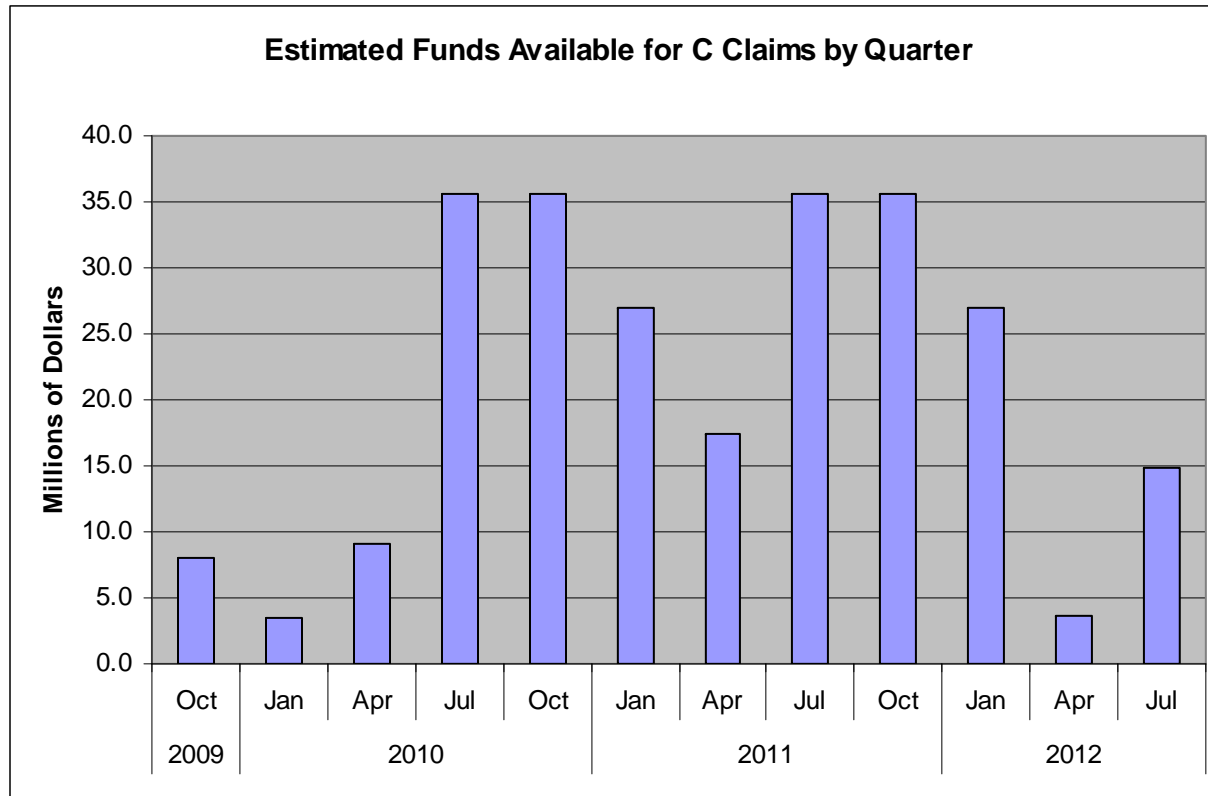


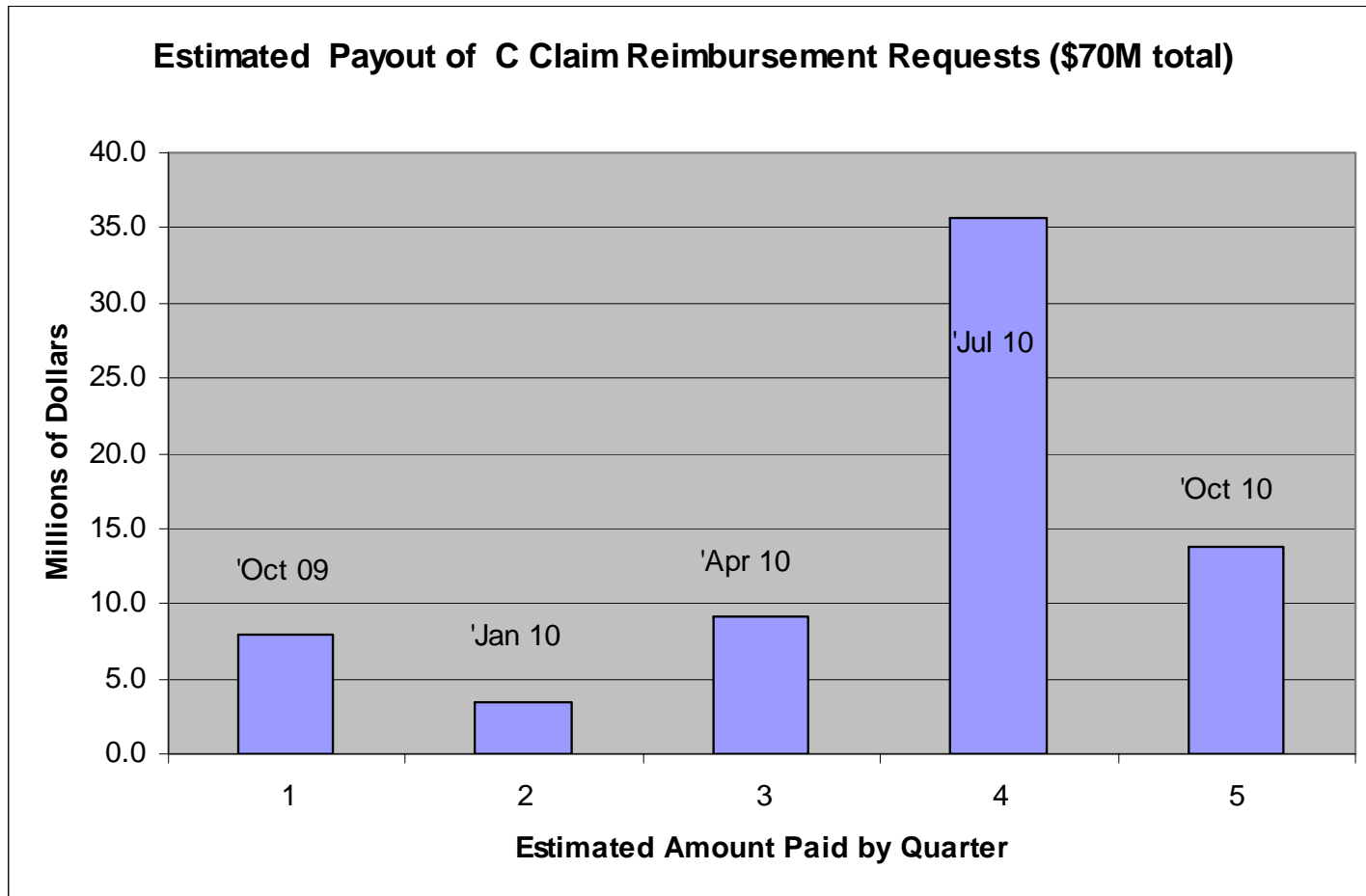
# Cash Flow Analysis for Un- Suspending C Claims

November 17, 2009  
DRAFT

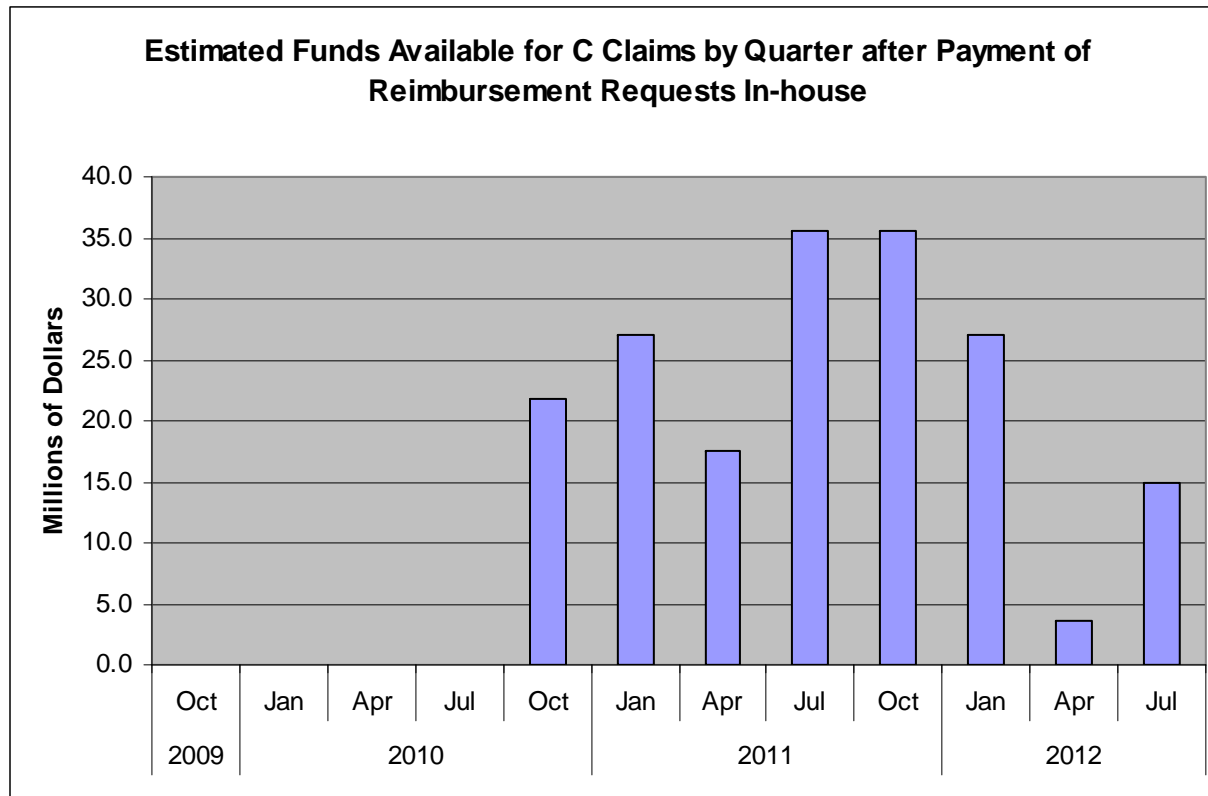
An estimated \$253 million will be available