



**HEALTH NET ACCESS, INC. D/B/A  
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Uniform Guidance Reports

Year Ended September 30, 2023

(With Independent Auditors' Reports Thereon)

**HEALTH NET ACCESS, INC. D/B/A  
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Uniform Guidance Reports  
Year ended September 30, 2023

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Health Net Access, Inc. d/b/a Arizona Complete Health – Complete Care Plan audited financial statements, as of and for the year ended September 30, 2023, are separately attached hereto.	



KPMG LLP  
Suite 900  
10 South Broadway  
St. Louis, MO 63102-1761

## **Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

The Board of Directors and Stockholder  
Health Net Access, Inc. d/b/a Arizona Complete Health - Complete Care Plan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Health Net Access, Inc. d/b/a Arizona Complete Health - Complete Care Plan (the Company), which comprise the Company's balance sheet as of September 30, 2023, and the related statement of operations, comprehensive income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 7, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

St. Louis, Missouri  
June 7, 2024



KPMG LLP  
Suite 900  
10 South Broadway  
St. Louis, MO 63102-1761

**Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Directors and Stockholder  
Health Net Access, Inc. d/b/a Arizona Complete Health – Complete Care Plan:

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited Health Net Access, Inc. d/b/a Arizona Complete Health – Complete Care Plan's (Health Net Access, Inc.) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Health Net Access, Inc.'s major federal programs for the year ended September 30, 2023. Health Net Access Inc's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Health Net Access, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Health Net Access, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Health Net Access Inc.'s compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Health Net Access, Inc.'s federal programs.

*Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Health Net Access Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not



absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Health Net Access Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Health Net Access, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Health Net Access, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Health Net Access, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Health Net Access, Inc. as of and for the year ended September 30, 2023, and have issued our report thereon dated June 7, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*KPMG LLP*

St. Louis, Missouri  
June 7, 2024

**HEALTH NET ACCESS, INC. D/B/A  
ARIZONA COMPLETE HEALTH - COMPLETE CARE PLAN**

Schedule of Expenditures of Federal Awards

Year ended September 30, 2023

Federal Grantor/Program Title/Cluster Title	Assistance listing number	Contract number	Grant number	Passed-through to subrecipients	Federal expenditures
U.S. Department of Health and Human Services					
Substance Abuse and Mental Health Services:					
State Opioid Response Grants (SOR)	93.788	YH22-0061R-03	11356415170214	\$ 5,451,379	5,925,412
Total Substance Abuse and Mental Health Services				<u>5,451,379</u>	<u>5,925,412</u>
Arizona Pilot Grant Program for Treatment for Pregnant and Postpartum Women:					
PPW-PLT Year 3	93.243	YH22-0061R-03	11356415170214	520,536	565,800
Total Arizona Pilot Grant Program for Treatment for Pregnant and Postpartum Women				<u>520,536</u>	<u>565,800</u>
Emergency Grants to address Mental and substance use disorders during COVID-19					
Arizona COVID-19 Supplemental Grant (Supplemental)	93.665	YH22-0061R-03	11356415170214	72,217	78,497
Total Emergency Grants to address Mental and substance use disorders during COVID-19				<u>72,217</u>	<u>78,497</u>
Block Grants for Community Mental Health Services (MHBG):					
SMI - Non Title XIX (MHBG SMI)		YH22-0061R-03	11356415170214	599,309	819,919
Children - Non Title XIX (MHBG SED)	93.958	YH22-0061R-03	11356415170214	2,314,060	2,368,761
FEP	93.958	YH22-0061R-03	11356415170214	247,079	279,754
MHBG Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) Funding SMI	93.958	YH22-0061R-03	11356415170214	1,744,593	1,896,296
MHBG Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) Funding SED	93.958	YH22-0061R-03	11356415170214	1,053,990	1,145,642
MHBG Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) Funding FEP	93.958	YH22-0061R-03	11356415170214	314,131	341,447
Total Mental Health Block Grant				<u>6,273,162</u>	<u>6,851,819</u>
Block Grants for Prevention and Treatment of Substance Abuse (SABG):					
Substance Abuse/General Mental Health	93.959	YH22-0061R-03	11356415170214	5,494,613	6,677,545
HIV	93.959	YH22-0061R-03	11356415170214	367,997	416,663
SABG Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) Funding	93.959	YH22-0061R-03	11356415170214	2,031,056	2,207,669
Total Block Grants for Prevention and Treatment of Substance Abuse				<u>7,893,666</u>	<u>9,301,877</u>
Total U.S. Department of Health and Human Services				<u>20,210,960</u>	<u>22,723,405</u>
Total Expenditures of Federal Awards				<u>\$ 20,210,960</u>	<u>22,723,405</u>

See accompanying independent auditors' report and notes to schedule of expenditures of federal awards.

**HEALTH NET ACCESS, INC. D/B/A  
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2023

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Health Net Access, Inc. d/b/a Arizona Complete Health – Complete Care Plan (the Company) under programs of the federal government for the year ended September 30, 2023. The Company is a

for-profit company, however, due to requirements under contracts with the state of Arizona, is required to comply with the audit requirements of Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Company, it is not intended and does not present the financial position, changes in stockholder's equity or cash flow of the Company.

**(2) Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Company has not elected to use the ten percent de minimus indirect cost rate allowable under the Uniform Guidance. The Company had no loan or loan guarantee programs in effect.

**HEALTH NET ACCESS, INC. D/B/A  
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Schedule of Findings and Questioned Costs

Year Ended September 30, 2023

**(1) Summary of Auditors' Results**

- a. Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- b. Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
  - Material weaknesses: **No**
  - Significant deficiencies: **None Reported**
- c. Noncompliance material to the financial statements: **No**
- d. Internal control deficiencies over major programs disclosed by the audit:
  - Material weaknesses: **No**
  - Significant deficiencies: **None reported**
- e. Type of report issued on compliance for major programs: **Unmodified**
- f. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- g. Major programs:
  - Block Grants for Community Mental Health Services - ALN 93.958
  - Block Grants for Prevention and Treatment of Substance Abuse – ALN 93.959
- h. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
- i. Auditee qualified as a low-risk auditee: **Yes**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None

**(3) Findings and Questioned Costs Relating to Federal Awards**

None

**HEALTH NET ACCESS, INC. D/B/A ARIZONA**  
**COMPLETE HEALTH – COMPLETE CARE PLAN**  
Financial Statements and Supplemental Information  
September 30, 2023

(With Independent Auditors' Report Thereon)

**HEALTH NET ACCESS, INC. D/B/A ARIZONA  
 COMPLETE HEALTH – COMPLETE CARE PLAN  
 Financial Statements, Additional Information  
 And Uniform Guidance Supplementary Reports  
 Year Ended September 30, 2023**

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**Supplemental Information**

Independent Auditors’ Report on Internal Control Over Financial Reporting  
 and on Compliance and Other Matters Based on an Audit of Financial  
 Statements Performed in Accordance with *Government Auditing Standards*



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## Independent Auditors' Report

The Board of Directors and Stockholder  
Health Net Access, Inc. d/b/a Arizona Complete Health - Complete Care Plan:

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Health Net Access, Inc. d/b/a Arizona Complete Health - Complete Care Plan (the Company), which comprise the balance sheet as of September 30, 2023 and the related statement of operations, comprehensive income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Required Supplementary Information*

U.S. generally accepted accounting principles require that the incurred and paid claims development information, and the historical claims duration information for the years ended September 30, 2022 and prior on page 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Non Title XIX/XXI: Contract Year Income Statement and Schedule A on pages 31 and 32 is presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Arizona Health Care Cost Containment System who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on



the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

St. Louis, Missouri  
June 7, 2024

**HEALTH NET ACCESS, INC. D/B/A ARIZONA**  
**COMPLETE HEALTH – COMPLETE CARE PLAN**  
**(A Wholly Owned Subsidiary of Centene Corporation)**

