



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

Regional Behavioral Health Authority Contract

Contract Year Ended September 30, 2020

(With Independent Auditors' Report Thereon)

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

Regional Behavioral Health Authority Contract  
Contract Year Ended September 30, 2020

**Table of Contents**

	<b>Page(s)</b>
Independent Auditors' Report	1–2
Statement of Activities – Regional Behavioral Health Authority	3–4
Notes to Financial Statement	5–7
<b>Supplemental Information</b>	
Schedule 1 – Statement of Activities – Disclosure	8
Schedule 2 – Sub-Capitated Expenses	9
Schedule 3 – Block Expenses	10



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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:

We have audited the accompanying Statement of Activities – Regional Behavioral Health Authority of Health Net Access, Inc. d/b/a Arizona Complete Health – Complete Care Plan (Health Net Access, Inc.) for the contract year September 30, 2020 and the related notes (the financial statement).

### *Management's Responsibility for the Financial Statement*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the results of activities of Health Net Access, Inc. under its Regional Behavioral Health Authority (RBHA) contract with Arizona Health Care Cost Containment System (AHCCCS) for the contract year September 30, 2020, in accordance with U.S. generally accepted accounting principles.

### *Emphasis of Matter*

We draw attention to Basis of Presentation note to the financial statement, which describes that the accompanying financial statement was prepared to present the activities of Health Net Access, Inc. pursuant to its RBHA contract with AHCCCS, and is not intended to be a complete presentation of Health Net Access, Inc.'s operations. Our opinion is not modified with respect to this matter.



*Restriction on Use*

Our report is intended solely for the information and use of Health Net Access, Inc. and AHCCCS, and is not intended to be and should not be used by anyone other than these specified parties.

*Other Matters*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule 1 – Statement of Activities – Disclosure, Schedule 2 – Sub-Capitated Expenses, and Schedule 3 – Block Expenses, is presented for purposes of additional analysis. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

*KPMG LLP*

St. Louis, Missouri  
July 20, 2021

**HEALTH NET ACCESS, INC. d/b/a**  
**ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**  
 Statement of Activities – Regional Behavioral Health Authority  
 Contract Year Ended September 30, 2020

