



IEHP
 April 13, 2026, IEHP Governing Board Finance
 Committee Meeting
 April 13, 2026
 9:30 am Pacific Time

**Dr. Bradley P. Gilbert Center for Learning and Innovation
 9500 Cleveland Avenue - Board Room
 Rancho Cucamonga, CA 91730**

If disability-related accommodations are needed to participate in this meeting, please contact BoardServices@IEHP.org during regular business hours of IEHP (M - F 8:00 a.m. – 5:00 p.m.)

PUBLIC COMMENT AT THE FINANCE COMMITTEE MEETINGS:

The meeting of the Inland Empire Health Plan Finance Committee is open to the public. A member of the public may address the Committee on any item on the agenda and on any matter that is within the Committee's jurisdiction at the time of the meeting when the item listed on the agenda is called. In order to keep track of speakers and to be able to notify the Committee of any speakers on a particular agenda item, a speaker slip is requested to be completed and provided to the Committee Secretary by the commencement of the public meeting and no later than the time the agenda item has been called so that you may be recognized by the Committee to speak. The Committee may limit the public input on any item, based on the number of people requesting to speak and the business of the Committee.

All public record documents for matters on the open session of this agenda can be viewed at the meeting location listed above or by contacting the Secretary to the Governing Board by phone at (909) 736-6891 or by email at BoardServices@iehp.org.

AGENDA

- I. Call to Order
- II. Roll Call
- III. Changes to the Agenda
- IV. Public Comments on Matters on the Agenda
- V. Adopt and Approve the Meeting Minutes from the October 14, 2025, Regular Meeting of the IEHP Finance Committee
 - A. IEHP Governing Board Finance Committee - October 14, 2025, Meeting Minutes - Draft
- VI. POLICY DISCUSSION ITEMS
 - A. Cash Reserve Policy Final
 1. Cash Reserve Policy

i. IEHP Cash Reserve Policy - Draft

B. Line of Credit Discussion

1. Line of Credit Discussion

C. Overview of the Calendar Year 2025 Investment Review and the Calendar Year 2026 Outlook

1. Overview of the Calendar Year 2025 Investment Review and the Calendar Year 2026 Outlook

VII. Comments from the Public on Matters not on the Agenda

VIII. Committee Member Comments

IX. Adjournment

X. The next meeting of the IEHP Finance Committee will be held on August 10, 2026 at the Dr. Bradley P. Gilbert Center for Learning and Innovation in Rancho Cucamonga.

**THE FINANCE COMMITTEE OF
THE
INLAND EMPIRE HEALTH PLAN**
Inland Empire Health Plan Dr.
Bradley P Gilbert Center for
Learning and Innovation – Board Room 9500
Cleveland Avenue
Rancho Cucamonga, CA 91730

MINUTES OF THE OCTOBER 14, 2025, REGULAR MEETING

Finance Committee Members Present:

Supervisor Yxstian Gutierrez
Supervisor Curt Hagman

Governing Board Members Absent: Eilleen Zorn

Inland Empire Health Plan Employees and Legal Counsel Present:

Jarrold McNaughton, Chief Executive Officer	Vitthal Moola, Vice President, IT
Vinil Devabhaktuni, Chief Digital and Information Officer	Carol Chio, Vice President, Actuarial Services
Tim Reilly, Interim Chief Financial Officer	Leona Liu, Vice President, Finance
Edward Juhn, Chief Medical Officer	Anna Wang, Esq., Vice President, General Counsel
Genia Fick, Chief Qualify Officer	Raymond Mistica, Esq. Deputy County Counsel
Michelle Rai, Chief Communications & Marketing Officer	Cita Hendricks, Director, Procurement, Supply Chain
Supriya Sood, Chief People Officer	Vickie Johnson, Director, Finance Planning & Analysis
Susie White, Chief Operations Officer	Victoria Ostermann, Director, Government Affairs
	Jana Russell, Legal Program Manager
	Annette Taylor, Secretary to the Governing Board
	Tina Kambarian, Program Administrator, Operational Finance

IEHP Staff Absent: None
Guests: None

-
- I. Call to Order:
Chair Gutierrez called the October 14, 2025, regular meeting of the Inland Empire Health Plan Finance Committee to order at 2:00 p.m.
 - II. Pledge of Allegiance
 - III. Roll Call: *Chair Gutierrez requested Annette Taylor conduct Roll Call.*
 - IV. Agenda Changes: None

V. Public Comment: None

VI. Adopt and Approve the Meeting Minutes from the July 29, 2025, Regular Meeting of the IEHP Finance Committee

Action: On motion of Supervisor Hagman and seconded by Chair Gutierrez, the Meeting Minutes from the July 29, 2025, meeting of the Finance Committee are adopted and approved as presented.

VII. POLICY DISCUSSION ITEMS:

CHIEF FINANCIAL OFFICER’S REPORT (Keenan Freeman)

1. Approve the Recommendation to submit the Interim Calendar Year 2026 Operational and Capital Budget to the Inland Empire Health Plan Governing Board

Tim Reilly, Carol Chio, and Vickie Johnson presented the Interim Calendar Year 2026 Operational and Capital Budget to the Finance Committee

- *Supervisor Hagman requested a breakdown of In Lieu of Services for the board to review the optional services the Plan is providing.*

Action: On motion of Chair Gutierrez and seconded by Supervisor Hagman, the recommendation to submit the Interim Calendar Year 2026 Operational and Capital Budget to the Inland Empire Health Plan Governing Board is approved as presented.

