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## 4.0 Finance Report

**Presented by:**  
**Brian Buchanan**  
**Chief Financial Officer (Interim)**

# Financial Results Based on Regulatory Filings

- Enrollment showed slight increase
- Annual loss was \$28 million
- Medical Loss Ratio was 101%
- Q4 showed net income due to release of \$30 million unearned premium revenue
- Q4 showed increases of admin expense due to year-end accrual and reclassification adjustments
- Non-Operating income was primarily interest income
- Tangible Net Equity is 385% higher than DMHC's minimum requirement (150%)

Unaudited. Dollar Amount in Thousands

Member months

## Revenue

	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total
Member months	794,216	799,355	810,276	818,102	3,221,949
Premium Revenue	\$ 296,731	\$ 332,600	\$ 352,614	\$ 409,758	\$ 1,391,702
MCO Tax Revenue	\$ 75,427	\$ 168,501	\$ 122,818	\$ 105,712	\$ 472,457
Pass-through Revenue	\$ 76,333	\$ 28,942	\$ 291,343	\$ 28,278	\$ 424,897
Other Revenue	\$ 3,825	\$ 4,316	\$ 5,159	\$ 13,935	\$ 27,236
<b>Total Revenue</b>	<b>\$ 452,316</b>	<b>\$ 534,359</b>	<b>\$ 771,933</b>	<b>\$ 557,683</b>	<b>\$ 2,316,292</b>

## Premium Revenue PMPM

**\$374      \$416      \$435      \$501      \$432**

## Expenses

Medical Expenses	\$ 297,784	\$ 356,420	\$ 368,969	\$ 381,743	\$ 1,404,916
MCO Tax Expenses	\$ 75,427	\$ 168,501	\$ 122,818	\$ 105,712	\$ 472,457
Pass-through Expenses	\$ 76,333	\$ 28,942	\$ 291,343	\$ 28,278	\$ 424,897
Admin Expenses	\$ 10,893	\$ 14,573	\$ 15,184	\$ 25,241	\$ 65,891
<b>Total Expenses</b>	<b>\$ 460,436</b>	<b>\$ 568,436</b>	<b>\$ 798,314</b>	<b>\$ 540,974</b>	<b>\$ 2,368,161</b>

## Medical Expense PMPM

**\$375      \$446      \$455      \$467      \$436**

## Non-Operating Income(Loss)

\$ 5,919	\$ 6,351	\$ 5,062	\$ 6,422	\$ 23,755
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## Net income

<b>\$ (2,201)</b>	<b>\$ (27,726)</b>	<b>\$ (21,319)</b>	<b>\$ 23,131</b>	<b>\$ (28,114)</b>
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Source: DMHC filing

Medical Loss Ratio	100%	107%	105%	93%	101%
Admin Expense as % of Total Revenue	2%	3%	2%	5%	3%
Tangible Net Equity	670%	602%	536%	535%	535%

- Enrollment increase was driven by Medi-Cal Line
- Annual loss was \$23 million
- Medical Loss Ratio was 99%
- Q4 showed net income due to release of \$30 million unearned premium revenue
- Q4 showed increases of admin expense due to year-end accrual and reclassification adjustments
- Non-Operating income was primarily interest income

## Financial Updates – Medi-Cal Line

Unaudited. Dollar Amount in Thousands

	EF2: Medi-Cal				
	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total
Member months	774,512	779,668	790,200	797,961	3,142,341
<b>Revenue</b>					
Premium Revenue	\$ 280,258	\$ 313,180	\$ 336,726	\$ 388,876	\$ 1,319,040
MCO Tax Revenue	\$ 75,427	\$ 168,501	\$ 122,818	\$ 105,712	\$ 472,457
Pass-through Revenue	\$ 76,333	\$ 28,942	\$ 291,343	\$ 28,278	\$ 424,897
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 432,018</b>	<b>\$ 510,622</b>	<b>\$ 750,887</b>	<b>\$ 522,866</b>	<b>\$ 2,216,393</b>
<b>Premium Revenue PMPM</b>	<b>\$362</b>	<b>\$402</b>	<b>\$426</b>	<b>\$487</b>	<b>\$420</b>
<b>Expenses</b>					
Medical Expenses	\$ 277,901	\$ 331,679	\$ 343,499	\$ 350,986	\$ 1,304,064
MCO Tax Expenses	\$ 75,427	\$ 168,501	\$ 122,818	\$ 105,712	\$ 472,457
Pass-through Expenses	\$ 76,333	\$ 28,942	\$ 291,343	\$ 28,278	\$ 424,897
Admin Expenses	\$ 9,589	\$ 14,021	\$ 15,055	\$ 20,254	\$ 58,919
<b>Total Expenses</b>	<b>\$ 439,250</b>	<b>\$ 543,143</b>	<b>\$ 772,714</b>	<b>\$ 505,230</b>	<b>\$ 2,260,337</b>
<b>Medical Expense PMPM</b>	<b>\$359</b>	<b>\$425</b>	<b>\$435</b>	<b>\$440</b>	<b>\$415</b>
Non-Operating Income(Loss)	\$ 4,761	\$ 5,892	\$ 4,613	\$ 5,860	\$ 21,125
<b>Net income</b>	<b>\$ (2,471)</b>	<b>\$ (26,629)</b>	<b>\$ (17,215)</b>	<b>\$ 23,496</b>	<b>\$ (22,819)</b>
Source: DHCS filing					
Medical Loss Ratio	99%	106%	102%	90%	99%
Admin Expense as % of Total Revenue	2%	3%	2%	4%	3%

