COMMUNITY HEALTH PLAN OF IMPERIAL VALLEY

AGENDA

Community Health Plan of Imperial Valley Commission

April 13, 2026

5:30 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: 217 028 464 542
Passcode: 7KD7N4Yy

Commission Role	Member	Representing	Attendance
LHA Chair	Lee Hindman	Joint Chamber of Commerce (Public Representative)	
LHA Vice-Chair	Yvonne Bell	CEO, Innercare & CCIPA	
LHA Commissioner	Dr. Bushra Ahmad	CMO, County of Imperial	
LHA Commissioner	Christopher Bjornberg	CEO, Imperial Valley Healthcare District	
LHA Commissioner	Xochitl Fausto	Medi-Cal Member	
LHA Commissioner	Peggy Price	Board of Supervisors, County of Imperial	
LHA Commissioner	Dr. Kathleen Lang	CEO, County of Imperial	
LHA Commissioner	Paula Llanas	Director of Social Services, County of Imperial	
LHA Commissioner	Dr. Majid Mani	Imperial County Medical Society	
LHA Commissioner	Dr. Carlos Ramirez	CEO/Senior Consultant, DCRC	
LHA Commissioner	Dr. Unnati Sampat	President, Imperial County Medical Society	
LHA Commissioner	Pablo Velez	CEO, El Centro Regional Medical Center	
LHA Commissioner	Dr. Allan Wu	CMO, Innercare & 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 3/9/2026...pg. 5-9

B. Approval of the 2025 Annual Audit by Baker Tilly...pg. 10-53

C. Approval to include the LHA in the Social Security program...pg. 54-57

D. Approval of the monthly financial reports as reviewed and accepted by the Executive Committee

1. Executive Summary...pg. 58-60
2. Enrollment Report...pg. 61
3. Statement of Revenues, Expenses, and Changes in Net Position... pg. 62
4. Product Profit & Loss Statement...pg. 63
5. Statement of Net Position...pg. 64
6. Summarized TNE Calculation...pg. 65
7. Cash Transaction Report...pg. 66-67

4. ACTION

No action items.

5. COMMITTEE CHAIR REPORTS

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

B. Finance Committee-*Monthly*-No meeting
(Dr. Carlos Ramirez, Chair)

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

D. Community Advisory Committee -*Quarterly*
(Julia Hutchins, COO) ...pg. 69

6. INFORMATION

A. Health Services Report *(Dr. Gordon Arakawa, CMO and Jeanette Crenshaw, Executive Director of Health Services)* ...pg. 71

B. Compliance Report *(Elysse Tarabola, CCO and Chelsea Hardy, Senior Director of Compliance)* ...pg. 72-74

C. Operations Report *(Julia Hutchins, COO)* ...pg. 75-77

D. Human Resources Report *(Shannon Long, HR Consultant)* ...pg. 78

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

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

7. CLOSED SESSION

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

B. Compliance

8. RECONVENE OPEN SESSION

A. Report on actions taken in closed session.

9. ADJOURNMENT

Next meeting: May 11, 2026

Consent Agenda

COMMUNITY HEALTH PLAN OF IMPERIAL VALLEY

MINUTES

Community Health Plan of Imperial Valley Commission

March 9, 2026

5:30 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: 217 028 464 542
Passcode: 7KD7N4Yy

Commission Role	Member	Representing	Attendance
LHA Chair	Lee Hindman	Joint Chamber of Commerce (Public Representative)	Present
LHA Vice-Chair	Yvonne Bell	CEO, Innercare & CCIPA	Absent
LHA Commissioner	Dr. Bushra Ahmad	CMO, County of Imperial	Present
LHA Commissioner	Christopher Bjornberg	CEO, Imperial Valley Healthcare District	Absent
LHA Commissioner	Xochitl Fausto	Medi-Cal Member	Present
LHA Commissioner	Peggy Price	Board of Supervisors, County of Imperial	Absent
LHA Commissioner	Dr. Kathleen Lang	CEO, County of Imperial	Present
LHA Commissioner	Paula Llanas	Director of Social Services, County of Imperial	Absent
LHA Commissioner	Dr. Majid Mani	Imperial County Medical Society	Present
LHA Commissioner	Dr. Carlos Ramirez	CEO/Senior Consultant, DCRC	Present
LHA Commissioner	Dr. Unnati Sampat	President, Imperial County Medical Society	Present
LHA Commissioner	Pablo Velez	CEO, El Centro Regional Medical Center	Present
LHA Commissioner	Dr. Allan Wu	CMO, Innercare & CCIPA	Online

1. **CALL TO ORDER** *Lee Hindman, Chair*
   The meeting was called to order at 5:35 p.m.

   A. Roll Call *Donna Ponce, Commission Clerk*
   Roll call taken and quorum confirmed. Attendance is as shown.

   B. Approval of Agenda
   (Ramirez/Sampat) Approved the order of the agenda. Motion carried.

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.
No public comments.

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.
(Lang/Velez) Approved the consent calendar. Motion carried.

A. Approval of Minutes from 2/9/2026...pg. 5-8

B. Motion to approve the monthly financial reports as reviewed and accepted by the Finance Committee

1. Executive Summary...pg. 9-11
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 approve the appointment of Xochitl Fausto as the Chair of the Community Advisory Committee as reviewed and accepted by the Executive Committee *(Lee Hindman, Chair)* ...pg. 19

D. Motion to approve the addition of Daniel Flores representing Imperial County Aging and Disability Resource Center to the CAC Selection Committee as reviewed and accepted by the Executive Committee *(Dr. Carlos Ramirez, Committee Chair)* ...pg. 20

E. Motion to approve amendments to the CAC Selection Committee Charter as reviewed and accepted by the Executive Committee *(Dr. Carlos Ramirez, Committee Chair)* ...pg. 21-23

4. ACTION
No action items.

5. COMMITTEE CHAIR REPORTS

A. Quality Improvement Health & Equity Committee-*Quarterly*
(Dr. Gordon Arakawa, CMO) ...pg. 25-84
Dr. Gordon Arakawa presented the report from the January 14, 2026, Q4-QIHEC meeting.

B. Finance Committee-*Monthly*
(Dr. Carlos Ramirez, Chair) ...pg. 9-11
Dr. Carlos Ramirez provided updates on March 4, 2026, Finance Committee meeting.

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

D. Community Advisory Committee Selection Committee-*Annual*
(Dr. Carlos Ramirez, Chair) ...pg. 85
Dr. Carlos Ramirez provided a report from February 24, 2026, CAC Selection Committee meeting.

6. INFORMATION

A. Health Services Report *(Dr. Gordon Arakawa, CMO and Jeanette Crenshaw, Executive Director of Health Services)* ...pg. 87-88

Dr. Gordon Arakawa provided updates on initiatives with Health Net for the Medi-Cal line of business, focusing on:

- IHA completion for Medi-Cal patients
- Lead screening in children
- CHPIV continues to participate in the county-level interdisciplinary leadership team, collaborating with agencies including Social Services, Behavioral Health, Public Health, and Imperial County Office of Education.

Jeanette Crenshaw provided updates on the following:

- Care Coordinators are conducting Health Risk Assessments (HRAs) both in person and over the phone to identify member needs early and support positive health outcomes.
- 184 HRAs have been completed to date.
- Approximately 10% of HRAs were conducted in person
- The Care Team is actively developing and implementing individualized care plans for members based on identified needs.
- Interdisciplinary Care Team (ICT) meetings are being held in collaboration with Community Health Group to jointly develop member care plans and goals.
- 113 ICTs have been completed to date.

B. Compliance Report *(Elysse Tarabola, CCO and Chelsea Hardy, Senior Director of Compliance)* ...pg. 89-147

Elysse Tarabola reported on the following:

- DHCS Medical Audit
- D-SNP Integrated Organization Determination Extensions
- FY 2024-25 DHCS CFR Scoring Workbook

C. Operations Report *(Julia Hutchins, COO)* ...pg. 148-152

Julia Hutchins reported on the following:

- Upcoming Community Advisory Committee meeting scheduled for March 17, 2026
- Commissioner Xochitl Fausto will be the new Chair of the CAC Selection Committee
- Community Advantage Plus enrollment numbers
- CHPIV hosting an Office Administrator luncheon on March 25, 2026
- Nurse Practitioners can now be listed on Member ID cards
- Heart of the Imperial Valley educational video
- Community Advantage Plus Key Metrics

D. Human Resources Report *(Shannon Long, HR Consultant)* ...pg. 153

Shannon Long reported on the following:

- Two open positions: Financial Analyst and Sales and Marketing Representative Member Experience Coordinator position has been filled
- Manager meeting regarding February Employee topic
- 1st quarter check-in goals

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

Larry Lewis reported on the following:

- Brawley Rotary presentation
- CHPIV building sign
- Planning for office space for future staff

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

Chair Hindman announced that CHPIV will not incur property taxes. The County of Imperial is currently processing a refund for property taxes payments made in previous years.

7. CLOSED SESSION

Chair Hindman announced that the commission entered into closed session.

A. Compliance

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

8. RECONVENE OPEN SESSION

A. Report on actions taken in closed session.

Chair Hindman announced that the commission reconvened into open session. Information provided with no action taken.

9. ADJOURNMENT

The meeting was adjourned at 7:06 p.m.
Next meeting: April 13, 2026

Imperial County Local Authority dba Community Health Plan of Imperial Valley

2025 Audit Results

Discussion with Management and the Finance Committee

Agenda

1. Summary of Audit Process
2. Areas of Audit Emphasis
3. Matters Required to be Communicated with Those Charged with Governance
4. Your Service Team

Summary of Audit Process

Our audit was generally performed in accordance with our initial plan. When the results of a planned audit procedure did not provide sufficient evidence or our original plan was based on an incorrect understanding of a transaction, process, or accounting policy of the entity, we made the necessary adjustments to our audit plan to incorporate the procedures necessary to support our opinion on the financial statements.

We have completed our testing of all significant account balances and classes of transactions.

We plan to issue our independent auditor’s report and will communicate required internal control related matters on 4/8/2026.

Scope of Services

We have performed the following services for Community Health Plan of Imperial Valley:

Annual Audit

Annual financial statement audit for the year ending December 31, 2025

Non-Attest Services

Assist management with drafting the financial statements for the year ending December 31, 2025

Areas of Significant Risks

During the planning of the audit we have identified the following areas of significant risks:

Significant Risks	Procedures
Management Override of Controls	During journal entry testing, we tested the workflow of the users entering and posting journal entries to verify that manual adjustments are reviewed and approved by appropriate individuals. Additionally, we performed required fraud inquiries with various levels of management and those charged with governance (TCWG).
Capitation Revenue	We substantively tested capitation revenue by comparing cash receipts to monthly revenue recognized and investigated any significant differences. Additionally, we tested cash receipts by vouching deposits to the Company's bank statements.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Our audit of the financial statements included obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control or to identify deficiencies in the design or operation of internal control. Accordingly, we considered the entity's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.

Matters Required to be Communicated with Those Charged with Governance

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are also responsible for communicating significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Matters Required to be Communicated with Those Charged with Governance

Significant Accounting Practices:

Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures

The quality of the entity's accounting policies and underlying estimates are discussed throughout this presentation. There were no changes in the entity's approach to applying the critical accounting policies.

As discussed in Note 2 to the financial statements, the Company adopted Government Accounting Standards Board No. 102, *Certain Risk Disclosures* as of January 1, 2025. The adoption of the standards did not have a material impact to the financial statements.

Matters Required to be Communicated with Those Charged with Governance

Significant Unusual Transactions:	No significant unusual transactions were identified during our audit of the Company's financial statements.

Matters Required to be Communicated with Those Charged with Governance

Significant Difficulties Encountered During the Audit:

We are to inform those charged with governance of any significant difficulties encountered in performing the audit. Examples of difficulties may include significant delays by management, an unreasonably brief time to complete the audit, unreasonable management restrictions encountered by the auditor or an unexpected extensive effort required to obtain sufficient appropriate audit evidence.

No significant difficulties were encountered during our audit of the Company's financial statements.

Matters Required to be Communicated with Those Charged with Governance

Disagreements With Management:

Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the entity's financial statements, or the auditor's report.

There were no disagreements with management.

Matters Required to be Communicated with Those Charged with Governance

Circumstances that affect the form and content of the auditor's report:	There were no circumstances that affected the form and content of the auditor’s report.

Matters Required to be Communicated with Those Charged with Governance

Other findings or issues arising from the audit that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process:	There were no other findings or issues arising from the audit to report.

Matters Required to be Communicated with Those Charged with Governance

Uncorrected Misstatements:

Uncorrected misstatements, or matters underlying those uncorrected misstatements, as of and for the year ended December 31, 2025 could potentially cause future-period financial statements to be materially misstated, even though we have concluded that the uncorrected misstatements are immaterial to the financial statements, including disclosures, under audit.

No uncorrected misstatements were identified as a result of our audit.

Matters Required to be Communicated with Those Charged with Governance

Material, Corrected Misstatements:

Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.

No material misstatements were identified as a result of our audit.

Matters Required to be Communicated with Those Charged with Governance

Representations Requested of Management

We will request certain representations from management that are included in the management representation letter expected to be dated 4/8/2026.

Available upon request.

Matters Required to be Communicated with Those Charged with Governance

Management's Consultation with Other Accountants:

When we are aware that management has consulted with other accountants about significant auditing or accounting matters, we discuss with those charged with governance our views about the matters that were the subject of such consultation.

We are not aware of instances where management consulted with other accountants about significant auditing or accounting matters.

