



## Finance Committee Meeting Agenda

September 18, 2024: 8:00 a.m. – 9:30 a.m.

### 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
- 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 September 17, 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	1-2	<i>Chair</i>
1.4	<b>ACTION:</b> Approval of Finance Committee Minutes from August 21, 2024	3-7	<i>Chair</i>
1.5	Commissioner Comment		<i>Chair</i>
1.6	Public Comment		<i>Public</i>
New Business			
2.1	<b>ACTION:</b> Resolution to Accept Commissioner Tina Rivera's Resignation from the Partnership Board as a Sonoma County Representative	8-9	<i>Katherine Barresi</i>
2.2	<b>ACTION:</b> Resolution to Accept the Resignation of Commissioner Dr. Fahan Fadoo, MD from the Partnership Board and Finance Committee as a Marin County Representative	10-11	<i>Katherine Barresi</i>
2.3	<b>INFORMATION:</b> CEO Health Plan Update	12	<i>Katherine Barresi</i>
2.4	<b>ACTION:</b> Accept July 2024 Metrics and Financials	13-26	<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:**

- Partnership’s Southeast Office located at 4605 Business Center Drive, Fairfield, CA**
- Partnership’s Eastern Office located at 281 Nevada Street, Auburn, CA**
- Partnership’s Northwest Office located at 1036 Fifth Street, Eureka, CA**
- Partnership’s Northeast Office located at 2525 Airpark Drive, Redding, CA**
- Partnership’s Southwest Office located at 495 Tesconi Circle, Santa Rosa, CA**
- Partnership’s Chico Office located at 2760 Esplanade Ave, Suite 130, Chico, CA**

**On  
August 21, 2024**

**Members Present:** Jonathon Andrus, Jayme Bottke (8:07 arrival), Farhan Fadoo, MD, Ryan Gruver, Alicia Hardy, Dave Jones, Chair, Nancy Starck, Nolan Sullivan

**Members Excused:** Kathryn Powell

**Staff:** Benjamin Ampara, Alexandra Chappell, Joe Chiminiello, Wendell Coats, Wendi Davis, Marisa Dominguez, Melanie Lam, John Lemoine, Jennifer Lopez, Patti McFarland, Tim Sharp. Ashlyn Scott, Amy Turnipseed, Colleen Valenti, Diane Walton, Lori Williams

AGENDA ITEM		MOTION / ACTION
<b>1.2 Roll Call</b>	Ashlyn Scott, Clerk of the Commission, called the roll and announced there was a quorum.	None
<b>1.3 Approval of Agenda</b>	Chairman Jones asked if anyone had changes to the agenda. Hearing none, he asked for a motion to approve the agenda.	<p><i>Commissioner Hempling moved to approve the agenda as presented, seconded by Commissioner Starck.</i></p> <p><b><u>ACTION SUMMARY:</u></b> <i>Yes:7</i></p>

		<p>No: 0  Abstention: 0  Excused: 2 (Bottke (8:07 arrival), Powell)</p> <p><b>MOTION CARRIED</b></p>
<p><b>1.4 Approval of the June 19, 2024 Finance Committee Meeting Minutes</b></p>	<p>Chairman Jones asked if anyone had changes to the June 19, 2024 minutes. Hearing none, Chairman Jones asked for a motion to approve the minutes.</p>	<p><i>Commissioner Hempling moved to approve the minutes as presented seconded by Commissioner Hardy.</i></p> <p><b><u>ACTION SUMMARY:</u></b>  Yes:7  No: 0  Abstention: 0  Excused: 2 (Bottke (8:07 arrival), Powell)</p> <p><b>MOTION CARRIED</b></p>
<p><b>1.5 Commissioner Comment &amp; 1.6 Public Comment</b></p>	<p>Chairman Jones asked if there were any public or commissioner comments. There were none.</p>	<p>None</p>
<b>New Business</b>		
<p><b>2.2 CEO Report</b></p>	<p>Katherine Barresi, Acting Chief Executive Officer, gave a report on the following topics:</p> <p><b><i>Changes to the Equity and Practice Transformation Payments Program</i></b> – The Department of Health Care Services (DHCS) made significant changes to the Equity and Practice Transformation (EPT) Payments Program. Originally proposed with a funding allocation of \$700 million, the program's funding has been reduced to \$140 million in the Fiscal Year 2024-2025 final state budget. Despite the substantial cut, 211 sites have been selected to participate out of 719 applicants.</p> <p>Participating sites have the option to opt out of the program, and a vendor has been designated to assist those who choose to continue with the program in navigating the next steps. Each participating practice will receive a base payment of \$250,000, along with an additional \$20 per assigned member, with the maximum payment capped at \$3.19 million. The focus of the program has been narrowed, now encompassing 25 equally weighted performance measurements.</p> <p>Partnership staff will reach out to participating sites in our service area to offer technical assistance.</p>	<p>None</p>