VIII. Comments from the Public on Matters Not on The Agenda: None

IX. Committee Member Comments: None

X. Closed Session: No Business

XI. Board Comments: None

XII. Adjournment

Chair Gutierrez adjourned the October 14, 2025, IEHP Finance Committee meeting at 11:36 a.m.

A. Approve the recommendation to present a Cash Reserve Policy to the Inland Empire Health Plan Governing Board**Contact:** Tim Reilly, Consultant Chief Financial Officer**Summary:**

To establish and maintain a Board-designated cash reserve that ensures operational stability, financial flexibility, and effective risk management in the face of unexpected disruptions or fluctuating revenue streams.

Recommended Action:

That the IEHP Finance Committee recommends presenting the Cash Reserve Policy to the Inland Empire Health Plan for Governing Board for approval.

Chair Curt Hagman	Vice Chair Karen Spiegel	Eileen Zorn
<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to Governing Board for approval <input type="checkbox"/> N/A	<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to Governing Board for approval <input type="checkbox"/> N/A	<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to Governing Board for approval <input type="checkbox"/> N/A

IEHP Cash Reserve Policy

Why we need a cash reserve policy?

- Cash reserves is below our desired level of 2.5 – 3 months (or 75 – 90 days) of operating expense
- Uncertainty at the Federal level regarding changes to the Medicaid
- Anticipate State Budget issues (possible delay of payments)
- Future financial risk – economic downturns and other unforeseen financial obligations
- Regulatory Requirements - DHCS Financial Performance Guarantee
- Demonstrates responsible financial management



Targets for Cash Reserve

(1) Cash-on-Hand (COH)

COH between 75 days (or 2.5 months) to 90 days (or 3 months) of cash based on the average monthly operating expense for the last 12 months.

and

(2) Tangible Net Equity (TNE) of at least 600% (or 6X) of the required TNE

TNE of at least 600% (or 6X) of the required TNE; the required TNE will be calculated per Cal. Code Regs. Title 28, § 1300.76



Accounting, Reporting, and Monitoring for Cash Reserves

- Cash reserve will be combined in combined in general cash accounts but segregated in financial reporting (see appendix).
- Finance Department is responsible for calculating, monitoring, and recording the cash reserves.
- Finance Department is responsible for reporting cash reserve fund balance to Executive leadership, Governing Board and Finance Committee, and regulatory agencies.
- This policy will be reviewed every other year, at a minimum, by the Finance Committee or sooner, if necessary.



Questions, Feedback, and/or Comments

Thank You!