Balance Sheet  
September 30, 2023

<b>Assets</b>	<b>2023</b>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 130,292,738
Capitation and supplement receivables	25,612,664
Reinsurance receivables	7,705,240
Provider receivables	4,947,129
Pharmacy receivables	781,970
Short-term investments	2,959,639
Amounts due from affiliates	6,982,586
Prepaid expenses and other current assets	15,947,775
Total current assets	\$ 195,229,741
Long-term investments	449,359,058
Net deferred tax assets	27,573,792
Total assets	\$ 672,162,591
<b>Liabilities and Stockholder's Equity</b>	
<b>Current liabilities:</b>	
Medical claims liability	179,211,831
Reconciliation payables	22,157,330
Amounts due to affiliates	9,636,560
Payables to providers	2,328,681
Alternative payment model liability	9,025,583
Income taxes payable	7,888,704
Other current liabilities	19,962,697
Total current liabilities	250,211,386
<b>Long-term liabilities:</b>	
Reconciliation payables	264,184,316
Payables to providers	6,366,085
Alternative payment model liability	—
Other long-term liabilities	1,542,672
Total long-term liabilities	272,093,073
Total liabilities	522,304,459
<b>Stockholder's equity:</b>	
Common stock, (no par value – 100 shares authorized; issued and outstanding)	—
Additional paid-in capital	143,056,731
Retained earnings	30,105,695
Accumulated other comprehensive (loss) income	(23,304,294)
Total stockholder's equity	149,858,132
Total liabilities and stockholder's equity	\$ 672,162,591

**HEALTH NET ACCESS, INC. D/B/A ARIZONA**  
**COMPLETE HEALTH – COMPLETE CARE PLAN**  
**(A Wholly Owned Subsidiary of Centene Corporation)**

Statement of Operations

September 30, 2023

	<b>2023</b>
Revenues:	
Capitation premiums	\$ 2,129,461,977
Other revenue	44,031,856
Delivery supplement	47,097,791
Total revenue	2,220,591,624
Expenses:	
Health care services	1,941,590,244
Less: reinsurance recoveries	(34,120,766)
Total health care services, net of reinsurance recoveries	1,907,469,478
Premium tax expense	54,522,778
Administrative	199,433,853
Interest	365,768
Total operating expenses	2,161,791,877
Income from operations	58,799,747
Investment and other income, net	29,846,594
Income before federal income taxes	88,646,341
Federal income tax expense	20,655,645
Net income	\$ 67,990,696

**HEALTH NET ACCESS, INC. D/B/A ARIZONA**  
**COMPLETE HEALTH – COMPLETE CARE PLAN**  
**(A Wholly Owned Subsidiary of Centene Corporation)**

Statement of Comprehensive Income

Year Ended September 30, 2023

	<u>2023</u>
Net income	67,990,696
Change in unrealized loss arising during the period, net of tax, benefit (\$7,029,873)	<u>(4,319,699)</u>
Comprehensive income	<u><u>\$ 63,670,997</u></u>

**HEALTH NET ACCESS, INC. D/B/A ARIZONA**  
**COMPLETE HEALTH – COMPLETE CARE PLAN**  
**(A Wholly Owned Subsidiary of Centene Corporation)**

Statement of Stockholder's Equity  
Year Ended September 30, 2023

	<b>Common stock</b>	<b>Additional paid-in capital</b>	<b>Accumulated comprehensive income (loss)</b>	<b>Retained earnings</b>	<b>Total stockholder's equity</b>
Balance - September 30, 2022	—	143,056,731	(18,984,595)	82,114,999	206,187,135
Net income	—	—	—	67,990,696	67,990,696
Change in unrealized income, net of tax	—	—	(4,319,699)	—	(4,319,699)
Distribution to parent	—	—	—	(120,000,000)	(120,000,000)
Balance - September 30, 2023	\$ —	\$ 143,056,731	\$ (23,304,294)	\$ 30,105,695	\$ 149,858,132

**HEALTH NET ACCESS, INC. D/B/A ARIZONA**  
**COMPLETE HEALTH – COMPLETE CARE PLAN**  
**(A Wholly Owned Subsidiary of Centene Corporation)**

Statement of Cash Flows  
Year Ended September 30, 2023

	2023
Cash flows from operating activities:	
Net income	67,990,696
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization of premium on investments	233,321
Changes in assets and liabilities:	
Capitation and supplement receivables	2,757,788
Reinsurance receivables	11,472,068
Reconciliation receivables and payables	40,866,957
Provider receivables	4,068,015
Pharmacy receivables	51,212
Income taxes receivable from affiliate	1,046,521
Prepaid expenses and other current assets	(961,401)
Amounts due (from) to affiliates	(848,386)
Medical claims liability	(21,100,065)
Payable to providers	1,521,879
Other current liabilities	1,794,614
Alternative payment model liability	(13,699,474)
Net cash provided by operating activities	\$ 95,193,745
Cash flows from investing activities:	
Purchases of investments	(244,987,908)
Proceeds from investments	96,931,112
Net cash used in investing activities	\$ (148,056,796)
Cash flows from financing activities:	
Dividend to stockholders	(120,000,000)
Net cash used in financing activities	(120,000,000)
Net change in cash and cash equivalents	(172,863,051)
Cash, cash and cash equivalents, beginning of period	303,155,789
Cash, cash and cash equivalents, end of period	\$ 130,292,738
Supplemental disclosures of cash flow information:	
Income taxes paid	18,273,109

**HEALTH NET ACCESS, INC. D/B/A ARIZONA  
COMPLETE HEALTH – COMPLETE CARE PLAN**

Notes to Financial Statement  
Year Ended September 30, 2023

**Note 1. Company, Operations, and Significant Accounting Policies**

***a. Nature of Operations***

Health Net Access, Inc. dba Arizona Complete Health – Complete Care Plan (the “Company” or the “Plan”) was incorporated in Arizona on April 23, 2013, and commenced operations on October 1, 2013. The Company is a wholly-owned subsidiary of Health Net, Inc. (“HNI” or “Parent”). HNI is a wholly-owned subsidiary of Centene Corporation (“Centene”). This audited statement has a fiscal year of September 30, 2023, which is a change from prior year's December 31, 2022 fiscal year.

The Company is regulated by the Arizona Health Care Cost Containment System (“AHCCCS”), Arizona’s Medicaid program. AHCCCS is approved by the Secretary of Health and Human Services and the Centers for Medicare and Medicaid Services, as a Section 1115 of the Social Security Act, Waiver Demonstration Program, which gives Arizona additional flexibility to design and improve its program, while still receiving Federal Medicaid funding.

Effective October 1, 2013, the Company became a contractor for AHCCCS, by entering into a prepaid capitated contract, pursuant to Arizona Revised Statutes Title 36 Chapter 29, and thereby started to administer acute health care services to qualified Medicaid members in Maricopa County, Arizona, in accordance with AHCCCS statute and rules, and federal law and regulations.

In March 2018, the Company was selected to provide physical and behavioral health care services through the AHCCCS Complete Care program in the Central and Southern regions of Arizona. The AHCCCS Complete Care program integrates physical and behavioral health care contracts under managed care plans for the majority of the AHCCCS members. The integrated delivery model offers a more cohesive health care system for members incentivizing quality health care outcomes with value based purchasing, and leverages health information technology for improved care coordination. The Company began administering the AHCCCS Complete Care contract on October 1, 2018. The Company is currently in an extension until September 30, 2025.

