

# Partnership HealthPlan of California Finance Committee Meeting Agenda

September 21, 2022 | 8:00 a.m. to 9:30 a.m.

Held at PHC's Southeast Regional Office at 4605 Business Center Drive, Fairfield, CA 94534  
(East Building, Conference Center A, First Floor)

## Video Conference Location

PHC's Southwest Regional Office at 495 Tesconi Circle, Santa Rosa, CA 95401,  
PHC's Northwest Regional Office at 1036 5<sup>th</sup> Street, Eureka, CA 95501,  
PHC's Northeast Regional Office at 2525 Airpark, Redding, CA 96001

*Per Governor Newsom Executive Order, N-25-20, as it relates to social distancing measures being taken for COVID-19. The Executive Order authorizes public meetings with Brown Act requirements to be held via teleconference or telephone. It waives the Brown Act requirement for physical presence at the meeting for members, the clerk, and/ or other personnel of the body as a condition of participation for a quorum. However, the Executive Order requires at least one public location consistent with ADA requirements to be made available for members of the public to attend the meeting, so all PHC offices will be available for members of the public to attend the meeting in-person.*

**Finance Committee Members:** Dave Jones, Chair, Alicia Hardy, Randall Hempling, Viola Lujan, Kathryn Powell, Nancy Starck, Mitesh Popat, M.D.

I.	Agenda Items	Lead	Page #	Time
1.	Agenda	Dave Jones, Chair	1	8:00
2.	Finance Committee Minutes – August 17, 2022 - <b>Decision</b>	Dave Jones, Chair	2	
3.	Commissioner Comments <i>At this time, committee members may provide comments and announcements.</i>	Commissioners	--	
4.	Public Comments <i>At this time, members of the public may address the committee on any non-agenda item of interest to the public that is within the subject matter jurisdiction of the committee. There will also be an opportunity to address the committee on a scheduled agenda item during the committee's consideration of that item. Speakers will be limited to three (3) minutes.</i>	Public	--	
II.	New Business			
1.	Brown Act Requirements: Open Meetings: State and Local Agencies – Teleconferences – <b>Decision</b>	Liz Gibboney	8	
2.	CEO's Health Plan Update – <b>Information</b>	Liz Gibboney	10	
3.	Resolution: Compliance Dashboard Q2-2022 – <b>Decision</b>	Dani Ogren	11	
4.	Approve July 2022 Metrics and Financials – <b>Decision</b>	Jeff Ingram	14	
III.	Adjournment			9:30

Government Code §54957.5 requires that public records related to items on the open session agenda for a regular finance meeting be made available for public inspection. Records distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the committee. The Finance Committee has designated the Administrative Assistant to the CFO as the contact for Partnership HealthPlan of California located at 4665 Business Center Drive, Fairfield, CA 94534, for the purpose of making those public records available for inspection. The Finance Committee Meeting Agenda and supporting documentation is available for review from 8:00 AM to 5:00 PM, Monday through Friday at all PHC regional offices (see locations above). It can also be found online at [www.partnershiphp.org](http://www.partnershiphp.org).

PHC meeting rooms are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the Administrative Assistant to the CFO at least two (2) working days before the meeting at (707) 863-4207 or by email at [odonovan@partnershiphp.org](mailto:odonovan@partnershiphp.org). Notification in advance of the meeting will enable the Administrative Assistant to make reasonable arrangements to ensure accessibility to this meeting and to materials related to it.

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda.

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PARTNERSHIP HEALTHPLAN OF CALIFORNIA  
MEETING MINUTES

*Per Governor Newsom, Executive Order, N-25-20 that relates to social distancing measures being taken for COVID-19. The Executive Order authorizes public meetings with Brown Act requirements to be held via teleconference or telephone. It waives the Brown Act requirement for physical presence at the meeting for members, the clerk, and/ or other personnel of the body as a condition of participation for a quorum. However, the Executive Order requires at least one public location consistent with ADA requirements to be made available for members of the public to attend the meeting, so all PHC offices will be available for members of the public to attend the meeting in-person.*

Committee: Finance Committee

Date/Time: August 17, 2022/ 8:00 – 9:30 AM

Members Present: Dave Jones –Chairperson, Alicia Hardy\*, Randall Hempling, Viola Lujan\*, Mitesh Popat, M.D. \*, Kathryn Powell\*, Nancy Starck\*

Members Absent: None

Staff Present: Liz Gibboney, Patti McFarland, Mary Kerlin\*, Kirt Kemp\*, Jeff Ingram, Olevia O'Donovan, Miranda Hamilton

Staff Absent: Amy Turnipseed, Sonja Bjork, Wendell Coats, Wendi West, Diane Walton, Pearl Johns,

Guests: None

\* Attendance via Video Conference

DECISION AGENDA ITEMS	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS / ACTION	TARGET DATE	DATE RESOLVED
<b>Approval of July 20, 2022, Meeting Minutes</b>	Dave Jones – Chairperson, confirmed a quorum and stated there are no changes to the agenda. July 20, 2022, meeting minutes were presented for approval.	<b>Action:</b> Decision  Ms. Nancy Starck stated that, in reference to the question from Ms. Bjork on page 7 of the packet, it should be noted that the question was regarding the care coordination in Humboldt County, not HHIP.  Ms. Starck moved to approve the minutes to reflect the noted clarification.  Ms. Kathie Powell seconded the motion.  All voted to approve the minutes. Motion carried.	08/17/22	08/17/22
AGENDA CHANGES AND DELETIONS				
	None			
COMMISSIONER COMMENTS				
	None			
PUBLIC COMMENTS				
	None			

NEW BUSINESS				
<p><b>Brown Act Requirements: Open Meetings: State and Local Agencies – Teleconferences</b></p> <p><b>Presenter:</b> <b>Liz Gibboney, CEO</b></p>	<p>Ms. Liz Gibboney stated that this resolution allows PHC to conduct Brown Act meetings remotely and will be brought to the Finance Committee for a vote every 30 days.</p>	<p><b>Action:</b> Decision</p> <p>Ms. Starck motioned to approve the resolution.</p> <p>Ms. Alicia Hardy seconded the motion.</p> <p>All voted to approve.</p> <p>Motion carried.</p>	<p>08/17/2022</p>	<p>08/17/2022</p>
<p><b>CEO's Health Plan Update</b></p> <p><b>Presenter:</b> <b>Liz Gibboney, CEO</b></p>	<p><b>DHCS &amp; Legislative Issues</b></p> <p><b>CalAIM/Enhanced Care Management &amp; Community Supports – Status:</b> To-date, PHC has about 650 members enrolled in ECM and has outreached to roughly another 650 members. While enrollment is growing slowly, it is not a cause for concern, as this is a trend across the state. Partnership is now in Phase 2 of the initial round of IPP Funding- this is to support building ECM funding, as well as community supports, and will be carried out through similar grant processes.</p> <p><b>Housing and Homeless Incentive Program:</b> The program continues to evolve at the state level. PHC has been allocated about \$89 million of this program. It is a fluid program in terms of its capabilities, and is coordinating with the HCAP funds the counties are using. The goal is to provide housing, not just care management. PHC has also developed a Housing Incentive Program Director position to oversee the different housing dollars and work with care coordination to make sure they're maximizing state funds.</p> <p><b>2024 DHCS Contract "Readiness":</b> The State is looking for PHC to sign a readiness contract, however, PHC has not signed yet. Deliverables are due in phases starting next month. However, health plans are asking for more time due to the new requirements, so the State is being flexible. PHC will be submitting initial deliverables this month.</p> <p><b>Wellness &amp; Recovery Program/Lake:</b> Lake County requested to join the PHC Wellness &amp; Recovery Program</p>	<p><b>Action:</b> Information only</p>	<p>8/17/2022</p>	<p>08/17/2022</p>