	<p>Although DHCS has suggested that health plans may help fund the program, Partnership remains confident in the effectiveness of our robust Quality Improvement Program.</p> <p><b>Community Reinvestment Policy</b> – Partnership is currently awaiting further guidance from DHCS regarding the Community Reinvestment Policy, which was included as part of the 2024 DHCS contract. Both Partnership and our sister plans are concerned that a prescriptive policy might restrict the types of investments we are able to make in our communities. Local Health Plans of California (LHPC) conducted a survey to help DHCS in understanding the investments health plans have already made and the amounts invested since 2019. We anticipate receiving policy guidance from DHCS by the end of August, after which stakeholders will have the opportunity to provide feedback. We plan to submit comments to DHCS once we have reviewed the detailed guidance.</p> <p><b>CalAIM Transitional Rent Services</b> – DHCS has released a Concept Paper proposing a new Medi-Cal service known as "Transitional Rent." This initiative aims to provide coverage for rent or temporary housing under Medi-Cal, with a planned statewide implementation by January 1, 2026. DHCS is currently seeking approval from the Centers for Medicare &amp; Medicaid Services (CMS) to cover up to six months of transitional rent. While the Partnership is enthusiastic about the potential benefits of this new service, there are concerns about the lack of available housing inventory within our service area.</p> <p><i>Commissioner Starck noted that DHCS is directing counties to request funding from health plans for community investment plans and is encouraging counties to collaborate with health plans on investment strategies.</i></p> <p><i>Ms. Barresi responded that there have been reports of inconsistent messaging from the population health and finance departments at DHCS. Partnership aims to align investment projects with counties, but DHCS encouraging counties to seek funding and staffing from health plans is creating challenges. Partnership is concerned that our current investment activities might be overlooked if they do not align with specific categories in the state’s policy. Partnership’s Population Health Team and regional directors are working to identify the most impactful investments for our service area.</i></p>	
<p><b>2.4 ACTION: Accept May and June 2024 Metrics and Financials</b></p>	<p>Jennifer Lopez, Deputy Chief Financial Officer, presented Partnership’s metrics and financials for the month ending June 30, 2024. Partnership reported a net surplus of approximately \$2.1 million for the month, which brings the year-to-date surplus to approximately \$63.6 million. Although we are pleased to end the fiscal year higher than budget, there remains significant fiscal uncertainty: given the state budget condition; the forthcoming implementation of regional cost averaging which more than likely create downward rate pressure on Partnership’s future revenue levels; and we still do not have a clear understanding of the expense levels in the expansion region. Additionally, Partnership has not yet received the final rates for the calendar year 2024, complicating the budgeting process. We plan to use a 13th period to reconcile claims and other estimated costs based</p>	<p><i>Commissioner Sullivan moved to accept the May and June Financials as presented, seconded by Commissioner Fadoo.</i></p> <p><b><u>ACTION SUMMARY:</u></b> Yes:8</p>

on additional run-out data.

*Commissioner Jones asked about the status of the Veterans Affairs (VA) building that the Partnership purchased in Redding.*

*Ms. McFarland replied that the building is currently under construction. Once the construction is complete, Partnership will assess how the building should be utilized.*

*Commissioner Hempling inquired about the projected \$150 million loss related to the expansion.*

*Ms. Lopez explained that it is too early to provide a definitive answer since we only have a few months of complete claims data for the expansion region but we are continuing to monitor.*

*Commissioner Hardy asked if the Alternative Payment Methodology (APM) initiative is still a priority for the state. Despite years of discussion about its potential to transform healthcare, only two sites in the state are expected to participate in the first wave of the program.*

*Ms. Lopez confirmed that there are currently only 2 participating sites. She attributed the limited interest to program due to the state's delays in finalizing the APM policy guidance.. She stated that she believes APM can still be beneficial for certain clinics and hopes that feedback from participating clinics can help influence future policy changes in the program.*

*Commissioner Gruver inquired why ECM revenue was higher than anticipated.*

*Ms. Lopez explained the state had initially over projected membership for ECM service utilization, resulting in overstated revenue for all health plans.. Given the membership uncertainty for this new program, the state implemented a risk corridor at the start of the program that would claw back excessive revenue for this new benefit. Establishment of risk corridors for new programs and benefits is not an uncommon practice in Medi-Cal. As a result of the risk corridor, Partnership will need to return some of these funds to the state.*

*Commissioner Gruver noted that ECM is underfunded at the local level, with low enrollment. He added that it would be beneficial if the state's overpayment could be reinvested locally.*

*Ms. Lopez acknowledged this concern, stating that Partnership continues to actively review ECM rates. She added that Partnership continues to advocate to the state for appropriate unit costs levels for this new benefit.*

*Commissioner Sullivan shared that county partners believe the ECM rates are inadequate, leading them to seek alternative grants. He noted that while ECM offers valuable benefits, the current rates are impractical for counties and small nonprofits struggle with the complicated process to become ECM providers.*

*No: 0  
Abstention: 0  
Excused: 1 (Powell)*

**MOTION CARRIED**

	<p>Ms. Lopez gave an update on the Intergovernmental Transfer Program (IGT). The state has issued the approved IGT funding amounts for the calendar year 2023. Partnership is expecting to receive IGT funds from the State in December and will look to issue the payments to providers in January. Due to decreased membership, the funding amount has also been reduced. We do not yet have the schedule for the IGT program for calendar year 2024, but we have conducted a webinar for our new partners who will be eligible to apply.</p> <p>The Committee was also presented May 2024 Financials for review and approval. Ms. Lopez’s full report is included in the packet.</p>	
<b>CLOSED SESSION</b>	<p>Chairman Jones announced the following item would be discussed in Closed Session.</p> <p><i>Discussion Pursuant to Government Code §54957(b)(1); Personnel Matter, Public Employee</i></p>	None
<b>Adjournment</b>	<p>Chairman Jones reconvened open session and announced there was no action taken in closed session.</p> <p>The meeting adjourned at 8:49AM.</p>	None

Respectfully submitted by:  
Ashlyn Scott, Board Clerk

Committee Approval Date: 09/18/2024

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

\_\_\_\_\_  
Dave Jones, Chair

**AGENDA REQUEST FOR RATIFICATION  
for  
PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Board / Finance Committee (when applicable)**

**Meeting Date:** September 18, 2024

**Board Meeting Date:** October 9, 2024

**Agenda Item Number:**

2.1

**Resolution Sponsor:**

Katherine Barresi, Acting CEO, Partnership HealthPlan of CA

**Recommendation by:**

The Finance Committee and Partnership Staff

---

**Topic Description:**

Partnership Board Commissioner Tina Rivera, Sonoma County Health Services Director has resigned from her position at Sonoma County and the Partnership Board.

