

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

**Executive Finance Committee  
AGENDA**

**Regular Meeting**

**Thursday, January 22, 2026 – 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: 563 371 827#**

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 special meeting minutes of Exec. Finance meetings of October 23, 2025, and December 18, 2025.**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

**RECOMMENDATION:** Approve the minutes as presented

## **FORMAL ACTION**

### **2. November 2025 Financials**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Receive and file the financial report.

### **3. 2026 Budget**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Receive and recommend that the Commission approve the 2026 budget.

### **4. Revision to Tangible Net Equity (TNE) Policy**

Staff: Sara Dersch, Chief Financial Officer

RECOMMENDATION: Staff requests that the Executive Finance committee recommend the Commission approve the revision to the TNE policy.

### **5. 2025 Stub Period Audit Kick-Off**

Staff: Sara Dersch, Chief Financial Officer  
Baker Tilly Representatives

RECOMMENDATION: Receive and file the information

## **CLOSED SESSION**

### **6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Chief Executive Officer.

### **7. CONFERENCE WITH LABOR NEGOTIATORS**

Agency designated representatives: Paul Agular, Chief Human Resources and Organizational Performance Officer  
Unrepresented Employee: Chief Executive Officer

## **ADJOURNMENT**

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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:** January 22, 2026

**SUBJECT:** Meeting Minutes for special Exec. Finance meeting of October 23, 2025 and December 18, 2025.

### **RECOMMENDATION:**

Approve the minutes.

### **ATTACHMENTS:**

Copy of the Executive Finance Committee special meeting minutes of October 23, 2025 and December 18, 2025.

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

**October 23, 2025**

**CALL TO ORDER**

Committee Chair Laura Espinosa called the meeting to order at 3:00 p.m. The meeting was held in the Community Room, 711 E. Daily Drive, Suite 110 Camarillo, California.

**ROLL CALL**

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

Absent: Commissioner James Corwin

GCHP Executive Team in attendance: CEO Felix Nunez, M.D., CHR Paul Aguilar, CIO Eve Gelb, Sara Dersch, Erik Cho, CPPO, CMO James Cruz, M.D., CCO Robert Franco, CISMO Alan Torres, COO Suma Simcoe, and General Counsel, Scott Campbell.  
Hernandez

GCHP Staff In attendance: Lupe Harrion, Jeff Register, Susana Enriquez-Euyoque, T.J. Piwowarski, and Victoria Warner.

**PUBLIC COMMENT**

None.

**CONSENT**

**1. Approval of Executive Finance Committee regular meeting minutes of June 26, 2025**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

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

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

Roll Call Vote:

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

NOES: None.

ABSENT: Commissioner James Corwin

The clerk declared the motion carried.

Commissioner Corwin arrived at the meeting at 3:03 p.m.

## **2. Approval of the 2026 Executive Finance Meeting Calendar**

Staff: Maddie Gutierrez, MMC, Clerk to the Commission

RECOMMENDATION: Select and approve one of the options for the 2026 Executive Finance Committee (EFC) calendar.

The clerk stated there are two options for the 2026 meeting calendar. She requested the committee review the options and choose which option they recommend for the 2026 meeting dates.

CFO Dersch stated that in the first option, the meeting dates are earlier in the month. The impact would be that financials review will be delayed by one month. It takes approximately three weeks to close the books and get reports ready. The second option has the Executive Finance Committee meeting later in the month, give more time to get financial packages together and get them out to the committee in a timely fashion to discuss the most recent activity in the organization and still meet prior to the monthly Commission meeting.

Commissioner Espinosa stated the meetings are to be quarterly, but in August, September, and October, there are meeting scheduled every month. General Counsel Scott Campbell stated we are going to do the budget because we are switching to a calendar cycle. In August we will focus on year-end. In September and October, we will focus on the budget. Also, in October. the audit must be done.

Commissioner Pupa motioned to approve 2026 calendar option two as presented. Commissioner Abbas 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.

**FORMAL ACTION**

**3. 2024/25 Audit Results and Summary**

Staff: Sara Dersch, Chief Financial Officer  
Baker Tilly (formerly Moss Adams) Stelian Damu & Kimberly Sokoloff

**RECOMMENDATION:** Receive and file

CFO Sara Dersch introduced staff from Baker Tilly (formerly Moss Adams) who will be presenting the audit results from our fiscal year ending June 30, 2025.

CFO Dersch noted that there were two financial agenda items back-to-back, and they are like each other, so to be more efficient with time, she would like to request one vote be taken for both items.

Kimberly Sokoloff and Ashley Merda will be presenting at this meeting. Ms. Sokoloff stated she will give an oversight of the audit, and the presentation is designed to articulate each of the required communications. The scope of services is consistent with what was shared with this committee during the planning meeting in June. She noted that an audit of the stub period will also be done. That audit begins July 1, 2025, through December 31, 2025. Key audit procedures were outlined and were applied over areas for capitation revenue recognition as well as medical claims liability for the capitation revenue. In addition, testing controls in place throughout the year and reconciliation is also done. Ms. Sokoloff stated that all cash received during the year and even after the fiscal year end are frequently retroactive payments made that relate to current fiscal year are received after the end of the year. She noted there were no significant findings.

There were many changes with the new IT system that involved processing claims as well as bringing many functions in-house. New controls needed to be identified to test

in these areas. Auditors needed to obtain all the information from the management team to understand the new controls, what to test, how to test whenever there is a new claim system. Baker Tilly did need to perform additional one-time control testing to test management's process in testing the implementation before it went live. She also noted that no matter how well an implementation goes there is always going to be some kinks to work out and it does add some uncertainty to the initial years of claims payable estimation.

Everyone was evaluating the most recent implementation to inform the most appropriate balances to be recorded at the fiscal year end. The procedures were held open a bit longer than previous years to ensure the evaluation was thorough. The procedures have been completed.

Commissioner Espinosa asked about the three significant risks; she asked if that is applied to every organization or specifically to GCHP. Ms. Sokoloff stated these are three typical risks for any health plan audit. Revenue is significant risk at all audits of any industry. Claims liability is unique to any health plan organization and the third risk management override of controls in auditing standards is a presumed risk for all audits of any organization of any industry. That is the risk that no matter how effective an organization's process level controls are over payable and payroll, if someone has the ability and intent to record an inappropriate manual journal entry and override all those effective controls, there could be a risk that financial statements could be misstated. She noted that there is no reason to suspect that is the case here. There are no specific risks unique to Gold Coast Health Plan. These are significant risk areas in any audit of any health plan regardless of facts and circumstances.

Ashley Merda stated Baker Tilly conducted the audit in accordance with auditing standards accepted in the U.S. under which Baker Tilly is required to exercise professional judgement and maintain professional skepticism throughout the audit. The audit included obtaining an understanding of the plan's internal controls to properly design audit procedures but not for the purpose of expressing an opinion or giving assurance on the effectiveness of the plan's internal controls or to identify any deficiencies in design or operation of internal control. Ms. Merda stated Baker Tilly is responsible for communicating significant matters related to the audit that are relevant to overseeing financial reporting process but are not required to design any specific procedures for identifying any matters. Baker Tilly will also communicate accounting practices utilized by the plan including accounting policies, estimates and financial statement disclosures.

Ms. Merda stated a total accrual sick leave of approximately 3.6 million was recorded with approximately 2.9 million of that affecting prior year net position.



Ms. Sokoloff stated that whenever new accounting standards are implemented, they are required to be retroactively implemented. Even though the standard was newly effective for this fiscal year, it was required to be reflected in 2024. Even though 2.9 may not seem like a large amount, it was a required analysis for management to go through and for the Baker Tilly team to audit.

Ms. Merda stated there were no significant unusual transactions identified during the audit. There were no difficulties encountered during the audit, and there were no disagreements with management. She also noted there were no circumstances that affected the form or content of the audit report. However, they did include an emphasis of matter paragraph within the audit report for the new accounting standard the GASB101. The matter just calls for attention to the impact of the implementation of the standard within the financial statements.

Ms. Sokoloff stated that during the audit they did identify several areas where management did adjust the financial statements for adjustments that Baker Tilly identified. There were a couple of areas discussed about potential adjustments and those adjustments were not reflected in the financial statements. She noted two adjustments. The first was an audit procedure over revenue recognition and accounts receivable is to evaluate all the cash receipts from the state up to the point that financial statements are issued this month. There could be some retroactivity within a cash receipt received in September or October that was not anticipated. In June there was 42.5 million that was received after the year end close that technically related the year end. Baker Tilly agreed with management that the amount is not material to go through and reopen the books. The second item relates to the accounting for subscription-based IT arrangements. IT agreements had an increased amount. One of the areas that was spent a lot of time working with the financial team was about \$2,000,000 of expense that was unreconciled between the underlying software and the general ledger. It was agreed with management that the amount is not material to reflect in the financial statements.

Baker Tilly can work with management through the Stub period to work on precise reconciliation in this area but it was a large volume of activity, it is a fairly complicated standard and set of accounting guidelines to work through, and in the end Baker Tilly concurs with management that the adjustments, both individually and in aggregate are not material and are reasonable to pass on recording in the financial statements.

Commissioner Abbas asked if the adjustment was a one time or was it going to be on-going. CFO Dersch stated it was a one-time adjustment. Ms. Sokoloff stated there are no underlying issues, this is a one-time decision.

Commissioner Abbas stated that it was said that this is a one-time expense, but it says subscription fee and subscriptions keep going on as long as you use the product or

services. CFO Dersch this is a historical expense that we had recorded in our fixed asset module and at the end of the year one account had one number and our software said not, it should be another number so we had to go through and reconcile and figure out what is the correct number to ensure that what our fixed asset software said is what is recorded in the general ledger. We agreed to make the adjustment in our stub period – it is just a catch-up, or a clean-up entry.

Ms. Sokoloff stated that before they sign the audit report, Baker Tilly requests that management sign a representation letter that covers certain items such as management attesting that they believe that financial statements are presented fairly in accordance with the accounting guidance. That has been furnished and there is a copy of the signed letter available upon request. CFO Dersch stated the audit is done, the year-end close is done and workday implementation will be done within a couple of months.

#### **4. Presentation of June, July and August 2025 Financial Results**

Staff: Sara Dersch, Chief Financial Officer

**RECOMMENDATION:** Receive and file

CFO Dersch stated that as a reminder we did have a planned deficit. We planned for \$55.1 million, and we came in at a deficit of \$62.9 million. She stated there were some driving factors. The first was the new accounting standard, GASB 101 that has to do with how we record accruals for sick time in our ledger. At GCHP we do not pay sick time out when an employee leaves the organization. We do pay out vacation time which is a separate accrual. It is typical in governmental organizations to pay out sick time. The GASB adopted a new rule that states everyone that follows GASB must book this accrual regardless of whether you pay sick time or not. CFO Dersch stated she has been working with Mr. Aguilar, Chief of Human Resource on some option for changing how we manage our sick time benefits, so we no longer must accrue for it. One option is to grant it all at once instead of earning it. It is currently earned every pay period. There is a fixed number of hours and minutes that everyone accrues. They are producing some solutions to mitigate the accrual, and we expect to have this accrual completely reversed.

Commissioner Espinosa asked what happens to an employee who does not use their annual ten days of sick. CFO Dersch stated it goes away when they leave the organization. We do not pay that time out. Commissioner Espinosa asked if they continue working at GCHP and they do not use the ten days in the year, will it continue to accrue. CFO Dersch stated yes it will roll over.

Commissioner Pupa asked if all levels of employees accrue at the same rate or do the executives have annual leave. CFO Dersch stated the executives have vacation and sick leave. Everyone has vacation time and everyone has sick time. The sick time is accrued at the same rate.

Paul Aguilar, Chief of Human Resources & Organizational Performance Officer stated it has been in policy like this for years and never been an issue in the past but with the new financial rule we must rethink this. We are looking at it in two ways. One is what is policy going forward, and how do we manage it. The second is what do we do with these balances. They are separate right now. Some companies combine PTO together with sick and vacation, here it is separate. Vacation is separate based on tenure and for the executives it is one more extra week. The accrual will vary based on tenure. For sick time it is two weeks for everyone each year. For those who have been at the organization a long time some have big balances. We must look at it from two perspectives. We need to determine how we are going to solve this from a policy standpoint and outline a couple of options and then second is the balances. The balances do not have any material value. This is an expense we must have each year. If someone were to leave it is not paid out, if someone is out for an extended period, they go into short term disability. We need to figure out how do we manage this and make it comfortable for everyone. It will be transparent to the committee because it is a \$3,000,000 expense on the books that we must solve. We will make sure that all committee members and the Commission are aware of any changes.

Commissioner Monroy stated that there is not a cap, but she is sure the team will consider something because you cannot let things accrue. It could even cause possible abuse by taking one or two days off consecutive. Commissioner Corwin stated that you need to cap, but before you cap you must accrue. You need to get a policy in line.

CFO Dersch stated this is not a real expense but due to the GATSB rule it forces us to record it as one. Over time sick balances drop, we reduce the accrual on our books, like what we do with IBNR. With IBNR we start to pay claims it comes down. We will get all this money back over time on our financial statements.

CFO Dersch stated that our membership is slightly unfavorable but close to what we projected. Our revenue throughout the year was favorable from a rate perspective, not from a volume perspective. Our medical cost was very high. We also have some targeted rate increase that negatively impacted our medical results. Our administrative costs would have been spot on if it had not been for the GASB101. We did have some costs that were related to Operations of The Future support that we could not amortize because some of the systems had already gone live. Once the system goes live you cannot amortize the support, it is a direct expense.

On the schedule there is a row for operating income. Our operating income is the result of revenues that is brought in for providing a good or a service less the cost associated with providing that good or service. It is what is left at the end of the day after basic costs are considered. We had forecast that for the year we would have a positive operating income of \$5.3 million. In reality we had a deficit of \$13.3 million. Due to a planned deficit due to some of our utilization and technical improvements we ended up with a negative operating income. We will be working with our management team on focusing on this over the next few years. We are getting back down towards where we have our regular, small margin as we did pre-Covid. This will help us manage the dollars that we have. Listed under the operating income you can see what extraordinary line items are. Investment income is income that we use to fund operating results, it is not considered a true, it is not a premium revenue that we receive nor is it a revenue for a good that we provide. She noted that we include our quality strategy in this line because it was a specific decision to spend part of our TNE on incentives for providers, for hospitals, and for grants. We did not want to include that in our "living within our means" line because that was an item that was approved by the Commission. In the end we do have the \$62.9 million deficit versus the plan of \$55.1 million and from a tangible net equity perspective we ended the year at 657%. Our TNE comes down with a deficit, but we do expect TNE to go up at some point during the year, TNE is very volatile. It is a number that is comprised of all your assets. That required number will go up and go down. We look at what is the trend of TNE over time. A couple of years ago it was over 1000% of the required. The state does not want us to have a 1000% TNE, they would say that if you have that much TNE then you are not getting it to the community, you are not getting it to the providers or the members. It is not a good percent to have. We decided to invest where it needs to be spent. We invested in quality. We had the three-year strategy for spending that TNE down, and we have done that. Our DHCSR regulatory is saying that about six hundred% TNE is good.

CFO Dersch stated that we continue to clean up all the backlog of claims. There has been an extraordinary amount of claims reprocessing. There have been pent-up claims that we pay out in high volumes the IBMP becomes distorted, and it becomes artificially high because the IBMP is based on actuarial science where you look at the number and that is it. We must look at what is the claims level; and forecast using that base. As the base comes down, your forecast is going to come down. We expect to see continued declines in IBM over the next couple of months; it will not be another \$20 million but we are getting closer to where we should be.

