

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

**Executive Finance Committee  
AGENDA**

**Regular Meeting**

**Thursday, June 26, 2025 – 3:00 p.m.**

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

**Conference Call Number: 805-324-7279**

**Conference ID Number: 868 967 600#**

147 N. Brent Street  
Ventura, CA 93003

**AGENDA**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENT**

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

Persons wishing to address VCMMCC 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.

Members of the public may attend the meeting in person, call in, using the numbers above, or can submit public comments to the Committee via email by sending an email to [ask@goldchp.org](mailto: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. Approval of Executive Finance Committee regular meeting minutes of Exec. Finance meeting of April 24, 2025**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

**RECOMMENDATION:** Approve the minutes as presented.

## **FORMAL ACTION**

### **2. May 2025 Year-To-Date Fiscal Results**

Staff: Sara Dersch, Chief Financial Officer

**RECOMMENDATION:** Receive, file the fiscal results

### **3. Moss Adams GCHP Audit Entrance**

Staff: Sara Dersch, Chief Financial Officer

Moss Adams Representatives: Stelian Damu & Kimberly Sokoloff

**RECOMMENDATION:** The Plan requests that the Executive Finance Committee receive and file the information provided by Moss Adams.

## **CLOSED SESSION**

### **4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Property: 4880 Santa Rosa Road, Camarillo, CA 93012

Negotiating Party: Eclipse RE Holdings, LLC

Under negotiation: Price and terms of payment.

Property: 711 E. Daily Drive, Camarillo, CA 93010

Negotiating Party: 711 Daily Drive, LLC

Under negotiation: Price and terms of payment.

Property: 5153 Camino Ruiz, Camarillo, CA 93012

Negotiating Party: WQM, LLC

Under negotiation: Price and terms of payment.

Agency Negotiators: Sara Dersch, Chief Financial Officer

Paul Aguilar, Chief Human Resources & Organization

Performance Officer

### **5. PUBLIC EMPLOYEE APPOINTMENT**

Title: Chief Medical Officer

## **ADJOURNMENT**

---

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 Board.

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 Tuesday prior to the meeting by 3 p.m. will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.

## **AGENDA ITEM NO. 1**

**TO:** Executive Finance Committee  
**FROM:** Maddie Gutierrez, MMC – Sr. Clerk of the Board  
**DATE:** June 26, 2025  
**SUBJECT:** Meeting Minutes for regular Exec. Finance meeting of April 24, 2025

### **RECOMMENDATION:**

Approve the minutes.

### **ATTACHMENTS:**

Copy of the Executive Finance Committee regular meeting minutes

**Ventura County Medi-Cal Managed Care Commission (VCMMCC)  
Executive/Finance Committee  
Regular Meeting**

**April 24, 2025**

**CALL TO ORDER**

Committee Vice Chair Dee Pupa called the meeting to order at 3:06 p.m. The meeting was held in the Community Room, 711 E. Daily Drive, Suite 110 Camarillo, California.

**ROLL CALL**

Present: Commissioners Anwar Abbas, Anna Monroy, and Dee Pupa

Absent: Commissioners James Corwin, and Laura Espinosa

GCHP Executive Team in attendance: Acting CEO Felix Nunez, M.D., CHR Paul Aguilar, CIO Eve Gelb, CCO Robert Franco, CFO Sara Dersch, CDO Ted Bagley, Erik Cho, CPPO, Marlen Torres, CME&IAO, and General Counsel, Scott Campbell.

GCHP Staff In attendance: Lupe Harrion, Kimberly Marquez-Johnson, Mayra Hernandez, Jeff Register, Lily Yip, Lucy Marrero, Josephine Gallella, Vicki Wrighster, Lupe Gonzalez, Susana Enriquez-Euyoque, Victoria Warner, Anna Sproule, Jerry Wang, and TJ Piwowski.

**PUBLIC COMMENT**

None.

**CONSENT**

- 1. Approval of Executive Finance Committee regular meeting informal notes of January 23, 2025, Special Exec. Finance meeting minutes of February 6, 2025, March 3, 2025, March 10, 2025, and March 14, 2025.**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

**RECOMMENDATION:** Approve the minutes as presented.

Commissioner Abbas motioned to approve the minutes as presented. Commissioner Monroy seconded the motion.

Roll Call Vote:

AYES: Commissioners Anwar Abbas, Anna Monroy, and Dee Pupa  
NOES: None.

ABSENT: Commissioners James Corwin and Laura Espinosa

The clerk declared the motion carried.

**FORMAL ACTION**

**2. March YTD Financials & Stub Period**

Staff: Sara Dersch, Chief Financial Officer

**RECOMMENDATION:** Receive, file, and approve the financials as presented

Chief Financial Officer, Sara Dersch, stated she will review results for year to date, March results, and the stub period budget. She reminded the committee that we did budget and reforecast for a deficit based on the investments that we are making in the quality strategy, and investments we are making in our technology and operations infrastructure.

Our year-to-date net loss currently stands at \$37.3million. This is unfavorable by \$22.2 million. The results are influenced by the finalization of OPS of the Future. There has been a lot of elimination of claims backlog. In January and February there was a lot of claims clean up and payments. In the year-to-date perspective we are favorable, but a lot is driven by claims clean-up. Specifically high dollar claims that we had not been able to process, going back to July. Those are now fully processed and paid.

In the March results for the month, they do approximate our reforecast. This shows that we are moving toward normal claims adjudication. Other unfavorable drivers include long-term care reimbursements, which can be higher than expected. The LTC rates are sent to us by the state – we get them every January and they go back twelve months. We must reprocess all those claims, and usually those rates always adjust upwards. They came almost double of what we were expecting.

Our membership continues to approximate our reforecast total; however, our member mix is slightly different. This is helping us. CFO Dersch also stated that our total administrative spend is favorable to reforecast due to the timing of our D-SNP implementation activities. We anticipate that as we close out the year, we should have some favorability in administrative expenses.

CFO Dersch there reviewed our year-to-date results. Our membership is slightly unfavorable by a couple of thousand members, and our member mix is still positive, and that is helping us. We are also favorable in total revenue \$842.1 million versus a forecast of \$818 million. Our medical cost is up – most of the driver of this is the claims clean-up. We are currently at 90% MLR. That MLR will tail down to 88 or 89%.

CFO Dersch stated we are very close to where we thought we should be at this point in our quality strategy investment, which is our grants and other incentives. We are on track with that spend. In our administrative spend we are \$6 million favorable. In our ALR we are running at 8.9% versus a reforecast of 9.8%. She noted that the leadership team pays a lot of attention to controlling costs. Our TNE was at 726%, and now we are up to 736% - that number is slowly starting to boost up.

Commissioner Abbas stated CFO Dersch had mention unfavorable financial was due to the number of claims. He asked if CFO Dersch is she knew the number of claims.

Anna Sproule, Executive Director of Operations replied that she would get the information requested and send it to the commissioner. He requested the number paid through March.

Commission Chair, Laura Espinosa arrived at the meeting at 3:14 p.m.

Commissioner James Corwin joined the meeting at 3:15 p.m.

CFO Dersch stated that that from a March only perspective we are approximating what would be considered a normal month, which tells us we are getting back on track. She then stated our revenue is slightly favorable, due to the member mix. Our investment income is approximate to our forecast and there is favorability in the interest rate. Our medical costs show that we are close to where we thought we would be. We are a half million favorable from a net income perspective.

Commissioner Abbas stated he sees the shift in membership and asked what the forecast for the future is. CFO Dersch stated we are projecting small decreases in our healthy adult populations, both SIS and UI. We are projecting a drop off in July because if there are any actions, which is when they will go into effect. We are starting to see a decrease in membership because some people do not want to renew, they membership out of fear. We are projecting a five hundred drop in each of the adult health populations every month for the remainder of the year after July. Commissioner Abbas asked about the drop in funding and cuts to Medicaid. CFO Dersch stated new information is coming from Sacramento and Washington, so it is very much on our radar. CFO Dersch noted the landscape will continue to shift and we will be in perpetual budget mode. Even though we have a stub period budget that is being presented, if we need to, we will re-estimate the budget and produce revised projections.

CFO Dersch reviewed the Admin. rate and stated that we are running at a good rate. She then reviewed financial results by category of service. We are approaching what would be considered a steady state with our operations. We did have a higher-than-expected home and community-based services. We think that is rate-related and expect to see some stated fix coming through, so we could have a reversal of some of those costs.

CFO Dersch noted that Commissioner Pupa had requested a layer in the PMPM medical costs alongside the PMPM revenue. CFO Dersch reviewed the information.

CFO Dersch stated that we continue to advocate for the need to separate the long-term care from the SPDs – it is a very different utilization, and a very different member type. It is not fair to combine those rates. We will continue to get more data that we can share with the state.

CFO Dersch then moved on to review the employee and position perspective. We will review what we are doing with some of the open requisitions. We are looking to see if we need a specific position, or can we repurpose it for something else.

Commissioner Abbas stated that a few meetings back due to the claims adjudication we approximately ninety people doing manual claim adjudication – he asked where this labor fits, he asked if they were NetMark employees. CFO Dersch stated they are listed as outsourced labor. Anna Sproule, Executive Director of Operations, stated that we pay them on a per member per month basis, so the quantity of individuals varies.

CFO Dersch stated the state did have a deficit, which has been solved. This could mean takebacks from us, that they have not told us about. We saw this in January of 2024, when the state took back millions related to prior year revenues. We do expect some takebacks, especially due to potential federal funding cuts for Medicaid. The dollars must come from somewhere, so CFO Dersch is monitoring closely. She stated she would not be surprised if there take back in the remainder of this calendar year, and we will see what the 2026 rates look like.

CFO Dersch moved on to review the Stub Period. The Stub Period began July 2025 and ends December 2025. The purpose is to allow GCHP to transition from a July-to-June fiscal year to a January-to-December fiscal year. The Stub period bridges the six-month abbreviated fiscal period.

CFO Dersch stated that due to continued changes in government sponsored healthcare funding, we have taken a conservative approach in projecting expected membership, utilization, and administrative expenses. The projected ending membership is 224k compared to 246k for the same period in 2024. The reduction of



22k membership is driven by lower Unsatisfactory Immigration Status and Adult Expansion members.

We continue to invest in Quality Strategy with a projected Stub Period spend of \$28.6M. Total administrative costs remain flat to 2024, there are shifts within the administrative categories.

CFO Dersch stated that the stub period spend is projected to be \$28.6 M and we will continue with the grants, with the provider incentives, and with a quality incentive program. She noted that there are some important call outs that she wants to make. We have all the amortization associated with operations of the future, those costs that we were paying the cash for the services, the implementation, but are not recognized as expense, until the system is fully live. We also have some salary and occupancy expenses related to our Medicare launch, and the contact center was not in our budget for the first six months of this current fiscal year, but is in the projections for the stub period and finally there was a correction for the annual merit bonus which had been accrued in 2025 versus when we had accrued and paid the 2024.

We will be coming back and updating executive finance on what we are hearing and changes that we may need to make based on assumptions. We have done our best and added some extra conservatism just to be on the safe side. Our medical loss ratio for the six months of last year was 85.2% for the stub period and we are projecting 84.9, so we will satisfy the state requirement.

