

October 2024 Metrics & Financials

December 18, 2024

FINANCIAL HIGHLIGHTS

Of The Partnership HealthPlan of California

For the Period Ending October 31, 2024

Financial Analysis for the Current Period

Total (Deficit) Surplus

For the month ending October 31, 2024, PHC reported a net surplus of \$3.1 million, reducing the year-to-date deficit to \$15.5 million. Significant variances are explained below.

Revenue

Total Revenue is higher than budget by \$0.8 million for the month and lower than budget by \$ 17.2 million year-to-date. Medi-Cal revenue is \$10.9 million unfavorable due to unbudgeted UIS risk corridor and lower than anticipated ECM utilization, partially offset by retro membership. Also, directed payments are \$46.4 million unfavorable due to lower than budgeted rates; a corresponding offset is recorded in HCIF. Supplemental revenues are \$23.8 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 \$14.6 million favorable YTD due to higher than anticipated interest rates. The other revenue is \$1.7 million favorable due to donated buildings for PHC; the acceptance of the donated buildings was approved by the Board during the October 2024 Board meeting.

Healthcare Costs

Total Healthcare Costs are lower than budget by \$18.9 million for the month and \$19.7 million for the year-to-date. Non-Capitated Physician and Ancillary expenses are unfavorable to budget by \$71.3 million primarily due to the accrual of TRI and adjustments to IBNR reserves to reflect the latest utilization trend. Total Capitation is \$13.3 million favorable due to the change in funding methods for some health care providers. Healthcare Investment Funds (HCIF) are \$34.0 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 \$1.2 million favorable due to prior period adjustments related to reduction in IBNR for CY24 rate adjustment accrual. Inpatient hospital FFS expense is \$34.7 million favorable due to adjustments to IBNR reserves and seasonality. Transportation expense is \$3.5 million unfavorable due to increase in utilization. Quality Assurance expense is \$13.0 million favorable due to the timing of medical admin expenses. Quality Improvement Programs are \$2.0 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 \$4.7 million for the month and \$18.9 million for the year-to-date. The primary variance is in Employee costs due to the timing of the filling of open positions in several departments; these positions are primarily geared towards the expansion counties as well as the fulfilling of the 2024 DHCS Contract requirements. An additional variance is in Professional Services primarily due to the timing of consultant usage. Lastly, the variance in Occupancy is also due to the timing of building related costs including repairs, maintenance, and utilities as well as the depreciation of capitalizable items including the new claims system. As the year progresses, many of the variances between actual and budget in these categories are expected to even out.

Balance Sheet / Cash Flow

FINANCIAL HIGHLIGHTS
Of The Partnership HealthPlan of California
For the Period Ending October 31, 2024

Total Cash & Cash Equivalents decreased by \$232.1 million for the month. Inflows include 1) \$448.8 million in State Capitation payments; 2) \$4.6 million in Drug Medi-Cal payments; and 3) \$10.5 million in interest earnings. These inflows were offset by outflows of 1) \$505.5 million in healthcare cost payments, which include \$130.4 million in directed payments; 2) \$4.4 million in Drug Medi-Cal payments; 3) \$185.8 million in administrative and capital cost payments, which include \$125.5 million for a quarterly MCO tax payment and \$21.6 million for a Prop 56 MEP redetermination payment for calendar year 2022; and 4) the recording of \$2.2 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 2,042 members for the month.

