Finance Committee Meeting Agenda

August 19, 2026: 8:00 a.m. – 9:30 a.m.

In-person Locations:
Partnership's Chico Office located at 1000 Fortress St, Chico, CA
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
External Site:
Adventist Health and Rideout located at 726 4th Street, Marysville, CA (First Floor, Administration Office)

Finance Committee Members: Chris Champlin, Dave Jones, Chair, Ryan Gruver, Alicia Hardy, Dean Germano, 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 by 5:00p.m on August 18, 2026. Comments received will be read during the meeting.

8:00A.M – Opening			
1.1 **Call to Order**			*Dave Jones, Chair*
1.2 **Roll Call**			*Clerk*
1.3	***ACTION:*** Approval of Agenda	1-2	*Chair*
1.4	***ACTION:*** Approval of Finance Committee Minutes from June 17, 2026	3-10	*Chair*
1.5 **Commissioner Comment**			*Chair*
1.6 **Public Comment**			*Public*
New Business			
2.1	***INFORMATION:*** CEO Health Plan Update	11	*Katherine Barresi*
2.2	***ACTION:*** Accept May and June 2026 Metrics and Financials	12-39	*Jennifer Lopez*
2.3	***ACTION:*** Resolution to Approve Edits to Partnership's Chart of Authority Policy and Matrix, FIN301	40-50	*Marisa Dominguez / Jennifer Lopez*
2.4	***ACTION:*** Resolution to Approve Partnership's Transfer of Ownership of the Property at 1930 Jefferson Street to Napa Community Health Initiative (CHI)	51-52	*Jennifer Lopez*
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. 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*. 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 Fairfield Office located at 4605 Business Center Drive, Fairfield, CA (Conference Center)
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Partnership's Chico Office located at 1000 Fortress Street, Chico, CA

On
June 17, 2026

Members Present: Chris Champlin, Dean Germano, Ryan Gruver, Dave Jones, Chair, Nancy Starck, Nolan Sullivan
Members Excused: Alicia Hardy
Staff: Leigha Andrews, Katherine Barresi, Wendell Coats, Marisa Dominguez, Ryan Eberle, Naomi Gordon, Melanie Lam, John Lemoine, Jennifer Lopez, Kathryn Power, Ashlyn Scott, Rebecca Stark, Amy Turnipseed, Colleen Valenti

AGENDA ITEM	DISCUSSION	MOTION / ACTION
1.2 Roll Call	Ashlyn Scott, Clerk of the Commission, called the roll indicating there was a quorum.	None
1.3 Approval of Agenda	Chairman Jones asked if anyone had changes to the agenda. Hearing no requests for modification, he asked for a motion to approve the agenda.	*Commissioner Starck moved to approve the agenda as presented, seconded by Commissioner Germano.* ***ACTION SUMMARY:***

		Yes: 6 *No: 0* *Abstention: 0* *Excused: 1 (Hardy)* **MOTION CARRIED**
1.4 Approval of the May 20, 2026, Finance Committee Meeting Minutes	Chairman Jones asked if anyone had changes to the May 20, 2026, minutes. Hearing no requests for modification, he asked for a motion to approve the minutes.	*Commissioner Germano moved to approve the minutes as presented, seconded by Commissioner Starck.* ***ACTION SUMMARY:*** *Yes: 6* *No: 0* *Abstention: 0* *Excused: 1 (Hardy)* **MOTION CARRIED**
1.5 & 1.6 Public Comment and Commissioner Comment	Chairman Jones asked if there were any public or commissioner comments. There were none.	None
New Business		
2.1 CEO Report	Sonja Bjork, Chief Executive Officer, reported on the following topics: ***Unsatisfactory Immigration Status (UIS) Proposal –*** Ms. Bjork reported that the State budget proposes transitioning members with unsatisfactory immigration status (UIS) from managed care into a Fee-For-Service (FFS) model administered by the State. For Partnership, as of June 2026 this change would affect approximately 87,000 members. Tracking and accounting for non-federally reimbursable services is complex, and California has previously been required to return funds to the federal government due to accounting errors. Ms. Bjork noted that removing UIS members from managed care is expected to generate cost savings for California because the State's FFS model reimburses providers at lower rates and does not have capitation agreements. However, members would lose access to certain managed care benefits, including transportation services, Enhanced Care Management (ECM), and Community Supports. The proposed carve-out is scheduled to take effect on January 1, 2027. The Local Health Plans of California (LHPC) has proposed an alternative model that would allow UIS members to remain in managed care. Local health plans believe they can provide better care coordination and continuity of care under the managed care model, including maintaining members' relationships with specialists and minimizing disruptions in care.	None

	LHPC and participating health plans have been meeting with the Department of Health Care Services (DHCS) to discuss the alternative proposal. However, DHCS has indicated that it does not believe the necessary system configuration, rate development, and implementation work can be completed before January 1, 2027. Discussions with DHCS will continue, and LHPC has retained an actuary to explore options for implementing the alternative model. *Commissioner Gruver asked whether Partnership could provide a county-level breakdown of the UIS members.* *Ms. Bjork confirmed that the information could be provided and noted that the impact would be greater in certain counties, including Sonoma, Marin, Napa and Solano, which have larger UIS member populations.* ***Community Reinvestments*** –Ms. Bjork reported that 14 Partnership counties are currently participating in the Community Reinvestment Program for look-back year 2024. The 10 expansion counties are not yet eligible to participate; however, Partnership has allocated quality incentive funds for each of those counties. Partnership has been working closely with eligible counties and other stakeholders throughout the proposal development process. While Community Reinvestment funds are intended to support providers and community-based projects within each county rather than the county agencies themselves, the county director of behavioral health and the public health director/officer are required to provide final approval of proposed projects. Partnership has received proposals from all 14 eligible counties, but five counties will need to revise portions of their proposals to better align with DHCS requirements and improve their likelihood of receiving funding approval. DHCS will review each proposal and determine whether it meets the program requirements described in the related All Plan Letter for approval. DHCS announced county funding amounts the previous day; however, the announcement did not include credits for Community Reinvestment projects that health plans had independently funded and implemented. As a result of the announcement, we anticipate that county agencies may begin receiving inquiries regarding Community Reinvestment funding, even though project proposals have already been submitted to DHCS. Partnership has begun receiving Public Records Act (PRA) requests related to the Community Reinvestment Program. Ms. Bjork emphasized that Partnership followed all State requirements throughout the CR process, including collaborating with county partners and aligning project proposals with each county's Community Health Assessment and Community Health Improvement Plan (CHA-CHIP) and priorities identified by the Community Advisory Committee	

	Commissioner Starck confirmed Humboldt County began receiving inquiries regarding Community Reinvestment funding. She noted that the county has a strong Community Health Assessment and Community Health Improvement Plan (CHA-CHIP) process in place and that individuals making inquiries have demonstrated an understanding of that process. She stated that the feedback received thus far has been positive and that stakeholders appear supportive of the county's proposed projects for the Community Reinvestment funding. ***Program Integrity –*** Ms. Bjork reminded the committee that she serves on the Medicaid and CHIP Payment and Access Commission (MACPAC), which provides recommendations to the Centers for Medicare & Medicaid Services (CMS) and Congress on Medicaid policy matters. At a recent MACPAC meeting, members received a briefing from an Office of Inspector General (OIG) attorney and a representative from the U.S. Department of Justice regarding program integrity efforts. The presentation focused on ongoing federal oversight activities aimed at identifying and preventing fraud, waste, and abuse within Intergovernmental Transfer (IGT) programs, State Directed Payments, and health plan relationships with delegated entities. Ms. Bjork emphasized that managed care plans maintain robust fraud, waste, and abuse (FWA) prevention and compliance programs and take all reports or allegations of potential FWA seriously. She noted that Partnership remains committed to maintaining strong oversight and ensuring compliance with all applicable program integrity requirements. ***Member Experience Director –*** Ms. Bjork introduced Irem Conery, Partnership's new Director of Member Experience. Ms. Conery greeted the Committee and shared that she recently relocated from San Diego and has been with Partnership for a couple weeks. She stated that she has been incredibly impressed by the dedication and commitment of Partnership staff, noting that employees bring their very best to the communities they serve each day. Ms. Conery expressed her enthusiasm for joining the organization and stated that she looks forward to advancing Partnership's member experience strategy and further enhancing the services and support provided to members.	
2.2 *ACTION*: Accept April 2026 Metrics and Financials	Jennifer Lopez, Chief Financial Officer, presented Metrics and Financials for April 2026. For the month ending April 30, 2026, Partnership reported an operating deficit of $6.1 million, resulting in a year-to-date surplus of $26.4 million. She reminded the Committee that the organization had budgeted a $40 million loss for the fiscal year. Total revenue was $45.8 million below budget for the month and $484.4 million below budget year-to-date. While Partnership has experienced some favorable revenue trends, those gains are expected to diminish as counties implement work requirements and conduct more frequent member eligibility	*Commissioner Champlin moved to accept the April metrics and financials as presented, seconded by Commissioner Starck.* ***ACTION SUMMARY:*** *Yes: 5* *No: 0*

	redeterminations. Interest income exceeded budget by $9.8 million; however, we anticipate that future interest income may decline due to changes in the federal interest rate environment. Total healthcare costs were $47.2 million below budget for the month and $493.6 million below budget year-to-date. Non-capitated physician and ancillary expenses were $133.3 million unfavorable to budget, primarily due to adjustments to Incurred But Not Reported (IBNR) reserves based on updated cost and utilization trends. Partnership continues to focus on encouraging appropriate, lower-cost care settings whenever possible. Long-term care (LTC) expenses were approximately $5 million below budget. Administrative expenses contributed significantly to overall favorability, as we reported $5.6 million below budget for the month and $62.3 million below budget year-to-date. Cash on hand decreased to 110.8 days, primarily due to the distribution of directed payments and Partnership's payment of its Managed Care Organization (MCO) tax obligation.	*Abstention: 0* *Excused: 3 (Champlin, Gruver, Sullivan)* **MOTION CARRIED**
2.3 *ACTION:* Resolution to Approve the Final Budget for Fiscal Year 2026-2027	Ms. Lopez presented Partnership's Approve the Final Budget for Fiscal Year 2026-2027, noting that the organization developed the budget with limited available information. Ms. Lopez outlined the three-month budget development process, which includes presenting budget assumptions in April, developing draft healthcare assumptions in May, and finalizing the budget in June, which includes the review of updated state budget information and incorporation of administrative and capital expenses for presentation to the Finance Committee and Board. Ms. Lopez noted that the final budget assumes UIS members will be carved out of managed care as of January 1, 2027; therefore, the UIS proposal discussed earlier during the CEO report is not included in the budget. Should that proposal ultimately be approved, an amended budget will need to be brought back to the Board for consideration. Ms. Lopez explained that the Governor releases an initial state budget proposal in January, followed by a revised proposal in May. This year's budget differs significantly from prior years, as the Governor is exercising substantial fiscal restraint in an effort to balance the state budget. It remains uncertain how much of the proposal will ultimately be adopted. The Legislative Analyst's Office has also raised concerns regarding uncontrolled state spending that exceeds current revenues. The state budget assumes approximately 14 million Medi-Cal members for the next fiscal year, including both fee-for-service and managed care beneficiaries. The state projects a 4% decline in Medi-Cal membership compared to the prior fiscal year, largely due to H.R. 1, work requirements, and other eligibility-related factors. Medi-Cal continues to represent a significant portion of state	*Commissioner Starck moved to approve Agenda Item 2.3 as presented, seconded by Commissioner Sullivan.* ***ACTION SUMMARY:*** *Yes: 4* *No: 0* *Abstention: 0* *Excused: 1 (Hardy)* **MOTION CARRIED**

spending, with medical costs steadily rising. Total Medi-Cal expenditures are expected to increase from $194.4 billion in FY 2025-26 to a projected $216.7 billion in FY 2026-27.

Ms. Lopez reviewed several proposed Medi-Cal changes that were included in the May Revise, including:

- The assumption that UIS members will be carved out of managed care.
- Monthly premium increases for UIS adults increasing from $30 to $50 per month to maintain Medi-Cal coverage.
- Proposed elimination of Prospective Payment System (PPS) rates for state-only services effective July 2026.
- Modifications to the Medi-Cal asset test.
- Changes to the Managed Care Organization (MCO) tax.
- Refinements to the Enhanced Care Management (ECM) and Community Supports programs.
- New utilization management efficiencies affecting transportation and behavioral health youth services, although full details have not yet been released.

Ms. Lopez then compared the Governor's proposal with the Legislature's proposal. The Governor's proposed budget totals $394.4 billion, while the Legislature's proposal totals $355.9 billion. Reserve levels are proposed at $39.6 billion under the Governor's plan and $36.5 billion under the Legislature's plan.

While the Legislature accepted the Governor’s UIS member transition proposal to fee-for-service coverage effective January 1, 2027, the Legislature noted they will work with the Administration to consider maintaining managed care for non-emergency services. Further, the Legislature proposed maintaining ECM and Community Supports services for this population. Regarding dental benefits, the Legislature has proposed delaying the elimination of dental services for UIS members by one year.

For the Medi-Cal asset test, the Governor proposes reinstating a $2,000 asset limit effective January 1, 2027, while the Legislature proposes delaying implementation until the following fiscal year and increasing the limit to $21,000.

Both proposals appear aligned on implementing an $8.85 per-member-per-month MCO tax. The Legislature continues to reject the elimination of acupuncture services, a proposal that has surfaced repeatedly in prior budget discussions. The Legislature has also proposed delaying the elimination of PPS funding for state-only UIS services until July 1, 2027, compared to the Governor's proposed date of July 1, 2026.

Ms. Lopez stated that staff had to dig deeply into the budget proposal to locate the PPS elimination language. She emphasized that eliminating PPS funding for UIS state-only services could have a significant financial impact on Federally Qualified Health Centers and Rural Health Clinics.

A final determination on the final enacted budget is not expected for approximately two weeks.

Commissioner Germano commented that PPS is grounded in federal law and questioned how the state could eliminate PPS payments.

Ms. Lopez responded that the proposed PPS elimination is for state-only funded services only that are not eligible for federal funding.

Ms. Lopez stated that Partnership current enrollment trends are unusually volatile. Based on the recent trends, Partnership currently projects approximately 705,000 members as of July 2027, with most of the anticipated membership decline attributable to UIS members. While membership reductions decrease revenue, we anticipate serving a more complex high-needs population and expected increased per-member-per-month expenses. These projections reflect the best available information today, but substantial changes in eligibility or membership trends may require an amended budget to be brought back to the Committee and Board.

Total healthcare costs are projected at approximately $5.68 billion, resulting in an overall projected net deficit of $66.9 million. Despite these challenges, Partnership continues to maintain the lowest administrative costs among the state's managed care plans and has developed the budget with a fiscally restrained approach.

Regarding revenue, Partnership projects a decline of approximately $1.1 billion. Per-member-per-month expenses are expected to increase as the enrolled population becomes more medically complex. Partnership continues to analyze disenrollment patterns and remaining enrollment trends to support advocacy for fair state reimbursement rates.

Ms. Lopez stated that DHCS is withholding 1% of quality incentive funding for calendar year 2027. The budget assumes the 1% withhold will continue into the following calendar year, although final confirmation has not been received as to whether the state will increase the percentage. Partnership earned back 65% of its quality withhold in CY 2024, and the same earn back assumption has been incorporated into the upcoming fiscal year budget.

Interest income has remained favorable over the past several years; however, Partnership anticipates greater market volatility moving forward. The budget assumes a conservative average interest rate of 3% throughout the fiscal year.