Commissioner Rivera has made numerous outstanding contributions to Partnership HealthPlan of California and the Commission (known as the Board) since February 2023. She has provided excellent leadership and has been a dedicated volunteer. Her knowledge has been of great value to Partnership, and she has kept the needs of our members, providers and the community as a guiding principle.

**Reason for Resolution:**

To obtain Board approval to accept the resignation of Sonoma County Representative, Tina Rivera from the Partnership Board.

**Financial Impact:**

There is no financial impact to the HealthPlan.

**Requested Action of the Board:**

Based on the recommendation of the Finance Committee and Partnership staff, the Board is asked to accept the resignation of Sonoma County Representative, Tina Rivera from the Partnership Board.



**AGENDA REQUEST FOR RATIFICATION  
for  
PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Board / Finance Committee (when applicable)**

**Meeting Date:** September 18, 2024

**Board Meeting Date:** October 9, 2024

**Agenda Item Number:**

2.1

**Resolution Number:**

24-

**IN THE MATTER OF: ACCEPTING THE RESIGNATION OF BOARD COMMISSIONER  
TINA RIVERA**

---

**Recital: Whereas,**

- A. The Board has authority to accept Commissioner resignations.
- B. Commissioner Rivera has resigned from her position at Sonoma County and thus, the Partnership Board.
- C. Tina Rivera was a faithful and active member of the Board.

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

- 1. To accept Tina Rivera's resignation from the Partnership Board.

**PASSED, APPROVED, AND ADOPTED** by the Partnership HealthPlan of California this 9<sup>th</sup> day of October 2024 by motion of Commissioner seconded by Commissioner and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

---

Kim Tangermann, Chair

---

Date

**ATTEST:**

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

**AGENDA REQUEST FOR RATIFICATION  
for  
PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Board / Finance Committee (when applicable)**

**Meeting Date:** September 18, 2024

**Board Meeting Date:** October 9, 2024

**Agenda Item Number:**

2.2

**Resolution Sponsor:**

Katherine Barresi, Acting CEO, Partnership HealthPlan of CA

**Recommendation by:**

The Finance Committee and Partnership Staff

---

**Topic Description:**

Partnership Board Commissioner Farhan Fadoo, MD, Chief Executive Officer of Marin Community Clinics, has resigned from his position at Marin Community Clinics, the Partnership Board and the Finance Committee.

Commissioner Fadoo has made numerous outstanding contributions to Partnership HealthPlan of California and the Commission (known as the Board) since April 2024. His knowledge has been of great value to Partnership, the Board and the Finance Committee.

**Reason for Resolution:**

To obtain Board approval to accept the resignation of Marin County Representative, Farhan Fadoo, MD, from the Partnership Board.

**Financial Impact:**

There is no financial impact to the HealthPlan.

**Requested Action of the Board:**

Based on the recommendation of the Finance Committee and Partnership staff, the Board is asked to accept the resignation of Marin County Representative, Farhan Fadoo, MD, from the Partnership Board and Finance Committee.

**AGENDA REQUEST FOR RATIFICATION  
for  
PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Board / Finance Committee (when applicable)**

**Meeting Date:** September 18, 2024

**Board Meeting Date:** October 9, 2024

**Agenda Item Number:**

2.2

**Resolution Number:**

24-

**IN THE MATTER OF: ACCEPTING THE RESIGNATION OF BOARD COMMISSIONER  
FARHAN FADOO, MD**

---

**Recital: Whereas,**

- A. The Board has authority to accept Commissioner resignations.
- B. Commissioner Fadoo has resigned from his position at Marin Community Clinics and thus, the Partnership Board and Finance Committee.
- C. Farhan Fadoo, MD, was a faithful and active member of the Board.

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

- 1. To accept Dr. Farhan Fadoo’s resignation from the Partnership Board.

**PASSED, APPROVED, AND ADOPTED** by the Partnership HealthPlan of California this 9<sup>th</sup> day of October 2024 by motion of Commissioner seconded by Commissioner and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

\_\_\_\_\_  
Kim Tangermann, Chair

\_\_\_\_\_  
Date

**ATTEST:**

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



**Finance Committee  
Chief Executive Officer Update  
September 18, 2024**

- I. Community Reinvestments – DHCS draft All Plan Letter**
- II. PATH Cited funding awards towards CalAIM growth**
- III. D-SNP updates**

---

## **FINANCIAL HIGHLIGHTS**

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

### **For the Period Ending July 31, 2024**

---

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

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

For this first month of the fiscal year – the month ending July 31, 2024 – PHC reported a deficit of \$2.8 million. Significant variances are explained below.

##### **Revenue**

Total Revenue is lower than budget by \$2.8 million for July 2024. Medi-Cal revenue is \$1.6 million favorable due to retro membership partially offset by lower than anticipated ECM utilization. Also, directed payments are \$11.9 million unfavorable due to lower than budgeted rates; a corresponding offset is recorded in HCIF. Supplemental revenues are \$3.8 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 \$3.6 million favorable due to higher than anticipated interest rates.

