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4.0 Finance Report

Presented by:
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- FY25-26 Q1 enrollment showed a slight decrease. Net income was \$5.6 million, due to lower utilization over summer months. Medical Loss Ratio was 96%
- Admin expense fluctuates because it was not accrued pro-rata. County cash basis accounting has made regulatory reporting challenging
- FY25-26 Q1 end Tangible Net Equity was at 539%, which was 389% higher than DMHC's minimum requirement (150%)
- FTE: Direct 370 (filled 302, vacant 68) + Shared Service estimated 42 = 412

Financial Results Based on Regulatory Filings

Unaudited	Consolidated					
	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total	Jul-Sep 2025
Member months	794,216	799,355	810,276	818,102	3,221,949	815,841
Capitation Revenue						
Premium Revenue	\$ 296,731,326	\$ 332,599,674	\$ 352,966,023	\$ 406,220,044	\$ 1,388,517,067	\$ 382,854,894
MCO Tax Revenue	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324
Pass-through Revenue	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219
Total Capitation Revenue	\$ 448,491,054	\$ 530,042,594	\$ 767,126,855	\$ 540,210,188	\$ 2,285,870,691	\$ 668,244,437
Healthcare Expense						
Medical Expense	\$ 297,783,795	\$ 356,419,985	\$ 368,968,840	\$ 381,743,421	\$ 1,404,916,041	\$ 366,705,565
MCO Tax Expense	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324
Pass-through Expense	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219
Other Healthcare Expense	\$ (2,828,877)	\$ (3,319,949)	\$ (3,809,955)	\$ (6,853,635)	\$ (16,812,416)	\$ (1,090,627)
Admin Expense	\$ 10,892,814	\$ 14,573,316	\$ 15,183,965	\$ 25,240,742	\$ 65,890,837	\$ 16,709,527
Total Healthcare Expense	\$ 457,607,460	\$ 565,116,272	\$ 794,503,682	\$ 534,120,672	\$ 2,351,348,086	\$ 667,714,008
Healthcare Income(Loss)	\$ (9,116,406)	\$ (35,073,678)	\$ (27,376,827)	\$ 6,089,516	\$ (65,477,395)	\$ 530,429
Other Income(Loss)						
Investment/Interest Income	\$ 5,919,358	\$ 6,351,416	\$ 5,061,796	\$ 6,422,140	\$ 23,754,710	\$ 4,180,680
Tobacco Tax	\$ -	\$ -	\$ -	\$ 9,622,425	\$ 9,622,425	\$ -
County subsidy	\$ 996,498	\$ 996,498	\$ 996,498	\$ 996,498	\$ 3,985,992	\$ 933,999
Total Other Income(Loss)	\$ 6,915,856	\$ 7,347,914	\$ 6,058,294	\$ 17,041,063	\$ 37,363,127	\$ 5,114,679
Net Income	\$ (2,200,550)	\$ (27,725,764)	\$ (21,318,533)	\$ 23,130,579	\$ (28,114,268)	\$ 5,645,108
Key Measures						
Premium Revenue PMPM	\$ 374	\$ 416	\$ 436	\$ 497	\$ 431	\$ 469
Medical Expense PMPM	\$ 375	\$ 446	\$ 455	\$ 467	\$ 436	\$ 449
Admin Expense PMPM	\$ 14	\$ 18	\$ 19	\$ 31	\$ 20	\$ 20
Medical Loss Ratio	100%	107%	105%	94%	101%	96%
Tangible Net Equity	670%	602%	536%	535%	535%	539%

- FY25-26 Q1 showed a slight decrease in enrollment. Income was \$9.6 million due to lower utilization over summer months. Medical Loss Ratio was 94%
- Admin expense fluctuates because it was not accrued pro-rata. County cash basis accounting has made regulatory reporting challenging
- Investment/interest income helped offset health plan operating cost

