



**BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC., DBA
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Uniform Guidance Reports

Year Ended September 30, 2025

(With Independent Auditors' Reports Thereon)

**BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC., DBA
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Uniform Guidance Reports
Year ended September 30, 2025

Table of Contents

	Page(s)
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1–2
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3–5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan audited financial statements, as of and for the year ended September 30, 2025, are separately attached hereto.	



KPMG LLP
Suite 1400
55 Second Street
San Francisco, CA 94105

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

The Board of Directors and Stockholder
Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan – Medicaid Line of Business (the Company), which comprise the Company's balance sheet as of September 30, 2025, and the related statement of operations, comprehensive income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 24, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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



Purpose of This Report

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

KPMG LLP

San Francisco, California
April 24, 2026



KPMG LLP
Suite 600
350 N. 5th Street
Minneapolis, MN 55401

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

The Board of Directors and Stockholder
Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan – Medicaid Line of Business' (the Company) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Company's major federal programs for the year ended September 30, 2025. The Company's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Company complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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



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

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

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

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

Report on Internal Control Over Compliance

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

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

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



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

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

We have audited the financial statements of the Company as of and for the year ended September 30, 2025, and have issued our report thereon dated April 24, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Minneapolis, Minnesota
April 24, 2026

**BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC., DBA
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Schedule of Expenditures of Federal Awards

Year ended September 30, 2025

Federal grantor/Program title/Cluster title	Assistance listing number	Contract number	Grant number	Passed-through to subrecipients	Federal expenditures
U.S. Department of Health and Human Services:					
Substance Abuse and Mental Health Services:					
State Opioid Response Grants (SOR)	93.788	YH22-0061R	11356415170214	\$ 7,154,594	7,776,733
Total Substance Abuse and Mental Health Services				<u>7,154,594</u>	<u>7,776,733</u>
Arizona Pilot Grant Program for Treatment for Pregnant and Postpartum Women (PPW):					
PPW-PLT	93.243	YH22-0061R	11356415170214	165,088	179,443
Total Arizona Pilot Grant Program for Treatment for Pregnant and Postpartum Women				<u>165,088</u>	<u>179,443</u>
Block Grants for Community Mental Health Services (MHBG):					
MHBG SMI (Serious Mental Illness)	93.958	YH22-0061R	11356415170214	3,759,027	3,865,393
MHBG SED (Serious Emotional Disturbances)	93.958	YH22-0061R	11356415170214	1,763,762	2,064,754
MHBG FEP (First Episode of Psychosis)	93.958	YH22-0061R	11356415170214	796,820	870,685
COVID 19-MHBG ARPA SMI	93.958	YH22-0061R	11356415170214	389,957	423,866
COVID 19-MHBG ARPA SED	93.958	YH22-0061R	11356415170214	1,482,636	1,611,561
COVID 19-MHBG ARPA FEP	93.958	YH22-0061R	11356415170214	453,956	493,430
COVID 19-MHBG ARPA SED CRISIS	93.958	YH22-0061R	11356415170214	2,582,362	2,806,915
COVID 19-MHBG ARPA SMI HOUSING	93.958	YH22-0061R	11356415170214	739,288	803,574
MHBG BSCA SMI CRISIS	93.958	YH22-0061R	11356415170214	514,989	559,770
MHBG BSCA FEP	93.958	YH22-0061R	11356415170214	66,052	71,796
MHBG TA	93.958	YH22-0061R	11356415170214	95,064	103,317
COVID 19-MHBG TAM	93.958	YH22-0061R	11356415170214	157,203	170,872
Total Block Grants for Community Mental Health Services				<u>12,801,116</u>	<u>13,845,933</u>
Block Grants for Substance Use Prevention, Treatment, and Recovery Services (SUPTRS):					
SUBG - Substance Abuse/General Mental Health	93.959	YH22-0061R	11356415170214	8,453,075	11,281,317
COVID 19-SUBG ARPA	93.959	YH22-0061R	11356415170214	3,307,282	3,594,872
COVID 19-SUBG ARPA PHH	93.959	YH22-0061R	11356415170214	278,854	303,102
COVID 19-SUBG TAM	93.959	YH22-0061R	11356415170214	228,254	248,102
Total Block Grants for Substance Use Prevention, Treatment, and Recovery Services				<u>12,267,465</u>	<u>15,427,393</u>
Total U.S. Department of Health and Human Services				<u>32,388,263</u>	<u>37,229,502</u>
Total Expenditures of Federal Awards				\$ <u>32,388,263</u>	<u>37,229,502</u>

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

**BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC., DBA
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Notes to Schedule of Expenditures of Federal Awards

Year ended September 30, 2025

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan (the Company) under programs of the federal government for the year ended September 30, 2025. The Company is a for-profit company, however, due to requirements under contracts with the state of Arizona, is required to comply with the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Company, it is not intended and does not present the financial position, changes in stockholder's equity or cash flows of the Company.

(2) Summary of Significant Accounting Policies

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

**BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC., DBA
ARIZONA COMPLETE HEALTH – COMPLETE CARE PLAN**

Notes to Schedule of Findings and Questioned Costs

Year ended September 30, 2025

(1) Summary of Auditors' Results

- a. Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- b. Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
 - Material weaknesses: **No**
 - Significant deficiencies: **None Reported**
- c. Noncompliance material to the financial statements: **No**
- d. Internal control deficiencies over major programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- e. Type of report issued on compliance for major programs: **Unmodified**
- f. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- g. Major programs:
 - Block Grants for Community Mental Health Services – ALN 93.958
 - Block Grants for Prevention and Treatment of Substance Abuse – ALN 93.959
- h. Dollar threshold used to distinguish between Type A and Type B programs: **\$1,116,885**
- i. Auditee qualified as a low-risk auditee: **Yes**

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

None

(3) Findings and Questioned Costs Relating to Federal Awards

None

**Bridgeway Health Solutions of Arizona, Inc.,
dba Arizona Complete Health–Complete Care Plan
Medicaid Line of Business**

Financial Statements and Supplemental Information
September 30, 2025
(With Independent Auditors' Report Thereon)

**Bridgeway Health Solutions of Arizona, Inc.,
dba Arizona Complete Health–Complete Care Plan
Medicaid Line of Business**

**Financial Statements and Supplemental Information
Year Ended September 30, 2025
Table of Contents**

	Page(s)
Independent Auditors' Report	1-3
Financial Statements:	
Balance Sheet	4
Statement of Operations	5
Statement of Comprehensive Income	6
Statement of Stockholder's Equity	7
Statement of Cash Flows	8
Notes to Financial Statements	9-31
Supplemental Information	
Non Title XIX/XXI: Contract Year Income Statement and Schedule A	32-33
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	



KPMG LLP
Suite 1400
55 Second Street
San Francisco, CA 94105

Independent Auditors' Report

The Board of Directors and Stockholder
Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bridgeway Health Solutions of Arizona, Inc., dba Arizona Complete Health – Complete Care Plan – Medicaid Line of Business (the Company), which comprise the balance sheet as of September 30, 2025, and the related statements of operations, comprehensive income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025, the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Other Information

U.S. generally accepted accounting principles require that the incurred and paid claims development information, and the historical claims duration information for the year ended September 30, 2025 on page 26, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedure to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Non Title XIX/XXI: Contract Year Income Statement and Schedule A on pages 32 and 33 is presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Arizona Health Care Cost Containment System who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedure to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2026 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

KPMG LLP

San Francisco, California
April 24, 2026

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA
COMPLETE HEALTH – COMPLETE CARE PLAN
(A Wholly Owned Subsidiary of Centene Corporation)

