

PIMA COUNTY, ARIZONA
PIMA HEALTH SYSTEM AND SERVICES
Report on Audit of Financial Statements
June 30, 2005

PIMA HEALTH SYSTEM AND SERVICES
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June 30, 2005

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of Pima County, Arizona

We have audited the accompanying financial statements of Pima Health System and Services as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of Pima Health System and Services' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Pima Health System and Services' financial statements are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the business-type activities and major funds of the County that is attributable to the Pima Health System and Services Fund. They do not purport to, and do not, present fairly the financial position of Pima County as of June 30, 2005, and the changes in financial position and cash flows, in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pima Health System and Services as of June 30, 2005, and the changes in financial position and cash flows, for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1, Pima Health System and Services implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, for the year ended June 30, 2005, which represents a change in accounting principle.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Pima Health System and Services. The accompanying financial information listed as supplementary schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Debbie Davenport
Auditor General

September 26, 2005

PIMA HEALTH SYSTEM AND SERVICES
Statement of Net Assets
Enterprise Fund
June 30, 2005

Assets

Current assets:	
Cash and cash equivalents	\$ 21,588,907
Receivables:	
Accounts	555,045
Reinsurance claims	8,295,857
Grants	1,083,148
Interest	74,399
Due from:	
Medicare	299,859
Other Pima County funds	214,333
Other governments	2,487,902
Inventory of supplies	<u>112,231</u>
Total current assets	<u>34,711,681</u>
Noncurrent assets:	
Capital assets:	
Leasehold improvements	1,116,257
Machinery and equipment	1,317,869
Accumulated depreciation:	
Leasehold improvements	(643,935)
Machinery and equipment	<u>(724,944)</u>
Capital assets, net	<u>1,065,247</u>
Total assets	<u>35,776,928</u>

Liabilities

Current liabilities:	
Accounts payable and accrued liabilities	561,298
Accrued medical and health care claims	24,556,248
Accrued employee compensation	3,379,160
Interfund payable	2,980
Interest payable	11,749
Deferred revenue	2,312
Due to other Pima County funds	<u>3,667,680</u>
Total liabilities	<u>32,181,427</u>

Net Assets

Invested in capital assets	1,065,247
Restricted for health care	6,318,896
Unrestricted (deficit)	<u>(3,788,642)</u>
Total net assets	<u>\$ 3,595,501</u>

See accompanying notes to financial statements.

PIMA HEALTH SYSTEM AND SERVICES
Statement of Revenues, Expenses, and Changes in Net Assets
Enterprise Fund
Year Ended June 30, 2005

Operating revenues:	
Capitation	\$ 222,442,449
Reinsurance claims	20,589,347
Charges for services	1,899,744
Other	<u>863,864</u>
Total operating revenues	<u>245,795,404</u>
Operating expenses:	
Medical and health care claims	226,391,378
Case management (contracted and salaried)	6,039,970
General, fiscal, and administrative services	6,791,214
Depreciation	222,070
Other	<u>5,185,497</u>
Total operating expenses	<u>244,630,129</u>
Operating income	<u>1,165,275</u>
Nonoperating revenues (expenses):	
Grant revenue	3,761,557
Interest income	769,670
Interest expense	(80,651)
Premium tax	<u>(4,791,706)</u>
Total nonoperating revenues (expenses), net	<u>(341,130)</u>
Increase in net assets	<u>824,145</u>
Total net assets, July 1, 2004	<u>2,771,356</u>
Total net assets, June 30, 2005	<u>\$ 3,595,501</u>

See accompanying notes to financial statements.

PIMA HEALTH SYSTEM AND SERVICES
Statement of Cash Flows
Enterprise Fund
Year Ended June 30, 2005

Cash flows from operating activities:	
Cash receipts from:	
Contractors, patients, and other payors	\$ 241,683,740
Other Pima County funds for goods and services	94,516
Miscellaneous operations	863,864
Cash payments to:	
Providers for health care services	(200,602,932)
Suppliers for goods and services	(4,138,595)
Employees for services	(33,403,366)
Other Pima County funds for goods and services	<u>(3,092,558)</u>
Net cash provided by operating activities	<u>1,404,669</u>
Cash flows from noncapital financing activities:	
Cash transfers to other Pima County funds	(3,500,000)
Loan proceeds from other Pima County funds	1,022,946
Loans to other Pima County funds	(214,333)
Interest paid on short-term credit	(71,220)
Grant receipts	3,432,443
Premium tax payments	<u>(4,791,706)</u>
Net cash used for noncapital financing activities	<u>(4,121,870)</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	<u>(73,405)</u>
Net cash used for capital and related financing activities	<u>(73,405)</u>
Cash flows from investing activities:	
Interest received on cash and cash equivalents	<u>724,453</u>
Net cash provided by investing activities	<u>724,453</u>
Net decrease in cash and cash equivalents	(2,066,153)
Cash and cash equivalents, July 1, 2004	<u>23,655,060</u>
Cash and cash equivalents, June 30, 2005	<u>\$ 21,588,907</u>

(Continued)

See accompanying notes to financial statements.

PIMA HEALTH SYSTEM AND SERVICES
Statement of Cash Flows
Enterprise Fund
Year Ended June 30, 2005
(Continued)

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,165,275
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	222,070
Changes in assets and liabilities:	
Accounts receivable	348,433
Reinsurance claims receivable	(4,069,932)
Due from Medicare	(105,185)
Due from other governments	673,401
Inventory of supplies	(14,923)
Accounts payable and accrued liabilities	16,278
Accrued medical and health care claims	2,806,339
Accrued employee compensation	457,030
Interfund payable	(94,443)
Deferred revenue	326
Net cash provided by operating activities	<u>\$ 1,404,669</u>

The following noncash transactions occurred during the year ended June 30, 2005:

Disposal of equipment	\$ 37,606
Deletion of related accumulated depreciation	(37,606)

See accompanying notes to financial statements.

Pima Health System and Services
Notes to Financial Statements
June 30, 2005

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Pima Health System and Services (the System) conform to U.S. generally accepted accounting principles (GAAP) applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB). The System's financial statements have been prepared in a format that complies with U.S. GAAP and the regulatory requirements of the State of Arizona. A summary of the system's more significant accounting policies follows.

During the year ended June 30, 2005, the System implemented the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. GASB Statement No. 40 establishes and modifies the risk disclosures about the System's deposits and investments. The implementation of GASB Statement No. 40 requires only additional disclosures, and had no effect on reported cash and cash equivalents.

A. Reporting Entity

The System is responsible for overseeing the operations of Pima Health System (the AHCCCS contracts), Posada Del Sol Nursing Home, the Grants and Community Services System, and other Pima County programs.

The System is accounted for as an enterprise fund of Pima County, Arizona and the ultimate financial accountability for the System remains with Pima County. The financial statements present only the System and are not intended to present the balances and activity of Pima County or its business-type activities and enterprise funds. The System is a contractor with the Arizona Health Care Cost Containment System (AHCCCS) Administration to provide health care services to eligible enrollees of the AHCCCS Ambulatory and Arizona Long-Term Care System (ALTCS) programs. The Ambulatory program provides both inpatient and outpatient medical and nursing services to eligible enrollees of the Ambulatory program. The ALTCS program provides inpatient and outpatient medical and nursing services in addition to managed institutional and home- and community-based long-term care services to eligible enrollees of the ALTCS program. The system also provides long-term care services to Posada del Sol Nursing Home residents who are primarily ALTCS enrollees. The system receives monthly premiums from AHCCCS for all eligible enrollees under the respective Ambulatory and ALTCS programs.

B. Fund Accounting

The System's accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the System's available resources are observed. The principles of fund accounting require that the resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses. The System's financial transactions are recorded and reported as an enterprise fund since its operations are financed and operated in a manner similar to private business enterprises, in which the intent of the County Board of Supervisors is that the costs (expenses, including depreciation) of providing goods or

Pima Health System and Services

Notes to Financial Statements

June 30, 2005

services on a continuing basis be financed or recovered primarily through user charges. The measurement focus of the fund is on the flow of economic resources. With this measurement focus, all assets and all liabilities associated with the operation of the System are included on the statement of net assets. Net assets are segregated into invested in capital assets, restricted for health care, and unrestricted. The statement of revenues, expenses, and changes in net assets presents increases, such as revenues, and decreases, such as expenses, in net total assets.

The System follows Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The System has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

C. Basis of Accounting

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied, and determines when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements of the System are presented on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The System funds certain programs with restricted and unrestricted resources. When both are available, the System applies restricted resources first.

Interfund transactions with other Pima County funds are recorded in the appropriate revenue or expense account. Intrafund transactions within the System are eliminated for financial statement presentation.

D. Basis of Presentation

The financial statements include a statement of net assets; a statement of revenues, expenses, and changes in net assets; and a statement of cash flows. A statement of net assets provides information about the assets, liabilities, and net assets of the System at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to external donor restrictions or availability of assets to satisfy the System's obligations. Invested in capital assets represents the net value of capital assets. Restricted net assets represent grants, contracts, and other resources that have been externally restricted for specific purposes. Unrestricted net assets include all other net assets, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net assets provides information about the System's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net assets are reported, including capital contributions and transfers. Generally, capitation and other charges generated by the System for providing health care services are considered to be operating revenues. Other revenues used for health care, such as grants and interest earnings, are not generated from operations and are considered to be nonoperating revenues. Operating expenses include the costs of

Pima Health System and Services

Notes to Financial Statements

June 30, 2005

providing health care services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense and AHCCCS premium taxes are considered to be nonoperating expenses.

A statement of cash flows provides information about the System's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as operating, noncapital financing, capital financing, or investing.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand and cash and investments held by the Pima County Treasurer. All investments are stated at fair value.

F. Due from Other Governments

Due from other governments consists of amounts due from AHCCCS based on contractual agreement provisions of the Ambulatory and ALTCS programs.

G. Inventory of Supplies

Inventories are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in, first-out method.

H. Capital Assets

Capital assets are capitalized at cost. Donated assets are capitalized at their estimated fair market value on the date received. The System capitalizes all land and buildings regardless of cost and all other capital assets valued at \$5,000 and above. Depreciation of assets is charged as an expense against operations. Assets are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Leasehold improvements	7 to 10 years
Machinery and equipment	5 to 15 years

I. Accrued Employee Compensation

Accrued employee compensation consists of annual leave and a calculated amount of sick leave earned by employees based on services already rendered. Employees may accumulate up to 240 hours of annual leave, but any annual leave hours in excess of the maximum amount that are unused at the end of the employee's anniversary year are forfeited. Upon termination of employment, all unused and unforfeited annual leave benefits are paid to employees. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, for employees who retire with 20 or more years of service, some accumulated sick leave benefits do vest based on various criteria and, therefore, are accrued.

J. Medical and Health Care Claims Payable

The System utilizes a number of factors when estimating the incurred but not reported (IBNR) portion of the medical claims payable liability. These include historical payment

Pima Health System and Services

Notes to Financial Statements

June 30, 2005

patterns as well as changes in the either the general business environment or in contractual agreements with its providers. This estimate is solely based upon management's knowledge of these various factors and can ultimately be in excess of or below the actual liability. However, the methodology for estimating this liability is consistently reviewed and refined in order to provide an accurate estimate of the IBNR liability.

K. Grant Revenues

Grants and assistance awards made on the basis of entitlement periods are recorded as grants receivable and revenues when entitlement occurs. Reimbursement grants are recorded as grants receivable and revenues as soon as all eligibility requirements have been met.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2005 on the statement of net assets were as follows:

Cash on hand	\$ 2,500
Cash and investments in the Pima County Treasurer's investment pool	<u>21,586,407</u>
Total	\$21,588,907

Cash and investments in the Pima County Treasurer's investment pool represent a portion of the County Treasurer's pool portfolio. There is no oversight provided for the County Treasurer's investment pool, and the pool's structure does not provide for shares. The System's portion in the pool is not identified with specific investments.

Credit Risk—Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a formal investment policy with respect to credit risk. The Pima County Treasurer's investment pool is unrated.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect an investment's fair value. The County does not have a formal investment policy with respect to interest rate risk. The Pima County Treasurer's investment pool had a weighted average maturity of 84 days at June 30, 2005.

Legal Provisions—Arizona Revised Statutes authorize counties to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds; interest earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States. In addition, the County Treasurer may invest trust funds in fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk—Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's investors service or A1 or better by Standard and Poor's rating service.

