ 1,058,050	\$ 13.33	\$ 14.61	\$ 1.28	9%
Specialty Care Physician	14,020,357	13,377,638	(642,718)	17.75	16.87	(0.88)	-5%
Ancillary Services	21,721,779	22,311,794	590,016	27.50	28.13	0.63	2%
Pharmacy	13,728,503	13,636,665	(91,839)	17.38	17.19	(0.19)	-1%
Emergency Services	5,314,030	5,671,740	357,709	6.73	7.15	0.42	6%
Inpatient Hospital & SNF	28,574,201	26,283,577	(2,290,624)	36.17	33.14	(3.03)	-9%
Other Benefits & Services	2,717,138	2,802,646	85,508	3.44	3.53	0.09	3%
Reinsurance Expense	177,701	366,258	188,557	0.22	0.46	0.24	51%
Total	\$ 96,786,306	\$ 96,040,965	\$ (745,341)	\$ 122.52	\$ 121.09	\$ (1.43)	-1%

Administrative Expense

For the current month, administrative expense exceeded budget by \$155 thousand (13%), while year to date administrative expense was under budget by \$118 thousand (1%). Much of the unfavorable current month variance and favorable year to date variance resulted from the timing of printing, consultants and other professionals engaged on various projects. These projects were budgeted but the actual timing differed from that budgeted.

Balance Sheet

Current assets totaled \$31.8 million compared to current liabilities of \$14.7 million yielding a current ratio, the ratio of current assets to current liabilities, of 2.16:1.

Alameda Alliance for Health
CFO Finance Report
For the Month & Year to Date Ended March 31, 2007

Tangible Net Equity

Tangible net equity (TNE) was \$25.1 million compared to the minimum TNE required by the Department of Managed Care (DMHC) of \$7.1 million. Actual TNE is 3.52 times required TNE and therefore includes an excess above the minimum TNE required by statute of \$18 million.

Respectfully submitted,

John Volkober,
Chief Financial Officer

ALAMEDA ALLIANCE FOR HEALTH
STATEMENT OF REVENUE & EXPENSES
ACTUAL VS. BUDGET
COMBINED BASIS (RESTRICTED & UNRESTRICTED FUNDS)
FOR THE MONTH AND FISCAL YTD ENDED MARCH 31, 2007

	CURRENT MONTH			FISCAL YEAR TO DATE		
	Actual	Budget	% Variance (Unfavorable)	Actual	Budget	% Variance (Unfavorable)
MEMBER MONTHS						
1 - Medi-Cal (incl. Mand & Non-Mand)	72,465	74,108	(2.2%)	669,850	669,892	0.0%
2 - Healthy Families	7,454	8,364	(10.9%)	67,956	73,764	(7.9%)
5 - Group Care	5,047	4,400	14.7%	42,777	39,600	8.0%
6 - Healthy Kids	1,057	1,100	(3.9%)	9,397	9,900	(5.1%)
7 - Total Member Months	86,023	87,972	(2.2%)	789,980	793,156	(0.4%)
8 - Admin Exp % of Revenue	11%	10%	-1%	10%	10%	0%
REVENUE						
9 - Premium Revenue	\$11,823,580	\$11,825,733	(\$2,153)	\$104,947,633	\$105,121,881	(\$174,249)
10 - Grant Revenue	77,436	84,860	(7,424)	673,013	761,432	(88,419)
11 - Other Revenue	274	0	274	4,636	0	4,636
12 - TOTAL REVENUE	11,901,290	11,910,593	(9,303)	105,625,281	105,883,313	(258,032)
MEDICAL EXPENSES						
13 - Primary Care Physician	1,094,482	1,285,273	190,791	11,375,987	11,590,646	214,659
14 - Specialty Care Physician	1,672,507	1,489,771	(182,736)	13,732,870	13,377,638	(355,232)
15 - Ancillary Services	2,541,276	2,505,947	(35,729)	21,408,143	22,311,796	903,653
16 - Pharmacy	2,088,068	1,669,133	(418,935)	14,153,602	13,636,665	(516,937)
17 - Emergency Services	737,317	631,583	(105,734)	5,571,551	5,671,741	100,190
18 - Inpatient Hospital & SNF	4,473,193	3,260,875	(1,212,318)	28,712,607	26,283,577	(2,429,030)
19 - Other Benefits and Services	222,954	282,013	59,059	2,717,138	2,802,644	85,506
20 - Reinsurance Expense	21,712	41,260	19,548	(170,562)	366,826	536,826
22 - Total Medical and Hospital Expenses	12,851,509	11,165,455	(1,686,054)	97,501,325	96,040,971	(1,460,365)
23 - Gross Margin	(950,219)	745,138	(1,695,358)	8,123,946	9,842,342	(1,718,397)
ADMINISTRATIVE EXPENSES						
24 - Personnel Expenses	675,278	707,944	32,666	6,311,171	6,449,775	138,603
25 - Other Administrative Expenses	627,986	440,620	(187,366)	4,169,103	4,148,679	(20,424)
26 - Total Administrative Expenses	1,303,264	1,148,564	(154,700)	10,480,274	10,598,453	118,180
27 - NET OPERATING INCOME / (LOSS)	(2,253,483)	(403,426)	(1,850,057)	(2,356,328)	(756,111)	(1,600,217)
OTHER INCOME / (LOSS)						
28 - Investment Income	92,766	60,850	31,916	827,211	586,112	241,099
29 - Unrealized Investment Gain / (Loss)	6,317	0	6,317	92,986	0	92,986
31 - Total Other Income / (Expense)	99,082	60,850	38,232	920,196	586,112	334,084
32 - NET INCOME / (LOSS)	(\$2,154,401)	(\$342,576)	(\$1,811,825)	(\$1,436,132)	(\$169,999)	744.8%