	TXXX/XXI CMDDP Child	TXXX/XXI SMI	TXXX/XXI Other Child (Crises)	TXXX/XXI Other Adult (Crises)	Total TXXX/XXI	NTXX/XXI Crisis	NTXX/XXI SMI Services	NTXX/XXI Other	NTXX/XXI SMI Housing	Supported Housing	Housing Trust Fund	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR	Total NTXX/XXI	Total TXXX/XXI and NTXX/XXI	Mgmt & Gen	Grand Total	
00999	Total Member Months	46,220	165,727	2,413,194	3,467,656	6,092,707																
	Revenue:	\$ 47,049,136	273,897,161	13,553,746	33,228,188	367,726,231														367,726,231		367,726,231
40105-01	Captation	592,813	138,807		731,720															731,720		731,720
40135-01	Alternative Payment Model Initiatives Reconciliation/Settlement																					
40145-01	Title XXX/XXI Reconciliation Settlement	(2,355,405)	(16,496,020)	(1,103,303)	(2,285,755)	(22,240,483)														(22,240,483)		(22,240,483)
40145-01	Other Reconciliation Settlements*			4,613	121,494	126,097														126,097		126,097
40160-01	Health Insurance Provider Fee Revenue	750,041	5,085,657	536,356	462,549	6,834,603														6,834,603		6,834,603
40205-01	Non-Title XXX/XXI Revenue						4,814,125	13,415,410	141,108	4,688,103	1,710,024	393,951	1,842,908	1,799,339	10,670,143	6,305,250	2,974,936	48,000	48,803,297	48,803,297		48,803,297
40215-01	Specialty and Other Grants*																					
40215-01	Non-Title XXX/XXI Profit Limit																					
40305-01	Investment Income																					
40310-01	Other Income																					
49999	Total revenue	46,036,585	262,625,705	12,991,412	31,526,466	353,180,168	4,814,125	13,415,410	141,108	4,688,103	1,710,024	393,951	1,842,908	1,799,339	10,670,143	6,305,250	2,974,936	48,000	48,803,297	401,983,465		401,983,465
	Expenses:																					
	Behavioral Health (BH) Medical Expenses:																					
	Treatment Services:																					
	Counseling:																					
	a Counseling, Individual	4,389,231	11,719,922	(71,515)	13,804	16,051,452		1,838,128	38,480			187,841	11,673	969,651					3,045,873	19,097,325		19,097,325
	b Counseling, Family	32,440	12,704	(11,550)	(110)	33,484		2,291				6,023	21	1,090					9,425	42,909		42,909
	c Counseling, Group	146	40,273		120	40,539		9,099				300	209	7,556					17,164	57,703		57,703
	Assessment, Evaluation and Screening	1,543,586	5,253,253	13,920	(567)	6,812,172		1,090,112				86,530	8,920	675,419			705,184		2,986,165	9,378,337		9,378,337
	Other Professional	169,927	1,302,115			1,468,942		12,814				24,915		426,370					477,099	1,946,041		1,946,041
60199	Total Treatment Services	6,134,210	18,328,277	(69,145)	13,247	24,406,589		2,952,444	38,480			305,709	20,823	2,093,086			705,184		6,115,728	30,522,315		30,522,315
	Rehabilitation Services:																					
	Living Skills Training	1,484,881	2,074,182	(48,791)	51,962	3,562,234		218,520	474			14,887	9,687	106,617					350,185	3,912,419		3,912,419
	Cognitive Rehabilitation																					
	Health Promotion	18,662	530,263	(155)	(1,025)	547,742		51,428				492	2,718	8,279					62,917	610,659		610,659
	Supported Employment Services	41,625	861,315	(440)	(5,154)	897,346		71,202				(58)	6,391	39,905					117,440	1,014,786		1,014,786
60299	Total Rehabilitation Services	1,545,168	3,465,760	(49,389)	45,783	5,007,322		341,150	474			15,321	18,796	154,801					530,542	5,537,864		5,537,864
	Medical Services:																					
	Medication Services	8,553	1,898,487	182	500	1,907,702		327,786	84,487			746	908	1,324,573					1,738,480	3,646,182		3,646,182
