COMMUNITY HEALTH PLAN OF IMPERIAL VALLEY

AGENDA

Executive Committee

January 7, 2026

12:00 p.m.

512 W. Aten Rd., Imperial, CA 92251

All supporting documentation is available for public review at https://chpiv.org

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Meeting ID: 259 514 478 66
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Committee Members	Representing	Present
Yvonne Bell	LHA Vice-Chair & Finance Committee Vice-Chair, CEO of Innercare and CCIPA	
Lee Hindman	LHA Chairperson-Joint Chambers of Commerce Nominee	
Dr. Carlos Ramirez	Finance Committee Chair-CEO/Senior Consultant DCRC	
Dr. Unnati Sampat	LHA Commissioner-President of Imperial County Medical Society	
Dr. Allan Wu	LHA Commissioner-CMO of Innercare and President of CCIPA	

1. CALL TO ORDER *Lee Hindman, Chair*

A. Roll Call *Donna Ponce, Commission Clerk*

B. Approval of Agenda

1. Items to be pulled or added from the Information/Action/Closed Session Calendar
2. Approval of the order of the agenda

2. PUBLIC COMMENT *Lee Hindman, Chair*

Public Comment is limited to items NOT listed on the agenda. This is an opportunity for members of the public to address the Committee on any matter within the Committee's jurisdiction. Any action taken as a result of public comment shall be limited to the direction of staff. When addressing the Committee, state your name for the record prior to providing your comments. Please address the Committee as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the board.

3. CONSENT CALENDAR

All items appearing on the consent calendar are recommended for approval and will be acted upon by one motion, without discussion. Should any Commissioner or other person express their preference to consider an item separately, that item will be addressed at a time as determined by the Chair.

A. Approval of Minutes from 12/3/2025...pg. 5-9

B. Motion to recommend to the full commission the acceptance of monthly financial reports as reviewed and accepted by the Finance Committee

1. Executive Summary...pg. 10-11
2. Enrollment Report...pg. 12
3. Statement of Revenues, Expenses, and Changes in Net Position... pg. 13
4. Product Profit & Loss Statement...pg. 14
5. Statement of Net Position...pg. 15
6. Summarized TNE Calculation...pg. 16
7. Cash Transaction Report...pg. 17-18

C. Motion to recommend to the full Commission the acceptance of the 2026 Budget Review as reviewed and accepted by the Finance Committee...pg. 19-26

4. ACTION

A. "At-Risk Compensation" Policy Update...pg. 28-30 *Larry Lewis, CEO*

5. COMMITTEE CHAIR REPORTS

A. Quality Improvement Health & Equity Committee-*Quarterly*
(Dr. Gordon Arakawa, CMO) *No meeting*

B. Finance Committee-*Monthly*
(Dr. Carlos Ramirez, Chair)

C. Regulatory Compliance & Oversight Committee-*Quarterly*
(Dr. Allan Wu, Chair) ...pg. 32-34

D. Community Advisory Committee-*Quarterly*
(Julia Hutchins, COO) ...pg. 35-36

6. INFORMATION

A. Officer Elections Process and Candidate recommendations to Full Commission (*Lee Hindman, Chair)*

B. Health Services Report *(Dr. Gordon Arakawa, CMO and Jeanette Crenshaw, Executive Director of Health Services)*

C. Compliance Report *(Elysse Tarabola, CCO and Chelsea Hardy, Senior Director of Compliance)* ...pg. 38-53

D. Operations Report *(Julia Hutchins, COO)* ...pg. 54-56

E. Human Resources Report *(Shannon Long, HR Consultant)* ...pg. 57

F. CEO Report *(Larry Lewis, CEO)*

G. Other new of old business *(Lee Hindman, Chair)*

7. CLOSED SESSION

Pursuant to Welfare and Institutions Code § 14087.38 (n) Report involving Trade Secret new product discussion (estimated date of disclosure, 10/2026)

A. Compliance Report

8. RECONVENE OPEN SESSION

A. Report on actions taken in closed session.

9. ADJOURNMENT

Next meeting: February 4, 2026

Consent Agenda

COMMUNITY HEALTH PLAN OF IMPERIAL VALLEY

MINUTES

Executive Committee

December 3, 2025

12:00 p.m.

512 W. Aten Rd., Imperial, CA 92251

All supporting documentation is available for public review at https://chpiv.org

Microsoft Teams

Join the meeting now

Meeting ID: 259 514 478 66

Passcode: vULVTd

Committee Members	Representing	Present
Yvonne Bell	LHA Vice-Chair & Finance Committee Vice-Chair, CEO of Innercare and CCIPA	A
Lee Hindman	LHA Chairperson-Joint Chambers of Commerce Nominee	✓
Dr. Carlos Ramirez	Finance Committee Chair-CEO/Senior Consultant DCRC	✓
Dr. Unnati Sampat	LHA Commissioner-President of Imperial County Medical Society	✓
Dr. Allan Wu	LHA Commissioner-CMO of Innercare and President of CCIPA	✓

1. **CALL TO ORDER** *Lee Hindman, Chair*

Meeting called to order at 12:02 p.m.

A. Roll Call *Donna Ponce, Commission Clerk*

Roll call taken and quorum confirmed. Attendance is as shown.

B. Approval of Agenda

1. Items to be pulled or added from the Information/Action/Closed Session Calendar

2. Approval of the order of the agenda

(Ramirez/Sampat) To approve the order of the agenda. Motion carried.

2. PUBLIC COMMENT *Lee Hindman, Chair*

Public Comment is limited to items NOT listed on the agenda. This is an opportunity for members of the public to address the Committee on any matter within the Committee's jurisdiction. Any action taken as a result of public comment shall be limited to the direction of staff. When addressing the Committee, state your name for the record prior to providing your comments. Please address the Committee as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the board. None.

3. CONSENT CALENDAR

All items appearing on the consent calendar are recommended for approval and will be acted upon by one motion, without discussion. Should any Commissioner or other person express their preference to consider an item separately, that item will be addressed at a time as determined by the Chair.
(Sampat/Wu) To approve items 3A and 3B. Motion carried.
Item 3C moved to ACTION items.

A. Approval of Minutes from 11/5/2025...pg. 6-9

B. Motion to recommend to the full commission the acceptance of monthly financial reports as reviewed and accepted by the Finance Committee

1. Executive Summary...pg. 10-11
2. Enrollment Report...pg. 12
3. Statement of Revenues, Expenses, and Changes in Net Position.pg.13
4. Product Profit & Loss Statement...pg. 14
5. Statement of Net Position...pg. 15
6. Summarized TNE Calculation...pg. 16
7. Cash Transaction Report...pg. 17-18

C. Motion to recommend to the full commission authority to the CEO to execute agreements with external agencies to assist in enrolling eligible members in CHPIV's D-SNP plan
...pg. 19

4. ACTION

A. Motion to recommend to the full commission authority to the CEO to execute provider agreements, including execution of contracts with the County of Imperial, and specifically a provider agreement with Imperial County Behavioral Health (ICBH) to provide Medicare-covered behavioral health services for Community Advantage Plus members *(Julia Hutchins, COO)* ...pg. 21
(Sampat/Ramirez) Motion to recommend to the full commission authority to the CEO to execute provider agreements, including execution of contracts with the County of Imperial, and specifically a provider agreement with Imperial County Behavioral Health (ICBH) to provide Medicare-covered behavioral health services for Community Advantage Plus members. Motion carried.

B. Motion to recommend to the full commission authority to the CEO to execute agreements with external agencies to assist in enrolling eligible members in CHPIV's D-SNP plan.
...pg. 19 ***(Consent Agenda Item 3C.)***
(Wu/Ramirez) Motion to recommend to the full commission authority to the CEO to execute agreements with external agencies to assist in enrolling eligible members in CHPIV's D-SNP plan. Motion carried.

5. COMMITTEE CHAIR REPORTS

A. Quality Improvement Health & Equity Committee-*Quarterly* (*Dr. Gordon Arakawa, CMO) No meeting*

B. Finance Committee-*Monthly (Dr. Carlos Ramirez, Chair)*
Member Ramirez provided updates on December 3, 2025, Finance Committee meeting.

C. Regulatory Compliance & Oversight Committee-*Quarterly (Dr. Allan Wu, Chair)*
No meeting

D. Community Advisory Committee-*Quarterly (Julia Hutchins, COO)*
No meeting

6. INFORMATION

A. Health Services Report *(Dr. Gordon Arakawa, CMO and Laura Galvin, Manager of Care Management)*

Chief Medical Officer Dr. Gordon Arakawa provided an update on actions being taken in response to the DHCS audit findings.

Dr. Arakawa added that meetings were held with Health Net subject matter experts in Utilization Management, Care Management, and Quality Improvement of Health Education.

Executive Director of Health Services, Jeanette Crenshaw updated the committee on Care Management.

C. Compliance Report *(Elysse Tarabola, CCO and Chelsea Hardy, Senior Director of Compliance)* ...pg. 24-65

Chief Compliance Officer Elysse Tarabola updated the committee on the following:

- Policy review and approval
- Year-End Highlights
- Regulatory Audits
- Delegation Oversight
- Notices of Non-Compliance

D. Operations Report *(Julia Hutchins, COO)* ...pg. 66-69

Chief Operations Officer Julia Hutchins updated the committee on the following:

- Ending of Open Enrollment
- Ribbon Cutting Event on January 8, 2026
- Welcome packet and member booklet
- New member cards
- Provider training

E. Human Resources Report *(Shannon Long, HR Consultant)* ...pg. 70

Human Resources Consultant Shannon long updated the committee on the following:

- Annual Performance Evaluations
- Benefits Open Enrollment
- Employee resignation

F. CEO Report *(Larry Lewis, CEO)*

Chief Executive Officer Larry Lewis provided updates on the following:

- Imperial Valley Medical Society Dinner
- Hospital Association of San Diego & Imperial Counties Annual Conference
- DHCS All-CEO Meeting
- Timeline for Strategic Planning

G. Other new or old business *(Lee Hindman, Chair)*

None.

7. CLOSED SESSION

Pursuant to Welfare and Institutions Code § 14087.38 (n) Report involving Trade Secret new product discussion (estimated date of disclosure, 10/2026)

Chair Hindman announced that the committee will enter into closed session.

A. Compliance Report

8. RECONVENE OPEN SESSION

A. Report on actions taken in closed session.

Chair Hindman announced that the committee will reconvene into open session. Information provided with no action taken.

9. ADJOURNMENT

The meeting was adjourned at 1:34 p.m.

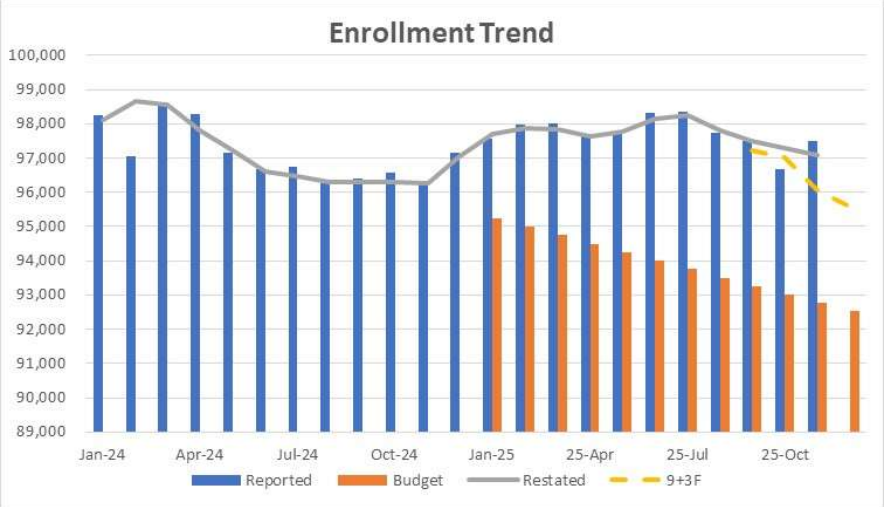
Next meeting: January 7, 2026

Financial Result
November 2025

Executive Summary

Membership

November Medi-Cal reported membership was 97.5K, approximately 1.5K members better than the 9+3 forecast. The uptick in membership was driven by favorable retroactive additions in August through Octover, which added over 400 members. The additions also pushed up current month membership (restated), which is 1K better than the 9+3F



Year-to-date, membership remains favorable to budget by 41.0K member months.

Gross Margin

November revenue was favorable to the forecast by $18.2M driven by the Voluntary Rate Program (IGT) payment. This program is considered a full pass-through to providers and therefore has no impact to gross margin. The IGT payment was $17.2M. Excluding IGT, Gross Margin was in line with forecast.

Membership Mix & Rate: Rate variance was unfavorable to the 9+3F by ($412K) primarily due to timing related to maternity revenue.

Volume: Volume adjustments for the current period were favorable to the forecast by $180K driven by a 1.0K member variance largely in Adult and Adult Expansion, offset by SPD Dual.

	Revenue (Current Month Reported)					
Category of Aid (COA)[4]	**Current**	**Prior Period**	**Forecast**	**Variance**	**Vol**	**Rate**
Child	$ 4,534,156	$ 3,896,520	$ 4,504,702	$ 29,454	$ 55,544	$ (26,090)
Adult	$ 3,829,275	$ 3,511,008	$ 4,092,154	$ (262,879)	$ 80,908	$ (343,787)
Adult Expansion	$ 7,400,187	$ 5,243,484	$ 7,250,173	$ 150,015	$ 195,207	$ (45,192)
SPD	$ 4,205,248	$ 3,093,578	$ 4,213,223	$ (7,975)	$ (10,130)	$ 2,155
SPD Dual	$ 6,380,717	$ 2,361,143	$ 6,525,913	$ (145,197)	$ (145,755)	$ 559
LTC	$ 20,483	$ 50,840	$ 17,647	$ 2,836	$ 2,941	$ (105)
LTC Dual	$ 39,979	$ 276,991	$ 37,673	$ 2,306	$ 2,307	$ (0)
Total Medicaid	**$ 26,410,045**	**$ 18,433,565**	**$ 26,641,485**	**$ (231,440)**	**$ 181,021**	**$ (412,461)**

Overall, Gross margin was $23.4K favorable to the 9+3 forecast; on a YTD basis, gross margin was favorable to the budget by $1.5M.

Administrative Expenses

In aggregate, administrative expenses were ($12.5K) unfavorable to the 9+3F. Spending variance was largely concentrated in operational readiness activities, strategic planning consulting costs, and transitional IT costs. Labor costs ran favorable to the forecast in several departments due to delayed hiring for open positions and unplanned terminations. Corporate overhead departments are in line with forecast.