We need to make sure our planning is very thoughtful going forward and whatever we invest in, we are making the most out of to return to the member. We will continue to be focused on getting back to our targeted 700% TNE and that will be part of our budget planning on how we attain that.

CFFO Dersch moved on to the combined July/August results which is heavily influenced by IBMP. We have a year-to-date net loss of \$14.3 million which is unfavorable to forecast by \$16.5 million. We expected we would have positive net income at the end of August, and we did not. From a membership perspective we are favorable by 6%. Our member mix contributed to the favorability. We have seen unfavorable medical cost of \$32.3 million due to pressures in our utilization which is primarily the medically tailored meals. We have targeted rate increased functionality in our Health Edge claims payment processor. She noted that we are overpaying some of our providers and once we implement the fix we will go back and correct.

Our IBMP is about 180 million and we were happy to see that come down from an administrative standpoint. We did uncover that we have a slight underestimate of employee benefit cost. We had been taking a historical run rate of benefit cost 25% of total salary. Now that we have in-sourced many of the claims and call center functionality, those tend to be positions that are on the lower side of the pay scale. The same benefit that an executive might get might be twenty% of that executive salary, but could be 80% of the call center salary, same dollar amount for each but just as a percentage of their total salary, it is much greater. As an improvement for our 2026 budget processing, we are budgeting benefits at the employee level not as a standard 25% or 30%.

We have also seen some unfavourability in our investment income. This is a functionality of interest rates, but it is also a functionality of not having as much cash. If you have less cash, you will generate less interest income.

In reviewing some numbers, our actual revenue per member per month is over \$400 versus a \$394 budget and you can see the pressure in our medical costs. We have budgeted an 84% medical loss ratio, and we are now running slightly under 93%.

We still have a deficit but once we receive our final rate increase for 2025, we will go back and reevaluate how these last few months went from an operating results perspective. From a grant quality spend perspective there is some variance associated with timing of spend. You will see our \$14.3 million deficit versus the \$2.3 million surplus. That had been planned. This puts our TNE at 602%. CFO Dersch noted that preliminary results for September are looking positive and if it is and we recalculate our TNE.

July medical costs were especially high, way above average but it started trending down in August and we are hopeful the trend continues in September.

CFO Dersch moved on to CalAIM requirements which started a few years ago but most health plans were not able to implement until recently for a variety of reasons. That state was concerned that we were not doing enough medically tailored meals.

The message we got was to get those meals going. We rolled out a program but there was not much guidance from the state. We did not implement a lot of rules around this program – this was a new service to us. This is not a clinical medical service. This is not food insecurity; it is not Meals on Wheels. These are meals specifically for members with specific diagnosis. This is a way to help them transition into knowing how to eat healthy. This program has skyrocketed. CPPO Cho's staff manages this program. CPPO Cho stated the guidance from the state had been minimal, but significant encouragement from them to pick up the rate of these services. These meals are making an impact on people's lives. What has happened is that without some controls in place the program has lasted longer than intended. We have put some things in place to curtail the growth of the program and bring it back inline from a cost perspective, such as shortening authorization period. We want to continue to provide good service and make a positive impact on our members while lowering some costs such as the transition to grocery boxes instead of meals.

Commissioner Espinosa stated this was a wonderful program, what she has noted as a consumer representative is that there is minimal to no communication. Members do not know the criteria; they do not have an end date. Information needs to be communicated. CPPO Cho stated these are issues the team is working on and to improve oversight.

CFO Dersch stated that we are receiving \$14.00 per member per month from the state and one meal can cost us up to \$25.00. The rate we are receiving from the state is low because there was low utilization historically. When the state looks at our rates, they are going to say you are not using this very much, so we are not going to give you as much money. As our utilization has gone up; we provided an update to the state and that will influence our final 2025 rates. She noted that we got our 2026 rates last month and the \$14.00 went down to \$10.00. It is the state runs, we will get the money, but it will be later, and we need it now. We need more regulations around medically supportive foods which is something we do not typically ask the state to do. In this case we are asking for more regulations because there are huge losses due to these meals. Yet it is important to teach people to eat healthier so they can live healthier. They need to self-learn. In the end we need to live within our means it takes a great deal to run this program, and we are not paid anything for the administrative portion.

In operations there is still some work going on with some of the PDR activities. We still have contractors, and we anticipate the two vendors will conclude towards the end of the first quarter of 2026. The number of contractors is diminishing. D-SNP resources will be dropping off on January 1 although we will retain some. Deloitte will be here until the end of March to support with their warranted of all the work that has been happening.



CFO Dersch then referred to the summary sheet. She noted that numbers can fluctuate, and claims processing has been volatile. She stated she will continue to keep the committee and the Commission up to date.

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

Staff: Sara Dersch, Chief Financial Officer  
Paul Aguilar, Chief of Human Resources & Organizational Performance Officer

RECOMMENDATION: Staff recommends that the Executive Finance Committee recommend that the Commission approve the lease for the 4880 Santa Rosa, Camarillo, CA 93012 office building.

Paul Aguilar, Chief of Human Resources & Organizational Performance Officer, requested this agenda item be tabled until the October 30, 2025, meeting.

**CLOSED SESSION**

**6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Chief Executive Officer

**ADJOURNMENT**

There was no reportable action. The meeting adjourned at 6:44 p.m.

Approved:

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Maddie Gutierrez, MMC  
Clerk to the Commission

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

**December 18, 2025**

**CALL TO ORDER**

Committee Chair Laura Espinosa called the meeting to order at 3:03 p.m. The meeting was held remotely. The clerk was in the Community Room, 711 E. Daily Drive, Suite 110 Camarillo, California.

**ROLL CALL**

Present: Commissioners, James Corwin, Laura Espinosa, Anna Monroy, and Dee Pupa

Absent: Commissioner Anwar Abbas

GCHP Executive Team in attendance: CEO Felix Nunez, M.D., CHR Paul Aguilar, CIO Eve Gelb, Sara Dersch, CDO Ted Bagley, Erik Cho, CPPO, CMO James Cruz, M.D., Marlen Torres, CME&EAO, COO Suma Simcoe, and General Counsel, Scott Campbell.

GCHP Staff In attendance: Lupe Harrion, Mayra Hernandez, Jeff Register, Lucy Marrero, Josephine Gallella, Vicki Wrighster, Lupe Gonzalez, Susana Enriquez-Euyoque, Michelle Espinoza, Kim Timmerman, Bob Bushey, Joanna Hioureas, Kimberly Marquez-Johnson, Lily Yip, Pshyra Jones, Chris Dulan, and Stacy Luney.

**PUBLIC COMMENT**

None.

**PRESENTATION**

**1. Review of CY2026 Budget Targets, Including Tangible Net Equity (TNE)**

Staff: Sara Dersch, Chief Financial Officer

**RECOMMENDATION:** Receive the Information and provide direction on Targets.

Chief Financial Officer, Sara Dersch, stated this meeting is a continuation of the October 23<sup>rd</sup> meeting. She will review revised targets for 2026. She noted that we have had some new developments from a financial standpoint. We have had our second version of our 2026 rates., and those rates went up. Unfortunately, our



membership went down, and we did see an overall increase in revenue, but it is mitigated by the reduction in member months. We also have a more up-to-date medical cost through September that have helped for our medical cost projections, and we have worked those into our revised project projections. We will go through our revised targets and discuss our TNE policy which is currently set at 700%. We are looking at multiple different metrics for measuring the cash health of the organization.

CFO Dersch stated that out of every dollar that we receive from the state we are going to take approximately \$0.88 cents and say that is medical costs, which is what the state expects. We are going to take \$0.10, and this is what we should be spending on administrative expenses, and two cents that we need to hold on to pay for any extraordinary items, which may include claw-backs that might occur in a subsequent year. She stated that these are all recommendations only.

CFO Dersch reviewed the updated membership table which shows both versions' of 2026 rates. These are the premium dollars per member per month, and the associated membership which is listed by category of aid. In 2024/25 we had a healthy rate increase in membership which bumps up our revenue. Adult Expansion UIS rates went up, but membership dropped significantly by 8 or 9%, therefore we are seeing a total decrease in revenue. We are projecting to have an average of 228,000 members. These projections are based off data, and we might have some opportunity to increase that number. We will continue to look closely at these numbers until final budget is presented.

CFO Dersch stated that at one point we had revenue of \$1.2 billion, we are targeting our MLR, and it is coming down. It was approximately 89% and now it is 86.3%. We are still targeting our administrative expense at 10%, which is a healthy rate. It is what DHCS expects it to be. We cannot go above the 10% when we do our projections for upcoming years. We have been able to bring up our quality strategy number from \$35 million to \$43 million with the change in our rates. This will allow us to fully fund our QIPP and HQIPP. We are now looking at a net income of breaking even.

Commissioner Pupa stated she appreciated the increase in quality strategy. The incentives have improved our measures and brought us up in the ranking. CEO Nunez stated that quality strategy is getting us closer in terms of what our goals and objectives were going into 2027 and beyond up to 50 million and we are starting to approach that number. There is still a lot of uncertainty, and we have not seen the full effects of HR1 on enrollment. What we are seeing are the effects on the UIS population. Commissioner Pupa stated that she is aware that the preliminary budget is going to be fluid. CFO Dersch stated this is going to be more of a fluid budget year than last year, we will be presenting full reforecast budgets every three months. The starting number is revenue and membership. We need to maintain the highest level that we can and protect that number. As we go through medical cost we need to

ensure putting as much our as we can into the community. We want to protect our providers and do what is right for our community.

Commissioner Corwin asked if we would have preliminary number in Quarter 1 and then stabilize and do normal movement after. CFO Nunez state that was optimistic because we have seen an impact after HR1 passed in July and enrollment numbers are going down. It will be a continual slope downward with enrollment. We will have to put a lot of effort to retain enrollment. General Counsel, Scott Campbell stated we may see a drop off on the UIS and Adult Expansion, but we do not anticipate have the same drop with other membership. Commissioner Monroy stated the focus needs to be on enrollment and education about renewals. People are hesitant, even those outside of UIS group. Commissioner Monroy asked if instead of the 2% retention we will be retaining 1.2% CFO Dersch stated that was correct.

Commissioner Espinosa stated it is going to be important that we continue the supports for enrollment to agencies like HSA and other nonprofits that are working on enrollments. CEO Nunez stated we are looking use RISE grants to focus on this in the new year. Marlen Torres, Chief Member Experience & External Affairs Officer stated that we will continue to work with CPPO Cho regarding the RISE funding. We also have Pathways to Wellness, and we have begun to work with some of our CBOs and they are helping with enrollment as well. Ms. Torres stated she could also provide a quarterly report so the commission could see the progress from the grantees through the Pathways to Wellness grants. Commissioner Espinosa stated there are going to be new requirements and people are going to be confused, o we need to help make the enrollment process go as smooth as possible.

CFO Dersch stated it will be a very fluid budget year. She the reviewed TNE. She noted that what we think an appropriate TNE range should be between five hundred and seven hundred percent. We meet our regulatory requirements, and it allows us to take the upper level and spend it in the community, on the members, on the providers and non-medical expenses. It allows us to get dollars out to where we think it can do the best.

Commissioner Espinosa stated that she was not aware that you can officially identify a range, and it does not have to be a specific percentage. CFO Dersch stated a range is acceptable. While having a high TNE is comfortable and safe, it also means that we are not spending the money on the community and that is where it really needs to go. Having a range between 500 and 700% will maintain a healthy fiscal number. CFO Dersch noted that having a high TNE will attract the attention of DHCS. She noted that the highest TNE we had was approximately 1000% and we are now down to a bit over 600% which is a number that allows us some room in case there is an unanticipated event.

General Counsel Campbell stated that Commissioner Abbas had stated his preference would be to have a set number at 600% and he will present that option in January. There will be no action taken today, but this will be a recommendation that will be presented in January.

Commissioner Monroy recused from the meeting at 3:48 p.m.

## **2. Transition of Clinicas Del Camino Real's (CDCR) Delegation Responsibilities**

Staff: Erik Cho, Chief Policy & Programs Officer

**RECOMMENDATION:** Receive and file the information.

CPPO Cho stated there are some changes in our relationship with CDCR. The change is in what are the delegated activities from GCHP to Clinicas and there will be a two-prong process with a change in delegation for the specialty care components that have been delegated to Clinicas, including the claims payment and the UM of that area. They have received a capitated payment for that, and for those specialty visits that will all be coming back to GCHP. This will cause no disruption for our members. There is a heavy overlapping network between us and what had been in the network that CDCR had managed. There are a few providers that we are working with on contracting, but in the meantime, we can do LOAs to maintain continuity of care. Authorizations or referrals will no longer go through Clinicas, instead Gold Coast will process them.

There will be newly delegated activities for CDCR and those will launch on 3/1/27. We will provide some funding for ramp up to those activities and that would include population health management, elements of care management, and transitions of care. CDCR will be receiving additional information from us and be able to act on Bringing the specialty care back here is creating a more coordinated seamless environment for members going forward.

Commissioner Espinosa asked for an example. CIO Eve Gelb stated that prenatal care is an important need, and so for that population we work and expect Clinicas to develop special programs to meet the needs of the prenatal care population. Health management will create broad programs that might be educational programs or other things to meet the needs of a broad section of the population.

CPPO Cho stated there is a new contract and they will get increases for doing these new delegation duties. Commissioner Corwin asked if this was a type of trade off. CPPO Cho stated there is a big piece that is coming back to GCHP – it is the responsibility for the specialty care, for the specialty providers which will lead to better coordination of care on our side. It is a partnership.

Commissioner Espinosa stated there was a clarifying communication that was sent and everything is good.

## **ADJOURNMENT**

There was no reportable action. The meeting adjourned at 4:04 p.m.

