

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

Health Choice Arizona, Inc.  
Year Ended September 30, 2021  
With Report of Independent Auditors

Ernst & Young LLP



Health Choice Arizona, Inc.

Financial Statements and Supplementary Information

Year Ended September 30, 2021

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## Report of Independent Auditors

The Board of Directors  
Health Choice Arizona, Inc.

We have audited the accompanying financial statements of Health Choice Arizona, Inc., which comprise the balance sheet as of September 30, 2021, and the related statements of operations, changes in equity of the plan, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 statements referred to above present fairly, in all material respects, the financial position of Health Choice Arizona, Inc. as of September 30, 2021, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental detailed balance sheet, supplemental detailed statement of operations, sub-capitated expenses report, block purchases report, and supplemental schedule of activities are presented for purposes of additional analysis and are 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 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 statements as a whole.

*Ernst + Young LLP*

March 30, 2022

# Health Choice Arizona, Inc

## Balance Sheet

September 30, 2021

### Assets

#### Current assets:

Cash and cash equivalents	\$ 103,312,824
Pharmacy rebate receivables	8,912,119
Private reinsurance receivables	301,810
Due from AHCCCS	25,474,144
Due from CMS, net	11,191,756
Note receivable from BCBSAZ	160,246,257
Other current assets, net	2,894,451
Total current assets	<u>312,333,361</u>

Goodwill	5,756,914
Deferred tax assets	108,446,076
Total assets	<u><u>\$ 426,536,351</u></u>

### Liabilities and equity

#### Current liabilities:

Accounts payable and accrued expenses	\$ 1,596,655
Medical claims payable	99,526,000
Due to affiliates, net	12,347,560
Due to AHCCCS	27,262,710
Payable to providers	26,155,738
Deferred revenue	250,000
Federal taxes payable	5,345,720
Total liabilities	<u>172,484,383</u>

#### Equity:

Retained earnings	254,051,968
Total equity	<u>254,051,968</u>
Total liabilities and equity	<u><u>\$ 426,536,351</u></u>

*See accompanying notes.*

Health Choice Arizona, Inc

Statement of Operations

Year Ended September 30, 2021

Revenue:	
Capitation premiums	\$ 1,244,911,509
Delivery supplemental premiums	23,880,400
Health insurance provider fee revenue	5,983,333
Other grants and contracts revenue	26,082,284
Other revenue	4,716,481
Total revenue	<u>1,305,574,007</u>
Expenses:	
Medical expenses	1,118,548,403
Health insurance provider fee	5,318,972
Administrative expenses	105,240,705
Premium tax expense	28,423,498
Total expenses	<u>1,257,531,578</u>
Operating income	48,042,429
Non-operating income (expense):	
Interest income	1,773,449
Community reinvestment expense	(1,800,073)
Other non-operating expenses	(2,466,936)
Income before income taxes	<u>45,548,869</u>
Income tax expense	<u>10,604,496</u>
Net income	<u>\$ 34,944,373</u>

*See accompanying notes.*

Health Choice Arizona, Inc

Statement of Changes in Equity

Year Ended September 30, 2021

	<b>Retained Earnings</b>	<b>Total</b>
Balance, beginning of year	\$ 219,107,595	\$ 219,107,595
Net income	34,944,373	34,944,373
Balance, ending of year	<u>\$ 254,051,968</u>	<u>\$ 254,051,968</u>

*See accompanying notes.*

Health Choice Arizona, Inc

Statement of Cash Flows

Year Ended September 30, 2021

**Operating activities**

Net income	\$ 34,944,373
Adjustments to reconcile net income to net cash provided by operating activities:	
Health insurance provider fee receivable	17,950,000
Pharmacy rebate receivables	987,267
Private reinsurance receivables	(313,073)
Due from AHCCCS	(5,256,608)
Due from CMS, net	(1,769,141)
Note receivable	14,732,271
Other current assets, net	10,409,582
Deferred tax assets	8,214,836
Accounts payable and accrued expenses	(7,939,646)
Medical claims payable	(16,610,448)
Due to affiliates, net	(2,003,588)
Due to AHCCCS	25,755,540
Payable to providers	21,703,529
Deferred revenue	(199,713)
Federal taxes payable	2,389,660
Net cash provided by operating activities	<u>102,994,841</u>

**Financing activities**

Receipts from CMS contract deposits	27,334,132
Withdrawals from CMS contract deposits	<u>(31,606,295)</u>
Net cash used in financing activities	<u>(4,272,163)</u>
Net increase in cash and cash equivalents	98,722,678
Cash and cash equivalents, beginning of year	4,590,146
Cash and cash equivalents, end of year	<u><u>\$ 103,312,824</u></u>

*See accompanying notes.*



# Health Choice Arizona, Inc.

## Notes to Combined Financial Statements

September 30, 2021

### **1. Organization**

Health Choice Arizona, Inc. (the Company) is a wholly owned subsidiary of Veritage LLC (Veritage). Veritage is an Arizona limited liability company owned solely by Blue Cross Blue Shield of Arizona (BCBSAZ).

The Company is a managed care organization and insurer that delivers healthcare services to members through multiple health plans, accountable care networks and managed care solutions. The Company subcontracts with hospitals, physicians and other medical providers within Arizona and surrounding states to provide services to its members in the service area counties. The Company operates under three different contracts: Health Choice Arizona – Arizona Health Care Cost Containment System (AHCCCS) Complete Care (ACC), Health Choice Arizona – AHCCCS Regional Behavioral Health Authority (RBHA) and Health Choice Pathway (HCP).

The Company's ACC contract with AHCCCS was established to provide specified healthcare services to qualified Medicaid enrollees through contracts with providers. AHCCCS is the state agency that administers Arizona's Medicaid program, including the AHCCCS Complete Care program. The contract requires the Company to arrange for healthcare services for enrolled Medicaid patients in exchange for fixed monthly premiums, based on negotiated per capita member rates, and supplemental payments from AHCCCS. These services are provided regardless of the actual costs incurred to provide these services. The Company receives reinsurance and other supplemental payments from AHCCCS to cover certain costs of healthcare services that exceed defined thresholds. On March 5, 2018, the Company was awarded the ACC contract to provide integrated physical and behavioral health services to AHCCCS members in Apache, Coconino, Gila, Maricopa, Mohave, Navajo, Pinal, and Yavapai counties, beginning October 1, 2018. The ACC contract had an initial term of three years and two two-year options to extend the contract at the discretion of AHCCCS. The contract is terminable without cause on 90 days' written notice or for cause upon written notice if the Company fails to comply with any term or condition of the contract or fails to take corrective action as required to comply with the terms of the contract. Additionally, AHCCCS can terminate the contract in the event of the unavailability of state or federal funding.

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **1. Organization (continued)**

Through the RBHA contract, the Company provides high-quality physical and behavioral healthcare services to Medicaid eligible adults with serious mental illness (SMI) in Northern Arizona under the Regional Behavioral Health Authority. The contract was originally awarded to Health Choice Integrated Care, LLC (HCIC) on December 18, 2014. The contract between HCIC and the Arizona Department of Health Services (ADHS) was effective October 1, 2015, and had an initial three-year term with two two-year renewal options for the potential maximum length of seven years. Effective July 1, 2016, the contract with ADHS was transferred to the Company. Effective October 1, 2018, HCIC's contract with AHCCCS was extended and assigned to the Company. The Company and Northern Arizona Regional Behavioral Health Authority (NARBHA) provide governance of the RBHA contract. NARBHA provides assistance with community and government relations, community reinvestment, SMI, crisis management and other services delivered by the Company in accordance with AHCCCS rules and regulations. NARBHA receives 48% of the pre-tax profit related to the RBHA contract pursuant to an agreement between the Company and NARBHA. AHCCCS announced on November 15, 2021 that, effective October 1, 2022, the Company will no longer be a contracted managed care organization for the RBHA Program.

The Company operates a prepaid Medicare Advantage Prescription Drug (MAPD) Special Needs Plan (SNP), called Health Choice Pathway, through a contract with the Centers for Medicare & Medicaid Services (CMS). Effective January 1, 2006, the Company began providing coverage as a MAPD SNP provider pursuant to its contract with CMS. The contract allows the Company to offer Medicare and Part D drug benefit coverage for new and existing dual-eligible members. Dual-eligible members are those who are eligible for Medicare and Medicaid. The contract requires the Company to arrange for healthcare services for its enrollees in exchange for fixed monthly premiums, based on risk adjusted per capita rates from CMS.

The contract with CMS, which covers enrollees in Apache, Coconino, Gila, Maricopa, Mohave, Navajo, Pinal, and Yavapai counties, has been renewed for calendar year 2021 and includes successive one-year renewal options at the discretion of CMS. The contract is terminable by CMS without cause on 90 days' written notice, or for cause upon written notice if the Company fails to comply with any term or condition of the contract or fails to take corrective action as required to comply with the terms of the contract.

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation and Use of Estimates**

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and are accounted for in the period identified.

### **Pharmacy Rebate Receivables**

The Company receives rebates from pharmaceutical companies based on the volume of drugs purchased. The Company records a receivable and a reduction of pharmacy expense for estimated rebates due based on purchase information. Pharmacy rebate receivables were \$9 million as of September 30, 2021 and \$11 million was recognized as a reduction of pharmacy expense during the year ended September 30, 2021.

### **Note Receivable**

On December 31, 2019, BCBSAZ executed and delivered a Promissory Note as a contribution to capital and to meet Arizona's administrative rules and certain capital requirements and standards established by AHCCCS pursuant to ACOM 305. As of September 30, 2021, the Company has a note receivable balance of \$160 million recorded on the accompanying balance sheet as note receivable from BCBSAZ. Interest was accrued at the rate of 1.09% in 2021 and will be reviewed annually. Payments of principal and accrued interest will be due and payable after the occurrence of a payment event, as defined in the Promissory Note, which includes a provision that the Company can draw upon the note receivable to meet its reasonable actual or expected financial needs. The Company drew \$15 million from the note during the year and settled against the outstanding receivable.

### **Due to Affiliates, Net**

Due to affiliates, net of amounts due from affiliates, primarily represents the amount owed to the Management Company. The Management Company pays administrative expenses on behalf of the Company. Due to affiliates, net was \$12 million as of September 30, 2021.

