

Phoenix Health Plan, Inc.

Financial Statements as of and for the
Years Ended June 30, 2017 and 2016,
Other Supplementary Information as of and
for the Year Ended June 30, 2017, and
Independent Auditors' Report

PHOENIX HEALTH PLAN, INC.

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INDEPENDENT AUDITORS' REPORT

To the Members of
Phoenix Health Plan, Inc.:

We have audited the accompanying financial statements of Phoenix Health Plan, Inc. (the "Company"), which comprise the balance sheets as of June 30, 2017 and 2016, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. This supplementary information is the responsibility of the Company's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte + Touche LLP

October 27, 2017

PHOENIX HEALTH PLAN, INC.

BALANCE SHEETS

AS OF JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,048,419	\$ 4,192,655
Reinsurance and other receivables	628,553	3,657,629
Prepaid expenses	21,263	
Due from affiliates—net	<u>337,859,171</u>	<u>330,442,059</u>
Total current assets	<u>342,557,406</u>	<u>338,292,343</u>
PROPERTY AND EQUIPMENT:		
Computer hardware and software		8,291,240
Less accumulated depreciation and amortization		<u>(8,291,240)</u>
Net property and equipment	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 342,557,406</u>	<u>\$ 338,292,343</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ -	\$ 2,659,589
Medical claims payable	8,981,017	14,699,665
Program settlements and other accrued expenses	<u>24,013,691</u>	<u>30,080,505</u>
Total current liabilities	<u>32,994,708</u>	<u>47,439,759</u>
LONG-TERM LIABILITIES	<u>6,361,449</u>	<u>422,417</u>
COMMITMENTS AND CONTINGENCIES (Note 4)		
STOCKHOLDER'S EQUITY:		
Stockholder's capital	157,035,173	157,035,173
Retained earnings	<u>146,166,076</u>	<u>133,394,994</u>
Total stockholder's equity	<u>303,201,249</u>	<u>290,430,167</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 342,557,406</u>	<u>\$ 338,292,343</u>

See notes to financial statements.

PHOENIX HEALTH PLAN, INC.

INCOME STATEMENTS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
REVENUE:		
Capitation	\$ 102,160,911	\$ 142,851,925
Supplemental revenue	4,407,888	4,587,763
Investment income	2,759,026	1,142,960
Other revenue	<u>1,622,282</u>	<u>3,515,387</u>
Total revenue	<u>110,950,107</u>	<u>152,098,035</u>
EXPENSES:		
Medical expenses	15,879,248	25,905,758
Medical compensation	20,659,395	30,467,229
Other medical	<u>59,288,501</u>	<u>71,360,056</u>
Total medical expenses	95,827,144	127,733,043
Less reinsurance and third-party liability	<u>2,981,620</u>	<u>4,485,038</u>
Total medical expenses	92,845,524	123,248,005
Administrative expenses	<u>7,514,326</u>	<u>10,860,771</u>
Net expenses	<u>100,359,850</u>	<u>134,108,776</u>
INCOME BEFORE PREMIUM TAXES AND HEALTH INSURER FEES, GAIN ON SALE OF MEMBERSHIP, AND INCOME TAXES	10,590,257	17,989,259
PREMIUM TAXES AND HEALTH INSURER FEES	(3,237,881)	(6,047,387)
GAIN ON SALE OF MEMBERSHIP	12,863,243	
INCOME TAX EXPENSE	<u>(7,444,537)</u>	<u>(5,172,926)</u>
NET INCOME	<u>\$ 12,771,082</u>	<u>\$ 6,768,946</u>

See notes to financial statements.

PHOENIX HEALTH PLAN, INC.

STATEMENTS OF STOCKHOLDER'S EQUITY FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	Stockholder's Capital	Retained Earnings	Stockholder's Equity
BALANCE—July 1, 2015	\$ 157,035,173	\$ 126,626,048	\$ 283,661,221
Net income	<u> </u>	<u>6,768,946</u>	<u>6,768,946</u>
BALANCE—June 30, 2016	157,035,173	133,394,994	290,430,167
Net income	<u> </u>	<u>12,771,082</u>	<u>12,771,082</u>
BALANCE—June 30, 2017	<u>\$ 157,035,173</u>	<u>\$ 146,166,076</u>	<u>\$ 303,201,249</u>

See notes to financial statements.

PHOENIX HEALTH PLAN, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING ACTIVITIES:		
Net income	\$ 12,771,082	\$ 6,768,946
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		126,571
Deferred income taxes	45,332	(1,642,864)
Changes in assets and liabilities:		
Increase (decrease) in reinsurance and other receivables and prepaid expenses	3,007,813	(952,394)
(Decrease) increase in medical claims payable	(5,718,648)	2,200,464
Decrease in accounts payable	(2,659,589)	(1,839,060)
(Decrease) increase in accrued expenses and other liabilities	<u>(173,114)</u>	<u>7,849,364</u>
Net cash provided by operating activities	7,272,876	12,511,027
INVESTING ACTIVITIES—Increase in due from affiliates	<u>(7,417,112)</u>	<u>(12,503,785)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(144,236)	7,242
CASH AND CASH EQUIVALENTS—Beginning of year	<u>4,192,655</u>	<u>4,185,413</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 4,048,419</u>	<u>\$ 4,192,655</u>

See notes to financial statements.

PHOENIX HEALTH PLAN, INC.

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

1. ORGANIZATION AND OPERATIONS

Phoenix Health Plan, Inc. (the "Company") is a wholly owned subsidiary of Phoenix Health Plans, Inc. and an indirect wholly owned subsidiary of Tenet Healthcare Corporation ("Tenet"). In July 2015, the Company converted from a limited liability corporation to a C corporation.

The Company is a prepaid Medicaid managed health plan that derives substantially all of its revenue through a contract with the Arizona Health Care Cost Containment System (AHCCCS) to provide specified health services to qualified Medicaid enrollees through contracts with providers. AHCCCS is the state agency that administers Arizona's Medicaid program. The contract requires the Company to arrange for health care services for enrolled Medicaid patients in exchange for fixed monthly premiums, which are based on negotiated per capita member rates, reinsurance, and other supplemental payments from AHCCCS.

The Company subcontracts with hospitals, physicians, and other medical providers in Arizona to provide services to its enrollees in Maricopa County. These services are provided regardless of the actual costs incurred to provide the services. The Company receives reinsurance and other supplemental payments from AHCCCS to cover certain costs of health care services that exceed defined thresholds.