Ms. Lopez discussed Proposition 35 funding, which is supported through the MCO tax. While the state has proposed changes, final policy details have not yet been released. Current indications suggest approval is likely, although federal-level uncertainties remain.

	Administrative expenses are budgeted at $391.9 million. The budget includes merit-based salary increases for staff in recognition of rising costs of living. Ms. Lopez noted that a few administrative budget categories and new capital projects have been deferred until the October 2026 budget presentation to allow for additional evaluation, and off-cycle budget amendments may be necessary. *Commissioner Champlin asked whether Partnership is utilizing artificial intelligence to process claims and reduce administrative costs.* *Ms. Bjork replied that Partnership has established an AI workgroup that regularly evaluates AI products and capabilities. She stated that many available solutions do not currently meet compliance requirements.* *Commissioner Champlin commented that some AI solutions can create more member frustration than benefit.* *Commissioner Starck stated that it was disheartening to see individuals losing coverage and expressed hope that more favorable news would be available by October.*	
Adjournment	Chairman Jones adjourned the meeting at 9:30AM.	None

Respectfully submitted by:
Ashlyn Scott, Board Clerk

Committee Approval Date: 8/19/2026

Signed: _____
Ashlyn Scott, Clerk

Finance Committee
Chief Executive Officer Update
August 19, 2026

1. **CalRHT: Rural Health Transformation Funding**
2. **UIS Transition Update**
3. **Partnership & Hospital Convening**

Financial Analysis for the Current Period

Total Surplus / Deficit

For the month ending June 30, 2026, Partnership reported a deficit of $14.9 million, bringing the year-to-date deficit to $15.3 million. Key variances are outlined below.

Revenue

Total Revenue is unfavorable to budget by $25.6 million for the month and unfavorable to budget by $537.5 million for year-to-date. The following summarizes the year-to-date variances. Medi-Cal revenue is $117.1 million favorable to budget primarily due to retro membership and the prior and current period risk corridor adjustments. Directed Payments are $699.3 million unfavorable to budget due to lower than anticipated rates with a corresponding offset recorded in Healthcare Investment Funds (HCIF). Supplemental revenues are $16.3 million above budget, reflecting higher Proposition 56 revenue and higher than expected volumes for Maternity Kick, partially offset by the lower DHCS submissions for American Indian Health Services (AIHS) payments. Interest income is $10.4 million favorable to budget due to higher interest rates than anticipated. The remaining $18.0 million favorable variance is primarily from IPP-CalAIM Grant Incentive revenue, which also has a corresponding offset in HCIF.

Healthcare Costs

Total Healthcare Costs are favorable to budget by $11.9 million for the month and favorable to budget by $495.4 million year-to-date. The following summarizes the year-to-date variances. Non-Capitated Physician and Ancillary expenses are $272.9 million unfavorable to budget primarily due to adjustments to Incurred but Not Reported (IBNR) reserves which reflect the latest cost and utilization trends. Capitation expenses are $4.9 million favorable to budget due to changes in the funding methodologies for certain healthcare providers. Long-term care costs are favorable to budget by $15.4 million due to lower than expected utilization. Inpatient Hospital Fee-For-Service (FFS) expenses are favorable to budget by $62.4 million, driven by adjustments to IBNR reserves attributed to lower utilization. HCIF expenses are $655.1 million favorable to budget due to lower than anticipated Directed Payment rates, which are partially offset by IPP-CalAIM expenses; both of these expenses have offsetting revenue components as referenced above. Also included in HCIF expenses are the recording of the accrual for Community Reinvestments. Transportation costs are $12.7 million unfavorable to budget, attributed to increased utilization and an accrual for an increase in the Ground Emergency Medical Transportation – Public Provider (GEMT-PP) rate. Quality Assurance expenses are $20.4 million favorable to budget due to lower than budgeted medical administrative costs. Quality Improvement Programs expenses are $22.4 million favorable to budget due to accrual adjustments related to prior years.

Administrative Costs

Total Administrative costs are overall favorable to budget $7.5 million for the month and $76.6 million for the year-to-date. The primary driver of favorability is in Employee costs due to the timing of the filling of open positions geared towards fulfilling our regulatory requirements, which offsets the utilization costs of consultants in the Professional Services category. Additionally, the primary variance in Occupancy is from

depreciation and is favorable due to the timing delay of capital projects. Lastly, the favorable variance in Computer and Data is due to the timing delay of software purchases, which typically correlates to the variance in staffing.

Balance Sheet / Cash Flow

Total Cash & Cash Equivalents decreased by $62.0 million for the month. Typical significant cash transactions include State Capitation payments received; healthcare cost payments to providers; and administrative and capital payments out to vendors, employees, and other entities. There are no significant items of note for the month.

General Statistics

Membership

Membership had a total net decrease of 6,526 members for the month.

Utilization Metrics and High Dollar Case

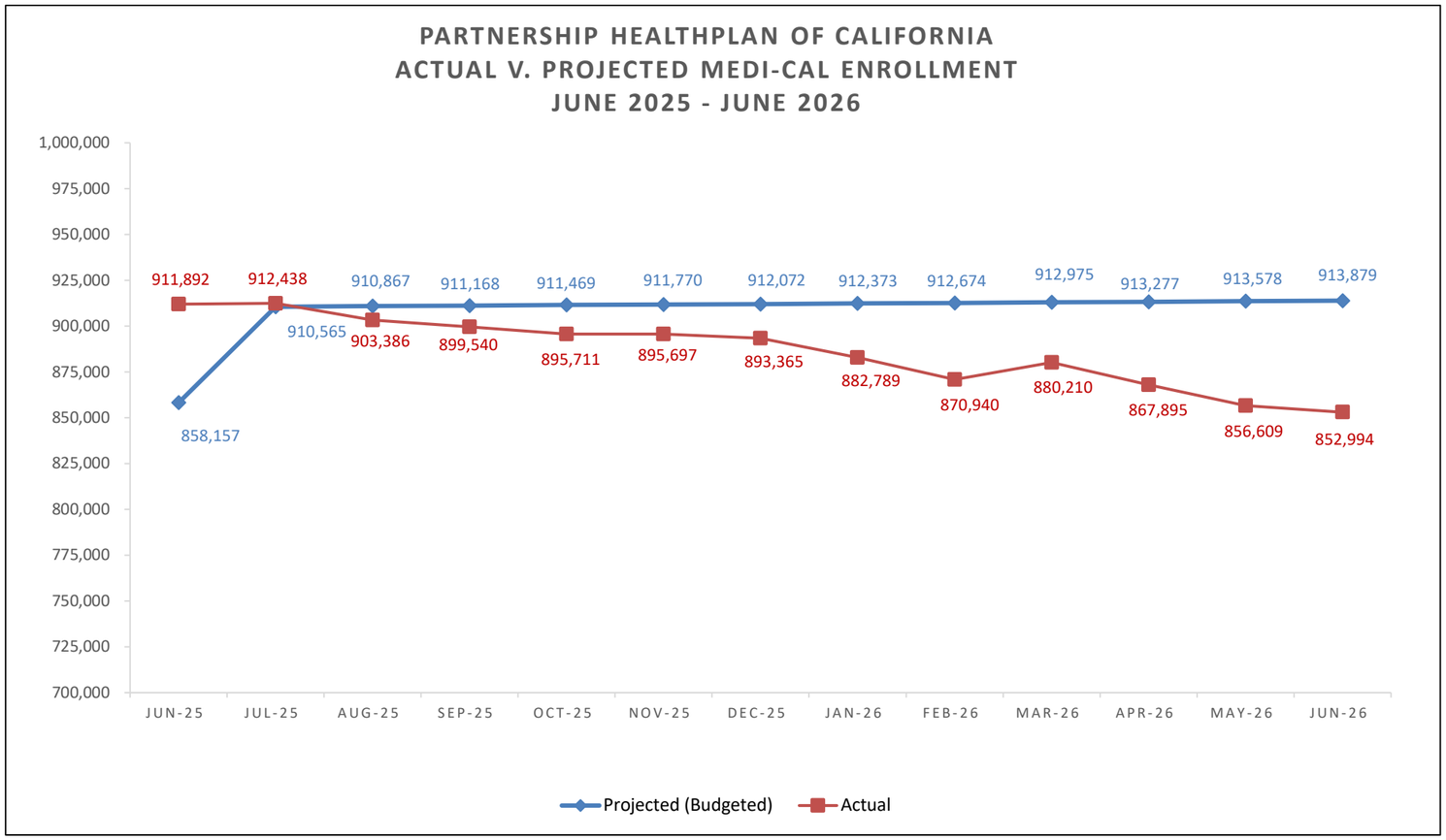
For the fiscal year 2025/26 through June 2026, 988 members reached the $250,000 threshold with an average cost of $541,572. For fiscal year 2024/25, 1,297 members reached the $250,000 threshold with an average cost per case of $513,408. For fiscal year 2023/24, 900 members reached the $250,000 threshold with an average claims cost of $512,468.

Current Ratio/Reserved Funds

Current Ratio Including Required Reserves:	**1.46**
Current Ratio Excluding Required Reserves:	**1.00**
Required Reserves:	**$ 1,428,831,883**
Total Fund Balance:	**$ 1,442,218,975**

Days of Cash on Hand

Including Required Reserves:	**111.19**
Excluding Required Reserves:	**48.11**



Member Months by County:

County	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Solano	103,987	104,011	102,676	102,240	101,767	101,583	101,555	98,608	97,031	98,109	96,112	94,063	93,037
Napa	27,826	27,732	27,619	27,642	27,529	27,480	27,355	26,951	26,540	26,659	26,242	25,959	25,962
Yolo	55,109	54,845	54,223	54,152	53,995	54,252	54,140	53,283	52,229	53,552	52,558	51,925	51,634
Sonoma	112,499	112,958	111,588	110,631	110,400	109,596	109,061	107,549	104,697	105,595	104,205	101,994	100,881
Marin	47,047	47,313	46,806	46,609	46,235	46,089	45,096	44,197	43,709	44,101	43,451	42,266	41,744
Mendocino	40,852	41,104	40,506	40,390	40,244	40,200	40,229	39,247	39,125	39,376	38,850	38,565	38,223
Lake	33,983	33,960	33,568	33,236	33,298	33,359	33,389	33,107	32,715	32,770	32,563	32,472	32,310
Del Norte	12,400	12,362	12,314	12,197	12,191	12,220	12,169	12,188	12,077	12,027	11,967	11,744	11,724
Humboldt	57,528	57,819	56,962	56,678	56,451	56,095	55,976	55,830	55,208	55,173	54,632	53,886	53,766
Lassen	8,656	8,575	8,358	8,439	8,412	8,406	8,491	8,375	8,305	8,255	8,204	8,025	8,055
Modoc	3,893	3,878	3,888	3,827	3,743	3,747	3,845	3,836	3,703	3,706	3,658	3,624	3,661
Shasta	65,377	65,400	64,714	64,742	64,786	65,062	64,124	64,876	63,940	64,314	63,758	63,487	63,606
Siskiyou	18,056	18,058	17,782	17,760	17,739	17,786	17,928	17,691	17,590	17,564	17,409	16,952	17,223
Trinity	5,250	5,193	5,220	5,103	5,169	5,118	5,081	4,955	4,955	5,000	4,962	4,894	4,890
Butte	85,649	84,789	84,665	84,532	84,241	84,407	84,874	84,412	83,486	83,679	83,341	83,296	83,128
Colusa	10,362	10,260	10,152	9,996	9,913	9,968	10,006	10,025	9,825	9,899	9,867	9,617	9,773
Glenn	13,647	13,764	13,687	13,672	13,523	13,497	13,456	13,358	13,182	13,222	13,064	12,859	12,906
Nevada	28,731	28,787	28,464	28,369	28,250	28,148	28,633	28,415	28,427	28,548	28,346	27,583	27,575
Placer	62,271	62,355	61,883	61,676	61,371	61,679	61,561	60,619	59,451	62,164	60,536	60,081	59,681
Plumas	5,755	5,784	5,783	5,616	5,575	5,478	5,429	5,395	5,292	5,270	5,278	5,297	5,255
Sierra	862	851	825	832	820	810	813	828	823	817	814	805	783
Sutter	44,348	44,796	44,471	44,294	43,923	44,223	44,067	43,956	43,584	44,445	43,563	43,174	43,484
Tehama	30,038	30,166	29,626	29,551	29,266	29,219	29,095	29,098	29,019	28,962	28,589	28,254	28,231
Yuba	37,766	37,678	37,606	37,356	36,870	37,275	36,992	35,990	36,027	37,003	35,926	35,787	35,462
All Counties Total	**911,892**	**912,438**	**903,386**	**899,540**	**895,711**	**895,697**	**893,365**	**882,789**	**870,940**	**880,210**	**867,895**	**856,609**	**852,994**

Partnership HealthPlan of California
Comparative Financial Indicators Monthly Report
Fiscal Year 2025 - 2026 & Fiscal Year 2024 - 2025

FINANCIAL INDICATORS	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD	Avg / Month As of Jun-26
Total Enrollment	911,768	903,653	898,537	895,299	893,778	892,208	880,183	870,940	869,706	862,120	854,931	848,405	10,581,528	881,794
Total Revenue	593,945,794	596,614,742	614,951,654	605,173,794	589,922,935	597,186,401	597,564,630	582,105,182	598,248,494	584,419,840	598,548,850	596,382,967	7,155,065,283	596,255,440
Total Healthcare Costs	498,796,206	506,539,614	512,291,047	520,182,134	500,456,939	496,774,321	509,948,545	476,842,427	505,708,177	497,005,879	534,802,208	520,719,966	6,080,067,469	506,672,289
Total Administrative Costs	24,791,602	22,017,598	26,477,113	24,878,941	26,778,257	26,528,471	26,108,033	23,515,181	26,583,549	29,267,043	27,040,349	27,326,512	311,312,647	25,942,721
Medi-Cal Hospital & Managed Care Taxes	66,396,128	65,722,340	65,436,800	65,176,911	65,100,207	65,268,296	65,351,788	64,457,740	65,122,231	64,257,297	63,472,321	63,254,350	779,016,409	64,918,034
Total Current Year Surplus (Deficit)	3,961,858	2,335,190	10,746,694	(5,064,192)	(2,412,468)	8,615,313	(3,843,736)	17,289,834	834,537	(6,110,379)	(26,766,028)	(14,917,861)	(15,331,242)	(1,277,604)
Total Claims Payable	629,390,689	669,310,022	649,369,505	691,165,158	693,242,993	695,889,424	733,344,288	698,356,590	626,293,648	646,605,440	676,948,645	595,657,823	595,657,823	667,131,185
Total Fund Balance	1,461,512,071	1,463,847,260	1,474,593,953	1,469,529,761	1,467,117,293	1,475,732,606	1,471,888,870	1,489,178,704	1,490,013,242	1,483,902,863	1,457,136,835	1,442,218,975	1,442,218,975	1,470,556,036
Reserved Funds														
State Financial Performance Guarantee	1,135,173,000	1,146,059,000	1,166,267,000	1,181,553,000	1,195,372,000	1,208,212,000	1,221,224,000	1,191,261,000	1,175,457,000	1,173,987,000	1,174,823,000	1,173,901,000	1,173,901,000	1,178,607,417
Board Approved Capital and Infrastructure Purchases	100,733,349	100,103,601	98,688,437	97,620,158	94,941,438	93,782,664	92,028,380	90,442,990	89,322,236	88,490,275	87,191,571	86,188,795	86,188,795	93,294,491
Capital Assets	161,362,815	161,328,374	162,223,752	162,679,193	164,744,577	165,348,675	166,558,763	167,531,839	168,044,105	167,542,468	168,323,898	168,742,088	168,742,088	165,369,212
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668	71,002,668	71,002,668	71,002,668	71,002,668	68,377,668	68,377,668	68,377,668	68,377,668	68,377,668	67,612,668	67,612,668	69,626,418
Unrestricted Fund Balance	(6,759,761)	(14,646,383)	(23,587,903)	(43,325,258)	(58,943,390)	(62,613,402)	(76,299,941)	(28,434,793)	(11,187,767)	(14,494,548)	(41,579,301)	(54,225,576)	(54,225,576)	(36,341,502)
Fund Balance as % of Reserved Funds	99.54%	99.01%	98.43%	97.14%	96.14%	95.93%	95.07%	98.13%	99.25%	99.03%	97.23%	96.38%	96.38%	97.59%
Current Ratio (including Required Reserves)	1.49:1	1.46:1	1.44:1	1.45:1	1.43:1	1.43:1	1.46:1	1.44:1	1.43:1	1.50:1	1.47:1	1.46:1	1.46:1	1.45:1
Medical Loss Ratio w/o Tax	94.55%	95.41%	93.23%	96.33%	95.36%	93.39%	95.82%	92.12%	94.86%	95.55%	99.95%	97.67%	95.36%	95.36%
Admin Ratio w/o Tax	4.70%	4.15%	4.82%	4.61%	5.10%	4.99%	4.91%	4.54%	4.99%	5.63%	5.05%	5.13%	4.88%	4.88%
Profit Margin Ratio	0.75%	0.44%	1.96%	-0.94%	-0.46%	1.62%	-0.72%	3.34%	0.16%	-1.17%	-5.00%	-2.80%	-0.24%	-0.24%

