

Partnership HealthPlan of California Finance Committee Meeting Agenda

January 18, 2023 | 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 5th 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 – November 16, 2022 - Decision	Dave Jones, Chair	3	
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 – Decision	Liz Gibboney	10	
2.	CEO’s Health Plan Update – Information	Liz Gibboney	12	
3.	Approve November 2022 Metrics and Financials – Decision	Jeff Ingram	13	
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.

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 mhamilton@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: November 16, 2022 / 8:00 – 9:30 AM

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

Members Absent: None

Staff Present: Liz Gibboney, Sonja Bjork*, Mary Kerlin*, Patti McFarland, Marisa Dominguez, Tommee Naenphan, John Lemoine, Miranda Hamilton, Amy Turnipseed, Wendi West *, Jeff Ingram

Staff Absent: Katrina Dupont, Kirt Kemp, Wendell Coats

Guests: None

* Attendance via Video Conference

DECISION AGENDA ITEMS	DISCUSSION / CONCLUSIONS	RECOMMENDATIONS / ACTION	TARGET DATE	DATE RESOLVED
Approval of October 19, 2022 Meeting Minutes	Dave Jones – Chairperson, confirmed a quorum, and stated that there are no changes to the agenda. October 19, 2022, meeting minutes presented for approval.	Action: Mr. Randall Hempling moved to approve minutes, and is seconded by Ms. Nancy Starck. All voted to approve the minutes		
AGENDA CHANGES AND DELETIONS				
	None			
COMMISSIONER COMMENTS				
	None			
PUBLIC COMMENTS				
	None			
NEW BUSINESS				

<p>Brown Act Requirements</p> <p>Presenter: Dave Jones, Chairperson.</p>	<p>This is a standard request PHC has presented each meeting for the last few months and will continue to present for the foreseeable future.</p>	<p>Action: Decision</p> <p>Ms. Kathie Powell moves to approve. Ms. Alicia Hardy seconds.</p> <p>Mr. Dave Jones asks for comments. No comments.</p> <p>Motion carried.</p>		
<p>CEO's Health Plan Update</p> <p>Presenter: Liz Gibboney, CEO</p>	<p>DHCS & STATE ISSUES</p> <p><i>CalAIM & DHCS Regional Meetings</i></p> <p>DHCS is holding 12 regional convenings around the State, with the goal of receiving frontline feedback on CalAIM and the other aspects of the medical program. DHCS asked PHC to host 3 meetings- the first one took place last week in Fairfield, CA. PHC will be hosting meetings in Eureka and Redding next.</p> <p>The Fairfield Convening was well attended. Mr. Mitesh Popat and Ms. Alicia Hardy were both in attendance. DHCS took thorough notes and asked many questions, as well as provided clarity and answered questions from the community where possible.</p> <p>As far as the way CalAIM has been received, specifically ECM and Community Supports- it is welcomed in terms of structure and the possibility for payment. However, CalAIM's goals are considered ambitious when considering the challenges added to providers as the State begins to transition away from Covid measures. ECM and community support providers welcomed the changes, which include new reporting requirements, but sent a clear message that the community feels taxed already.</p> <p>Mr. Mitesh Popat commented that it was a great conversation.</p>	<p>Ms. Alicia Hardy adds that it was encouraging to see how receptive DHCS was to feedback from the community. It was helpful to hear that, when questioned about long-term vision</p>		

	<p>Ms. Liz Gibboney agrees that it provided some reassurance to some providers who may have been feeling more skeptical.</p> <p>Ms. Gibboney replies that the requirements themselves are not in the statute, but a lot are in the actual waiver document that underpins the whole program. However, at the moment, PHC does not have detailed insight.</p> <p>Ms. Gibboney confirms.</p> <p><i>Housing & Homeless Incentive Program (HHIP)</i> With the eventual ending of the Public Health Emergency, there will be more convergence between counties with the new workload coming their way. The State also commented that the HHAP program was on hold because the administration was dissatisfied with the narratives surrounding the program. However, counties continue to turn in applications for HHAP. HHIP will continue as planned.</p> <p><i>Annual DHCS Medical Audit</i> The audit will be taking place shortly. This will be a virtual, 2 week process taking place during the 2nd and 3rd weeks of December, 2022. Preparation for the audit is going well, but there is a lot going on at PHC as the team focuses on completing its 2024 DHCS contract deliverables. All the health plans are feeling the strain with these deliverables.</p>	<p>and direction, CalAIM is a first step into a more permanent structure with benefits, to be implemented within the next 5-10 years.</p> <p>Ms. Hardy agrees, and inquires about how much of the new DHCS requirements are already written in the statute and if the State will need to change its legislation.</p> <p>Ms. Hardy clarifies if Ms. Gibboney meant that direct conversation would be the best way to move forward.</p>		
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HEDIS/MCAS Score Improvement

- *Joint Leadership Initiatives*
This is where PHC works with the 8-9 largest primary care providers with significant caseloads. PHC works with them to focus on having a quality IE in terms of quality and raising scores.
- *PCP Quality Improvement Program*
PHC has been working to adjust the State’s expectations about QIP based on the regional differences between rural and urban counties that may have access to more resources, money, staff, etc. PHC is proposing that DHCS adjusts the MPAs or measures to create different standards across the State. This will hopefully help account for each county having a different starting place, and approaching health equity issues in terms of social determinants.