	<p>after receiving a presentation. PHC has sent in a request to the State to add them to the PHC regional model. PHC is hoping to have confirmation by July 1, 2023.</p> <p><b>Medicare D-SNP/State Feasibility Study:</b> This benefit is scheduled to move forward into PHC counties in 2026, under the CalAIM umbrella. The State recently released the results of a required feasibility study they conducted. The State has been reassuring health plans that it is a great idea, and advised that some will take losses for the first 3-5 years, but ultimately, reverses will allow plans to float losses until things become profitable. The study did not mention rural communities specifically. A few local health plans are asking DHCS for clarification on the study's effect on rural counties.</p> <p>Ms. Gibboney replied that the State will have an exemption process that will allow the health plans to present their cases for program exemption to DHCS. Considering that PHC has administered a Medicare program in the recent past, it's expected to take about 3 years to break even- not including administrative costs. It is important for the State to offer some assurance to health plans that if the process takes longer than expected, their rates will be adjusted. PHC is very transparent on how the money is being spent. It is in early stages, but the State eventually wants all counties to have D-SNP programs.</p> <p><b>Budget/Provider Equity Payments:</b> There is now a sizeable health equity program in the final State Budget of about \$700 million, as was included in a trailer bill, for health plans to administer statewide over the next 5 years. These funds are intended to cover maternity, childhood, and other services. Funding will start in January 2023 and run through June 2027. There is emphasis on the care gaps that resulted from COVID and on providing more support for practice transformation. PHC would like to utilize the structures that are already developed to allocate funds to providers.</p> <p><b>General Issues:</b></p> <p><b>Fires in PHC Service Areas:</b> PHC is monitoring 3 active fires in said service area: McKinney in Siskiyou, Six Rivers in Humboldt and Trinity Counties, Yeti and Alex fires also in Siskiyou County. Two fires are mostly contained and pose no danger to the communities.</p>	<p>Ms. Hardy asked what type of support can be received from the State if the feasibility study is not as profitable as estimated to some health plans.</p>		
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	<p><b>Phoenix/HRP – Go Live Date:</b> The first Phoenix/HRP go-live date is April 6, 2023. The process will take place in phases, over the course of several weeks, with a final go-live date of May 5, 2023.</p> <p><b>Clinical Excellence Resource Center (CERC):</b> One of our Commissioners’ organizations, Petaluma Health Center, participated in the first year of the program, led by Dr. Craig Lindquist and Alan Glaseroff of Stanford. PHC is wrapping up the first year and is in the process of selecting participants for the second year.</p> <p><b>Geographic Expansion:</b> PHC Staff have been visiting health centers and county offices every week. The common themes throughout the discussions are counties having unsatisfactory experiences with commercial health plans, that some have had difficulty accessing the incentive programs, and that each county is looking forward to working with PHC.</p> <p>Ms. Gibboney replied that some counties felt left out of the initial process of going to their Board of Supervisors to advocate for joining PHC, but many approached their Board anyways to ask if they could join.</p> <p><b>Inflation Reduction Act:</b> This act will support low-income residents staying on the exchange (Covered California) with appropriate subsidies for another 3 years.</p> <p>Ms. Gibboney replied that PHC is doing better with hiring, especially in Finance, which acquired 4 new hires. She added that the market seems to be improving. PHC has new employees every two weeks, typically with 5-8 new hires. It will not be long before more hires are needed for the new counties.</p>	<p>Mr. Hempling asked if there were any negative comments regarding PHC from the counties.</p> <p>Ms. Starck asked how PHC is faring with staffing, and if PHC is seeing some improvements on the market.</p> <p>Mr. Jones asked if there were any comments or questions.</p> <p>No comments or questions.</p>		
<p><b>Approve June 2022 Metrics and Financials</b></p> <p><b>Presenter:</b> <b>Jeff Ingram, Sr. Director of Financial Analysis</b></p>	<p><b>Financial Performance:</b> This is the last month of the fiscal year, and PHC reported a net deficit of \$875k, reducing the year-to-date surplus to \$116.6 million. Significant variances are as follows:</p> <p><b>Revenue:</b> The favorable year-to-date variance is primarily related to CY 2021 base rates being higher than originally</p>	<p><b>Action:</b> Decision</p>	08/17/2022	08/17/2022

	<p>budgeted. PHC will not receive the final 2022 rates until 2023, where Mercer will adjust accordingly for acuity.</p> <p><b>Healthcare Costs:</b> The total HealthCare Costs are lower than budget by \$19.4 million for the month and \$71.5 million for the year-to-date.</p> <p><b>Administrative Costs:</b> Total administrative costs are greater than budget by \$4.4 million for year-to-date.</p> <p><b>IGT Update:</b> PHC received an email from DHCS on Monday, August 15 regarding the 2021 CY cycle requesting each entity confirm participation by Friday, August 19. DHCS will re-send contracts in early September with a due date of October 31, 2022. The amounts did not change from the last version. Impacts tied to the SIS/UIS status will be netted out in the CY 2022 cycle, with the intention that no entities will have a balance payable to DHCS.</p> <p>Mr. Ingram replied that there were no expected changes for the amounts, but rather a language change to consider this round of payments as interim. Impacts would be netted in the next cycle.</p>	<p>Ms. Starck asked if Mr. Ingram could confirm that there is no change to the dollar amount for the CY 2021 contracts.</p> <p>Mr. Jones asked for a motion.</p> <p>Mr. Hempling moved to approve the June 2022 financials.</p> <p>Ms. Powell seconded the motion.</p> <p>All voted to approve.</p> <p>Motion carried.</p>		
<b>Adjournment</b>	Meeting adjourned at approximately 8:26 am.			

Minutes Prepared and Submitted by: Olevia E. O'Donovan  
Reviewed and Edited by: Miranda Hamilton  
Minutes Reviewed and Submitted by: Jeff Ingram

Chairman Signature of Approval \_\_\_\_\_ Date \_\_\_\_\_

**CONSENT AGENDA REQUEST**  
**for**  
**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Finance Committee Meeting Date:**

September 21, 2022

**Board Meeting Date:**

October 26, 2022

**Agenda Item Number:**

2.1

**Resolution Sponsor:**

Liz Gibboney, CEO, Partnership HealthPlan of CA

**Recommendation by:**

PHC Staff

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**Topic Description:**

AB361 authorizes public meetings with Brown Act requirements to be held via teleconference or telephone during a state of emergency. Virtual public meetings still require standard meeting agendas and notices and the ability for the public to provide public comment. To continue virtual meetings, the Commission must make findings every 30 days that 1) it has reconsidered the circumstances of the ongoing COVID-19 pandemic state of emergency and 2) either the state of emergency continues to directly impact the ability of the public to meet safely in person, or state or local officials continue to impose or recommend measures to promote social distancing.

Due to the ongoing risk of community transmission of COVID-19, it is recommended that the Partnership HealthPlan of California Commission continues to offer virtual attendance as an option and encourages in-person attendance following current PHC guidelines with regard to vaccinations, masking, social distancing and other protective measures.

**Reason for Resolution:**

To allow the Board the opportunity to review and approve ongoing virtual Board Meetings, due to the ongoing risk of community transmission of COVID-19.

**Financial Impact:**

There is no additional financial impact to the HealthPlan.

**Requested Action of the Board:**

Based on the recommendation of PHC staff and public health officials, the Board is asked to approve the recommended to continue to offer virtual attendance, due to the ongoing risk of community transmission of COVID-19.