FINANCIAL INDICATORS	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	YTD	Avg / Month As of Jun-25
Total Enrollment	898,490	898,153	897,450	895,408	895,235	905,698	901,907	904,947	906,317	904,513	903,817	910,264	10,822,199	901,850
Total Revenue	516,467,263	505,732,274	517,421,674	517,491,108	507,895,691	520,768,067	518,706,967	759,253,557	692,900,747	592,855,121	595,592,203	643,816,561	6,888,901,232	574,075,103
Total Healthcare Costs	455,570,291	455,587,935	449,203,390	445,671,531	422,571,150	440,227,707	443,280,032	430,197,038	480,694,520	490,255,409	527,157,036	443,488,949	5,483,904,985	456,992,082
Total Administrative Costs	17,164,116	20,965,109	20,303,694	22,663,983	19,787,655	21,565,508	23,537,967	22,873,201	21,628,246	26,832,114	23,265,462	26,309,568	266,896,625	22,241,385
Medi-Cal Hospital & Managed Care Taxes	46,566,563	46,437,851	46,436,856	46,083,262	46,460,193	46,509,845	46,696,106	298,302,026	105,449,368	66,370,265	66,176,548	66,663,236	928,152,119	77,346,010
Total Current Year Surplus (Deficit)	(2,833,707)	(17,258,621)	1,477,734	3,072,332	19,076,693	12,465,007	5,192,862	7,881,292	85,128,613	9,397,333	(21,006,843)	107,354,808	209,947,503	17,495,625
Total Claims Payable	884,509,979	911,448,691	890,651,592	852,864,933	830,533,762	775,002,932	770,859,204	759,273,827	639,166,969	601,722,478	648,998,299	613,302,418	613,302,418	764,861,257
Total Fund Balance	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	1,276,676,303	1,361,804,917	1,371,202,250	1,350,195,407	1,457,550,213	1,457,550,213	1,294,524,278
Reserved Funds														
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	1,091,605,000	1,119,293,000	1,130,765,000	1,143,805,000	1,121,915,000	1,121,915,000	1,099,152,583
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	71,478,836	70,124,244	66,296,695	66,344,624	63,186,278	63,186,278	72,670,331
Capital Assets	134,500,819	148,731,129	150,227,245	152,420,562	152,556,243	152,888,655	154,088,260	154,631,556	155,340,379	157,165,923	157,852,579	160,862,612	160,862,612	152,605,497
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	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)	(112,041,757)	(53,955,374)	(54,028,036)	(88,809,464)	40,583,655	40,583,655	(100,906,801)
Fund Balance as % of Reserved Funds	90.31%	88.13%	88.07%	88.01%	89.25%	94.04%	94.16%	91.93%	96.19%	96.21%	93.83%	102.86%	102.86%	92.77%
Current Ratio (including Required Reserves)	1.45:1	1.41:1	1.40:1	1.40:1	1.40:1	1.39:1	1.41:1	1.37:1	1.44:1	1.45:1	1.43:1	1.48:1	1.48:1	1.42:1
Medical Loss Ratio w/o Tax	96.95%	99.19%	95.38%	94.54%	91.58%	92.82%	93.91%	93.33%	81.83%	93.12%	99.57%	76.84%	92.00%	92.00%
Admin Ratio w/o Tax	3.65%	4.56%	4.31%	4.81%	4.29%	4.55%	4.99%	4.96%	3.68%	5.10%	4.39%	4.56%	4.48%	4.48%
Profit Margin Ratio	-0.60%	-3.76%	0.31%	0.65%	4.13%	2.63%	1.10%	1.71%	14.49%	1.78%	-3.97%	18.60%	3.52%	3.52%

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Membership and Financial Summary
For The Period Ending June 30, 2026

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
848,405	854,931	(6,526)	**Total Membership**	881,794	901,850	(20,056)

ACTUAL MONTH	BUDGET MONTH	$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	$ VARIANCE YTD
596,382,967	621,959,901	(25,576,934)	**Total Revenue**	7,155,065,283	7,692,591,167	(537,525,884)
520,719,966	532,621,379	11,901,413	**Total Healthcare Costs**	6,080,067,469	6,575,449,871	495,382,402
27,326,512	34,832,415	7,505,903	**Total Administrative Costs**	311,312,647	387,898,676	76,586,029
63,254,350	66,544,502	3,290,152	**Medi-Cal Managed Care Tax**	779,016,409	798,976,464	19,960,055
(14,917,861)	**(12,038,395)**	**(2,879,466)**	**Total Current Year Surplus (Deficit)**	**(15,331,242)**	**(69,733,844)**	**54,402,602**
97.67%	95.90%		**Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)**	95.36%	95.38%	
5.13%	6.27%		**Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)**	4.88%	5.63%	

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of June 30, 2026

	June 2026	May 2026
A S S E T S		
Current Assets		
Cash & Cash Equivalents	**961,153,603**	**1,023,150,597**
Receivables		
Accrued Interest	714,800	770,900
State DHS - Cap Rec	1,731,685,369	1,664,689,210
Other Healthcare Receivable	52,878,624	49,637,887
Miscellaneous Receivable	10,180,077	6,262,542
Total Receivables	**1,795,458,870**	**1,721,360,539**
Other Current Assets		
Payroll Clearing	(4,043)	402
Prepaid Expenses	15,414,956	16,908,508
Total Other Current Assets	**15,410,913**	**16,908,910**
Total Current Assets	**2,772,023,386**	**2,761,420,046**
Non-Current Assets		
Fixed Assets		
Motor Vehicles	1,045,364	1,096,330
Furniture & Fixtures	7,701,728	7,701,728
Computer Equipment	23,160,070	23,103,612
Computer Software	9,060,595	9,060,595
Leasehold Improvements	124,288	124,288
Land	11,330,439	11,330,439
Building	79,474,549	79,474,549
Building Improvements	46,895,620	46,840,133
Accum Depr - Motor Vehicles	(578,032)	(603,975)
Accum Depr - Furniture	(6,825,248)	(6,805,933)
Accum Depr - Comp Equipment	(20,151,597)	(20,001,431)
Accum Depr - Comp Software	(9,030,451)	(9,029,037)
Accum Depr - Leasehold Improvements	(124,288)	(124,288)
Accum Depr - Building	(16,247,957)	(16,078,139)
Accum Depr - Bldg Improvements	(18,881,965)	(18,663,115)
Construction Work-In-Progress	61,788,973	60,898,142
Total Fixed Assets	**168,742,088**	**168,323,898**
Other Non-Current Assets		
Deposits		219,000
Board-Designated Reserves	1,259,789,795	1,261,714,571
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	8,464,900	8,750,979
Net Pension Asset	5,714,523	5,714,523
Deferred Outflows Of Resources	2,745,009	2,745,009
Net Subscription Asset	3,120,175	3,120,175
Total Other Non-Current Assets	**1,280,134,402**	**1,282,564,257**
Total Non-Current Assets	**1,448,876,490**	**1,450,888,155**
Total Assets	**4,220,899,876**	**4,212,308,201**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of June 30, 2026

	June 2026	May 2026
L I A B I L I T I E S & F U N D B A L A N C E		
Liabilities		
Current Liabilities		
Accounts Payable	380,818,038	319,987,064
Unearned Income	38,797,809	50,042,635
Suspense Account	8,522,320	11,869,280
Capitation Payable	9,474,275	8,600,879
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	1,644,066,262	1,572,563,259
Claims Payable	236,652,118	383,593,478
Incurred But Not Reported-IBNR	359,005,705	293,355,167
Quality Improvement Programs	55,477,765	73,190,870
Total Current Liabilities	**2,765,447,405**	**2,745,835,745**
Non-Current Liabilities		
Deferred Inflows Of Resources	10,555,512	6,657,637
Net Subscription Liability	2,677,984	2,677,984
Total Non-Current Liabilities	**13,233,496**	**9,335,621**
Total Liabilities	**2,778,680,901**	**2,755,171,366**
Fund Balance		
Unrestricted Fund Balance	**(54,225,576)**	**(41,579,301)**
Reserved Funds		
State Financial Performance Guarantee	1,173,901,000	1,174,823,000
Board Approved Capital and Infrastructure Purchases	86,188,795	87,191,571
Capital Assets	168,742,088	168,323,898
Strategic Use of Reserve-Board Approved	67,612,668	68,377,668
Total Reserved Funds	**1,496,444,551**	**1,498,716,137**
Total Fund Balance	**1,442,218,975**	**1,457,136,835**
Total Liabilities And Fund Balance	**4,220,899,876**	**4,212,308,201**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Statement of Cash Flow
For The Period Ending June 30, 2026

	Current Month Activity	Year-To-Date Activity
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From:		
Capitation from California Department of Health Care Services	502,812,701	7,128,890,520
Other Revenues	326,746	3,011,824
Cash Payments to Providers for Medi-Cal Members		
Capitation Payments	(19,930,316)	(247,603,981)
Medical Claims Payments	(518,616,351)	(5,705,656,234)
Drug Medi-Cal		
DMC Receipts from Counties	2,512,874	59,018,599
DMC Payments to Providers	(7,106,597)	(67,049,715)
Cash Payments to Vendors	(10,363,838)	(878,820,079)
Cash Payments to Employees	(20,035,534)	(248,294,887)
Net Cash (Used) Provided by Operating Activities	**(70,400,315)**	**43,496,047**
CASH FLOWS FROM CAPITAL FINANCING & RELATED ACTIVITIES:		
Purchases of Capital Assets	(555,879)	(16,357,085)
Net Cash (Used) by Capital Financial & Related Activities	**(555,879)**	**(16,357,085)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Board-Designated Reserve Transfers	1,924,776	(74,988,517)
Interest and Dividends on Investments	7,034,424	91,394,222
Net Cash Provided by Investing Activities	**8,959,200**	**16,405,705**
NET (DECREASE) INCREASE	**(61,996,994)**	**43,544,667**
CASH & CASH EQUIVALENTS, BEGINNING	**1,023,150,597**	**917,608,936**
CASH & CASH EQUIVALENTS, ENDING	**961,153,603**	**961,153,603**
RECONCILIATION OF TOTAL OPERATING LOSSTO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
TOTAL OPERATING LOSS	**(21,896,185)**	**(106,476,760)**
DEPRECIATION	**584,585**	**7,901,282**
CHANGES IN ASSETS AND LIABILITIES:		
Other Receivables	(7,158,272)	1,741,499
California Department of Health Services Receivable	(66,996,159)	23,224,186
Other Assets	1,556,182	180,902
Accounts Payable and Accrued Expenses	122,513,461	158,701,637
Accrued Claims Payable	(81,290,822)	(17,644,595)
Quality Improvement Programs	(17,713,105)	(24,132,104)
Net Cash (Used) Provided by Operating Activities	**(70,400,315)**	**43,496,047**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Statement of Revenues and Expenses
For The Period Ending June 30, 2026

****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
848,405	**848,405**	**-**			**TOTAL MEMBERSHIP**	**10,581,528**	**10,581,528**	**-**		
					REVENUE					
577,609,936	615,111,451	(37,501,515)	680.82	725.02	State Capitation Revenue	7,043,403,806	7,609,365,167	(565,961,361)	665.63	719.12
6,978,324	6,639,380	338,944	8.23	7.83	Interest Income	91,145,522	80,779,000	10,366,522	8.61	7.63
11,794,707	209,070	11,585,637	13.90	0.25	Other Revenue	20,515,956	2,447,000	18,068,956	1.94	0.23
596,382,967	**621,959,901**	**(25,576,934)**	**702.95**	**733.09**	**TOTAL REVENUE**	**7,155,065,283**	**7,692,591,167**	**(537,525,884)**	**676.18**	**726.99**
					HEALTHCARE COSTS					
					Physician Services					
9,096,346	9,176,492	80,146	10.72	10.82	Pcp Capitation	107,618,493	114,982,966	7,364,473	10.17	10.87
194,744	198,453	3,709	0.23	0.23	Specialty Capitation	2,493,094	2,482,718	(10,376)	0.24	0.23
111,167,972	80,993,399	(30,174,573)	131.03	95.47	Non-Capitated Physician Services	1,121,700,542	991,341,930	(130,358,612)	106.01	93.69
120,459,062	**90,368,344**	**(30,090,718)**	**141.98**	**106.52**	**Total Physician Services**	**1,231,812,129**	**1,108,807,614**	**(123,004,515)**	**116.42**	**104.79**
					Inpatient Hospital					
16,050,141	15,490,595	(559,546)	18.92	18.26	Hospital Capitation	201,169,126	197,499,142	(3,669,984)	19.01	18.66
111,566,035	109,672,710	(1,893,325)	131.50	129.27	Inpatient Hospital - Ffs	1,314,169,784	1,371,060,790	56,891,006	124.19	129.57
(4,731,775)	772,459	5,504,234	(5.58)	0.91	Hospital Stoploss	4,127,963	9,632,197	5,504,234	0.39	0.91
122,884,401	**125,935,764**	**3,051,363**	**144.84**	**148.44**	**Total Inpatient Hospital**	**1,519,466,873**	**1,578,192,129**	**58,725,256**	**143.59**	**149.14**
52,000,868	60,657,692	8,656,824	61.29	71.50	Long Term Care	715,849,280	731,283,413	15,434,133	67.65	69.11
					Ancillary Services					
1,251,400	1,269,496	18,096	1.48	1.50	Ancillary Services - Capitated	14,726,551	15,959,728	1,233,177	1.39	1.51
135,308,333	96,346,506	(38,961,827)	159.49	113.56	Ancillary Services - Non-Capitated	1,331,608,461	1,189,023,805	(142,584,656)	125.84	112.37
136,559,733	**97,616,002**	**(38,943,731)**	**160.97**	**115.06**	**Total Ancillary Services**	**1,346,335,012**	**1,204,983,533**	**(141,351,479)**	**127.23**	**113.88**
					Other Medical					
6,383,652	8,393,358	2,009,706	7.52	9.89	Quality Assurance	71,902,469	92,329,487	20,427,018	6.80	8.73
81,264,262	130,335,643	49,071,381	95.78	153.62	Healthcare Investment Funds	961,840,346	1,616,930,866	655,090,520	90.90	152.81
114,700	151,590	36,890	0.14	0.18	Advice Nurse	1,451,900	1,729,200	277,300	0.14	0.16
16,543,457	12,210,727	(4,332,730)	19.50	14.39	Transportation	167,458,901	154,800,642	(12,658,259)	15.83	14.63
104,306,071	**151,091,318**	**46,785,247**	**122.94**	**178.08**	**Total Other Medical**	**1,202,653,616**	**1,865,790,195**	**663,136,579**	**113.67**	**176.33**
(15,490,169)	6,952,259	22,442,428	(18.26)	8.19	Quality Improvement Programs	63,950,559	86,392,987	22,442,428	6.04	8.16
520,719,966	**532,621,379**	**11,901,413**	**613.76**	**627.79**	**TOTAL HEALTHCARE COSTS**	**6,080,067,469**	**6,575,449,871**	**495,382,402**	**574.60**	**621.41**
					ADMINISTRATIVE COSTS					
17,539,713	22,177,878	4,638,165	20.67	26.14	Employee	195,838,096	247,828,143	51,990,047	18.51	23.42
96,886	200,866	103,980	0.11	0.24	Travel And Meals	1,051,082	2,294,006	1,242,924	0.10	0.22
1,256,493	3,304,779	2,048,286	1.48	3.90	Occupancy	16,476,816	33,393,279	16,916,463	1.56	3.16
405,631	955,928	550,297	0.48	1.13	Operational	7,455,747	10,909,163	3,453,416	0.70	1.03
4,528,565	3,461,395	(1,067,170)	5.34	4.08	Professional Services	46,333,186	39,490,454	(6,842,732)	4.38	3.73
3,499,224	4,731,569	1,232,345	4.12	5.58	Computer And Data	44,157,720	53,983,631	9,825,911	4.17	5.10
27,326,512	**34,832,415**	**7,505,903**	**32.20**	**41.07**	**TOTAL ADMINISTRATIVE COSTS**	**311,312,647**	**387,898,676**	**76,586,029**	**29.42**	**36.66**
63,254,350	66,544,502	3,290,152	74.56	78.43	**Medi-Cal Managed Care Tax**	779,016,409	798,976,464	19,960,055	73.62	75.51
(14,917,861)	**(12,038,395)**	**(2,879,466)**	**(17.57)**	**(14.20)**	**TOTAL CURRENT YEAR SURPLUS (DEFICIT)**	**(15,331,242)**	**(69,733,844)**	**54,402,602**	**(1.46)**	**(6.59)**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2026