Alternative Payment Methodology (APM)

If providers want to participate in this, there is an optional letter they can submit to the State in November. It is not mandatory to have the PHC’s approval, but the applications due in January will need PHC’s support to proceed.

GENERAL ISSUES

Geographic Expansion

Efforts continue in PHC’s geographic expansion. PHC leadership is still on the road this month, specifically focusing on meeting with public and behavioral health leaders. They all have been excited about working with PHC in 2024. Small and rural counties with few resources have proven to be steadfast and creative in their approaches. PHC will continue these meetings through November.

Annual February Board Retreat

The retreat will take place at the end of February, 2023.

	<p>HCAI’s Director, Elizabeth Lanceberg, will be speaking and focusing on workforce development. HCAI has lots of money to distribute around the State. In building relationship with them, PHC hopes to get a bit of access to those dollars. The “Changed Management” speaker is still to be assigned, but any recommendations can be sent to Ms. Gibboney.</p> <p>Ms. Gibboney replies that PHC hasn’t heard talk about that, however, there is a meeting with Ms. Lanceberg tomorrow (November 17, 2022) in preparation for the retreat. Ms. Gibboney will request that Ms. Lanceberg speaks to that specifically at the retreat. She adds that if anyone else has topics they’d like to be covered at the retreat, to reach out.</p> <p>Ms. Gibboney replies that the counties do have a concern for the inevitable wave of work that will come as a result of the redetermination process. PHC has a process in place for cleansing and ensuring redeterminations are accurate. This will be running concurrent to the redetermination process in 2023.</p> <p>Ms. Patti McFarland adds that this tends to work in PHC’s favor because, as the membership changes, PHC will get the benefit of the doubt from DHCS. Especially as the upcoming recession takes place, there will be a lot of shifts in membership. Most of the drop-off will likely consist of people that have left the State and not notified PHC. When PHC’s team looks back and analyzes what happened, they will have lots of variables. PHC is expecting a challenge but is not as concerned from this perspective.</p>	<p>Ms. Starck asks if there is any opportunity with HCAI to address the equity issue on QIP scores through the workforce dollars.</p> <p>Ms. Hardy asks, in relation to all the movement to take place with redetermination, if PHC has a process to handle the financial impact of the inevitable percentage of inaccurate member assignments. Keeping in mind that the base capitated rate could be significantly higher if the numbers are incorrectly inflated.</p> <p>Ms. Hardy comments that clinics aren’t particularly incentivized to make sure rates are low, and wants to make sure that PHC is incentivizing clinics to do</p>		
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		<p>APM for the right reasons. This is to keep the reimbursement rate from getting skewed, and PHC from overpaying due to misrepresentation.</p> <p>Mr. Jones asks if there are any further questions. No further questions.</p>		
<p>Approve September 2022 Metrics and Financials</p> <p>Presenter: Jeff Ingram, Deputy CFO</p>	<p>SEPTEMBER 2022</p> <p><i>Summary</i> For the month of September, PHC is favorable by \$2 million, bringing to total year-to-date deficit to -\$1.2 million.</p> <p><i>Revenue Variances</i> PHC is under budget by \$711,014. This will break even with some offset costs. Medi-Cal revenue is unfavorable by \$4.8 million unfavorable due to unbudgeted revenue adjustments related to acuity adjustments for CY 2022 rates. There has been a delay in the delivery of the CY 2022 rates, PHC is expecting that the earliest DHCS will deliver the rates is May of 2023, as the rates delivery date was recently pushed back from March 2023. PHC currently has CY 2023 rates and is expecting to have drop line rates delivered by December.</p> <p>PHC is \$4 million favorable in interest income as the interest rates hike on PNL. Other revenue is favorable \$5.5 million through CalAim, Proposition 56, and Covid vaccine incentive programs.</p> <p>Healthcare costs are unfavorable by \$10 million, and pending contract changes.</p> <p><i>Fee For Service</i></p> <p>As PHC monitors utilization post Covid, P&L will shift this month. PHC is expecting there to be a dip around the first quarter of the last CY in long-term care. This isn't tied to the system disruption.</p>	<p>Action: Decision</p> <p>Mr. Jones asks for questions. No questions.</p>		

	<p>Healthcare investment funds are offset by the above revenues. Administrative costs are favorable by \$8 million, mostly due to the timing of PHC's employee hiring.</p> <p>There is also a \$4 million variance with professional services and favorable variances- as the fiscal year progresses, the variances are expected to dissipate.</p>	<p>Mr. Jones asks for a motion.</p> <p>Mr. Hempling moves to approve.</p> <p>Ms. Hardy seconds.</p> <p>Motion carried.</p>		
Adjournment	Meeting adjourned at approximately 8:31 am.			