- Enrollment is steady
- FY24-25 operated under cash-basis causing large variances for quarterly comparison
- Annual loss \$5 million despite significant County subsidy (\$4 million) and tax revenue (\$10 million).
- Q4 Other Revenue included \$10 million tobacco tax revenue
- Medical Loss Ratio is 139%
- Q4 showed increases of admin expense due to year-end accrual and reclassification adjustments
- Non-Operating income is primarily interest income

## Financial Updates – Commercial Line

Unaudited. Dollar Amount in Thousands

	EF3: Commercial				
	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total
Member months	19,704	19,687	20,076	20,141	79,608
<b>Revenue</b>					
Premium Revenue	\$ 16,473	\$ 19,420	\$ 15,888	\$ 20,882	\$ 72,663
Other Revenue	\$ 3,825	\$ 4,316	\$ 5,159	\$ 13,935	\$ 27,236
<b>Total Revenue</b>	<b>\$ 20,298</b>	<b>\$ 23,737</b>	<b>\$ 21,047</b>	<b>\$ 34,817</b>	<b>\$ 99,898</b>
<b>Premium Revenue PMPM</b>	<b>\$836</b>	<b>\$986</b>	<b>\$791</b>	<b>\$1,037</b>	<b>\$913</b>
<b>Expenses</b>					
Medical Expenses	\$ 19,883	\$ 24,741	\$ 25,470	\$ 30,757	\$ 100,852
Admin Expenses	\$ 1,303	\$ 552	\$ 129	\$ 4,987	\$ 6,972
<b>Total Expenses</b>	<b>\$ 21,187</b>	<b>\$ 25,293</b>	<b>\$ 25,599</b>	<b>\$ 35,744</b>	<b>\$ 107,823</b>
<b>Medical Expense PMPM</b>	<b>\$1,009</b>	<b>\$1,257</b>	<b>\$1,269</b>	<b>\$1,527</b>	<b>\$1,267</b>
Non-Operating Income(Loss)	\$ 1,159	\$ 460	\$ 449	\$ 562	\$ 2,629
<b>Net income</b>	<b>\$ 270</b>	<b>\$ (1,097)</b>	<b>\$ (4,104)</b>	<b>\$ (365)</b>	<b>\$ (5,296)</b>
	Calculated				
Medical Loss Ratio	121%	127%	160%	147%	139%
Admin Expense as % of Total Revenue	6%	2%	1%	14%	7%



# Operational Dashboard-Claims



Date Received

1/1/2022 9/18/2025

Vendor Type

☐ External  
☐ Internal

Product

All

Calendar Days

Business Days

Date Paid

5/1/2024 9/18/2025

Date of Service

1/1/2022 8/31/2025

Month Paid	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025
30 Days	96%	98%	96%	98%	89%	78%	98%	93%	94%	97%	94%	92%
30-45 Days	1%	1%	2%	0%	1%	1%	1%	1%	2%	2%	4%	3%
45 Days+	3%	1%	2%	2%	10%	21%	1%	6%	3%	2%	2%	6%
Interest Paid	\$ 463,877	\$ 59,791	\$ 117,065	\$ 100,893	\$ 144,804	\$ 159,768	\$ 31,922	\$ 56,678	\$ 138,581	\$ 69,428	\$ 254,246	\$ 265,455

Causes of high interest expense in July & August 2025:

July 2025: Sutter Bay Hospitals payment reconciliation resulted in under-paid claims paying claim interest - \$190K.

August 2025: John Muir Health claims were not configured properly in Tapestry that resulted in a repricing - \$230K.

