



### D.4.

## ACCEPT report from Finance

**Shulin Lin, Deputy Chief Financial Officer**

## FY25-26 projected total losses prior to County general contribution are \$72.5 million

- Medi-Cal \$40.0 million
- Medicare \$4.7 million
- Commercial \$27.8 million

## Total projected losses after County general contribution are \$59.3 million

- Medi-Cal \$40.0 million
- Medicare \$4.7 million
- Commercial \$14.6 million

As of 2/12/2026

## FY25-26 Projection

	Medi-Cal	Medicare	Commercial	Consolidated
Average Enrollment	255,548	368	6,629	262,545
<b>Capitation Revenue</b>				
Premium Revenue	\$ 1,533,589,192	\$ 4,524,660	\$ 72,102,575	\$ 1,610,216,427
MCO Tax Revenue	\$ 424,529,159			\$ 424,529,159
Pass-through Revenue	\$ 303,244,261			\$ 303,244,261
<b>Total Capitation Revenue</b>	<b>\$ 2,261,362,612</b>	<b>\$ 4,524,660</b>	<b>\$ 72,102,575</b>	<b>\$ 2,337,989,847</b>
<b>Healthcare Expense</b>				
Medical Expense	\$ 1,500,288,434	\$ 4,189,501	\$ 99,380,153	\$ 1,603,858,088
MCO Tax Expense	\$ 424,529,159			\$ 424,529,159
Pass-through Expense	\$ 303,244,261			\$ 303,244,261
Admin Expense	\$ 92,425,602	\$ 5,000,000	\$ 1,718,010	\$ 99,143,612
<b>Total Healthcare Expense</b>	<b>\$ 2,320,487,456</b>	<b>\$ 9,189,501</b>	<b>\$ 101,098,163</b>	<b>\$ 2,430,775,120</b>
<b>Healthcare Income(Loss)</b>	<b>\$ (59,124,844)</b>	<b>\$ (4,664,841)</b>	<b>\$ (28,995,588)</b>	<b>\$ (92,785,273)</b>
Investment/Interest Income	\$ 19,079,722	\$ -	\$ 1,237,096	\$ 20,316,818
<b>Loss before County Contribution</b>	<b>\$ (40,045,122)</b>	<b>\$ (4,664,841)</b>	<b>\$ (27,758,492)</b>	<b>\$ (72,468,455)</b>
<b>County Contribution</b>				
Tobacco tax			\$ 9,429,965	\$ 9,429,965
County subsidy/Other			3,735,999	\$ 3,735,999
<b>Total Other Income(Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,165,964</b>	<b>\$ 13,165,964</b>
<b>Net Income</b>	<b>\$ (40,045,122)</b>	<b>\$ (4,664,841)</b>	<b>\$ (14,592,527)</b>	<b>\$ (59,302,490)</b>
<b>Key Measures</b>				
Premium Revenue PMPM	\$ 500	\$ 1,026	\$ 906	\$ 511
Medical Expense PMPM	\$ 489	\$ 950	\$ 1,249	\$ 509
Admin Expense PMPM	\$ 30	\$ 1,134	\$ 22	\$ 31
Medical Loss Ratio	98%	93%	138%	100%
Tangible Net Equity				390%

## Financial Results Based on Regulatory Filings

- FY25-26 Q2 enrollment showed a slight decline. Net losses were \$48.2 million, due to higher utilization over winter months and provider contract rate increases. Medical Loss Ratio was 109%
- Admin expense increased due to realignment of CCRMC overhead allocation
- FTE: Direct 373 (filled 307, vacant 66) + Shared Service estimated 42 = 415