Minutes Prepared and Submitted by: Miranda Hamilton
Reviewed and Edited by: Nelson Gervacio
Minutes Reviewed and Submitted by: Jeff Ingram

Chairman Signature of Approval _____ Date _____

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Finance Committee Meeting Date:

January 18, 2022

Board Meeting Date:

February 22, 2023

Agenda Item Number:

2.1

Resolution Sponsor:

Liz Gibboney, CEO, Partnership HealthPlan of CA

Recommendation by:

PHC Staff

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:
January 18, 2023

Board Meeting Date:
February 22, 2023

Agenda Item Number:
2.1

Resolution Number:
23-

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

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 18th day of January 2023 by motion of Commissioner, seconded by Commissioner, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

Alicia Hardy, Chair

Date

ATTEST:

BY: _____
Ashlyn Scott, Clerk



Finance Committee

Chief Executive Officer Update

January, 2023

DHCS & State Issues

- Quality Performance Sanctions
- CalAIM: Enhanced Care Management and Community Supports
- Housing and Homeless Incentive Program (HHIP)
- Annual DHCS Medical Audit
- Alternative Payment Methodology (APM)
- Federal Omnibus Package

General Issues:

- Geographic Expansion
- Annual Board Retreat/February

FINANCIAL HIGHLIGHTS

Of The Partnership HealthPlan Of California

For the Period Ending November 30, 2022

Financial Analysis for the Current Period

Total (Deficit) Surplus

For the month ending November 30, 2022, PHC reported a net surplus of \$2.5 million, bringing the year-to-date surplus to \$4.1 million. Significant variances are explained below.

Revenue

Total Revenue is lower than budget by \$1.4 million for the month and greater than budget by \$2.1 million for the year-to-date. Supplemental revenues are unfavorable \$8.9 million due primarily to timing differences of submissions to DHCS. Medi-Cal revenue is \$8.6 million unfavorable due to unbudgeted revenue adjustments related to acuity adjustments for CY 2022 rates. Other revenue is favorable \$8.0 million due mainly to unbudgeted CalAIM and COVID vaccine incentive program revenues; corresponding expenses are being recorded in Healthcare Investment Funds. Interest income is \$9.0 million favorable due to higher than anticipated interest rates. MCO tax revenue is \$2.6 million favorable due to higher than budgeted enrollment.

Healthcare Costs

Total Healthcare Costs are lower than budget by \$612,858 for the month and greater than budget by \$32.9 million for the year-to-date. Physician and Ancillary expenses are \$43.1 million unfavorable as a result of adjustments to IBNR reserves for Physician Services, Outpatient Hospital, and ER due to increases in utilization and pending retro adjustments. Global Subcapitation is \$15.6 million unfavorable due to timing of contracted rate changes; updates are expected to be reflected in the December financial statements. Healthcare Investment Funds is \$7.6 million unfavorable due primarily to unbudgeted CalAIM incentive program expense; offsets are mentioned in revenue above. Long term care expenses are \$11.6 million favorable due to prior year adjustments related to decreased utilization and rate adjustments effective January 2022. Inpatient hospital FFS expense is \$12.7 million favorable due to lower than anticipated utilization; variance is expected to decrease throughout the fiscal year due increased cost pressures. Transportation expense is \$4.4 million favorable due to lower than budgeted expenses. PCP, Medical Group, Hospital, and Ancillary capitation were \$2.2 million favorable primarily due to assignment changes related to regulatory changes impacting other health coverage, effective October 1, 2022. Quality Assurance expense is \$2.7 million favorable due to timing of administrative expenses.

Administrative Costs

Total administrative costs are lower than budget by \$2.5 million for the month and \$11.4 million for the year-to-date. This is primarily from the positive year-to-date variance in Employee expenses due to a higher number of open positions budgeted for than originally anticipated. The variances in Computer and Data and Professional Services are from software and consultant costs which have been budgeted for in the earlier part of the year but have yet to occur. These costs are expected to be realized in the upcoming months, and the variances should decrease as the year progresses.

Balance Sheet

Total Cash & Cash Equivalents increased by \$84.9 million for the month. \$283.4 million in State Capitation

FINANCIAL HIGHLIGHTS
Of The Partnership HealthPlan Of California
For the Period Ending November 30, 2022

payments were received during the month; additionally, \$5.8 million in State Incentive payments, \$0.3 million in Drug Medi-Cal payments and \$2.9 million in interest earnings were received, and \$7.0 million in board-designated reserve transfers were recorded during the month. These inflows were offset by \$197.0 million in healthcare cost payments, \$3.1 million in Drug Medi-Cal payments, and \$14.9 million in administrative and capital costs. The remaining difference can be attributed to other revenues.

General Statistics

Membership

Membership had a total net increase of 4,754 members for the month.

Utilization Metrics and High Dollar Case

For the fiscal year 2022/23 through November 30, 2022, 105 members reached the \$250,000 threshold with an average cost of \$425,069. For fiscal year 2021/22, 569 members reached the \$250,000 threshold with an average cost per case was \$490,697. For fiscal year 2020/21, 508 members reached the \$250,000 threshold with an average claims cost of \$492,183.