Medicaid Line of Business

Balance Sheet

As of September 30, 2025

Assets	2025
Current assets:	
Cash and cash equivalents	\$ 173,260,145
Capitation and supplement receivables	26,887,309
Reinsurance receivables	11,153,841
Provider receivables	10,364,314
Short-term investments	33,440,411
Amount due from affiliates	1,551,762
Prepaid expenses and other current assets	19,067,116
Total current assets	275,724,898
Long-term investments	532,566,411
Net deferred tax asset	5,944,624
Goodwill	3,609,878
Total assets	\$ 817,845,811
Liabilities and Stockholder's Equity	
Current liabilities:	
Medical claims liability	\$ 237,080,959
Reconciliation payables	87,246,293
Amounts due to affiliates	48,946,775
Payable to providers	20,521,996
Alternative payment model liability	4,912,589
Income taxes payable	12,422,001
Other current liabilities	38,272,704
Total current liabilities	449,403,317
Long-term liabilities:	
Income taxes payable	2,376,914
Reconciliation payables	46,555,484
Alternative payment model liability	8,043,804
Total long-term liabilities	56,976,202
Total liabilities	506,379,519
Stockholder's equity:	
Common stock, (no par value – 100 shares authorized; issued and outstanding)	-
Additional paid-in capital	142,574,992
Retained earnings	173,188,609
Accumulated other comprehensive loss	(4,297,309)
Total stockholder's equity	311,466,292
Total liabilities and stockholder's equity	\$ 817,845,811

See accompanying notes to financial statements.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA
COMPLETE HEALTH – COMPLETE CARE PLAN

(A Wholly Owned Subsidiary of Centene Corporation)

Medicaid Line of Business

Statement of Operations
Year Ended September 30, 2025

	<u>2025</u>
Revenues:	
Capitation premiums	\$ 3,240,596,858
Other revenue	71,290,632
Delivery supplement	48,641,834
Total revenue	<u>3,360,529,324</u>
Expenses:	
Health care services	3,010,434,513
Less: reinsurance recoveries	<u>(39,948,838)</u>
Total health care services, net of reinsurance recoveries	2,970,485,675
Premium tax expense	65,487,872
Administrative	227,277,558
Total operating expenses	<u>3,263,251,105</u>
Income from operations	97,278,219
Net investment income	<u>32,507,086</u>
Income before federal income taxes	129,785,305
Federal income tax expense	<u>30,530,328</u>
Net income	<u>\$ 99,254,977</u>

See accompanying notes to financial statements.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA
COMPLETE HEALTH – COMPLETE CARE PLAN
(A Wholly Owned Subsidiary of Centene Corporation)

Medicaid Line of Business

Statement of Comprehensive Income

Year Ended September 30, 2025

	<u>2025</u>
Net income	\$ 99,254,977
Change in unrealized income arising during the period, net of tax benefit \$548,772.	<u>2,309,125</u>
Comprehensive income	<u>\$ 101,564,102</u>

See accompanying notes to financial statements.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA
COMPLETE HEALTH – COMPLETE CARE PLAN
(A Wholly Owned Subsidiary of Centene Corporation)

Medicaid Line of Business

Statement of Stockholder's Equity

Year Ended September 30, 2025

	Common stock	Additional paid-in capital	Accumulated comprehensive income (loss)	Retained earnings	Total stockholder's equity
Balance, September 30, 2024	—	\$ 142,574,992	\$ (6,606,434)	\$ 73,933,632	\$ 209,902,190
Net income	—	—	—	99,254,977	99,254,977
Change in unrealized income, net of tax	—	—	2,309,125	—	2,309,125
Balance, September 30, 2025	—	\$ 142,574,992	\$ (4,297,309)	\$ 173,188,609	\$ 311,466,292

See accompanying notes to financial statements.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA
COMPLETE HEALTH – COMPLETE CARE PLAN
(A Wholly Owned Subsidiary of Centene Corporation)

Medicaid Line of Business

Statement of Cash Flows
Year Ended September 30, 2025

	2025
Cash flows from operating activities:	
Net income	\$ 99,254,977
Adjustment to reconcile net income to net cash provided by operating activities:	
Accretion and amortization	1,078,702
Changes in assets and liabilities:	
Capitation and supplement receivables	3,876,612
Reinsurance receivables	955,620
Reconciliation payables	(47,220,103)
Provider receivables	(3,517,282)
Income taxes receivable/payable from affiliate	24,649,291
Prepaid expenses and other current assets	(2,859,157)
Amounts due to affiliates	2,749,428
Medical claims liability	5,314,005
Payable to providers	10,581,248
Other current liabilities	5,654,314
Alternative payment model liability	4,186,368
Net cash provided by operating activities	104,704,023
Cash flows from investing activities:	
Purchases of investments	(16,585,608)
Proceeds from investments	74,484,303
Net cash provided by investing activities	57,898,695
Cash flows from financing activities:	
Net cash provided by financing activities	-
Net change in cash, cash equivalents and restricted cash and cash equivalents	162,602,718
Cash and cash equivalents, beginning of year	10,657,427
Cash and cash equivalents, end of year	\$ 173,260,145
Supplemental disclosures of cash flow information:	
Income taxes paid	\$ 22,197,541

See accompanying notes to financial statements.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

Note 1. Company, Operations, and Significant Accounting Policies

A. Nature of Operations

Health Net Access, Inc. dba Arizona Complete Health – Complete Care Plan (the “Company” or the “Plan”) was incorporated in Arizona on April 23, 2013, and commenced operations on October 1, 2013. The Company is a wholly-owned subsidiary of Health Net, Inc. (“HNI” or “Parent”). HNI is a wholly-owned subsidiary of Centene Corporation (“Centene”).

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

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

In March 2018, the Company was selected to provide physical and behavioral health care services through the AHCCCS Complete Care program in the Central and Southern regions of Arizona. The AHCCCS Complete Care program integrates physical and behavioral health care contracts under managed care plans for the majority of the AHCCCS members. The integrated delivery model offers a more cohesive health care system for members incentivizing quality health care outcomes with value based purchasing, and leverages health information technology for improved care coordination. The Company began administering the AHCCCS Complete Care contract on October 1, 2018. The Company is currently in an extension until September 30, 2028.

As submitted and approved by AHCCCS, Care1st Health Plan Arizona, Inc., an affiliate, was merged with Health Net Access, Inc. dba Arizona Complete Health-Complete Care Plan on October 1, 2024. Immediately following the merger of Health Net Access, Inc. and Care 1st Health Plan Arizona, Inc., Health Net Access, Inc. merged with Bridgeway Health Solutions of Arizona, Inc. dba Arizona Complete Health-Complete Care Plan. At that time, all membership and operations were transitioned to Bridgeway Health Solutions of Arizona, Inc., as well as the associated revenue and expenses. The newly combined ACC-RBHA contract operates under Bridgeway Health Solutions of Arizona, Inc, dba Arizona Complete Health-Complete Care Plan. See Note 3 for additional details regarding the merger of Care1st Health Plan Arizona, Inc., an affiliate, and Health Net Access, Inc. dba Arizona Complete Health-Complete Care Plan, as well as the merger with Bridgeway Health Solutions of Arizona, Inc.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

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

Note 2. Basis of Presentation and Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements are prepared on the basis of accounting principles generally accepted in the United States of America (“GAAP”). Certain September 30, 2024 amounts in the financial statements and notes to the financial statements have been reclassified. These reclassifications have no effect on net earnings or total stockholder’s equity as previously reported.

B. Management's Estimates

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

C. Cash and Cash Equivalents

Cash includes cash deposits in banks and cash equivalents. Cash equivalents include all highly liquid investments with maturities of three months or less when purchased. Accounts at each institution are insured in limited amounts by the Federal Deposit Insurance Corporation (“FDIC”). On September 30, 2025, cash and cash equivalents consisted of cash and money market accounts. Periodically, the balance of certain of the Company's bank accounts exceed the federally-insured limit. The Company has not experienced any losses from maintaining cash balances in excess of such limits.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA
COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

D. Investments

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

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

Unrealized gains and losses on available-for-sale investments are recognized as direct increases or decreases in other comprehensive income. For the year ended September 30, 2025, the Company recognized a change in unrealized loss of \$2,309,125, net of tax effect, on available-for-sale investments which have been recorded in the accompanying statement of comprehensive income. Cost of investments sold is recognized using the specific identification method.