On a YTD basis, administrative costs are favorable to the budget by $175K, or 2.6%. Medicare administrative cost spending on a YTD basis is $3.0M.

Other

Investment income was unfavorable by ($17.7K) in November due to interest rate pressure. Year-to-date, investment income is $220K above budget.

Tangible Net Equity (TNE)

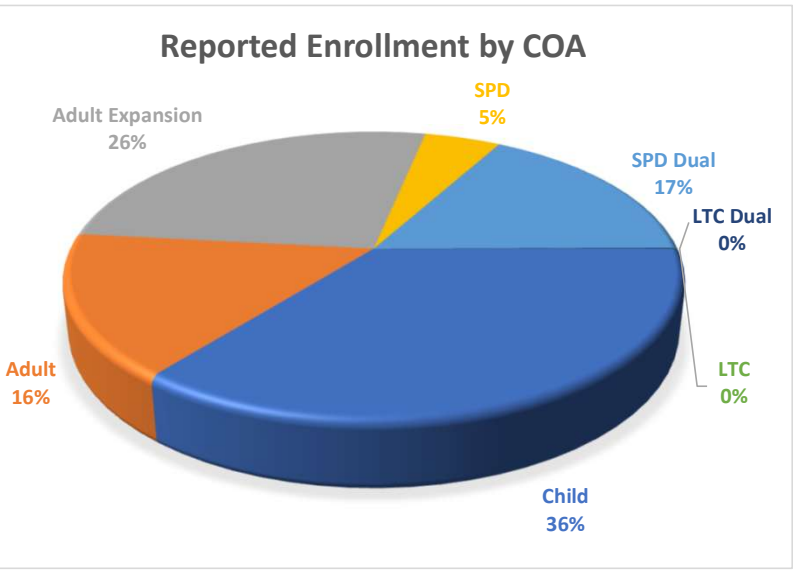
For the month of November, TNE was $23.6M, representing 493% of the required $4.8M. On a restated basis, TNE stands at 501% of the required levels.

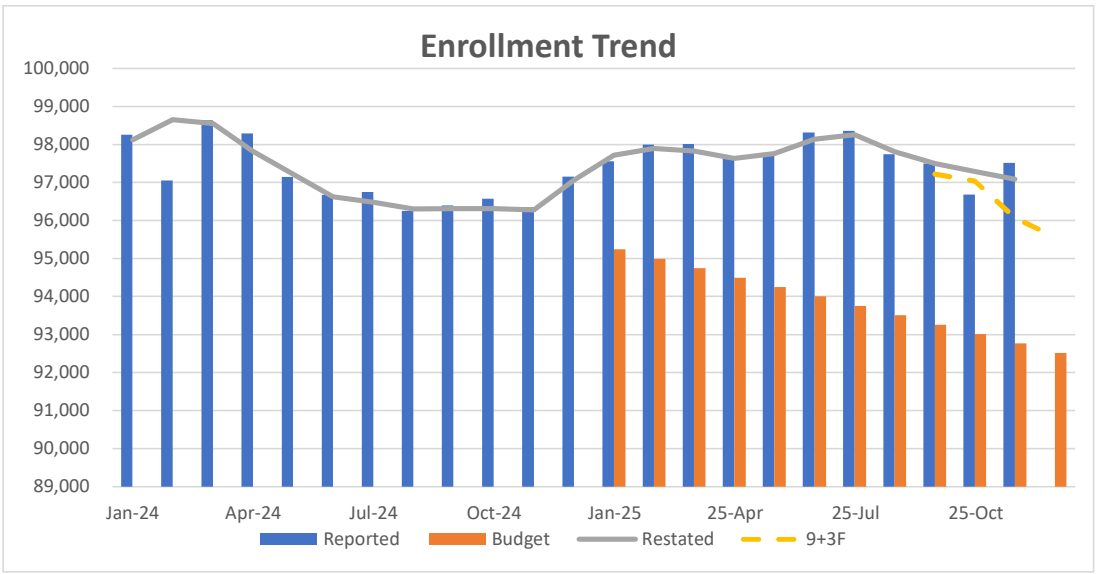
Community Health Plan OF IMPERIAL VALLEY

Imperial County Local Health Authority
DBA Community Health Plan of Imperial Valley
Reported Enrollment
For November 2025

	2024				2025										
								November				November (YTD)			
										B/(W)				B/(W)	
Category of Aid (COA)*	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Actual	9+3F	#	%	Actual	Budget	#	%
Child	34,607	34,589	34,424	34,551	35,139	35,129	34,728	34,676	34,144	532	2%	383,856	364,881	18,975	5%
Adult	16,997	15,767	15,675	15,768	15,801	15,754	15,471	15,379	14,971	408	3%	172,128	164,363	7,766	5%
Adult Expansion	26,579	25,784	25,733	26,019	25,995	26,028	25,808	25,897	25,293	604	2%	285,216	277,071	8,146	3%
SPD	5,007	5,041	5,085	5,139	4,671	4,784	4,645	4,695	4,575	120	3%	51,495	55,407	(3,912)	-7%
SPD Dual	14,433	14,760	15,007	15,288	16,283	16,514	16,719	16,748	16,969	(221)	-1%	181,172	170,808	10,364	6%
LTC	12	15	19	22	22	6	17	21	18	3	17%	196	352	(156)	-44%
LTC Dual	79	87	92	104	98	100	104	99	98	1	1%	1,067	1,177	(110)	-9%
Total Medicaid	97,714	96,043	96,035	96,891	98,009	98,315	97,492	97,515	96,068	1,447	2%	1,075,130	1,034,058	41,072	4%
Monthly/Quarterly Change		*-1.7%*	*0.0%*	*0.9%*	*1.2%*	*0.3%*	*(252)*	*0.6%*	*-0.8%*						

** Source: DHCS 820 Remittance summary; includes retroactivity*





Community Health Plan OF IMPERIAL VALLEY

Imperial County Local Health Authority
DBA Community Health Plan of Imperial Valley
Statement of Revenues, Expenses, and Changes in Net Position
For November 2025

	November			November (YTD)			
	Actual	Forecast (9+3)	Variance - B/(W)	Actual	Budget	Variance - B/(W)	Current Month Explanations
REVENUE							
Premium	$ 27,111,675	$ 26,330,865	**$ 780,810**	$ 300,696,999	$ 250,228,828	**$ 50,468,171**	- Total Revenue was favorable by $18.2M driven by prior period IGT
Pass-Through	$ 17,731,935	$ 310,621	**$ 17,421,314**	$ 26,483,985	$ 3,780,137	**$ 22,703,848**	(Voluntary Rate Range) payments.
HN Settlements			**$ -**			**$ -**	
TOTAL REVENUE	**$ 44,843,610**	**$ 26,641,485**	**$ 18,202,124**	**$ 327,180,984**	**$ 254,008,965**	**$ 73,172,019**	
HEALTH CARE COSTS	$ 44,030,260	$ 25,851,559	**$ (18,178,700)**	$ 318,160,074	$ 246,502,100	**$ (71,657,974)**	
Gross Margin	**$ 813,350**	**$ 789,926**	**$ 23,424**	**$ 9,020,910**	**$ 7,506,865**	**$ 1,514,045**	
ADMINISTRATIVE EXPENSE							
Salaries & Wages	$ 453,741	$ 486,617	**$ 32,877**	$ 4,197,217	$ 4,440,535	**$ 243,318**	
Benefits Expense	$ 42,426	$ 36,240	**$ (6,186)**	$ 309,926	$ 341,759	**$ 31,833**	
Other Labor Expense	$ 1,424	$ 1,728	**$ 303**	$ 16,487	$ 13,996	**$ (2,491)**	
Total Labor Costs	$ 497,591	$ 524,585	**$ 26,993**	$ 4,523,630	$ 4,796,289	**$ 272,660**	- Favorable labor costs across several departments due to resignations and delayed hiring.
Consulting, Legal, & Other Professional	$ 91,197	$ 56,237	**$ (34,959)**	$ 733,253	$ 792,508	**$ 59,256**	- Unfavorable due to timing of consulting fees related to strategic planning, benefits planning, and legal.
Outside Services	$ 37,272	$ 34,183	**$ (3,089)**	$ 401,536	$ 330,702	**$ (70,834)**	
Advertising & Marketing	$ 8,081	$ 5,000	**$ (3,081)**	$ 32,542	$ 48,823	**$ 16,281**	
Information Technology	$ 7,270	$ 6,156	**$ (1,113)**	$ 122,872	$ 62,736	**$ (60,137)**	
Membership and Subscriptions	$ 11,149	$ 11,344	**$ 195**	$ 113,868	$ 106,930	**$ (6,938)**	
Regulatory Fees	$ 25,339	$ 25,339	**$ (0)**	$ 283,274	$ 306,029	**$ 22,754**	
Travel	$ 7,149	$ 5,893	**$ (1,256)**	$ 80,308	$ 84,917	**$ 4,609**	
Meals & Entertainment	$ 1,079	$ 698	**$ (380)**	$ 24,420	$ 10,640	**$ (13,780)**	
Occupancy & Facility	$ 4,347	$ 10,245	**$ 5,898**	$ 78,311	$ 51,888	**$ (26,422)**	
Office Expense	$ 4,511	$ 3,149	**$ (1,362)**	$ 70,098	$ 70,858	**$ 760**	
Other Admin	$ 10,706	$ 10,364	**$ (343)**	$ 153,750	$ 130,327	**$ (23,423)**	
Total Administrative Expense	**$ 705,691**	**$ 693,194**	**$ (12,497)**	**$ 6,617,862**	**$ 6,792,646**	**$ 174,785**	
Non-Operating Income							
Dividend, Interest & Investment Income	$ 99,131	$ 116,839	**$ (17,708)**	$ 1,181,816	$ 961,303	**$ 220,513**	- Unfavorable investment income due to interest rate pressure
Rental Income	$ 1,494	$ 1,494	**$ -**	$ 16,429	$ 15,950	**$ (479)**	
Total Non-Operating Income	$ 100,624	$ 118,332	**$ (17,708)**	$ 1,198,245	$ 977,253	**$ 220,992**	
Depreciation & Amortization	$ 10,861	$ 11,000	**$ (139)**	$ 117,563	$ 121,000	**$ (3,437)**	
Change in Net Position	**$ 197,422**	**$ 204,064**	**$ (6,643)**	**$ 3,483,730**	**$ 1,570,472**	**$ 1,913,258**	
Key Metrics							
Enrollment	97,515	96,068	**1,447**	1,075,130	1,034,058	**41,072**	
Revenue PMPM	$459.86	$277.32	**$182.54**	$304.32	$245.64	**$58.67**	
MLR	98.19%	97.0%	**(115) bps**	97.2%	97.0%	**(20) bps**	
Admin Ratio	1.6%	2.6%	**102 bps**	2.0%	2.7%	**65 bps**	
FTEs	44	45	**1**	329	340	**11**	
Net Income PMPM	$2.02	$2.12	**($0.10)**	$3.24	$1.52	**$1.72**	
Net Income %	0.4%	0.8%	**(32) bps**	1.1%	0.6%	**44 bps**	

Community Health Plan OF IMPERIAL VALLEY

Imperial County Local Health Authority
DBA Community Health Plan of Imperial Valley
Product P&L
For November 2025

	November								November (YTD)				
	Medi-Cal				Medicare							% of Total	
	Actual	9+3F	Variance B/(W)	% Var	Actual	9+3F	Variance B/(W)	% Var	Medi-Cal	Medicare	Total	Medi-Cal	Medicare
REVENUE													
Premium	$ 27,111,675	$ 26,330,865	**$ 780,810**	3%	$ -	$ -	**$ -**	N/A	$ 300,696,999	$ -	**$ 300,696,999**	100%	0%
Pass-Through	$ 17,731,935	$ 310,621	**$ 17,421,314**	5609%	$ -	$ -	**$ -**	N/A	$ 26,483,985	$ -	**$ 26,483,985**	100%	0%
TOTAL REVENUE	**$ 44,843,610**	**$ 26,641,485**	**$ 18,202,124**	**68%**	**$ -**	**$ -**	**$ -**	**N/A**	**$ 327,180,984**	**$ -**	**$ 327,180,984**	**100%**	**0%**
HEALTH CARE COSTS	$ 44,030,260	$ 25,851,559	**$ (18,178,700)**	-70%	$ -	$ -	**$ -**	N/A	$ 318,160,074	$ -	**$ 318,160,074**	100%	0%
Gross Margin	**$ 813,350**	**$ 789,926**	**$ 23,424**	**3%**	**$ -**	**$ -**	**$ -**	**N/A**	**$ 9,020,910**	**$ -**	**$ 9,020,910**	**100%**	**0%**
ADMINISTRATIVE EXPENSE													
Healthcare Services	$ 43,414	$ 46,859	**$ 3,445**	7.4%	$ 48,956	$ 52,841	**$ 3,885**	7.4%	$ 588,625	$ 696,769	**$ 1,285,394**	45.8%	54.2%
Care Management	$ -	$ -	**$ -**	N/A	$ 89,759	$ 85,603	**$ (4,156)**	-4.9%	$ -	$ 440,400	**$ 440,400**	0.0%	100.0%
Compliance	$ 111,409	$ 114,911	**$ 3,501**	3.0%	$ 18,136	$ 18,706	**$ 570**	3.0%	$ 901,594	$ 145,857	**$ 1,047,451**	86.1%	13.9%
Operations	$ 5,980	$ 4,663	**$ (1,317)**	-28.2%	$ 53,820	$ 41,969	**$ (11,851)**	-28.2%	$ 57,827	$ 522,981	**$ 580,807**	10.0%	90.0%
Member & Provider Services	$ 7,332	$ 4,214	**$ (3,118)**	-74.0%	$ 7,332	$ 4,214	**$ (3,118)**	-74.0%	$ 99,455	$ 99,455	**$ 198,910**	50.0%	50.0%
Sales & Marketing	$ 2,675	$ 2,646	**$ (29)**	-1.1%	$ 50,826	$ 50,273	**$ (552)**	-1.1%	$ 31,237	$ 263,452	**$ 294,689**	10.6%	89.4%
Executive	$ 67,040	$ 55,927	**$ (11,114)**	-19.9%	$ 11,831	$ 9,739	**$ (2,092)**	-21.5%	$ 585,489	$ 174,122	**$ 759,611**	77.1%	22.9%
Finance	$ 81,227	$ 95,097	**$ 13,870**	14.6%	$ 14,334	$ 16,782	**$ 2,448**	14.6%	$ 702,148	$ 342,685	**$ 1,044,833**	67.2%	32.8%
Corporate	$ 45,363	$ 48,547	**$ 3,184**	6.6%	$ 10,803	$ 12,789	**$ 1,986**	15.5%	$ 527,961	$ 122,618	**$ 650,579**	81.2%	18.8%
Information Technology	$ 10,801	$ 8,565	**$ (2,236)**	-26.1%	$ 13,148	$ 9,095	**$ (4,053)**	-44.6%	$ 107,650	$ 95,762	**$ 203,413**	52.9%	47.1%
Human Resources	$ 5,188	$ 4,731	**$ (458)**	-9.7%	$ 6,315	$ 5,023	**$ (1,292)**	-25.7%	$ 59,229	$ 52,548	**$ 111,776**	53.0%	47.0%
Total Administrative Expense	**$ 380,431**	**$ 386,160**	**$ 5,729**	**1%**	**$ 325,261**	**$ 307,034**	**$ (18,226)**	**-6%**	**$ 3,661,215**	**$ 2,956,647**	**$ 6,617,862**	**55%**	**45%**
Non-Operating Income													
Dividend & Interest Income	$ 99,131	$ 116,839	**$ (17,708)**	-15%	$ -	$ -	**$ -**	N/A	$ 1,181,816	$ -	**$ 1,181,816**	100%	0%
Rental Income	$ 1,494	$ 1,494	**$ -**	0%	$ -	$ -	**$ -**	N/A	$ 16,429	$ -	**$ 16,429**	100%	0%
Total Non-Operating Income	$ 100,624	$ 118,332	**$ (17,708)**	-15%	$ -	$ -	**$ -**	N/A	$ 1,198,245	$ -	**$ 1,198,245**	100%	0%
Depreciation & Amortization	$ 4,898	$ 11,000	**$ 6,102**	55%	$ 5,963	$ -	**$ (5,963)**	N/A	$ 89,679	$ 27,885	**$ 117,563**	76%	24%
Change in Net Position	**$ 528,646**	**$ 511,099**	**$ 17,547**	**3%**	**$ (331,224)**	**$ (307,034)**	**$ (24,189)**	**-8%**	**$ 6,468,261**	**$ (2,984,531)**	**$ 3,483,730**	**186%**	**-86%**
Key Metrics													
Enrollment	97,515	96,068	1,447		-	-	-		1,075,130	-	1,075,130	100%	0%
Revenue PMPM	$459.86	$277.32	$182.54		N/A	N/A	N/A		$304.32	N/A	$304.32		
MLR	98.19%	97.03%	115 bps		N/A	N/A	N/A		97.24%	N/A	97.24%		
Admin Ratio	0.8%	1.4%	60 bps		N/A	N/A	N/A		1.1%	N/A	2.0%		
Net Income PMPM	$5.42	$5.32	$0.10		N/A	N/A	N/A		$6.02	N/A	$3.24		
Net Income %	1.2%	1.9%	-73 bps		N/A	N/A	N/A		2.0%	N/A	1.1%		