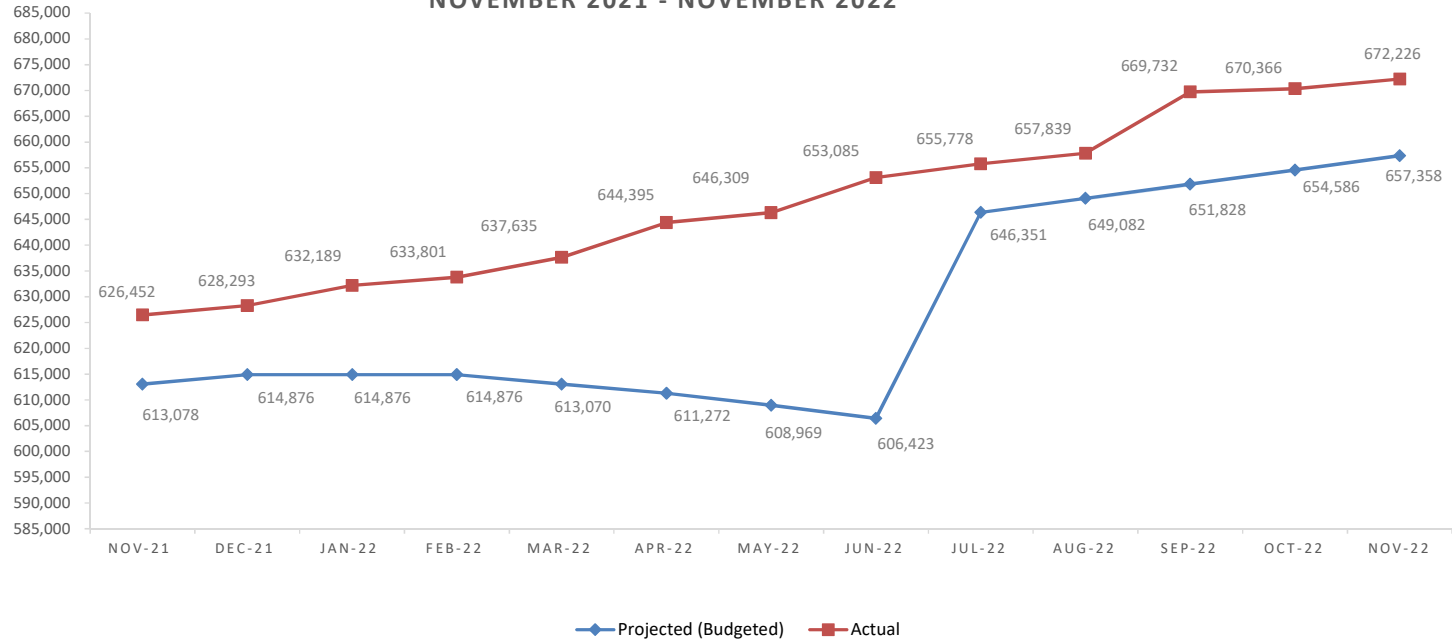
Current Ratio/Required Reserves

Current Ratio Including Required Reserves	1.78
Current Ratio Excluding Required Reserves:	0.75
Required Reserves:	\$969,036,312
Total Fund Balance:	\$770,857,672

Days of Cash on Hand

Including Required Reserves:	144.48
Excluding Required Reserves:	54.68

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA
ACTUAL V. PROJECTED MEDI-CAL ENROLLMENT
NOVEMBER 2021 - NOVEMBER 2022**



Member Months by County:

County	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Solano	125,202	125,748	126,876	127,721	128,602	130,389	130,408	132,152	132,795	133,221	135,456	135,281	136,238
Napa	32,186	32,223	32,566	32,447	32,696	33,096	33,622	33,994	33,921	34,122	34,908	34,866	34,802
Yolo	58,371	58,386	58,531	58,770	59,008	59,247	59,768	60,067	60,315	60,352	61,422	61,850	62,332
Sonoma	119,850	120,345	121,061	121,635	122,221	123,035	124,906	125,724	126,276	127,033	129,477	129,278	129,866
Marin	44,731	44,833	45,288	45,344	45,716	46,275	47,488	48,025	48,307	48,355	50,793	49,810	50,020
Mendocino	39,272	39,266	39,507	39,422	39,655	40,143	39,955	40,422	40,476	40,585	41,232	41,285	41,199
Lake	33,281	33,340	33,552	33,537	33,682	33,892	34,005	34,202	34,267	34,460	34,935	35,079	34,965
Del Norte	12,166	12,271	12,233	12,245	12,323	12,378	12,331	12,415	12,470	12,438	12,559	12,658	12,626
Humboldt	58,217	58,347	58,779	58,818	59,127	59,837	59,059	59,637	59,988	60,064	60,580	61,050	61,004
Lassen	8,264	8,343	8,413	8,383	8,459	8,616	8,474	8,631	8,692	8,696	8,841	8,870	8,892
Modoc	3,803	3,820	3,871	3,883	3,896	3,981	3,887	3,976	3,990	4,000	4,062	4,123	4,120
Shasta	67,042	67,225	67,304	67,413	67,990	68,974	68,078	69,215	69,530	69,767	70,415	71,010	71,085
Siskiyou	18,830	18,859	18,921	18,911	18,900	19,094	18,865	19,120	19,184	19,208	19,408	19,477	19,349
Trinity	5,237	5,287	5,287	5,272	5,360	5,438	5,463	5,505	5,567	5,538	5,644	5,729	5,728
All Counties Total	626,452	628,293	632,189	633,801	637,635	644,395	646,309	653,085	655,778	657,839	669,732	670,366	672,226

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

Partnership Health Plan of California
Comparative Financial Indicators Monthly Report
Fiscal Year 2022 - 2023 & Fiscal Year 2021 - 2022