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Notes to Financial Statements

June 30, 2005

2. Corporate bonds, debentures, and notes must be rated A or better by Moody's investors service or Standard and Poor's rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk—Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

Concentration of credit risk—Statutes do not include any requirements for concentration of credit risk.

Interest rate risk—Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years and that public operating fund monies invested in securities and deposits have a maximum maturity of 3 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

Foreign currency risk—Statutes do not allow foreign investments.

Note 3 - Receivables

A. Accounts Receivable

Accounts receivable include amounts due from third-party payors for health care services provided to patients. The accounts receivable balance is based on management's evaluation of the collectibility of such accounts.

B. Reinsurance Claims Receivable

Reinsurance claims receivable and revenues result from additional payments from the AHCCCS Administration to the System for certain enrollees whose medical expenses paid by the System during the year ended June 30, 2005, were in excess of specified deductible limits.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Leasehold improvements	\$1,116,257			\$1,116,257
Accumulated depreciation	<u>(549,521)</u>	<u>\$ (94,414)</u>		<u>(643,935)</u>
Net leasehold improvements	<u>566,736</u>	<u>(94,414)</u>		<u>472,322</u>
Machinery and equipment	1,282,070	73,405	(37,606)	1,317,869
Accumulated depreciation	<u>(634,894)</u>	<u>(127,656)</u>	37,606	<u>(724,944)</u>
Net machinery and equipment	<u>647,176</u>	<u>(54,251)</u>		<u>592,925</u>
Capital assets, net	<u>\$1,213,912</u>	<u>\$ (148,665)</u>		<u>\$1,065,247</u>

Pima Health System and Services

Notes to Financial Statements

June 30, 2005

Note 5 - Medical and Health Care Claims

Medical and health care claims payable consists of estimates of \$18,311,643 incurred but not reported claims and \$6,244,605 reported but unpaid claims in the AHCCCS Ambulatory and ALTCS programs and the Grants and Community Service System.

Note 6 - Due to Other Pima County Funds

Due to other Pima County funds represents advances received from other County funds to eliminate cash overdrafts in the System's following programs.

Grants/Community Services System	2,742,372
Other Pima County Programs	<u>925,308</u>
Total	<u>\$3,667,680</u>

Note 7 - Capitation

Capitation revenues consist of the following amounts:

ALTCS long-term care	\$130,107,853
AHCCCS ambulatory/acute care	87,882,643
ALTCS ventilator dependent	4,357,437
Pima County residual	<u>94,516</u>
Total	<u>\$222,442,449</u>

Note 8 - Related Party Transactions

During the course of its operations, the System had numerous transactions with other Pima County funds to finance operations and provide services. During the year ended June 30, 2005, capitation revenues included \$94,516 from Pima County departments for services provided to County patients. In addition, the System received interest income totaling \$769,670 from the Pima County Treasurer. The System incurred expenses totaling \$2,998,115 from Pima County for the allocation of overhead, insurance premiums, interest, and other charges for miscellaneous supplies and services.

Note 9 - Risk Management

The System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical malpractice; and natural disasters. The System is a participant in Pima County's self-insurance program, and in the opinion of the System's management, that self-insurance program would cover any unfavorable outcomes from these risks. Accordingly, the System has no risk of loss beyond adjustments to future years' premium payments to Pima County's self-insurance program. All estimated losses for unsettled claims and actions of the System are determined on an actuarial basis and are included in the *Pima County Comprehensive Annual Financial Report*.

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Notes to Financial Statements
June 30, 2005

The System has obtained modified claims-made insurance policies to cover medical malpractice claims. Deductibles are the responsibility of Pima County through Risk Management and are \$1,000,000 per claim with an annual deductible aggregate of \$3,000,000. The System's medical malpractice coverage started on October 1, 1993. Claims occurring before these dates were Pima County's responsibility through Risk Management. Settled claims have not exceeded insurance coverage in any of the prior three fiscal years.

Note 10 - Retirement Plan

Plan Description—The System contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System (ASRS). Benefits are established by State statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, PO Box 33910, Phoenix, Arizona 85067-3910, or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the System's contribution rate. For the year ended June 30, 2005, active plan members and the System were each required by statute to contribute at the actuarially determined rate of 5.70 percent (5.20 percent retirement and 0.50 percent long-term disability) of the members' annual covered payroll. The System's contributions to the ASRS for the years ended June 30, 2005, 2004 and 2003, were \$1,430,006, \$2,159,438, and \$1,152,974 respectively, which were equal to the required contributions for the year.

Supplementary Schedules

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Net Assets by Program
June 30, 2005

		<u>AHCCCS</u>	
		<u>Ambulatory Contracts</u>	<u>Long-Term Care Contracts (1)</u>
Assets			
Current assets:			
Cash and cash equivalents		\$ 14,721,478	\$ 6,866,429
Receivables:			
Accounts		75,583	479,462
Reinsurance claims		3,473,358	4,822,499
Grants			
Interest		55,241	19,158
Due from:			
Medicare			299,859
Other Pima County funds			
Other governments		837,266	1,650,636
Inventory of supplies			112,231
Total current assets		<u>19,162,926</u>	<u>14,250,274</u>
Noncurrent assets:			
Capital assets:			
Leasehold improvements			
Machinery and equipment			
Accumulated depreciation:			
Leasehold improvements			
Machinery and equipment			
Capital assets, net			
Total assets		<u>19,162,926</u>	<u>14,250,274</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities		119,876	441,422
Accrued medical and health care claims		12,361,626	11,793,629
Accrued employee compensation		359,548	2,981,400
Interfund payable		2,980	
Interest payable			
Deferred revenue			
Due to other Pima County funds			
Total liabilities		<u>12,844,030</u>	<u>15,216,451</u>
Net Assets			
Invested in capital assets			
Restricted for health care		6,318,896	
Unrestricted (deficit)			(966,177)
Total net assets		<u>\$ 6,318,896</u>	<u>\$ (966,177)</u>

(1) The financial positions of the Posada Del Sol Nursing Home and the ALTCS Contracts have been consolidated and are reported as the Long-Term Care Contracts program. The consolidation is presented on page 22.

<u>Grants/ Community Services System</u>	<u>Other Pima County Programs</u>	<u>Total</u>
	\$ 1,000	\$ 21,588,907
		555,045
		8,295,857
\$ 1,083,148		1,083,148
		74,399
		299,859
	214,333	214,333
		2,487,902
		112,231
<u>1,083,148</u>	<u>215,333</u>	<u>34,711,681</u>
	1,116,257	1,116,257
	1,317,869	1,317,869
	(643,935)	(643,935)
	(724,944)	(724,944)
	<u>1,065,247</u>	<u>1,065,247</u>
<u>1,083,148</u>	<u>1,280,580</u>	<u>35,776,928</u>
		561,298
400,993		24,556,248
38,212		3,379,160
		2,980
11,749		11,749
2,312		2,312
<u>2,742,372</u>	<u>925,308</u>	<u>3,667,680</u>
<u>3,195,638</u>	<u>925,308</u>	<u>32,181,427</u>
	1,065,247	1,065,247
(2,112,490)	(709,975)	6,318,896
<u>(2,112,490)</u>	<u>\$ 355,272</u>	<u>(3,788,642)</u>
		\$ 3,595,501

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Revenues, Expenses, and
Changes in Net Assets by Program
Year Ended June 30, 2005

	<u>AHCCCS</u>	
	<u>Ambulatory Contracts</u>	<u>Long-Term Care Contracts (1)</u>
Operating revenues:		
Capitation	\$ 87,882,643	\$ 134,465,290
Reinsurance claims	10,405,321	10,184,026
Charges for services		1,899,744
Other	<u>524,111</u>	<u>402,357</u>
Total operating revenues	<u>98,812,075</u>	<u>146,951,417</u>
Operating expenses:		
Medical and health care claims	90,608,984	133,178,094
Case management (contracted and salaried)		4,871,712
General, fiscal, and administrative services	2,485,376	3,879,307
Depreciation		
Other	<u>1,999,476</u>	<u>3,374,714</u>
Total operating expenses	<u>95,093,836</u>	<u>145,303,827</u>
Operating income (loss)	<u>3,718,239</u>	<u>1,647,590</u>
Nonoperating revenues (expenses):		
Grant revenue		
Interest income	497,818	271,852
Interest expense		
Premium tax	<u>(1,907,474)</u>	<u>(2,884,232)</u>
Total nonoperating revenues (expenses), net	<u>(1,409,656)</u>	<u>(2,612,380)</u>
Increase (decrease) in net assets	<u>2,308,583</u>	<u>(964,790)</u>
Total net assets (deficit), July 1, 2004	<u>4,010,313</u>	<u>(1,387)</u>
Total net assets (deficit), June 30, 2005	<u>\$ 6,318,896</u>	<u>\$ (966,177)</u>

(1) The changes in financial positions of the Posada Del Sol Nursing Home and the ALTCS Contracts have been consolidated and are reported as the Long-Term Care Contracts program. The consolidation is presented on page 23.

<u>Grants/ Community Services System</u>	<u>Other Pima County Programs</u>	<u>Intrafund Eliminations</u>	<u>Total</u>
	\$ 94,516		\$ 222,442,449
			20,589,347
			1,899,744
	280,486	\$ (343,090)	863,864
	375,002	(343,090)	245,795,404
\$ 2,630,804	94,516	(121,020)	226,391,378
1,168,258			6,039,970
394,547	31,984		6,791,214
	222,070		222,070
6,945	26,432	(222,070)	5,185,497
4,200,554	375,002	(343,090)	244,630,129
(4,200,554)			1,165,275
3,761,557			3,761,557
(80,651)			769,670
			(80,651)
			(4,791,706)
3,680,906			(341,130)
(519,648)			824,145
(1,592,842)	355,272		2,771,356
\$ (2,112,490)	\$ 355,272	\$	\$ 3,595,501

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Cash Flows by Program
Year Ended June 30, 2005

	<u>AHCCCS</u>	
	<u>Ambulatory Contracts</u>	<u>Long-Term Care Contracts (1)</u>
Cash flows from operating activities:		
Cash receipts from:		
Contractors, patients, and other payors	\$ 97,016,625	\$ 144,667,115
Other programs for medical and health care services		121,020
Other Pima County funds for goods and services		
Miscellaneous operations	524,111	281,337
Cash payments to:		
Providers for health care services	(89,019,882)	(107,572,904)
Other programs for medical and health care services	(121,020)	
Suppliers for goods and services	(868,769)	(3,458,845)
Employees for services	(2,362,332)	(30,612,798)
Other Pima County funds for goods and services	(1,157,712)	(1,934,846)
Net cash provided by (used for) operating activities	<u>4,011,021</u>	<u>1,490,079</u>
Cash flows from noncapital financing activities:		
Cash transfers to other Pima County funds	(3,000,000)	(500,000)
Loan proceeds from other Pima County funds		
Loans to other Pima County funds		
Interest paid on short-term credit		
Grant receipts		
Premium tax payments	<u>(1,907,474)</u>	<u>(2,884,232)</u>
Net cash provided by (used for) noncapital financing activities	<u>(4,907,474)</u>	<u>(3,384,232)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets		
Net cash used for capital and related financing activities		
Cash flows from investing activities:		
Interest received on cash and cash equivalents	<u>462,680</u>	<u>261,773</u>
Net cash provided by investing activities	<u>462,680</u>	<u>261,773</u>
Net decrease in cash and cash equivalents	(433,773)	(1,632,380)
Cash and cash equivalents, July 1, 2004	<u>15,155,251</u>	<u>8,498,809</u>
Cash and cash equivalents, June 30, 2005	<u>\$ 14,721,478</u>	<u>\$ 6,866,429</u>

(1) The cash flows of the Posada Del Sol Nursong Home and the ALTCS Contract have been consolidated and are reported as the Long-Term Care Contracts program. The consolidation is presented on pages 24 and 25.