	Medical Management	448,267	7,884,942	37,003	8,304	8,378,516		831,347	77,895			23,050	111,114	314,853					1,258,059	9,738,575		9,738,575
	Laboratory, Radiology and Medical Imaging	22,444	2,415,800	(262)	1,445	2,439,427		102,283				1,445	2,475	8,310			(1)		3,697,607	424,540		2,977,034
	Electro-Conulsive Therapy	601	472,157		1,209	473,967														473,967		473,967
60399	Total Medical Services	479,865	12,671,366	36,923	11,458	13,199,612		1,261,396	162,382			26,271	120,332	2,063,766			(1)		3,634,146	16,833,758		16,833,758
	Support Services:																					
	Case Management	7,482,279	21,794,674	(106,811)	66,524	29,236,666		1,819,330	12,920			100,079	271,699	613,596					2,617,644	31,854,310		31,854,310
	Personal Care Services	4,195	352,720	410	(2,851)	354,464		37,162	913				190	161,843					200,095	554,559		554,559
	Family Support	721,932	1,367,536	19,902	8,679	887,249		26,713				9,939	2,454	11,519					50,625	937,874		937,874
	Peer Support	4,595	3,121,296	(455)	(2,572)	3,122,666		386,577	1,120			981	9,698	80,630					479,006	3,601,872		3,601,872
	Home Care Training to Home Care Client	3,482,030	2,811,487	3,260	(1,033)	6,285,744														6,285,744		6,285,744
	Unskilled Respite Care	789,132	238,393	(39,300)	2,940	991,165		29,560				1,261	(279)	3,231					33,773	1,024,938		1,024,938
	Supported Housing*									4,380,881	1,650,840	362,435							6,394,156	6,394,156		6,394,156
	Reserved for Future Use																					
	Transportation	983,605	11,397,629	52,219	(4,306)	12,429,147		610,884	39			18,471	26,331	344,357					1,000,082	13,429,229		13,429,229
60499	Total Support Services	13,467,758	39,852,937	(70,775)	67,381	53,137,301		2,710,246	14,992	4,380,881	1,650,840	362,435	130,716	310,093	1,215,176				10,775,381	64,092,682		64,092,682
	Crisis Intervention Services:																					
	Crisis Intervention - Mobile	454,857	2,958,310	1,109,040	3,479,253	8,001,460	1,373,585	96,918				6,266	57,052	270,656					1,804,477	9,805,937		9,805,937
	Crisis Intervention - Stabilization	617,503	6,996,347	(88,170)	12,987,353	20,513,033	2,463,270	1,211,543	63,668			(12,377)	550,630	682,964			1,269,812		6,229,510	26,742,543		26,742,543
	Crisis Intervention - Telephone	1,970,847	2,471,918	1,957,209	5,452,899	11,882,571	665,669	513,296				(199)	(819)	297					494,467	1,972,763		1,972,763
60599	Total Crisis Intervention Services	3,043,207	12,426,273	2,978,079	21,949,505	40,397,064	4,702,524	1,821,757	63,668			(6,219)	606,864	953,807			1,784,269		9,806,770	50,303,834		50,303,834
	Inpatient Services:																					
	Hospital:																					
	a Psychiatric (Provider Types O2 & T1)	5,510,199	21,820,303	411,312	36,372	27,778,186														27,778,186		27,778,186
	b Detoxification (Provider Types O2 & T1)	2,962	570,487			573,449														573,449		573,449
	Sub acute Facility																					
	a Psychiatric (Provider Types B5 & B6)	73,926	7,029,370		47,305	7,106,901		134,428					305	19,475	82,167				236,375	7,386,976		7,386,976
	b Detoxification (Provider Types B5 & B6)	5,322	448,704			454,026		31,706					154	155	223,333				255,388	709,414		709,414
	Residential Treatment Center (RTC)																					
	a Psychiatric - Secure & Non-Secure (Provider Types 78 B1.B2.B3)	5,156,190	43,489			5,199,679														5,199,679		5,199,679
	b Detoxification - Secure & Non-Secure (Provider Types 78.B1.B2.B3)	284,798	1,452,631	102	(230)	1,737,301		70,532				658	12,366	62,568					146,124	1,883,425		1,883,425
60699	Total Inpatient Services	11,033,397	31,364,984	411,414																		