Matters Required to be Communicated with Those Charged with Governance

Significant issues arising from the audit that were discussed, or the subject of correspondence with management:	No significant issues arose during the audit that have not been addressed elsewhere in this presentation.

Matters Required to be Communicated with Those Charged with Governance

AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*

BAKER TILLY COMMENTS

MATERIAL WEAKNESSES

- No material weaknesses reported

SIGNIFICANT DEFICIENCIES

- Formal documentation of policies, procedures, and accounting conclusions
- Formal documentation of review and approval
- Segregated user access in NetSuite

Your Service Team

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Nicole Martin, *Audit Staff*

THANK YOU

Report of Independent Auditors and
Financial Statements

Imperial County Local Health Authority dba Community Health Plan of Imperial Valley

December 31, 2025 and 2024

Table of Contents

Management's Discussion and Analysis

Management's Discussion and Analysis ("MD&A") of Imperial County Local Health Authority dba Community Health Plan of Imperial Valley ("CHPIV" or the "Plan") is intended to provide readers with an objective and easily readable analysis of the Plan's financial activities for the years ended December 31, 2025 and 2024. This MD&A should be read in conjunction with the Plan's financial statements and the accompanying notes and emphasizes comparisons between the current year and the prior year.

Overview of the Financial Statements – The Plan's financial statements include the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. The Statements of Net Position presents the Plan's financial position as of year-end, including assets, liabilities, and net position (the residual interest in assets after liabilities). The Statements of Revenues, Expenses, and Changes in Net Position reports the results of operations for the year, including operating and nonoperating revenues and expenses. The Statements of Cash Flows reports cash inflows and outflows from operating, investing, and other activities and provides information about the Plan's liquidity.

CHPIV is a local governmental health insuring organization that operates in Imperial County. The Imperial County Board of Supervisors established the Imperial County Local Health Authority (the "Authority") on June 3, 2014, in accordance with Section 14087.38 of the California Welfare and Institutions Code (the "Code"). Pursuant to the novation of the "Joint Exercise of Powers Agreement Between the County of Imperial for the Joint Provisions of Medi-Cal Managed Care and Other Health Services Programs," dated July 28, 2023, and in accordance with the Code, CHPIV became financially independent of the County of Imperial. The Code further provides that CHPIV is a public entity that is separate and apart from the County of Imperial. CHPIV received its Knox-Keene license from the California Department of Managed Health Care ("DMHC") on December 15, 2023, and commenced providing health care services to members on January 1, 2024.

The Plan's mission is to improve access to care and provide quality health care to families in Imperial County by delivering services at the right place and the right time.

In 2009, the California Legislature enacted Assembly Bill ("AB") 1422, which assesses a gross premium tax of 2.5% on CHPIV's annual gross revenues. The bill provides the State of California with an additional funding source to obtain federal matching funds to support the Healthy Families program. No premium taxes were due for the years ended December 31, 2025 and 2024.

Effective January 1, 2026, the Plan contracted with Community Health Group to provide administrative services related to Dual Eligible Special Needs Plans contract.

Financial Analysis – This section provides analysis of significant changes in the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2025, as compared to the year ended December 31, 2024 and 2023.

Statements of Net Position

As of December 31, 2025 and 2024, CHPIV reported total assets of $51,676,918 and $45,971,026, respectively, and total liabilities of $27,918,670 and $25,864,684, respectively. Net position (total assets less total liabilities) was $23,758,248 and $20,106,342 as of December 31, 2025 and 2024, respectively.

As of December 31, 2024 and 2023, CHPIV reported total assets of $45,971,026 and $15,867,560, respectively, and total liabilities of $25,864,684 and $492,742, respectively. Net position (total assets less total liabilities) was $20,106,342 and $15,374,818 as of December 31, 2024 and 2023, respectively.

The Plan's assets are primarily comprised of capitation receivable from DHCS, investments, and cash and cash equivalents. The Plan's liabilities are primarily comprised of capitation payable for medical services and other accrued liabilities.

ASSETS

Cash and cash equivalents – Cash and cash equivalents totaled $2,904,618 and $4,684,833 as of December 31, 2025 and 2024, respectively. These balances primarily consisted of money market funds totaling $2,562,441 and $4,364,886 as of December 31, 2025 and 2024, respectively.

Cash and cash equivalents totaled $4,684,833 and $10,986,002 as of December 31, 2024 and 2023, respectively. These balances primarily consisted of money market funds totaling $4,364,886 and $10,729,947 as of December 31, 2024 and 2023, respectively.

Investments – Investments totaled $17,007,748 and $13,261,966 as of December 31, 2025 and 2024, respectively. The investment portfolio consists of FedFund securities, which is primarily composed of cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government.

Investments totaled $13,261,966 and $0 as of December 31, 2024 and 2023, respectively. The investment portfolio consisted of primarily of fixed-income securities.

Capitation receivable from the State of California – Capitation receivable represents amounts owed to CHPIV by DHCS under the Medi-Cal program and totaled $27,895,903 and $24,364,951 as of December 31, 2025 and 2024, respectively. The capitation receivable balance as of December 31, 2025 was primarily attributable to the timing of receipts of certain premium revenue due from the State of California.

Capitation receivable represented amounts owed to CHPIV by DHCS under the Medi-Cal program and totaled $24,364,951 and $0 as of December 31, 2024 and 2023, respectively. The capitation receivable balance as of December 31, 2024 was primarily attributable to the timing of receipts of certain premium revenue due from the State of California.

Other receivables – Other receivables totaled $126,545 and $100,871 as of December 31, 2025 and 2024, respectively. Other receivables primarily consist of investment receivables from short-term cash investments in JPMorgan Chase Bank money market sweep accounts and U.S. fixed-income securities, with interest due monthly or at maturity.

Other receivables totaled $100,871 and $43,695 as of December 31, 2024 and 2023, respectively. Other receivables primarily consist of investment receivables from short-term cash investments in JPMorgan Chase Bank money market sweep accounts and U.S. fixed-income securities, with interest due monthly or at maturity.

Prepaid expenses – Prepaid expenses totaled $345,904 and $197,390 as of December 31, 2025 and 2024, respectively. Prepaid expenses represent payments made in the current period for goods and services to be received in one or more future periods. The prepaid expenses balance was primarily attributable to the timing of payments for insurance, fees, dues, and outside services to be recognized as expense after December 31, 2025.

Prepaid expenses totaled $197,390 and $32,504 as of December 31, 2024 and 2023, respectively. Prepaid expenses represent payments made in the current period for goods and services to be received in one or more future periods. The prepaid expenses balance was primarily attributable to the timing of payments for insurance, fees, dues, and outside services to be recognized as expense after December 31, 2024.

Capital assets, net of accumulated depreciation and amortization – Capital assets, net of accumulated depreciation and amortization, totaled $3,093,103 and $3,054,541 as of December 31, 2025 and 2024, respectively. Depreciation and amortization totaled $128,691 and $116,931 for the years ended December 31, 2025 and 2024, respectively. Capital assets consist of buildings, building improvements, and computer equipment and software. Useful lives range from 5 to 30 years.

Capital assets, net of accumulated depreciation and amortization, totaled $3,054,541 and $3,072,806 as of December 31, 2024 and 2023, respectively. Depreciation and amortization totaled $116,931 and $17,764 for the years ended December 31, 2024 and 2023, respectively. Capital assets consist of buildings, building improvements, and computer equipment and software. Useful lives range from 5 to 30 years.

Assets restricted to use – Assets restricted to use totaled $300,000 as of December 31, 2025 and 2024. Restricted assets consist of a deposit required by DMHC to pay member claims in the event of insolvency and were held in a checking account as of December 31, 2025 and 2024.

Assets restricted to use totaled $300,000 as of December 31, 2024 and 2023. Restricted assets consist of a deposit required by DMHC to pay member claims in the event of insolvency and were held in a checking account as of December 31, 2024 and 2023.

LIABILITIES

Capitation payable – Capitation payable totaled $27,085,949 and $25,342,087 as of December 31, 2025 and 2024, respectively. Capitation payable represents amounts due to Health Net for the payment of medical services provided to CHPIV members.

Capitation payable totaled $25,342,087 and $0 as of December 31, 2024 and 2023, respectively. Capitation payable represents amounts due to Health Net for the payment of medical services provided to CHPIV members.

Accounts payable and accrued expenses – Accounts payable and accrued expenses represent the cost of services received in the current period for which payment has not yet been made. Accounts payable and accrued expenses totaled $183,889 and $149,539 as of December 31, 2025 and 2024, respectively.

Accounts payable and accrued expenses represent the cost of services received in the current period for which payment has not yet been made. Accounts payable and accrued expenses totaled $149,539 and $351,167 as of December 31, 2024 and 2023, respectively.

Accrued salaries and benefits – Accrued salaries and benefits totaled $645,557 and $366,393 as of December 31, 2025 and 2024, respectively. Accrued salaries consist of accrued payroll and accrued paid time off ("PTO"). The balance was primarily attributable to the timing of the pay-period end date in relation to the Plan's fiscal year-end date.

The accrued salaries and benefits balance totaled $366,393 and $94,213 as of December 31, 2024 and 2023, respectively. Accrued salaries consist of accrued payroll and accrued paid time off ("PTO"). The balance was primarily attributable to the timing of the pay-period end date in relation to the Plan's fiscal year-end date.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the Plan's operating results for the year. In accordance with GASB requirements, certain significant revenues are reported as nonoperating revenues (for example, investment income). The discussion below highlights the most significant components of revenues and expenses and the factors that affected year-over-year changes for the years ended December 31, 2025, 2024 and 2023.

Capitation revenue – Capitation revenue totaled $355,076,107 and $283,357,183 for the years ended December 31, 2025 and 2024, respectively. Capitation revenue consists of capitation payments received, or to be received, from DHCS on a per-member, per-month basis for each eligible member enrolled in the Plan's managed care Medi-Cal program. Capitation revenue is recognized in the month in which the beneficiary is eligible for Medi-Cal services. The current-year capitation revenue was primarily influenced by Medi-Cal enrollment and the capitation rates specified by DHCS.

Capitation revenue totaled $283,357,183 and $0 for the years ended December 31, 2024 and 2023, respectively. Capitation revenue consists of capitation payments received, or to be received, from DHCS on a per-member, per-month basis for each eligible member enrolled in the Plan's managed care Medi-Cal program. Capitation revenue is recognized in the month in which the beneficiary is eligible for Medi-Cal services. The capitation revenue for 2024 was primarily influenced by Medi-Cal enrollment and the capitation rates specified by DHCS.

Health care expenses – Health care expenses consist primarily of the capitation payments that the Plan pays to Health Net for health care services provided to CHPIV members.

Total health care expenses were $345,245,243 and $274,962,968 for the years ended December 31, 2025 and 2024, respectively. The increase was primarily attributable to higher DHCS capitation rates and increased membership.

Total health care expenses were $274,962,968 and $0 for the years ended December 31, 2024 and 2023, respectively. The increase reflects CHPIV's commencement of operations on January 1, 2024.

General and administrative expenses – Total general and administrative expenses were $7,505,243 and $5,445,340 for the years ended December 31, 2025 and 2024, respectively. General and administrative expenses for 2025 and 2024 primarily consisted of salaries and benefits of $5,098,540 and $3,514,081, respectively, and legal and professional fees of $1,533,412 and $1,230,350, respectively.

Total general and administrative expenses were $5,445,340 and $3,638,881 for the years ended December 31, 2024 and 2023, respectively. General and administrative expenses for 2024 and 2023 primarily consisted of salaries and benefits of $3,514,081 and $1,886,725, respectively, and legal and professional fees of $1,230,350 and $1,461,699, respectively.

Nonoperating revenue – Nonoperating revenue totaled $1,326,285 and $1,045,026 for the years ended December 31, 2025 and 2024, respectively. Nonoperating revenue primarily consists of interest and investment income from U.S. Treasury obligations and other U.S. fixed-income securities, as well as office space rental income.

Nonoperating revenue totaled $1,045,026 and $425,074 for the years ended December 31, 2024 and 2023, respectively. Nonoperating revenue primarily consists of interest and investment income from U.S. Treasury obligations and other U.S. fixed-income securities, as well as office space rental income.

Prior-year comparative information – The Plan commenced providing health care services to members on January 1, 2024. Accordingly, certain comparisons to the year ended December 31, 2023 may not be meaningful for evaluating ongoing operations; however, selected balances as of December 31, 2024 and 2023 are presented above within the narrative where relevant.

Economic Factors and Next Year's Rates – The Plan's financial position and results of operations are primarily dependent on Medi-Cal membership levels and the capitation rates established by DHCS. The DHCS contract is in effect through December 31, 2026, and future operating results will continue to be influenced by changes in enrollment, annual rate adjustments, and the timing of premium receipts and related medical payments. Management will continue to monitor regulatory developments, contract requirements, and other matters that may affect Plan operations and costs, including any changes to Medi-Cal program eligibility, benefits, or provider reimbursement.

Requests for information – This financial report is intended to provide a general overview of CHPIV's finances for the benefit of interested parties. Questions concerning information provided in this report, or requests for additional financial information, should be directed to CHPIV's Finance Department.

