



## Finance Committee Meeting Agenda

November 20, 2024: 8:00 a.m. – 9:30 a.m.

### In-person Locations:

- Partnership’s Fairfield Office located at 4605 Business Center Drive, Fairfield, CA (Board Room)
- Partnership’s Redding Office located at 2525 Airpark Dr., Redding, CA
- Partnership’s Santa Rosa Office located at 495 Tesconi Circle, Santa Rosa, CA
- Partnership’s Eureka Office located at 1036 5th Street, Eureka, CA
- Partnership’s Auburn Office located at 281 Nevada Street, Auburn, CA
- Partnership’s Chico Office located at 2760 Esplanade Ave, Suite 130, Chico, CA

**Finance Committee Members:** Jonathan Andrus, Jayme Bottke, Dave Jones, Chair, Ryan Gruver, Alicia Hardy, Randall Hempling, Kathryn Powell, Nancy Starck, Nolan Sullivan

### Public Participation

Public comment is welcome during designated "Public Comments" time frames or by emailing comments to the Board Clerk at [Board\\_FinanceClerk@partnershiphp.org](mailto:Board_FinanceClerk@partnershiphp.org) by 5:00p.m on November 19, 2024. Comments received will be read during the meeting.

8:00A.M – Opening			
1.1	Call to Order		<i>Dave Jones, Chair</i>
1.2	Roll Call		<i>Clerk</i>
1.3	<b>ACTION:</b> Approval of Agenda	1	<i>Chair</i>
1.4	<b>ACTION:</b> Approval of Finance Committee Minutes from October 2, 2024	2-6	<i>Chair</i>
1.5	Commissioner Comment		<i>Chair</i>
1.6	Public Comment		<i>Public</i>
New Business			
2.1	<b>INFORMATION:</b> CEO Health Plan Update	7	<i>Sonja Bjork</i>
2.2	<b>ACTION:</b> Accept September 2024 Metrics and Financials and Financial Update	8-21	<i>Jennifer Lopez</i>
Adjournment			

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 Board Clerk 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 Board Clerk at least two (2) working days before the meeting at 707-863-4516 or by email at [ascott@partnershiphp.org](mailto:ascott@partnershiphp.org). Notification in advance of the meeting will enable the Clerk 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.



**MINUTES OF THE MEETING OF  
PARTNERSHIP HEALTHPLAN OF CALIFORNIA FINANCE COMMITTEE**

**In person locations:**

**In-person Locations:**

**Partnership’s Fairfield Office located at 4605 Business Center Drive, Fairfield, CA (Conference Center)**

**Partnership’s Redding Office located at 2525 Airpark Dr., Redding, CA**

**Partnership’s Santa Rosa Office located at 495 Tesconi Circle, Santa Rosa, CA**

**Partnership’s Eureka Office located at 1036 5th Street, Eureka, CA**

**Partnership’s Auburn Office located at 281 Nevada Street, Auburn, CA**

**On**

**October 2, 2024**

**Members Present:** Jonathan Andrus, Jayme Bottke, Alicia Hardy, Dave Jones, Chair, Nancy Starck, Nolan Sullivan

**Members Excused:** Ryan Gruver, Randall Hempling, Kathie Powell

**Staff:** Katherine Barresi, Alexandra Chappell, Wendell Coats, Wendi Davis, Marisa Dominguez, Curtis Hardwick, Melanie Lam, John Lemoine, Jennifer Lopez, Patti McFarland, Ashlyn Scott, Amy Turnipseed, Colleen Valenti, Diane Walton

**Guests:** Chris Pritchard, Rianne Suico

AGENDA ITEM	DISCUSSION	MOTION / ACTION
<b>1.2 Roll Call</b>	Ashlyn Scott, Clerk of the Commission, called the roll indicating there was a quorum.	None
<b>1.3 Approval of Agenda</b>	Chairman Jones asked if anyone had changes to the agenda. Hearing no requests for modification, he asked for a motion to approve the agenda.	<p><i>Commissioner Sullivan moved to approve the agenda as presented, seconded by Commissioner Andrus.</i></p> <p><b><u>ACTION SUMMARY:</u></b>  <i>Yes: 6            No: 0            Abstention: 0            Excused: 3 (Gruver, Hempling, Powell)</i></p>

		<b>MOTION CARRIED</b>
<b>1.4 Approval of the September 18, 2024 Finance Committee Meeting Minutes</b>	Chairman Jones asked if anyone had changes to the September 18, 2024 minutes. Hearing no requests for modification, he asked for a motion to approve the minutes.	<p><i>Commissioner Sullivan moved to approve the minutes as presented, seconded by Commissioner Hardy.</i></p> <p><b><u>ACTION SUMMARY:</u></b>  <i>Yes: 6  No: 0  Abstention: 0  Excused: 3 (Gruver, Hempling, Powell)</i></p> <p><b>MOTION CARRIED</b></p>
<b>1.5 &amp; 1.6 Public Comment and Correspondence</b>	Chairman Jones asked if there were any public or commissioner comments. There were none.	None
<b>New Business</b>		
<b>2.1 Resolution to Accept the Moss Adams Audit Report for FY 2023-2024</b>	<p>Patti McFarland, Chief Financial Officer, introduced Moss Adams Auditors, Rianne Suico and Chris Pritchard, to present the results of Partnership’s fiscal year 2023-2024 financial audit. Ms. Suico stated that the results of the audit are presented with an unmodified audit opinion, the highest level of opinion available. Partnership’s management submitted financial statements in alignment with generally accepted accounting principles.</p> <p><b>Statements of Net Position</b>  <b><i>Assets and Deferred Outflows of Resources Composition</i></b>  Partnership’s assets and deferred outflow balances were verified and there were no issues reconciling. Total assets increased from 2023 to 2024, primarily in cash and in the California Department of Health Care Services receivable. This increase is predominantly the result of recording of the receivable accruals for Directed Payments, Voluntary Rate Range, and Medi-Cal Managed Care Organizations (MCO) tax revenue, which have corresponding offsets in current liabilities.</p> <p><b><i>Liabilities, Deferred Inflows, and Net Position Composition</i></b>  Partnership’s current liabilities increased, primarily in Accounts Payable and Accrued Expenses, as a result of accruals for Directed Payments and Voluntary Rate Range, which is offset in current assets. An additional increase in Accounts Payable can be attributed to the additional MCO tax payable accrued for 2024 and additional increases can be attributed to the increase in Accrued Claims Payable from the 10 expansion counties. Moss Adams analyzed management’s methodology in estimating claims to be paid and found consistency in the accrued claims payable.</p>	<p><i>Commissioner Starck moved to approve Agenda Item 2.1 as presented, seconded by Commissioner Sullivan.</i></p> <p><b><u>ACTION SUMMARY:</u></b>  <i>Yes: 6  No: 0  Abstention: 0  Excused: 3 (Gruver, Hempling, Powell)</i></p> <p><b>MOTION CARRIED</b></p>

