



## Finance Committee Meeting Agenda

March 19, 2025: 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:** Jonathon Andrus, Jayme Bottke, Dave Jones, Chair, Ryan Gruver, 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 March 18, 2025. 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 February 19, 2025	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 January 2025 Metrics and Financials and Financial Update	8-21	<i>Jennifer Lopez</i>
2.3	<b>ACTION:</b> Resolution to Accept the Resignation of Board Commissioner Nolan Sullivan from the Partnership Board and Finance Committee as a Yolo County Representative	22-23	<i>Sonja Bjork</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:**

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**On  
February 19, 2025**

**Members Present:** Jayme Bottke, Ryan Gruver, Dave Jones, Chair, Nancy Starck

**Members Excused:** Jonathon Andrus, Kathie Powell, Nolan Sullivan

**Staff:** Leigha Andrews, Katherine Barresi, Sonja Bjork, Jill Blake, Tina Buop, Alexandra Chappell, Mona Cheng, Wendell Coats, Wendi Davis, Marisa Dominguez, Robert Ducay, Naomi Gordon, Melanie Lam, Jennifer Lopez, Kathryn Power, Ashlyn Scott, Brian Spiker, Rebecca Stark, Amy Turnipseed, Colleen Valenti, Diane Walton

**Guests:** T Abraham

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 Bottke moved to approve the agenda as presented, seconded by Commissioner Starck.</i></p> <p><b><u>ACTION SUMMARY:</u></b>  <i>Yes: 4            No: 0            Abstention: 0</i></p>

		<i>Excused: 3 (Andrus, Powell, Sullivan)</i> <b>MOTION CARRIED</b>
<b>1.4 Approval of the January 15, 2025, Finance Committee Meeting Minutes</b>	Chairman Jones asked if anyone had changes to the January 15, 2025 minutes. Hearing no requests for modification, he asked for a motion to approve the minutes.	<i>Commissioner Bottke moved to approve the minutes as presented, seconded by Commissioner Starck.</i>  <b><u>ACTION SUMMARY:</u></b> <i>Yes: 4</i> <i>No: 0</i> <i>Abstention: 0</i> <i>Excused: 3 (Andrus, Powell, Sullivan)</i>  <b>MOTION CARRIED</b>
<b>1.5 &amp; 1.6 Public Comment and Commissioner Comment</b>	Chairman Jones asked if there were any public or commissioner comments. There were none.	None
<b>New Business</b>		
<b>2.1 CEO Report</b>	<p>Sonja Bjork, Chief Executive Officer, presented a report on the following topics:</p> <p><b><i>Federal Updates</i></b>  Robert F. Kennedy Jr. has been confirmed as the Secretary of the Department of Health and Human Services, and Dr. Mehmet Oz is expected to be confirmed to oversee the Centers for Medicare and Medicaid Services (CMS). The House budget resolution currently under consideration could potentially cut up to \$880 billion in healthcare costs. Partnership continues to monitor the potential impact of these cuts.</p> <p>Although the state has allocated funds for potential lawsuits against the Trump administration, if significant Medicaid budget cuts are implemented, the state will need to respond. Potential responses to these cuts could include:</p> <ol style="list-style-type: none"> <li>1) Funding Medi-Cal by reducing other programs</li> <li>2) Reducing the number of individuals covered by Medi-Cal</li> <li>3) Cutting benefits and rolling back recently expanded programs, such as Enhanced Case Management, Community Supports, and transportation benefits</li> <li>4) Reducing payments to health plans and providers</li> </ol> <p>Partnership is currently working on our budget assumptions for the next fiscal year. We expect to have more information when the governor releases his May Budget Revision. Given the</p>	None

uncertainty, we may need to adjust our budget if further developments occur later in the year.

Partnership staff recently met with the offices of Representatives LaMalfa and Kiley, who represent the Redding and Auburn regions, respectively. Additionally, staff in Washington, D.C. are actively encouraging constituents to reach out to their representatives about the potential cuts to Medi-Cal and the harmful impact these cuts could have on their communities.

*Chairman Jones highlighted that many rural providers serve predominantly Medi-Cal members. If these providers lose their Medi-Cal base, it could also negatively affect their ability to serve commercial payer members.*

***Voluntary Rate Range Intergovernmental Transfer Program***

The application period for the Voluntary Rate Range Intergovernmental Transfer Program (VRRP/IGT) is open for calendar year 2024 and will close at the end of March. This marks the first year that eligible providers from the expansion region will collaborate with Partnership to apply for IGT funding. The program allows providers with tax authority to report unmet needs related to delivering Medi-Cal services to the state. Partnership’s Finance Team is hosting webinars and is available for assistance via email at PHC\_IGT@partnershiphp.org.

***CalAIM – Justice Involved and Transitional Rent***

Despite federal uncertainty, the state is proceeding with launching new CalAIM programs such as the Justice Involved Initiative and the Transitional Rent benefit. At this time, only two Partnership counties have begun implementing the Justice Involved Initiative. We have already been involved in a case or two with challenges in placing soon-to-be-released incarcerated individuals. As more counties begin their implementation, additional full-time employees will be necessary to manage the increased demand.

By 2026, health plans will be required to offer the Transitional Rent benefit. The state is communicating that each county will need to establish a “hub” to better understand and navigate the complex funding landscape and coordinate the various housing programs. This is a significant challenge for counties that are already struggling with limited time and staffing resources.