to pay C claims over the next three years. This covers the current quarter through the eight quarters of fee increase included in AB 1188 and two quarters following. The pattern reflects Fiscal Year 2009 base revenue with AB 1188 revenue added.



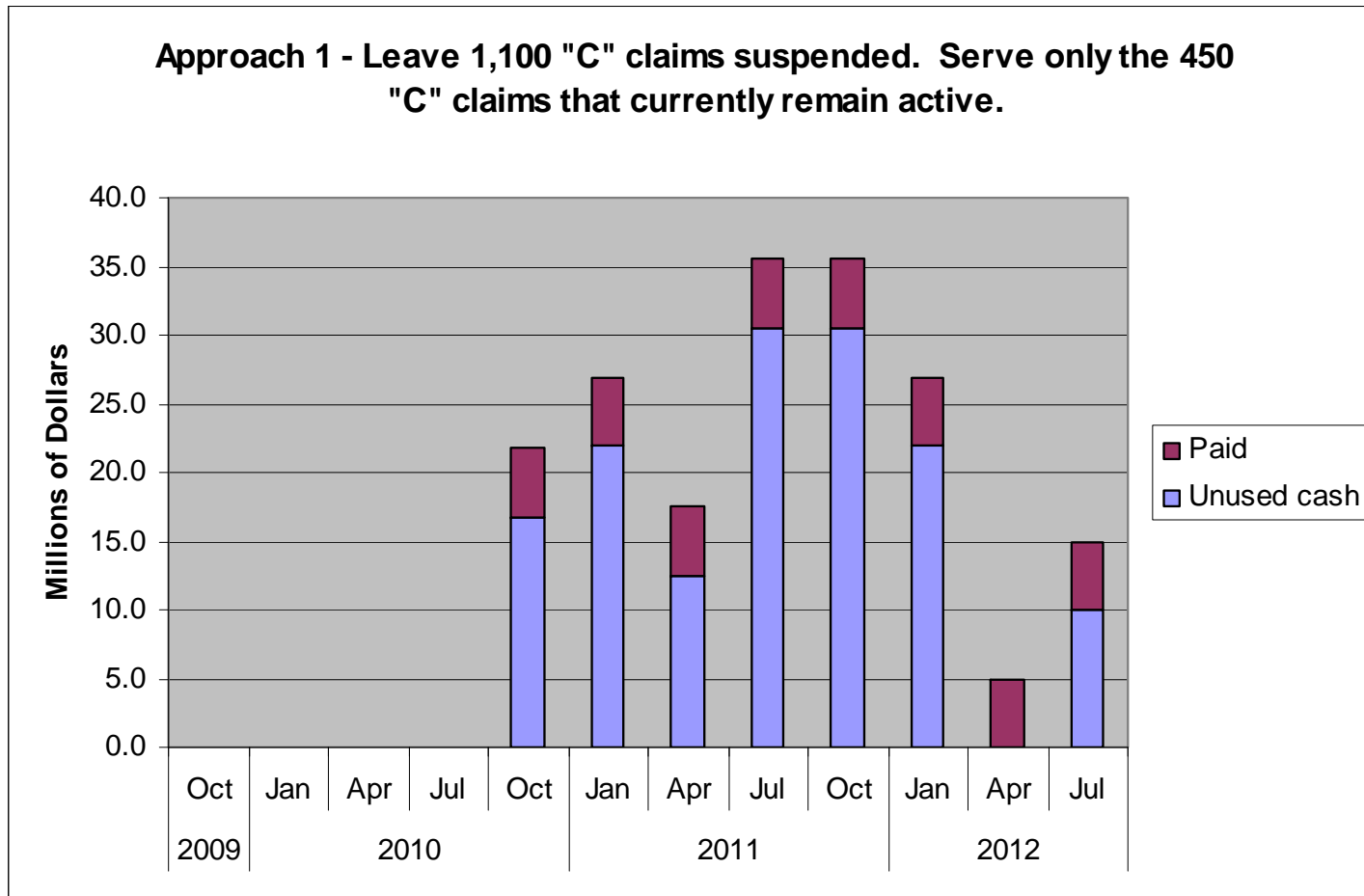
There are currently an estimated \$70 million of unpaid “C” Claim reimbursement requests in house. Based on the previous fund availability projection, these can be paid over the next five quarters as shown.