Effective October 1, 2018, Cenpatico of Arizona, Inc. d/b/a Cenpatico Integrated Care (“Cenpatico”), a related party under common control, received approval from AHCCCS to assign the remaining term of the Regional Behavioral Health Authority contract to the Company. The Company began administering the Cenpatico Regional Behavioral Health Authority contract on October 1, 2018. Under the contract, the Company is responsible for managing and maintaining an organized, comprehensive integrated healthcare delivery system for the benefit of eligible members within its geographic service area. The contract did end on September 30, 2022, but the Regional Behavioral Health Authority contract was incorporated into the amended ACC contract starting October 1, 2022 and renamed Regional Behavioral Health Agreement (“RBHA”). Pursuant to the assignment of the RBHA contract from Cenpatico, the Company is obligated only for the activities under the contract effective October 1, 2018 and forward. Obligations under the contract for periods prior to October 1, 2018 are the responsibility of Cenpatico.

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As submitted and approved by AHCCCS, Care1st Health Plan Arizona, Inc. will be merged with Health Net Access, Inc. dba Arizona Complete Health-Complete Care Plan on October 1, 2024. At that time, all membership and operations will be transitioned to Health Net Access, Inc. dba Arizona Complete Health-Complete Care Plan, as well as the associated revenue and expenses.

The Financial Accounting Standards Board (“FASB”) sets generally accepted accounting principles (“GAAP”) in the United States of America to ensure consistent reporting. References to GAAP are to the Financial Accounting Standards Codification (“FASB ASC”).

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

***A. Basis of Presentation***

The accompanying financial statements are prepared on the basis of accounting principles generally accepted in the United States of America (“GAAP”).

***B. Management's Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Material estimates particularly susceptible to change in the near term include revenue recognition (including the reconciliation settlements described below), health care service costs, including the medical claims payable, and income taxes.

***C. Cash and Cash Equivalents***

Cash includes cash deposits in banks and cash equivalents. Cash equivalents include all highly liquid investments with maturities of three months or less when purchased. Accounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (“FDIC”). At September 30, 2023, cash and cash equivalents consisted of cash and money market accounts. Periodically, the balance of certain of the Company's bank accounts exceeds the federally-insured limit. The Company has not experienced any losses from maintaining cash balances in excess of such limits.

***D. Investments***

Short-term investments include securities with maturities greater than three months to one year. Long-term investments include securities with maturities greater than one year.

Short-term and long-term investments are classified as available-for-sale and are carried at fair value. To calculate realized gains and losses on the sale of investments, the Company uses the specific amortized cost of each investment sold. Realized gains and losses are recorded in investment and other income.

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Unrealized gains and losses on available-for-sale investments are recognized as direct increases or decreases in other comprehensive income. For the year ended September 30, 2023, the Company recognized unrealized losses of \$4,319,699 net of tax effect, on available-for-sale investments which have been recorded in the accompanying statement of comprehensive income. Cost of investments sold is recognized using the specific identification method.

Investment securities in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

The Company evaluates available-for-sale debt securities on a regular basis and records an allowance for credit losses, if necessary. Evidence of a credit related loss may include rating agency actions, adverse conditions specifically related to the security, or failure of the issuer of the security to make scheduled payments. The Company recognizes an allowance when evidence demonstrates that the decline in fair value is credit related.

***E. Revenue recognition***

Revenue includes the following amounts:

Prospective Capitation – Prospective capitation premiums are based on multi-year contracts with AHCCCS to provide care to Medicaid recipients.

Prior Period Coverage (“PPC”) Capitation – PPC capitation premiums cover eligible health care costs of members related to the period prior to their enrollment in the Plan. Such premiums are recognized upon receipt.

Delivery Supplement – Delivery supplement premiums are intended to cover the costs of maternity care for deliveries during the prospective enrollment period. Such premiums are recognized in the period the delivery occurs.

Reconciliation Settlements – AHCCCS has risk sharing programs which include reconciliation settlements, which impact revenue, and are due to, or from, AHCCCS, based on predetermined profit/(loss) thresholds before income tax.

Non-Title XIX/XXI Revenue – Non-Title XIX/XXI revenue is accrued and recognized based on the current AHCCCS Allocation Schedule and as documented by Contractor Expenditure Reports.

Effective October 1, 2018, under the AHCCCS Complete Care contract, if the profit is less than or equal to 2% of the prospective capitation revenues, then the Company’s share is 100%. If the profit is between 2% and 6%, then the Company’s share is 50% of the amount over 2%, for a maximum of 4% of total profits. If the profit is over 6%, then the Company’s share of the profits over 6% is 0%, for a maximum share of 4% of total profits. If

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the losses are in excess of 2%, then the Company’s share over 2% of the losses is 0%, for a maximum share of 2% of total losses. Profits in excess of the percentages set forth above will be recouped by AHCCCS and losses in excess of the percentages set forth above will be paid to the Company.

AHCCCS contract revenue is also limited by the terms of the RBHA contract to a maximum profit percentage of 4%.

Revenue is recognized in the month in which the related enrollees are entitled to health care services. All of the Company’s revenue is earned in Arizona from its Medicaid contracts with AHCCCS.

Capitation and supplement receivables due from AHCCCS are stated at the amount management expects to collect. The Company establishes an allowance for doubtful accounts, if necessary, based upon factors including credit risk, historical trends, and other information. As of September 30, 2023 capitation and supplement receivables due from AHCCCS are considered by management to be fully collectible and, accordingly, an allowance for doubtful accounts has not been provided.

Estimated reconciliation settlement balances are recorded as a net receivable or payable on the balance sheet by risk population. A summary of the balances as of September 30, 2023 for all open contract years is as follows. It is expected that a final settlement with AHCCCS will not be reached until over a year after the end of the specific contract year.

2023	Reconciliation receivable	Reconciliation Payable
Prospective/Prior period coverage	\$ —	\$ 286,341,646
Total	\$ —	\$ 286,341,646
Less current portion	\$ —	\$ (22,157,330)
Non-current portion	\$ —	\$ 264,184,316

Reconciliation receivables due from AHCCCS are stated at the amount management expects to collect. The Company establishes an allowance for doubtful accounts, if necessary, based upon factors including credit risk, historical trends, and other information. As of September 30, 2023, there were no reconciliation receivables due from AHCCCS.

***F. Amounts due to/from Affiliates***

Amounts due to/from affiliates generally consist of amounts payable or receivable to related parties under various service agreements. See Note 7 for detailed amounts due to/from affiliates.

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***G. Interest***

Interest consists of interest paid on claims. The Company incurred \$365,768 for interest in the year ended September 30, 2023.

***H. Healthcare and Related Receivables, net***

Healthcare receivables include pharmacy rebates, provider advances, and claims recoveries. These receivables are reported at the net estimated amount expected to be collected, which is based on historical collection trends and judgment regarding the ability to collect specific amounts.

***I. Pharmacy Receivables***

Pharmacy receivables include rebates the Company expects to receive from its pharmacy benefit manager, a related party under common control, based on the volume of drugs purchased. The Company records a receivable and a reduction of other medical services expenses for estimated rebates due based on purchase information. Pharmaceutical rebates totaled approximately \$2,628,178 for the year ended September 30, 2023 which are included as reductions in health care services in the accompanying statements of operations.

Pharmacy rebates receivable totaled \$781,970 at September 30, 2023. Additionally, pharmacy receivables include balances due to the Company from the pharmacy benefit manager for routine monthly services provided based on timing and amounts of payments. Such receivables totaled \$461,394 at September 30, 2023 which are included as amounts due from affiliates on the balance sheets. As of September 30, 2023, management believes the pharmacy receivable balances are fully collectible and accordingly, an allowance has not been established.