<u>Grants/ Community Services System</u>	<u>Other Pima County Programs</u>	<u>Intrafund Eliminations</u>	<u>Total</u>
			\$ 241,683,740
	\$ 94,516	\$ (121,020)	94,516
	280,486	(222,070)	863,864
\$ (3,915,630)	(94,516)		(200,602,932)
(6,619)	(26,432)	121,020	(4,138,595)
(396,252)	(31,984)	222,070	(33,403,366)
			(3,092,558)
<u>(4,318,501)</u>	<u>222,070</u>		<u>1,404,669</u>
			(3,500,000)
957,278	65,668		1,022,946
(71,220)	(214,333)		(214,333)
3,432,443			(71,220)
			3,432,443
			<u>(4,791,706)</u>
<u>4,318,501</u>	<u>(148,665)</u>		<u>(4,121,870)</u>
	<u>(73,405)</u>		<u>(73,405)</u>
	<u>(73,405)</u>		<u>(73,405)</u>
			<u>724,453</u>
			<u>724,453</u>
			(2,066,153)
	<u>1,000</u>		<u>23,655,060</u>
<u>\$</u>	<u>\$ 1,000</u>	<u>\$</u>	<u>\$ 21,588,907</u>

(Continued)

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Cash Flows by Program
Year Ended June 30, 2005
(Continued)

	<u>AHCCCS</u>	
	<u>Ambulatory Contracts</u>	<u>Long-Term Care Contracts (1)</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 3,718,239	\$ 1,647,590
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation		
Changes in assets and liabilities:		
Accounts receivable	(43,151)	391,584
Reinsurance claims receivable	(2,007,559)	(2,062,373)
Due from Medicare		(105,185)
Due from other governments	779,371	(105,970)
Inventory of supplies		(14,923)
Accounts payable and accrued liabilities	36,802	(20,524)
Accrued medical and health care claims	1,468,097	1,454,810
Accrued employee compensation	123,044	335,691
Interfund payable	(63,822)	(30,621)
Deferred revenue		
Net cash provided by (used for) operating activities	<u>\$ 4,011,021</u>	<u>\$ 1,490,079</u>

The following noncash transactions occurred during the year ended June 30, 2005:

Disposal of equipment
Deletion of related accumulated depreciation

(1) The cash flows of the Posada Del Sol Nursong Home and the ALTCS Contract have been consolidated and are reported as the Long-Term Care Contracts program. The consolidation is presented on pages 24 and 25.

<u>Grants/ Community Services System</u>	<u>Other Pima County Programs</u>	<u>Intrafund Eliminations</u>	<u>Total</u>
\$ (4,200,554)			\$ 1,165,275
	\$ 222,070		222,070
			348,433
			(4,069,932)
			(105,185)
			673,401
			(14,923)
			16,278
(116,568)			2,806,339
(1,705)			457,030
			(94,443)
<u>326</u>			<u>326</u>
<u>\$ (4,318,501)</u>	<u>\$ 222,070</u>	<u>\$</u>	<u>\$ 1,404,669</u>
	\$ 37,606		\$ 37,606
	(37,606)		(37,606)

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Net Assets
Long-Term Care Contracts
June 30, 2005

	Posada Del Sol Nursing Home			Intraprogram Eliminations	Long-Term Care Contracts Total
	ALTCS Contracts	ALTCS Residents	Other Residents (1)		
Assets					
Current assets:					
Cash and cash equivalents	\$ 5,366,636	\$ 1,376,989	\$ 122,804		\$ 6,866,429
Receivables:					
Accounts	153,679	55,962	269,821		479,462
Reinsurance claims	4,822,499				4,822,499
Interest	24,580	(5,101)	(321)		19,158
Due from:					
Medicare		299,859			299,859
Other governments	1,650,636				1,650,636
Inventory of supplies		105,609	6,622		112,231
Total assets	<u>12,018,030</u>	<u>1,833,318</u>	<u>398,926</u>		<u>14,250,274</u>
Liabilities					
Current Liabilities:					
Accounts payable and accrued liabilities	198,230	228,844	14,348		441,422
Accrued medical and health care claims	11,793,629				11,793,629
Accrued employee compensation	1,788,739	1,122,294	70,367		2,981,400
Total liabilities	<u>13,780,598</u>	<u>1,351,138</u>	<u>84,715</u>		<u>15,216,451</u>
Net Assets					
Restricted for health care		482,180	314,211	\$ (796,391)	
Unrestricted (deficit)	<u>(1,762,568)</u>			<u>796,391</u>	<u>(966,177)</u>
Total net assets	<u>\$ (1,762,568)</u>	<u>\$ 482,180</u>	<u>\$ 314,211</u>	<u>\$</u>	<u>\$ (966,177)</u>

(1) The other residents column includes the financial position related to members enrolled in the System's AHCCCS Acute Care Contract program, other counties' ALTCS Contracts program, other providers' ambulatory programs, AHCCCS fee-for-service resident programs, commercial insurance programs, and private residents not enrolled in a program.

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Revenues, Expenses,
and Changes in Net Assets
Long-Term Care Contracts
Year Ended June 30, 2005

	Posada Del Sol Nursing Home				Long-Term Care Contracts Total
	ALTCS Contracts	ALTCS Residents	Other Residents (1)	Intraprogram Eliminations	
Operating revenues:					
Capitation	\$ 134,465,290				\$ 134,465,290
Reinsurance claims	10,184,026				10,184,026
Charges for Services		\$ 14,150,435	\$ 869,506	\$ (13,120,197)	1,899,744
Other	275,714	5,623	121,020		402,357
Total operating revenues	<u>144,925,030</u>	<u>14,156,058</u>	<u>990,526</u>	<u>(13,120,197)</u>	<u>146,951,417</u>
Operating expenses:					
Medical and health care claims	131,530,689	8,565,368	537,042	(7,455,005)	133,178,094
Case management (contracted and salaried)	4,871,712				4,871,712
General, fiscal, and administrative services	3,662,990	3,450,076	216,317	(3,450,076)	3,879,307
Other	3,235,828	2,215,116	138,886	(2,215,116)	3,374,714
Total operating expenses	<u>143,301,219</u>	<u>14,230,560</u>	<u>892,245</u>	<u>(13,120,197)</u>	<u>145,303,827</u>
Operating income (loss)	<u>1,623,811</u>	<u>(74,502)</u>	<u>98,281</u>		<u>1,647,590</u>
Nonoperating revenues (expenses):					
Interest income (expense)	295,631	(22,375)	(1,404)		271,852
Premium tax	(2,884,232)				(2,884,232)
Total nonoperating revenues (expenses), net	<u>(2,588,601)</u>	<u>(22,375)</u>	<u>(1,404)</u>		<u>(2,612,380)</u>
Increase (decrease) in net assets	<u>(964,790)</u>	<u>(96,877)</u>	<u>96,877</u>		<u>(964,790)</u>
Total net assets, July 1, 2004	<u>(797,778)</u>	<u>579,057</u>	<u>217,334</u>		<u>(1,387)</u>
Total net assets (deficit) June 30, 2005	<u>\$ (1,762,568)</u>	<u>\$ 482,180</u>	<u>\$ 314,211</u>	<u>\$</u>	<u>\$ (966,177)</u>

(1) The other residents column includes the financial position related to members enrolled in the System's AHCCCS Acute Care Contract program, other counties' ALTCS Contracts program, other providers' ambulatory programs, AHCCCS fee-for-service resident programs, commercial insurance programs, and private residents not enrolled in a program.

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Cash Flows
Long-Term Care Contracts
Year Ended June 30, 2005

	<u>Posada Del Sol Nursing Home</u>				Long-Term Care Contracts Total
	<u>ALTCS Contracts</u>	<u>ALTCS Residents</u>	<u>Other Residents (1)</u>	<u>Intraprogram Eliminations</u>	
Cash flows from operating activities:					
Cash receipts from:					
Contractors, patients, and other payors	\$ 142,548,078	\$ 916,158	\$ 1,202,879		\$ 144,667,115
Other programs for medical and health care services		13,120,197	121,020	\$ (13,120,197)	121,020
Miscellaneous operations	275,714	5,623			281,337
Cash payments to:					
Providers for health care services	(106,555,216)	(1,017,688)			(107,572,904)
Other programs for medical and health care services	(13,120,197)			13,120,197	
Suppliers for goods and services	(1,592,727)	(1,724,369)	(141,749)		(3,458,845)
Employees for services	(18,666,083)	(11,210,989)	(735,726)		(30,612,798)
Other Pima County funds for goods and services	(1,777,664)	(157,182)			(1,934,846)
Net cash provided by (used for) operating activities	<u>1,111,905</u>	<u>(68,250)</u>	<u>446,424</u>		<u>1,490,079</u>
Cash flows from noncapital financing activities:					
Premium tax payments	(2,884,232)				(2,884,232)
Cash transfers to other Pima County funds	(500,000)				(500,000)
Net cash used for noncapital financing activities	<u>(3,384,232)</u>				<u>(3,384,232)</u>
Cash flows from investing activities:					
Interest received on cash and cash equivalents	282,872	(19,871)	(1,228)		261,773
Net cash provided by (used for) investing activities	<u>282,872</u>	<u>(19,871)</u>	<u>(1,228)</u>		<u>261,773</u>
Net increase (decrease) in cash and cash equivalents	(1,989,455)	(88,121)	445,196		(1,632,380)
Cash and cash equivalents, July 1, 2004	<u>7,356,091</u>	<u>1,465,110</u>	<u>(322,392)</u>		<u>8,498,809</u>
Cash and cash equivalents, June 30, 2005	<u>\$ 5,366,636</u>	<u>\$ 1,376,989</u>	<u>\$ 122,804</u>	<u>\$</u>	<u>\$ 6,866,429</u>

(Continued)

(1) The other residents column includes the cash flows related to members enrolled in the System's AHCCCS Acute Care Contract program, other counties' ALTCS Contracts program, other providers' ambulatory programs, AHCCCS fee-for-service resident programs, commercial insurance programs, and private residents not enrolled in a program.

PIMA HEALTH SYSTEM AND SERVICES
Consolidating Statement of Cash Flows
Long-Term Care Contracts
Year Ended June 30, 2005
(Continued)

	<u>Posada Del Sol Nursing Home</u>			<u>Long-Term Care Contracts Total</u>
	<u>ALTCS Contracts</u>	<u>ALTCS Residents</u>	<u>Other Residents (1)</u>	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 1,623,811	\$ (74,502)	\$ 98,281	\$ 1,647,590
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets and liabilities:				
Accounts receivable	67,106	(8,895)	333,373	391,584
Reinsurance claims receivable	(2,062,373)			(2,062,373)
Due from Medicare		(105,185)		(105,185)
Due from other governments	(105,970)			(105,970)
Inventory of supplies		(13,488)	(1,435)	(14,923)
Accounts payable and accrued liabilities	32,716	(51,813)	(1,427)	(20,524)
Accrued medical and health care claims	1,454,810			1,454,810
Accrued employee compensation	132,426	185,633	17,632	335,691
Interfund payable	(30,621)			(30,621)
Net cash provided by (used for) operating activities	<u>\$ 1,111,905</u>	<u>\$ (68,250)</u>	<u>\$ 446,424</u>	<u>\$ 1,490,079</u>

1) The other residents column includes the cash flows related to members enrolled in the System's AHCCCS Acute Care Contract program, other counties' ALTCS Contracts program, other providers' ambulatory programs, AHCCCS fee-for-service resident programs, commercial insurance programs, and private residents not enrolled in a program.

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PIMA HEALTH PLAN
Year Ended: 06/30/2005
Medical Claims Payable Report

Payable Type	RBUCS 1-30	RBUCS 31-60	RBUCS 61-90	RBUCS Over 90	Total RBUCS	IBNR	Total Payable
<i>Account: 220 - Medical Claims Payable</i>							
<i>Hospitalization</i>	1,200,393	-	-	-	1,200,393	3,570,427	4,770,820
<i>Medical</i>	1,023,661	1,037	133	-	1,024,831	1,998,774	3,023,605
<i>Other</i>	1,133,948	22,739	-	-	1,156,687	2,381,753	3,538,440
<i>Total Prospective</i>	\$ 3,358,002	\$ 23,776	\$ 133	\$ -	\$ 3,381,911	\$ 7,950,954	\$ 11,332,865
<i>Total PPC</i>	451,453	-	-	-	451,453	577,308	1,028,761
<i>Total Payable</i>	\$ 3,809,455	\$ 23,776	\$ 133	\$ -	\$ 3,833,364	\$ 8,528,262	\$ 12,361,626

PIMA HEALTH PLAN
Year Ended: 06/30/2005
Claims Lag Report
Expense Type: Hospital

Payment Qtr	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	3,511,714	2,411,564	448,647	261,691	98,475	26,622	23,954	6,782,667
1st Prior		3,372,913	1,900,802	339,390	76,005	42,568	197,145	5,928,823
2nd Prior			3,358,511	1,731,133	88,353	6,916	172,737	5,357,650
3rd Prior				2,646,425	2,702,754	510,891	122,110	5,982,180
4th Prior					3,180,492	1,335,517	543,855	5,059,864
5th Prior						1,915,985	2,402,236	4,318,221
6th Prior*							49,802,941	49,802,941
Totals	3,511,714	5,784,477	5,707,960	4,978,639	6,146,079	3,838,499	53,264,978	83,232,346
Expense	7,258,471	6,328,350	6,555,423	4,752,081	6,469,843	4,011,424	54,122,103	89,497,695
Adjustment	-	(90,322)	(603,597)	408,569	(235,687)	(126,894)	(846,598)	(1,494,529)
Remaining	3,746,757	453,551	243,866	182,011	88,077	46,031	10,527	4,770,820

* 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.