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

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

E. Revenue Recognition

Revenue includes the following amounts:

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

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

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

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

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

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.

Under the AHCCCS Complete Care-Regional Behavioral Health Agreement (“ACC-RBHA”) contract, if the profit is less than or equal to 2% of the prospective capitation revenues, then the Company’s share is 100%. If the profit is between 2% and 4%, then the Company’s share is 75% of the amount over 2%, for a maximum of 3.50% of total profits. If the profit is between 4% and 7%, then the Company’s share is 25% of the amount over 2%, for a maximum of 4.25% of total profits. If the profit is over 7%, then the Company’s share of the profits over 7% is 0%, for a maximum share of 4.25% of total profits. If the losses are less than or equal to 1% of the prospective capitation revenues, then the Company’s share is 100%. If the losses are between 1% and 2%, then the Company’s share is 75% of the amount over 1%, for a maximum of 1.75% of total losses. If the losses are between 2% and 3%, then the Company’s share is 50% of the amount over 1%, for a maximum of 2.25% of total losses. If the losses are between 3% and 4%, then the Company’s share is 25% of the amount over 1%, for a maximum of 2.50% of total losses. If the losses are in excess of 4%, then the Company’s share over 1% of the losses are 0%, for a maximum share of 2.50% of total losses. Profits in excess of the percentages set forth above will be recouped by AHCCCS and losses in excess of the percentages set forth above will be paid to the Company.

Revenue is recognized in the month in which the related enrollees are entitled to health care services. All revenue subjected in this audit is earned in Arizona from its Medicaid contract with AHCCCS. The Company has a Medicare contract that is not subjected to this audit.

Capitation and supplement receivables due from AHCCCS are stated at the amount management expects to collect. The Company establishes an allowance for doubtful accounts, if necessary, based upon factors including credit risk, historical trends, and other information. As of September 30, 2025, capitation, and supplement receivables due from AHCCCS are considered by management to be fully collectible and, accordingly, an allowance for doubtful accounts has not been provided.

Estimated reconciliation settlement balances are recorded as a net receivable or payable on the balance sheet by risk population. A summary of the balances as of September 30, 2025, for all open contract years is as follows. It is expected that a final settlement with AHCCCS will not be reached until over a year after the end of the specific contract year.

2025	Reconciliation receivable	Reconciliation Payable
Prospective/Prior period coverage	\$ —	\$ 133,801,777
Total	\$ —	\$ 133,801,777
Less current portion	\$ —	\$ (87,246,293)
Non-current portion	\$ —	\$ 46,555,484

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

Reconciliation receivables due from AHCCCS are stated at the amount management expects to collect. The Company establishes an allowance for doubtful accounts, if necessary, based upon factors including credit risk, historical trends, and other information. As of September 30, 2025, there were \$0 of reconciliation receivables due from AHCCCS.

F. Amounts due to/from Affiliates

Amounts due to/from affiliates generally consist of amounts payable or receivable to related parties under various service agreements. See Note 8 for detailed amounts due to/from affiliates.

G. Interest

Interest consists of interest paid on claims. The Company incurred \$134,620 for interest in the year ended September 30, 2025.

H. Healthcare and Related Receivables, net

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

I. Pharmacy Receivables

Pharmacy receivables include rebates the Company expects to receive from its pharmacy benefit manager, a related party under common control, based on the volume of drugs purchased. The Company records a receivable and a reduction of other medical services expenses for estimated rebates due based on purchase information. Pharmaceutical rebates reported are \$1,531,440 for the year ended September 30, 2025 which are included as reductions in health care services in the accompanying statement of operations.

J. Provider Receivables

In the normal course of business, provider receivables are created through advances or claims overpayments. Those providers experiencing significant cash flow deficiencies (less than 60 days cash on hand) were able to request up to the entire quarter's expected claims funding. Amounts due from providers are expected to be collected within one year. Provider receivables may be recouped through withholding payment in future periods. Provider receivables are stated at the amount management expects to collect. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to earnings and a credit to provider receivables. As of September 30, 2025, management believes the provider receivable Negative balances of \$5,588,871 are fully collectible, and accordingly, an allowance has not been established.

AzCH-CCP has reported overpayments related to Block, FFS and Arkos for fiscal years 2024 and 2025 totaling \$4,772,443 on September 30, 2025. This amount is owed by providers and is expected to be fully reimbursed by September 30, 2026. The

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

Block and Arkos overpayments resulted from encounters not received from providers for payments made under contractual agreements. Additionally, FFS overpayments occurred because providers exceeded their contracted reimbursement limits for 2025.

K. Capitation and Supplement Receivables

There were two additional settlements with AHCCCS during fiscal year 2025, a Covid-19 vaccine settlement of \$197,917 as well as an \$4,981,422 ACC fixed administration settlement. These amounts were recorded as a component of capitation and supplement receivables on the balance sheet.

L. Premium Deficiency Reserve

Premium deficiency reserves are recognized when expected incurred costs, claim adjustment expenses, and administration costs exceed the premiums to be collected for the remainder of a contract period. No premium deficiency reserve was recorded at September 30, 2025, based on the Company's expectation regarding the profitability of contracts in force at September 30, 2025. The Company considered anticipated investment income when calculating its premium deficiency reserves. The adequacy of reserve requirements is continually reviewed by management, with any reductions in the reserve being recorded as a beneficial effect in the statement of operations.

M. Health Care Services/Medical Claims Liability

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

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

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

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

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. From time to time, the Company amends its provider contracts. The effects of these amendments are recorded in the period in which the amendment was executed.

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

N. Hospital Assessment Payable

Hospital assessment payable consists of amounts payable to hospitals, physicians, and ambulance providers to compensate them for serving Medicaid members. These amounts are a component of the premium revenue earned under the Company's at-risk contract with the Arizona Department of Insurance and Financial Institutions ("ADIFI") and are made on a pass-through basis. The Company records hospital assessment revenue and expense within premium income and general administrative expenses, respectively. The hospital assessment payable is \$13,324,832 at September 30, 2025, respectively, and is included in other current liabilities in the accompanying balance sheet.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

O. Net Investment Income

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

P. Reinsurance

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

Reinsurance is stated at the actual and estimated amounts due to the Company pursuant to the applicable AHCCCS contract. Reinsurance under the AHCCCS Complete Care contract is subject to a \$150,000 deductible for claims effective October 1, 2023. All claims are subject to a 75% coinsurance, except catastrophic and transplant claims which are 85% coinsurance, for the year ended September 30, 2025.

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

Reinsurance receivables represent the expected payment from AHCCCS to the Company for certain enrollees whose qualifying medical expenses paid by the Company were in excess of specified deductible limits. Reinsurance receivables are stated at the amount management expects to collect. Balances that are still outstanding after management has used reasonable collection efforts are written off. Management considers reinsurance receivables to be fully collectible as of September 30, 2025, accordingly, an allowance for doubtful accounts is not considered necessary.

Q. Expense Allocation

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

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

R. Premium Taxes

The Company is subject to a 2% premium tax on all payments received from AHCCCS for premiums, reinsurance and reconciliations. Total premium tax expense for the year ended September 30, 2025 was \$65,487,872 and was paid during the fiscal year prior to September 30, 2025.

S. Reserves for Contingent Liabilities

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

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

T. Payable to Providers

As of September 30, 2025, the Company recorded \$20,521,996 in payable to providers. This amount represents obligations for services rendered by healthcare providers that have been incurred by not yet paid. These amounts are net amounts owed to providers for sub-capitation, pharmacy, block, and other non-FFS payment arrangements.