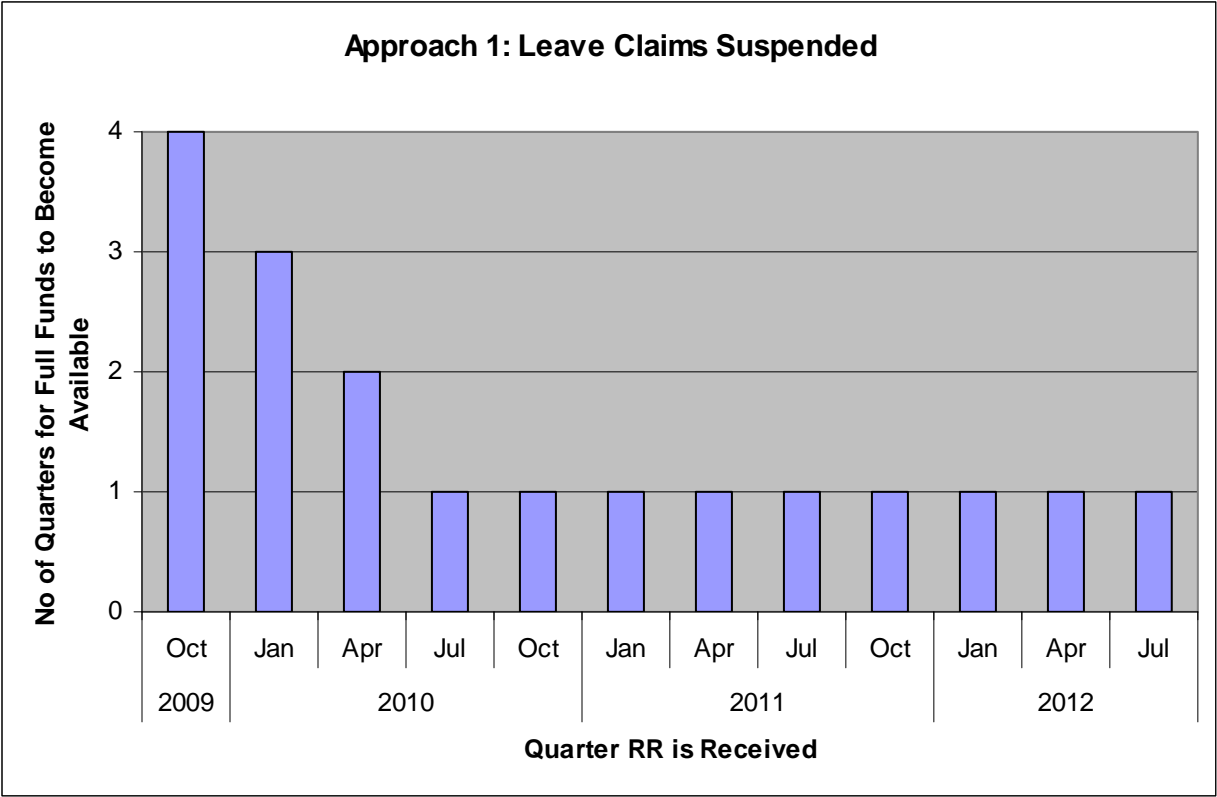
This leaves about \$183 million available for new “C” claim reimbursement requests during the 8 remaining quarters in the timeframe being considered, for an average of about \$23 million/qtr.



