

**Florida Health Maintenance Organization
Consumer Assistance Plan
Investment Report
As of July 31, 2017**

The Florida Health Maintenance Organization Consumer Assistance Plan ("FHMOCAP") diversifies its investment options to provide the maximum safety, availability and rate of return on its funds.

One of the FHMOCAP's primary investment vehicles is the State of Florida Treasurer's Special Purpose Investment Account ("SPIA"). Pursuant to the Investment Advisory Policy approved by the Board, funds are also invested in certificates of deposit ("CDs") and money market accounts at Wells Fargo. Additionally, the FHMOCAP maintains a checking account at Wells Fargo.

<i>Bank</i>	<i>Account Type</i>	<i>Balance as of July 31, 2017</i>	<i>Interest Rate</i>
Florida Treasury	SPIA	\$3,763,427.95	Variable
Wells Fargo	Money market	\$236,695.20	0.10% current variable APY
Wells Fargo	Checking	\$14,238.17	n/a
Wells Fargo	CD Ladder	\$5,226,651.02	Ranges between 1.00% and 2.150%, 23 CDs
Total:		\$9,241,012.34	

SPIA is an optional investment program developed for the investment of funds of state organizations. A fixed-income portfolio has been created by combining various sources of funds. This program offers liquidity to participating organizations as well as returns that have the ability to exceed money market rates. These returns are made possible because the stable level of investible funds allows the placement of approximately half of the portfolio in intermediate term bonds.

In March 2015, several changes/enhancements to the SPIA program were initiated. Program participation is now being limited to state agencies and component units of the state that were previously open to entities established by the Florida Constitution or Florida Statutes. Current non-component unit participants, such as the FLHMOCAP, are allowed to continue to invest with SPIA, but there are certain restrictions as to the amount that can be invested and the timing for withdrawals. Therefore, the FLHMOCAP is limited to an "immediate" withdrawal of about 40% of funds invested with SPIA, and it must provide 6 months' notice to withdraw the rest. Current non-component unit participants were capped to their 12/31/14 investment balance. However, SPIA does allow interest payments to be reinvested.

During calendar year 2017, net rates of return for the SPIA have varied from 1.1315% (MAR 2017) to 1.7549% (JUN 2017) with an average net rate of return of 1.4019%. As of July 31, 2017 the balance in the SPIA account was \$3,763,427.95.

In addition to the SPIA account, the FHMOCAP has a Money Market Account and a Laddered Portfolio of Brokered Certificate of Deposit Account containing 23 CDs.

The Wells Fargo Money Market Account is used to reduce the number of transfers from the SPIA to the Wells Fargo Checking for funding of payments for operating expenses for the FHMOCAP. This account assures the availability of immediate withdrawal of funds to cover operating costs for the FHMOCAP should funds at the SPIA not be available for same-day withdrawal. The goal is to maintain at least \$30,000 in this account at all times. The current balance in the account is \$236,695.20 and the current variable rate of return is 0.10%.

Because of the timing in the sale of existing CDs and the purchase of new ones, the balance in the Wells Fargo Money market Account can vary significantly.

The Wells Fargo CD Ladder Account, which was opened in January 2012, currently includes 23 CDs totaling \$5,226,651.02 which includes interest earned in the amount of \$1,651.02. The interest earned was transferred to the Wells Fargo Money Market Account on August 1, 2017. The amount of each CD is within the FDIC insurance limit of \$250,000, and all of the CDs have terms of less than 60 months. At this time, the rate of return ranges from 1.00% to 2.150%. On May 22, 2014, the board revised the investment policy/guidelines allowing up to 50% of the value of the funds held by the FHMOCAP in investments other than SPIA to have maturity dates exceeding 24 months, but no maturity dates may exceed 60 months. At that time, Wells Fargo Advisor, Scott Hilton, said the rates were about 2% for 60-month CDs and about 0.5% or less for the CDs with maturities of 24 months or less. Currently, 80.86% of our CDs have terms less than or equal to 24 months while 19.14% have terms greater than 24 months, but less than or equal to 60 months. Wells Fargo continues to stay within the guidelines set forth by the board. The laddered CD program helps give the FHMOCAP liquidity and a stable source of income.

We will continue to monitor Money Market and CD rates to insure that the FHMOCAP receives the safest maximum return on its investments.

The balance of FHMOCAP funds are retained in a Wells Fargo checking account.