FINANCIAL INDICATORS	Avg / Month											As of		
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22								YTD	Nov-22
Total Enrollment	656,979	659,818	664,126	670,366	675,120								3,326,409	665,282
Total Revenue	267,284,264	274,023,503	275,982,353	280,650,347	275,952,412								1,373,892,880	274,778,576
Total Healthcare Costs	241,534,619	251,300,354	248,258,707	251,614,473	247,400,639								1,240,108,788	248,021,758
Total Administrative Costs	10,017,179	11,227,839	10,474,205	10,917,406	10,835,726								53,472,358	10,694,471
Medi-Cal Hospital & Managed Care Taxes	15,239,583	15,239,583	15,239,583	15,239,583	15,239,583								76,197,915	15,239,583
Total Current Year Surplus (Deficit)	492,883	(3,744,273)	2,009,858	2,878,885	2,476,464								4,113,819	822,764
Total Claims Payable	477,170,822	462,743,832	493,164,597	458,376,705	502,119,489								502,119,489	478,715,089
Total Fund Balance	767,236,734	763,492,462	765,502,320	768,381,207	770,857,672								770,857,672	767,094,079
Reserved Funds														
State Financial Performance Guarantee	544,383,000	541,137,000	538,073,000	536,158,000	532,018,000								532,018,000	538,353,800
State Financial Performance Guarantee - 2024 Expansion Counties	176,589,000	176,452,000	176,272,000	176,387,000	175,879,000								175,879,000	176,315,800
Regulatory Reserve Requirement	95,682,198	96,841,016	96,447,591	97,185,269	95,238,548								95,238,548	96,278,924
Board Approved Capital and Infrastructure Purchases	58,903,733	57,323,454	56,632,864	55,264,727	54,791,487								54,791,487	56,583,253
Capital Assets	108,759,668	109,892,826	110,144,969	111,073,813	111,109,277								111,109,277	110,196,111
Strategic Use of Reserve-Board Approved Community Reinvestments	73,609,149	73,596,300	73,393,537	73,267,220	73,140,010								73,140,010	73,401,243
Unrestricted Fund Balance	(290,690,013)	(291,750,135)	(285,461,641)	(280,954,821)	(271,318,650)								(271,318,650)	(284,035,052)
Fund Balance as % of Reserved Funds	72.52%	72.35%	72.84%	73.23%	73.97%								73.97%	72.98%
Current Ratio (including Required Reserves)	1.83:1	1.84:1	1.78:1	1.85:1	1.78:1								1.78:1	1.82:1
Medical Loss Ratio w/o Tax	96.06%	97.35%	95.55%	95.14%	95.25%								95.87%	95.87%
Admin Ratio w/o Tax	3.98%	4.35%	4.03%	4.13%	4.17%								4.13%	4.13%
Profit Margin Ratio	0.18%	-1.37%	0.73%	1.03%	0.90%								0.30%	0.30%

FINANCIAL INDICATORS	Avg / Month												As of	
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	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	654,962,002	665,015,064	677,023,711	690,745,592	703,309,211	704,602,847	730,066,681	757,239,100	784,990,740	766,955,362	768,150,648	766,743,852	766,743,852	722,483,734
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
State Financial Performance Guarantee - 2024 Expansion Counties	-	-	-	-	-	-	-	-	-	-	-	-	168,159,000	168,159,000
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	8,182,193
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	15,000,000	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	(289,221,960)	(289,221,960)	63,969,870
Fund Balance as % of Reserved Funds	105.71%	106.93%	109.02%	110.98%	112.47%	111.94%	116.33%	121.11%	126.31%	124.23%	124.93%	72.61%	72.61%	109.71%
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%	83.59%	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%	4.97%	4.81%	11.69%	4.87%	4.87%
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%	-0.55%	3.51%	3.51%

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Membership and Financial Summary
For The Period Ending November 30, 2022

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
675,120	670,366	4,754	Total Membership	665,282	619,141	46,141
ACTUAL MONTH	BUDGET MONTH	\$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	\$ VARIANCE YTD
275,952,412	277,318,503	(1,366,091)	Total Revenue	1,373,892,880	1,371,744,730	2,148,150
247,400,639	248,013,497	612,858	Total Healthcare Costs	1,240,108,788	1,207,232,011	(32,876,777)
10,835,726	13,367,470	2,531,744	Total Administrative Costs	53,472,358	64,902,835	11,430,477
15,239,583	15,239,583	-	Medi-Cal Managed Care Tax	76,197,915	76,197,915	-
2,476,464	697,953	1,778,511	Total Current Year Surplus (Deficit)	4,113,819	23,411,969	(19,298,150)
95.25%	94.76%		Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)	95.87%	93.29%	
4.17%	5.11%		Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)	4.13%	5.02%	

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of November 30, 2022

	<u>November 2022</u>	<u>October 2022</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents	522,306,701	437,442,638
Receivables		
Accrued Interest	304,100	331,200
State DHS - Cap Rec	66,903,061	82,358,983
Other Healthcare Receivable	19,539,519	17,522,639
Miscellaneous Receivable	8,574,969	5,798,294
Total Receivables	95,321,649	106,011,116
Other Current Assets		
Payroll Clearing	4,043	(4,032)
Prepaid Expenses	6,894,078	7,333,304
Total Other Current Assets	6,898,121	7,329,272
Total Current Assets	624,526,471	550,783,026
Non-Current Assets		
Fixed Assets		
Motor Vehicles	188,086	188,086
Furniture & Fixtures	7,518,859	7,518,859
Computer Equipment - HP	541,886	541,886
Computer Equipment	21,167,017	21,140,004
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	31,231,667	31,231,667
Accum Depr - Motor Vehicles	(153,314)	(151,992)
Accum Depr - Furniture	(7,258,065)	(7,229,587)
Accum Depr - Comp Equip - HP	(541,886)	(541,886)
Accum Depr - Comp Equipment	(20,217,470)	(20,158,436)
Accum Depr - Comp Software	(19,707,362)	(19,648,755)
Accum Depr - Leasehold Improvements	(962,374)	(962,374)
Accum Depr - Building	(9,777,153)	(9,657,640)
Accum Depr - Bldg Improvements	(10,501,245)	(10,330,422)
Construction Work-In-Progress	35,204,761	34,758,534
Total Fixed Assets	111,109,274	111,073,811
Other Non-Current Assets		
Deposits	53,762	53,762
Board-Designated Reserves	857,627,035	864,694,996
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	4,446,755	4,596,984
Net Pension Asset	3,475,861	3,475,861
Deferred Outflows Of Resources	2,884,773	2,884,773
Total Other Non-Current Assets	868,788,186	876,006,376
Total Non-Current Assets	979,897,460	987,080,187