1. ORGANIZATION

The Partnership HealthPlan of California (the HealthPlan) 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. The HealthPlan has quasi-independent political jurisdiction to contract with the State for managing Medi-Cal beneficiaries who reside in various Northern California counties. The HealthPlan is a combined public and private effort engaged principally in providing a more cost-effective method of healthcare. The HealthPlan began serving Medi-Cal eligible persons in Solano County in May 1994. That was followed by expansion into additional counties in March 1998, March 2001, October 2009, July 2011, September 2013, and January 2024. As of today, the HealthPlan serves members in 24 counties.

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 the HealthPlan conform to Generally Accepted Accounting Principles and general practices within the healthcare industry.

PROPERTY AND EQUIPMENT:
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:
The HealthPlan 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.

RESERVED FUNDS:
As of June 2026, the HealthPlan has Total Reserved Funds of $1.4 billion. This includes $67.6 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.

RECLASSIFICATIONS:
Certain reclassifications of prior period balances have been made to conform with the current period presentations. Such reclassifications do not affect the total increase in net position or total current or noncurrent assets or liabilities.

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

The HealthPlan 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 becomes available. Budgeted capitation revenues and healthcare costs are adjusted each month to reflect changes in enrollee counts.

5. QUALITY IMPROVEMENT PROGRAM

The HealthPlan maintains quality improvement contracts with acute care hospitals and primary care physicians. As of June 2026, the HealthPlan has accrued a Quality Improvement Program payout of $55.5 million.

6. ESTIMATES

Due to the nature of the operations of the 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 Reported
- 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, the HealthPlan's Management is of the opinion that any liability which 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

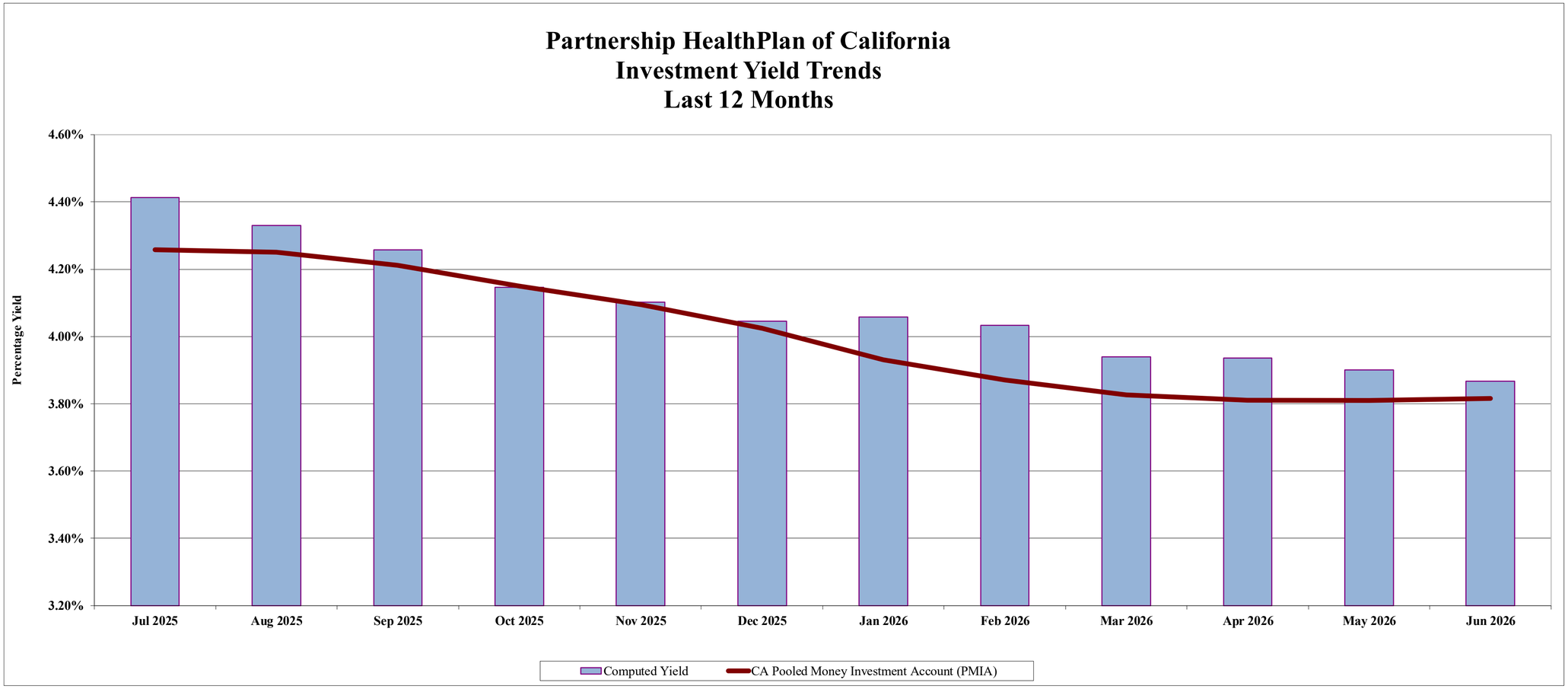
Current month includes year-to-date reconciliation adjustments pertaining to prior periods for Hospital StopLoss, Quality Incentive Programs, and Other Grant Revenues.

Partnership HealthPlan of California
Investment Schedule
June 30, 2026

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	$ 1,839,408	$ 1,839,408	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	$ 81,819,246		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 871,498		
US Bank - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 2,014,207,152		
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	$ 47,054,631		
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 148,163		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 3,300		
GRAND TOTAL:								$ 2,221,243,398		

Partnership HealthPlan of California
Investment Yield Trends

PERIOD		Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026
Interest Income		7,568,557	7,456,341	7,941,176	8,116,523	6,918,278	7,880,097	8,365,738	6,897,186	7,765,472	8,154,675	7,103,154	6,978,324
Cash & Investments at Historical Cost	(1)	2,160,202,257	2,286,589,057	2,474,845,534	2,254,168,286	2,239,590,881	2,602,840,892	2,355,098,087	2,373,599,880	2,777,427,432	2,252,683,455	2,285,165,168	2,221,243,398
Computed Yield	(2)	4.41%	4.33%	4.26%	4.15%	4.10%	4.05%	4.06%	4.03%	3.94%	3.94%	3.90%	3.87%
CA Pooled Money Investment Account (PMIA)	(3)	4.26%	4.25%	4.21%	4.15%	4.10%	4.03%	3.93%	3.87%	3.83%	3.81%	3.81%	3.82%



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.

Financial Analysis for the Current Period

Total Surplus / Deficit

For the month ending May 31, 2026, Partnership reported a deficit of $26.8 million, bringing the year-to-date deficit to $0.4 million. Key variances are outlined below.

Revenue

Total Revenue is lower than budget by $27.5 million for the month and $511.9 million for year-to-date. The following summarizes the year-to-date variances. Medi-Cal revenue is $109.5 million favorable to budget primarily due to retro membership and the prior and current period risk corridor adjustments. Directed Payments are $647.1 million unfavorable to budget due to lower than anticipated rates with a corresponding offset recorded in Healthcare Investment Funds (HCIF). Supplemental revenues are $9.1 million above budget, reflecting higher Proposition 56 revenue and higher than expected volumes for Maternity Kick, partially offset by the timing of DHCS submissions for American Indian Health Services (AIHS) payments. Interest income is $10.0 million favorable to budget due to higher interest rates than anticipated. The remaining $6.5 million favorable variance is attributed to other revenues.

Healthcare Costs

Total Healthcare Costs are unfavorable to budget by $10.1 million for the month but favorable to budget by $483.5 million year-to-date. The following summarizes the year-to-date variances. Non-Capitated Physician and Ancillary expenses are $203.8 million unfavorable to budget primarily due to adjustments to Incurred but Not Reported (IBNR) reserves which reflect the latest cost and utilization trends. Capitation expenses are $5.4 million favorable to budget due to changes in the funding methodologies for certain healthcare providers. Long-term care costs are favorable to budget by $6.8 million due to lower than expected utilization. Inpatient Hospital Fee-For-Service (FFS) expenses are favorable to budget by $58.8 million, driven by adjustments to IBNR reserves attributed to lower utilization. HCIF expenses are $606 million favorable to budget due to lower than anticipated Directed Payment rates, which are partially offset by the recording of the accrual for Community Reinvestments. Transportation costs are $8.3 million unfavorable to budget, attributed to increased utilization and an accrual for an increase in the Ground Emergency Medical Transportation – Public Provider (GEMT-PP) rate. Quality Assurance expenses are $18.4 million favorable to budget due to the timing of medical administrative costs.

Administrative Costs

Total Administrative costs are overall favorable to budget by $6.8 million for the month and $69.1 million for the year-to-date. The primary driver of favorability is in Employee costs due to the timing of the filling of open positions geared towards fulfilling our regulatory requirements, which offsets the utilization costs of consultants in the Professional Services category. Additionally, the favorable variance in Occupancy is due to the timing of building related costs including repairs, maintenance, and utilities, as well as the depreciation expenses that accompany capital asset purchases. Lastly, the favorable variance in Computer and Data is due to the timing of software purchases, which typically correlates to the variance in staffing.

Balance Sheet / Cash Flow

Total Cash & Cash Equivalents increased by $32.9 million for the month. Typical significant cash transactions include State Capitation payments received; healthcare cost payments to providers; and administrative and capital payments out to vendors, employees, and other entities.

General Statistics

Membership

Membership had a total net decrease of 7,189 members for the month.

Utilization Metrics and High Dollar Case

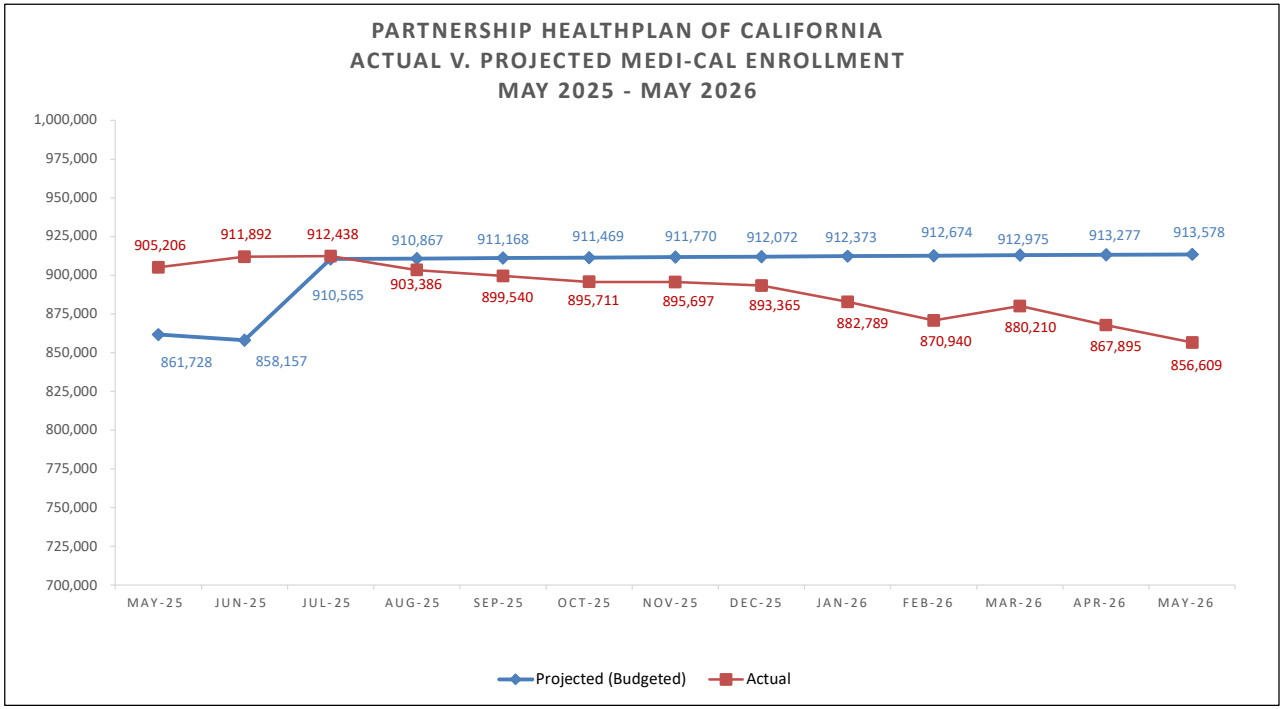
For the fiscal year 2025/26 through May 2026, 937 members reached the $250,000 threshold with an average cost of $501,869. For fiscal year 2024/25, 1,290 members reached the $250,000 threshold with an average cost per case of $514,212. For fiscal year 2023/24, 900 members reached the $250,000 threshold with an average claims cost of $512,468.