ALAMEDA ALLIANCE FOR HEALTH
STATEMENT OF OPERATIONS
BY LINE OF BUSINESS (INCLUDING ALLOCATED EXPENSES)
Combined Basis (Unrestricted & Restricted Funds)

FOR THE FISCAL YTD ENDED MARCH 31, 2007

	Medi-Cal	Healthy Families	Family Care	First Care	IHSS	Healthy Kids	Total
P&L (ALLOCATED BASIS) - GAAP FINANCIAL STATEMENT FORMAT							
REVENUE	\$91,274,949	\$4,950,665	\$0.00	\$0.00	\$8,643,908	\$765,759	\$105,625,281
MEDICAL EXPENSES	84,400,865	4,193,494	1,961	197	8,272,670	632,148	97,501,335
GROSS MARGIN	6,874,083	757,171	(1,961)	(197)	371,238	123,611	8,123,946
ADMINISTRATIVE EXPENSES (% of MM Allocation)	8,886,568	901,539	0.00	0.00	567,501	124,665	10,480,274
OPERATING INCOME / (LOSS)	(2,012,485)	(144,368)	(1,961)	(197)	(196,263)	(1,054)	(2,356,328)
OTHER INCOME / (EXPENSE) (% of MM Allocation)	780,265	79,158	0.00	0.00	49,828	10,946	920,196
NET INCOME / (LOSS)	(\$1,232,220)	(\$65,210)	(\$1,961)	(\$197)	(\$146,435)	\$9,892	(\$1,436,132)
PMPM ALLOCATED P&L:							
REVENUE	\$136.26	\$72.85	\$0.00	\$0.00	\$202.07	\$80.43	\$133.71
MEDICAL EXPENSES	125.00	61.71	\$0.00	\$0.00	193.39	67.27	123.42
GROSS MARGIN	10.26	11.14	\$0.00	\$0.00	8.68	13.15	10.28
ADMINISTRATIVE EXPENSES	13.27	13.27	\$0.00	\$0.00	13.27	13.27	13.27
OPERATING INCOME / (LOSS)	(3.00)	(2.12)	\$0.00	\$0.00	(4.59)	(0.11)	(2.98)
OTHER INCOME / (EXPENSE)	1.16	1.16	\$0.00	\$0.00	1.16	1.16	1.16
NET INCOME / (LOSS)	(\$1.84)	(\$0.96)	\$0.00	\$0.00	(\$3.42)	\$1.05	(\$1.82)

Alameda Alliance for Health

Variance Analysis

Month Ended March 31, 2007 (Actual vs Budget)