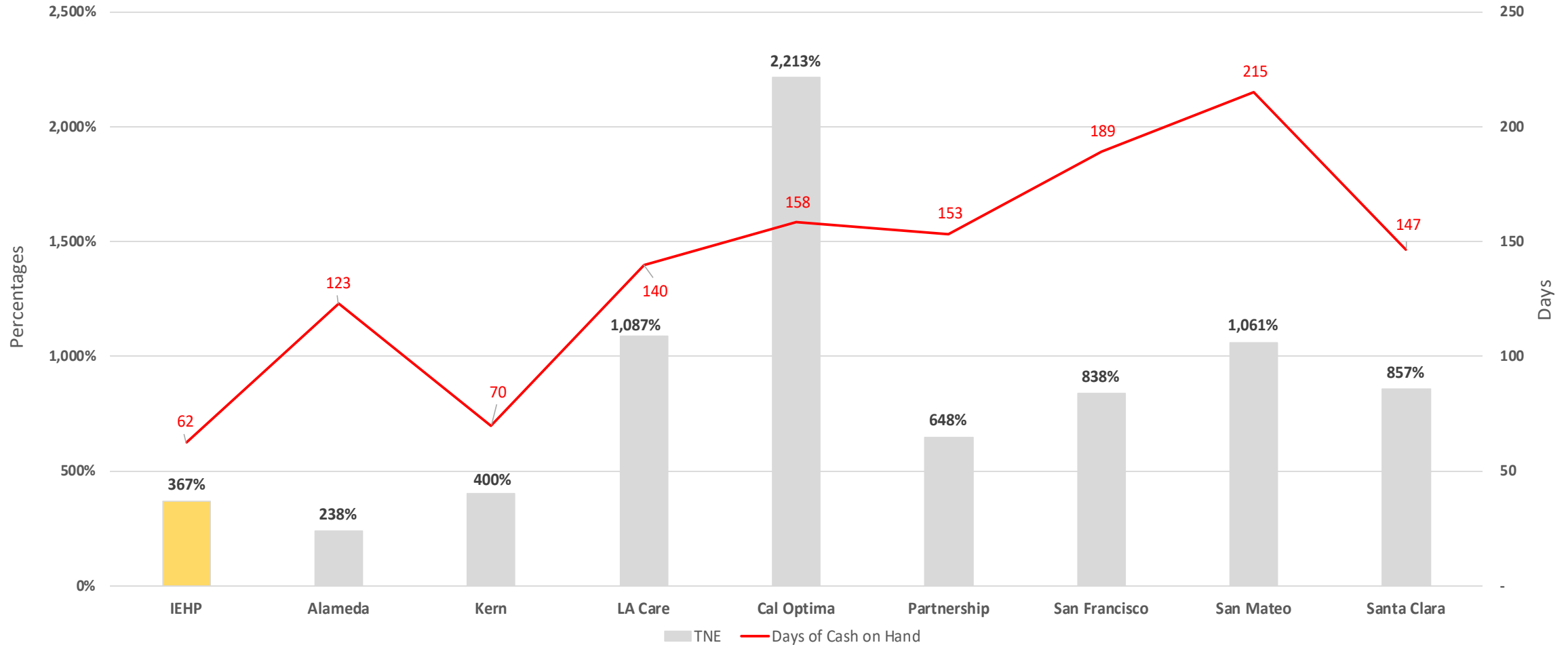


APPENDIX



IEHP vs Other Local Health Plans – December 2025

Tangible Net Equity & Cash on Hand (Days)



Note 1: From the DMHC quarterly Orange Blank report.



Example of Financial Reporting for Cash Reserve and Fund Balance

	<u>February 2025</u>	<u>January 2025</u>
Total Non-Current Assets	1,341,400,819	1,300,127,599
Total Assets	4,316,325,815	3,961,405,669
LIABILITIES & FUND BALANCE		
Liabilities		
Current Liabilities		
Accounts Payable	473,461,028	190,242,979
Unearned Income	109,464,493	109,464,493
Suspense Account	14,587,394	13,762,222
Capitation Payable	40,296,544	40,296,544
State DHS - Cap Payable	32,633,113	32,633,113
Accrued Healthcare Costs	1,462,731,304	1,395,905,633
Claims Payable	245,166,222	297,723,085
Incurred But Not Reported-IBNR	514,107,605	473,136,119
Quality Improvement Programs	137,231,029	129,480,481
Total Current Liabilities	3,029,678,732	2,682,644,669
Non-Current Liabilities		
Deferred Inflows Of Resources	7,617,910	7,617,910
Net Subscription Liability	2,348,078	2,348,078
Total Non-Current Liabilities	9,965,988	9,965,988
Total Liabilities	3,039,644,720	2,692,610,657
Fund Balance		
Unrestricted Fund Balance	(112,036,965)	(78,708,568)
Reserved Funds		
State Financial Performance Guarantee	1,091,605,000	1,049,745,000
Board Approved Capital and Infrastructure Purchases	71,478,836	72,667,651
Capital Assets	154,631,556	154,088,260
Strategic Use of Reserve-Board Approved	71,002,668	71,002,668
Total Reserved Funds	1,388,718,060	1,347,503,579
Total Fund Balance	1,276,681,095	1,268,795,012
Total Liabilities And Fund Balance	4,316,325,815	3,961,405,669

Example - High Level Reconciliation	
Total Assets:	\$ 4,316,325,815
Total Liabilities:	\$ 3,039,644,720
Net Equity:	\$ 1,276,681,095
Total Reserve Funds:	\$ 1,388,718,060
<i>Unrestricted Fund Balance:</i>	<i>\$ (112,036,965)</i>
Total Fund Balance:	\$ 1,276,681,095

INLAND EMPIRE HEALTH PLAN		
Department: Financial Reporting & Analysis		
Subject: Cash Reserve Policy	Policy #:	TBD
Written by: Director, Financial Reporting & Analysis	Original Preparation date:	01/12/2026
Approved by:	Revision Date:	

POLICY:

To ensure long-term financial viability, it is the goal of IEHP to have sufficient cash reserves by maintaining Cash-On-Hand (COH) of 75 days (or 2.5 months) to 90 days (or 3 months) of operating expenses and Tangible Net Equity (TNE) of at least 600% (or 6X) of the required TNE.

PURPOSE:

The cash reserve policy is to establish and maintain cash reserves to mitigate current and future financial risks, support ongoing operational activities, and meet regulatory requirements. The objective of this policy is as follows:

- To ensure compliance with State/Federal reserve requirements.
- To bridge unexpected cash shortfalls and avoid business disruptions.
- To sustain operations through delays in payments from DHCS and/or CMS, economic downturns and/or other unforeseen financial obligations.

PROCEDURE:**A. Targets:**

The targets for our cash reserve are as follows:

- COH between 75 days (or 2.5 months) to 90 days (or 3 months) of cash based on the average monthly operating expense for the last 12 months.
and
- TNE of at least 600% (or 6X) of the required TNE; the required TNE will be calculated per Cal. Code Regs. Title 28, § 1300.76

B. Calculations to measure/compare against targets:

1. For Cash-on-Hand:

$$\frac{\text{Total Operating Expense for the last 12 months}}{12 \text{ months}} \times (2.5 \text{ to } 3 \text{ months}) = \text{Total cash reserve needed}$$

This calculation excludes the following:

- pass-through payments—such as Health Quality Assurance Fees (HQAF), Intergovernmental Transfers (IGT), and Hospital Directed Payments.
- non-cash items like depreciation and amortization.