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Goodwill**

Pursuant to accounting guidance related to goodwill and other intangible assets, goodwill is not amortized but is subject to annual impairment reviews or more often if events or circumstances indicate it may be impaired. An impairment loss is recorded to the extent that the carrying amount of goodwill exceeds its implied fair value. The Company has completed its annual review of indicators of impairment for the 2021 fiscal year, which resulted in no impairment.

##### **Revenue Recognition**

Capitation premiums are recognized as revenue in the month that members of the Company are entitled to healthcare services. The Company is required to provide all covered healthcare services to members, regardless of the cost of care. If there are funds remaining, the Company retains the funds as profit; if the costs are higher than the amount of capitation payments, the Company absorbs the loss.

Certain provisions of the ACC contract include a risk band, whereby the Company and AHCCCS share in the profits and losses of the contract, as defined in the contract (reconciliation revenue). Under the ACC contract, AHCCCS limits the profit that the Company may recognize at 4.0% and losses are capped at 2.0%.

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

HCP capitation premiums are subject to an episodic/diagnostic risk factor adjustment. The Company estimates and records CMS settlement amounts and adjusts to actual amounts when the adjustment settlements are either received from CMS or the Company receives notification from CMS of such settlement amounts.

As a result of the variability of factors that determine such estimations, the actual amount of the CMS retroactive risk premium settlement adjustments could be materially more or less than the Company's estimates. The Company's risk adjustment payments are subject to review and audit by CMS, which can take several years to resolve completely. Any adjustment to premium revenue as a result of such review and audit is recorded when estimable. There can be no assurance that any retroactive adjustment to previously recorded revenue will not have a material effect on future results of operations.

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

Delivery supplemental premiums are payments received per newborn delivery under the ACC contract and are intended by AHCCCS to cover the cost of maternity care for qualified pregnant women. Such premiums are billed and recognized in the month that delivery occurs.

Total capitation premiums of \$1 billion and delivery supplemental premiums of \$24 million were recognized during the year ended September 30, 2021.

Under the RBHA contract, revenue from grants and contracts with funding agencies other than AHCCCS is recognized as revenue when contracted services are provided or when eligible costs are incurred. A receivable is recognized to the extent that grant and contract revenue earned exceeds cash advances. Funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Company with the terms of the contracts. Other grants and contracts revenue was \$26 million during the year ended September 30, 2021.

#### **Medical Expenses**

Monthly capitation payments to primary care physicians and other healthcare providers are expensed in the month services are contracted to be performed. Amounts payable under these arrangements are included in the payable to provider liability. Medical expenses for non-capitated arrangements are accrued as services are rendered by hospitals, physicians and other healthcare providers during the year. Medical expense includes primary care and specialty physician services, as well as hospital inpatient, outpatient, and other ancillary services, such as radiology and lab. Medical expense is presented net of Third Party Liability (TPL) recoveries received.

TPL recoveries are payments received from a third party, such as an individual, entity, or program that is, or may be, liable to pay for any medical services provided to an AHCCCS member. AHCCCS is the payer of last resort when there is no other liable party. TPL recoveries are included as a reduction of medical expenses in the accompanying statement of operations.

Medical claims payable includes claims received but not paid and an estimate of claims incurred but not reported. Incurred but not reported claims are estimated using a combination of historical claims experience (including severity and payment lag time) and other actuarial analysis, including number of enrollees, age of enrollees, and certain enrollee health indicators to predict the cost of healthcare services provided to enrollees during any given period. While management believes

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

that its estimation methodology effectively captures trends in medical claims costs, actual payments could differ significantly from estimates, given changes in the healthcare cost structure or adverse experience.

#### **Reinsurance Recoveries**

The Company recognizes reinsurance recoveries related to the ACC and RBHA contracts when healthcare costs exceed stated amounts as provided under the AHCCCS contract, including estimates of such costs at the end of each accounting period. Contractually, the Company is reimbursed by AHCCCS at a rate ranging from 75% to 100% for qualified healthcare costs for those members that exceed stated amounts of up to \$35,000, depending on the case type of the member. Qualified costs must be incurred during the contract year and are the lesser of the amount paid by the Company or the AHCCCS fee schedule.

The Company subcontracts with a third-party reinsurance provider to cover non-drug healthcare costs that exceed stated amounts at a rate of 90% of qualified costs related to HCP members. Qualified costs must be incurred during the contract year, but costs incurred during the last month of the year may be carried forward to meet the following year's deductible if those costs were not already applied to a reinsurance case. Reinsurance is recognized under the contract with the reinsurer when healthcare costs exceed stated amounts as provided under the contract, including estimates of such costs at the end of each accounting period.

In the event that the reinsurer is unable to honor its reinsurance commitment, the Company may be responsible for excess costs incurred.

#### **Due From CMS, Net**

The Company receives Part D low income premium subsidy payments per member per month from CMS to cover beneficiary premiums that are not paid by qualifying low-income HCP enrollees. Such payments are recognized in the month that members are entitled to prescription drug coverage and are reported in capitation premiums in the accompanying statement of operations.

The Company receives Part D low income cost-sharing subsidy (LICS) payments per member per month from CMS to cover beneficiary cost sharing and deductible amounts that are not paid by qualifying low income HCP enrollees. The Company administers and pays the subsidized portion

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

of the claims on behalf of CMS, and a settlement payment is made between CMS and the Company based on actual claims experience, subsequent to the end of the contract year. The Company is fully reimbursed by CMS for this contract element and, accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are not reflected as premium revenue, but rather recognized as a reduction of medical expenses in the accompanying statement of operations. As of September 30, 2021, a receivable in the amount of approximately \$105 thousand was recorded in due from CMS, net in the accompanying balance sheet. Part D LICS subsidies from CMS totaling approximately \$17 million were recognized during the year ended September 30, 2021, and are included as a reduction of medical expenses in the accompanying statement of operations.

The Company receives Part D reinsurance payments per member per month to cover CMS's obligation to pay approximately 80% of the costs incurred by individual HCP members in excess of the individual annual out-of-pocket maximum. A settlement is made between CMS and the Company based on actual claims experience, subsequent to the end of the contract year. The Company is fully reimbursed by CMS for this contract element and, accordingly, there is no risk to the Company. Amounts received for these subsidies are not reflected as premium revenue, but rather recognized as a reduction of medical expenses in the accompanying statement of operations. Part D reinsurance recoveries from CMS totaling approximately \$15 million were recognized during the year ended September 30, 2021 and are included as a reduction of medical expenses in the accompanying statement of operations. As of September 30, 2021, a receivable in the amount of approximately \$1 million was recorded in due from CMS, net in the accompanying balance sheet.

After the conclusion of the contract year and the finalization of capitation and subsidy payment amounts, CMS will complete a final risk corridor reconciliation that limits profit or loss on Part D revenue. The risk corridor is designed to limit exposure to unexpected expenses not already included in the reinsurance subsidy or taken into account through risk adjusted rates. Profits or losses that differ by more than 5% from the targeted amount will be repaid or recouped according to stated percentages. Accordingly, as of September 30, 2021, a settlement balance is recorded in the accompanying balance sheet to reflect the estimated amount of the Part D risk settlement due to CMS. The accompanying statement of operations includes an increase to capitation premiums of approximately \$2 million. As of September 30, 2021, a receivable in the amount of approximately \$7 million was recorded in due from CMS, net in the accompanying balance sheet.

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Health Insurance Provider Fee (HIPF)**

Effective January 1, 2014, the Company began accounting for the mandated HIPF to be paid to the federal government by health insurers, as part of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, which is imposed for calendar years beginning after December 31, 2013. The HIPF is based on a company's share of the industry's net premiums written during the preceding calendar year and is payable on September 30 of each year. Effective January 1, 2019, the IRS issued a moratorium on the health insurer fee, whereby collection of the health insurer fee for calendar year 2019 was suspended. The further Consolidated Appropriations Act, 2020, Division N, Subtitle E § 502, signed into law on December 20, 2019, repealed the annual fee on health insurance providers for calendar year beginning after December 31, 2020. As a result of the repeal, 2020 calendar year was the last fee year.

##### **Administrative Expenses**

The primary components of administrative expenses are management fees and other miscellaneous expenses.

##### **Other Non-Operating Expenses**

NARBHA receives 48% of the pre-tax profit related to the RBHA contract pursuant to an agreement between the Company and NARBHA and is recorded as non-operating expenses in the accompanying statement of operations.

##### **Income and Premium Taxes**

Taxes are allocated to the Company from BCBSAZ pursuant to the asset and liability method, based on the amount for which the Company would have been liable if it were a separate taxpayer. The effect on deferred taxes of a change in tax rates is recognized in the accompanying statement of operations during the period in which the tax rate change becomes law.

The ACC and RBHA contracts are subject to a 2% premium tax on Title XIX and Title XXI payments received from AHCCCS. Total premium tax expense for the year ended September 30, 2021 was approximately \$28 million.



## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Fair Value of Financial Instruments**

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity, including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The company does not have any fair value measurements using significant unobservable inputs (Level 3) and does not have any assets or liabilities that are measured at fair value on a non-recurring basis as of September 30, 2021.

The carrying value of financial assets and liabilities approximates their fair market value, due to the short-term nature of these instruments.

The Company's nonfinancial assets are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur or if an annual impairment test is required and the Company is required to evaluate the nonfinancial instrument for impairment, a resulting asset impairment would require that the nonfinancial asset be recorded at the fair value. During the year ended September 30, 2021, no remeasurements of the nonfinancial assets or liabilities were deemed necessary by management. Accordingly, no amounts were recognized in earnings on the accompanying statement of operations relating to changes in fair value for nonfinancial assets or liabilities during the year ended September 30, 2021.

##### **New Accounting Pronouncements**

In June 2016, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which will change how entities account for credit losses for most financial assets, trade receivables, and reinsurance receivables. The standard will replace the existing incurred loss impairment model with a new current expected credit loss model that generally will result in earlier recognition of credit losses. The standard will apply to financial assets subject to credit losses, including loans measured at amortized cost, reinsurance receivables, and certain off-balance sheet credit exposures. ASU 2016-13 is effective for the Company for

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

annual periods beginning after December 15, 2021, with early adoption permitted for annual periods beginning after December 15, 2018. The Company adopted this standard and determined the impact on its financial statements is immaterial.

In January 2017, the FASB issued ASU 2017-04, *Intangible Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which removes the second step of the goodwill impairment test that requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. ASU 2017-04 is effective for the Company for annual periods beginning after December 15, 2021, and will be applied prospectively. The Company does not expect the adoption of ASU 2017-04 to have any impact on its financial statements or disclosures.