***Funding Opportunities***

Another round of DHCS Path-CITED funding is available, with the application period open until March 7. Partnership encourages eligible providers to apply, as this could potentially be the final round of funding. Additionally, Partnership has another round of IPP funds available for CalAIM providers, as well as grant funding to promote access to care in certain challenged areas. These funds can help support providers in establishing the infrastructure needed to deliver CalAIM services. The application deadline is on May 16.

***Medicare / D-SNP Update***

Partnership staff are actively preparing for the implementation of Medicare/D-SNP. We submitted

	<p>our application to CMS, along with the network adequacy and model of care documents, ahead of the February 12 deadline. Our Medicare product is set to launch on January 1, 2026, in 8 counties, with plans for expansion into additional counties later. In the meantime, we will continue contracting with providers and refining our internal policies. Once we receive approval from CMS, we will begin extensive provider outreach and organize training sessions for providers.</p> <p><i>Commissioner Bottke thanked Ms. Bjork for acknowledging the challenges faced by the counties. She expressed appreciation for Partnership’s efforts to clarify complex programs and offer support.</i></p> <p><i>Commissioner Gruver also expressed gratitude for Partnership’s support of the counties. He shared that Nevada County regularly communicates with Representative Kiley and requested that Partnership draft and provide talking points regarding potential Medicaid cuts.</i></p> <p><i>Ms. Bjork noted that cuts to Medi-Cal are a bipartisan issue, as no one wants to see their local hospital close. She assured that Partnership will share the talking points used when engaging with representatives.</i></p>	
<p><b>2.2 ACTION: Accept December 2024 Metrics and Financials</b></p>	<p>Jennifer Lopez, Chief Financial Officer, presented Partnership’s financial metrics for the month ending December 31, 2024. Partnership reported a surplus of \$12.5 million, bringing the year-to-date surplus to just under \$16 million. December marked the final month that Partnership will record funding back to the State for the unsatisfactory immigration status (UIS) risk corridor. For fiscal year 2024-25, Partnership anticipates returning \$26 million to the state as part of this risk corridor. The expected payback is related to this population utilizing less services than the state’s actuaries initially anticipated and included in the 2024 rates. Interest income showed a favorable variance of \$20 million, which we will continue to monitor under the new administration.</p> <p>An unusual uptick in inpatient utilization for July and August has been observed in the expansion counties. Partnership is closely monitoring the flu season and its impact on inpatient costs. It will take several years of data to establish reliable trends in the new expansion region, as we currently have less than one year of complete data for this region, and providers have up to one year to submit their claims.</p> <p>DHCS has not yet released all Skilled Nursing Facility (SNF) rates for calendar year 2024. Once the remainder of the 2024 rates are published, Partnership will adjust SNF provider rates accordingly. Transportation utilization continues to rise, which is positive, as we anticipate these increased transportation costs will be reflected in our future rates. Administrative costs remain favorable, primarily due to the timing of hiring qualified staff. Since finalizing the December financials, Partnership has hired 63 new employees. The positive variances will help us navigate future challenges and potential budget cuts.</p> <p><i>Commissioner Starck expressed optimism regarding the decrease in inpatient costs and the</i></p>	<p><i>Commissioner Bottke moved to approve the metrics and financials as presented, seconded by Commissioner Starck.</i></p> <p><b><u>ACTION SUMMARY:</u></b>  <i>Yes: 4  No: 0  Abstention: 0  Excused: 3 (Andrus, Powell, Sullivan)</i></p> <p><b>MOTION CARRIED</b></p>

	<i>increase in outpatient utilization, noting that it suggests members are receiving more preventative care.</i>	
<b>Adjournment</b>	Chairman Jones adjourned the meeting at 8:48AM.	None

Respectfully submitted by:  
Ashlyn Scott, Board Clerk

Committee Approval Date: 3/19/2025

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



**Finance Committee  
Chief Executive Officer Update  
March 19, 2025**

- 1. Federal Developments**
- 2. State Budget Developments**
- 3. CY 2024 Voluntary Rate Range Program Update**

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## **FINANCIAL HIGHLIGHTS**

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

### **For the Period Ending January 31, 2025**

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

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

For the month ending January 31, 2025, PHC reported a net surplus of \$5.2 million, bringing the year-to-date surplus to \$21.2 million. Significant variances are explained below.

##### **Revenue**

Total Revenue is lower than budget by \$13.1 million for the month and \$42.6 million for the year-to-date. Medi-Cal revenue is \$17.8 million net unfavorable to budget due to the \$26.2 million unbudgeted UIS risk corridor; this is partially offset by the \$7.4 million net favorability in base revenue and MCO tax mainly due to retroactive membership and by \$1.0 million from increased ECM utilization. Directed payments are \$81.7 million unfavorable due to lower than budgeted rates; a corresponding offset is recorded in Healthcare Investment Funds (HCIF). Supplemental revenues are \$33.8 million favorable due to the timing of DHCS submissions primarily in the Expansion Counties for AIHS and higher than expected volumes for Maternity Kick. Interest income is \$21.4 million favorable due to higher than anticipated interest rates accompanied with higher than budgeted cash balances. The remaining favorable variance can be attributed to other revenues.