Our administrative cost is flat from a dollar perspective and an administrative lost perspective. Finally, in our net income, if you look at where we were last year at the end of the period from July through December, we had lost \$3.2 million. We are expecting a \$900,000 net income for this stub period, we will break even. We will use this money if we have a result that is positive – that money will go back into TNE. This will allow us to continue funding our quality strategy and continue funding D-SNP. CFO Dersch noted that we will be constantly reviewing and present revised projections. She did not that we will present a revised budget in June. If there is not a revised budget, we will present why there is not a revision.

Paul Aguilar, Chief of Human Resources & Organizational Performance Officer stated we will have a one team incentive or bonus. All employees are eligible up to 5% increase in salary. This incentive is determined on our accomplishment of our priorities. There is a lot of work around improved member experience, outreach activities and there is work around transforming culture. Our success in these areas will determine the payout.

Marlen Torres, Chief Member Experience & External Affairs stated that we have been doing member outreach, we have also done focus groups that include member

education and benefit services. There are billboards and other type of information that we have been sharing out in the community, as well as the Member Care Ambassadors that can be found at some provider sites. Many of our members do not even realize that the care they are receiving is through MediCal. It is important that our members understand and share impactful stories. We want to preserve Medicaid and avoid cuts.

There are many variables, and we are waiting for some direction from the state and from Washington. Once we have more clarity, we will be able to make better predictions and have a better approach.

Mr. Aguilar reviewed open positions, temporary labor, and lab or expenses in the stub period. We have a lot of work that will conclude at the end of June. This also includes some consultants. He did state that we are during filling the mailroom, currently half of the positions have been filled. Flexibility is the key.

Commissioner Abbas motioned to approve the financials and stub period report as presented. Commissioner Monroy seconded the motion.

Roll Call Vote:

AYES: Commissioners Anwar Abbas, James Corwin, Laura Espinosa, Anna Monroy, and Dee Pupa

NOES: None.

ABSENT: None

The clerk declared the motion carried.

### **3. 2025 Contract Renewal Schedule**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Receive and file

CFO Dersch stated the renewal schedule is an update. We continue to make improvements on this report. Everything is done manually for this report but after January we will our new ERP system in place, and we can provide the report on a monthly basis. This report shows what we are spending on vendors, invoice amounts.

Commissioner Abbas motioned to approve the 2025 Contract Renewal Schedule as presented. Commissioner Pupa seconded the motion.

Roll Call Vote:

AYES: Commissioners Anwar Abbas, James Corwin, Laura Espinosa, Anna Monroy,  
and Dee Pupa

NOES: None.

ABSENT: None

The clerk declared the motion carried.

**CLOSED SESSION**

**4. REPORT INVOLVING TRADE SECRET:**

Discussion will concern: Proposed New Service

Estimated Date of Public Disclosure: October 1, 2025

**5. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of  
Section 54956.9: Four cases

Gold Coast Health Plan has received a written communication that, on the advice of  
counsel and based on the facts and circumstances in such correspondence, creates  
a significant exposure to litigation against Gold Coast Health Plan. A copy of the  
written communication is attached to this agenda.

**6. PUBLIC EMPLOYEE APPOINTMENT**

Title: Chief Executive Officer

**7. CONFERENCE WITH LABOR NEGOTIATORS**

Agency designated representatives: Paul Agular and Executive Finance Committee

Unrepresented Employee: Chief Executive Officer

**ADJOURNMENT**

There was no reportable action. The meeting adjourned at 4:44 p.m.

Approved:

---

Maddie Gutierrez, MMC  
Clerk to the Commission



**AGENDA ITEM NO. 2**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer

DATE: June 26, 2025

SUBJECT: May 2025 Fiscal Year to Date Financials

**SUMMARY:**

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

**ATTACHMENT:**

May 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 May 2025 |                       |                       |               | Fiscal Year to Date Through May 2025 |                        |                       |               |
|                                                               | Actual                       | 6+6 Forecast          | Fav /(Unfav)          | %             | Actual                               | 6+6 Forecast           | Fav /(Unfav)          | %             |
| <b>Membership</b>                                             | 242,139                      | 244,592               | (2,453)               | -1.0%         | \$ 2,688,887                         | 2,696,955              | (8,068)               | -0.3%         |
| <b>Revenue</b>                                                |                              |                       |                       |               |                                      |                        |                       |               |
| Premium                                                       | \$ 130,542,166               | \$ 126,560,735        | \$ 3,981,432          | 3.1%          | \$ 1,397,912,137                     | 1,372,474,099          | \$ 25,438,038         | 1.9%          |
| Facility Expense AB85                                         | -                            | -                     | -                     |               | 9,828,798                            | -                      | 9,828,798             |               |
| Reserve for Cap Requirements                                  | (460,085)                    | (220,601)             | (239,484)             | 108.6%        | (3,584,204)                          | (1,609,307)            | (1,974,897)           | 122.7%        |
| MCO Premium Tax                                               | (34,504,360)                 | (34,873,927)          | 369,567               | -1.1%         | (379,217,437)                        | (377,618,226)          | (1,599,211)           | 0.4%          |
| <b>Total Net Premium</b>                                      | <b>95,577,722</b>            | <b>91,466,206</b>     | <b>4,111,515</b>      | <b>4.5%</b>   | <b>1,024,939,294</b>                 | <b>993,246,566</b>     | <b>31,692,727</b>     | <b>3.2%</b>   |
| <b>Other Revenue:</b>                                         |                              |                       |                       |               |                                      |                        |                       |               |
| Miscellaneous Income                                          | 240                          | -                     | 240                   |               | 1,280                                | -                      | 1,280                 |               |
| <b>Total Other Revenue</b>                                    | <b>240</b>                   | <b>-</b>              | <b>240</b>            |               | <b>1,280</b>                         | <b>-</b>               | <b>1,280</b>          |               |
| <b>Total Revenue</b>                                          | <b>95,577,962</b>            | <b>91,466,206</b>     | <b>4,111,755</b>      | <b>4.5%</b>   | <b>1,024,940,574</b>                 | <b>993,246,566</b>     | <b>31,694,007</b>     | <b>3.2%</b>   |
| <b>Medical Benefits:</b>                                      |                              |                       |                       |               |                                      |                        |                       |               |
| <u>Capitation:</u>                                            |                              |                       |                       |               |                                      |                        |                       |               |
| PCP, Specialty, Kaiser, NEMT & Vision                         | \$ 7,001,415                 | \$ 4,194,052          | \$ (2,807,363)        | -66.9%        | \$ 77,446,905                        | 64,055,088             | \$ (13,391,817)       | -20.9%        |
| ECM                                                           | 938,594                      | 1,336,876             | 398,282               | 29.8%         | 8,283,313                            | 15,005,597             | 6,722,284             | 44.8%         |
| <b>Total Capitation</b>                                       | <b>7,940,009</b>             | <b>5,530,928</b>      | <b>(2,409,081)</b>    | <b>-43.6%</b> | <b>85,730,218</b>                    | <b>79,060,685</b>      | <b>(6,669,533)</b>    | <b>-8.4%</b>  |
| <u>FFS Claims:</u>                                            |                              |                       |                       |               |                                      |                        |                       |               |
| Inpatient                                                     | \$ 19,880,386                | \$ 19,938,074         | \$ 57,688             | 0.3%          | \$ 215,298,796                       | 218,388,590            | \$ 3,089,793          | 1.4%          |
| LTC / SNF                                                     | 19,242,566                   | 15,247,862            | (3,994,704)           | -26.2%        | 184,587,475                          | 160,241,239            | (24,346,236)          | -15.2%        |
| Outpatient                                                    | 9,982,916                    | 8,721,086             | (1,261,830)           | -14.5%        | 104,476,043                          | 91,603,900             | (12,872,142)          | -14.1%        |
| Laboratory and Radiology                                      | 1,293,521                    | 772,833               | (520,688)             | -67.4%        | 10,475,322                           | 9,281,560              | (1,193,761)           | -12.9%        |
| Directed Payments - Provider                                  | (4,532,409)                  | 926,635               | 5,459,044             | 589.1%        | 8,839,476                            | 9,465,205              | 625,729               | 6.6%          |
| Emergency Room                                                | 4,796,836                    | 3,457,902             | (1,338,934)           | -38.7%        | 43,268,384                           | 37,172,918             | (6,095,466)           | -16.4%        |
| Physician Specialty                                           | 9,639,016                    | 8,864,950             | (774,066)             | -8.7%         | 73,440,680                           | 86,195,762             | 12,755,082            | 14.8%         |
| Primary Care Physician                                        | 9,468,943                    | 4,175,247             | (5,293,696)           | -126.8%       | 40,366,250                           | 47,109,270             | 6,743,020             | 14.3%         |
| Home & Community Based Services                               | 5,103,291                    | 2,690,155             | (2,413,136)           | -89.7%        | 40,434,286                           | 21,083,262             | (19,351,024)          | -91.8%        |
| Applied Behavior Analysis Services                            | 5,176,993                    | 3,970,602             | (1,206,391)           | -30.4%        | 51,944,889                           | 47,120,568             | (4,824,321)           | -10.2%        |
| Quality Incentives/Provider Reserves                          | -                            | -                     | -                     |               | 7,921,066                            | (1,279,394)            | (9,200,460)           | 719.1%        |
| Quality Incentive Provider Program (QIPP)                     | 464,102                      | 3,583,370             | 3,119,268             | 87.0%         | 35,202,236                           | 37,750,438             | 2,548,202             | 6.8%          |
| Other Medical Professional                                    | 419,438                      | 410,269               | (9,169)               | -2.2%         | 5,102,403                            | 4,579,805              | (522,597)             | -11.4%        |
| Professional Fee For Service                                  | -                            | -                     | -                     |               | 6,650                                | -                      | (6,650)               |               |
| Other Fee For Service                                         | 1,784,234                    | 2,228,477             | 444,243               | 19.9%         | 45,442,316                           | 42,104,763             | (3,337,553)           | -7.9%         |
| Transportation                                                | 149,036                      | 445,727               | 296,691               | 66.6%         | 2,035,488                            | 4,903,257              | 2,867,769             | 58.5%         |
| HHIP & IPP                                                    | -                            | -                     | -                     |               | 1,604,043                            | -                      | (1,604,043)           |               |
| <b>Total Claims</b>                                           | <b>82,870,331</b>            | <b>75,433,188</b>     | <b>(7,437,144)</b>    | <b>-9.9%</b>  | <b>870,447,266</b>                   | <b>815,721,144</b>     | <b>(54,726,122)</b>   | <b>-6.7%</b>  |
| Provider Grant Program                                        | 1,000,000                    | 1,041,667             | 41,667                | 4%            | 7,010,415                            | 11,458,333             | 4,447,918             | 39%           |
| Medical & Care Management                                     | (2,835,330)                  | 2,275,943             | 5,111,273             | 225%          | 23,701,945                           | 25,035,368             | 1,333,424             | 5%            |
| Reinsurance                                                   | 403,271                      | 320,441               | (82,830)              | -26%          | 3,602,294                            | 3,550,145              | (52,149)              | -1%           |
| Claims Recoveries                                             | (462,041)                    | (100,000)             | 362,041               | -362%         | (4,224,495)                          | (1,100,000)            | 3,124,495             | -284%         |
| <b>Sub-total</b>                                              | <b>(1,894,100)</b>           | <b>3,538,050</b>      | <b>5,432,150</b>      | <b>154%</b>   | <b>30,090,159</b>                    | <b>38,943,847</b>      | <b>8,853,688</b>      | <b>23%</b>    |
| <b>Total Medical Benefits</b>                                 | <b>88,916,240</b>            | <b>84,502,166</b>     | <b>(4,414,074)</b>    | <b>-5.2%</b>  | <b>986,267,643</b>                   | <b>933,725,676</b>     | <b>(52,541,967)</b>   | <b>-5.6%</b>  |
| <b>Contribution Margin</b>                                    | <b>6,661,722</b>             | <b>6,964,040</b>      | <b>(302,319)</b>      | <b>-4.3%</b>  | <b>38,672,931</b>                    | <b>59,520,890</b>      | <b>(20,847,959)</b>   | <b>-35.0%</b> |
| <b>General &amp; Administrative Expenses:</b>                 |                              |                       |                       |               |                                      |                        |                       |               |
| Salaries, Wages & Employee Benefits                           | 6,498,394                    | 5,807,689             | (690,706)             | -12%          | 61,578,586                           | 62,519,706             | 941,120               | 2%            |
| Training, Conference & Travel                                 | 81,079                       | 205,778               | 124,700               | 61%           | 790,753                              | 1,514,679              | 723,926               | 48%           |
| Outside Services                                              | 2,450,347                    | 2,928,170             | 477,824               | 16%           | 23,053,498                           | 28,334,883             | 5,281,385             | 19%           |
| Professional Services                                         | 939,219                      | 816,808               | (122,411)             | -15%          | 10,683,972                           | 10,045,174             | (638,798)             | -6%           |
| Occupancy, Supplies, Insurance & Others                       | 3,244,567                    | 2,344,614             | (899,953)             | -38%          | 26,557,811                           | 26,035,528             | (522,284)             | -2%           |
| ARCH/Community Grants                                         | -                            | -                     | -                     |               | 346,066                              | -                      | (346,066)             |               |
| Sponsorships                                                  | -                            | -                     | -                     |               | 65,584                               | -                      | (65,584)              |               |
| Care Management Reclass to Medical                            | 2,835,330                    | (2,275,943)           | (5,111,273)           | 225%          | (23,701,945)                         | (25,035,368)           | (1,333,424)           | 5%            |
| <b>G&amp;A Expenses</b>                                       | <b>16,048,936.37</b>         | <b>9,827,117</b>      | <b>(6,221,820)</b>    | <b>-63%</b>   | <b>99,374,325</b>                    | <b>103,414,601</b>     | <b>4,040,277</b>      | <b>4%</b>     |
| Project Portfolio (OOTF)                                      | 1,639,103                    | 1,725,711             | 86,608                | 5%            | 19,748,121                           | 19,315,218             | (432,904)             | -2%           |
| D-SNP                                                         | 274,504                      | 797,500               | 522,996               | 66%           | 784,240                              | 3,987,500              | 3,203,260             | 80%           |
| <b>Project Portfolio</b>                                      | <b>1,913,607</b>             | <b>2,523,211</b>      | <b>609,604</b>        | <b>24%</b>    | <b>20,532,362</b>                    | <b>23,302,718</b>      | <b>2,770,356</b>      | <b>12%</b>    |
| <b>Total G&amp;A Expenses</b>                                 | <b>17,962,544</b>            | <b>12,350,328</b>     | <b>(5,612,216)</b>    | <b>-45%</b>   | <b>119,906,686</b>                   | <b>126,717,319</b>     | <b>6,810,633</b>      | <b>5%</b>     |
| <b>Total Operating Gain / (Loss)</b>                          | <b>(11,300,822)</b>          | <b>(5,386,288)</b>    | <b>(5,914,534)</b>    | <b>110%</b>   | <b>(81,233,756)</b>                  | <b>(67,196,429)</b>    | <b>(14,037,327)</b>   | <b>-20.9%</b> |
| <b>Retro Premium Adj</b>                                      | <b>(137,693)</b>             | <b>-</b>              | <b>(137,693)</b>      |               | <b>8,603,514</b>                     | <b>-</b>               | <b>\$ 8,603,514</b>   |               |
| <b>Non Operating</b>                                          |                              |                       |                       |               |                                      |                        |                       |               |
| Revenues - Interest                                           | 1,193,885                    | 1,500,000             | (306,115)             | -20.4%        | 17,654,302                           | 16,500,000             | 1,154,302             | 7%            |
| <b>Total Non-Operating</b>                                    | <b>1,193,885</b>             | <b>1,500,000</b>      | <b>(306,115)</b>      | <b>-20.4%</b> | <b>17,654,302</b>                    | <b>16,500,000</b>      | <b>1,154,302</b>      | <b>7%</b>     |
| <b>Total Increase / (Decrease) in Unrestricted Net Assets</b> | <b>\$ (10,244,629)</b>       | <b>\$ (3,886,288)</b> | <b>\$ (6,358,341)</b> | <b>-164%</b>  | <b>\$ (54,975,940)</b>               | <b>\$ (50,696,429)</b> | <b>\$ (4,279,511)</b> | <b>-8%</b>    |