Financial Statements

Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,904,618	$ 4,684,833
Investments	17,007,748	13,261,966
Capitation receivables from the State of California	27,895,903	24,364,951
Other receivables	126,545	100,871
Prepaid expenses	345,904	197,390
Lease assets, net of accumulated amortization	3,096	6,474
Total current assets	48,283,814	42,616,485
CAPITAL ASSETS		
Intangible assets, net accumulated amortization	53,957	43,311
Fixed assets, net accumulated depreciation	3,039,147	3,011,230
Total capital assets	3,093,104	3,054,541
ASSETS RESTRICTED AS TO USE	300,000	300,000
Total assets	$ 51,676,918	$ 45,971,026
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Capitation payable	$ 27,085,949	$ 25,342,087
Accounts payable and accrued expenses	183,889	149,539
Accrued salaries and benefits	645,557	366,393
Operating lease liabilities - current portion	3,275	3,390
Total current liabilities	27,918,670	25,861,409
OPERATING LEASE LIABILITIES, net of current portion	-	3,275
Total liabilities	27,918,670	25,864,684
NET POSITION		
Invested in capital assets	3,093,104	3,054,541
Restricted by legislative authority	300,000	300,000
Unrestricted	20,365,144	16,751,801
Total net position	23,758,248	20,106,342
Total liabilities and net position	$ 51,676,918	$ 45,971,026

See accompanying notes.

Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Capitation revenue	$ 355,076,107	$ 283,357,183
Managed care fees	-	737,623
Total operating revenue	355,076,107	284,094,806
OPERATING EXPENSES		
Health care expenses		
Capitation expense	345,245,243	274,962,968
Total health care expenses	345,245,243	274,962,968
General and administrative expenses		
Salaries and benefits	5,098,540	3,514,081
Legal and professional	1,533,412	1,230,350
Other expense	744,600	583,978
Depreciation and amortization	128,691	116,931
Total general and administrative expenses	7,505,243	5,445,340
Total operating expenses	352,750,486	280,408,308
INCOME FROM OPERATIONS	2,325,621	3,686,498
NONOPERATING REVENUE		
Investment income	1,189,115	942,154
Interest income	119,248	85,472
Other income	17,922	17,400
Total nonoperating revenue	1,326,285	1,045,026
CHANGE IN NET POSITION	3,651,906	4,731,524
NET POSITION, beginning of year	20,106,342	15,374,818
NET POSITION, end of year	$ 23,758,248	$ 20,106,342

See accompanying notes.

Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Capitation revenue	$ 351,545,155	$ 261,152,556
Health care expenses paid	(343,501,381)	(249,620,881)
Administrative expenses paid	(7,237,238)	(5,479,750)
Net cash provided by operating activities	806,536	6,051,925
CASH FLOWS FROM NONCAPITAL FINANCING AND RELATED ACTIVITIES		
Due to Imperial County	-	(37,488)
Rental income	17,922	17,400
Net cash provided by (used in) noncapital financing and related activities	17,922	(20,088)
CASH FLOWS FROM CAPITAL FINANCING AND RELATED ACTIVITIES		
Payments for purchase of capital assets	(167,254)	(98,666)
Net cash used in capital financing and related activities	(167,254)	(98,666)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,745,782)	(13,261,966)
Investment income	1,189,115	942,154
Interest collection on investments	119,248	85,472
Net cash used in investing activities	(2,437,419)	(12,234,340)
Net decrease in cash and cash equivalents	(1,780,215)	(6,301,169)
CASH AND CASH EQUIVALENTS, beginning of year	4,684,833	10,986,002
CASH AND CASH EQUIVALENTS, end of year	$ 2,904,618	$ 4,684,833
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	$ 2,325,621	$ 3,686,498
ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Depreciation and amortization	128,691	116,931
Changes in assets and liabilities		
Capitation receivables from the State of California	(3,530,952)	(24,364,951)
Receivable from Health Net	-	1,422,701
Other receivables	(25,674)	(57,176)
Prepaid expenses	(148,514)	(164,886)
Capitation payable	1,743,862	25,342,087
Accounts payable and accrued expenses	34,350	(201,628)
Accrued salaries and benefits	279,164	272,180
Leases	(12)	169
Net cash provided by operating activities	$ 806,536	$ 6,051,925

See accompanying notes.

Note 1 – Organization

Imperial County Local Health Authority dba Community Health Plan of Imperial Valley (CHPIV or the Plan) is a local governmental health insuring organization that operates in Imperial County (the County). The Imperial County Board of Supervisors established the Imperial County Local Health Authority (the Authority) through the 2015 Ordinance No. 1513, in accordance with the State of California Welfare and Institutions Code (the Code) Section 14087.38, CHPIV became financially independent of the County. In addition, the Code provides that CHPIV is a public entity, separate and apart from the County. CHPIV received its Knox-Keene license from the California Department of Managed Health Care (DMHC) on December 15, 2023, and commenced operations on January 1, 2024.

During the years ended December 31, 2025 and 2024, revenue was comprised of capitation revenues of $355,076,107 and $283,357,183, respectively, disbursed by the California Department of Healthcare Services to the Plan.

The mission and purpose of CHPIV is to 1) Improve access to primary care and related specialty and ancillary services for enrolled Medi-Cal recipients; 2) Promote the long-term viability of “safety net” providers; and 3) Increase prevention, education, and early intervention services for enrolled recipients.

CHPIV has contracted with the California Department of Health Care Services (DHCS) to receive funding to provide health care services to the Medi-Cal eligible Imperial County residents who are enrolled as members of CHPIV under the Single-Plan model. The DHCS contract is effective January 1, 2024 through December 31, 2026. The DHCS contract specifies capitation rates based on a per-member, per-month basis, which may be adjusted annually. DHCS revenue is paid monthly and is based upon the contracted capitation rates and actual Medi-Cal enrollment. In addition, DHCS pays CHPIV supplemental capitation rates such as a fixed maternity case rate for each eligible birth incurred by a CHPIV Medi-Cal member. CHPIV, in turn, provides services to Medi-Cal beneficiaries through a contract with Health Net Community Solutions, Inc. (Health Net), a wholly owned subsidiary of Centene Corporation. Further, CHPIV has an administrative service agreement with Health Net in which Health Net performs specific administrative functions for CHPIV.

In 2009, the California Legislature enacted Assembly Bill 1422, which assesses a gross premium tax of 2.5% on CHPIV’s annual gross revenues. The bill provides the State of California with an additional funding source to obtain federal matching funds to support the Healthy Families program. No premium taxes were due for the years ended December 31, 2025 and 2024.

CalAIM implementation – Beginning January 1, 2022, DHCS implemented California Advancing and Innovating Medi-Cal (CalAIM) to modernize the State of California’s Medi-Cal Program. This requires managed care plans to implement a whole-system, person-centered strategy that focuses on wellness and prevention, including assessments of each enrollee’s health risks and health-related social needs, and provide care management and care transitions across delivery systems and settings. Components that began on January 1, 2022, include Enhanced Care Management (ECM), Community Supports (CS), and the Major Organ Transplant (MOT) benefit. In addition, institutional Long-Term Care (LTC) benefit including skilled nursing facilities transitioned to Medi-Cal managed care plans effective January 1, 2023. Effective January 1, 2024, all Medi-Cal managed care plans became responsible for the full LTC benefit at facility types such as Intermediate Care Facility for Developmentally Disabled (ICF/DD) Home, Pediatric Subacute Care Facility and Subacute Care Facility.

Note 2 – Summary of Significant Accounting Policies

Accounting standards – Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, the Plan's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements.

Proprietary fund accounting – The Plan utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis and financial statements are prepared using the economic resources measurement focus.

Use of estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates used in preparing the financial statements include capitation receivables from the State of California, receivables from Health Net and useful lives of capital assets.

Risks and uncertainties – The Plan's business could be impacted by external rate pressure on new and renewal business; federal and state legislation; and governmental licensing regulations of Health Maintenance Organizations (HMOs) and insurance companies. External influences in these areas could have the potential to adversely impact the Plan's operations in the future.

Income taxes – The Plan operates under the purview of the Internal Revenue Code (IRC) Section 501(a), and corresponding California Revenue and Taxation Code provisions. As such, the Plan is not subject to federal or state income taxes.

Investment policy – All short-term investments consist of FedFund securities, which is primarily composed of cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government. Investments are stated at fair market value as determined by quoted market prices, with any changes in fair value reported on the Statements of Revenues, Expenses, and Changes in Net Position.

Cash and cash equivalents – Cash and cash equivalents consist of demand deposits and other short-term highly liquid securities with original maturities of three months or less.

Concentration of risk – Financial instruments potentially subjecting the Plan to concentrations of risk consist primarily of bank demand deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance thresholds. If any of the financial institutions with whom the Plan does business were placed into receivership, the Plan may be unable to access the cash on deposit with such institutions in order to operate its business without adverse effect. As of December 31, 2025 and 2024, the Plan's uninsured cash and cash equivalent balance totaled $2,312,441 and $4,414,886, respectively. To date, the Plan has not experienced any losses on these accounts.

The Plan is highly dependent upon the state of California for its revenues. All capitation receivable and capitation revenues are from the state of California. Loss of the contracts with the state of California due to nonrenewal or legislative decisions that impact program funding or result in discontinuation could materially affect the financial position of the Plan.

The Plan has a contract with Health Net whereby Health Net provides virtually all administrative services vital to the Plan's successful daily operation. In addition, the Plan has a capitation agreement with Health Net whereby the Plan utilizes Health Net's network of contracted providers to furnish care for most of the Plan's members. The inability of Health Net to meet its obligations under these contracts could significantly impact the Plan's ability to operate in the short-term until alternative arrangements could be made.

Capital assets – Capital assets are recorded at cost. The capitalization threshold of such assets is $2,500. Depreciation and amortization of capital assets is based on the straight-line method over the estimated useful lives of the assets, estimated to be five to 30 years. Expenditures for maintenance and repairs are expensed as incurred. Major improvements that increase the estimated useful life of an asset are capitalized.

Depreciation of capital assets are provided primarily over the following estimated useful lives and methods:

Building	30 years - straight-line
Building improvements	10 years - straight-line
Computer equipment and software	5 years - straight-line

The Plan evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset.

Assets restricted as to use – The Plan is required by the DMHC to restrict cash having a fair value of at least $300,000 for the payment of member claims in the event of its insolvency. The amount recorded was $300,000 and $300,000 at December 31, 2025 and 2024, respectively. Restricted cash is comprised of certificates of deposit and is stated at fair value.

Net position – Net position is classified as invested in capital assets and restricted or unrestricted net position. Invested in capital assets represents investments in building, furniture and fixtures, and computer equipment and software, net of depreciation and amortization. Restricted net position is noncapital assets that must be used for a particular purpose, as specified by state regulatory agency, grantors, or contributors external to the Plan. Unrestricted net position consists of net position that does not meet the definition of invested in capital assets or restricted net position.

Operating revenues and expenses – The Plan's statement of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. The primary operating revenue is derived from capitation in support of providing health care services to its members. Operating expenses are all expenses incurred to provide such health care services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to investing and financing activities.

Capitation revenue – Capitation revenue is recognized as revenue in the month the beneficiary is eligible for Medi-Cal services. DHCS pays the Plan capitation revenue on a monthly basis based on initial membership, which is adjusted monthly for retroactivity. These estimates are continually reviewed, and adjustments to the estimates are reflected currently in the statements of revenues, expenses, and changes in net position. Eligibility of beneficiaries is determined by the Imperial County Department of Social Services and validated by DHCS. DHCS provides the Plan the validated monthly eligibility file of program beneficiaries who are continuing, newly added, or terminated from the program in support of capitation revenue for the respective month.

Capitation expense and medical expenses – Community Health Plan of Imperial Valley contracts with Health Net on a fixed percentage basis to provide all health care services to enrolled members. Health Net is at full risk for the provision of such services. Health net provides services to all enrolled members through a proprietary network. The expenses related to these provisions for covered services to enrolled Plan members are recognized on an accrual basis.

Insurance coverage – The Plan maintains its general liability insurance coverage through outside insurers in the form of "claims-made" policies. Should the "claims-made" policies not be renewed or replaced with equivalent insurance, claims related to the occurrences during the term of the "claims-made" policies but reported subsequent to the termination of the insurance contract may be uninsured.

New accounting pronouncements – In December 2023, the GASB issued Statement 102, *Certain Risk* Disclosures. This Statement requires disclosure of vulnerabilities arising from concentrations or constraints when such conditions could subject the entity to a substantial impact and when related events are known or likely to occur within 12 months of the financial statement issuance date. The Plan adopted the Statement effective July 1, 2024, and the adoption had no material impact on the financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement is effective for the Plan for the year ended December 31, 2026. The Plan is currently evaluating the impact of the adoption of this standard on its financial statements.

In September 2024, the GASB issued statement No. 104, *Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of the financial statements with essential information about certain type of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangibles assets other than those three types to be disclosed separately by major class and additional disclosures for capital assets held for sale. This Statement is effective for the Plan for the year ended December 31, 2026. The Plan is currently evaluating the impact of the adoption of this standard on its financial statements.

Subsequent events – The Plan has evaluated subsequent events through _____, 2026, the date on which the financial statements were available to be issued. Effective January 1, 2026, the Plan contracted with Community Health Group to provide administrative services related to Dual Eligible Special Needs Plans contract.

Note 3 – Investments

The Plan held investments as of December 31, 2025 and 2024, as follows:

	2025	2024
Short-term investments	$ 17,007,748	$ 13,261,966
Assets restricted as to use	300,000	300,000
	$ 17,307,748	$ 13,561,966

Investments authorized by the Plan's investment policy – Investments may only be made as authorized by the Plan's investment policy. The objective of the policy is to ensure the Plan's funds are prudently invested to preserve capital and provide necessary liquidity.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, an entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

As of December 31, 2025 and 2024, none of the Plan's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts and none of the Plan's investments were subject to custodial credit risk.