2. For percentage of TNE in relation to the required TNE:

Step one (1): Calculate IEHP's TNE

Net Equity + Subordinated Debt and Accrued Subordinated Interest – Unsecured Receivables from officers, directors, and affiliates and intangibles = TNE

Per Cal. Code Regs. Title 28, § 1300.76: "Net equity" means the excess of total assets over total liabilities, excluding liabilities that have been subordinated in a manner acceptable to the Director. "Tangible net equity" means net equity reduced by the value assigned to intangible assets including, but not limited to, goodwill; going concern value; organizational expense; starting-up costs; obligations of officers, directors, owners, or affiliates which are not fully secured, except short-term obligations of affiliates for goods or services arising in the normal course of business which are payable on the same terms as equivalent transactions with nonaffiliates and which are not more than sixty (60) days past due; long term prepayments of deferred charges, and nonreturnable deposits. An obligation is fully secured for the purposes of this subsection if it is secured by tangible collateral, other than by securities of the plan or an affiliate, with an equity of at least one-hundred and ten percent (110%) of the amount owing.

Step two (2): Determine the required TNE, as prescribed in Cal. Code Regs. Title 28, § 1300.76

Cal. Code Regs. Title 28, § 1300.76: The Plan, at all times, has and maintains a tangible net equity at least equal to the greater of (1) \$1 million; or

(2) the sum of two percent (2%) of the first \$150 million of annualized premium revenues plus one percent (1%) of annualized premium revenues in excess of \$150 million; or

(3) an amount equal to the sum of:

(A) eight percent (8%) of the first \$150 million of annualized health care expenditures except those paid on a capitated basis or managed hospital payment basis; plus

(B) four percent (4%) of the annualized health care expenditures, except those paid on a capitated basis or managed hospital payment basis, which are in excess of \$150 million; plus

(C) four percent (4%) of annualized hospital expenditures paid on a managed hospital payment basis.

Step three (3): Calculate the percentage of TNE in excess of the required TNE using the following formula:

$$\frac{\text{TNE (in dollars)}}{\text{Required TNE (in dollars)}} = \text{percentage of TNE in relation to the required TNE amount}$$

C. Accounting, Reporting, and Monitoring for Cash Reserves:

1. The cash reserve will be combined with the general cash accounts of the organization but segregated in financial reporting. The cash reserve fund balance will be reflected on IEHP's balance sheet and disclosed in the financial statements. In addition, the cash reserve will be invested in accordance with IEHP's investment policy to ensure liquidity needs and investment objectives.
2. The Finance Department is responsible for properly calculating, monitoring, and recording the cash reserves in organization's financial reporting systems.
3. The Finance Department is responsible for reporting the cash reserve fund balance to Executive leadership, Governing Board and Finance Committee, and regulatory agencies. The cash reserve fund balance report will be part of the monthly financial review.
4. This policy will be reviewed every other year, at a minimum, by the Finance Committee, or sooner, if necessary, due to internal or external events and/or changes. Changes to the policy will be recommended by the Finance Subcommittee to the Governing Board.

REFERENCES:

Cal. Code Regs. Title 28, § 1300.76

B. Line of Credit Discussion

Contact: Tim Reilly, Consultant Chief Financial Officer

Summary:

The Finance Committee will review and discuss the organization’s need for a revolving line of credit to support short-term liquidity, manage cash-flow timing differences, and ensure operational stability during periods of delayed reimbursements or unexpected expenditures.

Recommended Action:

That the IEHP Finance Committee recommends to the Inland Empire Health Plan Governing Board to approve the established line of credit.

Chair Curt Hagman	Vice Chair Karen Spiegel	Eileen Zorn
<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to IEHP Governing Board for approval <input type="checkbox"/> N/A	<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to IEHP Governing Board for approval <input type="checkbox"/> N/A	<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to IEHP Governing Board for approval <input type="checkbox"/> N/A

Establishing a Line of Credit (LOC)



Why we need a Line Of Credit

Major Cash Flow Implications

- Cash reserves are below our desired level of 2.5 – 3 months (or 75 – 90 days) of operating expense
- Uncertainty at the Federal level regarding changes to the Medicaid
- Anticipate State Budget issues (possible delay of payments)
- Future financial risk – economic downturns and other unforeseen financial obligations
- Regulatory Requirements - DHCS Financial Performance Guarantee





Benefits of a Line Of Credit

US Bank Line Of Credit

- Serves for short-term liquidity needs, i.e.: to cover temporary State payment delays
- Draw, repay, and re-borrow only as needed
- Variable rate, not fixed (as of 3/3/2026, 4.23%)
- Turnaround time for approval (2 – 3 months) and renew annually
- Low upfront and ongoing costs compared to Bond issuance or obtaining a Bank loan





Cost of Line of Credit

US Bank – Proposed Line of Credit (LOC) fees

- Interest Rate
 - 1-Month SOFR (Secured Overnight Financing Rate, 3.67%) + 0.55% spread
 - Effective borrowing rate (as of 3/3/2026) 4.23%.
- Un-used Fee
 - 0.20% on unused balance
 - For a \$700 million LOC, if fully undrawn, annual cost = \$1.4 million \approx 0.01% of annual cash flow
- One-time Bank Counsel Fees
 - Estimated at \$50,000, Cap at \$65,000
- Renew every year





Cost of Line of Credit

Inland Empire Health Plan external counsel fees:

Role	Firm	Lead	Cost
Financial Counsel	Urban Futures, Inc	Wing-See Fox	\$45,000
Legal Counsel	Best Best & Krieger	Mrunal Shah	\$50,000 (if completed) If not completed: reasonable fees





Our Recommendation to the Finance Committee

- Due to IEHP's current situation, we recommend moving forward with approval to establish a Line of Credit with US Bank as a liquidity backstop.
- The recommended Line of Credit amount is one full month (30 days) of operating expense (~ \$700 million).