Utilization Metrics and High Dollar Case

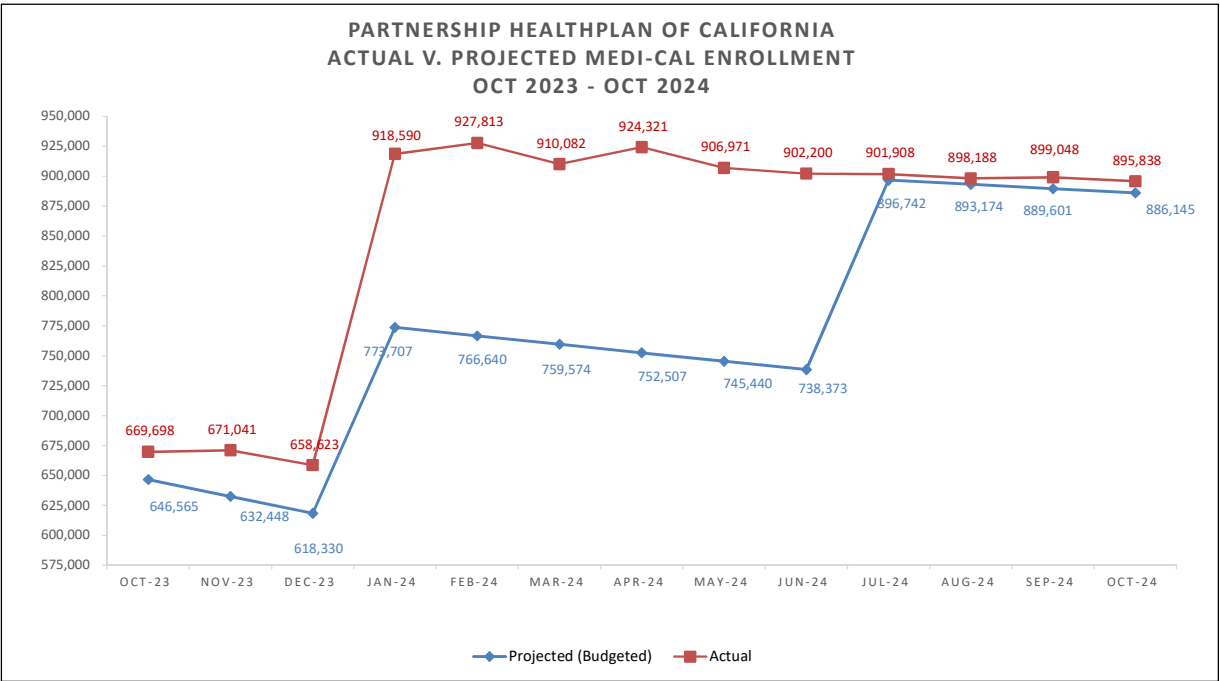
For the fiscal year 2024/25 through October 2024, 188 members reached the \$250,000 threshold with an average cost of \$481,475. For fiscal year 2023/24, 874 members reached the \$250,000 threshold with an average cost per case of \$506,401. For fiscal year 2022/23, 694 members reached the \$250,000 threshold with an average claims cost of \$517,586.

Current Ratio/Reserved Funds

Current Ratio Including Required Reserves	1.40
Current Ratio Excluding Required Reserves:	0.96
Required Reserves:	\$1,328,833,996
Total Fund Balance:	\$1,232,060,447

Days of Cash on Hand

Including Required Reserves:	128.87
Excluding Required Reserves:	59.49



Member Months by County:

County	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Solano	136,597	137,807	134,534	103,140	105,208	102,065	105,274	102,979	102,062	101,490	101,565	102,138	101,685
Napa	34,269	34,043	33,710	27,596	28,140	27,005	27,891	27,017	27,071	26,878	26,697	26,466	26,242
Yolo	61,135	60,507	60,230	55,624	56,087	54,327	55,592	54,076	53,489	53,332	52,195	52,185	51,806
Sonoma	131,013	129,901	128,356	109,623	112,447	108,106	112,999	110,510	110,327	110,662	110,074	110,141	109,876
Marin	50,119	49,383	49,823	46,981	48,331	46,215	48,257	46,564	46,520	46,274	46,147	46,484	46,059
Mendocino	40,599	41,192	39,846	41,552	41,963	41,055	42,150	41,381	41,239	41,408	41,314	41,195	40,901
Lake	34,530	34,446	34,367	35,058	35,405	34,559	35,494	34,624	34,390	34,422	34,207	34,227	34,120
Del Norte	12,505	12,499	12,426	12,527	12,610	12,316	12,675	12,401	12,214	12,252	12,327	12,382	12,404
Humboldt	60,093	60,931	58,752	60,016	60,415	59,075	60,273	58,758	58,876	58,607	58,434	58,422	58,495
Lassen	8,871	9,044	8,600	8,864	8,952	8,576	8,793	8,668	8,714	8,765	8,802	8,753	8,814
Modoc	4,099	4,139	3,928	4,055	4,035	4,020	4,051	3,944	3,933	3,958	3,941	3,983	3,933
Shasta	71,113	72,049	69,783	70,605	70,880	69,820	70,514	68,436	67,907	67,685	67,173	67,073	66,723
Siskiyou	19,059	19,440	18,625	19,052	19,115	17,966	18,653	18,137	18,131	18,088	17,918	17,839	17,971
Trinity	5,696	5,660	5,643	5,660	5,739	5,567	5,704	5,607	5,540	5,540	5,464	5,437	5,422
Butte	-	-	-	85,751	85,856	86,303	85,581	84,795	84,347	84,598	84,856	85,378	85,664
Colusa	-	-	-	10,710	10,663	10,674	10,392	10,270	10,239	10,208	10,148	10,152	10,097
Glenn	-	-	-	13,752	13,774	13,883	13,772	13,618	13,583	13,501	13,491	13,595	13,543
Nevada	-	-	-	28,962	28,798	28,708	28,519	28,420	28,313	28,407	28,226	28,261	28,422
Placer	-	-	-	59,373	59,846	60,289	59,915	60,009	59,226	59,648	59,419	59,331	58,737
Plumas	-	-	-	6,015	5,978	5,975	5,942	5,925	5,903	5,938	5,924	5,857	5,820
Sierra	-	-	-	855	870	869	869	865	850	839	852	871	866
Sutter	-	-	-	44,339	44,438	44,558	43,816	43,711	43,619	43,542	43,122	43,076	42,418
Tehama	-	-	-	31,784	31,484	31,299	30,932	30,323	29,996	30,297	30,365	30,492	30,542
Yuba	-	-	-	36,696	36,779	36,851	36,263	35,933	35,711	35,569	35,527	35,310	35,278
All Counties Total	669,698	671,041	658,623	918,590	927,813	910,082	924,321	906,971	902,200	901,908	898,188	899,048	895,838