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Plan did not have any investments that were considered highly sensitive to changes in interest rates as of December 31, 2025 and 2024.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity:

Type	2025 Totals	Remaining Maturity 12 Months or Less	Remaining Maturity 13 Months or More
Cash and cash equivalents	$ 2,904,618	$ 2,904,618	$ -
Short-term Investments	17,007,748	17,007,748	-
Assets restricted as to use	300,000	-	300,000
Total cash and investments	$ 20,212,366	$ 19,912,366	$ 300,000

Type	2024 Totals	Remaining Maturity 12 Months or Less	Remaining Maturity 13 Months or More
Cash and cash equivalents	$ 4,684,833	$ 4,684,833	$ -
Short-term Investments	13,261,966	13,261,966	-
Assets restricted as to use	300,000	-	300,000
Total cash and investments	$ 18,246,799	$ 17,946,799	$ 300,000

Credit risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments made by the Plan are not rated by Standard & Poor's but are fully FDIC insured.

Concentration of credit risk – The investment policy of the Plan contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. All the Plan's investments are in FedFund securities, which is primarily composed of cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government as of December 31, 2025 and 2024.

Note 4 – Capital Assets

A summary of changes in capital assets for the years ended December 31, 2025 and 2024, is as follows:

	Balance at January 1, 2025	Additions	Retirements	Balance at December 31, 2025
Building	$ 3,077,173	$ -	$ -	$ 3,077,173
Building improvements	48,949	139,476	-	188,425
Computer equipment	10,084	-	-	10,084
Total assets	3,136,206	139,476	-	3,275,682
Less depreciation expense and accumulated depreciation related to retirements	(124,976)	(111,559)	-	(236,535)
Fixed assets, net	$ 3,011,230	$ 27,917	$ -	$ 3,039,147

	Balance at January 1, 2025	Additions	Retirements	Balance at December 31, 2025
Intangible assets	$ 49,370	$ 25,650	$ (1,250)	$ 73,770
Less amortization expense and accumulated amortization related to retirements	(6,059)	(13,754)	-	(19,813)
Intangible assets, net	$ 43,311	$ 11,896	$ (1,250)	$ 53,957

	Balance at January 1, 2024	Additions	Retirements	Balance at December 31, 2024
Building	$ 3,077,173	$ -	$ -	$ 3,077,173
Building improvements	3,031	45,918	-	48,949
Computer equipment	10,084	-	-	10,084
Total assets	3,090,288	45,918	-	3,136,206
Less depreciation expense and accumulated depreciation related to retirements	(17,482)	(107,494)	-	(124,976)
Fixed assets, net	$ 3,072,806	$ (61,576)	$ -	$ 3,011,230

	Balance at January 1, 2024	Additions	Retirements	Balance at December 31, 2024
Intangible assets	$ -	$ 49,370	$ -	$ 49,370
Less amortization expense and accumulated amortization related to retirements	-	(6,059)	-	(6,059)
Intangible assets, net	$ -	$ 43,311	$ -	$ 43,311

Note 5 – Capitation Receivables from the State of California

The Plan received capitation from the DHCS based upon the monthly capitation rate of each aid code (Medi-Cal category of eligibility). DHCS makes monthly payments based on actual members for the current month and retroactive adjustments related to prior months. The capitation receivable represents amounts due from DHCS under the Medi-Cal program. The Plan had capitation receivable of $27,895,903 and $24,364,951 due from DHCS as of December 31, 2025 and 2024, respectively.

Note 6 – Capitation Payable

The Plan contracts with Health Net to furnish certain health care services to enrolled members. The cost of health care services provided or contracted for is accrued in the period in which it is provided to an enrolled member. The Plan recorded capitation payable of $27,085,949 and $25,342,087 as of December 31, 2025 and 2024, respectively.

Note 7 – Tangible Net Equity

In December 2023, the Plan received a full-service health plan license under the Knox-Keene Health Care Services Plan Act of 1975. The required tangible net equity was $4,783,063 at December 31, 2025. The Plan's tangible net equity was $23,758,248 at December 31, 2025. The required tangible net equity was $4,389,740 at December 31, 2024. The Plan's tangible net equity was $20,106,342 at December 31, 2024.

Note 8 – Risk Management

The Plan is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illness; natural disasters; and employee health, dental, and accident benefits. The Plan carries commercial insurance for claims arising from such matters, and no settled claims have ever exceeded the Plan's commercial coverage.

Note 9 – Commitments and Contingencies

Litigation – In the ordinary course of business, the Plan is a party to claims and legal actions by enrollees, providers, and others. After consulting with legal counsel, the Plan's management is of the opinion that any liability which may be incurred as a result of claims or legal actions will not have a material effect on the financial position or results of operations of the Plan.

Note 10 – Health Care Reform

The Plan is subject to risks and uncertainties arising from potential changes in federal health care policy, grants, and budgetary adjustments affecting Medicare and Medicaid programs. Proposed and potential cuts to Medicaid could indirectly impact Medicare beneficiaries by straining state budgets. Cuts to Medicaid, including elimination of the enhanced federal match rate for expansion enrollees or the imposition of work requirements, could lead to significant coverage losses, particularly among low-income individuals, those with disabilities, or chronic conditions. States may respond to reduced federal funding by raising taxes or cutting other essential programs. Potential policy changes under consideration include reductions in the federal Medicaid matching rate, imposition of work requirements, more frequent eligibility redeterminations leading to disenrollments, implementation of per-capita caps on federal funding, and elimination of provider taxes used to offset Medicaid costs. If implemented, such changes could force states to reduce benefits, lower payments to providers, and increase financial pressures on state budgets, which may, in turn, adversely affect the Plans operations. However, the timing, likelihood, and specific impact of these policy changes remain uncertain.

Note 11 – Retirement Plan and Deferred Compensation Plan

Retirement plan – Effective January 1, 2023, the Plan established a defined contribution plan, 403(b), for its employees. The contribution requirement is established by the Plan. Employees make contributions to the Plan. Furthermore, employer contributions are immediately vested. The availability of the amounts are subject to the conditions of the plan documents. The Plan's contributions to the retirement plan totaled $111,383 and $128,860 for the years ended December 31, 2025 and 2024, respectively.

IMPERIAL COUNTY
Local Health Authority Commission

Fact Sheet

Resolution to Include the LHA in the Social Security program

April 13, 2026

Recommendations

Motion: to approve inclusion of the services performed by LHA employees in positions in the California State Social Security Agreement of March 9, 1951, providing for the coverage of public employees under the old age, survivors, disability and health insurance system established by the Federal Social Security Act, as amended (complete resolution included in commissioner materials).

Background

From the beginning of the first employees hired by the LHA on November 14, 2022, the LHA has withheld social security taxes as required by any non-public agency. We learned last year that as a public agency, we are not automatically included in the Social Security program, and the LHA needed to affirmatively agree to participate in the Social Security System (the Resolution).

Current Situation As a public agency, there are alternatives to participating in the Social Security system, however, it is our recommendation that the LHA participate in the Social Security system. Not participating would affect each employee's Social Security benefits should an employee choose not to stay at the LHA. There would also be effects on employees' disability, survivor benefits, and other benefits that might be offered under the Social Security program.

Public agencies in California must submit their elections to CalPers which is the state administrator of the California/federal Social Security Agency agreement whereafter we will be added to the list of other California public agencies opting into the Social Security system.

Financial Impact (including Budget Reference)

No financial impact as we already pay into the social security program.

First Submission to Commission: 4/13/2026

Second Submission date: N/A

RESOLUTION

WHEREAS, Imperial County Local Health Authority hereinafter designated as "Public Agency", desires to include services performed by its employees in positions in the California State Social Security Agreement of March 9, 1951, providing for the coverage of public employees under the old age, survivors, disability and health insurance system established by the Federal Social Security Act, as amended; and

WHEREAS it is necessary that the "Public Agency" now designate any classes of positions which it desires to exclude from coverage under said insurance system.

BE IT FURTHER RESOLVED, that upon receipt of authorization from the Board of Administration, as hereinbefore provided, with such coverage effective as to services performed on and after November 14, 2022; and

BE IT FURTHER RESOLVED that the following classes of positions of the "Public Agency" shall be excluded from coverage under said agreement:

1. All services excluded from coverage under the agreement by Section 218 of the Social Security Act; and

2. Services excluded by option of the Public Agency (**Check a or b; fill in b if checked**):

☒ a. No optional exclusions desired.

☐ b. Service performed: _____

BE IT FURTHER RESOLVED that the Public Agency will pay and reimburse the State at such time and in such amounts as may be determined by the State the approximate cost of any and all work and services relating to such election.

_____
Presiding Officer

_____
Official Name of Public Agency

_____
Date

CERTIFICATION

I, Lawrence Lewis, Chief Executive Officer of the Imperial County Local Health Authority, State of California, do hereby certify the foregoing to be a full, true, and correct copy of Resolution No. _____adopted by the Imperial County Local Health Authority of the Imperial County Local Health Authority at the Regular meeting held on the _____th day of _____, _____, as the same appears of record in my office.

Signature: _____

Title: _____

Date: _____

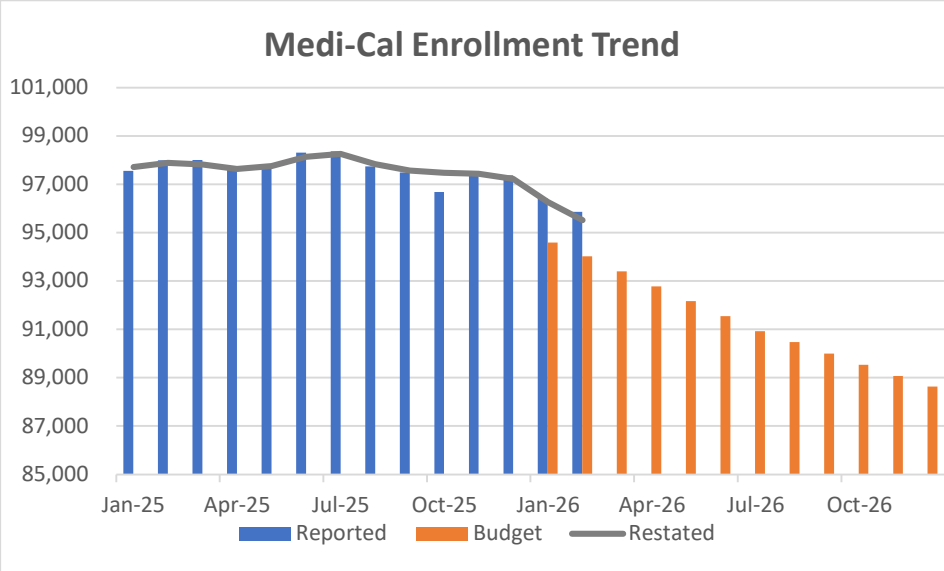
Financial Result

February 2026

Executive Summary

Membership

February Medi-Cal reported membership totaled 95.9K, representing a 552-member decline from the prior month. Despite the decrease, membership remained 1.5K above budget. Membership losses were primarily driven by the SIS population; however, on a percentage basis, declines were consistent with the UIS population.



Medicare membership for February was 249, 28% below forecast, driven by weaker-than-expected sales performance and elevated disenrollment. January restated membership increased from 169 to 207. March enrollment files indicate continued growth; however, membership remains below forecast expectations.

Gross Margin

February gross margin was favorable to budget by $72K, driven by catch-up payments for 2026 Medi-Cal rate schedule. Additionally, CHPIV received $29M in Directed Payments related to 2024, but had no impact on gross margin as they are 100% pass-through.

Medi-Cal

Membership Mix & Rate: Current month revenue rate variance was unfavorable to budget by ($888K) due to delayed maternity kick payments, impacting gross margin by ($27K).

Volume: Favorable membership contributed $20K in excess revenue relative to the budget. Child and Adult expansion populations favorability offset shortfalls in SPD and LTC.

	Revenue (Current Month Reported)					
Category of Aid (COA)*	**Current**	**Prior Period**	**Budget**	**Variance**	**Vol**	**Rate**
Child	$ 4,281,251	$ 3,210,898	$ 4,240,867	$ 40,384	$ 113,231	$ (72,847)
Adult	$ 3,937,176	$ 6,173,142	$ 4,432,694	$ (495,518)	$ 69,389	$ (564,907)
Adult Expansion	$ 7,958,020	$ 11,702,879	$ 7,839,966	$ 118,054	$ 259,644	$ (141,590)
SPD-LTC	$ 4,631,798	$ 8,440,432	$ 4,872,347	$ (240,549)	$ (194,685)	$ (45,864)
SPD-LTC Full Dual	$ 6,463,576	$ 1,130,159	$ 6,754,596	$ (291,020)	$ (227,766)	$ (63,253)
Total Medicaid	**$ 27,271,821**	**$ 30,657,510**	**$ 28,140,470**	**$ (868,649)**	**$ 19,813**	**$ (888,462)**

** Includes SPD Medicaid*

Medicare

Medicare Gross Margin was favorable by $42K driven primarily by favorable pharmacy claims, partially offset by FFS claims. Volume accounted for ($25K) of the margin variance offset by a favorable rate variance of $67K.

DSNP average risk score for February membership remained fairly consistent to prior months of 1.542. Retroactive terms in January had an average risk score of 1.381, which was offset by new membership of 1.628. The risk score in the budget was 1.445. An additional Risk Adjustment accrual of 1% was recorded as part of the February close.

Below is a Lag Triangle with paid claims through March 31, 2026. For the incurred month of January, paid claims for the first 2 months reflect approximately 15% of the total claims estimate ($253K). For comparative purposes, the first 2 months of paid claims for February reflect 12% of the total paid claims estimate.