Approved:

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Maddie Gutierrez, MMC  
Sr. Clerk to the Commission



**AGENDA ITEM NO. 2**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer

DATE: January 22, 2026

SUBJECT: November 2025 Fiscal Year to Date Financials

**SUMMARY:**

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

**ATTACHMENT:**

November 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 November 2025				Fiscal Year to Date Through November 2025			
	Actual	Stub Budget	Fav /(Unfav)	%	Actual	Stub Budget	Fav /(Unfav)	%
	11/1/25	11/1/25	11/1/25	11/1/25	11/1/2025	11/1/25	11/1/25	11/1/25
<b>Membership</b>	239,361	225,156	14,205	6.3%	1,202,206	1,137,206	65,000	5.7%
<b>Revenue</b>								
Premium	\$ 129,351,393	\$ 88,680,136	\$ 40,671,256	45.9%	\$ 661,862,255	\$ 448,859,976	\$ 213,002,280	47.5%
Facility Expense AB85		-	-			-	-	
Reserve for Cap Requirements	2,133,568	(211,377)	2,344,945	-1109.4%	303,017	(1,070,266)	1,373,283	-128.3%
Incentive Revenue	198,921	-	198,921		198,921	-	198,921	
MCO Premium Tax	(33,979,095)	-	(33,979,095)		(170,927,328)	-	(170,927,328)	
<b>Total Net Premium</b>	<b>97,704,786</b>	<b>88,468,759</b>	<b>9,236,027</b>	<b>10.4%</b>	<b>491,436,865</b>	<b>447,789,710</b>	<b>43,647,155</b>	<b>9.7%</b>
<b>Other Revenue:</b>								
Miscellaneous Income	150	-	150		660	-	660	
<b>Total Other Revenue</b>	<b>150</b>	<b>-</b>	<b>150</b>		<b>660</b>	<b>-</b>	<b>660</b>	
<b>Total Revenue</b>	<b>97,704,936</b>	<b>88,468,759</b>	<b>9,236,177</b>	<b>10.4%</b>	<b>491,437,525</b>	<b>447,789,710</b>	<b>43,647,815</b>	<b>9.7%</b>
<b>Medical Benefits:</b>								
<u>Capitation:</u>								
PCP, Specialty, Kaiser, NEMT & Vision	\$ 7,125,461	\$ 6,488,245	\$ (637,216)	-9.8%	\$ 35,849,803	\$ 33,073,195	\$ (2,776,608)	-8.4%
ECM	1,261,148	1,325,813	64,665	4.9%	6,121,828	6,704,990	583,162	8.7%
<b>Total Capitation</b>	<b>8,386,610</b>	<b>7,814,058</b>	<b>(572,551)</b>	<b>-7.3%</b>	<b>41,971,631</b>	<b>39,778,185</b>	<b>(2,193,446)</b>	<b>-5.5%</b>
<u>FFS Claims:</u>								
Inpatient	\$ 20,959,988	\$ 16,832,022	\$ (4,127,967)	-24.5%	\$ 112,143,625	\$ 84,753,410	\$ (27,390,215)	-32.3%
LTC / SNF	12,561,320	14,612,882	2,051,562	14.0%	78,032,601	72,840,565	(5,192,036)	-7.1%
Outpatient	13,718,890	8,006,185	(5,712,704)	-71.4%	50,730,810	40,061,153	(10,669,658)	-26.6%
Laboratory and Radiology	1,031,120	692,654	(338,466)	-48.9%	4,924,227	3,492,640	(1,431,587)	-41.0%
Directed Payments - Provider	826,476	779,041	(47,435)	-6.1%	1,140,770	3,981,057	2,840,288	71.3%
Emergency Room	4,540,081	3,347,382	(1,192,700)	-35.6%	19,969,374	16,841,949	(3,127,425)	-18.6%
Physician Specialty	144,908	5,588,525	5,443,617	97.4%	32,161,617	27,962,723	(4,198,894)	-15.0%
Primary Care Physician	(8,712,882)	4,011,173	12,724,054	317.2%	8,233,682	20,164,089	11,930,407	59.2%
Home & Community Based Services	7,012,386	3,553,390	(3,458,996)	-97.3%	36,912,939	17,608,267	(19,304,672)	-109.6%
Applied Behavior Analysis Services	6,989,441	4,678,360	(2,311,080)	-49.4%	29,292,645	22,917,220	(6,375,425)	-27.8%
Quality Incentive Provider Program (QIPP)	3,173,183	3,583,370	410,187	11.4%	12,489,798	17,916,849	5,427,051	30.3%
Other Medical Professional	847,817	378,378	(469,439)	-124.1%	3,171,272	1,891,954	(1,279,318)	-67.6%
Other Fee For Service	2,111,980	2,356,336	244,356	10.4%	9,845,598	11,828,032	1,982,433	16.8%
Transportation	285,500	430,888	145,388	33.7%	(1,350,350)	2,161,923	3,512,273	162.5%
<b>Total Claims</b>	<b>65,490,207</b>	<b>68,850,585</b>	<b>3,360,377</b>	<b>4.9%</b>	<b>397,698,610</b>	<b>344,421,832</b>	<b>(53,276,778)</b>	<b>-15.5%</b>
Provider Grant Program	943,745	1,178,500	234,755	20%	9,111,099	5,892,500	(3,218,599)	-55%
Medical & Care Management	6,171,607	2,275,943	(3,895,664)	-171%	15,168,662	11,379,713	(3,788,949)	-33%
Reinsurance	414,498	303,720	(110,778)	-36%	33,017	1,534,943	1,501,926	98%
Claims Recoveries	(1,288,197)	(100,000)	1,188,197	-1188%	(4,028,536)	(500,000)	3,528,536	-706%
<b>Sub-total</b>	<b>6,241,652</b>	<b>3,658,162</b>	<b>(2,583,490)</b>	<b>-71%</b>	<b>20,284,242</b>	<b>18,307,156</b>	<b>(1,977,086)</b>	<b>-11%</b>
<b>Total Medical Benefits</b>	<b>80,118,469</b>	<b>80,322,805</b>	<b>204,336</b>	<b>0.3%</b>	<b>459,954,482</b>	<b>402,507,173</b>	<b>(57,447,310)</b>	<b>-14.3%</b>
<b>Contribution Margin</b>	<b>17,586,467</b>	<b>8,145,954</b>	<b>9,440,513</b>	<b>115.9%</b>	<b>31,483,042</b>	<b>45,282,537</b>	<b>(13,799,495)</b>	<b>-30.5%</b>
<b>General &amp; Administrative Expenses:</b>								
Salaries, Wages & Employee Benefits	6,362,733	4,327,465	(2,035,268)	-47%	32,236,498	21,680,923	(10,555,574)	-49%
Training, Conference & Travel	32,590	147,744	115,154	78%	293,286	1,107,701	814,415	74%
Outside Services	1,394,524	2,980,233	1,585,710	53%	9,773,311	15,757,921	5,984,610	38%
Professional Services	820,627	1,111,010	290,383	26%	4,885,594	5,064,373	178,779	4%
Occupancy, Supplies, Insurance & Others	2,594,643	2,631,238	36,595	1%	16,396,839	12,202,031	(4,194,809)	-34%
ARCH/Community Grants	-	104,166	104,166	100%	4,500	520,830	516,330	99%
Sponsorships	52,000	39,583	(12,417)	-31%	83,500	197,915	114,415	58%
Care Management Reclass to Medical	(6,171,607)	(2,275,943)	3,895,664	-171%	(15,168,662)	(11,379,713)	3,788,949	-33%
<b>G&amp;A Expenses</b>	<b>5,085,509</b>	<b>9,065,496</b>	<b>3,979,987</b>	<b>44%</b>	<b>48,504,867</b>	<b>45,151,981</b>	<b>(3,352,885)</b>	<b>-7%</b>
Project Portfolio (OOTF)	-	773,855	773,855	100%	-	3,869,277	3,869,277	100%
D-SNP	565,922	180,857	(385,066)	-213%	4,077,303	904,283	(3,173,019)	-351%
<b>Project Portfolio</b>	<b>565,922</b>	<b>954,712</b>	<b>388,790</b>	<b>41%</b>	<b>4,077,303</b>	<b>4,773,560</b>	<b>696,257</b>	<b>15%</b>
<b>Total G&amp;A Expenses</b>	<b>5,651,432</b>	<b>10,020,208</b>	<b>4,368,776</b>	<b>44%</b>	<b>52,582,169</b>	<b>49,925,541</b>	<b>(2,656,628)</b>	<b>-5%</b>
<b>Total Operating Gain / (Loss)</b>	<b>11,935,035</b>	<b>(1,874,254)</b>	<b>13,809,289</b>	<b>-737%</b>	<b>(21,099,127)</b>	<b>(4,643,004)</b>	<b>(16,456,123)</b>	<b>-354.4%</b>
<b>Retro Premium Adj</b>	<b>(21,096,712)</b>	<b>-</b>	<b>\$ (21,096,712)</b>		<b>(21,412,007)</b>	<b>-</b>	<b>\$ (21,412,007)</b>	
<b>Non Operating</b>								
Revenues - Interest	898,950	1,500,000	\$ (601,050)	-40.1%	5,736,590	7,500,000	(1,763,410)	-24%
Expenses - Interest	-	-	-		-	-	-	
Gain/(Loss) on Sale of Asset	-	-	-		-	-	-	
<b>Total Non-Operating</b>	<b>898,950</b>	<b>1,500,000</b>	<b>\$ (601,050)</b>	<b>-40.1%</b>	<b>5,736,590</b>	<b>7,500,000</b>	<b>(1,763,410)</b>	<b>-24%</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>\$ (8,262,727)</b>	<b>\$ (374,254)</b>	<b>\$ (7,888,472)</b>	<b>-2108%</b>	<b>\$ (36,774,545)</b>	<b>\$ 2,856,996</b>	<b>\$ (39,631,540)</b>	<b>1387%</b>

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, November 2025	As of Month Ending, June 2025
<b>ASSETS</b>		
<b>Current Assets:</b>		
<b>Total Cash and Cash Equivalents</b>	<b>\$ 236,426,759</b>	<b>\$ 291,033,725</b>
<b>Total Short-Term Investments</b>	<b>106,391,943</b>	<b>104,396,027</b>
Medi-Cal Receivable	250,664,105	213,250,889
Interest Receivable	630,659	761,742
Provider Receivable	3,948,455	34,764,364
Other Receivables	8,595,449	8,595,449
<b>Total Accounts Receivable</b>	<b>263,838,668</b>	<b>257,372,444</b>
Total Prepaid Accounts	9,983,550	14,810,767
Total Other Current Assets	320,402	133,545
<b>Total Current Assets</b>	<b>616,961,322</b>	<b>667,746,508</b>
<b>Total Fixed Assets</b>	<b>61,632,516</b>	<b>60,155,248</b>
<b>Total Assets</b>	<b>\$ 678,593,838</b>	<b>\$ 727,901,756</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Current Liabilities:</b>		
Incurred But Not Reported	\$ 112,153,036	\$ 166,097,652
Claims Payable	18,345,175	18,345,175
Capitation Payable	7,664,577	7,239,849
Physician Payable	10,930,617	13,406,843
DHCS - Reserve for Capitation Recoup	53,973,170	31,573,252
Lease Payable- ROU	6,720,010	7,035,805
Accounts Payable	7,315,381	6,704,869
Accrued Provider Incentives/Reserve	5,012,454	7,889,172
Accrued Expenses	15,124,490	22,928,272
Accrued Premium Tax	140,453,362	105,862,040
Accrued Payroll Expense	11,466,547	9,850,498
Quality Withhold	5,032,163	5,335,108
<b>Total Current Liabilities</b>	<b>394,531,224</b>	<b>402,868,902</b>
<b>Long-Term Liabilities:</b>		
Lease Payable - NonCurrent - ROU	20,984,641	25,180,339
<b>Total Long-Term Liabilities</b>	<b>20,984,641</b>	<b>25,180,339</b>
<b>Total Liabilities</b>	<b>415,515,865</b>	<b>428,049,241</b>
<b>Net Assets:</b>		
Beginning Net Assets	299,852,518	307,740,987
Total Increase / (Decrease in Unrestricted Net Assets)	(36,774,545)	(7,888,472)
<b>Total Net Assets</b>	<b>263,077,973</b>	<b>299,852,515</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 678,593,838</b>	<b>\$ 727,901,756</b>

STATEMENT OF CASH FLOWS		
	For the Month Ended November 2025	Fiscal Year to Date Through November 2025
<b>Cash Flows Provided By Operating Activities</b>		
Net Income (Loss)	\$ (8,262,727)	\$ (36,774,545)
<b>Adjustments to reconciled net income to net cash provided by operating activities</b>		
Depreciation on fixed assets	1,098,071	2,474,330
<b>Changes in Operating Assets and Liabilities</b>		
Accounts Receivable	(34,988,695)	(6,466,223)
Prepaid Expenses	1,986,233	4,640,360
Accrued Expense and Accounts Payable	19,083,353	9,501,514
Claims Payable	(286,265)	(2,051,498)
MCO Tax liability	33,979,095	34,591,322
IBNR	(14,023,495)	(53,944,616)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,414,430)</b>	<b>(48,029,356)</b>
<b>Cash Flow Provided By Investing Activities</b>		
Proceeds from Investments	(617,164)	(1,995,916)
Purchase of Property and Equipment	(516,171)	(3,951,598)
<b>Net Cash (Used In) Provided by Investing Activities</b>	<b>(1,133,335)</b>	<b>(5,947,514)</b>
<b>Cash Flow Provided By Financing Activities</b>		
Lease Payable - ROU	(127,122)	(630,097)
<b>Net Cash Used In Financing Activities</b>	<b>(127,122)</b>	<b>(630,097)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(2,674,887)</b>	<b>(54,606,967)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>239,101,646</b>	<b>291,033,725</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>236,426,759</b>	<b>\$ 236,426,759</b>

SCHEDULE OF INVESTMENTS AND CASH BALANCES		
	Market Value as of Month Ending, November 2025	Account Type
Local Agency Investment Fund (LAIF)	\$ 45,490,850	Investment
Ventura County Investment Pool	\$ 20,449,904	Investment
CalTrust	\$ 40,451,189	Short-term investment
Bank of Montreal	\$ 251,250,689	Money market account
Pacific Premier Bank	\$ (14,823,929)	Operating accounts
<b>Investments and monies held by GCHP</b>	<b>\$ 342,818,702</b>	



# November MTD and FYTD Financial Results

Executive Finance Committee Meeting

January 22, 2026

Sara Dersch, Chief Financial Officer

# Executive Summary November 2025

- **MTD Operating Loss** is (\$8.3M) which is (\$7.9M) unfavorable to budget due to:
  - Prior period Unsatisfactory Immigration Status (UIS) Risk Corridor revenue take-back of (\$21.1M) offset by \$23.3M release in Targeted Rate Increase reserve for Federally Qualified Health Centers
  - Claims payment stabilization efforts continue to unfavorably influence Net Income/(Loss)
  - Administrative expense is \$4.4M favorable to budget primarily due to YTD \$3.8M reclassification of administrative Quality Improvement reclassification to medical costs
  - Note: Payment Integrity and Prior Authorization activities will positively influence Net Income/(Loss) in CY2026
- **YTD Operating Loss** is (\$36.8M) which is (\$39.7M) unfavorable to budget due to:
  - UIS CY2024 revenue take-back
  - Continued claims system stabilization
  - Interest expense due to paying claims late
  - Medically-tailored meals costs greater than State premium rate payments
  - Long Term Care (LTC) retroactive rate increases
  - TNE stands at 570% of DHCS minimum required amount

# Financial Results November MTD Summary

Item	Actual	Budget	Explanation
Membership	239,361	225,156	Adult and and Adult Expansion drive favorability in August membership
Revenue	\$76.6M	\$88.5M	
Revenue <i>pmpm</i>	\$320.05	\$392.92	CY2024 \$21.1M UIS risk corridor revenue take-back drives revenue unfavorability, partially offset by favorable membership volume and rate mix
Medical Cost	\$76.0M	\$75.6M	
Medical Costs <i>pmpm</i>	\$317.52	\$335.59	The slight unfavorability in medical cost reflects continued claims clean-up payment pressures and excessive medically-tailored meals spend offset by the release of
Medical Loss Ratio	99.2%	85.4%	\$23.3M in TRI reserves related to the federally qualified health centers (FCHQ)
Administrative Cost	\$5.7M	\$10.0M	
Admin Cost <i>PM/PM</i>	\$23.61	\$44.50	YTD \$3.8M reclassification of administrative quality expenses to medical accounts for majority of favorability
Administrative Loss Ratio	7.4%	11.3%	
<b>Operating Results</b>	<b>(\$5.0M)</b>	<b>\$2.9M</b>	
Investment Income	\$0.9M	\$1.5M	Lower cash balances generate less-than-expected interest income
Quality Strategy (Grants/Incentives)	\$4.1M	\$4.8M	Variance related to timing of grant spend
<b>Non Operating Results</b>	<b>(\$3.2M)</b>	<b>(\$3.3M)</b>	
<b>Net Income/(Loss)</b>	<b>(\$8.3M)</b>	<b>(\$0.4M)</b>	
TNE	\$263.1M	\$316.9M	TNE is currently 570% of State Requirement