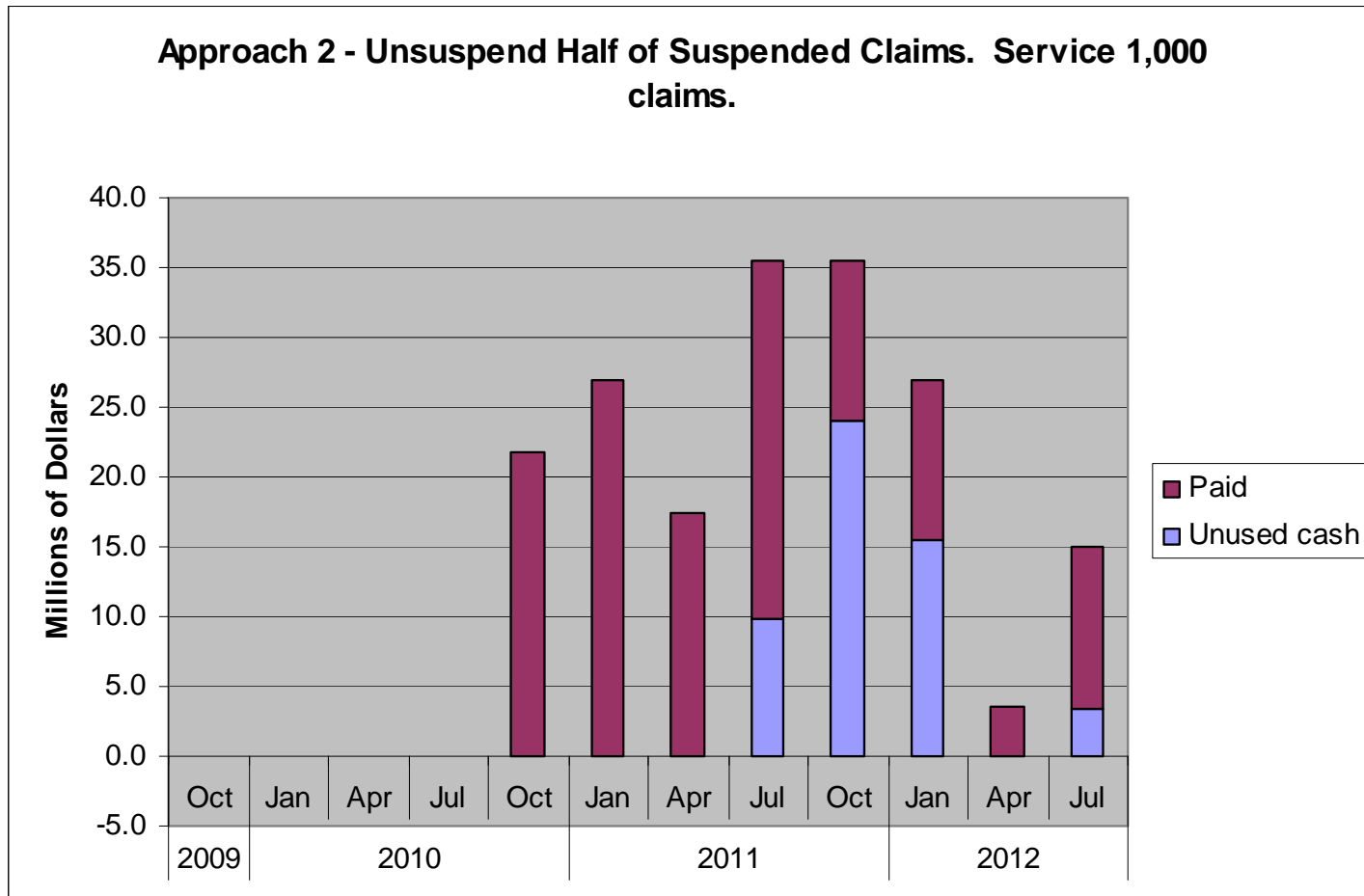
Let's examine three approaches for un-suspending C claims. Say we don't un-suspend any claims and only continue to serve the current 450± that are not un-suspended. This is what fund usage might look like after the \$70 million in-house is paid-out. Assuming demand of \$5+ million/qtr. Leaves over \$140 million on the table.