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of November 30, 2022

	<u>November 2022</u>	<u>October 2022</u>
Total Assets	<u>1,604,423,931</u>	<u>1,537,863,213</u>
LIABILITIES & FUND BALANCE		
Liabilities		
Current Liabilities		
Accounts Payable	138,126,331	115,780,448
Unearned Income	22,619,723	18,978,398
Suspense Account	2,669,493	2,708,325
Capitation Payable	23,459,861	21,822,597
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	9,354,243	11,164,942
Claims Payable	61,488,490	64,647,772
Incurred But Not Reported-IBNR	440,630,999	393,728,933
Quality Improvement Programs	99,592,416	105,025,888
Total Current Liabilities	<u>830,574,669</u>	<u>766,490,416</u>
Non-Current Liabilities		
Deferred Inflows Of Resources	2,991,590	2,991,590
Total Non-Current Liabilities	<u>2,991,590</u>	<u>2,991,590</u>
Total Liabilities	<u>833,566,259</u>	<u>769,482,006</u>
Fund Balance		
Unrestricted Fund Balance	<u>(271,318,650)</u>	<u>(280,954,821)</u>
Reserved Funds		
State Financial Performance Guarantee	532,018,000	536,158,000
State Financial Performance Guarantee - Expansion Counties	175,879,000	176,387,000
Regulatory Reserve Requirement	95,238,548	97,185,269
Board Approved Capital and Infrastructure Purchases	54,791,487	55,264,727
Capital Assets	111,109,277	111,073,813
Strategic Use of Reserve-Board Approved Community Reinvestments	73,140,010	73,267,220
Total Reserved Funds	<u>1,042,176,322</u>	<u>1,049,336,029</u>
Total Fund Balance	<u>770,857,672</u>	<u>768,381,207</u>
Total Liabilities And Fund Balance	<u>1,604,423,931</u>	<u>1,537,863,213</u>

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Statement of Cash Flow
For The Period Ending November 30, 2022

	<u>Current Month Activity</u>	<u>Year-To-Date Activity</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From:		
Capitation from California Department of Health Care Services	283,433,719	1,589,841,729
Other Revenues	5,961,620	8,142,655
Cash Payments to Providers for Medi-Cal Members		
Capitation Payments	(39,938,718)	(226,697,209)
Medical Claims Payments	(157,013,740)	(939,282,871)
Drug Medi-Cal		
DMC Receipts from Counties	334,416	9,817,245
DMC Payments to Providers	(3,058,110)	(15,301,953)
Cash Payments to Vendors	(5,701,287)	(229,739,189)
Cash Payments to Employees	(8,105,293)	(43,632,520)
Net Cash (Used) Provided by Operating Activities	<u>75,912,607</u>	<u>153,147,887</u>
CASH FLOWS FROM CAPITAL FINANCING & RELATED ACTIVITIES:		
Purchases of Capital Assets	(1,049,547)	(5,731,450)
Net Cash Used by Capital Financial & Related Activities	<u>(1,049,547)</u>	<u>(5,731,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Board-Designated Reserve Transfers	7,067,962	16,431,862
Interest and Dividends on Investments	2,933,041	9,381,700
Net Cash (Used) Provided by Investing Activities	<u>10,001,003</u>	<u>25,813,562</u>
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	84,864,063	173,229,999
CASH & CASH EQUIVALENTS, BEGINNING	<u>437,442,638</u>	<u>349,076,702</u>
CASH & CASH EQUIVALENTS, ENDING	<u>522,306,701</u>	<u>522,306,701</u>
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
TOTAL OPERATING (LOSS) INCOME	(429,477)	(5,423,680)
DEPRECIATION	437,777	2,403,395
CHANGES IN ASSETS AND LIABILITIES:		
Other Receivables	(4,793,554)	(8,299,008)
California Department of Health Services Receivable	15,455,922	112,676,661
Other Assets	1,157,687	(3,073,379)
Accounts Payable and Accrued Expenses	25,774,941	(1,354,109)
Accrued Claims Payable	43,742,784	44,151,533
Quality Improvement Programs	(5,433,473)	12,066,474
Net Cash Provided (Used) by Operating Activities	<u>75,912,607</u>	<u>153,147,887</u>