	<p>The Quality Improvement Program (QIP) balance decreased due to the prior year’s true-up and decrease in the number of participating providers meeting their performance measures. Partnership’s net position increased from the prior year due to positive operating income and investment earnings.</p> <p><b>OPERATIONS:</b></p> <p><b><i>Total Operating Expenses as a % of Total Operating Revenues</i></b> Partnership’s operating revenues increased in FY23-24, which can be attributed to increased membership from the 10-county expansion and increased MCO Tax rates. Fee for service expenses for hospital, physician, and other services is Partnership’s largest operating expense category and increased in 2024 due to increases in membership and utilization. Premium tax related to revenue has increased from 2% to 12%.</p> <p><b><i>Historic Estimated Claims Liability and Historic Actual Claims Liability</i></b> Claims liability as a percentage of capitation revenues is consistent year-over-year and is beginning to align with pre-pandemic levels.</p> <p><b><i>Tangible Net Equity</i></b> Tangible Net Equity is a good indicator of the health of a risk-baring organization. Partnership’s Tangible Net Equity is about seven times what is required by the State as of the fiscal year end</p> <p><b>IMPORTANT BOARD COMMUNICATIONS:</b> Moss Adams had no post-audit adjustments to make. There were no issues discussed that indicated any disagreement from management and Partnership was collaborative throughout the audit process. Moss Adams claimed no awareness of any fraud or noncompliance with laws and regulations.</p> <p>The full audit report was included in the packet.</p>	
<p><b>2.2 Finance Update</b></p>	<p>Deputy Chief Financial Officer, Jennifer Lopez, announced that Partnership’s August financials would be presented to the Finance Committee at the November meeting, given the early October meeting date.</p>	<p>None</p>
<p><b>2.3 Resolution to Approve Request for Hospital Advance</b></p>	<p>Ms. Lopez presented a resolution to the Committee for consideration, seeking approval for a request for a hospital advance. Partnership received a request for an advance payment of \$5,000,000 from Surprise Valley Health Care District (Surprise Valley Community Hospital). Surprise Valley Community Hospital is located in Cedarville, CA, and is one of the smallest District Authority-owned hospitals in the state. The hospital is currently facing significant financial challenges and is seeking temporary financial assistance to support its cash flow and operations over the next few months. The requested advance will help ensure that Partnership members continue to have access to health care services at Surprise Valley Community Hospital. The</p>	<p><i>Commissioner Andrus moved to accept Agenda Item 2.3 as presented, seconded by Commissioner Hardy.</i></p> <p><b><i>ACTION SUMMARY:</i></b></p>

	<p>advance will be repaid in January 2025 through an offset in the supplemental payments that Partnership will make to the hospital. Surprise Valley Community Hospital is a licensed 26-bed facility, with 4 acute care beds and 22 long-term care beds. Ms. Lopez noted that Partnership has and will continue to provide advances if determined necessary to providers, however, noted this advance request is being brought to the Committee given the hospital is currently in bankruptcy. Partnership leadership recommends approving the request, as the closure of a hospital in our service area, particularly in a rural region, would be detrimental in maintaining access for our members. As a condition of the advance payment, Partnership will require the hospital to provide operational and financial reporting until the payment is offset, as well as the 12 months thereafter.</p> <p>Commissioner Sullivan inquired whether, in addition to the advance, there are any other ways to assist the hospital in securing additional funding opportunities, such as the intergovernmental transfer (IGT) program.</p> <p>Ms. Lopez explained that the hospital is already participating in the IGT program, but they have previously underreported their unmet needs. They will need to wait for the next funding cycle, but with corrected reporting, it is expected they will receive additional funding.</p> <p>Chairman Jones expressed his support for the advance, noting that the hospital is located in a very isolated area and has been struggling for a long time.</p> <p>Commissioner Andrus asked whether Partnership intends to secure any interest or liens on the advance.</p> <p>Ms. Lopez responded that there would be no interest or liens on the advance. However, in the unlikely event that the advance cannot be offset, there is a clause allowing Partnership to charge 12% interest, should we choose.</p> <p>Commissioner Hardy asked whether the hospital requires management changes, in addition to the advance, to ensure long-term stability.</p> <p>Ms. Lopez responded that the hospital has a newer CFO who is working towards long-term financial sustainability. The financial and operational check-ins with hospital leadership that are a condition of the advance will provide Partnership greater insight into their current and long-term financial position of the hospital .Efforts are being made to support the hospital in achieving this long-term stability.</p>	<p><i>Yes: 6</i>  <i>No: 0</i>  <i>Abstention: 0</i>  <i>Excused: 3 (Gruver, Hempling, Powell)</i></p> <p><b>MOTION CARRIED</b></p>
<b>Adjournment</b>	Chairman Jones adjourned the meeting at 8:40AM.	None

Respectfully submitted by:  
Ashlyn Scott, Board Clerk

Committee Approval Date: 11/20/2024

Signed: \_\_\_\_\_  
Ashlyn Scott, Clerk



**Finance Committee  
Chief Executive Officer Update  
November 20, 2024**

- I. National Election Impacts**
- II. California Election Results – Proposition 35**
- III. DHCS Quality Sanctions**
- IV. Community Reinvestments – DHCS draft All Plan Letter**
- V. CalAIM Population of Focus: Justice Involved**

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## **FINANCIAL HIGHLIGHTS**

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

### **For the Period Ending September 30, 2024**

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

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

For the month ending September 30, 2024, PHC reported a surplus of \$1.5 million, reducing the year-to-date deficit to \$18.6 million. Significant variances are explained below.

##### **Revenue**

Total Revenue is lower than budget by \$1.5 million for the month and \$ 17.9 million for the year-to-date. Medi-Cal revenue is \$11.2 million unfavorable due to unbudgeted UIS risk corridor and lower than anticipated ECM utilization, partially offset by retro membership. Also, directed payments are \$34.8 million unfavorable due to lower than budgeted rates; a corresponding offset is recorded in HCIF. Supplemental revenues are \$17.6 million favorable due to timing of DHCS submissions mainly in the Expansion Counties for AIHS and higher than expected volumes for Maternity Kick. Interest income is \$10.5 million favorable YTD due to higher than anticipated interest rates.