##### **Healthcare Costs**

Total Healthcare Costs are lower than budget by \$51.6 million for the month and \$135.8 million for the year-to-date. Non-Capitated Physician and Ancillary expenses are unfavorable to budget by \$109.0 million primarily due to the accrual of Targeted Rate Increases (TRI) and adjustments to IBNR reserves to reflect the latest utilization trend. Total Capitation is \$24.1 million favorable due to the change in funding methods for some health care providers. Long Term Care expenses are \$0.8 million unfavorable primarily due to anticipated rate increases retroactive to January 2024. Inpatient Hospital Fee-For-Service (FFS) expense is \$146.5 million favorable due to adjustments to prior fiscal year IBNR reserves driven by lower than anticipated utilization in the new expansion region and current seasonality patterns. HCIF is \$66.8 million favorable due to lower than budgeted rates for directed payments partially offset by the timing of IPP CalAIM incentive payments. Transportation expense is \$8.9 million unfavorable due to an increase in utilization. Quality Assurance expenses are \$20.4 million favorable due to the timing of medical admin expenses. Quality Improvement Programs are \$3.3 million unfavorable due to the timing of incentive grant payouts.

##### **Administrative Costs**

Administrative costs have an overall positive variance, which is \$5.7 million for the month and \$30.6 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. An additional variance is in Occupancy 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. The increased negative variance in Computer and Data is primarily due to the timing of licensing cost payments and the timing of computer stock equipment purchases. Most non-



**FINANCIAL HIGHLIGHTS**  
**Of The Partnership HealthPlan of California**  
**For the Period Ending January 31, 2025**

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 decreased by \$207.6 million for the month. Inflows include \$453.4 million in State Capitation payments, \$3.1 million in Drug Medi-Cal payments, and \$9.4 million in interest earnings. These inflows were offset by outflows of 1) \$512.3 million in healthcare cost payments, which include \$145.9 million in voluntary rate range payments; 2) \$4.6 million in Drug Medi-Cal payments; 3) \$125.5 million for a quarterly MCO tax payment; 4) \$28.6 million in administrative and capital cost payments; and 5) the recording of \$2.6 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 3,791 members for the month.

**Utilization Metrics and High Dollar Case**

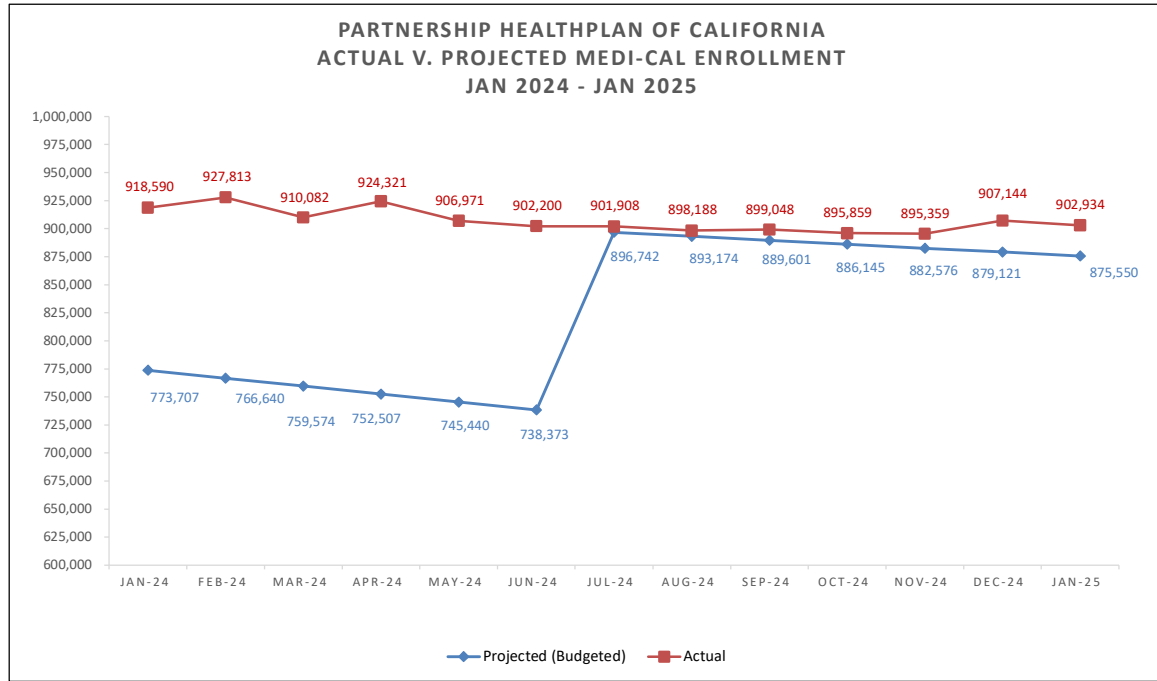
For the fiscal year 2024/25 through January 2025, 446 members reached the \$250,000 threshold with an average cost of \$478,486. For fiscal year 2023/24, 885 members reached the \$250,000 threshold with an average cost per case of \$507,616. For fiscal year 2022/23, 694 members reached the \$250,000 threshold with an average claims cost of \$518,879.

**Current Ratio/Reserved Funds**

Current Ratio Including Required Reserves	<b>1.41</b>
Current Ratio Excluding Required Reserves:	<b>0.99</b>
Required Reserves:	<b>\$1,276,500,911</b>
Total Fund Balance:	<b>\$1,268,795,012</b>

**Days of Cash on Hand**

Including Required Reserves:	<b>131.60</b>
Excluding Required Reserves:	<b>64.89</b>