	FY07 Actual	FY07 Budget	\$ Variance Favorable (Un)	Volume Variance	Rate Variance	Total Variance
TOTAL MEMBER MONTHS	<u>86,023</u>	<u>87,972</u>	<u>(1,949)</u>			
Revenue						
Premium Revenue	\$137.45	\$134.43	\$3.02	(\$261,996)	\$259,843	(\$2,154)
Grant Programs Funding	0.90	0.96	(0.06)	0	(7,424)	(7,424)
Other Revenue	0.00	0.00	0.00	0	274	274
	<u>138.35</u>	<u>135.39</u>	<u>2.96</u>	<u>(261,996)</u>	<u>252,693</u>	<u>(9,304)</u>
Medical Costs						
Primary Care Physician	12.72	14.61	1.89	28,475	162,315	190,790
Specialty Care Physician	19.44	16.93	(2.51)	33,006	(215,742)	(182,736)
Ancillary Services	29.54	28.48	(1.06)	55,510	(91,239)	(35,729)
Pharmacy	24.27	18.97	(5.30)	36,979	(455,915)	(418,935)
ER Services	8.57	7.18	(1.39)	13,993	(119,727)	(105,734)
Inpatient Hospital & SNF	52.00	37.07	(14.93)	72,244	(1,284,562)	(1,212,319)
Other Benefits and Services	2.59	3.21	0.61	6,248	52,810	59,058
Reinsurance Expense	0.25	0.47	0.22	914	18,633	19,547
Risk Share	0.00	0.00	0.00	0	0	0
	<u>149.40</u>	<u>126.92</u>	<u>(22.48)</u>	<u>247,368</u>	<u>(1,933,427)</u>	<u>(1,686,058)</u>
Administrative Expense						
Salaries and Benefits	7.85	8.05	0.20	0	32,664	32,664
Other Expense	7.30	5.01	(2.29)	0	(187,364)	(187,364)
	<u>15.15</u>	<u>13.06</u>	<u>(2.09)</u>	<u>0</u>	<u>(154,699)</u>	<u>(154,699)</u>
	<u>(26.20)</u>	<u>(4.59)</u>	<u>(21.61)</u>	<u>(14,628)</u>	<u>(1,835,433)</u>	<u>(1,850,062)</u>
Operating Income (Loss)						
Non Operating Income						
Interest Income	1.08	0.69	0.39	0	31,918	31,918
Unrealized Market Gains/Losses	0.07	0.00	0.07	0	6,317	6,317
Rental Income	0.00	0.00	0.00	0	0	0
	<u>1.15</u>	<u>0.69</u>	<u>0.46</u>	<u>0</u>	<u>38,235</u>	<u>38,235</u>
	<u>(\$25.04)</u>	<u>(\$3.89)</u>	<u>(\$21.15)</u>	<u>(\$14,628)</u>	<u>(\$1,797,198)</u>	<u>(\$1,811,826)</u>
Net Income (Loss)						

REPORT #2C

Alameda Alliance for Health
 Variance Analysis
 Year-to-Date Ended March 31, 2007 (Actual vs Budget)