***J. Provider Receivables***

In the normal course of business, provider receivables are created through advances or claims overpayments. Throughout 2023, pursuant to an AHCCCS initiative to ensure those behavioral health providers transitioning from a block payment model to a fee-for-service model would have an adequate cash position through the transition, the Company increased its advanced funding to certain providers. Those providers experiencing significant cash flow deficiencies (less than 60 days cash on hand) were able to request up to the entire quarter's expected claims funding. Amounts due from providers are expected to be collected within one year. Provider receivables may be recouped through withholding payments in future periods. Provider receivables are stated at the amount management expects to collect. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to earnings and a credit to provider receivables. As of September 30, 2023 management believes the provider receivable balances are fully collectible and accordingly, an allowance has not been established. The Company experienced claims system issues beginning October 1, 2018 that led to provider advances, reprocessing of claims and provider overpayments. Due to claims system configuration issues, the

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providers were not receiving cash payments, as a result, the Company made advance payments to providers to ensure continuity of care as it worked through claims system configuration. Provider overpayments occurred when corrective action required provider records to be voided and replaced. The Company incorrectly paid providers fee-for-service (FFS) and block payments for the same services. These were duplicative and therefore incorrect payments. The Company has completed updates to system configuration related to FFS and Block duplicative payments. The Company identified potential claim recoveries from certain providers due to claim reviews and alerted AHCCCS of the estimated impacts.

***K. Premium Deficiency Reserve***

Premium deficiency reserves are recognized when expected incurred costs, claim adjustment expenses, and administration costs exceed the premiums to be collected for the remainder of a contract period. No premium deficiency reserve was recorded at September 30, 2023, based on the Company's expectation regarding the profitability of contracts in force at September 30, 2023. The Company considered anticipated investment income when calculating its premium deficiency reserves. The adequacy of reserve requirements is continually reviewed by management, with any reductions in the reserve being recorded as a beneficial effect in the statement of operations.

***L. Health Care Services/Medical Claims Liability***

The cost of health care services is recognized in the period in which services are provided and includes an estimate of the cost of services that have been incurred but not yet reported. Such costs include payments to primary care physicians, specialists, hospitals, outpatient care facilities, pharmaceuticals, and other medical services and the costs associated with managing the extent of such care. The Company's health care costs can also include, from time to time, remediation of certain claims as a result of periodic reviews by various regulatory agencies.

The Company estimates the amount of the provision for health care service costs incurred but not reported and the unpaid loss adjustment expenses using standard actuarial methodologies based upon historical data, including the period between the date services are rendered and the date claims are received and paid, denied claim activity, expected medical cost inflation, seasonality patterns, and changes in membership. The estimates for service costs incurred but not reported are made on an accrual basis and adjusted in future periods as required. Any adjustments to the prior period estimates are included in the current period. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amounts of claims and losses paid are dependent on future developments, management is of the opinion that the recorded medical claims payable is adequate to cover such costs.

Under the ACC-RBHA contract, the Company contracts with various at-risk providers for the provision of a full range of integrated healthcare services to eligible adults and children for Title XIX, Title XXI and Non-Title XIX programs, and physical healthcare services to Seriously Mentally Ill Title XIX eligible adults. Health care

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services are purchased under fee-for-service or block purchase arrangements. Fee-for-service contract expenses are accrued as incurred. Healthcare services provided under block purchase arrangements are accrued based upon contract terms. From time to time, the Company amends their provider contracts. The effects of these amendments are recorded in the period in which the amendment was executed.

The Company contracts with various providers, including medical groups, to provide professional care to certain of its enrollees on a capitated or fixed fee per member per month basis. Additionally, the Company also contracts with hospitals, physicians, and other providers of health care, pursuant to discounted fee-for-service arrangements, hospital per diem arrangements, and case rate arrangements, under which providers bill the Company for each individual service provided to enrollees.

Amounts incurred related to prior periods represents the change in medical claims payable attributable to the difference between the original estimate of incurred claims for prior periods and the revised estimate. In developing the revised estimate, there have been no changes in the approach used to determine the key actuarial assumptions, which are the completion factor and medical cost trend. Medical claims payable are estimated under actuarial standards of practice and GAAP. The majority of the medical claims payable balance held at each year-end is associated with the most recent months' incurred services because these are the services for which the fewest claims have been paid. The degree of uncertainty in the estimates of incurred claims is greater for the most recent months' incurred services. Revised estimates for prior periods are determined in each month based on the most recent updates of paid claims for prior periods.

***M. Hospital Assessment Payable***

Hospital assessment payable consists of amounts payable to hospitals, physicians, and ambulance providers to compensate them for serving Medicaid members. These amounts are a component of the premium revenue earned under the Company's at-risk contract with the "the Department" and are made on a pass-through basis. The Company records hospital assessment revenue and expense within premium income and general administrative expenses, respectively. The hospital assessment payable is \$6,130,852 at September 30, 2023 and is included in other current liabilities in the accompanying balance sheet.

***N. Net Investment Income***

Investment and other income consists principally of investment income. Investment income is derived from the Company's cash and cash equivalents, restricted deposits, short-term and long-term investments. The Company recognizes investment income when earned.

***O. Reinsurance***

The Company cedes certain premiums and medical benefits to a highly-rated insurance company under a stop loss reinsurance agreement in order to limit exposure to catastrophic claims and increase capacity to write larger risks and maintain exposure to loss within our capital resources. Reinsurance contracts do not release the Company from its obligation to pay medical claims. We are contingently liable in the event the reinsurance

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company does not meet its contractual obligations. The Company evaluates the financial condition of the reinsurance company on a regular basis.

AHCCCS provides a stop-loss reinsurance program for the Company for partial reimbursement of reinsurable covered medical services incurred for members. The program includes a deductible, which varies based on the Company's enrollment and the eligibility category of the members. AHCCCS reimburses the Company based on a coinsurance amount for reinsurable covered services incurred above the deductible. Coinsurance percentages vary by nature of the claim for Medicaid claims.

Reinsurance is stated at the actual and estimated amounts due to the Company pursuant to the applicable AHCCCS contract. Reinsurance under the AHCCCS Complete Care contract is subject to a \$50,000 deductible for claims effective October 1, 2021. All claims are subject to a 75% coinsurance, except catastrophic and transplant claims which are 85% coinsurance, for the year ended September 30, 2023.

To be eligible for reinsurance billing, qualified healthcare expenses must be incurred during the contract year. Reinsurance is recorded based on actual billed reinsurance claims and expected reinsurance for claims not yet paid. Reinsurance is subject to review by AHCCCS, and as a result, there is at least a reasonable possibility that recorded reinsurance will change by a material amount in the near future.

Reinsurance receivables represent the expected payment from AHCCCS to the Company for certain enrollees whose qualifying medical expenses paid by the Company were in excess of specified deductible limits. Reinsurance receivables are stated at the amount management expects to collect. Balances that are still outstanding after management has used reasonable collection efforts are written off. Management considers reinsurance receivables to be fully collectible as of September 30, 2023, accordingly, an allowance for doubtful accounts is not considered necessary.

***P. Expense Allocation***

Certain direct, indirect and administrative expenses are incurred which benefit more than one program. Such common expenses are allocated based upon an AHCCCS approved cost allocation plan as submitted by the Company, which is primarily based upon enrollment, claims and costs by lines of business.

***Q. Premium Taxes***

The Company is subject to a 2% premium tax on all payments received from AHCCCS for premiums, reinsurance and reconciliations. Total premium tax expense for the year ended September 30, 2023 was \$54,522,778. As of December 31, 2023, premium taxes totaled \$0 payable and is included in other current liabilities and prepaid expenses and other current assets, respectively, in the accompanying balance sheet.

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***R. Reserves for Contingent Liabilities***

In the course of the Company's operations, the Company is involved on a routine basis in various disputes with members, health care providers, and other entities, as well as audits by government agencies and elected officials that relate to the Company's services and/or business practices that expose the Company to potential losses.

The Company recognizes an estimated loss, which may represent damages, assessment of regulatory fines or penalties, settlement costs, future legal expenses, or a combination of the foregoing, as appropriate, from such loss contingencies when it is both probable that a loss will be incurred and that the amount of the loss can be reasonably estimated. The Company's loss estimates are based in part on an analysis of potential results, the stage of the proceedings, consultation with outside counsel, and any other relevant information available.