# Financial Results November YTD Summary

Item	Actual	Budget	Explanation
Membership	239,361	225,156	Adult and Adult Expansion categories drive the favorability
Revenue	\$470.0M	\$447.8M	YTD member mix favorability offset by CY2024 \$21.1M UIS risk corridor revenue take-back
Revenue <i>pmpm</i>	\$390.97	\$393.76	
Medical Cost	\$438.4M	\$378.7M	Unfavorability result of claims-processing stabilization, long term care rates higher than expected, and overruns in medically-tailored meals
Medical Costs <i>pmpm</i>	\$364.62	\$333.01	
Medical Loss Ratio	93.3%	84.6%	
Administrative Cost	\$52.6M	\$49.9M	Administrative spend approximates projections on a percent-of-revenue basis
Admin Cost <i>PM/PM</i>	\$43.74	\$43.90	
Administrative Loss Ratio	11.2%	11.1%	
<b>Operating Results</b>	<b>(\$20.9M)</b>	<b>\$19.2M</b>	
Investment Income	\$5.7M	\$7.5M	Lower cash balances generate less-than-expected interest income
Quality Strategy (Grants/Incentives)	\$21.6M	\$23.8M	Variance is associated with timing of grant spend
<b>Non Operating Results</b>	<b>(\$15.9M)</b>	<b>(\$16.3M)</b>	
<b>Net Income/(Loss)</b>	<b>(\$36.8M)</b>	<b>\$2.9M</b>	
<b>TNE</b>	\$263.1M	\$316.9M	TNE is currently 570% of State Requirement

# November Financial Results: Categories of Service

	For the Month Ended November 2025			Fiscal Year to Date Through November 2025		
	Actual	Budget	Fav / (Unfav)	Actual	Budget	Fav / (Unfav)
(In Millions except membership)						
Member Months	239,361	225,156	14,205	1,202,206	1,137,206	65,000
Capitation:						
Primary Care Physician (PCP)	\$7.1	\$6.5	(\$0.6)	\$35.8	\$33.1	(\$2.8)
Enhanced Care Management (ECM)	\$1.3	\$1.3	\$0.1	\$6.1	\$6.7	\$0.6
<b>Total Capitation</b>	<b>\$8.4</b>	<b>\$7.8</b>	<b>(\$0.6)</b>	<b>\$42.0</b>	<b>\$39.8</b>	<b>(\$2.2)</b>
FFS Claims:						
Inpatient	\$21.0	\$16.8	(\$4.1)	\$112.1	\$84.8	(\$27.4)
LTC / SNF	\$12.6	\$14.6	\$2.1	\$78.0	\$72.8	(\$5.2)
Outpatient	\$13.7	\$8.0	(\$5.7)	\$50.7	\$40.1	(\$10.7)
Laboratory and Radiology	\$1.0	\$0.7	(\$0.3)	\$4.9	\$3.5	(\$1.4)
Directed Payments - Provider	\$0.8	\$0.8	(\$0.0)	\$1.1	\$4.0	\$2.8
Emergency Room	\$4.5	\$3.3	(\$1.2)	\$20.0	\$16.8	(\$3.1)
Physician Specialty	\$0.1	\$5.6	\$5.4	\$32.2	\$28.0	(\$4.2)
Primary Care Physician	(\$8.7)	\$4.0	\$12.7	\$8.2	\$20.2	\$11.9
Home & Community Based Services	\$7.0	\$3.6	(\$3.5)	\$36.9	\$17.6	(\$19.3)
Applied Behavior Analysis Services	\$7.0	\$4.7	(\$2.3)	\$29.3	\$22.9	(\$6.4)
Other Medical Cost	\$6.1	\$6.3	\$0.2	\$25.5	\$31.6	\$6.1
Transportation	\$0.3	\$0.4	\$0.1	(\$1.4)	\$2.2	\$3.5
<b>Total Claims</b>	<b>\$65.5</b>	<b>\$68.9</b>	<b>\$3.4</b>	<b>\$397.7</b>	<b>\$344.4</b>	<b>(\$53.3)</b>
Other Medical Expense						
Provider Grant Program	\$0.9	\$1.2	\$0.2	\$9.1	\$5.9	(\$3.2)
Medical & Care Management	\$6.2	\$2.3	(\$3.9)	\$15.2	\$11.4	(\$3.8)
Reinsurance	\$0.4	\$0.3	(\$0.1)	\$0.0	\$1.5	\$1.5
Claims Recoveries	(\$1.3)	(\$0.1)	\$1.2	(\$4.0)	(\$0.5)	\$3.5
<b>Total Other Medical Expense</b>	<b>\$6.2</b>	<b>\$3.7</b>	<b>(\$2.6)</b>	<b>\$20.3</b>	<b>\$18.3</b>	<b>(\$2.0)</b>
<b>Total Medical Cost</b>	<b>\$80.1</b>	<b>\$80.3</b>	<b>\$0.2</b>	<b>\$460.0</b>	<b>\$402.5</b>	<b>(\$57.4)</b>
<b>Medical Margin</b>	<b>\$17.6</b>	<b>\$8.1</b>	<b>\$9.4</b>	<b>\$31.5</b>	<b>\$45.3</b>	<b>(\$13.8)</b>
<b>Margin (w/o Grants and Incentives)</b>	<b>\$21.7</b>	<b>\$12.9</b>	<b>\$8.8</b>	<b>\$53.1</b>	<b>\$69.1</b>	<b>(\$16.0)</b>

## Inpatient

High dollar inpatient claims and higher DHCS fee schedule rates drive the unfavourability

## Long Term Care Center (LTC)

YTD unfavourability is due to retroactive rate changes

## Outpatient

Unfavourability is due to the backlog of claims and increased DHCS fees schedule rates

## Home and Community Based

### Services

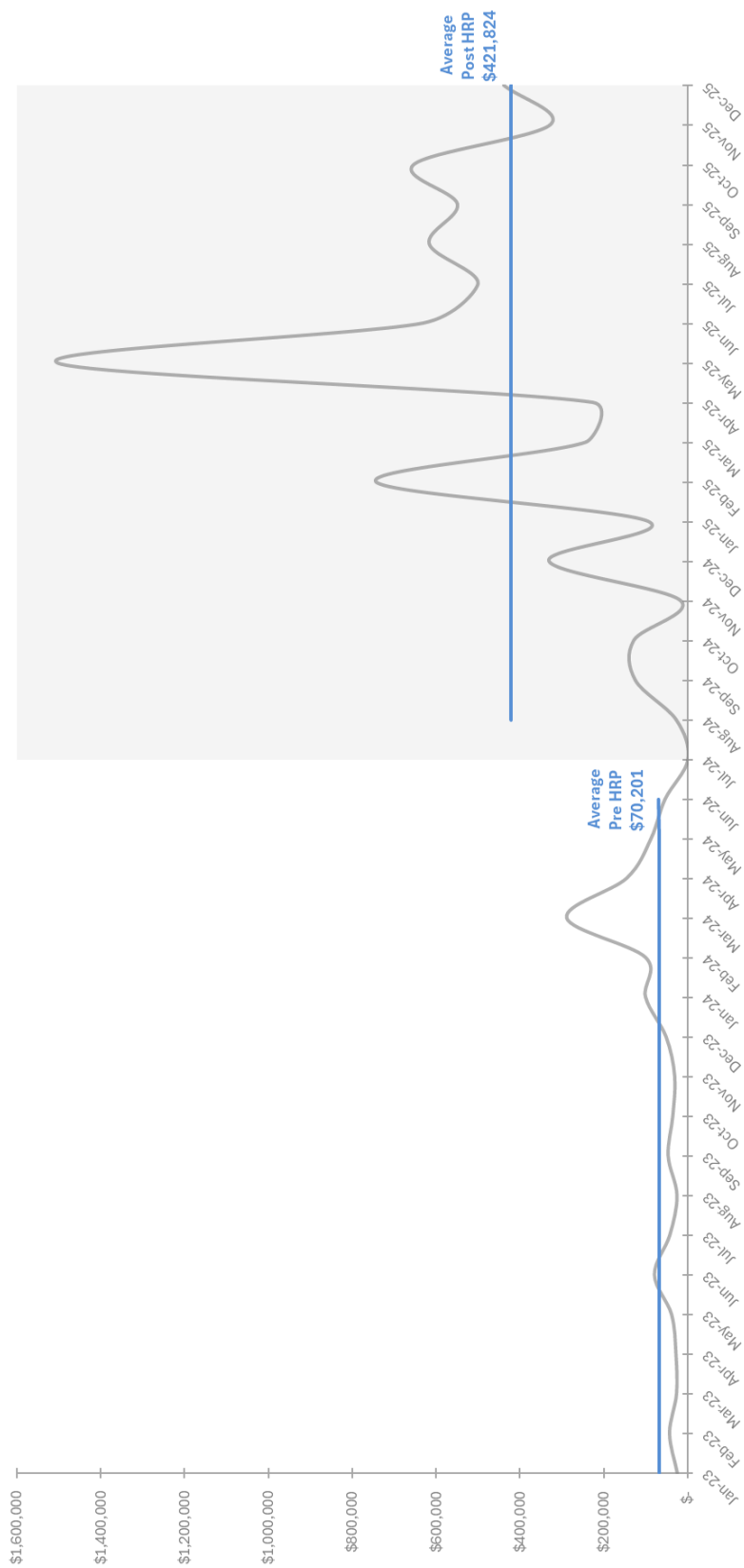
Unfavourability is due to new CalAIM requirements, specifically medically tailored meals utilization

## PPC

Favorability from removal of TRI FQHC reserve

# Claims Interest Expense: 2-Year Comparison

**Interest paid** on Claims by **Paid Month**



# Labor Expense by Category November FYTD

Gold Coast Health Plan - Position Count Stub Period 2025  
SP25 - Nov 30, 2025

Function	EMPLOYEE COUNT					Variance to 2026 YE Headcount	Percentage of Total Headcount
	Active Headcount	Open Requisitions	Total Active + Open Requisitions	2026 Budget YE Headcount			
Health Services	137	3	140	140	0		30%
Operations	106	2	108	108	0		23%
Information Tech	43	0	43	43	0		9%
Policy & Programs	44	1	45	45	0		10%
Compliance	21	1	22	22	0		5%
Finance & Accounting	38	0	38	38	0		8%
Executive & Administration	14	0	14	14	0		3%
Member Experience and Ext Affairs	39	1	40	40	0		9%
HR & Facilities	12	0	12	12	0		3%
Innovation / DSNP	4	0	4	4	0		1%
Strategic Initiatives	0	0	0	0	0		0%
<b>Grand Total</b>	<b>458</b>	<b>8</b>	<b>466</b>	<b>466</b>	<b>0</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	140	0	4	4	144	24%	
Operations	108	5	10	15	123	20%	
Information Tech	43	0	3	3	46	8%	
Policy & Programs	45	0	0	0	45	7%	
Compliance	22	1	0	1	23	4%	
Finance & Accounting	38	3	3	6	44	7%	
Executive & Administration	14	0	3	3	17	3%	
Member Experience and Ext Affairs	40	1	0	1	41	7%	
HR & Facilities	12	2	6	8	20	3%	
Innovation / DSNP	4	4	101	105	109	18%	
Strategic Initiatives	0	0	0	0	0	0%	
<b>Grand Total</b>	<b>466</b>	<b>16</b>	<b>130</b>	<b>146</b>	<b>612</b>	<b>100%</b>	

<sup>†</sup>Outsourced Labor (BPO) excluded: 83 in Operations - Netmark

# 2025 Rates: Membership and Premium Rates

Category of Aid	2024 Rates	2025 Rates (Budget)	2025 Initial (Oct)	2025 Initial (Dec)	2025 Final (Dec)	2025 Final Membership
Adult - SIS	\$ 339.69	\$ 368.95	\$ 328.27	\$ 334.88	\$ 341.29	24,750
Adult - UIS	\$ 480.75	\$ 551.79	\$ 413.61	\$ 420.93	\$ 385.37	15,065
Adult Expansion - SIS	\$ 339.63	\$ 343.99	\$ 344.10	\$ 351.27	\$ 405.72	67,403
Adult Expansion - UIS	\$ 559.76	\$ 557.23	\$ 552.00	\$ 563.25	\$ 558.41	12,434
Child - SIS	\$ 108.75	\$ 109.51	\$ 110.58	\$ 112.96	\$ 129.44	87,333
Child - UIS	\$ 102.30	\$ 125.01	\$ 104.05	\$ 106.25	\$ 107.12	3,958
LTC Dual - SIS	\$ 650.41	\$ 649.34	\$ 618.72	\$ 630.68	\$ 596.26	630
LTC Dual - UIS	\$ 502.67	\$ 502.13	\$ 606.01	\$ 620.27	\$ 724.65	6
LTC Non-Dual - SIS	\$ 1,268.91	\$ 1,281.00	\$ 1,193.38	\$ 1,216.03	\$ 1,248.60	29
LTC Non-Dual - UIS	\$ 1,290.23	\$ 1,325.12	\$ 1,446.82	\$ 1,478.10	\$ 1,539.34	20
SPD - SIS	\$ 1,311.31	\$ 1,282.78	\$ 1,203.30	\$ 1,222.19	\$ 1,248.60	6,035
SPD - UIS	\$ 1,348.14	\$ 1,337.48	\$ 1,446.65	\$ 1,477.88	\$ 1,539.34	1,307
SPD Dual - SIS	\$ 655.58	\$ 649.29	\$ 618.72	\$ 630.68	\$ 596.26	25,532
SPD Dual - UIS	\$ 513.29	\$ 502.37	\$ 606.01	\$ 620.27	\$ 724.65	119
<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: TNE Overview
- Appendix 2: November Balance Sheet: Assets
- Appendix 3: November Balance Sheet: Liabilities
- Appendix 4: November Statement of Cash Flow
- Appendix 5: November Investments and Cash

# Appendix 1: TNE Overview

## DEFINITION:

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

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

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

## REQUIRED TNE CALCULATION:

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

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, November 2025	As of Month Ending, June 2025
<b>ASSETS</b>		
<b>Current Assets:</b>		
Total Cash and Cash Equivalents	\$ 236,426,759	\$ 291,033,725
Total Short-Term Investments	106,391,943	104,396,027
Medi-Cal Receivable	250,664,105	213,250,889
Interest Receivable	630,659	761,742
Provider Receivable	3,948,455	34,764,364
Other Receivables	8,595,449	8,595,449
<b>Total Accounts Receivable</b>	<b>263,838,668</b>	<b>257,372,444</b>
Total Prepaid Accounts	9,983,550	14,810,767
Total Other Current Assets	320,402	133,545
<b>Total Current Assets</b>	<b>616,961,322</b>	<b>667,746,508</b>
<b>Total Fixed Assets</b>	<b>61,632,516</b>	<b>60,155,248</b>
<b>Total Assets</b>	<b>\$ 678,593,838</b>	<b>\$ 727,901,756</b>

- Total Asset balance of \$678.6M represents a decrease of \$49.3M vs last fiscal year end is attributed to the following:
  - Lower Cash Equivalents and Short-Term Cash (Normal operations)
  - Compounded by a decrease in Medi-Cal and Provider Receivable associated with operational functions