| STATEMENT OF FINANCIAL POSITION                        |                                 |                                  |
|--------------------------------------------------------|---------------------------------|----------------------------------|
|                                                        | As of Month Ending,<br>May 2025 | As of Month Ending,<br>June 2024 |
| <b>ASSETS</b>                                          |                                 |                                  |
| <b>Current Assets:</b>                                 |                                 |                                  |
| Petty Cash                                             | -                               | 500                              |
| Cash - Claims Payment                                  | (16,259,618)                    | (6,997,289)                      |
| Money Market Accounts - Investment                     | 326,536,069                     | 437,971,094                      |
| <b>Total Cash and Cash Equivalents</b>                 | <b>\$ 310,276,451</b>           | <b>\$ 430,974,305</b>            |
| <b>Total Short-Term Investments</b>                    | <b>104,037,161</b>              | <b>99,718,245</b>                |
| Medi-Cal Receivable                                    | 181,738,804                     | 173,911,167                      |
| Interest Receivable                                    | 924,325                         | 772,425                          |
| Provider Receivable                                    | 34,772,733                      | 12,484,788                       |
| Other Receivables                                      | 12,191,943                      | 5,579,474                        |
| <b>Total Accounts Receivable</b>                       | <b>229,627,805</b>              | <b>192,747,854</b>               |
| Total Prepaid Accounts                                 | 6,447,281                       | 10,875,162                       |
| Total Other Current Assets                             | 133,545                         | 133,545                          |
| <b>Total Current Assets</b>                            | <b>650,522,243</b>              | <b>734,449,111</b>               |
| <b>Total Fixed Assets</b>                              | <b>42,377,579</b>               | <b>23,343,857</b>                |
| <b>Total Assets</b>                                    | <b>\$ 692,899,822</b>           | <b>\$ 757,792,968</b>            |
| <b>LIABILITIES &amp; NET ASSETS</b>                    |                                 |                                  |
| <b>Current Liabilities:</b>                            |                                 |                                  |
| Incurred But Not Reported                              | \$ 137,502,451                  | \$ 103,483,161                   |
| Claims Payable                                         | 18,965,925                      | 18,370,448                       |
| Capitation Payable                                     | 7,138,285                       | 8,201,415                        |
| Physician Payable                                      | 25,685,683                      | 30,314,835                       |
| DHCS - Reserve for Capitation Recoup                   | 52,776,933                      | 55,107,254                       |
| Lease Payable- ROU                                     | 650,515                         | 2,411,196                        |
| Accounts Payable                                       | 1,246,753                       | 4,671,951                        |
| Accrued ACS                                            | -                               | 4,068,323                        |
| Accrued Provider Incentives/Reserve                    | 7,633,171                       | 8,389,182                        |
| Accrued Expenses                                       | 21,294,760                      | 9,112,142                        |
| Accrued Premium Tax                                    | 74,832,355                      | 138,769,137                      |
| Accrued Payroll Expense                                | 6,746,405                       | 4,240,566                        |
| Quality Withhold                                       | 4,871,237                       | 1,287,033                        |
| <b>Total Current Liabilities</b>                       | <b>359,344,473</b>              | <b>388,426,643</b>               |
| <b>Long-Term Liabilities:</b>                          |                                 |                                  |
| Lease Payable - NonCurrent - ROU                       | 22,842,323                      | 3,677,360                        |
| <b>Total Long-Term Liabilities</b>                     | <b>22,842,323</b>               | <b>3,677,360</b>                 |
| <b>Total Liabilities</b>                               | <b>382,186,796</b>              | <b>392,104,003</b>               |
| <b>Net Assets:</b>                                     |                                 |                                  |
| Beginning Net Assets                                   | 320,957,655                     | 359,951,656                      |
| Total Increase / (Decrease in Unrestricted Net Assets) | (10,244,629)                    | 5,737,309                        |
| <b>Total Net Assets</b>                                | <b>310,713,026</b>              | <b>365,688,965</b>               |
| <b>Total Liabilities &amp; Net Assets</b>              | <b>\$ 692,899,822</b>           | <b>\$ 757,792,968</b>            |

| STATEMENT OF CASH FLOWS                                                                  |                                    |                                            |
|------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|
|                                                                                          | For the Month<br>Ended May<br>2025 | Fiscal Year to<br>Date Through<br>May 2025 |
| <b>Cash Flows Provided By Operating Activities</b>                                       |                                    |                                            |
| Net Income (Loss)                                                                        | \$ (10,244,629)                    | \$ (54,975,940)                            |
| <b>Adjustments to reconciled net income to net cash provided by operating activities</b> |                                    |                                            |
| Depreciation on fixed assets                                                             | 895,895                            | 5,701,863                                  |
| <b>Changes in Operating Assets and Liabilities</b>                                       |                                    |                                            |
| Accounts Receivable                                                                      | (32,397,495)                       | (36,879,951)                               |
| Prepaid Expenses                                                                         | 3,789,764                          | 4,427,882                                  |
| Accrued Expense and Accounts Payable                                                     | (22,652,887)                       | 26,396,512                                 |
| Claims Payable                                                                           | (4,402,673)                        | (5,096,804)                                |
| MCO Tax liability                                                                        | 34,504,360                         | (63,936,782)                               |
| IBNR                                                                                     | (16,308,199)                       | 34,019,290                                 |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                               | <b>(46,815,864)</b>                | <b>(90,343,930)</b>                        |
| <b>Cash Flow Provided By Investing Activities</b>                                        |                                    |                                            |
| Proceeds from Investments                                                                | (112,057)                          | (4,318,917)                                |
| Purchase of Property and Equipment                                                       | (274,380)                          | (24,735,585)                               |
| <b>Net Cash (Used In) Provided by Investing Activities</b>                               | <b>(386,437)</b>                   | <b>(29,054,502)</b>                        |
| <b>Cash Flow Provided By Financing Activities</b>                                        |                                    |                                            |
| Lease Payable - ROU                                                                      | (123,836)                          | (1,299,422)                                |
| <b>Net Cash Used In Financing Activities</b>                                             | <b>(123,836)</b>                   | <b>(1,299,422)</b>                         |
| <b>Increase/(Decrease) in Cash and Cash Equivalents</b>                                  | <b>(47,326,137)</b>                | <b>(120,697,854)</b>                       |
| <b>Cash and Cash Equivalents, Beginning of Period</b>                                    | <b>357,602,588</b>                 | <b>430,974,305</b>                         |
| <b>Cash and Cash Equivalents, End of Period</b>                                          | <b>310,276,451</b>                 | <b>\$ 310,276,451</b>                      |

| SCHEDULE OF INVESTMENTS AND CASH BALANCES  |                                                 |                       |
|--------------------------------------------|-------------------------------------------------|-----------------------|
|                                            | Market Value as of<br>Month Ending, May<br>2025 | Account Type          |
| Local Agency Investment Fund (LAIF)        | \$ 44,511,614                                   | Investment            |
| Ventura County Investment Pool             | \$ 20,008,413                                   | Investment            |
| CalTrust                                   | \$ 39,517,134                                   | Short-term investment |
| Bank of Montreal                           | \$ 282,844,306                                  | Money market account  |
| Pacific Premier Bank                       | \$ 27,432,145                                   | Operating accounts    |
| <b>Investments and monies held by GCHP</b> | <b>\$ 414,313,612</b>                           |                       |