##### **Healthcare Costs**

Total Healthcare Costs are greater than budget by \$2.4 million for the month. Physician and Ancillary expenses are unfavorable to budget by \$10.5 million primarily due to the accrual of TRI and adjustments to IBNR reserves to reflect the latest utilization trend. Total Capitation is \$3.2 million favorable due to lower than budgeted expense. Healthcare Investment Funds (HCIF) is \$7.0 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 \$0.6 million unfavorable due to retro rate increases back to January 2024. Inpatient hospital FFS expense is \$3.7 million unfavorable due to adjustments to IBNR reserves and seasonality. Transportation expense is \$0.5 million unfavorable due to increase in utilization. Quality Assurance expense is \$3.6 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 \$7.5 million for the year-to-date. The variance is primarily in Employee costs due to the timing of the filling of open positions geared towards the expansion counties and fulfilling 2024 DHCS Contract requirements. The variance in Professional Services is primarily due to the timing of consultant usage. Lastly, the variance in Occupancy costs contributes to this as well due to the timing of capital asset purchases and the accompanying depreciation.

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

Total Cash & Cash Equivalents decreased by \$72.7 million for the month. Inflows include \$443.6 million in State Capitation payments, \$10.4 million in Drug Medi-Cal payments, and \$9.9 million in interest earnings. These inflows were offset by outflows of \$375.5 million in healthcare cost payments, \$5.4 million in Drug Medi-Cal payments, \$19.2 million in administrative and capital cost payments, \$125.5 million for a quarterly MCO tax payment, and the recording of \$11.3 million in board-designated reserve transfers. The remaining difference can be attributed to other revenues.

---

**FINANCIAL HIGHLIGHTS**  
**Of The Partnership HealthPlan Of California**  
**For the Period Ending July 31, 2024**

---

**General Statistics**

**Membership**

Membership had a total net increase of 55 members for the month.

**Utilization Metrics and High Dollar Case**

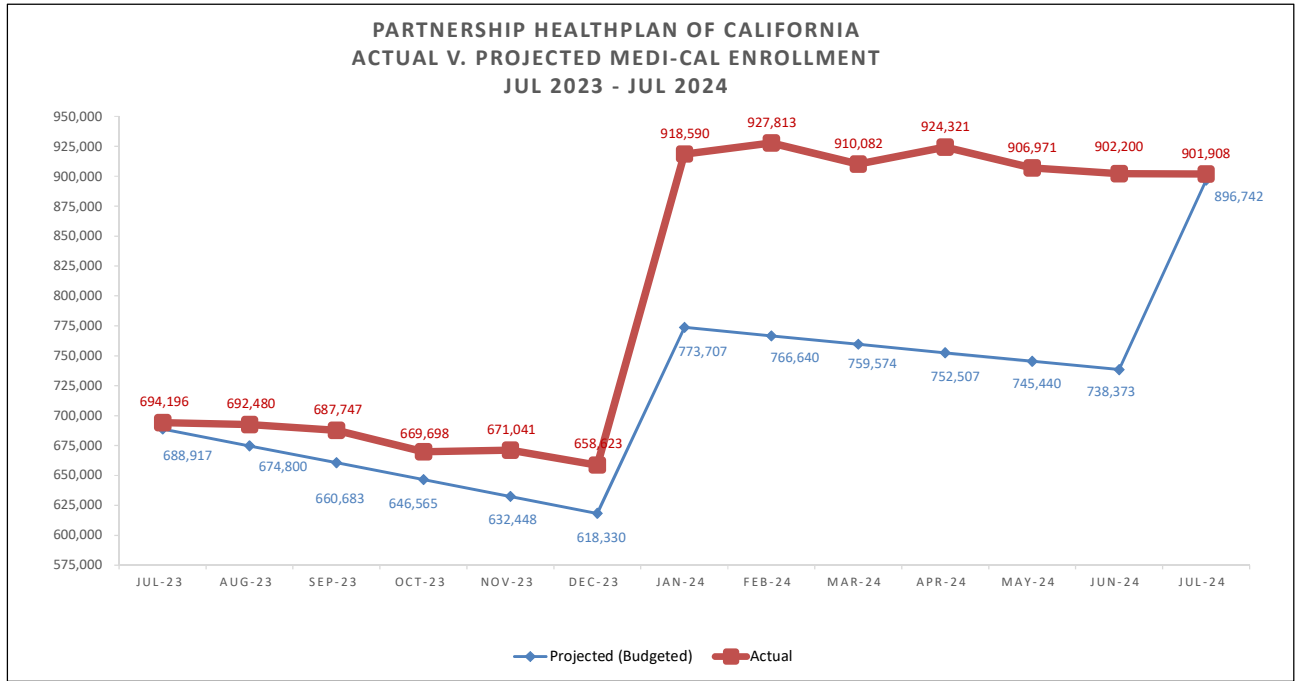
For the fiscal year 2024/25 through July 2024, 15 members reached the \$250,000 threshold with an average cost of \$371,989. For fiscal year 2023/24, 777 members reached the \$250,000 threshold with an average cost per case of \$498,135. For fiscal year 2022/23, 695 members reached the \$250,000 threshold with an average claims cost of \$518,224.