# Appendix 3: November Balance Sheet: Liabilities

STATEMENT OF FINANCIAL POSITION		
	As of Month Ending, November 2025	As of Month Ending, June 2025
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Current Liabilities:</b>		
Incurred But Not Reported	\$ 112,153,036	\$ 166,097,652
Claims Payable	18,345,175	18,345,175
Capitation Payable	7,664,577	7,239,849
Physician Payable	10,930,617	13,406,843
DHCS - Reserve for Capitation Recoup	53,973,170	31,573,252
Lease Payable- ROU	6,720,010	7,035,805
Accounts Payable	7,315,381	6,704,869
Accrued ACS	-	-
Accrued Provider Incentives/Reserve	5,012,454	7,889,172
Accrued Expenses	15,124,490	22,928,272
Accrued Premium Tax	140,453,362	105,862,040
Accrued Payroll Expense	11,466,547	9,850,498
Quality Withhold	5,032,163	5,335,108
<b>Total Current Liabilities</b>	<b>394,531,224</b>	<b>402,868,902</b>
<b>Long-Term Liabilities:</b>		
Lease Payable - NonCurrent - ROU	20,984,641	25,180,339
<b>Total Long-Term Liabilities</b>	<b>20,984,641</b>	<b>25,180,339</b>
<b>Total Liabilities</b>	<b>415,515,865</b>	<b>428,049,241</b>
<b>Net Assets:</b>		
Beginning Net Assets	299,852,518	307,740,987
Total Increase / (Decrease in Unrestricted Net Assets)	(36,774,545)	(7,888,472)
<b>Total Net Assets</b>	<b>263,077,973</b>	<b>299,852,515</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 678,593,838</b>	<b>\$ 727,901,756</b>

- Total Liabilities: \$12.5M decrease vs last fiscal year end is primarily attributed to the following:
  - \$53.9M decrease in Incurred But Not Yet Paid (IBNP) claims
  - An increase in DHCS reserve capitation recoup of \$22.4M
  - An increase of Premium tax accrual of \$34.6M
  - All other offsetting variances drivers are the result of normal operations

# Appendix 4: November Statement of Cash Flow

STATEMENT OF CASH FLOWS		
	For the Month Ended November 2025	Fiscal Year to Date Through November 2025
<b>Cash Flows Provided By Operating Activities</b>		
Net Income (Loss)	\$ (8,262,727)	\$ (36,774,545)
<b>Adjustments to reconciled net income to net cash provided by operating activities</b>		
Depreciation on fixed assets	1,098,071	2,474,330
<b>Changes in Operating Assets and Liabilities</b>		
Accounts Receivable	(34,988,695)	(6,466,223)
Prepaid Expenses	1,986,233	4,640,360
Accrued Expense and Accounts Payable	19,083,353	9,501,514
Claims Payable	(286,265)	(2,051,498)
MCO Tax liability	33,979,095	34,591,322
IBNR	(14,023,495)	(53,944,616)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,414,430)</b>	<b>(48,029,356)</b>
<b>Cash Flow Provided By Investing Activities</b>		
Proceeds from Investments	(617,164)	(1,995,916)
Purchase of Property and Equipment	(516,171)	(3,951,598)
<b>Net Cash (Used In) Provided by Investing Activities</b>	<b>(1,133,335)</b>	<b>(5,947,514)</b>
<b>Cash Flow Provided By Financing Activities</b>		
Lease Payable - ROU	(127,122)	(630,097)
<b>Net Cash Used In Financing Activities</b>	<b>(127,122)</b>	<b>(630,097)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(2,674,887)</b>	<b>(54,606,967)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>239,101,646</b>	<b>291,033,725</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>236,426,759</b>	<b>\$ 236,426,759</b>

- The Total Year-to-Date decrease in cash of \$54.6M is due to the following:

- Year-to-Date Net Loss
- Decrease in the IBNP
- Partially offset by increased receivables

# Appendix 5: November Investments and Cash

SCHEDULE OF INVESTMENTS AND CASH BALANCES		
	Market Value as of	
	Month Ending, November 2025	Account Type
Local Agency Investment Fund (LAIF)	\$ 45,490,850	Investment
Ventura County Investment Pool	\$ 20,449,904	Investment
CalTrust	\$ 40,451,189	Short-term investment
Bank of Montreal	\$ 251,250,689	Money market account
Pacific Premier Bank	\$ (14,823,929)	Operating accounts
<b>Investments and monies held by GCHP</b>	<b>\$ 342,818,702</b>	

- Cash balances fluctuate daily; the balances as of November 2025, reflect normal operations
- Cash and short-term investments balance sits at \$342.8M
- The investment portfolio includes:
  - LAIF CA State \$45.5M
  - Ventura County Investment Pool \$20.5M
  - Cal Trust \$40.5M
  - Bank of Montreal balance of \$251.3M is the operational account
  - The negative balance in Pacific Premier Bank represent outstanding checks



**AGENDA ITEM NO. 3**

TO: Executive Finance Committee  
FROM: Sara Dersch, Chief Financial Officer  
DATE: January 22, 2026  
SUBJECT: 2026 Budget

**PowerPoint with  
Verbal Presentation**

**ATTACHMENTS:** *2026 Proposed Budget*

# 2026 Proposed Budget

Executive Finance Committee Meeting

January 22, 2026

Sara Dersch, Chief Financial Officer



# 2026 Budget Executive Summary

Overall economics of the organization are contracting as a result of reduction in membership. The budget is informed by this new reality.

## Medi-Cal

- We are currently projecting \$1.2B in revenue and \$1.1B in medical cost, reflecting an 86.3% MLR
- We are targeting administrative costs at \$147.2M, which is 10.2% of revenue
- Net income at \$2.1M is essentially break-even
- Membership reductions are planned for most of the Unsatisfactory Immigration Status (UIS) categories of Aid based on Federal Actions; we expect 233K members by year-end; we will continue to revise projections throughout the year as, and if, material membership changes emerge
- This budget includes \$9.3M of amortized expenses associated with system and product implementations

## Medicare

- We are projecting 1,200 members by year-end

# 2026 Potential Headwinds and Tailwinds

## Headwinds

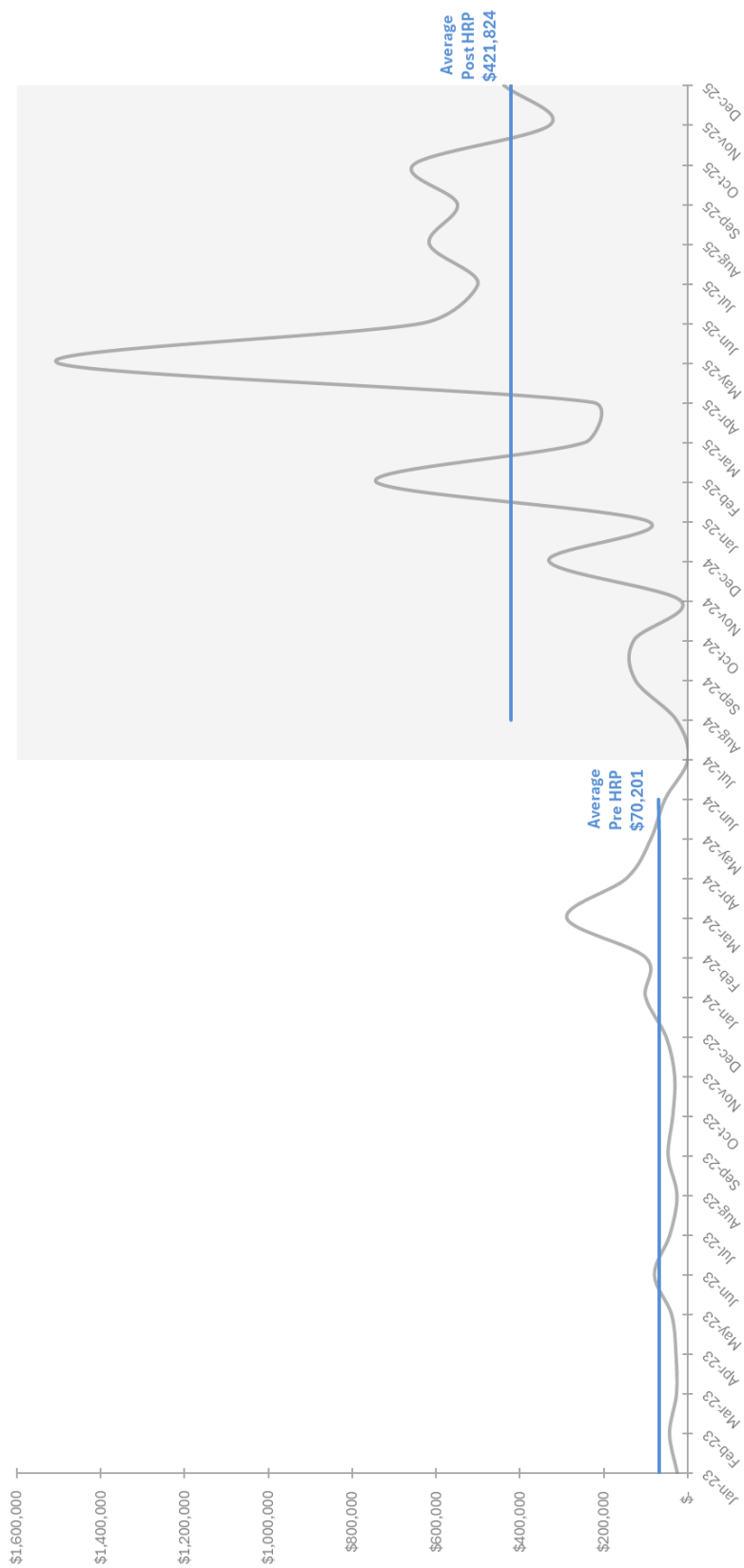
- Continued adverse regulatory changes coming from both State and Federal governments
- Significant Federal/State budgetary constraints
- Change in risk pool composition as a result of membership changes
- Continuation of Operating improvements resulting in additional costs
- Competing with Kaiser for membership

## Tailwinds

- 2026 mid-year premium rate increases
- Member attrition not as high as projected
- Potential for value-based contracting
- Completion of claims clean-up resulting in reduction in IBNR
- Impacts of implementing prior authorization matching

# Claims Interest Expense: 3-Year Comparison

**Interest paid** on Claims by **Paid Month**



# COHS/Sister Plan Enrollment Drops

SANTA CLARA FAMILY HEALTH PLAN			
LOCAL PLAN SURVEY			
ENROLLMENT CHANGE: <b>JAN-26 VS. DEC-25</b>			
AS OF 01/07/26			
		Monthly	
		Enrollment	
		Reduction	Comments
1	Alameda Alliance	1.7%	
2	Cal Optima	1.5%	
3	Cal Viva	1.1%	
4	CenCal	1.0%	
5	Central CA Alliance	0.4%	
6	CHG	1.0%	
7	Contra Costa	2.0%	
8	Gold Coast	0.1%	
9	HPSJ	2.0%	
10	HPSM	2.8%	Lost about 5% UIS in Jan-26
11	IEHP	0.5%	
12	Imperial	1.1%	
13	Kern	1.5%	
14	LA Care	1.5%	
15	Partnership		
16	SFHP		
17	SCFHP	2.0%	(ignoring partly-offsetting Anthem member inflow)
	Non-Weighted Average	1.3%	

# 2024-2026 Membership and Rates

Category of Aid	<u>2024</u>		<u>2025</u>		<u>2026 v1</u>		<u>2026 v2</u>	
	Rates	Membership	Rates	Membership	Rates	Membership	Rates	Membership
Adult - SIS	\$ 339.69	23,870	\$ 341.29	22,097	\$ 378.96	20,411	\$ 481.54	22,940
Adult - UIS	\$ 480.75	15,699	\$ 385.37	15,735	\$ 326.57	14,671	\$ 421.94	13,296
Adult Expansion - SIS	\$ 339.63	67,604	\$ 405.72	65,526	\$ 429.93	58,936	\$ 487.89	62,113
Adult Expansion - UIS	\$ 559.76	13,447	\$ 558.41	14,394	\$ 650.75	12,440	\$ 704.79	10,812
Child - SIS	\$ 108.75	83,215	\$ 129.44	79,331	\$ 142.57	79,949	\$ 142.57	81,572
Child - UIS	\$ 102.30	4,708	\$ 107.12	5,054	\$ 129.06	4,374	\$ 164.54	2,923
LTC Dual - SIS <sup>1</sup>	\$ 650.41	698	\$ 596.26	44	\$ 647.95	-	\$ 669.10	-
LTC Dual - UIS <sup>1</sup>	\$ 502.67	7	\$ 724.65	12	\$ 815.04	-	\$ 833.92	-
LTC Non-Dual - SIS <sup>1</sup>	\$ 1,268.91	38	\$ 1,248.60	697	\$ 1,397.32	-	\$ 1,497.60	-
LTC Non-Dual - UIS <sup>1</sup>	\$ 1,290.23	21	\$ 1,539.34	8	\$ 1,476.52	-	\$ 1,569.97	-
SPD - SIS	\$ 1,311.31	10,281	\$ 1,248.60	9,548	\$ 1,397.32	8,927	\$ 1,497.60	9,152
SPD - UIS	\$ 1,348.14	1,544	\$ 1,539.34	1,811	\$ 1,476.52	1,781	\$ 1,569.97	1,596
SPD Dual - SIS	\$ 655.58	24,394	\$ 596.26	25,742	\$ 647.95	27,133	\$ 669.10	28,312
SPD Dual - UIS	\$ 513.29	101	\$ 724.65	328	\$ 815.04	100	\$ 833.92	242
		<b>245,627</b>		<b>240,327</b>		<b>228,722</b>		<b>232,958</b>

Note:

1. LTC and SPD COAs have been combined effective 2026

# 2026 Medi-Cal Budget

	Revenues	Expenses	
Premium Revenue	\$ 1,225,942,564		
Medical Costs: FFS		\$ 975,051,132	
Medical Costs: Cap		\$ 52,911,198	
Medical Costs: Other		\$ 8,370,349	
Medical Costs: Quality Improvement		\$ 22,085,454	
<b>Operating Income</b>			
	gross margin	\$ 1,225,942,564	\$ 1,058,418,132
Admin Expense		\$ 147,179,710	
Quality Improvement credit		\$ (22,085,454)	
	net admin	\$ -	\$ 125,094,256
<b>Operating Income</b>	\$ -	\$ 42,430,175	
Interest Income	\$ 12,000,000		
Quality Strategy		\$ 43,000,000	
Amortization		\$ 9,286,264	
<b>Net Non-Operating Income</b>	\$ 12,000,000	\$ (40,286,264)	
<b>Net Income</b>		\$ 2,143,911	

MLR	86.3%
ALR	10.2%
NNOIR	3.3%
Retained savings	0.2%
	100.0%

- Medical costs are based on utilization through October 2025
- Payment integrity recoveries are not included, nor is prior authorization matching, though this matching will be in place beginning in February; this could result in a medical cost reduction
- Provider and Hospital Quality Incentives are fully-funded

# 2026 Medicare Budget

	Revenues	Expenses	
Premium Revenue	\$ 18,551,127		
Medical Costs: FFS		\$ 15,191,518	
Medical Costs: Rx		\$ 2,780,993	
Medical Costs: Other		\$ -	
Medical Costs: Quality Improvement		\$ 1,000,000	
	gross margin	\$ 18,551,127	\$ 18,972,511
Admin Expense		\$ 10,911,752	
Quality Improvement credit		\$ (1,000,000)	
	net admin	\$ -	\$ 9,911,752
<b>Operating Income</b>	<b>\$ -</b>	<b>\$ (10,333,136)</b>	
Interest Income	\$ -		
Quality Strategy			
Amortization		\$ 500,000	
<b>Net Non-Operating Income</b>	<b>\$ -</b>	<b>\$ (500,000)</b>	
<b>Net Income</b>	<b>\$</b>	<b>\$ (10,833,136)</b>	

MLR	102.3%
ALR	53.4%
NNOIR	2.7%
Retained savings	-58.4%
	100.0%

- 1200 members projected by year-end
- Medical costs are based on Bid per member per month projections
- Most administrative costs are fixed (not related to volume)