**Member Months by County:**

County	Jan-24	Feb-24	Mar-24	★ Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Solano	103,140	105,208	102,065	105,274	102,979	102,062	101,490	101,565	102,138	101,685	101,430	103,225	102,170
Napa	27,596	28,140	27,005	27,891	27,017	27,071	26,878	26,697	26,466	26,242	26,374	26,961	26,991
Yolo	55,624	56,087	54,327	55,592	54,076	53,489	53,332	52,195	52,185	51,806	51,458	53,062	52,646
Sonoma	109,623	112,447	108,106	112,999	110,510	110,327	110,662	110,074	110,141	109,880	110,115	112,185	110,844
Marin	46,981	48,331	46,215	48,257	46,564	46,520	46,274	46,147	46,484	46,059	46,033	46,460	46,616
Mendocino	41,552	41,963	41,055	42,150	41,381	41,239	41,408	41,314	41,195	40,901	41,046	40,947	40,708
Lake	35,058	35,405	34,559	35,494	34,624	34,390	34,422	34,207	34,227	34,122	34,257	34,495	34,338
Del Norte	12,527	12,610	12,316	12,675	12,401	12,214	12,252	12,327	12,382	12,404	12,387	12,420	12,466
Humboldt	60,016	60,415	59,075	60,273	58,758	58,876	58,607	58,434	58,422	58,495	58,614	58,593	58,332
Lassen	8,864	8,952	8,576	8,793	8,668	8,714	8,765	8,802	8,753	8,814	8,754	8,756	8,761
Modoc	4,055	4,035	4,020	4,051	3,944	3,933	3,958	3,941	3,983	3,933	3,925	3,939	3,943
Shasta	70,605	70,880	69,820	70,514	68,436	67,907	67,685	67,173	67,073	66,723	66,780	66,863	66,195
Siskiyou	19,052	19,115	17,966	18,653	18,137	18,131	18,088	17,918	17,839	17,972	18,041	17,945	17,902
Trinity	5,660	5,739	5,567	5,704	5,607	5,540	5,540	5,464	5,437	5,422	5,380	5,419	5,286
Butte	85,751	85,856	86,303	85,581	84,795	84,347	84,598	84,856	85,378	85,666	85,502	85,772	85,639
Colusa	10,710	10,663	10,674	10,392	10,270	10,239	10,208	10,148	10,152	10,097	10,038	10,215	10,219
Glenn	13,752	13,774	13,883	13,772	13,618	13,583	13,501	13,491	13,595	13,543	13,596	13,664	13,594
Nevada	28,962	28,798	28,708	28,519	28,420	28,313	28,407	28,226	28,261	28,434	28,721	28,515	28,748
Placer	59,373	59,846	60,289	59,915	60,009	59,226	59,648	59,419	59,331	58,737	58,334	60,679	60,497
Plumas	6,015	5,978	5,975	5,942	5,925	5,903	5,938	5,924	5,857	5,820	5,870	5,866	5,792
Sierra	855	870	869	869	865	850	839	852	871	866	892	887	874
Sutter	44,339	44,438	44,558	43,816	43,711	43,619	43,542	43,122	43,076	42,418	42,244	43,425	43,430
Tehama	31,784	31,484	31,299	30,932	30,323	29,996	30,297	30,365	30,492	30,542	30,456	30,426	30,321
Yuba	36,696	36,779	36,851	36,323	35,933	35,711	35,569	35,527	35,310	35,278	35,112	36,425	36,622
<b>All Counties Total</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>	<b>895,859</b>	<b>895,359</b>	<b>907,144</b>	<b>902,934</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	Oct-24	Nov-24	Dec-24	Jan-25	Avg / Month					YTD	As of Jan-25
<b>Total Enrollment</b>	898,490	898,153	897,450	895,408	895,235	905,698	901,907						6,292,341	898,906
<b>Total Revenue</b>	516,467,263	505,732,274	517,421,674	517,491,108	507,895,691	520,768,067	518,706,967						3,604,483,044	514,926,149
<b>Total Healthcare Costs</b>	455,570,291	455,587,935	449,203,390	445,671,531	422,571,150	440,227,706	443,280,031						3,112,112,032	444,587,433
<b>Total Administrative Costs</b>	17,164,116	20,965,109	20,303,694	22,663,983	19,787,655	21,565,509	23,537,968						145,988,033	20,855,433
<b>Medi-Cal Hospital &amp; Managed Care Taxes</b>	46,566,563	46,437,851	46,436,654	46,083,262	46,460,193	46,509,845	46,696,106						325,190,676	46,455,811
<b>Total Current Year Surplus (Deficit)</b>	(2,833,707)	(17,258,621)	1,477,734	3,072,332	19,076,693	12,465,007	5,192,862						21,192,303	3,027,472
<b>Total Claims Payable</b>	884,509,979	911,448,691	890,651,592	852,864,933	830,533,762	775,002,932	771,481,997						771,481,997	845,213,412
<b>Total Fund Balance</b>	1,244,769,003	1,227,510,382	1,228,988,116	1,232,060,447	1,251,137,140	1,263,602,149	1,268,795,012						1,268,795,012	1,245,266,036
<b>Reserved Funds</b>														
State Financial Performance Guarantee	1,092,899,000	1,093,798,000	1,096,923,000	1,100,211,000	1,102,840,000	1,046,032,000	1,049,745,000						1,049,745,000	1,083,206,857
Board Approved Capital and Infrastructure Purchases	79,941,518	79,360,193	77,250,794	76,202,434	75,447,816	73,742,888	72,667,651						72,667,651	76,373,328
Capital Assets	134,500,819	148,731,129	150,227,245	152,420,562	152,556,243	152,888,655	154,088,260						154,088,260	149,344,702
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668	71,002,668	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)	(150,709,587)	(80,064,063)	(78,708,568)						(78,708,568)	(134,661,519)
<b>Fund Balance as % of Reserved Funds</b>	90.31%	88.13%	88.07%	88.01%	89.25%	94.04%	94.16%						94.16%	90.24%
<b>Current Ratio (including Required Reserves)</b>	1.45:1	1.41:1	1.40:1	1.40:1	1.40:1	1.39:1	1.41:1						1.41:1	1.41:1
Medical Loss Ratio w/o Tax	96.95%	99.19%	95.38%	94.54%	91.58%	92.82%	93.91%						94.90%	94.90%
Admin Ratio w/o Tax	3.65%	4.56%	4.31%	4.81%	4.29%	4.55%	4.99%						4.45%	4.45%
Profit Margin Ratio	-0.60%	-3.76%	0.31%	0.65%	4.13%	2.63%	1.10%						0.65%	0.65%