PIMA HEALTH PLAN
Year Ended: 06/30/2005
Claims Lag Report
Expense Type: Medical

Payment Qtr	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	3,341,799	2,677,190	104,167	11,298	5,361	6,752	405	6,146,972
1st Prior		3,487,946	1,783,287	178,064	31,436	5,042	(1,703)	5,484,072
2nd Prior			4,165,871	1,290,050	95,985	168,661	1,077	5,721,644
3rd Prior				3,346,041	2,408,250	235,605	37,133	6,027,029
4th Prior					2,777,583	1,483,626	81,496	4,342,705
5th Prior						2,139,794	1,319,324	3,459,118
6th Prior*							37,494,232	37,494,232
Totals	3,341,799	6,165,136	6,053,325	4,825,453	5,318,615	4,039,480	38,931,964	68,675,772
Expense	6,041,433	5,779,859	6,730,978	4,708,019	5,390,250	3,677,282	37,537,770	69,865,591
Adjustment	-	578,553	(586,978)	145,687	(59,868)	362,198	1,394,194	1,833,786
Remaining	2,699,634	193,276	90,675	28,253	11,767	-	-	3,023,605

* 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.

PIMA HEALTH PLAN
Year Ended: 06/30/2005
Claims Lag Report
Expense Type: Other

Payment Qtr	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	6,319,625	2,164,854	139,226	11,859	5,265	12,289	(2,937)	8,650,181
1st Prior		5,576,428	2,019,295	117,046	54,178	5,308	(378)	7,771,877
2nd Prior			5,656,618	1,901,480	111,797	14,197	12,571	7,696,663
3rd Prior				5,097,450	2,114,810	191,594	16,810	7,420,664
4th Prior					4,912,767	1,906,169	116,251	6,935,187
5th Prior						4,031,876	2,011,977	6,043,853
6th Prior*							71,801,606	71,801,606
Totals	6,319,625	7,741,282	7,815,139	7,127,835	7,198,817	6,161,433	73,955,900	116,320,031
Expense	9,365,342	7,544,774	8,463,036	7,016,738	7,282,385	6,084,344	75,144,325	120,900,944
Adjustment	-	471,073	(489,657)	143,568	(65,989)	86,957	(1,188,425)	(1,042,473)
Remaining	3,045,717	274,565	158,240	32,471	17,579	9,868	-	3,538,440

* 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.

PIMA HEALTH PLAN Year Ended: 06/30/2005 Pima County	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	SSI with Med	SSI with out Med	MED	Non - MED	SOBRA Family Planing	SOBRA Moms	Title XIX Total	Grand Total
REVENUE & EXPENSES													
Member Months													
SOBRA FPS Mbr Mths	0	0	0	0	0	0	0	0	0	1,901	0	1,901	1,901
PPC Member Months	384	3,905	2,359	1,201	329	441	445	303	3,954	0	606	13,927	13,927
Pros. Member Months	17,572	83,096	42,063	21,041	6,726	20,798	20,502	1,540	42,600	0	4,387	260,325	260,325
Total Member Months	17,956	87,001	44,422	22,242	7,055	21,239	20,947	1,843	46,554	1,901	4,993	276,153	276,153
Pros. & FPS Mbr. Mths	17,572	83,096	42,063	21,041	6,726	20,798	20,502	1,540	42,600	1,901	4,387	262,226	262,226
Pros. & PPC Mbr. Mths	17,956	87,001	44,422	22,242	7,055	21,239	20,947	1,843	46,554	0	4,993	274,252	274,252
REVENUES													
305 Capitation	6,685,344	7,657,399	7,011,221	2,526,193	2,259,441	5,429,914	11,123,822	1,173,933	15,383,753	21,959	728,291	60,001,270	60,001,270
310 PPC Capitation	443,187	150,678	360,477	148,356	94,206	12,925	35,231	475,535	2,298,998	0	91,960	4,111,553	4,111,553
312 Hospital Supplement	0	0	0	0	0	9,811	0	1,939,276	0	0	0	1,949,087	1,949,087
315 SOBRA Supplement	0	0	2,169,122	0	0	21,189	45,913	0	51,350	0	2,842,504	5,130,078	5,130,078
320 HIV-AIDS Supplement	0	0	20,835	10,025	0	140,419	43,258	1,156	112,174	0	0	327,867	327,867
321 TWG Settlement	0	0	0	0	0	0	0	77,120	706,554	0	0	783,674	783,674
322 PPC Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
325 Investment Income	26,274	125,643	63,679	31,678	10,288	31,888	30,946	2,301	63,625	2,944	6,529	395,795	395,795
330 Other Income	3,605	16,928	8,531	4,316	1,350	4,171	4,236	334	8,679	376	938	53,464	53,464
TOTAL REVENUES	7,158,410	7,950,648	9,633,865	2,720,568	2,365,285	5,650,317	11,283,406	3,669,655	18,625,133	25,279	3,670,222	72,752,788	72,752,788
EXPENSES													
Hospitalization													
402 Hospital Inpatient	4,343,060	540,756	2,072,991	896,123	416,429	167,265	4,555,236	906,557	6,244,942	0	1,942,182	22,085,541	22,085,541
404 Hosp Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
406 PPC-Hospital Inpatient	577,151	89,424	298,445	162,172	62,014	2,689	62,567	1,069,565	2,804,840	0	39,845	5,168,712	5,168,712
Total Hospitalization	4,920,211	630,180	2,371,436	1,058,295	478,443	169,954	4,617,803	1,976,122	9,049,782	0	1,982,027	27,254,253	27,254,253
Medical Compensation													
408 Primary Care Phy	682,981	1,902,482	1,398,866	384,207	374,106	131,124	763,262	82,500	1,910,237	5,891	100,715	7,736,371	7,736,371
410 Referral Phy	1,566,819	1,442,867	1,811,430	811,095	370,560	365,509	1,924,807	250,693	2,746,232	8,181	813,249	12,111,442	12,111,442
412 Phy Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
414 PPC - Physician Services	142,769	51,371	108,547	55,123	26,217	8,885	23,544	307,281	746,368	0	44,256	1,514,361	1,514,361
Total Medical Comp	2,392,569	3,396,720	3,318,843	1,250,425	770,883	505,518	2,711,613	640,474	5,402,837	14,072	958,220	21,362,174	21,362,174
Other Medical													
416 Emergency Services	149,264	289,148	336,281	93,313	38,978	41,060	229,130	17,646	402,408	50	39,640	1,636,918	1,636,918
418 Pharmacy	249,055	439,256	970,744	264,634	401,946	2,365,215	2,111,756	130,222	2,554,583	7,346	66,191	9,560,948	9,560,948
420 Lab, X-ray, & med image	187,910	395,541	1,550,601	341,105	349,598	212,552	1,303,746	166,670	2,349,275	355	395,710	7,253,063	7,253,063
422 Outpatient Facility	18,375	20,979	97,375	17,843	23,096	134,117	166,793	15,182	263,637	0	57,453	814,850	814,850
424 Durable Med Equip	74,148	124,724	189,146	94,721	54,984	45,333	455,629	47,518	610,497	407	36,598	1,733,705	1,733,705
426 Dental	2,325	1,853,849	356,218	196,994	14,069	39,237	89,656	11,949	162,686	0	31,125	2,758,108	2,758,108
428 Transportation	91,975	115,847	216,513	71,001	36,029	217,824	479,854	40,814	595,445	0	42,723	1,908,025	1,908,025
430 NF, Home HC	17,460	2,976	24,378	14,417	8,296	85,454	196,615	72,122	324,905	0	6,868	753,491	753,491
432 Physical Therapy	13,747	51,967	44,888	12,198	10,425	6,369	66,255	11,801	133,687	0	1,914	353,251	353,251
434 Other Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
436 Miscellaneous Med Exp	0	116	1,096	4,793	0	166	2,516	213	4,799	0	106	13,805	13,805
438 PPC-Other	31,726	59,774	142,425	65,791	22,251	13,620	36,072	251,804	674,071	0	73,931	1,371,465	1,371,465
Total Other Medical	835,985	3,354,177	3,829,665	1,176,810	959,672	3,160,947	5,138,022	765,941	8,075,993	8,158	752,259	28,157,629	28,157,629
TOTAL MEDICAL EXP	8,148,765	7,381,077	9,619,944	3,485,530	2,208,998	3,836,419	12,467,438	3,382,537	22,528,612	22,230	3,692,506	76,774,056	76,774,056
Less:													
440 Reinsurance	(981,275)	(224,627)	(191,242)	(840,829)	(103,519)	0	(3,889,238)	(963,243)	(2,801,105)	0	(142,842)	(10,137,920)	(10,137,920)
441 PPC-Reinsurance	0	0	(33,816)	(23,332)	0	0	0	(58,164)	(152,089)	0	0	(267,401)	(267,401)
442 Third Party Liability	0	(7,381)	(49,127)	(23,835)	(12,768)	(1,979)	(28,703)	(36,027)	(309,015)	0	(1,812)	(470,647)	(470,647)
TOTAL NET MEDICAL EXP	7,167,490	7,149,069	9,345,759	2,597,534	2,092,711	3,834,440	8,549,497	2,325,103	19,266,403	22,230	3,547,852	65,898,088	65,898,088
TOTAL ADMIN EXP	134,881	634,188	320,358	161,225	50,930	157,418	157,522	306,295	1,585,435	14,291	34,238	3,558,781	3,558,781
TOTAL EXPENSES	7,302,371	7,783,257	9,666,117	2,758,759	2,143,641	3,991,858	8,707,019	2,631,398	20,851,838	36,521	3,582,090	69,454,869	69,454,869
Inc (loss) from operations	(143,961)	167,391	(32,252)	(38,191)	221,644	1,658,459	2,576,387	1,038,257	(2,226,705)	(11,242)	88,132	3,297,919	3,297,919
Non-operating inc (loss)	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc (loss) before taxes	(143,961)	167,391	(32,252)	(38,191)	221,644	1,658,459	2,576,387	1,038,257	(2,226,705)	(11,242)	88,132	3,297,919	3,297,919
Income taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Premium Tax Expense	157,648	157,529	190,439	69,095	47,809	109,029	290,712	90,057	406,370	439	75,147	1,594,274	1,594,274
NET INCOME (LOSS)	(301,609)	9,862	(222,691)	(107,286)	173,835	1,549,430	2,285,675	948,200	(2,633,075)	(11,681)	12,985	1,703,645	1,703,645