**CONSENT AGENDA REQUEST**  
**for**  
**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Finance Committee Meeting Date:**  
September 21, 2022

**Board Meeting Date:**  
October 26, 2022

**Agenda Item Number:**  
2.1

**Resolution Number:**  
22-

**IN THE MATTER OF: APPROVING THE RECOMMENDED CONTINUATION OF MEETING VIRTUALLY**

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**Recital: Whereas,**

- A. AB361, signed by Governor Newsom on September 16, 2021, requires the Commission must make findings every 30 days to continue to offer virtual attendance.

**Now, Therefore, It Is Hereby Resolved As Follows:**

1. To approve the recommended continuation of offering virtual attendance for meetings, due to the ongoing risk of COVID-19 transmission, for the next 30 days, per AB 361.

**PASSED, APPROVED, AND ADOPTED** by the Partnership HealthPlan of California this 26<sup>th</sup> day of October 2022 by motion of Commissioner, seconded by Commissioner, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

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Alicia Hardy, Chair

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Date

**ATTEST:**

BY: \_\_\_\_\_  
Ashlyn Scott, Clerk



## **Finance Committee**

### **Chief Executive Officer Update**

September, 2022

#### **DHCS & State Issues**

- CalAIM
  - Enhanced Care Management/Community Supports
  - Medicare
- Housing and Homeless Incentive Program
- HEDIS Scores/Joint Leadership Initiative Meetings
- MediCal Managed Care Procurement

#### **General Issues:**

- Clinical Excellence Resource Center ("CERC")
- Geographic Expansion

**REGULAR AGENDA REQUEST**  
**for**  
**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Finance Committee Meeting Date:**  
September 21, 2022

**Board Meeting Date:**  
October 26, 2022

**Agenda Item Number:**  
2.3

**Resolution Sponsor:**  
Liz Gibboney, CEO, Partnership HealthPlan of CA

**Recommendation by:**  
Compliance Committee and PHC Staff

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**Topic Description:**  
The Compliance Dashboard outlines activities to track Partnership HealthPlan's Compliance Program and regulatory and contractual requirements.

**Reason for Resolution:**  
To ensure Board members have the opportunity to review the Compliance dashboard biannually.

**Financial Impact:**  
There is no measurable impact to the HealthPlan.

**Requested Action of the Board:**  
Based on the recommendation of the Compliance Committee, the Board is being asked to approve PHCs Q2-2022 Compliance Dashboard.

**REGULAR AGENDA REQUEST**  
**for**  
**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Finance Committee Meeting Date:**  
September 21, 2022

**Agenda Item Number**  
2.3

**Board Meeting Date**  
October 26, 2022

**Resolution Number**  
22-

**IN THE MATTER OF: APPROVING PARTNERSHIP HEALTHPLAN (PHC)  
COMPLIANCE DASHBOARD**

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**Recital: Whereas,**

- A. PHC staff is committed to conducting business in compliance with all required standards.
- B. The Board has responsibility for reviewing and approving the organizational Compliance Dashboard.

**Now, Therefore, It Is Hereby Resolved As Follows:**

- 1. To approve PHCs Q2-2022 Compliance Dashboard.

**PASSED, APPROVED, AND ADOPTED** by the Partnership HealthPlan of California this 26<sup>th</sup> day of October 2022 by motion of Commissioner seconded by Commissioner and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

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Alicia Hardy, Chair

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Date

**ATTEST:**

BY: \_\_\_\_\_  
Ashlyn Scott, Clerk

Category	Description	Q1	Q2	YTD	Comments
<b>DELEGATION OVERSIGHT</b>	<b>Annual Delegate / Subcontractor Audits</b>	5 / 5	2 / 2	7 / 7	
When PHC delegates administrative functions that it is required by contract or regulation to perform, PHC retains the ultimate responsibility for the performance of these functions and must monitor and evaluate the performance of these functions when performed by a delegate.	Quarterly percentage to demonstrate the total number of annual delegate/subcontractor audits completed within 30 days following the planned months, as defined by the audit calendar.	100%	100%	100%	
	<b>Oversight of Delegate Reporting</b>	139 / 147	125 / 127	264 / 274	
	Percentage of timely submissions of regulatory reports.	94.6%	98.4%	96.4%	
<b>REGULATORY REPORTING</b>	<b>DHCS Reports Submitted Timely</b>	49 / 55	56 / 56	105 / 111	
Regulatory Affairs works collaboratively with all PHC departments to implement and track the timely submission of regulatory reporting requirements to PHC's governing agencies.	Percentage of regulatory reports submitted timely by RAC to DHCS with no missed due date per RAC Master Tracker and Regulatory Reporting Calendar.	89.1%	100%	95%	6 regulatory reports were late due to the system disruption in March.
	<b>Report Acceptance Rate</b>	49 / 49	53 / 56	102 / 105	
	Percentage of standard regulatory reports submitted by RAC and not rejected by DHCS for being incomplete, on the wrong template, or for other findings.	100.0%	94.6%	97.1%	3 regulatory reports were sent back from DHCS for revisions or additional information.
<b>HIPAA REFERRALS</b>	<b>Timely DHCS Privacy Notification Filings</b>	15 / 15	9 / 9	24 / 24	
Appropriate safeguards, including administrative policies & procedures, to protect the confidentiality of PHI and ensure compliance with HIPAA regulatory requirements.	Percentage of reportable notifications that PHC filed timely within applicable DHCS required timeframe. <i>*Initial notice within 24 hours, initial PIR within 72 hours, and final PIR within 10 business days. If any deadline is missed, it will be counted as untimely.</i>	100.0%	100.0%	100.0%	Q1 2022- 2 PHC Breach, 2 Delegate Breach. Q2 2022- no breaches were reported.
<b>FWA REFERRALS</b>	<b>Timely DHCS FWA Notifications</b>	15 / 17	14 / 14	29 / 31	
Regulatory Affairs oversees the Fraud, Waste and Abuse Prevention program intended to prevent, detect, investigate, report and resolve suspected and/or actual FWA in the PHC daily operations and interactions, whether internal or external.	Percentage of reportable notifications that PHC filed timely with DHCS within 10 business of discovery per contractual obligations.	88.2%	100%	94%	2 Incidents not reported timely due to system disruption in March.

\*Threshold percentages for the above measures are as follows:

≥ 95% = GREEN    90 - 94.9% = YELLOW    < 90% = RED

## CAP Tracker

\*Please note that the above threshold percentages do not apply here

# **FINANCIAL HIGHLIGHTS**

## **Of The Partnership HealthPlan Of California**

### **For the Period Ending July 31, 2022**

#### **Financial Analysis for the Current Period**

##### **Total (Deficit) Surplus**

For this first month of the fiscal year – month ending July 31, 2022 – PHC reported a net surplus of \$492,884. Significant variances are explained below.

##### **Revenue**

Total Revenue is lower than budget by \$3.9 million for the month. The unfavorable variance is due to timing differences of supplemental submissions to DHCS along with unbudgeted revenue adjustments related to estimated acuity adjustments for CY 2022 rates.

##### **Healthcare Costs**

Total Healthcare Costs are greater than budget by \$6.2 million for the month. Physician and Ancillary expenses are \$5.0 million unfavorable due to higher than budgeted expenses. Global Subcapitation is \$3.3 million unfavorable due primarily to timing of contracted rate changes; pending contract changes will continue to produce a variance until agreements are finalized and true-ups are completed. Transportation expense is \$1.4 million favorable for the month due to lower than budgeted expenses. Healthcare Investment Funds and Quality Assurance are \$1.5 million favorable due to timing differences.