Thank You!

We look forward to seeing you at our next presentation.



C. Overview of the Calendar Year 2025 Investment Review and the Calendar Year 2026 Outlook

Contact: Tim Reilly, Consultant Chief Financial Officer

Summary:

The Committee will review CY 2025 investment performance and key drivers, followed by a forward-looking CY 2026 outlook highlighting expected market conditions, risks, and recommended portfolio adjustments to support financial stability.

Recommended Action:

That the IEHP Finance Committee recommends that the Inland Empire Health Plan Governing Board allow flexibility with investments, so that Inland Empire Health Plan can invest in a Separately Managed Account with US Bancorp.

Chair Curt Hagman	Vice Chair Karen Spiegel	Eileen Zorn
<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to Governing Board for (review/approval) <input type="checkbox"/> N/A	<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to Governing Board for: (review/approval) <input type="checkbox"/> N/A	<input type="checkbox"/> Review <input type="checkbox"/> Recommend item be forwarded to Governing Board for: (review/approval) <input type="checkbox"/> N/A

IEHP Investment Year-End Review and Looking Forward for CY 2026





Key Topics

- IEHP 2025 Investment Returns and Current Investment Landscape
- Review of IEHP's New Investment Platform: Treasury Curve
- Comparative Investment Performance Across Sister Plans
- Discussion of Potential Investment Option
- Recommendation for Committee's Consideration





CY 2025 Investment Returns

Instrument Type	Institution	Interest/Dividend Received	Annualized Rate
Operating Account	US Bank	\$1,152,020	2.35%
Investment	Riverside County Treasurer's Pooled Investment	\$41,935,659	3.98%
Government Money Market Funds	Treasury Curve	\$12,386,312	4.10% (8 months only)

Total investment earnings for CY 2025: **\$55,473,991**





Treasury Curve Performance for CY 2025

Treasury Curve as IEHP's new investment platform

- IEHP started investing with new funding received in Government Money Market Funds through Treasury Curve in Mid-May 2025.
- Improved Operational Efficiency—Treasury Curve has much shorter advance notice time for investment transfers, provides real-time return rates and balance visibility, quicker dividends postings (within 1-2 business days after month-end), and customized reporting.
- Improved Investment Returns—IEHP's investment returns outperformed Riverside Treasurer's Pooled Investment, through October 2025.
- Reliable Service & Responsiveness—Treasury Curve provided timely service and responses to IEHP's questions.





Treasury Curve Investment Return vs County's

Monthly Yields May 2025 to February 2026

TreasuryCurve Government Money Market Fund Name	Ticker	May-25	June-25	July-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Allspring Govt MMF/Select	WFFXX	4.23	4.22	4.23	4.23	4.17	4.06	3.90	3.74	3.63	3.62
Invesco Govt And Agency Port/Institutional	AGPXX	4.24	4.22	4.22	4.22	4.14	4.05	3.89	3.72	3.63	3.60
Morgan Stanley ILF/Government/Institutional	MVRXX	4.21	4.20	4.21	4.20	4.12	4.02	3.89	N/A	N/A	N/A
State Street Inst US Government MMF/Premier	GVMXX	4.26	4.24	4.24	4.24	4.16	4.05	3.93	3.76	3.66	3.63
Western Asset Inst Government Res/Premier	WACXX	4.25	4.25	4.25	4.25	4.18	4.07	3.91	3.74	3.63	3.62
Fidelity Inv Government/Institutional	FRGXX	N/A	N/A	N/A	N/A	N/A	N/A	3.90	3.74	3.63	3.60
Average Fund Yield for the 5 Funds listed		4.24	4.23	4.23	4.23	4.15	4.05	3.90	3.74	3.63	3.61
Riverside County Treasurer's Pooled Investment Fund		3.99	3.99	3.98	3.98	3.98	3.91	3.91	3.91	3.79	3.79
Difference between TreasuryCurve and Riverside		0.25	0.24	0.25	0.25	0.17	0.14	(0.01)	(0.17)	(0.16)	(0.18)



Investment Return Comparison



	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
TreasuryCurve	935,429.68	1,332,733.29	1,363,015.52	1,253,061.63	2,674,627.68	1,917,885.62	936,111.24	1,973,447.02
If invested in Riverside	882,057.90	1,259,122.42	1,282,134.52	1,180,916.11	2,574,664.10	1,851,295.76	940,772.32	2,082,637.93

Return Differential = \$446,562.61 (May – October 2025), reduced to \$332,710.62 (May – December 2025)