U. Alternative Payment Model Liability

The contracts with certain providers allow for the providers to earn certain value based incentives on performance pursuant to defined contract stipulations which are evaluated regularly by the Company. The estimates calculated by management for the incentives expected to be earned by providers are recorded as a liability in the period of performance of the providers. The contracts with certain providers also require a monthly review of provider performance to estimate amounts due to providers for changes in membership, changes in the blended per member per month rate and any wrap services provided to unassigned members. These estimates are recorded as a liability in the period of performance of the providers. For 2025, they total \$4,912,589 of short-term payables, and \$8,043,804 of long-term payables, and are included on the alternate payment model liability lines on the balance sheet.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

V. Reconciliation Payable

The Company is subject to a profit risk corridor calculation which requires returning a portion if certain financial ratios are not met by program type. For the year ended September 30, 2025, the Company recorded a profit corridor payable of \$118,904,560.

Under AHCCCS guidelines, 1% of funded gross prospective capitation for AHCCCS Complete Care ("ACC") in Arizona is subject to performance-based measurements determined by AHCCCS. These measurements evaluate each contractor's performance on selected Quality Management Performance Measures. The program is designed to encourage initiatives that improve health outcomes and reduce costs.

As of September 30, 2025, the Company accrued \$133,801,777 for the reconciliation payable. This amount represents the estimated repayment to AHCCCS based on the Company's performance against these measures. The change in the accrual is recorded as an offset to capitation premium revenue for the year ended September 30, 2025.

W. Medicaid Risk Adjustment

AHCCCS at times performs a review of the Medicaid program rates for its enrollees and assesses the appropriateness of rates applied to services for those enrollees, specific to the ACC contract. This risk adjustment of capitation payments modifies revenue to contractors based on the health status of the contractors' covered population relative to the average health status of the overall population. AHCCCS prospectively applied risk adjustment to monthly ACC capitation rates for the entirety of fiscal year 2025. Risk adjustment factors were updated quarterly. Risk adjustment was based on each managed care organization ("MCO")'s utilization compared to the all MCO average, separately for each rate cell and region.

X. Income Taxes

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

Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

For the year ended September 30, 2025, the Company filed a consolidated federal income tax return with Centene and its other subsidiaries. In accordance with the group's tax allocation agreement, the subsidiaries reimburse or recover from Centene their portion of the income taxes as calculated on a separate company basis.

The Company's policy is to classify income tax penalties and interest as income tax expense in its financial statements. The total amount of interest and penalties, net of related tax benefits, recognized in the statement of operations for the period ending September 30, 2025 is \$227,856.

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

Y. Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents and receivables from AHCCCS, primarily including capitation and supplement receivables, and reinsurance receivables. All cash equivalents are managed within established guidelines, which provide diversity among issuers. Concentration of credit risk with respect to the receivables from AHCCCS is high due to the single payer comprising the Company's customer base. However, since the single payer is the state government, the risk is mitigated. The receivables from providers are due from many providers such that a risk of concentration is not considered to be material.

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

Z. Fair value measurements

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

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

AA. Contract Performance Bonds

In accordance with the terms of its contracts with AHCCCS, the Company is required to post performance bonds with AHCCCS equal to 110% of the first monthly AHCCCS payment to the Company each contract year based on gross capitation payments and maintain at 100% of the monthly capitation thereafter, as specified in each contract. The amount of each bond is subject to adjustment as certain conditions change and its method of calculation is specified in the contracts. The actual amount is reset each year upon expiration. The performance bonds must be maintained to guarantee payment of the Company's obligations under the contracts.

In compliance with its contracts, the Company secured a performance bond for the AHCCCS Complete Care and RBHA contracts. The performance bond covers the Company through September 30, 2025. The performance bond requirement for the AHCCCS Complete Care and RBHA contracts were met through the purchase of a surety bond in the amount of \$252,275,280. The performance bonds cover the minimum coverage requirements for contracts. The cost of the bond was \$517,164. At September 30, 2025, the amounts remaining in prepaid expenses was \$446,899.

AB. Recently Issued Accounting Pronouncements

There have been no recently issued accounting pronouncements by the Financial Accounting Standards Board ("FASB") that are expected to have a material impact on the Company's financial position, results of operations or cash flows.

Note 3. Business Combinations

The merger of Health Net Access, Inc. and Care 1st Health Plan Arizona, Inc., as well as the merger with Bridgeway Health Solutions of Arizona, Inc. was accounted for as a transaction between entities under common control. As such, the assets and liabilities of Health Net Access, Inc. and Care 1st Health Plan Arizona, Inc. were recognized on the surviving entity at their carrying values as of October 1, 2024. AHCCCS requires an audit of the Company's Medicaid business only, therefore Bridgeway Health Solutions of Arizona, Inc's Medicare business is excluded from the scope of this audit.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA
COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

Note 4. Investments

Short-term and long-term investments by investment type at September 30, 2025 is as follows:

	September 30, 2025			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
U.S. governments	\$ 4,376,934	\$ —	\$ (294,903)	\$ 4,082,031
Asset-backed	20,897,875	117,983	(427,377)	20,588,481
Mortgage-backed	87,598,647	200,780	(5,569,348)	82,230,079
Municipal bonds	114,894,274	1,978,036	(780,537)	116,091,773
Corporate bonds	336,299,275	5,186,441	(5,265,785)	336,219,931
Equity investment	6,794,527	—	—	6,794,527
Total	\$ 570,861,532	\$ 7,483,240	\$ (12,337,950)	\$ 566,006,822

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

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

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

The fair value of available-for-sale investments with gross unrealized losses by investment type and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2025 is as follows:

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

	September 30, 2025					
	Decline for less than 12 months			Decline for greater than 12 months		
	Amortized cost	Fair Value	Difference	Amortized cost	Fair Value	Difference
U.S. governments	\$ —	\$ —	\$ —	\$ 4,376,934	\$ 4,082,031	\$ 294,903
Asset-backed	—	—	—	9,211,027	8,783,650	427,377
Mortgage-backed	2,052,195	2,027,792	24,403	78,285,326	72,740,381	5,544,945
Municipal bonds	18,611,647	18,573,325	38,322	24,088,344	23,346,129	742,215
Corporate bonds	22,780,905	22,750,493	30,412	113,274,408	108,039,035	5,235,373
Total	\$ 43,444,747	\$ 43,351,610	\$ 93,137	\$ 229,236,039	\$ 216,991,226	\$ 12,244,813

The contractual maturities of available-for-sale investments at September 30, 2025, are as follows. Actual maturities may differ from contractual maturities due to call or prepayment options. Private equity investments are excluded from the table below because they do not have a contractual maturity.

	September 30, 2025	
	Amortized cost	Estimated fair value
Due in one year or less	22,282,183	22,282,621
Due after one year through five years	225,673,485	223,667,688
Due after five years through ten years	220,473,047	223,284,139
Due after ten years	95,638,290	89,977,847
Total	\$ 564,067,005	\$ 559,212,295

Proceeds from investments sold, matured, or repaid during 2025 were \$74,484,303. The net realized losses on the sale of investments for the year ended September 30, 2025 was \$75,597.