Community Health Plan OF IMPERIAL VALLEY

Imperial County Local Health Authority dba Community Health Plan of Imperial Valley
Statement of Net Position

	October 2025	November 2025	Change
ASSETS			
Current Assets			
Cash and Investments			
Chase - Checking	$ 200,000	$ 200,000	$ -
Chase - Money Market	$ 2,390,456	$ 2,618,951	$ 228,495
JPMorgan Securities	$ 16,983,152	$ 16,952,476	$ (30,676)
First Foundation Bank	$ 142,177	$ 142,177	$ -
Receivables			
Dividend Receivable	$ 7,542	$ 13,574	$ 6,032
Interest Receivable	$ 100,376	$ 85,557	$ (14,819)
Capitation Receivable	$ 27,570,397	$ 27,111,675	$ (458,723)
Pass-Through Receivable	$ 387,741	$ 17,731,935	$ 17,344,194
Pass-Through Receivable - Other	$ 0	$ 0	$ -
Other Current Assets			
Prepaid Expenses	$ 368,205	$ 303,202	$ (65,003)
Total Current Assets	**$ 48,150,046**	**$ 65,159,546**	**$ 17,009,500**
Noncurrent Assets			
Restricted Deposit			
First Foundation Bank - Restricted	$ 300,000	$ 300,000	$ -
Capital Assets			
Buildings - Net	$ 2,865,554	$ 2,856,724	$ (8,829)
Computer Equipment / Software - Net	$ 6,051	$ 5,883	$ (168)
Improvements - Net	$ 68,207	$ 83,478	$ 15,270
Intangible Assets	$ 56,458	$ 55,208	$ (1,250)
Operating ROU Asset (Copier) - Net	$ 10,134	$ 10,134	$ -
Total Noncurrent Assets	**$ 3,306,404**	**$ 3,311,427**	**$ 5,023**
Total Assets	**$ 51,456,450**	**$ 68,470,973**	**$ 17,014,523**
LIABILITIES			
CURRENT LIABILITIES			
Payables			
Accounts Payable	$ 401,317	$ 292,963	$ (108,354)
Capitation Payable	$ 26,743,285	$ 26,298,324	$ (444,961)
Pass-Through Payable	$ 387,741	$ 17,731,935	$ 17,344,194
Pass-Through Payable - Other	$ 0	$ 0	$ -
Credit Card Payable	$ 13,478	$ 7,211	$ (6,267)
Other Current Liabilities			
Short Term Lease Liability - Copier	$ 3,549	$ 3,565	$ 16
Bonus Accrual	$ 176,178	$ 193,796	$ 17,618
Salaries Accrual	$ 140,237	$ 145,001	$ 4,763
Vacation Accrual	$ 197,710	$ 208,106	$ 10,396
Total Current Liabilities	**$ 28,063,495**	**$ 44,880,901**	**$ 16,817,406**
NON-CURRENT LIABILITIES			
Long Term Lease Liability - Copier	$ 305	$ -	$ (305)
Total Noncurrent Liabilities	**$ 305**	**$ -**	**$ (305)**
Total Liabilities	**$ 28,063,800**	**$ 44,880,901**	**$ 16,817,101**
NET POSITION			
Net investments in Capital Assets	$ 3,006,404	$ 3,011,427	$ 5,023
Restricted by Legislative Authority	$ 300,000	$ 300,000	$ -
Unrestricted	$ 16,799,938	$ 16,794,916	$ (5,023)
YTD Net Revenue	$ 3,286,308	$ 3,483,730	$ 197,422
Total Net Position	**$ 23,392,650**	**$ 23,590,072**	**$ 197,422**
Total Liabilities and Net Position	**$ 51,456,450**	**$ 68,470,973**	**$ 17,014,523**

Community Health Plan OF IMPERIAL VALLEY

Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Summarized Tangible Net Equity Calculation
As of November 2025

	Net Equity	$ 23,590,072
	Add: Subordinated Debt and Accrued Subordinated Interest	$ 0
	Less: Report 1, Column B, Line 27 including: Unsecured Receivables from officers, directors, and affiliates; Intangibles	$ 0
	Tangible Net Equity (TNE)	$ 23,590,072
	Required Tangible Net Equity *	$ 4,780,331
	TNE Excess (Deficiency)	$ 18,809,740

	Full Service Plan		* Calculated Required Tangible Net Equity	
		1	$ 328,033,090	- Q1
A.	Minimum TNE Requirement	$ 1,000,000	$ 328,033,090	- Annualized
B.	REVENUES:			
			$ 150,000,000	
	2% of the first $150 million of		x 2%	
	annualized premium revenues	$ 3,000,000	$ 3,000,000	
	(lines 1, 2, 4, 5, 7, 9 from Income Statement)			
	Plus			
			$ 178,033,090	
	1% of annualized premium revenues		x 1%	
	in excess of $150 million	$ 1,780,331	$ 1,780,331	
	Total	$ 4,780,331	$ 4,780,331	- Required TNE

Community Health Plan of Imperial Valley
November 2025 Cash Transactions

Date	Account	Vendor	Memo/Description	Amount
Chase Checking				
11/03/25	Chase Checking	Division of Family and Medical Leave	Inv Oct2025-- bill.com Check Number: 80306458	$ (426.87)
11/03/25	Chase Checking	Ryan Kelley	Inv OCTOBER2025-- bill.com Check Number: 80307337	(100.00)
11/03/25	Chase Checking	Lee Hindman	Inv OCTOBER2025	(300.00)
11/03/25	Chase Checking	Carlos Ramirez	Inv OCTOBER2025	(300.00)
11/03/25	Chase Checking	Bushra Ahmad	Inv OCTOBER2025	(100.00)
11/03/25	Chase Checking	Allan Wu	Inv OCTBER2025-- bill.com Check Number: 80306176	(100.00)
11/03/25	Chase Checking	Pablo Velez	Inv OCTOBER2025-- bill.com Check Number: 80307638	(100.00)
11/03/25	Chase Checking	PandanAI, Inc.	Inv Oct2025	(4,800.00)
11/05/25	Chase Checking	Imperial Desert Landscape	Inv 25-446	(250.00)
11/05/25	Chase Checking	Inerglo Creative	Inv INV-00655	(3,000.00)
11/05/25	Chase Checking	Law Office of William S. Smerdon	Inv 2846	(2,200.00)
11/06/25	Chase Checking	Imperial Irrigation District	Inv Oct2025-- bill.com Check Number: 80326647	(1,378.92)
11/07/25	Chase Checking	Stericycle, Inc.	Inv 8012335647-- bill.com Check Number: 80336696	(111.69)
11/07/25	Chase Checking	Pillsbury Winthrop Shaw Pittman LLP	Inv 8682625	(2,672.00)
11/07/25	Chase Checking	City of Imperial	Acct 80683 - Inv 1477960-- bill.com Check Number: 80338601	(230.26)
11/07/25	Chase Checking	Blue Shield of California	Blue Shield Insurance	(37,319.78)
11/07/25	Chase Checking	JPMorgan Chase	Dividend Income - October 2025	7,542.06
11/07/25	Chase Checking	JPMorgan Chase	Service Charges Investment Sweep - October 2025	(521.42)
11/07/25	Chase Checking	Local Health Plans of California	Local Health Plans of California Payment	(133,791.65)
11/07/25	Chase Checking	Mid Atlantic Trust Company	Payroll Date: 10/31/25 Retirement Contribution: Employee	(26.00)
11/07/25	Chase Checking	Rippling	Employee Reimbursement - D. Wilson & D. Pasillas	(1,616.76)
11/07/25	Chase Checking	Rippling	People Center	(479.60)
11/07/25	Chase Checking	Rippling	People Center	(354.32)
11/07/25	Chase Checking	Rippling	Employee Reimbursement - J. Hutchins	(532.11)
11/07/25	Chase Checking	Rippling	Payroll Date: 10/31/25 Retirement Contribution	(4,743.92)
11/07/25	Chase Checking	Rippling	Payroll Date: 10/31/25 Retirement Contribution: Employee	(2,692.14)
11/07/25	Chase Checking	UNUM	UNUM Invoice 11/01/25 - 11/30/25	(979.54)
11/10/25	Chase Checking	Republic Services	Inv 0467-001761457	(265.43)
11/10/25	Chase Checking	Junior's Cafe	Inv 13-19025-- bill.com Check Number: 80343092	(497.73)
11/12/25	Chase Checking	Imperial Valley Press	Inv 531571	(625.00)
11/13/25	Chase Checking	Epstein Becker & Green, P.C.	Multiple inv. (details on stub)	(5,939.00)
11/13/25	Chase Checking	Vic's Air Conditioning & Electrical	Multiple invoices (details on stub)-- bill.com Check Number: 80359536	(823.31)
11/13/25	Chase Checking	Great America Financial Services	Inv 40375897	(341.88)
11/13/25	Chase Checking	Brawley Rotary Club	Inv October Statement-- bill.com Check Number: 80361744	(130.00)
11/13/25	Chase Checking	I.V. Termite & Pest Control	Inv 0356570-- bill.com Check Number: 80359547	(120.00)
11/13/25	Chase Checking	Sparkling Clean	Inv November2025	(900.00)
11/13/25	Chase Checking	Imperial Valley Food Bank	Inv CHP1125-- bill.com Check Number: 80359749	(1,800.00)
11/13/25	Chase Checking	Shalom Events Professionals	Inv Invoice 092525-- bill.com Check Number: 80359092	(142.00)
11/13/25	Chase Checking	Wakely consulting Group	Inv 211734 - 0000011	(1,430.00)
11/13/25	Chase Checking	Zamosky Communication	Inv 0000051	(8,356.00)
11/13/25	Chase Checking	Health Management Associates, Inc.	Inv 206100 - 000029R	(2,197.50)
11/14/25	Chase Checking	Jeffrey Scott Agency	Inv Project 23331	(9,382.50)
11/14/25	Chase Checking	Rippling	[Rippling] Employee net pay for check date 11/14/2025	(133,211.55)
11/14/25	Chase Checking	Rippling	[Rippling] Payroll taxes paid via Rippling for check date 11/14/2025	(62,379.27)
11/14/25	Chase Checking	Department of Health Care Services	Receipt - DHCS (October 2025 Revenue)	27,038,080.82
11/14/25	Chase Checking	Department of Health Care Services	Receipt - DHCS (October 2025 Revenue)	832,246.13
11/14/25	Chase Checking	Department of Health Care Services	Receipt - DHCS (October 2025 Revenue)	58,391.26
11/14/25	Chase Checking	JPMorgan Chase	Credit Card Payment	(22,434.76)
11/14/25	Chase Checking	Rippling	Employee Reimbursement - D. Wilson	(501.03)
11/14/25	Chase Checking	Rippling	Employee Reimbursement - D. Wilson	(244.32)
11/17/25	Chase Checking	Rippling	[Rippling] Employee net pay for check date 11/17/2025	(1,067.17)
11/17/25	Chase Checking	Rippling	[Rippling] Payroll taxes paid via Rippling for check date 11/17/2025	(281.04)
11/18/25	Chase Checking	Manifest MedEx	Inv INV-3394	(24,373.00)
11/18/25	Chase Checking	360 Business Products	Inv OE-QT-35380-1-- bill.com Check Number: 80385100	(2,704.80)
11/18/25	Chase Checking	Chapman Consulting LLC	Inv 2243	(13,190.19)
11/19/25	Chase Checking	Epstein Becker & Green, P.C.	Multiple inv. (details on stub)	(2,571.00)
11/20/25	Chase Checking	Oracle America, Inc.	Inv 2310382	(6,818.18)
11/20/25	Chase Checking	AM Copiers Inc.	Inv IN8543	(1,114.49)
11/20/25	Chase Checking	Quench USA	Inv INV09734048	(129.30)
11/21/25	Chase Checking	Pillsbury Winthrop Shaw Pittman LLP	Inv 8686747	(5,594.50)
11/21/25	Chase Checking	Mid Atlantic Trust Company	Payroll Date: 10/31/25 Retirement Contribution:	(6,887.77)
11/21/25	Chase Checking	Mid Atlantic Trust Company	Payroll Date: 11/14/25 Retirement Contribution:	(17,849.96)
11/21/25	Chase Checking	State Compensation Insurance Fund	Workers Compensation Payment	(1,424.41)
11/21/25	Chase Checking	Rippling	Account Analysis Settlement Charge	(165.08)
11/21/25	Chase Checking	Rippling	Employee Reimbursement - Multiple Employees	(1,612.99)