#### **Subsequent Events Consideration**

The Company evaluated events and transactions occurring subsequent to September 30, 2021 through March 30, 2022, the date these financial statements were available to be issued. During this period, there are no subsequent events for disclosure in the notes to the financial statements.

#### **3. Transactions with Affiliates**

The Company is party to a management agreement with the Management Company, a wholly owned subsidiary of Veritage, which manages the general and administrative functions related to the Company inclusive of payroll, facility and equipment leases, and related expenses. The fee is charged based on a percentage of capitation revenue less premium taxes, which was 7.50% for the ACC contract, 8.74% for the RBHA contract, and 12.00% for the HCP contract. During the year ended September 30, 2021, the Company recorded expenses of approximately \$104 million for services provided by the Management Company, which are included in administrative expenses in the accompanying statement of operations.

Health Choice Arizona, Inc.

Notes to Combined Financial Statements (continued)

**4. Due From/to AHCCCS**

The Company's contracts with AHCCCS require recurring settlements between the Company and AHCCCS.

The amounts due from AHCCCS as of September 30, 2021 are as follows:

	<b>ACC</b>	<b>RBHA</b>	<b>Total</b>
Reinsurance receivable	\$ 19,260,398	\$ –	\$ 19,260,398
Value-based payment receivable	3,942,577	988,775	4,931,352
Capitation receivable	303,954	164,604	468,558
Delivery supplement receivable	515,583	–	515,583
Non-TXIX receivable	–	298,253	298,253
	<u>\$ 24,022,512</u>	<u>\$ 1,451,632</u>	<u>\$ 25,474,144</u>

The amounts due to AHCCCS as of September 30, 2021 are as follows:

	<b>ACC</b>	<b>RBHA</b>	<b>Total</b>
Risk reconciliation	\$ 22,928,915	\$ –	\$ 22,928,915
Fixed administration expense reconciliation	1,720,110	–	1,720,110
Quality distribution	2,613,685	–	2,613,685
	<u>\$ 27,262,710</u>	<u>\$ –</u>	<u>\$ 27,262,710</u>

**5. Due From CMS, Net**

The Company's contract with CMS requires recurring settlements between the Company and CMS. The amounts due from CMS as of September 30, 2021 are as follows:

Capitation receivable	\$ 2,942,999
Part D reinsurance receivable	1,452,317
Part D cost share receivable	104,900
Part D risk reconciliation receivable	6,691,540
	<u>\$ 11,191,756</u>

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### 6. Liability for Medical Claims

Activity in the liability for medical claims payable for the year ended September 30, 2021 is as follows:

Balance at September 30, 2020	\$ 113,128,265
Incurred related to:	
Current year	1,008,233,453
Prior years	<u>(3,571,604)</u>
Total incurred	<u>1,004,140,762</u>
Paid related to:	
Current year	(909,643,661)
Prior years	<u>(109,140,813)</u>
Total paid	<u>(1,018,264,114)</u>
Balance at September 30, 2021	<u>\$ 99,526,000</u>

During the year ended September 30, 2021, the Company recognized a favorable development in medical claims expense for prior periods of approximately \$4 million. The change in medical claims expense is the result of ongoing analysis of loss development trends. Such adjustments are included in medical expenses in the accompanying statement of operations. Original estimates increased or decreased as additional information became known regarding individual claims.

#### 7. Income Taxes

The provision for income taxes for the year ended September 30, 2021 consists of the following:

Current:	
Federal	\$ 2,389,659
Deferred:	
Federal	<u>8,214,837</u>
Total income tax expense	<u>\$ 10,604,496</u>

The company's deferred tax assets and liabilities as of September 30, 2021 are as follows:

Deferred tax assets	\$ 108,446,076
Deferred tax liabilities	<u>—</u>
Net deferred tax assets	<u>\$ 108,446,076</u>

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **7. Income Taxes (continued)**

For the year ended September 30, 2021, \$108,107,114 of the deferred tax assets (DTA) is related to a tax intangible asset resulting from an IRC Section 338(h)(10) election made by the Company at the time it was acquired by Veritage. The tax intangible asset is not attributable to specific contracts held by the Company. The remainder of the DTA are related primarily to discounted medical claims payable. There were no deferred tax liabilities as of September 30, 2021.

The difference between the tax provisions computed at the federal statutory tax rate and the tax provision recorded by the Company for the year ended September 30, 2021 relates to the nondeductible Health Insurer Fee in effect through December 31, 2020.

The statute of limitations for assessment by the Internal Revenue Service and state tax authorities is open for the tax years ended December 31, 2018 and subsequent years. The Company is not subject to state income taxes as it pays premium taxes on its premium revenue. The Company records interest and penalties related to uncertain tax positions as a component of income tax expense. No interest or penalties were recorded for the year ended September 30, 2021.

#### **8. Commitments and Contingencies**

##### **Professional, General, and Other Liability Insurance**

The Company is subject to claims, lawsuits, regulatory audits, and other legal matters arising, for the most part, in the ordinary course of managing a health services business. The Company's contracts with AHCCCS requires the Company to maintain professional liability insurance, comprehensive general insurance, and automobile liability insurance coverage of at least \$1 million for each occurrence. During the year ended September 30, 2021, the Company was covered under BCBSAZ's umbrella policy. BCBSAZ, on behalf of the Company, carries professional and general liability insurance in excess of self-insured retentions through an unrelated commercial insurance carrier in amounts that it believes to be sufficient for the Company, although some claims may exceed the scope of coverage in effect. BCBSAZ maintains reserves for professional and general liability claims.

Accordingly, no reserves for liability risks are recorded in the accompanying balance sheet. Professional and general liability insurance expense is included in the management fee charged by the Management Company for the year ended September 30, 2021, which is included in administrative expenses in the accompanying statement of operations.

## Health Choice Arizona, Inc.

### Notes to Combined Financial Statements (continued)

#### **8. Commitments and Contingencies (continued)**

The Company is currently not a party to any such proceedings that, in the Company's opinion, would have a material adverse effect on the Company's financial condition, business or results of operations.

##### **Performance Guarantee**

If the Company fails to effectively manage healthcare costs, these costs may exceed the premiums received by the Company. The Company believes the capitated premiums, together with reinsurance and other supplemental premiums, are sufficient to pay for the services the Company is obligated to deliver. Pursuant to its contract with AHCCCS, the Company is required annually to provide a performance bond, in an acceptable form, to guarantee performance of the Company's obligations under its contract to provide and pay for the healthcare services. The amount of the performance guarantee that AHCCCS requires is generally based upon the membership in the Company and the related capitation paid to the Company. As of September 30, 2021, the Company provided a performance bond in the form of surety bonds for the benefit of AHCCCS, totaling approximately \$110 million.

##### **State and Federal Laws and Regulations**

The Company is subject to state and federal laws and regulations. The CMS and AHCCCS have the right to audit the Company to determine the Company's compliance with such standards. The Company is required to file periodic reports with AHCCCS and to meet certain financial viability standards. The Company must also provide its enrollees with certain mandated benefits and must meet certain quality assurance and improvement requirements. The Company believes it is in compliance with these CMS and AHCCCS requirements. The Company must also comply with the electronic transactions regulations and privacy standards of the Health Insurance Portability and Accountability Act (HIPAA). The Company believes it is in compliance with the HIPAA security standards as set forth in 45 CFR Part 164. The Company has also complied with the requirements for health plans, as defined in 45 CFR Part 162.

#### **9. Concentration of Credit Risk**

The Company currently holds an ACC contract to provide services through September 30, 2023, and an RBHA contract through September 30, 2022, both with AHCCCS. The HCP contract is renewed annually by CMS and has been renewed through December 31, 2021. Management expects the contract with CMS to be renewed through the applicable renewal process. All of the Company's revenue is derived from these three contracts.

# Supplementary Information

# Health Choice Arizona, Inc

## Supplemental Detailed Balance Sheet

Year Ended September 30, 2021

	ACC	RBHA	HCP	Corporate and Other	HCA, Inc.
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 104,517,024	\$ –	\$ (1,204,200)	\$ –	\$ 103,312,824
Pharmacy rebate receivables	967,851	111,107	7,833,161	–	8,912,119
Private reinsurance receivables	–	–	301,810	–	301,810
Due from AHCCCS	24,022,512	1,451,632	–	–	25,474,144
Due from CMS, net	–	–	11,191,756	–	11,191,756
Note receivable	130,476,014	13,956,379	15,813,864	–	160,246,257
Other current assets, net	2,464,977	126,771	302,703	–	2,894,451
<b>Total current assets</b>	<b>262,448,378</b>	<b>15,645,889</b>	<b>34,239,094</b>	<b>–</b>	<b>312,333,361</b>
Goodwill	5,756,914	–	–	–	5,756,914
Deferred tax assets	269,524	24,344	45,094	108,107,114	108,446,076
<b>Total assets</b>	<b>\$ 268,474,816</b>	<b>\$ 15,670,233</b>	<b>\$ 34,284,188</b>	<b>\$ 108,107,114</b>	<b>\$ 426,536,351</b>
<b>Liabilities and equity of the Plan</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 786,657	\$ 732,133	\$ 77,865	\$ –	\$ 1,596,655
Medical claims payable	81,020,413	4,346,773	14,158,814	–	99,526,000
Due to affiliates, net	31,449,770	(11,248,102)	(7,854,108)	–	12,347,560
Due to AHCCCS	27,262,710	–	–	–	27,262,710
Payable to providers	18,371,797	7,783,941	–	–	26,155,738
Deferred revenue	–	250,000	–	–	250,000
Federal taxes payable	12,839,018	1,588,006	5,196,994	(14,278,298)	5,345,720
<b>Total liabilities</b>	<b>171,730,365</b>	<b>3,452,751</b>	<b>11,579,565</b>	<b>(14,278,298)</b>	<b>172,484,383</b>
Equity:					
Retained earnings	96,744,451	12,217,482	22,704,623	122,385,412	254,051,968
<b>Total equity</b>	<b>96,744,451</b>	<b>12,217,482</b>	<b>22,704,623</b>	<b>122,385,412</b>	<b>254,051,968</b>
<b>Total liabilities and equity</b>	<b>\$ 268,474,816</b>	<b>\$ 15,670,233</b>	<b>\$ 34,284,188</b>	<b>\$ 108,107,114</b>	<b>\$ 426,536,351</b>