Net investment income for the year ended September 30, 2025, was as follows:

	2025
Investment income:	
Cash and cash equivalents	7,953,887
Investments	24,553,199
Net investment income	<u>32,507,086</u>

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

Note 5. Fair Value Measurements

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

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

The following table summarizes fair value measurements by level at September 30, 2025 for assets measured at fair value:

	2025			
	Level I	Level II	Level III	Total
Cash and cash equivalents	\$ 173,260,145	\$ —	\$ —	\$ 173,260,145
Investments available for sale:				
Short-term investments				
Asset backed	—	2,974,600	—	2,974,600
Corporate bonds	—	28,288,940	—	28,288,940
Mortgaged backed	—	1,976,293	—	1,976,293
Municipal bonds	—	200,578	—	200,578
Long-term investments				
U.S. governments	4,082,031			4,082,031
Asset backed	—	17,613,881	—	17,613,881
Corporate bonds	—	307,930,990	—	307,930,990
Mortgaged backed	—	80,253,787	—	80,253,787
Municipal bonds	—	115,891,196	—	115,891,196
Total assets at fair value	\$ 177,342,176	\$ 555,130,265	\$ —	\$ 732,472,441

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

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

netting agreements, if applicable. In addition, the aggregate carrying amount of the Company's private equity investments accounted for on an equity method basis was \$6,794,527 at September 30, 2025 and is not included in the tables above.

The Company has no other assets or liabilities subject to recurring fair value measurement at September 30, 2025 .

Note 6. Income Taxes

The income tax provision consisted of the following components for the year ended September 30, 2025:

Current provision	2025
Federal	\$ 26,550,001
State	4,348,569
Total current provision	<u>\$ 30,898,570</u>
Deferred provision	
Deferred provision	\$ (368,242)
Total deferred provision	<u>\$ (368,242)</u>
Total provision	<u>\$ 30,530,328</u>

The reconciliation of the tax provision at the U.S. Federal Statutory Rate to the provision for income taxes is primarily due to increasing effect of state and local income tax, net of federal tax effects, and other items. These effects were partially offset by decreasing effect of nontaxable or non-deductible items.

The tax effects of temporary differences that give rise to deferred tax assets and liabilities include investments, loss reserves, unearned premiums, intangibles, deferred intercompany transfer and other items for the year ended September 30, 2025.

	2025
Gross deferred tax asset	\$ 20,938,121
Valuation allowance	-
Gross deferred tax liability	(14,993,497)
Net deferred asset(liability)	<u>\$ 5,944,624</u>

As of September 30, 2025, the Company had no operating loss or tax credit carryforwards available for tax purposes.

Valuation allowances are provided when it is considered more likely than not that deferred tax assets will not be realized. The realization of the deferred tax asset is dependent upon the Company's ability to generate sufficient taxable income in future periods. Based on historical results and the prospects for current operations, management anticipates that it is more likely than not that future taxable income will be sufficient for the realization the remaining deferred tax assets.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

The Company maintains a reserve for uncertain tax positions that may be challenged by a tax authority. The Company's reserve for uncertain tax positions totaled \$1,888,191 for the year ended September 30, 2025. Related interest and penalties are treated as income tax expense under the Company's accounting policy. The total amount of interest and penalties, net of related tax benefits, recognized in the statement of operations for the period ending September 30, 2025 is \$227,856. The total amount of interest and penalties, net of related tax benefits, recognized in the balance sheet as of September 30, 2025 is \$488,723.

The Company files federal tax returns as well as returns for numerous state tax jurisdictions and is engaged in multiple audit proceedings for its state filings. Generally, no further state audit activity is expected for years prior to 2015. As of September 30, 2025, the Company is under federal examination for the 2021-2022 tax years.

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

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

Note 7. Medical Claims Liability

The following table summarizes the change in medical claims liability:

	<u>2025</u>
Balance at October 1, 2024	\$ 231,766,953
Incurred related to current year	3,046,779,372
Incurred related to prior year	<u>(76,216,044)</u>
Total incurred	2,970,563,328
Paid related to current year	2,821,721,421
Paid related to prior year	<u>143,527,901</u>
Total paid	2,965,249,322
Balance at September 30, 2025	<u><u>\$ 237,080,959</u></u>

The incurred amounts related to prior year represent the variation between the Company's estimated expense for prior year claims and the actual amounts required to satisfy such claims. During fiscal year 2025, the Company experienced \$76,216,044

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

of favorable development. The favorable development recognized during fiscal year 2025, was primarily driven by payment integrity efforts and provider settlements.

Changes in estimates of incurred claims for prior years are primarily attributable to reserving under moderately adverse conditions. Changes in medical utilization and cost trends and the effect of medical management initiatives may also contribute to changes in medical claim liability estimates. Management believes that the amount of medical claims liability is reasonable and adequate to cover the Company's liability for unpaid claims as of September 30, 2025.

Incurred claims and allocated claim adjustment expenses, total IBNR plus expected development on reported claims and cumulative claims data as of September 30, 2025, are included in the following table. For claims frequency information summarized below, a claim is defined as the financial settlement of a single medical event in which remuneration was paid to the servicing provider. Total IBNR plus the expected development on reported claims represents estimates for claims incurred but not reported, development on reported claims, and estimates for the costs necessary to process unpaid claims at the end of each period. The Company estimates its liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services and other relevant factors.

Incurred and paid claims development as of September 30, 2025, is as follows, net of reinsurance:

Cumulative incurred claims for the years ended September 30

	2023	2024	2025
	(unaudited)	(unaudited)	
Claim year:			
2023	\$ 2,445,948,869	\$ 2,390,238,189	\$ 2,380,977,643
2024		2,896,138,255	2,829,105,104
2025			3,046,779,372
Total incurred claims			<u>\$ 8,256,862,119</u>

Cumulative paid claims for the years ended September 30

	2023	2024	2025
	(unaudited)	(unaudited)	
Claim year:			
2023	\$ 221,522,051	\$ 2,385,448,036	\$ 2,375,554,202
2024		2,669,083,802	2,822,505,537
2025			2,821,721,421
Total paid claims			<u>\$ 8,019,781,160</u>

Medical claims liability \$ 237,080,959

Incurred claims and allocated claim adjustment expenses, total IBNR plus expected development on reported claims and cumulative claims data at September 30, 2025 are included in the following table. For claims frequency information summarized below, a claim is defined as the financial settlement of a single medical event in which remuneration was paid to

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

the servicing provider. Total IBNR plus the expected development on reported claims represents estimates for claims incurred but not reported, development on reported claims, and estimates for the costs necessary to process unpaid claims at the end of each period. The Company estimates its liability using actuarial methods that are commonly used by health insurance actuaries and meet Actuarial Standards of Practice. These actuarial methods consider factors such as historical data for payment patterns, cost trends, product mix, seasonality, utilization of healthcare services and other relevant factors. Information is summarized as follows:

	September 30, 2025		
	Incurred claims and allocated claim adjustment expenses	Total IBNR plus expected development on reported claims	Cumulative paid claims
Claim year:			
2022	\$ 2,380,977,642	\$ 5,423,440	7,481,621
2023	2,829,105,104	6,599,566	7,148,385
2024	3,046,779,372	225,057,953	7,994,358

Note 8. Related-Party Transactions

The Company relies on affiliate services to conduct its business in order to achieve cost savings. The Company does nevertheless exercise ultimate control over its assets and operations and retains the ultimate authority and responsibility regarding its powers, duties, and responsibilities. The Company’s transactions, amounts due (to), and amounts due from related parties in exchange for services provided for the years ended September 30, 2025, are as follows:

Affiliate	Amounts due (to) from 2025
Bridgeway Medicare	\$ 192,033
CBH AZ	\$ (6,929)
Centene Management Company LLC	\$ (33,758,586)
Envolve Dental, Inc.	\$ (1,437,425)
Centene Pharmacy Services (CPS) previously Envolve Pharmacy Solutions (EPS)	\$ 193,532
Envolve Vision, Inc.	\$ (467,145)
Health Net Inc.	\$ (13,276,691)
Health Net of Arizona Inc	\$ 1,166,196
	<u>\$ (47,395,015)</u>

On April 1, 2016, the Company and Centene Management Company (“CMC”) entered into a management agreement whereby CMC agrees to manage the general and administrative function of the Company inclusive of payroll, facilities, and other

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

administrative expenses. The management fee is based on the variable degree of management services required to support the differing categories of membership covered by the Company and the size of the Company's operations. The fee can be modified each month to account for net revenue earned in excess or below the specified percentages and to comply with the AHCCCS financial viability standards (see Note 11). The management agreement is in effect for one year with automatic one year extensions unless the agreement is terminated as elected by either party or for matters of default as defined in the management agreement. The Company recorded management fees per the management agreement of \$137,430,843 for the year ended September 30, 2025. This amount is included in administrative expenses in the accompanying statement of operations.

