

COMMENTS AND EXPLANATIONS

FISCAL MONITORING REPORT

The report is divided into four sections:

- Section 1 contains budget versus actual information for the prior year and current year.
 - Revenue
 - Total Local Funds
 - Total County Funds
 - Total State, Federal, and Medicaid Funds
 - Total Revenue
 - Expenditures
 - Net Income or (loss) from operations
 - Net Income or (Loss) (from Operations and Risk Revenue) includes the Medicaid Risk Revenue that by statute the state will not allow LME MCOs to access.
 - Less Risk Reserve Revenue is the amount of Medicaid Risk Reserve Revenue included in the Net Income or (Loss) (from Operations and Risk Revenue) even though the LME/MCO does not have access to those funds.
 - Net Income or (Loss) from Operations is the true operating income or (loss) not counting the Medicaid Risk Revenue that is restricted by state statute and not accessible to the LME/MCO.
- Section 2 Fund Balance contains information on the restricted and unrestricted components that comprise the Fund Balance.
 - Restricted Fund Balance for Risk Reserve contains the amount of Medicaid Risk Reserve that is restricted by statute and not accessible to the LME/MCO.
 - Restricted Fund Balance – State Statute, Prepaids & Investments in Fixed Assets represents amounts of funds already expended but not yet expensed or fully depreciated that are not readily available for use by the LME/MCO.
 - Unrestricted Fund Balance (Including Board Commitments) are funds available for use.
 - Total Fund Balance represents the sum of the restricted and unrestricted fund balances.
- Section 3 Current Cash Position contains information on cash that is available for use and cash that is restricted by state statute and is not available for use.
 - Current Cash in Bank (Including Risk Reserve) represents Vaya's total cash and investments including the Medicaid Risk Reserve, that is restricted by state statute and unavailable for use by the LME/MCO.
 - Less Risk Reserve Cash – Set Aside is the amount of Medicaid Risk Reserve that is restricted by state statute and unavailable for use by the LME/MCO.
 - Total Operating Cash is the amount of cash and investments that are available for the LME/MCO to use. It does not include funds that are unavailable to the LME/MCO such as the Medicaid Risk Reserve.
- Section 4 Estimated Services Incurred But Not Yet Reported (IBNR) represents an estimate based on historical claims patterns for services that have been received by recipients, but have not yet been billed by providers or, received and paid by the LME/MCO.

VAYA HEALTH TOTAL SPENDABLE CASH

This report starts with the Total Operating Cash contained in Section 3 of the Fiscal Monitoring Report and adds or subtracts items that will be paid or received in the future. It also subtracts an amount equal to 30 days operating cash (approximately \$1.1 million per calendar day) to show the amount of unrestricted cash that is prudently available for use should there be unforeseen interruptions in revenue .

Total Cash (Excluding Risk Reserve) ties to Total Operating Cash in Section 3 of the Fiscal Monitoring Report.

Less Accounts Payable represents the total amount of the items to be paid for both services (claims incurred but not reported or paid) and items to be paid for non-service items.

Plus Accounts Receivable represents the total amount of funds to be collected in the future.

Less Annual Leave Payout represents the liability for unused annual leave to be taken or paid out if the employee leaves the company.

Less Post Employment Benefits represents the liability for vested retirement benefits.

Less 30 Days Cash represents a minimal period of time to keep a cushion of cash to continue operations should there be unforeseen interruptions in revenue. The current level of cash used for operations (including services and administration) is approximately \$1.1 million per calendar day.