##### **Healthcare Costs**

Total Healthcare Costs are higher than budget by \$1.0 million for the month and \$0.8 million lower than budget for the year-to-date. Physician and Ancillary expenses are unfavorable to budget by \$47.1 million primarily due to the accrual of TRI and adjustments to IBNR reserves to reflect the latest utilization trend. Total Capitation is \$10.0 million favorable due to the change in funding methods for some health care providers. Healthcare Investment Funds (HCIF) is \$27.6 million favorable due to lower than budgeted rates for directed payments partially offset by the timing of IPP CalAIM incentive payments, which will have a corresponding offset in revenue. Long Term Care expense is \$3.4 million unfavorable due to retro rate increases back to January 2024. Inpatient hospital FFS expense is \$6.0 million favorable due to adjustments to IBNR reserves and seasonality. Transportation expense is \$1.4 million unfavorable due to increase in utilization. Quality Assurance expense is \$10.0 million favorable due to the timing of medical admin expenses. Quality Improvement Programs is \$0.9 million unfavorable due to the timing of incentive grant payouts, which will also have a corresponding offset in revenue.

##### **Administrative Costs**

Administrative costs have an overall positive variance, which is at \$2.7 million for the month and \$14.2 million for the year-to-date. The primary variance is in Employee costs due to the timing of the filling of open positions, which are primarily geared towards the expansion counties and the fulfilling of the 2024 DHCS Contract requirements. Additional variances are in Professional Services primarily due to the timing of consultant usage; Occupancy due to the timing of building related costs including repairs, maintenance, and utilities; and Computer and Data is due to the timing of licensing cost payments and the replenishment of computer equipment stock. Most non-Employee and non-Occupancy costs are prorated relatively evenly throughout the year; as the year progresses, the variances between actual and budget in these categories are expected to even out.

##### **Balance Sheet / Cash Flow**

Total Cash & Cash Equivalents increased by \$140.8 million for the month. Inflows of \$560.2 in State



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**FINANCIAL HIGHLIGHTS**  
**Of The Partnership HealthPlan Of California**  
**For the Period Ending September 30, 2024**

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Capitation payments include \$421.1 million in Base and Supplemental Capitation payments and \$139.1 million in Directed Payments; these Directed Payments are expected to be disbursed in the following month. Other inflows include \$1.6 million in Drug Medi-Cal payments, and \$8.9 million in interest earnings. These inflows were offset by outflows of \$388.3 million in healthcare cost payments, \$5.4 million in Drug Medi-Cal payments, \$35.3 million in administrative and capital cost payments, and the recording of \$1.0 million in board-designated reserve transfers. The remaining difference can be attributed to other revenues.

**General Statistics**

**Membership**

Membership had a total net decrease of 703 members for the month.

**Utilization Metrics and High Dollar Case**

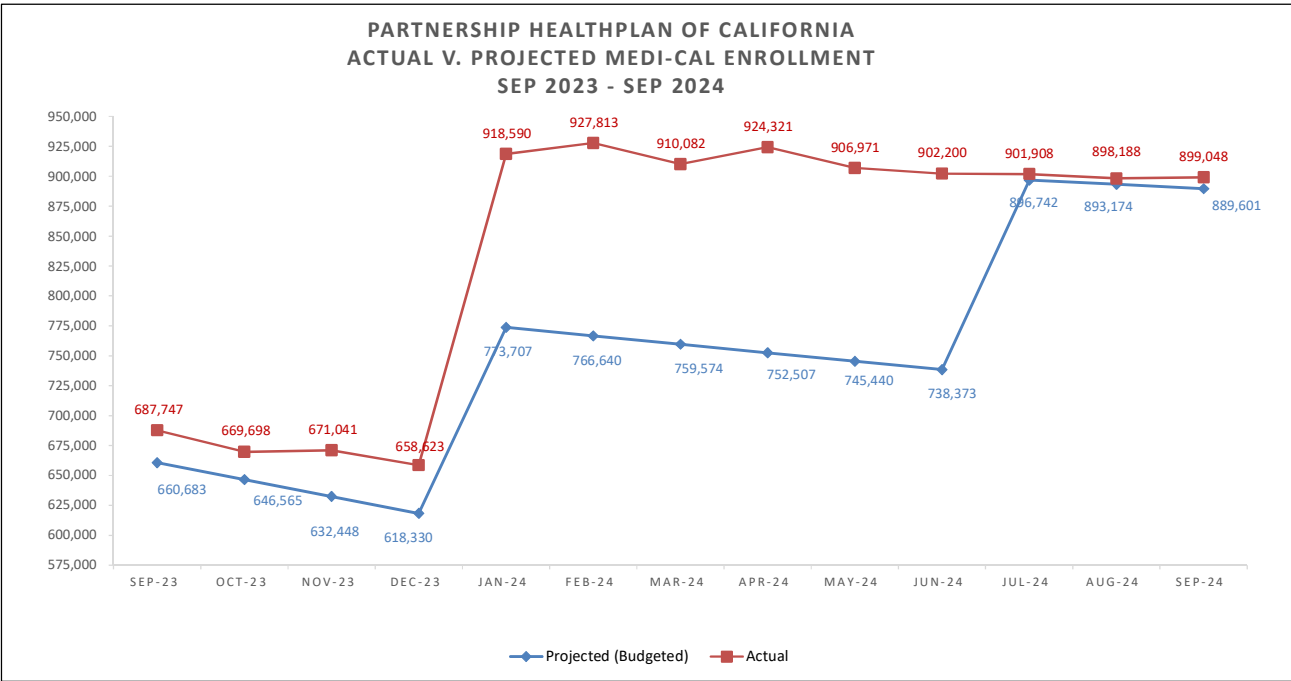
For the fiscal year 2024/25 through September 2024, 109 members reached the \$250,000 threshold with an average cost of \$476,863. For fiscal year 2023/24, 859 members reached the \$250,000 threshold with an average cost per case of \$505,111. For fiscal year 2022/23, 694 members reached the \$250,000 threshold with an average claims cost of \$517,587.