The Company is a party to a Claims Administration Service Agreement with Centene Pharmacy Services ("CPS"). CPS receives an administration fee from the Company for administering pharmacy claims processing. For the year ended September 30, 2025, these administration fees totaled \$9,419,124 and are included in administrative expenses in the accompanying statement of operations.

Envolve Vision, Inc., an affiliated company wholly-owned by Envolve Holdings, Inc. which is wholly-owned by Centene, provides a vision network and manages the vision benefits for eligible enrollees pursuant to an agreement with the Company that was established on July 1, 2016. The Company incurred expense to Envolve Vision, Inc. of \$1,134,948 for these services during the year ended September 30, 2025. These amounts are included in health care services in the accompanying statement of operations.

Envolve Dental, Inc., an affiliated company wholly-owned by Envolve Holdings, Inc. which is wholly-owned by Centene, provides dental services for eligible enrollees pursuant to an agreement with the Company that was established on October 1, 2016. The Company incurred expense to Envolve Dental, Inc. of \$13,148,823 for these services during the year ended September 30, 2025. These amounts are included in health care services in the accompanying statement of operations.

Envolve PeopleCare, Inc., an affiliated company wholly-owned by Envolve Holdings, Inc. which is wholly-owned by Centene, provides disease management, nurse triage, and call center services to eligible enrollees through a contract with HNI that was established July 1, 2016. The Company incurred expense to HNI related to the services provided by Envolve PeopleCare, Inc. of \$0 during the year ended September 30, 2025.

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

Note 9. Commitments and Contingencies

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

A. Liability Insurance

The Company, through Centene, maintains professional and general liability insurance. The professional liability coverage is written on a claims made basis and insures losses up to \$10,000,000 with a self-insured retention of \$25,000,000. The general liability insurance is written on an occurrence basis and insures losses up to \$2,000,000 per claim and \$4,000,000 in the aggregate. Claims reported endorsement (tail coverage) is available if the professional policy is not renewed to cover claims incurred but not reported. The Company anticipates that renewal coverage will be available at the expiration of the current policy. The Company participates in the above policy with its affiliates. Per claim and aggregate limits are applicable to all covered entities as a group.

B. Litigation

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

C. Healthcare Regulation

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

Health reform legislation at both the federal and state levels continues to evolve. Changes continue to impact existing and future laws and rules. Such changes may impact the way the Company does business, restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

medical, administration and capital costs, and expose the Company to increased risk of loss or further liabilities. The Company's operating results, financial position and cash flows could be adversely impacted by such changes.

D. Community Reinvestment Program

Effective October 1, 2018, the Company approved a Community Reinvestment program, as described in its contract with AHCCCS. Under the program, the Company will place a minimum of 6% of its after tax profits into the program. For the year ended September 30, 2025, the Company had met or exceeded that amount. The program funds community projects that enhance the lives of people in the communities in the Company's geographic service areas.

During the year ended September 30, 2025 the Company reported liabilities of \$12,969,013. The recorded liabilities are to be spent on various community projects and are included in other current liabilities in the accompanying balance sheet. During the year ended September 30, 2025, the Company spent \$11,086,455 of the appropriated funds.

Note 10. Risks and Uncertainties

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

Note 11. Contract Requirements

In accordance with its contracts with AHCCCS, the Company is required to maintain certain minimum financial reporting and viability measures. The Company must meet a minimum capitalization requirement based on the number of members enrolled as well as various quarterly financial viability standards and performance guidelines. As of September 30, 2025, the Company was in compliance with the requirements for both the AHCCCS Complete Care contract and the RBHA contract.

The ACC-RBHA contract is limited by the terms of its contract with AHCCCS to profit that can be earned under the various programs, generally up to 4.25%. The Company is subject to a profit risk corridor calculation that calculates a return of premium to the extent certain financial ratios are not met by program types. For the years ended September 30, 2025, the Company recorded a profit corridor payable of \$118,904,560.

The Company is required to meet quarterly and contract year end minimum encounter submission percentages, or be subject to sanction by AHCCCS. Typically, the Company has up to eight months after fiscal year end to submit encounters related to the

BRIDGEWAY HEALTH SOLUTIONS OF ARIZONA, INC. D/B/A ARIZONA

COMPLETE HEALTH – COMPLETE CARE PLAN

Medicaid Line of Business

Notes to Financial Statements

Year Ended September 30, 2025

fiscal year. As of September 30, 2025, the Company anticipates meeting the required encounter threshold for the year ended September 30, 2025.

Should the Company be in default of any material obligations under its contracts with AHCCCS, AHCCCS may, at its discretion, in addition to other remedies, either adjust the amount of future payment or withhold future payment until they have received satisfactory resolution of the default or exception. In addition, although it has not expressed an intention to do so, AHCCCS has the right to terminate the contracts in whole or in part without cause by giving the Company 90 days written notice. Further, if monies are not appropriated by the state or are not otherwise available, the contracts with AHCCCS may be cancelled upon written notice until such monies are so appropriated or available.

Note 12. Goodwill

On May 1, 2017, Care1st completed the acquisition of certain assets, including Arizona Medicaid membership and certain provider contracts, from Phoenix Health Plan. This Medicaid business was part of the Care1st Health Plan Arizona, Inc. merger with Health Net Access, Inc. dba Arizona Complete Health-Complete Care Plan as disclosed in Note 1. As of September 30, 2025, the gross and net carrying amount of goodwill was \$3,609,878.

Note 13. Subsequent events

The Company has evaluated subsequent events for potential recognition and/or disclosure through April 24, 2026, the date the financial statements are available to be issued.

Paragraph 3.05: NTRX/XXI Contract Year Income Statement
 Contractor Name: Arizona Community Health
 As of: 9/30/2025