11/21/25	Chase Checking	Department of Health Care Services	Receipt - DHCS (October 2025 Revenue)	27,222.88
11/21/25	Chase Checking	Department of Health Care Services	Receipt - DHCS (October 2025 Revenue)	2,197.24
11/21/25	Chase Checking	Rippling	Employee Reimbursement - J. Hutchins and L. Lewis	(1,790.72)
11/21/25	Chase Checking	JPMorgan Chase	Credit Card Payment	(222.50)
11/28/25	Chase Checking	360 Business Products	Inv OE-QT-35380-2-- bill.com Check Number: 80435232	(616.73)
11/28/25	Chase Checking	Zamosky Communication	Inv 0000053	(1,875.00)
11/28/25	Chase Checking	Economic Group Pension Services	Inv 301161-- bill.com Check Number: 80435482	(1,247.50)
11/28/25	Chase Checking	Rippling	[Rippling] Employee net pay for check date 11/28/2025	(133,302.56)
11/28/25	Chase Checking	Rippling	[Rippling] Payroll taxes paid via Rippling for check date 11/28/2025	(62,648.66)
11/30/25	Chase Checking	Rippling	Employee Reimbursement - D. Pasillas	(88.34)
11/30/25	Chase Checking	Rippling	People Center	(255.00)
11/30/25	Chase Checking	HealthNet	Rental Income - November 2025	1,493.50

JPMorgan Securities

11/30/25	Chase Securities	Health Net	October Health Net Payment	(27,131,026.41)
11/30/25	Chase Securities	JPMorgan Chase	Accrued Investment Income - October 2025	100,375.60
11/30/25	Chase Securities	JPMorgan Chase	Bank Fee - October 2025 (Portfolio)	$ (25.00)

Community Health Plan
OF IMPERIAL VALLEY

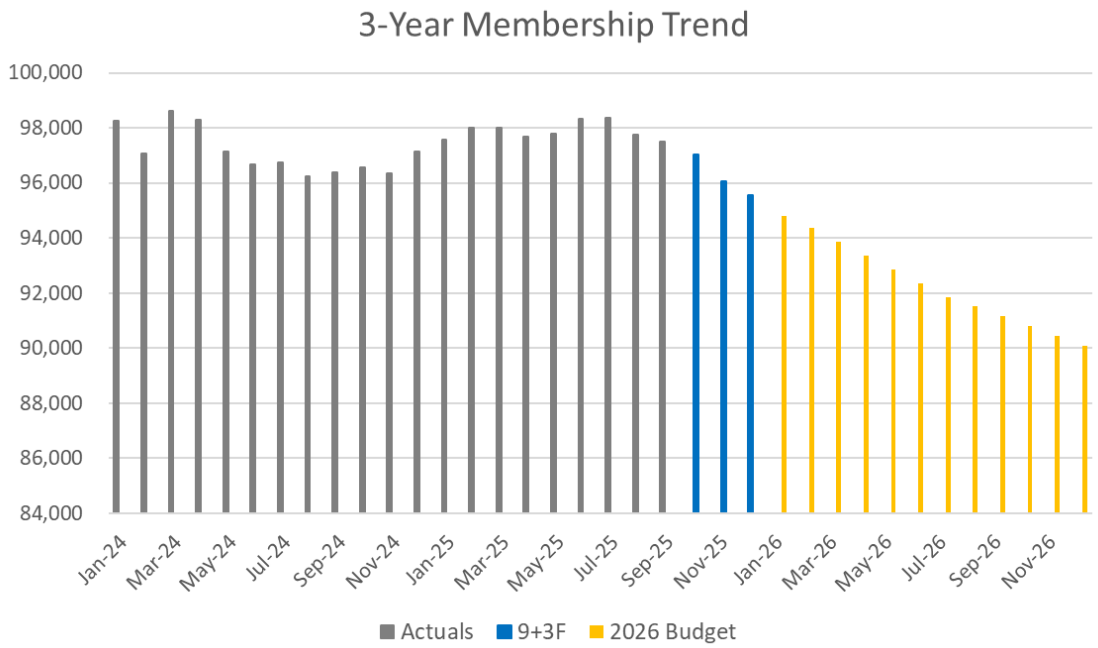
2026 Budget Review

1/8/2026

Key Assumptions

Membership

- Membership was forecasted with a 5.3% erosion in overall member months, consistent with DMHC projections for the county; net gross margin impact: ($593K)
- Medi-Cal December 2026 ending membership: 88.6K (November 2025: 97.5K)
- DSNP membership forecasted to end the year at 1,457, consistent with the Bid
    - DSNP sale slightly front-loaded, with 56% of new enrollments attained in the first half of the year.
    - Distribution channel led by inside sales (76%) vs. brokers (24%)



2026 Ending Membership

	Q1	Q2	Q3	Q4
DSNP Membership	465	822	1,179	1,457

Key Assumptions (Continued)

Gross Margin

- Overall, Gross Margin is forecasted to increase by $0.9M, or 8.5%, from $11.1M to $12.0M.

Medi-Cal

- Medi-Cal rates improved by 5.8% from 2025 to 2026:
  - Base data update (+5.4%): Improvement based on high claim cost between 2023 – 2024 (rating period)
  - Trend (+2.1%): Trend factors were similar to previous years, however, applying trend to a higher jump-off of base cost resulted in increased rate
  - Acuity (-0.6%): Reduction based on post-PHE redeterminations after base period, but notably offset by higher acuity in UIS and Adult rate cells from enrollment freeze
  - ECM (-1.1%): Based on reliance of RDT (vs. clinical assumptions

Medicare (DSNP)

- Revenue and HCC assumptions consistent with Bid assumptions.

2026 Gross Margin Waterfall ($,000)

2025 9+3F - Gross Margin	***$***	***11,096***
Less: Favorable Prior Period Gross Margin	$	(187)
Adjusted 9+3F Gross Margin	***$***	***10,909***
2026 Change - B/(W)		
Gross Margin		
Medicare	*$*	*961*
Medi-Cal Rate Adjustment	*$*	*825*
Medi-Cal Volume	*$*	*(593)*
Community Reinvestment	*$*	*(211)*
Total Medi-Cal Medical Change	*$*	*21*
Investment & Other Income	*$*	*145*
Total Gross Margin Variance	***$***	***1,127***
Total Change	**$**	**940**
2026 Plan - Change in Net Position	**$**	**12,036**

Key Assumptions (Continued)

Selling, General & Administrative Costs

- Overall, Administrative costs are forecasted to increase in 2026 by $3.9M driven by MSO Fees (CHG operations) and annualization of salaries from mid-year 2025 staffing changes.

- FTEs (headcount) were largely held flat between 2025 and 2026. Limited growth was seen in Operations and Healthcare Services for critical roles associated with DSNP; a slight increase was forecasted in Care Management late in 2026 for 2027 enrollment.

2026 SG&A Cost Bridge ($,000)

2025 9+3F - SG&A	**$**	***7,308***
2026 Change - B/(W)		
MSO Fees	$	1,572
Salaries & Wages	$	1,565
Benefits	$	216
Broker Commissions	$	205
Consulting, Legal, & Other Professional	$	218
All Other	$	114
Total Change	**$**	**3,891**
2026 Plan - SG&A	**$**	**11,199**

FTE Bridge

December 2025 9+3F - FTE	***45***
2026 Change - Inc/(Dec)	
Healthcare Services	1
Care Management	2
Operations	1
All Other	-
Total Change	**4**
2026 Plan - SG&A	**49**

2026 P&L (by Product)

($, 000)	Medi-Cal				Medicare (DSNP & SPD Medi-Cal)				Consolidated			
			'25 vs. '26				'25 vs. '26				'25 vs. '26	
	2025 9+3F	2026 Plan	#	% Δ	2025 9+3F	2026 Plan	#	% Δ	2025 9+3F	2026 Plan	#	% Δ
REVENUE												
Medi-Cal Premium	$ 318,844	$ 326,581	$ 7,737	2.4%		$ 4,029	$ 4,029	NA	$ 318,844	$ 330,609	$ 11,765	3.7%
Pass Through	$ 3,682	$ 3,068	$ (614)	-16.7%			$ -		$ 3,682	$ 3,068	$ (614)	-16.7%
Prior Period	$ 11,863		$ (11,863)	-100%			$ -		$ 11,863	$ -	$ (11,863)	-100%
Medicare (Part C & D)			$ -	NA		$ 22,161	$ 22,161	NA	$ -	$ 22,161	$ 22,161	NA
Other Revenue												
Investment/Dividend Income	$ 1,325	$ 1,410	$ 85	6.4%		$ 60	$ 60	NA	$ 1,325	$ 1,470	$ 145	10.9%
Rental and Other	$ 18	$ 18	$ -	0.0%		$ -	$ -	NA	$ 18	$ 18	$ -	0.0%
TOTAL REVENUES	**$ 335,732**	**$ 331,077**	**$ (4,656)**	**-1.4%**	**$ -**	**$ 26,250**	**$ 26,250**	**NA**	**$ 335,732**	**$ 357,326**	**$ 21,594**	**6.4%**
HEALTHCARE COST												
Medi-Cal Capitation	$ 309,279	$ 316,783	$ (7,504)	-2.4%					$ 309,279	$ 316,783	$ (7,504)	-2.4%
Medi-Cal Pass Through	$ 3,682	$ 3,068	$ 614	16.7%					$ 3,682	$ 3,068	$ 614	16.7%
Prior Period	$ 11,676		$ 11,676	100%					$ 11,676	$ -	$ 11,676	100%
Provider Cap & Risk Pool				NA		$ 5,690	$ (5,690)	NA	$ -	$ 5,690	$ (5,690)	NA
FFS Claims				NA		$ 12,933	$ (12,933)	NA	$ -	$ 12,933	$ (12,933)	NA
Pharmacy				NA		$ 6,480	$ (6,480)	NA	$ -	$ 6,480	$ (6,480)	NA
Community Reinvestment		$ 211	$ (211)	NA		$ -	$ -	NA	$ -	$ 211	$ (211)	NA
Reinsurance (Net)				NA		$ 126	$ (126)	NA	$ -	$ 126	$ (126)	NA
TOTAL HEALTH CARE COST	**$ 324,636**	**$ 320,062**	**$ 4,575**	**1.4%**	**$ -**	**$ 25,229**	**$ (25,229)**	**NA**	**$ 324,636**	**$ 345,291**	**$ (20,654)**	**-6.4%**
Gross Margin	**$ 11,096**	**$ 11,015**	**$ (81)**	**-0.7%**	**$ -**	**$ 1,021**	**$ 1,021**	**NA**	**$ 11,096**	**$ 12,036**	**$ 940**	**8.5%**
Selling, General & Administrative (SG&A)												
Labor Costs	$ 2,795	$ 4,913	$ (2,117)	-75.7%	$ 2,283	$ 1,954	$ 329	14.4%	$ 5,078	$ 6,867	$ (1,788)	-35.2%
Management Fees	$ -	$ -	$ -	NA	$ -	$ 1,572	$ (1,572)	NA	$ -	$ 1,572	$ (1,572)	NA
Selling Costs	$ -	$ -	$ -	NA	$ -	$ 205	$ (205)	NA	$ -	$ 205	$ (205)	NA
Contract & Professional Fees	$ 527	$ 899	$ (372)	-70.6%	$ 649	$ 525	$ 123	19.0%	$ 1,176	$ 1,424	$ (249)	-21.1%
Advertising & Marketing	$ 6	$ 11	$ (5)	-79.1%	$ 28	$ 65	$ (37)	-134.8%	$ 34	$ 76	$ (42)	-124.8%
Regulatory Fees	$ 309	$ 286	$ 23	7.3%	$ 0	$ 1	$ (1)	NM	$ 309	$ 287	$ 21	6.9%
Office, Occupancy & Maintenance	$ 81	$ 174	$ (93)	-114.8%	$ 90	$ 36	$ 53	59.5%	$ 171	$ 210	$ (40)	-23.3%
All Other	$ 325	$ 461	$ (137)	-42.0%	$ 216	$ 96	$ 120	55.4%	$ 541	$ 558	$ (17)	-3.1%
TOTAL SG&A	**$ 4,043**	**$ 6,744**	**$ (2,701)**	**-66.8%**	**$ 3,265**	**$ 4,455**	**$ (1,190)**	**-36.4%**	**$ 7,308**	**$ 11,199**	**$ (3,891)**	**-53.2%**
Depreciation/Amortization	$ 113	$ 135	$ (22)	-19.3%	$ 16	$ 1	$ 15	91.9%	$ 129	$ 136	$ (7)	-5.6%
Change in Net Position	**$ 6,940**	**$ 4,136**	**$ (2,804)**	**-40.4%**	**$ (3,281)**	**$ (3,436)**	**$ (155)**	**-4.7%**	**$ 3,659**	**$ 700**	**$ (2,959)**	**-80.9%**
Key Metrics												
Member Months	1,169,598	1,097,133	(72,465)	*-6.2%*		10,439	10,439	*NA*	1,169,598	1,107,572	(62,026)	*-5.3%*
Period Ending Membership	95,566	88,628	(6,938)	*-7.3%*		1,457	1,457	*NA*	95,566	90,085	(5,481)	*-5.7%*
Revenue PMPM	$ 287.05	$ 301.77	$ 14.72	*5.1%*		$ 2,514.59	$ 2,514.59	*NA*	$ 287.05	$ 322.62	$ 35.57	*12.4%*
MLR	*97.1%*	*97.1%*	*-1 bps*			*96.3%*	*NA*		*97.1%*	*97.0%*	*5 bps*	
Admin Ratio	*1.2%*	*2.0%*	*-83 bps*			*17.0%*	*NA*		*2.2%*	*3.1%*	*-96 bps*	
Net Position Ratio	*2.1%*	*1.2%*	*-82 bps*			*-13.1%*	*NA*		*1.1%*	*0.2%*	*-89 bps*	

