

**Ventura County Medi-Cal Managed Care Commission (VCMCC)
dba Gold Coast Health Plan**

Regular Meeting

Thursday, October 30, 2025 10:00 a.m.

**Meeting Location: Ventura County Museum of Art
100 E. Main Street
Ventura, CA 93001**

Members of the public can participate using the Conference Call Number below.

Conference Call Number: 1-805-324-7279

Conference ID Number: 265 036 859 #

Para interpretación al español, por favor llame al: 1-805-322-1542 clave: 1234

AGENDA

CLERK ANNOUNCEMENT

All public is welcome to call into the conference call number listed on this agenda and follow along for all items listed in Open Session by opening the GCHP website and going to **About Us > Ventura County Medi-Cal Managed Care Commission > Scroll down to Commission Meeting Agenda Packets and Minutes**

CALL TO ORDER

INTERPRETER ANNOUNCEMENT

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMCC) and Committee doing business as Gold Coast Health Plan (GCHP) on the agenda.

Persons wishing to address VCMCC and Committee are limited to three (3) minutes unless the Chair of the Commission extends time for good cause shown. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Commission and Committee.

Members of the public may call in, using the numbers above, or can submit public comments to the Commission and Committee via email by sending an email to ask@goldchp.org. If members of the public want to speak on a particular agenda item, please identify the agenda item number. Public comments submitted by email should be under 300 words.

CONSENT

1. New Facility Lease Approval, 4880 Santa Rosa Rd, Camarillo, CA 93012

Staff: Paul Aguilar, Chief of Human Resources & Organization Performance Officer

RECOMMENDATION: Staff requests that the Commission authorize the CEO to enter into a lease for new office space. A copy of the lease is available for review prior to the meeting upon request.

FORMAL ACTION

2. Fiscal Year 2024 - 2025 Audit Results

Staff: Sara Dersch, Chief Financial Officer
Baker Tilly Representatives

RECOMMENDATION: Receive and file the report

3. June 2025 Fiscal Year to Date Financials

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Receive and file the report

4. August 2025 Fiscal Year to Date Financials

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Receive and file the report

STRATEGIC PLANNING EVENT

Welcome: Felix L. Nunez, M.D., Chief Executive Officer
Marlen Torres, Chief Member Experience & External Affairs Officer

A. Competitive Landscape

- **National Landscape**

Guest Speaker: Craig A. Kennedy, President and Chief Executive Officer
Medicaid Health Plans of America

- **State Landscape**

Guest Speaker: Linnea Koopmans, Chief Executive Officer
Local Health Plans of California

B. 2026 Financial Outlook

Presenter: Sara Dersch, Chief Financial Officer
Gold Coast Health Plan

C. Breakout Sessions

- Enhancing Member Experience
- Optimizing Provider Relationships
- Advancing Quality of Care

ADJOURNMENT

The next meeting will be held on November 17, 2025. at 2:00 p.m., in the Community Room located at GCHP 711 E. Daily Dr. Suite 110, Camarillo, CA 93010

Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on <http://goldcoasthealthplan.org>. Materials related to an agenda item submitted to the Committee after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Commission.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Monday prior to the meeting by 1:00 p.m. to enable the Clerk of the Commission to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 1

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Paul Aguilar, Chief Human Resources and Organization Performance Officer
Sara Dersch, Chief Financial Officer

DATE: October 30, 2025

SUBJECT: Lease Agreement

SUMMARY:

On Wednesday, August 6, 2025, staff presented real estate options to the commission for consideration for the future site of Gold Coast Health Plan office. The commission approved to move forward with lease negotiations with Santa Rosa Road property, as listed below:

Property: 4880 Santa Rosa Road, Camarillo, CA 93012
Negotiating Party: Eclipse RE Holdings, LLC
Under negotiation: Price and terms of payment

The lease negotiations have been completed, with the core terms of the lease outlined below:

- **Tenant:** Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan, a California public entity.
- **Use:** Normal office/administrative use and all legally permitted uses, including parking.
- **Building:** 4880 Santa Rosa Road Camarillo, CA 93012
- **Premises:** The entire Building consisting of approximately 41,546 Rentable Square Feet ("RSF"). The Premises is encumbered and shall be delivered on the Early Possession date set forth below.
- **Lease Term/ Commencement Date:** One hundred twenty-six (126) months. The Lease Term for the Premises shall commence June 1, 2026.
- **Landlord Obligations:** No later than the Early Possession date, Landlord shall install a new roof and shall deliver in good working order the common areas of the project, as well as the structural, mechanical, electrical, plumbing, roof, fire/life/safety, and any other systems of the Building, including the entire exterior and interior structure, loading and parking areas and landscaping. Furthermore, Landlord is responsible for exterior ADA improvements.
- **Early Possession:** No later than January 15, 2026, Landlord shall provide Tenant with Early Possession to the Premises, so that Tenant may install Tenant Improvements, furniture, fixtures and equipment in the Premises before the Commencement Date. Tenant shall have no obligation to pay Base Rent or Operating Expenses during Early Possession,

- **Base Rent:** The Monthly Base Rent shall commence at \$2.25/RSF on a Modified Gross rent structure whereas, in addition to the Monthly Base Rent, Tenant shall be responsible for all utilities provided specifically to the Premises and janitorial services. The Monthly Base Rent shall escalate by three percent (3%) annually on the lease anniversary date. The Base Rent is abated twelve (12) months throughout the Lease Term.
- **Tenant Improvement Allowance:** Landlord shall provide a Tenant Improvement Allowance equal to sixty-one and 50/100 dollars (\$61.50) per RSF towards the Tenant Improvements to construct the tenant improvements
- **Termination Option:** Tenant shall receive a one-time right to terminate the Lease at the end of the 7th year with twelve (12) months prior written notice to Landlord. Along with the notice, Tenant shall pay to Landlord a termination fee equal to the unamortized Tenant Improvement Allowance, free rent given prior to the termination date, and all legal fee's associated with the lease document preparation and real estate brokerage commission paid by Landlord in connection with the Lease, amortized at seven percent (7%) interest per annum plus four (4) months of Base Rent calculated in the 8th year of Lease Term.
- **Renewal Option:** Tenant shall have the option to further extend the Lease Term for an additional consecutive term of five (5) years for all or part of the Premises upon ten (10) months prior written notice. The rental rate for the renewal term shall be the current fair market rate for the Premises with no minimum rent provision.

FISCAL IMPACT:

Annual estimated savings over the life of the lease between \$250,000 - \$400,000

RECOMMENDATION:

Staff recommends that the Ventura County Medi-Cal Managed Care Commission approve the terms of the lease agreement. A copy of the lease is available for review prior to the meeting upon request.

AGENDA ITEM NO. 2

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, Chief Financial Officer
Baker Tilly/Moss Adams Representatives

DATE: October 30, 2025

SUBJECT: Gold Coast Health Plan 2024/2025 Audit Results and Summary

**PowerPoint with
Verbal Presentation**

ATTACHMENTS:

2024/2025 Audit Results



Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan 2025 Audit Results

Discussion with Management and the Audit Committee

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Agenda

1. Scope of Services
2. Significant Risk Areas Identified
3. Matters Required to be Communicated with Those Charged with Governance
4. Your Service Team
5. About Baker Tilly

Scope of Services

We have performed the following services for Gold Coast Health Plan:

Annual Audit

Annual financial statement audit for the year ending June 30, 2025

Non-Attest Services

- Assist management with drafting the financial statements for the year ending June 30, 2025, excluding management's discussion and analysis
- Consulting services associated with Adaptive Insights financial and budgeting solution
- Human Resource policy review
- Medical loss ratio review

Significant Risk Areas Identified

During the planning of the audit we have identified the following significant risk areas:

Significant Risks	Procedures
Capitation Revenue Recognition	We tested internal controls around revenue recognition, vouched membership, and rates to supporting documentation, and reconciled revenue recognized to monthly cash payments from the State of California. No findings noted.
Medical Claims Liability	We tested internal controls over the claims process (including IT controls around system implementation), performed a lookback analysis on the prior year medical claims liability estimate, reviewed the actuarial specialist's model and report, and performed analytical procedures around the current year estimate. No findings noted.
Management Override of Controls	We performed inquiries of accounting and operational personnel, performed risk assessment procedures, and tested risk-based manual journal entry selections. No findings noted.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Our audit of the financial statements included obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control or to identify deficiencies in the design or operation of internal control. Accordingly, we considered the entity's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are also responsible for communicating significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Matters Required to be Communicated with Those Charged with Governance

Significant Accounting Practices:

Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures

The quality of the entity's accounting policies and underlying estimates are discussed throughout this presentation. There were no changes in the entity's approach to applying the critical accounting policies.

Matters Required to be Communicated with Those Charged with Governance

Significant Unusual Transactions:

No significant unusual transactions were identified during our audit of the entity's financial statements.

Matters Required to be Communicated with Those Charged with Governance

Significant Difficulties Encountered During the Audit:

We are to inform those charged with governance of any significant difficulties encountered in performing the audit. Examples of difficulties may include significant delays by management, an unreasonably brief time to complete the audit, unreasonable management restrictions encountered by the auditor or an unexpected extensive effort required to obtain sufficient appropriate audit evidence.

No significant difficulties were encountered during our audit of the entity's financial statements.

Matters Required to be Communicated with Those Charged with Governance

Disagreements With Management:

Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the entity's financial statements, or the auditor's report.

There were no disagreements with management.

Matters Required to be Communicated with Those Charged with Governance

Circumstances that affect the form and content of the auditor's report:

There were no circumstances that affected the form and content of the auditor's report.

Matters Required to be Communicated with Those Charged with Governance

Other findings or issues arising from the audit that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process:

There were no other findings or issues arising from the audit to report.

Matters Required to be Communicated with Those Charged with Governance

Uncorrected Misstatements:

Uncorrected misstatements, or matters underlying those uncorrected misstatements, as of and for the year ended June 30, 2025, could potentially cause future-period financial statements to be materially misstated, even though we have concluded that the uncorrected misstatements are immaterial to the financial statements, including disclosures, under audit.

We proposed two adjustments, that were not recorded. These adjustments are summarized on the next slide.

Matters Required to be Communicated with Those Charged with Governance

Uncorrected Misstatements

Description	Dr.	Cr.	Assets Dr. (Cr.)	Liabilities Dr. (Cr.)	Income Dr. (Cr.)
To adjust the maternity receivable balance for subsequent cash receipts received related to FY 2025	2,517,231	(2,517,231)	2,517,231	-	(2,517,231)
To adjust amortization expense related to GASB 96 Subscription-Based Information Technology Arrangements	2,000,000	(2,000,000)	2,000,000	-	(2,000,000)
	<u>\$4,517,231</u>	<u>\$ (4,517,231)</u>	<u>\$ 4,517,231</u>	<u>\$ -</u>	<u>\$ (4,517,231)</u>

Matters Required to be Communicated with Those Charged with Governance

Representations Requested of Management

We requested certain representations from management that are included in the management representation letter dated October 30, 2025

See below for an excerpt of the management representation letter. A full version is available upon request.

October 30, 2025

Baker Tilly US, LLP
101 Second Street, Suite 900
San Francisco, CA 94105

We are providing this letter in connection with your audit of the financial statements of Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan ("GCHP" or the "Plan"), a discrete component unit of the County of Ventura, California, which comprise the statements of net position and the related statements of revenues, expenses, and changes in net position, and cash flows as of June 30, 2025 and 2024, and for the years then ended and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$1,525,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 30, 2025,

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 6, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

Matters Required to be Communicated with Those Charged with Governance

Management's Consultation with Other Accountants:

When we are aware that management has consulted with other accountants about significant auditing or accounting matters, we discuss with those charged with governance our views about the matters that were the subject of such consultation.

We are not aware of instances where management consulted with other accountants about significant auditing or accounting matters.

Matters Required to be Communicated with Those Charged with Governance

Significant issues arising from the audit that were discussed, or the subject of correspondence with management:

No significant issues arose during the audit that have not been addressed elsewhere in this presentation.

Matters Required to be Communicated with Those Charged with Governance

AU-C 265, Communicating Internal Control
Related Matters Identified in an Audit

No material weaknesses were reported.

One significant deficiency was reported over the precision and timeliness of financial reporting controls during the year-end close process, which caused a significant volume of post-close journal entries to be required after the month-end close.

Your Service Team



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About Baker Tilly

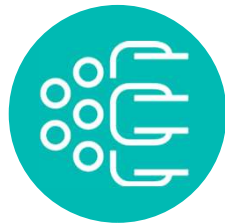
ABOUT BAKER TILLY

Our resources, your goals

Baker Tilly will successfully guide Western Health Advantage through changing landscapes with skills, stability and strength as one of the oldest and largest advisory, tax and assurance firms in the United States.



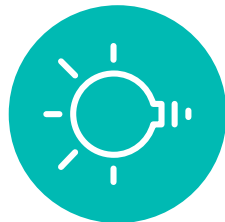
6th
largest U.S.
accounting firm*



11,000+
team members,
1,000+ principals



100+
years in
business



~3,400
Certified Public
Accountants



\$3B+
firm revenue
in FY2024



100+
worldwide
office locations



300+
workplace and
culture awards

*Expected national ranking after the 2025 Inside Public Accounting (IPA) Top 100 firms is published.

Baker Tilly Board Resources

Our professionals can help assess governance practices, provide leadership coaching and hands-on training workshops, facilitate group retreats, and more to improve teamwork, increase alignment around values, and develop strategic goals.



BOARD DEVELOPMENT

Align your board members to build stronger, clear relationships; enhance group decision-making; develop board policies and procedures; and help your board move the organization forward through 1:1 leadership coaching, group retreats, or hands-on training workshops.



GOVERNANCE ASSESSMENTS

Identify root causes of board issues through evaluations of group performance, the board-staff partnership, culture, structure, and processes to address challenges and uncover opportunities for improvement.



FACILITATION

Active meeting or retreat facilitation can promote effective communication among your team about difficult topics or in highly charged environments that may have a history of conflict.

Visit the Baker Tilly Governance page for more information and resources:
<https://www.mossadams.com/services/consulting/strategy-and-operation/governance>

An Array of Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.



Articles & Alerts

Industry-specific insight and important tax and assurance updates



Webcasts

On-demand and live sessions with our professionals on technical and timely topics



Reports & Guides

A more in-depth look at significant changes and subjects across the accounting landscape



Events

Seminars destination conferences, networking receptions, and charity events among others

Inclusion and Diversity

- Our mission is to foster an inclusive and diverse culture where everyone feels like they belong. To accomplish this mission, we focus on the following objectives.



ATTRACT

Recruit individuals with diverse backgrounds and experiences



DEVELOP

Provide learning and growth opportunities to develop and promote inclusive and diverse leadership across the firm



RETAIN

Promote and support a culture where everyone feels valued, respected, and connected



ADVANCE

Provide the best place to build a career for everyone by promoting equity, access, and opportunity



Experienced in your industry

INDUSTRY EXPERTISE

Committed to health care

The demand for vital health care services continues to rise amid a multitude of challenges that impact the quality, accessibility, and efficiency of care.

From helping you comply with new regulations to easing your tax burden to exploring new care models, our dedicated health care professionals have the experience and expertise to help you navigate a complex new world.



Nearly
500
PROFESSIONALS
specializing
in health care

**LEADERSHIP
INVOLVEMENT**
with AICPA Health Care
Expert Panel and HFMA
National Principles and
Practice Board

Nearly
6,500
**HEALTH CARE
CLIENTS**
across the nation

More than
60
PRINCIPALS
specializing
in health care

As of June 3, 2025, Baker Tilly and Moss Adams have merged. The statistics provided are combined unless otherwise noted and are based on data currently available. Actual counts may vary slightly and will be finalized during the integration process.

INDUSTRY EXPERTISE

Health insurance

Recognized as a Top Audit Firm by AM Best Company's *Best's Review* consecutively since 2018, we serve the needs of over 900 clients ranging in size and structure from large, billion-dollar member insurers to small, captive insurers. In addition to tax and assurance services, we also focus on operational and systems infrastructure, and our services and knowledge of the insurance managed care market have been used for numerous litigation matters involving payers and providers.



Top Audit Firm by
AM Best Company's
Best's Review

Nearly
900
CLIENTS
across the nation

Selected industry involvement

- National association of insurance commissioners (NAIC)
- Insurance accounting and systems association (IASA)
- America's health insurance plans (AHIP)
- American institute of certified public accountants (AICPA) insurance expert panel (past)

As of June 3, 2025, Baker Tilly and Moss Adams have merged. The statistics provided are combined unless otherwise noted and are based on data currently available. Actual counts may vary slightly and will be finalized during the integration process.

Health care advisory services

Audit and tax are vital. But you have complex needs that go beyond these core functions. Our dedicated health care consulting team provides a range of services to address all your emerging needs—both now and in the future.



2025 Executive Health Care Conference

• 30TH ANNIVERSARY | SAVE THE DATE!



NOVEMBER
12-14, 2025



Red Rock Casino
Resort & Spa
Las Vegas, NV

Join C-suite professionals from across the health care ecosystem to discuss the state of the industry and prepare leaders for 2026.

HIGHLIGHTS

- Nov 12: Women's Executive Health Care Leadership Forum
- Nov 13: State of the union
Political point-counterpoints
Reception with keynotes
- Nov 14: Economic forecast

REGISTRATION NOW OPEN



Questions?