Financial Updates – Medi-Cal Line

Unaudited	EF2: Medi-Cal					
	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total	Jul-Sep 2025
Member months	774,512	779,668	790,200	797,961	3,142,341	795,963
Capitation Revenue						
Premium Revenue	\$ 280,258,448	\$ 313,179,564	\$ 336,725,792	\$ 388,875,774	\$ 1,319,039,578	\$ 365,461,149
MCO Tax Revenue	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324
Pass-through Revenue	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219
Total Capitation Revenue	\$ 432,018,176	\$ 510,622,484	\$ 750,886,624	\$ 522,865,918	\$ 2,216,393,202	\$ 650,850,692
Healthcare Expense						
Medical Expense	\$ 277,900,569	\$ 331,679,099	\$ 343,498,574	\$ 350,986,158	\$ 1,304,064,400	\$ 345,160,189
MCO Tax Expense	\$ 75,426,705	\$ 168,500,509	\$ 122,817,895	\$ 105,711,846	\$ 472,456,955	\$ 105,658,324
Pass-through Expense	\$ 76,333,023	\$ 28,942,411	\$ 291,342,937	\$ 28,278,298	\$ 424,896,669	\$ 179,731,219
Admin Expense	\$ 9,589,456	\$ 14,020,946	\$ 15,055,021	\$ 20,253,788	\$ 58,919,211	\$ 14,007,883
Total Healthcare Expense	\$ 439,249,753	\$ 543,142,965	\$ 772,714,427	\$ 505,230,090	\$ 2,260,337,235	\$ 644,557,615
Healthcare Income(Loss)	\$ (7,231,577)	\$ (32,520,481)	\$ (21,827,803)	\$ 17,635,828	\$ (43,944,033)	\$ 6,293,077
Other Income(Loss)						
Investment/Interest Income	\$ 4,760,786	\$ 5,891,685	\$ 4,612,913	\$ 5,859,920	\$ 21,125,304	\$ 3,296,632
Net Income	\$ (2,470,791)	\$ (26,628,796)	\$ (17,214,890)	\$ 23,495,748	\$ (22,818,729)	\$ 9,589,709
Key Measures						
Premium Revenue PMPM	\$ 362	\$ 402	\$ 426	\$ 487	\$ 420	\$ 459
Medical Expense PMPM	\$ 359	\$ 425	\$ 435	\$ 440	\$ 415	\$ 434
Admin Expense PMPM	\$ 12	\$ 18	\$ 19	\$ 25	\$ 19	\$ 18
Medical Loss Ratio	99%	106%	102%	90%	99%	94%

Financial Updates – Commercial Line

- FY25-26 Q1 showed \$3.9 million loss. Medical expense exceeds premium revenue. Medical Loss Ratio was 124%
- High medical expense due to unfavorable contract terms with providers (mostly based on % of charges, with no annual price increase limit)
- Without County subsidy and Tobacco Tax revenue, Commercial Line would have operated \$5.8 million loss for FY25-26 Q1

Unaudited	EF3: Commercial					
	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	FY24-25 Total	Jul-Sep 2025
Member months	19,704	19,687	20,076	20,141	79,608	19,878
Capitation Revenue						
Premium Revenue	\$ 16,472,878	\$ 19,420,110	\$ 16,240,231	\$ 17,344,270	\$ 69,477,489	\$ 17,393,745
Healthcare Expense						
Medical Expense	\$ 19,883,226	\$ 24,740,886	\$ 25,470,266	\$ 30,757,263	\$ 100,851,641	\$ 21,545,376
Other Healthcare Expense	\$ (2,828,877)	\$ (3,319,949)	\$ (3,809,955)	\$ (6,853,635)	\$ (16,812,416)	\$ (1,090,627)
Admin Expense	\$ 1,303,358	\$ 552,370	\$ 128,944	\$ 4,986,954	\$ 6,971,626	\$ 2,701,644
Total Healthcare Expense	\$ 18,357,707	\$ 21,973,307	\$ 21,789,255	\$ 28,890,582	\$ 91,010,851	\$ 23,156,393
Healthcare Income(Loss)	\$ (1,884,829)	\$ (2,553,197)	\$ (5,549,024)	\$ (11,546,312)	\$ (21,533,362)	\$ (5,762,648)
Other Income(Loss)						
Investment/Interest Income	\$ 1,158,572	\$ 459,731	\$ 448,883	\$ 562,220	\$ 2,629,406	\$ 884,048
Tobacco Tax				\$ 9,622,425	\$ 9,622,425	\$ -
County subsidy	\$ 996,498	\$ 996,498	\$ 996,498	\$ 996,498	\$ 3,985,992	\$ 933,999
Total Other Income(Loss)	\$ 2,155,070	\$ 1,456,229	\$ 1,445,381	\$ 11,181,143	\$ 16,237,823	\$ 1,818,047
Net Income	\$ 270,241	\$ (1,096,968)	\$ (4,103,643)	\$ (365,169)	\$ (5,295,539)	\$ (3,944,601)
Key Measures						
Premium Revenue PMPM	\$ 836	\$ 986	\$ 809	\$ 861	\$ 873	\$ 875
Medical Expense PMPM	\$ 1,009	\$ 1,257	\$ 1,269	\$ 1,527	\$ 1,267	\$ 1,084
Admin Expense PMPM	\$ 66	\$ 28	\$ 6	\$ 248	\$ 88	\$ 136
Medical Loss Ratio	121%	127%	157%	177%	145%	124%