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

**Statement of Revenues and Expenses
For The Period Ending November 30, 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
675,120	675,120	-			TOTAL MEMBERSHIP	3,326,409	3,326,409	-		
					REVENUE					
268,800,026	276,150,465	(7,350,439)	398.15	409.04	State Capitation Revenue	1,350,960,734	1,365,904,540	(14,943,806)	406.13	410.62
2,905,941	97,781	2,808,160	4.30	0.14	Interest Income	9,537,500	488,905	9,048,595	2.87	0.15
4,246,445	1,070,257	3,176,188	6.29	1.59	Other Revenue	13,394,646	5,351,285	8,043,361	4.03	1.61
275,952,412	277,318,503	(1,366,091)	408.74	410.77	TOTAL REVENUE	1,373,892,880	1,371,744,730	2,148,150	413.03	412.38
					HEALTHCARE COSTS					
21,666,671	18,881,956	(2,784,715)	32.09	27.97	Global Subcapitation	109,413,219	93,846,094	(15,567,125)	32.89	28.21
1,898,246	2,512,466	614,220	2.81	3.72	Capitated Medical Groups	11,190,730	12,470,554	1,279,824	3.36	3.75
					Physician Services					
6,015,278	6,222,971	207,693	8.91	9.22	PCP Capitation	31,096,295	31,026,814	(69,481)	9.35	9.33
217,822	235,338	17,516	0.32	0.35	Specialty Capitation	1,099,615	1,170,953	71,338	0.33	0.35
44,179,004	38,140,304	(6,038,700)	65.44	56.49	Non-Capitated Physician Services	220,698,733	186,859,443	(33,839,290)	66.35	56.17
50,412,104	44,598,613	(5,813,491)	74.67	66.06	Total Physician Services	252,894,643	219,057,210	(33,837,433)	76.03	65.85
					Inpatient Hospital					
17,022,391	18,328,808	1,306,417	25.21	27.15	Hospital Capitation	89,798,514	91,032,615	1,234,101	27.00	27.37
60,263,357	67,760,270	7,496,913	89.26	100.37	Inpatient Hospital - FFS	312,857,673	325,536,133	12,678,460	94.05	97.86
1,342,997	1,342,997	-	1.99	1.99	Hospital Stoploss	6,670,422	6,670,422	-	2.01	2.01
78,628,745	87,432,075	8,803,330	116.46	129.51	Total Inpatient Hospital	409,326,609	423,239,170	13,912,561	123.06	127.24
33,778,267	35,971,676	2,193,409	50.03	53.28	Long Term Care	156,703,919	168,348,947	11,645,028	47.11	50.61
					Ancillary Services					
1,033,156	973,494	(59,662)	1.53	1.44	Ancillary Services - Capitated	5,118,245	4,852,389	(265,856)	1.54	1.46
42,283,011	40,341,958	(1,941,053)	62.63	59.76	Ancillary Services - Non-Capitated	209,430,968	200,219,095	(9,211,873)	62.96	60.19
43,316,167	41,315,452	(2,000,715)	64.16	61.20	Total Ancillary Services	214,549,213	205,071,484	(9,477,729)	64.50	61.65
					Other Medical					
2,286,984	2,813,869	526,885	3.39	4.17	Quality Assurance	10,756,206	13,453,471	2,697,265	3.23	4.04
2,852,545	1,184,417	(1,668,128)	4.23	1.75	Healthcare Investment Funds	13,535,878	5,922,085	(7,613,793)	4.07	1.78
92,400	118,956	26,556	0.14	0.18	Advice Nurse	458,800	592,206	133,406	0.14	0.18
3,686	8,645	4,959	0.01	0.01	HIPP Payments	9,101	43,038	33,937	-	0.01
5,281,279	6,274,927	993,648	7.82	9.29	Transportation	26,522,609	30,923,691	4,401,082	7.97	9.30
10,516,894	10,400,814	(116,080)	15.59	15.40	Total Other Medical	51,282,594	50,934,491	(348,103)	15.41	15.31
7,183,545	6,900,445	(283,100)	10.64	10.22	Quality Improvement Programs	34,747,861	34,264,061	(483,800)	10.45	10.30
247,400,639	248,013,497	612,858	366.45	367.36	TOTAL HEALTHCARE COSTS	1,240,108,788	1,207,232,011	(32,876,777)	372.81	362.92
					ADMINISTRATIVE COSTS					
7,310,474	8,981,045	1,670,571	10.83	13.30	Employee	36,568,568	41,075,724	4,507,156	10.99	12.35
45,406	62,791	17,385	0.07	0.09	Travel And Meals	175,311	257,863	82,552	0.05	0.08
760,558	1,032,584	272,026	1.13	1.53	Occupancy	4,051,966	5,444,416	1,392,450	1.22	1.64
410,319	501,033	90,714	0.61	0.74	Operational	1,435,707	2,326,171	890,464	0.43	0.70
1,353,374	1,536,235	182,861	2.00	2.28	Professional Services	6,142,418	7,826,973	1,684,555	1.85	2.35
955,595	1,253,782	298,187	1.42	1.86	Computer And Data	5,098,388	7,971,688	2,873,300	1.53	2.40
10,835,726	13,367,470	2,531,744	16.06	19.80	TOTAL ADMINISTRATIVE COSTS	53,472,358	64,902,835	11,430,477	16.07	19.52
15,239,583	15,239,583	-	22.57	22.57	Medi-Cal Managed Care Tax	76,197,915	76,197,915	-	22.91	22.91
2,476,464	697,953	1,778,511	3.66	1.04	TOTAL CURRENT YEAR SURPLUS (DEFICIT)	4,113,819	23,411,969	(19,298,150)	1.24	7.03

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

November 30, 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

November 30, 2022

RESERVED FUNDS:

As of November 2022, PHC has Reserved Funds of \$969.0 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 \$73.1 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 November 2022, PHC has accrued a Quality Incentive Program payout of \$99.6 million.