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	
													YTD	As of 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	900,691	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
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 January 31, 2025**

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
901,907	905,698	(3,791)	<b>Total Membership</b>	898,906	714,959	183,947

ACTUAL MONTH	BUDGET MONTH	\$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	\$ VARIANCE YTD
518,706,967	531,775,261	(13,068,294)	<b>Total Revenue</b>	3,604,483,044	3,647,072,136	(42,589,092)
443,280,031	494,906,634	51,626,603	<b>Total Healthcare Costs</b>	3,112,112,032	3,247,929,842	135,817,810
23,537,968	29,226,544	5,688,576	<b>Total Administrative Costs</b>	145,988,033	176,622,385	30,634,352
46,696,106	44,994,365	(1,701,741)	<b>Medi-Cal Managed Care Tax</b>	325,190,676	320,312,279	(4,878,397)
<b>5,192,862</b>	<b>(37,352,282)</b>	<b>42,545,144</b>	<b>Total Current Year Surplus (Deficit)</b>	<b>21,192,303</b>	<b>(97,792,370)</b>	<b>118,984,673</b>

93.91%	101.67%	<b>Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)</b>	94.90%	97.63%
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4.99%	6.00%	<b>Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)</b>	4.45%	5.31%
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**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Balance Sheet**  
**As Of January 31, 2025**

	<u>January 2025</u>	<u>December 2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>	<b>1,091,749,200</b>	<b>1,299,351,349</b>
<b>Receivables</b>		
Accrued Interest	432,200	2,269,845
State DHS - Cap Rec	1,497,527,171	1,440,026,051
Other Healthcare Receivable	51,244,376	55,101,927
Miscellaneous Receivable	7,702,232	7,691,601
<b>Total Receivables</b>	<b>1,556,905,979</b>	<b>1,505,089,424</b>
<b>Other Current Assets</b>		
Payroll Clearing	13,962	1,920
Prepaid Expenses	12,608,929	10,592,540
<b>Total Other Current Assets</b>	<b>12,622,891</b>	<b>10,594,460</b>
<b>Total Current Assets</b>	<b>2,661,278,070</b>	<b>2,815,035,233</b>
<b>Non-Current Assets</b>		
<b>Fixed Assets</b>		
Motor Vehicles	515,462	515,462
Furniture & Fixtures	7,028,251	7,028,251
Computer Equipment	19,168,910	19,168,910
Computer Software	8,997,689	8,997,689
Leasehold Improvements	124,288	124,288
Land	7,619,204	7,619,204
Building	83,185,784	83,185,784
Building Improvements	39,688,760	39,688,760
Accum Depr - Motor Vehicles	(286,815)	(276,052)
Accum Depr - Furniture	(6,606,523)	(6,598,433)
Accum Depr - Comp Equipment	(16,504,134)	(16,321,995)
Accum Depr - Comp Software	(8,655,144)	(8,608,520)
Accum Depr - Leasehold Improvements	(124,288)	(124,288)
Accum Depr - Building	(13,408,644)	(13,230,897)
Accum Depr - Bldg Improvements	(15,232,442)	(15,027,557)
Construction Work-In-Progress	48,577,902	46,748,047
<b>Total Fixed Assets</b>	<b>154,088,260</b>	<b>152,888,653</b>
<b>Other Non-Current Assets</b>		
Deposits	84,075	17,260
Board-Designated Reserves	1,122,112,651	1,119,474,888
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	14,212,839	14,532,756
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>1,146,039,339</b>	<b>1,143,654,678</b>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Balance Sheet**  
**As Of January 31, 2025**

	<b>January 2025</b>	<b>December 2024</b>
<b>Total Non-Current Assets</b>	<b>1,300,127,599</b>	<b>1,296,543,331</b>
<b>Total Assets</b>	<b>3,961,405,669</b>	<b>4,111,578,564</b>
<b>LIABILITIES &amp; FUND BALANCE</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	190,242,979	265,704,602
Unearned Income	109,464,493	109,464,493
Suspense Account	13,762,222	12,525,053
Capitation Payable	40,296,544	40,296,544
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	1,395,905,633	1,480,651,435
Claims Payable	297,723,085	224,461,222
Incurred But Not Reported-IBNR	473,136,119	550,541,710
Quality Improvement Programs	129,480,481	121,732,255
<b>Total Current Liabilities</b>	<b>2,682,644,669</b>	<b>2,838,010,427</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>2,692,610,657</b>	<b>2,847,976,415</b>
<b>Fund Balance</b>		
<b>Unrestricted Fund Balance</b>	<b>(78,708,568)</b>	<b>(80,064,063)</b>
<b>Reserved Funds</b>		
State Financial Performance Guarantee	1,049,745,000	1,046,032,000
Board Approved Capital and Infrastructure Purchases	72,667,651	73,742,888
Capital Assets	154,088,260	152,888,655
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668
<b>Total Reserved Funds</b>	<b>1,347,503,579</b>	<b>1,343,666,211</b>
<b>Total Fund Balance</b>	<b>1,268,795,012</b>	<b>1,263,602,149</b>
<b>Total Liabilities And Fund Balance</b>	<b>3,961,405,669</b>	<b>4,111,578,564</b>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**Statement of Cash Flow**  
**For The Period Ending January 31, 2025**