Operational Dashboard-Claims



Date Received

Vendor Type

☐ External
 ☐ Internal

Product

Calendar Days

Business Days

Date Paid

Date of Service

Month Paid	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025
30 Days	98%	96%	98%	89%	78%	98%	93%	94%	97%	94%	92%	91%	85%
30-45 Days	1%	2%	0%	1%	1%	1%	1%	2%	2%	4%	3%	4%	8%
45 Days+	1%	2%	2%	10%	21%	1%	6%	3%	2%	2%	6%	5%	6%
Interest Paid	\$ 59,791	\$ 117,065	\$ 100,893	\$ 144,804	\$ 159,768	\$ 31,922	\$ 56,678	\$ 138,581	\$ 69,428	\$ 254,246	\$ 265,455	\$ 25,186	\$ 23,590

Starting 1/1/2026, claims need to be paid within 30 days

CY2026 Medi-Cal Rate Update

- Medi-Cal capitation rates are typically released in fall/winter each year for the following calendar year
- On 9/26/2025 DHCS released draft CY2026 rate with a 2% increase compared to CY2025 rates
- During October 2025, we advocated with DHCS to consider our recent expense trends and contract changes
- On 11/12/2025, DHCS notified CCHP with an additional 6% increase which helps to reduce the expected losses in FY25-26.