**Current Ratio/Reserved Funds**

Current Ratio Including Required Reserves	<b>1.40</b>
Current Ratio Excluding Required Reserves:	<b>0.96</b>
Required Reserves:	<b>\$1,324,401,039</b>
Total Fund Balance:	<b>\$1,228,998,116</b>

**Days of Cash on Hand**

Including Required Reserves:	<b>160.12</b>
Excluding Required Reserves:	<b>82.27</b>



**Member Months by County:**

County	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	★ Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Solano	140,988	136,597	137,807	134,534	103,140	105,208	102,065	105,274	102,979	102,062	101,490	101,565	102,138
Napa	35,439	34,269	34,043	33,710	27,596	28,140	27,005	27,891	27,017	27,071	26,878	26,697	26,466
Yolo	63,142	61,135	60,507	60,230	55,624	56,087	54,327	55,592	54,076	53,489	53,332	52,195	52,185
Sonoma	132,745	131,013	129,901	128,356	109,623	112,447	108,106	112,999	110,510	110,327	110,662	110,074	110,141
Marin	51,713	50,119	49,383	49,823	46,981	48,331	46,215	48,257	46,564	46,520	46,274	46,147	46,484
Mendocino	41,868	40,599	41,192	39,846	41,552	41,963	41,055	42,150	41,381	41,239	41,408	41,314	41,195
Lake	35,381	34,530	34,446	34,367	35,058	35,405	34,559	35,494	34,624	34,390	34,422	34,207	34,227
Del Norte	12,850	12,505	12,499	12,426	12,527	12,610	12,316	12,675	12,401	12,214	12,252	12,327	12,382
Humboldt	61,695	60,093	60,931	58,752	60,016	60,415	59,075	60,273	58,758	58,876	58,607	58,434	58,422
Lassen	9,151	8,871	9,044	8,600	8,864	8,952	8,576	8,793	8,668	8,714	8,765	8,802	8,753
Modoc	4,167	4,099	4,139	3,928	4,055	4,035	4,020	4,051	3,944	3,933	3,958	3,941	3,983
Shasta	73,179	71,113	72,049	69,783	70,605	70,880	69,820	70,514	68,436	67,907	67,685	67,173	67,073
Siskiyou	19,566	19,059	19,440	18,625	19,052	19,115	17,966	18,653	18,137	18,131	18,088	17,918	17,839
Trinity	5,863	5,696	5,660	5,643	5,660	5,739	5,567	5,704	5,607	5,540	5,540	5,464	5,437
Butte	-	-	-	-	85,751	85,856	86,303	85,581	84,795	84,347	84,598	84,856	85,378
Colusa	-	-	-	-	10,710	10,663	10,674	10,392	10,270	10,239	10,208	10,148	10,152
Glenn	-	-	-	-	13,752	13,774	13,883	13,772	13,618	13,583	13,501	13,491	13,595
Nevada	-	-	-	-	28,962	28,798	28,708	28,519	28,420	28,313	28,407	28,226	28,261
Placer	-	-	-	-	59,373	59,846	60,289	59,915	60,009	59,226	59,648	59,419	59,331
Plumas	-	-	-	-	6,015	5,978	5,975	5,942	5,925	5,903	5,938	5,924	5,857
Sierra	-	-	-	-	855	870	869	869	865	850	839	852	871
Sutter	-	-	-	-	44,339	44,438	44,558	43,816	43,711	43,619	43,542	43,122	43,076
Tehama	-	-	-	-	31,784	31,484	31,299	30,932	30,323	29,996	30,297	30,365	30,492
Yuba	-	-	-	-	36,696	36,779	36,851	36,263	35,933	35,711	35,569	35,527	35,310
<b>All Counties Total</b>	<b>687,747</b>	<b>669,698</b>	<b>671,041</b>	<b>658,623</b>	<b>918,590</b>	<b>927,813</b>	<b>910,082</b>	<b>924,321</b>	<b>906,971</b>	<b>902,200</b>	<b>901,908</b>	<b>898,188</b>	<b>899,048</b>

★ March 2024 actual membership includes Jan & Feb retro correction. The Jan, Feb, and Mar 2024 true memberships are 921,261, 918,516, and 916,708, respectively.

Medi-Cal Region 1: Sonoma, Solano, Napa, Yolo & Marin; Medi-Cal Region 2: Mendocino & Rural 8 Counties; Medi-Cal Region 3: Butte, Colusa, Glenn, Nevada, Placer, Plumas, Sierra, Sutter, Tehama & Yuba

**Partnership HealthPlan of California  
Comparative Financial Indicators Monthly Report  
Fiscal Year 2024 - 2025 & Fiscal Year 2023 - 2024**

FINANCIAL INDICATORS	Jul-24	Aug-24	Sep-24											Avg / Month As of		
				YTD	Sep-24											
<b>Total Enrollment</b>	898,490	898,153	897,450												2,694,093	898,031
<b>Total Revenue</b>	516,467,263	505,732,274	517,421,674												1,539,621,211	513,207,070
<b>Total Healthcare Costs</b>	455,570,291	455,587,935	449,203,390												1,360,361,615	453,453,872
<b>Total Administrative Costs</b>	17,164,116	20,965,109	20,303,694												58,432,919	19,477,640
<b>Medi-Cal Hospital &amp; Managed Care Taxes</b>	46,566,563	46,437,851	46,436,856												139,441,270	46,480,423
<b>Total Current Year Surplus (Deficit)</b>	(2,833,707)	(17,258,621)	1,477,734												(18,614,593)	(6,204,865)
<b>Total Claims Payable</b>	884,509,979	911,448,691	890,651,592												890,651,592	895,536,754
<b>Total Fund Balance</b>	1,244,769,003	1,227,510,382	1,228,988,116												1,228,988,116	1,233,755,834
<b>Reserved Funds</b>																
State Financial Performance Guarantee	1,092,899,000	1,093,798,000	1,096,923,000												1,096,923,000	1,094,540,000
Board Approved Capital and Infrastructure Purchases	79,941,518	79,360,193	77,250,794												77,250,794	78,850,835
Capital Assets	134,500,819	148,731,129	150,227,245												150,227,245	144,486,398
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668	71,002,668												71,002,668	71,002,668
Unrestricted Fund Balance	(133,575,002)	(165,381,608)	(166,415,591)												(166,415,591)	(155,124,067)
<b>Fund Balance as % of Reserved Funds</b>	90.31%	88.13%	88.07%												88.07%	88.83%
<b>Current Ratio (including Required Reserves)</b>	1.45:1	1.41:1	1.40:1												1.40:1	1.42:1
<b>Medical Loss Ratio w/o Tax</b>	96.95%	99.19%	95.38%												97.16%	97.16%
<b>Admin Ratio w/o Tax</b>	3.65%	4.56%	4.31%												4.17%	4.17%
<b>Profit Margin Ratio</b>	-0.60%	-3.76%	0.31%												-1.33%	-1.33%