***S. Payable to Providers***

The contracts with certain providers allow for the providers to earn certain value based incentives on performance pursuant to defined contract stipulations which are evaluated regularly by the Company. The estimates calculated by management for the incentives expected to be earned by providers are recorded as a liability in the period of performance of the providers. The contracts with certain providers also require a monthly review of provider performance to estimate amounts due to providers for changes in membership, changes in the blended per member per month rate and any wrap services provided to unassigned members. These estimates are recorded as a liability in the period of performance of the providers. For 2023 they total \$2,328,681 of short term payables, and \$6,366,085 of long term payables, and are included on the payable to providers lines on the balance sheet.

***T. Alternative Payment Model Liability***

AHCCCS subjects 1% of funded gross prospective capitation of AHCCCS Complete Care ("ACC") in Arizona to measurements based on each contractor's performance on selected Quality Management Performance Measures as determined by AHCCCS. The program is an effort to encourage activity for AHCCCS contractors in the area of quality improvement, particularly those initiatives that are conducive to improved health outcomes and cost savings. As of September 30, 2023 the Company accrued \$9,025,583 for the alternative payment model. This represents the portion of the 1% the Company estimates as a potential repayment to AHCCCS based on the results of the performance measures. The change in the accrual is recorded as an offset to capitation premium revenue for the year ended September 30, 2023.

***U. Medicaid Risk Adjustment***

AHCCCS at times performs a review of the Medicaid program rates for its enrollees and assesses the appropriateness of rates applied to services for those enrollees, specific to the ACC contract. This risk adjustment of capitation payments modifies revenue to contractors based on the health status of the contractors' covered population relative to the average health status of the overall population. AHCCCS prospectively

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applied risk adjustment to monthly ACC capitation rates for the entirety of fiscal year 2023. Risk adjustment factors were updated quarterly. Risk adjustment was based on each managed care organization ("MCO")'s utilization compared to the all MCO average, separately for each rate cell and region.

***V. Income Taxes***

The Company accounts for income taxes using *FASB ASC 740, Income Taxes*. Under *FASB ASC 740*, deferred federal and state income taxes are provided on an asset and liability method whereby deferred income tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred income tax liabilities are recognized for taxable temporary differences. Temporary differences are the difference between the reported amounts of assets and liabilities and their tax bases. Valuation allowances are established when necessary to reduce deferred income tax assets to the extent they are not realizable based on the Company's deductible temporary difference reversals, taxable income in its carryback period, and the existence of taxable temporary differences. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Valuation allowances are provided when it is considered more likely than not that deferred tax assets will not be realized. In determining if a deductible temporary difference or net operating loss can be realized, the Company considers future reversals of existing taxable temporary differences, future taxable income, taxable income in prior carryback periods and tax planning strategies.

For the year ended September 30, 2023, the Company filed a consolidated federal income tax return with Centene and its other subsidiaries. In accordance with the group's tax allocation agreement, the subsidiaries reimburse or recover from Centene their portion of the income taxes as calculated on a separate company basis.

The Company's policy is to classify income tax penalties and interest as income tax expense in its financial statements. The total amount of interest and penalties, net of related tax benefits, recognized in the statement of operations for the period ending September 30, 2023 and is \$49,350.

The Company evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

***W. Concentrations of credit risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents and receivables from AHCCCS, primarily including capitation and supplement receivables, reinsurance receivables and reconciliation receivables. All cash equivalents

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are managed within established guidelines, which provide diversity among issuers. Concentration of credit risk with respect to the receivables from AHCCCS is high due to the single payer comprising the Company's customer base. However, since the single payer is the state government, the risk is mitigated. The receivables from providers are due from many providers such that a risk of concentration is not considered to be material

Substantially all of the Company's revenue is earned in Arizona from its contracts with AHCCCS. Failure to renew these contracts would have a significant impact on the Company's operations.

***X. Fair value measurements***

In the normal course of business, the Company invests in various financial assets and incurs various financial liabilities. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

***Y. Recently Issued Accounting Pronouncements***

The Company has determined that there are no recently issued accounting pronouncements that will have a material impact on its financial statements.

**Note 2. Contract Performance Bonds**

In accordance with the terms of its contracts with AHCCCS, the Company is required to post performance bonds with AHCCCS equal to 100% of the first monthly AHCCCS payment to the Company each contract year based on gross capitation payments, as specified in each contract. The amount of each bond is subject to adjustment as certain conditions change and its method of calculation is specified in the contracts. The actual amount is reset each year upon expiration. The performance bonds must be maintained to guarantee payment of the Company's obligations under the contracts.

In compliance with its contracts, the Company secured a performance bond for the AHCCCS Complete Care and RBHA contracts. The performance bond covers the Company through September 30, 2023. The performance bond requirement for the AHCCCS Complete Care and RBHA contracts were met through the purchase of a surety bond in the amount of \$184,678,345. The performance bonds cover the minimum coverage requirements for contracts. The cost of the bond was \$461,696. At September 30, 2023, the amounts remaining in prepaid expenses was \$437,500.

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**Note 3. Investments**

Short-term and long-term investments by investment type at September 30, 2023 is as follows:

	September 30, 2023			
	Amortized Cost	Gross		Fair Value
		Unrealized Gains	Unrealized Losses	
Asset-Backed	\$ 50,727,056	\$ 172,759	\$ (439,192)	\$ 50,460,623
Mortgage-backed	84,512,309	12,513	(10,010,343)	74,514,479
Municipal bonds	123,830,180	—	(7,056,149)	116,774,031
Corporate bonds	218,891,359	54,967	(13,068,723)	205,877,603
Equity Investment	4,691,961	—	—	4,691,961
Total	\$ 482,652,865	\$ 240,239	\$ (30,574,407)	\$ 452,318,697

The Company's mortgage-backed securities are primarily issued by the Federal National Mortgage Association, Government National Mortgage Association or Federal Home Loan Mortgage Corporation, which carry implicit or explicit guarantees of the U.S. government.

The Company's investment policies are designed to provide liquidity, preserve capital, and maximize total return on invested assets with the focus on high-credit quality securities. The Company limits the size of investment in any single issuer other than U.S. Treasury securities and obligations of U.S. government corporations and agencies. The Company's residential mortgage-backed securities are issued by the Federal National Mortgage Association, Government National Mortgage Association or Federal Home Loan Mortgage Corporation, which carry implicit or explicit guarantees of the U.S. government.

For each security in an unrealized loss position, the Company assesses whether it intends to sell the security or if it is more likely than not the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual, or regulatory purposes. If the security meets this criterion, the decline in fair value is other than temporary and is recorded in earnings. The Company does not intend to sell these securities prior to maturity and it is not likely that the Company will be required to sell these securities prior to maturity; therefore, there is no indication of other-than-temporary impairment for these securities.

The fair value of available-for-sale investments with gross unrealized losses by investment type and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2023 is as follows:

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	September 30, 2023					
	Decline for less than 12 months			Decline for greater than 12 months		
	Amortized cost	Fair Value	Difference	Amortized cost	Fair Value	Difference
Asset-Backed	\$ 7,617,824	\$ 7,401,160	\$ 216,664	\$ 10,722,138	10,499,611	\$ 222,528
Mortgage-backed	8,335,351	8,038,274	297,077	75,865,243	66,151,977	9,713,266
Municipal bonds	92,677,305	88,618,145	4,059,160	31,072,875	28,075,886	2,996,989
Corporate bonds	114,319,164	110,564,051	3,755,113	102,689,929	93,376,318	9,313,610
Total	<u>\$ 222,949,644</u>	<u>\$ 214,621,630</u>	<u>\$ 8,328,014</u>	<u>\$ 220,350,185</u>	<u>\$ 198,103,792</u>	<u>\$ 22,246,393</u>

The contractual maturities of available-for-sale investments at September 30, 2023 are as follows. Actual maturities may differ from contractual maturities due to call or prepayment options. Private equity investments are excluded from the table below because they do not have a contractual maturity.