##### **Administrative Costs**

Total administrative costs are lower than budget by \$3.3 million for the month. This is primarily from the positive variance in Computer and Data for the additional dollars budgeted for HealthEdge; this variance should decrease as the year progresses. In addition, the variance in Employee expenses is due to a higher number of open positions budgeted for than originally anticipated. Lastly, the budget for Professional Services includes consultant costs which have yet to occur but are expected to be realized in the upcoming months.

##### **Balance Sheet**

Total Cash & Cash Equivalents increased by \$34.8 million for the month. \$295.3 million in State Capitation payments and \$3.1 million in Drug Medi-Cal payments were received during the month. These payments were offset by \$206.8 million in healthcare cost payments, \$2.7 million in Drug Medi-Cal payments, \$41.6 million in quarterly MCO tax payments, \$12.5 million in administrative and capital costs, and \$1.2 million in board-designated reserve transfers. The remaining difference can be attributed to interest and other revenues.

#### **General Statistics**

##### **Membership**

Membership had a total net increase of 3,792 members for the month.

## **FINANCIAL HIGHLIGHTS**

### **Of The Partnership HealthPlan Of California**

### **For the Period Ending July 31, 2022**

#### **Utilization Metrics and High Dollar Case**

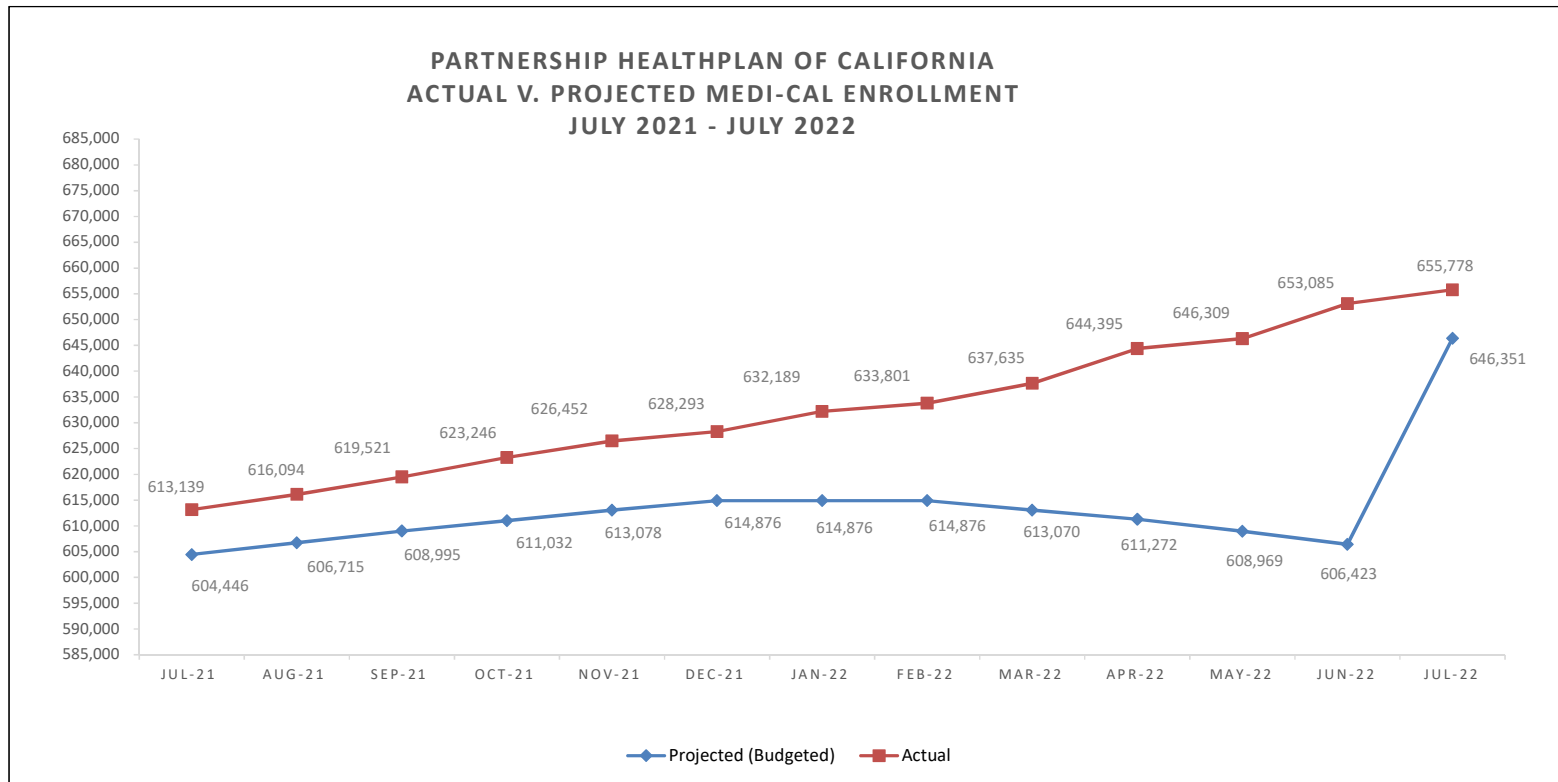
For the fiscal year 2022/23 through July 31, 2022, 5 members reached the \$250,000 threshold with an average cost of \$413,710. For fiscal year 2021/22, 445 members reached the \$250,000 threshold with an average cost per case was \$466,003. For fiscal year 2020/21, 508 members reached the \$250,000 threshold with an average claims cost of \$491,574.

#### **Current Ratio/Required Reserves**

Current Ratio Including Required Reserves	<b>1.83</b>
Current Ratio Excluding Required Reserves:	<b>0.71</b>
Required Reserves:	<b>\$875,557,931</b>
Total Fund Balance:	<b>\$767,395,235</b>

#### **Days of Cash on Hand**

Including Required Reserves:	<b>147.40</b>
Excluding Required Reserves:	<b>44.92</b>



**Member Months by County:**

County	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
Solano	121,963	122,560	123,349	124,247	125,202	125,748	126,876	127,721	128,602	130,389	130,408	132,152	132,795
Napa	31,637	31,786	31,879	31,874	32,186	32,223	32,566	32,447	32,696	33,096	33,622	33,994	33,921
Yolo	56,116	56,290	56,687	57,644	58,371	58,386	58,531	58,770	59,008	59,247	59,768	60,067	60,315
Sonoma	117,149	118,045	118,578	119,138	119,850	120,345	121,061	121,635	122,221	123,035	124,906	125,724	126,276
Marin	43,642	43,883	44,239	44,637	44,731	44,833	45,288	45,344	45,716	46,275	47,488	48,025	48,307
Mendocino	38,627	38,773	38,942	39,128	39,272	39,266	39,507	39,422	39,655	40,143	39,955	40,422	40,476
Lake	32,826	32,933	33,083	33,137	33,281	33,340	33,552	33,537	33,682	33,892	34,005	34,202	34,267
Del Norte	12,089	12,147	12,138	12,175	12,166	12,271	12,233	12,245	12,323	12,378	12,331	12,415	12,470
Humboldt	57,391	57,547	57,895	58,203	58,217	58,347	58,779	58,818	59,127	59,837	59,059	59,637	59,988
Lassen	8,045	8,129	8,186	8,189	8,264	8,343	8,413	8,383	8,459	8,616	8,474	8,631	8,692
Modoc	3,760	3,761	3,785	3,809	3,803	3,820	3,871	3,883	3,896	3,981	3,887	3,976	3,990
Shasta	66,074	66,323	66,734	66,922	67,042	67,225	67,304	67,413	67,990	68,974	68,078	69,215	69,530
Siskiyou	18,691	18,733	18,826	18,926	18,830	18,859	18,921	18,911	18,900	19,094	18,865	19,120	19,184
Trinity	5,129	5,184	5,200	5,217	5,237	5,287	5,287	5,272	5,360	5,438	5,463	5,505	5,567
<b>All Counties Total</b>	<b>613,139</b>	<b>616,094</b>	<b>619,521</b>	<b>623,246</b>	<b>626,452</b>	<b>628,293</b>	<b>632,189</b>	<b>633,801</b>	<b>637,635</b>	<b>644,395</b>	<b>646,309</b>	<b>653,085</b>	<b>655,778</b>