FINANCIAL INDICATORS	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Avg / Month As of	
													YTD	Jun-24
<b>Total Enrollment</b>	697,169	694,364	689,096	674,680	670,710	660,101	918,590	916,349	921,546	912,331	906,971	898,435	9,562,598	796,883
<b>Total Revenue</b>	346,807,441	341,606,254	341,452,348	336,820,011	333,606,699	704,499,918	494,922,661	507,388,749	527,490,882	524,377,176	544,442,127	729,388,400	5,732,802,666	477,733,555
<b>Total Healthcare Costs</b>	327,163,476	330,010,604	317,050,232	309,178,329	314,689,553	312,699,931	427,212,628	429,268,912	475,024,262	449,448,163	476,657,036	383,635,425	4,552,038,550	379,336,546
<b>Total Administrative Costs</b>	11,697,451	12,604,507	11,948,835	13,398,097	13,672,021	13,241,394	16,243,013	17,074,221	15,790,362	16,678,381	18,392,413	19,471,144	180,211,837	15,017,653
<b>Medi-Cal Hospital &amp; Managed Care Taxes</b>	-	-	-	-	-	376,406,250	46,790,714	48,056,922	47,537,225	47,123,221	46,858,980	46,582,645	659,355,957	54,946,330
<b>Total Current Year Surplus (Deficit)</b>	7,946,514	(1,008,857)	12,453,281	14,243,584	5,245,126	2,152,343	4,676,307	12,988,694	(10,860,967)	11,127,412	2,533,699	279,699,187	341,196,322	28,433,027
<b>Total Claims Payable</b>	422,844,079	452,077,175	486,822,447	455,222,013	481,847,695	499,411,492	589,212,971	701,582,898	808,535,908	829,697,152	838,350,235	886,017,427	886,017,427	620,968,458
<b>Total Fund Balance</b>	914,352,902	913,344,045	925,797,326	940,040,910	945,286,036	947,438,379	952,114,686	965,103,380	954,242,413	965,369,824	967,903,523	1,247,602,710	1,247,602,710	969,883,011
<b>Reserved Funds</b>														
State Financial Performance Guarantee	946,269,906	964,438,886	980,910,354	994,265,111	1,009,422,758	1,026,741,282	1,074,004,763	1,076,192,481	1,092,267,035	1,098,614,311	1,102,328,343	1,135,207,631	1,135,207,631	1,041,721,905
Board Approved Capital and Infrastructure Purchases	47,177,080	46,374,091	45,797,964	41,394,205	40,388,299	39,549,920	37,862,493	36,225,975	35,770,696	28,270,742	27,812,009	26,342,225	26,342,225	37,747,142
Capital Assets	118,991,470	119,235,734	119,254,457	123,078,590	126,154,438	126,341,441	127,443,936	128,495,663	128,366,608	135,257,004	135,105,115	133,498,833	133,498,833	126,768,607
Strategic Use of Reserve-Board Approved	70,659,883	70,318,568	70,455,056	71,514,836	72,116,668	72,116,668	72,116,668	72,116,668	72,116,668	72,116,668	71,786,668	71,002,668	71,002,668	71,536,474
Unrestricted Fund Balance	(268,745,437)	(287,023,235)	(290,620,505)	(290,211,832)	(302,796,127)	(317,310,932)	(359,313,174)	(347,927,407)	(374,278,595)	(368,888,901)	(369,128,612)	(118,448,647)	(118,448,647)	(307,891,117)
<b>Fund Balance as % of Reserved Funds</b>	77.28%	76.09%	76.11%	76.41%	75.74%	74.91%	72.60%	73.50%	71.83%	72.35%	72.39%	91.33%	91.33%	75.90%
<b>Current Ratio (including Required Reserves)</b>	1.69:1	1.63:1	1.49:1	1.59:1	1.56:1	1.43:1	1.38:1	1.34:1	1.33:1	1.33:1	1.35:1	1.45:1	1.45:1	1.43:1
<b>Medical Loss Ratio w/o Tax</b>	94.34%	96.61%	92.85%	91.79%	94.33%	95.31%	95.33%	93.46%	98.97%	94.17%	95.79%	56.05%	89.69%	89.69%
<b>Admin Ratio w/o Tax</b>	3.37%	3.69%	3.50%	3.98%	4.10%	4.04%	3.62%	3.72%	3.29%	3.49%	3.70%	2.84%	3.55%	3.55%
<b>Profit Margin Ratio</b>	2.29%	-0.30%	3.65%	4.23%	1.57%	0.66%	1.04%	2.83%	-2.26%	2.33%	0.51%	40.87%	6.72%	6.72%

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Membership and Financial Summary**  
**For The Period Ending September 30, 2024**

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
897,450	898,153	(703)	Total Membership	898,031	693,543	204,488

ACTUAL MONTH	BUDGET MONTH	\$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	\$ VARIANCE YTD
517,421,674	518,887,427	(1,465,753)	Total Revenue	1,539,621,211	1,557,546,224	(17,925,013)
449,203,390	448,151,430	(1,051,960)	Total Healthcare Costs	1,360,361,615	1,361,191,697	830,082
20,303,694	22,990,042	2,686,348	Total Administrative Costs	58,432,919	72,616,993	14,184,074
46,436,856	45,974,580	(462,276)	Medi-Cal Managed Care Tax	139,441,270	138,477,439	(963,831)
<b>1,477,734</b>	<b>1,771,375</b>	<b>(293,641)</b>	<b>Total Current Year Surplus (Deficit)</b>	<b>(18,614,593)</b>	<b>(14,739,905)</b>	<b>(3,874,688)</b>

95.38%	94.76%	<b>Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)</b>	97.16%	95.92%
4.31%	4.86%	<b>Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)</b>	4.17%	5.12%