★ 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	Oct-24									YTD	Avg / Month
														As of
														Oct-24
Total Enrollment	898,490	898,153	897,450	895,408									3,589,501	897,375
Total Revenue	516,467,263	505,732,274	517,421,674	517,491,108									2,057,112,318	514,278,080
Total Healthcare Costs	455,570,291	455,587,935	449,203,390	445,671,533									1,806,033,146	451,508,287
Total Administrative Costs	17,164,116	20,965,109	20,303,694	22,663,983									81,096,901	20,274,226
Medi-Cal Hospital & Managed Care Taxes	46,566,563	46,437,851	46,436,656	46,083,262									185,524,532	46,381,133
Total Current Year Surplus (Deficit)	(2,833,707)	(17,258,621)	1,477,734	3,072,330									(15,542,261)	(3,885,566)
Total Claims Payable	884,509,979	911,448,691	890,651,592	852,864,933									852,864,933	884,868,799
Total Fund Balance	1,244,769,003	1,227,510,382	1,228,988,116	1,232,060,447									1,232,060,447	1,233,331,987
Reserved Funds														
State Financial Performance Guarantee	1,092,899,000	1,093,798,000	1,096,923,000	1,100,211,000									1,100,211,000	1,095,957,750
Board Approved Capital and Infrastructure Purchases	79,941,518	79,360,193	77,250,794	76,202,434									76,202,434	78,188,735
Capital Assets	134,500,819	148,731,129	150,227,245	152,420,562									152,420,562	146,469,939
Strategic Use of Reserve-Board Approved	71,002,668	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)	(167,776,217)									(167,776,217)	(158,287,105)
Fund Balance as % of Reserved Funds	90.31%	88.13%	88.07%	88.01%									88.01%	88.63%
Current Ratio (including Required Reserves)	1.45:1	1.41:1	1.40:1	1.40:1									1.40:1	1.41:1
Medical Loss Ratio w/o Tax	96.95%	99.19%	95.38%	94.54%									96.50%	96.50%
Admin Ratio w/o Tax	3.65%	4.56%	4.31%	4.81%									4.33%	4.33%
Profit Margin Ratio	-0.60%	-3.76%	0.31%	0.65%									-0.83%	-0.83%

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	YTD	Avg / Month
														As of
														Jun-24
Total Enrollment	697,169	694,364	689,096	674,680	670,710	660,101	918,590	916,349	921,546	912,331	906,971	900,691	9,562,598	796,883
Total Revenue	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
Total Healthcare Costs	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
Total Administrative Costs	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
Medi-Cal Hospital & Managed Care Taxes	-	-	-	-	-	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
Total Current Year Surplus (Deficit)	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
Total Claims Payable	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
Total Fund Balance	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
Reserved Funds														
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	71,514,836	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)
Fund Balance as % of Reserved Funds	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%
Current Ratio (including Required Reserves)	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
Medical Loss Ratio w/o Tax	94.34%	96.61%	92.85%	91.79%	94.33%	95.31%	95.33%	93.46%	98.97%	94.17%	95.79%	56.19%	89.72%	89.72%
Admin Ratio w/o Tax	3.37%	3.69%	3.50%	3.98%	4.10%	4.04%	3.62%	3.72%	3.29%	3.49%	3.70%	2.85%	3.55%	3.55%
Profit Margin Ratio	2.29%	-0.30%	3.65%	4.23%	1.57%	0.66%	1.04%	2.83%	-2.26%	2.33%	0.51%	40.96%	6.73%	6.73%