Consolidated Lag Triangle (Paids through March '26)

		Incurred Month				
		Jan - 2026	**Feb - 2026**	**Mar - 2026**	**Apr - 2026**	**Total**
Paid Month	Jan - 2026	$ 2,716.02				$ 2,716.02
	Feb - 2026	$ 35,028.60	$ 11,846.61			$ 46,875.21
	Mar - 2026	$ 17,445.39	$ 27,588.09	$ 7,098.22		$ 52,131.70
	Apr - 2026		$ -	$ -	$ -	$ -
	May - 2026		$ -	$ -	$ -	$ -
		$ 55,190.01	**$ 39,434.70**	**$ 7,098.22**	**$ -**	**$ 101,722.93**
						$ -
	IBNR	$197,863.40	$296,469.86	TBD		$ 494,333.26
	Total Expense	**$253,053.41**	**$335,904.56**	**TBD**	**$ -**	**$ 588,957.97**

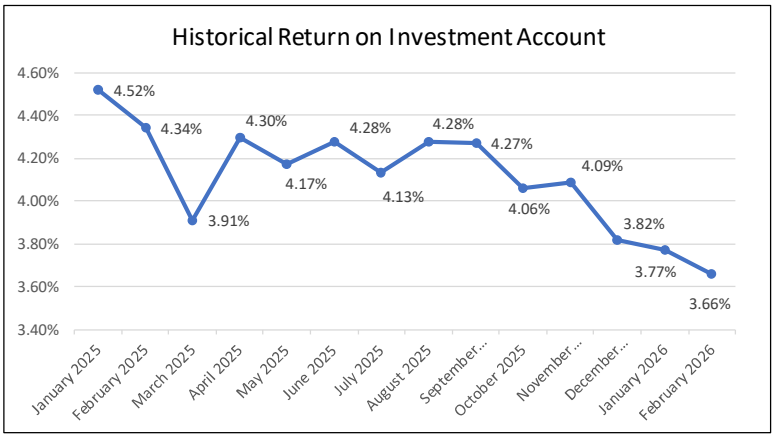
Administrative Expenses

Total administrative expenses were favorable to budget by $108K, driven primarily by the timing of professional fees, contingency reserves and delayed new hires. Travel and occupancy expenses also contributed $15K of favorable administrative costs. There were no new committed expenditures above $50,000.

Other

Investment income was unfavorable by ($34K) in February due to continued interest rate pressure. If interest rates continue to fall, the full-year budget will be impacted.

Month	Return
January 2025	4.52%
February 2025	4.34%
March 2025	3.91%
April 2025	4.30%
May 2025	4.17%
June 2025	4.28%
July 2025	4.13%
August 2025	4.28%
September 2025	4.27%
October 2025	4.06%
November 2025	4.09%
December 2025	3.82%
January 2026	3.77%
February 2026	3.66%



Net Income

Overall, Net income/(loss) for the month was $249K, exceeding the budget by $180K. On a YTD basis, the plan beat the budget by $160K, erasing the loss in January.

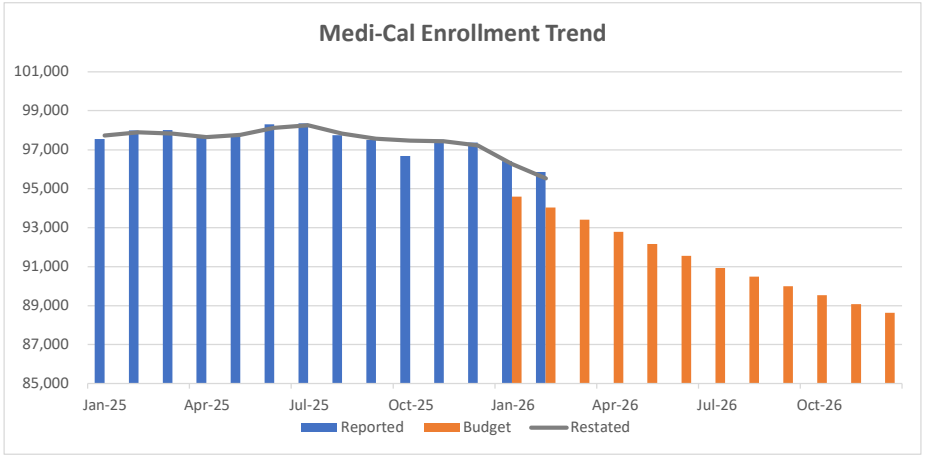
Tangible Net Equity (TNE)

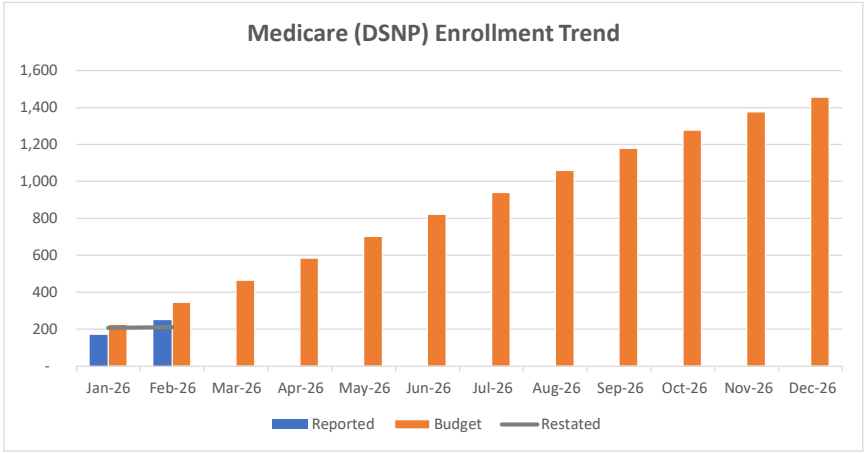
For the month of February, TNE totaled $23.9M, representing 487% of the required $4.9M. On a restated basis, TNE stands at 502% of the required levels.

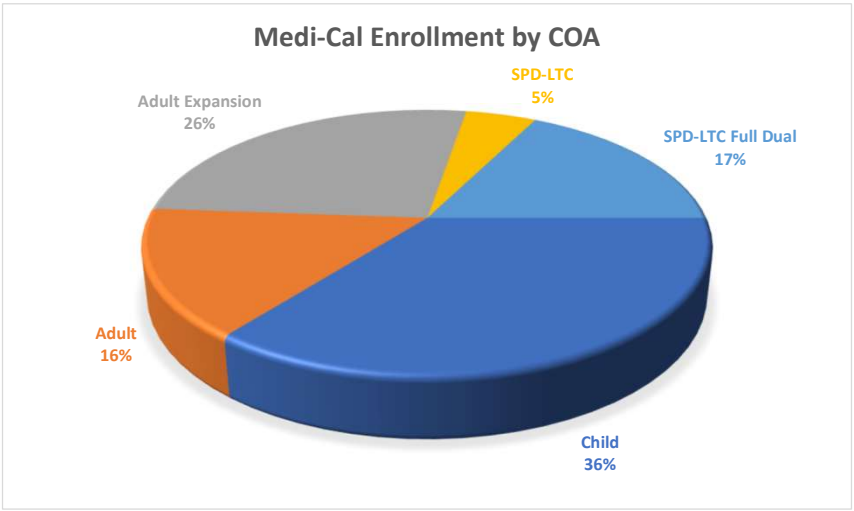
Community Health Plan of Imperial Valley
Enrollment Summary
For February 2026

	2025				2026												
										February				February (YTD)			
												B/(W)				B/(W)	
Category of Aid (COA)*	Q1	Q2	Q3	Q4	January	February	Q2	Q3	Q4	Actual	Budget	#	%	Actual	Budget	#	%
Child	35,139	35,129	34,728	34,555	34,315	34,126				34,126	33,221	905	3%	68,441	66,696	1,745	3%
Adult	15,801	15,754	15,471	15,306	15,018	14,907				14,907	14,565	342	2%	29,925	29,242	683	2%
Adult Expansion	25,995	26,028	25,808	25,988	25,528	25,423				25,423	24,609	814	3%	50,951	49,406	1,545	3%
SPD-LTC	4,693	4,790	4,662	4,684	4,721	4,518				4,518	4,655	(137)	-3%	9,239	9,289	(50)	-1%
SPD-LTC Full Dual	16,381	16,614	16,823	16,835	16,835	16,891				16,891	17,319	(428)	-2%	33,726	34,554	(828)	-2%
Total Medicaid	98,009	98,315	97,492	97,368	96,417	95,865	-	-	-	95,865	94,369	1,496	2%	192,282	189,187	3,095	2%
DSNP	-	-	-	-	169	249	-	-	-	249	346	(97)	-28%	418	573	(155)	-27%
Monthly/Quarterly Change		*0.3%*	*-0.8%*	*-0.1%*	*-1.0%*	*-0.6%*				*-0.6%*	*-3.1%*			*-0.6%*	*-3.1%*		

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







Medi-Cal Enrollment Trend (Restated)

	Nov-25	Dec-25	Jan-26	Feb-26	MoM Δ	% Δ
SIS						
Child	33,951	33,904	33,633	33,398	(235)	-0.7%
Adult	14,337	14,216	14,009	13,798	(211)	-1.5%
Adult Expansion	24,525	24,545	24,194	24,006	(188)	-0.8%
SPD-LTC	4,418	4,383	4,324	4,282	(42)	-1.0%
SPD-LTC Full Dual	16,256	16,230	16,241	16,173	(68)	-0.4%
Total SIS	**93,487**	**93,278**	**92,401**	**91,657**	**(744)**	**-0.8%**
% of Total	***95.9%***	***95.9%***	***96.0%***	***95.9%***		
UIS						
Child	704	683	686	710	24	3.5%
Adult	1,032	1,035	1,009	995	(14)	-1.4%
Adult Expansion	1,485	1,482	1,427	1,418	(9)	-0.6%
SPD-LTC	196	199	193	187	(6)	-3.1%
SPD-LTC Full Dual	540	547	558	562	4	0.7%
Total UIS	**3,957**	**3,946**	**3,873**	**3,872**	**(1)**	**0.0%**
% of Total	***4.1%***	***4.1%***	***4.0%***	***4.1%***		
Total	**97,444**	**97,224**	**96,274**	**95,529**	**(745)**	**-0.8%**

Community Health Plan of Imperial Valley
Statement of Revenues, Expenses, and Changes in Net Position
For February 2026

	February			February (YTD)			
	Actual	Budget	Variance - B/(W)	Actual	Budget	Variance - B/(W)	Current Month Explanations
REVENUE							
Medicaid Revenue	$ 59,555,229	$ 28,140,470	**$ 31,414,760**	$ 85,908,734	$ 56,352,469	**$ 29,556,265**	- Medi-Cal due to prior-period pass-through payments
Medicare Revenue	$ 566,515	$ 750,882	**$ (184,367)**	$ 955,033	$ 1,248,465	**$ (293,432)**	- Medicare unfavorable on sales volume
Investment & Interest Income	$ 88,522	$ 122,438	**$ (33,915)**	$ 184,833	$ 244,303	**$ (59,471)**	- Unfavorable due to interest rate pressure relative to forecast
TOTAL REVENUE	**$ 60,210,267**	**$ 29,013,789**	**$ 31,196,478**	**$ 87,048,599**	**$ 57,845,237**	**$ 29,203,362**	
HEALTH CARE COSTS							
Global Capitation	$ 58,559,250	$ 27,174,679	**$ (31,384,571)**	$ 84,067,824	$ 54,463,347	**$ (29,604,477)**	
Shared Risk Capitation	$ 142,563	$ 197,146	**$ 54,583**	$ 242,598	$ 328,010	**$ 85,412**	
FFS Claims	$ 342,724	$ 386,319	**$ 43,595**	$ 543,303	$ 652,657	**$ 109,353**	- Includes $296K for IBNR, PAD, and LAE
Pharmacy (Net)	$ 40,671	$ 196,058	**$ 155,388**	$ 143,193	$ 323,667	**$ 180,474**	(PAD - Provision for Adverse Deviation; LAE - Loss Adjustment Expense)
All Other	$ 31,326	$ 37,557	**$ 6,231**	$ 60,412	$ 67,942	**$ 7,531**	
HEALTH CARE COSTS	**$ 59,116,533**	**$ 27,991,759**	**$ (31,124,774)**	**$ 85,057,330**	**$ 55,835,623**	**$ (29,221,707)**	
Gross Margin	**$ 1,093,734**	**$ 1,022,030**	**$ 71,704**	**$ 1,991,269**	**$ 2,009,614**	**$ (18,345)**	
ADMINISTRATIVE EXPENSE							
Salaries & Wages	$ 462,433	$ 517,532	**$ 55,100**	$ 1,018,634	$ 1,043,308	**$ 24,674**	
Benefits Expense	$ 48,406	$ 45,462	**$ (2,944)**	$ 99,981	$ 90,855	**$ (9,126)**	
Other Labor Expense	$ 2,589	$ 1,841	**$ (748)**	$ 4,014	$ 3,690	**$ (324)**	
Total Labor Costs	$ 513,428	$ 564,835	**$ 51,407**	$ 1,122,629	$ 1,137,853	**$ 15,224**	- Favorable due to timing of new hires in Finance and HCS
Consulting, Legal, & Other Professional	$ 77,699	$ 102,459	**$ 24,760**	$ 124,430	$ 225,576	**$ 101,146**	- Timing of operational consulting fees and unused contingency
Outside Services	$ 50,404	$ 48,285	**$ (2,120)**	$ 97,144	$ 96,569	**$ (575)**	
MSO Fees	$ 117,739	$ 131,000	**$ 13,262**	$ 235,477	$ 262,000	**$ 26,523**	- Favorable due to unused contingency
Advertising & Marketing	$ 2,232	$ 8,000	**$ 5,768**	$ 9,378	$ 22,000	**$ 12,622**	
Information Technology	$ 10,182	$ 9,848	**$ (334)**	$ 15,450	$ 16,231	**$ 781**	
Membership and Subscriptions	$ 11,149	$ 11,344	**$ 195**	$ 22,484	$ 24,863	**$ 2,379**	
Regulatory Fees	$ 25,339	$ 23,949	**$ (1,390)**	$ 51,360	$ 47,898	**$ (3,462)**	
Travel	$ 3,868	$ 11,050	**$ 7,182**	$ 8,298	$ 21,150	**$ 12,852**	
Occupancy & Facility	$ 5,103	$ 12,729	**$ 7,625**	$ 8,415	$ 24,737	**$ 16,322**	
Office Expense	$ 3,604	$ 6,191	**$ 2,587**	$ 9,171	$ 10,893	**$ 1,721**	
Other Admin	$ 14,772	$ 13,574	**$ (1,199)**	$ 32,934	$ 24,830	**$ (8,104)**	
Total Administrative Expense	**$ 835,520**	**$ 943,263**	**$ 107,744**	**$ 1,737,170**	**$ 1,914,599**	**$ 177,428**	
Non-Operating Income/(Expense)							
Rental Income	$ 1,538	$ 1,494	**$ (45)**	$ 3,077	$ 2,987	**$ (90)**	
Depreciation & Amortization	$ (11,222)	$ (11,350)	$ 128	$ (22,350)	$ (22,700)	$ 350	
Change in Net Position	**$ 248,530**	**$ 68,911**	**$ 179,620**	**$ 234,825**	**$ 75,303**	**$ 159,523**	
Key Metrics							
Enrollment	95,865	94,369	**1,496**	192,282	189,187	**3,095**	
Medicaid Revenue PMPM	$ 622.86	$ 299.29	**$ 323.56**	$ 447.76	$ 298.77		
Medicare Revenue PMPM	$ 2,275.16	$ 2,170.18	**$ 104.98**	$ 2,284.77	$ 2,178.82	**$ 105.95**	
MLR (Medicaid)	98.5%	97.1%	**(144) bps**	98.1%	97.1%	**(100) bps**	
MLR (Medicare)	80.5%	90.5%	**999 bps**	84.9%	91.1%	**618 bps**	
Admin Ratio	1.4%	3.3%	**186 bps**	2.0%	3.3%	**131 bps**	
FTEs	42	45	**3**	84	90	**6**	
Net Income PMPM	$2.59	$0.73	**$1.86**	$1.22	$0.40	**$0.82**	
Net Income %	0.4%	0.2%	**18 bps**	0.2%	0.1%	**14 bps**	