## Health Choice Arizona, Inc

### Supplemental Detailed Statement of Operations

Year Ended September 30, 2021

	ACC	RBHA	HCP	Corporate and Other	HCA, Inc.
Revenue:					
Capitation premiums	\$ 966,680,484	\$ 145,102,380	\$ 133,128,645	\$ –	\$ 1,244,911,509
Delivery supplemental premiums	23,880,400	–	–	–	23,880,400
Health insurance provider fee revenue	5,134,550	848,783	–	–	5,983,333
Other grants and contracts revenue	–	26,082,284	–	–	26,082,284
Other revenue	4,716,481	–	–	–	4,716,481
<b>Total revenue</b>	<b>1,000,411,915</b>	<b>172,033,447</b>	<b>133,128,645</b>	<b>–</b>	<b>1,305,574,007</b>
Expenses:					
Medical expenses	861,286,445	148,339,673	108,922,285	–	1,118,548,403
Health insurance provider fee expense	4,056,294	670,539	592,139	–	5,318,972
Administrative expenses	75,034,758	15,011,954	15,193,993	–	105,240,705
Premium tax expense	25,509,656	2,913,842	–	–	28,423,498
<b>Total expenses</b>	<b>965,887,153</b>	<b>166,936,008</b>	<b>124,708,417</b>	<b>–</b>	<b>1,257,531,578</b>
<b>Operating income</b>	<b>34,524,762</b>	<b>5,097,439</b>	<b>8,420,228</b>	<b>–</b>	<b>48,042,429</b>
Non-operating income (expense):					
Interest income	1,443,981	154,456	175,012	–	1,773,449
Community reinvestment expense	(1,679,635)	(120,438)	–	–	(1,800,073)
Other non-operating expenses	–	(2,466,936)	–	–	(2,466,936)
<b>Income before income taxes</b>	<b>34,289,108</b>	<b>2,664,521</b>	<b>8,595,240</b>	<b>–</b>	<b>45,548,869</b>
Income tax expense	7,974,830	700,316	1,929,350	–	10,604,496
<b>Net income</b>	<b>\$ 26,314,278</b>	<b>\$ 1,964,205</b>	<b>\$ 6,665,890</b>	<b>\$ –</b>	<b>\$ 34,944,373</b>

Health Choice Arizona, Inc  
 AHCCCS Complete Care Program  
 Sub-Capitated Expenses Report  
 Contract Year Ended September 30, 2021

Account	Account Description	YTD Amount
	<b>Sub-capitated hospitalization expenses</b>	
50105-01	Hospital inpatient	\$ -
50110-01	Hospital inpatient-behavioral health services	-
50115-01	Reserved	-
	Total sub-capitated hospitalization expenses	<u>-</u>
	<b>Sub-capitated medical compensation expenses</b>	
50205-01	Primary care physician services	15,401,787
50210-01	Behavioral health physician services	-
50215-01	Referral physician services	-
50220-01	PH FQHC/RHC services	-
50225-01	Other professional services	-
50230-01	Reserved	-
	Total sub-capitated medical compensation expenses	<u>15,401,787</u>
	<b>Sub-capitated other medical expenses</b>	
50305-01	Emergency facility services	-
50310-01	PH pharmacy	-
50315-01	Laboratory, radiology and medical imaging	21,693,144
50320-01	Outpatient facility	-
50325-01	Durable medical equipment	3,650,255
50330-01	Dental	-
50335-01	Transportation	9,268,293
50340-00	Nursing facility, home health care	2,945,378
50345-01	Therapies	-
50350-01	Alternative payment model performance based payments to providers	-
50355-01	Behavioral health day program	-
50355-05	Behavioral health case management services	-
50355-06	Peer/family support	-
50355-07	Support services	-
50355-10	Behavioral health crisis intervention services	-
50355-11	Living skills training	-
50355-12	Supported employment	-
50355-15	Behavioral health rehabilitation services	-

Health Choice Arizona, Inc  
 AHCCCS Complete Care Program  
 Sub-Capitated Expenses Report (continued)  
 Contract Year Ended September 30, 2021

Account	Account Description	YTD Amount
	<b>Sub-capitated other medical expenses (continued)</b>	
50355-20	Behavioral health residential services	\$ -
50355-21	Counseling	-
50355-22	Assessment, evaluation and screening	-
50355-23	Treatment services	-
50355-25	All other behavioral health services	-
50360-01	Reserved	-
50370-01	Other medical expenses	-
	Total sub-capitated other medical expenses	<u>37,557,070</u>
	Total sub-capitated expenses	<u>\$ 52,958,857</u>

Health Choice Arizona, Inc  
 AHCCCS Complete Care Program  
 Block Purchase Report  
 Contract Year Ended September 30, 2021

Account	Account Description	YTD Amount
<b>Hospitalization block purchases</b>		
50105-01	Hospital inpatient	\$ 2,096,086
50110-01	Hospital inpatient – behavioral health services	1,357,772
50115-01	Reserved	–
	Total sub-capitated hospitalization expense	<u>3,453,858</u>
<b>Sub-capitated medical compensation expenses</b>		
50205-01	Primary care physician services	642,515
50210-01	Behavioral health physician services	2,457,364
50215-01	Referral physician services	–
50220-01	PH FQHC/RHC services	–
50225-01	Other professional services	36,602
50230-01	Reserved	–
	Total sub-capitated medical compensation expenses	<u>3,136,481</u>
<b>Sub-capitated other medical expenses</b>		
50305-01	Emergency facility services	–
50310-01	PH pharmacy	–
50315-01	Laboratory, radiology and medical imaging	4,996
50320-01	Outpatient facility	–
50325-01	Durable medical equipment	–
50330-01	Dental	–
50335-01	Transportation	1,597,265
50340-00	Nursing facility, home health care	1,252,962
50345-01	Therapies	–
50350-01	Alternative payment model performance based payments to providers	–
50355-01	Behavioral health day program	–
50355-05	Behavioral health case management services	6,748,713
50355-06	Peer/family support	1,301,532
50355-07	Support services	–
50355-10	Behavioral health crisis intervention services	598
50355-11	Living skills training	5,921,523
50355-12	Supported employment	340,764
50355-15	Behavioral health rehabilitation services	100,981
50355-20	Behavioral health residential services	3,541,151

Health Choice Arizona, Inc  
 AHCCCS Complete Care Program  
 Block Purchase Report (continued)  
 Contract Year Ended September 30, 2021

Account	Account Description	YTD Amount
	<b>Sub-capitated other medical expenses (continued)</b>	
50355-21	Counseling	\$ 8,812,210
50355-22	Assessment, evaluation and screening	4,251,591
50355-23	Treatment services	10,543
50355-25	All other behavioral health services	-
50360-01	Reserved	-
50370-01	Other medical expenses	-
	Total sub-capitated other medical expenses	<u>33,884,829</u>
	Total sub-capitated expenses	<u>\$ 40,475,168</u>

Health Choice Arizona, Inc  
 AHCCCS Complete Care Program  
 Block Purchase Report  
 Contract Year Ended September 30, 2020

Account	Account Description	YTD Amount
	<b>Hospitalization block purchases</b>	
50105-01	Hospital inpatient	\$ 3,292,475
50110-01	Hospital inpatient – behavioral health services	1,863,322
50115-01	Reserved	–
	Total sub-capitated hospitalization expense	<u>5,155,797</u>
	<b>Sub-capitated medical compensation expenses</b>	
50205-01	Primary care physician services	888,763
50210-01	Behavioral health physician services	3,506,131
50215-01	Referral physician services	–
50220-01	PH FQHC/RHC services	–
50225-01	Other professional services	16,394
50230-01	Reserved	–
	Total sub-capitated medical compensation expenses	<u>4,411,288</u>
	<b>Sub-capitated other medical expenses</b>	
50305-01	Emergency facility services	–
50310-01	PH pharmacy	–
50315-01	Laboratory, radiology and medical imaging	6,163
50320-01	Outpatient facility	–
50325-01	Durable medical equipment	–
50330-01	Dental	–
50335-01	Transportation	2,515,303
50340-00	Nursing facility, home health care	1,481,919
50345-01	Therapies	–
50350-01	Alternative payment model performance based payments to providers	–
50355-01	Behavioral health day program	–
50355-05	Behavioral health case management services	7,446,715
50355-06	Peer/family support	1,342,848
50355-07	Support services	–
50355-10	Behavioral health crisis intervention services	–
50355-11	Living skills training	4,643,687
50355-12	Supported employment	154,371
50355-15	Behavioral health rehabilitation services	74,943
50355-20	Behavioral health residential services	3,887,996

Health Choice Arizona, Inc  
 AHCCCS Complete Care Program  
 Block Purchase Report (continued)  
 Contract Year Ended September 30, 2020

Account	Account Description	YTD Amount
	<b>Sub-capitated other medical expenses (continued)</b>	
50355-21	Counseling	\$ 6,798,949
50355-22	Assessment, evaluation and screening	3,809,883
50355-23	Treatment services	676,105
50355-25	All other behavioral health services	-
50360-01	Reserved	-
50370-01	Other medical expenses	-
	Total sub-capitated other medical expenses	<u>32,838,882</u>
	Total sub-capitated expenses	<u>\$ 42,405,967</u>

Health Choice Arizona, Inc  
Regional Behavioral Health Authority Program

Block Expense Report

Contract Year Ended September 30, 2021

Account	Account Description	YTD Amount
<b>Behavioral health</b>		
60199-01	Total treatment services	\$ 6,883,112
60299-01	Total rehabilitation services	5,957,265
60399-01	Total medical services	1,448,695
60499-01	Total support services	13,988,620
60599-01	Total crisis intervention services	8,498,711
60699-01	Total inpatient services	5,154,211
60799-01	Total residential services	5,989,876
60899-01	Total behavioral health day program	-
60999-01	Total prevention services	-
61099-01	Total Pharmacy Expense	-
61100-01	PPC BH title XIX	121,775
61105-01	Other service expenses not rpt'd above	-
61205-01	BH FQHC/RHC services	-
	Total behavioral health expenses	<u>48,042,265</u>
<b>Physical health</b>		
<b>Hospitalization expenses</b>		
50105-01	Hospital inpatient	-
50110-01	Behavioral health hospital inpatient	-
	Total hospitalization expenses	<u>-</u>
<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	<u>-</u>
<b>Other medical expenses</b>		
50305-01	Emergency facility services	-
50310-01	PH pharmacy	-
50315-01	Laboratory, radiology and medical imaging	-
50320-01	Outpatient facility	-
50325-01	Durable medical equipment	-