HEALTH NET ACCESS, INC. d/b/a  
 ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN  
 Statement of Activities – Regional Behavioral Health Authority  
 Contract Year Ended September 30, 2020

Member Months	Member Months														Total TXXXXX and NTXXXX					Mgmt & Gen	Grand Total
	TXXX/XXI C/MDP Child	TXXX/XXI SMI	TXXX/XXI Other Child (Crisis)	TXXX/XXI Other Adult (Crisis)	Total TXXX/XXI	NTXX/XXXI Crisis	NTXX/XXXI SMI Services	NTXX/XXXI Other	NTXX/XXXI SMI Housing	Supported Housing	Housing Trust Fund	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR	Total NTXXXX/XXXI	NTXXXX/XXXI		
61305-01	Specialty and Other Grant Expenses*																				
69998	44,697,526	164,112,090	3,559,020	22,833,035	235,201,671	4,709,424	12,365,278	284,970	4,380,881	1,650,840	362,435	1,468,559	1,550,330	10,011,721	5,529,617	2,627,577	46,200	44,987,832	280,189,503	280,189,503	
99999	85	68,628,328	—	—	68,628,413	—	—	—	—	—	—	—	—	—	—	—	—	68,628,413	—	68,628,413	
69999	44,697,611	232,740,418	3,559,020	22,833,035	303,830,084	4,709,424	12,365,278	284,970	4,380,881	1,650,840	362,435	1,468,559	1,550,330	10,011,721	5,529,617	2,627,577	46,200	44,987,832	348,817,916	348,817,916	
71015-01	—	(3,294,787)	—	—	(3,294,787)	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,294,787)	(3,294,787)	
70205-02	(114,497)	(997,819)	(4,064)	(6,226)	(522,606)	—	—	—	—	—	—	—	—	—	—	—	—	—	(522,606)	(522,606)	
70305-01	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
65999	44,583,114	229,047,812	3,554,956	22,826,809	300,012,691	4,709,424	12,365,278	284,970	4,380,881	1,650,840	362,435	1,468,559	1,550,330	10,011,721	5,529,617	2,627,577	46,200	44,987,832	345,000,523	345,000,523	
Physical Health (PH) Medical Expenses:																					
Hospitalization:																					
50105-01	—	14,566,755	—	—	14,566,755	—	—	—	—	—	—	—	—	—	—	—	—	—	14,566,755	14,566,755	
50110-01	—	1,262,282	—	—	1,262,282	—	—	—	—	—	—	—	—	—	—	—	—	—	1,262,282	1,262,282	
50199	—	15,829,037	—	—	15,829,037	—	—	—	—	—	—	—	—	—	—	—	—	—	15,829,037	15,829,037	
Medical Compensation:																					
50205-01	—	2,949,976	—	—	2,949,976	—	—	—	—	—	—	—	—	—	—	—	—	—	2,949,976	2,949,976	
50210-01	—	67,874	—	—	67,874	—	—	—	—	—	—	—	—	—	—	—	—	—	67,874	67,874	
50215-01	—	3,012,253	—	—	3,012,253	—	—	—	—	—	—	—	—	—	—	—	—	—	3,012,253	3,012,253	
50220-01	—	(2,101)	—	—	(2,101)	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,101)	(2,101)	
50225-01	85	1,849,361	—	—	1,849,361	—	—	—	—	—	—	—	—	—	—	—	—	—	1,849,361	1,849,361	
50299	85	7,877,383	—	—	7,877,448	—	—	—	—	—	—	—	—	—	—	—	—	—	7,877,448	7,877,448	
Other Medical Expenses:																					
50305-01	—	5,904,585	—	—	5,904,585	—	—	—	—	—	—	—	—	—	—	—	—	—	5,904,585	5,904,585	
50310-01	—	25,266,996	—	—	25,266,996	—	—	—	—	—	—	—	—	—	—	—	—	—	25,266,996	25,266,996	
50315-05	—	(38,849)	—	—	(38,849)	—	—	—	—	—	—	—	—	—	—	—	—	—	(38,849)	(38,849)	
50315-10	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
50315-01	—	1,815,752	—	—	1,815,752	—	—	—	—	—	—	—	—	—	—	—	—	—	1,815,752	1,815,752	
50320-01	—	7,544,344	—	—	7,544,344	—	—	—	—	—	—	—	—	—	—	—	—	—	7,544,344	7,544,344	
50325-01	—	1,387,998	—	—	1,387,998	—	—	—	—	—	—	—	—	—	—	—	—	—	1,387,998	1,387,998	
50330-01	—	559,340	—	—	559,340	—	—	—	—	—	—	—	—	—	—	—	—	—	559,340	559,340	
50335-01	—	16,439	—	—	16,439	—	—	—	—	—	—	—	—	—	—	—	—	—	16,439	16,439	
50340-00	—	2,128,142	—	—	2,128,142	—	—	—	—	—	—	—	—	—	—	—	—	—	2,128,142	2,128,142	
50345-01	—	24,662	—	—	24,662	—	—	—	—	—	—	—	—	—	—	—	—	—	24,662	24,662	
50350-01	—	312,521	—	—	312,521	—	—	—	—	—	—	—	—	—	—	—	—	—	312,521	312,521	