THANK YOU

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**Ventura County Medi-Cal Managed Care Commission
dba Gold Coast Health Plan**

June 30, 2025

Communications of Internal Control Related Matters

To the Management and Commissioners of
Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan

In planning and performing our audit of the financial statements of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (the Plan) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Plan's internal control to be a significant deficiency:

Financial Close Precision and Timeliness

During our year-end audit procedures, we noted a significant volume of post-close journal entries were required subsequent to the June 30, 2025 monthly close. Several of these adjusting journal entries were made based upon audit inquiries into the related account balances or evaluation of subsequent events. We observed turnover in the accounting and finance department around the annual close timing. However, we recommend that management review its current policies and procedures to ensure reconciliation of accounts and financial statement reviews are prepared timely and with sufficient precision and incorporates consideration of subsequent events.

Management's Response:

Management acknowledges the deficiency noted above. The Accounting team did experience significant turnover during the year end close process, with both the Senior Accounting Manager and the most-senior Accountant departing during this time. This represents 40% turnover in the Accounting team which directly impacted our ability to complete the close process in a timely manner. Additionally, the Sr. Accountant that departed had been with the Plan for 6 years and had deep institutional and industry knowledge. Management has hired a new Sr. Manager of Accounting with years of health insurance experience and will backfill the Sr. Accountant role soon (that role is currently being filled by a Sr. Accountant through a temporary personnel firm specializing in accounting talent). Cross-training key processes has been a focus area for the team. These cross-training efforts will continue as we work to mitigate the risk of potential future staffing changes. Furthermore, the new Sr. Manager of Accounting is instituting additional measures to ensure timely completion of the monthly close process and subsequent account reconciliations. Finally, the Plan is currently working through an implementation of the Workday Financial Management platform to replace our current financial system. The new system should enhance both our close processing activities and our reporting capabilities. We believe fully implementing these changes will position the accounting team to address the concerns above.

The Plan's written response to the significant deficiency identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, the Commissioners, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

[Signature]

San Francisco, California

, 2025

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Report of Independent Auditors
and Financial Statements

**Ventura County Medi-Cal Managed Care Commission
dba Gold Coast Health Plan**

June 30, 2025 and 2024

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Management's Discussion and Analysis

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

The intent of the Management's Discussion and Analysis is to provide readers with an overview of the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's (GCHP or the Plan) financial activities for the fiscal years ended June 30, 2025 and 2024. This overview is provided in conjunction with the Plan's fiscal years ended June 30, 2025 and 2024, financial statements. Readers should review this overview in conjunction with GCHP's financial statements and accompanying notes to the financial statements to enhance their understanding of the financial performance.

Gold Coast Health Plan Overview

On June 2, 2009, the Ventura County Board of Supervisors approved the implementation of a county-organized health system (COHS) model to transition Ventura County Medi-Cal members from a fee-for-service model to a managed care model. Ordinance No. 4409 (April 2010) established the Ventura County Medi-Cal Managed Care Commission as an oversight entity. The Commission's 11 members oversee a single plan—Gold Coast Health Plan—to serve Ventura County Medi-Cal beneficiaries.

As a COHS, the Plan has an exclusive contract (the Contract) with the State of California (the State) Department of Health Care Services (DHCS) to arrange for the provision of health care services to Ventura County's approximately 243,000 Medi-Cal beneficiaries at June 30, 2025. The Plan receives virtually 100% of its revenue in the form of capitation from the State of California.

Overview of the Financial Statements

This annual report consists of financial statements and notes to those statements, which reflect GCHP's financial position and results of operations for the fiscal years ended June 30, 2025 and 2024. The financial statements of GCHP include the statements of net position, statements of revenues, expenses, and changes in net position, statements of cash flows, and notes to the financial statements.

- The statements of net position include all GCHP's assets and liabilities, using the accrual basis of accounting.
- The statements of revenues, expenses, and changes in net position present the results of operating activities during the fiscal year and the resulting change in net position.
- The statements of cash flows report the net cash provided by operating activities, as well as other sources, and uses of cash from investing, capital, and related financing activities.

The following discussion and analysis addresses GCHP's overall program activities. During the fiscal year ended June 30, 2025, GCHP adopted the provisions of Governmental Accounting Standards Board (GASB) No. 101, *Compensated Absences*, retroactive to July 1, 2023. The fiscal year 2023 amounts in the tables below have not been adjusted for the impact of GASB No. 101.

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

Financial Highlights

The table below presents condensed statements of net position of the Plan as of June 30, 2025, 2024, and 2023:

Table 1 – Condensed Statements of Net Position as of June 30

(Dollars in Thousands)							
	2025	2024	2023	2025 - 2024 Change		2024 - 2023 Change	
				Amount	Percentage	Amount	Percentage
	(as restated)						
ASSETS							
Current assets and other assets	\$ 727,607	\$ 757,240	\$ 550,528	\$ (29,633)	(3.9)%	\$ 206,712	37.5 %
Capital assets, net	295	553	982	(258)	(46.7)%	(429)	(43.7)%
Total assets	<u>\$ 727,902</u>	<u>\$ 757,793</u>	<u>\$ 551,510</u>	<u>\$ (29,891)</u>	(3.9)%	<u>\$ 206,283</u>	37.4 %
LIABILITIES							
Current liabilities	\$ 402,869	\$ 391,342	\$ 185,470	\$ 11,527	2.9 %	\$ 205,872	111.0 %
Noncurrent liabilities	25,180	3,677	6,088	21,503	584.8 %	(2,411)	(39.6)%
Total liabilities	<u>428,049</u>	<u>395,019</u>	<u>191,558</u>	<u>33,030</u>	8.4 %	<u>203,461</u>	106.2 %
NET POSITION							
Invested in capital assets	295	553	982	(258)	(46.7)%	(429)	(43.7)%
Restricted net position	316	-	-	316	100.0 %	-	0.0 %
Unrestricted net position	<u>299,242</u>	<u>362,221</u>	<u>358,970</u>	<u>(62,979)</u>	(17.4)%	<u>3,251</u>	0.9 %
Total net position	<u>299,853</u>	<u>362,774</u>	<u>359,952</u>	<u>(62,921)</u>	(17.3)%	<u>2,822</u>	0.8 %
Total liabilities and net position	<u>\$ 727,902</u>	<u>\$ 757,793</u>	<u>\$ 551,510</u>	<u>\$ (29,891)</u>	(3.9)%	<u>\$ 206,283</u>	37.4 %

Fiscal Year 2025

- As of June 30, 2025 and 2024, total assets were \$727,902,000 and \$757,793,000, respectively, a decrease of \$29,891,000 or 3.9% due to a decrease in cash and cash equivalents partially offset by increases in the Medi-Cal receivable from the State and Provider receivables.
- Total liabilities as of June 30, 2025, were \$428,049,000 compared with \$395,019,000 as of June 30, 2024, an 8.4% increase. The increase was primarily driven by an increase in medical claims liability because of short-term delays in claims payments due to the implementation of major new operational technological infrastructure.
- The Plan's total net position decreased by \$62,921,000, or 17.3%, during fiscal year 2025. This planned decrease in net position was attributable to a commitment to community reinvestment through the use of provider quality incentives tied directly to State thresholds as defined by the California Department of Healthcare Services' Managed Care Accountability Set metrics, grants to support local placement of clinical specialists, continued investment in GCHP's technological infrastructure, and the operational readiness to support a mandated Medicare Dual-Special Needs Program line of business required by January 1, 2026.

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

- Tangible Net Equity (TNE) at June 30, 2025, was 647% of the DHCS required minimum of \$46,327,000.

Fiscal Year 2024

- As of June 30, 2024 and 2023, total assets were \$757,793,000 and \$551,510,000, respectively, an increase of \$206,283,000, or 37.4%, due to an increase in cash and cash equivalents as well as an increase in the Medi-Cal amount receivable from the State.
- Total liabilities as of June 30, 2024, were \$395,019,000 compared with \$191,558,000 as of June 30, 2023, a 106.2% increase. The increase was primarily driven by an increase in accrued Managed Care Organization (MCO) tax and accrued medical expenses.
- The Plan's total net position increased by \$2,822,000, or 0.8%, during fiscal year 2024. This increase in net position was attributable to favorability in capitation rates from the State, which resulted in a net position at June 30, 2024, of \$362,774,000 compared to a net position of \$359,952,000 at June 30, 2023.
- TNE at June 30, 2024, was 980% of the DHCS required minimum of \$37,010,000.

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

Results of Operations

As mentioned above, GCHP's fiscal year 2025 operations and nonoperating revenues and expenses, net resulted in a \$63,165,000 decrease in net position. As mentioned above, GCHP's fiscal year 2024 operations and nonoperating revenues and expenses, net resulted in a \$2,822,000 increase in net position. The following table shows the changes in revenues and expenses for 2025 compared to 2024 and 2024 compared to 2023:

Table 2 – Revenues, Expenses, and Changes in Net Position for

Fiscal Years Ended June 30

(Dollars in Thousands)

	2025	2024	2023	2025 to 2024 Change		2024 to 2023 Change	
				Amount	Percentage	Amount	Percentage
		(as restated)					
Capitation revenues	\$ 1,545,925	\$ 1,488,842	\$ 1,053,304	\$ 57,083	3.8 %	\$ 435,538	41.3 %
Total operating revenues	1,545,925	1,488,842	1,053,304	57,083	3.8 %	435,538	41.3 %
Provider capitation	93,841	101,503	101,667	(7,662)	(7.5)%	(164)	(0.2)%
Claim payments to providers and facilities	910,836	805,271	639,652	105,565	13.1 %	165,619	25.9 %
Prescription drugs	-	-	(454)	-	0.0 %	454	(100.0)%
Other medical	36,246	44,720	23,136	(8,474)	(18.9)%	21,584	93.3 %
Reinsurance, net of recoveries	1,241	(6,615)	(2,932)	7,856	(118.8)%	(3,683)	125.6 %
Total health care expenses	1,042,164	944,879	761,069	97,285	10.3 %	183,810	24.2 %
Salaries, benefits, and compensation	68,609	43,968	29,146	24,641	56.0 %	14,822	50.9 %
Professional fees	79,716	76,398	39,549	3,318	4.3 %	36,849	93.2 %
General administrative fees	3,875	9,588	3,682	(5,713)	(59.6)%	5,906	160.4 %
Supplies, occupancy, insurance, and other	2,830	2,124	1,618	706	33.2 %	506	31.3 %
Premium tax	410,247	422,751	39,516	(12,504)	(3.0)%	383,235	969.8 %
Depreciation	14,782	4,114	4,036	10,668	259.3 %	78	1.9 %
Total administrative expenses	580,059	558,943	117,547	21,116	3.8 %	441,396	375.5 %
Total operating expenses	1,622,223	1,503,822	878,616	118,401	7.9 %	625,206	71.2 %
Operating (loss) income	(76,298)	(14,980)	174,688	(61,318)	409.3 %	(189,668)	(108.6)%
Interest income	18,555	19,155	9,385	(600)	(3.2)%	9,770	104.0 %
Interest expense	(5,178)	(1,353)	(738)	(3,825)	282.7 %	(615)	83.2 %
Total nonoperating revenues and expenses, net	13,377	17,802	8,647	(4,425)	(25.1)%	9,155	105.9 %
(Decrease) increase in net position	(62,921)	2,822	183,335	(65,743)	(2329.7)%	(180,513)	(98.5)%
Total net position, beginning of year	362,774	359,952	176,617	2,822	0.8 %	183,335	103.8 %
Total net position, end of year	\$ 299,853	\$ 362,774	\$ 359,952	\$ (62,921)	(17.3)%	\$ 2,822	0.8 %

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

Enrollment, Capitation Revenue, and Health Care Expenses

Enrollment

Enrollment is divided into aid categories, which correspond to specific rates of capitation to be received by the Plan from the State. During fiscal year 2025, the Plan served an average of 244,294 members per month, compared to an average of 249,944 per month in fiscal year 2024 and 247,855 members per month in fiscal year 2023. The enrollment changes from 2024 to 2025 and from 2023 to 2024 are attributed to normal population fluctuations.

Enrollment Category	2025	2024	2023
Child	87,388	92,023	94,297
Adult	39,208	40,260	38,421
Adult Expansion	80,935	82,524	80,891
Seniors and Persons with Disabilities (SPD)	11,317	11,454	11,389
SPD - Dual	24,705	22,968	22,155
Long Term Care (LTC)	60	54	46
LTC - Dual	681	661	656
Total average monthly enrollment	244,294	249,944	247,855

Significant aid categories are defined as follows:

1. Child: Qualifying members under age 19 for CY2023. Effective January 1, 2024, the age limit was increased to 21 for this category.
2. Adult: Qualifying members between the ages of 19 and 64 for CY2023. Effective January 1, 2024, the lower age boundary was increased to 21 for this category.
3. Adult Expansion (AE): Refers to members who became eligible for the Medi-Cal program effective January 1, 2014, as a result of the implementation of the Affordable Care Act (ACA) and the expanded eligibility criteria for Medicaid.
4. Senior and Persons with Disabilities (SPD)*: Includes individuals who are 65 years of age and older who receive supplemental security income (SSI) checks, or are medically needy if their income and resources are within the Medi-Cal limits, and individuals who met the criteria for disability set by the Social Security Administration and the State Program-Disability and Audit Program Division.
5. Long-Term Care (LTC)*: Includes frail, elderly, nonelderly adults with disabilities and children with developmental disabilities, and other disabling conditions requiring long-term care services.

* "Dual" coverage refers to enrollees who are eligible for both Medi-Cal and Medicare Parts A, B, and D.

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

Fiscal Year 2025

Capitation Revenue

Capitation revenue (capitation received by the Plan from the State) is determined by rates set by the State at the beginning of the plan year and generally are effective for the entire year. The State may, on occasion, provide updated rates during the fiscal year. Total revenue for fiscal year 2025 was \$1,545,925,000, a 3.8% increase from the prior year. The increase was primarily attributable to a general increase in expected medical costs.

Health Care Expenses

Aggregate health care expenses were \$1,042,164,000 in fiscal year 2025, compared to \$944,879,000 in fiscal year 2024, which is an increase of 10.3%. The Plan's medical loss ratio, or health care expenses as a percent of operating revenues (net of MCO taxes), was 91.8% in fiscal year 2025, compared to 88.6% in fiscal year 2024. Note that the health care expenses include \$36,200,000 in provider incentives and grants.

Note the following regarding the components of health care expenses:

1. Provider capitation represents monthly payments for members assigned to primary care providers who have agreed to accept risk to provide specific services (when needed) to their members. Rates are fixed by contract and are generally known at the beginning of the fiscal year. Capitation expense for fiscal year 2025 was \$93,841,000 or \$7,662,000 lower than in fiscal year 2024. The decrease was primarily due to lower capitated membership than the prior year.
2. Other medical, including care management, expense was \$36,246,000 in fiscal year 2025, or \$8,474,000 and 18.9% lower than in fiscal year 2024. The continued material spend was primarily due to the continuation of the Quality Incentive Pool and Program.
3. Total reinsurance, net of recoveries and provider refunds resulted in a \$1,241,000 increase to health care expenses in fiscal year 2025, versus a \$6,615,180 reduction in fiscal year 2024.

Administrative Expenses

Total administrative expenses were \$580,059,000 in fiscal year 2025, compared to \$558,943,000 in fiscal year 2024, for an increase of \$21,116,000. The increase was predominantly due staffing and augmentation associated with the supporting the new claims and enrollment processing capabilities that went live on July 1, 2024. To a lesser extent, the operational and technological development of an infrastructure to support the required Medicare Dual-Special Need Program line of business to be offered effective January 1, 2026, also influenced the increase in administrative expenses.

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

Fiscal Year 2024

Capitation Revenue

Premium revenue (capitation received by the Plan from the State) is determined by rates set by the State at the beginning of the plan year and generally are effective for the entire year. The State may, on occasion, provide updated rates during the fiscal year. Total revenue for fiscal year 2024 was \$1,489,000,000, a 41.3% increase from the prior year. The increase was primarily attributable to a significant increase in the MCO tax rate and the newly eligible cohort of undocumented adults (Unsatisfactory Immigration Status) aged 26-49.

Health Care Expenses

Aggregate health care expenses were \$944,879,000 in fiscal year 2024, compared to \$761,069,000 in fiscal year 2023, which is an increase of 24.2%. The Plan's medical loss ratio, or health care expenses as a percent of operating revenues (net of MCO taxes), was 88.6% in fiscal year 2024, compared to 75.1% in fiscal year 2023.

Note the following regarding the components of health care expenses:

1. Provider capitation represents monthly payments for members assigned to primary care providers who have agreed to accept risk to provide specific services (when needed) to their members. Rates are fixed by contract and are generally known at the beginning of the fiscal year. Capitation expense for fiscal year 2024 was \$101,503,000, or \$164,000 lower than in fiscal year 2023. The decrease was primarily due to lower capitated membership than the prior year.
2. Other medical, including care management, expense was \$44,720,000 in fiscal year 2024, or \$21,584,000 and 93.3% higher than in fiscal year 2023. The increase was primarily due to the institution of Quality Incentive Pool and Program.
3. Total reinsurance, net of recoveries and provider refunds resulted in a \$6,615,000 reduction to health care expenses in fiscal year 2024, versus \$2,932,000 in fiscal year 2023.

Administrative Expenses

Total administrative expenses were \$558,943,000 in fiscal year 2024, compared to \$117,547,000 in fiscal year 2023, for an increase of \$441,396,000. The increase was predominantly due to a State augmentation in the MCO Premium tax expense. This tax was \$422,751,000 in fiscal year 2024 compared to \$39,516,000 in fiscal year 2023, an increase of \$383,235,000.