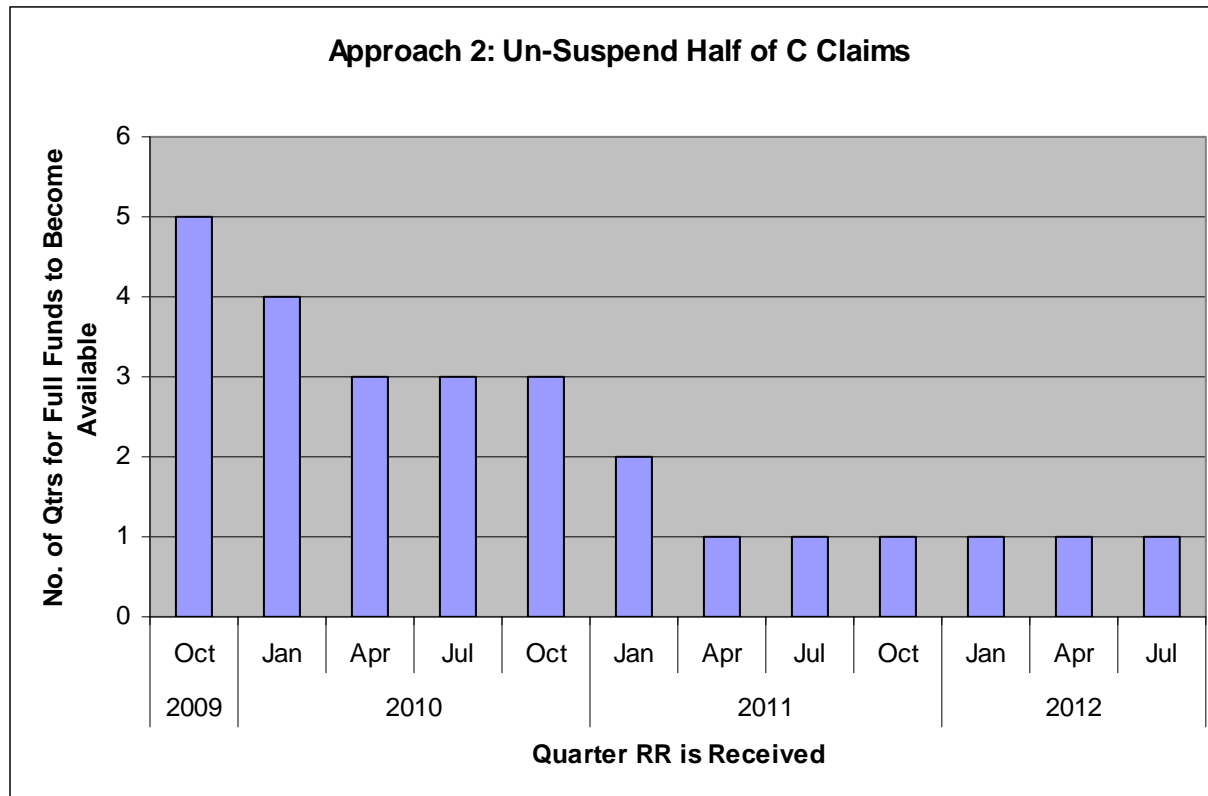
This slide shows the estimated time for funds to become available after submittal of the RR, in quarters. Initially funds would be available in two to four quarters. Beginning late 2010, funds would be available during the same qtr demand is received .