Medi-Cal Region 1: Solano, Napa, Yolo & Marin; Medi-Cal Region 2: Sonoma, Mendocino & Rural 8 Counties



**Partnership HealthPlan of California**  
**Comparative Financial Indicators Monthly Report**  
**Fiscal Year 2022 - 2023 & Fiscal Year 2021 - 2022**

FINANCIAL INDICATORS	Jul-22	Avg / Month As of										YTD	Jul-22
Total Enrollment	656,979											656,979	656,979
Total Revenue	267,284,264											267,284,264	267,284,264
Total Healthcare Costs	241,534,618											241,534,618	241,534,618
Total Administrative Costs	10,017,179											10,017,179	10,017,179
Medi-Cal Hospital & Managed Care Taxes	15,239,583											15,239,583	15,239,583
Total Current Year Surplus (Deficit)	492,884											492,884	492,884
Total Claims Payable	477,170,822											477,170,822	477,170,822
Total Fund Balance	767,395,235											767,395,235	767,395,235
Reserved Funds													
State Financial Performance Guarantee	544,383,000											544,383,000	544,383,000
State Financial Performance Guarantee - 2024 Expansion Counties	176,589,000											176,589,000	176,589,000
Regulatory Reserve Requirement	95,682,198											95,682,198	95,682,198
Board Approved Capital and Infrastructure Purchases	58,903,733											58,903,733	58,903,733
Capital Assets	108,759,668											108,759,668	108,759,668
Strategic Use of Reserve-Board Approved Community Reinvestments	73,609,149											73,609,149	73,609,149
Unrestricted Fund Balance	(290,531,512)											(290,531,512)	(290,531,512)
Fund Balance as % of Reserved Funds	72.54%											72.54%	72.54%
Current Ratio (including Required Reserves)	1.83:1											1.83:1	1.83:1
Medical Loss Ratio w/o Tax	96.06%											96.06%	96.06%
Admin Ratio w/o Tax	3.98%											3.98%	3.98%
Profit Margin Ratio	0.18%											0.18%	0.18%

FINANCIAL INDICATORS	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Avg / Month As of	
													YTD	Jun-22
Total Enrollment	612,565	615,504	619,135	622,749	625,752	627,918	632,226	633,903	637,424	643,907	650,413	653,187	7,574,683	631,224
Total Revenue	285,770,409	290,492,773	289,217,239	289,434,715	295,168,702	291,059,764	280,860,131	279,174,488	277,787,868	221,339,725	251,583,638	257,635,957	3,309,525,408	275,793,784
Total Healthcare Costs	258,057,572	256,910,666	252,438,582	251,402,013	258,737,530	263,716,815	230,109,224	227,347,263	219,750,867	215,289,341	225,173,550	215,139,622	2,874,073,045	239,506,087
Total Administrative Costs	9,527,532	9,674,878	10,915,842	10,456,654	10,013,386	12,195,146	11,432,906	10,800,639	16,431,194	10,231,596	11,360,634	29,890,467	152,930,874	12,744,239
Medi-Cal Hospital & Managed Care Taxes	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	13,854,167	166,250,000	13,854,167
Total Current Year Surplus (Deficit)	4,331,138	10,053,062	12,008,648	13,721,881	12,563,619	1,293,636	25,463,834	27,172,419	27,751,640	(18,035,379)	1,195,287	(1,248,295)	116,271,489	9,689,291
Total Claims Payable	479,612,906	469,987,817	490,436,456	489,196,877	474,284,933	488,534,512	474,970,355	492,259,098	538,975,371	558,387,815	481,431,569	457,967,956	457,967,956	491,337,139
Total Fund Balance	236,052,655	243,241,781	253,850,536	266,157,315	275,381,635	272,484,411	299,941,241	327,994,596	358,758,374	346,786,083	350,006,438	(47,072,962)	(47,072,962)	265,298,508
Reserved Funds														
Required Reserves	316,541,291	315,879,635	319,469,943	321,526,405	323,304,964	326,844,174	328,526,038	328,039,443	325,955,436	322,661,996	319,373,345	-	-	295,676,889
State Financial Performance Guarantee	-	-	-	-	-	-	-	-	-	-	-	547,630,000	547,630,000	45,635,833
State Financial Performance Guarantee - 2024 Expansion Counties	-	-	-	-	-	-	-	-	-	-	-	168,159,000	168,159,000	14,013,250
Regulatory Reserve Requirement	102,368,056	105,893,648	103,703,232	103,061,873	104,622,613	105,274,263	101,599,402	101,205,061	100,276,930	97,507,282	98,770,865	98,186,315	98,186,315	101,872,462
Board Approved Capital and Infrastructure Purchases	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	60,383,581	60,383,581	18,781,965
Capital Assets	105,684,355	105,331,238	106,055,796	106,519,267	106,191,511	106,189,354	106,721,219	106,521,169	106,252,966	108,221,301	107,962,012	107,920,578	107,920,578	106,630,897
Strategic Use of Reserve-Board Approved Community Reinvestments	80,012,212	79,785,705	76,769,579	76,300,252	76,231,209	76,149,155	75,717,707	74,488,498	73,989,726	73,956,826	73,743,606	73,686,338	73,686,338	75,902,568
Unrestricted Fund Balance	35,356,088	43,124,838	56,025,161	68,337,796	77,958,915	75,145,902	102,502,315	131,984,929	163,515,682	149,607,956	153,300,820	(289,063,459)	(289,063,459)	63,983,078
Fund Balance as % of Reserved Funds	1.52%	3.46%	4.15%	4.74%	4.26%	0.44%	9.07%	9.73%	9.99%	-8.15%	0.48%	-0.48%	3.51%	3.51%
Current Ratio (including Required Reserves)	1.77:1	1.77:1	1.74:1	1.79:1	1.80:1	1.71:1	1.68:1	1.83:1	1.68:1	1.79:1	1.84:1	1.84:1	1.84:1	1.77:1
Medical Loss Ratio w/o Tax	94.94%	92.93%	91.76%	91.34%	92.11%	95.29%	86.64%	86.16%	83.75%	104.62%	95.42%	83.60%	91.32%	91.32%
Admin Ratio w/o Tax	3.51%	3.50%	3.97%	3.80%	3.56%	4.41%	4.30%	4.09%	6.26%	4.81%	11.61%	4.86%	4.86%	4.86%
Profit Margin Ratio	1.52%	3.46%	4.15%	4.74%	4.26%	0.44%	9.07%	9.73%	9.99%	-8.15%	0.48%	-0.48%	3.51%	3.51%

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Membership and Financial Summary**  
**For The Period Ending July 31, 2022**