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Management's Discussion and Analysis

On December 15, 2023, the federal Centers for Medicare and Medicaid Services (CMS) approved the MCO tax authorized by Assembly Bill 119 (Chapter 13, Statutes of 2023) and submitted by DHCS on June 29, 2023. The MCO tax was approved with an effective date of April 1, 2023 through December 31, 2026, as provided in AB 119 and requested by DHCS. The MCO tax model is based on enrollment in each applicable health plan using data for the January 1, 2022 through December 31, 2022 year, as modified by DHCS to account for the nonrenewal of UnitedHealthcare Community Plan of California, Inc.'s contract as of January 1, 2023, and for known or anticipated changes that will affect Medi-Cal enrollment on or after January 1, 2024.

Other administrative expenses increased from the prior year due to increased expenses related to new enterprise projects as compared to prior years and increases in staffing.

Tangible Net Equity

GCHP is required by DHCS to maintain certain levels of TNE. Regulatory TNE levels are determined by formula and are based on specified percentages of revenue and medical expenses. Driven by its operating performance, the Plan's TNE at June 30, 2025, was \$299,853,000, which exceeded the required TNE amount of \$46,327,000. The Plan's TNE at June 30, 2024, was \$362,774,000, which exceeded the required TNE amount of \$37,010,000.

Table 4 – Tangible Net Equity (TNE)
(Dollars in Thousands)

	June 30, 2025	(as restated) June 30, 2024	June 30, 2023
Actual TNE, beginning balance	\$ 362,774	\$ 359,952	\$ 176,617
Change in net position	(62,921)	2,822	183,335
Actual TNE, ending balance	<u>\$ 299,853</u>	<u>\$ 362,774</u>	<u>\$ 359,952</u>
Required TNE	<u>\$ 46,327</u>	<u>\$ 37,010</u>	<u>\$ 32,914</u>

Requests for Information

This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of GCHP's operations. If the reader has questions or would like additional information about GCHP, please direct the request to GCHP, 711 East Daily Drive, Suite 106, Camarillo, CA 93010, or call 805-437-5500.

Report of Independent Auditors

The Commission

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (a discrete component unit of the County of Ventura, California), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2025, Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan adopted the accounting requirements of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

San Francisco, California

 , 2025

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Financial Statements

Ventura County Medi-Cal Managed Care Commission
dba Gold Coast Health Plan
Statements of Net Position
June 30, 2025 and 2024

	2025	2024 (as restated)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 290,718,208	\$ 430,974,305
Short-term investments	104,396,027	99,718,245
Capitation receivable	213,250,889	173,911,167
Provider receivables	34,764,364	12,484,788
Reinsurance and other receivables	9,357,192	6,351,899
Prepaid expenses and other assets	29,928,112	29,265,636
Total current assets	682,414,792	752,706,040
RESTRICTED DEPOSIT	315,518	-
CAPITAL ASSETS, net	294,447	552,659
INTANGIBLE RIGHT TO USE LEASE, net of accumulated amortization	2,326,265	3,494,070
INTANGIBLE RIGHT TO USE SUBSCRIPTION, net of accumulated amortization	42,550,737	1,040,200
Total assets	<u>\$ 727,901,759</u>	<u>\$ 757,792,969</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Medical claims liability	\$ 205,452,176	\$ 157,746,095
Capitation payable	7,526,516	11,012,947
Payable to the State of California	36,908,360	56,394,287
Accounts payable	6,704,869	4,671,951
Accrued payroll and employee benefits	9,850,497	7,155,064
Accrued premium tax	105,862,040	138,769,137
Accrued expenses and other	23,528,657	13,180,466
Current portion of lease and subscription liability	7,035,804	2,411,211
Total current liabilities	402,868,919	391,341,158
LEASE AND SUBSCRIPTION LIABILITY, net of current portion	25,180,339	3,677,360
Total liabilities	<u>428,049,258</u>	<u>395,018,518</u>
NET POSITION		
Net invested in capital assets	294,447	552,659
Restricted	315,518	-
Unrestricted net position	299,242,536	362,221,792
Total net position	<u>299,852,501</u>	<u>362,774,451</u>
Total liabilities and net position	<u>\$ 727,901,759</u>	<u>\$ 757,792,969</u>

See accompanying notes.

Ventura County Medi-Cal Managed Care Commission
dba Gold Coast Health Plan
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024

	2025	2024 (as restated)
OPERATING REVENUES		
Capitation revenues	\$ 1,545,925,340	\$ 1,488,841,733
Total operating revenues	1,545,925,340	1,488,841,733
OPERATING EXPENSES		
Health care expenses		
Provider capitation	93,841,260	101,503,100
Claim payments to providers and facilities	910,835,843	805,271,007
Other medical	36,246,182	44,720,048
Reinsurance, net of recoveries	1,241,262	(6,615,190)
Total health care expenses	1,042,164,547	944,878,965
ADMINISTRATIVE EXPENSES		
Salaries, benefits, and compensation	68,609,461	43,967,637
Professional fees	79,715,691	76,397,786
General administrative fees	3,874,603	9,587,624
Supplies, occupancy, insurance, and other	2,830,108	2,124,095
Premium tax	410,247,122	422,751,069
Depreciation and amortization	14,782,481	4,113,945
Total administrative expenses	580,059,466	558,942,156
Total operating expenses	1,622,224,013	1,503,821,121
Operating loss	(76,298,673)	(14,979,388)
NONOPERATING REVENUES AND EXPENSES, NET		
Interest income	18,554,583	19,155,484
Interest expense	(5,177,860)	(1,353,283)
Total nonoperating revenues and expenses, net	13,376,723	17,802,201
(Decrease) increase in net position	(62,921,950)	2,822,813
NET POSITION, beginning of year	362,774,451	359,951,638
NET POSITION, end of year	\$ 299,852,501	\$ 362,774,451

See accompanying notes.

Ventura County Medi-Cal Managed Care Commission
dba Gold Coast Health Plan
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Capitation revenues received	\$ 1,487,099,691	\$ 1,457,136,161
Reinsurance premiums paid	(4,633,735)	(4,682,591)
Payments to providers and facilities	(1,018,606,714)	(944,671,069)
Payments of premium tax	(443,154,219)	(283,981,932)
Payments of administrative expenses	(141,216,182)	(146,760,840)
Net cash (used in) provided by operating activities	(120,511,159)	77,039,729
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(88,451)	(36,243)
Interest payments	(5,177,860)	(1,353,237)
Payments on subscription liability	(26,626,794)	(1,927,018)
Payments on lease liability	(1,423,798)	(1,307,697)
Net cash used in capital and related financing activities	(33,316,903)	(4,624,195)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of deposit	(315,518)	-
Interest income	13,887,483	14,391,786
Net cash provided by investing activities	13,571,965	14,391,786
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(140,256,097)	86,807,320
Cash and cash equivalents, beginning of year	430,974,305	344,166,985
Cash and cash equivalents, end of year	<u>\$ 290,718,208</u>	<u>\$ 430,974,305</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (76,298,673)	\$ (14,979,388)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities		
Depreciation and amortization	14,782,481	4,113,945
Changes in assets and liabilities		
Receivables	(64,635,273)	(95,270,535)
Prepaid expenses and other assets	(662,476)	(23,584,491)
Medical claims liability	47,706,081	13,351,048
Capitation payable	(3,486,431)	(244,019)
Payable to the State of California	(19,485,928)	45,983,238
Accounts payable	2,032,918	3,216,863
Accrued premium tax	(32,907,097)	138,769,117
Accrued payroll and employee benefits	2,695,454	3,965,451
Accrued expenses and other	9,747,785	1,718,500
Net cash (used in) provided by operating activities	<u>\$ (120,511,159)</u>	<u>\$ 77,039,729</u>

See accompanying notes.

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan Notes to Financial Statements

Note 1 – Organization and Operations

Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan (GCHP or the Plan) is a county-organized health system (COHS) organized to serve Medi-Cal beneficiaries living in Ventura County, California. The formation of GCHP was approved by the Board of Supervisors of the County of Ventura in December 2009 through the adoption of Ordinance No. 4409.

As a COHS, GCHP maintains an exclusive contract (the Contract) with the State of California Department of Health Care Services (DHCS) to arrange for the provision of health care services to Ventura County's approximately 244,000 Medi-Cal beneficiaries. All of GCHP's revenues are earned from the State of California (the State) in the form of capitation payments. Revenue is primarily based on enrollment and capitation rates as provided for in the Contract. The Plan began providing services to Medi-Cal beneficiaries in July 2011. In August 2013, the State of California transferred the Healthy Families Program members in Ventura County into the Medi-Cal program, Targeted Low Income Program. In January 2014, the federal Affordable Care Act (ACA) expanded health coverage to certain adults age 19 or older and under 65 and resulted in new enrollment through Adult Expansion (AE) and other population groups. In January 2022, the DHCS launched a new program to improve the health and wellbeing of Medi-Cal members beyond traditional medical services, make services work together better, and improve the quality of services called California Advancing and Innovating Medi-Cal (CalAIM). Upon implementation of the program, the Plan began offering a new benefit, Enhanced Care Management (ECM), and new services called Community Supports.

Note 2 – Compliance with the DHCS, Concentration Risk, Tangible Net Equity, and Restricted Net Position

As a limited licensure plan under Knox-Keene Health Care Service Plan Act of 1975, GCHP is required to maintain a minimum deposit balance. As of June 30, 2025, approximately \$316,000 is presented as a restricted deposit and restricted net position on the accompanying statements of net position.

GCHP's contract with the DHCS includes several financial and nonfinancial requirements. As established by the contract, GCHP is required to meet and maintain a minimum level of tangible net equity (TNE). TNE is defined as the excess of total assets over total liabilities, excluding subordinated liabilities and intangible assets.

Required and actual TNE are as follows:

	June 30,	
	2025	2024
	(in thousands)	
Actual TNE, beginning balance	\$ 362,774	\$ 359,952
Change in net position	(62,921)	2,822
Reportable TNE	<u>\$ 299,853</u>	<u>\$ 362,774</u>
Required TNE	<u>\$ 46,327</u>	<u>\$ 37,010</u>

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The ability of GCHP to continue as a going concern is dependent on its continued compliance with the DHCS requirements. The loss of this contract would have an adverse effect on GCHP's future operations.

Note 3 – Summary of Significant Accounting Policies

Basis of presentation – GCHP is a county-organized health system governed by an 11-member Ventura County Medi-Cal Managed Care Commission appointed by the Ventura County Board of Supervisors. Effective for the fiscal year ended June 30, 2011, GCHP began reporting as a discrete component unit of the County of Ventura, California. The County made this determination based on the County Board of Supervisors having the right to elect 100% of the GCHP Commissioners.

Basis of accounting – GCHP uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis, using the economic resources measurement focus. The accompanying financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board (GASB).

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments – The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of these financial instruments. The carrying amounts reported in the statement of net position for capitation receivable, provider receivables, reinsurance and other receivables, prepaid expenses and other assets, medical claims liability, capitation payable, accounts payable, payable to the State of California, accrued payroll and employee benefits, accrued premium tax, and other liabilities approximate their fair values as they are expected to be realized within the next fiscal year.

Cash and cash equivalents – Cash and cash equivalents include highly liquid instruments purchased with an original maturity of three months or less when purchased.

Custodial credit risk-deposits – Custodial credit risk is the risk that in the event of a bank failure, GCHP may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. As of June 30, 2025 and 2024, all accounts were covered by posted collateral.

Investments – Investments are stated at fair value in accordance with GASB Codification Section 150. The fair value of investments is estimated based on quoted market prices, when available. For debt securities not actively traded, fair values are estimated using values obtained from external pricing services or are estimated by discounting the expected future cash flows, using current market rates applicable to the coupon rate, credit, and maturity of the investments. Certain external investment pools are carried at amortized cost.

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All investments with an original maturity of one year or less when purchased are recorded as current investments, unless designated or restricted for long-term purposes.

Capitation receivable – Capitation receivable represents capitation revenue for the years ended June 30, 2025 and 2024, received subsequent to June 30, 2025 and 2024, respectively. Capitation receivable also includes final revenue rate adjustments based on communications from the DHCS. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering payment history, financial condition, and current economic conditions. Subsequent adjustments to the contracted rates or enrollments are recognized in the period the adjustment is determined.

Provider receivables – Provider receivables are recorded for all claim refunds or advance payments due from providers. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering payment history, financial condition, and current economic conditions. As of June 30, 2025, the provider receivable balance included approximately \$34,000,000 outstanding from a provider advance to a related party. The advance was repaid in full subsequent to June 30, 2025.

Reinsurance – In the normal course of business, the Plan seeks to reduce the loss that may arise from events that cause unfavorable medical claim results by reinsuring certain levels of risk in various areas of exposure with a reinsurer. Amounts recoverable from reinsurance are estimated in a manner consistent with the development of the medical claim liability.

Amounts recoverable from reinsurers that relate to paid claims are classified as assets and as a reduction to medical expenses incurred. Reinsurance premiums paid are included in medical expenses.

Capital assets – Capital assets are stated at cost at the date of acquisition. The costs of normal maintenance, repairs, and minor replacements are expensed when incurred. Capital assets acquired but not yet placed into service are reported as construction in progress. Construction-in-progress assets are not depreciated until they are placed into service.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Long-lived assets are periodically reviewed for impairment. The estimated useful lives of three to seven years are used for furniture, fixtures, computer equipment, and software. Leasehold improvements are depreciated over the life of the lease or estimated useful life, whichever is shorter. Depreciation expense for the years ended June 30, 2025 and 2024, was approximately \$347,000 and \$466,000, respectively.

Intangible right to use subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any contract payments made to the Subscription-Based Information Technology Arrangements (SBITA) vendor at the commencement of the subscription term and capitalizable initial implementation costs, less any incentive payments received from the SBITA vendor at the commencement of the subscription term. The subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying assets. Refer to Note 8 for additional information.

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Medical claims liability, capitation payable, and medical expenses – GCHP establishes a claims liability based on estimates of the ultimate cost of claims in process and a provision for claims incurred but not yet reported, which is actuarially determined based on historical claims payment experience and other operational changes. In cases where adequate historical claims payment experience does not yet exist for a new population, a book-to-budget methodology is used in which GCHP relies on state-developed medical rates or medical loss ratios to estimate claims liabilities.

Such reserves are continually monitored and reviewed, with any adjustments made as necessary in the period the adjustment is determined. Management believes that the claims liability is adequate and fairly stated; however, this liability is based on estimates, and the ultimate liability may differ from the amounts provided.

GCHP has provider services agreements with several health networks in Ventura County, whereby the health networks provide care directly to covered members or through subcontracts with other health care providers. Payment for the services provided by the health networks is on a fully capitated basis. The capitation amount is based on contractually agreed-upon terms with each health network. GCHP may withhold amounts from providers at an agreed-upon percentage of capitation payments made to ensure the financial solvency of each contract. The capitation expense is included in provider capitation in the statements of revenues, expenses, and changes in net position.

Medical claims payments to a related party amounted to approximately \$106,790,000 and \$79,049,000 during the years ended June 30, 2025 and 2024, respectively and are included in claim payments to providers and facilities on the accompanying statements of revenues, expenses, and changes in net position.

Payable to the State of California – The liability at June 30, 2025 and 2024, was approximately \$36,908,000 and \$56,394,000, respectively, due to State of California funding programs that have minimum Medical Loss Ratio (MLR) requirements and potential amounts due back to the State. The majority of the balance as of June 30, 2025, represents an estimate due back to the State of California for the ECM risk corridor for the period of January 1, 2023 through June 30, 2025, and an estimate for premium rate adjustments and overpayments. The majority of the balance as of June 30, 2024, represents an estimate due back to the State of California for the ECM risk corridor for the period of January 1, 2022 through June 30, 2024, and an estimate for premium rate adjustments and overpayments. As of June 30, 2025 and 2024, the estimated amount due related to the ECM risk corridor was approximately \$16,799,000 and \$22,584,000, respectively. The liability may vary depending on actual claims experience and final reconciliation and audit results. This liability is presented in the payable to the State of California in the accompanying statements of net position.

Accounts payable and accrued expenses – GCHP is required to estimate certain expenses, including accrued payroll, payroll taxes, and professional services fees, as of each statement of net position date and make appropriate accruals based on these estimates. Estimates are affected by the status and timing of services provided relative to the actual level of services performed by the service providers. The date on which certain services commence, the level of services performed on or before a given date, and the cost of services are often subject to judgment. These judgments are based upon the facts and circumstances known at the date of the financial statements. For the periods presented in the financial statements, there were no material adjustments to the estimates for accrued payroll, payroll taxes, and professional services fees.

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Premium deficiency reserves – GCHP performed an analysis of its expected future health care and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. Should expected costs exceed anticipated revenues, a premium deficiency reserve would be accrued. A premium deficiency reserve was not required as of June 30, 2025 or 2024.

Accrued compensated absences – GCHP implemented GASB Statement No. 101, *Compensated Absences* (GASB 101), effective July 1, 2023. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. It also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

During the year ended June 30, 2025, GCHP implemented GASB 101 on a retroactive basis by restating June 30, 2024, balances, as required. These changes had an effect on the beginning net position of GCHP. GCHP recognized \$2,914,498 in a liability as of July 1, 2023, due to the implementation of GASB 101. The implementation of GASB 101 had the following effect on net position as reported as of June 30, 2024.