# FY2024-25 May YTD Financial Results

Executive Finance Committee

June 26, 2025

Sara Dersch, Chief Financial Officer



# Executive Summary

- YTD net loss of (\$55.0M) is unfavorable to reforecast by (\$4.3M)
- YTD Medical Costs variance of (\$54.7M) is mainly due to:
  - Long Term Care (LTC) claims - both high dollar and those paid at higher, state-mandated retroactive rates - accounting for (\$17.6M)
  - True-up for Federally Qualified Health Centers (FQHC) provider parity payments of (\$15.0M)
  - CalAIM Home and Community Based Services (HCS) requirements accounting for (\$19.3M)
- YTD Premium revenue favorability of \$31.7M is primarily the result of member mix as well as prior year retroactivity, including a \$5.0M reduction in FY2023-2024 risk corridor liability
- Investment income \$1.2M favorable to forecast as interest rates remain unchanged
- YTD Membership is slightly unfavorable, influenced by decreases in Adult, Child, and Adult Expansion cohorts
- YTD Administrative expenses are \$4.0M favorable to forecast

# Financial Results May YTD Summary

| Item                                                                   | Actual                        | 6+6 Forecast                  | Explanation                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Membership                                                             | 242,139                       | 244,592                       | Adult SIS, Child SIS, and Expansion membership down from forecast, while UIS in same categories is up; Seniors/People with Disabilities SIS is also up                                                                                                                                                |
| Revenue<br><i>Revenue PMPM</i>                                         | \$1,033.5M<br>\$384.38        | \$993.2M<br>\$368.28          | The revenue variance is the result of favorable member and rate mix                                                                                                                                                                                                                                   |
| Investment Income                                                      | \$17.7M                       | \$16.5M                       | Investment Income is favorable due to unchanged interest rates                                                                                                                                                                                                                                        |
| Medical Cost<br><i>Medical Costs PMPM</i><br>MLR % (% of premium)      | \$934.5M<br>\$347.55<br>90.4% | \$885.8M<br>\$328.44<br>89.2% | LTC claims run-out paid at the higher retro rates, New CalAIM requirements driving increases in HCS claims as well as FQHC provider parity payments                                                                                                                                                   |
| Quality Strategy<br>(Grants/Incentives)                                | \$51.7M                       | \$47.9M                       | Timing of grant spend                                                                                                                                                                                                                                                                                 |
| Administrative Cost<br><i>Admin Costs PMPM</i><br>ALR % (% of premium) | \$99.4M<br>\$36.96<br>9.6%    | \$103.4M<br>\$38.34<br>10.4%  | Favorable Outside Services resulting from a shift of Core Ops expense to Operations of the Future, higher than anticipated vacancy leading to lower Labor Expense, and markedly lower Training & Travel expense partially offset by the Care Management Credit adjustment and Claims Interest Expense |
| Operations of the Future (OOTF)                                        | \$20.5M                       | \$23.3M                       | Continuation of expanded stabilization plan                                                                                                                                                                                                                                                           |
| Net Income/(Loss)                                                      | (\$55.0M)                     | (\$50.7M)                     | Retroactive LTC rates, true-up for FQHC/TRI parity, and HBC utilization                                                                                                                                                                                                                               |
| TNE                                                                    | \$310.7M                      | \$337.5M                      | TNE is 700% of State requirement                                                                                                                                                                                                                                                                      |

# Financial Results May MTD Summary

| Item                                                                   | Actual                       | 6+6 Forecast                 | Explanation                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------|------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Membership                                                             | 242,139                      | 244,592                      | Adult SIS, Child SIS, and Expansion membership down from forecast, while UIS in same categories is up; Seniors/People with Disabilities SIS is also up                                                                                                         |
| Revenue<br><i>Revenue PMPM</i>                                         | \$95.4M<br>\$394.15          | \$91.5M<br>\$373.95          | The revenue variance is the result of favorable member and rate mix                                                                                                                                                                                            |
| Investment Income                                                      | \$1.2M                       | \$1.5M                       | Lower asset balance results in less interest income                                                                                                                                                                                                            |
| Medical Cost<br><i>Medical Costs PMPM</i><br>MLR % (% of premium)      | \$87.5M<br>\$361.17<br>91.6% | \$79.9M<br>\$326.57<br>87.3% | LTC claims run-out paid at the higher retro rates, New CalAIM requirements driving increases in HCS claims as well as FQHC provider parity payments; YTD Care Management true-up reduces medical cost by \$5.1M (offset by increase in Administrative expense) |
| Quality Strategy<br>(Grants/Incentives)                                | \$1.5M                       | \$4.6M                       | Contract amortization adjustment recorded in May                                                                                                                                                                                                               |
| Administrative Cost<br><i>Admin Costs PMPM</i><br>ALR % (% of premium) | \$16.0M<br>\$66.28<br>16.8%  | \$9.8M<br>\$40.18<br>10.7%   | One-time adjustment in the Care Management Credit shifting previously booked Medical Expense to Administrative Expense and Claims Interest Expense                                                                                                             |
| Operations of the Future (OOTF)                                        | \$1.9M                       | \$2.5M                       | Continuation of expanded stabilization plan                                                                                                                                                                                                                    |
| Net Income/(Loss)                                                      | (\$10.2M)                    | (\$3.9M)                     | Higher HCS utilization, OP Claims and YTD true-up of Care Management credit                                                                                                                                                                                    |
| TNE                                                                    | \$310.7M                     | \$337.5M                     | TNE is 700% of State requirement                                                                                                                                                                                                                               |

# May Financial Results

| (S)Ms except pmpms & mm)                                                          | MTD                             |                               |                      | FYTD                           |                                |                       |
|-----------------------------------------------------------------------------------|---------------------------------|-------------------------------|----------------------|--------------------------------|--------------------------------|-----------------------|
|                                                                                   | Actual                          | 6+6<br>Reforecast             | Var<br>Fav / (Unfav) | Actual                         | 6+6<br>Reforecast              | Var<br>Fav / (Unfav)  |
| Membership                                                                        | 242,139                         | 244,592                       | (2,453)              | 2,688,887                      | 2,696,955                      | (8,068)               |
| Premium Revenue<br>pmpm                                                           | \$95.6<br>\$394.72              | \$91.5<br>\$373.95            | \$4.1<br>\$20.77     | \$1024.9<br>\$381.18           | \$993.2<br>\$368.28            | \$31.7<br>\$12.89     |
| Medical Benefits<br>pmpm<br>% of Revenue                                          | \$87.5<br>\$361.17<br>91.5%     | \$79.9<br>\$326.57<br>87.3%   | (\$7.6)<br>(\$34.59) | \$934.5<br>\$347.55<br>91.2%   | \$885.8<br>\$328.44<br>89.2%   | (\$48.7)<br>(\$19.11) |
| Quality Strategy (Grants/Incentives)<br>pmpm<br>% of Revenue                      | \$1.5<br>\$6.05<br>1.5%         | \$4.6<br>\$18.91<br>5.1%      | \$3.2<br>\$12.86     | \$51.7<br>\$19.24<br>5.0%      | \$47.9<br>\$17.77<br>4.8%      | (\$3.8)<br>(\$1.47)   |
| G&A Expenses<br>pmpm<br>% of Revenue                                              | \$16.0<br>\$66.28<br>16.8%      | \$9.8<br>\$40.18<br>10.7%     | (\$6.2)<br>(\$26.10) | \$99.4<br>\$36.96<br>9.7%      | \$103.4<br>\$38.34<br>10.4%    | \$4.0<br>\$1.4        |
| Project Portfolio<br>pmpm<br>% of Revenue                                         | \$1.9<br>\$7.90<br>2.0%         | \$2.5<br>\$10.32<br>2.8%      | \$0.6<br>\$2.41      | \$20.5<br>\$7.64<br>2.0%       | \$23.3<br>\$8.64<br>2.3%       | \$2.8<br>\$1.00       |
| Operating Gain/(Loss)                                                             | (\$11.3)                        | (\$5.4)                       | (\$5.9)              | (\$81.2)                       | (\$67.2)                       | (\$14.0)              |
| Retro Premium Adj<br>pmpm                                                         | (\$0.1)<br>(\$0.57)             | \$0.0<br>\$0.00               | (\$0.1)<br>(\$0.57)  | \$8.6<br>\$3.20                | \$0.0<br>\$0.00                | \$8.6<br>\$3.20       |
| Investment Income<br>pmpm                                                         | \$1.2<br>\$4.93                 | \$1.5<br>\$6.13               | (\$0.3)<br>(\$1.20)  | \$17.7<br>\$6.57               | \$16.5<br>\$6.12               | \$1.2<br>\$0.45       |
| Total Increase / (Decrease) in<br>Unrestricted Net Assets<br>pmpm<br>% of Revenue | (\$10.2)<br>(\$42.31)<br>-10.7% | (\$3.9)<br>(\$15.89)<br>-4.2% | (\$6.4)<br>(\$26.42) | (\$55.0)<br>(\$20.45)<br>-5.4% | (\$50.7)<br>(\$18.80)<br>-5.1% | (\$4.3)<br>(\$1.65)   |

## Membership

Member months slightly unfavorable to 6+6 reforecast ; however, Adult, Adult Expansion, and Child populations fell slightly in May

## Revenue

Favorable premium rate and member mix are driving favorable revenue on YTD and MTD bases

## Medical Benefits

Medical cost variance is due to the older LTC claims paid at higher, retro-adjusted rates, FQHC parity payments, and higher (HCS) CalAIM requirements