AHCCCS Contract—On March 22, 2013, the Company was notified that it was not awarded an acute care program contract with AHCCCS for the three-year period commencing on October 1, 2013. However, on April 1, 2013, the Company agreed with AHCCCS on the general terms of a capped contract to provide services to members in Maricopa County for the three-year period commencing on October 1, 2013, with two one-year options to extend. Enrollment is limited to existing members as of October 1, 2013, and the enrollment cap will not be lifted at any time during the contract period, unless AHCCCS deems additional plan capacity necessary based upon growth in covered lives or for other reasons, as outlined in a letter provided by AHCCCS that clarifies certain terms of the capped contract. On September 16, 2016, the contract with AHCCCS was renewed for the second of its two one-year extension options to commence on October 1, 2017. In accordance with contract YH14-0001, Section D, Paragraph 52 (Merger, Reorganization, Joint Venture and Change of Ownership), as well as AHCCCS Contractor Operations Manual, Policy 317 (Change in Contractor Organizational Structure), on January 5, 2017 the Company issued a notification to AHCCCS of a change in ownership. Care1st Health Plan Arizona, Inc. and WellCare Health Plans, Inc. signed a definitive agreement on December 20, 2016 to purchase Phoenix Health Plan's Medicaid line of business, including membership and certain provider contracts. On May 1, 2017, WellCare Health Plans, Inc. announced the completion of the transaction. The Company recorded a gain on the sale of \$12,863,243 in the accompanying income statement for the year ended June 30, 2017. Post-sale, the Company's operations consist of running out claims with dates of service prior to May 1, 2017. The Company believes that the accompanying balance sheet has made provision for the period of time between June 30, 2017 and the time when all claims have run out. Once the run out processes are complete, management will evaluate the plans and timing for the ultimate dissolution of the Company.

The Company had 0 and 52,126 members as of June 30, 2017 and 2016, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents—Cash equivalents include all highly liquid investments with initial maturities of three months or less when purchased. Cash and cash equivalents are maintained at high-quality financial institutions, and management believes exposure to credit risk is not significant.

Receivables—The Company had \$628,553 and \$3,657,629 of receivables as of June 30, 2017 and 2016, respectively. For the year ended June 30, 2017, the balance includes an adjustment to decrease receivables by \$255,465 for a true-up related to the sale of business on May 1, 2017. The adjustment represents a reversal of the payment received from WellCare on June 8, 2017 but not transferred to the Company's cash account, resulting in an intercompany receivable from Tenet.

Property and Equipment—Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the Company's property and equipment range from three to eight years. Routine maintenance and repairs are charged to expense as incurred. Expenditures that increase values, change capacities, or extend useful lives are capitalized. The Company had no capital expenditures during the years ended June 30, 2017 and 2016. Due to the sale of the Company's Medicaid line of business on May 1, 2017 (Note 1), the Company reports no depreciable property and equipment as of June 30, 2017.

Depreciation expense for property and equipment was \$0 and \$126,571 for the years ended June 30, 2017 and 2016, respectively, which is included in administrative expenses in the accompanying income statements.

Revenue—The Company receives monthly capitation payments under the AHCCCS contract based on the number of enrollees and type of enrollee coverage. Capitation payments are recognized as revenue in the month in which the Company is notified that a member is eligible for health care coverage provided by the Company. Included in these monthly payments are capitation amounts applicable to Social Security Act Title XIX waiver group (TWG) members. The TWG medical expense deduction (MED) population includes TWG members whose incomes exceed the limits of all other Title XIX categories and who have medical expenses that reduce income to at or below 40% of the federal poverty level. The TWG non-medical expense deduction ("Non-MED") population includes adults or childless couples at or below 100% of the federal poverty level who do not meet the requirements of another categorically linked Title XIX program. AHCCCS limited the profitability and loss that health plans may recognize for the TWG prospective Non-MED population for program years through September 30, 2013. For program years after September 30, 2013, all TWG members are included in the acute population risk band calculations as discussed below.

The Non-MED reconciliation limited the Company's profits or losses related to this population to 2% of related capitation revenue (net of reinsurance, administrative expenses, and premium taxes), as defined in the applicable AHCCCS contract for specific contract years. As of June 30, 2017 and 2016, the Company had an estimated net Non-MED settlement payable (receivable) of approximately \$48,340 and \$(93,081), respectively, which was included in program settlements and other accrued expenses in the accompanying balance sheets, which relates to the contract years ended September 30, 2015 and 2016.

The Company is subject to a tiered prospective reconciliation for certain groups related to the program years ended September 30, 2015, 2016, and 2017, based upon prospective expenses and prospective net capitation. Populations subject to this tiered prospective reconciliation are limited to recipients of benefits through the Department of Health and Human Services' Temporary Assistance to Needy Families (TANF) program, eligible pregnant women under Section 9401 of the Sixth Omnibus Budget and Reconciliation Act of 1986 (SOBRA), recipients of supplemental security income (SSI) with Medicare, recipients of SSI without Medicare, and recipients of SOBRA family planning services. The former TWG Non-MED population was assimilated into this population beginning with the program year ended September 30, 2014. Expenses incurred and revenue received for covered services with dates of service during prior-period coverage (PPC) are excluded from this tiered prospective reconciliation. As of June 30, 2017 and 2016, the Company had an estimated acute tiered settlement payable of \$18,622,448 and \$26,834,239, respectively, for program years ended September 30, 2015, 2016, and 2017, which was included in program settlements and other accrued expenses in the accompanying balance sheets.

The Company receives capitation payments for PPC separately from its prospective capitation payments. PPC capitation payments are applicable to all types of enrollee coverages at the Company and are intended to cover health care costs incurred by individuals while they await enrollment in the Company's health care plan and prior to the Company's ability to manage the health care of such enrollees. PPC revenue is recognized in the month in which the Company is notified that a member is eligible for coverage provided by the Company. AHCCCS limits the profitability and loss that health plans may recognize during the PPC eligibility period to 2% of related capitation revenue (net of administrative expenses and premium taxes) and reconciles the PPC member costs incurred by the Company. As of June 30, 2017 and 2016, the Company had a net settlement payable for PPC payments received in excess of PPC costs incurred of approximately \$205,520 and \$300,088, respectively, for the contract years ended September 30, 2016 and 2017, which was included in program settlements and other accrued expenses in the accompanying balance sheets.

The Company is subject to a reconciliation of profit and losses applicable to a defined population of adults not previously eligible for AHCCCS coverage to 1% of related capitation revenue (net of reinsurance, administrative expenses, and premium taxes) for program years ended September 30, 2016 and 2017. As of June 30, 2017 and 2016, the Company had an estimated settlement payable to AHCCCS of \$5,038,383 and \$2,946,177, respectively, related to the population group, which is included in program settlements and other accrued expenses in the accompanying balance sheets.

The Company is also subject to a withhold by AHCCCS of one percent (1%) of its capitation revenue each contract year to fund the Value-Based Purchasing (VBP) initiative, which became effective contract year 2015. The purpose of the VBP initiative is to encourage activity in the area of quality improvement, particularly those initiatives that are conducive to improved health outcomes and cost savings. The Company can become eligible for a quality distribution by meeting the criteria established by AHCCCS for a measurement year. As of June 30, 2017 and 2016, the Company recorded liabilities of \$3,973,257 and \$0, respectively, for contract years 2015, 2016, and 2017, which was included in long-term liabilities in the accompanying balance sheets. The Company also recorded deferred revenue of \$2,021,129 related to contract year 2014, which was included in long-term liabilities on the accompanying balance sheet at June 30, 2017. Due to timing delays, AHCCCS made full payment to the Company of its 1% contribution for the contract year 2014 VBP initiative during the year ended June 30, 2017. This is currently treated as

deferred revenue as AHCCCS maintains plans to complete their contract year 2014 reconciliation at a future date. At that point, some or all of the payment made by AHCCCS may require repayment back to AHCCCS.