50370-01	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
50399	—	44,921,928	—	—	44,921,928	—	—	—	—	—	—	—	—	—	—	—	—	—	44,921,928	44,921,928	
99999	85	68,628,328	—	—	68,628,413	—	—	—	—	—	—	—	—	—	—	—	—	—	68,628,413	68,628,413	
Administrative Expenses:																					
80105-01	2,762,117	14,197,931	868,904	1,699,966	19,528,918	207,931	573,178	272	254,209	90,190	22,317	77,341	85,510	424,140	347,674	157,746	2,632	2,243,140	21,772,058	21,772,058	
80205-01	152,307	808,205	47,474	93,263	1,101,249	12,839	36,389	744	13,751	5,205	1,257	5,329	5,215	28,713	18,402	8,847	131	136,802	1,238,051	1,238,051	
80305-01	639,662	3,383,400	195,059	389,974	4,808,095	54,075	153,885	3,467	57,635	21,775	5,080	22,145	22,014	122,236	75,988	37,010	549	575,959	5,184,764	5,184,764	
80405-01	182,241	673,861	10,483	74,335	1,140,920	19,892	49,016	—	—	—	—	—	6,463	6,059	32,973	—	—	114,463	1,255,363	1,255,363	
80505-01	242,419	1,222,982	55,159	136,685	1,659,245	21,167	63,704	2,994	21,163	7,793	923	7,188	8,853	54,262	22,262	13,251	192	223,752	1,882,997	1,882,997	
80605-01	64,204	338,039	19,157	38,905	460,301	5,443	15,579	390	5,796	2,174	485	2,192	2,222	12,463	7,463	3,894	86	57,922	516,223	516,223	
80705-01	54,764	288,294	16,328	33,119	395,665	4,643	13,268	333	4,919	1,854	413	1,869	1,895	10,635	6,361	3,151	47	49,407	441,972	441,972	
80805-01	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
80905-01	28,386	150,349	8,759	17,339	204,833	2,396	6,804	147	2,560	968	230	988	974	5,389	3,399	1,645	24	25,524	230,357	230,357	
81005-01	12,979	68,215	3,974	7,967	92,935	1,097	3,097	67	1,161	439	104	448	442	2,445	1,542	748	11	11,978	104,514	104,514	
81105-01	32,435	156,378	5,045	17,439	211,297	969	3,022	202	913	328	—	270	414	2,737	722	557	8	10,172	221,469	221,469	
81205-01	112,836	748,263	18,381	30,252	909,722	2,722	12,277	—	—	—	—	1,610	2,162	24,367	—	—	—	43,138	952,860	952,860	
81305-01	272,264	1,452,208	33,515	175,097	1,933,084	29,919	75,945	875	—	—	—	—	—	71,120	—	—	—	177,259	2,110,343	2,110,343	
81405-01	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
81505-01	7,202	34,720	1,120	3,872	46,914	647	2,040	135	610	219	—	181	277	1,830	483	373	5	6,800	53,714	53,714	
81605-01	—	58,899	—	—	58,899	—	—	—	—	—	—	—	—	—	—	—	—	—	58,899	58,899	
81705-01	218,409	1,162,508	28,367	140,345	1,549,627	23,549	60,803	846	8,947	3,100	236	7,377	7,492	56,655	11,029	5,451	110	185,595	1,735,222	1,735,222	
83005-01	36,778	295,626	7,770	21,354	361,528	2,978	8,862	407	1,710	637	109	990	1,218	7,635	2,008	1,846	16	28,416	389,944	389,944	
83999	4,819,103	25,237,922	1,320,045	2,881,872	34,258,942	389,717	1,077,885	10,879	373,343	134,682	31,154	134,391	144,747	857,600	497,333	234,317	3,780	3,889,828	38,148,770	38,148,770	
83105-01	Non-Title XXXXXI Encounter Valuation Sanctions*																				
83205-01	Admin Expenses from Specialty and Other Grants*																				
84999	4,819,103	25,237,922	1,320,045	2,881,872	34,258,942	389,717	1,077,885	10,879	373,343	134,682	31,154	134,391	144,747	857,600	497,333	234,317	3,780	3,889,828	38,148,770	38,148,770	
86999	49,402,217	254,285,734	4,875,001	25,708,681	334,271,633	5,099,141	13,443,163	295,849	4,754,224	1,785,522	393,589	1,602,950	1,695,077	10,869,321	6,026,950	2,881,894	49,980	48,877,660	383,148,293	383,148,293	
87999	(3,365,632)	8,339,971	8,116,411	5,817,785	18,908,535	(285,016)	(27,753)	(154,741)	(66,121)	(75,498)	362	239,958	104,262	(199,178)	278,300	113,042	(1,980)	(74,363)	18,834,172	18,834,172	
89999	(3,365,632)	8,339,971	8,116,411	5,817,785	18,908,535	(285,016)	(2														