Community Health Plan of Imperial Valley

Community Health Plan of Imperial Valley
Product P&L
For February 2026

	February											
	Medi-Cal				Medicare				Consolidated			
	Actual	Budget	Variance B/(W)	% Var	Actual	Budget	Variance B/(W)	% Var	Actual	Budget	Variance B/(W)	% Var
REVENUE												
Medi-Cal												
Premium	$ 30,041,297	$ 27,742,190	**$ 2,299,107**	8.3%	$ 94,740	$ 133,525	**$ (38,785)**	-29.0%	$ 30,136,037	$ 27,875,715	**$ 2,260,322**	8.1%
Pass-Through	$ 29,419,192	$ 264,755	**$ 29,154,438**	NM	$ -	$ -	**$ -**	N/A	$ 29,419,192	$ 264,755	**$ 29,154,438**	NM
Medicare												
Part C Revenue					$ 453,200	$ 602,010	**$ (148,809)**	-24.7%	$ 453,200	$ 602,010	**$ (148,809)**	-24.7%
Part D Revenue					$ 108,815	$ 144,720	**$ (35,906)**	-24.8%	$ 108,815	$ 144,720	**$ (35,906)**	-24.8%
Other Medicare Revenue					$ 4,500	$ 4,152	**$ 348**	8.4%	$ 4,500	$ 4,152	**$ 348**	8.4%
Other Revenue	$ 86,631	$ 117,438	**$ (30,807)**	-26.2%	$ 1,892	$ 5,000	**$ (3,108)**	-62.2%	$ 88,522	$ 122,438	**$ (33,915)**	-27.7%
TOTAL OPERATING REVENUE	**$ 59,547,120**	**$ 28,124,383**	**$ 31,422,737**	**111.7%**	**$ 663,147**	**$ 889,407**	**$ (226,260)**	**-25.4%**	**$ 60,210,267**	**$ 29,013,789**	**$ 31,196,478**	**107.5%**
HEALTHCARE COSTS												
Medicaid Capitation	$ 29,140,058	$ 26,909,924	**$ (2,230,134)**	-8.3%					$ 29,140,058	$ 26,909,924	**$ (2,230,134)**	-8.3%
Medicaid Pass-Through	$ 29,419,192	$ 264,755	**$ (29,154,438)**	NM					$ 29,419,192	$ 264,755	**$ (29,154,438)**	NM
Total Medicaid	**$ 58,559,250**	**$ 27,174,679**	**$ (31,384,571)**	**-115.5%**					**$ 58,559,250**	**$ 27,174,679**	**$ (31,384,571)**	**-115.5%**
PCP Capitation					$ 142,563	$ 197,146	**$ 54,583**	27.7%	$ 142,563	$ 197,146	**$ 54,583**	27.7%
Inpatient					$ 30,416	$ 124,878	**$ 94,462**	75.6%	$ 30,416	$ 124,878	**$ 94,462**	75.6%
Outpatient					$ 12,234	$ 45,425	**$ 33,192**	73.1%	$ 12,234	$ 45,425	**$ 33,192**	73.1%
Other FFS					$ 3,605	$ 216,016	**$ 212,411**	98.3%	$ 3,605	$ 216,016	**$ 212,411**	98.3%
IBNR					$ 296,470	$ -	**$ (296,470)**	N/A	$ 296,470	$ -	**$ (296,470)**	N/A
Total FFS					**$ 342,724**	**$ 386,319**	**$ 43,595**	**11.3%**	**$ 342,724**	**$ 386,319**	**$ 43,595**	**11.3%**
Pharmacy (Gross)					$ 126,810	$ -	**$ (126,810)**	N/A	$ 126,810	$ -	**$ (126,810)**	N/A
Federal Reinsurance					$ (3,384)	$ -	**$ 3,384**	N/A	$ (3,384)	$ -	**$ 3,384**	N/A
LICS					$ (78,500)	$ -	**$ 78,500**	N/A	$ (78,500)	$ -	**$ 78,500**	N/A
Other CMS Offsets					$ (11,906)	$ -	**$ 11,906**	N/A	$ (11,906)	$ -	**$ 11,906**	N/A
OTC					$ 596	$ 12,289	**$ 11,693**	95.2%	$ 596	$ 12,289	**$ 11,693**	95.2%
Other Pharmacy					$ 7,055	$ 183,769	**$ 176,714**	96.2%	$ 7,055	$ 183,769	**$ 176,714**	96.2%
Total Pharmacy					**$ 40,671**	**$ 196,058**	**$ 155,388**	**79.3%**	**$ 40,671**	**$ 196,058**	**$ 155,388**	**79.3%**
Other Supplemental					$ 3,741	$ 16,344	**$ 12,603**	77.1%	$ 3,741	$ 16,344	**$ 12,603**	77.1%
Reinsurance (Net)					$ 6,348	$ 4,171	**$ (2,177)**	-52.2%	$ 6,348	$ 4,171	**$ (2,177)**	-52.2%
Community Reinvestment	$ 25,182	$ 17,041	**$ (8,140)**	-47.8%	$ (3,945)	$ -	**$ 3,945**	N/A	$ 21,237	$ 17,041	**$ (4,196)**	-24.6%
TOTAL HEALTHCARE COSTS	**$ 58,584,432**	**$ 27,191,721**	**$ (31,392,712)**	**-115.4%**	**$ 532,101**	**$ 800,039**	**$ 267,938**	**33.5%**	**$ 59,116,533**	**$ 27,991,759**	**$ (31,124,774)**	**-111.2%**
Gross Margin	**$ 962,688**	**$ 932,662**	**$ 30,026**	**3.2%**	**$ 131,046**	**$ 89,368**	**$ 41,678**	**46.6%**	**$ 1,093,734**	**$ 1,022,030**	**$ 71,704**	**7.0%**
Total Administrative Expense	**$ 474,754**	**$ 509,855**	**$ 35,100**	**6.9%**	**$ 360,765**	**$ 433,408**	**$ 72,643**	**16.8%**	**$ 835,520**	**$ 943,263**	**$ 107,744**	**11.4%**
Non-Operating Income/(Expense)												
Rental Income	$ 1,538	$ 1,494	**$ 45**	3.0%	$ -	$ -	**$ -**	N/A	$ 1,538	$ 1,494	**$ 45**	3.0%
Depreciation & Amortization	$ (10,987)	$ (11,308)	**$ 322**	-2.8%	$ (236)	$ (42)	**$ (194)**	466.3%	$ (11,222)	$ (11,350)	**$ 128**	-1.1%
Change in Net Position	**$ 478,485**	**$ 412,992**	**$ 65,493**	**15.9%**	**$ (229,955)**	**$ (344,082)**	**$ 114,127**	**-33.2%**	**$ 248,530**	**$ 68,911**	**$ 179,620**	**260.7%**
Key Metrics												
Enrollment	95,616	94,023	1,593	1.7%	249	346	(97)	-28.0%	95,865	94,369	1,496	1.6%
Revenue PMPM	$622.77	$299.12	$323.65	108.2%	$2,663.24	$2,570.54	$92.70	3.6%	$628.07	$307.45	$320.62	104.3%
MLR	98.38%	96.68%	-170 bps		80.24%	89.95%	971 bps		98.18%	96.48%	-171 bps	
Admin Ratio	0.8%	1.8%	102 bps		54.4%	48.7%	-567 bps		1.4%	3.3%	186 bps	
Net Income PMPM	$5.00	$4.39	$0.61	13.9%	($923.51)	($994.46)	$70.94	-7.1%	$2.59	$0.73	$1.86	255.0%
Net Income %	0.8%	1.5%	-66 bps		-34.7%	-38.7%	401 bps		0.4%	0.2%	18 bps	
Gross Margin Vol Variance			$ 15,802				$ (25,054)				$ 16,202	
Gross Margin Rate Variance			$ 14,224				$ 66,732				$ 55,502	

Community Health Plan of Imperial Valley
Statement of Net Position
February

	January 2026	February 2026	Change
ASSETS			
Current Assets			
Cash and Investments			
Chase - Checking (Primary & DSNP)	$ 3,449,744	$ 4,206,622	$ 756,878
JPMorgan Securities	$ 17,041,022	$ 16,621,692	$ (419,330)
First Foundation Bank	$ 142,177	$ 142,177	$ -
Receivables			
Accounts Receivable	$ 99	$ 99	$ -
Dividend & Interest Receivable	$ 95,963	$ 88,279	$ (7,685)
Capitation Receivable	$ 26,064,090	$ 30,136,037	$ 4,071,947
Pass-Through Receivable	$ 289,415	$ 29,419,192	$ 29,129,778
Medicare Receivables	$ 35,105	$ 102,968	$ 67,863
Other Current Assets			
Prepaid Admin	$ 548,003	$ 469,191	$ (78,812)
Prepaid Commissions	$ 3,492	$ 25,044	$ 21,552
Prepaid Medical	$ 77,800	$ 102,800	$ 25,000
Total Current Assets	**$ 47,746,910**	**$ 81,314,101**	**$ 33,567,191**
Noncurrent Assets			
Restricted Deposit			
First Foundation Bank - Restricted	$ 300,000	$ 300,000	$ -
Capital Assets			
Buildings - Net	$ 2,839,066	$ 2,830,237	$ (8,829)
Computer Equipment / Software - Net	$ 5,546	$ 5,378	$ (168)
Improvements - Net	$ 177,619	$ 192,245	$ 14,626
Intangible Assets	$ 52,707	$ 51,457	$ (1,250)
Operating ROU Asset (Copier) - Net	$ 10,134	$ 10,134	$ -
Total Noncurrent Assets	**$ 3,385,072**	**$ 3,389,451**	**$ 4,379**
Total Assets	**$ 51,131,982**	**$ 84,703,552**	**$ 33,571,569**
LIABILITIES			
Current Liabilities			
Payables			
Accounts Payable	$ 243,903	$ 132,428	$ (111,475)
Capitation Payable	$ 25,508,574	$ 58,559,250	$ 33,050,676
IBNR	$ 198,173	$ 494,643	$ 296,470
Medicare Payables	$ 18,960	$ 56,411	$ 37,451
Community Reinvestment Reserve	$ 18,890	$ 40,128	$ 21,237
Credit Card Payable	$ 16,466	$ 16,418	$ (48)
Other Current Liabilities			
Unearned Revenue	$ 629,893	$ 635,048	$ 5,155
Short Term Lease Liability - Copier	$ 2,984	$ 2,692	$ (292)
Bonus Accrual	$ 230,358	$ 249,301	$ 18,944
Salaries Accrual	$ 275,731	$ 269,450	$ (6,281)
Vacation Accrual	$ 243,506	$ 254,709	$ 11,203
Total Current Liabilities	**$ 27,387,439**	**$ 60,710,478**	**$ 33,323,039**
Total Liabilities	**$ 27,387,439**	**$ 60,710,478**	**$ 33,323,039**
NET POSITION			
Net investments in Capital Assets	$ 3,085,072	$ 3,089,451	$ 4,379
Restricted by Legislative Authority	$ 300,000	$ 300,000	$ -
Unrestricted	$ 20,373,176	$ 20,368,797	$ (4,379)
YTD Net Revenue	$ (13,705)	$ 234,825	$ 248,530
Total Net Position	**$ 23,744,543**	**$ 23,993,073**	**$ 248,530**
Total Liabilities and Net Position	**$ 51,131,982**	**$ 84,703,552**	**$ 33,571,569**