The Company also receives supplemental payments for delivery premiums to cover the cost of maternity care for qualified members under the federally funded SOBRA program. The Company recognizes supplemental revenue during the month in which AHCCCS notifies the Company of payment.

Due From Affiliates—Due from affiliates primarily represents the net excess of funds transferred to the centralized cash management account of Vanguard Health Management, Inc. (VHM), a wholly owned subsidiary of Tenet, over funds transferred to, or paid on behalf of, the Company by VHM. Due from affiliates balances are readily available to the Company for settlement of its current liabilities as they become due.

Generally, this balance is decreased by automatic cash transfers from VHM's centralized cash management account to reimburse the Company's bank accounts for operating expenses and capital expenditures. Generally, the due from affiliates balance is increased through daily cash deposits by the Company to VHM's centralized cash management account. As of June 30, 2017 and 2016, due from affiliates was reduced by approximately \$233,702 and \$563,601, respectively, due to cash overdrafts for disbursements from a bank account in which the Company does not have the right of offset.

Interest income of \$2,759,026 and \$1,142,960 was earned by the Company on outstanding due from affiliates' balances during the years ended June 30, 2017 and 2016, respectively, which was included in investment income in the accompanying income statements. The interest rate earned approximates the variable portion of the total interest rate paid by Tenet under London InterBank Offered Rate (LIBOR) contracts for Tenet's outstanding term loan debt.

Medical Expenses and Reinsurance Proceeds—Monthly capitation payments to primary care physicians and other health care providers are expensed in the month services are contracted to be performed. Claims expense for noncapitated arrangements are accrued as services are rendered by hospitals, physicians, and other health care providers during the year. The Company is at risk for hospitalization and medical service claims, including medical compensation and other medical expenses, which exceed its capitation payments from AHCCCS. Medical compensation includes primary care and specialty physician services. Other medical expenses include hospital outpatient services and other ancillary services, such as radiology and lab services.

The Company is reimbursed by AHCCCS for costs incurred for those enrollees with severe illnesses to the extent such costs exceed designated per enrollee limits as set forth in the AHCCCS contract for each program year. The Company estimates reinsurance recoveries monthly based on reported claims by member, subject to encounter verification as set forth in the provisions of the AHCCCS contract. Reinsurance recoveries are deducted from gross medical expenses in the accompanying income statements. The Company is at risk for excess medical costs under reinsurance claims that are disputed and not honored by AHCCCS. Medical claims payable include claims received, but not paid, as well as estimated claims incurred, but not reported. During the years ended June 30, 2017 and 2016, the Company increased the medical claims payable related to health claims experience in the prior fiscal years by \$500,749 and \$1,519,045, respectively. Medical claims payable is estimated using a combination of historical claims payment data and current cost-per-member estimates and is supported by independent actuarial estimates including a risk

margin considered appropriate by the Company. While management believes that its estimation methodology captures trends in medical claims costs in a timely manner, actual payments could differ significantly from its estimates in the event of changes in the health care cost structure or adverse experience. Management believes its estimates of the health claims reserves for prior years were appropriately based on information available at the time.

The activity in medical claims payable for the fiscal years ended June 30, 2017 and 2016, is as follows:

	2017	2016
Medical claims payable at beginning of year	<u>\$14,699,665</u>	<u>\$ 12,499,200</u>
Medical costs and claims incurred:		
Current-year insured events	89,040,440	116,404,980
Prior-year insured events	<u>500,749</u>	<u>1,519,045</u>
Total medical costs and claims incurred	<u>89,541,189</u>	<u>117,924,025</u>
Payments:		
Current-year insured events	80,385,871	102,222,048
Prior-year insured events	<u>14,683,681</u>	<u>14,018,245</u>
Total payments	<u>95,069,552</u>	<u>116,240,293</u>
Plus change in ULAE reserve	<u>(190,285)</u>	<u>516,733</u>
Medical claims payable at end of year	<u>\$ 8,981,017</u>	<u>\$ 14,699,665</u>

Income Taxes—Tenet files consolidated federal and state income tax returns that include the operating results of the Company. Tenet allocates taxes to the Company as if the Company was a separate taxpayer, pursuant to the asset and liability method. Such allocations were deducted from due from affiliates in the accompanying balance sheets.

Fair Value of Financial Instruments—The carrying amounts of cash and cash equivalents, receivables, amounts due from affiliates, and payables approximate fair values because of the short maturities of these financial instruments.

Premium Deficiency Reserves—Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claim adjustment expenses, direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated. The Company did not record a premium deficiency reserve as of June 30, 2017 and 2016.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

Areas of the financial statement areas that involve significant estimation include PPC, acute tiered, newly eligible adults, and Non-MED settlements; and medical claims payable. Such estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and are accounted for in the period identified.

Comprehensive Income—During the fiscal years ended June 30, 2017 and 2016, there was no other comprehensive income. Accordingly, net income equals comprehensive income for the period presented.

3. TRANSACTIONS WITH AFFILIATES

Advantage Health Care Management Company, Inc. (AHCMC), a wholly owned subsidiary of Tenet, manages the general and administrative functions of the Company, including payroll services, claims processing, medical management, network development, general and professional liability insurance coverages, and related expenses. The Company has recorded expenses of approximately \$7,550,504 and \$10,587,990 for services provided by AHCMC for the years ended June 30, 2017 and 2016, respectively. Expenses for services provided by AHCMC were included in administrative expenses in the accompanying income statements. The management fees charged by AHCMC do not necessarily reflect the full cost of providing all services.

Effective January 1, 2014, the Company became subject to an annual fee under Section 9010 of the PPACA. This annual fee is allocated to individual health insurers based on the ratio of the amount of each entity's net premiums written during the preceding calendar year to the amount of health insurance for any US health risk that is written during the preceding calendar year. Due to the IRS moratorium, there was no PPACA fee for calendar year 2017. The PPACA fee for calendar year 2016 was paid by Tenet in September 2016. The portion of Tenet's payment related to the Company for calendar years 2017 and 2016 was approximately \$0 and \$2,412,775, respectively.

Due to the Internal Revenue Service's (IRS) moratorium on the 2017 Health Issuer Fee imposed by the Patient Protection and Affordable Care Act (PPACA), the Company reports neither liabilities related to this program nor reimbursements receivable from AHCCCS as of June 30, 2017.

4. COMMITMENTS AND CONTINGENCIES

Operating Leases—As a result of the Company's management agreement with AHCMC, AHCMC assumed the remaining facility and equipment leases. The related rent expenses were included within the management fee charged by AHCMC, which was included in administrative expenses in the accompanying income statements.

Professional, General, and Other Liability Insurance—In the normal course of business, the Company is subject to claims and lawsuits relating to injuries arising from patient treatment and denials thereof. The Company's contract with AHCCCS requires that it maintain professional liability insurance, comprehensive general insurance, and automobile liability insurance coverage of at least \$1,000,000 for each occurrence. The Company is covered under Tenet's wholly owned captive insurance subsidiary or Tenet's self-insurance program for professional and general liability claims at levels that exceed the AHCCCS minimum requirements. There is no guarantee that existing coverage will be sufficient for professional and general liability claims either individually or in the aggregate. Professional and general liability insurance expenses are not allocated from Tenet but included in the management fee charged by AHCMC.