## Administrative Expense

Unfavorability primarily due to a one-time adjustment in the Care Management Credit, shifting previously booked Medical Expense to Administrative Expense, and Claims Interest Expense

# May Financial Results: Categories of Service

|                                           | For the Month Ended May 2025 |                |                | Fiscal Year to Date Through May 2025 |                |                 |  |
|-------------------------------------------|------------------------------|----------------|----------------|--------------------------------------|----------------|-----------------|--|
|                                           | Actual                       | 6+6 Reforecast | Fav / (Unfav)  | Actual                               | 6+6 Reforecast | Fav / (Unfav)   |  |
| (In Millions except membership)           | 242,139                      | 244,592        | (2,453)        | 2,688,887                            | 2,696,955      | (8,068)         |  |
| Membership                                |                              |                |                |                                      |                |                 |  |
| Capitation:                               |                              |                |                |                                      |                |                 |  |
| Primary Care Physician (PCP)              | \$7.0                        | \$4.2          | (\$2.8)        | \$77.4                               | \$64.1         | (\$13.4)        |  |
| Enhanced Care Management (ECM)            | \$9                          | \$1.3          | \$0.4          | \$8.3                                | \$15.0         | \$6.7           |  |
| <b>Total Capitation</b>                   | <b>\$7.9</b>                 | <b>\$5.5</b>   | <b>(\$2.4)</b> | <b>\$85.7</b>                        | <b>\$79.1</b>  | <b>(\$6.7)</b>  |  |
| FFS Claims:                               |                              |                |                |                                      |                |                 |  |
| Inpatient                                 | \$19.9                       | \$19.9         | \$0.1          | \$215.3                              | \$218.4        | \$3.1           |  |
| LTC / SNF                                 | \$19.2                       | \$15.2         | (\$4.0)        | \$184.6                              | \$160.2        | (\$24.3)        |  |
| Outpatient                                | \$10.0                       | \$8.7          | (\$1.3)        | \$104.5                              | \$91.6         | (\$12.9)        |  |
| Laboratory and Radiology                  | \$1.3                        | \$0.8          | (\$0.5)        | \$10.5                               | \$9.3          | (\$1.2)         |  |
| Directed Payments - Provider              | (\$4.5)                      | \$0.9          | \$5.5          | \$8.8                                | \$9.5          | \$0.6           |  |
| Emergency Room                            | \$4.8                        | \$3.5          | (\$1.3)        | \$43.3                               | \$37.2         | (\$6.1)         |  |
| Physician Specialty                       | \$9.6                        | \$8.9          | (\$0.8)        | \$73.4                               | \$86.2         | \$12.8          |  |
| Primary Care Physician                    | \$9.5                        | \$4.2          | (\$5.3)        | \$40.4                               | \$47.1         | \$6.7           |  |
| Home & Community Based Services           | \$5.1                        | \$2.7          | (\$2.4)        | \$40.4                               | \$21.1         | (\$19.4)        |  |
| Applied Behavior Analysis Services        | \$5.2                        | \$4.0          | (\$1.2)        | \$51.9                               | \$47.1         | (\$4.8)         |  |
| Other Medical Cost                        | \$2.7                        | \$6.2          | \$3.6          | \$95.3                               | \$83.2         | (\$12.1)        |  |
| Transportation                            | \$0.1                        | \$0.4          | \$0.3          | \$2.0                                | \$4.9          | \$2.9           |  |
| <b>Total Claims</b>                       | <b>\$82.9</b>                | <b>\$75.4</b>  | <b>(\$7.4)</b> | <b>\$870.4</b>                       | <b>\$815.7</b> | <b>(\$54.7)</b> |  |
| Other Medical Expense                     |                              |                |                |                                      |                |                 |  |
| Provider Grant Program                    | \$1.0                        | \$1.0          | \$0.0          | \$7.0                                | \$11.5         | \$4.4           |  |
| Medical & Care Management                 | (\$2.8)                      | \$2.3          | \$5.1          | \$23.7                               | \$25.0         | \$1.3           |  |
| Reinsurance                               | \$0.4                        | \$0.3          | (\$0.1)        | \$3.6                                | \$3.6          | (\$0.1)         |  |
| Claims Recoveries                         | (\$0.5)                      | (\$0.1)        | \$0.4          | (\$4.2)                              | (\$1.1)        | \$3.1           |  |
| <b>Total Other Medical Expense</b>        | <b>(\$1.9)</b>               | <b>\$3.5</b>   | <b>\$5.4</b>   | <b>\$30.1</b>                        | <b>\$38.9</b>  | <b>\$8.9</b>    |  |
| <b>Total Medical Cost</b>                 | <b>\$88.9</b>                | <b>\$84.5</b>  | <b>(\$4.4)</b> | <b>\$986.3</b>                       | <b>\$933.7</b> | <b>(\$52.5)</b> |  |
| <b>Medical Margin</b>                     | <b>\$6.7</b>                 | <b>\$7.0</b>   | <b>(\$0.3)</b> | <b>\$98.7</b>                        | <b>\$59.5</b>  | <b>(\$20.8)</b> |  |
| <b>Margin (w/o Grants and Incentives)</b> | <b>\$8.1</b>                 | <b>\$11.6</b>  | <b>(\$3.5)</b> | <b>\$90.4</b>                        | <b>\$107.5</b> | <b>(\$17.0)</b> |  |

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 Cal AIM requirements which are putting pressure on HCS claims

# May Membership, Premium and Medical Cost Rates

| Category of Aid       | Actual  | 6+6 Reforecast | Variance | Monthly Premium<br>Rate | Monthly Medical<br>Cost PMPM |
|-----------------------|---------|----------------|----------|-------------------------|------------------------------|
| Adult - SIS           | 22,282  | 24,750         | (2,468)  | \$ 360.50               | \$ 368.58                    |
| Adult - UIS           | 15,994  | 15,052         | 942      | \$ 410.16               | \$ 259.57                    |
| Adult Expansion - SIS | 66,117  | 67,403         | (1,286)  | \$ 427.58               | \$ 439.79                    |
| Adult Expansion - UIS | 14,410  | 12,423         | 1,987    | \$ 585.55               | \$ 699.76                    |
| Child - SIS           | 80,034  | 84,525         | (4,491)  | \$ 136.40               | \$ 121.02                    |
| Child - UIS           | 5,527   | 3,951          | 1,576    | \$ 114.60               | \$ 280.24                    |
| LTC Non-Dual - SIS    | 44      | 34             | 10       | \$ 1,301.15             | \$ 525.00                    |
| LTC Non-Dual - UIS    | 20      | 20             | 0        | \$ 1,576.15             | \$ 8,811.72                  |
| LTC Dual - SIS        | 674     | 625            | 49       | \$ 614.23               | \$ 13,181.89                 |
| LTC Dual - UIS        | 12      | 6              | 6        | \$ 737.74               | \$ 19,029.26                 |
| SPD - SIS             | 9,367   | 9,842          | (475)    | \$ 1,301.15             | \$ 1,055.97                  |
| SPD - UIS             | 1,742   | 1,310          | 432      | \$ 1,576.15             | \$ 1,037.65                  |
| SPD Dual - SIS        | 25,617  | 24,533         | 1,084    | \$ 614.23               | \$ 413.57                    |
| SPD Dual - UIS        | 299     | 118            | 181      | \$ 737.74               | \$ 699.57                    |
| <b>Total</b>          | 242,139 | 244,592        | (2,453)  |                         |                              |

# Labor Expense by Category May YTD

Gold Coast Health Plan - Headcount Fiscal Year 2024-25  
FY 2024-25 - May 31, 2025

| Function                          | POSITION COUNT   |                   |                                  |                                     |                                                 | Percentage of Total Headcount |
|-----------------------------------|------------------|-------------------|----------------------------------|-------------------------------------|-------------------------------------------------|-------------------------------|
|                                   | Active Headcount | Open Requisitions | Total Active + Open Requisitions | Revised Budget YE Headcount 2024/25 | Variance to Revised Budget YE Headcount 2024/25 |                               |
| Health Services                   | 130              | 6                 | 136                              | 134                                 | -2                                              | 30%                           |
| Operations                        | 102              | 6                 | 108                              | 105                                 | -3                                              | 23%                           |
| Information Tech                  | 37               | 6                 | 43                               | 45                                  | 2                                               | 10%                           |
| Policy & Programs                 | 40               | 4                 | 44                               | 44                                  | 0                                               | 10%                           |
| Compliance                        | 22               | 0                 | 22                               | 22                                  | 0                                               | 5%                            |
| Finance & Accounting              | 38               | 0                 | 38                               | 37                                  | -1                                              | 8%                            |
| Executive & Administration        | 13               | 1                 | 14                               | 14                                  | 0                                               | 3%                            |
| Member Experience and Ext Affairs | 34               | 1                 | 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%                            |
| <b>Grand Total</b>                | <b>431</b>       | <b>24</b>         | <b>455</b>                       | <b>452</b>                          | <b>-3</b>                                       | <b>100%</b>                   |

| Function                          | POSITION COUNT                   |            | CONTINGENT WORKERS            |                                       | TOTAL RESOURCES |                               |
|-----------------------------------|----------------------------------|------------|-------------------------------|---------------------------------------|-----------------|-------------------------------|
|                                   | Total Active + Open Requisitions | Temp Roles | Contractor / Consultant Roles | Total Contingent Workers <sup>†</sup> | Total Resources | Percentage of Total Resources |
| Health Services                   | 136                              | 1          | 4                             | 5                                     | 141             | 24%                           |
| Operations                        | 108                              | 8          | 25                            | 33                                    | 141             | 24%                           |
| Information Tech                  | 43                               | 11         | 19                            | 30                                    | 73              | 12%                           |
| Policy & Programs                 | 44                               | 0          | 0                             | 0                                     | 44              | 7%                            |
| Compliance                        | 22                               | 0          | 0                             | 0                                     | 22              | 4%                            |
| Finance & Accounting              | 38                               | 1          | 1                             | 2                                     | 40              | 7%                            |
| Executive & Administration        | 14                               | 0          | 0                             | 0                                     | 14              | 2%                            |
| Member Experience and Ext Affairs | 35                               | 1          | 0                             | 1                                     | 36              | 6%                            |
| HR&Facilities                     | 12                               | 1          | 7                             | 8                                     | 20              | 3%                            |
| Innovation / DSNP                 | 3                                | 0          | 65                            | 65                                    | 68              | 11%                           |
| Strategic Initiatives             | 0                                | 0          | 0                             | 0                                     | 0               | 0%                            |
| <b>Grand Total</b>                | <b>455</b>                       | <b>23</b>  | <b>121</b>                    | <b>144</b>                            | <b>599</b>      | <b>100%</b>                   |

<sup>†</sup>Outsourced Labor (BPO) excluded: 92 in Operations - Netmark

# FY2024 -25 Headwinds & Tailwinds

As we approach the final month of the year, the list of risks and opportunities narrows:

- Impact of federal immigration actions on our members
- State revenue takebacks
- Jan to Dec 2024 Long-Term Care claims paid at revised rates
- Continued claims clean-up as we wind down Operations of the Future