Current Ratio/Reserved Funds

Current Ratio Including Required Reserves:	**1.47**
Current Ratio Excluding Required Reserves:	**1.01**
Required Reserves:	**$ 1,430,338,469**
Total Fund Balance:	**$ 1,457,136,835**

Days of Cash on Hand

Including Required Reserves:	**114.00**
Excluding Required Reserves:	**51.04**



Member Months by County:

County	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Solano	102,658	103,987	104,011	102,676	102,240	101,767	101,583	101,555	98,608	97,031	98,109	96,112	94,063
Napa	27,450	27,826	27,732	27,619	27,642	27,529	27,480	27,355	26,951	26,540	26,659	26,242	25,959
Yolo	53,722	55,109	54,845	54,223	54,152	53,995	54,252	54,140	53,283	52,229	53,552	52,558	51,925
Sonoma	111,321	112,499	112,958	111,588	110,631	110,400	109,596	109,061	107,549	104,697	105,595	104,205	101,994
Marin	46,873	47,047	47,313	46,806	46,609	46,235	46,089	45,096	44,197	43,709	44,101	43,451	42,266
Mendocino	40,941	40,852	41,104	40,506	40,390	40,244	40,200	40,229	39,247	39,125	39,376	38,850	38,565
Lake	34,105	33,983	33,960	33,568	33,236	33,298	33,359	33,389	33,107	32,715	32,770	32,563	32,472
Del Norte	12,336	12,400	12,362	12,314	12,197	12,191	12,220	12,169	12,188	12,077	12,027	11,967	11,744
Humboldt	57,830	57,528	57,819	56,962	56,678	56,451	56,095	55,976	55,830	55,208	55,173	54,632	53,886
Lassen	8,764	8,656	8,575	8,358	8,439	8,412	8,406	8,491	8,375	8,305	8,255	8,204	8,025
Modoc	3,930	3,893	3,878	3,888	3,827	3,743	3,747	3,845	3,836	3,703	3,706	3,658	3,624
Shasta	65,101	65,377	65,400	64,714	64,742	64,786	65,062	64,124	64,876	63,940	64,314	63,758	63,487
Siskiyou	17,791	18,056	18,058	17,782	17,760	17,739	17,786	17,928	17,691	17,590	17,564	17,409	16,952
Trinity	5,325	5,250	5,193	5,220	5,103	5,169	5,118	5,081	4,955	4,955	5,000	4,962	4,894
Butte	85,920	85,649	84,789	84,665	84,532	84,241	84,407	84,874	84,412	83,486	83,679	83,341	83,296
Colusa	10,306	10,362	10,260	10,152	9,996	9,913	9,968	10,006	10,025	9,825	9,899	9,867	9,617
Glenn	13,682	13,647	13,764	13,687	13,672	13,523	13,497	13,456	13,358	13,182	13,222	13,064	12,859
Nevada	28,602	28,731	28,787	28,464	28,369	28,250	28,148	28,633	28,415	28,427	28,548	28,346	27,583
Placer	61,300	62,271	62,355	61,883	61,676	61,371	61,679	61,561	60,619	59,451	62,164	60,536	60,081
Plumas	5,807	5,755	5,784	5,783	5,616	5,575	5,478	5,429	5,395	5,292	5,270	5,278	5,297
Sierra	832	862	851	825	832	820	810	813	828	823	817	814	805
Sutter	43,829	44,348	44,796	44,471	44,294	43,923	44,223	44,067	43,956	43,584	44,445	43,563	43,174
Tehama	29,932	30,038	30,166	29,626	29,551	29,266	29,219	29,095	29,098	29,019	28,962	28,589	28,254
Yuba	36,849	37,766	37,678	37,606	37,356	36,870	37,275	36,992	35,990	36,027	37,003	35,926	35,787
All Counties Total	**905,206**	**911,892**	**912,438**	**903,386**	**899,540**	**895,711**	**895,697**	**893,365**	**882,789**	**870,940**	**880,210**	**867,895**	**856,609**

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 2025 - 2026 & Fiscal Year 2024 - 2025

FINANCIAL INDICATORS	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26		YTD	Avg / Month As of May-26
Total Enrollment	911,768	903,653	898,537	895,299	893,778	892,208	880,183	870,940	869,706	862,120	854,931		9,733,123	884,829
Total Revenue	593,945,794	596,614,742	614,951,654	605,173,794	589,922,935	597,186,401	597,564,630	582,105,182	598,248,494	584,419,840	598,548,850		6,558,682,316	596,243,847
Total Healthcare Costs	498,796,206	506,539,614	512,291,047	520,182,134	500,456,939	496,774,321	509,948,545	476,842,427	505,708,177	497,005,879	534,802,208		5,559,347,502	505,395,227
Total Administrative Costs	24,791,602	22,017,598	26,477,113	24,878,941	26,778,257	26,528,471	26,108,033	23,515,181	26,583,549	29,267,043	27,040,349		283,986,132	25,816,921
Medi-Cal Hospital & Managed Care Taxes	66,396,128	65,722,340	65,436,800	65,176,911	65,100,207	65,268,296	65,351,788	64,457,740	65,122,231	64,257,297	63,472,321		715,762,059	65,069,278
Total Current Year Surplus (Deficit)	3,961,858	2,335,190	10,746,694	(5,064,192)	(2,412,468)	8,615,313	(3,843,736)	17,289,834	834,537	(6,110,379)	(26,766,028)		(413,377)	(37,580)
Total Claims Payable	629,390,689	669,310,022	649,369,505	691,165,158	693,242,993	695,889,424	733,344,288	698,356,590	626,293,648	646,605,440	676,948,645		676,948,645	673,628,764
Total Fund Balance	1,461,512,071	1,463,847,260	1,474,593,953	1,469,529,761	1,467,117,293	1,475,732,606	1,471,888,870	1,489,178,704	1,490,013,242	1,483,902,863	1,457,136,835		1,457,136,835	1,473,132,133
Reserved Funds														
State Financial Performance Guarantee	1,135,173,000	1,146,059,000	1,166,267,000	1,181,553,000	1,195,372,000	1,208,212,000	1,221,224,000	1,191,261,000	1,175,457,000	1,173,987,000	1,174,823,000		1,174,823,000	1,179,035,273
Board Approved Capital and Infrastructure Purchases	100,733,349	100,103,601	98,688,437	97,620,158	94,941,438	93,782,664	92,028,380	90,442,990	89,322,236	88,490,275	87,191,571		87,191,571	93,940,464
Capital Assets	161,362,815	161,328,374	162,223,752	162,679,193	164,744,577	165,348,675	166,558,763	167,531,839	168,044,105	167,542,468	168,323,898		168,323,898	165,062,587
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668	71,002,668	71,002,668	71,002,668	71,002,668	68,377,668	68,377,668	68,377,668	68,377,668	68,377,668		68,377,668	69,809,486
Unrestricted Fund Balance	(6,759,761)	(14,646,383)	(23,587,903)	(43,325,258)	(58,943,390)	(62,613,402)	(76,299,941)	(28,434,793)	(11,187,767)	(14,494,548)	(41,579,301)		(41,579,301)	(34,715,677)
Fund Balance as % of Reserved Funds	99.54%	99.01%	98.43%	97.14%	96.14%	95.93%	95.07%	98.13%	99.25%	99.03%	97.23%		97.23%	97.70%
Current Ratio (including Required Reserves)	1.49:1	1.46:1	1.44:1	1.45:1	1.43:1	1.43:1	1.46:1	1.44:1	1.43:1	1.50:1	1.47:1		1.47:1	1.45:1
Medical Loss Ratio w/o Tax	94.55%	95.41%	93.23%	96.33%	95.36%	93.39%	95.82%	92.12%	94.86%	95.55%	99.95%		95.15%	95.15%
Admin Ratio w/o Tax	4.70%	4.15%	4.82%	4.61%	5.10%	4.99%	4.91%	4.54%	4.99%	5.63%	5.05%		4.86%	4.86%
Profit Margin Ratio	0.75%	0.44%	1.96%	-0.94%	-0.46%	1.62%	-0.72%	3.34%	0.16%	-1.17%	-5.00%		-0.01%	-0.01%

FINANCIAL INDICATORS	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	YTD	Avg / Month As of Jun-25
Total Enrollment	898,490	898,153	897,450	895,408	895,235	905,698	901,907	904,947	906,317	904,513	903,817	910,264	10,822,199	901,850
Total Revenue	516,467,263	505,732,274	517,421,674	517,491,108	507,895,691	520,768,067	518,706,967	759,253,557	692,900,747	592,855,121	595,592,203	643,816,561	6,888,901,232	574,075,103
Total Healthcare Costs	455,570,291	455,587,935	449,203,390	445,671,531	422,571,150	440,227,707	443,280,032	430,197,038	480,694,520	490,255,409	527,157,036	443,488,949	5,483,904,985	456,992,082
Total Administrative Costs	17,164,116	20,965,109	20,303,694	22,663,983	19,787,655	21,565,508	23,537,967	22,873,201	21,628,246	26,832,114	23,265,462	26,309,568	266,896,625	22,241,385
Medi-Cal Hospital & Managed Care Taxes	46,566,563	46,437,851	46,436,856	46,083,262	46,460,193	46,509,845	46,696,106	298,302,026	105,449,368	66,370,265	66,176,548	66,663,236	928,152,119	77,346,010
Total Current Year Surplus (Deficit)	(2,833,707)	(17,258,621)	1,477,734	3,072,332	19,076,693	12,465,007	5,192,862	7,881,292	85,128,613	9,397,333	(21,006,843)	107,354,808	209,947,503	17,495,625
Total Claims Payable	884,509,979	911,448,691	890,651,592	852,864,933	830,533,762	775,002,932	770,859,204	759,273,827	639,166,969	601,722,478	648,998,299	613,302,418	613,302,418	764,861,257
Total Fund Balance	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	1,276,676,303	1,361,804,917	1,371,202,250	1,350,195,407	1,457,550,213	1,457,550,213	1,294,524,278
Reserved Funds														
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	1,091,605,000	1,119,293,000	1,130,765,000	1,143,805,000	1,121,915,000	1,121,915,000	1,099,152,583
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	71,478,836	70,124,244	66,296,695	66,344,624	63,186,278	63,186,278	72,670,331
Capital Assets	134,500,819	148,731,129	150,227,245	152,420,562	152,556,243	152,888,655	154,088,260	154,631,556	155,340,379	157,165,923	157,852,579	160,862,612	160,862,612	152,605,497
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	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)	(112,041,757)	(53,955,374)	(54,028,036)	(88,809,464)	40,583,655	40,583,655	(100,906,801)
Fund Balance as % of Reserved Funds	90.31%	88.13%	88.07%	88.01%	89.25%	94.04%	94.16%	91.93%	96.19%	96.21%	93.83%	102.86%	102.86%	92.77%
Current Ratio (including Required Reserves)	1.45:1	1.41:1	1.40:1	1.40:1	1.40:1	1.39:1	1.41:1	1.37:1	1.44:1	1.45:1	1.43:1	1.48:1	1.48:1	1.42:1
Medical Loss Ratio w/o Tax	96.95%	99.19%	95.38%	94.54%	91.58%	92.82%	93.91%	93.33%	81.83%	93.12%	99.57%	76.84%	92.00%	92.00%
Admin Ratio w/o Tax	3.65%	4.56%	4.31%	4.81%	4.29%	4.55%	4.99%	4.96%	3.68%	5.10%	4.39%	4.56%	4.48%	4.48%
Profit Margin Ratio	-0.60%	-3.76%	0.31%	0.65%	4.13%	2.63%	1.10%	1.71%	14.49%	1.78%	-3.97%	18.60%	3.52%	3.52%

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Membership and Financial Summary
For The Period Ending May 31, 2026

CURRENT MONTH	PRIOR MONTH	INC / DEC	MEMBERSHIP SUMMARY	CURRENT YTD AVG	PRIOR YTD AVG	VARIANCE
854,931	862,120	(7,189)	**Total Membership**	884,829	901,085	(16,256)

ACTUAL MONTH	BUDGET MONTH	$ VARIANCE MONTH	FINANCIAL SUMMARY	ACTUAL YTD	BUDGET YTD	$ VARIANCE YTD
598,548,850	626,092,059	(27,543,209)	**Total Revenue**	6,558,682,316	7,070,631,266	(511,948,950)
534,802,208	524,696,106	(10,106,102)	**Total Healthcare Costs**	5,559,347,502	6,042,828,492	483,480,990
27,040,349	33,822,718	6,782,369	**Total Administrative Costs**	283,986,132	353,066,261	69,080,129
63,472,321	66,522,975	3,050,654	**Medi-Cal Managed Care Tax**	715,762,059	732,431,962	16,669,903
(26,766,028)	**1,050,260**	**(27,816,288)**	**Total Current Year Surplus (Deficit)**	**(413,377)**	**(57,695,449)**	**57,282,072**
99.95%	93.77%		**Medical Loss Ratio (HC Costs as a % of Rev, excluding Managed Care Tax)**	95.15%	95.34%	
5.05%	6.04%		**Admin Ratio (Admin Costs as a % of Rev, excluding Managed Care Tax)**	4.86%	5.57%	

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of May 31, 2026

	May 2026	April 2026
A S S E T S		
Current Assets		
Cash & Cash Equivalents	**1,023,150,597**	**990,206,180**
Receivables		
Accrued Interest	770,900	384,800
State DHS - Cap Rec	1,664,689,210	1,599,416,471
Other Healthcare Receivable	49,637,887	47,450,036
Miscellaneous Receivable	6,262,542	6,264,075
Total Receivables	**1,721,360,539**	**1,653,515,382**
Other Current Assets		
Payroll Clearing	402	(2,843)
Prepaid Expenses	16,908,508	17,048,778
Total Other Current Assets	**16,908,910**	**17,045,935**
Total Current Assets	**2,761,420,046**	**2,660,767,497**
Non-Current Assets		
Fixed Assets		
Motor Vehicles	1,096,330	1,096,330
Furniture & Fixtures	7,701,728	7,701,728
Computer Equipment	23,103,612	22,832,149
Computer Software	9,060,595	9,060,595
Leasehold Improvements	124,288	124,288
Land	11,330,439	11,330,439
Building	79,474,549	79,474,549
Building Improvements	46,840,133	46,822,607
Accum Depr - Motor Vehicles	(603,975)	(578,014)
Accum Depr - Furniture	(6,805,933)	(6,786,618)
Accum Depr - Comp Equipment	(20,001,431)	(19,805,304)
Accum Depr - Comp Software	(9,029,037)	(9,015,479)
Accum Depr - Leasehold Improvements	(124,288)	(124,288)
Accum Depr - Building	(16,078,139)	(15,908,322)
Accum Depr - Bldg Improvements	(18,663,115)	(18,441,686)
Construction Work-In-Progress	60,898,142	59,759,494
Total Fixed Assets	**168,323,898**	**167,542,468**
Other Non-Current Assets		
Deposits	219,000	83,280
Board-Designated Reserves	1,261,714,571	1,262,177,275
Knox-Keene Reserves	300,000	300,000
Prepaid - Other Non-Current	8,750,979	9,073,573
Net Pension Asset	5,714,523	5,714,523
Deferred Outflows Of Resources	2,745,009	2,745,009
Net Subscription Asset	3,120,175	3,120,175
Total Other Non-Current Assets	**1,282,564,257**	**1,283,213,835**
Total Non-Current Assets	**1,450,888,155**	**1,450,756,303**
Total Assets	**4,212,308,201**	**4,111,523,800**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Balance Sheet
As Of May 31, 2026