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Membership and Financial Summary
For The Period Ending October 31, 2024

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
895,408	897,450	(2,042)	Total Membership	897,375	688,827	208,548
ACTUAL MONTH	BUDGET MONTH	\$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	\$ VARIANCE YTD
517,491,108	516,732,685	758,423	Total Revenue	2,057,112,318	2,074,278,909	(17,166,591)
445,671,533	464,545,935	18,874,402	Total Healthcare Costs	1,806,033,146	1,825,737,632	19,704,486
22,663,983	27,357,284	4,693,301	Total Administrative Costs	81,096,901	99,974,277	18,877,376
46,083,262	45,795,974	(287,288)	Medi-Cal Managed Care Tax	185,524,532	184,273,413	(1,251,119)
3,072,330	(20,966,508)	24,038,838	Total Current Year Surplus (Deficit)	(15,542,261)	(35,706,413)	20,164,152

94.54%	98.64%	Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)	96.50%	96.60%
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4.81%	5.81%	Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)	4.33%	5.29%
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PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Balance Sheet

As Of October 31, 2024

	<u>October 2024</u>	<u>September 2024</u>
ASSETS		
Current Assets		
Cash & Cash Equivalents	1,008,794,280	1,240,939,134
Receivables		
Accrued Interest	1,387,745	1,507,500
State DHS - Cap Rec	1,466,980,384	1,268,128,339
Other Healthcare Receivable	48,383,667	45,119,474
Miscellaneous Receivable	7,685,449	7,711,151
Total Receivables	1,524,437,245	1,322,466,464
Other Current Assets		
Payroll Clearing	(2,109)	7,806
Prepaid Expenses	8,921,854	9,051,580
Total Other Current Assets	8,919,745	9,059,386
Total Current Assets	2,542,151,270	2,572,464,984
Non-Current Assets		
Fixed Assets		
Motor Vehicles	515,462	515,462
Furniture & Fixtures	7,015,882	7,015,882
Computer Equipment	19,166,574	18,599,759
Computer Software	8,997,689	8,997,689
Leasehold Improvements	124,288	124,288
Land	7,619,204	6,767,292
Building	83,185,784	82,267,696
Building Improvements	39,688,760	39,623,760
Accum Depr - Motor Vehicles	(254,526)	(243,763)
Accum Depr - Furniture	(6,582,252)	(6,574,368)
Accum Depr - Comp Equipment	(15,957,717)	(15,775,230)
Accum Depr - Comp Software	(8,514,646)	(8,460,403)
Accum Depr - Leasehold Improvements	(124,288)	(124,288)
Accum Depr - Building	(12,875,401)	(12,699,615)
Accum Depr - Bldg Improvements	(14,642,075)	(14,448,195)
Construction Work-In-Progress	45,057,825	44,641,279
Total Fixed Assets	152,420,563	150,227,245
Other Non-Current Assets		
Deposits	17,260	174,585
Board-Designated Reserves	1,176,113,434	1,173,873,794
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	14,649,449	14,640,686
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
Total Other Non-Current Assets	1,200,409,917	1,198,318,839