Community Health Plan of Imperial Valley

Summarized Tangible Net Equity Calculation

As of February 2026

	Net Equity	$ 23,993,073
	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)	$ 23,993,073
	Required Tangible Net Equity *	$ 4,929,310
	TNE Excess (Deficiency)	$ 19,063,762

	Full Service Plan		* Calculated Required Tangible Net Equity	
		1	$ 57,155,160	- February
A.	Minimum TNE Requirement	$ 1,000,000	$ 342,930,960	- 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			
			$ 192,930,960	
	1% of annualized premium revenues		x 1%	
	in excess of $150 million	$ 1,929,310	$ 1,929,310	
	Total	$ 4,929,310	$ 4,929,310	- Required TNE

Community Health Plan of Imperial Valley
February 2026 Cash Transactions

Date	Account	Vendor	Memo/Description	Amount
Chase Primary Checking				
2/2/2026	Chase Checking	Sparkling Clean	Inv January2026	($900.00)
2/2/2026	Chase Checking	Law Office of William S. Smerdon	Inv 2915	($1,787.50)
2/2/2026	Chase Checking	Imperial Desert Landscape	Inv 1031	($250.00)
2/3/2026	Chase Checking	Entravision Communications Corporation	Inv January2026	($1,260.00)
2/3/2026	Chase Checking	Brawley Rotary Club	Inv January 2026 Statement-- bill.com Check Number: 80718431	($295.00)
2/3/2026	Chase Checking	Junior's Cafe	Inv 13-19546-- bill.com Check Number: 80718067	($310.52)
2/3/2026	Chase Checking	Ascend Technologies, LLC	Inv INV050563	($11,731.96)
2/5/2026	Chase Checking	Allan Wu	Inv OCTBER2025-- bill.com Check Number: 80726024	($100.00)
2/5/2026	Chase Checking	Allan Wu	Inv OCTBER2025-- bill.com Check Number: 80306176	$100.00
2/6/2026	Chase Checking	City of Imperial	Acct 80683 - Inv 1500260-- bill.com Check Number: 80730851	($119.74)
2/6/2026	Chase Checking	Imperial Irrigation District	Inv Jan2025-- bill.com Check Number: 80730829	($1,122.49)
2/6/2026	Chase Checking	Rippling	Jan 17th - Jan 30th, Check date: 2026-02-06	($131,115.27)
2/6/2026	Chase Checking	Rippling	Jan 17th - Jan 30th, Check date: 2026-02-06	($55,524.63)
2/6/2026	Chase Checking	Rippling	Jan 17th - Jan 30th, Check date: 2026-02-06	($16,835.49)
2/6/2026	Chase Checking	Rippling	Jan 17th - Jan 30th, Check date: 2026-02-06	($891.92)
2/7/2026	Chase Checking	Mid Atlantic Trust Company	Mid Atlantic - Fees	($42.08)
2/7/2026	Chase Checking	Rippling	Employee Reimbursement - L. Lewis, E. Reyes and k. Maldonado	($767.49)
2/7/2026	Chase Checking	Rippling	Employee Reimbursement - E. Torres and S. Levy	($322.44)
2/7/2026	Chase Checking	Rippling	Employee Reimbursement - B. Castro and N. Mendivel	($68.63)
2/7/2026	Chase Checking	Rippling	People Center	($45.00)
2/7/2026	Chase Checking	Rippling	Employee Reimbursement - J. Perez	($46.20)
2/7/2026	Chase Checking	UNUM	UNUM Invoice 02/01/26 - 02/28/26	($950.00)
2/7/2026	Chase Checking	JPMorgan Chase	Services Charges Investment Sweep - January 2026	($522.32)
2/7/2026	Chase Checking	Blue Sheild	Blue Sheild Insurance	($42,970.86)
2/7/2026	Chase Checking		Credit Card Payment	($16,466.02)
2/7/2026	Chase Checking	Rippling	Replenish Rippling - FSA	($529.59)
2/7/2026	Chase Checking	Voya	Payroll Date: 02/06/26 Retirement Contribution	($1,779.17)
2/7/2026	Chase Checking	JPMorgan Chase	Dividend Income - January 2026	$6,694.71
2/9/2026	Chase Checking	ECG Management Consultants	Inv 4211.001 - 76884	($813.75)
2/9/2026	Chase Checking	Entravision Communications Corporation	Inv 821147-1	($350.00)
2/9/2026	Chase Checking	Lee Hindman	Inv January 2026 Statement	($300.00)
2/9/2026	Chase Checking	Carlos Ramirez	Inv January 2026 Statement	($300.00)
2/9/2026	Chase Checking	Bushra Ahmad	Inv January 2026 Statement	($100.00)
2/9/2026	Chase Checking	Allan Wu	Inv January 2026 Statement-- bill.com Check Number: 80738859	($100.00)
2/9/2026	Chase Checking	Pablo Velez	Inv January 2026 Statement-- bill.com Check Number: 80736738	($100.00)
2/9/2026	Chase Checking	Republic Services	Inv 0467-001770085	($187.80)
2/14/2026	Chase Checking	Rippling	Replenishing Rippling Balance	($68.43)
2/14/2026	Chase Checking	Rippling	Employee Reimbursement - C. Hardy and D. O'campo	($660.04)
2/14/2026	Chase Checking	Rippling	Employee Reimbursement - D. Wilson and J. Hutchins	($1,875.37)
2/14/2026	Chase Checking	Voya	Payroll Date: 02/06/26 Retirement Contribution	($12,935.82)
2/14/2026	Chase Checking	Voya	12/31/26 - Employee Contributions to Accidental Insurance, Long Term Insu	($1,719.13)
2/14/2026	Chase Checking	Voya	01/31/26 - Employee Contributions to Accidental Insurance, Long Term Insu	($1,712.83)
2/14/2026	Chase Checking	Voya	02/28/26 - Employee Contributions to Accidental Insurance, Long Term Insu	($1,706.53)
2/14/2026	Chase Checking	Mid Atlantic Trust Company	P. Carprio - Loan Repayment - Mid Atlantic	($42.08)
2/14/2026	Chase Checking	IID	New Energy Rebate - New A/C Units	$1,200.00
2/14/2026	Chase Checking	Department of Managed Health Care	Receipt - DHCS (January 2026 Revenue)	$25,422,182.41
2/14/2026	Chase Checking	Department of Managed Health Care	Receipt - DHCS (January 2026 Revenue)	$859,569.88
2/14/2026	Chase Checking	Department of Managed Health Care	Receipt - DHCS (January 2026 Revenue)	$58,140.81
2/14/2026	Chase Checking	Department of Managed Health Care	Receipt - DHCS (January 2026 Revenue)	$11,733.87
2/14/2026	Chase Checking	Department of Managed Health Care	Receipt - DHCS (January 2026 Revenue)	$1,877.84
2/18/2026	Chase Checking	Great America Financial Services	Inv 41069596	($336.61)
2/18/2026	Chase Checking	Vic's Air Conditioning & Electrical	Inv 103500	($9,251.00)
2/18/2026	Chase Checking	Alliance Insurance Services LLC	Inv INV FEB2026-- bill.com Check Number: 80769373	($20,952.00)
2/18/2026	Chase Checking	FEX Partners Insurance Agency LLC	Inv INV FEB2026	($2,328.00)
2/18/2026	Chase Checking	Department of Managed Health Care	Inv 25-10278-- bill.com Check Number: 80769089	($681.67)
2/18/2026	Chase Checking	Stericycle, Inc.	Inv 8013195199-- bill.com Check Number: 80769418	($113.14)
2/18/2026	Chase Checking	ECG Management Consultants	Inv 75903	($3,504.38)
2/18/2026	Chase Checking	Zamosky Communication	Inv 0000058	($8,000.00)
2/18/2026	Chase Checking	Baker Tilly US, LLP	Inv 102854183-- bill.com Check Number: 80768270	($26,250.00)
2/18/2026	Chase Checking	Jeffrey Scott Agency	Inv Project 24366	($1,522.50)
2/18/2026	Chase Checking	MAK Solutions	Inv CHPIV-06	($7,500.00)
2/19/2026	Chase Checking	Sparkling Clean	Inv February2026	($900.00)
2/19/2026	Chase Checking	Division of Family and Medical Leave Insurance	Inv 1054938000-- bill.com Check Number: 80774525	($113.34)
2/19/2026	Chase Checking	Wakely consulting Group	Inv 337071 - 0000001	($2,822.50)
2/20/2026	Chase Checking	AM Copiers Inc.	Inv IN9271	($808.55)
2/20/2026	Chase Checking	Voya	Inv 387861-- bill.com Check Number: 80780556	($3.58)
2/20/2026	Chase Checking	Bye Bye Pigeons Inc.	Inv INV 1	($2,801.50)
2/20/2026	Chase Checking	Rippling	Jan 31st - Feb 13th, Check date: 2026-02-20	($130,854.46)
2/20/2026	Chase Checking	Rippling	Jan 31st - Feb 13th, Check date: 2026-02-20	($70,291.86)
2/20/2026	Chase Checking	Rippling	Jan 31st - Feb 13th, Check date: 2026-02-20	($891.92)
2/21/2026	Chase Checking	JPMorgan Chase	Account Analysis Settlement Charge	($172.82)
2/21/2026	Chase Checking	Rippling	Employee Reimbursement - N. Mendivel	($34.35)
2/21/2026	Chase Checking	Rippling	Employee Reimbursement - K. Maldonado	($13.71)
2/21/2026	Chase Checking	Rippling	Rippling Replenishing FSA	($488.60)
2/21/2026	Chase Checking	State Compensation Insurance Fund	Workers Compensation Payment	($2,483.63)
2/21/2026	Chase Checking	Voya	L. Lewis Employer Profit Sharing	($1,254.99)
2/23/2026	Chase Checking	Quench USA	Inv INV10211307	($129.30)
2/23/2026	Chase Checking	Inerglo Creative	Inv INV-00679	($3,000.00)
2/23/2026	Chase Checking	Entravision Communications Corporation	Inv 821143-2,821137-2 ,821147-2	($1,260.00)
2/23/2026	Chase Checking	Derma's Floor Covering	Inv 14637-- bill.com Check Number: 80784015	($6,350.00)
2/24/2026	Chase Checking	Liebert Cassidy Whitmore	Inv 314910-- bill.com Check Number: 80789731	($30.50)

2/25/2026	Chase Checking	I.V. Termite & Pest Control	Inv 0360673	($120.00)
2/25/2026	Chase Checking	Inerglo Creative	Inv INV-00681	($1,300.00)
2/25/2026	Chase Checking	Wakely consulting Group	Inv 337695 - 0000001	($12,500.00)
2/27/2026	Chase Checking	Oracle America, Inc.	Inv 2392780	($6,818.18)
2/27/2026	Chase Checking	Epstein Becker & Green, P.C.	Inv #1219963	($3,073.50)
2/27/2026	Chase Checking	Kaz-Bros Design Shop	Inv 14563-- bill.com Check Number: 80805134	($108.74)
2/27/2026	Chase Checking	Epstein Becker & Green, P.C.	Multiple inv. (details on stub)	($3,883.00)
2/27/2026	Chase Checking	Republic Services	Inv 0467-001773247	($182.80)
2/27/2026	Chase Checking	CMS	Mar 2026 CMS Capitation	$635,048.46
2/28/2026	Chase Checking	Rippling	Employee Reimbursement - D. Pasillas	($779.69)
2/28/2026	Chase Checking	Rippling	Replenishing Rippling FSA	($34.55)
2/28/2026	Chase Checking	Voya	Payroll Date: 02/20/26 Retirement Contribution	($13,481.86)
2/28/2026	Chase Checking	Voya	Payroll Date: 02/20/26 Retirement Contribution	($474.93)
2/28/2026	Chase Checking	HealthNet	Rental Income - February 2026	$1,538.31

Chase Checking - DSNP

2/2/2026	Chase Checking - DSNP	Community Health Group	Inv 32789329	($29,931.86)
2/2/2026	Chase Checking - DSNP	Community Health Group	Inv 32737507	($85,061.60)
2/2/2026	Chase Checking - DSNP	Community Health Group	Inv 32756123	($22,573.02)
2/2/2026	Chase Checking - DSNP	Community Health Group	Inv 2026-03	($14,871.92)
2/3/2026	Chase Checking - DSNP	Community Health Group	Inv 2026-00110002	($90,000.00)
2/9/2026	Chase Checking - DSNP	Nations Benefits, LLC	Inv INV236891	($281.97)
2/9/2026	Chase Checking - DSNP	Primary Healthcare Medical Group IPA, Inc.	Inv FEB2026	($14,721.61)
2/9/2026	Chase Checking - DSNP	Community Care IPA, Inc.	Inv FEB2026-- bill.com Check Number: 80736779	($41,728.95)
2/9/2026	Chase Checking - DSNP	Premier Patient Care IPA, INC.	Inv FEB2026	($79,740.39)
2/9/2026	Chase Checking - DSNP	Imperial County Physicians Medical Group, Inc.	Inv FEB2026-- bill.com Check Number: 80738330	($6,371.55)
2/11/2026	Chase Checking - DSNP	Community Health Group	Inv 2026-04	($16,250.19)
2/11/2026	Chase Checking - DSNP	Community Health Group	Inv 32812142	($39,579.45)
2/18/2026	Chase Checking - DSNP	Community Health Group	Inv 2026-05	($1,973.69)
2/18/2026	Chase Checking - DSNP	Wakely consulting Group	Inv 337072 - 0000001	($1,693.75)
2/18/2026	Chase Checking - DSNP	Nations Benefits, LLC	Inv INV237023	($156.60)
2/23/2026	Chase Checking - DSNP	Community Health Group	Inv 02202026	($42,431.21)
2/23/2026	Chase Checking - DSNP	Community Health Group	Inv 2026 - 06	($25,000.00)
2/23/2026	Chase Checking - DSNP	Community Health Group	Inv 32852922	($19,791.15)
2/24/2026	Chase Checking - DSNP	RSC Insurance Brokerage, Inc.	Inv INV 022326	($6,347.79)
2/25/2026	Chase Checking - DSNP	Community Health Group	Inv 2026-06	($13,158.21)
2/27/2026	Chase Checking - DSNP	Community Health Group	Inv 32866420	($32,063.45)
2/28/2026	Chase Checking - DSNP	JPMorgan Chase	2025-179	($95.33)
2/28/2026	Chase Checking - DSNP	JPMorgan Chase	FEB 2026 Interest	$243.55