	May 2026	April 2026
L I A B I L I T I E S & F U N D B A L A N C E		
Liabilities		
Current Liabilities		
Accounts Payable	319,987,064	251,861,655
Unearned Income	50,042,635	51,882,426
Suspense Account	11,869,280	11,252,121
Capitation Payable	8,600,879	7,720,702
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	1,572,563,259	1,495,127,170
Claims Payable	383,593,478	291,787,634
Incurred But Not Reported-IBNR	293,355,167	354,817,806
Quality Improvement Programs	73,190,870	121,202,689
Total Current Liabilities	**2,745,835,745**	**2,618,285,316**
Non-Current Liabilities		
Deferred Inflows Of Resources	6,657,637	6,657,637
Net Subscription Liability	2,677,984	2,677,984
Total Non-Current Liabilities	**9,335,621**	**9,335,621**
Total Liabilities	**2,755,171,366**	**2,627,620,937**
Fund Balance		
Unrestricted Fund Balance	**(41,579,301)**	**(14,494,548)**
Reserved Funds		
State Financial Performance Guarantee	1,174,823,000	1,173,987,000
Board Approved Capital and Infrastructure Purchases	87,191,571	88,490,275
Capital Assets	168,323,898	167,542,468
Strategic Use of Reserve-Board Approved	68,377,668	68,377,668
Total Reserved Funds	**1,498,716,137**	**1,498,397,411**
Total Fund Balance	**1,457,136,835**	**1,483,902,863**
Total Liabilities And Fund Balance	**4,212,308,201**	**4,111,523,800**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
Statement of Cash Flow
For The Period Ending May 31, 2026

	Current Month Activity	Year-To-Date Activity
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From:		
Capitation from California Department of Health Care Services	524,127,718	6,626,077,820
Other Revenues	218,295	2,685,078
Cash Payments to Providers for Medi-Cal Members		
Capitation Payments	(20,804,953)	(227,673,666)
Medical Claims Payments	(445,299,996)	(5,187,039,883)
Drug Medi-Cal		
DMC Receipts from Counties	1,429,977	56,505,724
DMC Payments to Providers	(5,629,203)	(59,943,118)
Cash Payments to Vendors	(6,004,038)	(868,456,241)
Cash Payments to Employees	(20,974,436)	(228,259,353)
Net Cash Provided by Operating Activities	**27,063,364**	**113,896,361**
CASH FLOWS FROM CAPITAL FINANCING & RELATED ACTIVITIES:		
Purchases of Capital Assets	(1,298,704)	(15,801,205)
Net Cash (Used) by Capital Financial & Related Activities	**(1,298,704)**	**(15,801,205)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Board-Designated Reserve Transfers	462,704	(76,913,293)
Interest and Dividends on Investments	6,717,053	84,359,798
Net Cash Provided by Investing Activities	**7,179,757**	**7,446,505**
NET INCREASE IN CASH & CASH EQUIVALENTS	**32,944,417**	**105,541,661**
CASH & CASH EQUIVALENTS, BEGINNING	**990,206,180**	**917,608,936**
CASH & CASH EQUIVALENTS, ENDING	**1,023,150,597**	**1,023,150,597**
RECONCILIATION OF TOTAL OPERATING LOSSTO NET CASH PROVIDED BY OPERATING ACTIVITIES		
TOTAL OPERATING LOSS	**(33,869,182)**	**(84,580,575)**
DEPRECIATION	**646,208**	**7,316,697**
CHANGES IN ASSETS AND LIABILITIES:		
Other Receivables	(2,186,317)	8,899,771
California Department of Health Services Receivable	(65,272,739)	90,220,344
Other Assets	194,965	(1,375,280)
Accounts Payable and Accrued Expenses	145,219,043	36,188,176
Accrued Claims Payable	30,343,205	63,646,227
Quality Improvement Programs	(48,011,819)	(6,418,999)
Net Cash Provided by Operating Activities	**27,063,364**	**113,896,361**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Statement of Revenues and Expenses
For The Period Ending May 31, 2026

****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
854,931	**854,931**	**-**			**TOTAL MEMBERSHIP**	**9,733,123**	**9,733,123**	**-**		
					REVENUE					
589,390,897	619,022,329	(29,631,432)	689.40	724.06	State Capitation Revenue	6,465,793,870	6,994,253,716	(528,459,846)	664.31	718.60
7,103,154	6,860,680	242,474	8.31	8.02	Interest Income	84,167,197	74,139,620	10,027,577	8.65	7.62
2,054,799	209,050	1,845,749	2.40	0.24	Other Revenue	8,721,249	2,237,930	6,483,319	0.90	0.23
598,548,850	**626,092,059**	**(27,543,209)**	**700.11**	**732.33**	**TOTAL REVENUE**	**6,558,682,316**	**7,070,631,266**	**(511,948,950)**	**673.85**	**726.45**
					HEALTHCARE COSTS					
					Physician Services					
9,165,174	9,236,626	71,452	10.72	10.80	Pcp Capitation	98,522,147	105,806,474	7,284,327	10.12	10.87
197,550	199,230	1,680	0.23	0.23	Specialty Capitation	2,298,349	2,284,265	(14,084)	0.24	0.23
111,636,144	81,795,553	(29,840,591)	130.58	95.68	Non-Capitated Physician Services	1,010,532,570	910,348,531	(100,184,039)	103.82	93.53
120,998,868	**91,231,409**	**(29,767,459)**	**141.53**	**106.71**	**Total Physician Services**	**1,111,353,066**	**1,018,439,270**	**(92,913,796)**	**114.18**	**104.63**
					Inpatient Hospital					
16,256,249	15,605,636	(650,613)	19.01	18.25	Hospital Capitation	185,118,985	182,008,547	(3,110,438)	19.02	18.70
97,227,883	108,967,805	11,739,922	113.73	127.46	Inpatient Hospital - Ffs	1,202,603,749	1,261,388,080	58,784,331	123.56	129.60
773,437	773,437	-	0.90	0.90	Hospital Stoploss	8,859,738	8,859,738	-	0.91	0.91
114,257,569	**125,346,878**	**11,089,309**	**133.64**	**146.61**	**Total Inpatient Hospital**	**1,396,582,472**	**1,452,256,365**	**55,673,893**	**143.49**	**149.21**
55,542,237	57,498,174	1,955,937	64.97	67.25	Long Term Care	663,848,412	670,625,721	6,777,309	68.21	68.90
					Ancillary Services					
1,263,210	1,277,733	14,523	1.48	1.49	Ancillary Services - Capitated	13,475,151	14,690,232	1,215,081	1.38	1.51
132,026,839	91,367,774	(40,659,065)	154.43	106.87	Ancillary Services - Non-Capitated	1,196,300,128	1,092,677,299	(103,622,829)	122.91	112.26
133,290,049	**92,645,507**	**(40,644,542)**	**155.91**	**108.36**	**Total Ancillary Services**	**1,209,775,279**	**1,107,367,531**	**(102,407,748)**	**124.29**	**113.77**
					Other Medical					
6,243,968	8,264,372	2,020,404	7.30	9.67	Quality Assurance	65,518,817	83,936,129	18,417,312	6.73	8.62
81,303,356	130,677,427	49,374,071	95.10	152.85	Healthcare Investment Funds	880,576,084	1,486,595,223	606,019,139	90.47	152.74
114,700	137,780	23,080	0.13	0.16	Advice Nurse	1,337,200	1,577,610	240,410	0.14	0.16
16,074,448	11,917,546	(4,156,902)	18.80	13.94	Transportation	150,915,444	142,589,915	(8,325,529)	15.51	14.65
103,736,472	**150,997,125**	**47,260,653**	**121.33**	**176.62**	**Total Other Medical**	**1,098,347,545**	**1,714,698,877**	**616,351,332**	**112.85**	**176.17**
6,977,013	6,977,013	-	8.16	8.16	Quality Improvement Programs	79,440,728	79,440,728	-	8.16	8.16
534,802,208	**524,696,106**	**(10,106,102)**	**625.54**	**613.71**	**TOTAL HEALTHCARE COSTS**	**5,559,347,502**	**6,042,828,492**	**483,480,990**	**571.18**	**620.84**
					ADMINISTRATIVE COSTS					
17,012,677	22,105,529	5,092,852	19.90	25.86	Employee	178,298,383	225,650,265	47,351,882	18.32	23.18
104,169	182,858	78,689	0.12	0.21	Travel And Meals	954,196	2,093,140	1,138,944	0.10	0.22
1,339,992	3,216,850	1,876,858	1.57	3.76	Occupancy	15,220,323	30,088,500	14,868,177	1.56	3.09
473,624	869,315	395,691	0.55	1.02	Operational	7,050,115	9,953,235	2,903,120	0.72	1.02
4,622,084	3,146,661	(1,475,423)	5.41	3.68	Professional Services	41,804,621	36,029,059	(5,775,562)	4.30	3.70
3,487,803	4,301,505	813,702	4.08	5.03	Computer And Data	40,658,494	49,252,062	8,593,568	4.18	5.06
27,040,349	**33,822,718**	**6,782,369**	**31.63**	**39.56**	**TOTAL ADMINISTRATIVE COSTS**	**283,986,132**	**353,066,261**	**69,080,129**	**29.18**	**36.27**
63,472,321	66,522,975	3,050,654	74.24	77.81	**Medi-Cal Managed Care Tax**	715,762,059	732,431,962	16,669,903	73.54	75.25
(26,766,028)	**1,050,260**	**(27,816,288)**	**(31.30)**	**1.25**	**TOTAL CURRENT YEAR SURPLUS (DEFICIT)**	**(413,377)**	**(57,695,449)**	**57,282,072**	**(0.05)**	**(5.91)**

PARTNERSHIP HEALTHPLAN OF CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
May 31, 2026

1. ORGANIZATION

The Partnership HealthPlan of California (the HealthPlan) 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. The HealthPlan has quasi-independent political jurisdiction to contract with the State for managing Medi-Cal beneficiaries who reside in various Northern California counties. The HealthPlan is a combined public and private effort engaged principally in providing a more cost-effective method of healthcare. The HealthPlan 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), the HealthPlan consolidated its reporting from these fourteen counties into two regions, which are in alignment with the two DHCS rating regions. Beginning January 2024, the HealthPlan 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 the HealthPlan 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:
The HealthPlan 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.

RESERVED FUNDS:
As of May 2026, the HealthPlan has Total Reserved Funds of $1.5 billion. This includes $68.4 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.

RECLASSIFICATIONS:
Certain reclassifications of prior period balances have been made to conform with the current period presentations. Such reclassifications do not affect the total increase in net position or total current or noncurrent assets or liabilities.

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

The HealthPlan 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 becomes available. Budgeted capitation revenues and healthcare costs are adjusted each month to reflect changes in enrollee counts.

5. QUALITY IMPROVEMENT PROGRAM

The HealthPlan maintains quality improvement contracts with acute care hospitals and primary care physicians. As of May 2026, the HealthPlan has accrued a Quality Improvement Program payout of $73.2 million.

6. ESTIMATES

Due to the nature of the operations of the 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 Reported
- 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, the HealthPlan's Management is of the opinion that any liability which 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

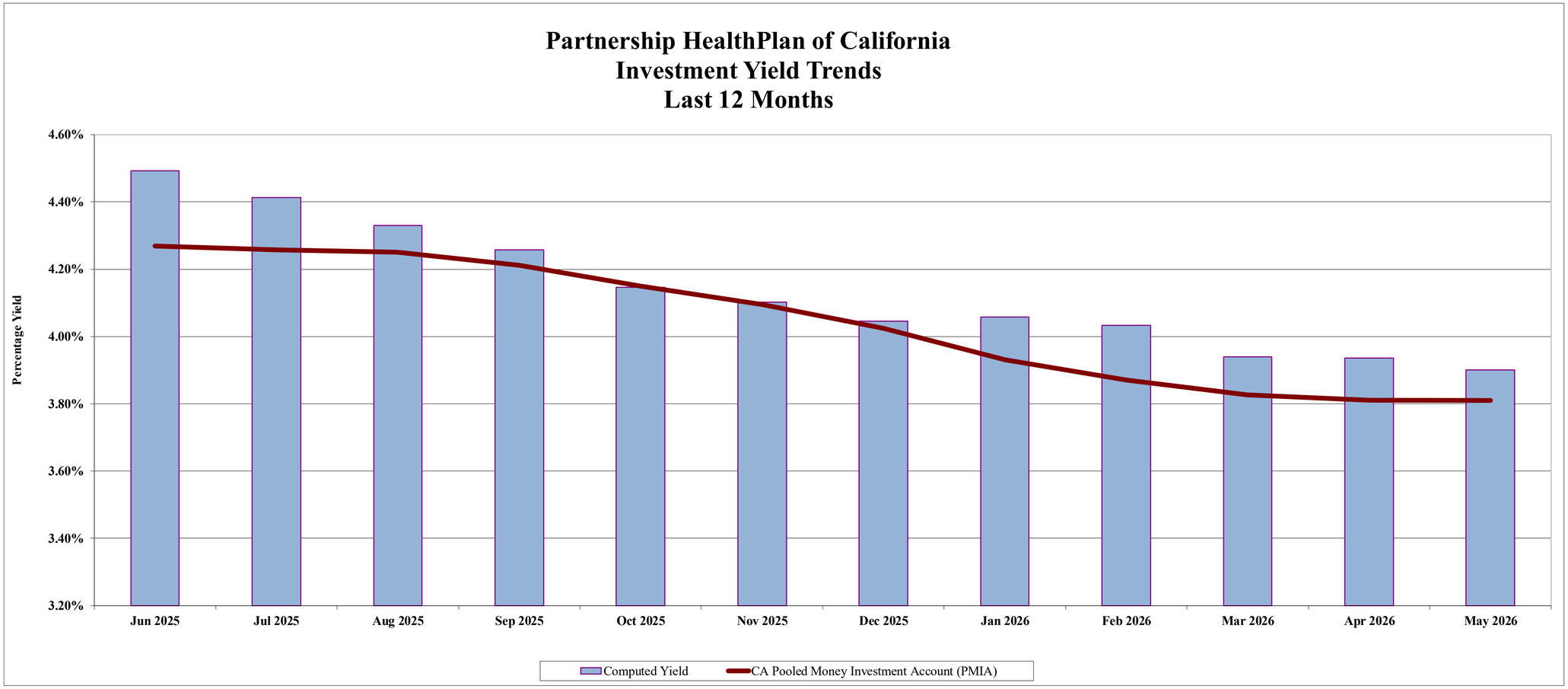
None noted.

Partnership HealthPlan of California
Investment Schedule
May 31, 2026

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	$ 1,833,956	$ 1,833,956	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	$ 81,574,444		
Merrill Lynch MMA - Checking	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 789,271		
US Bank - General, MMA, and Sweeps	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 2,078,908,550		
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	$ 46,607,450		
West America Payroll	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 148,197		
Petty Cash	Cash for Operations	NA	NA	NA	NA	NA	NA	$ 3,300		
GRAND TOTAL:								$ 2,285,165,168		

Partnership HealthPlan of California
Investment Yield Trends

PERIOD		Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026
Interest Income		7,390,920	7,568,557	7,456,341	7,941,176	8,116,523	6,918,278	7,880,097	8,365,738	6,897,186	7,765,472	8,154,675	7,103,154
Cash & Investments at Historical Cost	(1)	2,102,710,214	2,160,202,257	2,286,589,057	2,474,845,534	2,254,168,286	2,239,590,881	2,602,840,892	2,355,098,087	2,373,599,880	2,777,427,432	2,252,683,455	2,285,165,168
Computed Yield	(2)	4.49%	4.41%	4.33%	4.26%	4.15%	4.10%	4.05%	4.06%	4.03%	3.94%	3.94%	3.90%
CA Pooled Money Investment Account (PMIA)	(3)	4.27%	4.26%	4.25%	4.21%	4.15%	4.10%	4.03%	3.93%	3.87%	3.83%	3.81%	3.81%



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.