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Balance Sheet

As Of October 31, 2024

	<u>October 2024</u>	<u>September 2024</u>
Total Non-Current Assets	1,352,830,480	1,348,546,084
Total Assets	3,894,981,750	3,921,011,068
LIABILITIES & FUND BALANCE		
Liabilities		
Current Liabilities		
Accounts Payable	171,018,434	244,851,494
Unearned Income	77,221,538	73,894,582
Suspense Account	9,550,859	7,324,475
Capitation Payable	40,030,398	40,030,398
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	1,344,940,160	1,277,241,085
Claims Payable	277,094,223	289,596,635
Incurred But Not Reported-IBNR	575,770,710	601,054,957
Quality Improvement Programs	124,695,880	115,430,225
Total Current Liabilities	2,652,955,315	2,682,056,964
Non-Current Liabilities		
Deferred Inflows Of Resources	7,617,910	7,617,910
Net Subscription Liability	2,348,078	2,348,078
Total Non-Current Liabilities	9,965,988	9,965,988
Total Liabilities	2,662,921,303	2,692,022,952
Fund Balance		
Unrestricted Fund Balance	(167,776,217)	(166,415,591)
Reserved Funds		
State Financial Performance Guarantee	1,100,211,000	1,096,923,000
Board Approved Capital and Infrastructure Purchases	76,202,434	77,250,794
Capital Assets	152,420,562	150,227,245
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668
Total Reserved Funds	1,399,836,664	1,395,403,707
Total Fund Balance	1,232,060,447	1,228,988,116
Total Liabilities And Fund Balance	3,894,981,750	3,921,011,068

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Statement of Cash Flow
For The Period Ending October 31, 2024

	<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	448,758,025	1,897,964,590
Other Revenues	2,001,372	2,636,805
Cash Payments to Providers for Medi-Cal Members		
Capitation Payments	(22,196,943)	(105,966,012)
Medical Claims Payments	(483,336,318)	(1,545,131,676)
Drug Medi-Cal		
DMC Receipts from Counties	4,584,046	21,798,585
DMC Payments to Providers	(4,449,726)	(19,932,489)
Cash Payments to Vendors	(162,415,305)	(317,013,981)
Cash Payments to Employees	(21,342,836)	(64,015,248)
Net Cash (Used) Provided by Operating Activities	<u>(238,397,685)</u>	<u>(129,659,426)</u>
CASH FLOWS FROM CAPITAL FINANCING & RELATED ACTIVITIES:		
Purchases of Capital Assets	(2,055,218)	(18,774,646)
Net Cash Used by Capital Financial & Related Activities	<u>(2,055,218)</u>	<u>(18,774,646)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Board-Designated Reserve Transfers	(2,239,640)	(14,863,578)
Interest and Dividends on Investments	10,547,689	38,200,839
Net Cash (Used) Provided by Investing Activities	<u>8,308,049</u>	<u>23,337,261</u>
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	<u>(232,144,854)</u>	<u>(125,096,811)</u>
CASH & CASH EQUIVALENTS, BEGINNING	<u>1,240,939,134</u>	<u>1,133,891,091</u>
CASH & CASH EQUIVALENTS, ENDING	<u>1,008,794,280</u>	<u>1,008,794,280</u>
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
TOTAL OPERATING (LOSS) INCOME	(7,355,603)	(54,268,152)
DEPRECIATION	625,043	2,500,205
CHANGES IN ASSETS AND LIABILITIES:		
Other Receivables	(3,238,492)	(16,017,719)
California Department of Health Services Receivable	(198,852,045)	(274,826,286)
Other Assets	(474,939)	(1,209,716)
Accounts Payable and Accrued Expenses	(580,646)	211,868,935
Accrued Claims Payable	(37,786,658)	(33,152,493)
Quality Improvement Programs	9,265,655	35,445,800
Net Cash Provided (Used) by Operating Activities	<u>(238,397,685)</u>	<u>(129,659,426)</u>