	At September 30, 2023	
	Amortized cost	Estimated fair value
Due in one year or less	\$ 2,396,270	\$ 2,335,239
Due after one year through five years	112,240,691	106,483,706
Due after five years through ten years	229,657,299	216,518,489
Due after ten years	133,666,644	122,289,302
Total	<u>\$ 477,960,904</u>	<u>\$ 447,626,736</u>

Proceeds from investments sold, matured, or repaid during 2023 were \$96,931,112. The net realized losses on the sale of investments for the year ended September 30, 2023 were \$343,337.

Net investment income for the year ended September 30, 2023 was as follows:

	2023
Investment income:	
Cash and cash equivalents	\$ 4,815,470
Investments	25,031,124
Investment Expenses	—
Net investment income	<u>\$ 29,846,594</u>

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**Note 4. Fair Value Measurements**

Assets and liabilities recorded at fair value in the balance sheet are categorized based upon the extent to which the fair value estimates are based upon observable or unobservable inputs. Level inputs are as follows:

Level input	Input definition
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at September 30, 2023 for assets measured at fair value:

	2023			
	Level I	Level II	Level III	Total
Cash and cash equivalents	\$130,292,738	\$ —	\$ —	\$130,292,738
Investments available for sale:				
Short-term investments				
Asset backed	—	—	—	—
Corporate	—	2,337,693	—	2,337,693
Mortgaged backed	—	—	—	—
Municipal Bonds	—	621,946	—	621,946
Long-term investments				
Asset backed	—	50,460,623	—	50,460,623
Corporate	—	203,539,910	—	203,539,910
Mortgaged backed	—	74,514,478	—	74,514,478
Municipal Bonds	—	116,152,086	—	116,152,086
Total assets at fair value	<u>\$130,292,738</u>	<u>\$447,626,736</u>	<u>\$ —</u>	<u>\$577,919,474</u>

The fair value of the above investments are measured using quoted market prices multiplied by the quantity held when quoted market prices are observable. If quoted market prices are not available, fair value is determined using one, or a combination, of the following methods (1) matrix pricing for similar instruments, (2) quoted prices for recent trading activity of assets with similar characteristics, or (3) using an income approach valuation technique that considers, among other things, rates currently observed in publicly traded debt markets for debt of similar terms to companies with comparable credit risk and a credit value adjustment to consider the

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likelihood of counterparty nonperformance, after consideration of the impact of collateralization and netting agreements, if applicable. In addition, the aggregate carrying amount of the Company’s private equity investments accounted for on an equity method basis was \$4,691,961 at September 30, 2023 and are not included in the tables above.

The Company has no other assets or liabilities subject to recurring fair value measurement at September 30, 2023.

**Note 5. Income Taxes**

The income tax provision consisted of the following components for the year ended September 30, 2023:

Current Provision	2023
Federal	\$ 16,954,186
State	2,442,254
Total Current Provision	\$ 19,396,440
Deferred Provision	
Deferred Provision	\$ 1,259,205
Total Deferred Provision	\$ 1,259,205
Total Provision	\$ 20,655,645

The tax effects of temporary differences that give rise to deferred tax assets and liabilities include investments, loss reserves, unearned premiums, intangibles, and other items for the year ended September 30, 2023. Gross deferred tax assets totaled \$27,808,784 at September 30, 2023 and gross deferred tax liabilities totaled \$234,992 at September 30, 2023.

As of September 30, 2023 the Company had no operating loss or tax credit carryforwards available for tax purposes.

The valuation allowance adjustment to gross deferred tax assets as of September 30, 2023 was \$0. The realization of the deferred tax asset is dependent upon the Company’s ability to generate sufficient taxable income in future periods. Based on historical results and the prospects for current operations, management anticipates that it is more likely than not that future taxable income will be sufficient for the realization of the remaining deferred tax assets.

The Company maintains a reserve for uncertain tax positions that may be challenged by a tax authority. The Company’s reserve for uncertain tax positions totaled \$1,863,923 and for the year ended September 30, 2023. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date. Related interest and penalties are treated as income tax expense under the Company’s accounting policy. The total amount of interest and penalties, net of related tax benefits recognized in the statement of operations for the year ended September 30, 2023 is

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\$49,350 . The total amount of interest and penalties, net of related tax benefits, recognized in the balance sheet as of September 30, 2023 and is \$131,639 .

The Company's federal income tax return is consolidated with Centene and its affiliates.

The method of allocation among companies is subject to a written agreement whereby allocation is made primarily on a separate company basis using the percentage method pursuant to provisions of IRC Sections §1502 and §1552 and Treasury Regulations §1.1502 and §1.1552. This percentage method allocates a tax asset (i.e., intercompany receivable) for any benefit derived by the consolidated group for the member's losses or credits that offset consolidated taxable income. In accordance with the tax sharing agreement, each member shall pay to Parent or receive from the Parent the amount of tax liability or benefit reported on each member's proforma federal income tax return within 90 days of the date Parent files its consolidated federal income tax return.

**Note 6. Medical Claims Liability**

The following table summarizes the change in medical claims liability:

	2023
Balance at October 1	\$ 200,311,896
Incurred related to current year	1,975,332,492
Incurred related to prior year	(67,863,014)
Total incurred	1,907,469,478
Paid related to current year	1,793,706,706
Paid related to prior year	134,862,837
Total paid	1,928,569,543
Balance at September 30	\$ 179,211,831

The incurred amounts related to prior year represent the variation between the Company's estimated expense for prior year claims and the actual amounts required to satisfy such claims. During 2023 the Company experienced \$67,863,014 of favorable development. The favorable development recognized during 2023 was primarily driven by the hospital directed payment program, which included offsetting favorable development recorded within premium revenue.

Changes in estimates of incurred claims for prior years are primarily attributable to reserving under moderately adverse conditions. Changes in medical utilization and cost trends and the effect of medical management initiatives may also contribute to changes in medical claim liability estimates. Management believes that the amount of medical claims liability is reasonable and adequate to cover the Company's liability for unpaid claims as of September 30, 2023.

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Incurring claims and allocated claim adjustment expenses, total IBNR plus expected development on reported claims and cumulative claims data as of September 30, 2023 are included in the following table. For claims frequency information summarized below, a claim is defined as the financial settlement of a single medical event in which remuneration was paid to the servicing provider. Total IBNR plus the expected development on reported claims represents estimates for claims incurred but not reported, development on reported claims, and estimates for the costs necessary to process unpaid claims at the end of each period. The Company estimates its liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services and other relevant factors.