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board / Finance Committee (when applicable)
Meeting Date: August 19, 2026
Board Meeting Date: August 26, 2026

Agenda Item Number:
2.3

Resolution Sponsor:
Sonja Bjork, Partnership HealthPlan of CA

Recommendation by:
Finance Committee

Topic Description:
The Chart of Authority policy and matrix defines the lines of authority within the HealthPlan. The policy and matrix have not been changed since November 2021.

The updated Chart of Authority provides an organization wide approval framework. The approval positions and internal control structure remain generally consistent with prior years.

The revised matrix also includes the following key changes:

- Simplifies the matrix consolidating Finance Management responsibilities, consolidating Deputy columns, replacing detailed delegation notes with a general footnote, and updating position titles.
- Renumbers and reorganizes the matrix, moves Budget to Item 1, removes Pharmacy Contracts as this is covered within Health Care Expenses, and adds items for Settlement of Claims and Pending Actions.
- Updates approval thresholds to better reflect organizational growth and current materiality levels for Item 18 - Purchase Orders, Invoices, and Check Requests and for Item 21 - General Unbudgeted All-Other.
- Added specific financial categories for Item 19 - Settlement of Claims and Item 20 - Pending Actions, which were previously encompassed within broader approval categories.

Reason for Resolution:
To provide Partnership staff's recommended changes to the current Chart of Authority policy and matrix.

Financial Impact:
There is no measurable impact to the HealthPlan.

Requested Action of the Board:
Based on the recommendation of Partnership staff, the Board is asked to approve the attached Chart of Authority policy and matrix.

CONSENT AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Board / Finance Committee (when applicable)
Meeting Date: August 19, 2026
Board Meeting Date: August 26, 2026

Agenda Item Number:
2.3

Resolution Number:
26-

IN THE MATTER OF: APPROVING THE REVISIONS TO THE CHART OF AUTHORITY MATRIX

Recital: Whereas,

A. The Board is responsible for financial oversight.

B. The Chart of Authority policy and matrix have not been changed since November 2021.

Now, Therefore, It Is Hereby Resolved As Follows:

1. To approve the attached Chart of Authority policy and matrix.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 26th day of August, 2026, by motion of Commissioner, seconded by Commissioner, and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

_____
Dean Germano, Chair

_____
Date

ATTEST:

BY: _____
Ashlyn Scott, Clerk

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

POLICY/ PROCEDURE

<table>
<tr><td colspan="4">Policy/Procedure Number: FIN301</td><td colspan="3">Lead Department: Finance
Business Unit: Accounting</td></tr>
<tr><td colspan="4">Policy/Procedure Title: Chart of Authority and Delegation</td><td colspan="3">☐ External Policy
☒ Internal Policy</td></tr>
<tr><td colspan="3">Original Date: 04/19/2002</td><td colspan="4">Next Review Date: 08/26/2027
Last Review Date: 08/26/2026</td></tr>
<tr><td>Applies to:</td><td colspan="2">☒ Medi-Cal</td><td colspan="2">☒ Partnership Advantage</td><td colspan="2">☒ Employees</td></tr>
<tr><td rowspan="2">Reviewing Entities:</td><td colspan="2">☐ IQI</td><td>☐ P & T</td><td colspan="2">☐ QUAC</td><td></td></tr>
<tr><td colspan="2">☐ OPERATIONS</td><td>☒ EXECUTIVE</td><td>☐ COMPLIANCE</td><td>☐ DEPARTMENT</td></tr>
<tr><td rowspan="2">Approving Entities:</td><td colspan="2">☒ BOARD</td><td>☐ COMPLIANCE</td><td>☒ FINANCE</td><td>☐ PAC</td></tr>
<tr><td>☐ CEO</td><td>☐ COO</td><td>☐ CREDENTIALING</td><td colspan="2">☐ DEPT. DIRECTOR/OFFICER</td></tr>
<tr><td colspan="4">Approval Signature: Name of approver</td><td colspan="3">Approval Date: Enter as mm/dd/yyyy</td></tr>
</table>

I. RELATED POLICIES:

A. ADM44 Non-provider Contract Administration
B. LAU06 Government Claims
C. FAC01 Vehicle Purchase and Use
D. FIN201 Capital Assets
E. FIN202 Requisitioning Goods, Equipment, and or Service Open PO System
F. FIN302 Accounts Payable and Recognizing Expenses
G. FIN501 Investment Policy
H. FIN506 Cash and Cash Equivalents Policy
I. HR506 Employee Reimbursement for Employee Growth & Career Development
J. IT001 Software/Hardware Purchasing and Installation
K. MPPR200 Partnership Provider Contracts

II. IMPACTED DEPTS:

A. All Departments

III. DEFINITIONS:

A. Financial Category – Classification or grouping used to organize financial information, transactions, or accounts based on their nature or purpose (revenue or expense category, or other financial statement category)
B. Financial Obligation – Contractual duty to provide monetary commitment owed to another
C. Budget Status –
    1. Budgeted – Amounts included in the annual budget approved by the Board of Commissioners
    2. Unbudgeted – Amounts not included in the annual budget approved by the Board of Commissioners
D. Claims(s) – refers to individual claims and disputes or a single presented claim
E. Department Head and Other Personnel – Directors of the various departments and their delegates.
F. Deputy – The assigned delegates who, upon approval, assumes the decision-making authority of the individual they are acting for
G. Finance Management – Members of the Finance leadership team
H. Financial Impact – A change in revenue, costs, profit, or overall financial health resulting from a specific activity or situation.

IV. ATTACHMENTS:

Policy/Procedure Number: FIN301		Lead Department: Finance
Policy/Procedure Title: Chart of Authority and Delegation		☐ **External Policy** ☒ **Internal Policy**
Original Date: 04/19/2002		**Next Review Date: 08/26/2027** **Last Review Date: 08/26/2026**
Applies to:	☒ **Medi-Cal**	☒ **Employees**

V. PURPOSE:

To promote consistent business practices and sound corporate governance by establishing clearly defined authorization limits while safeguarding the assets of Partnership HealthPlan of California (Partnership).

This document serves as the authoritative reference for the Partnership's authority limits and should be read in conjunction with related policies and procedures.

The principal objectives of the policy are to establish:

1. authoritative limits that appropriately empower management to make operational and strategic decisions on behalf of the Partnership, including entering into contracts and commitments and approving the acquisition, use, or disposition of Partnership assets in the normal course of business;
2. the delegation of those authorization limits; and
3. assigned responsibilities for each financial category.

VI. POLICY / PROCEDURE:

A. The authorization limits within this policy cannot be altered without the Board of Commissioners' authorization.

B. All staff members are expected to understand their authorization limits and related policies, as well as those of their direct reports. They are to exercise a duty of care with respect to commitments, contracts, and decisions made on behalf of Partnership.

C. An individual may not act beyond their authorized limits or where a transaction exceeds the individual's level of authority. However, if the primary approver is unavailable, approval authority may be delegated to another management team member for invoices and POs only. Contracts and other significant commitments require specific written delegation, while investments and bank signatures may not be delegated under this provision. Additionally, the CEO or CFO may authorize the use of their signature "stamp" in writing during their absence.

D. When an individual's authority limit is exceeded by a single transaction, escalation to the next level will occur. In certain circumstances, such as large and/or unusual transactions, proper execution may require the approval of more than one individual.

E. Delegates are assigned to the position, not to the individual occupying the position. The responsibilities are assigned to positions that possess sufficient expertise and decision-making authority to perform delegated responsibilities effectively, irrespective of role assignment or personnel changes.

F. Delegation

1. The Chief Financial Officer (CFO), Chief Operating Officer (COO) can delegate their signing and approval authority to their respective deputies with the approval of the Chief Executive Officer (CEO).
2. The CEO may delegate their approval authority in accordance with Board-approved authorization limits and delegation authority.
3. In the instance that a delegate is assigned and approved, the delegate (referred to as the Deputy) will model the same authority levels as the position for which they are acting.
4. In the absence of the CFO, the CFO can delegate their signing and approval authority to the Sr. Director of Financial Analysis for HCC related items, and to the Controller for all other items.

G. Practices that undermine the intention of this policy are expressly prohibited. Such practices include, but not limited to:
   1. splitting large orders into smaller parts to override authorization limits;
   2. entering a purchase order for either goods or services that is knowingly insufficient for completion of the work required or goods ordered; and
   3. exercising a Deputy's power where the delegated responsibilities have a real and/or perceived conflict of interest. Where any doubt involving conflict of interest exists, authority for approval of the transaction should be escalated to the next authority level.

VII. REFERENCES:

A. FIN301 Chart of Authority Matrix

VIII. DISTRIBUTION:

A. PowerDMS

IX. POSITION RESPONSIBLE FOR IMPLEMENTING PROCEDURE:

Controller/Sr. Director of Accounting and CFO

X. REVISION DATES:

Revised November 2021 -Final Approved by Finance Committee November 2021 and Board Consent Calendar December 2021

Revised September 2014-Final Approved by Finance Committee September 2014 and Board Consent Calendar October 2014

PREVIOUSLY APPLIED TO:

Healthy Kids MPUG3112 (Healthy Kids program ended 12/01/2016) 02/18/15; 02/17/16 to 12/01/2016

Partnership Advantage: MPUG3112 - 02/15/2012 to 01/01/2015

Healthy Families: MPUG3112 - 02/15/2012 to 03/01/2013

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

POLICY/ PROCEDURE

Policy/Procedure Number: ~~FIN - 301~~FIN301			**Lead Department: Finance** Business Unit: Accounting	
Policy/Procedure Title: ~~Chart of Authority and Delegation (Previously Financial Chart of Authority - CEO Delegation Revised September 2014)~~Chart of Authority and Delegation			☐ **External Policy** ☒ **Internal Policy**	
Original Date: 04/19/2002		**Next Review Date:** ~~10/31/2022~~08/26/2027 **Last Review Date:** ~~10/31/2021~~08/26/2026		
Applies to:	☒ **Medi-Cal**	☒ **Partnership Advantage**	☐☒ **Employees**	
Reviewing Entities:	☐ **IQI**	☐ **P & T**	☐ **QUAC**	
	☐ **OPERATIONS**	☒ **EXECUTIVE**	☐ **COMPLIANCE**	☐ **DEPARTMENT**
Approving Entities:	☒ **BOARD**	☐ **COMPLIANCE**	☒ **FINANCE**	☐ **PAC**
	☐~~☒~~ **CEO** ☐ **COO**	☐ **CREDENTIALING**	☐ **DEPT. DIRECTOR/OFFICER**	
Approval Signature: Name of approver			**Approval Date:** Enter as mm/dd/yyyy	

I. RELATED POLICIES:

A. ADM44 Non-provider Contract Administration
B. ~~ADM51~~LAU06 Government Claims
C. FAC01 Vehicle Purchase and Use~~ FAC~~
D. FIN201 Capital Assets
E. FIN202 Requisitioning Goods, Equipment, and or Service Open PO System
F. FIN302 Accounts Payable and Accrued Expenses
G. FIN501 Annual Investment Policy
H. FIN506 Cash Policy
I. HR506 Employee Reimbursement for Employee Growth & Career Development
J. IT001 Software/Hardware Purchasing and Installation
K. MPPR200 Partnership ~~PHC~~ Provider Contracts

II. IMPACTED DEPTS:

A. All Departments

III. DEFINITIONS:

A. Financial Category – ~~Revenue~~Classification or grouping used to organize financial information, transactions, or accounts based on their nature or purpose (revenue or expense category, or other financial statement category)
B. Financial Obligation – ~~Source of financial obligation~~Contractual duty to provide monetary commitment owed to another
C. Budget Status –
   1. Budgeted – Amounts included in the annual budget approved by the Board of Commissioners
   2. Unbudgeted – Amounts not included in the annual budget approved by the Board of Commissioners

~~2.~~D. Claim(s) –refers to individual claims and disputes or a single presented claim
~~D.~~E. Department Head and Other Personnel – Directors of the various departments and their delegates.
F. Deputy – The assigned delegates who, upon approval, assumes the decision-making authority of the individual they are acting for
~~E.~~G. Finance Management – Members of the Finance leadership team ~~of the finance department~~
~~F. CFO – Chief Financial Officer~~
~~G. COO – Chief Operating Officer~~
~~H. CEO – Chief Executive Officer~~

Policy/Procedure Number: FIN - 301FIN301		Lead Department: Finance
Policy/Procedure Title: ~~Chart of Authority and Delegation (Previously Financial Chart of Authority – CEO Delegation Revised September 2014)~~Chart of Authority and Delegation		☐ **External Policy** ☒ **Internal Policy**
Original Date: 04/19/2002		**Next Review Date: 10/31/202208/26/2027** **Last Review Date: 10/31/202108/26/2026**
Applies to:	☒ **Medi-Cal**	☒ **Employees**

~~I. CMO – Chief Medical Officer~~

H. Financial Impact – A change in revenue, costs, profit, or overall financial health resulting from a specific activity or situation.

IV. ATTACHMENTS:

~~A. Chart of Authority Matrix~~

V. PURPOSE:

To ~~ensure~~promote consistent ~~good~~ business ~~practice~~practices and sound corporate governance ~~as well as safeguard company assets with~~ by establishing clearly defined authorization limits ~~and their delegations within~~while safeguarding the assets of Partnership ~~Health Plan~~HealthPlan of California (~~PHC~~Partnership).

~~**VI. POLICY / PROCEDURE:**~~

This document serves as the authoritative reference for the Partnership's authority limits and should be read in conjunction with related policies and procedures.

The principal objectives of the policy are to establish:

1. ~~Authority~~authoritative limits ~~appropriate to~~that appropriately empower management to ~~be able to act effectively~~make operational and ~~make key~~strategic decisions ~~in relation to~~ on behalf of the ~~PHC;~~
2. ~~Authority limits for~~Partnership, including entering into contracts~~,~~ and commitments and ~~appropriating company~~approving the acquisition, use, or disposition of Partnership assets in the normal course of ~~conducting company~~ business;
3. ~~The requirements for~~ the delegation of those ~~authority~~authorization limits; and
4. ~~Responsibilities of review~~assigned responsibilities for each financial category.

VI. POLICY / PROCEDURE:

~~B. This document serves as a single point of reference for the PHC's authority limits. This Policy does not replace other specific policies in relation to the procedures to be followed for particular types of activities and should be read in conjunction with these other policies and procedures. If there is a conflict between this policy and any other policy, the requirements noted in this policy will prevail.~~

~~C.~~A. The authorization limits within this policy cannot be altered without the Board of Commissioners' authorization.

~~D.~~B. All staff members are expected to understand their authorization limits and related policies, as well as those of their direct reports. They are to exercise a duty of care with respect to commitments, contracts, and decisions made on behalf of ~~the organization~~Partnership.

~~E.~~C. An individual may not act ~~as if they have authority where they have no authority~~ beyond their authorized limits or where a transaction exceeds the individual's level of authority. However, if the primary approver is unavailable, approval authority may be delegated to another management team member for invoices and POs only. Contracts and other significant commitments require specific written delegation, while investments and bank signatures may not be delegated under this provision.

Additionally, the CEO or CFO may authorize the use of their signature "stamp" in writing during their absence.

~~F.~~D. When an individual's authority limit is exceeded by a single transaction, escalation to the next level will occur. In certain circumstances, such as large and/or unusual transactions, proper execution may require the approval of more than one individual.