# PARTNERSHIP HEALTHPLAN OF CALIFORNIA

## Balance Sheet

As Of September 30, 2024

	<u>September 2024</u>	<u>August 2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>	<b>1,240,939,133</b>	<b>1,100,095,305</b>
<b>Receivables</b>		
Accrued Interest	1,507,500	1,056,500
State DHS - Cap Rec	1,268,128,339	1,306,089,641
Other Healthcare Receivable	45,119,474	41,157,836
Miscellaneous Receivable	7,711,151	7,686,433
<b>Total Receivables</b>	<b>1,322,466,464</b>	<b>1,355,990,410</b>
<b>Other Current Assets</b>		
Payroll Clearing	7,806	(1,391)
Prepaid Expenses	9,051,580	9,710,741
<b>Total Other Current Assets</b>	<b>9,059,386</b>	<b>9,709,350</b>
<b>Total Current Assets</b>	<b>2,572,464,983</b>	<b>2,465,795,065</b>
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Motor Vehicles	515,462	515,462
Furniture & Fixtures	7,015,882	7,015,882
Computer Equipment	18,599,759	18,573,940
Computer Software	8,997,689	8,997,689
Leasehold Improvements	124,288	124,288
Land	6,767,292	6,767,292
Building	82,267,696	82,267,696
Building Improvements	39,623,760	39,623,760
Accum Depr - Motor Vehicles	(243,763)	(233,000)
Accum Depr - Furniture	(6,574,368)	(6,566,483)
Accum Depr - Comp Equipment	(15,775,230)	(15,604,446)
Accum Depr - Comp Software	(8,460,403)	(8,406,160)
Accum Depr - Leasehold Improvements	(124,288)	(124,288)
Accum Depr - Building	(12,699,615)	(12,523,829)
Accum Depr - Bldg Improvements	(14,448,195)	(14,254,373)
Construction Work-In-Progress	44,641,279	42,557,700
<b>Total Fixed Assets</b>	<b>150,227,245</b>	<b>148,731,130</b>
<b>Other Non-Current Assets</b>		
Deposits	174,585	167,820
Board-Designated Reserves	1,173,873,794	1,172,858,193
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	14,640,686	14,550,721
Net Pension Asset	4,919,453	4,919,453
Deferred Outflows Of Resources	1,620,052	1,620,052
Net Subscription Asset	2,790,269	2,790,269
<b>Total Other Non-Current Assets</b>	<b>1,198,318,839</b>	<b>1,197,206,508</b>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Balance Sheet**  
**As Of September 30, 2024**

	<u>September 2024</u>	<u>August 2024</u>
<b>Total Non-Current Assets</b>	<b>1,348,546,084</b>	<b>1,345,937,638</b>
<b>Total Assets</b>	<b>3,921,011,067</b>	<b>3,811,732,703</b>
<b>LIABILITIES &amp; FUND BALANCE</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	244,851,493	193,306,998
Unearned Income	73,894,582	73,894,582
Suspense Account	7,324,475	6,649,824
Capitation Payable	40,030,398	40,030,398
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	1,277,241,085	1,210,173,256
Claims Payable	289,596,635	257,084,632
Incurred But Not Reported-IBNR	601,054,957	654,364,059
Quality Improvement Programs	115,430,225	106,119,471
<b>Total Current Liabilities</b>	<b>2,682,056,963</b>	<b>2,574,256,333</b>
<b>Non-Current Liabilities</b>		
Deferred Inflows Of Resources	7,617,910	7,617,910
Net Subscription Liability	2,348,078	2,348,078
<b>Total Non-Current Liabilities</b>	<b>9,965,988</b>	<b>9,965,988</b>
<b>Total Liabilities</b>	<b>2,692,022,951</b>	<b>2,584,222,321</b>
<b>Fund Balance</b>		
<b>Unrestricted Fund Balance</b>	<b>(166,415,591)</b>	<b>(165,381,608)</b>
<b>Reserved Funds</b>		
State Financial Performance Guarantee	1,096,923,000	1,093,798,000
Board Approved Capital and Infrastructure Purchases	77,250,794	79,360,193
Capital Assets	150,227,245	148,731,129
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668
<b>Total Reserved Funds</b>	<b>1,395,403,707</b>	<b>1,392,891,990</b>
<b>Total Fund Balance</b>	<b>1,228,988,116</b>	<b>1,227,510,382</b>
<b>Total Liabilities And Fund Balance</b>	<b>3,921,011,067</b>	<b>3,811,732,703</b>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Statement of Cash Flow**  
**For The Period Ending September 30, 2024**

	<u>Current Month Activity</u>	<u>Year-To-Date Activity</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Cash Received From:</b>		
Capitation from California Department of Health Care Services	560,243,823	1,449,206,564
Other Revenues	149,037	635,434
<b>Cash Payments to Providers for Medi-Cal Members</b>		
Capitation Payments	(18,439,330)	(83,769,069)
Medical Claims Payments	(369,892,287)	(1,061,795,359)
<b>Drug Medi-Cal</b>		
DMC Receipts from Counties	1,594,433	17,214,539
DMC Payments to Providers	(5,363,419)	(15,482,763)
Cash Payments to Vendors	(20,852,428)	(154,598,677)
Cash Payments to Employees	(13,562,717)	(42,672,413)
<b>Net Cash (Used) Provided by Operating Activities</b>	<u><b>133,877,112</b></u>	<u><b>108,738,256</b></u>
<b>CASH FLOWS FROM CAPITAL FINANCING &amp; RELATED ACTIVITIES:</b>		
Purchases of Capital Assets	(909,990)	(16,719,426)
<b>Net Cash Used by Capital Financial &amp; Related Activities</b>	<u><b>(909,990)</b></u>	<u><b>(16,719,426)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Board-Designated Reserve Transfers	(1,015,601)	(12,623,938)
Interest and Dividends on Investments	8,892,307	27,653,150
<b>Net Cash (Used) Provided by Investing Activities</b>	<u><b>7,876,706</b></u>	<u><b>15,029,212</b></u>
<b>NET (DECREASE) INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>140,843,828</b>	<b>107,048,042</b>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING</b>	<u><b>1,100,095,305</b></u>	<u><b>1,133,891,091</b></u>
<b>CASH &amp; CASH EQUIVALENTS, ENDING</b>	<u><u><b>1,240,939,133</b></u></u>	<u><u><b>1,240,939,133</b></u></u>
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
<b>TOTAL OPERATING (LOSS) INCOME</b>	<b>(7,865,573)</b>	<b>(46,912,550)</b>
<b>DEPRECIATION</b>	<b>613,283</b>	<b>1,875,162</b>
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
Other Receivables	(3,986,356)	(12,779,229)
California Department of Health Services Receivable	37,961,303	(75,974,241)
Other Assets	(646,174)	(734,777)
Accounts Payable and Accrued Expenses	119,286,974	212,449,581
Accrued Claims Payable	(20,797,099)	4,634,165
Quality Improvement Programs	9,310,754	26,180,145
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u><b>133,877,112</b></u></u>	<u><u><b>108,738,256</b></u></u>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Statement of Revenues and Expenses**