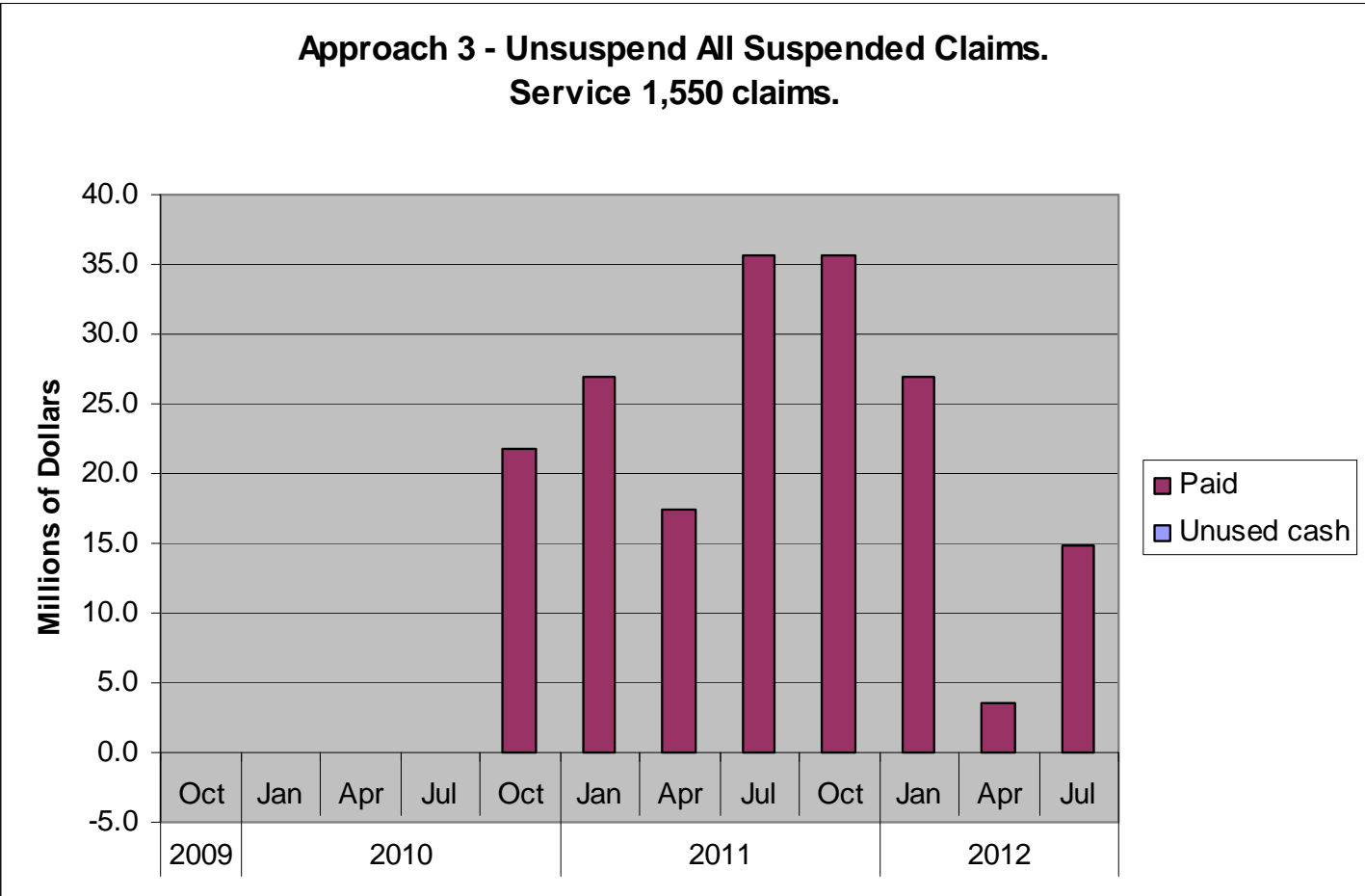
Say we un-suspend half the suspended claims for a total of 1000 active claims. This is what fund usage might look like after the \$70 million in-house is paid-out. Assuming demand of \$11.5 million/qtr. Leaves about \$44 million on the table.