The Company is covered under Tenet's self-insurance program for workers' compensation claims. Tenet maintains coverage for workers' compensation claims exceeding its retained limit at amounts the Company believes to be adequate. Workers' compensation insurance coverage is included in the management fee charged by AHCMC.

Tenet maintains reserves for general and professional liability and workers' compensation risks and makes any necessary claims payment on the Company's behalf. Accordingly, no reserve for liability risks was recorded in the accompanying balance sheets. The Company is currently not a party to any such proceedings that, in management's opinion, would have a material adverse effect on the Company's business, results of operations, or financial position.

Other Claims—The Company is subject to claims and suits arising in the ordinary course of business. Plaintiffs in these matters may request punitive or other damages that may not be covered by insurance. The Company is not aware of any such proceedings that, in management's opinion, if adversely decided, would have a material effect on the it's results of operations or financial position.

Subcontracted Services—The Company subcontracts with physician specialists, affiliated hospitals, and unaffiliated hospitals to provide covered services to certain patients enrolled in, or assigned to, the Company on either a capitated or fee-for-service basis.

AHCCCS Plan Compliance—Under the Company's contract with AHCCCS, the Company is required to maintain a performance guaranty calculated based upon monthly capitation revenues received. As of June 30, 2017 and 2016, the Company maintained performance bonds through Tenet totaling \$13.5 million and \$13.5 million, respectively, to meet this performance guaranty.

The AHCCCS contract contains certain financial viability standards on which the Company must report on a quarterly and annual basis. These standards enable AHCCCS to monitor the financial health of its contracted health plans. The Company must meet the financial viability standards, which include a current ratio requirement of at least one; equity per member requirement of at least \$170; a medical expense ratio, as defined in the AHCCCS contract (at least 85%); and an administrative cost percentage ratio, as defined in the AHCCCS contract (no more than 10%). AHCCCS does not automatically penalize or sanction health plans that do not meet these standards, but utilizes these guidelines in combination with other measures to determine the overall operational health and compliance of its contracted health plans. As of June 30, 2017 and 2016, the Company met these financial viability standards. Pursuant to communication from AHCCCS dated April 7, 2017 and July 25, 2017, certain of the Company's financial reporting requirements have been reduced or eliminated. Neither quarterly financial statements nor audits are required after June 30, 2017.

The Company is also subject to minimum performance standards for certain clinical quality performance measures under its contract with AHCCCS. The Company accrues for potential sanctions based upon its estimated rate of noncompliance, as reported by AHCCCS, until such time as the Company is able to document compliance within the timeline to remedy the noncompliance established by AHCCCS. Management believes that, as of June 30, 2017 and 2016, possible additional sanctions beyond those already accrued related to contract years ended September 30, 2015, 2016, and 2017, were not material to the financial position, results of operations, or cash flows of the Company.

Compliance with Laws and Regulations—The health care 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 health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse regulations. Management believes that the Company is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or not asserted at this time.

5. INCOME TAXES

Income tax expense allocated to the Company by Tenet on a separate return basis for the years ended June 30, 2017 and 2016, consisted of the following:

	2017 Total	2016 Total
Current federal	\$ 7,399,204	\$ 4,850,795
Deferred federal	<u>45,332</u>	<u>322,131</u>
	<u>\$ 7,444,537</u>	<u>\$ 5,172,926</u>

The tax effects of temporary differences that gave rise to deferred tax assets and liabilities at June 30, 2017 and 2016, were as follows:

	2017	2016
Depreciation, amortization, and fixed asset basis differences	\$ 16,698	\$ 36,047
Excess book basis over tax basis of prepaid expenses	1,009	1,009
Discounted unpaid losses	<u>104,400</u>	<u>130,383</u>
Net deferred tax assets	<u>\$122,107</u>	<u>\$167,439</u>

Income tax expense allocated to the Company by Tenet approximated the federal statutory rate for the years ended June 30, 2017 and 2016, except for the nondeductibility of the insurer fee, which results in a permanent difference. The tax effects of temporary differences that gave rise to deferred tax assets and liabilities were included in due from affiliates in the accompanying balance sheets.

The Company accounts for uncertain tax positions in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification 740-10-25, *Income Taxes*, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. There were no unrecognized tax benefits as of December 31, 2016 and 2015. The Company does not anticipate a significant change in unrecognized tax benefits within the next 12 months.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense in the income statements. There are no interest and penalties related to accrued liabilities for uncertain tax positions included in the income statements for the years ended June 30, 2017 and 2016. There were no accrued interest and penalties on uncertain tax positions as of June 30, 2017 and 2016.

The Internal Revenue Service has completed the audits of Tenet's tax returns for all tax years ended on or before December 31, 2007. All disputed issues with respect to these audits have been resolved and all related tax assessments (including interest) have been paid. The resolution of disputed issues in these audits did not result in a material impact on the Company's financial statements. The Company may be subject to examination by U.S. taxation authorities anytime during the applicable statute of limitations period. Current tax years open under the U.S federal statute of limitations are 2013 to 2016.

6. SUBSEQUENT EVENTS

The Company has evaluated subsequent events for the year ended June 30, 2017, through October 27, 2017, the date these financial statements were available to be issued.

* * * * *

OTHER SUPPLEMENTARY INFORMATION

Phoenix Health Plan, Inc.
Fiscal Year Ended: June 30, 2017
Claims Lag and Medical Claims Payable Report
Expense Type: Hospital, Medical, and Other (PPC and Prospective)

Payment Quarter	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	6,872,340	7,530,506	692,785	278,845	237,449	139,326	362,051	16,113,302
1st Prior		15,749,594	7,089,560	491,614	394,891	304,198	534,080	24,563,937
2nd Prior			16,499,015	7,353,958	660,321	366,039	700,465	25,579,798
3rd Prior				18,546,449	9,186,873	673,017	1,232,110	29,638,449
4th Prior					16,704,017	8,451,885	2,631,938	27,787,840
5th Prior						19,518,726	12,752,718	32,271,444
6th Prior*							3,314,339,261	3,314,339,261
Totals	6,872,340	23,280,100	24,281,360	26,670,866	27,183,551	29,453,191	3,332,552,623	3,470,294,031
Expense	7,668,140	27,216,669	25,310,197	27,934,474	27,198,179	29,195,398	3,273,666,872	3,418,189,927
Adjustment	2,044,590	(1,100,447)	181,440	(498,904)	511,322	1,061,369	58,885,751	61,085,121
Remaining	2,840,389	2,836,122	1,210,276	764,704	525,950	803,576	-	8,981,017

* Amounts in this column or row include the amounts for the 6th prior period and any earlier periods where the expenses reported exceed the payments made to date.