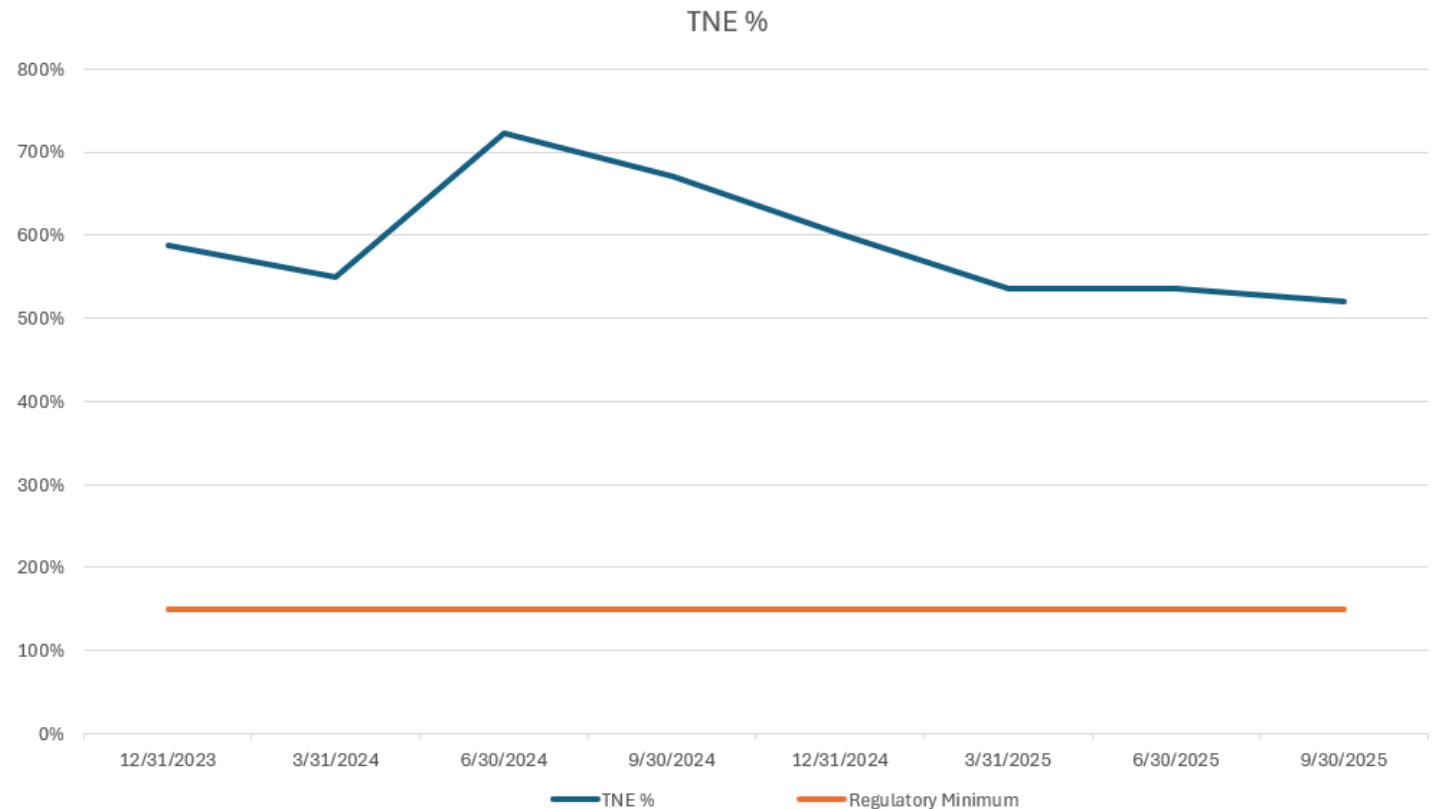
- Medi-Cal Line projects \$36.2 million loss
- Medicare D-SNP Line (go-live 1/1/2026) projects \$16.2 million loss
- Commercial Line projects \$12.8 million loss. Operating activities will lose \$26.9 million
- Total projected loss for FY25-26 totals \$65.2 million

FY25-26 Projection

Unaudited	Medi-Cal	Medicare	Commercial	Consolidated
	FY25-26	FY25-26	FY25-26	FY25-26
Member months	3,202,607	11,937	79,485	3,294,029
Capitation Revenue				
Premium Revenue	\$ 1,447,458,360	\$ 24,483,727	\$ 72,117,277	\$ 1,544,059,364
MCO Tax Revenue	\$ 541,944,708			\$ 541,944,708
Pass-through Revenue	\$ 255,169,109			\$ 255,169,109
Total Capitation Revenue	\$ 2,244,572,177	\$ 24,483,727	\$ 72,117,277	\$ 2,341,173,181
Healthcare Expense				
Medical Expense	\$ 1,411,663,771	\$ 24,473,854	\$ 96,915,245	\$ 1,533,052,870
MCO Tax Expense	\$ 541,944,708			\$ 541,944,708
Pass-through Expense	\$ 255,169,109			\$ 255,169,109
Other Healthcare Expense			\$ (16,715)	\$ (16,715)
Admin Expense	\$ 90,244,606	\$ 16,177,501	\$ 2,105,378	\$ 108,527,485
Total Healthcare Expense	\$ 2,299,022,194	\$ 40,651,355	\$ 99,003,908	\$ 2,438,677,457
Healthcare Income(Loss)	\$ (54,450,017)	\$ (16,167,628)	\$ (26,886,631)	\$ (97,504,276)
Other Income(Loss)				
Investment/Interest Income	\$ 18,236,286		\$ 1,043,057	\$ 19,279,343
Tobacco tax			\$ 9,309,119	\$ 9,309,119
County subsidy			3,735,999	3,735,999
Total Other Income(Loss)	\$ 18,236,286	\$ -	\$ 14,088,175	\$ 32,324,461
Net Income	\$ (36,213,731)	\$ (16,167,628)	\$ (12,798,456)	\$ (65,179,815)
Key Measures				
Premium Revenue PMPM	\$ 452	\$ 2,051	\$ 907	\$ 469
Medical Expense PMPM	\$ 441	\$ 2,050	\$ 1,219	\$ 465
Admin Expense PMPM	\$ 28	\$ 1,355	\$ 26	\$ 33
Medical Loss Ratio	98%	100%	134%	99%
Tangible Net Equity				350%