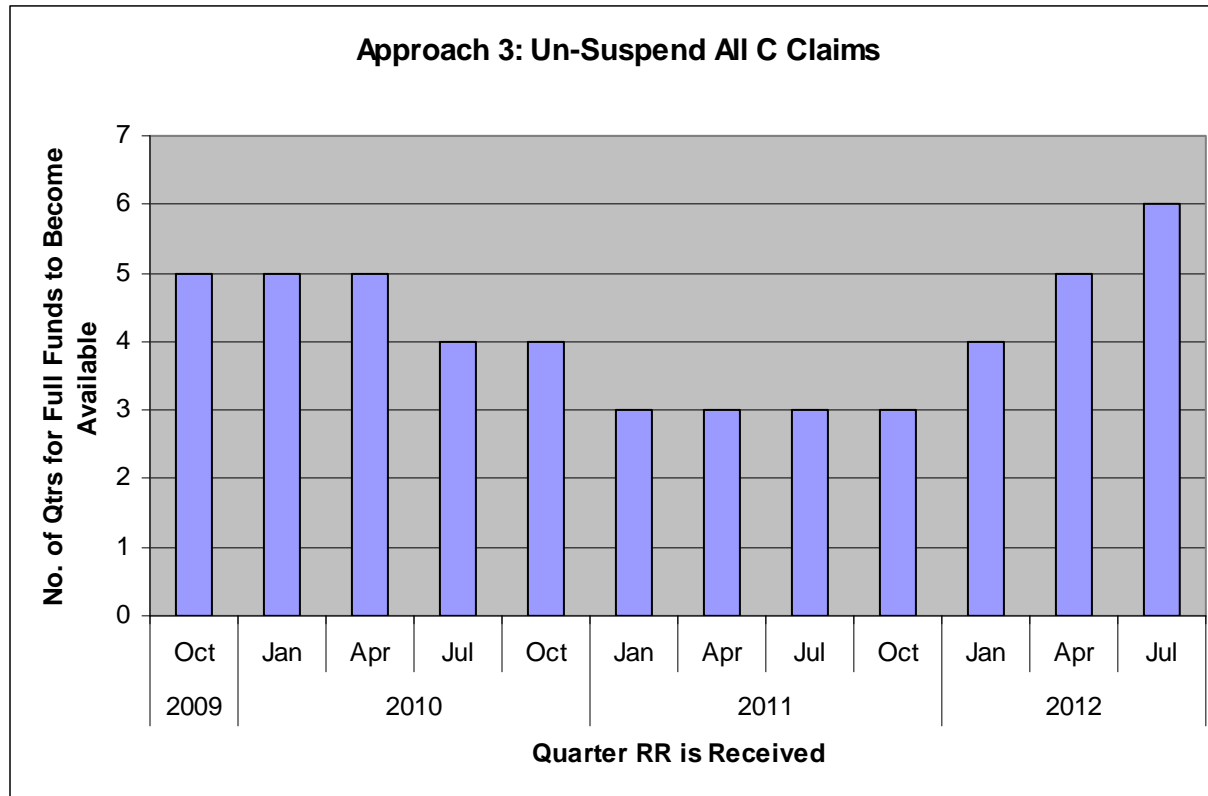
this Under approach funds would initially be available in 3 to 5 quarters, dropping to less than one quarter beginning in 2011. This doesn't take into account potential delays in processing, which could add one or two quarters.



Finally, say we un-suspend all of the suspended claims for a total of 1550 active claims. This is what fund usage might look like after the \$70 million in-house is paid-out. Assuming demand of \$17.8 million/qtr. Leaves no money “on the table”.



Funds would be available in 5 qtrs at beginning and fall to 3 qtrs by mid 2011. Wait period would grow quickly after AB1188 funds end. These figures don't take into account potential processing delays, which could add two to four quarters.



## Summary of Three Approaches For Un-Suspending C Claims

<b>Approach</b>	<b>Leave Claims Suspended</b>	<b>Un-suspend Half of Claims</b>	<b>Un- suspend All C Claims</b>
Active/Suspended Claims	450/1100 claims	1000/550 claims	1550/0 claims
Unsubmitted Demand	\$0	\$23 mill.	\$46 mill
Qtrly/Yrly Demand	\$5/\$20.7 mill.	\$11.5/\$46 mill.	\$17.8/\$71.3 mill.
Funds "Left on Table"	\$140 mill. during 2011-12	\$44 mill. during late 2011-12	None
Wait for funds after current backlog paid	4 qtrs drops to <1qtr by mid 2010	4-5 qtrs drops to <1qtr by mid-2011	4-5 qtrs drops to 3 qtrs for 2011
Trend after AB1188 fees end	Plenty of funds available	No change for at least 3 years due to cash reserve	Wait period climbs immediately
Est. Potential Workload impact	Minimal effect	Add 1-2 qtrs to wait	Add 3-4 qtrs to wait