**Current Ratio/Reserved Funds**

Current Ratio Including Required Reserves	<b>1.45</b>
Current Ratio Excluding Required Reserves:	<b>0.97</b>
Required Reserves:	<b>\$1,307,341,337</b>
Total Fund Balance:	<b>\$1,244,769,003</b>

**Days of Cash on Hand**

Including Required Reserves:	<b>129.01</b>
Excluding Required Reserves:	<b>61.28</b>



**Member Months by County:**

County	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	★ Apr-24	May-24	Jun-24	Jul-24
Solano	141,591	140,953	140,988	136,597	137,807	134,534	103,140	105,208	102,065	105,274	102,979	102,062	101,490
Napa	35,882	35,969	35,439	34,269	34,043	33,710	27,596	28,140	27,005	27,891	27,017	27,071	26,878
Yolo	63,943	63,559	63,142	61,135	60,507	60,230	55,624	56,087	54,327	55,592	54,076	53,489	53,332
Sonoma	134,420	133,261	132,745	131,013	129,901	128,356	109,623	112,447	108,106	112,999	110,510	110,327	110,662
Marin	52,302	52,602	51,713	50,119	49,383	49,823	46,981	48,331	46,215	48,257	46,564	46,520	46,274
Mendocino	42,323	42,371	41,868	40,599	41,192	39,846	41,552	41,963	41,055	42,150	41,381	41,239	41,408
Lake	35,753	35,897	35,381	34,530	34,446	34,367	35,058	35,405	34,559	35,494	34,624	34,390	34,422
Del Norte	12,970	12,868	12,850	12,505	12,499	12,426	12,527	12,610	12,316	12,675	12,401	12,214	12,252
Humboldt	62,329	62,399	61,695	60,093	60,931	58,752	60,016	60,415	59,075	60,273	58,758	58,876	58,607
Lassen	9,271	9,232	9,151	8,871	9,044	8,600	8,864	8,952	8,576	8,793	8,668	8,714	8,765
Modoc	4,240	4,247	4,167	4,099	4,139	3,928	4,055	4,035	4,020	4,051	3,944	3,933	3,958
Shasta	73,539	73,456	73,179	71,113	72,049	69,783	70,605	70,880	69,820	70,514	68,436	67,907	67,685
Siskiyou	19,762	19,793	19,566	19,059	19,440	18,625	19,052	19,115	17,966	18,653	18,137	18,131	18,088
Trinity	5,871	5,873	5,863	5,696	5,660	5,643	5,660	5,739	5,567	5,704	5,607	5,540	5,540
Butte	-	-	-	-	-	-	85,751	85,856	86,303	85,581	84,795	84,347	84,598
Colusa	-	-	-	-	-	-	10,710	10,663	10,674	10,392	10,270	10,239	10,208
Glenn	-	-	-	-	-	-	13,752	13,774	13,883	13,772	13,618	13,583	13,501
Nevada	-	-	-	-	-	-	28,962	28,798	28,708	28,519	28,420	28,313	28,407
Placer	-	-	-	-	-	-	59,373	59,846	60,289	59,915	60,009	59,226	59,648
Plumas	-	-	-	-	-	-	6,015	5,978	5,975	5,942	5,925	5,903	5,938
Sierra	-	-	-	-	-	-	855	870	869	869	865	850	839
Sutter	-	-	-	-	-	-	44,339	44,438	44,558	43,816	43,711	43,619	43,542
Tehama	-	-	-	-	-	-	31,784	31,484	31,299	30,932	30,323	29,996	30,297
Yuba	-	-	-	-	-	-	36,696	36,779	36,851	36,263	35,933	35,711	35,569
<b>All Counties Total</b>	<b>694,196</b>	<b>692,480</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>

★ 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											Avg / Month As of		
												YTD	Jul-24	
Total Enrollment	898,490												898,490	898,490
Total Revenue	516,467,263												516,467,263	516,467,263
Total Healthcare Costs	455,570,292												455,570,292	455,570,292
Total Administrative Costs	17,164,115												17,164,115	17,164,115
Medi-Cal Hospital & Managed Care Taxes	46,566,563												46,566,563	46,566,563
Total Current Year Surplus (Deficit)	(2,833,707)												(2,833,707)	(2,833,707)
Total Claims Payable	884,509,979												884,509,979	884,509,979
Total Fund Balance	1,244,769,003												1,244,769,003	1,244,769,003
Reserved Funds														
State Financial Performance Guarantee	1,092,899,000												1,092,899,000	1,092,899,000
Board Approved Capital and Infrastructure Purchases	79,941,518												79,941,518	79,941,518
Capital Assets	134,500,819												134,500,819	134,500,819
Strategic Use of Reserve-Board Approved	71,002,668												71,002,668	71,002,668
Unrestricted Fund Balance	(133,575,002)												(133,575,002)	(133,575,002)
Fund Balance as % of Reserved Funds	90.31%												90.31%	90.31%
Current Ratio (including Required Reserves)	1.45:1												1.45:1	1.45:1
Medical Loss Ratio w/o Tax	96.95%												96.95%	96.95%
Admin Ratio w/o Tax	3.65%												3.65%	3.65%
Profit Margin Ratio	-0.60%												-0.60%	-0.60%

FINANCIAL INDICATORS	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	(Unaudited) Avg / Month As of		
												Jun-24	YTD	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	513,955,850	5,517,370,116	459,780,843
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	446,020,488	4,614,423,613	384,535,301
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	19,266,018	180,006,712	15,000,559
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	2,086,699	63,583,834	5,298,653
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	886,964,822	886,964,822	621,047,407
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	969,990,223	969,990,223	946,748,637
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	1,103,012,033	1,103,012,033	1,039,038,939
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)	(363,865,537)	(363,865,537)	(328,342,524)
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%	72.72%	72.72%	74.25%
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	1.33:1	1.33:1	1.42:1
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%	95.43%	94.99%	94.99%
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%	4.12%	3.71%	3.71%
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%	0.45%	1.31%	1.31%