# 2026 Consolidated Budget

	Revenues	Expenses	
<b>Operating Income</b>			
Premium Revenue	\$ 1,244,493,691		
Medical Costs: FFS		\$ 990,242,650	MLR 86.6%
Medical Costs: Rx		\$ 2,780,993	ALR 10.8%
Medical Costs: Capitation		\$ 52,911,198	NNOIR 3.3%
Medical Costs: Other		\$ 8,370,349	Retained -0.7%
Medical Costs: Quality Improvement		\$ 23,085,454	100.0%
	gross margin \$ 1,244,493,691	\$ 1,077,390,643	
Admin Expense		\$ 158,091,462	
Quality Improvement credit		\$ (23,085,454)	
	net admin	\$ 135,006,008	
<b>Operating Income</b>		<b>\$ 32,097,039</b>	
<b>Non-Operating Income</b>			
Interest Income	\$ 12,000,000	\$ -	
Quality Strategy		\$ 43,000,000	
Amortization		\$ 9,786,264	
<b>Net Non-Operating Income</b>		<b>\$ (40,786,264)</b>	
<b>Net Income</b>		<b>\$ (8,689,225)</b>	

- Retained earnings in Medi-Cal used to offset first year Medicare deficit



# 2026 Budget by Cost Center & Executive

2026 Budget		
Cost Center	Executive	Budget
CC100 Administration	CFO	\$ 9,286,264
CC105 Executive	CEO	9,404,641
CC101 Finance and Accounting	CFO	6,213,429
CC102 Procurement	CFO	817,249
CC110 IT - Data Warehouse	CISMO	1,961,543
CC112 IT-Infrastructure and Security	CISMO	8,647,199
CC113 IT - Architecture and Testing	CISMO	10,016,196
CC103 Project Management	CFO	4,008,437
CC114 IT - Information Technology	CISMO	6,918,806
CC115 IT - Population Health Enablement	CISMO	1,512,220
CC120 Operations	COO	22,350,573
CC121 Grievance and Appeals	COO	715,289
CC122 Ops Quality and Dispute Resolution	COO	1,193,822
CC123 Operations Oversight	COO	781,550
CC124 Members Services	COO	330,984
CC125 Member Contact Center	COO	3,087,028
CC126 Provider Contact Center	COO	3,621,281
CC130 Network Operations	CPPO	14,216,001
CC150 Quality	QMO	5,669,681
CC140 Government Relations	QMEEA	8,318,521
CC141 Health Education	QMEEA	1,745,113
CC151 Pharmacy	QMO	1,414,849
CC142 Communications	QMEEA	4,054,932
CC127 Claims	COO	2,547,240
CC152 Health Services	QMO	5,596,200
CC153 Utilization Management	QMO	8,738,827
CC154 Care Management	QMO	8,533,254
CC131 Population Health	CPPO	5,856,244
CC132 Behavioral Health	CPPO	614,920
CC160 Compliance	COO	4,257,713
CC180 Human Resources	CHROPO	3,924,808
CC170 Diversity	CDO	360,000
CC181 Facilities	CHROPO	4,765,412
CC190 Dual Special Needs Plan	CIO	10,911,752
Gold Coast Total		\$ 182,391,977

2026 Budget	
Executive	Budget
COO	\$ 34,627,767
CMO	29,952,811
CISMO	29,055,964
CPPO	20,687,166
CFO	20,325,379
CMEEA	14,118,565
CIO	10,911,752
CEO	9,404,641
CHROPO	8,690,220
CCO	4,257,713
CDO	360,000
Gold Coast Total	\$ 182,391,977

*Note: this roll-up does not include a \$15M targeted savings still being identified*

# 2026 Personnel by Cost Center & Executive

2026 Position Budget						
Cost Center	Executive	Chief	Director	Manager	Line	Total
CC101 Finance and Accounting	CFO	-	1	5	11	17
CC102 Procurement	CFO	-	1	1	2	4
CC103 Project Management	CFO	-	1	-	10	11
CC105 Executive	CEO	10	-	-	4	14
CC110 IT- Data Warehouse	CISMO	-	-	-	9	9
CC112 IT-Infrastructure and Security	CISMO	-	-	-	9	9
CC113 IT- Architecture and Testing	CISMO	-	-	-	7	7
CC114 IT- Information Technology	CISMO	-	6	-	5	11
CC115 IT-Population Health Enablement	CISMO	-	-	1	13	14
CC120 Operations	COO	-	5	4	22	31
CC121 Grievance and Appeals	COO	-	-	-	3	3
CC122 Ops Quality and Dispute Resolution	COO	-	-	1	6	7
CC123 Operations Oversight	COO	-	-	1	4	5
CC124 Members Services	COO	-	-	-	2	2
CC125 Member Contact Center	COO	-	1	2	22	25
CC126 Provider Contact Center	COO	-	1	2	25	28
CC127 Claims	COO	-	-	2	9	11
CC130 Network Operations	CPPO	-	3	3	23	29
CC131 Population Health	CPPO	-	4	2	6	12
CC132 Behavioral Health	CPPO	-	-	1	3	4
CC140 Government Relations	CMEEA	-	3	4	18	25
CC141 Health Education	CMEEA	-	-	-	8	8
CC142 Communications	CMEEA	-	1	3	3	7
CC150 Quality	CMO	-	-	2	10	12
CC151 Pharmacy	CMO	-	1	1	5	7
CC152 Health Services	CMO	-	6	-	5	11
CC153 Utilization Management	CMO	-	-	3	54	57
CC154 Care Management	CMO	-	-	5	48	53
CC160 Compliance	CCO	-	1	3	18	22
CC180 Human Resources	CHROPO	-	2	2	6	10
CC181 Facilities	CHROPO	-	-	1	2	3
CC190 Dual Special Needs Plan	CIO	-	2	-	2	4
Total		10	39	49	374	472

2026 Position Budget					
Executive	Chief	Director	Manager	Line	Total
COO	-	7	12	93	112
CMO	-	7	11	122	140
CISMO	-	6	1	43	50
CPPO	-	7	6	32	45
CFO	-	3	6	23	32
CMEA	-	4	7	29	40
CIO	-	2	0	2	4
CEO	10	0	0	4	14
CHROPO	-	2	3	8	13
CCO	-	1	3	18	22
CDO	-	0	0	0	0
Gold Coast Total	10	39	49	374	472

Executive	2026 Position Budget (Open Positions)					Total
	Chief	Director	Manager	Line		
COO	-	2	0	5	7	
CMO	-	1	0	1	2	
CISMO	-	0	0	2	2	
CPPO	-	0	0	1	1	
CFO	-	0	0	2	2	
CMEEA	-	1	2	1	4	
CIO	-	0	0	0	0	
CEO	-	0	0	0	0	
CHROPO	-	0	0	1	1	
CCO	-	0	0	1	1	
CDO	-	0	0	0	0	
Gold Coast Total	-	4	2	14	20	

2026 Contract Renewal List												
Contract Id	Vendor Name	Ownership	Bid Type	Services Provided	GCHP Business Owner	Cost Center and Department	Contract Term Start Date	Contract Expiration Date	PO #	Total /contract Term (months)	Contract Amount	2026 Budget Amount
Contract_2025_01179	540 Consulting LLC	Women-Owned	Sole Source	Consulting services. Hospice benefits in Medi-Cal and Medicare	Holly Krull	CC120 Operations	12/9/2025	2/27/2026	1387	3 mos.	\$ 27,500	\$ 20,625
Contract_2025_01178	IPD Analytics, LLC	None	Sole Source	Pharmacy SaaS	Eve Gelb	CC190 Dual Special Needs Plan	1/1/2026	12/31/2028	1391	37 mos.	\$ 149,250	\$ 49,068
Contract_2025_01177	Emagined Security, Inc.	None	Sole Source	Monitoring security	Kevin Ortloff	CC112 IT-Infrastructure and Security	12/28/2025	12/27/2026	1185	12 mos.	\$ 224,715	\$ 222,246
Contract_2025_01175	TopBlock LLC	None	Sole Source	Workday post go live services	Jan Schmitt	CC101 Finance and Accounting	1/12/2026	4/11/2026	1381	3 mos.	\$ 37,800	\$ 38,225
Contract_2025_01172	AArete, LLC	None	Sole Source	Consulting services - Operations	Holly Krull	CC120 Operations	12/2/2025	1/26/2026	1380	2 mos.	\$ 115,000	\$ 62,727
Contract_2025_01171	Marcella Young RN	Women-Owned	Sole Source	Medical Reviews	Nicole Kanter	CC152 Health Services	11/1/2025	10/30/2026	1389	12 mos.	\$ 10,500	\$ 8,678
Contract_2025_01170	MCG Health, LLC	None	Sole Source	IT Software - Medical Management	Nicole Kanter	CC152 Health Services	12/15/2025	12/14/2026	1390	12 mos.	\$ 3,546	\$ 3,215
Contract_2025_01168	Momentum Telecom Inc	None	Sole Source	Telecom services	Kevin Ortloff	CC112 IT-Infrastructure and Security	12/1/2025	12/1/2026	1379	12 mos.	\$ 101,400	\$ 91,677
Contract_2025_01166	Navex Global, Inc.	None	Sole Source	Policy software platform	Robert Franco	CC160 Compliance	12/10/2025	2/9/2026	829	2 mos.	\$ 108,115	\$ 53,171
Contract_2025_01165	Emagined Security, Inc.	None	Sole Source	IT Security software and services	Kevin Ortloff	CC112 IT-Infrastructure and Security	12/9/2025	12/27/2026	1184	13 mos.	\$ 102,300	\$ 96,157
Contract_2025_01164	SHI International Corp	None	RFP	IT Software	Kevin Ortloff	CC112 IT-Infrastructure and Security	1/1/2026	12/31/2026	1199	12 mos.	\$ 55,330	\$ 54,722
Contract_2025_01163	Optum360 LLC	None	Sole Source	Medical coding to support claims processing	Chris Dulan	CC113 IT- Architecture and Testing	10/1/2025	9/30/2030	1374	61 mos.	\$ 647,648	\$ 127,755
Contract_2025_01160	CBRE, Inc.	Hispanic	Sole Source	Management - Construction stage	Jeffery Gauthier	CC181 Facilities	12/1/2025	6/30/2026	1367	7 mos.	\$ 85,441	\$ 72,888
Contract_2025_01159	NTT DATA Americas Inc.[formerly Transaction Applications Data]	None	RFP	Provider Portal changes as part of DSNP Implementation	Eve Gelb	CC190 Dual Special Needs Plan	10/1/2025	3/31/2026	1375	6 mos.	\$ 46,129	\$ 22,937
Contract_2025_01158	Milliman	None	Sole Source	Consulting Services -MA bid development support of actuarial projections for DNSP.	Eve Gelb	CC190 Dual Special Needs Plan	10/31/2025	10/31/2026	1373	12 mos.	\$ 525,000	\$ 431,507
Contract_2025_01157	Infocrossing LLC dba WIPRO	None	RFP	Implement software modules. Revenue360, related to Medicare Advantage lines of business.	Eve Gelb	CC190 Dual Special Needs Plan	9/22/2025	12/31/2026	1366	16 mos.	\$ 386,320	\$ 299,086
Contract_2025_01156	SHI International Corp	None	RFP	IT software	Kevin Ortloff	CC112 IT-Infrastructure and Security	11/20/2025	11/20/2028	1371	37 mos.	\$ 2,213	\$ 727
Contract_2025_01155	Baker Tilly Advisory Group LP	None	Sole Source	HR Services	Rachel Segovia	CC180 Human Resources	6/21/2025	2/28/2026	1343	8 mos.	\$ 128,000	\$ 30,476
Contract_2025_01154	SHI International Corp	None	RFP	IT software	Kevin Ortloff	CC112 IT-Infrastructure and Security	12/9/2025	12/9/2028	1361	37 mos.	\$ 20,526	\$ 6,742
Contract_2025_01153	Crunchafi	None	Sole Source	Print services	Shannon Robledo	CC101 Finance and Accounting	10/8/2025	10/7/2028	1362	37 mos.	\$ 13,340	\$ 4,386
Contract_2025_01152	KP LLC	None	RFP	DSNP Printed materials and postage	Anna Sproule	CC120 Operations	9/18/2025	9/18/2026	1345	12 mos.	\$ 125,000	\$ 92,466
Contract_2025_01151	Netmark Business Services	None	RFP	Manage and implement new DSNP CES ruleset or policies.	Eve Gelb	CC190 Dual Special Needs Plan	10/1/2025	3/31/2026	1368	6 mos.	\$ 90,000	\$ 44,751
Contract_2025_01150	Baker Tilly Advisory Group LP	None	Sole Source	Financial Audit for period ending 12/31/25	Jeff Register	CC101 Finance and Accounting	10/1/2025	4/30/2026	1358	7 mos.	\$ 102,000	\$ 58,009
Contract_2025_01149	Compliance Resource Center LLC	Woman-Owned	Sole Source	Sanctioned vendor screening	Sara Dersch	CC101 Finance and Accounting	10/1/2025	9/30/2026	1355	12 mos.	\$ 2,650	\$ 1,966
Contract_2025_01148	Inovalon, Inc.	None	RFP	D-SNP risk assessment/adjustment software.	Eve Gelb	CC190 Dual Special Needs Plan	10/1/2025	12/31/2026	1358	15 mos.	\$ 102,000	\$ 80,526
Contract_2025_01147	KP LLC	None	RFP	Document translation services and Translate documents	Lupe Gonzalez	CC141 Health Education	9/1/2025	10/1/2026	1357	13 mos.	\$ 10,500	\$ 7,177
Contract_2025_01145	Edifecs, Inc.	None	RFP	IT software	Chris Dulan	CC113 IT- Architecture and Testing	7/1/2024	6/30/2026	898	24 mos.	\$ 5,957,940	\$ 1,471,096
Contract_2025_01144	Culture Amp	None	Sole Source	Culture training services	Rachel Segovia	CC180 Human Resources	10/5/2025	10/4/2026	751	12 mos.	\$ 47,602	\$ 35,309
Contract_2025_01140	Netmark Business Services	None	RFP	D-SNP implementation services	Eve Gelb	CC190 Dual Special Needs Plan	9/8/2025	3/31/2026	1342	7 mos.	\$ 30,000	\$ 13,235
Contract_2025_01138	HabitNu	Woman-Owned	Sole Source	Promote GCHP's eligible members' enrollment in the DPP Program	Lupe Gonzalez	CC141 Health Education	9/1/2025	8/31/2026	1341	12 mos.	\$ 15,500	\$ 10,220
Contract_2025_01135	One Pass Solutions Inc.	None	Sole Source	D-SNP benefit	Eve Gelb	CC190 Dual Special Needs Plan	9/1/2025	12/31/2028	1325	41 mos.	\$ 226,596	\$ 67,029
Contract_2025_01130	Hygiena, LLC	None	Sole Source	Facility services	Jeffery Gauthier	CC181 Facilities	8/27/2025	8/26/2026	1141	12 mos.	\$ 3,098	\$ 2,042
Contract_2025_01129	Casenet LLC	None	RFP	Support DSNP expansion	Eve Gelb	CC190 Dual Special Needs Plan	4/30/2025	6/30/2026	1254	14 mos.	\$ 10,000	\$ 4,225
Contract_2025_01127	Edifecs, Inc.	None	RFP	IT Software CAQH FHIR Endpoint Directory SaaS	Chris Dulan	CC113 IT- Architecture and Testing	6/25/2025	6/24/2026	1335	12 mos.	\$ 20,000	\$ 9,890
Contract_2025_01125	SHI International Corp	None	RFP	IT software services	Kevin Ortloff	CC112 IT-Infrastructure and Security	8/21/2025	8/20/2028	1320	37 mos.	\$ 133,855	\$ 44,007
Contract_2025_01124	SHI International Corp	None	RFP	IT software services	Kevin Ortloff	CC112 IT-Infrastructure and Security	7/1/2025	6/30/2026	1324	12 mos.	\$ 25,503	\$ 12,611
Contract_2025_01123	DEXUR Enterprises Inc.	None	Sole Source	Software:Provider quality software	Ellen Rudy	CC130 Network Operations	8/1/2025	7/31/2028	1328	37 mos.	\$ 94,575	\$ 31,093
Contract_2025_01121	Stericycle, Inc. dba Shred-It	None	Sole Source	Shredding services	Vanessa Ramos	CC120 Operations	6/17/2025	7/20/2026	1323	13 mos.	\$ 11,440	\$ 6,036
Contract_2025_01119	Stericycle, Inc. dba Shred-It	None	Sole Source	Shred services for Mailroom - Operations	Anna Sproule	CC120 Operations	7/20/2025	7/20/2026	1323	12 mos.	\$ 11,440	\$ 6,582
Contract_2025_01118	OneSource Virtual, Inc	None	Sole Source	Payroll services	Sara Dersch	CC101 Finance and Accounting	1/1/2026	12/31/2028	1322	37 mos.	\$ 147,440	\$ 48,473
Contract_2025_01115	KSB Consulting Inc.	None	Sole Source	Facility Site Review system - subscription/license	James Cruz	CC152 Health Services	6/1/2025	5/31/2027	1275	24 mos.	\$ 34,000	\$ 16,790
Contract_2025_01114	Intelligent Content Solutions LLC dba ICS	None	Sole Source	Support services (mailroom)	Alan Torres	CC113 IT- Architecture and Testing	7/1/2025	6/30/2026	1312	12 mos.	\$ 360,000	\$ 178,022
Contract_2025_01113	Michael Mitchell	Hispanic	Sole Source	Consulting services	Felix Nunez	CC190 Dual Special Needs Plan	7/1/2025	3/31/2026	1314	9 mos.	\$ 80,000	\$ 26,374
Contract_2025_01112	HealthEdge Software Inc.	None	RFP	D-SNP implementation services	Felix Nunez	CC190 Dual Special Needs Plan	7/7/2025	1/31/2026	1310	7 mos.	\$ 128,000	\$ 18,462
Contract_2025_01111	Salesforce Inc.	None	RFP	IT software	Alan Torres	CC113 IT- Architecture and Testing	7/14/2025	12/31/2028	1309	42 mos.	\$ 51,953	\$ 14,773
Contract_2025_01109	Intelligent Content Solutions LLC dba ICS	None	Sole Source	Service/maintenance for Scanners "ScanCare 24/7	Anna Sproule	CC120 Operations	2/1/2025	1/31/2026	1306	12 mos.	\$ 11,200	\$ 923
Contract_2025_01106	Public Health Institute	None	Sole Source		Erin Slack	CC152 Health Services	6/18/2025	8/30/2026	1303	15 mos.	\$ 47,642	\$ 26,105
Contract_2025_01103	ABMS Solutions, LLC	None	Sole Source	Access to online CertiFACTS subscription	Carolyn Harris	CC130 Network Operations	6/14/2025	6/15/2027	1302	24 mos.	\$ 4,100	\$ 2,019