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

**Statement of Revenues and Expenses
For The Period Ending October 31, 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
895,408	895,408	-			TOTAL MEMBERSHIP	3,589,501	3,589,501	-		
					REVENUE					
505,119,147	510,141,385	(5,022,238)	564.12	569.73	State Capitation Revenue	2,015,922,044	2,049,346,409	(33,424,365)	561.62	570.93
10,427,933	6,380,700	4,047,233	11.65	7.13	Interest Income	38,725,890	24,135,800	14,590,090	10.79	6.72
1,944,028	210,600	1,733,428	2.17	0.24	Other Revenue	2,464,385	796,700	1,667,685	0.69	0.22
517,491,108	516,732,685	758,423	577.94	577.09	TOTAL REVENUE	2,057,112,318	2,074,278,909	(17,166,591)	573.10	577.88
					HEALTHCARE COSTS					
					Physician Services					
7,383,359	8,902,893	1,519,534	8.25	9.94	Pcp Capitation	29,276,994	35,609,325	6,332,331	8.16	9.92
212,746	219,747	7,001	0.24	0.25	Specialty Capitation	851,254	878,660	27,406	0.24	0.24
85,195,454	69,992,427	(15,203,027)	95.15	78.17	Non-Capitated Physician Services	348,860,336	279,485,934	(69,374,402)	97.19	##### ##
92,791,559	79,115,067	(13,676,492)	103.64	88.36	Total Physician Services	378,988,584	315,973,919	(63,014,665)	105.59	88.02
					Inpatient Hospital					
16,196,148	17,889,943	1,693,795	18.09	19.98	Hospital Capitation	64,726,495	71,471,215	6,744,720	18.03	19.91
95,078,417	123,813,676	28,735,259	106.18	138.28	Inpatient Hospital - Ffs	437,635,809	472,394,875	34,759,066	121.92	131.60
1,587,606	1,587,606	-	1.77	1.77	Hospital Stoploss	6,366,005	6,366,005	-	1.77	1.77
112,862,171	143,291,225	30,429,054	126.04	160.03	Total Inpatient Hospital	508,728,309	550,232,095	41,503,786	141.72	153.28
51,743,987	56,381,048	4,637,061	57.79	62.97	Long Term Care	218,425,694	219,623,231	1,197,537	60.85	61.18
					Ancillary Services					
1,161,800	1,224,579	62,779	1.30	1.37	Ancillary Services - Capitated	4,683,705	4,896,274	212,569	1.30	1.36
84,780,137	75,804,503	(8,975,634)	94.68	84.66	Ancillary Services - Non-Capitated	302,870,059	300,977,316	(1,892,743)	84.38	83.85
85,941,937	77,029,082	(8,912,855)	95.98	86.03	Total Ancillary Services	307,553,764	305,873,590	(1,680,174)	85.68	85.21
					Other Medical					
4,820,616	7,913,136	3,092,520	5.38	8.84	Quality Assurance	16,463,522	29,511,883	13,048,361	4.59	8.22
74,002,459	80,458,867	6,456,408	82.65	89.86	Healthcare Investment Funds	289,379,763	323,395,656	34,015,893	80.62	90.09
118,200	156,000	37,800	0.13	0.17	Advice Nurse	487,100	590,000	102,900	0.14	0.16
660	8,100	7,440	-	0.01	Hipp Payments	3,086	30,800	27,714	-	0.01
13,087,181	10,909,055	(2,178,126)	14.62	12.18	Transportation	46,711,040	43,180,260	(3,530,780)	13.01	12.03
92,029,116	99,445,158	7,416,042	102.78	111.06	Total Other Medical	353,044,511	396,708,599	43,664,088	98.36	110.51
10,302,763	9,284,355	(1,018,408)	11.51	10.37	Quality Improvement Programs	39,292,284	37,326,198	(1,966,086)	10.95	10.40
445,671,533	464,545,935	18,874,402	497.74	518.82	TOTAL HEALTHCARE COSTS	1,806,033,146	1,825,737,632	19,704,486	503.15	508.60
					ADMINISTRATIVE COSTS					
14,687,226	17,297,030	2,609,804	16.40	19.32	Employee	52,202,322	63,816,091	11,613,769	14.54	17.78
104,516	179,724	75,208	0.12	0.20	Travel And Meals	306,764	679,824	373,060	0.09	0.19
1,299,266	2,728,584	1,429,318	1.45	3.05	Occupancy	5,253,584	7,917,481	2,663,897	1.46	2.21
905,545	953,942	48,397	1.01	1.07	Operational	2,148,466	3,568,427	1,419,961	0.60	0.99
2,708,691	3,164,025	455,334	3.03	3.53	Professional Services	9,335,447	12,425,581	3,090,134	2.60	3.46
2,958,739	3,033,979	75,240	3.30	3.39	Computer And Data	11,850,318	11,566,873	(283,445)	3.30	3.22
22,663,983	27,357,284	4,693,301	25.31	30.56	TOTAL ADMINISTRATIVE COSTS	81,096,901	99,974,277	18,877,376	22.59	27.85
46,083,262	45,795,974	(287,288)	51.47	51.15	Medi-Cal Managed Care Tax	185,524,532	184,273,413	(1,251,119)	51.69	51.34
3,072,330	(20,966,508)	24,038,838	3.42	(23.44)	TOTAL CURRENT YEAR SURPLUS (DEFICIT)	(15,542,261)	(35,706,413)	20,164,152	(4.33)	(9.91)

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

NOTES TO FINANCIAL STATEMENTS

October 31, 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

October 31, 2024

RESERVED FUNDS:

As of October 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 October 2024, PHC has accrued a Quality Incentive Program payout of \$124.7 million.