Net position as of June 30, 2024, as previously reported	\$ 365,688,949
GASB 101 Compensated Absences	<u>(2,914,498)</u>
Net position as of June 30, 2024, as restated	<u>\$ 362,774,451</u>

GCHP's policy permits eligible employees to accrue vacation based on their individual employment agreements. Unused vacation may be carried over into subsequent years, up to limits indicated in their employment agreements. Accumulated vacation will be paid to the employee upon separation from service with GCHP. All compensated absences are accrued and recorded in accordance with GASB 101 and are included in accrued payroll and employee benefits in the accompanying statements of net position. GCHP provides paid sick leave. Unused sick hours carry over from one year to the next. Unused time under this policy is not paid out at the time of separation from employment.

Premium taxes –On December 15, 2023, the Centers for Medicare and Medicaid Services (CMS) approved the MCO tax authorized by Assembly Bill 119 (Chapter 13, Statutes of 2023) and submitted by DHCS on June 29, 2023. The MCO tax was approved with an effective date of April 1, 2023 through December 31, 2026, as provided in AB 119 and requested by DHCS. The MCO tax model is based on enrollment in each applicable health plan using data for the January 1, 2022 through December 31, 2022 year, as modified by DHCS, and for known or anticipated changes that will affect Medi-Cal enrollment on or after January 1, 2024. GCHP's MCO tax liability for the year ended June 30, 2025, is approximately \$410,247,000, of which \$105,862,000 remains unpaid as of June 30, 2025.

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Net position – Net position is broken down into three categories, defined as follows:

Net invested in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable (if any) to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of external constraints placed on net asset used by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation. There was approximately \$316,000 and \$0 classified as restricted net position based upon constraints imposed by enabling legislation as of June 30, 2025 and 2024, respectively.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net invested in capital assets.”

Revenue recognition – Capitation revenue received under the Contract is recognized during the period in which GCHP is obligated to provide medical service to the beneficiaries. This revenue is based on estimated enrollment provided monthly by the DHCS and capitation rates as provided for in the DHCS Contract. Enrollment and the capitation rates are subject to retrospective changes by the DHCS. As such, capitation revenue includes an estimate for amounts receivable from or refundable to the DHCS for these retrospective changes in estimates. These estimates are continually monitored and reviewed, with any changes in estimates recognized in the period when determined.

During the years ended June 30, 2025 and 2024, GCHP received approximately \$21,742,000 and \$31,741,000, respectively, of supplemental fee revenue from the DHCS as a hospital quality assurance fee (HQAF) as a result of SB 229. This program uses hospital fees assessed by the State to draw down federal matching funds, that are then distributed to qualifying hospitals.

DHCS implemented a managed care Designated Public Hospital (DPH) Quality Incentive Pool (QIP) that was expanded effective July 1, 2020, under which managed care plans were directed to make QIP payments tied to performance on designated performance metrics in four strategic categories: primary care, specialty care, inpatient care, and resource utilization. The QIP payments are linked to delivery of services under the managed care plan contracts and increase the amount of funding tied to quality outcomes. During the years ended June 30, 2025 and 2024, GCHP received approximately \$119,818,000 and \$113,797,000, respectively, in QIP payments.

DHCS also established a Directed Payments DPH Enhanced Payment Program (EPP) under which managed care providers were directed to reimburse California’s 21 DPHs for network contracted services delivered by DPH systems, enhanced by either a uniform percentage or dollar increment based on actual utilization of network contracted services. The State will evaluate the extent to which enhanced payments are achieving the goals identified. During the years ended June 30, 2025 and 2024, GCHP received approximately \$17,959,000 and \$16,145,000, respectively, through the EPP.

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DHCS also established a Private Hospital Directed Payment Program (PHDPP) under which managed care providers were directed to reimburse private hospitals, as defined in WIC 14169.51, based on actual utilization of contracted services. The enhanced payment is contingent upon hospitals providing adequate access to service, including primary, specialty, and inpatient (both tertiary and quaternary) care. During the years ended June 30, 2025 and 2024, GCHP received approximately \$32,918,000 and \$34,572,000, respectively, through the PHDPP.

GCHP passed these HQAF, QIP, EPP, and PHDPP funds through to providers. These amounts were not reflected in the accompanying financial statements for the years ended June 30, 2025 and 2024, as the amounts passed through to the providers do not meet requirements for revenue recognition under accounting standards issued by the GASB.

GCHP has an agreement with the DHCS to receive an intergovernmental transfer (IGT) through a capitation rate increase of \$44,899,000 and \$45,102,000 recorded in years ended June 30, 2025 and 2024, respectively. Under the agreement, these funds that are distributed to providers are not reported on the statements of revenues, expenses, and changes in net position, or the statements of net position, as these amounts do not meet requirements for revenue recognition under accounting standards issued by the GASB. GCHP did not retain any of this IGT during the years ended June 30, 2025 and 2024, for administrative costs.

DHCS has established the CalAIM Incentive Payment Program (IPP). Under the program, GCHP is eligible to receive incentive payments from DHCS based on the successful completion of DHCS-established development goals, objectives, and measures of the program's priority areas. The Plan received approximately \$6,027,000 in July 2023 and approximately \$5,870,000 in November 2023. The amounts were recognized as revenue during the year ended June 30, 2024. The Plan received approximately \$8,001,000 in December 2024. The amount was recognized as revenue during the year ended June 30, 2025.

Effective January 1, 2022, DHCS implemented the Housing and Homelessness Incentive Program (HHIP). Under the program, GCHP is eligible to receive incentive payments from DHCS based on the successful completion and achievement of program measures as well as Local Homelessness Plan and Investment Plan submissions. The Plan received approximately \$4,954,000 for calendar year 2022 in May 2023 and approximately \$8,256,000 for calendar year 2023 in April 2024. The amounts were both recognized as revenue during the year ended June 30, 2024. No payments were received, and no revenue was recognized for the year ended June 30, 2025.

Operating revenues and expenses – GCHP's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with arranging for the provision of health care services. Operating expenses are all expenses incurred to arrange for the provision of health care services, as well as the costs of administration. Claims adjustment expenses are an estimate of the cost to process the claims and are included in operating expenses. Nonexchange revenues and expenses are reported as nonoperating revenues and expenses.

Administrative expenses – Administrative expenses are recognized as incurred and consist of administrative expenses that directly relate to the implementation and operation costs of the Plan. Capitation contract acquisition costs are expensed in the period incurred.

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Defined contribution plan – GCHP has adopted, and its employees are participants in, the California Public Agencies Self-Directed Tax-Advantaged Retirement System (CPA STARS). CPA STARS is a California public trust organized under the laws of the State of California and includes the STARS 401(a) Retirement Plan (the 401 Plan), which is a retirement plan under Section 401(a) of the Internal Revenue Code. GCHP participation in the 401 Plan is defined by the 401(a) Trust Agreement and the 401 Plan Agreement between GCHP and CPA STARS.

All regular employees participate in the CPA STARS 401 Plan. Employee contributions to the 401 Plan are not allowed. GCHP makes employer contributions to the 401 Plan in an amount annually determined under the 401 Plan Agreement. For the years ended June 30, 2025 and 2024, GCHP contributions to the 401 Plan were \$4,894,000 and \$3,916,000, respectively.

Deferred compensation plan – GCHP has adopted, and its employees are participants in, the CPA STARS 457(b) deferred compensation plan (the 457 Plan). The 457 Plan was created in accordance with Internal Revenue Code Section 457 and permits employees to defer a portion of their annual salary until future years. GCHP participation in the 457 Plan is defined by the 457 Trust Agreement between GCHP and CPA STARS. Employee participation in the 457 Plan is voluntary, and GCHP has not made any contributions. As such, there were no GCHP employer contributions for the years ended June 30, 2025 and 2024.

Leases – GCHP recognizes lease contracts or equivalents that have a term exceeding one year, the cumulative future payments on the contract exceed \$50,000, and that meet the definition of an other than short-term lease. GCHP uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using GCHP's incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

Income taxes – GCHP operates under the purview of the Internal Revenue Code, Section 501(a) and corresponding California Revenue and Taxation Code provisions. As such, GCHP is not subject to federal or state taxes. Accordingly, no provision for income tax has been recorded in the accompanying financial statements.

Risk management – GCHP is exposed to various risks of loss from torts, business interruption, errors and omissions, and natural disasters. Commercial insurance coverage is purchased by GCHP for claims arising from such matters. No claims have exceeded commercial coverage.

Reclassifications – Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 presentation, with no impact to net position or change in net position.

Recent accounting pronouncements – In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB 102). GASB 102 requires a government to assess whether a concentration or constraint makes it vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur, within 12 months of the date the financial statements are issued. Additional disclosures may be required as a result of these assessments. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024. GCHP implemented GASB 102 effective July 1,

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2024. GCHP implemented GASB 102 during the fiscal year ended June 30, 2025, which did not have an impact on the financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103). GASB 103 requires additional presentation and disclosure changes in the areas of management discussion & analysis, unusual or infrequent items, proprietary fund statement of revenues, expenses, and changes in fund net position, major component units, and budgetary comparison information. GCHP has elected to change its fiscal year-end from June 30 to December 31, effective December 31, 2025. As a result, there will be a six-month stub period ending December 31, 2025. The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025. GCHP is reviewing the impact of the adoption of GASB 103 for the fiscal year ending December 31, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). The objective of GASB 104 is to provide users of government financial statements with essential information about certain types of capital assets. GASB 104 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right to use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription- Based Information Technology Arrangements* (SBITAs), also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. GASB 104 also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. GASB 104 is effective for GCHP during the year ending December 31, 2026. Management is evaluating the implementation of this statement on their financial statements.

Note 4 – Cash and Investments

Investments – The Plan invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, and money market funds.

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Interest rate risk – In accordance with its Annual Investment Policy (investment policy), GCHP manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with the Plan's expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. The Plan maintains a low-weighted average maturity strategy, targeting a portfolio with maturities of three years or less, with the intent of reducing interest rate risk. Portfolios with low weighted average maturities are less volatile because they are less sensitive to interest rate changes. As of June 30, 2025 and 2024, the weighted average maturity of GCHP's investments, including cash equivalents was approximately 1 day.

The Plan's investments as of June 30, 2025, are summarized as follows:

Investment Type	Carrying Value	Maximum Maturity*	Weighted Average Maturity (Years)	Weighted Average Maturity (Days)
CalTrust Investment Fund	\$ 39,763,943	N/A	-	1
Local Agency Investment Fund	44,511,614	N/A	-	1
Ventura County Investment Pool	20,120,470	N/A	-	1
	<u>\$ 104,396,027</u>		<u>-</u>	<u>1</u>

* Per investment policy (Gov't code section 53601)

The Plan's investments as of June 30, 2024, are summarized as follows:

Investment Type	Carrying Value	Maximum Maturity*	Weighted Average Maturity (Years)	Weighted Average Maturity (Days)
CalTrust Investment Fund	\$ 37,837,945	-	-	1
Local Agency Investment Fund	42,530,370	-	-	1
Ventura County Investment Pool	19,349,930	-	-	1
	<u>\$ 99,718,245</u>		<u>-</u>	<u>1</u>

* Per investment policy (Gov't code section 53601)

Credit risk – GCHP's investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from two nationally recognized rating services: Standard and Poor's Corporation (S&P) and Moody's Investor Service (Moody's). For an issuer of short-term debt, the rating must be no less than "A-1" (S&P) or "P-1" (Moody's), while an issuer of long-term debt shall be rated no less than an "A."

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Credit ratings of investments and cash equivalents as of June 30, 2025, are summarized below:

Investment Type	Carrying Value	Minimum Legal Rating*	Ratings as of Year-End (S&P / Moody's)			
			Exempt From Rating	A-1 / P-1	A1 / AA+	A1 / A+
CalTrust Investment Fund	\$ 39,763,943	None	\$ 39,763,943	\$ -	\$ -	\$ -
Local Agency Investment Fund	44,511,614	None	44,511,614	-	-	-
Ventura County Investment Pool	20,120,470	None	20,120,470	-	-	-
	<u>\$ 104,396,027</u>		<u>\$ 104,396,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Per investment policy (Gov't code section 53601)

Credit ratings of investment and cash equivalents as of June 30, 2024, are summarized below:

Investment Type	Carrying Value	Minimum Legal Rating*	Ratings as of Year-End (S&P / Moody's)			
			Exempt from rating	A-1 / P-1	A1 / AA+	A1 / A+
CalTrust Investment Fund	\$ 37,837,945	None	\$ 37,837,945	\$ -	\$ -	\$ -
Local Agency Investment Fund	42,530,370	None	42,530,370	-	-	-
Ventura County Investment Pool	19,349,930	None	19,349,930	-	-	-
	<u>\$ 99,718,245</u>		<u>\$ 99,718,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Per investment policy (Gov't code section 53601)

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. GCHP's Policy does not contain any specific provisions to limit exposure to concentration of credit risk, but conforms to the California Government Code section 53601 to meet the percentage limits of investment holdings.

The Plan's percentage of portfolio as of June 30, 2025, is summarized below:

Investment Type	Issuer	Carrying Value	Percentage of Portfolio
CalTrust Investment Fund	Wells Fargo	\$ 39,763,943	38.1%
Local Agency Investment Fund	State of California Treasurer	44,511,614	42.6%
Ventura County Investment Pool	County of Ventura Treasurer	20,120,470	19.3%
Total Funds Available for Investments		<u>\$ 104,396,027</u>	<u>100.0%</u>

The Plan's percentage of portfolio as of June 30, 2024, is summarized below:

Investment Type	Issuer	Carrying Value	Percentage of Portfolio
CalTrust Investment Fund	Wells Fargo	\$ 37,837,945	37.9%
Local Agency Investment Fund	State of California Treasurer	42,530,370	42.7%
Ventura County Investment Pool	County of Ventura Treasurer	19,349,930	19.4%
Total Funds Available for Investments		<u>\$ 99,718,245</u>	<u>100.0%</u>

Investments – GCHP categorizes its fair value investments within the fair value hierarchy established by U.S. GAAP. The hierarchy for fair value measurements is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Ventura County Medi-Cal Managed Care Commission

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Notes to Financial Statements

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 – Significant unobservable inputs.

The following is a description of the valuation methodologies used for instruments at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

External investment pools – CalTrust is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A board of trustees supervises and administers the investment program of the trust. CalTrust has four pools: money market account, short-term, medium-term, and long-term. The Plan has deposits in the Short-Term Fund. Investments in CalTrust Short-Term Fund are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

The Plan is a voluntary participant in CalTrust. The Plan's investment in this pool is reported in the accompanying financial statements at amortized cost, based on the Plan's pro rata share of the respective pool as reported by CalTrust. As of June 30, 2025 and 2024, the Plan held approximately \$39,764,000 and \$37,838,000 in CalTrust, respectively.

The California State Treasurer's Office makes available the Local Agency Investment Fund (LAIF) through which local governments may pool investments. Each governmental entity may invest up to \$65,000,000 in the fund. Investments in the LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The Plan is a voluntary participant in the LAIF. The value of the GCHP's investments in the LAIF is reported in the accompanying financial statements based on the GCHP's pro rata share of the amortized cost value provided by the LAIF for the entire LAIF portfolio. As of June 30, 2025 and 2024, the Plan held approximately \$44,512,000 and \$42,530,000 in LAIF, respectively.

The Ventura County Investment Pool (VCIP) is available to local public governments, agencies, and school districts within Ventura County (the County). Wells Fargo Bank NA serves as custodian for the pool's investments. The portfolio is typically comprised of U.S. agency securities and high-quality, short-term instruments, resulting in a relatively short-weighted average maturity. Value calculations are based on market values provided by the County's investment custodian. Investments in the VCIP are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The Plan is a voluntary participant in the VCIP. The value of the GCHP's investments in the VCIP is reported in the accompanying financial statements based on the GCHP's pro rata share of the amortized cost value provided by the VCIP for the entire VCIP portfolio. As of June 30, 2025 and 2024, the Plan held approximately \$20,120,000 and \$19,350,000, respectively, in VCIP.

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Notes to Financial Statements

The following tables present the fair value measurements of assets recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall.

The Plan had the following recurring fair value measurements as of June 30, 2025:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments not subject to fair value hierarchy				
CalTrust Investment Fund	\$ 39,763,943			
Local Agency Investment Fund	44,511,614			
Ventura County Investment Pool	20,120,470			
	<u>\$ 104,396,027</u>			

The Plan had the following recurring fair value measurements as of June 30, 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments not subject to fair value hierarchy				
CalTrust Investment Fund	\$ 37,837,945			
Local Agency Investment Fund	42,530,370			
Ventura County Investment Pool	19,349,930			
	<u>\$ 99,718,245</u>			

Note 5 – Administrative Services Agreements

Conduent, Inc. (Conduent), formerly Affiliated Computer Services – GCHP entered into an agreement with Conduent on June 28, 2017, to provide certain operational services, for a two-year term with 4- to 6-month extensions beginning July 1, 2017. On May 1, 2019, GCHP and Conduent entered into a new agreement extending service through June 30, 2024. On July 1, 2024, GCHP and Conduent entered into a new agreement extending service through June 30, 2025. Included in the extension is a project to replace the existing technology platform with a new system and realign business processes. Compensation for these services is based on a per-member, per-month cost at varying membership levels. These costs are recorded as expenses in the period incurred. Total expenses for services provided for the years ended June 30, 2025 and 2024, were approximately \$5,231,000 and \$22,255,000, respectively, and are reported in professional fees on the accompanying statements of revenues, expenses, and changes in net position.