	<u>FY07 Actual</u>	<u>FY07 Budget</u>	<u>\$ Variance Favorable (Un)</u>	<u>Volume Variance</u>	<u>Rate Variance</u>	<u>Total Variance</u>
TOTAL MEMBER MONTHS	<u>789,980</u>	<u>793,156</u>	<u>(3,176)</u>			
Revenue						
Premium Revenue	\$132.85	\$132.54	\$0.31	(\$420,935)	\$246,685	(\$174,250)
Grant Programs Funding	0.85	0.96	(0.11)	0	(88,419)	(88,419)
Other Revenue	0.01	0.00	0.01	0	4,637	4,637
	<u>133.71</u>	<u>133.50</u>	<u>0.21</u>	<u>(420,935)</u>	<u>162,903</u>	<u>(258,032)</u>
Medical Costs						
Primary Care Physician	14.40	14.61	0.21	46,412	168,246	214,658
Specialty Care Physician	17.38	16.87	(0.52)	53,567	(408,796)	(355,229)
Ancillary Services	27.10	28.13	1.03	89,342	814,307	903,649
Pharmacy	17.92	17.19	(0.72)	54,605	(571,542)	(516,937)
ER Services	7.05	7.15	0.10	22,711	77,475	100,187
Inpatient Hospital & SNF	36.35	33.14	(3.21)	105,246	(2,534,279)	(2,429,032)
Other Benefits and Services	3.44	3.53	0.09	11,223	74,285	85,508
Reinsurance Expense	(0.22)	0.46	0.68	1,467	535,353	536,819
Risk Share	0.00	0.00	0.00	0	0	0
	<u>123.42</u>	<u>121.09</u>	<u>(2.34)</u>	<u>384,573</u>	<u>(1,844,950)</u>	<u>(1,460,377)</u>
Administrative Expense						
Salaries and Benefits	7.99	8.13	0.14	0	138,598	138,598
Other Expense	5.28	5.23	(0.05)	0	(20,424)	(20,424)
	<u>13.27</u>	<u>13.36</u>	<u>0.10</u>	<u>0</u>	<u>118,173</u>	<u>118,173</u>
Operating Income (Loss)	<u>(2.98)</u>	<u>(0.95)</u>	<u>(2.03)</u>	<u>(36,362)</u>	<u>(1,563,874)</u>	<u>(1,600,236)</u>
Non Operating Income						
Interest Income	1.05	0.74	0.31	0	241,110	241,110
Unrealized Market Gains/Losses	0.12	0.00	0.12	0	92,986	92,986
Rental Income	0.00	0.00	0.00	0	0	0
	<u>1.16</u>	<u>0.74</u>	<u>0.43</u>	<u>0</u>	<u>334,096</u>	<u>334,096</u>
Net Income (Loss)	<u>(\$1.82)</u>	<u>(\$0.21)</u>	<u>(\$1.60)</u>	<u>(\$36,362)</u>	<u>(\$1,229,777)</u>	<u>(\$1,266,140)</u>

REPORT #2D

ALAMEDA ALLIANCE FOR HEALTH
SUMMARY BALANCE SHEET
CURRENT MONTH VS. PRIOR MONTH
MARCH 31, 2007

	March	February	Difference	% Difference
CURRENT ASSETS:				
Cash & Equivalents	\$5,291,106	\$3,397,257	\$1,893,849	55.75%
Short-Term Investments	12,195,681	23,392,574	(11,196,893)	-47.87%
Interest Receivable	38,718	47,276	(8,558)	-18.10%
Other Receivables - Net	13,599,292	4,279,948	9,319,344	217.74%
Prepaid Expenses	664,193	794,419	(130,226)	-16.39%
TOTAL CURRENT ASSETS	31,789,990	31,911,474	(122,484)	-0.38%
OTHER ASSETS:				
Restricted Assets	343,704	342,798	907	0.26%
Restricted Cash - Grants	648,327	565,113	83,214	14.73%
TOTAL OTHER ASSETS	992,031	907,910	84,121	9.27%
PROPERTY AND EQUIPMENT:				
Land, Building & Improvements	6,519,461	6,519,461	0	0.00%
Furniture And Equipment	4,829,794	4,773,114	56,680	1.19%
Fixed Assets at Cost	11,349,256	11,292,576	56,680	0.50%
Less: Accumulated Depreciation	(4,270,642)	(4,226,652)	(43,989)	1.04%
NET PROPERTY AND EQUIPMENT	7,078,614	7,065,923	12,691	0.18%
TOTAL ASSETS	\$39,859,635	\$39,885,307	(\$25,672)	-0.06%
CURRENT LIABILITIES:				
Accounts Payable	\$1,840,111	\$1,062,469	\$777,643	73.19%
Claims Payable	1,293,449	1,149,104	144,344	12.56%
IBNR Reserves	10,945,859	9,392,562	1,553,297	16.54%
Payroll Liabilities	598,073	956,538	(358,465)	-37.48%
Deferred Revenue	23,844	23,934	(90)	-0.38%
TOTAL CURRENT LIABILITIES	14,701,336	12,584,608	2,116,728	16.82%
TOTAL LIABILITIES	14,701,336	12,584,608	2,116,728	16.82%
NET WORTH:				
Contributed Capital	840,233	840,233	0	0.00%
Restricted & Unrestricted Funds	25,754,198	25,742,198	12,000	0.05%
Year-to Date Net Income / (Loss)	(1,436,132)	718,269	(2,154,401)	-299.94%
TOTAL NET WORTH	25,158,299	27,300,700	(2,142,401)	-7.85%
TOTAL LIABILITIES AND NET WORTH	\$39,859,635	\$39,885,307	(\$25,672)	-0.06%