Health Choice Arizona, Inc

Regional Behavioral Health Authority Program

Block Expense Report (continued)

Contract Year Ended September 30, 2021

<b>Account</b>	<b>Account Description</b>	<b>YTD Amount</b>
	<b>Other medical expenses (continued)</b>	
50330-01	Dental	\$ -
50335-01	Transportation	-
50340-01	Nursing facility, home health care	-
50345-01	Therapies	-
50350-01	Alternative payment model performance based payments to providers	-
50370-10	Other medical expenses	-
	Total other medical expenses	-
	Total physical health expenses	<u>\$ 48,042,265</u>

Health Choice Arizona, Inc  
Regional Behavioral Health Authority Program  
Sub-Capitated Expense Report  
Contract Year Ended September 30, 2021

Account	Account Description	YTD Amount
<b>Behavioral health</b>		
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 behavioral health expenses	<hr/> -
<b>Physical health</b>		
<b>Hospitalization expenses</b>		
50105-01	Hospital inpatient	-
50110-01	Behavioral health hospital inpatient	-
	Total hospitalization expenses	<hr/> -
<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	<hr/> -
<b>Other medical expenses</b>		
50305-01	Emergency facility services	-
50310-01	PH pharmacy	74,250
50315-01	Laboratory, radiology and medical imaging	94,146
50320-01	Outpatient facility	-
50325-01	Durable medical equipment	92,020

Health Choice Arizona, Inc  
Regional Behavioral Health Authority Program  
Sub-Capitated Expense Report (continued)  
Contract Year Ended September 30, 2021

Account	Account Description	YTD Amount
<b>Other medical expenses (continued)</b>		
50330-01	Dental	\$ -
50335-01	Transportation	325,481
50340-01	Nursing facility, home health care	-
50350-01	Alternative payment model performance based payments to providers	-
50350-01	Alternative payment model performance based payments to providers	-
50370-10	Other medical expenses	-
	Total other medical expenses	<u>585,897</u>
	Total physical health expenses	<u>\$ 585,897</u>

Health Choice Arizona, Inc

Regional Behavioral Health Authority Program

Sub-Capitated and Block Expense Report

Contract Year Ended September 30, 2020

Account	Account Description	TXIX/XXI CMDP	TXIX/XXI SMI	TXIX/XXI Other Child (Crisis)	TXIX/XXI Other Adult (Crisis)	Total
<b>Sub-capitated behavioral health expenses</b>						
60199-01	Total treatment services	\$ 2,094,974	\$ 5,358,187	\$ -	\$ -	\$ 7,453,161
60299-01	Total rehabilitation services	2,063,113	5,492,396	-	-	7,555,509
60399-01	Total medical services	88,620	1,525,323	-	-	1,613,943
60499-01	Total support services	4,534,506	11,201,964	-	-	15,736,470
60599-01	Total crisis intervention services	27,967	1,144,943	1,314,936	7,027,999	9,515,845
60699-01	Total inpatient services	-	5,649,046	-	-	5,649,046
60799-01	Total residential services	194,646	5,515,284	-	-	5,709,930
60899-01	Total behavioral health day program	-	46	-	-	46
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	9,003,826	35,887,189	1,314,936	7,027,999	53,233,950
<b>Sub-capitated hospitalization expenses</b>						
50105-01	Hospital inpatient	-	-	-	-	-
50110-01	Behavioral health hospital inpatient	-	-	-	-	-
	Total sub-capitated hospitalization expenses	-	-	-	-	-
<b>Sub-capitated 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 sub-capitated medical compensation expenses	-	-	-	-	-
<b>Sub-capitated other medical expenses</b>						
50305-01	Emergency facility services	-	-	-	-	-
50310-01	PH pharmacy	-	72,721	-	-	72,721
50315-01	Laboratory, radiology and medical imaging	-	-	-	-	-
50320-01	Outpatient facility	-	-	-	-	-
50325-01	Durable medical equipment	-	218,102	-	-	218,102
50330-01	Dental	-	-	-	-	-
50335-01	Transportation	-	281,766	-	-	281,766
50340-01	Nursing facility, home health care	-	-	-	-	-
50345-01	Therapies	-	-	-	-	-
50350-01	Alternative payment model performance based payments to providers	-	-	-	-	-
50370-10	Other medical expenses	-	-	-	-	-
	Total other medical expenses	-	572,589	-	-	572,589
	Total physical health expenses	\$ 9,003,826	\$ 36,459,778	\$ 1,314,936	\$ 7,027,999	\$ 53,806,539

Health Choice Arizona, Inc  
Regional Behavioral Health Authority Program  
Supplemental Schedule of Activities  
Year Ended September 30, 2021

\*DISCLOSED ON SCHEDULE A

		TXIX/XXI CMDP Child	TXIX/XXI SMI	TXIX/XXI Other Child (Crisis)	TXIX/XXI Other Adult (Crisis)	Total TXIX/XXI	NTXIX/XXI Crisis	NTXIX/XXI SMI Services	NTXIX/XXI Other	NTXIX/XXI SMI Housing	Supported Housing	Housing Trust Fund	MHBG SED	MHBG SMI	MHBG FEP	SABG	Other Federal	County	PASRR	Total NTXIX/XXI	Total TXIX/XXI and NTXIX/XXI	Mgmt & Gen	Total
<b>00999</b>	<b>Total Member Months</b>	8,284	75,589	1,180,606	2,077,421	3,341,900																	
<b>Revenue</b>																							
40105-01	Capitation	\$ 10,635,287	\$ 121,417,310	\$ 843,643	\$ 11,957,832	\$ 144,854,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,854,072	\$ -	\$ 144,854,072
40115-01	Alternative payment model initiatives reconciliation/settlement	-	78,297	-	-	78,297	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,297	-	78,297
40135-01	Title XIX/XXI reconciliation settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40145-01	Other reconciliation settlements*	-	-	6,296	242,012	248,308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	248,308	-	248,308
40160-01	Health insurance provider fee revenue	122,838	633,198	27,108	65,639	848,783	-	-	-	-	-	-	-	-	-	-	-	-	-	-	848,783	-	848,783
40205-01	Non-title XIX/XXI revenue	-	-	-	-	-	2,329,840	6,383,425	55,755	690,747	586,671	-	1,621,922	801,788	651,725	4,248,792	5,450,794	1,200,000	7,200	24,028,659	24,028,659	1,775,328	25,803,987
40210-01	Specialty and other grants*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
40215-01	Non-title XIX/XXI profit limit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40305-01	Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40310-01	Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	154,456	154,456
<b>49999</b>	<b>Total revenue</b>	<b>\$ 10,758,125</b>	<b>\$ 122,128,805</b>	<b>\$ 877,047</b>	<b>\$ 12,265,483</b>	<b>\$ 146,029,460</b>	<b>\$ 2,329,840</b>	<b>\$ 6,383,425</b>	<b>\$ 55,755</b>	<b>\$ 690,747</b>	<b>\$ 586,671</b>	<b>\$ -</b>	<b>\$ 1,621,922</b>	<b>\$ 801,788</b>	<b>\$ 651,725</b>	<b>\$ 4,248,792</b>	<b>\$ 5,450,794</b>	<b>\$ 1,200,000</b>	<b>\$ 7,200</b>	<b>\$ 24,028,659</b>	<b>\$ 170,058,119</b>	<b>\$ 2,129,784</b>	<b>\$ 172,187,903</b>
<b>Expenses</b>																							
<b>Behavioral health medical expenses</b>																							
60105-01	<b>Treatment services</b>																						
	Counseling																						
a	Counseling, individual	\$ 624,780	\$ 3,643,520	\$ -	\$ -	\$ 4,268,300	\$ 1,812	\$ 891,373	\$ 4,976	\$ -	\$ -	\$ -	\$ 388,305	\$ -	\$ -	\$ 371,126	\$ -	\$ 2,706	\$ -	\$ 1,660,298	\$ 5,928,598	\$ -	\$ 5,928,598
b	Counseling, family	186,650	40,032	-	-	226,682	-	5,664	-	-	-	-	50,910	-	-	16,583	-	867	-	74,024	300,706	-	300,706
c	Counseling, group	18,286	748,758	-	-	767,044	3,738	56,200	444	-	-	-	15,770	-	-	248,080	-	482	-	324,714	1,091,758	-	1,091,758
60105-05	Assessment, evaluation and screening	540,009	2,076,594	-	-	2,616,603	68,982	357,423	3,032	-	-	-	126,002	70,126	-	242,870	-	75,606	-	944,041	3,560,644	195,523	3,756,167
60105-10	Other professional	-	167,494	-	-	167,494	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,494	-	167,494
<b>60199</b>	<b>Total treatment services</b>	<b>1,369,725</b>	<b>6,676,398</b>	<b>-</b>	<b>-</b>	<b>8,046,123</b>	<b>74,532</b>	<b>1,310,660</b>	<b>8,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>580,987</b>	<b>70,126</b>	<b>-</b>	<b>878,659</b>	<b>-</b>	<b>79,661</b>	<b>-</b>	<b>3,003,077</b>	<b>11,049,200</b>	<b>195,523</b>	<b>11,244,723</b>
<b>Rehabilitation services</b>																							
60205-01	Living skills training	808,324	4,322,553	-	-	5,130,877	220	445,703	617	-	-	-	280,820	87,381	-	227,784	-	-	-	1,042,525	6,173,402	-	6,173,402
60205-05	Cognitive rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60205-10	Health promotion	7,163	53,348	-	-	60,511	94	2,859	-	-	-	-	1,846	561	-	47,111	-	-	-	52,471	112,982	-	112,982
60205-15	Supported employment services	30	934,351	-	-	934,381	-	128,391	-	-	-	-	-	25,171	-	34,830	-	-	-	188,392	1,122,773	-	1,122,773
<b>60299</b>	<b>Total rehabilitation services</b>	<b>815,517</b>	<b>5,310,252</b>	<b>-</b>	<b>-</b>	<b>6,125,769</b>	<b>314</b>	<b>576,953</b>	<b>617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282,666</b>	<b>113,113</b>	<b>-</b>	<b>309,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,283,388</b>	<b>7,409,157</b>	<b>-</b>	<b>7,409,157</b>
<b>Medical services</b>																							
60305-01	Medication services	-	170,188	-	-	170,188	-	2,071	14,455	-	-	-	-	406	-	137,292	-	-	-	154,224	324,412	-	324,412
60305-05	Medical management	84,825	1,791,360	-	-	1,876,185	85,925	200,907	8,535	-	-	-	39,822	39,388	-	230,434	-	10,362	-	615,373	2,491,558	-	2,491,558
60305-10	Laboratory, radiology & medical imaging	10	66,038	-	-	66,048	-	-	6,431	-	-	-	-	-	-	12,895	-	-	-	19,326	85,374	-	85,374
60305-15	Electro-convulsive therapy	-	18,938	-	-	18,938	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,938	-	18,938
<b>60399</b>	<b>Total medical services</b>	<b>84,835</b>	<b>2,046,524</b>	<b>-</b>	<b>-</b>	<b>2,131,359</b>	<b>85,925</b>	<b>202,978</b>	<b>29,421</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,822</b>	<b>39,794</b>	<b>-</b>	<b>380,621</b>	<b>-</b>	<b>10,362</b>	<b>-</b>	<b>788,923</b>	<b>2,920,282</b>	<b>-</b>	<b>2,920,282</b>
<b>Support services</b>																							
60405-01	Case management	1,593,755	7,683,975	-	-	9,277,730	88,048	1,221,417	9,113	-	-	-	284,415	239,715	-	386,459	-	14,376	-	2,243,543	11,521,273	-	11,521,273
60405-05	Personal care services	42	208,039	-	-	208,081	40,300	32,924	-	-	-	-	2,052	6,455	-	1,996	-	-	-	83,727	291,808	-	291,808
60405-10	Family support	493,091	6,491	-	-	499,582	-	-	-	-	-	-	34,325	-	-	362	-	-	-	34,687	534,269	-	534,269
60405-15	Peer support	202	2,386,187	-	-	2,386,389	-	394,706	601	-	-	-	1,667	77,383	-	87,573	-	-	-	561,930	2,948,319	-	2,948,319
60405-20	Therapeutic foster care/therapeutic home	1,559,953	796	-	-	1,560,749	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,560,749	-	1,560,749
60405-25	Unskilled respite care	323,567	17,827	-	-	341,394	-	456	-	-	-	-	35,850	89	-	272	-	-	-	36,667	378,061	-	378,061
60405-30	Supported housing*	-	-	-	-	-	-	-	-	618,114	554,170	-	-	-	-	-	-	-	-	1,172,284	1,172,284	-	1,172,284
60405-35	Reserved for future use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60405-40	Transportation	199,805	2,313,652	-	-	2,513,457	11,151	145,558	632	-	-	-	29,734	28,537	-	108,186	-	-	-	323,798	2,837,255	-	2,837,255
<b>60499</b>	<b>Total support services</b>	<b>4,170,415</b>	<b>12,616,967</b>	<b>-</b>	<b>-</b>	<b>16,787,382</b>	<b>139,499</b>	<b>1,795,061</b>	<b>10,346</b>	<b>618,114</b>	<b>554,170</b>	<b>-</b>	<b>388,043</b>	<b>352,179</b>	<b>-</b>	<b>584,848</b>	<b>-</b>	<b>14,376</b>	<b>-</b>	<b>4,456,636</b>	<b>21,244,018</b>	<b>-</b>	<b>21,244,018</b>