**For The Period Ending September 30, 2024**

\*\*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
897,450	897,450	-			<b>TOTAL MEMBERSHIP</b>	2,694,093	2,694,093	-		
					<b>REVENUE</b>					
507,904,612	513,155,827	(5,251,215)	565.94	571.79	State Capitation Revenue	1,510,802,897	1,539,205,024	(28,402,127)	560.78	571.33
9,343,307	5,548,500	3,794,807	10.41	6.18	Interest Income	28,297,956	17,755,100	10,542,856	10.50	6.59
173,755	183,100	(9,345)	0.19	0.20	Other Revenue	520,357	586,100	(65,743)	0.19	0.22
<b>517,421,674</b>	<b>518,887,427</b>	<b>(1,465,753)</b>	<b>576.54</b>	<b>578.18</b>	<b>TOTAL REVENUE</b>	<b>1,539,621,211</b>	<b>1,557,546,224</b>	<b>(17,925,013)</b>	<b>571.48</b>	<b>578.14</b>
					<b>HEALTHCARE COSTS</b>					
					<b>Physician Services</b>					
7,386,099	8,923,126	1,537,027	8.23	9.94	Pop Capitation	21,893,636	26,706,432	4,812,796	8.13	9.91
213,442	220,348	6,906	0.24	0.25	Specialty Capitation	638,508	658,913	20,405	0.24	0.24
89,115,463	69,268,565	(19,846,898)	99.30	77.18	Non-Capitated Physician Services	263,664,882	209,493,507	(54,171,375)	97.87	##### ##
<b>96,715,004</b>	<b>78,412,039</b>	<b>(18,302,965)</b>	<b>107.77</b>	<b>87.37</b>	<b>Total Physician Services</b>	<b>286,197,026</b>	<b>236,858,852</b>	<b>(49,338,174)</b>	<b>106.24</b>	<b>87.91</b>
					<b>Inpatient Hospital</b>					
16,156,248	17,908,131	1,751,883	18.00	19.95	Hospital Capitation	48,530,347	53,581,272	5,050,925	18.01	19.89
111,931,214	114,716,787	2,785,573	124.72	127.83	Inpatient Hospital - Ffs	342,557,392	348,581,199	6,023,807	127.15	129.39
1,591,089	1,591,089	-	1.77	1.77	Hospital Stoploss	4,778,399	4,778,399	-	1.77	1.77
<b>129,678,551</b>	<b>134,216,007</b>	<b>4,537,456</b>	<b>144.49</b>	<b>149.55</b>	<b>Total Inpatient Hospital</b>	<b>395,866,138</b>	<b>406,940,870</b>	<b>11,074,732</b>	<b>146.93</b>	<b>151.05</b>
56,125,067	52,610,125	(3,514,942)	62.54	58.62	Long Term Care	166,681,707	163,242,183	(3,439,524)	61.87	60.59
					<b>Ancillary Services</b>					
1,147,305	1,227,762	80,457	1.28	1.37	Ancillary Services - Capitated	3,521,905	3,671,695	149,790	1.31	1.36
71,044,489	73,659,578	2,615,089	79.16	82.08	Ancillary Services - Non-Capitated	218,089,922	225,172,813	7,082,891	80.95	83.58
<b>72,191,794</b>	<b>74,887,340</b>	<b>2,695,546</b>	<b>80.44</b>	<b>83.45</b>	<b>Total Ancillary Services</b>	<b>221,611,827</b>	<b>228,844,508</b>	<b>7,232,681</b>	<b>82.26</b>	<b>84.94</b>
					<b>Other Medical</b>					
3,771,115	6,946,568	3,175,453	4.20	7.74	Quality Assurance	11,642,906	21,598,747	9,955,841	4.32	8.02
70,033,503	80,860,102	10,826,599	78.04	90.10	Healthcare Investment Funds	215,377,304	242,936,789	27,559,485	79.94	90.17
118,400	135,600	17,200	0.13	0.15	Advice Nurse	368,900	434,000	65,100	0.14	0.16
829	7,100	6,271	-	0.01	Hipp Payments	2,426	22,700	20,274	-	0.01
11,198,033	10,737,795	(460,238)	12.48	11.96	Transportation	33,623,859	32,271,205	(1,352,654)	12.48	11.98
<b>85,121,880</b>	<b>98,687,165</b>	<b>13,565,285</b>	<b>94.85</b>	<b>109.96</b>	<b>Total Other Medical</b>	<b>261,015,395</b>	<b>297,263,441</b>	<b>36,248,046</b>	<b>96.88</b>	<b>110.34</b>
9,371,094	9,338,754	(32,340)	10.44	10.41	Quality Improvement Programs	28,989,522	28,041,843	(947,679)	10.76	10.41
<b>449,203,390</b>	<b>448,151,430</b>	<b>(1,051,960)</b>	<b>500.53</b>	<b>499.36</b>	<b>TOTAL HEALTHCARE COSTS</b>	<b>1,360,361,615</b>	<b>1,361,191,697</b>	<b>830,082</b>	<b>504.94</b>	<b>505.24</b>
					<b>ADMINISTRATIVE COSTS</b>					
11,895,829	14,896,288	3,000,459	13.26	16.60	Employee	37,515,097	46,519,061	9,003,964	13.92	17.27
84,365	156,294	71,929	0.09	0.17	Travel And Meals	202,248	500,100	297,852	0.08	0.19
1,383,628	1,656,483	272,855	1.54	1.85	Occupancy	3,954,318	5,188,897	1,234,579	1.47	1.93
560,664	835,751	275,087	0.62	0.93	Operational	1,242,921	2,614,485	1,371,564	0.46	0.97
2,513,347	2,752,670	239,323	2.80	3.07	Professional Services	6,626,756	9,261,556	2,634,800	2.46	3.44
3,865,861	2,692,556	(1,173,305)	4.31	3.00	Computer And Data	8,891,579	8,532,894	(358,685)	3.30	3.17
<b>20,303,694</b>	<b>22,990,042</b>	<b>2,686,348</b>	<b>22.62</b>	<b>25.62</b>	<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>58,432,919</b>	<b>72,616,993</b>	<b>14,184,074</b>	<b>21.69</b>	<b>26.97</b>
46,436,856	45,974,580	(462,276)	51.74	51.23	Medi-Cal Managed Care Tax	139,441,270	138,477,439	(963,831)	51.76	51.40
<b>1,477,734</b>	<b>1,771,375</b>	<b>(293,641)</b>	<b>1.65</b>	<b>1.97</b>	<b>TOTAL CURRENT YEAR SURPLUS (DEFICIT)</b>	<b>(18,614,593)</b>	<b>(14,739,905)</b>	<b>(3,874,688)</b>	<b>(6.91)</b>	<b>(5.47)</b>



# **PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

## **NOTES TO FINANCIAL STATEMENTS**

### **September 30, 2024**

#### **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 County in May 1994. That was followed by additional Northern California counties in March 1998, March 2001, October 2009, two counties in July 2011, and eight counties in September 2013. Beginning July 2018 and in accordance with direction from the Department of Health Care Services (DHCS), PHC consolidated its reporting from these fourteen counties into two regions, which are in alignment with the two DHCS rating regions. Beginning January 2024, PHC expanded into ten additional counties, which comprise a third region.