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

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
898,490	898,435	55	Total Membership	898,490	697,169	201,321

ACTUAL MONTH	BUDGET MONTH	\$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	\$ VARIANCE YTD
516,467,263	519,272,112	(2,804,849)	Total Revenue	516,467,263	519,272,112	(2,804,849)
455,570,292	453,170,435	(2,399,857)	Total Healthcare Costs	455,570,292	453,170,435	(2,399,857)
17,164,115	24,625,650	7,461,535	Total Administrative Costs	17,164,115	24,625,650	7,461,535
46,566,563	46,343,627	(222,936)	Medi-Cal Managed Care Tax	46,566,563	46,343,627	(222,936)
<b>(2,833,707)</b>	<b>(4,867,600)</b>	<b>2,033,893</b>	Total Current Year Surplus (Deficit)	<b>(2,833,707)</b>	<b>(4,867,600)</b>	<b>2,033,893</b>

96.95%	95.82%	Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)	96.95%	95.82%
--------	--------	---	--------	--------

3.65%	5.21%	Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)	3.65%	5.21%
-------	-------	---	-------	-------

# PARTNERSHIP HEALTHPLAN OF CALIFORNIA

## Balance Sheet As Of July 31, 2024

	July 2024	(Unaudited) June 2024
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>	<b>1,061,212,431</b>	<b>1,166,086,689</b>
<b>Receivables</b>		
Accrued Interest	605,100	862,694
State DHS - Cap Rec	1,255,183,736	972,805,747
Other Healthcare Receivable	39,452,090	32,352,399
Miscellaneous Receivable	7,724,033	6,369,935
<b>Total Receivables</b>	<b>1,302,964,959</b>	<b>1,012,390,775</b>
<b>Other Current Assets</b>		
Payroll Clearing	27,242	26,693
Prepaid Expenses	9,227,085	6,034,832
<b>Total Other Current Assets</b>	<b>9,254,327</b>	<b>6,061,525</b>
<b>Total Current Assets</b>	<b>2,373,431,717</b>	<b>2,184,538,989</b>
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Motor Vehicles	482,897	462,112
Furniture & Fixtures	7,015,882	7,015,882
Computer Equipment	18,573,940	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	67,971,845	67,971,845
Building Improvements	39,623,760	39,624,160
Accum Depr - Motor Vehicles	(222,237)	(212,378)
Accum Depr - Furniture	(6,558,599)	(6,550,715)
Accum Depr - Comp Equipment	(15,434,379)	(15,264,313)
Accum Depr - Comp Software	(8,327,799)	(8,249,437)
Accum Depr - Leasehold Improvements	(124,288)	(124,288)
Accum Depr - Building	(12,348,043)	(12,202,804)
Accum Depr - Bldg Improvements	(14,050,369)	(13,846,766)
Construction Work-In-Progress	42,008,940	40,412,326
<b>Total Fixed Assets</b>	<b>134,500,819</b>	<b>133,498,833</b>
<b>Other Non-Current Assets</b>		
Deposits	1,256,323	1,280,599
Board-Designated Reserves	1,172,540,518	1,129,054,258
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	14,847,068	3,515,948
Net Pension Asset	4,919,453	2,961,371
Deferred Outflows Of Resources	1,620,052	2,861,333
Net Subscription Asset	2,790,269	17,931,216
<b>Total Other Non-Current Assets</b>	<b>1,198,273,683</b>	<b>1,157,904,725</b>
<b>Total Non-Current Assets</b>	<b>1,332,774,502</b>	<b>1,291,403,558</b>