	<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	453,406,083	3,390,243,975
Other Revenues	180,936	35,409,385
<b>Cash Payments to Providers for Medi-Cal Members</b>		
Capitation Payments	(21,295,331)	(166,079,121)
Medical Claims Payments	(491,046,673)	(2,798,689,718)
<b>Drug Medi-Cal</b>		
DMC Receipts from Counties	3,088,933	27,964,730
DMC Payments to Providers	(4,637,714)	(35,467,105)
Cash Payments to Vendors	(135,991,445)	(463,346,142)
Cash Payments to Employees	(16,668,220)	(112,835,254)
<b>Net Cash (Used) Provided by Operating Activities</b>	<u><b>(212,963,431)</b></u>	<u><b>(122,799,250)</b></u>
<b>CASH FLOWS FROM CAPITAL FINANCING &amp; RELATED ACTIVITIES:</b>		
Purchases of Capital Assets	(1,449,267)	(21,635,749)
<b>Net Cash Used by Capital Financial &amp; Related Activities</b>	<u><b>(1,449,267)</b></u>	<u><b>(21,635,749)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Board-Designated Reserve Transfers	(2,637,761)	39,137,206
Interest and Dividends on Investments	9,448,311	63,155,902
<b>Net Cash (Used) Provided by Investing Activities</b>	<u><b>6,810,550</b></u>	<u><b>102,293,108</b></u>
<b>NET (DECREASE) INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<u><b>(207,602,148)</b></u>	<u><b>(42,141,891)</b></u>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING</b>	<u><b>1,299,351,348</b></u>	<u><b>1,133,891,091</b></u>
<b>CASH &amp; CASH EQUIVALENTS, ENDING</b>	<u><u><b>1,091,749,200</b></u></u>	<u><u><b>1,091,749,200</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>(2,417,805)</b>	<b>(41,533,107)</b>
<b>DEPRECIATION</b>	<b>630,250</b>	<b>4,367,290</b>
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
Other Receivables	3,846,920	(18,895,212)
California Department of Health Services Receivable	(57,501,120)	(305,373,073)
Other Assets	(2,155,917)	(5,216,746)
Accounts Payable and Accrued Expenses	(158,970,257)	318,779,420
Accrued Claims Payable	(4,143,728)	(115,158,223)
Quality Improvement Programs	7,748,226	40,230,401
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u><b>(212,963,431)</b></u></u>	<u><u><b>(122,799,250)</b></u></u>