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
October 31, 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
October 31, 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	\$ 1,384,275	\$ 1,384,275	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:

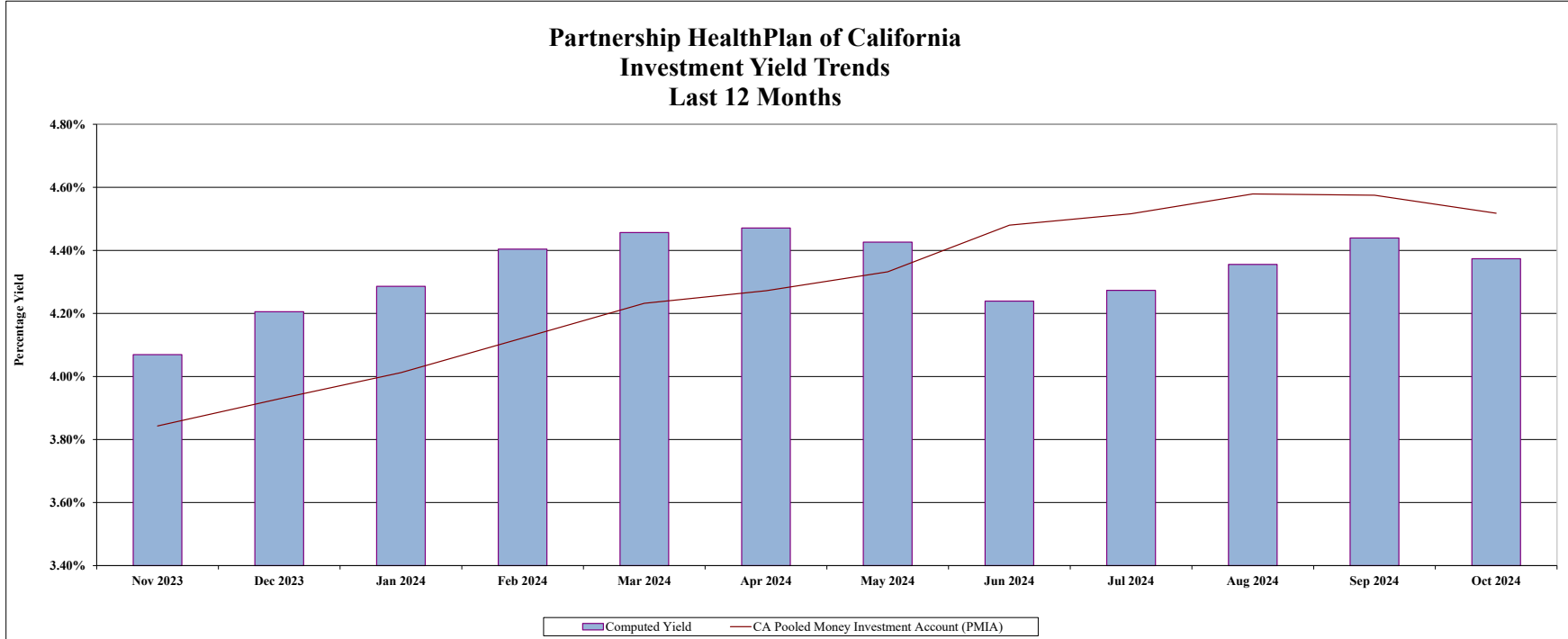
Merrill Lynch Institutional	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 73,556,154		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 2,251,127		
US Bank - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 1,988,398,439		
Government Investment Pools (LAIF)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 75,000,000		
Government Investment Pools (County)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 43,794,453		
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 147,363		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 3,300		

GRAND TOTAL:

\$ 2,185,119,550

**Partnership HealthPlan of California
Investment Yield Trends**

PERIOD	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024
Interest Income	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	10,427,933
Cash & Investments at Historical Cost	(1) 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	2,185,135,113
Computed Yield	(2) 4.07%	4.21%	4.29%	4.40%	4.46%	4.47%	4.43%	4.24%	4.27%	4.36%	4.44%	4.37%
CA Pooled Money Investment Account (PMIA)	(3) 3.84%	3.93%	4.01%	4.12%	4.23%	4.27%	4.33%	4.48%	4.52%	4.58%	4.58%	4.52%



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.