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
November 30, 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
November 30, 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	\$ 1,545,941	\$ 1,545,941	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:

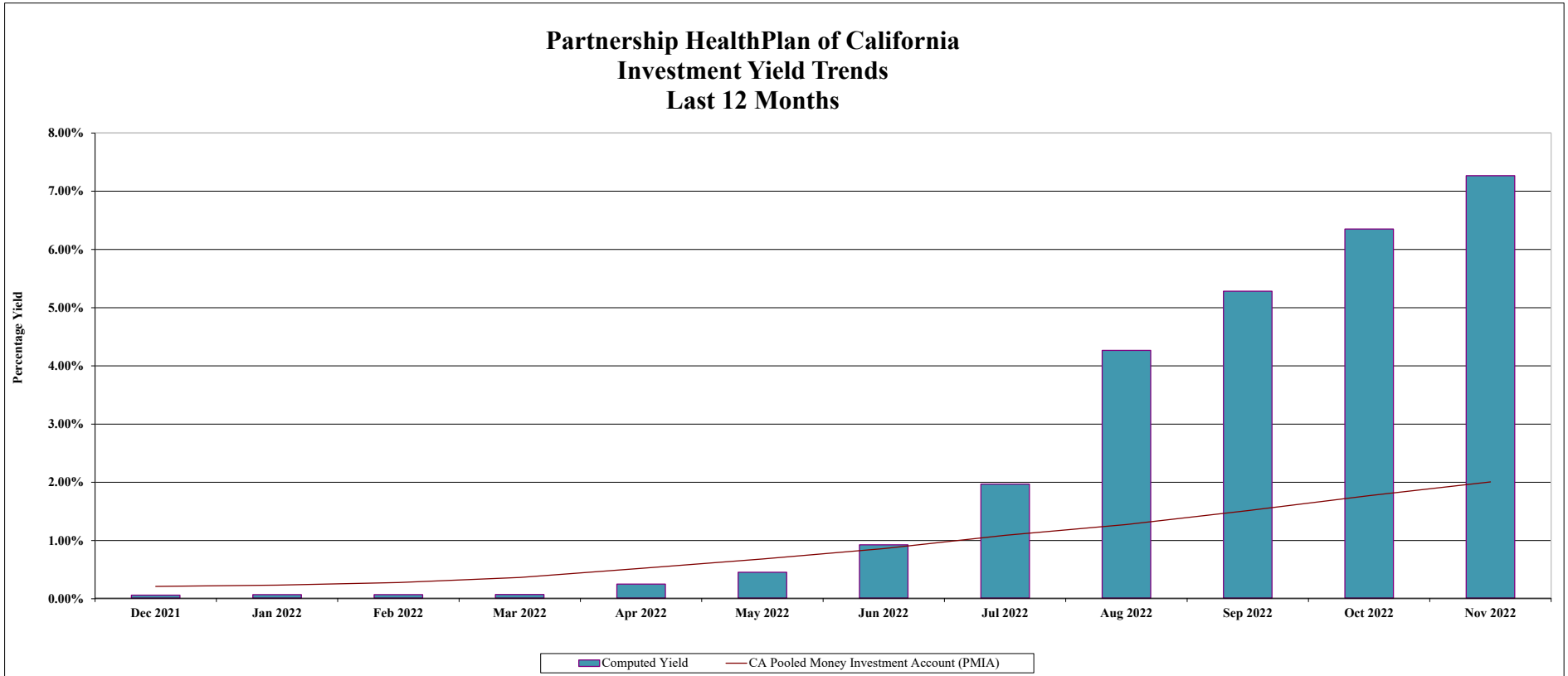
Merrill Lynch Institutional	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 66,998,876		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 221,412		
UB - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 1,192,439,042		
Government Investment Pools (LAIF)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 75,000,000		
Government Investment Pools (County)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 40,760,425		
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 2,964,739		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 3,300		

GRAND TOTAL:

\$ 1,380,222,953

**Partnership HealthPlan of California
Investment Yield Trends**

PERIOD		Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022
Interest Income		32,599	43,164	43,000	49,137	180,039	300,085	607,934	964,760	1,339,500	1,883,686	2,443,612	2,905,941
Cash & Investments at Historical Cost	(1)	673,772,755	780,352,876	677,905,415	919,704,699	793,880,293	785,132,989	791,201,036	383,827,153	369,544,156	486,039,878	437,442,638	522,306,701
Computed Yield	(2)	0.06%	0.07%	0.07%	0.07%	0.25%	0.46%	0.93%	1.97%	4.27%	5.28%	6.35%	7.27%
CA Pooled Money Investment Account (PMIA)	(3)	0.21%	0.23%	0.28%	0.37%	0.52%	0.68%	0.86%	1.09%	1.28%	1.51%	1.77%	2.01%



- (1) Investment balances include Restricted Cash and Board Designated Reserves
- (2) Computed yield is calculated by annualizing the current month's interest divided by the current month's average balance.
- (3) LAIF limits the amount a single government entity can deposit into LAIF; currently that amount is set at \$75 million.