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Carelon Behavioral Health, LLC (Carelon) – On April 14, 2014, GCHP entered into a two-year agreement with Carelon, previously known as Beacon Health Strategies, to provide administrative services to arrange for and support the administration of behavioral health services for GCHP. The agreement with Carelon has been extended through December 31, 2025. Total expenses for Carelon were approximately \$4,404,000 and \$518,000 for the years ended June 30, 2025 and 2024, respectively, and are included in professional fees on the accompanying statements of revenues, expenses, and changes in net position.

Netmark Business Services, LLC (Netmark) – GCHP entered into an agreement with Netmark on September 26, 2023, to provide services as its Business Processing Organization for its claims processing. Total expenses for Netmark were approximately \$1,348,000 and \$2,070,000 for the years ended June 30, 2025 and 2024, respectively, and are included in professional fees on the accompanying statements of revenues, expenses, and changes in net position.

Note 6 – Capital Assets

Capital asset activity during the year ended June 30, 2025, consisted of the following:

	Balance June 30, 2024	Increases	Transfers	Decreases	Balance June 30, 2025
Capital assets					
Leasehold improvements	\$ 1,804,976	\$ -	\$ -	\$ -	\$ 1,804,976
Software and equipment	2,745,821	33,356	-	-	2,779,177
Furniture and fixtures	1,197,450	55,095	-	-	1,252,545
Total capital assets	5,748,247	88,451	-	-	5,836,698
Less accumulated depreciation and amortization for					
Leasehold improvements	1,586,891	158,619	-	-	1,745,510
Software and equipment	2,402,873	179,495	-	-	2,582,368
Furniture and fixtures	1,205,824	8,549	-	-	1,214,373
Total accumulated depreciation	5,195,588	346,663	-	-	5,542,251
Total capital assets, net	\$ 552,659	\$ (258,212)	\$ -	\$ -	\$ 294,447

Ventura County Medi-Cal Managed Care Commission
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Notes to Financial Statements

Capital asset activity during the year ended June 30, 2024 consisted of the following:

	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
Capital assets					
Leasehold improvements	\$ 1,804,976	\$ -	\$ -	\$ -	\$ 1,804,976
Software and equipment	2,709,578	36,243	-	-	2,745,821
Furniture and fixtures	1,197,450	-	-	-	1,197,450
Total capital assets	5,712,004	36,243	-	-	5,748,247
Less accumulated depreciation and amortization for					
Leasehold improvements	1,401,200	185,691	-	-	1,586,891
Software and equipment	2,129,965	272,908	-	-	2,402,873
Furniture and fixtures	1,198,472	7,352	-	-	1,205,824
Total accumulated depreciation	4,729,637	465,951	-	-	5,195,588
Total capital assets, net	\$ 982,367	\$ (429,708)	\$ -	\$ -	\$ 552,659

Note 7 – Medical Claims Liability

Medical claims liability and capitation payable consists of the following:

	June 30,	
	2025	2024
Claims payable or pending approval	\$ 18,345,175	\$ 18,370,448
Capitation payable	7,526,516	11,012,947
Provisions for claims incurred but not yet reported and other	166,097,653	103,483,161
Directed payments to providers payable	21,009,348	35,892,486
	<u>\$ 212,978,692</u>	<u>\$ 168,759,042</u>

The cost of health care services is recognized in the period in which care is provided and includes an estimate of the cost of services that has been incurred but not yet reported. GCHP estimates accrued claims payable based on historical claims payments and other relevant information. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of claims paid is dependent on future developments, management is of the opinion that the accrued medical claims payable is adequate.

Ventura County Medi-Cal Managed Care Commission
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Notes to Financial Statements

The following is reconciliation of the medical claims liability and capitation payable activity for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Medical claims liability and capitation payable at beginning of year	<u>\$ 168,759,042</u>	<u>\$ 155,652,013</u>
Incurred		
Current	1,034,336,516	931,850,099
Prior	<u>(5,454,766)</u>	<u>(2,104,420)</u>
Total incurred	<u>1,028,881,750</u>	<u>929,745,679</u>
Paid		
Current	851,212,516	814,943,828
Prior	<u>133,449,584</u>	<u>101,694,822</u>
Total paid	<u>984,662,100</u>	<u>916,638,650</u>
Medical claims liability and capitation payable at end of year	<u><u>\$ 212,978,692</u></u>	<u><u>\$ 168,759,042</u></u>

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately adjudicated and paid. Liabilities at any year end are continually reviewed and re-estimated as information regarding actual claim payments becomes known. This information is compared to the originally established prior reporting period liability. Negative amounts reported for incurred, related to prior years, result from claims being adjudicated and paid for amounts less than originally estimated. Results for the years ended June 30, 2025 and 2024, included decreases of prior year incurred of approximately \$5,455,000 and \$2,104,000, respectively. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

Ventura County Medi-Cal Managed Care Commission

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Notes to Financial Statements

Note 8 – Commitments and Contingencies

Lease commitments – GCHP leases office space and equipment under long-term operating lease agreements. A summary of the principal and interest amounts for the remaining leases is as follows as of June 30, 2025:

<u>Years Ending June 30,</u>	<u>Minimum Lease Principal</u>	<u>Interest</u>
2026	\$ 1,387,326	\$ 132,814
2027	1,013,209	71,943
2028	814,128	17,913
2029	-	-
2030	-	-
	<u>\$ 3,214,663</u>	<u>\$ 222,670</u>

Intangible right to use lease asset – The Plan reported approximately \$1,165,000 and \$1,164,000 as amortization expense on the statements of revenues, expenses, and changes in net position in the years ended June 30, 2025 and 2024, respectively. Accumulated amortization was approximately \$5,969,000 and \$4,789,000 as of June 30, 2025 and 2024, respectively.

Subscription-based information technology arrangements – The Plan has several subscription contracts that expire at various dates through 2027, some of which have renewal options. For those contracts where renewal options are reasonably certain to be exercised, the Plan recognizes renewal option periods in the determination of its intangible right to use subscription asset and liability balances. The Plan uses an average rate of 2.92% to determine the present value of its subscription liabilities. The Plan reported approximately \$13,268,000 and \$2,484,000 as amortization expense on the statements of revenues, expenses and changes in net position in the years ended June 30, 2025 and 2024, respectively. Accumulated amortization was approximately \$11,751,000 and \$5,715,000 as of June 30, 2025 and 2024, respectively.

GCHP had the following intangible right to use subscription asset and subscription liability activities for the year ended June 30, 2025:

	<u>Balance June 30, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2025</u>	<u>Current Liability</u>
Intangible right to use subscription asset	\$ 6,755,096	54,778,549	(5,310,769)	\$ 56,222,876	
Less accumulated amortization	(5,714,896)	(13,268,012)	5,310,769	(13,672,139)	
Total intangible right to use subscription asset, net	<u>1,040,200</u>	<u>41,510,537</u>	<u>-</u>	<u>42,550,737</u>	
Subscription liability	<u>\$ 1,450,095</u>	<u>29,801,278</u>	<u>(2,249,893)</u>	<u>\$ 29,001,480</u>	<u>\$ 5,648,478</u>

Ventura County Medi-Cal Managed Care Commission

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Notes to Financial Statements

A summary of the principal and interest amounts for the subscription payments is as follows as of June 30, 2025:

<u>Years Ending June 30,</u>	Minimum Subscription Principal	Interest
2026	\$ 5,648,478	\$ 733,883
2027	5,691,609	596,128
2028	4,914,090	391,874
2029	6,398,731	383,459
2030	4,226,728	155,351
2031 - 2035	2,121,844	51,922
	<u>\$ 29,001,480</u>	<u>\$ 2,312,617</u>

Litigation – Through the course of ordinary business, the Plan became party to various administrative proceedings, mediations, and was party to various legal actions and subject to various claims arising as a result. During the year ended June 30, 2025, the Plan has successfully resolved some matters, and other administrative and legal matters are still proceeding. As a result of pending administrative and legal matters, the Plan has recorded a liability for these contingencies. It is the opinion of management that the ultimate resolution of such claims will not have a material adverse effect on the financial statements.

Regulatory matters – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties. Management believes that GCHP is in compliance with fraud and abuse, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

The Plan is also subjected to risks and uncertainties arising from potential changes in federal health care policy, funding, and budgetary adjustments affecting Medicare and Medicaid programs. Proposed and potential reductions in Medicaid funding could indirectly impact Medicare beneficiaries by placing additional strain on state budgets. Cuts to Medicaid, including the elimination of the enhanced federal match rate for expansion enrollees or the introduction of work requirements, could result in significant coverage losses, particularly among low-income individuals, persons with disabilities, and those with chronic health conditions. In response to reduced federal funding, states may increase taxes or reduce funding for other essential programs. Potential policy changes under consideration include reductions in the federal Medicaid matching rate, implementation of work requirements, more frequent eligibility redeterminations leading to disenrollments, the adoption of per-capita caps on federal funding, and the elimination of provider taxes that help offset Medicaid costs. If enacted, such changes could compel states to reduce benefits, lower provider reimbursement rates, and increase financial pressures on state budgets, which may adversely affect the Plan's operations, network adequacy, and financial performance. However, the timing, likelihood, and specific impact of these policy changes remain uncertain.

**Ventura County Medi-Cal Managed Care Commission
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Notes to Financial Statements**

Patient Protection and Affordable Care Act (PPACA) – The ACA allowed for the expansion of Medicaid members in the State of California. Any future federal or state changes in eligibility requirements or federal and state funding could have an impact on the Plan. With the changes in the executive branch, the future of PPACA and impact of future changes in Medicaid to the Plan are uncertain at this time.

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AGENDA ITEM NO. 3

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, Chief Financial Officer

DATE: October 30, 2025

SUBJECT: June 2025 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached June 2025 fiscal year-to-date ("FYTD") unaudited financial statements of Gold Coast Health Plan ("GCHP") for review and approval.

ATTACHMENT:

June 2025 Financial Package

APPENDIX:

- Income Statement FYTD
- Balance Sheet
- Statement of Cash Flow
- Statement of Investments and Cash Balances

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS								
	For the Month Ended June 2025				Fiscal Year to Date Through June 2025			
	Actual	6+6 Forecast	Fav I(Unfav)	%	Actual	6+6 Forecast	Fav I(Unfav)	%
Membership	242,639	244,620	(1,981)	-0.8%	2,933,426	2,941,574	(8,148)	-0.3%
Revenue								
Premium	\$ 134,522,092	\$ 126,578,849	\$ 7,943,243	6.3%	\$ 1,532,434,229	\$ 1,499,052,948	\$ 33,381,281	2.2%
Facility Expense AB85	(913,726)	-	(913,726)		8,915,072	-	8,915,072	
Reserve for Cap Requirements	(463,871)	(220,634)	(243,237)	110.2%	(4,048,075)	(1,829,941)	(2,218,134)	121.2%
MCO Premium Tax	(31,029,685)	(34,878,062)	3,848,377	-11.0%	(410,247,122)	(412,496,288)	2,249,166	-0.5%
Total Net Premium	102,114,811	91,480,153	10,634,658	11.6%	1,127,054,104	1,084,726,719	42,327,385	3.9%
Other Revenue:								
Miscellaneous Income	120	-	120		1,400	-	1,400	
Total Other Revenue	120	-	120		1,400	-	1,400	
Total Revenue	102,114,931	91,480,153	10,634,778	11.6%	1,127,055,504	1,084,726,719	42,328,785	3.9%
Medical Benefits:								
Capitation:								
PCP, Specialty, Kaiser, NEMT & Vision	\$ 7,019,320	\$ 4,194,582	\$ (2,824,738)	-67.3%	\$ 84,466,225	\$ 68,249,670	\$ (16,216,555)	-23.8%
ECM	1,091,723	1,337,057	245,334	18.3%	9,375,035	16,342,653	6,967,618	42.6%
Total Capitation	8,111,043	5,531,638	(2,579,404)	-46.6%	93,841,260	84,592,323	(9,248,937)	-10.9%
FFS Claims:								
Inpatient	\$ 31,343,689	\$ 19,992,557	\$ (11,351,132)	-56.8%	\$ 246,642,485	\$ 238,381,146	\$ (8,261,339)	-3.5%
LTC / SNF	14,480,805	15,249,761	768,957	5.0%	199,068,280	175,491,000	(23,577,279)	-13.4%
Outpatient	5,438,826	8,757,758	3,318,932	37.9%	109,914,869	100,361,658	(9,553,210)	-9.5%
Laboratory and Radiology	1,823,880	775,167	(1,048,712)	-135.3%	12,299,201	10,056,728	(2,242,473)	-22.3%
Directed Payments - Provider	(9,254,448)	926,849	10,181,297	1098.5%	(414,972)	10,392,054	10,807,026	104.0%
Emergency Room	4,193,982	3,468,499	(725,483)	-20.9%	47,462,366	40,641,417	(6,820,949)	-16.8%
Physician Specialty	15,874,245	8,889,008	(6,985,237)	-78.6%	89,314,925	95,084,770	5,769,845	6.1%
Primary Care Physician	10,634,944	4,189,278	(6,445,665)	-153.9%	51,001,194	51,298,548	297,355	0.6%
Home & Community Based Services	29,563,069	2,696,800	(26,866,269)	-996.2%	69,997,355	23,780,062	(46,217,293)	-194.4%
Applied Behavior Analysis Services	5,106,684	4,001,276	(1,105,408)	-27.6%	57,051,573	51,121,844	(5,929,729)	-11.6%
Quality Incentives/Provider Reserves	(913,726)	-	913,726		7,007,340	(1,279,394)	(8,286,734)	647.7%
Quality Incentive Provider Program (QIPP)	2,959,516	3,583,370	623,854	17.4%	38,161,752	41,333,808	3,172,056	7.7%
Other Medical Professional	1,471,455	411,808	(1,059,648)	-257.3%	6,573,858	4,991,613	(1,582,245)	-31.7%
Professional Fee For Service	-	-	-		6,650	-	(6,650)	
Other Fee For Service	(26,323,551)	2,234,830	28,558,381	1277.9%	19,118,765	44,339,593	25,220,828	56.9%
Transportation	410,466	446,797	36,331	8.1%	2,445,954	5,350,054	2,904,099	54.3%
HHIP & IPP	1,500,000	-	(1,500,000)		3,104,043	-	(3,104,043)	
Total Claims	88,309,835	75,623,758	(12,686,077)	-16.8%	958,757,101	891,344,902	(67,412,199)	-7.6%
Provider Grant Program	1,215,000	1,041,667	(173,333)	-17%	8,225,415	12,500,000	4,274,585	34%
Medical & Care Management	2,823,327	2,275,943	(547,384)	-24%	26,525,272	27,311,311	786,039	3%
Reinsurance	2,112,963	320,491	(1,792,473)	-559%	5,715,257	3,870,636	(1,844,621)	-48%
Claims Recoveries	(249,500)	(100,000)	149,500	-150%	(4,473,995)	(1,200,000)	3,273,995	-273%
Sub-total	5,901,790	3,538,100	(2,363,690)	-67%	35,991,949	42,481,947	6,489,998	15%
Total Medical Benefits	102,322,667	84,693,496	(17,629,171)	-20.8%	1,088,590,310	1,018,419,172	(70,171,138)	-6.9%
Contribution Margin	(207,736)	6,786,657	(6,994,393)	-103.1%	38,465,194	66,307,547	(27,842,353)	-42.0%
General & Administrative Expenses:								
Salaries, Wages & Employee Benefits	6,310,971	5,553,878	(757,093)	-14%	67,889,557	68,073,585	184,028	0%
Training, Conference & Travel	108,421	159,675	51,254	32%	899,174	1,674,355	775,180	46%
Outside Services	2,752,937	3,275,928	522,991	16%	25,916,684	31,610,811	5,694,127	18%
Professional Services	1,724,450	851,686	(872,764)	-102%	12,408,421	10,896,860	(1,511,562)	-14%
Occupancy, Supplies, Insurance & Others	9,309,039	2,612,612	(6,696,427)	-256%	35,866,850	28,648,139	(7,218,710)	-25%
ARCH/Community Grants	25,000	-	(25,000)		371,066	-	(371,066)	
Sponsorships	2,030	-	(2,030)		67,614	-	(67,614)	
Care Management Reclaim to Medical	(2,823,327)	(2,275,943)	547,384	-24%	(26,525,272)	(27,311,311)	(786,039)	3%
G&A Expenses	17,409,520.42	10,177,837	(7,231,684)	-71%	116,894,094	113,592,438	(3,301,656)	-3%
Project Portfolio (OOTF)	(8,751,766)	1,725,711	10,477,477	607%	11,164,351	21,040,929	9,876,578	47%
D-SNP	-	797,500	797,500	100%	505,996	4,785,000	4,279,004	89%
Project Portfolio	(8,751,766)	2,523,211	11,274,977	447%	11,670,347	25,825,929	14,155,582	55%
Total G&A Expenses	8,657,754	12,701,048	4,043,294	32%	128,564,441	139,418,367	10,853,926	8%
Total Operating Gain / (Loss)	(8,865,491)	(5,914,391)	(2,951,100)	50%	(90,099,246)	(73,110,820)	(16,988,427)	-23.2%
Retro Premium Adj	19,200	-	\$ 19,200		8,622,714	-	\$ 8,622,714	
Non Operating								
Revenues - Interest	900,281	1,500,000	\$ (599,719)	-40.0%	18,554,583	18,000,000	554,583	3%
Total Non-Operating	900,281	1,500,000	\$ (599,719)	-40.0%	18,554,583	18,000,000	554,583	3%
Total Increase / (Decrease) in Unrestricted Net Assets	\$ (7,946,009)	\$ (4,414,391)	\$ (3,531,618)	-80%	\$ (62,921,949)	\$ (55,110,820)	\$ (7,811,129)	-14%