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

**Statement of Revenues and Expenses  
For The Period Ending January 31, 2025**

\*\*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
901,907	901,907	-			<b>TOTAL MEMBERSHIP</b>	6,292,341	6,292,341	-		
					<b>REVENUE</b>					
510,904,733	525,183,961	(14,279,228)	566.47	582.30	State Capitation Revenue	3,538,740,555	3,604,371,736	(65,631,181)	562.39	572.82
7,610,667	6,380,700	1,229,967	8.44	7.07	Interest Income	62,725,409	41,336,000	21,389,409	9.97	6.57
191,567	210,600	(19,033)	0.21	0.23	Other Revenue	3,017,080	1,364,400	1,652,680	0.48	0.22
<b>518,706,967</b>	<b>531,775,261</b>	<b>(13,068,294)</b>	<b>575.12</b>	<b>589.61</b>	<b>TOTAL REVENUE</b>	<b>3,604,483,044</b>	<b>3,647,072,136</b>	<b>(42,589,092)</b>	<b>572.84</b>	<b>579.61</b>
					<b>HEALTHCARE COSTS</b>					
					<b>Physician Services</b>					
7,869,378	9,175,734	1,306,356	8.73	10.17	Pcp Capitation	51,921,823	62,850,313	10,928,490	8.25	9.99
214,247	227,796	13,549	0.24	0.25	Specialty Capitation	1,493,161	1,553,162	60,001	0.24	0.25
36,185,107	76,908,949	40,723,842	40.12	85.27	Non-Capitated Physician Services	551,643,203	499,877,505	(51,765,698)	87.67	#####
<b>44,268,732</b>	<b>86,312,479</b>	<b>42,043,747</b>	<b>49.09</b>	<b>95.69</b>	<b>Total Physician Services</b>	<b>605,058,187</b>	<b>564,280,980</b>	<b>(40,777,207)</b>	<b>96.16</b>	<b>89.68</b>
					<b>Inpatient Hospital</b>					
16,379,644	18,407,009	2,027,365	18.16	20.41	Hospital Capitation	113,539,449	126,214,496	12,675,047	18.04	20.06
94,793,070	137,785,457	42,992,387	105.10	152.77	Inpatient Hospital - Ffs	708,880,879	855,343,309	146,462,430	112.66	135.93
1,616,346	1,616,346	-	1.79	1.79	Hospital Stoploss	11,192,620	11,192,620	-	1.78	1.78
<b>112,789,060</b>	<b>157,808,812</b>	<b>45,019,752</b>	<b>125.05</b>	<b>174.97</b>	<b>Total Inpatient Hospital</b>	<b>833,612,948</b>	<b>992,750,425</b>	<b>159,137,477</b>	<b>132.48</b>	<b>157.77</b>
54,421,808	55,052,934	631,126	60.34	61.04	Long Term Care	382,678,465	381,922,302	(756,163)	60.82	60.70
					<b>Ancillary Services</b>					
1,177,304	1,266,516	89,212	1.31	1.40	Ancillary Services - Capitated	8,201,939	8,650,136	448,197	1.30	1.37
129,875,098	83,667,514	(46,207,584)	144.00	92.77	Ancillary Services - Non-Capitated	596,335,116	539,008,465	(57,326,651)	94.77	85.66
<b>131,052,402</b>	<b>84,934,030</b>	<b>(46,118,372)</b>	<b>145.31</b>	<b>94.17</b>	<b>Total Ancillary Services</b>	<b>604,537,055</b>	<b>547,658,601</b>	<b>(56,878,454)</b>	<b>96.07</b>	<b>87.03</b>
					<b>Other Medical</b>					
5,648,322	7,944,576	2,296,254	6.26	8.81	Quality Assurance	30,493,894	50,932,065	20,438,171	4.85	8.09
72,932,920	83,478,019	10,545,099	80.87	92.56	Healthcare Investment Funds	502,379,247	569,137,812	66,758,565	79.84	90.45
128,400	156,000	27,600	0.14	0.17	Advice Nurse	861,500	1,010,400	148,900	0.14	0.16
752	8,100	7,348	-	0.01	Hipp Payments	5,423	52,700	47,277	-	0.01
12,918,589	11,463,458	(1,455,131)	14.32	12.71	Transportation	85,347,772	76,383,922	(8,963,850)	13.56	12.14
<b>91,628,983</b>	<b>103,050,153</b>	<b>11,421,170</b>	<b>101.59</b>	<b>114.26</b>	<b>Total Other Medical</b>	<b>619,087,836</b>	<b>697,516,899</b>	<b>78,429,063</b>	<b>98.39</b>	<b>110.85</b>
9,119,046	7,748,226	(1,370,820)	10.11	8.59	Quality Improvement Programs	67,137,541	63,800,635	(3,336,906)	10.67	10.14
<b>443,280,031</b>	<b>494,906,634</b>	<b>51,626,603</b>	<b>491.49</b>	<b>548.72</b>	<b>TOTAL HEALTHCARE COSTS</b>	<b>3,112,112,032</b>	<b>3,247,929,842</b>	<b>135,817,810</b>	<b>494.59</b>	<b>516.17</b>
					<b>ADMINISTRATIVE COSTS</b>					
14,386,870	17,833,070	3,446,200	15.95	19.77	Employee	92,992,458	111,395,155	18,402,697	14.78	17.70
66,032	179,724	113,692	0.07	0.20	Travel And Meals	556,764	1,164,298	607,534	0.09	0.19
1,424,632	4,202,254	2,777,622	1.58	4.66	Occupancy	8,988,080	17,218,363	8,230,283	1.43	2.74
475,247	1,143,642	668,395	0.53	1.27	Operational	3,831,997	6,345,593	2,513,596	0.61	1.01
3,553,316	3,289,325	(263,991)	3.94	3.65	Professional Services	17,996,173	21,082,223	3,086,050	2.86	3.35
3,631,871	2,578,529	(1,053,342)	4.03	2.86	Computer And Data	21,622,561	19,416,753	(2,205,808)	3.44	3.09
<b>23,537,968</b>	<b>29,226,544</b>	<b>5,688,576</b>	<b>26.10</b>	<b>32.41</b>	<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>145,988,033</b>	<b>176,622,385</b>	<b>30,634,352</b>	<b>23.21</b>	<b>28.08</b>
46,696,106	44,994,365	(1,701,741)	51.77	49.89	Medi-Cal Managed Care Tax	325,190,676	320,312,279	(4,878,397)	51.68	50.91
<b>5,192,862</b>	<b>(37,352,282)</b>	<b>42,545,144</b>	<b>5.76</b>	<b>(41.41)</b>	<b>TOTAL CURRENT YEAR SURPLUS (DEFICIT)</b>	<b>21,192,303</b>	<b>(97,792,370)</b>	<b>118,984,673</b>	<b>3.36</b>	<b>(15.55)</b>



# **PARTNERSHIP HEALTHPLAN OF CALIFORNIA**

## **NOTES TO FINANCIAL STATEMENTS**

### **January 31, 2025**

#### **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**

### **January 31, 2025**

#### **RESERVED FUNDS:**

As of January 2025, PHC has Total Reserved Funds of \$1.3 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 January 2025, PHC has accrued a Quality Incentive Program payout of \$129.5 million.

**PARTNERSHIP HEALTHPLAN OF CALIFORNIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**January 31, 2025**

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**  
*January 31, 2025*

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	\$ 1,702,598	\$ 1,702,598	NA	NR
Certificate of Deposit for Knox Keene	Cash & Cash Equiv	0.0405	1/31/2025	1/30/2030	NA	\$ 300,000	\$ 300,000	\$ 300,000	NA	NR