Profitability by Risk Group

PIMA HEALTH PLAN Year Ended: 06/30/2005 Santa Cruz County		TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	SSI with Med	SSI with out Med	MED	Non - MED	SOBRA Family Planning	SOBRA Moms	Title XIX Total	Grand Total
REVENUE & EXPENSES														
Member Months														
SOBRA FPS Mmbr Mths	0	0	0	0	0	0	0	0	0	0	220	0	220	220
PPC Member Months	50	714	347	210	88	44	37	37	399	0	46	46	1,972	1,972
Pros. Member Months	2,870	24,196	11,808	7,600	3,705	5,597	4,098	122	7,595	0	650	650	68,241	68,241
Total Member Months	2,920	24,910	12,155	7,810	3,793	5,641	4,135	159	7,994	220	696	696	70,433	70,433
Pros. & FPS Mbr. Mths	2,870	24,196	11,808	7,600	3,705	5,597	4,098	122	7,595	220	650	650	68,461	68,461
Pros. & PPC Mbr. Mths	2,920	24,910	12,155	7,810	3,793	5,641	4,135	159	7,994	0	696	696	70,213	70,213
REVENUES														
305 Capitation	1,091,788	2,228,100	1,969,081	912,174	1,243,844	1,459,290	2,221,459	93,297	2,741,397	2,534	107,818	107,818	14,070,792	14,070,792
310 PPC Capitation	58,682	27,502	53,263	26,245	25,347	1,308	2,945	57,525	232,964	0	7,043	7,043	492,824	492,824
312 Hospital Supplement	0	0	0	0	0	19,942	0	129,515	0	0	0	0	149,457	149,457
315 SOBRA Supplement	0	0	380,879	0	0	0	12,649	5,659	23,993	0	442,861	442,861	866,041	866,041
320 HIV-AIDS Supplement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
321 TWG Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
322 PPC Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
325 Investment Income	4,226	35,963	17,797	11,260	5,481	8,448	6,087	194	11,276	326	965	965	102,023	102,023
330 Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	1,154,706	2,291,565	2,421,020	949,679	1,274,672	1,488,988	2,243,140	286,190	3,009,630	2,860	558,687	558,687	15,681,137	15,681,137
EXPENSES														
Hospitalization														
402 Hospital Inpatient	456,134	163,768	443,098	101,715	133,102	47,250	644,018	172,458	469,760	0	177,481	177,481	2,808,784	2,808,784
404 Hosp Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0	0
406 PPC-Hospital Inpatient	48,482	20,423	81,211	21,907	9,297	0	30,841	157,223	125,012	0	2,646	2,646	497,042	497,042
Total Hospitalization	504,616	184,191	524,309	123,622	142,399	47,250	674,859	329,681	594,772	0	180,127	180,127	3,305,826	3,305,826
Medical Compensation														
408 Primary Care Phy	150,443	334,396	300,547	156,466	159,295	37,260	134,892	3,907	306,029	0	10,519	10,519	1,593,754	1,593,754
410 Referral Phy	207,898	531,581	417,933	128,509	283,772	86,120	720,951	25,447	394,343	477	127,003	127,003	2,924,034	2,924,034
412 Phy Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0	0
414 PPC - Physician Services	8,819	13,216	22,383	8,644	4,895	2,262	3,545	36,658	30,501	0	5,164	5,164	136,087	136,087
Total Medical Comp	367,160	879,193	740,863	293,619	447,962	125,642	859,388	66,012	730,873	477	142,686	142,686	4,653,875	4,653,875
416 Emergency Services	19,258	78,346	54,204	27,065	14,926	6,387	23,373	360	37,897	0	3,256	3,256	265,072	265,072
418 Pharmacy	50,777	155,225	260,132	87,696	145,005	476,286	480,229	24,047	291,567	177	11,649	11,649	1,982,790	1,982,790
420 Lab, X-ray, & med image	27,366	190,429	356,905	106,110	198,237	53,263	192,191	25,379	316,202	8	38,266	38,266	1,504,356	1,504,356
422 Outpatient Facility	1,209	6,418	39,322	5,360	28,344	31,602	209,301	8,207	29,993	0	4,627	4,627	364,383	364,383
424 Durable Med Equip	3,111	40,286	44,424	10,466	20,776	6,756	50,721	21,701	50,412	0	6,194	6,194	254,847	254,847
426 Dental	0	486,447	79,039	50,289	5,638	5,932	11,377	139	22,420	0	2,852	2,852	664,133	664,133
428 Transportation	30,669	45,170	49,492	20,395	33,897	80,317	58,928	2,555	69,352	0	4,217	4,217	394,992	394,992
430 NF, Home HC	2,173	0	1,143	0	0	21,293	17,795	1,660	9,492	0	0	0	53,556	53,556
432 Physical Therapy	2,993	12,126	15,950	8,070	6,220	6,160	10,020	32,327	23,719	0	6	6	119,591	119,591
434 Other Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0	0
436 Miscellaneous Med Exp	0	0	0	0	0	0	0	0	0	0	0	0	0	0
438 PPC-Other	249	17,702	24,429	17,148	3,565	49	3,337	139,188	60,614	0	5,226	5,226	271,507	271,507
Total Other Medical	137,805	1,032,149	925,040	332,599	458,608	688,045	1,057,272	255,563	911,668	185	76,293	76,293	5,875,227	5,875,227
TOTAL MEDICAL EXP	1,009,581	2,095,533	2,190,212	749,840	1,048,969	860,937	2,591,519	651,256	2,237,313	662	399,106	399,106	13,834,928	13,834,928
Less:														
440 Reinsurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
441 PPC-Reinsurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
442 Third Party Liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET MEDICAL EXP	1,009,581	2,095,533	2,190,212	749,840	1,048,969	860,937	2,591,519	651,256	2,237,313	662	399,106	399,106	13,834,928	13,834,928
TOTAL ADMIN EXP														
	31,943	269,496	131,240	84,586	41,307	62,253	45,682	20,809	231,030	2,450	7,295	7,295	928,071	928,071
TOTAL EXPENSES	1,041,524	2,365,029	2,321,452	834,426	1,090,276	923,190	2,637,181	672,065	2,466,343	3,112	406,401	406,401	14,762,999	14,762,999
Inc (loss) from operations	113,182	(73,464)	99,568	115,253	184,396	565,798	(394,041)	(385,875)	541,287	(252)	152,286	152,286	918,138	918,138
Non-operating inc (loss)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc (loss) before taxes	113,182	(73,464)	99,568	115,253	184,396	565,798	(394,041)	(385,875)	541,287	(252)	152,286	152,286	918,138	918,138
Income taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Premium Tax Expense	23,106	45,266	48,406	18,837	25,477	29,667	44,859	5,870	60,316	52	11,354	11,354	313,200	313,200
NET INCOME (LOSS)	90,076	(118,720)	51,162	96,416	158,919	536,131	(438,900)	(391,745)	480,971	(304)	140,932	140,932	604,938	604,938

PIMA HEALTH PLAN Year Ended: 06/30/2005 Total Counties	TANF < 1 MF	TANF 1-13 MF	TANF 14-44 F	TANF 14-44 M	TANF 45+	SSI with Med	SSI with out Med	MED	Non - MED	SOBRA Family Planing	SOBRA Moms	Title XIX Total	Grand Total
REVENUE & EXPENSES													
Member Months													
SOBRA FPS Mmbr Mths	0	0	0	0	0	0	0	0	0	2,121	0	2,121	2,121
PPC Member Months	434	4,619	2,706	1,411	417	485	482	340	4,353	0	652	15,899	15,899
Pros. Member Months	20,442	107,292	53,871	28,641	10,431	26,395	24,600	1,662	50,195	0	5,037	328,566	328,566
Total Member Months	20,876	111,911	56,577	30,052	10,848	26,880	25,082	2,002	54,548	2,121	5,689	346,586	346,586
Pros. & FPS Mbr. Mths	20,442	107,292	53,871	28,641	10,431	26,395	24,600	1,662	50,195	2,121	5,037	330,687	330,687
Pros. & PPC Mbr. Mths	20,876	111,911	56,577	30,052	10,848	26,880	25,082	2,002	54,548	0	5,689	344,465	344,465
REVENUES													
305 Capitation	7,777,142	9,885,499	8,980,302	3,438,367	3,503,285	6,889,204	13,345,281	1,267,230	18,125,150	24,493	836,109	74,072,062	74,072,062
310 PPC Capitation	501,869	178,180	413,740	174,601	119,553	14,233	38,176	533,060	2,531,962	0	99,003	4,604,377	4,604,377
312 Hospital Supplement	0	0	0	0	0	29,753	0	2,068,791	0	0	0	2,098,544	2,098,544
315 SOBRA Supplement	0	0	2,550,001	0	0	21,189	58,562	5,659	75,343	0	3,285,365	5,996,119	5,996,119
320 HIV-AIDS Supplement	0	0	20,835	10,025	0	140,419	43,258	1,156	112,174	0	0	327,867	327,867
321 TWG Settlement	0	0	0	0	0	0	0	77,120	706,554	0	0	783,674	783,674
322 PPC Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
325 Investment Income	30,500	161,606	81,476	42,938	15,769	40,336	37,033	2,495	74,901	3,270	7,494	497,818	497,818
330 Other Income	3,605	16,928	8,531	4,316	1,350	4,171	4,236	334	8,679	376	938	53,464	53,464
TOTAL REVENUES	8,313,116	10,242,213	12,054,885	3,670,247	3,639,957	7,139,305	13,526,546	3,955,845	21,634,763	28,139	4,228,909	88,433,925	88,433,925
EXPENSES													
Hospitalization													
402 Hospital Inpatient	4,799,194	704,524	2,516,089	997,838	549,531	214,515	5,199,254	1,079,015	6,714,702	0	2,119,663	24,894,325	24,894,325
404 Hosp Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
406 PPC-Hospital Inpatient	625,633	109,847	379,656	184,079	71,311	2,689	93,408	1,226,788	2,929,852	0	42,491	5,665,754	5,665,754
Total Hospitalization	5,424,827	814,371	2,895,745	1,181,917	620,842	217,204	5,292,662	2,305,803	9,644,554	0	2,162,154	30,560,079	30,560,079
Medical Compensation													
408 Primary Care Phy	833,424	2,236,878	1,699,413	540,673	533,401	169,384	898,154	86,407	2,216,266	5,891	111,234	9,330,125	9,330,125
410 Referral Phy	1,774,717	1,974,448	2,229,363	939,604	654,332	451,629	2,645,758	276,140	3,140,575	8,658	940,252	15,035,476	15,035,476
412 Phy Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
414 PPC - Physician Services	151,589	64,587	130,930	63,767	31,112	11,147	27,089	343,939	776,869	0	49,420	1,650,448	1,650,448
Total Medical Comp	2,759,729	4,275,913	4,059,706	1,544,044	1,218,845	631,160	3,571,001	706,486	6,133,710	14,549	1,100,906	26,016,049	26,016,049
416 Emergency Services	168,522	367,494	390,485	120,378	53,904	47,447	252,503	18,006	440,305	50	42,896	1,901,990	1,901,990
418 Pharmacy	299,832	594,481	1,230,876	352,330	546,951	2,841,501	2,591,985	154,269	2,846,150	7,523	77,840	11,543,738	11,543,738
420 Lab, X-ray, & med image	215,276	585,970	1,907,506	447,215	547,835	265,815	1,495,937	192,049	2,665,477	363	433,970	8,757,419	8,757,419
422 Outpatient Facility	19,584	27,397	136,697	23,203	51,440	165,719	376,094	23,389	293,630	0	62,080	1,179,233	1,179,233
424 Durable Med Equip	77,259	165,010	233,570	105,187	75,760	52,089	506,350	69,219	660,909	407	42,792	1,988,552	1,988,552
426 Dental	2,325	2,340,296	435,257	247,283	19,707	45,169	101,033	12,088	185,106	0	33,977	3,422,241	3,422,241
428 Transportation	122,644	161,017	266,005	91,396	69,926	298,141	538,782	43,369	664,797	0	46,940	2,303,017	2,303,017
430 NF, Home HC	19,633	2,976	25,521	14,417	8,296	106,747	214,410	73,782	334,397	0	6,868	807,047	807,047
432 Physical Therapy	16,740	64,093	60,838	20,268	18,645	12,529	76,275	44,128	157,406	0	1,920	472,842	472,842
434 Other Risk Pool Exp	0	0	0	0	0	0	0	0	0	0	0	0	0
436 Miscellaneous Med Exp	0	116	1,096	4,793	0	166	2,516	213	4,799	0	106	13,805	13,805
438 PPC-Other	31,975	77,476	166,854	82,939	25,816	13,669	39,409	390,992	734,685	0	79,157	1,642,972	1,642,972
Total Other Medical	973,790	4,386,326	4,854,705	1,509,409	1,418,280	3,848,992	6,195,294	1,021,504	8,987,661	8,343	828,552	34,032,856	34,032,856
TOTAL MEDICAL EXP	9,158,346	9,476,610	11,810,156	4,235,370	3,257,967	4,697,356	15,058,957	4,033,793	24,765,925	22,892	4,091,612	90,608,984	90,608,984
Less:													
440 Reinsurance	(981,275)	(224,627)	(191,242)	(840,829)	(103,519)	0	(3,889,238)	(963,243)	(2,801,105)	0	(142,842)	(10,137,920)	(10,137,920)
441 PPC-Reinsurance	0	0	(33,816)	(23,332)	0	0	0	(58,164)	(152,089)	0	0	(287,401)	(287,401)
442 Third Party Liability	0	(7,381)	(49,127)	(23,835)	(12,768)	(1,979)	(28,703)	(36,027)	(309,015)	0	(1,812)	(470,647)	(470,647)
TOTAL NET MEDICAL EXP	8,177,071	9,244,602	11,535,971	3,347,374	3,141,680	4,695,377	11,141,016	2,976,359	21,503,716	22,892	3,946,958	79,733,016	79,733,016
TOTAL ADMIN EXP	166,824	903,684	451,598	245,811	92,237	219,671	203,184	327,104	1,816,465	16,741	41,533	4,484,852	4,484,852
TOTAL EXPENSES	8,343,895	10,148,286	11,987,569	3,593,185	3,233,917	4,915,048	11,344,200	3,303,463	23,320,181	39,633	3,988,491	84,217,868	84,217,868
Inc (loss) from operations	(30,779)	93,927	67,316	77,062	406,040	2,224,257	2,182,346	652,382	(1,685,418)	(11,494)	240,418	4,216,057	4,216,057
Non-operating inc (loss)	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc (loss) before taxes	(30,779)	93,927	67,316	77,062	406,040	2,224,257	2,182,346	652,382	(1,685,418)	(11,494)	240,418	4,216,057	4,216,057
Income taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Premium Tax Expense	180,754	202,785	238,845	87,932	73,286	138,696	335,571	95,927	466,686	491	86,501	1,907,474	1,907,474
NET INCOME (LOSS)	(211,533)	(108,858)	(171,529)	(10,870)	332,754	2,085,561	1,846,775	556,455	(2,152,104)	(11,985)	153,917	2,308,583	2,308,583