Current Investment Landscape

Instrument Type	Institution	Balance as of 3/23/2026	Current Yield
Operating Account	US Bank	\$6,449,488	1.75%
Investment	Riverside County Treasurer's Pooled Investment	\$2,236,178,505	3.79%
Government Money Market Funds	Treasury Curve	\$548,679	3.59%

from Riverside County Treasurer's Pooled Interment Fund February 2026 Report



Comparing to Sister Plans

Metric	IEHP		LA Care		Cal Optima	
Approx. Investable Cash	~ 496 mil.	~1.039 bil.	3.4 bil.	0.7 bil.	3 bil.	
Primary Investment Firm	Treasury Curve	Riverside County Treasurer's Pooled Investment	Payden	New England Asset Management (NEAM)	Payden & Regal	MetLife
Investment Management Fee	None	None	Yes, not disclosed due to confidentiality term. Previously 0.10%	Yes, not disclosed due to confidentiality term.	1.2 mil	1.2 mil
Investment Decision Model	Investment Policy		Investment Policy Investment Firms' Decision		Investment Policy/Investment Committee Investment Firms' decisions	
Compliance Monitoring	N/A		Wilshire Advisors - Quarterly update of compliance monitoring; Monthly update of consolidated investment performance and market forecast		Meketa Investment Group - Quarterly Investment Report	
CY2025 Annualized Return	4.10%	3.98%	4.5% *	6%*	5%	
Primary Liquidity Focus	daily	long-term	short-term	long-term	short-term and long-term	

*Gross return





Investment Option: Separately Managed Account (SMA) with US Bancorp

- A Separately Managed Account (SMA) is a customized portfolio of securities tailored to meet IEHP's specific investment, diversification and risk requirements.
- All securities held in the SMA must comply with IEHP Investment Policy. The target duration will be similar to the Riverside County Treasurer's Pool (~ 1.4 years).
- Securities in the SMA can be sold before maturity, requiring 2-3 business day advance notice; gains or losses will be subject to market conditions at the time of sale.
- Asset Management Fee: 0.08% (8 bps); Custody Fee: 0.0075% (0.75 bps) of investment.
- Sample IEHP's Portfolios with Weighted Average Maturity at 1.4 years is currently projected to earn approx. 4.07% (this is forward looking and based on the current market conditions), compared with the Riverside County Treasurer's Pool at ~ 3.5%.
- Representative Portfolio historical net return for 2025 was 5.05%, compared to 3.98% return earned by the Riverside County Treasurer's Pool.





Recommendation for the Finance Committee's Consideration

- Engage a Compliance Monitoring Service to ensure all current and future investment options meet IEHP's Investment Policy requirements.
- Transfer funds from the IEHP account in the Riverside Treasurer's Pooled Investment Fund into a Separately Managed Account (SMA) that allows longer-term maturities and the opportunity to earn higher returns.
- Recommend adopting Tiered Investment Strategy to earn higher returns:
 - Tier 1: Monthly Cash Flows maintained in Riverside County's Treasurer's Pooled Investment.
 - Tier 2: A Separately Managed Account (SMA) Investment - IEHP's Portfolio with Weighted Average Maturity at 1.4 years (5.32% gross return for 2025).
- Recommended initial fund size (\$125 - \$184 million) – keep 30 days of cash reserve in daily liquidity.



Thank You!

We look forward to seeing you at our next presentation.





APPENDIX

- California Government Code 53601 Authorized Investments
- US Bancorp Separately Managed Accounts
- SMA Investment Strategies Sample Portfolios



Securities	1 Day	180 Days	270 Days	1 Year	5 Years	Over 5 Years
U.S. Treasuries		✓ Permitted				Requires Approval
Federal Agencies		✓ Permitted				
Municipal Securities		✓ Permitted				
Negotiable Certificates of Deposit		✓ Permitted				
Commercial Paper		✓ Permitted			X Prohibited	
Bankers' Acceptances	✓ Permitted				X Prohibited	
Medium-Term Corporate Notes		✓ Permitted				X Prohibited
Asset-Backed Securities (ABS)		✓ Permitted				
Supranationals		✓ Permitted				
Public Bank Debt		✓ Permitted				Requires Approval
Repurchase Agreements		✓ Permitted				X Prohibited
Money Market Funds/Bond Mutual Funds	✓ Permitted					X Prohibited
Local Government Investment Pools	✓ Permitted					
Foreign Sovereign						X Prohibited
Fixed-Income ETFs						
High-Yield Bonds						
Private Placements						
Convertibles						
Non-U.S. Dollar Investment Grade						
Emerging Markets Debt						
Bank Loans						
Domestic Equities (Large, Mid, Small Cap)						
Int'l Equities (Large, Mid, Small Cap)						
Emerging Markets						
Preferred Stock						
Equity Mutual Funds and ETFs						
Commodities						
Real Estate						
Hedge Funds						
Private Equity						
Venture Capital						
Tangible Assets						
Complex Derivatives, Futures and Options						



Separately Managed Accounts



A Separately Managed Account (SMA) is a customized portfolio of securities tailored to each client's unique investment, diversification and risk parameters. At U.S. Bancorp Asset Management, our SMA cash solutions focus on safety of principal, planned liquidity and return commensurate with risk.