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, June 2025	As of Month Ending, June 2024
ASSETS		
Current Assets:		
Total Cash and Cash Equivalents	\$ 291,033,725	\$ 430,974,305
Total Short-Term Investments	104,396,027	99,718,245
Medi-Cal Receivable	213,250,889	173,911,167
Interest Receivable	761,742	772,425
Provider Receivable	34,764,364	12,484,788
Other Receivables	8,595,449	5,579,474
Total Accounts Receivable	257,372,444	192,747,854
Total Prepaid Accounts	14,810,767	10,875,162
Total Other Current Assets	133,545	133,545
Total Current Assets	667,746,508	734,449,111
Total Fixed Assets	60,155,248	23,343,857
Total Assets	\$ 727,901,756	\$ 757,792,968
LIABILITIES & NET ASSETS		
Current Liabilities:		
Incurred But Not Reported	\$ 166,097,652	\$ 103,483,161
Claims Payable	18,345,175	18,370,448
Capitation Payable	7,239,849	8,201,415
Physician Payable	13,406,843	30,314,835
DHCS - Reserve for Capitation Recoup	31,573,252	55,107,254
Lease Payable- ROU	7,035,805	2,411,196
Accounts Payable	6,704,869	4,671,951
Accrued ACS	-	4,068,323
Accrued Provider Incentives/Reserve	7,889,172	8,389,182
Accrued Expenses	22,928,272	9,112,142
Accrued Premium Tax	105,862,040	138,769,137
Accrued Payroll Expense	9,850,498	4,240,566
Quality Withhold	5,335,105	1,287,033
Total Current Liabilities	402,868,899	388,426,643
Long-Term Liabilities:		
Lease Payable - NonCurrent - ROU	25,180,339	3,677,360
Total Long-Term Liabilities	25,180,339	3,677,360
Total Liabilities	428,049,238	392,104,003
Net Assets:		
Beginning Net Assets	307,798,527	359,951,656
Total Increase / (Decrease in Unrestricted Net Assets)	(7,946,009)	5,737,309
Total Net Assets	299,852,518	365,688,965
Total Liabilities & Net Assets	\$ 727,901,756	\$ 757,792,968

STATEMENT OF CASH FLOWS		
	For the Month Ended June 2025	Fiscal Year to Date Through June 2025
Cash Flows Provided By Operating Activities		
Net Income (Loss)	\$ (7,946,009)	\$ (62,921,949)
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	1,848,502	7,550,365
Changes in Operating Assets and Liabilities		
Accounts Receivable	(27,744,639)	(64,624,590)
Prepaid Expenses	(8,363,486)	(3,935,605)
Accrued Expense and Accounts Payable	(840,041)	25,556,472
Claims Payable	(12,798,028)	(17,894,832)
MCO Tax liability	31,029,685	(32,907,097)
IBNR	28,595,201	62,614,491
Net Cash Provided by (Used in) Operating Activities	3,781,185	(86,562,745)
Cash Flow Provided By Investing Activities		
Proceeds from Investments	(358,865)	(4,677,782)
Purchase of Property and Equipment	(19,626,171)	(44,361,756)
Net Cash (Used In) Provided by Investing Activities	(19,985,036)	(49,039,538)
Cash Flow Provided By Financing Activities		
Lease Payable - ROU	(124,377)	(1,423,799)
Net Cash Used In Financing Activities	(124,377)	(1,423,799)
Increase/(Decrease) in Cash and Cash Equivalents	(16,328,228)	(137,026,082)
Cash and Cash Equivalents, Beginning of Period	310,276,451	430,974,305
Cash and Cash Equivalents, End of Period	293,948,223	\$ 293,948,223

SCHEDULE OF INVESTMENTS AND CASH BALANCES		
	Market Value as of Month Ending, June 2025	Account Type
Local Agency Investment Fund (LAIF)	\$ 44,511,614	Investment
Ventura County Investment Pool	\$ 20,120,470	Investment
CalTrust	\$ 39,763,942	Short-term investment
Bank of Montreal	\$ 265,217,252	Money market account
Pacific Premier Bank	\$ 25,816,474	Operating accounts
Investments and monies held by GCHP	\$ 395,429,752	

FY2024-25 June YTD Financial Results

Ventura County Medi-Cal Managed Care Commission

October 30, 2025

Sara Dersch, Chief Financial Officer

Executive Summary

- Through approved use of Tangible Net Equity (TNE), GCHP was able to successfully invest in continued claims processing technological improvements as well as Provider quality support; these investments will allow GCHP and the Provider Community to be better-equipped to respond to the market uncertainties over the next couple of years
- Fiscal Year (FY) 2024-25 ended with a net loss of (\$62.9M) compared a planned deficit of (\$55.1M); unfavorability primarily driven by:
 - New accounting rule related to accrued paid time off
 - Higher utilization of Community Supports and Services, specifically Medically Tailored Meals
- YTD Membership ended slightly unfavorable, influenced by decreases in Adult, Child, and Adult Expansion cohorts
- YTD Premium revenue favorability of \$49.0M is primarily the result of member mix as well as prior year premium reactivity, including a \$5.0M reduction in FY2023-2024 risk corridor liability
- YTD Medical Cost unfavorability of (\$66.2M) influenced by continued efforts on claims payment accuracy, high utilization in CalAIM benefits, and temporary suppression of payment integrity validation (note: this work will resume during the Stub Period)
- Investment income \$0.6M favorable to forecast as interest rates remained higher longer than planned

Financial Results June YTD Summary

Item	Actual	6+6 Forecast	Explanation
Membership	242,639	244,620	Adult and Child SIS membership down from forecast, while UIS in same categories is up; Seniors/People with Disabilities SIS is also up
Revenue <i>Revenue pmpm</i>	\$1,135.7M \$387.15	\$1,084.7M \$368.76	Favorable member mix
Medical Cost <i>Medical Costs pmpm</i>	\$1,032.1M \$351.84	\$965.9M \$328.35	Long Term Care (LTC) claims paid at higher retroactive rates, continued reprocessing of claims as result of claims adjudication system remediation, \$15.0M accrual for FQHC TRI parity, and high Community Supports & Services utilization
Medical Loss Ratio	90.9%	89.0%	
Administrative Cost <i>Admin Costs PMPM</i>	\$116.9M \$39.85	\$113.6M \$38.62	Unplanned expense related to new governmental accounting standards add \$2.9M to administrative expense (note: this expense will reverse over the FY 2026); also, unplanned overages in operational costs related to continued work in accurate claims processing (budget in OOTF line)
Administrative Loss Ratio	10.3%	10.5%	
Operating Income/(Loss)	(\$13.3M)	\$5.3M	
Investment Income	\$18.6M	\$18.0M	Investment Income is favorable due to higher interest rates
Quality Strategy (Grants/Incentives)	\$56.5M	\$52.6M	Variance is associated with timing of grant spend
Operations of the Future (OOTF)	\$11.7M	\$25.8M	Continuation of expanded stabilization plan pushed the recognition of amortized expenses into the next fiscal year
Net Income/(Loss)	(\$62.9M)	(\$55.1M)	YTD Net Loss is driven by higher medical cost due to clearing claims backlog and increased Community Service utilization
TNE	\$299.9M	\$334.9M	TNE is 657% of State requirement

June Financial Results: Categories of Service

	For the Month Ended June 2025			Fiscal Year to Date Through June 2025		
	Actual	6+6 Reforecast	Fav / (Unfav)	Actual	6+6 Reforecast	Fav / (Unfav)
(In Millions except membership)						
Membership	242,639	244,620	(1,981)	2,933,426	2,941,574	(8,148)
Capitation:						
Primary Care Physician (PCP)	\$7.0	\$4.2	(\$2.8)	\$84.5	\$68.2	(\$16.2)
Enhanced Care Management (ECM)	\$1.1	\$1.3	\$0.2	\$9.4	\$16.3	\$7.0
Total Capitation	\$8.1	\$5.5	(\$2.6)	\$93.8	\$84.6	(\$9.2)
FFS Claims:						
Inpatient	\$31.3	\$20.0	(\$11.4)	\$246.6	\$238.4	(\$8.3)
LTC / SNF	\$14.5	\$15.2	\$0.8	\$199.1	\$175.5	(\$23.6)
Outpatient	\$5.4	\$8.8	\$3.3	\$109.9	\$100.4	(\$9.6)
Laboratory and Radiology	\$1.8	\$0.8	(\$1.0)	\$12.3	\$10.1	(\$2.2)
Directed Payments - Provider	(\$9.3)	\$0.9	\$10.2	(\$0.4)	\$10.4	\$10.8
Emergency Room	\$4.2	\$3.5	(\$0.7)	\$47.5	\$40.6	(\$6.8)
Physician Specialty	\$15.9	\$8.9	(\$7.0)	\$89.3	\$95.1	\$5.8
Primary Care Physician	\$10.6	\$4.2	(\$6.4)	\$51.0	\$51.3	\$0.3
Home & Community Based Services	\$29.6	\$2.7	(\$26.9)	\$70.0	\$23.8	(\$46.2)
Applied Behavior Analysis Services	\$5.1	\$4.0	(\$1.1)	\$57.1	\$51.1	(\$5.9)
Other Medical Cost	(\$21.3)	\$6.2	\$27.5	\$74.0	\$89.4	\$15.4
Transportation	\$0.4	\$0.4	\$0.0	\$2.4	\$5.4	\$2.9
Total Claims	\$88.3	\$75.6	(\$12.7)	\$958.8	\$891.3	(\$67.4)
Other Medical Expense						
Provider Grant Program	\$1.2	\$1.0	(\$0.2)	\$8.2	\$12.5	\$4.3
Medical & Care Management	\$2.8	\$2.3	(\$0.5)	\$26.5	\$27.3	\$0.8
Reinsurance	\$2.1	\$0.3	(\$1.8)	\$5.7	\$3.9	(\$1.8)
Claims Recoveries	(\$0.2)	(\$0.1)	\$0.1	(\$4.5)	(\$1.2)	\$3.3
Total Other Medical Expense	\$5.9	\$3.5	(\$2.4)	\$36.0	\$42.5	\$6.5
Total Medical Cost	\$102.3	\$84.7	(\$17.6)	\$1088.6	\$1018.4	(\$70.2)
Medical Margin	(\$2)	\$6.8	(\$7.0)	\$38.5	\$66.3	(\$27.8)
Margin (w/o Grants and Incentives)	\$4.6	\$11.4	(\$6.9)	\$95.0	\$118.9	(\$23.9)

Long Term Care Center (LTC)
Unfavourability is due to retroactive rate changes

Outpatient
Unfavourability is due to the backlog of claims and large number of high dollar claims

Home and Community Based Services
Unfavourability is due to new Cal AIM requirements which are putting pressure on HCS claims

June Membership, Premium and Medical Cost Rates

Category of Aid	Actual	6+6 Reforecast	Variance	Monthly Premium Rate	Monthly Medical Cost PMPM
Adult - SIS	22,289	24,750	(2,461)	\$ 360.50	\$ 362.08
Adult - UIS	16,009	15,065	944	\$ 410.16	\$ 316.35
Adult Expansion - SIS	66,175	67,403	(1,228)	\$ 427.58	\$ 392.30
Adult Expansion - UIS	14,515	12,434	2,081	\$ 585.55	\$ 514.78
Child - SIS	80,211	84,525	(4,314)	\$ 136.40	\$ 100.91
Child - UIS	5,354	3,954	1,400	\$ 114.60	\$ 210.13
LTC Non-Dual - SIS	44	34	10	\$ 1,301.15	\$ 8,600.26
LTC Non-Dual - UIS	17	20	(3)	\$ 1,576.15	\$ 12,567.53
LTC Dual - SIS	679	625	54	\$ 614.23	\$ 13,181.45
LTC Dual - UIS	7	6	1	\$ 737.74	\$ 17,478.11
SPD - SIS	9,380	9,842	(462)	\$ 1,301.15	\$ 1,229.34
SPD - UIS	1,775	1,311	464	\$ 1,576.15	\$ 1,307.98
SPD Dual - SIS	25,881	24,533	1,348	\$ 614.23	\$ 432.34
SPD Dual - UIS	303	119	184	\$ 737.74	\$ 463.77
Total	242,639	244,620	(1,981)		

Labor Expense by Category June YTD

Gold Coast Health Plan - Position Count Fiscal Year 2024-25
FY 2024-25 - June 30, 2025

Function	POSITION COUNT					Percentage of Total Position Count
	Active Headcount	Open Requisitions*	Total Active + Open Requisitions*	Revised Budget YE Headcount 2024/25	Variance to Revised Budget YE Headcount 2024/25*	
Health Services	131	4	135	134	-1	30%
Operations	102	6	108	105	-3	23%
Information Tech	43	0	43	45	2	10%
Policy & Programs	40	4	44	44	0	10%
Compliance	19	2	21	22	1	5%
Finance & Accounting	36	1	37	37	0	8%
Executive & Administration	14	0	14	14	0	3%
Member Experience and Ext Affairs	33	2	35	35	0	8%
HR & Facilities	12	0	12	12	0	3%
Innovation / DSNP	3	0	3	4	1	1%
Strategic Initiatives	0	0	0	0	0	0%
Grand Total	433	19	452	452	0	100%

Function	POSITION COUNT		CONTINGENT WORKERS		TOTAL RESOURCES	
	Total Active + Open Requisitions*	Temp Roles	Contractor / Consultant Roles	Total Contingent Workers [†]	Total Resources	Percentage of Total Resources
Health Services	135	0	5	5	140	24%
Operations	108	7	14	21	129	22%
Information Tech	43	0	3	3	46	8%
Policy & Programs	44	0	0	0	44	7%
Compliance	21	0	0	0	21	4%
Finance & Accounting	37	2	4	6	43	7%
Executive & Administration	14	0	0	0	14	2%
Member Experience and Ext Affairs	35	0	0	0	35	6%
HR & Facilities	12	1	3	4	16	3%
Innovation / DSNP	3	0	103	103	106	18%
Strategic Initiatives	0	0	0	0	0	0%
Grand Total	452	10	132	142	594	100%

*Excludes 11 positions added for the 2025 Stub Period

†Outsourced Labor (BPO) excluded: 90 in Operations - Netmark

2025 Rates: Original Budget Compared to Final

Category of Aid	2024 Rates	2025 Rates (Budget)	2025 Initial (Oct)	2025 Initial (Dec)	2025 Final (Dec)	2025 Final Membership
Adult - SIS	\$ 339.69	\$ 368.95	\$ 328.27	\$ 334.88	\$ 341.29	24,750
Adult - UIS	\$ 480.75	\$ 551.79	\$ 413.61	\$ 420.93	\$ 385.37	15,065
Adult Expansion - SIS	\$ 339.63	\$ 343.99	\$ 344.10	\$ 351.27	\$ 405.72	67,403
Adult Expansion - UIS	\$ 559.76	\$ 557.23	\$ 552.00	\$ 563.25	\$ 558.41	12,434
Child - SIS	\$ 108.75	\$ 109.51	\$ 110.58	\$ 112.96	\$ 129.44	87,333
Child - UIS	\$ 102.30	\$ 125.01	\$ 104.05	\$ 106.25	\$ 107.12	3,958
LTC Dual - SIS	\$ 650.41	\$ 649.34	\$ 618.72	\$ 630.68	\$ 596.26	630
LTC Dual - UIS	\$ 502.67	\$ 502.13	\$ 606.01	\$ 620.27	\$ 724.65	6
LTC Non-Dual - SIS	\$ 1,268.91	\$ 1,281.00	\$ 1,193.38	\$ 1,216.03	\$ 1,248.60	29
LTC Non-Dual - UIS	\$ 1,290.23	\$ 1,325.12	\$ 1,446.82	\$ 1,478.10	\$ 1,539.34	20
SPD - SIS	\$ 1,311.31	\$ 1,282.78	\$ 1,203.30	\$ 1,222.19	\$ 1,248.60	6,035
SPD - UIS	\$ 1,348.14	\$ 1,337.48	\$ 1,446.65	\$ 1,477.88	\$ 1,539.34	1,307
SPD Dual - SIS	\$ 655.58	\$ 649.29	\$ 618.72	\$ 630.68	\$ 596.26	25,532
SPD Dual - UIS	\$ 513.29	\$ 502.37	\$ 606.01	\$ 620.27	\$ 724.65	119
FY 2025 Final Projected Membership						244,620

Note: Font color in "2025 Final" column indicates favorable (green) or unfavorable (red) change from original budget projections.