~~G.~~E. ~~Delegations~~Delegates are ~~attached~~assigned to the position ~~occupied~~, not to the ~~occupant of~~ individual occupying the position. The responsibilities ~~of a position appear in a~~ are assigned to positions that possess sufficient expertise and decision-making authority to perform delegated responsibilities effectively, irrespective of role ~~description appropriate to the position.~~ assignment or personnel changes.

~~H.~~F. Delegation

1. The Chief Financial Officer (CFO ~~and~~), Chief Operating Officer (COO) can delegate their signing and approval authority to their respective deputies with the approval of the ~~CEO.~~Chief Executive Officer (CEO).
2. ~~In the absence of the CFO or upon delegation of the CFO and~~ The CEO may delegate their approval ~~by the CEO, the Deputy CFO's~~ authority ~~models~~in accordance with Board-approved authorization limits and delegation authority.

~~2.~~3. In the instance that ~~of the CFO.~~a delegate is assigned and approved, the delegate (referred to as the Deputy) will model the same authority levels as the position for which they are acting.

~~3.~~4. In the absence of the CFO, the CFO can delegate their signing and approval authority to the Sr. Director of Financial Analysis~~.~~ for HCC related items, and to the Controller for all other items.~~0~~

~~I.~~G. Practices that undermine the intention of ~~the Policy~~this policy are expressly prohibited. Such practices include, but not limited to:

1. ~~Splitting~~splitting large orders into smaller parts to override authorization limits;
2. ~~Entering~~entering a purchase order for either goods or services that is knowingly insufficient for completion of the work required or goods ordered; and
3. ~~Exercising~~exercising a ~~delegate's~~Deputy's power where the ~~individual with the power of delegation has~~delegated responsibilities have a real and/or perceived conflict of interest.

~~4.~~3. Where any doubt involving conflict of interest exists, authority for approval of the transaction should be escalated to the next authority level.

VII. REFERENCES:

~~A. None~~

A. FIN301 Chart of Authority Matrix

VIII. DISTRIBUTION:

A. PowerDMS

IX. POSITION RESPONSIBLE FOR IMPLEMENTING PROCEDURE:

Controller/Sr. Director of Accounting ~~-~~and CFO

X. REVISION DATES:

Policy/Procedure Number: FIN - 301FIN301		Lead Department: Finance
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Revised November 2021 -Final Approved by Finance Committee November 2021 and Board Consent Calendar December 2021

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PREVIOUSLY APPLIED TO:

Healthy Kids MPUG3112 (Healthy Kids program ended 12/01/2016) 02/18/15; 02/17/16 to 12/01/2016

Partnership Advantage: MPUG3112 - 02/15/2012 to 01/01/2015

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Partnership HealthPlan of California

Chart of Authority Matrix

Revised August 2026 - Final Approved by Finance Committee XXXXXX and Board Consent Calendar XXXXXX									
Item #	**Financial Category**	**Financial Obligation**	**Budget Status**	**Department Head and Other Personnel**	**Finance Management**	**CFO or Deputy CFO***	**COO or Deputy COO***	**CEO or Deputy CEO***	**Board of Commissioners**
1	**Budget**	All Areas	Budget Development	Prepares and recommends Department Specific Costs	Finance Management determines financial impact and compiles budget	•Reviews financial impact and makes recommendations to CEO •Presents final budget to the Board		Recommends to the Board	Approves Budget
2	**Revenue**	Execute Government Contracts (State and Federal)	Budgeted & Unbudgeted	Revenue rates are externally developed and analyzed by Finance Management	Finance Management determines financial impact	• Reviews All • CFO & CEO presents and recommends to the Board significant program changes. Revenue and health care cost impacts are presented in conjunction with the budget. Material changes from the budget will be brought back to the Board for approval as needed.		• Reviews All • CFO & CEO Presents and recommends to the Board significant program changes. Revenue and health care cost impacts are presented in conjunction with the budget. Material changes from the budget will be brought back to the Board for approval as needed.	Approves Budget
3	**Revenue**	Execute Other Sources of Revenue Contracts (i.e. Rental Income, Grant Revenue, etc.)	Budgeted	Finance Staff determine financial impact or works with Finance Management Team to determine impact	Finance Management determines financial impact	• Reviews All • CFO & CEO Recommends to the Board as considered necessary		• Reviews All • Recommends to the Board as considered necessary	• Approves Budget • Approves Rates as Applicable
4	**Healthcare Expense**	Provider Contracts	Budgeted	• Provider Contracting Unit/Management and Provider Payment Strategy Unit/Management initiates and recommends	Finance Management, as delegated by CFO, determines financial impact	CFO or CFO delegate reviews Financial impact and makes recommendations to CEO and/or COO	Reviews and makes recommendations to CFO and CEO	Reviews and authorizes, can delegate authorization to Deputy CEO, CFO and/or COO based on approved internal policy and within budget	• Approves Budget • Approves reimbursement mechanisms and concepts
5	**Healthcare Expense**	Enhanced Member Benefits	Budgeted	CMO reviews and recommends	Finance Management, as delegated by CFO, determines financial impact	Reviews Financial impact and makes recommendations to CEO		• Authorizes all within Budget • Recommends changes to the Board	• Approves Budget • Approves New Benefits
6	**Other Healthcare Expense**	Other Healthcare Cost Contracts (i.e. Care Management Programs, Ancillary Services, Advice Nurse, Transportation, etc.)	Budgeted	• Project Manager and/or Department Head Initiates and Recommends as needed • CMO and CHSO initiates and recommends when related to Care Management Program	Finance Management, as delegated by CFO, determines financial impact	Reviews financial impact and makes recommendations to CEO and/or COO	Reviews services applicable to areas of responsibility	Reviews and authorizes, can delegate authorization to Deputy CEO, CFO and/or COO based on approved internal policy and within budget	• Approves Budget • Approves reimbursement mechanisms and concepts
7	**Other Healthcare Expense**	Quality Improvement Program (QIP)	Budgeted	CMO initiates and recommends	Finance Management, as delegated by CFO, determines financial impact	Reviews financial impact and makes recommendations to CEO		Reviews and authorizes, can delegate authorization to Deputy CEO and CFO based on approved internal policy and within budget	• Approves Budget • Approves reimbursement mechanisms and concepts
8	**Employee Expenses**	Staffing and Salary Increases	Budgeted & Unbudgeted	• Department Head recommends staffing • CHRO reviews and approves all PAF's	Controller, in conjunction with CHRO, determines financial impact	CFO signs all PAF's, can delegate signing responsibility to Controller based on approved internal policies		• Reviews and authorizes, can delegate authorization to Deputy CEO and CFO based on approved internal policy and within budget • Approves exceptions to and reallocations of budget within total expense budget	• Approves Budget • Approves Policies, as applicable • Approves CEO's salary
9	**Employee Expenses**	Employee Benefits	Budgeted	CHRO initiates and recommends	Controller, in conjunction with CHRO, determines financial impact	Reviews all		Recommends changes to the Board	• Approves Budget • Approves Benefit Changes
10	**All other Admin Expenses**	Administrative Expenses	Budgeted	• Department Head recommends budget • Approval limits based on approved internal policies and as noted in Item #18	Authorizes according to approved internal policies and within budget. Also, see Item# 18 (Purchase Orders and Invoices).				Approves Budget
11	**All Administrative Expense Contracts**	Administrative Vendor Contracts	Budgeted	Department Head and/or Project Manager, initiates, researches and recommends	• Controller or assigned Director to Procurement works with Department Head and/or Project Manager to determine financial impact. • In some instances other Finance Management members may participate in the review, as delegated by CFO	Reviews financial impact and makes recommendations to CEO	-	Reviews and authorizes, can delegate authorization to Deputy CEO and CFO based on approved internal policy and within budget	Approves Budget
12	**Capital Purchases**	Capital Expenditures	Budgeted	Researches and recommends	Controller, assigned Director to Procurement or CFO delegate determines financial impact	Reviews financial impact and makes recommendations to CEO		Reviews and authorizes, can delegate authorization to Deputy CEO and CFO based on approved internal policy and within budget	Approves Budget
13	**Cash Management**	Banking	NA	Accounting Management maintains with CFO oversight	• Controller or Accounting Management Delegate are the authorized contacts for Bank Accounts • Controller is Authorized Signer on Bank Accounts, as delegated by CFO • Controller or Accounting Management Delegate are authorized for bank transactions per policy • Dual authorization are required on all bank portal transactions	• CFO is Authorized Signer on Bank Accounts • CFO recommends Policy		• Authorized Signer on Bank Accounts • Recommends Policy	Approves Policy
14	**Cash Management**	Investments	NA	Accounting Management maintains with CFO oversight	• Controller or Accounting Management Delegate are the Authorized Contacts for Investment Accounts • Controller authorizes the investment transactions per policy • Controller works with CFO on general Investment Principles	• CFO is Authorized Signer on Investment Accounts • CFO develops Investment Principles • CFO recommends and enforces Policy with transparency to the Board		• Authorized Signer on Investment Accounts • Recommends Policy	Approves Policy

Partnership HealthPlan of California

Chart of Authority Matrix

Revised August 2026 - Final Approved by Finance Committee XXXXXX and Board Consent Calendar XXXXXX									
Item #	**Financial Category**	**Financial Obligation**	**Budget Status**	**Department Head and Other Personnel**	**Finance Management**	**CFO or Deputy CFO***	**COO or Deputy COO***	**CEO or Deputy CEO***	**Board of Commissioners**
15	**Cash Management**	All Disbursements: Checks, Wires, ACH	NA	Accounting Management maintains with CFO oversight	Controller and Accounting Management Delegate manage process	• All Authorized Signers can sign for disbursements if all approvals required have been obtained • All physical check disbursements above $10,000 require signatures from two Authorized Signers • Payroll and Employee Reimbursement checks can not be signed by the Payee • All wire, ACH, transfers to/from a line of credit (if applicable), can be initiated by the Controller or Accounting Management Delegates, once authorized signatures have been obtained, per Item #18 •Two person approval required due to financial institution protocol for wires and ACH to confirm transaction			Approves Policy
16	**Lines of Credit and other Debt**	Short and Long Term Debt	Financing Costs are incorporated into the budget, when applicable	Accounting Management maintains with CFO oversight	• Controller works with CFO on securing new debt or credit lines as needed after obtaining authorization to do so • Controller or Accounting Management Delegate manages related accounting • Controller or Accounting Management Delegate is an authorized contact on loan accounts • Controller provides oversight for day to day lines of credit needed in the normal course of routine purchases that are included in the budget	• CFO works with CEO and the Board on securing debt as needed by the organization • CFO is Authorized Signer on approved lines of credit.		• Authorized to sign loan documents once issuance of debt is authorized by the Board. CEO can delegate the signing of the loan documents to the CFO. • Authorized Signer on approved lines of credit.	• Approves Budget • Authorizes the acquisition of debt through Board Resolution approval
17	**Annual Financial Audit**	All Areas	NA	Accounting Management maintains with CFO oversight	Controller or Accounting Management Delegate manages process	CFO recommends Audit Firm and Oversees		Recommends Audit Firm	• Accepts Report • Appoints Audit Firm
18	**Purchase Orders, Invoices and Check Requests**	All Areas	Budgeted & Unbudgeted	• Once appropriate approvals have been obtained for expense and capital items noted above, Purchase Orders, Invoices and Check Requests will be authorized as follows: $5,000 or below: Department Head $5,001 to $50,000: Department Head and Controller $50,001 to $100,000: Department Head, Controller, and CFO $100,001 and above: Department Head, CEO, and CFO • CEO can delegate the signing of certain items $100,001 and above based on approved internal policies • Purchase Orders, Invoices and Check Requests for unbudgeted expenses must be approved by CEO or their designee. See Item #21 (All-Other)						Approves Budget
19	**Settlement of Claims**	Healthcare Costs	Unbudgeted	Researches and recommends	Finance Management SME determines financial impact	Reviews Financial impact and makes recommendations to CEO		Approves items up to $150,000 per individual claim based on availability of funds. CEO will periodically report such actions to the Board.	Approves items over $150,000 per individual claim
20	**Pending Actions**	Healthcare Costs	Unbudgeted	Researches and recommends	Finance Management SME determines financial impact	Reviews Financial impact and makes recommendations to CEO		Approves items up to $300,000 based on availability of funds. CEO will periodically report such actions to the Board.	Approves items over $300,000
21	**All - Other**	Items #2- 12 and Item #18	Unbudgeted	Researches and recommends	Finance Management SME determines financial impact	Reviews Financial impact and makes recommendations to CEO		Approves items up to $300,000 based on availability of funds. CEO will periodically report such actions to the Board.	Approves items over $300,000

CEO = Chief Executive Officer **CFO** = Chief Financial Officer **CHRO** = Chief Health Services Officer **COO** = Chief Operating Officer **FP&A** = Financial Planning & Analysis Team **HR** = Human Resources **SME** = Subject Matter Expert **PAF =** Personnel Action Form

**** If Deputy Position applicable. Deputy positions are granted the designated authorities in the absence of the primary Chief, or if the primary Chief explicitly delegates such authority while present.***

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Finance Committee Meeting Date:
August 19, 2026

Agenda Item Number:
2.4

Board Meeting Date:
August 26, 2026

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

Recommendation by:
Partnership Staff

Topic Description:
In October 2024, the Peter A. and Vernice H. Gasser Foundation gifted Partnership HealthPlan 1930 Jefferson Street, Napa, CA. The transfer was subject to a restrictive covenant requiring that the property be used exclusively for public and charitable purposes that support cost-effective healthcare for households with limited incomes.

Partnership has identified Community Health Initiative Napa County, Inc., a California nonprofit corporation, as an entity that can fulfill the use restrictions. The Board of Commissioners is asked to authorize the Chief Executive Officer to gift 1930 Jefferson Street, Napa, CA, to Community Health Initiative Napa County, Inc.

Reason for Resolution:
To obtain board approval to authorize the Chief Executive Officer to gift 1930 Jefferson Street, Napa, CA, to Community Health Initiative Napa County, Inc.

Financial Impact:
Escrow and transfer fees are estimated to be no more than $10,000. Upon transfer of the property, Partnership staff estimate that Partnership will recognize an asset reduction/disposal of $861,465 because the property has not been fully depreciated.

Requested Action of the Board:
Based on the recommendation of Partnership staff, the Board is being asked to approve authorizing the Chief Executive Officer to gift this property to Community Health Initiative Napa County, Inc.

REGULAR AGENDA REQUEST
for
PARTNERSHIP HEALTHPLAN OF CALIFORNIA

Finance Committee Meeting Date:
August 19, 2026

Agenda Item Number:
2.4

Board Meeting Date:
August 26, 2026

Resolution Number:
26-

IN THE MATTER OF: AUTHORIZING THE CEO TO GIFT A PROPERTY

Recital: Whereas,

A. The Board is responsible for financial oversight.

B. The Board is responsible for approving the gifting of this property.

Now, Therefore, It Is Hereby Resolved As Follows:

1. The Board of Commissioners hereby authorizes the Chief Executive to gift 1930 Jefferson Street, Napa, CA, to Community Health Initiative Napa County, Inc.

PASSED, APPROVED, AND ADOPTED by the Partnership HealthPlan of California this 26th day of August 2026 by motion of Commissioner, seconded by Commissioner and by the following votes:

AYES: Commissioners:

NOES: Commissioners:

ABSTAINED: Commissioners:

ABSENT: Commissioners:

EXCUSED: Commissioners:

_____
Dean Germano, Chair

ATTEST:

BY: _____
Ashlyn Scott, Clerk