Incurring and paid claims development as of September 30, 2023 is as follows, net of reinsurance:

**Cumulative incurred claims for the year ended September 30**

	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	
Claim year:			
2021	\$1,500,950,716	\$1,467,578,910	\$1,462,368,806
2022		1,406,352,561	1,343,699,651
2023			1,975,332,492
Total incurred claims			<u>\$4,781,400,949</u>

**Cumulative paid claims for the year ended September 30**

	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	
Claim year:			
2021	\$1,309,548,787	\$1,470,060,245	\$1,468,696,656
2022		1,203,559,330	1,339,785,757
2023			1,793,706,706
Total paid claims			<u>\$4,602,189,119</u>
Medical claims liability			\$ 179,211,831

Incurring claims and allocated claim adjustment expenses, total IBNR plus expected development on reported claims and cumulative claims data at September 30, 2023 are included in the following table. For claims frequency information summarized below, a claim is defined as the financial settlement of a single medical event in which remuneration was paid to the servicing provider. Total IBNR plus the expected development on reported claims represents estimates for claims incurred but not reported, development on reported claims, and estimates for the costs necessary to process unpaid claims at the end of each period. The Company estimates its liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services and other relevant factors. Information is summarized as follows:

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	September 30, 2023		
	Incurred claims and allocated claim adjustment expenses	Total IBNR plus expected development on reported claims	Cumulative paid claims
Claim year:			
2021	\$ 1,462,368,806	\$ (6,327,850)	5,989,791
2022	1,343,699,651	3,913,894	7,402,760
2023	1,975,332,492	181,625,786	6,816,353

**Note 7. Related-Party Transactions**

The Company relies on affiliate services to conduct its business in order to achieve cost savings. The Company does nevertheless exercise ultimate control over its assets and operations and retains the ultimate authority and responsibility regarding its powers, duties, and responsibilities. The Company’s transactions, amounts due (to), and amounts due from related parties in exchange for services provided for the year ended September 30, 2023 are as follows:

Affiliate	Amounts due (to) from
Bankers Reserve	\$ 69,316
Bridgeway Medicare	\$ 17,369
Cenpatico Integrated Care	\$ 45,221
Centene Management Company	\$ 6,850,680
Envolve Dental, Inc.	\$ (1,010,977)
Envolve Vision, Inc.	\$ (333,868)
Health Net Inc	\$ (2,780,432)
Health Net of Arizona Inc	\$ (138,786)
Envolve Pharmacy Solutions	\$ (5,265,591)
Envolve People Care	\$ (106,906)
	\$ (2,653,974)

On April 1, 2016, the Company and Centene Management Company (“CMC”) entered into a management agreement whereby CMC agrees to manage the general and administrative function of the Company inclusive of payroll, facilities, and other administrative expenses. The management fee is based on the variable degree of management services required to support the differing categories of membership covered by the Company and the size of the Company’s operations. The fee can be modified each month to account for net revenue earned in excess or below the specified percentages and to comply with the AHCCCS financial viability standards (see Note 10). The management agreement is in effect for one year with automatic one year extensions unless the

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agreement is terminated as elected by either party or for matters of default as defined in the management agreement. The Company recorded management fees per the management agreement of \$158,088,247 for the year ended September 30, 2023. This amount is included in administrative expenses in the accompanying statement of operations.

The Company is a party to a Claims Administration Service Agreement with Envolve Pharmacy Solutions (“EPS”), an affiliated company wholly-owned by Envolve Holdings, Inc. which is wholly owned by Centene. EPS provides pharmacy benefit management services to eligible enrollees. The Company incurred expense to EPS of \$318,108,798, net of rebates, for these services for the year ended September 30, 2023, which are included in health care services in the accompanying statement of operations. Claims encounters are submitted to AHCCCS to substantiate these payments. EPS also receives an administration fee from the Company for administering pharmacy claims processing. For the year ended September 30, 2023, these administration fees totaled \$1,401,043, and are included in administrative expenses in the accompanying statement of operations.

Envolve Vision, Inc., an affiliated company wholly-owned by Envolve Holdings, Inc. which is wholly-owned by Centene, provides a vision network and manages the vision benefits for eligible enrollees pursuant to an agreement with the Company that was established on July 1, 2016. The Company incurred expense to Envolve Vision, Inc. of \$4,428,073 for these services during the year ended September 30, 2023. These amounts are included in health care services in the accompanying statement of operations.

Envolve Dental, Inc., an affiliated company wholly-owned by Envolve Holdings, Inc. which is wholly-owned by Centene, provides dental services for eligible enrollees pursuant to an agreement with the Company that was established on October 1, 2016. The Company incurred expense to Envolve Dental, Inc. of \$50,387,897 for these services during the year ended September 30, 2023. These amounts are included in health care services in the accompanying statement of operations.

Envolve PeopleCare, Inc., an affiliated company wholly-owned by Envolve Holdings, Inc. which is wholly-owned by Centene, provides disease management, nurse triage, and call center services to eligible enrollees through a contract with HNI that was established July 1, 2016. The Company incurred expense to HNI related to the services provided by Envolve PeopleCare, Inc. of \$0 during the year ended September 30, 2023. These amounts are included in health care services in the accompanying statement of operations.

**Note 8. Commitments and Contingencies**

From time to time, the Company may be involved in litigation arising in the ordinary course of operations. While the results of litigation cannot be predicted with certainty, management is of the opinion, after reviewing these matters with legal counsel, that the final outcome of such litigation, if any, will not have a material adverse effect on the Company’s financial position.

***a. Liability Insurance***

The Company, through Centene, maintains professional and general liability insurance. The professional liability coverage is written on a claims made basis and insures losses up to \$10,000,000 with a self-

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insured retention of \$25,000,000. The general liability insurance is written on an occurrence basis and insures losses up to \$2,000,000 per claim and \$4,000,000 in the aggregate. Claims reported endorsement (tail coverage) is available if the professional policy is not renewed to cover claims incurred but not reported. The Company anticipates that renewal coverage will be available at the expiration of the current policy. The Company participates in the above policy with its affiliates. Per claim and aggregate limits are applicable to all covered entities as a group.

***b. Litigation***

Periodically, the Company may be involved in litigation and claims arising in the normal course of operations. In the opinion of management based on consultation with legal counsel, losses, if any, from these matters are covered by insurance or are immaterial.

***c. Healthcare Regulation***

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse laws and regulations, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future review and interpretation as well as regulatory actions unknown or unasserted at this time.

Health reform legislation at both the federal and state levels continues to evolve. Changes continue to impact existing and future laws and rules. Such changes may impact the way the Company does business, restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase medical, administration and capital costs, and expose the Company to increased risk of loss or further liabilities. The Company's operating results, financial position and cash flows could be adversely impacted by such changes.

***d. Community Reinvestment Program***

Effective October 1, 2018, the Company approved a Community Reinvestment program, as described in their contract with AHCCCS. Under the program, the Company will place a minimum of 6% of its after tax profits into the program. For the year ended September 30, 2023, the Company had met or exceeded that amount. The program funds community projects that enhance the lives of people in the communities in the Company's geographic service areas.

For the year ended September 30, 2023 the Company approved amounts that resulted in appropriations of approximately \$6,060,747 to be spent on various community projects. During the year ended September 30, 2023, the Company spent approximately \$3,312,740 of the appropriated funds. At September 30, 2023, the Company has recorded a liability for unspent community reinvestment program funds of

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approximately \$6,060,747 which is included in other current liabilities in the accompanying balance sheet.

**Note 9. Risks and Uncertainties**

The Company's profitability depends in large part on accurately predicting and effectively managing medical service costs. The Company continually reviews its premium and benefit structure to reflect its underlying claims experience and revised actuarial data; however, several factors could adversely affect the medical service costs. Certain of these factors, which include changes in healthcare practices, inflation, new technologies, major epidemics, natural disasters, and malpractice litigation, are beyond any health plan's control and could adversely affect the Company's ability to accurately predict and effectively control healthcare costs. Costs in excess of those anticipated could have a material adverse effect on the Company's results of operations.

**Note 10. Contract Requirements**

In accordance with its contracts with AHCCCS, the Company is required to maintain certain minimum financial reporting and viability measures. The Company must meet a minimum capitalization requirement based on the number of members enrolled as well as various quarterly financial viability standards and performance guidelines. As of September 30, 2023 the Company was in compliance with the requirements for both the AHCCCS Complete Care contract and the RBHA contract.

The RBHA contract is limited by the terms of its contract with AHCCCS to profit that can be earned under the various programs, generally up to 4%. The Company is subject to a profit risk corridor calculation that calculates a return of premium to the extent certain financial ratios are not met by program types. For the year ended September 30, 2023 the Company recorded a profit corridor of \$27,306,604. The ACC contract is limited by the terms of its contract with AHCCCS to profit that can be earned under the various programs, generally up to 4%. The Company is subject to a profit risk corridor calculation that calculates a return of premium to the extent certain financial ratios are not met by program types. For the year ended September 30, 2023 the Company recorded profit corridors of \$256,701,880.