Health Choice Arizona, Inc

Regional Behavioral Health Authority Program

Supplemental Schedule of Activities (continued)

Year Ended September 30, 2021

\*DISCLOSED ON SCHEDULE A (continued)

	TXIX/XXI CMDP Child	TXIX/XXI SMI	TXIX/XXI Other Child (Crisis)	TXIX/XXI Other Adult (Crisis)	Total TXIX/XXI	NTXIX/XXI Crisis	NTXIX/XXI SMI Services	NTXIX/XXI Other	NTXIX/XXI SMI Housing	Supported Housing	Housing Trust Fund	MHBG SED	MHBG SMI	MHBG FEP	SABG	Other Federal	County	PASRR	Total NTXIX/XXI	Total TXIX/XXI and NTXIX/XXI	Mgmt & Gen	Total
<b>Crisis intervention services</b>																						
60505-01	\$ -	\$ -	\$ 555,379	\$ 6,701,398	\$ 7,256,777	613,317	102,557	69	\$ -	\$ -	\$ -	\$ 35,997	\$ 7,042	\$ -	\$ 88,756	\$ -	\$ 2,177	\$ -	\$ 849,915	\$ 8,106,692	\$ -	\$ 8,106,692
60505-05	-	-	3,911	2,117,164	2,121,075	124,476	21,061	1,080	-	-	-	-	4,129	-	143,920	-	8,048	-	302,714	2,423,789	86,416	2,510,205
60505-10	-	-	161,441	1,304,034	1,465,475	389,885	4,046	-	-	-	-	5,366	836	-	7,662	-	-	-	407,795	1,873,270	-	1,873,270
<b>60599</b>	<b>-</b>	<b>-</b>	<b>720,731</b>	<b>10,122,596</b>	<b>10,843,327</b>	<b>1,127,678</b>	<b>127,664</b>	<b>1,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,363</b>	<b>12,007</b>	<b>-</b>	<b>240,338</b>	<b>-</b>	<b>10,225</b>	<b>-</b>	<b>1,560,424</b>	<b>12,403,751</b>	<b>86,416</b>	<b>12,490,167</b>
<b>Inpatient services</b>																						
60605-01	Hospital																					
a	1,706,088	7,103,429	-	-	8,809,517	181,379	-	(7,500)	-	-	-	-	-	-	-	-	855,009	-	1,028,888	9,838,405	1,353,279	11,191,684
b	8,860	352,265	-	-	361,125	64,055	-	-	-	-	-	-	-	-	-	-	-	-	64,055	425,180	-	425,180
60605-05	Sub acute facility																					
a	35,417	2,616,979	-	-	2,652,396	265,552	-	3,282	-	-	-	-	-	-	-	-	-	-	268,834	2,921,230	-	2,921,230
b	-	190,975	-	-	190,975	140,137	-	-	-	-	-	-	-	-	62,401	-	-	-	202,538	393,513	-	393,513
60605-10	Residential Treatment Center (RTC)																					
a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	167	-	-	-	167	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167	-	167
60605-15	21,328	834,794	-	-	856,122	64,357	-	325	-	-	-	409	-	-	(164)	-	149,367	-	214,294	1,070,416	76,447	1,146,863
<b>60699</b>	<b>1,771,860</b>	<b>11,098,442</b>	<b>-</b>	<b>-</b>	<b>12,870,302</b>	<b>715,480</b>	<b>-</b>	<b>(3,893)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409</b>	<b>-</b>	<b>-</b>	<b>62,237</b>	<b>-</b>	<b>1,004,376</b>	<b>-</b>	<b>1,778,609</b>	<b>14,648,911</b>	<b>1,429,726</b>	<b>16,078,637</b>
<b>Residential services</b>																						
60705-01	715,932	18,055,096	-	-	18,771,028	-	54,074	-	-	-	-	-	10,600	-	574,531	-	-	-	639,205	19,410,233	-	19,410,233
60705-05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60705-10	-	-	-	-	-	24	-	-	-	-	-	89,207	-	-	2,769	-	-	-	92,000	92,000	-	92,000
<b>60799</b>	<b>715,932</b>	<b>18,055,096</b>	<b>-</b>	<b>-</b>	<b>18,771,028</b>	<b>24</b>	<b>54,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,207</b>	<b>10,600</b>	<b>-</b>	<b>577,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>731,205</b>	<b>19,502,233</b>	<b>-</b>	<b>19,502,233</b>
<b>Behavioral health day program</b>																						
60805-01	4,081	1,509	-	-	5,590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,590	-	5,590
60805-05	-	7	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-	7
60805-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>60899</b>	<b>4,081</b>	<b>1,516</b>	<b>-</b>	<b>-</b>	<b>5,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,597</b>	<b>-</b>	<b>5,597</b>
<b>Prevention services</b>																						
60905-01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	305,190	-	-	-	305,190	305,190	-	305,190
60905-05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,151	-	-	-	70,151	70,151	-	70,151
<b>60999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>375,341</b>	<b>375,341</b>	<b>-</b>	<b>375,341</b>
<b>Pharmacy expenses</b>																						
61005-01	185,534	13,537,907	-	-	13,723,441	-	1,808,301	5,533	-	-	-	9,985	110,321	-	145,276	-	-	-	2,079,416	15,802,857	-	15,802,857
<b>61099</b>	<b>185,534</b>	<b>13,537,907</b>	<b>-</b>	<b>-</b>	<b>13,723,441</b>	<b>-</b>	<b>1,808,301</b>	<b>5,533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,985</b>	<b>110,321</b>	<b>-</b>	<b>145,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,079,416</b>	<b>15,802,857</b>	<b>-</b>	<b>15,802,857</b>
61100-01	-	-	8,537	284,626	293,163	-	-	-	-	-	-	-	-	-	-	-	-	-	-	293,163	-	293,163
61105-01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61205-01	13,531	68,373	-	-	81,904	-	-	-	-	-	-	-	-	575,603	198,187	5,013,575	-	7,200	5,794,565	5,794,565	-	5,794,565
<b>61299</b>	<b>9,131,430</b>	<b>69,411,475</b>	<b>729,268</b>	<b>10,407,222</b>	<b>89,679,395</b>	<b>2,143,452</b>	<b>5,875,691</b>	<b>51,625</b>	<b>618,114</b>	<b>554,170</b>	<b>-</b>	<b>1,432,482</b>	<b>708,140</b>	<b>575,603</b>	<b>3,752,532</b>	<b>5,013,575</b>	<b>1,119,000</b>	<b>7,200</b>	<b>21,851,584</b>	<b>111,530,979</b>	<b>1,711,665</b>	<b>113,242,644</b>
61305-01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
<b>69998</b>	<b>9,131,430</b>	<b>69,411,475</b>	<b>729,268</b>	<b>10,407,222</b>	<b>89,679,395</b>	<b>2,143,452</b>	<b>5,875,691</b>	<b>51,625</b>	<b>618,114</b>	<b>554,170</b>	<b>-</b>	<b>1,432,482</b>	<b>708,140</b>	<b>575,603</b>	<b>3,752,532</b>	<b>5,013,575</b>	<b>1,119,000</b>	<b>7,200</b>	<b>21,851,584</b>	<b>111,530,979</b>	<b>1,911,665</b>	<b>113,442,644</b>
<b>59999</b>	<b>-</b>	<b>35,979,219</b>	<b>-</b>	<b>-</b>	<b>35,979,219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,979,219</b>	<b>-</b>	<b>35,979,219</b>
<b>69999</b>	<b>9,131,430</b>	<b>105,390,694</b>	<b>729,268</b>	<b>10,407,222</b>	<b>125,658,614</b>	<b>2,143,452</b>	<b>5,875,691</b>	<b>51,625</b>	<b>618,114</b>	<b>554,170</b>	<b>-</b>	<b>1,432,482</b>	<b>708,140</b>	<b>575,603</b>	<b>3,752,532</b>	<b>5,013,575</b>	<b>1,119,000</b>	<b>7,200</b>	<b>21,851,584</b>	<b>147,510,198</b>	<b>1,911,665</b>	<b>149,421,863</b>