# 2025 Rates: Original Budget Compared to Final

| Category of Aid                           | 2024 Rates  | 2025 Rates<br>(Budget) | 2025 Initial<br>(Oct) | 2025 Initial<br>(Dec) | 2025 Final<br>(Dec) | 2025 Final<br>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                      |
| <b>FY 2025 Final Projected Membership</b> |             |                        |                       |                       |                     | <b>244,620</b>           |

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

# Appendix Table of Contents

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

# Appendix 1: May Balance Sheet: Assets

| STATEMENT OF FINANCIAL POSITION  |                                 |                                  |
|----------------------------------|---------------------------------|----------------------------------|
|                                  | As of Month Ending,<br>May 2025 | As of Month Ending,<br>June 2024 |
| <b>ASSETS</b>                    |                                 |                                  |
| <b>Current Assets:</b>           |                                 |                                  |
| Total Cash and Cash Equivalents  | \$ 310,276,451                  | \$ 430,974,305                   |
| Total Short-Term Investments     | 104,037,161                     | 99,718,245                       |
| Medi-Cal Receivable              | 181,738,804                     | 173,911,167                      |
| Interest Receivable              | 924,325                         | 772,425                          |
| Provider Receivable              | 34,772,733                      | 12,484,788                       |
| Other Receivables                | 12,191,943                      | 5,579,474                        |
| <b>Total Accounts Receivable</b> | <b>229,627,805</b>              | <b>192,747,854</b>               |
| Total Prepaid Accounts           | 6,447,281                       | 10,875,162                       |
| Total Other Current Assets       | 133,545                         | 133,545                          |
| <b>Total Current Assets</b>      | <b>650,522,243</b>              | <b>734,449,111</b>               |
| <b>Total Fixed Assets</b>        | <b>42,377,579</b>               | <b>23,343,857</b>                |
| <b>Total Assets</b>              | <b>\$ 692,899,822</b>           | <b>\$ 757,792,968</b>            |

- Total Asset balance of \$693M represents a decrease of \$64M 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: May Balance Sheet: Liabilities

| STATEMENT OF FINANCIAL POSITION                        |                                 |                                  |
|--------------------------------------------------------|---------------------------------|----------------------------------|
|                                                        | As of Month Ending,<br>May 2025 | As of Month Ending,<br>June 2024 |
| <b>LIABILITIES &amp; NET ASSETS</b>                    |                                 |                                  |
| <b>Current Liabilities:</b>                            |                                 |                                  |
| Incurred But Not Reported                              | \$ 137,502,451                  | \$ 103,483,161                   |
| Claims Payable                                         | 18,965,925                      | 18,370,448                       |
| Capitation Payable                                     | 7,138,285                       | 8,201,415                        |
| Physician Payable                                      | 25,685,683                      | 30,314,835                       |
| DHCS - Reserve for Capitation Recoup                   | 52,776,933                      | 55,107,254                       |
| Lease Payable- ROU                                     | 650,515                         | 2,411,196                        |
| Accounts Payable                                       | 1,246,753                       | 4,671,951                        |
| Accrued ACS                                            | -                               | 4,068,323                        |
| Accrued Provider Incentives/Reserve                    | 7,633,171                       | 8,389,182                        |
| Accrued Expenses                                       | 21,294,760                      | 9,112,142                        |
| Accrued Premium Tax                                    | 74,832,355                      | 138,769,137                      |
| Accrued Payroll Expense                                | 6,746,405                       | 4,240,566                        |
| Quality Withhold                                       | 4,871,237                       | 1,287,033                        |
| <b>Total Current Liabilities</b>                       | <b>359,344,473</b>              | <b>388,426,643</b>               |
| <b>Long-Term Liabilities:</b>                          |                                 |                                  |
| Lease Payable - NonCurrent - ROU                       | 22,842,323                      | 3,677,360                        |
| <b>Total Long-Term Liabilities</b>                     | <b>22,842,323</b>               | <b>3,677,360</b>                 |
| <b>Total Liabilities</b>                               | <b>382,186,796</b>              | <b>392,104,003</b>               |
| <b>Net Assets:</b>                                     |                                 |                                  |
| Beginning Net Assets                                   | 320,957,655                     | 359,951,656                      |
| Total Increase / (Decrease in Unrestricted Net Assets) | (10,244,629)                    | 5,737,309                        |
| <b>Total Net Assets</b>                                | <b>310,713,026</b>              | <b>365,688,965</b>               |
| <b>Total Liabilities &amp; Net Assets</b>              | <b>\$ 692,899,822</b>           | <b>\$ 757,792,968</b>            |

- Total Liabilities \$10.0M decrease 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: May Statement of Cash Flow

| STATEMENT OF CASH FLOWS                                                                  |                                    |                                            |
|------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|
|                                                                                          | For the Month<br>Ended May<br>2025 | Fiscal Year to<br>Date Through<br>May 2025 |
| <b>Cash Flows Provided By Operating Activities</b>                                       |                                    |                                            |
| Net Income (Loss)                                                                        | \$ (10,244,629)                    | \$ (54,975,940)                            |
| <b>Adjustments to reconciled net income to net cash provided by operating activities</b> |                                    |                                            |
| Depreciation on fixed assets                                                             | 895,895                            | 5,701,863                                  |
| <b>Changes in Operating Assets and Liabilities</b>                                       |                                    |                                            |
| Accounts Receivable                                                                      | (32,397,495)                       | (36,879,951)                               |
| Prepaid Expenses                                                                         | 3,789,764                          | 4,427,882                                  |
| Accrued Expense and Accounts Payable                                                     | (22,652,887)                       | 26,396,512                                 |
| Claims Payable                                                                           | (4,402,673)                        | (5,096,804)                                |
| MCO Tax liability                                                                        | 34,504,360                         | (63,936,782)                               |
| IBNR                                                                                     | (16,308,199)                       | 34,019,290                                 |
| <b>Net Cash Provided by (Used in) Operating Activities</b>                               | <b>(46,815,864)</b>                | <b>(90,343,930)</b>                        |
| <b>Cash Flow Provided By Investing Activities</b>                                        |                                    |                                            |
| Proceeds from Investments                                                                | (112,057)                          | (4,318,917)                                |
| Purchase of Property and Equipment                                                       | (274,380)                          | (24,735,585)                               |
| <b>Net Cash (Used in) Provided by Investing Activities</b>                               | <b>(386,437)</b>                   | <b>(29,054,502)</b>                        |
| <b>Cash Flow Provided By Financing Activities</b>                                        |                                    |                                            |
| Lease Payable - ROU                                                                      | (123,836)                          | (1,299,422)                                |
| <b>Net Cash Used In Financing Activities</b>                                             | <b>(123,836)</b>                   | <b>(1,299,422)</b>                         |
| <b>Increase/(Decrease) in Cash and Cash Equivalents</b>                                  | <b>(47,326,137)</b>                | <b>(120,697,854)</b>                       |
| <b>Cash and Cash Equivalents, Beginning of Period</b>                                    | <b>357,602,588</b>                 | <b>430,974,305</b>                         |
| <b>Cash and Cash Equivalents, End of Period</b>                                          | <b>310,276,451</b>                 | <b>\$ 310,276,451</b>                      |

- The Total Year-to-Date decrease in cash of \$120.7M is due to the following:
  - Year-to-Date Net Loss
  - 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 May 31, 2025

# Appendix 4: May Investments and Cash

| SCHEDULE OF INVESTMENTS AND CASH BALANCES  |                       |                       |
|--------------------------------------------|-----------------------|-----------------------|
|                                            | Market Value as of    |                       |
|                                            | Month Ending, May     | Account Type          |
|                                            | 2025                  |                       |
| Local Agency Investment Fund (LAIF)        | \$ 44,511,614         | Investment            |
| Ventura County Investment Pool             | \$ 20,008,413         | Investment            |
| CalTrust                                   | \$ 39,517,134         | Short-term investment |
| Bank of Montreal                           | \$ 282,844,306        | Money market account  |
| Pacific Premier Bank                       | \$ 27,432,145         | Operating accounts    |
| <b>Investments and monies held by GCHP</b> | <b>\$ 414,313,612</b> |                       |

- Cash balances fluctuate daily; the balances as of May 2025, reflect normal operations
- Cash and short-term investments balance sits at \$414.3M
- The investment portfolio includes:
  - LAIF CA State \$44.5M
  - Ventura County Investment Pool \$20.0M
  - Cal Trust \$39.5M



**AGENDA ITEM NO. 3**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer  
Moss Adams Representatives

DATE: June 26, 2025

SUBJECT: Gold Coast Health Plan 2025 Audit Kick Off

**PowerPoint with  
Verbal Presentation**

**ATTACHMENTS:**

*2025 Audit Kick Off*

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

## 2025 Audit Planning

---

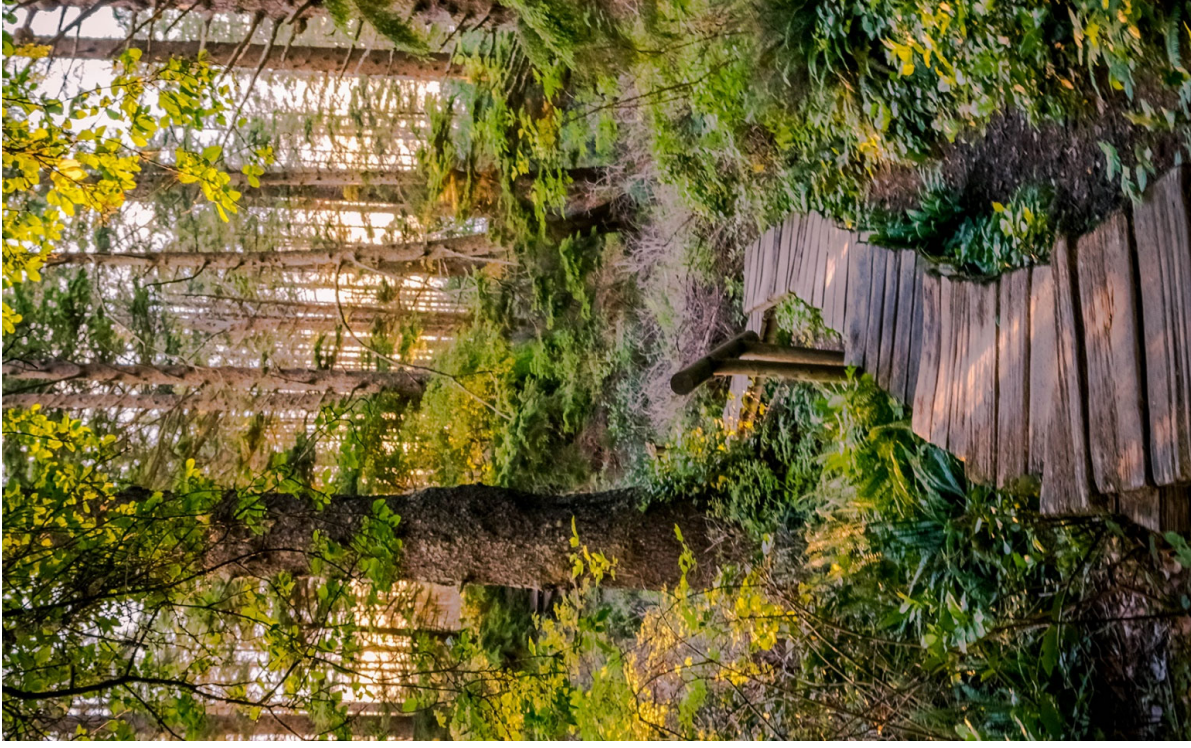
Discussion with Management and  
the Executive Finance Committee