As of 2/12/2026

	Consolidated						
	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total	Jul-Sep 2025	Oct-Dec 2025
Average Enrollment	264,739	266,452	270,092	272,701	268,496	271,947	266,949
<b>Capitation Revenue</b>							
Premium Revenue	\$ 296,731,326	\$ 332,599,674	\$ 352,613,728	\$ 406,220,044	\$ 1,388,164,772	\$ 382,854,894	\$ 409,262,347
MCO Tax Revenue	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324	\$ 104,493,181
Pass-through Revenue	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219	\$ 41,472,714
<b>Total Capitation Revenue</b>	<b>\$ 448,491,054</b>	<b>\$ 530,042,594</b>	<b>\$ 766,774,560</b>	<b>\$ 540,210,188</b>	<b>\$ 2,285,518,396</b>	<b>\$ 668,244,437</b>	<b>\$ 555,228,242</b>
<b>Healthcare Expense</b>							
Medical Expense	\$ 294,954,918	\$ 353,100,036	\$ 365,158,885	\$ 374,889,786	\$ 1,388,103,625	\$ 365,614,938	\$ 444,150,156
MCO Tax Expense	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324	\$ 104,493,181
Pass-through Expense	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219	\$ 41,472,714
Admin Expense	\$ 10,892,814	\$ 14,573,316	\$ 15,183,965	\$ 25,240,742	\$ 65,890,837	\$ 16,709,527	\$ 22,089,014
<b>Total Healthcare Expense</b>	<b>\$ 457,607,460</b>	<b>\$ 565,116,272</b>	<b>\$ 794,503,682</b>	<b>\$ 534,120,672</b>	<b>\$ 2,351,348,086</b>	<b>\$ 667,714,008</b>	<b>\$ 612,205,065</b>
<b>Healthcare Income(Loss)</b>	<b>\$ (9,116,406)</b>	<b>\$ (35,073,678)</b>	<b>\$ (27,729,122)</b>	<b>\$ 6,089,516</b>	<b>\$ (65,829,690)</b>	<b>\$ 530,429</b>	<b>\$ (56,976,823)</b>
Investment/Interest Income	\$ 5,919,358	\$ 6,351,416	\$ 5,061,796	\$ 6,422,140	\$ 23,754,710	\$ 4,180,680	\$ 4,528,956
<b>Loss before County Contribution</b>	<b>\$ (3,197,048)</b>	<b>\$ (28,722,262)</b>	<b>\$ (22,667,326)</b>	<b>\$ 12,511,656</b>	<b>\$ (42,074,980)</b>	<b>\$ 4,711,109</b>	<b>\$ (52,447,867)</b>
<b>County Contribution</b>							
Tobacco tax	\$ -	\$ -	\$ -	\$ 9,622,425	\$ 9,622,425	\$ -	\$ 3,278,672
County subsidy/Other	\$ 996,498	\$ 996,498	\$ 1,348,793	\$ 996,498	\$ 4,338,287	\$ 933,999	\$ 934,000
<b>Total Other Income(Loss)</b>	<b>\$ 996,498</b>	<b>\$ 996,498</b>	<b>\$ 1,348,793</b>	<b>\$ 10,618,923</b>	<b>\$ 13,960,712</b>	<b>\$ 933,999</b>	<b>\$ 4,212,672</b>
<b>Net Income</b>	<b>\$ (2,200,550)</b>	<b>\$ (27,725,764)</b>	<b>\$ (21,318,533)</b>	<b>\$ 23,130,579</b>	<b>\$ (28,114,268)</b>	<b>\$ 5,645,108</b>	<b>\$ (48,235,195)</b>
<b>Key Measures</b>							
Premium Revenue PMPM	\$ 374	\$ 416	\$ 435	\$ 497	\$ 431	\$ 469	\$ 511
Medical Expense PMPM	\$ 371	\$ 442	\$ 451	\$ 458	\$ 431	\$ 448	\$ 555
Admin Expense PMPM	\$ 14	\$ 18	\$ 19	\$ 31	\$ 20	\$ 20	\$ 28
Medical Loss Ratio	99%	106%	104%	92%	100%	95%	109%
Tangible Net Equity	670%	602%	536%	535%	535%	539%	449%

## Financial Updates – Medi-Cal Line

- FY25-26 Q2 showed a slight decrease in enrollment. Losses \$41.0 million were due to higher utilization over winter months and provider contract rate increases. Medical Loss Ratio was 106%
- Admin expense increased due to realignment of CCRMC overhead allocation
- Investment/interest income helped offset health plan operating cost

Average Enrollment

**Capitation Revenue**

Premium Revenue  
MCO Tax Revenue  
Pass-through Revenue  
**Total Capitation Revenue**