Health Choice Arizona, Inc

Regional Behavioral Health Authority Program

Supplemental Schedule of Activities (continued)

Year Ended September 30, 2021

\*DISCLOSED ON SCHEDULE A (continued)

	TXIX/XXI CMDP Child	TXIX/XXI SMI	TXIX/XXI Other Child (Crisis)	TXIX/XXI Other Adult (Crisis)	Total TXIX/XXI	NTXIX/XXI Crisis	NTXIX/XXI SMI Services	NTXIX/XXI Other	NTXIX/XXI SMI Housing	Supported Housing	Housing Trust Fund	MHBG SED	MHBG SMI	MHBG FEP	SABG	Other Federal	County	PASRR	Total NTXIX/XXI	Total TXIX/XXI and NTXIX/XXI	Mgmt & Gen	Total		
70105-01	Less: Reinsurance	\$ -	\$ (948,918)	\$ -	\$ -	\$ (948,918)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (948,918)	\$ -	\$ (948,918)
70205-02	Less: Third party liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70305-01	Less: Claims overpayment recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
70310-05	Less: BH pharmacy rebates	(249)	(133,023)	-	-	(133,272)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(133,272)	-	(133,272)
70310-10	Less: Pharmacy performance guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>85999</b>	<b>Total net medical expense</b>	<b>\$ 9,131,181</b>	<b>\$ 104,308,753</b>	<b>\$ 729,268</b>	<b>\$ 10,407,222</b>	<b>\$ 124,576,424</b>	<b>\$ 2,143,452</b>	<b>\$ 5,875,691</b>	<b>\$ 51,625</b>	<b>\$ 618,114</b>	<b>\$ 554,170</b>	<b>\$ -</b>	<b>\$ 1,432,482</b>	<b>\$ 708,140</b>	<b>\$ 575,603</b>	<b>\$ 3,752,532</b>	<b>\$ 5,013,575</b>	<b>\$ 1,119,000</b>	<b>\$ 7,200</b>	<b>\$ 21,851,584</b>	<b>\$ 146,428,008</b>	<b>\$ 1,911,665</b>	<b>\$ 148,339,673</b>	
<b>Physical Health (PH) medical expenses</b>																								
<b>Hospitalization</b>																								
50105-01	Hospital inpatient	\$ -	\$ 5,327,209	\$ -	\$ -	\$ 5,327,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,327,209	\$ -	\$ 5,327,209
50110-01	Behavioral health hospital inpatient	-	83,678	-	-	83,678	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83,678	-	83,678
<b>50199</b>	<b>Total hospitalization</b>	<b>-</b>	<b>5,410,887</b>	<b>-</b>	<b>-</b>	<b>5,410,887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,410,887</b>	<b>-</b>	<b>5,410,887</b>
<b>Medical compensation</b>																								
50205-01	Primary care physician	-	2,885,042	-	-	2,885,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,885,042	-	2,885,042
50210-01	Behavioral health physician services	-	37,411	-	-	37,411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,411	-	37,411
50215-01	Referral physician	-	1,327,208	-	-	1,327,208	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,327,208	-	1,327,208
50220-01	PH FQHC/RHC services	-	1,177,977	-	-	1,177,977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,177,977	-	1,177,977
50225-01	Other professional	-	2,963,803	-	-	2,963,803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,963,803	-	2,963,803
<b>50299</b>	<b>Total medical compensation</b>	<b>-</b>	<b>8,391,441</b>	<b>-</b>	<b>-</b>	<b>8,391,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,391,441</b>	<b>-</b>	<b>8,391,441</b>
<b>Other medical expenses</b>																								
50305-01	Emergency facility services	-	3,733,919	-	-	3,733,919	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,733,919	-	3,733,919
50310-01	PH pharmacy	-	8,960,835	-	-	8,960,835	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,960,835	-	8,960,835
50315-01	Laboratory, radiology & medical imaging	-	741,733	-	-	741,733	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	741,733	-	741,733
50320-01	Outpatient facility	-	3,997,195	-	-	3,997,195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,997,195	-	3,997,195
50325-01	Durable medical equipment	-	107,874	-	-	107,874	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	107,874	-	107,874
50330-01	Dental	-	178,390	-	-	178,390	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	178,390	-	178,390
50335-01	Transportation	-	3,816,408	-	-	3,816,408	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,816,408	-	3,816,408
50340-00	Nursing facility, home health care	-	574,188	-	-	574,188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	574,188	-	574,188
50345-01	Therapies	-	280	-	-	280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	280	-	280
50350-01	Alternative payment model performance based payments to providers	-	63,213	-	-	63,213	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,213	-	63,213
50370-01	Other medical expenses	-	2,856	-	-	2,856	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,856	-	2,856
<b>50399</b>	<b>Total other medical expenses</b>	<b>-</b>	<b>22,176,891</b>	<b>-</b>	<b>-</b>	<b>22,176,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,176,891</b>	<b>-</b>	<b>22,176,891</b>
<b>59999</b>	<b>Total physical health expense</b>	<b>\$ -</b>	<b>\$ 35,979,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,979,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,979,219</b>	<b>\$ -</b>	<b>\$ 35,979,219</b>

Health Choice Arizona, Inc

Regional Behavioral Health Authority Program

Supplemental Schedule of Activities (continued)

Year Ended September 30, 2021

\*DISCLOSED ON SCHEDULE A (continued)