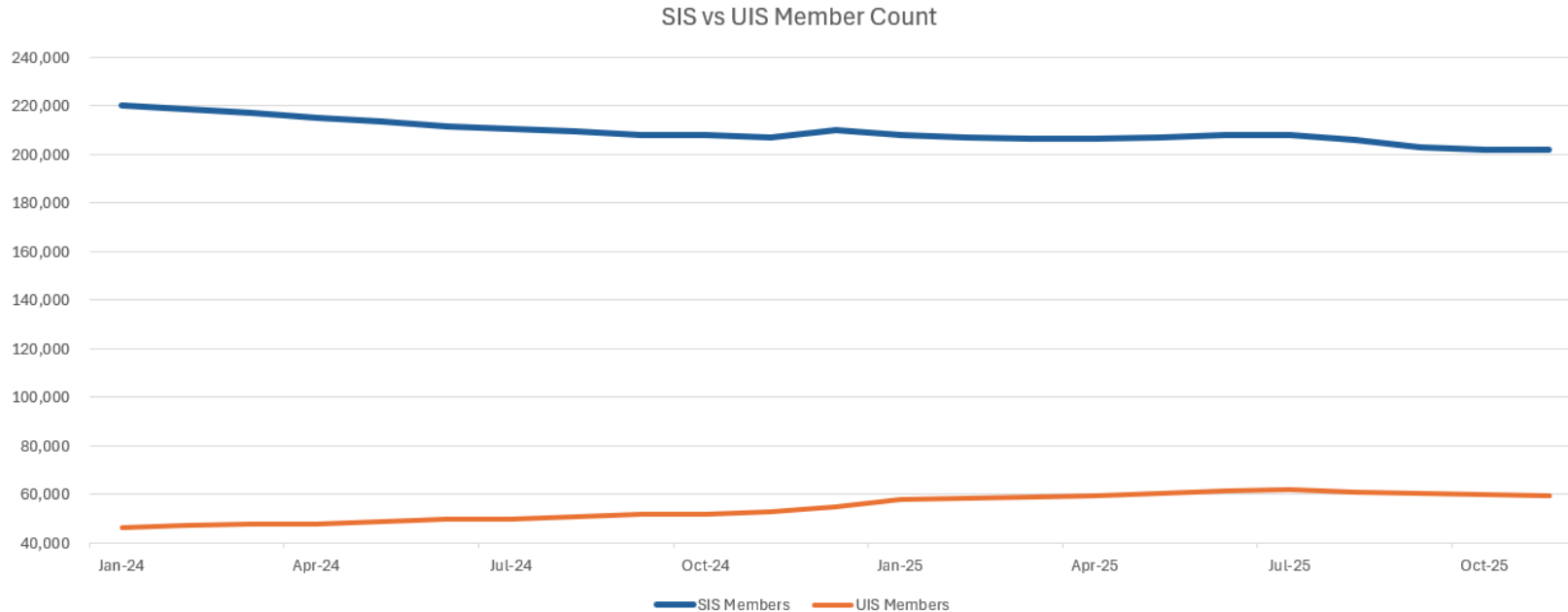
- Tangible Net Equity (TNE) is the net equity after subtracting the value of intangible assets.
- Department of Managed Health Care (DMHC) requires minimum 100%. 150% is needed to avoid monthly financial monitoring from DMHC.

Tangible Net Equity (TNE)





SIS/UIS Enrollment Trend



- Satisfactory Immigration Status (SIS) members declined by 18,100 members from January 2024 to November 2025. Unsatisfactory Immigration Status (UIS) members increased by 13,000 from January 2024 to November 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.

As of 11/17/2025

Public Comments

JCC Comments