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

Notes to Financial Statement

Contract Year Ended September 30, 2020

**(1) Organization**

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 regulated by the Arizona Health Care Cost Containment System (AHCCCS).

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 Southern Arizona Regional Behavioral Health Authority (“RBHA”) contract to the Company. The Company began administering the Cenpatico RBHA contract on October 1, 2018. Under the RBHA 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 through September 30, 2021. 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.

**(2) Basis of Presentation**

The statement of activities and related supplemental schedules have been prepared in accordance with Arizona Health Care Cost Containment System (AHCCCS) Financial Reporting Guide for RBHA Contractors (the Guide). The statement of activities only presents the activity of the Company related to its Regional Behavioral Health Authority (RBHA) contract with AHCCCS, and as such, is not a complete presentation of the activities of the Company.

The Guide requires the financial information to be prepared on an accrual basis and in accordance with U.S. generally accepted accounting principles (GAAP). The required presentation of the statement of activities and supplemental schedules and related presentation is required by the Guide.

**(3) Revenue Recognition**

Revenue includes the following amounts:

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

*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.

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

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

Notes to Financial Statement

Contract Year Ended September 30, 2020

**(4) Health Care Services**

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 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 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. 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.



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

Notes to Financial Statement

Contract Year Ended September 30, 2020

**(5) Expense Allocation**

Certain direct, indirect, and 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, which is consistent with 2 CFR Part 200 Subpart E, Cost Principles for Non-Profit Organizations.

**(6) Premium Taxes**

The Company is subject to a 2% premium tax on payments received from AHCCCS for premiums, reinsurance, and reconciliations.

**(7) Health Insurer Fee (HIF)**

The Company is subject to the annual industry fee under Section 9010 of the ACA. The industry fee is being levied on certain health insurers that provide insurance in the assessment year and is allocated to health insurers based on each health insurer's share of net premiums for all U.S. health insurers in the year preceding the assessment. A moratorium suspended the HIF for the 2019 calendar year. The Company incurred health fee expense \$5,291,349 for the year ended September 30, 2020.

**(8) Subsequent Events**

In connection with the preparation of the financial statement, the Company evaluated subsequent events after the financial statement date of September 30, 2020 through July 20, 2021, which is the date the financial statement was available to be issued.