2026 Contract Renewal List												
Contract Id	Vendor Name	Ownership	Bid Type	Services Provided	GCHP Business Owner	Cost Center and Department	Contract Term Start Date	Contract Expiration Date	PO #	Total /contract Term (months)	Contract Amount	2026 Budget Amount
Contract_2025_01101	Central Courier LLC	Black	Sole Source	Courier services, Post office to mailroom	Anna Sproule	CC120 Operations	6/23/2025	6/22/2026	1307	12 mos.	\$ 16,080	\$ 7,952
Contract_2025_01099	Deloitte Consulting LLP	None	Sole Source	Provide Staff augmentation support for Workday. (Finance department)	Sara Dersch	CC101 Finance and Accounting	6/16/2025	12/26/2026	1295	19 mos.	\$ 330,000	\$ 212,903
Contract_2025_01098	Edifecs, Inc.	None	RFP	D-SNP Encounter Management SaaS.	Eve Gelb	CC190 Dual Special Needs Plan	6/15/2025	3/7/2029	1257	45 mos.	\$ 526,298	\$ 139,212
Contract_2025_01094	SHI International Corp	None	RFP	Provides various technologies used for our infrastructure such as IT ticketing system.	Kevin Ortloff	CC112 IT-Infrastructure and Security	6/30/2025	6/30/2026	1292	12 mos.	\$ 29,485	\$ 14,541
Contract_2025_01093	HealthEdge Software Inc.	None	RFP	Health Rules Payor [HRP] training and certification	Holly Krull	CC120 Operations	6/6/2025	6/5/2026	1297	12 mos.	\$ 3,600	\$ 1,484
Contract_2025_01090	TTEC Government Solutions, LLC	None	RFP	Digital Insights for Genesys Cloud	Chris Dulan	CC113 IT- Architecture and Testing	4/22/2025	3/29/2027	1274	24 mos.	\$ 30,232	\$ 15,415
Contract_2025_01089	Vendor Credentialing Svcs LLC dba Symplr	None	RFP	T&M, Replicated Data Base, Project 101015	Chris Dulan	CC113 IT- Architecture and Testing	5/19/2025	5/18/2026	1285	12 mos.	\$ 11,950	\$ 3,940
Contract_2025_01088	Coffey Communications Inc.	None	Sole Source	Assist GCHP with Deloitte launch of Exclusively Aligned Enrollment D-SNP.	Susana Enriquez-Euyoque	CC142 Communications	5/19/2025	5/18/2026	1284	12 mos.	\$ 36,600	\$ 12,066
Contract_2025_01085	Infocrossing LLC	None	RFP	Medicare Advantage - software, implementation, administer processes	Eve Gelb	CC190 Dual Special Needs Plan	5/8/2025	9/30/2028	1273	41 mos.	\$ 817,168	\$ 237,051
Contract_2025_01082	TTEC Government Solutions, LLC	None	RFP	For DNSP: Genesys Cloud Customer Bundle Genesys Cloud Voice (GCV) subscriptions plus AI Experience Tokens	Chris Dulan	CC113 IT- Architecture and Testing	4/28/2025	3/29/2027	1278	23 mos.	\$ 13,890	\$ 7,143
Contract_2025_01081	Deloitte Consulting LLP	None	RFP	Provide computer system integration services designed to meet the specific needs of health plans.	Eve Gelb	CC190 Dual Special Needs Plan	5/5/2025	3/31/2026	1277	11 mos.	\$ 13,980,700	\$ 3,812,918
Contract_2025_01077	Janitorial Manager, LLC	None	Sole Source	Janitorial services	Jeffery Gauthier	CC181 Facilities	4/9/2025	4/8/2026	1262	12 mos.	\$ 5,000	\$ 1,236
Contract_2025_01076	Press Ganey Assoc.	None	Sole Source	Survey: Provider satisfaction and access	Carolyn Harris	CC130 Network Operations	4/29/2025	2/28/2026	1251	10 mos.	\$ 40,005	\$ 7,870
Contract_2025_01075	Inovaare Corporation	Asian Pacific	Sole Source	Compliance Management System: Audit & Monitoring, CAP, Risk Management, Delegation Oversight and UMS Modules	Victoria Warner	CC160 Compliance	4/14/2025	4/30/2028	1263	37 mos.	\$ 360,245	\$ 116,626
Contract_2025_01073	The Infosoft Group Holding Co LLC dba Circa	None	Sole Source	Sourcing: AI Talent Sourcing Discover, job postings	Christopher Beeson	CC180 Human Resources	4/25/2025	4/24/2028	1267	37 mos.	\$ 30,096	\$ 9,894
Contract_2025_01067	Securitas Security Services Inc.	None	Sole Source	Security services on site	Jeffery Gauthier	CC181 Facilities	4/14/2025	5/25/2026	1270 , 1290	14 mos.	\$ 54,050	\$ 19,969
Contract_2025_01063	SHI International Corp	None	RFP	GCHP's Backup and Recovery Software	Kevin Ortloff	CC112 IT-Infrastructure and Security	4/18/2025	4/17/2028	1243	37 mos.	\$ 120,521	\$ 39,623
Contract_2025_01059	SHI International Corp	None	RFP		Kevin Ortloff	CC112 IT-Infrastructure and Security	4/23/2025	4/23/2026	1234	12 mos.	\$ 5,436	\$ 1,787
Contract_2025_01058	Karyn Spruill	Woman-Owned	Sole Source	Assist GCHP Utilization Management G&A team with maintaining regulatory turn-around times for Grievance, Appeals, PDR's and submission of PQI's.	Julie Martinez	CC152 Health Services	3/1/2025	3/1/2026	1242	12 mos.	\$ 78,000	\$ 64,800
Contract_2025_01055	Deloitte Consulting LLP	None	Sole Source		Jan Schmitt	CC113 IT- Architecture and Testing	2/2/2025	12/31/2050	N/A	315 mos.	\$ -	-
Contract_2025_01054	The TransLatin@Coalition Institute	Woman-Owned	Sole Source	Training - to fulfill Evidence-based Transgender Diverse and/or Intersex (TGI) Cultural Competency.	Lupe Gonzalez	CC141 Health Education	2/24/2025	3/30/2027	1235	25 mos.	\$ 41,190	\$ 19,409
Contract_2025_01051	Michael Mitchell	None	Sole Source		Alan Torres	CC114 IT- Information Technology	7/1/2025	3/31/2026	1314	9 mos.	\$ 50,050	\$ 16,683
Contract_2025_01049	Shah Health LLC	Woman-Owned	Sole Source	Medical review and treatment plan	James Cruz	CC152 Health Services	3/1/2025	3/31/2026	1247	13 mos.	\$ 260,000	\$ 59,241
Contract_2025_01045	MitoKhon Advisors LLC	Woman-Owned	Sole Source	Medical Review and treatment plans	James Cruz	CC152 Health Services	3/1/2025	3/1/2026	1246	12 mos.	\$ 260,001	\$ 42,740
Contract_2025_01043	Prime Therapeutics, LLC	None	RFP	Covered Drugs and Prescription Drug Services	Kimberley Marquez-Johnson	CC190 Dual Special Needs Plan	11/1/2024	12/31/2028	1253	51 mos.	\$ 44,750,000	\$ 10,591,716
Contract_2025_01042	SHI International Corp	None	RFP	Service/Warranty ext. APC Replacement Battery Cartridge	Kevin Ortloff	CC112 IT-Infrastructure and Security	12/20/2025	11/20/2029	1209	48 mos.	\$ 929	\$ 234
Contract_2025_01039	MRC Smart Technologies dba Mr. Copy Inc.	None	Sole Source	VersaLink C625, Printers and Maintenance for Mailroom	Anna Sproule	CC120 Operations	2/10/2025	2/9/2028	1224	36 mos.	\$ 24,908	\$ 8,196
Contract_2025_01038	Intelligent Content Solutions LLC dba ICS		Sole Source	Sales Order Q2025-CA005	Chris Dulan.	CC113 IT- Architecture and Testing	2/1/2025	1/31/2028	1217	36 mos.	\$ 1,110,000	\$ 365,265
Contract_2025_01037	Vendor Credentialing Svcs LLC dba Symplr		RFP	Order From 133738-1	Carolyn Harris	CC130 Network Operations	2/1/2025	1/31/2026	1223	12 mos.	\$ 3,900	\$ 321
Contract_2025_01029	SHI International Corp		RFP	PO-Data Modeler	Kevin Ortloff	CC112 IT-Infrastructure and Security	2/20/2025	2/19/2026	1207	12 mos.	\$ 27,079	\$ 4,464
Contract_2025_01022	Arine Inc.	Woman-Owned	RFP	SOW 1	Pauline Preciado	CC131 Population Health	12/6/2024	7/31/2027	1092	32 mos.	\$ 2,000,000	\$ 744,571
Contract_2025_01013	SHI International Corp		RFP	SHI-Microsoft	Kevin Ortloff	CC112 IT-Infrastructure and Security	1/1/2025	12/1/2027	1195	35 mos.	\$ 1,587,352	\$ 537,074
Contract_2024_01010	Workday Inc.		Sole Source	SOW 00476007	Sara Dersch	CC101 Finance and Accounting	12/1/2024	2/9/2026	1183	15 mos.	\$ 1,816,211	\$ 125,256
Contract_2024_01007	National Auto Fleet Group		RFP	Maintenance - Ram Truck	Marten Torres	CC140 Government Relations	12/2/2024	9/2/2026	1136	21 mos.	\$ 61,262	\$ 23,009
Contract_2024_01005	Quest Analytics LLC		Sole Source	Data Lic-Quest Accuracy	Chris Dulan	CC113 IT- Architecture and Testing	12/17/2018	12/31/2027	1167	110 mos.	\$ 337,441	\$ 36,801
Contract_2024_01003	EPIC Holdgs dba Pharmaceutical Strategies Group		RFP	SOW 2	Eve Gelb	CC190 Dual Special Needs Plan	11/1/2024	1/31/2026	1186	15 mos.	\$ 1,971,207	\$ 129,685
Contract_2024_01001	MRC Smart Technologies dba Mr. Copy Inc.		RFP	SSA Maintenance	Kevin Ortloff	CC112 IT-Infrastructure and Security	7/1/2024	12/30/2027	1106 , 1102	43 mos.	\$ 31,676	\$ 8,930



2026 Contract Renewal List												
Contract Id	Vendor Name	Ownership	Bid Type	Services Provided	GCHP Business Owner	Cost Center and Department	Contract		PO #	Total /contract Term (months)	Contract Amount	2026 Budget Amount
							Term Start Date	Expiration Date				
Contract_2024_00985	TTEC Government Solutions, LLC		RFP	SOW 2	Chris Dulan	CC113 IT- Architecture and Testing	11/1/2024	3/31/2027	1148	29 mos.	\$ 253,604	\$ 103,747
Contract_2024_00981	Salesforce Inc.		RFP	Order Form 09291627	Chris Dulan	CC113 IT- Architecture and Testing	11/1/2024	12/31/2028	1168	51 mos.	\$ 806,627	\$ 190,918
Contract_2024_00979	MPC Smart Technologies dba Mr. Copy Inc.		Sole Source	Sales & Service Agreement	Kevin Ortloff	CC112 IT-Infrastructure and Security	7/1/2024	6/30/2027	1106 , 1102	36 mos.	\$ 31,676	\$ 10,424
Contract_2024_00973	Quest Analytics LLC		Sole Source	Lic-Quest Enterprise, Analytics Suite-Geocode	Chris Dulan	CC113 IT- Architecture and Testing	8/12/2024	8/11/2027	1142	36 mos.	\$ 479,766	\$ 157,876
Contract_2024_00967	OptumInsight, Inc.		Sole Source	CES Software Schedule	Chris Dulan	CC113 IT- Architecture and Testing	7/1/2024	6/30/2030	1019	73 mos.	\$ 4,570,855	\$ 751,373
Contract_2024_00966	OptumInsight, Inc.		Sole Source	Prospective Pym Sys Product [PPS] Schedule	Chris Dulan	CC113 IT- Architecture and Testing	10/1/2023	6/19/2026	1019	33 mos.	\$ 4,570,855	\$ 829,389
Contract_2024_00964	Workday Inc.		Sole Source	Order Form 47098	Sara Dersch	CC101 Finance and Accounting	9/30/2024	9/29/2031	1144	85 mos.	\$ 3,929,791	\$ 553,708
Contract_2024_00958	KP LLC		RFP	SOW 2	Susana Enriquez-Euyoque	CC142 Communications	10/1/2024	9/30/2026	1143	24 mos.	\$ 72,732	\$ 26,938
Contract_2024_00956	MICOP aka Mixteco/Indigena Comm Org Proj	Hispanic	Sole Source	SOW 3	Lucy Marrero	CC132 Behavioral Health	9/15/2024	12/31/2029	1161	64 mos.	\$ 43,000	\$ 8,008
Contract_2024_00951	HealthEdge Software Inc.		RFP	SOW 3	Kevin Ortloff	CC112 IT-Infrastructure and Security	8/14/2024	6/30/2030	842	72 mos.	\$ 26,123,945	\$ 4,382,395