Appendix Table of Contents

- Appendix 1: June Balance Sheet: Assets
- Appendix 2: June Balance Sheet: Liabilities
- Appendix 3: June Statement of Cash Flow
- Appendix 4: June Investments and Cash

Appendix 1: June Balance Sheet: Assets

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, June 2025	As of Month Ending, June 2024
ASSETS		
Current Assets:		
Total Cash and Cash Equivalents	\$ 291,033,725	\$ 430,974,305
Total Short-Term Investments	104,396,027	99,718,245
Medi-Cal Receivable	213,250,889	173,911,167
Interest Receivable	761,742	772,425
Provider Receivable	34,764,364	12,484,788
Other Receivables	8,595,449	5,579,474
Total Accounts Receivable	257,372,444	192,747,854
Total Prepaid Accounts	14,810,767	10,875,162
Total Other Current Assets	133,545	133,545
Total Current Assets	667,746,508	734,449,111
Total Fixed Assets	60,155,248	23,343,857
Total Assets	\$ 727,901,756	\$ 757,792,968

- Total Asset balance of \$728M represents a decrease of \$30M vs last fiscal year end is attributed to the following:
 - Cash Equivalents and Short-Term Cash (Normal operations)
 - Offset by increases in Medi-Cal and Provider Receivable, and Fixed Assets associated with the insourcing of Operational functions

Appendix 2: June Balance Sheet: Liabilities

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, June 2025	As of Month Ending, June 2024
LIABILITIES & NET ASSETS		
Current Liabilities:		
Incurred But Not Reported	\$ 166,097,652	\$ 103,483,161
Claims Payable	18,345,175	18,370,448
Capitation Payable	7,239,849	8,201,415
Physician Payable	13,406,843	30,314,835
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Long-Term Liabilities:		
Lease Payable - NonCurrent - ROU	25,180,339	3,677,360
Total Long-Term Liabilities	25,180,339	3,677,360
Total Liabilities	428,049,238	392,104,003
Net Assets:		
Beginning Net Assets	307,798,527	359,951,656
Total Increase / (Decrease in Unrestricted Net Assets)	(7,946,009)	5,737,309
Total Net Assets	299,852,518	365,688,965
Total Liabilities & Net Assets	\$ 727,901,756	\$ 757,792,968

- Total Liabilities \$36M increase vs last fiscal year end is primarily attributed to the following:
 - Decrease in the Accrued Premium/MCO Tax payable
 - Offset by increases in Incurred But Not Paid (IBNP) expenses (medical services provided but not yet submitted or paid) and Accrued Expenses
 - Increase in Lease Payable – Noncurrent-ROU

Appendix 3: June Statement of Cash Flow

STATEMENT OF CASH FLOWS		
	For the Month Ended June 2025	Fiscal Year to Date Through June 2025
Cash Flows Provided By Operating Activities		
Net Income (Loss)	\$ (7,946,009)	\$ (62,921,949)
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	1,848,502	7,550,365
Changes in Operating Assets and Liabilities		
Accounts Receivable	(27,744,639)	(64,624,590)
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Accrued Expense and Accounts Payable	(840,041)	25,556,472
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Cash Flow Provided By Investing Activities		
Proceeds from Investments	(358,865)	(4,677,782)
Purchase of Property and Equipment	(19,626,171)	(44,361,756)
Net Cash (Used in) Provided by Investing Activities	(19,985,036)	(49,039,538)
Cash Flow Provided By Financing Activities		
Lease Payable - ROU	(124,377)	(1,423,799)
Net Cash Used In Financing Activities	(124,377)	(1,423,799)
Increase/(Decrease) in Cash and Cash Equivalents	(16,328,228)	(137,026,082)
Cash and Cash Equivalents, Beginning of Period	310,276,451	430,974,305
Cash and Cash Equivalents, End of Period	293,948,223	\$ 293,948,223

- The Total Year-to-Date decrease in cash of \$137.0M is due to the following:
 - Year-to-Date Net Loss
 - Increase in Accounts Receivable
 - Decrease in the Accrued Premium/MCO Tax payable
 - Catch-up of paid claims
 - Fixed lease expense and work in progress (WIP)
- Reminder: cash position changes daily; this schedule represents the cash position on June 31, 2025

Appendix 4: June Investments and Cash

SCHEDULE OF INVESTMENTS AND CASH BALANCES			
	Market Value as of		
	Month Ending, June	2025	Account Type
Local Agency Investment Fund (LAIF)	\$	44,511,614	Investment
Ventura County Investment Pool	\$	20,120,470	Investment
CalTrust	\$	39,763,942	Short-term investment
Bank of Montreal	\$	265,217,252	Money market account
Pacific Premier Bank	\$	25,816,474	Operating accounts
Investments and monies held by GCHP	\$	395,429,752	

- Cash balances fluctuate daily; the balances as of June 2025, reflect normal operations
- Cash and short-term investments balance sits at \$395.3M
- The investment portfolio includes:
 - LAIF CA State \$44.5M
 - Ventura County Investment Pool \$20.0M
 - Cal Trust \$39.8M

AGENDA ITEM NO. 4

TO: Ventura County Medi-Cal Managed Care Commission

FROM: Sara Dersch, Chief Financial Officer

DATE: October 30, 2025

SUBJECT: August 2025 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached August 2025 fiscal year-to-date ("FYTD") unaudited financial statements of Gold Coast Health Plan ("GCHP") for review and approval.

ATTACHMENT:

August 2025 Financial Package

APPENDIX:

- Income Statement FYTD
- Balance Sheet
- Statement of Cash Flow
- Statement of Investments and Cash Balances

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS								
	For the Month Ended August 2025				Fiscal Year to Date Through August 2025			
	Actual	Stub Budget	Fav / (Unfav)	%	Actual	Stub Budget	Fav / (Unfav)	%
	8/1/25	8/1/25	8/1/25	8/1/25	8/1/2025	8/1/25	8/1/25	8/1/25
Membership	241,736	228,584	13,152	5.8%	486,467	458,311	28,156	6.1%
Revenue								
Premium	\$ 134,333,587	\$ 90,317,925	\$ 44,015,663	48.7%	\$ 269,451,080	\$ 181,181,984	\$ 88,269,096	48.7%
Facility Expense AB85	-	-	-	-	-	-	-	-
Reserve for Cap Requirements	(457,526)	(215,391)	(242,135)	112.4%	(922,190)	(432,121)	(490,069)	113.4%
MCO Premium Tax	(34,322,001)	-	(34,322,001)	-	(68,826,361)	-	(68,826,361)	-
Total Net Premium	99,554,060	90,102,533	9,451,527	10.5%	199,702,530	180,749,863	18,952,666	10.5%
Other Revenue:								
Miscellaneous Income	120	-	120	-	300	-	300	-
Total Other Revenue	120	-	120	-	300	-	300	-
Total Revenue	99,554,180	90,102,533	9,451,647	10.5%	199,702,830	180,749,863	18,952,966	10.5%
Medical Benefits:								
<u>Capitation:</u>								
PCP, Specialty, Kaiser, NEMT & Vision	\$ 7,178,738	\$ 6,677,836	\$ (500,902)	-7.5%	\$ 14,331,649	\$ 13,418,882	\$ (912,767)	-6.8%
ECM	1,131,339	1,348,590	217,251	16.1%	2,253,319	2,704,776	451,456	16.7%
Total Capitation	8,310,077	8,026,426	(283,651)	-3.5%	16,584,968	16,123,658	(461,310)	-2.9%
<u>FFS Claims:</u>								
Inpatient	\$ 22,015,159	\$ 17,010,447	\$ (5,004,712)	-29.4%	\$ 41,628,890	\$ 34,076,757	\$ (7,552,133)	-22.2%
LTC / SNF	18,138,936	14,546,010	(3,592,926)	-24.7%	36,417,373	29,069,035	(7,348,338)	-25.3%
Outpatient	9,391,413	8,015,646	(1,375,766)	-17.2%	18,875,409	16,032,428	(2,842,980)	-17.7%
Laboratory and Radiology	1,154,743	701,473	(453,270)	-64.6%	2,185,948	1,405,879	(780,069)	-55.5%
Directed Payments - Provider	1,600,953	804,797	(796,156)	-98.9%	2,714,065	1,618,180	(1,095,885)	-67.7%
Emergency Room	4,329,043	3,378,944	(950,099)	-28.1%	8,613,534	6,768,025	(1,845,509)	-27.3%
Physician Specialty	8,222,137	5,594,659	(2,627,478)	-47.0%	16,059,864	11,191,039	(4,868,826)	-43.5%
Primary Care Physician	4,700,210	4,043,704	(656,506)	-16.2%	9,248,615	8,098,060	(1,150,554)	-14.2%
Home & Community Based Services	7,216,857	3,505,923	(3,710,934)	-105.8%	14,515,093	6,995,802	(7,519,290)	-107.5%
Applied Behavior Analysis Services	5,588,573	4,536,250	(1,052,323)	-23.2%	11,511,702	9,025,663	(2,486,039)	-27.5%
Quality Incentives/Provider Reserves	-	-	-	-	-	-	-	-
Quality Incentive Provider Program (QIPP)	3,119,516	3,583,370	463,854	12.9%	6,079,032	7,166,740	1,087,707	15.2%
Other Medical Professional	631,930	378,403	(253,527)	-67.0%	1,074,648	756,800	(317,848)	-42.0%
Professional Fee For Service	-	-	-	-	-	-	-	-
Other Fee For Service	1,264,918	2,370,270	1,105,351	46.6%	2,393,434	4,745,129	2,351,695	49.6%
Transportation	329,023	433,137	104,114	24.0%	522,791	867,013	344,222	39.7%
HHIP & IPP	-	-	-	-	-	-	-	-
Total Claims	87,703,411	68,903,033	(18,800,379)	-27.3%	171,840,400	137,816,551	(34,023,848)	-24.7%
Provider Grant Program	943,745	1,178,500	234,755	20%	2,087,489	2,357,000	269,511	11%
Medical & Care Management	2,503,119	2,275,943	(227,176)	-10%	4,516,068	4,551,885	35,817	1%
Reinsurance	193,370	308,623	115,253	37%	613,293	618,882	5,588	1%
Claims Recoveries	(580,446)	(100,000)	480,446	-480%	(2,053,477)	(200,000)	1,853,477	-927%
Sub-total	3,059,787	3,663,066	603,278	16%	5,163,373	7,327,767	2,164,393	30%
Total Medical Benefits	99,073,276	80,592,525	(18,480,751)	-22.9%	193,588,741	161,267,976	(32,320,765)	-20.0%
Contribution Margin	480,904	9,510,009	(9,029,104)	-94.9%	6,114,089	19,481,888	(13,367,799)	-68.6%
General & Administrative Expenses:								
Salaries, Wages & Employee Benefits	6,554,543	4,333,565	(2,220,978)	-51%	12,787,084	8,665,929	(4,121,154)	-48%
Training, Conference & Travel	232,178	199,554	(32,624)	-16%	320,662	441,755	121,093	27%
Outside Services	3,288,610	3,415,540	126,930	4%	5,338,082	6,602,980	1,264,898	19%
Professional Services	1,256,820	944,285	(312,535)	-33%	2,151,720	2,018,569	(133,151)	-7%
Occupancy, Supplies, Insurance & Others	2,806,285	2,183,799	(622,486)	-29%	6,489,738	4,853,607	(1,636,131)	-34%
ARCH/Community Grants	-	104,166	104,166	100%	-	208,332	208,332	100%
Sponsorships	24,000	39,583	15,583	39%	26,000	79,166	53,166	67%
Care Management Reclass to Medical	(2,503,119)	(2,275,943)	227,176	-10%	(4,516,068)	(4,551,885)	(35,817)	1%
G&A Expenses	11,659,317	8,944,549	(2,714,768)	-30%	22,597,217	18,318,453	(4,278,765)	-23%
Project Portfolio (OOTF)	-	773,855	773,855	100%	-	1,547,711	1,547,711	100%
D-SNP	10,300	180,857	170,557	94%	10,300	361,713	351,413	97%
Project Portfolio	10,300	954,712	944,412	99%	10,300	1,909,424	1,899,124	99%
Total G&A Expenses	11,669,617	9,899,261	(1,770,356)	-18%	22,607,517	20,227,877	(2,379,641)	-12%
Total Operating Gain / (Loss)	(11,188,712)	(389,252)	(10,799,460)	2774%	(16,493,429)	(745,989)	(15,747,439)	-2110.9%
Retro Premium Adj	-	-	\$ -	-	-	-	\$ -	-
Non Operating								
Revenues - Interest	1,141,494	1,500,000	(358,506)	-23.9%	2,219,743	3,000,000	(780,257)	-26%
Total Non-Operating	1,141,494	1,500,000	(358,506)	-23.9%	2,219,743	3,000,000	(780,257)	-26%
Total Increase / (Decrease) in Unrestricted Net Assets	\$ (10,047,218)	\$ 1,110,748	\$ (11,157,966)	1005%	\$ (14,273,686)	\$ 2,254,011	\$ (16,527,696)	733%

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, August 2025	As of Month Ending, June 2025
ASSETS		
Current Assets:		
Total Cash and Cash Equivalents	\$ 280,446,309	\$ 291,033,725
Total Short-Term Investments	105,268,879	104,396,027
Medi-Cal Receivable	147,476,729	213,250,889
Interest Receivable	634,112	761,742
Provider Receivable	34,668,238	34,764,364
Other Receivables	8,595,449	8,595,449
Total Accounts Receivable	191,374,528	257,372,444
Total Prepaid Accounts	14,652,941	14,810,767
Total Other Current Assets	133,545	133,545
Total Current Assets	591,876,202	667,746,508
Total Fixed Assets	58,967,324	60,155,248
Total Assets	\$ 650,843,526	\$ 727,901,756
LIABILITIES & NET ASSETS		
Current Liabilities:		
Incurred But Not Reported	\$ 144,991,926	\$ 166,097,652
Claims Payable	18,345,175	18,345,175
Capitation Payable	7,576,443	7,239,849
Physician Payable	14,624,272	13,406,843
DHCS - Reserve for Capitation Recoup	32,262,771	31,573,252
Lease Payable- ROU	6,912,062	7,035,805
Accounts Payable	9,619,091	6,704,869
Accrued ACS	-	-
Accrued Provider Incentives/Reserve	6,280,870	7,889,172
Accrued Expenses	15,527,182	22,928,272
Accrued Premium Tax	72,436,396	105,862,040
Accrued Payroll Expense	9,288,242	9,850,498
Quality Withhold	6,257,295	5,335,108
Total Current Liabilities	344,276,668	402,868,902
Long-Term Liabilities:		
Lease Payable - NonCurrent - ROU	20,988,026	25,180,339
Total Long-Term Liabilities	20,988,026	25,180,339
Total Liabilities	365,264,694	428,049,241
Net Assets:		
Beginning Net Assets	299,852,518	311,010,481
Total Increase / (Decrease in Unrestricted Net Assets)	(14,273,686)	(11,157,966)
Total Net Assets	285,578,832	299,852,515
Total Liabilities & Net Assets	\$ 650,843,526	\$ 727,901,756

STATEMENT OF CASH FLOWS		
	For the Month Ended August 2025	Fiscal Year to Date Through August 2025
Cash Flows Provided By Operating Activities		
Net Income (Loss)	\$ (10,047,218)	\$ (14,273,686)
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	511,018	1,614,009
Changes in Operating Assets and Liabilities		
Accounts Receivable	(1,481,804)	65,997,916
Prepaid Expenses	(1,727,249)	157,826
Accrued Expense and Accounts Payable	(145,971)	(9,556,807)
Claims Payable	(4,374,613)	1,554,023
MCO Tax liability	34,322,001	(33,425,644)
IBNR	6,427,146	(21,105,727)
Net Cash Provided by (Used in) Operating Activities	23,483,310	(9,038,090)
Cash Flow Provided By Investing Activities		
Proceeds from Investments	(699,907)	(872,852)
Purchase of Property and Equipment	(2,864)	(426,085)
Net Cash (Used In) Provided by Investing Activities	(702,771)	(1,298,937)
Cash Flow Provided By Financing Activities		
Lease Payable - ROU	(125,468)	(250,390)
Net Cash Used In Financing Activities	(125,468)	(250,390)
Increase/(Decrease) in Cash and Cash Equivalents	22,655,071	(10,587,417)
Cash and Cash Equivalents, Beginning of Period	257,791,237	291,033,725
Cash and Cash Equivalents, End of Period	\$ 280,446,309	\$ 280,446,309

SCHEDULE OF INVESTMENTS AND CASH BALANCES		
	Market Value as of Month Ending, August 2025	Account Type
Local Agency Investment Fund (LAIF)	\$ 44,999,286	Investment
Ventura County Investment Pool	\$ 20,230,886	Investment
CalTrust	\$ 40,038,707	Short-term investment
Bank of Montreal	\$ 280,859,878	Money market account
Pacific Premier Bank	\$ (413,569)	Operating accounts
Investments and monies held by GCHP	\$ 385,715,188	

July-August 2025 Financial Results

Ventura County Medi-Cal Managed Care Commission

October 30, 2025

Sara Dersch, Chief Financial Officer

Executive Summary July – August 2025

- YTD net loss of (\$14.3M) is unfavorable to forecast by (\$16.5M)
- YTD Membership is favorable to budget by 6%, influenced by increases in Adult and Adult Expansion cohorts
- YTD Premium revenue favorability of \$18.9M is the result of favorable membership volume and member mix
- YTD Medical Costs variance of (\$32.3M) is due to pressures in utilization (especially Community Supports and Services), Targeted Rate Increases higher-than-planned (due to system functionality), and continued run-out of old claims adversely affecting incurred-but-not-paid reserves
- YTD Administrative expense variance of (\$2.4M) is due to under-estimate of employee benefit costs
- Investment income variance to budget of (\$0.8M) is due to lower interest rates and cash balances