Phoenix Health Plan, Inc.
Fiscal Year Ended June 30, 2017

GSA 4 Apache/Coconino/Mohave/Navajo	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	TANF Total	SSI w/Med	SSI w/o Med	Adults > 106%	Adults </= 106%	SOBRA FP	SOBRA MOMS	Title XIX Total	State Only Transplant	State Only Total	Grand Total
REVENUE & EXPENSES																
Member Months																
PPC Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pros. Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVENUES																
305 Prospective Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 PPC Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312 Value Based Purchasing Initiatives Reconciliation/Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
315 Delivery Supplement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
319 Adults > 106% Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320 Prospective Tiered Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321 TWG Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
322 PPC Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
323 PCP Parity Cost Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324 Health Insurers Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
330 Other Income (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENSES																
Hospitalization																
402 Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404 Hospital Inpatient - Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
406 PPC - Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Hospitalization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Compensation																
408 Primary Care Physician Services	-	-	425	(142)	(67)	216	(39)	336	-	-	-	-	513	-	-	513
409 Behavioral Health Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
410 Referral Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
411 FQHC/RHC Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
412 Other Professional Services	-	-	122	-	-	122	-	120	-	-	-	-	242	-	-	242
414 PPC - Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
415 PCP Parity Enhanced Payment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Medical Comp	-	-	547	(142)	(67)	338	(39)	456	-	-	-	-	755	-	-	755
Other Medical Expenses																
416 Emergency Facility Services	-	-	-	-	-	-	71	-	-	-	-	-	71	-	-	71
417 Pharmacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
418 Lab, X-ray, & Medical Imaging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
419 Outpatient Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
420 Durable Medical Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
421 Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
422 Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
423 Nursing Facility, Home Health Care	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
424 Physical Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
434 Value Based Purchasing Initiatives Provider Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
425 Miscellaneous Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
426 Behavioral Health Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
427 Behavioral Health Case Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
428 Behavioral Health Crisis Intervention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
429 Behavioral Health Rehabilitation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
430 Behavioral Health Residential Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
431 All Other Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
438 PPC - Other Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Medical	-	-	-	-	-	-	71	-	-	-	-	-	71	-	-	71
TOTAL MEDICAL EXP	-	-	547	(142)	(67)	338	32	456	-	-	-	-	826	-	-	826
Less:																
440 Reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
442 Third Party Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET MEDICAL EXP	-	-	547	(142)	(67)	338	32	456	-	-	-	-	826	-	-	826
TOTAL ADMIN EXP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	-	-	547	(142)	(67)	338	32	456	-	-	-	-	826	-	-	826
Inc (loss) from operations	-	-	(547)	142	67	(338)	(32)	(456)	-	-	-	-	(826)	-	-	(826)
Non-operating inc (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inc (loss) before taxes	-	-	(547)	142	67	(338)	(32)	(456)	-	-	-	-	(826)	-	-	(826)
Income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Insurers Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	-	-	(547)	142	67	(338)	(32)	(456)	-	-	-	-	(826)	-	-	(826)

Phoenix Health Plan, Inc.
Fiscal Year Ended June 30, 2017

GSA 6 Yavapai	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	TANF Total	SSI w/Med	SSI w/o Med	Adults > 106%	Adults </= 106%	SOBRA FP	SOBRA MOMS	Title XIX Total	State Only Transplant	State Only Total	Grand Total	
REVENUE & EXPENSES																	
Member Months																	
PPC Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pros. Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVENUES																	
305 Prospective Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 PPC Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312 Value Based Purchasing Initiatives Reconciliation/Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
315 Delivery Supplement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
319 Adults > 106% Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320 Prospective Tiered Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321 TWG Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
322 PPC Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
323 PCP Parity Cost Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324 Health Insurers Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
330 Other Income (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENSES																	
Hospitalization																	
402 Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404 Hospital Inpatient - Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
406 PPC - Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Hospitalization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Compensation																	
408 Primary Care Physician Services	-	-	-	-	-	-	67	-	-	-	-	-	67	-	-	-	67
409 Behavioral Health Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
410 Referral Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
411 FQHC/RHC Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
412 Other Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
414 PPC - Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
415 PCP Parity Enhanced Payment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Medical Comp	-	-	-	-	-	-	67	-	-	-	-	-	67	-	-	-	67
Other Medical Expenses																	
416 Emergency Facility Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
417 Pharmacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
418 Lab, X-ray, & Medical Imaging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
419 Outpatient Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
420 Durable Medical Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
421 Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
422 Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
423 Nursing Facility, Home Health Care	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
424 Physical Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
434 Value Based Purchasing Initiatives Provider Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
425 Miscellaneous Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
426 Behavioral Health Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
427 Behavioral Health Case Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
428 Behavioral Health Crisis Intervention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
429 Behavioral Health Rehabilitation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
430 Behavioral Health Residential Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
431 All Other Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
438 PPC - Other Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Medical	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MEDICAL EXP	-	-	-	-	-	-	67	-	-	-	-	-	67	-	-	-	67
Less:																	
440 Reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
442 Third Party Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET MEDICAL EXP	-	-	-	-	-	-	67	-	-	-	-	-	67	-	-	-	67
TOTAL ADMIN EXP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	-	-	-	-	-	-	67	-	-	-	-	-	67	-	-	-	67
Inc (loss) from operations	-	-	-	-	-	-	(67)	-	-	-	-	-	(67)	-	-	-	(67)
Non-operating inc (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inc (loss) before taxes	-	-	-	-	-	-	(67)	-	-	-	-	-	(67)	-	-	-	(67)
Income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Insurers Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	-	-	-	-	-	-	(67)	-	-	-	-	-	(67)	-	-	-	(67)