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**

### **September 30, 2024**

#### RESERVED FUNDS:

As of September 2024, PHC has Total Reserved Funds of \$1.4 billion. This includes \$71.0 million of funds set aside for Board approved Strategic Use of Reserve (SUR) initiatives; this also includes funding for the Wellness & Recovery program. The total SUR amount represents the net amount remaining for all SUR projects that have been approved to date and is periodically adjusted as projects are completed. Reserved funds also includes \$0.3 million of Knox-Keene Reserves.

#### 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 September 2024, PHC has accrued a Quality Incentive Program payout of \$115.4 million.

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2024**

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**  
*September 30, 2024*

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	\$ 1,378,603	\$ 1,378,603	NA	NR
US Treasury Note	Cash & Cash Equiv	0.01375	1/11/2022	1/31/2025	NA	\$ 300,000	\$ 303,281	\$ 284,439	Fitch	AA+
Certificate of Deposit for Knox Keene	Cash & Cash Equiv	0.0526	5/24/2023	1/31/2025	NA	\$ 300,000	\$ 300,000	\$ 300,000	NA	NR

**FUNDS HELD FOR OPERATIONS:**

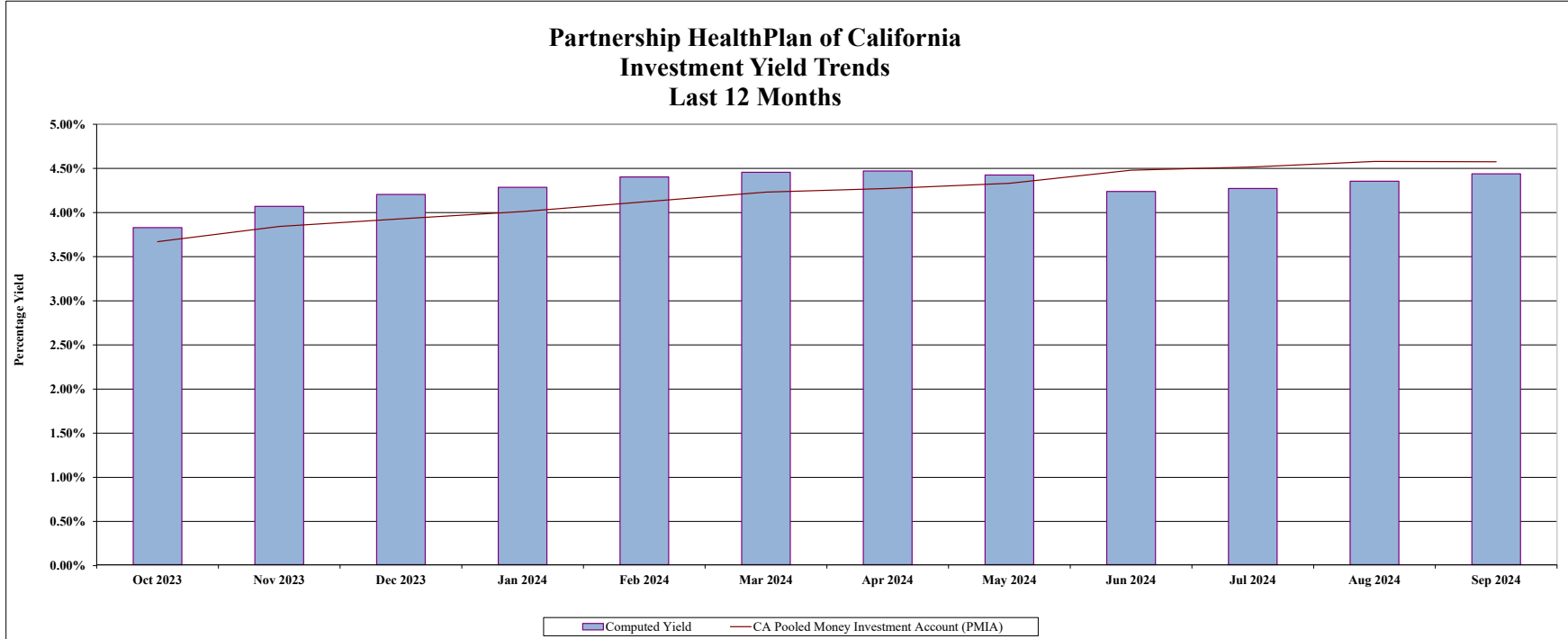
Merrill Lynch Institutional	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 73,253,177		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 2,165,184		
US Bank - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 2,219,267,638		
Government Investment Pools (LAIF)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 75,000,000		
Government Investment Pools (County)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 43,297,642		
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 147,383		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 3,300		

**GRAND TOTAL:**

\$ 2,415,097,366

**Partnership HealthPlan of California  
Investment Yield Trends**

PERIOD		Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
Interest Income		7,965,260	6,968,741	7,219,959	8,189,594	6,407,270	9,509,112	8,768,057	9,436,106	9,367,229	9,655,722	9,298,928	9,343,307
Cash & Investments at Historical Cost	(1)	1,722,919,248	1,755,658,813	1,834,478,790	1,880,659,210	2,097,319,746	2,404,353,123	2,306,818,656	2,186,519,113	2,295,440,947	2,234,052,950	2,273,253,498	2,415,112,928
Computed Yield	(2)	3.83%	4.07%	4.21%	4.29%	4.40%	4.46%	4.47%	4.43%	4.24%	4.27%	4.36%	4.44%
CA Pooled Money Investment Account (PMIA)	(3)	3.67%	3.84%	3.93%	4.01%	4.12%	4.23%	4.27%	4.33%	4.48%	4.52%	4.58%	4.58%



**NOTES:**

- (1) Investment balances include Restricted Cash and Board Designated Reserves
- (2) Computed yield is calculated by dividing the past 12 months of interest by the average cash balance for the past 12 months.
- (3) LAIF limits the amount a single government entity can deposit into LAIF; currently that amount is set at \$75 million.