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
656,979	653,187	3,792	Total Membership	656,979	612,565	44,414
ACTUAL MONTH	BUDGET MONTH	\$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	\$ VARIANCE YTD
267,284,264	271,214,697	(3,930,433)	Total Revenue	267,284,264	271,214,697	(3,930,433)
241,534,618	235,379,729	(6,154,889)	Total Healthcare Costs	241,534,618	235,379,729	(6,154,889)
10,017,179	13,282,906	3,265,727	Total Administrative Costs	10,017,179	13,282,906	3,265,727
15,239,583	15,239,583	-	Medi-Cal Managed Care Tax	15,239,583	15,239,583	-
<b>492,884</b>	<b>7,312,479</b>	<b>(6,819,595)</b>	Total Current Year Surplus (Deficit)	<b>492,884</b>	<b>7,312,479</b>	<b>(6,819,595)</b>
96.06%	92.04%		Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)	96.06%	92.04%	
3.98%	5.19%		Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)	3.98%	5.19%	

# PARTNERSHIP HEALTHPLAN OF CALIFORNIA

## Balance Sheet As Of July 31, 2022

	July 2022	June 2022
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>	<b>383,827,153</b>	<b>349,076,702</b>
<b>Receivables</b>		
Accrued Interest	134,100	148,300
State DHS - Cap Rec	149,508,441	179,579,723
Other Healthcare Receivable	12,950,681	14,239,587
Miscellaneous Receivable	2,638,980	2,726,767
<b>Total Receivables</b>	<b>165,232,202</b>	<b>196,694,377</b>
<b>Other Current Assets</b>		
Payroll Clearing	(3,787)	(3,594)
Prepaid Expenses	5,681,365	5,061,391
<b>Total Other Current Assets</b>	<b>5,677,578</b>	<b>5,057,797</b>
<b>Total Current Assets</b>	<b>554,736,933</b>	<b>550,828,876</b>
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Motor Vehicles	154,341	154,341
Furniture & Fixtures	7,518,859	7,518,859
Computer Equipment - HP	541,886	541,886
Computer Equipment	20,679,850	20,509,972
Computer Software	20,714,113	20,714,113
Leasehold Improvements	962,374	962,374
Land	6,767,292	6,767,292
Building	55,932,088	55,932,088
Building Improvements	31,132,938	31,104,018
Accum Depr - Motor Vehicles	(147,707)	(146,694)
Accum Depr - Furniture	(7,143,685)	(7,114,974)
Accum Depr - Comp Equip - HP	(541,886)	(541,886)
Accum Depr - Comp Equipment	(19,983,503)	(19,778,686)
Accum Depr - Comp Software	(19,460,770)	(19,343,670)
Accum Depr - Leasehold Improvements	(962,374)	(962,374)
Accum Depr - Building	(9,299,101)	(9,179,588)
Accum Depr - Bldg Improvements	(9,817,203)	(9,647,601)
Construction Work-In-Progress	31,712,157	30,431,107
<b>Total Fixed Assets</b>	<b>108,759,669</b>	<b>107,920,577</b>
<b>Other Non-Current Assets</b>		
Deposits	69,883	62,730
Board-Designated Reserves	875,257,931	874,058,896
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	3,448,884	3,065,377
Net Pension Asset	7,231,258	7,231,258
Deferred Outflows Of Resources	930,354	930,354
<b>Total Other Non-Current Assets</b>	<b>887,238,310</b>	<b>885,648,615</b>
<b>Total Non-Current Assets</b>	<b>995,997,979</b>	<b>993,569,192</b>

# PARTNERSHIP HEALTHPLAN OF CALIFORNIA

## Balance Sheet As Of July 31, 2022

	July 2022	June 2022
<b>Total Assets</b>	<b>1,550,734,912</b>	<b>1,544,398,068</b>
<b>LIABILITIES &amp; FUND BALANCE</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	119,349,155	139,089,921
Unearned Income	23,393,489	24,283,031
Suspense Account	2,488,614	2,088,595
Capitation Payable	23,737,052	22,372,573
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	8,499,375	9,749,643
Claims Payable	145,379,062	94,200,417
Incurred But Not Reported-IBNR	331,791,760	363,767,539
Quality Improvement Programs	94,283,116	87,525,942
<b>Total Current Liabilities</b>	<b>781,554,736</b>	<b>775,710,774</b>
<b>Non-Current Liabilities</b>		
Deferred Inflows Of Resources	1,784,941	1,784,941
<b>Total Non-Current Liabilities</b>	<b>1,784,941</b>	<b>1,784,941</b>
<b>Total Liabilities</b>	<b>783,339,677</b>	<b>777,495,715</b>
<b>Fund Balance</b>		
<b>Unrestricted Fund Balance</b>	<b>(290,531,512)</b>	<b>(289,063,459)</b>
<b>Reserved Funds</b>		
State Financial Performance Guarantee	544,383,000	547,630,000
State Financial Performance Guarantee - Expansion Counties	176,589,000	168,159,000
Regulatory Reserve Requirement	95,682,198	98,186,315
Board Approved Capital and Infrastructure Purchases	58,903,733	60,383,581
Capital Assets	108,759,668	107,920,578
Strategic Use of Reserve-Board Approved Community Reinvestments	73,609,149	73,686,338
<b>Total Reserved Funds</b>	<b>1,057,926,748</b>	<b>1,055,965,812</b>
<b>Total Fund Balance</b>	<b>767,395,235</b>	<b>766,902,353</b>
<b>Total Liabilities And Fund Balance</b>	<b>1,550,734,912</b>	<b>1,544,398,068</b>

# PARTNERSHIP HEALTHPLAN OF CALIFORNIA

## Statement of Cash Flow For The Period Ending July 31, 2022

	Current Month Activity	Year-To-Date Activity
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Cash Received From:</b>		
Capitation from California Department of Health Care Services	295,327,766	295,327,766
Other Revenues	207,724	207,724
<b>Cash Payments to Providers for Medi-Cal Members</b>		
Capitation Payments	(43,790,082)	(43,790,082)
Medical Claims Payments	(163,056,518)	(163,056,518)
<b>Drug Medi-Cal</b>		
DMC Receipts from Counties	3,103,575	3,103,575
DMC Payments to Providers	(2,713,052)	(2,713,052)
Cash Payments to Vendors	(45,296,863)	(45,296,863)
Cash Payments to Employees	(8,435,710)	(8,435,710)
<b>Net Cash (Used) Provided by Operating Activities</b>	<b>35,346,840</b>	<b>35,346,840</b>
<b>CASH FLOWS FROM CAPITAL FINANCING &amp; RELATED ACTIVITIES:</b>		
Purchases of Capital Assets	(376,314)	(376,314)
<b>Net Cash Used by Capital Financial &amp; Related Activities</b>	<b>(376,314)</b>	<b>(376,314)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Board-Designated Reserve Transfers	(1,199,035)	(1,199,035)
Interest and Dividends on Investments	978,960	978,960
<b>Net Cash (Used) Provided by Investing Activities</b>	<b>(220,075)</b>	<b>(220,075)</b>
<b>NET (DECREASE) INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>34,750,451</b>	<b>34,750,451</b>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING</b>	<b>349,076,702</b>	<b>349,076,702</b>
<b>CASH &amp; CASH EQUIVALENTS, ENDING</b>	<b>383,827,153</b>	<b>383,827,153</b>
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
<b>TOTAL OPERATING (LOSS) INCOME</b>	<b>(471,876)</b>	<b>(471,876)</b>
<b>DEPRECIATION</b>	<b>640,758</b>	<b>640,758</b>
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
Other Receivables	1,376,692	1,376,692
California Department of Health Services Receivable	30,071,282	30,071,282
Other Assets	(2,113,976)	(2,113,976)
Accounts Payable and Accrued Expenses	(20,116,080)	(20,116,080)
Accrued Claims Payable	19,202,866	19,202,866
Quality Improvement Programs	6,757,174	6,757,174
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>35,346,840</b>	<b>35,346,840</b>