Phoenix Health Plan, Inc.
Fiscal Year Ended June 30, 2017

GSA 8 Gila/Pinal	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	TANF Total	SSI w/Med	SSI w/o Med	Adults > 106%	Adults </= 106%	SOBRA FP	SOBRA MOMS	Title XIX Total	State Only Transplant	State Only Total	Grand Total	
REVENUE & EXPENSES																	
Member Months																	
PPC Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pros. Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVENUES																	
305 Prospective Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 PPC Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312 Value Based Purchasing Initiatives Reconciliation/Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
315 Delivery Supplement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
319 Adults > 106% Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320 Prospective Tiered Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321 TWG Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
322 PPC Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
323 PCP Parity Cost Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324 Health Insurers Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
330 Other Income (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENSES																	
Hospitalization																	
402 Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404 Hospital Inpatient - Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
406 PPC - Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Hospitalization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Compensation																	
408 Primary Care Physician Services	116	76	3,505	1,324	808	5,829	576	2,713	-	1,093	-	-	10,211	-	-	10,211	
409 Behavioral Health Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
410 Referral Physician Services	-	-	345	-	8	353	-	-	-	-	-	-	353	-	-	353	
411 FQHC/RHC Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
412 Other Professional Services	-	41	-	-	-	41	-	-	-	-	-	-	41	-	-	41	
414 PPC - Physician Services	-	-	-	-	-	-	-	159	-	-	-	-	159	-	-	159	
415 PCP Parity Enhanced Payment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Medical Comp	116	117	3,850	1,324	816	6,223	576	2,872	-	1,093	-	-	10,764	-	-	10,764	
Other Medical Expenses																	
416 Emergency Facility Services	-	-	-	-	9	9	-	-	-	-	-	-	9	-	-	9	
417 Pharmacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
418 Lab, X-ray, & Medical Imaging	-	-	202	44	9	255	3	2	-	(42)	-	-	218	-	-	218	
419 Outpatient Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
420 Durable Medical Equipment	-	-	34	-	-	34	-	-	-	-	-	-	34	-	-	34	
421 Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
422 Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
423 Nursing Facility, Home Health Care	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
424 Physical Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
434 Value Based Purchasing Initiatives Provider Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
425 Miscellaneous Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
426 Behavioral Health Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
427 Behavioral Health Case Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
428 Behavioral Health Crisis Intervention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
429 Behavioral Health Rehabilitation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
430 Behavioral Health Residential Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
431 All Other Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
438 PPC - Other Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Medical	-	-	236	44	18	298	3	2	-	(42)	-	-	261	-	-	261	
TOTAL MEDICAL EXP	116	117	4,086	1,368	834	6,521	579	2,874	-	1,051	-	-	11,025	-	-	11,025	
Less:																	
440 Reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
442 Third Party Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET MEDICAL EXP	116	117	4,086	1,368	834	6,521	579	2,874	-	1,051	-	-	11,025	-	-	11,025	
TOTAL ADMIN EXP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	116	117	4,086	1,368	834	6,521	579	2,874	-	1,051	-	-	11,025	-	-	11,025	
Inc (loss) from operations	(116)	(117)	(4,086)	(1,368)	(834)	(6,521)	(579)	(2,874)	-	(1,051)	-	-	(11,025)	-	-	(11,025)	
Non-operating inc (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inc (loss) before taxes	(116)	(117)	(4,086)	(1,368)	(834)	(6,521)	(579)	(2,874)	-	(1,051)	-	-	(11,025)	-	-	(11,025)	
Income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Insurers Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	(116)	(117)	(4,086)	(1,368)	(834)	(6,521)	(579)	(2,874)	-	(1,051)	-	-	(11,025)	-	-	(11,025)	

Phoenix Health Plan, Inc.
Fiscal Year Ended June 30, 2017

GSA 10 Pima/Santa Cruz	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	TANF Total	SSI w/Med	SSI w/o Med	Adults > 106%	Adults </= 106%	SOBRA FP	SOBRA MOMS	Title XIX Total	State Only Transplant	State Only Total	Grand Total
REVENUE & EXPENSES																
Member Months																
PPC Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pros. Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Member Months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVENUES																
305 Prospective Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310 PPC Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312 Value Based Purchasing Initiatives Reconciliation/Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
315 Delivery Supplement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
319 Adults > 106% Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320 Prospective Tiered Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321 TWG Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
322 PPC Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
323 PCP Parity Cost Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324 Health Insurers Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
330 Other Income (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENSES																
Hospitalization																
402 Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404 Hospital Inpatient - Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
406 PPC - Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Hospitalization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Compensation																
408 Primary Care Physician Services	-	-	1,180	-	-	1,180	33	391	-	355	-	819	2,778	-	-	2,778
409 Behavioral Health Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
410 Referral Physician Services	-	-	60	-	-	60	-	-	-	189	-	-	249	-	-	249
411 FQHC/RHC Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
412 Other Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
414 PPC - Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
415 PCP Parity Enhanced Payment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Medical Comp	-	-	1,240	-	-	1,240	33	391	-	544	-	819	3,027	-	-	3,027
Other Medical Expenses																
416 Emergency Facility Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
417 Pharmacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
418 Lab, X-ray, & Medical Imaging	-	-	8	-	-	8	-	-	-	8	-	27	43	-	-	43
419 Outpatient Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
420 Durable Medical Equipment	-	-	113	-	-	113	-	-	-	75	-	-	188	-	-	188
421 Dental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
422 Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
423 Nursing Facility, Home Health Care	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
424 Physical Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
434 Value Based Purchasing Initiatives Provider Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
425 Miscellaneous Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
426 Behavioral Health Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
427 Behavioral Health Case Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
428 Behavioral Health Crisis Intervention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
429 Behavioral Health Rehabilitation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
430 Behavioral Health Residential Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
431 All Other Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
438 PPC - Other Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Medical	-	-	121	-	-	121	-	-	-	83	-	27	231	-	-	231
TOTAL MEDICAL EXP	-	-	1,361	-	-	1,361	33	391	-	627	-	846	3,258	-	-	3,258
Less:																
440 Reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
442 Third Party Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET MEDICAL EXP	-	-	1,361	-	-	1,361	33	391	-	627	-	846	3,258	-	-	3,258
TOTAL ADMIN EXP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	-	-	1,361	-	-	1,361	33	391	-	627	-	846	3,258	-	-	3,258
Inc (loss) from operations	-	-	(1,361)	-	-	(1,361)	(33)	(391)	-	(627)	-	(846)	(3,258)	-	-	(3,258)
Non-operating inc (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inc (loss) before taxes	-	-	(1,361)	-	-	(1,361)	(33)	(391)	-	(627)	-	(846)	(3,258)	-	-	(3,258)
Income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Insurers Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	-	-	(1,361)	-	-	(1,361)	(33)	(391)	-	(627)	-	(846)	(3,258)	-	-	(3,258)