# PARTNERSHIP HEALTHPLAN OF CALIFORNIA

## Balance Sheet As Of July 31, 2024

	July 2024	(Unaudited) June 2024
<b>Total Assets</b>	<b>3,706,206,219</b>	<b>3,475,942,547</b>
<b>LIABILITIES &amp; FUND BALANCE</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	148,046,184	244,080,580
Unearned Income	73,894,582	73,893,879
Suspense Account	5,249,778	4,031,351
Capitation Payable	66,741,388	66,741,388
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	1,143,336,668	1,058,319,616
Claims Payable	337,764,634	312,353,916
Incurred But Not Reported-IBNR	546,745,345	574,610,906
Quality Improvement Programs	97,059,536	129,347,924
<b>Total Current Liabilities</b>	<b>2,451,471,228</b>	<b>2,496,012,673</b>
<b>Non-Current Liabilities</b>		
Deferred Inflows Of Resources	7,617,910	6,616,582
Net Subscription Liability	2,348,078	3,323,069
<b>Total Non-Current Liabilities</b>	<b>9,965,988</b>	<b>9,939,651</b>
<b>Total Liabilities</b>	<b>2,461,437,216</b>	<b>2,505,952,324</b>
<b>Fund Balance</b>		
<b>Unrestricted Fund Balance</b>	<b>(133,575,002)</b>	<b>(363,865,537)</b>
<b>Reserved Funds</b>		
State Financial Performance Guarantee	1,092,899,000	1,103,012,033
Board Approved Capital and Infrastructure Purchases	79,941,518	26,342,225
Capital Assets	134,500,819	133,498,833
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668
<b>Total Reserved Funds</b>	<b>1,378,344,005</b>	<b>1,333,855,759</b>
<b>Total Fund Balance</b>	<b>1,244,769,003</b>	<b>969,990,223</b>
<b>Total Liabilities And Fund Balance</b>	<b>3,706,206,219</b>	<b>3,475,942,547</b>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Statement of Cash Flow**  
**For The Period Ending July 31, 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	443,609,284	443,609,284
Other Revenues	192,314	192,314
<b>Cash Payments to Providers for Medi-Cal Members</b>		
Capitation Payments	(16,824,323)	(16,824,323)
Medical Claims Payments	(358,655,719)	(358,655,719)
<b>Drug Medi-Cal</b>		
DMC Receipts from Counties	10,438,545	10,438,545
DMC Payments to Providers	(5,419,864)	(5,419,864)
Cash Payments to Vendors	(129,743,424)	(129,743,424)
Cash Payments to Employees	(13,022,457)	(13,022,457)
<b>Net Cash (Used) Provided by Operating Activities</b>	<b><u>(69,425,644)</u></b>	<b><u>(69,425,644)</u></b>
<b>CASH FLOWS FROM CAPITAL FINANCING &amp; RELATED ACTIVITIES:</b>		
Purchases of Capital Assets	(1,875,669)	(1,875,669)
<b>Net Cash Used by Capital Financial &amp; Related Activities</b>	<b><u>(1,875,669)</u></b>	<b><u>(1,875,669)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Board-Designated Reserve Transfers	(11,290,662)	(11,290,662)
Interest and Dividends on Investments	9,913,315	9,913,315
<b>Net Cash (Used) Provided by Investing Activities</b>	<b><u>(1,377,347)</u></b>	<b><u>(1,377,347)</u></b>
<b>NET (DECREASE) INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(72,678,660)</b>	<b>(72,678,660)</b>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING</b>	<b><u>1,133,891,091</u></b>	<b><u>1,133,891,091</u></b>
<b>CASH &amp; CASH EQUIVALENTS, ENDING</b>	<b><u>1,061,212,431</u></b>	<b><u>1,061,212,431</u></b>
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
<b>TOTAL OPERATING (LOSS) INCOME</b>	<b>(12,489,429)</b>	<b>(12,489,429)</b>
<b>DEPRECIATION</b>	<b>615,014</b>	<b>615,014</b>
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
Other Receivables	(7,124,726)	(7,124,726)
California Department of Health Services Receivable	(63,029,638)	(63,029,638)
Other Assets	(75,022)	(75,022)
Accounts Payable and Accrued Expenses	6,376,149	6,376,149
Accrued Claims Payable	(1,507,448)	(1,507,448)
Quality Improvement Programs	7,809,456	7,809,456
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(69,425,644)</u></b>	<b><u>(69,425,644)</u></b>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Statement of Revenues and Expenses**