**Healthcare Expense**

Medical Expense  
MCO Tax Expense  
Pass-through Expense  
Admin Expense  
**Total Healthcare Expense**

**Healthcare Income(Loss)**

Investment/Interest Income

**Net Income**

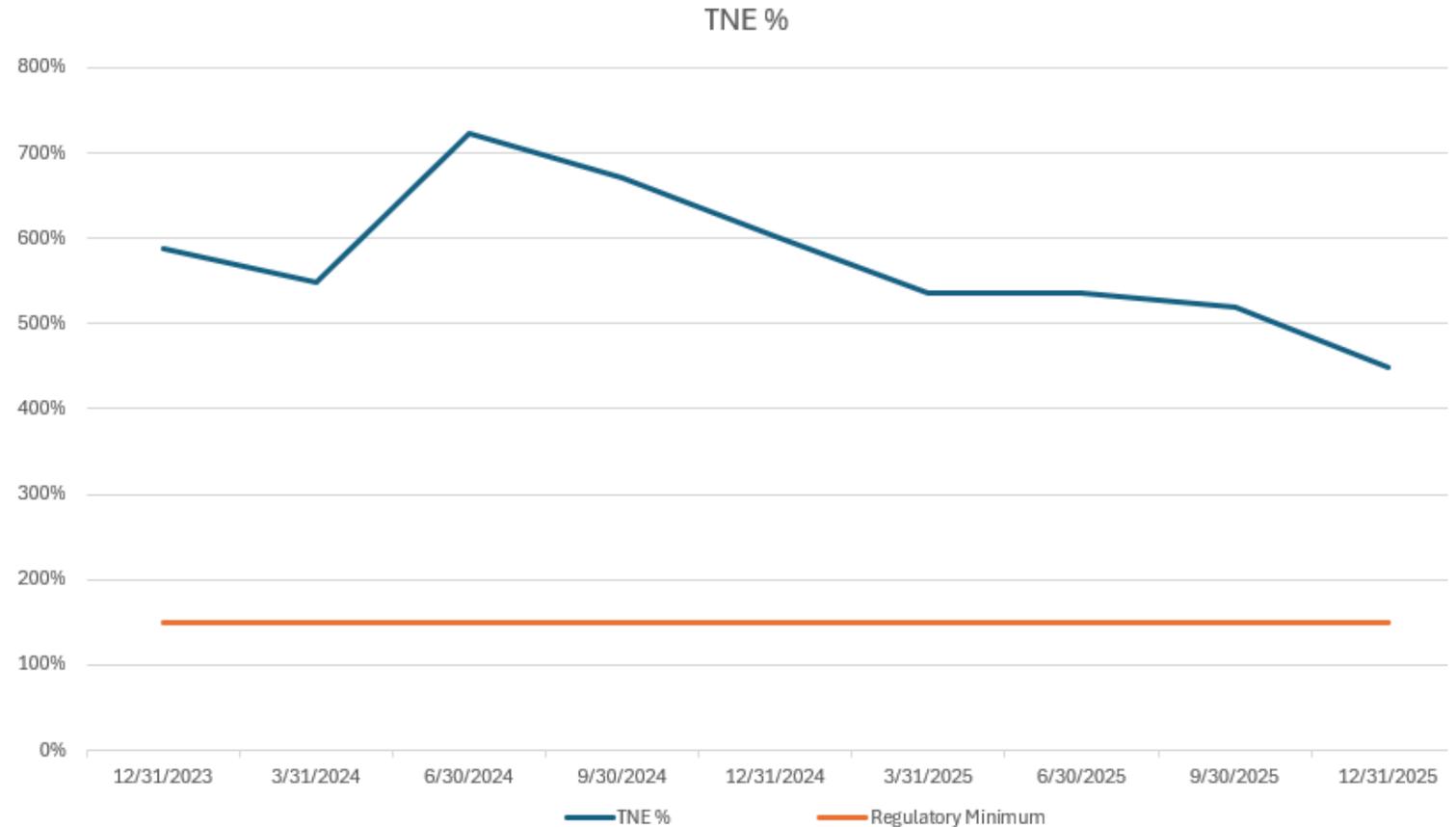
**Key Measures**

Premium Revenue PMPM  
Medical Expense PMPM  
Admin Expense PMPM  
Medical Loss Ratio

