



**CalViva Health  
Finance  
Committee Meeting Minutes**

October 17, 2019

**Meeting Location**

CalViva Health  
7625 N. Palm Ave., #109  
Fresno, CA 93711

Finance Committee Members in Attendance		CalViva Health Staff in Attendance	
✓	Daniel Maychen, Chair	✓	Cheryl Hurley, Office Manager
✓	Gregory Hund, CEO	✓	Jiaqi Liu, Sr. Accountant
✓	Paulo Soares		
✓	Joe Neves		
✓	Harold Nikoghosian		
✓	David Rogers		
✓	John Frye		
		✓	Present
		*	Arrived late
		•	Teleconference

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
#1 Call to Order D. Maychen, Chair	The meeting was called to order at 11:30 am, a quorum was present.	
#2 Finance Committee Minutes dated September 19, 2019 Attachment 2.A Action D. Maychen, Chair	The minutes from the September 19, 2019 Finance meeting were approved as read.	Motion: <i>Minutes were approved</i> 7-0-0-0 (Frye / Soares)
#3 Presentation of Fiscal Year 2019 Audit Results – Moss Adams (R. Suico)	Rianne Suico, representative from Moss Adams, presented the results of the audit. Moss Adams' audit will result in the issuance of an unmodified opinion on the financial	Motion: <i>Approve FY 2019 Audit Results</i> 7-0-0-0 (Frye / Soares)

<p>Action D. Maychen, Chair</p>	<p>statements, which is the highest audit opinion that could be provided by an external CPA firm. A discussion of general audit procedures performed including confirmation of various account balances were discussed.</p> <p>The required communications and the organization’s accounting policies are in compliance with GAAP. After completing the work, it was found that the financial statements do not need to be adjusted and no issues were encountered when completing the work.</p>	
<p>#4 Financial Statements as of August 31, 2019</p> <p>Action D. Maychen, Chair</p>	<p>Total current assets were approximately \$220.1M; total current liabilities were approximately \$158.3M. Current ratio is 1.39. New liability account, Directed Payment Payable, was added to balance sheet to account for amounts due to various hospitals/entities as part of DHCS’ new directed payment program which provides enhanced supplemental funds to various hospitals and health care providers. TNE as of August 31, 2019 was approximately \$72.4M, which is approximately 606% above the minimum DMHC required TNE amount.</p> <p>Premium capitation actual income was approximately \$174M which is approximately \$14.5M less than budgeted amounts primarily due to MCO taxes pending approval for renewal. The MCO tax was signed and approved by the Governor on September 30, 2019 and is currently pending federal approval. California Association of Health Plans (“CAHP”) is confident the federal government will approve. If approved, MCO taxes will go retroactive back to 7/1/19. Revenues are higher than budget by approximately \$6.5M when MCO tax is adjusted out due to rates paid by DHCS being higher than budgeted. Capitation medical costs are</p>	<p>Motion: <i>Approve Financials as of August 31, 2019</i> 7 – 0 – 0 – 0 <i>(Nikoghosian / Neves)</i></p>

	<p>over budget for the same reason.</p> <p>Two new financial statement accounts added to income statement as a result of DHCS' directed payment program.</p> <p>Grants are less than budgeted amount due to the Valley Health Team ("VHT") residency grant. How it was structured and approved was based on a contribution amount up to their net operating loss. \$2.2M was available; however, VHT's net operating loss was \$2.1M. The difference was trued up in the month of August 2019, when VHT's reporting was due to CalViva.</p> <p>All other expense items are in line or below what was budgeted, with the exception of License expense. License expense was higher due to estimates being lower than actual cost. For the first two months of FY 2020, total net income is approximately \$2.1M which is approximately \$809K more than budgeted.</p>	
#5 Announcements	<p>One tenant will be leaving the complex early 2020. The space is on the market and there is a potential tenant to possibly occupy the space.</p> <p>CVH is exploring the potential to add EV chargers to the property. Grants are available and substantial enough to potentially cover the majority of the cost.</p>	
#6 Adjourn	<p>Meeting was adjourned at 12:00 pm</p>	

Submitted by: Cheryl Hurley  
Cheryl Hurley, Clerk to the Commission  
Dated: February 20, 2020

Approved by Committee: Daniel Maychen **Finance Committee**  
Daniel Maychen, Committee Chairperson  
Dated: 2/20/20