Financial Results July and August Summary

Item	Actual	Budget	Explanation
Membership	241,736	228,584	Less attrition than planned
Revenue <i>Revenue pmpm</i>	\$199.7M \$410.52	\$180.7M \$394.38	Higher membership volume and member mix are driving the favorability
Medical Cost <i>Medical Costs pmpm</i> Medical Loss Ratio	\$185.4M \$381.16 92.8%	\$151.7M \$331.09 84.0%	Overall medical costs are trending higher; in addition, TRI rates are higher than DHCS rate schedule as well as continued claim system stabilization
Administrative Cost <i>Admin Costs PMPM</i> Administrative Loss Ratio	\$22.6M \$46.47 11.3%	\$20.2M \$44.14 11.2%	Salary and benefits were budgeted lower than actual costs
Operating Results	(\$8.3M)	\$8.8M	
Investment Income	\$2.2M	\$3.0M	Less cash available to invest accompanied by lower interest rates
Quality Strategy (Grants/Incentives) Spend	\$8.2M	\$9.5M	Variance is associated with timing of spend
Non-Operating Results	(\$6.0M)	(\$6.5M)	
Net Income/(Loss)	(\$14.3M)	\$2.3M	
TNE	\$285.6M	\$316.3M	TNE is currently 602% of State Requirement

August Financial Results: Categories of Service

	For the Month Ended August 2025			Fiscal Year to Date Through August 2025		
	Actual	Budget	Fav / (Unfav)	Actual	Budget	Fav / (Unfav)
(In Millions except membership)						
Membership	241,736	228,584	13,152	486,467	458,311	28,156
Capitation:						
Primary Care Physician (PCP)	\$7.2	\$6.7	(\$0.5)	\$14.3	\$13.4	(\$0.9)
Enhanced Care Management (ECM)	\$1.1	\$1.3	\$0.2	\$2.3	\$2.7	\$0.5
Total Capitation	\$8.3	\$8.0	(\$0.3)	\$16.6	\$16.1	(\$0.5)
FFS Claims:						
Inpatient	\$22.0	\$17.0	(\$5.0)	\$41.6	\$34.1	(\$7.6)
LTC / SNF	\$18.1	\$14.5	(\$3.6)	\$36.4	\$29.1	(\$7.3)
Outpatient	\$9.4	\$8.0	(\$1.4)	\$18.9	\$16.0	(\$2.8)
Laboratory and Radiology	\$1.2	\$0.7	(\$0.5)	\$2.2	\$1.4	(\$0.8)
Directed Payments - Provider	\$1.6	\$0.8	(\$0.8)	\$2.7	\$1.6	(\$1.1)
Emergency Room	\$4.3	\$3.4	(\$1.0)	\$8.6	\$6.8	(\$1.8)
Physician Specialty	\$8.2	\$5.6	(\$2.6)	\$16.1	\$11.2	(\$4.9)
Primary Care Physician	\$4.7	\$4.0	(\$0.7)	\$9.2	\$8.1	(\$1.2)
Home & Community Based Services	\$7.2	\$3.5	(\$3.7)	\$14.5	\$7.0	(\$7.5)
Applied Behavior Analysis Services	\$5.6	\$4.5	(\$1.1)	\$11.5	\$9.0	(\$2.5)
Other Medical Cost	\$5.0	\$6.3	\$1.3	\$9.5	\$12.7	\$3.1
Transportation	\$0.3	\$0.4	\$0.1	\$0.5	\$0.9	\$0.3
Total Claims	\$87.7	\$68.9	(\$18.8)	\$171.8	\$137.8	(\$34.0)
Other Medical Expense						
Provider Grant Program	\$0.9	\$1.2	\$0.2	\$2.1	\$2.4	\$0.3
Medical & Care Management	\$2.5	\$2.3	(\$0.2)	\$4.5	\$4.6	\$0.0
Reinsurance	\$0.2	\$0.3	\$0.1	\$0.6	\$0.6	\$0.0
Claims Recoveries	(\$0.6)	(\$0.1)	\$0.5	(\$2.1)	(\$0.2)	\$1.9
Total Other Medical Expense	\$3.1	\$3.7	\$0.6	\$5.2	\$7.3	\$2.2
Total Medical Cost	\$99.1	\$80.6	(\$18.5)	\$193.6	\$161.3	(\$32.3)
Medical Margin	\$5	\$9.5	(\$9.0)	\$6.1	\$19.5	(\$13.4)
Margin (w/o Grants and Incentives)	\$4.5	\$14.3	(\$9.7)	\$14.3	\$29.0	(\$14.7)

Inpatient

Upward trend in medical cost along with continued claims stabilization are driving the unfavorability

Long Term Care Center (LTC)

Unfavorability is due to retroactive rate changes

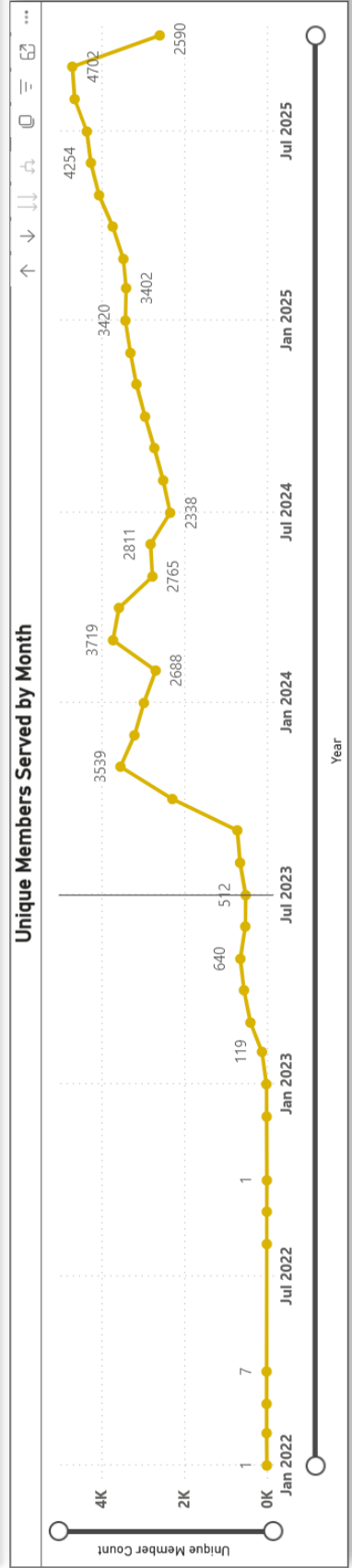
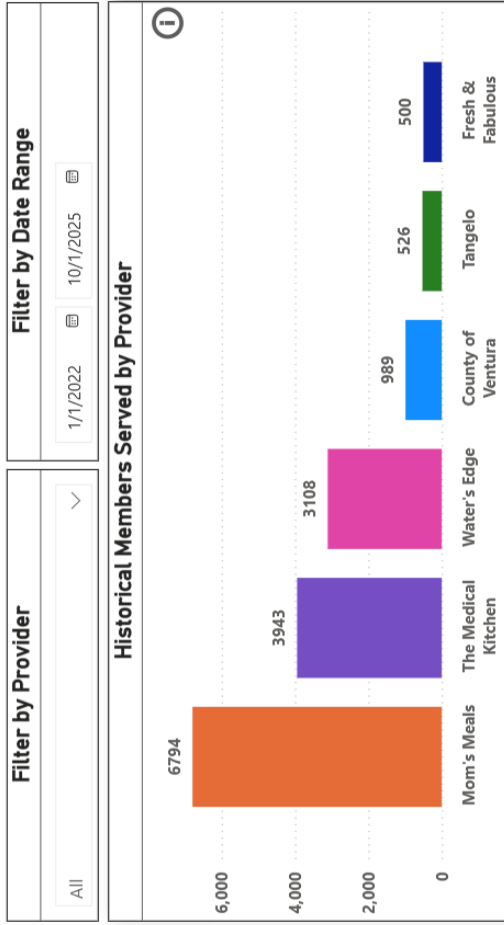
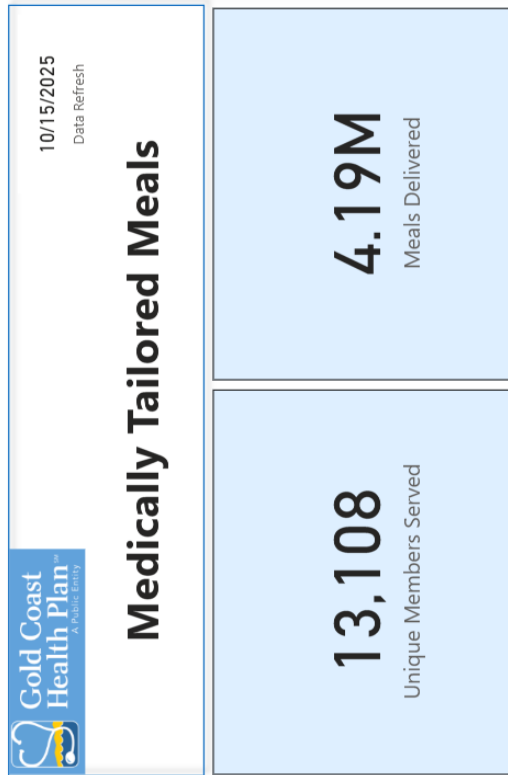
Outpatient

Unfavorability is due to the backlog of claims and large number of high dollar claims

Home and Community Based Services

Unfavorability is due to new CalAIM requirements, primarily medically-tailored meals, which are costing GCHP on average \$3M per month

August Financial Results: Medically-Tailored Meals



Labor Expense by Category August FYTD

Gold Coast Health Plan - Position Count Stub Period 2025
SP25 - Aug 31, 2025

Function	POSITION COUNT					Percentage of Total Headcount
	Active Headcount	Open Requisitions	Total Active + Open Requisitions	SP 25 Budget YE Headcount	Variance to SP25 YE Headcount	
Health Services	138	2	140	140	0	30%
Operations	106	1	107	108	1	23%
Information Tech	41	2	43	43	0	9%
Policy & Programs	44	1	45	44	-1	10%
Compliance	21	1	22	21	-1	5%
Finance & Accounting	35	3	38	37	-1	8%
Executive & Administration	15	0	15	15	0	3%
Member Experience and Ext Affairs	37	2	39	37	-2	8%
HR & Facilities	12	0	12	12	0	3%
Innovation / DSNP	4	0	4	6	2	1%
Strategic Initiatives	0	0	0	0	0	0%
Grand Total	453	12	465	463	-2	100%

Function	POSITION COUNT	CONTINGENT WORKERS			TOTAL RESOURCES	
	Total Active + Open Requisitions *	Temp Roles	Contractor / Consultant Roles	Total Contingent Workers†	Total Resources	Percentage of Total Resources
Health Services	140	0	5	5	145	24%
Operations	107	7	14	21	128	21%
Information Tech	43	0	3	3	46	8%
Policy & Programs	45	0	0	0	45	7%
Compliance	22	0	0	0	22	4%
Finance & Accounting	38	2	4	6	44	7%
Executive & Administration	15	0	0	0	15	2%
Member Experience and Ext Affairs	39	0	0	0	39	6%
HR & Facilities	12	1	3	4	16	3%
Innovation / DSNP	4	0	103	103	107	18%
Strategic Initiatives	0	0	0	0	0	0%
Grand Total	465	10	132	142	607	100%

†Outsourced Labor (BPO) excluded: 76 in Operations - Netmark

SP2025 Stub Period Headwinds & Tailwinds

Headwinds

- CalAIM services
- Impact of federal immigration actions on our members
- Continued claims clean-up adversely affecting IBNP

Tailwinds

- Favorable membership volume
- Potential for retroactive 2025 rate increase
- Winding down of claims clean-up positively affecting IBNP

Appendix Table of Contents

- Appendix 1: TNE Overview
- Appendix 2: August Balance Sheet: Assets
- Appendix 3: August Balance Sheet: Liabilities
- Appendix 4: August Statement of Cash Flow
- Appendix 5: August Investments and Cash

Appendix 1: TNE Overview

DEFINITION:

Tangible Net Equity is the total assets of a health plan minus:

- its total liabilities
- the value of its intangible assets
- unsecured obligations of officers, directors, owners, or affiliates

TNE is fluid and will change based on a health plan's cash position, receivables, liabilities, and delegated model. GCHP recalculates required TNE quarterly.

REQUIRED TNE CALCULATION:

8% of the first \$150M of annualized healthcare expenditures, except those paid on a capitated or managed hospital basis	+	4% of annualized healthcare expenditures in excess of \$150M except those paid on a capitated or managed hospital basis	+	4% of the annualized hospital expenditures paid on a managed hospital payment basis	=	Required TNE
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Appendix 2: August Balance Sheet: Assets

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, August 2025	As of Month Ending, June 2025
ASSETS		
Current Assets:		
Total Cash and Cash Equivalents	\$ 280,446,309	\$ 291,033,725
Total Short-Term Investments	105,268,879	104,396,027
Medi-Cal Receivable	147,476,729	213,250,889
Interest Receivable	634,112	761,742
Provider Receivable	34,668,238	34,764,364
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Total Accounts Receivable	191,374,528	257,372,444
Total Prepaid Accounts	14,652,941	14,810,767
Total Other Current Assets	133,545	133,545
Total Current Assets	591,876,202	667,746,508
Total Fixed Assets	58,967,324	60,155,248
Total Assets	\$ 650,843,526	\$ 727,901,756

- Total Asset balance of \$650.8M represents a decrease of \$77.0M vs last fiscal year end is attributed to the following:
 - Lower Cash Equivalents and Short-Term Cash (Normal operations)
 - Offset by a decrease in Medi-Cal and Provider Receivable associated with operational functions

Appendix 3: August Balance Sheet: Liabilities

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, August 2025	As of Month Ending, June 2025
LIABILITIES & NET ASSETS		
Current Liabilities:		
Incurred But Not Reported	\$ 144,991,926	\$ 166,097,652
Claims Payable	18,345,175	18,345,175
Capitation Payable	7,576,443	7,239,849
Physician Payable	14,624,272	13,406,843
DHCS - Reserve for Capitation Recoup	32,262,771	31,573,252
Lease Payable- ROU	6,912,062	7,035,805
Accounts Payable	9,619,091	6,704,869
Accrued ACS	-	-
Accrued Provider Incentives/Reserve	6,280,870	7,889,172
Accrued Expenses	15,527,182	22,928,272
Accrued Premium Tax	72,436,396	105,862,040
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Long-Term Liabilities:		
Lease Payable - NonCurrent - ROU	20,988,026	25,180,339
Total Long-Term Liabilities	20,988,026	25,180,339
Total Liabilities	365,264,694	428,049,241
Net Assets:		
Beginning Net Assets	299,852,518	311,010,481
Total Increase / (Decrease in Unrestricted Net Assets)	(14,273,686)	(11,157,966)
Total Net Assets	285,578,832	299,852,515
Total Liabilities & Net Assets	\$ 650,843,526	\$ 727,901,756

- Total Liabilities: \$62.7M decrease vs last fiscal year end is primarily attributed to the following:
 - Decrease in the Accrued Premium/MCO Tax payable
 - Offset by decreases in Incurred But Not Paid (IBNP) expenses (medical services provided but not yet submitted or paid) and Accrued Expenses
 - Decrease in Lease Payable – Noncurrent-ROU

Appendix 4: August Statement of Cash Flow

STATEMENT OF CASH FLOWS		
	For the Month Ended August 2025	Fiscal Year to Date Through August 2025
Cash Flows Provided By Operating Activities		
Net Income (Loss)	\$ (10,047,218)	\$ (14,273,686)
Adjustments to reconciled net income to net cash provided by operating activities		
Depreciation on fixed assets	511,018	1,614,009
Changes in Operating Assets and Liabilities		
Accounts Receivable	(1,481,804)	65,997,916
Prepaid Expenses	(1,727,249)	157,826
Accrued Expense and Accounts Payable	(145,971)	(9,556,807)
Claims Payable	(4,374,613)	1,554,023
MCO Tax liability	34,322,001	(33,425,644)
IBNR	6,427,146	(21,105,727)
Net Cash Provided by (Used in) Operating Activities	23,483,310	(9,038,090)
Cash Flow Provided By Investing Activities		
Proceeds from Investments	(699,907)	(872,852)
Purchase of Property and Equipment	(2,864)	(426,085)
Net Cash (Used in) Provided by Investing Activities	(702,771)	(1,298,937)
Cash Flow Provided By Financing Activities		
Lease Payable - ROU	(125,468)	(250,390)
Net Cash Used In Financing Activities	(125,468)	(250,390)
Increase/(Decrease) in Cash and Cash Equivalents	22,655,071	(10,587,417)
Cash and Cash Equivalents, Beginning of Period	257,791,237	291,033,725
Cash and Cash Equivalents, End of Period	280,446,309	\$ 280,446,309

- The Total Year-to-Date decrease in cash of \$10.6M is due to the following:
 - Year-to-Date Net Loss
 - Increase in Accounts Receivable
 - Decrease in the Accrued Premium/MCO Tax payable
 - Catch-up of paid claims
 - Fixed lease expense and work in progress (WIP)

Appendix 5: August Investments and Cash

SCHEDULE OF INVESTMENTS AND CASH BALANCES			
Market Value as of			
	Month Ending,	Account Type	
	August 2025		
Local Agency Investment Fund (LAIF)	\$ 44,999,286	Investment	
Ventura County Investment Pool	\$ 20,230,886	Investment	
CalTrust	\$ 40,038,707	Short-term investment	
Bank of Montreal	\$ 280,859,878	Money market account	
Pacific Premier Bank	\$ (413,569)	Operating accounts	
Investments and monies held by GCHP	\$ 385,715,188		

- Cash balances fluctuate daily; the balances as of August 2025, reflect normal operations
- Cash and short-term investments balance sits at \$385.7M
- The investment portfolio includes:
 - LAIF CA State \$45.0M
 - Ventura County Investment Pool \$20.2M
 - Cal Trust \$40.0M