	Medi-Cal						
	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total	Jul-Sep 2025	Oct-Dec 2025
Average Enrollment	258,171	259,889	263,400	265,987	261,862	265,321	260,317
<b>Capitation Revenue</b>							
Premium Revenue	\$ 280,258,448	\$ 313,179,564	\$ 336,725,792	\$ 388,875,774	\$ 1,319,039,578	\$ 365,461,149	\$ 391,890,945
MCO Tax Revenue	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324	\$ 104,493,181
Pass-through Revenue	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219	\$ 41,472,714
<b>Total Capitation Revenue</b>	<b>\$ 432,018,176</b>	<b>\$ 510,622,484</b>	<b>\$ 750,886,624</b>	<b>\$ 522,865,918</b>	<b>\$ 2,216,393,202</b>	<b>\$ 650,850,692</b>	<b>\$ 537,856,840</b>
<b>Healthcare Expense</b>							
Medical Expense	\$ 277,900,569	\$ 331,679,099	\$ 343,498,574	\$ 350,986,158	\$ 1,304,064,400	\$ 345,160,189	\$ 413,485,105
MCO Tax Expense	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324	\$ 104,493,181
Pass-through Expense	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219	\$ 41,472,714
Admin Expense	\$ 9,589,456	\$ 14,020,946	\$ 15,055,021	\$ 20,253,788	\$ 58,919,211	\$ 14,007,883	\$ 23,843,642
<b>Total Healthcare Expense</b>	<b>\$ 439,249,753</b>	<b>\$ 543,142,965</b>	<b>\$ 772,714,427</b>	<b>\$ 505,230,090</b>	<b>\$ 2,260,337,235</b>	<b>\$ 644,557,615</b>	<b>\$ 583,294,642</b>
<b>Healthcare Income(Loss)</b>	<b>\$ (7,231,577)</b>	<b>\$ (32,520,481)</b>	<b>\$ (21,827,803)</b>	<b>\$ 17,635,828</b>	<b>\$ (43,944,033)</b>	<b>\$ 6,293,077</b>	<b>\$ (45,437,802)</b>
Investment/Interest Income	\$ 4,760,786	\$ 5,891,685	\$ 4,612,913	\$ 5,859,920	\$ 21,125,304	\$ 3,296,632	\$ 4,411,273
<b>Net Income</b>	<b>\$ (2,470,791)</b>	<b>\$ (26,628,796)</b>	<b>\$ (17,214,890)</b>	<b>\$ 23,495,748</b>	<b>\$ (22,818,729)</b>	<b>\$ 9,589,709</b>	<b>\$ (41,026,529)</b>
<b>Key Measures</b>							
Premium Revenue PMPM	\$ 362	\$ 402	\$ 426	\$ 487	\$ 420	\$ 459	\$ 502
Medical Expense PMPM	\$ 359	\$ 425	\$ 435	\$ 440	\$ 415	\$ 434	\$ 529
Admin Expense PMPM	\$ 12	\$ 18	\$ 19	\$ 25	\$ 19	\$ 18	\$ 31
Medical Loss Ratio	99%	106%	102%	90%	99%	94%	106%

## Tangible Net Equity (TNE)

- Tangible Net Equity (TNE) is the net equity after subtracting the value of intangible assets
- Department of Managed Health Care (DMHC) requires minimum 100%. 150% is needed to avoid monthly financial monitoring from DMHC
- FY25-26 Q2 ending Tangible Net Equity was at 449%, which was 299% higher than DMHC's minimum requirement (150%)





- Rate Development Template (RDT) is an annual filing to help set Medi-Cal capitation rates
- CCHP filed for CY2027 rate setting in January 2026, using most recent fiscal year available data (FY24-25)
- Between January to July 2026, the State reviews CCHP's filing and meets with CCHP to discuss trends and other material matters
- In August 2026, CCHP is expected to receive the draft capitation rates for CY2027
- Between August and September, CCHP will advocate for amended rates
- In October 2026, CCHP expects to receive final CY2027 rates



# Month over Month Net Change in Medi-Cal Membership