JPMorgan Securities

2/28/2026	Chase Securities	Health Net	January 2026 Health Net Payment	($25,508,573.97)
2/28/2026	Chase Securities	JPMorgan Chase	Bank Fee - January 2026 (Portfolio)	($25.00)
2/28/2026	Chase Securities	JPMorgan Chase	Accrued Investment Income - January 2026	$89,268.75

Committee Chair Reports

Committee Report

Summary of committee meetings by commissioner chairs

Community Advisory Committee Report

Chair: Xochitl Fausto [absent]; Meeting chaired by, Denise Padillas

Date: March 17, 2026

Agenda Items Reviewed

- Goals for 2026
- Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey – measures, member journey, member experience vs satisfaction, survey timeline
- Health Equity work plan
- Medi-Cal work rules, Social Services presentation
- Member feedback

Key Observations

- Meeting is held at a time that is difficult for the Chair to attend.
- Recommendations for how to improve overall experience with CHPIV included:
    - Look into provider office practices related to appointment structuring (limited to one issue per visit)
    - Enhance member-facing materials using plain language standards
    - Expand member education for new and young members about how the plan works and how to access benefits
    - Assess dental network adequacy and opportunities to increase awareness of existing dental resources.
    - Strengthen provider training in customer service, ASD awareness, and trauma-informed care
    - Improve communication and support around primary care provider selection and changes

Actions Taken

- Approved minutes from Dec 9, 2026 meeting

Information Items

Informational Update

D-SNP Model of Care

In alignment with CHPIV's mission to serve its communities and advance equitable access to care, the organization recognizes that individuals dually eligible for Medicare and Medi-Cal represent a particularly vulnerable population with complex, high-acuity healthcare needs that are not fully addressed within a traditional fee-for-service environment. CHPIV's Model of Care (MOC) serves as the foundational framework guiding the delivery of patient-centered, coordinated care that addresses the full spectrum of medical, behavioral, and social needs within Imperial County. The MOC supports our integrated system of care by promoting interdisciplinary collaboration and proactive care management to ensure members receive the right care at the right time in the most appropriate setting.

As a CMS-required component of CHPIV's D-SNP line of business, the MOC is an integral component to demonstrating the Plan's ability to effectively manage and coordinate care for dual eligible members. It ensures alignment with federal and state regulatory expectations while reinforcing CHPIV's commitment to delivering high-quality, person-centered care. The MOC also provides the framework for ongoing performance monitoring and continuous quality improvement, supporting accountability across all levels of care delivery.

To operationalize this framework, CHPIV has established a comprehensive set of measurable goals aligned with key clinical priorities and nationally recognized benchmarks. These include improving transitions of care through timely notification of inpatient admissions, post-discharge follow-up, and medication reconciliation; increasing preventive screening rates, including breast cancer screening; reducing avoidable hospital readmissions; and strengthening chronic disease management through improved glycemic control and blood pressure management. Additional focus areas include fall risk reduction and enhanced care coordination through completion of Health Risk Assessments (HRAs), development of Interdisciplinary Care Plans (ICPs), and engagement of Interdisciplinary Care Teams (ICTs). Each measure is supported by defined performance targets and structured reporting timelines to ensure consistent monitoring and accountability.

At this stage, CHPIV is in the early phase of data collection in its MOC implementation and does not yet have sufficient data to report on performance against these established goals. However, the foundational infrastructure necessary to support data collection, reporting, and performance evaluation has been established, including standardized workflows, documentation practices, and monitoring mechanisms. CHPIV anticipates that initial performance data will be available in the upcoming quarters of 2026, which will allow for formal assessment of outcomes and identification of opportunities for targeted improvement.

As implementation progresses, the MOC will continue to serve as a central driver of CHPIV's population health strategy, ensuring that care delivery remains coordinated, measurable, and aligned with both regulatory requirements and the evolving needs of Imperial County.

Compliance Report

Period Covered: March 2026

Highlights

- DHCS Medical Audit
- Risk Management, Risk Assessment & Audit/Monitoring Program Update

DHCS Medical Audit

CHPIV submitted all Corrective Action Plans (CAPs) to DHCS on March 20, 2026, addressing the findings from the prior audit. These CAPs outline the Plan's remediation activities and are currently under DHCS review. Feedback and formal acceptance from DHCS are pending and will inform any additional follow-up or validation requirements. Compliance will continue to monitor action plans for timely implementation and effectiveness.

DHCS has formally confirmed CHPIV's next Medi-Cal Managed Care Audit, currently scheduled for **June 16 through June 30, 2026**, covering the audit period of January 1 through December 31, 2025. The audit will include a comprehensive evaluation of compliance with contractual and regulatory requirements, including utilization management, care coordination, network access, grievances and appeals, quality improvement, and the compliance program. New audit areas include pregnancy/postpartum care and community supports.

As part of the audit process, DHCS will conduct staff interviews, review policies and procedures, and validate operational performance through detailed data submissions (e.g., grievances, prior authorizations, appeals, and claims) and case files/medical record review. The audit will also assess CHPIV's oversight of delegated entities, which remains a key regulatory focus area.

Key pre-audit deliverables include submission of verification logs by April 15, 2026, and all remaining documentation by May 1, 2026, followed by a virtual entrance conference on June 16, 2026. These milestones initiate the formal audit review process and require coordinated readiness across all functional areas and Health Net.

The confirmation of the upcoming audit reinforces the importance of maintaining audit readiness, ensuring data accuracy and completeness, and demonstrating effective oversight of delegated functions. Current efforts remain focused on submission readiness, validation of audit universes, and alignment of operations with regulatory requirements in advance of the audit period.

Risk Management, Risk Assessment & Audit/Monitoring Program Update

CHPIV Compliance has developed a formal enterprise Risk Management Program, which establishes a structured framework for identifying, scoring, and monitoring compliance risks across all lines of business and delegated entities. The program is designed to ensure that oversight activities are risk-driven rather than uniform, allowing resources to be prioritized based on areas of highest regulatory and member impact.

At the center of the program is a risk repository, which serves as a centralized inventory of all identified risks from multiple sources, including regulatory audits, internal audits, monitoring activities, and delegated oversight findings. This repository is continuously updated and enables CHPIV to track risk status, identify repeat or systemic issues, and maintain full visibility into the organization's risk posture over time.

Using this repository, CHPIV conducted its annual risk assessment, applying a standardized scoring methodology based on member impact, regulatory focus, and deficiency/recurrence. This process produced a risk-tiered inventory of compliance risks (Critical, High, Medium/Low), which directly informs where oversight efforts are concentrated.

The outputs of the risk assessment have been translated into CHPIV's Audit & Monitoring Program, which operationalizes oversight activities across all functional areas and delegated entities. Under this model, all quantitative performance measures are monitored quarterly, while high and critical risk areas are subject to more frequent and intensive oversight, including quarterly case file reviews, in addition to the annual audit cycle.

As a result of this risk-based approach, CHPIV has expanded monitoring in several high-risk areas. This includes the addition of structured case file reviews for utilization management decision timeliness, denial letter compliance, and appeals processing, as well as enhanced monitoring of grievances, claims timeliness, provider dispute resolution, and care coordination activities (e.g., Enhanced Care Management and Initial Health Appointments). These reviews are conducted using standardized audit tools and sampling methodologies aligned with regulatory expectations.

Findings from all monitoring activities are systematically fed back into the risk repository and, where applicable, trigger corrective action plans with defined validation requirements.

The Risk Management Program, Annual Risk Assessment, and Audit & Monitoring Program are being presented to the Compliance & Policy Committee (CPC) and the Regulatory Compliance Oversight Committee (RCOC) for final approval. This governance step formalizes CHPIV's

transition to a fully integrated, risk-based compliance oversight model and ensures alignment with regulatory expectations for ongoing monitoring, delegated oversight, and audit readiness.

Information Items

Operations report for review

Operations Report

Period Covered: March 2025

Highlights

Medi-Cal

We are tracking and requesting updates from Health Net for three priority areas:

- Referral processing - high number of member grievances related to untimely referrals
- Provider contract status – several in-network providers are showing as non-contracted for Medi-Cal, causing inappropriate service denials
- Provider assignment issues – 10+ providers are being assigned patients under the incorrect TaxID, age, or location.

Community Advantage Plus

- **Operations team:** The operations team has undergone a number of changes this past month. We hired a new member experience coordinator, Isela Granda, and a third Sales Representative who will start on April 13. We also said goodbye to Daniel O'Campo, Chief of Staff, who has been an important member of our team over the past year. Michelle Ramirez is now serving as the interim manager of community relations, responsible for sales, marketing, and member/provider experience. These changes, while difficult, were needed to streamline member experience and increase resources dedicated to data quality and operational infrastructure.
- **Office administrator luncheon:** CHPIV hosted a luncheon on March 25 for office administrators to provide feedback to CHPIV staff on Community Advantage Plus operations and identify opportunities for improvement. Based on the feedback, we are evaluating the feasibility of:
    - Limiting IPA reassignments to the first day of the following month –this reduces authorization resubmissions for patients switching IPAs mid-month.
    - Auto-approval of authorizations that were already submitted and approved by a member's previous IPA.

  We also executed several new contracts and set up a couple new groups on the CHPIV portal.

- **MSO Roadshow:** On March 24, a team from CHPIV (Julia and David) and Community Health Group travelled across the greater Los Angeles region to visit the offices of the managed services organizations (MSOs) that work behind the scenes to administer network, claims and utilization management for the IPAs we are contracted with. The purpose of our visit was to establish personal working relationships and understanding of our respective business processes to facilitate smooth handoffs and issue resolution. Since our visit we have also seen movement on several data integrations that are critical for plan operations – weekly encounter and authorization data exchange.

Key Metrics – Community Advantage Plus

Status	Category	Goal	Current Month Performance (as of 3/31/2026)
	Provider Network	100% of direct provider contracts are executed	79% of provider contracts are fully executed
	Member Issues	Minimize and resolve escalated issues quickly	109 in Jan; 37 in Feb; 74 in Apr 94% same-day resolution
	Disenrollment	5%	18% in Jan; 9% in Feb, 9% in March 96% same day resolution
	Enrollment	465 119 new per month	289 115 new for April 1

- **Direct Provider Network:**
  - 19 contracts pending execution, including new home health, SNF and specialist agreements.
  - 30 providers are still pending credentialling. The majority are with ECMRC clinics and are missing information required to complete the credentialing process.
  - All IPA contracts executed. Still operating under LOAs for UCSD and Imperial County Behavioral Health.
- **Member Issues:** Escalated member issues increased in Feb, partially because we now have a dedicated person, Veronica Arroyo, doing welcome calls and proactively identifying and resolving issues, and following up after we are notified of a disenrollment. Primary issues are: disenrollment, PCP change, ID Card, access to care, and Nation's benefit flex card. We continue to work with IPAs, CHG, and the CHPIV care team to identify root cause and explore proactive ways to mitigate issues in the first 90-days.
- **Disenrollment:** Rates are still high – and usually the result of the member experiencing multiple issues or broker/provider encouragement. Sales staff follow up with provider offices who recommend disenrollment and are proactively alerting PCP offices of new members who many need new referrals/authorizations.

- **Enrollment:** Enrollments are back on track. This month, we were finally able to free up the sales team to start selling again, rather than handling escalated issues. We are also seeing the results of new marketing campaigns – billboards and direct mail. We expect to exceed monthly projections going forward once our new sales rep is licensed and active.

Billboards - Check out our billboards on LaBrucherie and Adams and Circle K (digital board). Also, coming soon on 111 coming from Calexico.

Issues / Risks

- IPA data exchange– eligibility, authorizations, encounters
- Ensuring referrals/authorizations are in place for new members joining the plan
- Ongoing provider awareness and support

Next 30 Days

- Implementation of STARS + risk adjustment coding accuracy plans
- 2027 plan development for CMS bid

Period Covered: March 10, 2026- April 13, 2026

Highlights

- 2 new hires: Member Experience Coordinator and Sales and Marketing Rep (both local)
- 1 open position: Data Management Specialist
- Began Q1 goal check-ins via Rippling
- Started implementation plans for employee suggestions on enhanced communication

Key Metrics

Total number of employees	43
Local	30
Remote	13
Number of exits in 2026	1 new, position elimination. 3 YTD.

Issues / Risks

- No known issues or risks at this time

Next 30 Days

- Continued work on internal communication. Begin to implement employee recommendations for enhanced communication, as appropriate.