Our Investment Solutions

[Money Market Funds](#)





SMA's are a way for institutions to have their cash invested to meet all of their investment policy requirements, while allowing a professional money manager to perform credit analysis and portfolio construction. Because SMA's are individually built and wholly-owned by the client, each client's portfolio is optimized to meet their particular investment objectives and constraints.

For clients with investable assets wishing to have a customized portfolio built to their specific investment requirements, we offer customized taxable, tax-efficient, tax-exempt and government solutions.

The reasons our clients open SMA's:

- Opportunity to earn greater returns than money market funds, generally with lower expenses
- Full ownership of all portfolio securities
- Control over the level of portfolio risk through adherence to a disciplined investment policy
- Liquidity can be managed precisely to meet needs
- Investment decisions and credit research entrusted to a team of seasoned professionals serving as an extension of the client's Treasury staff
- Integrated portfolio compliance and risk management services
- Reporting option available that provides 24/7 access to view portfolio holdings and characteristics

[Outsourced Chief Investment Officer](#) →

[Securities Lending](#) →



Inland Empire Health Plan

Sample Portfolio as of 3/25/26

Representative Account Performance as of 2/28/26

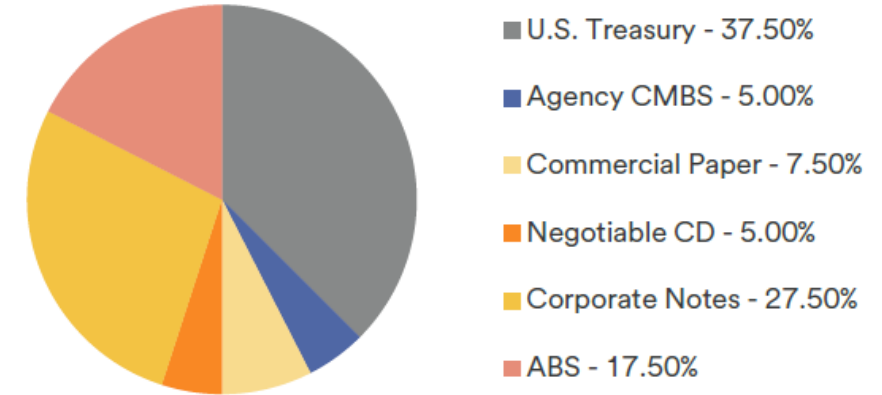
0-3 Year Government / Credit Fixed Income Composite as of 12/31/25

Sample Portfolio: 0-3 Year CA Code Strategy

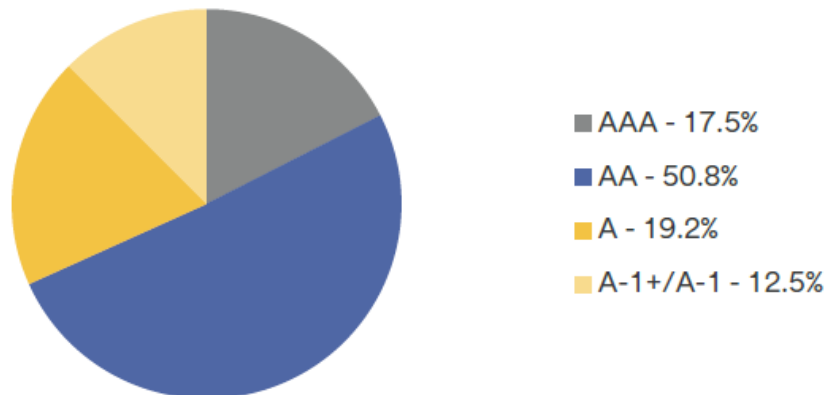
Portfolio Statistics

Portfolio Duration <i>Benchmark</i>	1.36 years <i>1.36 years</i>
Portfolio Average Maturity <i>Benchmark</i>	1.93 years <i>1.42 years</i>
Portfolio Gross Yield <i>Benchmark</i>	4.07% <i>3.90%</i>
Average Rating	AA