PIMA HEALTH PLAN
Year Ended:06/30/2005
PPC Claims Lag Report
Expense Type: Hospital

Payment Qtr	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	901,696	166,150	214,168	33,056	33,455	21,981	-	1,370,506
1st Prior		297,248	606,500	199,988	26,574	11,449	-	1,141,759
2nd Prior			313,626	866,345	109,645	44,460	5,997	1,340,073
3rd Prior				575,349	755,148	252,906	9,838	1,593,241
4th Prior					883,201	355,727	227,481	1,466,409
5th Prior						218,002	761,359	979,361
6th Prior*							5,521,727	5,521,727
Totals	901,696	463,398	1,134,294	1,674,738	1,808,023	904,525	6,526,402	13,413,076
Expense	1,498,929	1,259,805	1,178,000	1,729,020	1,311,345	1,035,014	5,943,387	13,955,500
Adjustment		(728,707)	(43,706)	(54,282)	496,678	(130,489)	583,015	122,509
Remaining	597,233	67,700	-	-	-	-	-	664,933

* 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.

PIMA HEALTH PLAN
Year Ended:06/30/2005
PPC Claims Lag Report
Expense Type: Medical

Payment Qtr	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	238,151	60,951	30,333	15,956	6,689	(1,454)	211	350,837
1st Prior		102,688	167,834	54,875	15,222	1,716	165	342,500
2nd Prior			115,720	230,472	35,481	12,704	14,398	408,775
3rd Prior				199,494	293,017	73,953	17,718	584,182
4th Prior					276,144	58,760	40,670	375,574
5th Prior						77,773	243,015	320,788
6th Prior*							1,596,474	1,596,474
Totals	238,151	163,639	313,887	500,797	626,553	223,452	1,912,651	3,979,130
Expense	394,764	327,414	380,359	547,911	442,057	342,761	1,692,814	4,128,080
Adjustment		(133,994)	(66,472)	(47,114)	184,496	(119,309)	219,837	37,444
Remaining	156,613	29,781	-	-	-	-	-	186,394

* 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.

PIMA HEALTH PLAN
Year Ended:06/30/2005
PPC Claims Lag Report
Expense Type: Other

Payment Qtr	Current	1st Prior	2nd Prior	3rd Prior	4th Prior	5th Prior	6th Prior*	Total
Current	273,615	52,742	39,608	5,880	1,500	173	147	373,665
1st Prior		61,634	151,135	38,577	11,609	1,924	1,021	265,900
2nd Prior			59,492	274,316	79,378	7,759	1,747	422,692
3rd Prior				102,684	310,109	149,212	16,818	578,823
4th Prior					259,191	57,943	76,595	393,729
5th Prior						55,487	222,818	278,305
6th Prior*							1,523,869	1,523,869
Totals	273,615	114,376	250,235	421,457	661,787	272,498	1,843,015	3,836,983
Expense	418,467	272,361	311,790	640,354	385,596	342,038	1,588,969	3,959,575
Adjustment		(125,403)	(61,555)	(218,897)	276,191	(69,540)	254,046	54,842
Remaining	144,852	32,582	-	-	-	-	-	177,434

* 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.

PIMA HEALTH PLAN
OFFICERS AND DIRECTORS

Year Ended June 30, 2005

<u>NAME</u>	<u>TITLE</u>	<u>OTHER RELATIONSHIP TO PLAN</u>	<u>TYPE OF COMPENSATION</u>
DiCicco, Melanie	Behavioral Health Manager	None	Salary
Eyde, Kathy	Preventative & Maternal Child Health Manager	None	Salary
Frederick, Pam	Quality Management Manager	None	Salary
Hartsfield, Kelli	Grievance Coordinator	None	Salary
Kaehler, Mary	Plan Administrator	None	Salary
Le Blanc, Marcia	Contracts, Provider & Member Services Manager	None	Salary
Newton, Marita	Corporate Compliance & Privacy Officer	None	Salary (1)
Peterson, Timothy, M.D.	Medical Director	None	Salary
Roundtree, Virginia	Corporate Compliance & Privacy Officer	None	Salary (2)
Russell, R. Mark, M.D.	Medical Director	None	Salary
Terry, Donna	Chief Financial Officer	None	Salary
Toro, Anthony	Claims Manager	None	Salary
Wortman, Susan	Utilization Management Manager	None	Salary

(1) Resigned or (2) changed positions during the period for July 1, 2004 to June 30, 2005.

PIMA HEALTH SYSTEM AND SERVICES
AHCCCS Schedule 6
Summary Financial Data (11)
Year Ended June 30, 2005

	Total	Per Member Per Month
Capitation revenues	\$ 87,882,643	\$ 253.57
Reinsurance claims revenue	10,405,321	30.02
Other income	524,111	1.51
Medical claims expense (1)	90,608,984	261.43
Net medical claims expense (2)	80,203,663	231.41
Expenses other than medical claims (10)	6,392,326	18.44
Net income	2,308,583	6.66

	Total	Per Enrollee
Cash and cash equivalents	\$ 14,721,478	\$ 510.60
Total assets	19,162,926	664.64
Accrued medical and health care claims (3)	12,361,626	428.75
Non-medical payables	482,404	16.73
Net assets	6,318,896	219.16

	Ratio
Medical claims expense to total revenue	.92 to 1.00
Net medical claims expense to capitation revenue	.91 to 1.00
Expenses other than medical claims to total revenue	.06 to 1.00
Expenses other than medical claims to capitation revenue	.07 to 1.00
Net income to capitation revenues	.03 to 1.00
Current assets to current liabilities (working capital ratio)	1.49 to 1.00
Cash and cash equivalents to accrued medical and health care claims	1.19 to 1.00

	Percent
Operating margin (4)	8.74
Return on capitation revenues (5)	2.63
Return on equity (6)	36.53
Return on total assets (7)	12.05

	Days
Received but unpaid claims days outstanding (8)	16
Accrued medical and health care claims days outstanding (9)	50

- (1) Medical claims expense includes \$1,105,306 in subcapitation expense.
- (2) Net medical claims expense represents medical claims expense net of reinsurance claims revenues.
- (3) Accrued medical and health care claims includes \$3,833,364 in reported but unpaid claims.
- (4) Capitation revenues less net medical claims expense divided by capitation revenues.
- (5) Net income divided by capitation revenues.
- (6) Net income divided by net assets.
- (7) Net income divided by total assets.
- (8) Reported but unpaid claims divided by the average daily medical claims expense net of subcapitation expense.
- (9) Accrued medical and health care claims divided by average daily medical expense net of subcapitation expense.
- (10) Expenses other than medical claims include \$1,907,474 in premium taxes.
- (11) This schedule is presented for purposes of additional analysis and is not a required part of the annual supplementary schedules prescribed by the *AHCCCS Reporting Guide*.

Program Contractor Financial Reporting Systems - Report #7 - Medical Claims Payable (RBUCs & IBNRs)

Program Contractor PIMA LONG TERM CARE

Fiscal Year Ending 06/30/05

<-----Reported But Unpaid Claims (RBUCs)----->							
ACCOUNT	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL RBUCs	IBNR	TOTAL RBUCs & IBNRs
Institutional Care	289,452	-	-	-	289,452	3,817,165	4,106,617
HCBS	945,471	-	-	-	945,471	2,234,093	3,179,564
Acute Care	997,968	1,681	-	-	999,649	3,146,580	4,146,229
Other Medical	137,632	-	-	-	137,632	149,989	287,621
Total Prospective	2,370,523	1,681	-	-	2,372,204	9,347,827	11,720,031
Total Prior Period Coverage	39,037	-	-	-	39,037	34,561	73,598
TOTAL CLAIMS PAYABLE	2,409,560	1,681	-	-	2,411,241	9,382,388	11,793,629

Contractor **PIMA LONG TERM CARE**

Fiscal Year Ending **06/30/05**

INSTITUTIONAL PAYMENTS									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		← QUARTER IN WHICH SERVICE PROVIDED →							
LINE	QUARTER OF PAYMENT	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR	4TH PRIOR	5TH PRIOR	6TH PRIOR	TOTAL
1	CURRENT	11,584,676	3,998,648	101,974	22,514	869	(9,129)	(184)	15,699,368
2	1ST PRIOR		10,323,458	4,378,942	42,252	(260)	(2,384)	6,153	14,748,161
3	2ND PRIOR			11,476,591	3,621,695	68,809	19,479	-	15,186,574
4	3RD PRIOR				11,146,207	3,483,434	73,727	23,781	14,727,149
5	4TH PRIOR					11,732,641	3,149,629	103,400	14,985,670
6	5TH PRIOR						9,900,990	4,153,691	14,054,681
7	6TH PRIOR							10,214,809	10,214,809
8	TOTALS	11,584,676	14,322,106	15,957,507	14,832,668	15,285,493	13,132,312	14,501,650	99,616,412
9	EXP. REPORTED	15,590,022	15,094,686	15,676,413	14,667,135	14,956,643	14,189,976	14,787,144	104,962,019
10	ADJUSTMENT		707,219	(306,854)	(175,683)	(328,850)	1,057,664	285,494	1,238,990
11	REMAINING LIABILITY	4,005,346	65,361	25,760	10,150	-	-	-	4,106,617

HCBS PAYMENTS									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		← QUARTER IN WHICH SERVICE PROVIDED →							
LINE	QUARTER OF PAYMENT	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR	4TH PRIOR	5TH PRIOR	6TH PRIOR	TOTAL
1	CURRENT	5,619,490	2,876,333	13,944	5,572	192	(764)	-	8,514,767
2	1ST PRIOR		5,870,292	2,029,316	35,037	4,662	249	118	7,939,674
3	2ND PRIOR			5,914,722	2,133,471	20,640	3,058	808	8,072,699
4	3RD PRIOR				5,780,638	2,577,448	70,689	6,568	8,435,343
5	4TH PRIOR					5,496,026	2,303,546	30,066	7,829,638
6	5TH PRIOR						6,014,586	1,579,765	7,594,351
7	6TH PRIOR							6,641,338	6,641,338
8	TOTALS	5,619,490	8,746,625	7,957,982	7,954,718	8,098,968	8,391,364	8,258,663	55,027,810
9	EXP. REPORTED	8,273,581	8,859,089	8,272,737	8,582,999	8,291,354	8,184,854	8,029,367	58,493,981
10	ADJUSTMENT		(327,833)	265,948	598,624	185,674	(206,510)	(229,296)	286,607
11	REMAINING LIABILITY	2,654,091	440,297	48,807	29,657	6,712	-	-	3,179,564

ACUTE PAYMENTS									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		← QUARTER IN WHICH SERVICE PROVIDED →							
LINE	QUARTER OF PAYMENT	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR	4TH PRIOR	5TH PRIOR	6TH PRIOR	TOTAL
1	CURRENT	4,676,454	2,946,756	225,197	43,127	19,258	5,631	11,508	7,927,931
2	1ST PRIOR		5,920,939	1,637,444	418,612	67,296	24,448	(2,254)	8,066,485
3	2ND PRIOR			5,248,793	2,204,437	208,140	51,735	46,481	7,759,586
4	3RD PRIOR				5,675,036	1,929,323	95,539	18,078	7,717,976
5	4TH PRIOR					4,453,232	2,897,446	288,060	7,638,738
6	5TH PRIOR						3,963,066	3,192,846	7,155,912
7	6TH PRIOR							4,606,526	4,606,526
8	TOTALS	4,676,454	8,867,695	7,111,434	8,341,212	6,677,249	7,037,865	8,161,245	50,873,154
9	EXP. REPORTED	8,107,154	8,132,491	7,484,119	7,815,742	7,492,833	7,606,994	7,548,468	54,187,801
10	ADJUSTMENT		(1,214,842)	245,687	(605,328)	786,549	569,129	(612,777)	(831,582)
11	REMAINING LIABILITY	3,430,700	479,638	126,998	79,858	29,035	-	-	4,146,229