	TXIX/XXI CMDP Child	TXIX/XXI SMI	TXIX/XXI Other Child (Crisis)	TXIX/XXI Other Adult (Crisis)	Total TXIX/XXI	NTXIX/XXI Crisis	NTXIX/XXI SMI Services	NTXIX/XXI Other	NTXIX/XXI SMI Housing	Supported Housing	Housing Trust Fund	MHBG SED	MHBG SMI	MHBG FEP	SABG	Other Federal	County	PASRR	Total NTXIX/XXI	TXIX/XXI and NTXIX/XXI	Mgmt & Gen	Total	
<b>Administrative expenses</b>																							
80105-01	Compensation	\$ 301,206	\$ 3,113,186	\$ 21,777	\$ 310,799	\$ 3,746,968	\$ 54,403	\$ 143,827	\$ 1,568	\$ 16,247	\$ 13,798	\$ -	\$ 38,118	\$ 18,857	\$ 15,328	\$ 98,954	\$ 127,967	\$ 28,224	\$ 169	\$ 557,460	\$ 4,304,428	\$ 41,755	\$ 4,346,183
80205-01	Occupancy	83,977	873,283	6,108	87,183	1,050,551	15,260	40,345	274	4,557	3,871	-	10,692	5,290	4,300	27,758	35,896	7,917	48	156,208	1,206,759	11,713	1,218,472
80305-01	Depreciation	2,471	36,459	255	3,640	42,825	637	1,684	6	190	162	-	446	221	180	1,159	1,499	331	2	6,517	49,342	489	49,831
80405-01	Care management/care coordination	206,569	2,532,291	17,716	252,807	3,009,383	44,251	116,990	1,029	13,215	11,224	-	31,004	15,339	12,468	80,491	104,090	22,957	138	453,196	3,462,579	33,964	3,496,543
80505-01	Professional and outside services	235,647	2,860,600	20,013	285,583	3,401,843	49,988	132,158	1,238	14,928	12,679	-	35,024	17,328	14,085	90,926	117,585	25,934	156	512,029	3,913,872	38,367	3,952,239
80605-01	Office supplies and equipment	36,859	460,979	3,225	46,021	547,084	8,055	21,297	46	2,406	2,043	-	5,644	2,792	2,270	14,653	18,949	4,179	25	82,359	629,443	6,183	635,626
80705-01	Travel	(63)	7,194	50	7,181	7,899	126	332	(3)	38	32	-	88	44	35	229	296	65	-	1,282	9,181	96	9,277
80805-01	Repair and maintenance	785	13,823	97	1,380	16,085	242	639	6	72	61	-	169	84	68	439	568	125	1	2,474	18,559	185	18,744
80905-01	Bank service charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81005-01	Insurance	5,135	77,006	538	7,688	90,367	1,346	3,558	27	402	341	-	943	466	379	2,448	3,165	698	4	13,777	104,144	1,033	105,177
81105-01	Marketing	3,367	25,932	182	2,589	32,070	453	1,198	10	135	115	-	317	157	128	824	1,066	235	1	4,639	36,709	348	37,057
81205-01	Interest expense	-	41,018	-	-	41,018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,018	-	41,018
81305-01	Pharmacy benefit manager expenses	1,854	240,390	-	27	242,271	-	21,458	-	-	-	-	104	-	-	1,602	-	-	-	23,164	265,435	-	265,435
81405-01	Fraud reduction expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81505-01	Third party activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81605-01	Sub capitation/block administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81705-01	Health care quality improvement	51,641	588,462	4,117	58,748	702,968	10,283	27,187	259	3,071	2,608	-	7,205	3,565	2,897	18,705	24,189	5,335	32	105,336	808,304	7,893	816,197
82505-01	Interpretation/translation services	567	527	-	-	1,094	1,345	-	-	-	-	-	-	-	1,716	-	-	-	-	3,061	4,155	-	4,155
83005-01	Other administrative expenses*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>83999</b>	<b>Subtotal administrative expenses</b>	<b>930,015</b>	<b>10,871,150</b>	<b>74,078</b>	<b>1,057,183</b>	<b>12,932,426</b>	<b>186,389</b>	<b>510,673</b>	<b>4,460</b>	<b>55,261</b>	<b>46,934</b>	<b>-</b>	<b>129,754</b>	<b>64,143</b>	<b>52,138</b>	<b>339,904</b>	<b>435,270</b>	<b>96,000</b>	<b>576</b>	<b>1,921,502</b>	<b>14,853,928</b>	<b>142,026</b>	<b>14,995,954</b>
83105-01	Non-title XIX/XXI encounter evaluation sanctions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83205-01	Admin expenses from specialty and other grants*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,000	16,000
<b>84999</b>	<b>Total administrative expense</b>	<b>\$ 930,015</b>	<b>\$ 10,871,150</b>	<b>\$ 74,078</b>	<b>\$ 1,057,183</b>	<b>\$ 12,932,426</b>	<b>\$ 186,389</b>	<b>\$ 510,673</b>	<b>\$ 4,460</b>	<b>\$ 55,261</b>	<b>\$ 46,934</b>	<b>\$ -</b>	<b>\$ 129,754</b>	<b>\$ 64,143</b>	<b>\$ 52,138</b>	<b>\$ 339,904</b>	<b>\$ 435,270</b>	<b>\$ 96,000</b>	<b>\$ 576</b>	<b>\$ 1,921,502</b>	<b>\$ 14,853,928</b>	<b>\$ 158,026</b>	<b>\$ 15,011,954</b>
<b>86999</b>	<b>Total expenses</b>	<b>\$ 10,061,196</b>	<b>\$ 115,179,903</b>	<b>\$ 803,346</b>	<b>\$ 11,464,405</b>	<b>\$ 137,508,850</b>	<b>\$ 2,329,841</b>	<b>\$ 6,386,364</b>	<b>\$ 56,085</b>	<b>\$ 673,375</b>	<b>\$ 601,104</b>	<b>\$ -</b>	<b>\$ 1,562,236</b>	<b>\$ 772,283</b>	<b>\$ 627,741</b>	<b>\$ 4,092,436</b>	<b>\$ 5,448,845</b>	<b>\$ 1,215,000</b>	<b>\$ 7,776</b>	<b>\$ 23,773,086</b>	<b>\$ 161,281,936</b>	<b>\$ 2,069,691</b>	<b>\$ 163,351,627</b>
<b>87999</b>	<b>Profit (Loss) from operations</b>	<b>\$ 696,929</b>	<b>\$ 6,948,902</b>	<b>\$ 73,701</b>	<b>\$ 801,078</b>	<b>\$ 8,520,610</b>	<b>\$ (1)</b>	<b>\$ (2,939)</b>	<b>\$ (330)</b>	<b>\$ 17,372</b>	<b>\$ (14,433)</b>	<b>\$ -</b>	<b>\$ 59,686</b>	<b>\$ 29,505</b>	<b>\$ 23,984</b>	<b>\$ 156,356</b>	<b>\$ 1,949</b>	<b>\$ (15,000)</b>	<b>\$ (576)</b>	<b>\$ 255,573</b>	<b>\$ 8,776,183</b>	<b>\$ 60,093</b>	<b>\$ 8,836,276</b>
<b>88999</b>	<b>Profit (Loss) from non-operating*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,466,936)</b>	<b>\$ (2,466,936)</b>	
<b>89999</b>	<b>Profit/(Loss) before taxes</b>	<b>\$ 696,929</b>	<b>\$ 6,948,902</b>	<b>\$ 73,701</b>	<b>\$ 801,078</b>	<b>\$ 8,520,610</b>	<b>\$ (1)</b>	<b>\$ (2,939)</b>	<b>\$ (330)</b>	<b>\$ 17,372</b>	<b>\$ (14,433)</b>	<b>\$ -</b>	<b>\$ 59,686</b>	<b>\$ 29,505</b>	<b>\$ 23,984</b>	<b>\$ 156,356</b>	<b>\$ 1,949</b>	<b>\$ (15,000)</b>	<b>\$ (576)</b>	<b>\$ 255,573</b>	<b>\$ 8,776,183</b>	<b>\$ (2,406,843)</b>	<b>\$ 6,369,340</b>
90105-01	Income taxes	\$ 75,869	\$ 756,471	\$ 8,023	\$ 87,207	\$ 927,570	\$ -	\$ (345)	\$ (37)	\$ (3,043)	\$ 3,388	\$ -	\$ 6,498	\$ 3,212	\$ 2,611	\$ 17,021	\$ 212	\$ (1,633)	\$ (63)	\$ 27,821	\$ 955,391	\$ (255,075)	\$ 700,316
90205-01	Premium taxes	212,705	2,443,433	16,869	240,835	2,913,842	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,913,842	-	2,913,842
90305-01	Health insurance provider fee	97,043	500,225	21,415	51,856	670,539	-	-	-	-	-	-	-	-	-	-	-	-	-	-	670,539	-	670,539
<b>99999</b>	<b>Net profit/(loss)</b>	<b>\$ 311,312</b>	<b>\$ 3,248,773</b>	<b>\$ 27,394</b>	<b>\$ 421,180</b>	<b>\$ 4,008,659</b>	<b>\$ (1)</b>	<b>\$ (2,594)</b>	<b>\$ (293)</b>	<b>\$ 20,415</b>	<b>\$ (17,821)</b>	<b>\$ -</b>	<b>\$ 53,188</b>	<b>\$ 26,293</b>	<b>\$ 21,373</b>	<b>\$ 139,335</b>	<b>\$ 1,737</b>	<b>\$ (13,367)</b>	<b>\$ (513)</b>	<b>\$ 227,752</b>	<b>\$ 4,236,411</b>	<b>\$ (2,151,768)</b>	<b>\$ 2,084,643</b>
<b>990105-01</b>	<b>Community reinvestment</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,438</b>	<b>\$ 120,438</b>
<b>990205-01</b>	<b>Non covered services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>999999</b>	<b>Net profit/(loss) after CRI and non covered services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,272,206)</b>	<b>\$ 1,964,205</b>

\*Disclose on Scl



Health Choice Arizona, Inc  
Regional Behavioral Health Authority Program  
Supplemental Schedule of Activities  
Year Ended September 30, 2021

	TXIX/XXI CMDP 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	MHBG FEP	SABG	Other Federal	County	PASRR	Sub-Total	Mgmt & Gen	Total
<b>Disclosure of NTXIX/XXI other and other</b>																				
<b>Federal AHCCCS Revenue on line 40205-01</b>																				
SUDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,755	\$ -	\$ 55,755
SOR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,333,510	-	-	1,333,510	-	1,333,510
SOR-supplemental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92,175	-	-	92,175	-	92,175
SOR II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,015,193	-	-	4,015,193	-	4,015,193
Suicide prevention gun lock project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,916	-	-	9,916	-	9,916
<b>Total - NTXIX/XXI other and other federal column</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,755</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,450,794</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,506,549</b>	<b>\$ -</b>	<b>\$ 5,506,549</b>
<b>Disclosure of other reconciliation</b>																				
<b>settlements on line 40145-01</b>																				
FY19 PPC settlement	\$ -	\$ -	\$ 6,296	\$ 242,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,308	\$ -	\$ 248,308
<b>Total - Other Reconciliations</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,296</b>	<b>\$ 242,012</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,308</b>	<b>\$ -</b>	<b>\$ 248,308</b>
<b>Disclosure of speciality and other grants reported</b>																				
<b>on line 40210-01</b>																				
Emergency Solutions Grant (ESG)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
<b>Total speciality and other grants revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>Disclosure of supported housing on</b>																				
<b>reported on line 60405-30</b>																				
Rent subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 564,502	\$ 477,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,041,867	\$ -	\$ 1,041,867
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other/repairs & maintenance	-	-	-	-	-	-	-	-	4,805	-	-	-	-	-	-	-	-	4,805	-	4,805
Damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eviction prevention	-	-	-	-	-	-	-	53,612	72,000	-	-	-	-	-	-	-	-	125,612	-	125,612
Construction/improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing trust fund - construction/improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total supported housing</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 618,114</b>	<b>\$ 554,170</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,172,284</b>	<b>\$ -</b>	<b>\$ 1,172,284</b>
<b>Disclosure of other services on line 61105-01</b>																				
First Episode of Psychosis (FEP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,603	\$ -	\$ -	\$ -	\$ -	\$ 575,603	\$ -	\$ 575,603
Alternative payment model	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,171,883	-	-	1,171,883	-	1,171,883
SOR-Oxford house	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,511	-	-	55,511	-	55,511
SOR-Supplemental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84,801	-	-	84,801	-	84,801
SOR II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,590,916	-	-	3,590,916	-	3,590,916
SOR II- Oxford house	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,548	-	-	100,548	-	100,548
PASRR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,200	-	7,200	-	7,200
SABG Oxford house	-	-	-	-	-	-	-	-	-	-	-	-	-	198,187	-	-	198,187	-	198,187	
Suicide prevention gun lock project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,916	-	-	9,916	-	9,916
<b>Total other services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 575,603</b>	<b>\$ 198,187</b>	<b>\$ 5,013,575</b>	<b>\$ -</b>	<b>\$ 7,200</b>	<b>\$ 5,794,565</b>	<b>\$ -</b>	<b>\$ 5,794,565</b>

Health Choice Arizona, Inc

Regional Behavioral Health Authority Program

Supplemental Schedule of Activities (continued)

Year Ended September 30, 2021

	TXIX/XXI CMDP 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	MHBG FEP	SABG	Other Federal	County	PASRR	Sub-Total	Mgmt & Gen	Total	
<b>Disclosure of speciality and other grants on line 61305-01</b>																					
Emergency Solutions Grant (ESG)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
<b>Total speciality and other grants expenses</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
<b>Disclosure of other admin expenses on line 83005-01</b>																					
Total other admin expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Disclosure of non-title XIX/XXI encounter evaluation reported on line 83105-01</b>																					
Total non-title XIX/XXI encounter evaluation sanctions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Disclosure of administrative expenses from specialty and other grants on line 83205-01</b>																					
Emergency Solutions Grant (ESG)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000
<b>Total adm expenses from specialty and other grants</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000
<b>Disclosure of non-operating line 88999-01</b>																					
NARBHA institute expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,466,936)	\$ (2,466,936)
<b>Total non-operating</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,466,936)	\$ (2,466,936)

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