2026 Administrative Cost Summary (by Department)

($,000)	2025 9+3F	Healthcare Services	Care Mgmt	Compliance	Operations	Member & Provider	Sales & Marketing	Corporate*	2026 Plan	vs. 2026 Inc/(Dec)	% Δ
Salaries & Wages	$ 4,718	$ 111	$ 513	$ 480	$ 56	$ (71)	$ 222	$ 255	$ 6,283	$ 1,565	33.2%
Benefits Expense	$ 341	$ 15	$ 83	$ 43	$ 27	$ 17	$ 20	$ 11	$ 558	$ 216	63.3%
Other Labor Expense	$ 19	$ -	$ -	$ -	$ -	$ -	$ -	$ 7	$ 26	$ 7	35.6%
Total Labor Costs	$ 5,078	$ 126	$ 596	$ 523	$ 83	$ (54)	$ 242	$ 273	$ 6,867	$ 1,788	35.2%
Consulting, Legal, & Other Prof.	$ 743	$ (65)	$ -	$ (31)	$ 88	$ -	$ -	$ 226	$ 961	$ 218	29.4%
Outside Services	$ 433	$ (68)	$ -	$ 38	$ 41	$ -	$ (66)	$ 86	$ 463	$ 30	7.0%
MSO Fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,572	$ 1,572	$ 1,572	NA
Broker Commissions	$ -	$ -	$ -	$ -	$ -	$ -	$ 205	$ -	$ 205	$ 205	NA
Advertising & Marketing	$ 34	$ -	$ -	$ -	$ (0)	$ 12	$ 31	$ (0)	$ 76	$ 42	124.8%
Information Technology	$ 128	$ (3)	$ (30)	$ (11)	$ (6)	$ (0)	$ (2)	$ 9	$ 86	$ (42)	-33.0%
Membership and Subscriptions	$ 129	$ 0	$ (0)	$ -	$ -	$ (0)	$ 2	$ 29	$ 160	$ 31	24.0%
Regulatory Fees	$ 309	$ -	$ -	$ -	$ -	$ -	$ -	$ (21)	$ 287	$ (21)	-6.9%
Travel	$ 121	$ (0)	$ 16	$ 0	$ 7	$ 2	$ 22	$ (1)	$ 168	$ 47	38.7%
Occupancy & Facility	$ 98	$ -	$ -	$ -	$ -	$ -	$ -	$ 37	$ 135	$ 37	37.8%
Office Expense	$ 72	$ 1	$ (3)	$ (6)	$ (1)	$ (5)	$ 7	$ 9	$ 75	$ 3	3.5%
Other Admin	$ 163	$ (0)	$ 4	$ 5	$ (0)	$ 1	$ (3)	$ (25)	$ 144	$ (19)	-11.5%
Total Administrative Expense	**$ 7,308**	**$ (10)**	**$ 584**	**$ 518**	**$ 212**	**$ (45)**	**$ 437**	**$ 2,194**	**$ 11,199**	**$ 3,891**	53.2%
Ratios											
Admin PMPM	$ 6.25								$ 10.42	$ 4.18	66.8%
December 2025 FTE	45	5	9	11	3	3	5	9			
December 2026 FTE		6	11	11	4	3	5	9	49		
Change in FTE		1	2	0	1	0	0	0	4		8.9%

*Corporate includes Executive, Finance, IT, and HR departments

CHPIV 2025 & 2026 Balance Sheet

Balance Sheet	Forecast December 2025	Forecast December 2026
Current Assets		
Cash and Investments	$ 20,107,343	$ 21,108,658
Receivables	$ 27,699,641	$ 27,714,281
Prepaid Expenses	$ 308,137	$ 367,357
Total Current Assets	**$ 48,115,120**	**$ 49,190,295**
Restricted Deposit	$ 300,000	$ 300,000
Property & Equipment, Other	$ 3,000,698	$ 2,892,719
Total Assets	**$ 51,415,818**	**$ 52,383,014**
Capitation & Other AP	$ 27,086,113	$ 27,086,113
Other Current Liabilities		
Employee Accruals	$ 539,916	$ 596,416
Other	$ 3,581	$ 3,773
Total Current Liabilities	**$ 543,497**	**$ 600,189**
Total Liabilities	**$ 27,629,610**	**$ 27,686,302**
Restricted by Legislative Authority	$ 300,000	$ 300,000
Unrestricted	$ 19,806,342	$ 23,486,208
YTD Net Revenue	$ 3,679,866	$ 699,860
Total Net Position	**$ 23,786,208**	**$ 24,486,069**
Total Liabilities and Net Position	**$ 51,415,818**	**$ 52,172,370**

Tangible Net Equity Analysis	December 2025	December 2026
REQUIRED TNE - End Of Period	**$ 4,750,920**	**$ 5,027,704**
TNE - Minimum	$ 1,000,000	$ 1,000,000
TNE - 2 % of Premium (1% > 150M)	$ 4,750,920	$ 5,027,704
TNE - 8 % Health Care (4% Inp)		
TANGIBLE NET EQUITY	**$ 23,786,208**	**$ 24,486,069**
EXCESS TANGIBLE NET EQUITY	$ 19,035,288	$ 19,458,365
PERCENT OF TNE FULFILLED	**501%**	**487%**

Risks & Opportunities (Not included in Plan)

Amount	Risk Level	Description
Risks		
-$150,000	High	Outside Services budgets will continue to be tightly managed; however, unknown factors surrounding DSNP implementation could create pressure to engage outside support (e.g., Risk Adjustment)
-$30,000	Low	Administrative challenges in hiring patterns for internal DSNP support based on anticipated 2026 and 2027 growth
- $180,000	**Total Risk**	
Opportunities		
+/-$50,000	Med	Every 1% of DSNP MLR is worth $25K. Opportunity based on 94.1% final MLR
+/- $100,000	Low	Medi-Cal forecast based on preliminary rates. Every 1% of increase nets CHPIV $100K
$180,000	Med	Prior Period Development realized in 2025; opportunity based on similar trend
$26,000	Med	CHPIV qualifies for exemption of property taxes; applications have been submitted to county but are still pending
$356,000	**Total Opportunity**	

Action Items

	At-Risk Compensation Program	ADM-002
Department	Executive Services	
Functional Area	Administration	
Impacted Delegate	☐ Subcontractor ☒ NA	

DATES			
Policy Effective Date	4/1/2024	**Last Revised Date**	11/4/2025
Next Annual Review Due	10/15/20245	**Regulator Approval**	N/A

APPROVALS		
Internal		**Regulator**
Name	Lawrence E. Lewis	☐ DHCS ☒ NA ☐ DMHC
Title	Chief Executive Officer	

ATTACHMENTS
• Attachment A – 2024 Goals

AUTHORITIES/REFERENCES
NA

HISTORY	
Revision Date	**Description of Revision**
4/1/2024	Policy creation
10/14/2024	Revisions to Payment Process section of Procedure
11/4/2025	Revision to eliminate first year provisions for individual payment timing

I. OVERVIEW

A. The At-Risk Compensation Program is designed to provide compensation on an annual basis for achieving leaders' annual goals. The program is intended to be competitive in the marketplace to retain or recruit staff. The current program is targeted toward the SENIOR DIRECTORS and above. This is a basic At-Risk Compensation Program. Goals will evolve and change annually.

II. POLICY

A. It is the policy of the Commission to develop and annually review an At-Risk Compensation Program annually to remain competitive in the marketplace for SENIOR DIRECTOR positions (7% of base salary) and Division Chief (10% of base salary).

III. PROCEDURE

A. Program Update: The CEO will review and update the At-Risk Compensation Program annually in November in coordination with the Senior Leadership Team.

a. Finance will review the draft plan update so that financial goals are financially feasible
   i. No compensation will be paid until regulatory financial targets are met.
   ii. DHCS, DMHC, or applicable credit agencies requirements must be considered as part of regulatory requirements.
   iii. The plan will consider growth goals needed annually as well as compliance with regulatory requirements.

b. CEO will present updates to the Program for the Commission's consideration in December and no later than January for the next Fiscal Year implementation.

c. The program will consider goals for SENIOR LEADERS' goals.

d. Division Chiefs will establish the goals for their respective SENIOR DIRECTORS, and present to the CEO for approval in January each year.

B. Payment Process for At-Risk Compensation:

a. CFO will review the audited financial statements against the financial goals
   i. Compensation will not be paid until the final audited financial statements are approved by the Commission.
   ii. The CFO will review financial goals and attest that financial goals have been met.

b. Human Resources will review personnel files to assure no one is engaged in a corrective action process.
   i. Employees not working at least 7 months during the fiscal year are not eligible.
   ii. Employees engaged in a performance improvement plan on the payment date are not eligible.

c. CEO will calculate the percentage of the total to be paid SENIOR LEADERS.
   i. SENIOR LEADERS will calculate the percentage of their respective SENIOR DIRECTORS based on their individual and division goals.

d. The Chairperson of the Full Commission and the CEO will review and approve the detailed calculations for each employee to receive At-Risk Compensation.

e. The Request for payments proposed for At-Risk Compensation will be approved by the Finance Committee and the Executive Committee.

IV. DEFINITIONS

Whenever a word or term appears capitalized in this policy and procedure, the reader should refer to the "Definitions" below.

TERM	DEFINITION
Division Chiefs	Direct Reports to CEO (CMO, CFO, CCO, COO

Senior Directors	Leadership Position reporting to Division Chiefs for Finance, Health Services, Compliance, and Operations (Chief of Staff),

Committee Chair Reports

Regulatory Compliance & Oversight Committee Report, Qtr 3

Meeting Date: December 11, 2025, 12:00–1:00 PM

Agenda Items Reviewed:

Notices of Noncompliance

- Health Net: Post-Stabilization Authorization
- Health Net: Undisclosed Physician Provider Groups (PPGs)

Regulatory Audits

- DMHC Routine Survey – Themes
- DHCS Medical Audit – Status and Preliminary Report Response
- DMHC Routine Financial Audit (Upcoming)

Delegation Oversight Audits

- Pre-Delegation Audits of Community Health Group (CHG) and IPAs
- Annual Audit of Health Net

Delegation Oversight Monitoring Program

- Quarter 3 Preliminary Results
- Utilization Management Ongoing Data Validation Issues

Fraud and Abuse

- Q3 Fraud and Abuse Summary and Case Trends

Privacy Incidents

- Q3 Privacy Incident Summary

2025 All Plan Letters

- Annual Compliance Summary

Key Observations:

- CHPIV continued to work towards resolving prior Notices of Noncompliance, completing pre-delegation audits in preparation for D-SNP implementation, and responding to ongoing state regulatory audits.

    - CHPIV reviewed Health Net's corrective action responses related to post-stabilization authorization processes, including retrospective reviews, staff retraining, revised scripts, and the implementation of enhanced monitoring through monthly hospital admission logs.
    - CHPIV is validating Health Net's submissions and incorporating ongoing monitoring into the Delegation Oversight Monitoring Program.
- The Notice of Noncompliance related to undisclosed Participating Provider Groups (PPGs) was formally closed effective November 17, 2025, following Health Net's submission of required documentation, confirmation of membership controls, and implementation of routine monthly PPG reporting.
- CHPIV received the preliminary report for the DHCS Medical Audit covering CY2024. No unexpected findings were identified. CHPIV submitted its response to DHCS on December 8, 2025, indicating areas of agreement, partial agreement, and disagreement. Upon receipt of the Final Report, CHPIV will finalize and submit required corrective action plans in accordance with DHCS timelines.
- The DMHC Routine Survey identified themes related to delegation oversight clarity, post-stabilization processes, and downstream oversight. DMHC acknowledged CHPIV's progress during its first year of implementing an enhanced Delegation Oversight Monitoring Program, including expanded audit resources and completion of the annual audit of Health Net.
- Pre-delegation audits for D-SNP readiness continued across CHG and multiple IPAs. CHPIV issued the final pre-delegation audit report for CHG, with an improved overall score of 75%.
- The Delegation Oversight Monitoring Program identified ongoing data validation challenges with Health Net's UM authorization logs. CHPIV issued corrective actions and continues to work with Health Net to remediate reporting deficiencies.

Actions Taken:

- Approval of Quarter 3 RCOC meeting minutes
- Approval of new and updated Policies & Procedures, including significant updates to support D-SNP readiness, delegation oversight standardization, and revised regulatory requirements

Policies & Procedures Approved

Policy Name	Department	Functional Area	Summary of Changes
CMP-002	Compliance	Delegation Oversight	Updated audit compliance thresholds and scope
CMP-003	Compliance	Corrective Action Plans	Revised CAP submission timelines
CMP-007	Compliance	Noncompliance Escalation	Updated to align with D-SNP requirements
UM-001 – UM-007	Health Services	Utilization Management	Updates to incorporate D-SNP requirements and revised procedures
GA-001 – GA-003	Health Services	Grievances & Appeals	Updates to align with D-SNP and regulatory changes
CM-001 – CM-014	Health Services	Care Management	New and updated policies supporting D-SNP Model of Care
CLM-001	Operations	Claims & PDR	Updated to comply with 42 CFR § 422.633(f)
SR-001 – SR-005	Operations	Sales	New D-SNP sales and marketing policies
HR-011	Human Resources	Retirement Plan	New policy

Committee Report

Summary of committee meetings by commissioner chairs

Community Advisory Committee Report

Meeting Date: December 9, 2025

Agenda Items Reviewed

- Imperial Community Health Assessment (CHA) and Community Health Improvement Plan (CHIP)
- Population Needs Assessment
- Community Connect
- Cultural Competency Training
- Imperial Count Area Agency on Aging, Karla Flores, Long Tem Care Ombudsman

Key Observations

- Six (6) of the twenty participants identified Behavioral Health as an area where they or someone they know has been affected by service disparities. Members expressed concern about limited access to behavioral health services, particularly for children.
- Members expressed ongoing concerns regarding the authorization and referral process. They noted delays and inefficiencies, stating this remains a significant issue affecting timely access to care.
- Members reported continued challenges with health literacy, particularly in provider offices that use advanced or technical language in written communications. Members noted that some individuals have an elementary-level education, which creates barriers to understanding care instructions and contributes to care gaps.

Actions Taken

- Review and approve CAC meeting minutes from Q3

Recommendations

- Members identified **Healthy and Safe Living** as a priority topic for future CAC meetings.
- Members requested increased health education through CHPIV's social media platforms.