**AGENDA ITEM NO. 4**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer

DATE: January 22, 2026

SUBJECT: Revision to Tangible Net Equity (TNE) Policy

**PowerPoint with  
Verbal Presentation**

**ATTACHMENTS:**

*Recommendation to Change Minimum TNE Requirement*

# Recommendation to Change Minimum TNE Requirement

Executive Finance Committee Meeting

January 22, 2026

Sara Dersch, Chief Financial Officer

# Situation & Background

## Situation

- Current Commission directive mandates maintaining a minimum Tangible Net Equity (TNE) level equivalent to 700% of the California Department of Health Care Services (DHCS) required TNE
- TNE currently is 570% of the DHCS minimum; we do not anticipate TNE to be greater than 700% in the future

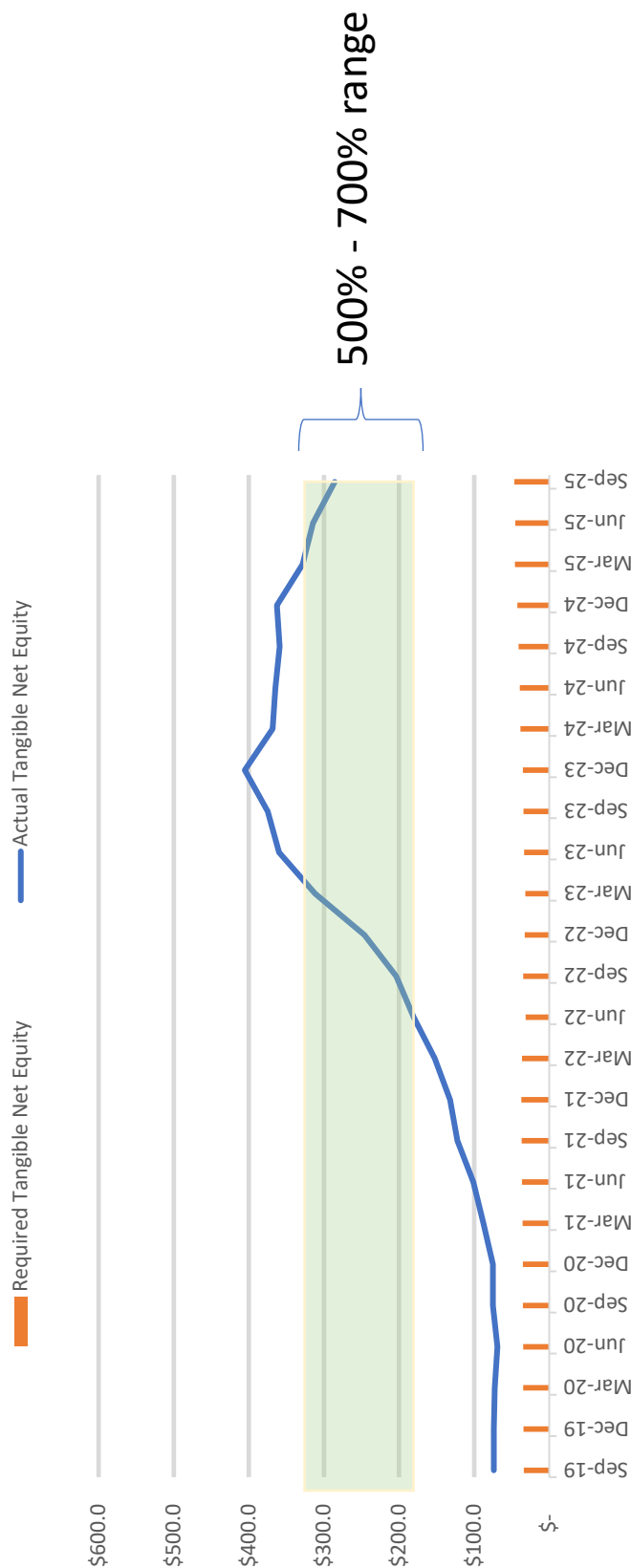
## Background

- GCHP experienced significant growth in TNE as a direct result of federal freeze on member redetermination during the Covid-19 pandemic; TNE in 2023 was 1000% of the DHCS-required minimum
  - GCHP received premium payments for members who were not utilizing the GCHP Medi-Cal benefit, resulting in a substantial build-up of TNE
  - Member eligibility redetermination resumed in 2024, resulting in membership and revenue declines
  - GCHP implemented a 3-year \$250M Quality Incentive Provider Program rewarding those providers who attain high levels of Managed Care Accountability Set (MCAS) levels; this program is funded through planned deficits which have resulted in reduction in TNE



# Analysis & Recommendation

Tangible Net Equity - 6 Year Trend; \$Ms



Recommendation is to target 500% - 700% range as actual and minimum TNE fluctuate regularly. Future QIPP will be funded through current year premium revenue. Maintaining 500% - 700% will ensure GCHP retains sufficient capital to operate for approximately 3 months should the State not be able to fund premium payments for a given amount of time.



**AGENDA ITEM NO. 5**

TO: Executive Finance Committee

FROM: Sara Dersch, Chief Financial Officer  
Baker Tilly Representatives

DATE: January 22, 2026

SUBJECT: 2025 Stub Period Audit Kick-Off

**PowerPoint with  
Verbal Presentation**

:



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

**December 31, 2025  
Audit Planning**

**Discussion with Management and the  
Executive Finance Committee**

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## Agenda

1. Your Service Team
2. Scope of Services
3. Auditor's Responsibilities in a Financial Statement Audit
4. Significant Risks Identified
5. Risks Discussion
6. Consideration of Fraud in a Financial Statement Audit
7. Prior Year Report to Management
8. Audit Timeline
9. Audit Deliverables
10. Expectations
11. Documents Containing Audited Financial Statements and Auditor's Report
12. Recent Accounting Developments
13. Executive Session



# Your Service Team



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# Scope of Services

Relationships between Baker Tilly and Gold Coast Health Plan:

## Annual Audit

Annual financial statement audit as of and for the six-months ending December 31, 2025

## Non-Attest Services

- Assist management with drafting the financial statements as of and for the six-months ending December 31, 2025, excluding management's discussion and analysis
- Consulting services associated with Adaptive Insights financial and budgeting solution
- Human Resource policy review
- Medical loss ratio review



# 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 applicable financial reporting framework.
- 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 doesn't 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
Capitation Revenue Recognition	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.
Medical Claims Liability	We will test internal controls over the claims process, 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 period estimate.
Management Override of Controls	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

## To identify fraud-related risks of material misstatement, we:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

## Procedures we perform:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions

# Prior Year Report to Management

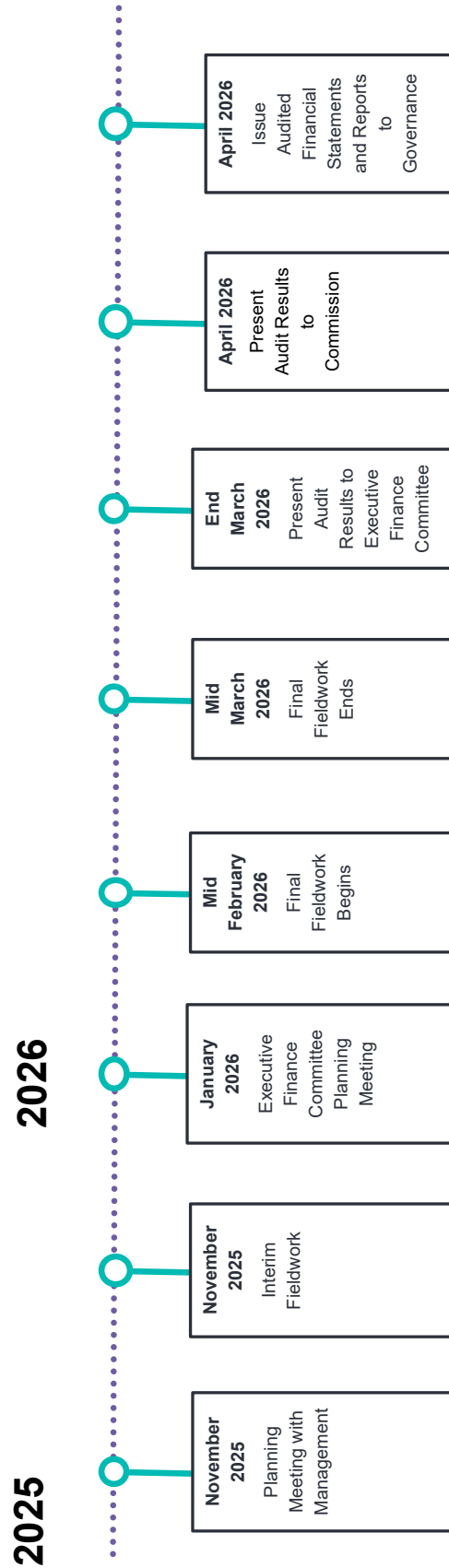
During the prior year audit, we noted the following significant deficiency:

During our year-end audit procedures, we noted a significant volume of post-close journal entries were required subsequent to the June 30, 2025 monthly close. Several of these adjusting journal entries were made based upon audit inquiries into the related account balances or evaluation of subsequent events. We observed turnover in the accounting and finance department around the annual close timing.

Significant deficiency



# Audit Timeline



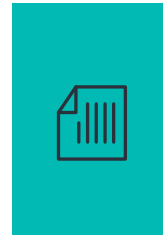
# Audit Deliverables



**Report of Independent Auditors**  
on financial statements as of and for  
the six months ended December 31,  
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

## Gold Coast Health Plan will:

- Have no adjusting journal entries after beginning of field work.
- Close books and records before beginning of field work.
- Provide auditor requested information in CAP schedule one week prior to the beginning of fieldwork.

## 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







# Recent Accounting Developments



## Accounting Standards Update – GASB

Statement	Title	Effective
No. 103	<i>Financial Reporting Model Improvements</i> – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.	Fiscal years beginning after June 15, 2025 (Effective for FY26).
No. 104	<i>Disclosure of Certain Capital Assets</i> – State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires certain information regarding capital assets to be presented by major class.	Fiscal years beginning after June 15, 2025 (Effective for FY26).



## Firm Background

At Baker Tilly, we bring a legacy and commitment to helping our clients embrace what's next.

With more than 11,000 professionals from coast to coast, our resources fuel our ability to offer clients deep industry insights, bold thinking and holistic solutions. Our ranking as the sixth-largest advisory CPA firm means we're actively shaping the industry landscape across markets.



**6<sup>th</sup>**  
largest U.S. accounting  
firm



**100+**  
years in  
business



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



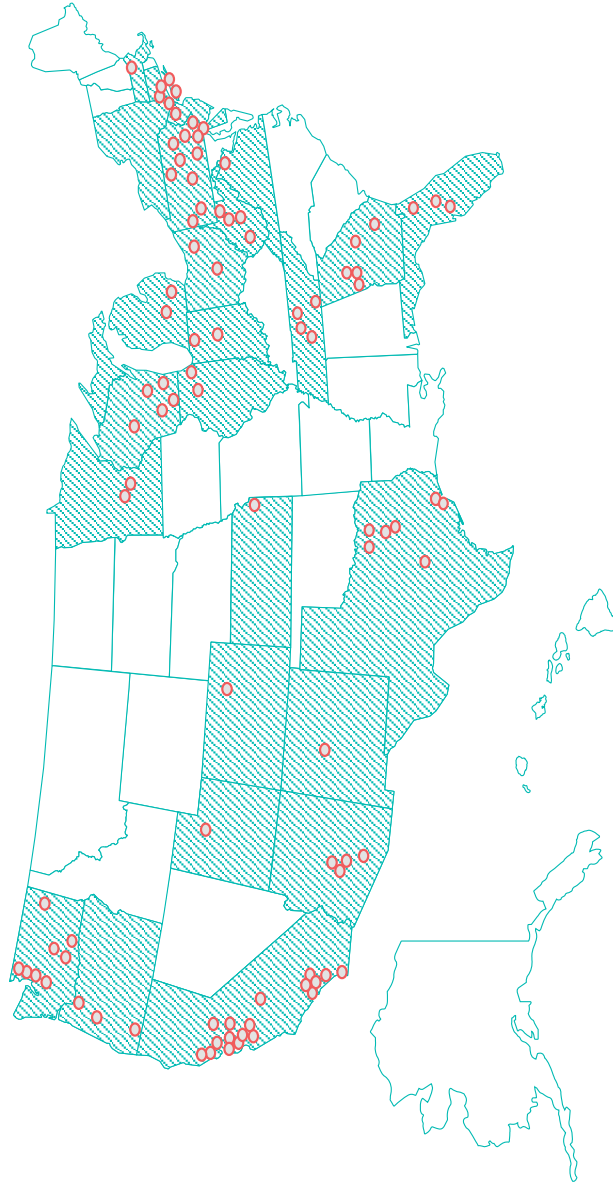
**~3,400**  
Certified Public  
Accountants



**\$3B+**  
firm revenue  
in FY2024



**700+**  
worldwide  
office locations



INDUSTRY  
EXPERTISE

## Committed to Health Care

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

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



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

Nearly  
**500**  
PROFESSIONALS  
specializing  
in health care

More than  
**60**  
PRINCIPALS  
specializing  
in health care

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



## Health Plans and Insurance

Recognized as a Top Audit Firm by AM Best Company's *Best's Review* consecutively since 2018, we audit the **fifth largest number of health plans** based on 2024 rankings and serve the needs of over 900 clients ranging in size and structure from large, billion-dollar member insurers to small, captive insurers. In addition to tax and assurance services, we also focus on operational and systems infrastructure.



Nearly  
**900**  
CLIENTS  
across the nation



**TOP AUDIT  
FIRM**  
by AM Best  
Company's  
*Best's  
Review*

### **Selected industry involvement**

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

# Health Care Advisory Services

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

## Health care consulting

### STRATEGY & INTEGRATION

Provider risk analysis, contracting & operational design

M&A support

Feasibility studies

Market intelligence & benchmarking

Strategic planning & implementation

Managed care assessment & negotiation

Service line enhancement & analyses

### INFORMATION TECHNOLOGY

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Network security & penetration testing

HITRUST assessment & certification

Disaster recovery planning

PCI DSS audits

SOC pre-audit gap analysis & readiness

SOC audits

### PROVIDER REIMBURSEMENT ENTERPRISE SERVICES

Medicare & medicaid

Provider-based licensure & certification

Medical education

Uncompensated care

Wage index reviews

Contract compliance

### OPERATIONAL IMPROVEMENT

Revenue cycle enhancement

Claims recovery

Litigation support

Employer health benefits

Financial turnaround

Performance excellence

Valuations

### GOVERNMENT COMPLIANCE

Regulatory compliance

Coding validation

Coding department redesign

EHR internal controls

Corporate compliance

### LEAN TRANSFORMATION

3P & innovation

Lean strategic planning & strategy deployment (hoshin kanri)

Lean management systems & operations

Quality & patient safety

Internal infrastructure development





# Executive Session



**THANK  
YOU**