**ALAMEDA ALLIANCE FOR HEALTH
CASH FLOW STATEMENT
FOR THE MONTH, THREE MONTHS, SIX MONTHS & FISCAL YTD ENDED
3/31/2007**

Line #	Description	MONTH	3 MONTHS	6 MONTHS	YTD
CASH FLOW STATEMENT:					
Cash Flows from Operating Activities:					
	Cash received from:				
	Capitation received from State of CA	\$1,273,083	\$32,656,369	\$65,969,814	\$85,421,665
	Commercial premium revenue	1,046,337	3,316,911	6,245,367	8,996,853
	Grant income	83,909	248,023	503,235	732,527
	Investment income	107,640	320,944	646,690	974,179
	Cash paid to providers for:				
	Medical & hospital expenses	(10,963,341)	(33,232,502)	(64,163,454)	(94,174,442)
	Vendors & employees	(709,871)	(2,952,563)	(6,168,273)	(11,283,955)
	Net cash provided by (used in) operating activities	(9,162,243)	357,182	3,033,379	(9,333,173)
Cash Flows from Financing Activities:					
	Purchases of fixed assets	(56,680)	(126,054)	(378,199)	(443,154)
	Net cash provided by (used in) financing activities	(56,680)	(126,054)	(378,199)	(443,154)
Cash Flows from Investing Activities:					
	Changes in investment balance	11,196,893	2,590,875	376,815	14,257,591
	Restricted cash	(84,121)	(371,304)	(272,852)	(215,440)
	Net cash provided by (used in) investing activities	11,112,772	2,219,571	103,963	14,042,151
	Net Change in Cash	1,893,849	2,450,799	2,759,143	4,265,824
	Cash @ Beginning of Period	3,397,257	2,840,307	2,531,966	1,025,283
	Cash @ End of Period	\$5,291,106	\$5,291,106	\$5,291,106	\$5,291,106
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:					
	Net Income / (Loss)	(\$2,154,400)	(\$2,872,537)	(\$4,382,180)	(\$1,436,131)
	Depreciation	43,989	124,857	237,016	348,861
	Net change in operating Assets & Liabilities:				
	Premiums & other receivables	(9,310,785)	808,794	2,660,457	(9,832,560)
	Prepaid expenses	130,226	186,611	124,001	(139,834)
	Trade payables	863,779	700,575	792,999	41,469
	Claims payable & IBNR	1,697,640	1,084,801	3,282,573	2,426,276
	Deferred revenue	11,910	312,332	311,626	312,924
	Other liabilities	(444,601)	11,749	6,886	(1,054,177)
	Cash Flows from Operating Activities	(\$9,162,243)	\$357,182	\$3,033,379	(\$9,333,173)

ALAMEDA ALLIANCE FOR HEALTH
TANGIBLE NET EQUITY (TNE)
SUMMARY

	Post-Audit											
	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07		
Current Month Net Income / (Loss)	\$1,313,099	\$919,122	\$621,059	\$1,405,867	\$97,916	(\$725,717)	(\$881,842)	\$59,933	(\$778,069)	(\$2,154,401)		
YTD Net Income / (Loss)	\$7,288,876	\$919,122	\$1,540,181	\$2,946,048	\$3,043,964	\$2,318,247	\$1,436,405	\$1,496,338	\$719,269	(\$1,436,132)		
Actual TNE	\$26,282,431	\$27,201,552	\$27,822,612	\$29,228,478	\$29,326,395	\$28,600,678	\$27,718,836	\$28,078,768	\$27,300,700	\$25,168,299		
Required TNE	\$6,378,988	\$6,214,078	\$6,337,828	\$6,135,672	\$6,376,007	\$6,649,093	\$6,826,260	\$6,846,737	\$6,908,013	\$7,154,665		
TNE Excess / (Deficiency)	\$19,903,443	\$20,987,474	\$21,484,784	\$23,092,806	\$22,950,388	\$21,951,585	\$20,892,576	\$21,232,031	\$20,392,687	\$18,003,634		
Actual TNE as a Multiple of Required	4.12	4.38	4.39	4.76	4.60	4.30	4.06	4.10	3.95	3.52		