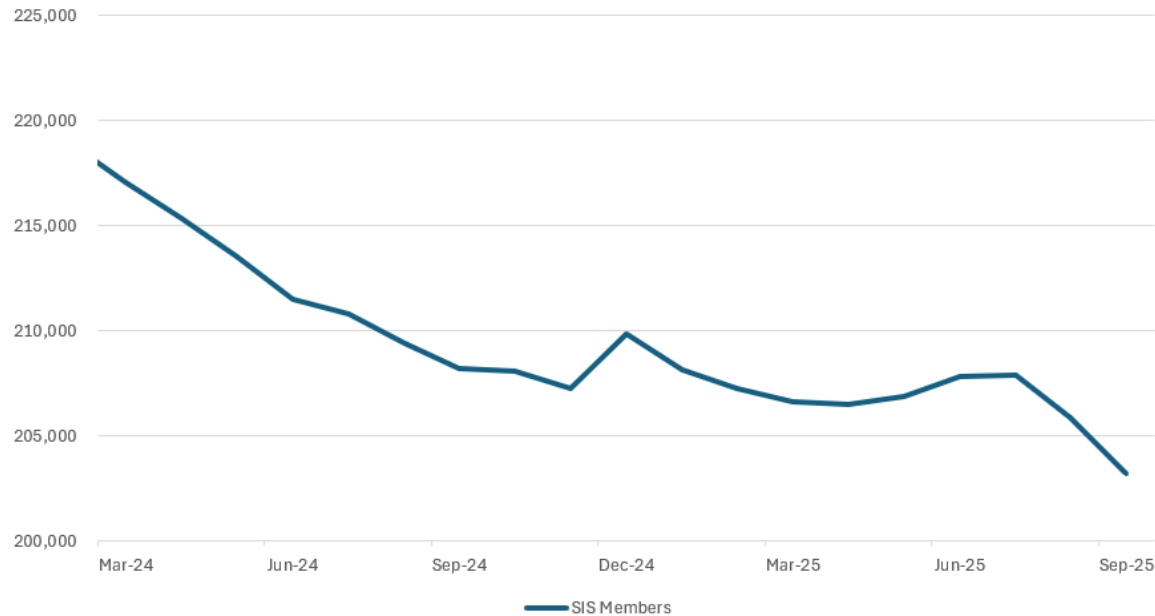
Root cause: Epic Tapestry was not configured properly.

Looking forward: Increase quality control will be in place for Taspestry build.

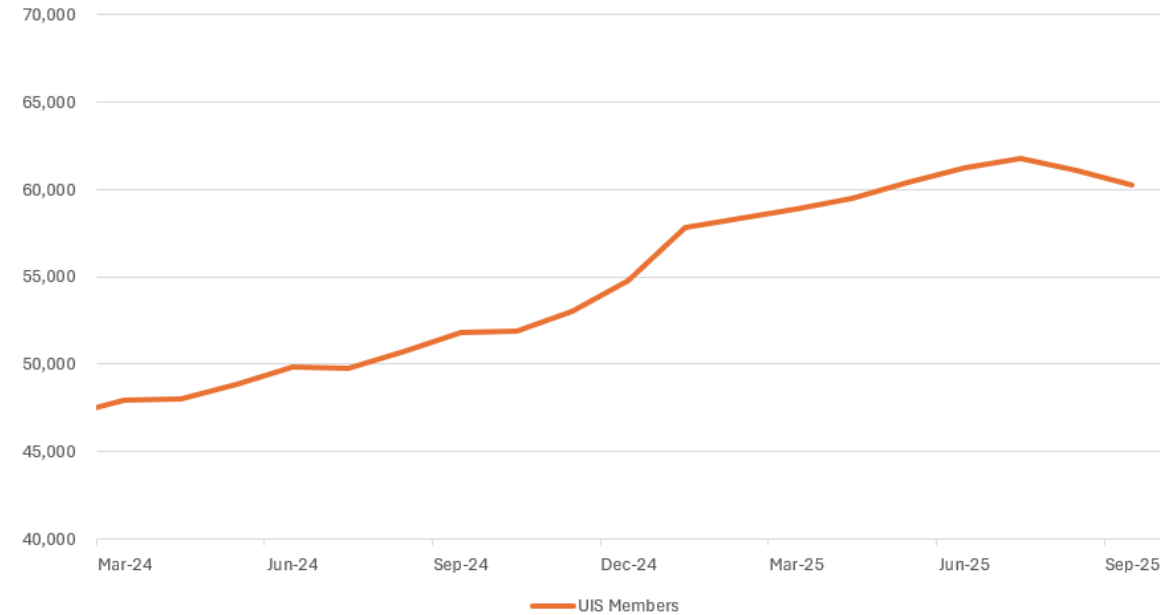
As of 9/18/2025

## SIS/UIS Enrollment Trend

SIS Member Count



UIS Member Count



Satisfactory Immigration Status (SIS) members declined by 16,700 members from early 2024 to September 2025. Unsatisfactory Immigration Status (UIS) members increased by 14,000 from early 2024 to September 2025.

Change in membership mix from SIS to UIS will impact the revenue to FQHCs due to elimination of Prospective Payment System (PPS) payment for UIS for FQHC visits effective July 1, 2026.