Phoenix Health Plan, Inc.
Fiscal Year Ended June 30, 2017

GSA 12 Maricopa	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	TANF Total	SSI w/Med	SSI w/o Med	Adults > 106%	Adults /<= 106%	SOBRA FP	SOBRA MOMS	Title XIX Total	State Only Transplant	State Only Total	Grand Total
REVENUE & EXPENSES																
Member Months																
PPC Member Months	78.35	1,977.00	743.90	492.55	118.31	3,410.12	147.22	47.70	195.90	289.73	-	72.96	4,163.62	-	-	4,163.62
Pros. Member Months	11,868.78	231,250.80	90,372.44	51,175.85	15,491.76	400,159.62	28,046.99	21,901.72	14,520.89	35,528.78	-	4,226.86	504,384.85	-	-	504,384.85
Total Member Months	11,947.13	233,227.80	91,116.34	51,668.40	15,610.06	403,569.73	28,194.21	21,949.41	14,716.79	35,818.50	-	4,299.82	508,548.47	-	-	508,548.47
REVENUES																
305 Prospective Capitation	5,379,520	21,594,135	20,507,246	6,616,252	6,242,567	60,339,720	3,696,525	18,316,995	3,265,667	15,572,320	-	969,684	102,160,911	-	-	102,160,911
310 PPC Capitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312 Value Based Purchasing Initiatives Reconciliation/Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
315 Delivery Supplement	-	-	2,045,116	-	-	2,045,116	634,728	497,899	329,451	803,451	-	97,243	4,407,888	-	-	4,407,888
319 Adults > 106% Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
320 Prospective Tiered Reconciliation Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321 TWG Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
322 PPC Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
323 PCP Parity Cost Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324 Health Insurers Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325 Investment Income	63,495	1,260,948	497,212	282,984	84,725	2,189,364	153,334	117,983	79,891	196,228	-	22,226	2,759,026	-	-	2,759,026
320 Other Income (specify)	38,401	745,956	289,919	163,554	49,654	1,287,484	89,776	70,487	46,873	113,554	-	14,108	1,622,282	-	-	1,622,282
TOTAL REVENUES	5,481,416	23,601,039	23,339,493	7,062,790	6,376,946	65,861,684	4,574,363	19,003,364	3,721,882	16,685,553	-	1,103,261	110,950,107	-	-	110,950,107
EXPENSES																
402 Hospitalization	2,756,979	1,151,775	2,054,338	522,973	599,458	7,085,523	709,769	3,387,482	257,401	2,418,433	-	1,633,200	15,491,808	-	-	15,491,808
404 Hospital Inpatient - Behavioral Health Services	-	-	1,275	-	-	1,275	14,717	-	-	-	-	-	15,992	-	-	15,992
406 PPC - Hospital Inpatient	138,573	72,066	39,342	37,089	2,064	288,134	3,083	21,305	7,882	33,948	-	17,096	371,448	-	-	371,448
Total Hospitalization	2,895,552	1,223,841	2,093,955	560,062	601,522	7,374,932	727,569	3,408,787	265,283	2,452,381	-	1,650,296	15,879,248	-	-	15,879,248
Medical Compensation																
408 Primary Care Physician Services	1,164,299	811,183	1,341,276	(112,039)	511,862	3,716,581	(376,165)	1,436,808	214,863	1,004,164	-	227,805	6,224,056	-	-	6,224,056
409 Behavioral Health Physician Services	3,675	18,251	32,960	7,405	12,268	74,559	95,242	15,735	514	10,355	-	1,345	197,750	-	-	197,750
410 Referral Physician Services	90,039	847,844	1,987,339	340,984	566,028	3,832,234	270,970	1,074,890	566,345	1,312,285	-	744,937	7,801,661	-	-	7,801,661
411 FQHC/RHC Services	403,814	1,433,081	793,177	198,031	170,932	2,999,035	24,701	242,790	122,182	290,072	-	159,757	3,838,537	-	-	3,838,537
412 Other Professional Services	94,965	868,736	546,491	191,805	127,771	1,829,768	38,549	207,486	91,213	237,844	-	38,315	2,443,175	-	-	2,443,175
414 PPC - Physician Services	12,340	21,738	20,778	7,585	4,280	66,721	1,590	4,735	2,571	19,801	-	12,037	107,455	-	-	107,455
415 PCP Parity Enhanced Payment Expense	770	14,863	5,681	3,206	984	25,504	1,777	1,391	948	2,215	-	313	32,148	-	-	32,148
Total Medical Comp	1,769,902	4,015,696	4,727,702	636,977	1,394,125	12,544,402	56,664	2,983,835	998,636	2,876,736	-	1,184,509	20,644,782	-	-	20,644,782
Other Medical Expenses																
416 Emergency Facility Services	534,267	4,131,336	3,079,422	1,004,814	483,166	9,233,005	260,419	1,197,468	430,756	1,283,296	-	214,913	12,619,857	-	-	12,619,857
417 Pharmacy	145,290	3,605,392	3,180,883	1,148,531	1,101,963	9,182,059	312,514	5,624,179	672,764	3,024,640	-	148,192	18,964,348	-	-	18,964,348
418 Lab, X-ray, & Medical Imaging	36,823	516,564	965,237	190,780	263,028	1,972,432	88,903	492,962	157,832	528,697	-	183,572	3,424,398	-	-	3,424,398
419 Outpatient Facility	206,977	2,407,593	2,009,066	638,229	1,783,625	7,045,490	586,551	1,796,302	376,739	1,243,659	-	266,085	11,314,826	-	-	11,314,826
420 Durable Medical Equipment	138,072	403,648	197,982	124,536	79,055	943,293	34,516	280,137	39,538	213,092	-	29,757	1,540,333	-	-	1,540,333
421 Dental	152,306	2,965,749	1,160,224	656,259	198,700	5,133,238	359,464	280,982	186,327	456,131	-	54,481	6,470,623	-	-	6,470,623
422 Transportation	49,882	403,536	335,641	166,600	68,040	1,023,699	80,637	321,380	56,665	262,530	-	46,368	1,791,279	-	-	1,791,279
423 Nursing Facility, Home Health Care	10,298	139,581	59,189	120,992	40,606	370,666	188,552	347,737	18,208	182,779	-	5,268	1,113,210	-	-	1,113,210
424 Physical Therapy	5,617	342,032	189,173	86,536	74,340	697,698	25,040	120,878	45,838	117,923	-	1,484	1,008,861	-	-	1,008,861
434 Value Based Purchasing Initiatives Provider Expenses	(2,375)	(57,394)	(24,351)	(14,237)	(3,946)	(102,303)	(7,266)	(5,047)	(3,814)	(9,928)	-	(655)	(129,013)	-	-	(129,013)
425 Miscellaneous Medical Expenses	18,780	357,989	139,094	78,703	23,991	618,557	43,321	33,959	22,462	54,391	-	6,816	779,506	-	-	779,506
426 Behavioral Health Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
427 Behavioral Health Case Management Services	27	512	6,687	459	4,786	12,471	37,728	48	33	80	-	35	50,395	-	-	50,395
428 Behavioral Health Crisis Intervention Services	246	5,215	30,232	11,165	2,028	48,886	2,924	16,542	4,113	23,868	-	1,430	97,763	-	-	97,763
429 Behavioral Health Rehabilitation Services	11	8,647	164	52	14	8,888	4,574	24	12	30	-	3	13,531	-	-	13,531
430 Behavioral Health Residential Services	-	-	-	-	-	-	5,300	-	-	-	-	-	5,300	-	-	5,300
431 All Other Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
438 PPC - Other Medical Expenses	2,484	67,620	55,634	13,273	5,760	144,771	4,678	5,674	6,405	50,708	-	10,485	222,721	-	-	222,721
Total Other Medical	1,298,705	15,298,020	11,384,277	4,226,692	4,125,156	36,332,850	2,027,855	10,513,225	2,013,878	7,431,896	-	968,234	59,287,938	-	-	59,287,938
TOTAL MEDICAL EXP	5,964,159	20,537,557	18,205,934	5,423,731	6,120,803	56,252,184	2,812,088	16,905,847	3,277,797	12,761,013	-	3,803,039	95,811,968	-	-	95,811,968
Less:																
440 Reinsurance	(69,569)	(1,365,067)	(535,510)	(303,729)	(91,637)	(2,365,512)	(166,038)	(128,893)	(85,908)	(210,740)	-	(24,529)	(2,981,620)	-	-	(2,981,620)
442 Third Party Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET MEDICAL EXP	5,894,590	19,172,490	17,670,424	5,120,002	6,029,166	53,886,672	2,646,050	16,776,954	3,191,889	12,550,273	-	3,778,510	92,830,348	-	-	92,830,348
TOTAL ADMIN EXP	176,719	3,446,454	1,345,957	763,327	230,700	5,963,157	416,562	324,391	217,480	529,093	-	63,643	7,514,326	-	-	7,514,326
TOTAL EXPENSES	6,071,309	22,618,944	19,016,381	5,883,329	6,259,866	59,849,829	3,062,612	17,101,345	3,409,369	13,079,366	-	3,842,153	100,344,674	-	-	100,344,674
Inc (loss) from operations	(589,893)	982,095	4,323,112	1,179,461	117,080	6,011,855	1,511,751	1,902,019	312,513	3,606,187	-	(2,738,892)	10,605,433	-	-	10,605,433
Non-operating inc (loss)	284,081	5,848,640	2,339,599	1,337,979	394,627	10,204,926	716,569	541,845	373,887	930,100	-	95,916	12,863,243	-</		