Contractor Name	Member Months	NTRX/XXI										Total NTRX/XXI	Mgmt & Gen	Grand Total	
		Grds	SMI Services	Other	Housing Trust Fund	MHSG ICD	MHSG SM	MHSG FP/CSM	SUBG	Other Federal	County				PASRR
0099 Total Member Months															
REVENUE															
40205 01 Non-Tile XX/XXI Revenue*		5,498,002	17,877,824	4,831,161	0	2,064,754	3,865,393	870,685	11,281,317	19,147,353	2,974,936	16,500	68,407,926	2,804,042	71,211,968
40210 01 Specialty and Other Grants*		0	0	0	0	0	0	0	0	0	0	0	0	0	0
40215 01 Non-Tile XX/XXI Profit Limit		0	0	0	0	0	0	0	0	0	0	0	0	0	0
40205 01 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0
40310 01 Other Income*		0	0	0	0	0	0	0	0	0	0	0	0	0	0
4999 TOTAL REVENUE		5,498,002	17,877,824	4,831,161	0	2,064,754	3,865,393	870,685	11,281,317	19,147,353	2,974,936	16,500	68,407,926	2,804,042	71,211,968
EXPENSES															
Behavioral Health (BH) Medical Expenses:															
Treatment Services															
60105 01 Counseling		0	2,465,807	0	0	787,986	930,510	11,828	1,077,214	0	0	0	5,277,345	0	5,277,345
60105 05 Assessment, Evaluation and Screening		0	950,749	0	0	238,736	299,918	5,231	618,245	0	525,000	0	2,627,879	0	2,627,879
60105 10 Other Professional		0	164,465	0	0	2,214	2,267	0	270,208	0	0	0	577,848	0	577,848
60105 Total Treatment Services		0	4,421,021	0	0	1,029,936	1,232,735	17,059	2,565,367	0	525,000	0	8,483,052	0	8,483,052
Rehabilitation Services															
60205 01 Living Skills Training		0	517,604	0	0	112,632	89,263	12,887	157,699	0	0	0	889,083	0	889,083
60205 05 Cognitive Rehabilitation		0	0	0	0	0	0	0	0	0	0	0	0	0	0
60205 10 Health Promotion		0	31,134	0	0	1,106	1,210	0	53,077	0	0	0	86,526	0	86,526
60205 15 Supported Employment Services		0	164,465	0	0	2,214	2,267	0	41,900	0	0	0	221,648	0	221,648
60205 Total Rehabilitation Services		0	710,182	0	0	114,872	106,725	12,887	212,677	0	0	0	1,197,277	0	1,197,277
Medical Services															
60305 01 Medication Services		0	36,318	0	0	2,835	6,913	0	421,897	0	0	0	467,963	0	467,963
60305 05 Medical Management		0	701,691	0	0	103,651	124,300	3,011	471,790	0	0	0	1,404,443	0	1,404,443
60305 10 Laboratory, Radiology and Medical Imaging		0	36,362	0	0	2,967	10,464	0	155,890	0	0	0	205,673	0	205,673
60305 15 Electric Conspire Therapy		0	13,766	0	0	0	0	0	0	0	0	0	13,766	0	13,766
60305 Total Medical Services		0	793,306	0	0	109,453	144,677	3,011	1,049,577	0	0	0	2,096,625	0	2,096,625
Support Services															
60405 01 Case Management		0	1,690,199	0	0	132,563	549,337	5,021	666,184	0	0	0	3,227,305	0	3,227,305
60405 02 Targeted Behavioral Health Outreach Services		0	264,825	0	0	41,271	37,872	1,687	232,257	0	0	0	578,012	0	578,012
60405 05 Personal Care Services		0	3,687	0	0	186	0	0	6,052	0	0	0	9,925	0	9,925
60405 10 Family Support		0	6,850	0	0	23,415	3,952	60	3,957	0	0	0	37,335	0	37,335
60405 15 Peer Support		0	946,963	0	0	13,223	100,052	0	79,254	0	0	0	1,139,872	0	1,139,872
60405 20 Therapeutic Foster Care		0	0	0	0	2,094	0	0	0	0	0	0	2,094	0	2,094
60405 21 Adult Behavioral Health Therapeutic Home		0	77,793	0	0	0	0	0	0	0	0	0	77,793	0	77,793
60405 25 Unaffiliated Respite Care		0	33,053	0	0	13,595	16,777	0	2,487	0	0	0	47,398	0	47,398
60405 30 Supported Housing*		0	0	0	0	0	0	0	0	0	0	0	0	0	0
60405 40 Transportation		0	62,406	0	0	38,297	46,797	100	209,074	0	0	0	507,465	0	507,465
60405 Total Support Services		0	3,464,772	0	0	446,248	726,619	10,809	1,339,286	0	0	0	6,027,792	0	6,027,792
Crisis Intervention Services															
60505 01 Crisis Intervention - Mobile		1,963,391	365,740	2,098,587	0	0	0	0	114,975	0	0	0	5,189,393	0	5,189,393
60505 05 Crisis Intervention - Stabilization		2,806,803	250,964	18,147	0	45,998	549,093	0	1,112,761	0	1,882,464	0	6,816,271	0	6,816,271
60505 10 Crisis Intervention - Telephone		388,900	14,825	1,422,217	0	0	0	0	(201)	0	220,000	0	2,046,241	0	2,046,241
60505 Total Crisis Intervention Services		5,163,094	631,529	4,581,011	0	45,998	549,093	0	1,447,235	0	2,102,464	0	14,012,906	0	14,012,906
Healthcare Services															
60605 01 Hospital		0	0	0	0	0	0	0	0	0	0	0	0	0	0
60605 05 Subacute Facility		0	715,717	0	0	0	(126,158)	109	296,124	0	0	0	885,682	0	885,682
60605 10 Residential Treatment Center (RTC)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
60605 15 Inpatient Services, Professional		0	342,903	0	0	0	(385)	0	4,855	0	0	0	147,002	0	147,002
60605 Total Inpatient Services		0	858,230	0	0	0	(126,543)	109	301,084	0	0	0	1,032,684	0	1,032,684
Residential Services															
60705 01 Behavioral Health Residential Facilities		0	1,181,351	0	0	4,386	323,767	0	628,096	0	0	0	2,137,599	0	2,137,599
60705 10 Room and Board		0	1,181,351	0	0	15,494	283,383	0	603,883	0	0	0	2,137,599	0	2,137,599
60705 Total Residential Services		0	2,362,702	0	0	19,880	607,150	0	1,231,979	0	0	0	4,275,198	0	4,275,198
Behavioral Health Day Program															
60805 01 Supervised Day Program		0	3,224	0	0	0	0	0	0	0	0	0	1,224	0	1,224
60805 05 Therapeutic Day Program		0	567,358	0	0	10,316	47,097	0	29,389	0	0	0	654,160	0	654,160
60805 10 Medical Day Program		0	0	0	0	0	0	0	0	0	0	0	0	0	0
60805 Total Behavioral Health Day Program		0	570,582	0	0	10,316	47,097	0	29,389	0	0	0	655,384	0	655,384
HIV Services															
60905 05 HIV		0	0	0	0	0	0	0	362,821	0	0	0	362,821	0	362,821
60905 Total HIV Services		0	0	0	0	0	0	0	362,821	0	0	0	362,821	0	362,821
BH Pharmacy Expenses															
61005 01 BH Pharmacy Expenses		0	4,262,362	0	0	58,042	0	0	595,565	0	0	0	5,225,969	0	5,225,969
61100 01 PPC BH Title XXX		0	0	0	0	0	0	0	0	0	0	0	0	0	0
61105 01 Other BH Services Expenses Not Reported Above*		18,300	143,219	438,128	0	0	399,602	753,094	17,615,578	16,500	0	0	20,278,523	2,581,066	22,859,589
61205 01 BH FQHC/RHC Services		0	0	0	0	0	0	0	0	0	0	0	0	0	0
61205 Subtotal BH Medical Expenses*		5,279,395	16,257,907	4,522,298	0	1,823,951	3,799,027	796,820	9,338,015	17,615,578	2,627,464	16,500	62,337,096	2,581,066	64,918,162
61305 01 Specialty and Other Grant Expenses*		0	0	0	0	0	0	0	0	0	0	0	0	0	0
61305 Total BH Medical Expenses		5,279,395	16,257,907	4,522,298	0	1,823,951	3,799,027	796,820	9,338,015	17,615,578	2,627,464	16,500	62,337,096	2,581,066	64,918,162
LIABILITIES															
70105 01 Insurance Recoveries		0	0	0	0	0	0	0	0	0	0	0	0	0	0
70205 02 Third Party Liability		0	0	0	0	0	0	0	0	0	0	0	0	0	0
70305 01 Claims Development Recoveries		0	0	0	0	0	0	0	0	0	0	0	0	0	0
70310 01 Pharmacy Refunds		0	(179)	0	0	0	0	0	3,807	0	0	0	3,229	0	3,229
70310 10 Pharmacy Performance Guarantees		0	0	0	0	0	0	0	0	0	0	0	0	0	0
61305 Total Net Medical Expenses		5,279,395	16,257,907	4,522,298	0	1,823,951	3,799,027	796,820	9,341,822	17,615,578	2,627,464	16,500	62,340,325	2,581,066	64,921,391
Administrative Expenses:															
80105 01 Compensation		189,314	494,300	60,521	0	73,834	128,077	33,287	409,41						