# PARTNERSHIP HEALTHPLAN OF CALIFORNIA

## Statement of Revenues and Expenses For The Period Ending July 31, 2022

\*\*The Notes to the Financial Statement are an Integral Part of this Statement\*\*

ACTUAL MONTH	BUDGET MONTH	\$ VARIANCE MONTH	ACTUAL MONTH PMPM	BUDGET MONTH PMPM		ACTUAL YTD	BUDGET YTD	\$ VARIANCE YTD	ACTUAL YTD PMPM	BUDGET YTD PMPM
656,979	656,979	-			<b>TOTAL MEMBERSHIP</b>	656,979	656,979	-		
					<b>REVENUE</b>					
266,107,009	270,046,659	(3,939,650)	405.79	411.80	State Capitation Revenue	266,107,009	270,046,659	(3,939,650)	405.79	411.80
964,760	97,781	866,979	1.47	0.15	Interest Income	964,760	97,781	866,979	1.47	0.15
212,495	1,070,257	(857,762)	0.32	1.63	Other Revenue	212,495	1,070,257	(857,762)	0.32	1.63
<b>267,284,264</b>	<b>271,214,697</b>	<b>(3,930,433)</b>	<b>407.58</b>	<b>413.58</b>	<b>TOTAL REVENUE</b>	<b>267,284,264</b>	<b>271,214,697</b>	<b>(3,930,433)</b>	<b>407.58</b>	<b>413.58</b>
					<b>HEALTHCARE COSTS</b>					
21,896,064	18,633,936	(3,262,128)	33.39	28.42	Global Subcapitation	21,896,064	18,633,936	(3,262,128)	33.39	28.42
2,460,812	2,474,248	13,436	3.75	3.77	Capitated Medical Groups	2,460,812	2,474,248	13,436	3.75	3.77
					<b>Physician Services</b>					
6,350,250	6,179,780	(170,470)	9.68	9.42	PCP Capitation	6,350,250	6,179,780	(170,470)	9.68	9.42
220,101	232,894	12,793	0.34	0.36	Specialty Capitation	220,101	232,894	12,793	0.34	0.36
41,998,319	36,583,578	(5,414,741)	64.04	55.79	Non-Capitated Physician Services	41,998,319	36,583,578	(5,414,741)	64.04	55.79
<b>48,568,670</b>	<b>42,996,252</b>	<b>(5,572,418)</b>	<b>74.06</b>	<b>65.57</b>	<b>Total Physician Services</b>	<b>48,568,670</b>	<b>42,996,252</b>	<b>(5,572,418)</b>	<b>74.06</b>	<b>65.57</b>
					<b>Inpatient Hospital</b>					
18,520,137	18,061,767	(458,370)	28.24	27.54	Hospital Capitation	18,520,137	18,061,767	(458,370)	28.24	27.54
61,586,223	61,187,167	(399,056)	93.91	93.30	Inpatient Hospital - FFS	61,586,223	61,187,167	(399,056)	93.91	93.30
1,323,551	1,323,551	-	2.02	2.02	Hospital Stoploss	1,323,551	1,323,551	-	2.02	2.02
<b>81,429,911</b>	<b>80,572,485</b>	<b>(857,426)</b>	<b>124.17</b>	<b>122.86</b>	<b>Total Inpatient Hospital</b>	<b>81,429,911</b>	<b>80,572,485</b>	<b>(857,426)</b>	<b>124.17</b>	<b>122.86</b>
32,370,901	32,641,094	270,193	49.36	49.77	Long Term Care	32,370,901	32,641,094	270,193	49.36	49.77
					<b>Ancillary Services</b>					
1,016,928	966,634	(50,294)	1.55	1.47	Ancillary Services - Capitated	1,016,928	966,634	(50,294)	1.55	1.47
39,932,843	40,367,029	434,186	60.89	61.56	Ancillary Services - Non-Capitated	39,932,843	40,367,029	434,186	60.89	61.56
<b>40,949,771</b>	<b>41,333,663</b>	<b>383,892</b>	<b>62.44</b>	<b>63.03</b>	<b>Total Ancillary Services</b>	<b>40,949,771</b>	<b>41,333,663</b>	<b>383,892</b>	<b>62.44</b>	<b>63.03</b>
					<b>Other Medical</b>					
1,852,080	2,424,997	572,917	2.82	3.70	Quality Assurance	1,852,080	2,424,997	572,917	2.82	3.70
276,034	1,184,417	908,383	0.42	1.81	Healthcare Investment Funds	276,034	1,184,417	908,383	0.42	1.81
91,300	117,771	26,471	0.14	0.18	Advice Nurse	91,300	117,771	26,471	0.14	0.18
575	8,559	7,984	-	0.01	HIPP Payments	575	8,559	7,984	-	0.01
4,841,326	6,195,133	1,353,807	7.38	9.45	Transportation	4,841,326	6,195,133	1,353,807	7.38	9.45
<b>7,061,315</b>	<b>9,930,877</b>	<b>2,869,562</b>	<b>10.76</b>	<b>15.15</b>	<b>Total Other Medical</b>	<b>7,061,315</b>	<b>9,930,877</b>	<b>2,869,562</b>	<b>10.76</b>	<b>15.15</b>
6,797,174	6,797,174	-	10.37	10.37	Quality Improvement Programs	6,797,174	6,797,174	-	10.37	10.37
<b>241,534,618</b>	<b>235,379,729</b>	<b>(6,154,889)</b>	<b>368.30</b>	<b>358.94</b>	<b>TOTAL HEALTHCARE COSTS</b>	<b>241,534,618</b>	<b>235,379,729</b>	<b>(6,154,889)</b>	<b>368.30</b>	<b>358.94</b>
					<b>ADMINISTRATIVE COSTS</b>					
6,990,002	7,649,957	659,955	10.66	11.67	Employee	6,990,002	7,649,957	659,955	10.66	11.67
21,904	46,678	24,774	0.03	0.07	Travel And Meals	21,904	46,678	24,774	0.03	0.07
937,624	1,212,472	274,848	1.43	1.85	Occupancy	937,624	1,212,472	274,848	1.43	1.85
124,954	461,800	336,846	0.19	0.70	Operational	124,954	461,800	336,846	0.19	0.70
997,048	1,679,637	682,589	1.52	2.56	Professional Services	997,048	1,679,637	682,589	1.52	2.56
945,647	2,232,362	1,286,715	1.44	3.40	Computer And Data	945,647	2,232,362	1,286,715	1.44	3.40
<b>10,017,179</b>	<b>13,282,906</b>	<b>3,265,727</b>	<b>15.27</b>	<b>20.25</b>	<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>10,017,179</b>	<b>13,282,906</b>	<b>3,265,727</b>	<b>15.27</b>	<b>20.25</b>
15,239,583	15,239,583	-	23.24	23.24	Medi-Cal Managed Care Tax	15,239,583	15,239,583	-	23.24	23.24
<b>492,884</b>	<b>7,312,479</b>	<b>(6,819,595)</b>	<b>0.77</b>	<b>11.15</b>	<b>TOTAL CURRENT YEAR SURPLUS (DEFICIT)</b>	<b>492,884</b>	<b>7,312,479</b>	<b>(6,819,595)</b>	<b>0.77</b>	<b>11.15</b>

# **PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

## **NOTES TO FINANCIAL STATEMENTS**

### **July 31, 2022**

#### **1. ORGANIZATION**

The Partnership HealthPlan of California (PHC) was formed as a health insurance organization, and is legally a subdivision of the State of California, but is not part of any city, county or state government system. PHC has quasi-independent political jurisdiction to contract with the State for managing Medi-Cal beneficiaries who reside in various Northern California Counties. PHC is a combined public and private effort engaged principally in providing a more cost-effective method of healthcare. PHC began serving Medi-Cal eligible persons in Solano in May 1994. That was followed by Napa in March of 1998, Yolo in March of 2001, Sonoma in October 2009, Marin and Mendocino in July 2011, and eight Northern Counties in September 2013. Beginning July 2018 and in accordance with direction from the Department of Health Care Services (DHCS), PHC has consolidated its reporting from these fourteen counties into two regions; these are in alignment with the two DHCS rating regions.