Phoenix Health Plan, Inc.
Fiscal Year Ended June 30, 2017
Sub-Capitated Expenses Report

EXCLUDE PCP ENHANCED PARITY PAYMENTS

Account	Account Description	QE 9/2016 Amount	QE 12/2016 Amount	QE 3/2017 Amount	QE 6/2017 Amount	YTD Amount
<i>Sub-Capitated Hospitalization Expenses:</i>						
402	Hospital Inpatient	-	-	-	-	-
404	Hospital Inpatient -Behavioral Health Services	-	-	-	-	-
406	PPC-Hospital Inpatient	-	-	-	-	-
<i>Total Sub-Capitated Hospitalization Expense:</i>		-	-	-	-	-
<i>Sub-Capitated Medical Compensation Expenses:</i>						
408	Primary Care Physician Services	-	-	-	-	-
409	Behavioral Health Physician Services	-	-	-	-	-
410	Referral Physician Services	-	-	-	-	-
411	FQHC/RHC Services	-	-	-	-	-
412	Other Professional Services	-	-	-	-	-
414	PPC - Physician Services	-	-	-	-	-
<i>Total Sub-Capitated Medical Compensation Expenses:</i>		-	-	-	-	-
<i>Sub-Capitated Other Medical Expenses:</i>						
416	Emergency Facility Services	-	-	-	-	-
417	Pharmacy	-	-	-	-	-
418	Lab, X-ray, & Medical Imaging	172,360	169,021	162,946	52,926	557,253
419	Outpatient Facility	-	-	-	-	-
420	Durable Medical Equipment	-	-	-	-	-
421	Dental	2,035,803	1,962,266	1,650,581	656,412	6,305,062
422	Transportation	274,844	269,520	259,832	84,395	888,591
423	Nursing Facility, Home Health Care	(66,395)	62,431	60,188	19,549	75,773
424	Physical Therapy	-	-	-	-	-
434	Value Based Purchasing Initiatives Provider Expenses	-	-	-	-	-
425	Miscellaneous Medical Expenses	-	-	-	-	-
426	Behavioral Health Day Program	-	-	-	-	-
427	Behavioral Health Case Management Services	-	-	-	-	-
428	Behavioral Health Crisis Intervention Services	-	-	-	-	-
429	Behavioral Health Rehabilitation Services	-	-	-	-	-
430	Behavioral Health Residential Services	-	-	-	-	-
431	All Other Behavioral Health Services	-	-	-	-	-
438	PPC-Other Medical Expenses	-	-	-	-	-
<i>Total Sub-Capitated Other Medical Expenses:</i>		2,416,612	2,463,238	2,133,547	813,282	7,826,679
Total Sub-Capitated Expenses:		2,416,612	2,463,238	2,133,547	813,282	7,826,679

Phoenix Health Plan, Inc.
Fiscal Year Ended June 30, 2017
Sub-Capitated Expenses Detail

EXCLUDE PCP ENHANCED PARITY PAYMENTS

Account	Account Description	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	TANF Total	SSI w/Med	SSI w/o Med	Adults > 106%	Adults <= 106%	SOBRA FP	SOBRA MOMS	Title XIX Total	State Only Transplant	State Only Total	Grand Total	
Sub-Capitated Hospitalization Expenses:																		
402	Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
404	Hospital Inpatient -Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
406	PPC-Hospital Inpatient	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sub-Capitated Hospitalization Expense:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Capitated Medical Compensation Expenses:																		
408	Primary Care Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
409	Behavioral Health Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
410	Referral Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
411	FGHC/RHC Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
412	Other Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
414	PPC - Physician Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sub-Capitated Medical Compensation Expenses:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Capitated Other Medical Expenses:																		
416	Emergency Facility Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
417	Pharmacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
418	Lab, X-ray, & Medical Imaging	13,090	255,457	99,870	56,578	17,115	442,110	31,022	24,133	16,064	39,237	-	4,687	557,253	-	-	557,253	
419	Outpatient Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
420	Durable Medical Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
421	Dental	148,229	2,891,212	1,129,566	639,684	193,598	5,002,289	350,844	273,189	181,795	443,726	-	53,220	6,305,062	-	-	6,305,062	
422	Transportation	20,873	407,354	159,251	90,219	27,291	704,988	49,466	38,481	25,615	62,568	-	7,473	888,591	-	-	888,591	
423	Nursing Facility, Home Health Care	1,683	34,178	13,945	7,988	2,339	60,134	4,321	3,187	2,133	5,508	-	490	75,773	-	-	75,773	
424	Physical Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
434	Value Based Purchasing Initiatives Provider Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
425	Miscellaneous Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
426	Behavioral Health Day Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
427	Behavioral Health Case Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
428	Behavioral Health Crisis Intervention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
429	Behavioral Health Rehabilitation Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
430	Behavioral Health Residential Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
431	All Other Behavioral Health Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
438	PPC-Other Medical Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sub-Capitated Other Medical Expenses:		183,875	3,588,201	1,402,632	794,470	240,344	6,209,522	435,652	338,990	225,607	551,038	-	65,870	7,826,679	-	-	7,826,679	
Total Sub-Capitated Expenses:		183,875	3,588,201	1,402,632	794,470	240,344	6,209,522	435,652	338,990	225,607	551,038	-	65,870	7,826,679	-	-	7,826,679	

Phoenix Health Plan, Inc.
Annual Listing of Plan Officers and Directors
As of June 30, 2017

Name	Title	Other Relationship To Plan	Compensation
Alvarez, Diana	Director of Medicaid Compliance	None	Salary
Bernstein, Darla	Senior Director, Medical Management	None	Salary
Camino, Carmela	Director of Finance	None	Salary
Corson, William	Director, Medical Economics	None	Salary
Coyle, Wendy	Director of Human Resources	None	Salary
Crutchfield, Lisa	Director of Compliance/Compliance Lead	None	Salary
Fan, Dazhi	Director, Actuarial Services	None	Salary
Faust, Edith E.	Manager, Claims	None	Salary
Glen, Jason	Manager, Network Contracting	None	Salary
Hammond, Eric	Manager, Health Plan Pharmacy Quality	None	Salary
Hirsch, David	Chief Medical Officer	None	Salary
Jayaraman, Ganapathi	Director, IT	None	Salary
LaPlante, Kirk	Senior Director of Network Management	None	Salary
Maison, Beverly	Chief Financial Officer	None	Salary
McMickle, Judy	Director, Reimbursements	None	Salary
McNeil, Kimberley	Manager of Claims, Grievance & Appeals	None	Salary
Nagengast, Greg	Sr. Director, Regional Operations/Medicare Operations	None	Salary
Nelson, Lori	Senior Director, Quality Management	None	Salary
Rime, Michael	Vice President of Sales & Distribution	None	Salary
Sanders, Stephanie	Director, Pharmacy Clinical Program	None	Salary