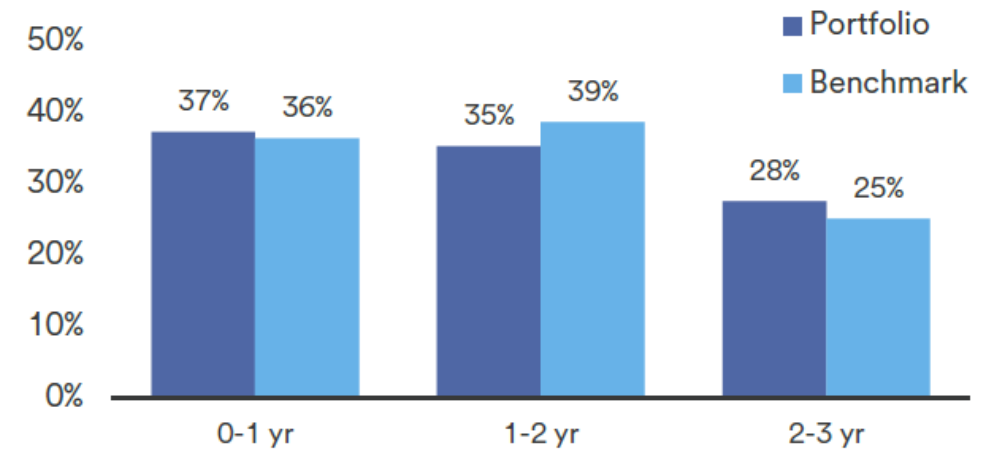
Sector Allocation



Credit Quality



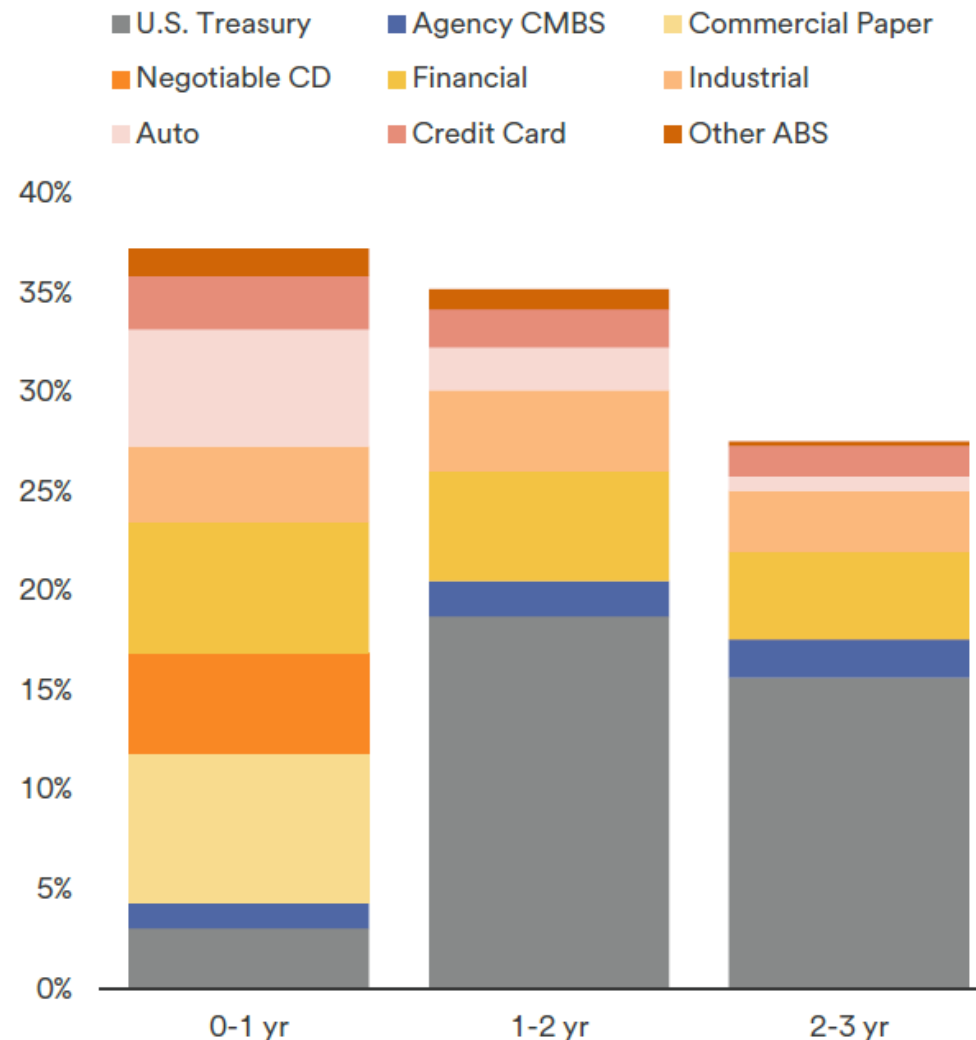
Duration Distribution



Sample Portfolio: 0-3 Year CA Code Strategy

Sector	Market Value%	Yield to Maturity	Average Maturity (years)	Average Effective Duration (years)
U.S. Treasury	37.5%	3.89%	1.98	1.86
Agency CMBS	5.0%	4.14%	2.21	1.62
Commercial Paper	7.5%	3.85%	0.30	0.25
Negotiable CDs	5.0%	3.76%	0.38	0.10
Corporate Notes	27.5%	4.32%	1.70	1.40
Financials	16.5%	4.41%	1.77	1.37
Industrials	11.0%	4.20%	1.60	1.44
ABS	17.5%	4.21%	3.27	1.00
Auto	8.8%	4.24%	2.89	0.87
Credit Card	6.1%	4.11%	3.45	1.16
Other ABS	2.6%	4.33%	4.10	1.05
TOTAL	100.0%	4.07%	1.93	1.36

Duration Distribution by Sector



Important Notes to Sample Portfolio

- Sample portfolio is provided for illustrative purposes only and is not a recommendation.
- Portfolio based on assumed investment noted on each respective page.
- Yield source Bloomberg for individual securities, as of March 25, 2026.
- Ratings shown are S&P, or the equivalent Moody's or Fitch rating.
- Security universe sourced from Bloomberg Finance L.P. and Market Axess and further limited to those issuers permitted by PFMAM's internal Approved Credit List.
- Actual yields and security availability may vary at time of purchase.
- As economic and market conditions may change in the future, so may PFMAM's recommendations as to the sale and purchase of securities in the portfolio.