**For The Period Ending July 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
<b>898,490</b>	<b>898,490</b>				<b>TOTAL MEMBERSHIP</b>	<b>898,490</b>	<b>898,490</b>			
					<b>REVENUE</b>					
506,638,922	512,967,312	(6,328,390)	563.88	570.92	State Capitation Revenue	506,638,922	512,967,312	(6,328,390)	563.88	570.92
9,655,722	6,103,300	3,552,422	10.75	6.79	Interest Income	9,655,722	6,103,300	3,552,422	10.75	6.79
172,619	201,500	(28,881)	0.19	0.22	Other Revenue	172,619	201,500	(28,881)	0.19	0.22
<b>516,467,263</b>	<b>519,272,112</b>	<b>(2,804,849)</b>	<b>574.82</b>	<b>577.94</b>	<b>TOTAL REVENUE</b>	<b>516,467,263</b>	<b>519,272,112</b>	<b>(2,804,849)</b>	<b>574.82</b>	<b>577.94</b>
					<b>HEALTHCARE COSTS</b>					
					<b>Physician Services</b>					
7,227,700	8,883,064	1,655,364	8.04	9.89	Pcp Capitation	7,227,700	8,883,064	1,655,364	8.04	9.89
212,354	218,933	6,579	0.24	0.24	Specialty Capitation	212,354	218,933	6,579	0.24	0.24
84,761,770	69,672,149	(15,089,621)	94.34	77.54	Non-Capitated Physician Services	84,761,770	69,672,149	(15,089,621)	94.34	77.54
<b>92,201,824</b>	<b>78,774,146</b>	<b>(13,427,678)</b>	<b>102.62</b>	<b>87.67</b>	<b>Total Physician Services</b>	<b>92,201,824</b>	<b>78,774,146</b>	<b>(13,427,678)</b>	<b>102.62</b>	<b>87.67</b>
					<b>Inpatient Hospital</b>					
16,312,243	17,825,346	1,513,103	18.16	19.84	Hospital Capitation	16,312,243	17,825,346	1,513,103	18.16	19.84
119,987,553	116,270,035	(3,717,518)	133.54	129.41	Inpatient Hospital - Ffs	119,987,553	116,270,035	(3,717,518)	133.54	129.41
1,595,170	1,595,170		1.78	1.78	Hospital Stoploss	1,595,170	1,595,170		1.78	1.78
<b>137,894,966</b>	<b>135,690,551</b>	<b>(2,204,415)</b>	<b>153.48</b>	<b>151.03</b>	<b>Total Inpatient Hospital</b>	<b>137,894,966</b>	<b>135,690,551</b>	<b>(2,204,415)</b>	<b>153.48</b>	<b>151.03</b>
54,772,993	54,143,384	(629,609)	60.96	60.26	Long Term Care	54,772,993	54,143,384	(629,609)	60.96	60.26
					<b>Ancillary Services</b>					
1,181,053	1,220,019	38,966	1.31	1.36	Ancillary Services - Capitated	1,181,053	1,220,019	38,966	1.31	1.36
70,467,337	75,030,709	4,563,372	78.43	83.51	Ancillary Services - Non-Capitated	70,467,337	75,030,709	4,563,372	78.43	83.51
<b>71,648,390</b>	<b>76,250,728</b>	<b>4,602,338</b>	<b>79.74</b>	<b>84.87</b>	<b>Total Ancillary Services</b>	<b>71,648,390</b>	<b>76,250,728</b>	<b>4,602,338</b>	<b>79.74</b>	<b>84.87</b>
					<b>Other Medical</b>					
3,642,826	7,253,820	3,610,994	4.05	8.07	Quality Assurance	3,642,826	7,253,820	3,610,994	4.05	8.07
74,112,283	81,113,728	7,001,445	82.49	90.28	Healthcare Investment Funds	74,112,283	81,113,728	7,001,445	82.49	90.28
125,600	149,200	23,600	0.14	0.17	Advice Nurse	125,600	149,200	23,600	0.14	0.17
829	7,800	6,971	-	0.01	Hipp Payments	829	7,800	6,971	-	0.01
10,899,028	10,430,865	(468,163)	12.13	11.61	Transportation	10,899,028	10,430,865	(468,163)	12.13	11.61
<b>88,780,566</b>	<b>98,955,413</b>	<b>10,174,847</b>	<b>98.81</b>	<b>110.14</b>	<b>Total Other Medical</b>	<b>88,780,566</b>	<b>98,955,413</b>	<b>10,174,847</b>	<b>98.81</b>	<b>110.14</b>
10,271,553	9,356,213	(915,340)	11.43	10.41	Quality Improvement Programs	10,271,553	9,356,213	(915,340)	11.43	10.41
<b>455,570,292</b>	<b>453,170,435</b>	<b>(2,399,857)</b>	<b>507.04</b>	<b>504.38</b>	<b>TOTAL HEALTHCARE COSTS</b>	<b>455,570,292</b>	<b>453,170,435</b>	<b>(2,399,857)</b>	<b>507.04</b>	<b>504.38</b>
					<b>ADMINISTRATIVE COSTS</b>					
11,430,607	15,653,636	4,223,029	12.72	17.42	Employee	11,430,607	15,653,636	4,223,029	12.72	17.42
59,516	171,903	112,387	0.07	0.19	Travel And Meals	59,516	171,903	112,387	0.07	0.19
1,250,658	1,757,207	506,549	1.39	1.96	Occupancy	1,250,658	1,757,207	506,549	1.39	1.96
256,877	890,642	633,765	0.29	0.99	Operational	256,877	890,642	633,765	0.29	0.99
1,909,612	3,232,093	1,322,481	2.13	3.60	Professional Services	1,909,612	3,232,093	1,322,481	2.13	3.60
2,256,845	2,920,169	663,324	2.51	3.25	Computer And Data	2,256,845	2,920,169	663,324	2.51	3.25
<b>17,164,115</b>	<b>24,625,650</b>	<b>7,461,535</b>	<b>19.11</b>	<b>27.41</b>	<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>17,164,115</b>	<b>24,625,650</b>	<b>7,461,535</b>	<b>19.11</b>	<b>27.41</b>
46,566,563	46,343,627	(222,936)	51.83	51.58	Medi-Cal Managed Care Tax	46,566,563	46,343,627	(222,936)	51.83	51.58
<b>(2,833,707)</b>	<b>(4,867,600)</b>	<b>2,033,893</b>	<b>(3.16)</b>	<b>(5.43)</b>	<b>TOTAL CURRENT YEAR SURPLUS (DEFICIT)</b>	<b>(2,833,707)</b>	<b>(4,867,600)</b>	<b>2,033,893</b>	<b>(3.16)</b>	<b>(5.43)</b>

# **PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

## **NOTES TO FINANCIAL STATEMENTS**

### **July 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**

### **July 31, 2024**

#### **RESERVED FUNDS:**

As of July 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 July 2024, PHC has accrued a Quality Incentive Program payout of \$97.1 million.

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**July 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**  
*July 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
--------------------	-----------------	-------------------	------------	---------------	-----------	------------	----------------	--------------	----------------------	---------------

**FUNDS HELD FOR INVESTMENT:**

Highmark Money Market	Cash & Cash Equiv	NA	Various	NA	NA	NA	\$ 1,366,572	\$ 1,366,572	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	\$ 72,612,024		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 1,998,652		
US Bank - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 2,039,027,339		
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	\$ 147,421		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 3,300		

**GRAND TOTAL:**

\$ 2,234,037,389

**Partnership HealthPlan of California  
Investment Yield Trends**

PERIOD		Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024
Interest Income		5,662,667	6,681,800	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
Cash & Investments at Historical Cost	(1)	1,644,124,824	2,054,308,786	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
Computed Yield	(2)	3.53%	3.72%	3.83%	4.07%	4.21%	4.29%	4.40%	4.46%	4.47%	4.43%	4.24%	4.27%
CA Pooled Money Investment Account (PMIA)	(3)	3.43%	3.53%	3.67%	3.84%	3.93%	4.01%	4.12%	4.23%	4.27%	4.33%	4.48%	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.