- Members indicated their preferred methods of communication are phone and text. They emphasized that these methods are more accessible and timelier for receiving updates on appointments, referrals, authorizations, and health education.
- Members indicated a need for additional information and resources related to behavioral health services for children with autism spectrum disorder in the Imperial Valley.

Information Items

Compliance Report

Period Covered: December 2025

This report summarizes key compliance and oversight activities conducted during December 2025. Key activities included submission of CHPIV's response to the DHCS Medical Audit preliminary findings, completion of multiple pre-delegation audits to assess D-SNP readiness, and finalization of the annual Health Net audit.

Highlights

- Regulatory Audits
  - DHCS Medical Audit
    - Pending Final Report
- Delegation Oversight
  - Pre-Delegation D-SNP Audits
    - Completed policy/operational reviews across CHG and five IPAs; finalized CHG audit with improved P&P scoring.
  - Annual Audit of Health Net
    - Final Report was sent to Health Net on 12/26/25.

Regulatory Audits

DHCS Medical Audit

CHPIV submitted our response to the preliminary findings and met with DHCS leadership on December 23 to discuss our partial agreements and disagreements. DHCS is currently reviewing our responses and revising the preliminary report prior to issuing a Final Report. When we receive the Final Report, we will be required to formally develop and submit a Corrective Action Plan (CAP) to DHCS addressing each cited deficiency, including corrective actions, responsible parties, and implementation timelines. DHCS will review and approve the CAP and may require ongoing status updates and validation of corrective actions to ensure ongoing compliance.

Delegation Oversight

Pre-Delegation Audits

Pre-delegation audits are designed to validate D-SNP readiness and strengthen risk mitigation across delegated functions. CHPIV's audit tools are aligned with CMS and State requirements to ensure full compliance by January 1, 2026. The current status of each audit is summarized below.

1. **Community Health Group (CHG):** CHG is currently developing corrective action plans in response to the Final Report.
2. **Community Care IPA – *Management Service Organization (MSO) MedPoint Management* CCIPA:** On **December 18, 2025**, CCIPA submitted their response to the draft audit results. The **Final Report** was issued on **December 31, 2025**, and reflects a significant improvement in compliance, increasing from **58% to 89%** following policy updates and submission of outstanding documentation. While progress is notable, a **Corrective Action Plan (CAP)** has been issued for case file review findings. CCIPA is fully aware of the corrective actions required and has committed to addressing outstanding deficiencies. Continued oversight will be essential to ensure timely remediation and sustained compliance.
3. **Imperial County Physicians Medical Group (ICPMG) – *MSO MedPoint Management*:** On **December 18, 2025**, ICPMG submitted their response to the draft audit results. The **Final Report** was issued on **December 31, 2025**, and reflects a significant improvement in compliance, increasing from **58% to 89%** following policy updates and submission of outstanding documentation. While progress is notable, a **Corrective Action Plan (CAP)** has been issued for case file review findings. CCIPA is fully aware of the corrective actions required and has committed to addressing outstanding deficiencies. Continued oversight will be essential to ensure timely remediation and sustained compliance.
4. **Premier Patient Care:** On **December 18, 2025**, ICPMG submitted their response to the draft audit results, and the **Final Report** was issued on **December 31, 2025**, showing significant improvement from **48% to 86%**. While the organization made strong progress in policy alignment and operational controls, gaps remain in areas such as Claims and Provider Dispute Resolution, primarily related to transparency and consistency. ICPMG has been informed of these deficiencies and is expected to respond with corrective actions to close remaining gaps. Continued oversight will be essential to ensure timely remediation and sustained compliance.
5. **Primary Health Care Medical Group IPA (PHCMG) – MSO Med MGR**: On **December 18, 2025**, CHPIV met with PHCMG to review draft audit results and discuss their response. The **Final Report was issued on December 31, 2025**, and remains unchanged following the delegate's review. Current compliance stands at **57%**, indicating significant gaps across core requirements. While PHCMG has initiated policy updates, these efforts are incomplete and must be accelerated to align with 2026 regulatory standards. The delegate is fully aware of the corrective actions required and has committed to addressing outstanding deficiencies. Continued monitoring will be essential to ensure timely remediation and readiness for full compliance.

Annual Audit of Health Net

The **Final Report**, issued on **December 26, 2025**, reflects a significant improvement in compliance following the policy review process. Overall compliance increased from **65% in the**

draft review to 98% in the final assessment, confirming strong policy and procedure adherence to regulatory and contractual requirements.

A Corrective Action Plan (CAP) was issued for case file review findings, which include gaps in clinical documentation, member communication clarity, and care coordination. Health Net is aware of these requirements/deficiencies and targeted remediation is underway to close remaining gaps.

Delegation Oversight Annual Audit of Health Net

Final Report

December 2025

Introduction

We would like to extend our appreciation to Health Net leadership and staff for their collaboration and effort throughout this first annual delegation oversight audit. Since go-live on January 1, 2024, CHPIV has conducted ongoing monitoring of Health Net's delegated Medi-Cal operations to ensure compliance and member protection. This audit represents the first full-scope annual review of all delegated functions—providing a comprehensive assessment of Health Net's policies, procedures, and operational practices across delegated functions.

The purpose of this report is to summarize the results of the audit, highlight areas of strength, and identify opportunities for improvement to enhance regulatory alignment and operational effectiveness. By addressing the findings and recommendations outlined in this report, CHPIV and Health Net can continue strengthening their partnership, ensuring program integrity, and advancing their shared commitment to delivering high-quality, timely, and coordinated care to our members.

Background

In 2021, the Department of Health Care Services (DHCS) approved Imperial County's transition to a single-plan model for Medi-Cal managed care. In 2022, the County initiated the process to obtain a Knox-Keene License (KKL) to serve Medi-Cal members, leading to the establishment of the Community Health Plan of Imperial Valley (CHPIV) as the County's Local Initiative health plan. To support implementation and ensure continuity of care for Imperial County Medi-Cal members, CHPIV entered into a Plan-to-Plan subcontract agreement with Health Net, effective January 1, 2024. Under this arrangement, Health Net serves as CHPIV's primary administrative subcontractor ("Delegate"), performing core operational functions on CHPIV's behalf.

Audit Scope & Methodology

The Delegation Oversight Annual Audit was designed to assess Health Net's ability to perform critical delegated functions. The audit was conducted using audit tools developed by Community Health Plan of Imperial Valley (CHPIV) that align with requirements from the Department of Health Care Services (DHCS), the Department of Managed Health Care (DMHC), the National Committee for Quality Assurance (NCQA), and applicable state and federal regulations. The tools integrate criteria from DHCS Medi-Cal Managed Care contract requirements and Technical Assistance Guides (TAGs), DMHC Routine Survey TAGs, and relevant California Code of Regulations (CCR) and Code of Federal Regulations (CFR) citations governing delegated Medi-Cal Managed Care functions.

The audit consisted of two components:

1. **Document Review:** CHPIV reviewed Health Net's submitted documentation—including policies, procedures, programs, workflows, monitoring tools, reports, and other supporting materials. Each document was evaluated against the applicable DHCS, DMHC, and federal requirements to determine whether Health Net's framework sufficiently demonstrates compliance with Medi-Cal delegation standards and regulatory expectations.
2. **Sample Case File Review**: CHPIV conducted a case file review for a sample of records under Utilization Management, Claims, Grievances and Appeals, and Credentialing to validate operational practices align with documented procedures. Each file was reviewed for completeness, accuracy, timeliness, and compliance with DHCS, DMHC, and federal requirements.

Audit results were categorized as follows:

- **Met** – Requirement was fully addressed and supported by sufficient documentation or evidence.
- **Partially Met** – Requirement was addressed in part but requires additional documentation or refinement to achieve full compliance.
- **Not Met** – Requirement was not addressed or lacked sufficient supporting evidence.

Findings from both the document review and case file review were used to assess Health Net's overall compliance with Medi-Cal regulatory and contractual requirements.

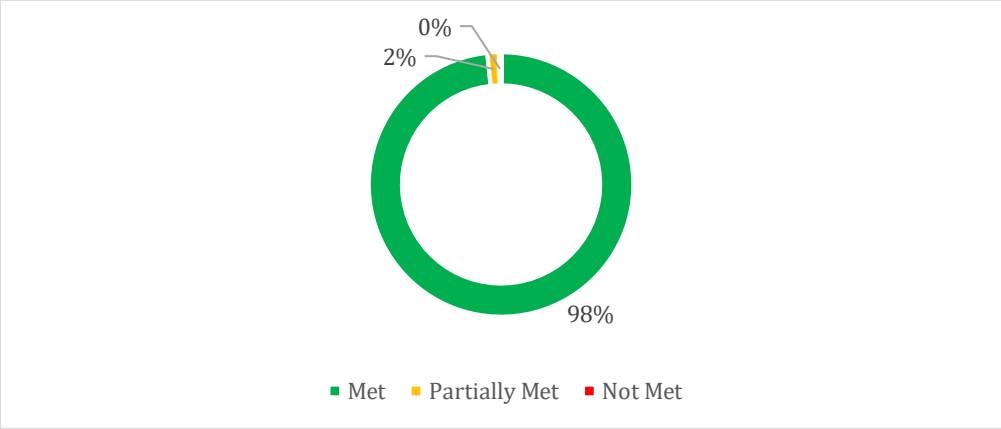
Audit Areas

- Access To Emergency Services And Payment
- Administrative and Organization Capacity
- Access and Availability
- Enhanced Care Management
- Case Management and Coordination of Care
- Continuity of Care
- Claims Management and Processing
- Continuity Of Care
- Credentialing and Recredentialing
- Grievances And Appeals
- Exempt Grievances
- Health Equity
- Member Experience
- Member's Rights
- Member Services

- Network Management
- Population Health Management
- Prescription Drug Coverage
- Quality – *Quality Assurance, Quality Improvement, Quality Management, Potential Quality Issues*
- Utilization Management
- Encounters
- Provider Dispute Resolution
- Initial Health Assessments
- California Children's Services
- Delegation Oversight

Executive Summary

Document Review

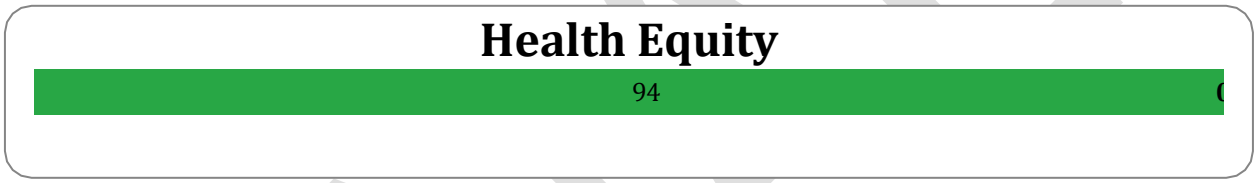


The final document review of Health Net's policies and procedures resulted in an overall compliance score of **98%**, confirming strong adherence to regulatory and contractual requirements. This marks a significant improvement from the initial draft review, which scored 65% due to delayed and incomplete document submissions. With the receipt of outstanding materials, CHPIV was able to validate compliance elements accurately, leading to a high proportion of "Met" findings across all functional areas. Minor gaps were observed in Claims, Network Management, and Population Health Management, representing opportunities for targeted process enhancements rather than systemic deficiencies. Overall, the review demonstrates that Health Net's compliance framework and delegated functions are effectively implemented, emphasizing the critical importance of timely and comprehensive document submissions to maintain accurate assessments and ongoing regulatory compliance.

Case File Review

Overall, core compliance functions like claims and grievance acknowledgments are strong, but the audit exposed critical gaps in clinical documentation, member communication clarity, encounter reporting, and care coordination. Areas like Initial Health Assessments, Continuity of Care peer reviews, and delegation oversight need immediate remediation. While operational controls are solid, we must tighten processes to ensure full regulatory alignment and improve member experience

I. Audit Results: Document Review



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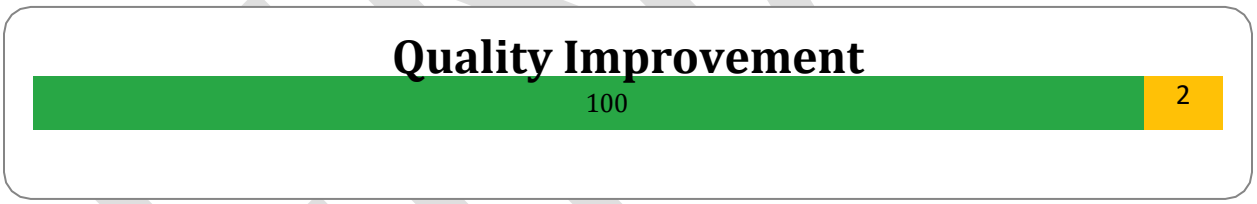

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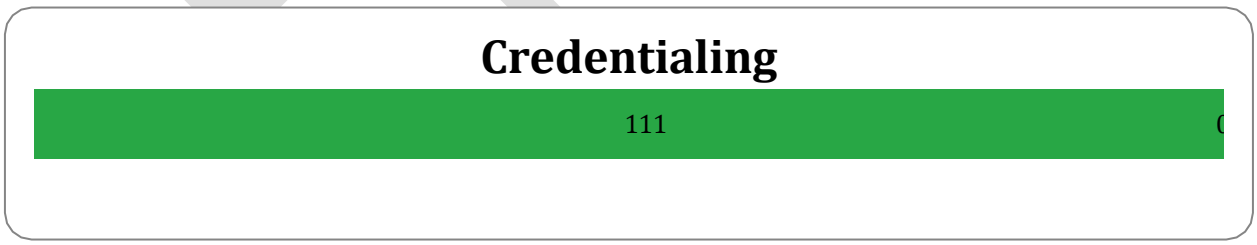

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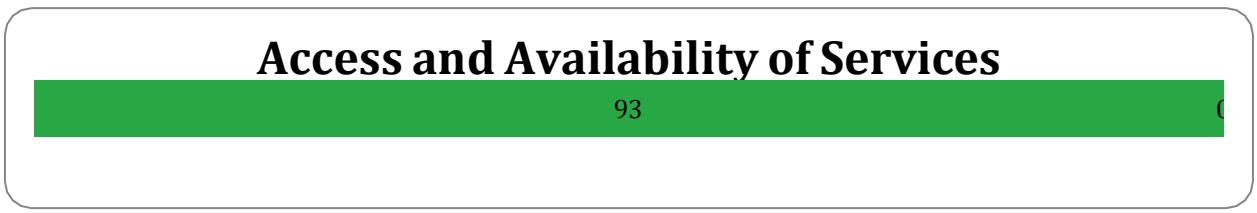