OTHER MEDICAL PAYMENTS									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		← QUARTER IN WHICH SERVICE PROVIDED →							
LINE	QUARTER OF PAYMENT	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR	4TH PRIOR	5TH PRIOR	6TH PRIOR	TOTAL
1	CURRENT	984,120	90,446	10,017	12,282	6,181	-	-	1,103,046
2	1ST PRIOR		658,215	306,075	3,884	1,162	84	-	969,420
3	2ND PRIOR			782,435	233,230	18,167	8,285	5,691	1,047,808
4	3RD PRIOR				809,803	277,549	13,519	6,901	1,107,772
5	4TH PRIOR					926,078	137,257	35,228	1,098,563
6	5TH PRIOR						735,261	334,389	1,069,650
7	6TH PRIOR							648,689	648,689
8	TOTALS	984,120	748,661	1,098,527	1,059,199	1,229,137	894,406	1,030,898	7,044,948
9	EXP. REPORTED	1,190,670	905,943	982,065	1,076,441	1,160,173	890,916	1,101,696	7,307,904
10	ADJUSTMENT		109,435	(137,568)	5,124	(68,964)	(3,490)	70,798	(24,665)
11	REMAINING LIABILITY	206,550	47,847	21,106	12,118	-	-	-	287,621

Program Contractor Financial Reporting Systems -
 Report #10 Analysis of Profitability by County by Major Rate Code Classification - Pima County

Program Contractor

PIMA LONG TERM CARE

Fiscal Year Ending

06/30/05

Account #	Account Description	MEDICARE	NON-MEDICARE	TOTAL
Revenues:				
305	Capitation	99,813,304	26,344,121	126,157,425
310	PPC Capitation	684,384	65,010	749,394
320	HIV/AIDS /Supplement	110,667	29,229	139,896
325	Investment Income *	219,984	57,910	277,894
335	Patient Contributions	6,519	1,709	8,228
340	HCBS Placement Reconciliation *	-	-	-
345	Share of Cost (SOC) Reconciliation *	360,763	94,747	455,510
330	Other Income (Specify)	9,427	2,482	11,909
380	Reinsurance	2,962,818	7,219,302	10,182,120
381	PPC - Reinsurance	2	1,904	1,906
385	Third Party Liability Recoveries	10,235	244,057	254,292
	TOTAL REVENUES	\$ 104,178,103	\$ 34,060,471	\$ 138,238,574
Institutional Care Expenses				
400	NH ICF & Bedholds	-	-	-
402	Level I	17,451,489	2,946,821	20,398,310
404	Level II	23,358,268	3,699,327	27,057,595
406	Level III	8,986,860	1,358,873	10,345,733
408	Institutional Care	-	-	-
410	PPC Institutional	648,735	25,531	674,266
412	Share of Cost (SOC) Reconciliation *	-	-	-
	TOTAL INSTITUTIONAL CARE	\$ 50,445,352	\$ 8,030,552	\$ 58,475,904
Home & Community Based Services (HCBS) Expenses				
414	Home Health Nurse	1,006,982	936,722	1,943,704
416	Home Health Aide	7,676	1,608	9,284
418	Personal Care	3,224,200	1,246,974	4,471,174
420	Homemaker	934,788	247,786	1,182,574
422	Home Delivered Meals	264,790	68,812	333,602
424	Respite Care	724,742	198,536	923,278
426	Attendant Care	7,218,616	2,710,264	9,928,880
428	Assisted Living Home	4,872,958	951,422	5,824,380
430	Adult Day Health	198,362	46,182	244,544
432	Adult Foster Care	1,083,271	351,698	1,434,969
434	Group Respite	-	-	-
436	Hospice	-	380,279	380,279
438	Environmental Modifications	18,456	507	18,963
440	HCBS Placement Reconciliation *	30,908	8,159	39,067
442	Assisted Living Center	2,814,063	1,273,675	4,087,738
444	Other (Lifeline, Sheltered Employment)	242,434	128,534	370,968
	TOTAL HCBS	\$ 22,642,246	\$ 8,551,158	\$ 31,193,404
Acute Care Expenses				
448	Inpatient Services (Hosp.)	520,990	5,772,106	6,293,096
450	Primary Care Physician Services	531,243	1,050,835	1,582,079
452	Referral Physician Services	941,962	1,889,216	2,831,178
454	Emergency Services	54,787	106,172	160,959
456	Out Patient Facility	244,393	329,809	574,202
458	Prescription Drug	7,739,727	3,735,328	11,475,055
460	Lab/Radiology	285,269	1,001,749	1,287,018
462	Durable Medical Equipment	266,525	1,221,395	1,487,920
464	Dental	45,591	35,036	80,627
466	Transportation	1,432,612	925,836	2,358,448
468	Therapies	76,505	164,262	240,767
470	Outpatient Behavioral Health	634,241	1,022,533	1,656,774
471	PPC Acute Care	89,605	32,866	122,471
472	Other (Specify)	-	-	-
	TOTAL ACUTE CARE	\$ 12,863,450	\$ 17,287,144	\$ 30,150,594
Other Medical Expenses				
474	Ventilator Dependent	1,669,423	2,317,232	3,986,655
476	Risk Pool Adjustment	-	-	-
477	PPC - Other	-	-	-
479	Other (Specify)	-	-	-
	TOTAL OTHER MEDICAL	\$ 1,669,423	\$ 2,317,232	\$ 3,986,655
486	Case Management	3,618,972	955,511	4,574,483
	TOTAL REDUCTION TO MEDICAL EXPENSES			
	TOTAL MEDICAL EXPENSE:	\$ 91,239,443	\$ 37,141,597	\$ 128,381,040
Administrative Expenses:*				
484	Compensation	2,709,445	730,339	3,439,784
488	Data Processing	365,412	98,497	463,909
490	Management Fees	-	-	-
492	Interest Expense	-	-	-
494	Occupancy	549,433	148,102	697,535
495	Marketing	-	-	-
496	Depreciation	-	-	-
497	Other (Specify)	1,478,584	398,557	1,877,141
	TOTAL ADMINISTRATION	\$ 5,102,874	\$ 1,375,495	\$ 6,478,369
	TOTAL EXPENSE	\$ 96,342,317	\$ 38,517,092	\$ 134,859,409
	INCOME FROM OPERATIONS	\$ 7,835,786	\$ (4,456,621)	\$ 3,379,165
498	Non-Operating Income (Loss)	\$ -	\$ -	\$ -
	INCOME(LOSS) BEFORE INCOME TAXES	\$ 7,835,786	\$ (4,456,621)	\$ 3,379,165
499	Provision for Income and/or Premium Taxes	2,072,049	672,851	2,744,900
	NET INCOME(LOSS) AFTER INCOME TAXES	\$ 5,763,737	\$ (5,129,472)	\$ 634,265

Program Contractor Financial Reporting Systems -
 Report #10 Analysis of Profitability by County by Major Rate Code Classification - Santa Cruz County

Program Contractor

PIMA LONG TERM CARE

Fiscal Year Ending

06/30/05

Account #	Account Description	MEDICARE	NON-MEDICARE	TOTAL
Revenues:				
305	Capitation	5,198,454	1,698,757	6,897,211
310	PPC Capitation	24,492	3,358	27,850
320	HIV-AIDS /Supplement	6,697	2,232	8,929
325	Investment Income *	13,303	4,434	17,737
335	Patient Contributions	394	131	525
340	HCBS Placement Reconciliation *	-	-	-
345	Share of Cost (SOC) Reconciliation *	21,806	7,269	29,075
330	Other Income (Specify)	570	190	760
380	Reinsurance	-	-	-
381	PPC - Reinsurance	-	-	-
385	Third Party Liability Recoveries	-	-	-
TOTAL REVENUES		\$ 5,265,716	\$ 1,716,371	\$ 6,982,087
Institutional Care Expenses:				
400	NH ICF & Bedholds	-	-	-
402	Level I	563,773	116,264	680,037
404	Level II	1,365,058	368,321	1,733,379
406	Level III	631,032	182,171	813,203
408	Institutional Care	-	-	-
410	PPC Institutional	14,250	3,363	17,613
412	Share of Cost (SOC) Reconciliation *	-	-	-
TOTAL INSTITUTIONAL CARE		\$ 2,574,113	\$ 670,119	\$ 3,244,232
Home & Community Bases Services (HCBS)Expenses:				
414	Home Health Nurse	60,117	40,454	100,571
416	Home Health Aide	104	-	104
418	Personal Care	78,516	22,475	100,991
420	Homemaker	59,398	26,890	86,288
422	Home Delivered Meals	61,265	12,720	73,985
424	Respite Care	64,440	8,475	72,915
426	Attendant Care	1,595,853	428,017	2,023,870
428	Assisted Living Home	181,581	87,619	269,200
430	Adult Day Health	-	-	-
432	Adult Foster Care	-	-	-
434	Group Respite	-	-	-
436	Hospice	-	14,389	14,389
438	Environmental Modifications	-	-	-
440	HCBS Placement Reconciliation *	2,197	297	2,494
442	Assisted Living Center	15,743	1,913	17,656
444	Other (Lifeline, Sheltered Employment)	21,184	11,353	32,537
TOTAL HCBS		\$ 2,140,398	\$ 654,602	\$ 2,795,000
Acute Care Expenses:				
448	Inpatient Services (Hosp)	31,978	158,825	190,803
450	Primary Care Physician Services	30,920	32,880	63,800
452	Referral Physician Services	53,524	58,770	112,294
454	Emergency Services	3,184	4,832	8,016
456	Out Patient Facility	28,600	3,693	32,293
458	Prescription Drug	474,145	219,469	693,614
460	Lab/Radiology	24,865	35,767	60,632
462	Durable Medical Equipment	16,262	148,115	164,377
464	Dental	5,617	908	6,525
466	Transportation	125,387	30,502	155,889
468	Therapies	4,793	10,140	14,933
470	Outpatient Behavioral Health	8,080	129	8,209
471	PPC Acute Care	5,051	-	5,051
472	Other (Specify)	-	-	-
TOTAL ACUTE CARE		\$ 812,406	\$ 704,030	\$ 1,516,436
Other Medical Expenses:				
474	Ventilator Dependent	9,244	159,220	168,464
476	Risk Pool Adjustment	-	-	-
477	PPC - Other	-	-	-
479	Other (Specify)	-	-	-
TOTAL OTHER MEDICAL		\$ 9,244	\$ 159,220	\$ 168,464
486	Case Management	223,975	73,254	297,229
TOTAL REDUCTION TO MEDICAL EXPENSES				
TOTAL MEDICAL EXPENSE:		\$ 5,760,136	\$ 2,261,225	\$ 8,021,361
Administrative Expenses: *				
484	Compensation	168,216	54,990	223,206
488	Data Processing	22,637	7,393	30,030
490	Management Fees	-	-	-
492	Interest Expense	-	-	-
494	Occupancy	34,128	11,159	45,287
495	Marketing	-	-	-
496	Depreciation	-	-	-
497	Other (Specify)	91,879	30,047	121,926
TOTAL ADMINISTRATION		\$ 316,860	\$ 103,589	\$ 420,449
TOTAL EXPENSE		\$ 6,076,996	\$ 2,364,814	\$ 8,441,810
INCOME FROM OPERATIONS		\$ (811,280)	\$ (648,443)	\$ (1,459,723)
498	Non-Operating Income (Loss)	\$ -	\$ -	\$ -
INCOME(LOSS) BEFORE INCOME TAXES		\$ (811,280)	\$ (648,443)	\$ (1,459,723)
499	Provision for Income and/or Premium Taxes	105,082	34,250	139,332
NET INCOME(LOSS) AFTER INCOME TAXES		\$ (916,362)	\$ (682,693)	\$ (1,599,055)

Program Contractor Financial Reporting Systems - Report #11A Utilization Data Report by County