**FUNDS HELD FOR OPERATIONS:**

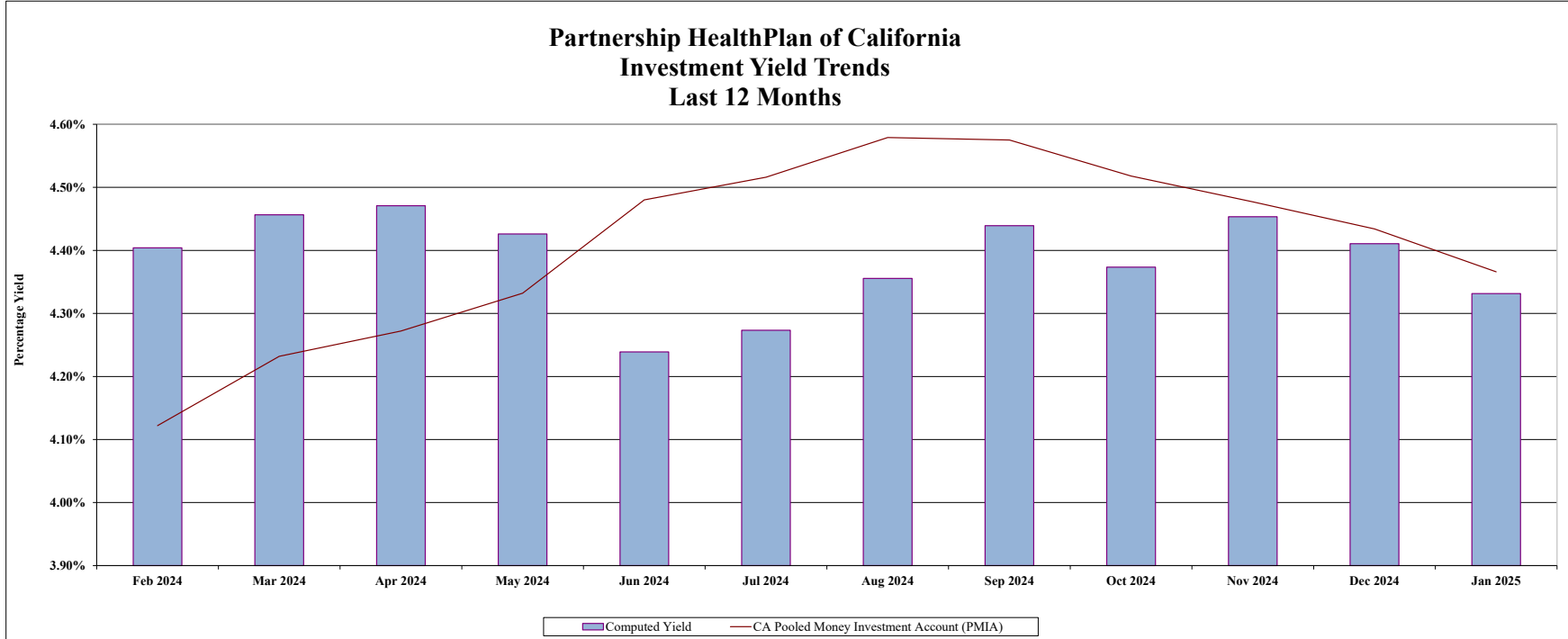
Merrill Lynch Institutional	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 74,408,449		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 2,499,125		
US Bank - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 2,015,816,911		
Government Investment Pools (LAIF)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 75,000,000		
Government Investment Pools (County)	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 44,282,879		
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 148,589		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	\$ 3,300		

**GRAND TOTAL:**

\$ 2,214,161,851

**Partnership HealthPlan of California  
Investment Yield Trends**

PERIOD	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025
<b>Interest Income</b>	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	7,842,623	8,546,229	7,610,667
<b>Cash &amp; Investments at Historical Cost</b>	(1) 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	2,185,207,714	2,223,891,960	2,419,126,236	2,214,161,851
<b>Computed Yield</b>	(2) 4.40%	4.46%	4.47%	4.43%	4.24%	4.27%	4.36%	4.44%	4.37%	4.45%	4.41%	4.33%
<b>CA Pooled Money Investment Account (PMIA)</b>	(3) 4.12%	4.23%	4.27%	4.33%	4.48%	4.52%	4.58%	4.58%	4.52%	4.48%	4.43%	4.37%



**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.

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

**Board / Finance Committee (when applicable)**  
**Meeting Date:** March 19, 2025  
**Board Meeting Date:** April 23, 2025

**Agenda Item Number:**  
2.3

**Resolution Sponsor:**  
Sonja Bjork, CEO, Partnership HealthPlan of CA

**Recommendation by:**  
The Finance Committee and Partnership Staff

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**Topic Description:**

Partnership Board Commissioner Nolan Sullivan, Yolo County Director of Health and Human Services, has resigned from the Partnership Board and Finance Committee, effective March 28, 2025.

Commissioner Sullivan has made numerous outstanding contributions to Partnership HealthPlan of California and the Commission (known as the Board) since October 2022. He has provided excellent leadership and has been a dedicated volunteer. His knowledge has been of great value to Partnership, and he 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 Yolo County Representative, Nolan Sullivan, 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 Yolo County Representative, Nolan Sullivan from the Partnership Board and Finance Committee.

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

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

**Meeting Date:** March 19, 2025

**Board Meeting Date:** April 23, 2025

**Agenda Item Number:**

2.3

**Resolution Number:**

25-

**IN THE MATTER OF: ACCEPTING THE RESIGNATION OF BOARD COMMISSIONER  
NOLAN SULLIVAN**

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**Recital: Whereas,**

- A. The Board has authority to accept Commissioner resignations.
- B. Commissioner Sullivan has resigned from the Partnership Board and Finance Committee.
- C. Nolan Sullivan was a faithful and active member of the Board.

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

1. To accept Nolan Sullivan’s resignation from the Partnership Board and Finance Committee.

**PASSED, APPROVED, AND ADOPTED** by the Partnership HealthPlan of California this 23<sup>rd</sup> day of April 2025 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