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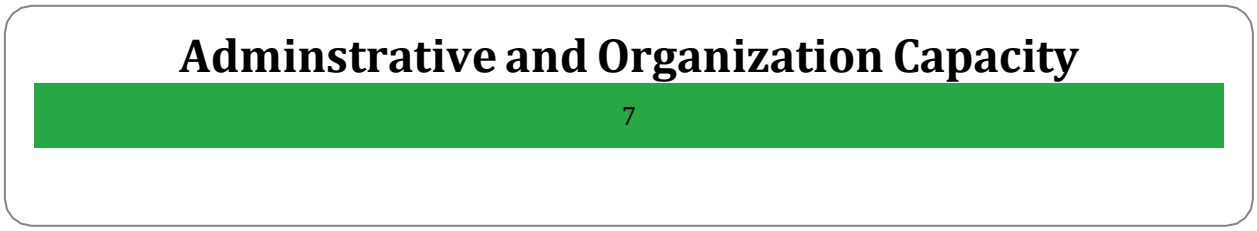

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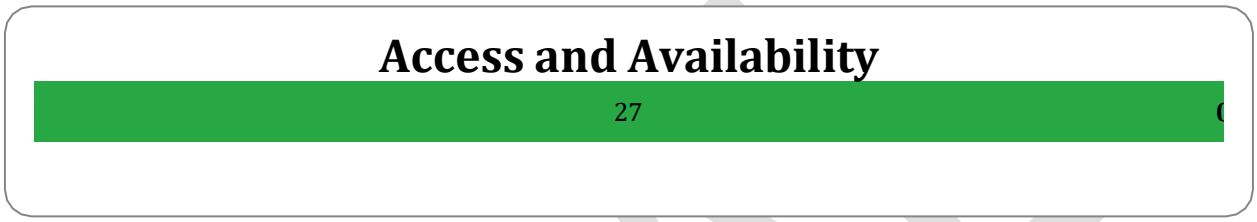

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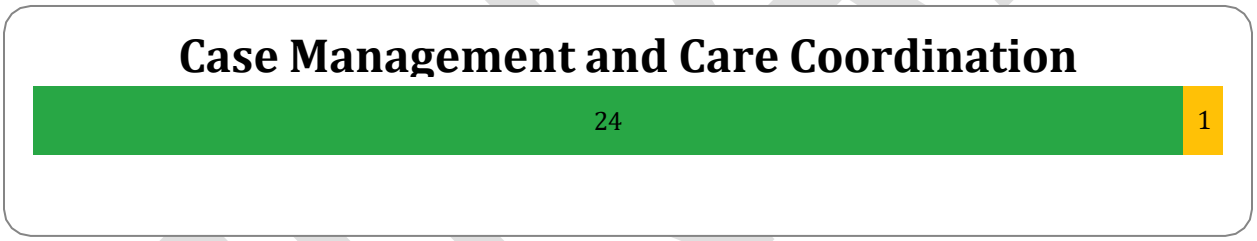

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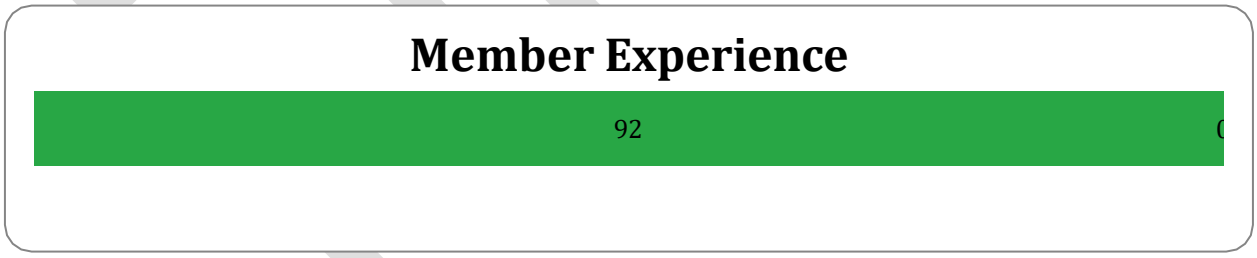

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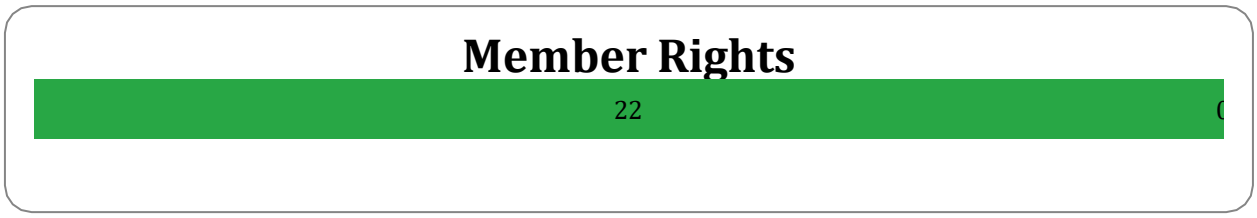
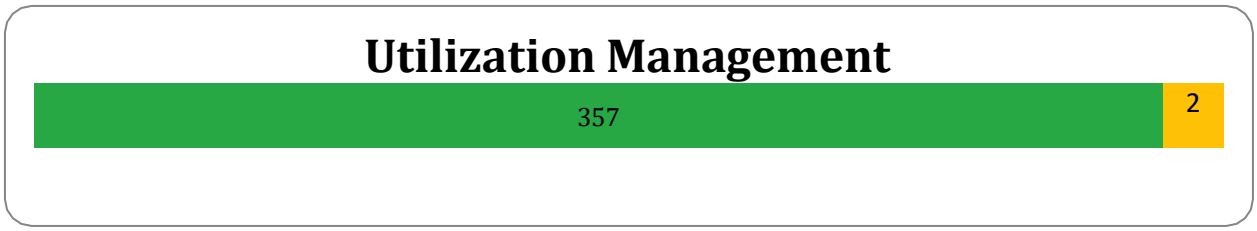


No Findings



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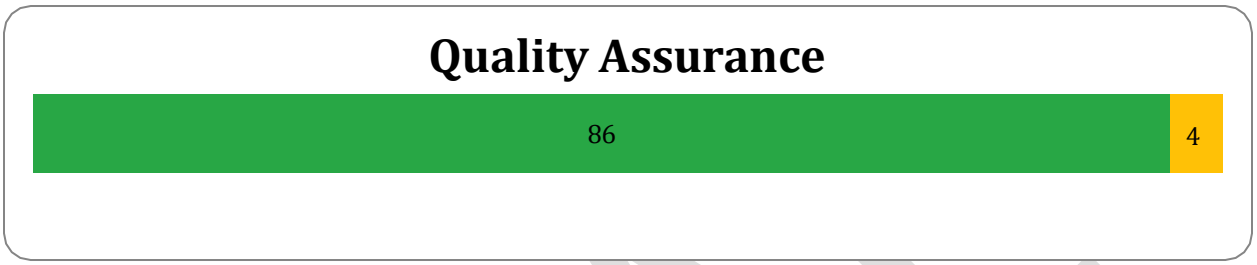

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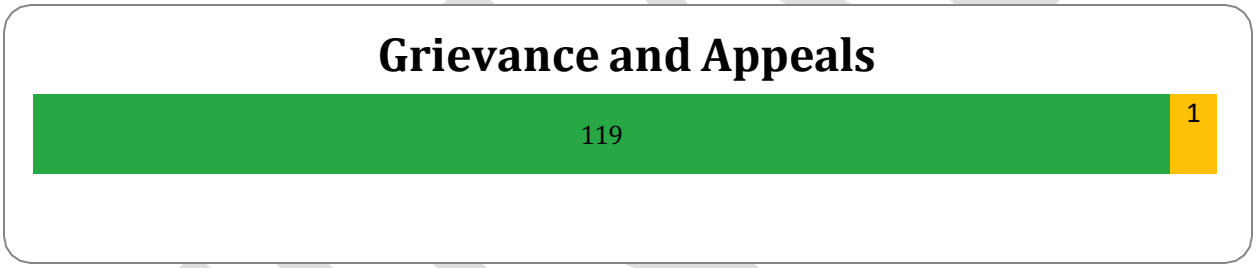

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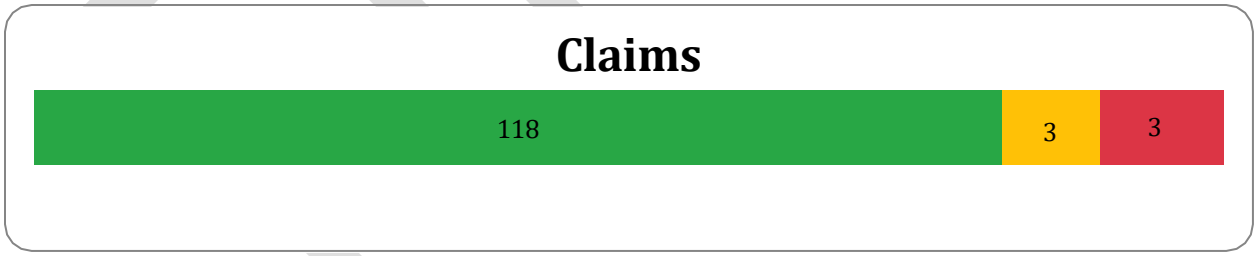

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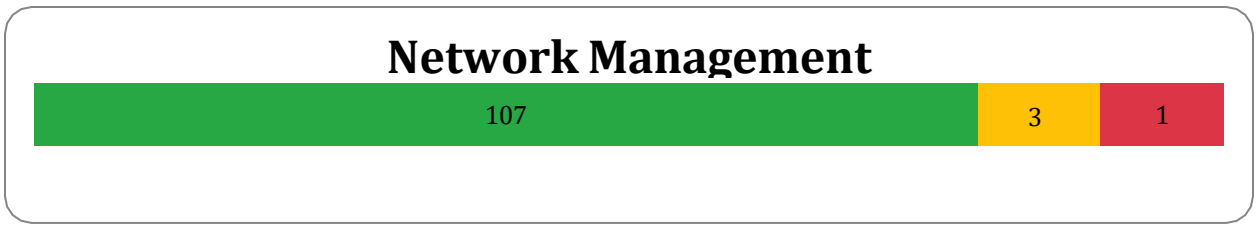

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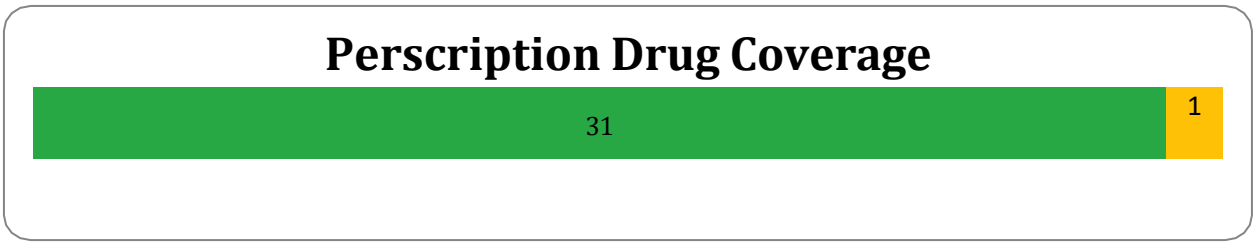

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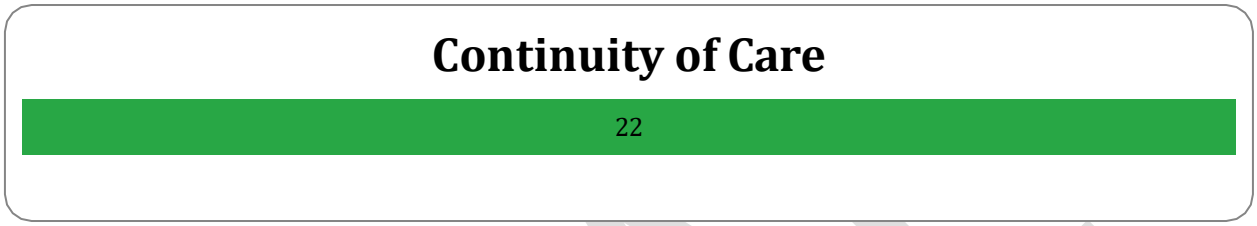

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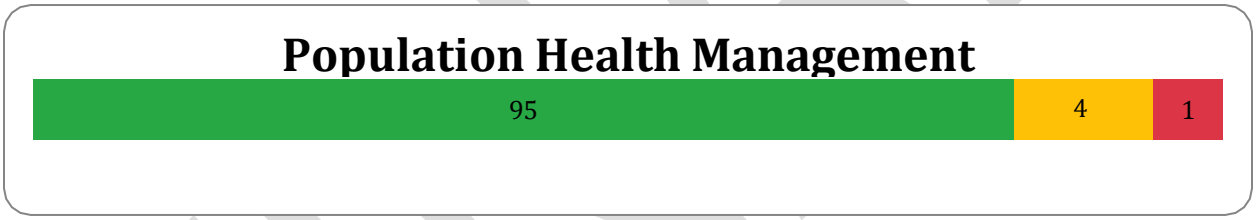

No Findings

II. Audit Results: Case File Review

1. **Utilization Management –** Medical: The final file review for Utilization Management yielded an overall compliance score of 78%, indicating partial alignment with regulatory and contractual requirements. While several elements demonstrated strong compliance—such as reviewer specialty appropriateness (100%), approval letter content and compliance (100%), and correct denial/modification letter issuance (100%)—other areas revealed notable gaps. Specifically, peer-level reviewer accessibility scored 57%, and denial letter clarity and readability were significantly deficient, with scores as low as 23% for plain language and 27% for concise language. Decision and notification timeliness performed well at 93%, but denial letters lacked consistent inclusion of specific reasons and member condition alignment, scoring 48% and 42%, respectively. These findings highlight opportunities for improvement in communication standards, readability, and accessibility to ensure compliance with DMHC requirements. Overall, while core processes for

approvals and timeliness are strong, enhancements in denial documentation and peer-to-peer accessibility are critical for achieving full compliance.