Program Contractor

PIMA LONG TERM CARE

Fiscal Year Ending

06/30/05

Utilization Data Report by County - Pima County

ITEM DESCRIPTION	MEDICARE		NON-MEDICARE		TOTAL	
	Current Period	YTD	Current Period	YTD	Current Period	YTD
A. Enrollees (At End of Period)	2,896	2,896	757	757	3,653	3,653
B. Member Months (Unduplicated)	8,728	34,730	2,267	9,169	10,995	43,899
Institutional Member Months Total						
1. Level 1	1,429	5,907	213	880	1,642	6,787
2. Level 2	1,781	7,035	247	1,002	2,028	8,037
3. Level 3	495	1,845	111	446	606	2,291
4. Specialty: Wandering Dementia						
5. Specialty: SubAcute Medical						
6. Specialty: Behavioral Health						
7. Specialty: Respite Care						
8. Home and Community Based Services (HCBS) Total						
a. Adult Foster Care	184	750	49	198	233	948
b. Assisted Living Home	1,008	4,041	122	503	1,130	4,544
c. Group Home (DD)	-	-	-	-	-	-
d. Individual Home	3,306	13,074	1,218	4,944	4,524	18,018
e. Assisted Living Centers	409	1,576	142	536	551	2,112
f. Other (Specify) Group Home	24	122	20	86	44	208
9. Acute Care	45	154	94	397	139	551
10. Ventilator	47	226	51	177	98	403
11. PPC	241	1,050	14	104	255	1,154
12. Other (Specify)					-	-
Admissions	450	1,705	153	639	603	2,344
Patient Days	2,339	9,222	929	3,753	3,268	12,975
Discharges	440	1,662	149	612	589	2,274
Discharge Days	1,891	7,600	761	3,059	2,652	10,659
Average Length of Stay	4.30	4.57	5.11	5.00	4.50	4.69
Emergency Room Visits	720	2,851	218	910	938	3,761

Program Contractor Financial Reporting Systems - Report #11A Utilization Data Report by County

Program Contractor

PIMA LONG TERM CARE

Fiscal Year Ending

06/30/05

Utilization Data Report by County - Santa Cruz County

ITEM DESCRIPTION	MEDICARE		NON-MEDICARE		TOTAL	
	Current Period	YTD	Current Period	YTD	Current Period	YTD
A. Enrollees (At End of Period)	195	195	58	58	253	253
B. Member Months (Unduplicated)	575	2,284	179	746	754	3,030
Institutional Member Months Total						
1. Level 1	38	173	6	28	44	201
2. Level 2	88	329	9	50	97	379
3. Level 3	36	149	21	81	57	230
4. Specialty: Wandering Dementia						
5. Specialty: SubAcute Medical						
6. Specialty: Behavioral Health						
7. Speciality: Respite Care						
8. Home and Community Based Services (HCBS) Total						
a. Adult Foster Care	-	-	-	-	-	-
b. Assisted Living Home	34	124	13	57	47	181
c. Group Home (DD)	-	-	-	-	-	-
d. Individual Home	369	1,483	118	471	487	1,954
e. Assisted Living Centers	3	11	-	2	3	13
f. Other (Specify) Group Home	-	1	-	-	-	1
9. Acute Care	7	14	6	27	13	41
10. Ventilator	-	-	6	30	6	30
11. PPC	13	36	-	5	13	41
12. Other (Specify)						
Admissions	36	114	5	25	41	139
Patient Days	183	573	26	120	209	693
Discharges	37	114	5	25	42	139
Discharge Days	147	470	26	120	173	590
Average Length of Stay	3.97	4.12	5.20	4.80	4.12	4.24
Emergency Room Visits	68	203	7	24	75	227

Program Contractor Financial Reporting Systems - Report #11B Utilization Data Report by County

Program Contractor

PIMA LONG TERM CARE

Fiscal Year Ending

06/30/05

Utilization Data Report for all Counties

ITEM DESCRIPTION	MEDICARE		NON-MEDICARE		TOTAL	
	Current Period	YTD	Current Period	YTD	Current Period	YTD
A. Enrollees (At End of Period)	3,091	3,091	815	815	3,906	3,906
B. Member Months (Unduplicated)	9,303	37,014	2,446	9,915	11,749	46,929
Institutional Member Months Total						
1. Level 1	1,467	6,080	219	908	1,686	6,988
2. Level 2	1,869	7,364	256	1,052	2,125	8,416
3. Level 3	531	1,994	132	527	663	2,521
4. Specialty: Wandering Dementia						
5. Specialty: SubAcute Medical						
6. Specialty: Behavioral Health						
7. Specialty: Respite Care						
8. Home and Community Based Services (HCBS) Total						
a. Adult Foster Care	184	750	49	198	233	948
b. Assisted Living Home	1,042	4,165	135	560	1,177	4,725
c. Group Home (DD)	-	-	-	-	-	-
d. Individual Home	3,675	14,557	1,336	5,415	5,011	19,972
e. Assisted Living Centers	412	1,587	142	538	554	2,125
f. Other (Specify) Group Home	24	123	20	86	44	209
9. Acute Care	52	168	100	424	152	592
10. Ventilator	47	226	57	207	104	433
11. PPC	254	1,086	14	109	268	1,195
12. Other (Specify)						
Admissions	486	1,819	158	664	644	2,483
Patient Days	2,522	9,795	955	3,873	3,477	13,668
Discharges	477	1,776	154	637	631	2,413
Discharge Days	2,038	8,070	787	3,179	2,825	11,249
Average Length of Stay	4.27	4.54	5.11	4.99	4.48	4.66
Emergency Room Visits	788	3,054	225	934	1,013	3,988

Contractor **DINA LONG TERM CARE**

Fiscal Year Ending **06/30/05**

INSTITUTIONAL PAYMENTS										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		←-----QUARTER IN WHICH SERVICE PROVIDED-----→								
LINE	QUARTER OF PAYMENT	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR	4TH PRIOR	5TH PRIOR	6TH PRIOR	TOTAL	
1	CURRENT	114,227	44,330	10,382	5,552	426	-	-	174,917	
2	1ST PRIOR		33,201	110,598	16,896	6,676	600	-	167,971	
3	2ND PRIOR			87,722	90,848	18,648	6,848	(212)	203,854	
4	3RD PRIOR				21,856	106,960	31,594	4,374	164,784	
5	4TH PRIOR					79,383	16,789	8,127	104,299	
6	5TH PRIOR						56,422	95,488	151,910	
7	6TH PRIOR							36,920	36,920	
8	TOTALS	114,227	77,531	208,702	135,152	212,093	112,253	144,697	1,004,655	
9	EXP. REPORTED	162,480	130,196	247,176	152,027	152,044	128,652	149,745	1,122,320	
10	ADJUSTMENT		44,499	34,589	14,586	(60,049)	16,399	5,048	55,072	
11	REMAINING LIABILITY	48,253	8,166	3,885	2,289	-	-	-	62,593	

ACUTE PAYMENTS										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		←-----QUARTER IN WHICH SERVICE PROVIDED-----→								
LINE	QUARTER OF PAYMENT	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR	4TH PRIOR	5TH PRIOR	6TH PRIOR	TOTAL	
1	CURRENT	22,867	(7,179)	11,713	1,074	498	33	50	29,056	
2	1ST PRIOR		2,467	16,234	8,823	1,545	2,818	-	31,887	
3	2ND PRIOR			1,611	9,563	9,737	7,071	996	28,978	
4	3RD PRIOR				4,401	19,688	3,817	501	28,407	
5	4TH PRIOR					13,638	1,307	1,229	16,174	
6	5TH PRIOR						7,802	6,512	14,314	
7	6TH PRIOR							953	953	
8	TOTALS	22,867	(4,712)	29,558	23,861	45,106	22,848	10,241	149,769	
9	EXP. REPORTED	29,675	34,848	15,727	47,273	17,849	23,284	26,491	195,147	
10	ADJUSTMENT		36,679	(14,589)	22,865	(27,257)	436	16,250	34,384	
11	REMAINING LIABILITY	6,808	2,881	758	547	-	-	-	10,994	

OTHER MEDICAL PAYMENTS										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		←-----QUARTER IN WHICH SERVICE PROVIDED-----→								
LINE	QUARTER OF PAYMENT	CURRENT	1ST PRIOR	2ND PRIOR	3RD PRIOR	4TH PRIOR	5TH PRIOR	6TH PRIOR	TOTAL	
1	CURRENT	-	34	591	-	-	-	-	625	
2	1ST PRIOR		318	632	-	12	-	-	962	
3	2ND PRIOR			21	-	-	-	540	561	
4	3RD PRIOR				5,097	-	48	-	5,145	
5	4TH PRIOR					-	182	-	182	
6	5TH PRIOR						-	-	-	
7	6TH PRIOR							-	-	
8	TOTALS	-	352	1,244	5,097	12	230	540	7,475	
9	EXP. REPORTED	-	-	-	-	48	-	-	48	
10	ADJUSTMENT		(363)	(1,244)	(5,097)	36	(230)	(540)	(7,438)	
11	REMAINING LIABILITY	-	11	-	-	-	-	-	11	

PIMA LONG TERM CARE
OFFICERS AND DIRECTORS

Year Ended June 30, 2005

<u>NAME</u>	<u>TITLE</u>	<u>OTHER RELATIONSHIP TO PLAN</u>	<u>TYPE OF COMPENSATION</u>
Dorgan, Patricia	Assistant Director of Long Term Care	None	Salary
Frederick, Pam	Quality Management Manager	None	Salary
Gwozdz, Ann	Home Care Support Services Manager	None	Salary (2)
Hartsfield, Kelli	Grievance Coordinator	None	Salary
Kaehler, Mary	Plan Administrator	None	Salary
Le Blanc, Marcia	Contracts, Provider & Member Services Manager	None	Salary
Newton, Marita	Corporate Compliance & Privacy Officer	None	Salary (1)
Peterson, Timothy, M.D.	Medical Director	None	Salary
Roundtree, Virginia	Corporate Compliance & Privacy Officer	None	Salary (2)
Russell, R. Mark, M.D.	Medical Director	None	Salary
Spendiarian, Andrea	Behavioral Health Manager	None	Salary
Terry, Donna	Chief Financial Officer	None	Salary
Toro, Anthony	Claims Manager	None	Salary
Wortman, Susan	Utilization Management Manager	None	Salary

(1) Resigned or (2) changed positions during the period for July 1, 2004 to June 30, 2005.

PIMA HEALTH SYSTEM AND SERVICES
ALTCS Schedule 5
Summary Financial Data (12)
Year Ended June 30, 2005

	Total	Per Member Per Month
Capitation revenues:		
Long-term care (10)	134,465,290	2,865.41
Reinsurance claims revenue	10,184,026	217.02
Other income	2,573,953	54.85
Medical claims expense (1)	133,178,094	2,837.98
Net medical claims expense (2)	122,590,951	2,612.38
Expenses other than medical claims (11)	15,009,965	319.86
Net income	(964,790)	(20.56)

	Total	Per Enrollee
Cash and cash equivalents	6,866,429	1,757.92
Total assets	14,250,274	3,648.30
Accrued medical and health care claims (3)	11,793,629	3,019.36
Non-medical payables	3,422,822	876.30
Net assets	(966,177)	(247.36)

	Ratio
Medical claims expense to total revenue	.90 to 1.00
Net medical claims expense to capitation revenue	.92 to 1.00
Expenses other than medical claims to total revenue	.10 to 1.00
Expenses other than medical claims to capitation revenue	.11 to 1.00
Net income to capitation revenues	-.01 to 1.00
Current assets to current liabilities (working capital ratio)	.94 to 1.00
Cash and cash equivalents to accrued medical and health care claims	.58 to 1.00

	Percent
Operating margin (4)	8.83
Return on capitation revenues (5)	(0.72)
Return on equity (6)	99.86
Return on total assets (7)	(6.77)

	Days
Received but unpaid claims days outstanding (8)	7
Accrued medical and health care claims days outstanding (9)	33

- (1) Medical claims expense includes \$727,868 in subcapitation expense.
- (2) Net medical claims expense represents medical claims expense net of reinsurance claims, TPL, and HIV Supplement revenues.
- (3) Accrued medical and health care claims includes \$2,411,241 in reported but unpaid claims.
- (4) Capitation revenues less net medical claims expense divided by capitation revenues.
- (5) Net income divided by capitation revenues.
- (6) Net income divided by net assets.
- (7) Net income divided by total assets.
- (8) Reported but unpaid claims divided by average daily medical claims expense net of subcapitation expense.
- (9) Accrued medical and health care claims divided by average daily medical expense net of subcapitation expense.
- (10) Capitation revenues include \$484,585 attributable to the SOC Reconciliation.
- (11) Expenses other than medical claims include \$2,884,232 of premium taxes.
- (12) This schedule is presented for purposes of additional analysis and is not a required part of the annual supplementary schedules prescribed by the *ALTCS Reporting Guide*.