As a public agency, the HealthPlan is exempt from state and federal income tax.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **ACCOUNTING POLICIES:**

The accounting and reporting policies of PHC conform to generally-accepted accounting principles and general practices within the healthcare industry.

##### **PROPERTY AND EQUIPMENT:**

Effective July 2015, property and equipment totaling \$10,000 or more are recorded at cost; this includes assets acquired through capital leases and improvements that significantly add to the productive capacity or extend the useful life of the asset. Costs of maintenance and repairs are expensed as incurred. Depreciation for financial reporting purposes is provided on a straight-line method over the estimated useful life of the asset. The costs of major remodeling and improvements are capitalized as building or leasehold improvements. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining term of the applicable lease or their estimated useful life. Building improvements are depreciated over their estimated useful life.

##### **INVESTMENTS:**

PHC investments can consist of U.S. Treasury Securities, Certificates of Deposits, Money Market and Mutual Funds, Government Pooled Funds, Agency Notes, Repurchase Agreements, Shares of Beneficial Interest and Commercial Paper and are carried at fair value.

# **PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

## **NOTES TO FINANCIAL STATEMENTS**

### **July 31, 2022**

#### **RESERVED FUNDS:**

As of July 2022, PHC has Reserved Funds of \$984.3 million, which includes \$0.3 million of Knox-Keene Reserves. To account for Board approved Strategic Use of Reserves (SUR) initiatives, which includes funding for the Wellness & Recovery program, an additional \$73.6 million has been set aside as a “Strategic Use of Reserve” for community reinvestments. The amount represents the net amount remaining of all of the SUR projects that have been approved to date; this balance is periodically adjusted as projects are completed.

#### **3. STATE CAPITATION REVENUE**

Medi-Cal capitation revenue is based on the monthly capitation rates, as provided for in the State contract, and the actual number of Medi-Cal eligible members. Capitation revenues are paid by the State on a monthly basis in arrears based on estimated membership. As such, capitation revenue includes an estimate for amounts receivable from or refundable to the State for projected changes in membership and trued up monthly through a State reconciliation process. These estimates are continually monitored and adjusted, as necessary, as experience develops or new information becomes known.

#### **4. HEALTHCARE COST**

PHC continues to develop completion factors to calculate estimated liability for claims incurred but not reported. These factors are reviewed and adjusted as more historical data become available. Budgeted capitation revenues and healthcare costs are adjusted each month to reflect changes in enrollee counts.

#### **5. QUALITY IMPROVEMENT PROGRAM**

PHC maintains quality incentive contracts with acute care hospitals and primary care physicians. As of July 2022, PHC has accrued a Quality Incentive Program payout of \$94.3 million.



# **PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

## **NOTES TO FINANCIAL STATEMENTS**

### **July 31, 2022**

#### **6. ESTIMATES**

Due to the nature of the operations of the Partnership HealthPlan, it is necessary to estimate amounts for financial statement presentation. Substantial overstatement or understatement of these estimates would have a significant impact on the statements. The items estimated through various methodologies are:

- Value of Claims Incurred But Not Received
- Quality Incentive Payouts
- Earned Capitation Revenues
- Total Number of Members
- Retro Capitation Expense for Certain Providers

#### **7. COMMITMENTS AND CONTINGENCIES**

In the ordinary course of business, the HealthPlan is party to claims and legal actions by enrollees, providers, and others. After consulting with legal counsel, HealthPlan management is of the opinion any liability that may ultimately be incurred as a result of claims or legal actions will not have a material effect on the financial position or results of the operations of the HealthPlan.

#### **8. UNUSUAL OR INFREQUENT ITEMS REPORTED IN CURRENT MONTH'S FINANCIAL STATEMENTS**

None noted.

Partnership HealthPlan of California  
Investment Schedule  
July 31, 2022

Name of Investment	Investment Type	Yield to Maturity	Trade Date	Maturity Date	Call Date	Face Value	Purchase Price	Market Value	Credit Rating Agency	Credit Rating
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FUNDS HELD FOR INVESTMENT:

Highmark Money Market	Cash & Cash Equiv	NA	Various	NA	NA	NA	\$ 1,532,973	\$ 1,532,973	NA	NR
US Treasury Note for Knox Keene	Cash & Cash Equiv	0.01375	1/11/2022	1/31/2025	NA	\$ 300,000	\$ 303,281	\$ 289,218	NA	NR

FUNDS HELD FOR OPERATIONS:

Merrill Lynch Institutional	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 66,639,004
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 171,686
UB - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 1,074,490,995
Government Investment Pools (LAIF)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 75,000,000
Government Investment Pools (County)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 40,625,867
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 621,259
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 3,300

GRAND TOTAL:

\$ 1,259,374,302

Required Reserves (Liquid)

Required Reserved Funds (Liquid) \$ 875,557,931

Cash on Hand / Cash Days Available:

Including Required Reserves \$ 1,259,374,302

Excluding Required Reserves \$ 383,816,371

Cash Days Available incl. Required Reserves

147.40

Cash Days Available excl. Required Reserves

44.92

**Partnership HealthPlan of California  
Investment Yield Trends**

FISCAL YEAR 22/23		JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
Interest Income		964,760												964,760
Cash & Investments at Historical Cost	(1)	383,827,153												383,827,153
Computed Yield	(2)	1.97%												
Total Rate of Return	(3)	3.02%												
CA Pooled Money Investment Account (PMIA)	(4)	1.09%												

FISCAL YEAR 21/22		JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD
Interest Income		69,194	34,507	35,073	48,030	35,292	32,599	43,164	43,000	49,137	180,039	300,085	607,934	1,478,054
Cash & Investments at Historical Cost	(1)	492,803,755	513,054,483	588,066,155	570,252,227	294,587,864	673,772,755	780,352,876	677,905,415	919,704,699	793,880,293	785,132,989	791,201,036	656,726,212
Computed Yield	(2)	0.17%	0.08%	0.08%	0.10%	0.10%	0.08%	0.07%	0.07%	0.07%	0.25%	0.46%	0.93%	
Total Rate of Return	(3)	0.17%	0.12%	0.10%	0.10%	0.11%	0.10%	0.09%	0.09%	0.08%	0.11%	0.15%	0.23%	
CA Pooled Money Investment Account (PMIA)	(4)	0.22%	0.22%	0.21%	0.20%	0.20%	0.21%	0.23%	0.28%	0.37%	0.52%	0.68%	0.86%	

**NOTES:**

- (1) Investment balances include Restricted Cash and Board Designated Reserves  
YTD for Cash & Investments is average year-to-date
- (2) Computed yield is calculated by annualizing the current month's interest divided by the current month's average balance.
- (3) Total Rate of Return is computed based on year-to-date interest income annualized divided by an average of the fiscal year's portfolio's market value at month-end.
- (4) LAIF limits the amount a single government entity can deposit into LAIF; currently that amount is set at \$75 million.

## Partnership HealthPlan of California Investment Yield Trends