2. **Potential Quality Issues**: No Findings

3. **Member Services:** The final compliance review for Member Services demonstrated strong overall performance, with most categories achieving 100% compliance, including member identification, language preference documentation, HIPAA verification, and call resolution. However, one notable finding was identified under Call Handling, Resolution & Escalation, where compliance scored 90% due to a gap in case management referrals. Specifically, while calls were generally handled effectively and resolved promptly, only 25% of applicable cases were referred to Case Management to ensure continuity of care. This represents an opportunity for improvement in closing the loop on member needs beyond the initial interaction. Overall, the review confirms that Member Services maintains high standards in call handling and member communication, with targeted enhancements needed in escalation and referral processes.
4. **Exempt Grievances:** No Findings
5. **Appeals:** The final compliance review for Appeals resulted in an overall performance score of 86% for acknowledgment letters, 81% for resolution, and 93% for closing the loop, indicating strong adherence in several areas but highlighting opportunities for improvement in others. Acknowledgment letters were generally compliant, with timely issuance (93%) and inclusion of correct plan and DMHC contact information (100%). However, gaps were noted in the presence of required attachments such as "Your Rights," State Fair Hearing forms, and IMR forms, as well as tagline compliance (21%). Resolution letters met timeliness requirements in most cases (67%) and consistently used correct templates (100%), but deficiencies were observed in clarity, conciseness, and inclusion of key regulatory language, with scores ranging from 60% to 80%. Closing the loop scored well at 93%, confirming that most cases were fully resolved and documented appropriately. Overall, while core processes for acknowledgment and closure are strong, improvements are needed in resolution letter content and inclusion of mandatory attachments to ensure full compliance with DMHC standards.
6. **Grievance:** The final compliance review for Grievances demonstrated strong performance in acknowledgment processes, achieving **100% compliance** across all required elements, including timely issuance, correct DMHC contact details, IMR language, State Fair Hearing information, and use of the correct template. However, the **resolution process scored 77%**, reflecting gaps in readability and clarity. While

timeliness was met in most cases (93%), and regulatory language such as IMR and appeal rights were consistently included (100%), letters failed to meet readability standards, with **0% compliance for 6th-grade reading level and clear, concise language**. Readability scores averaged between **8.8 and 12.23**, exceeding recommended thresholds. These findings indicate that while procedural compliance is strong, significant improvements are needed in member-facing communication to ensure accessibility and understanding. Overall, the grievance process meets regulatory requirements but requires focused efforts on plain language and readability enhancements.

7. **Continuity of Care:** The final CoC review reflects a split performance: Peer-to-Peer Review scored 25%, indicating substantial gaps in clinical reviewer alignment and accessibility, while CoC Processing & Notifications scored 93%, demonstrating strong adherence to member protections and continuity requirements. Within the Peer-to-Peer Review, reviewer specialty appropriateness was 20% (1/5), peer-level alignment to the ordering provider was 0% (0/5), reviewer name provided was 0% (0/4), and direct peer-to-peer numbers were available in 80% (4/5) of applicable cases—highlighting the need to formalize reviewer credentials, identification, and contact pathways. By contrast, CoC operational elements performed well: members were consistently offered continuity with out-of-network providers and pre-existing relationship definitions were applied (100%; 29/29 each), prior treatment authorizations were honored (100%; 18/18), quality-of-care basis for denial was documented when applicable (100%), grievance rights were communicated (100%; 4/4), and 30-day transition notices before CoC end were issued (96%; 22/23). Timeliness remains the key opportunity: CoC processing timeframes met standards in 83% (25/30) of cases and member notification timeliness was 67% (20/30), with retroactive CoC not applicable. Overall, the program shows strong member-rights and continuity controls, with targeted remediation needed in peer-to-peer reviewer qualifications, identification, and notification timeliness to achieve full compliance.
8.
9. **Encounters:** The final compliance review for Encounters indicates mixed performance, with 82% compliance in Claims & Encounter Reconciliation and 94% in Encounter Accuracy (medical record review); however, Encounter Reporting Accuracy & Timeliness could not be assessed (N/A) due to the absence of submission and acceptance data. Core reconciliation controls were strong for member identifiers, dates of service, NPI activity/credentialing, ICD coding, and modifier use (each 100%), but gaps were observed in place-of-service, CPT/HCPCS alignment, and adjudication status matching (each 80%). A critical deficiency was

identified in end-to-end reconciliation—0% compliance for "all adjudicated claims have corresponding encounters," suggesting missing or unlinked encounters, including $0 transactions. Medical record review confirmed excellent documentation completeness across most elements (e.g., allergies, chief complaint, HPI, procedures, medications, POS, signature, timeliness at 100%), yet rendering provider alignment to the encounter NPI was limited (40%) and diagnoses documentation supporting billed ICD codes scored 80%. Auditor notes consistently cited documentation mismatches to the sampled claim IDs and, in some cases, missing records (e.g., surgical/observation notes), which constrained full validation. Overall, the review reflects partial alignment with encounter compliance expectations, with targeted improvements required in (1) encounter generation and linkage for all adjudicated claims, (2) provider attribution accuracy (rendering NPI), and (3) production of DHCS submission/acceptance artifacts and rejection logs to enable timeliness and accuracy verification.

10. **Credentialing:** No findings
11. **Claims:** The final compliance review for Claims demonstrated near-perfect performance, achieving 100% compliance across all major categories, including Claims Timeliness, Payment Accuracy, Interest Payment Requirements, Prop 56 Supplemental Payments, and Balance Billing protections. All sampled claims met statutory and contractual requirements for timely adjudication under Health and Safety Code §1300.71 and APL 23-020, accurate payment per Medi-Cal fee schedules, and interest calculation standards. Additionally, supplemental payments under Prop 56 were correctly applied, and no instances of member balance billing were identified. The only noted deficiency was in Claims Forwarding Timeliness for misdirected claims, which scored 0% due to missing documentation confirming compliance with forwarding requirements. Auditor notes indicate that clarification on receipt and forwarding dates is needed, and review of claims timeliness reports may support compliance verification. Overall, the claims process reflects strong operational controls and adherence to regulatory standards, with a single improvement opportunity related to misdirected claim handling and documentation.
12. **Provider Dispute Resolution:** No Findings
13. **Initial Health Assessment:** The final IHA compliance review indicates significant gaps in both completion and timeliness. Overall IHA Component Completion scored 16%, driven by low rates across required screenings: Physical exam completion 40%, Behavioral Health (BH) 0%, Social Determinants of Health (SDoH) 0%, and Intimate Partner Violence (IPV) 25%. IHA Timeliness scored 25%, reflecting limited adherence to the DHCS requirement to complete screenings and the final IHA within 120 days of enrollment. These results point to inconsistent capture and documentation of

mandatory IHA elements and delays in scheduling or recording the IHA, which constrained compliance validation. Overall, while some physical exams were completed, the absence of BH and SDoH screenings and the low IPV completion rate signal the need for immediate remediation in workflows, outreach, and documentation practices to achieve full compliance.

14. **California Children's Services:** The CCS compliance review revealed moderate performance in processing and timeliness, scoring 63%, while system documentation and coordination elements lagged significantly at 42% and 13%, respectively. Strengths included timely identification of CCS cases (75%) and consistent submission to CCS (100%), confirming that initial steps are generally executed correctly. However, critical gaps were observed in linking authorizations to CCS (25%) and issuing Notices of Action (NOA) when required (50%). System flagging was fully compliant (100%), but follow-up actions were not documented (0%), and outcome documentation was limited (25%). Care coordination was notably absent (0%), and staff notes were accurate in only 25% of cases, signaling deficiencies in continuity and communication. Overall, while CCS identification and referral processes are strong, improvements are urgently needed in authorization linkage, NOA issuance, documentation of follow-up actions, and care coordination to ensure comprehensive compliance and member support.
15. **Enhanced Care Management/CM:** This audit is considered inconclusive because, during the draft response, we received notification that the charts provided were basic case management records, not Complex Care Management (CCM) or Enhanced Care Management (ECM) records. The universe submitted for review did not represent ECM or CCM cases. As a result, a focused audit will be conducted to ensure compliance.
16. **Delegation Oversight:** The review covered eight subdelegates with varying scopes—Centene Management Company (Claims, UM, BH/SUD, HRA, Pharmacy), Community Care IPA/MSO MedPoint (Claims, UM, Credentialing), TurningPoint (UM), Evolent/NIA (UM, Credentialing), ASH (UM, Credentialing, Call Center, Claims), ModivCare (Transportation, Claims, Exempt Grievance, Credentialing, Call Center), Grow Health (Credentialing), and MindPath (Credentialing). Overall, the **Delegation Program** scored **75%**, reflecting strong fundamentals—**written sub delegation agreements (100%)** and an **active program review process (100%)**—but notable gaps in **system security controls and audit access (38%)** and **annual compliance training evidence (63%)**. **Claims Oversight** was a strength at **100%** (timeliness, annual audits, and program validation met for all applicable delegates). **UM/Pharmacy/BH Oversight** was mixed at **49%**: program description, work plan, and decision timeliness were consistently met (**100%**), while **annual UM program**

evaluation (80%), **IRR (80%)**, and **org charts (80%)** were uneven, and file-level validation (**40%**), use of board-certified consultants (**40%**), annual training (**20%**), conflict-of-interest attestations (**20%**), and CA license verification (**60%**) showed control weaknesses. **Credentialing Oversight** scored **53%**, with **annual audits (100%)** in place but inconsistent **committee structure (40%)** and **committee minutes/activities (20%)** across delegates. **Transportation/Exempt Grievance oversight** was low at **20%** overall, despite passing items (e.g., program/file audit **100%**)—driven by gaps in **A&G coordination** and timeliness evidence. **Call Center (Member Services) oversight** scored **33%**, reflecting strong **annual evaluation and file audits (100%)** and **timeliness (80%)**, but limited breadth and documentation across the sample. In sum, claims controls and core delegation artifacts are sound, while **security/privacy controls, training and attestations, UM file validation, credentialing governance, and transportation/A&G coordination** require targeted remediation and standardized evidence capture to achieve full compliance across all subdelegates.

Next Steps

Step	Description	Target Date
1. CHPIV Issues Final Report to CHG	Incorporate additional documentation and clarifications. Share final report with Health Net leadership and functional area leads.	12/26/2025
2. Health Net Drafts Corrective Action Plan (CAP)	Develop CAP with remediation steps, responsible owners, and timelines aligned to CMS/DHCS standards.	1/18/2026
3. CHPIV Reviews and Approves CAP.		TBD
4. CHPIV Performs CAP Validation Pre Go-Live.		TBD

Information Items

Operations report for review

Operations Report

Period Covered: December 2025

Highlights

- Community Advantage Plus Implementation
  - All critical path items required for D-SNP implementation are complete.
    - A number of provider, IPA and hospital contracts are not yet fully executed. We have binding letters of agreement (LOAs) in place with these organizations, so member care and claim processing will not be impacted.
  - We have a go-live command center that monitors member and provider calls, grievances, and pharmacy rejections daily. We look at enrollments, call statistics, and continuity of care requests weekly.
- Communications
  - Ribbon Cutting event for Community Advantage Plus on Jan 7
  - Next Community Connections newsletter will be issued the week of Jan 19.

Key Metrics

Status	Category	Goal	Prior Month Performance
	Direct Provider Network	100% of direct provider contracts are signed by 1/1	• 100% of direct network providers have executed Letters of Agreement (LOA) and have been cleared by credentialing; • 55% of provider contracts are fully executed.
	Member Engagement	20 outbound member calls per month	20, NPS = 85% [NPS = Net Promoter Score]
	Enrollment	417 new enrollments between 10/15 and 12/31	215 CMS approved enrollments, effective Jan 1
	Non-Specialty Mental Health	Increase # of members receiving care for depression & anxiety by	175 members treated for depression or anxiety in Oct. No updated data since then.

Status	Category	Goal	Prior Month Performance
		10% from 327 in 2024 to 360 in 2025	

- **Direct Provider Network:** While 100% of providers are pre-credentialing cleared and can see patients as part of the Community Advantage Plus network, these providers will not appear in the Provider Director until they pass full credentialing and are approved by the CHPIV credentialing committee.
    - **LOA Status:** All but eight (8) Imperial County providers have executed Letters of Agreement: Affue (Urology), Stillson (Internal Med), Sweet (Gastroenterology), Suliman (Gastroenterology), Behr (Orthopedic Surgeon), Ghorbani (Podiatrist), Ceja (Family Med), Soun (General Practice), Legacy MD
    - **Full Contract Execution:** 36 of 66 direct provider contracts are fully executed; remaining contracts are pending final signature and processing.
- **Net Promoter Score:** 17 members (85%) are Promoters, including 13 who scored 10 and reported no issues, and 4 who scored 9, with 2 mentioning delays in receiving ID cards and 2 citing referral delays. Three members (15%) are Neutral; one noted difficulty obtaining referral updates for medicines, another suggested improvements in transportation services, and one reported no issues. There were no Detractors. Overall, feedback is highly positive, with minor concerns focused on ID card processing, referral updates, and transportation services.
- **Enrollment:** IPA referrals remain significantly below expected levels. We executed two agreements with external agencies, effective in mid-Dec. These agreements have produced approx. 5 enrollments to date, but expect increased performance in Jan and Feb. We are also starting direct mail campaigns and advertising in January to boost enrollment.
- **Non-Specialty Mental Health:** Denise Padillas, Community Liaison, hosted a presentation for Women's Haven Program employees and participants, with 20 attendees, where she provided a detailed overview of the telehealth modalities offered through the CHPIV health plan. She also facilitated an educational session at Cielo Grande Apartments, where she assisted 10 members with downloading Teladoc applications on their mobile devices.

Issues / Risks

- Key IPA and hospital agreements are not fully executed – El Centro Regional, Pioneers, CCIPA, ICPMG, PPCIPA
- Ongoing provider training and awareness
- Continuing to increase membership

- Completion of new member Health Risk Assessments and care plans

Next 30 Days

- Monitor go-live and troubleshooting issues, as needed
- Finalize Community Advantage Plus 2026 KPIs
- Development of implementation plans for: risk adjustment coding accuracy, STAR ratings (quality of care and service), and provider feedback tracking and response
- Initiate CHPIV Medi-Medi MOUs with IHSS and Regional Center
- Medi-Cal: Implementation and monitoring of transitional rent agreements

Period Covered: December 9, 2025-January 12, 2026

Highlights

- No new hires
- 1 open position: Senior Compliance Advisor
- Employee benefits open enrollment was successfully completed in mid-December
- Annual performance evaluations and goal setting was completed in December.

Key Metrics

There were no new hires over this period.

Total number of employees	44
Local	31
Remote	13
Number of exits in 2026	0

Issues / Risks

- None known

Next 30 Days

- Complete goal planning for new Care Coordinators
- Implement organization-wide pay increases (budget is 3.5%)
- Introduce monthly management discussion topics with leadership team debrief