	NTA/X/XXI Crisis	NTA/X/XXI SMI Services	NTA/X/XXI Other	Housing Trust Fund	MHBC SSO	MHBC SMI	MHBC FEP/EMH	SUBG	Other Federal	County	PAIRS	Total NTA/X/XXI	Mgmt & Gen	Grand Total
Disclosure of NTA/X/XXI Other, Other Federal and Mgmt & Gen ANCCCS Revenue reported on line 40205-01														
Liquor Fees			73,600									\$ 73,600		\$ 73,600
SURF			4,281,335									\$ 4,281,335		\$ 4,281,335
TIE												\$ 0	2,804,042	\$ 2,804,042
MHBC ABPA SED								1,620,909				\$ 1,620,909		\$ 1,620,909
MHBC ABPA SED CRISIS								2,797,567				\$ 2,797,567		\$ 2,797,567
MHBC ABPA SMI								423,866				\$ 423,866		\$ 423,866
MHBC ABPA FEP								493,430				\$ 493,430		\$ 493,430
MHBC ABPA SMI HOUSING								803,374				\$ 803,374		\$ 803,374
MHBC BCSPA FEP								16,238				\$ 16,238		\$ 16,238
MHBC BCSPA SMI CRISIS								105,671				\$ 105,671		\$ 105,671
MHBC BCSPA FEP YR2								55,558				\$ 55,558		\$ 55,558
MHBC BCSPA SMI CRISIS YR2								454,099				\$ 454,099		\$ 454,099
MHBC TA Providers								103,217				\$ 103,217		\$ 103,217
SUBG ABPA								3,594,872				\$ 3,594,872		\$ 3,594,872
SUBG ABPA PHH								303,102				\$ 303,102		\$ 303,102
SGR IV Year 2								1,131,374				\$ 1,131,374		\$ 1,131,374
SGR IV								6,645,358				\$ 6,645,358		\$ 6,645,358
PPW PFT								179,445				\$ 179,445		\$ 179,445
MHBC COVID TAM								170,872				\$ 170,872		\$ 170,872
SUBG COVID TAM								248,102				\$ 248,102		\$ 248,102
NT SMI CM Incentives			476,226									\$ 476,226		\$ 476,226
												\$ 0		\$ 0
												\$ 0		\$ 0
Total NTA/X/XXI Other and Other Federal Columns	\$ 0	\$ 0	\$ 4,831,161	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,447,953	\$ 0	\$ 0	\$ 0	\$ 23,979,154	\$ 2,804,042	\$ 26,783,196
Disclosure of Specialty and Other Grants Reported on line 40210-01														
												\$ 0		\$ 0
												\$ 0		\$ 0
Total Specialty and Other Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disclosure of Other Income Reported on line 40310-01														
												\$ 0		\$ 0
												\$ 0		\$ 0
Total Other Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disclosure of Supported Housing Reported on line 60405-30														
Rental Subsidy												\$ 0		\$ 0
Management Fees												\$ 0		\$ 0
Utility Payments												\$ 0		\$ 0
Repair & Maintenance												\$ 0		\$ 0
Damages												\$ 0		\$ 0
Deposits												\$ 0		\$ 0
Start-Up												\$ 0		\$ 0
Ejection Prevention												\$ 0		\$ 0
Housing Trust Fund - Construction/Improvements												\$ 0		\$ 0
												\$ 0		\$ 0
Total Supported Housing	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disclosure of Non-Title XIX/XXI Other Services Reported on line 61305-01														
TIE												\$ 0	2,581,066	\$ 2,581,066
MHBC FEP							752,994					\$ 752,994		\$ 752,994
MHBC ABPA SED							1,489,992					\$ 1,489,992		\$ 1,489,992
MHBC ABPA SED CRISIS							2,575,006					\$ 2,575,006		\$ 2,575,006
MHBC ABPA SMI							389,357					\$ 389,357		\$ 389,357
MHBC ABPA FEP							453,956					\$ 453,956		\$ 453,956
MHBC ABPA SMI HOUSING							739,288					\$ 739,288		\$ 739,288
MHBC BCSPA FEP							14,939					\$ 14,939		\$ 14,939
MHBC BCSPA SMI CRISIS							97,217					\$ 97,217		\$ 97,217
MHBC BCSPA FEP YR2							51,113					\$ 51,113		\$ 51,113
MHBC BCSPA SMI CRISIS YR2							417,771					\$ 417,771		\$ 417,771
MHBC TA Providers							95,064					\$ 95,064		\$ 95,064
SUBG ABPA							3,907,282					\$ 3,907,282		\$ 3,907,282
SUBG ABPA PHH							278,854					\$ 278,854		\$ 278,854
SGR IV Year 2							1,048,064					\$ 1,048,064		\$ 1,048,064
SGR IV							6,113,730					\$ 6,113,730		\$ 6,113,730
PPW PFT							165,088					\$ 165,088		\$ 165,088
MHBC PHH Program						76,802						\$ 76,802		\$ 76,802
MHBC SMI SMI CRISIS						298,514						\$ 298,514		\$ 298,514
SUBG Outreach							272,212					\$ 272,212		\$ 272,212
MHBC Outreach						24,285						\$ 24,285		\$ 24,285
SUBG Oxford House							611,435					\$ 611,435		\$ 611,435
PAIRS							16,500					\$ 16,500		\$ 16,500
Jail Liaisons			135,369				145,824					\$ 145,824		\$ 145,824
MHBC COVID TAM							157,203					\$ 157,203		\$ 157,203
SUBG COVID TAM							228,254					\$ 228,254		\$ 228,254
NT SMI CM Incentives			438,128									\$ 438,128		\$ 438,128
CMT Incentive	18,300	7,950	438,128									\$ 36,250		\$ 36,250
												\$ 0		\$ 0
												\$ 0		\$ 0
Total Other Services	\$ 18,300	\$ 145,319	\$ 438,128	\$ 0	\$ 0	\$ 399,602	\$ 752,994	\$ 894,102	\$ 17,615,578	\$ 0	\$ 16,500	\$ 20,278,623	\$ 2,581,066	\$ 22,859,689
Disclosure of Specialty and Other Grants Reported on line 61305-01														
												\$ 0		\$ 0
												\$ 0		\$ 0
Total Specialty and Other Grants Expenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disclosure of Non-Title XIX/XXI Other Admin Expenses Reported on line 63005-01														
Data processing	378	1,134	164		191	238	66	843	1,430	234		\$ 4,646	228	\$ 4,874
Maintenance	151	472	68		67	90	27	351	596	97		\$ 1,836	91	\$ 1,927
EOP / EOB processing fees	118	354	51		50	74	21	263	447	73		\$ 1,452	71	\$ 1,523
Printing	806	2,765	765		319	640	124	1,600	2,345	460		\$ 10,576	461	\$ 11,037
Production outsourcing	53	165	24		23	33	11	121	208	34		\$ 678	33	\$ 711
												\$ 0		\$ 0
Total Non-Title XIX/XXI Other Admin Expenses	\$ 1,604	\$ 4,891	\$ 1,072	\$ 0	\$ 621	\$ 1,087	\$ 249	\$ 3,241	\$ 5,626	\$ 898	\$ 0	\$ 19,281	\$ 881	\$ 20,172
Disclosure of Non-Title XIX/XXI Encounter Valuation Reported on line 63105-01														
												\$ 0		\$ 0
												\$ 0		\$ 0
Total Non-Title XIX/XXI Encounter Valuation Sanctions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disclosure of Administrative Expenses from Specialty and Other Grants Reported on line 63205-01														
												\$ 0		\$ 0
												\$ 0		\$ 0
Total Admin Expenses from Specialty and Other Grants Expenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0