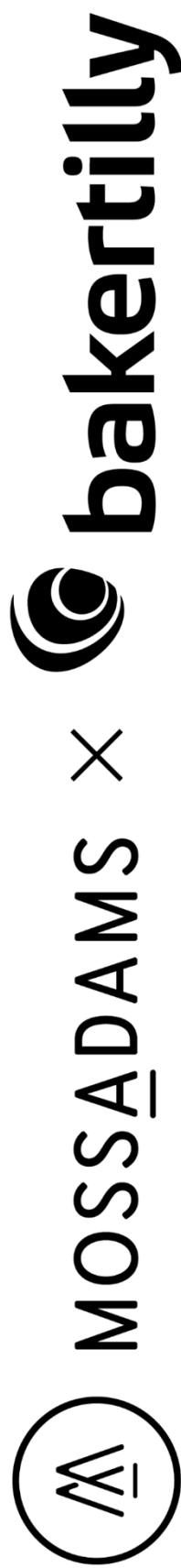


# Agenda

---

1. Moss Adams Combination with Baker Tilly
2. Your Service Team
3. Scope of Services
4. Auditor's Responsibility in a Financial Statement Audit
5. Significant Risks Identified
6. Risks Discussion
7. Consideration of Fraud in a Financial Statement
8. Audit Timeline
9. Audit Deliverables
10. Expectations
11. Documents Containing Audited Financial Statements and Independent Auditor's Report
12. About Baker Tilly
13. Executive Session





---

Hellman & Friedman

&



# Benefits to You

---

- Our professionals in more locations
- Enhanced international expertise
- Deeper industry insights
- Additional services and expertise that you need
- Increased technology investments to support how we work together
- Top-notch talent into the future

The same high-touch team and deep relationships you've counted on, now with even more resources to support our work together

# Your Service Team



**Stelian Damu**  
*Client Service Partner*

[Stelian.Damu@bakertilly.com](mailto:Stelian.Damu@bakertilly.com)  
(818) 577-1914



**Aparna Venkateswaran**  
*Concurring Review Partner*

[Aparna.Venkateswaran@bakertilly.com](mailto:Aparna.Venkateswaran@bakertilly.com)  
(949) 474-2684



**Kimberly Sokoloff**  
*Audit Engagement Partner*

[Kimberly.Sokoloff@bakertilly.com](mailto:Kimberly.Sokoloff@bakertilly.com)  
(925) 952-2506



**Ashley Merda**  
*Audit Senior Manager*

[Ashley.Merda@bakertilly.com](mailto:Ashley.Merda@bakertilly.com)  
(949) 517-9431



**Mariia Potts**  
*Audit Senior*

[Mariia.Potts@bakertilly.com](mailto:Mariia.Potts@bakertilly.com)  
(310) 481-1351



**Caitlyn McPherson**  
*Audit Senior*

[Caitlyn.McPherson@bakertilly.com](mailto:Caitlyn.McPherson@bakertilly.com)  
(310) 295-3729

# Scope of Services

Relationships between Baker Tilly and Gold Coast Health Plan:

| Annual Audit                                                                                                          | Non-Attest Services                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Annual financial statement audit for the year ending June 30, 2025.</li></ul> | <ul style="list-style-type: none"><li>• Consulting services associated with Adaptive Insights financial and budgeting solution.</li><li>• Assist management with drafting the financial statements for the year ending June 30, 2025, excluding Management's Discussion and Analysis, as of and for the year ending June 30, 2025.</li><li>• Human Resource policy review</li></ul> |

# Auditor's Responsibilities in a Financial Statement Audit

---

- Auditor is responsible for:
  - forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles
  - performing an audit in accordance with generally accepted auditing standards issued by the AICPA
  - communicating significant matters, as defined by professional standards, arising during the audit that are relevant to you
  - when applicable, communicating particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement
- The audit of the financial statements does not relieve management or you of your responsibilities.
- The auditor is not responsible for designing procedures for the purpose of identifying other matters to communicate to you.

# Significant Risks Identified

During the planning of the audit, we have identified the following significant risks:

| Significant Risks                      | Procedures                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Capitation Revenue Recognition</b>  | We will test internal controls around revenue recognition, vouch membership and rates to supporting documentation, and reconcile revenue recognized to monthly cash payments from the State of California.                                                                                                                       |
| <b>Medical Claims Liability</b>        | We will test internal controls over the claims process, including controls around the new claims system implementation, perform a lookback analysis on the prior year medical claims liability estimate, review the actuarial specialist's model and report, and perform analytical procedures around the current year estimate. |
| <b>Management Override of Controls</b> | We will perform inquiries of accounting and operational personnel, perform risk assessment procedures, and test risk-based manual journal entry selections.                                                                                                                                                                      |



# Risks Discussion

---

1. What are your views regarding:
  - Gold Coast Health Plan's objectives, strategies and business risks that may result in material misstatements
  - Significant communications between the entity and regulators
  - Attitudes, awareness, and actions concerning
    - Gold Coast Health Plan's internal control and importance
    - How those charged with governance oversee the effectiveness of internal control
    - Detection or the possibility of fraud
    - Other matters relevant to the audit
2. Do you have any areas of concern?



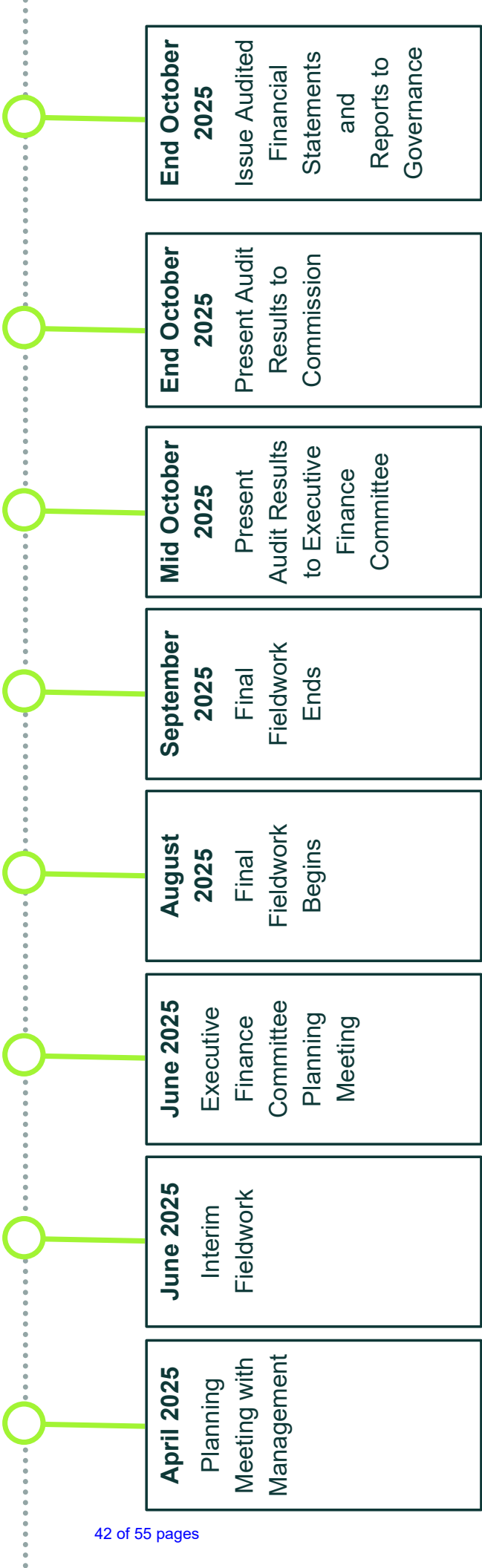


# Consideration of Fraud in a Financial Statement Audit

Auditor's responsibility: Obtain reasonable assurance the financial statements as a whole are free from material misstatement – whether caused by fraud or error

|                                                                                       |                                                                                     |                                                                                                                                            |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Procedures to address the risk of fraud</b>                                      | <b>Engagement team discussion</b>                                                                                                          |
|   | <b>Identify the risks of material misstatement due to fraud</b>                     | <ul style="list-style-type: none"><li>• Perform procedures to address identified risks</li><li>• Inherent limitation of an audit</li></ul> |
|  | <b>Unavoidable risk exists that some material misstatements may not be detected</b> |                                                                                                                                            |

# Audit Timeline



# Audit Deliverables



Report of Independent Auditors  
on financial statements for the year ended  
June 30, 2025



Report to Management  
(communicating internal control related matters  
identified in an audit)



Report to Those Charged  
With Governance  
(communicating required matters and other  
matters of interest)

# Expectations

## Client will:



- Have no significant adjusting journal entries after beginning of field work.
- Close books and records before beginning of field work.
- Provide auditor requested information in CAP schedule by requested due dates.

## Baker Tilly will:



- Communicate proposed adjustments with management when identified.
- Communicate control deficiencies with management when identified.
- Discuss any additional fees over estimate in engagement letter with management.

# Documents Containing Audited Financial Statements and Independent Auditor's Report



Our responsibility under generally accepted auditing standards.



Request for advance notification when you intend to include audited financial statements and the independent auditor's report in a document.



Arrangements to obtain the other information prior to report issuance.

# Executive Health Care Conference

Celebrating 30 Years

**250+**  
Health care industry  
leaders convene

**HALF DAY**  
Women's Executive  
Leadership Forum

**1.5 DAYS**  
Executive  
Conference

**20+**  
Engaging  
speakers

On average for attendees of the Executive Health Care Conference:

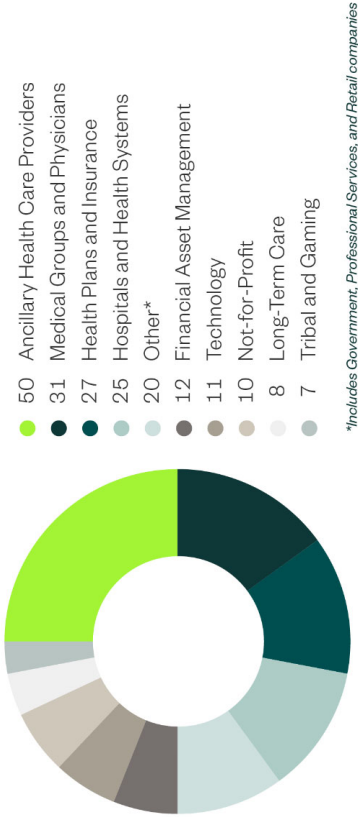
**70%**

hold the titles of C-suite,  
senior leadership,  
board members,  
presidents, and VPs.