HEALTH NET ACCESS, INC. db/a  
ARIZONA COMPLETE HEALTH - COMPLETE CARE PLAN

Schedule 1 - Statement of Activities - Disclosure

Contract Year Ended September 30, 2020

	TXIX/XXI CMDDP Child	TXIX/XXI SMI	TXIX/XXI Other Child (Crisis)	TXIX/XXI Other Adult (Crisis)	NTXIX/XXI Crisis	NTXIX/XXI SMI Services	NTXIX/XXI Other	NTXIX/XXI SMI Housing	Supported Housing	Housing Trust Fund	MHBG SED	MHBG SMI	SABG	Other Federal	County	PASRR	Sub-Total	Mgmt & Gen	Total	
Disclosure of NTXIX/XXI other and other federal AHCCCS revenue on line 40205-01:																				
Liquor Fees	\$	--	--	--	--	--	55,790	--	--	--	--	--	--	--	--	--	55,790	--	55,790	
MAT - PDOA	--	--	--	--	--	--	--	--	--	--	--	--	--	54,597	--	--	54,597	--	54,597	
Opioid STR	--	--	--	--	--	--	--	--	--	--	--	--	--	630,257	--	--	630,257	--	630,257	
SOR	--	--	--	--	--	--	--	--	--	--	--	--	--	5,620,396	--	--	5,620,396	--	5,620,396	
Substance Use Disorder Services (SUDS)	--	--	--	--	--	--	85,318	--	--	--	--	--	--	--	--	--	85,318	--	85,318	
Total - NTXIX/XXI Other and OTHER FEDERAL Column	\$	--	--	--	--	--	141,108	--	--	--	--	--	--	6,305,250	--	--	6,446,358	--	6,446,358	
Disclosure of other reconciliation settlements on line 40145-01:																				
TXIX BH PPC	\$	--	4,613	121,484	--	--	--	--	--	--	--	--	--	--	--	--	126,097	--	126,097	
Total - Other Reconciliations	\$	--	4,613	121,484	--	--	--	--	--	--	--	--	--	--	--	--	126,097	--	126,097	
Disclosure of specialty and other grants reported on line 40210-01:																				
	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Specialty and Other Grants Revenue	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Disclosure of supported housing on reported on line 60405-30:																				
Rent Subsidy	\$	--	--	--	--	--	4,176,717	1,556,166	--	--	--	--	--	--	--	--	5,732,883	--	5,732,883	
Management Fees	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Utility Payments	--	--	--	--	--	--	20,330	16,840	--	--	--	--	--	--	--	--	37,270	--	37,270	
Other/Repairs & Maintenance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Damages	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Deposits	--	--	--	--	--	--	129,294	63,302	--	--	--	--	--	--	--	--	192,596	--	192,596	
Start Up	--	--	--	--	--	--	36,495	5,385	--	--	--	--	--	--	--	--	41,880	--	41,880	
Evidon Prevention	--	--	--	--	--	--	18,045	9,047	--	--	--	--	--	--	--	--	27,092	--	27,092	
Housing Trust Fund - Construction/Improvements	--	--	--	--	--	--	--	--	--	362,435	--	--	--	--	--	--	362,435	--	362,435	
Total Supported Housing	\$	--	--	--	--	--	4,380,881	1,650,840	--	362,435	--	--	--	--	--	--	6,394,156	--	6,394,156	
Disclosure of other services on line 61105-01:																				
VBP Performance Incentive	\$	892,551	313,083	--	--	--	--	--	--	--	--	--	--	--	--	--	1,205,634	--	1,205,634	
Crisis Provider Incentives	--	--	8,625	5,175	13,800	6,900	--	--	--	--	--	--	--	--	--	--	34,500	--	34,500	
Liabilities - employment program, non-encounterable	--	--	145,983	--	--	--	--	--	--	--	--	--	--	--	--	--	145,983	--	145,983	
FFP	--	--	--	--	--	--	--	--	--	--	--	356,973	--	--	--	--	356,973	--	356,973	
MAT-PDOA	--	--	--	--	--	--	--	--	--	--	--	--	--	50,229	--	--	50,229	--	50,229	
STR	--	--	--	--	--	--	--	--	--	--	--	--	--	501,091	--	--	501,091	--	501,091	
PASRR screening services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,200	--	46,200	--	46,200	
SOR	--	--	--	--	--	--	--	--	--	--	--	--	--	4,978,297	--	--	4,978,297	--	4,978,297	
NAMI Southern Arizona	--	--	--	--	--	--	--	--	--	--	54,270	--	--	--	--	--	54,270	--	54,270	
National Council For Behavioral Health	--	--	--	--	--	--	--	--	--	--	--	206,250	--	--	--	--	206,250	--	206,250	
Family Preservation Engagement Specialist	--	--	--	--	--	--	--	--	--	--	--	80,276	228,479	--	--	--	308,755	--	308,755	
Engagement Specialists	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	136,000	--	136,000	
Madera	--	--	--	--	--	--	--	--	--	--	136,000	--	--	--	--	--	136,000	--	136,000	
School Based Liaisons	--	--	--	--	--	--	--	--	--	--	150,000	--	--	--	--	--	150,000	--	150,000	
COT Administration	--	174,980	--	--	--	50,000	--	--	--	--	--	--	--	--	158,125	--	383,105	--	383,105	
YES Program	--	--	--	--	--	--	--	--	--	--	416,250	--	--	--	--	--	416,250	--	416,250	
Oxford House	--	--	--	--	--	--	--	--	--	--	--	--	216,945	--	--	--	216,945	--	216,945	
Total Other Services	\$	892,551	642,671	5,175	13,800	6,900	50,000	--	--	--	962,770	437,249	445,424	5,529,617	158,125	46,200	9,190,482	--	9,190,482	
Disclosure of specialty and other grants on line 61305-01:																				
	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Specialty and Other Grants Expenses	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Disclosure of other admin expenses on line 83005-01:																				
Data processing	\$	6,207	50,750	2,318	5,954	868	2,541	101	890	331	53	315	360	2,161	1,018	562	8	74,437	--	74,437
Reinsurance expense - Insurance	--	--	103,159	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	103,159	
EE meetings, training, seminars	6,255	13,125	927	1,488	255	740	19	268	101	22	101	104	578	343	171	3	24,500	--	24,500	
EOP / EOB processing fees	4,634	23,472	1,048	2,580	395	1,197	57	393	145	16	133	165	1,009	409	246	4	35,903	--	35,903	
Printing	1,107	6,091	390	669	85	236	1	94	36	11	39	34	169	140	61	1	9,164	--	9,164	
Physician credentialing	778	4,263	273	465	59	166	1	66	25	8	27	24	118	88	43	1	6,412	--	6,412	
Sanction	13,597	70,616	2,093	7,900	1,317	3,982	229	--	--	--	374	531	3,599	--	763	--	105,001	--	105,001	
Corporate Sponsorship	4,204	24,151	719	2,298	--	--	--	--	--	--	--	--	--	--	--	--	31,372	--	31,372	
Gain/loss investment	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Other Admin Expenses	\$	36,779	295,627	7,768	21,354	2,979	8,862	408	1,711	638	110	989	1,218	7,634	2,008	1,846	17	389,948	--	389,948
Disclosure of non-title xxxix encounter valuation sanctions on line 83105-01:																				
Total Non-Title XXXIX Encounter Valuation Sanctions	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Disclosure of administrative expenses from specialty and other grants on line 83205-01:																				
	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Adm Expenses from Specialty and Other Grants	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Disclosure of non-operating line 88999-01:																				
	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Non-Operating	\$	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	