Under the RHBA contract, the Company is required to meet quarterly and contract year end minimum encounter submission percentages, or be subject to sanction by AHCCCS. Typically, the Company has up to eight months after fiscal year end to submit encounters related to the fiscal year. As of September 30, 2023, the Company anticipates meeting the required encounter threshold for the year ended September 30, 2023. Accordingly, as of September 30, 2023, the Company has not recorded a liability associated with an encounter sanction.

Should the Company be in default of any material obligations under its contracts with AHCCCS, AHCCCS may, at its discretion, in addition to other remedies, either adjust the amount of future payment or withhold future payment until they have received satisfactory resolution of the default or exception. In addition, although it has not expressed an intention to do so, AHCCCS has the right to terminate the contracts in whole or in part

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without cause by giving the Company 90 days written notice. Further, if monies are not appropriated by the state or are not otherwise available, the contracts with AHCCCS may be cancelled upon written notice until such monies are so appropriated or available.

**Note 11. Subsequent events**

The Company has evaluated subsequent events for potential recognition and/or disclosure through May 17, 2024, the date the combined financial statements are available to be issued. In December 2023, the Company identified claims paid by Health Net Access, Inc. for members who had primary coverage with an affiliate health plan. This resulted in an estimated financial impact of \$6,648,391. Approximately \$4,833,974 of the estimated financial impact stems from claims for CY 2023. Our third-party liability assessment process began identifying and paying claims as primary on the affiliate health plan in December 2023, and we will make reconciling payments between the affiliates. As additional funds will be transferred to Health Net Access, Inc., we do not anticipate that this issue will have a future negative impact on the Company's financial position or solvency and expect the matter to be fully resolved by the end of CY 2024.



**Paragraph 3.05: NTXIX/XXI: Contract Year Income Statement - Schedule A Disclosure**

Contractor Name: Arizona Complete Health  
as of September 30, 2023

	NTXIX/XXI Crisis	NTXIX/XXI SMI Services	NTXIX/XXI Other	Housing Trust Fund	MHBG SED	MHBG SMI	MHBG FEP	SABG	Other Federal	County	PASRR	Total NTXIX/XXI	Mgmt & Gen	Grand Total
Disclosure of NTXIX/XXI Other, Other Federal and Mgmt & Gen AHCCCS Revenue reported on line 40205-01														
Liquor Fees			75,425									\$75,425		\$75,425
SUDS			914,536									\$914,536		\$914,536
Children's Behavioral Health Services Fund (CBHSF)			954,592									\$954,592		\$954,592
PPW-PLT Yr 2									(476)			-\$476		-\$476
PPW-PLT Yr 3									566,276			\$566,276		\$566,276
SOR II Year 2									724,098			\$724,098		\$724,098
SOR III Year 1									5,201,314			\$5,201,314		\$5,201,314
COVID Supplemental									78,497			\$78,497		\$78,497
SABG CRSSAA General Services									2,207,669			\$2,207,669		\$2,207,669
SABG Admin								10,565				\$10,565		\$10,565
MHBG SED-CRRSAA									1,145,642			\$1,145,642		\$1,145,642
MHBG SMI-CRRSAA									1,896,296			\$1,896,296		\$1,896,296
MHBG SMI-FEP-CRRSAA									341,447			\$341,447		\$341,447
<b>Total NTXIX/XXI Other and Other Federal Column</b>	\$0	\$0	\$1,944,553	\$0	\$0	\$0	\$0	\$10,565	\$12,160,763	\$0	\$0	\$14,115,881	\$0	\$14,115,881
Disclosure of Specialty and Other Grants Reported on line 40210-01												\$0		\$0
												\$0		\$0
												\$0		\$0
<b>Total Specialty and Other Grants</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disclosure of Other Income Reported on line 40310-01												\$0		\$0
												\$0		\$0
												\$0		\$0
<b>Total Other Income</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disclosure of Supported Housing Reported on line 60405-30												\$0		\$0
Rental Subsidy												\$0		\$0
Management Fees												\$0		\$0
Utility Payments												\$0		\$0
Repair & Maintenance												\$0		\$0
Damages												\$0		\$0
Deposits												\$0		\$0
Start UP												\$0		\$0
Eviction Prevention												\$0		\$0
Housing Trust Fund - Construction/Improvements												\$0		\$0
												\$0		\$0
<b>Total Supported Housing</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disclosure of Non-Title XIX/XXI Other Services Reported on line 61105-01												\$0		\$0
MHBG-FEP							247,079		-			\$247,079		\$247,079
COVID Supplemental									72,217			\$72,217		\$72,217
SABG CRSSAA General Services									2,031,054			\$2,031,054		\$2,031,054
SABG Admin							9,720		-			\$9,720		\$9,720
RBHA MHBG SED-CRRSAA									1,053,990			\$1,053,990		\$1,053,990
RBHA MHBG SMI-CRRSAA									1,744,594			\$1,744,594		\$1,744,594
RBHA MHBG SMI-FEP-CRRSAA									314,131			\$314,131		\$314,131
PASRR screening services											2,400	\$2,400		\$2,400
SOR II Year 2									666,170			\$666,170		\$666,170
SOR III Year 1									4,785,209			\$4,785,209		\$4,785,209
PPW-PLT Yr 2									(438)			-\$438		-\$438
PPW-PLT Yr 3									520,974			\$520,974		\$520,974
Jail Liaisons		121,580										\$121,580		\$121,580
COT Administration		243,155										\$243,155		\$243,155
YES Program					591,821							\$591,821		\$591,821
PRN Program					25,016							\$25,016		\$25,016
Outreach					25,159			258,281				\$283,440		\$283,440
Oxford House								389,366				\$389,366		\$389,366
<b>Total Other Services</b>	\$0	\$364,735	\$0	\$0	\$591,821	\$50,175	\$247,079	\$688,940	\$11,187,902	\$0	\$2,400	\$13,133,051	\$0	\$13,133,051
Disclosure of Specialty and Other Grants Reported on line 61305-01												\$0		\$0
												\$0		\$0
												\$0		\$0
<b>Total Specialty and Other Grants Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disclosure of Non-Title XIX/XXI Other Admin Expenses Reported on line 83005-01												\$0		\$0
Data processing	527	1,250	223	-	167	109	35	948	1,471	372		\$5,100		\$5,100
EE meetings, training, seminars	219	521	93		69	45	14	395	612	155		\$2,125		\$2,125
EOP / EQB processing fees	165	391	70		52	34	11	296	460	116		\$1,594		\$1,594
Membership Dues	(30)	(104)	(10)		(37)	(9)	(3)	(57)	(111)	(24)		-\$384		-\$384
Printing	866	1,779	372		542	117	39	1,224	1,915	473		\$7,327		\$7,327
Physician credentialing	77	182	33		24	16	5	138	215	54		\$744		\$744
												\$0		\$0
<b>Total Non-Title XIX/XXI Other Admin Expenses</b>	\$1,824	\$4,019	\$780	\$0	\$817	\$312	\$101	\$2,944	\$4,561	\$1,146	\$0	\$16,505	\$0	\$16,505
Disclosure of Non-Title XIX/XXI Encounter Valuation Reported on line 83105-01												\$0		\$0
												\$0		\$0
												\$0		\$0
<b>Total Non-Title XIX/XXI Encounter Valuation Sanctions</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disclosure of Administrative Expenses from Specialty and Other Grants Reported on line 83205-01												\$0		\$0
												\$0		\$0
												\$0		\$0
<b>Total Adm Expenses from Specialty and Other Grants Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

See accompanying financial statements and auditors' report