**30%**

include partners,  
physicians, senior  
managers, directors,  
controllers, and more.

COMPANIES IN ATTENDANCE BY INDUSTRY MARKET SEGMENT (2024)



“I found it extremely  
beneficial to blend in the  
political perspective to the  
session and how it may  
impact the industry and  
our work overall.”

- 2024 Attendee

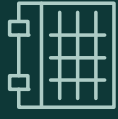
# 2025 Executive Health Care Conference

**30TH ANNIVERSARY | SAVE THE DATE!**

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



**NOVEMBER  
12-14, 2025**



**Red Rock Casino  
Resort & Spa  
Las Vegas, NV**

**REGISTRATION NOW OPEN**



# What 2024 attendees said:

“

*Caliber of presenters phenomenal.*

“

*The whole conference for a board member was interesting. I wish it were something I had done early on.*

“

*Hearing from experts who have intimate knowledge on what the payer landscape looks like, their challenges and goals, helps us help our physicians.*

“

*Great speakers and very engaging discussion topics.*

“

*Extremely beneficial to blend in the political perspective to the session and how it may impact the industry and our work overall.*

“

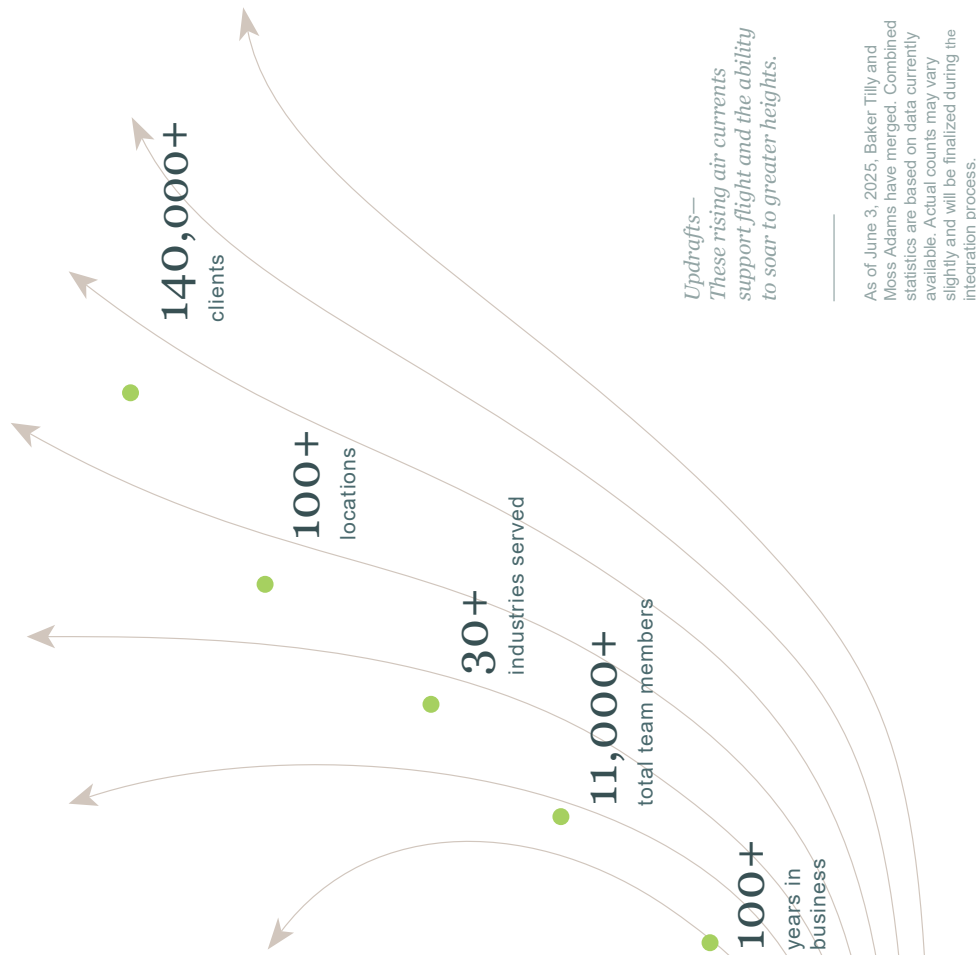
*It was great to get a broader perspective of the healthcare ecosystem beyond my region.*

“

*Attending the Women's Executive Leadership Forum prior to the conference was most valuable. The industry, economic, and political presentations/panels were the most intriguing and engaging.*



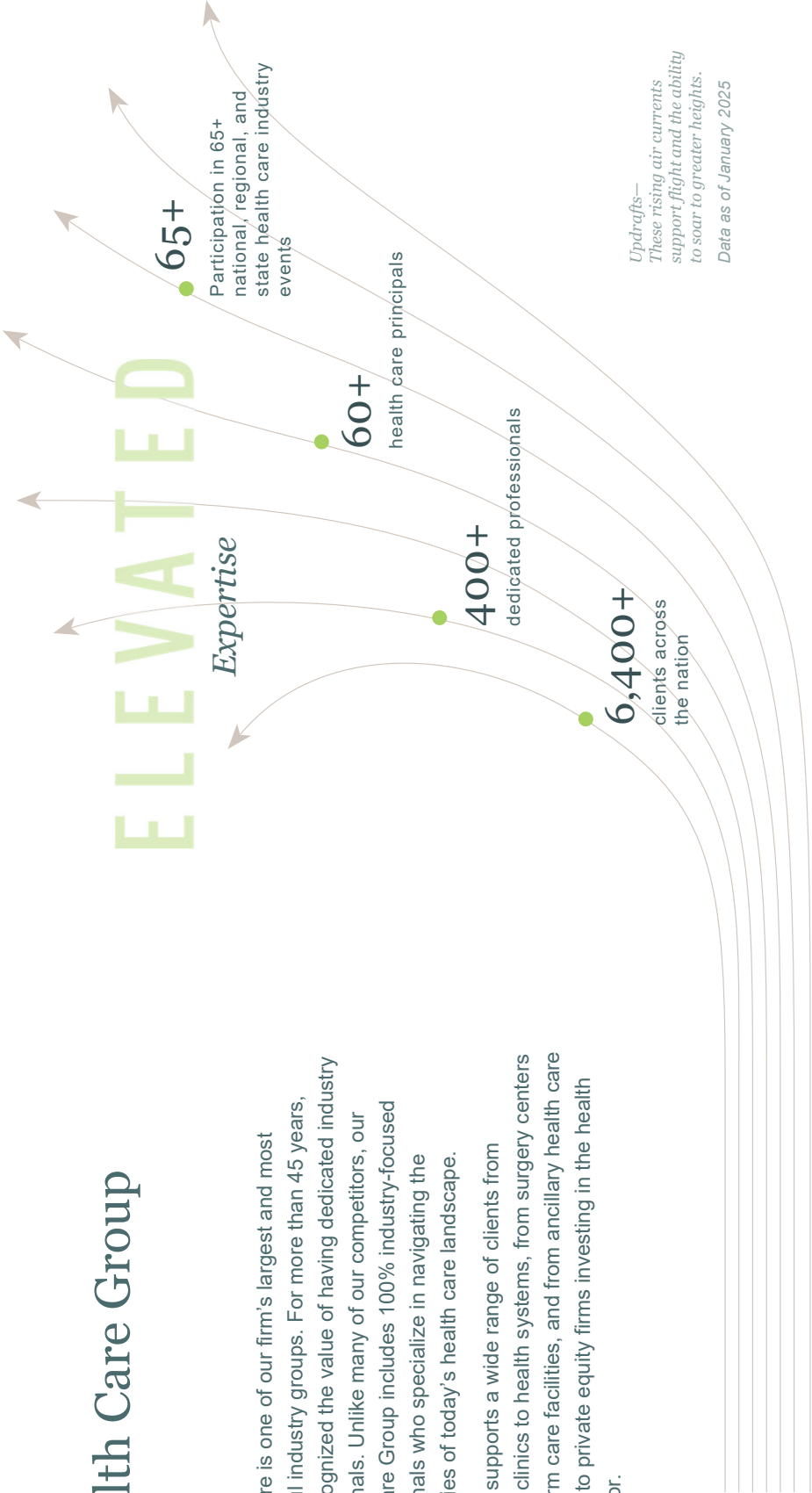
# Perspective ELEVATED



# Health Care Group

Health care is one of our firm's largest and most successful industry groups. For more than 45 years, we've recognized the value of having dedicated industry professionals. Unlike many of our competitors, our Health Care Group includes 100% industry-focused professionals who specialize in navigating the complexities of today's health care landscape.

Our team supports a wide range of clients from individual clinics to health systems, from surgery centers to long-term care facilities, and from ancillary health care providers to private equity firms investing in the health care sector.



# Health Care Consulting

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 emerging needs—both now and in the future.

| Health Care Consulting                                    |                                        |                                               |  |
|-----------------------------------------------------------|----------------------------------------|-----------------------------------------------|--|
| COST REIMBURSEMENT                                        | GOVERNMENT COMPLIANCE                  | OPERATIONAL IMPROVEMENT                       |  |
| Medicare & Medicaid                                       | Regulatory Compliance                  | Revenue Cycle Enhancement                     |  |
| Provider-Based Licensure & Certification                  | Coding Validation                      | Claims Recovery                               |  |
| Medical Education                                         | Coding Department Redesign             | Litigation Support                            |  |
| Uncompensated Care                                        | EHR Internal Controls                  | Employer Health Benefits                      |  |
| Wage Index Reviews                                        | Corporate Compliance                   | Lean Consulting                               |  |
| Contract Compliance                                       | INFORMATION TECHNOLOGY                 | Operational Assessments & Process Improvement |  |
| STRATEGY & INTEGRATION                                    | HIPAA Security & Privacy               | Valuations                                    |  |
| Provider Risk Analysis, Contracting, & Operational Design | Network Security & Penetration Testing | Performance Improvement                       |  |
| M&A Support                                               | Disaster Recovery Planning             |                                               |  |
| Feasibility Studies                                       | PCI DSS Audits                         |                                               |  |
| Market Intelligence & Benchmarking                        | SOC Pre-Audit Gap Analysis & Readiness |                                               |  |
| Strategic Planning & Implementation                       | SOC Audits                             |                                               |  |
| Managed Care Assessment & Negotiation                     |                                        |                                               |  |
| Service Line Enhancement & Analyses                       |                                        |                                               |  |

# Insights and 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.

We'll keep you informed to help you stay abreast of critical industry issues.

Baker Tilly closely monitors regulatory agencies, participates in industry and technical forums, and writes about a wide range of relevant accounting, tax, and business issues to keep you informed.

We also offer CPE webinars and events which are archived and available on demand, allowing you to watch them on your schedule.

# Connect With Us

---



LinkedIn: [www.linkedin.com/company/baker-tilly](http://www.linkedin.com/company/baker-tilly)



Twitter: [@Baker Tilly](https://twitter.com/Baker_Tilly)



Subscribe to our emails: [www.bakertilly.com/subscribe](http://www.bakertilly.com/subscribe)



YouTube: <http://www.youtube.com/bakertilly>

# Executive Session

---

THANK YOU