See accompanying independent auditors' report.

HEALTH NET ACCESS, INC. d/b/a  
**ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**  
 Schedule 2 – Sub-Capitated Expenses  
 Contract Year Ended September 30, 2020

Account	Description	TXIX/XXI CMDP Child	TXIX/XXI DD Child	TXIX/XXI DD Adult	TXIX/XXI SMI	TXIX/XXI Other Child (Crisis)	TXIX/XXI Other Adult (Crisis)	Title XIX/XXI Total	
Behavioral Health:									
60199-01	Total Treatment Services	\$ —	—	—	—	—	—	—	
60299-01	Total Rehabilitation Services	—	—	—	—	—	—	—	
60399-01	Total Medical Services	—	—	—	—	—	—	—	
60499-01	Total Support Services	—	—	—	—	—	—	—	
60599-01	Total Crisis Intervention Services	—	—	—	—	—	—	—	
60699-01	Total Inpatient Services	—	—	—	—	—	—	—	
60799-01	Total Residential Services	—	—	—	—	—	—	—	
60899-01	Total Behavioral Health Day Program	—	—	—	—	—	—	—	
60999-01	Total Prevention Services	—	—	—	—	—	—	—	
61099-01	Total Pharmacy Expense	—	—	—	—	—	—	—	
61100-01	PPC BH Title XIX	—	—	—	—	—	—	—	
61105-01	Other Service Expenses Not Rpt'd Above	—	—	—	—	—	—	—	
61205-01	BH FQHC/RHC Services	—	—	—	—	—	—	—	
	Total Sub-Capitated Behavioral Health Expenses	\$ —	—	—	—	—	—	—	
<b>TXIX/XXI</b>									
<b>Account</b>	<b>Description</b>								<b>SMI</b>
Physical Health:									
Hospitalization Expenses:									
50105-01	Hospital Inpatient	\$ —							—
50110-01	Behavioral Health Hospital Inpatient	—							—
	Total Hospitalization Expense	—							—
Medical Compensation Expenses:									
50205-01	Primary Care Physician Services								—
50210-01	Behavioral Health Physician Services								—
50215-01	Referral Physician Services								—
50220-01	PH FQHC/RHC Services								—
50225-01	Other Professional Services								549,770
	Total Medical Compensation Expenses								549,770
Other Medical Expenses:									
50305-01	Emergency Facility Services								—
50310-01	PH Pharmacy								—
50310-05	Less PH Pharmacy Rebates								—
50315-01	Laboratory, Radiology and Medical Imaging								—
50320-01	Outpatient Facility								—
50325-01	Durable Med Equipment								—
50330-01	Dental								—
50335-01	Transportation								559,340
50340-00	Nursing Facility, Home Health Care								—
50345-01	Therapies								—
50350-01	Alternative Payment Model Performance Based Payments to Providers								—
50370-01	Other Medical Expenses								—
	Total Other Medical Expenses								559,340
	Total Sub-Capitated Physical Health Expenses	\$							1,109,110

See accompanying independent auditors' report.

**HEALTH NET ACCESS, INC. d/b/a  
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Schedule 3 – Block Expenses

Contract Year Ended September 30, 2020

<b>Expenses</b>		<b>TXIX/XXI CMDP Child</b>	<b>TXIX/XXI SMI</b>	<b>TXIX/XXI Other Child (Crisis)</b>	<b>TXIX/XXI Other Adult (Crisis)</b>	<b>Title XIX/XXI Total</b>
<b>Behavioral Health:</b>						
60199-01	Total Treatment Services	\$ 24,548	3,410,419	—	—	3,434,967
60299-01	Total Rehabilitation Services	64,552	1,379,168	—	—	1,443,720
60399-01	Total Medical Services	2,526	526,626	—	—	529,152
60499-01	Total Support Services	475,902	3,957,500	—	—	4,433,402
60599-01	Total Crisis Intervention Services	2,852,016	13,537,709	3,797,424	21,189,659	41,376,808
60699-01	Total Inpatient Services	—	—	—	—	—
60799-01	Total Residential Services	—	—	—	—	—
60899-01	Total Behavioral Health Day Program	—	—	—	—	—
60999-01	Total Prevention Services	—	—	—	—	—
61099-01	Total Pharmacy Expense	—	—	—	—	—
61100-01	PPC BH Title XIX	—	—	—	—	—
61105-01	Other Service Expenses Not Rpt'd Above	—	174,980	—	—	174,980
61205-01	BH FQHC/RHC Services	—	—	—	—	—
	Total Sub-Capitated Behavioral Health Expenses	<u>\$ 3,419,544</u>	<u>22,986,402</u>	<u>3,797,424</u>	<u>21,189,659</u>	<u>51,393,029</u>
			<b>TXIX/XXI SMI</b>			
<b>Physical Health:</b>						
<b>Hospitalization Expenses:</b>						
50105-01	Hospital Inpatient	\$ —				
50110-01	Behavioral Health Hospital Inpatient	—				
	Total Hospitalization Expense:	—				
<b>Medical Compensation Expenses:</b>						
50205-01	Primary Care Physician Services	—				
50210-01	Behavioral Health Physician Services	—				
50215-01	Referral Physician Services	—				
50220-01	PH FQHC/RHC Services	—				
50225-01	Other Professional Services	—				
	Total Medical Compensation Expenses:	—				
<b>Other Medical Expenses:</b>						
50305-01	Emergency Facility Services	—				
50310-01	PH Pharmacy	—				
50310-05	less: PH Pharmacy Rebates	—				
50310-10	PH Pharmacy Performance Guarantees	—				
50315-01	Laboratory, Radiology & Medical Imaging	—				
50320-01	Outpatient Facility	—				
50325-01	Durable Med Equipment	—				
50330-01	Dental	—				
50335-01	Transportation	—				
50340-00	Nursing Facility, Home Health Care	—				
50345-01	Therapies	—				
50350-01	Alternative Payment Model Performance Based Payments to Providers	—				
50370-01	Other Medical Expenses	—				
	Total Other Medical Expenses	—				
	Total Sub-Capitated Physical Health Expenses	<u>\$ —</u>				

See accompanying independent auditors' report.