



**CalViva Health
Finance
Committee Meeting Minutes**

September 16, 2021

Meeting Location

Teleconference Meeting due
to COVID-19 Executive Order
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
✓	Jeff Nkansah, CEO	✓	Jiaqi Liu, Accounting Manager
✓•	Paulo Soares		
✓	Joe Neves		
✓•	Harold Nikoghosian		
	David Rogers		
✓•	John Frye		
		✓	Present
		*	Arrived late/Left Early
		•	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 via conference call in lieu of gathering in public per executive order signed by the Governor of California on Monday, 3/16/2020, allowing Public Health Plans subject to the Brown Act to hold public meetings via teleconferencing due to COVID-19. A quorum remains a requirement to take actions, but can be achieved with any combination of Commissioners' physical attendance at the public location or by teleconferencing.	A roll call was taken.
#2 Finance Committee Minutes dated July 15, 2021	The minutes from the July 15, 2021 Finance meeting were approved as read.	Motion: <i>Minutes were approved</i> 6-0-0-1

<p>Attachment 2.A Action D. Maychen, Chair</p>		<p>(Nikoghosian / Frye) A roll call was taken.</p>
<p>#3 Financials – Fiscal Year End 2021 Action D. Maychen, Chair</p>	<p>Fiscal year end 2021 financials are currently being audited by Moss Adams, LLP and are in the final review stages. To date, there are no proposed audit adjustments or corrections to the financial statements.</p> <p>Moss Adams will be present during the October Finance meeting and the October Commission meeting to present the final audited financials for Fiscal Year 2021.</p> <p>Current total assets are approximately \$266.1M; current liabilities recorded are \$157M, this gives a current ratio of 1.69. TNE as of June 30, 2021 is approximately \$119.1M which is approximately 736% of the minimum required TNE by DMHC.</p> <p>Investment income actual recorded was approximately \$299k less than budgeted primarily due to declining yields on the Plan’s money market accounts. Premium capitation income actual recorded was approximately \$1.33B which is approximately \$148.4M higher than what was budgeted due to the FY 2021 budget accounting for the Pharmacy Carve-Out being effective mid-way through FY 2021 and was delayed by DHCS and was not effective at all during FY 2021. This created higher revenues than projected; that in conjunction with enrollment being higher than projected and higher rates also contributed to the higher revenue. In late July 2021 DHCS confirmed that the new Pharmacy Carve-Out date will be 1/1/2022 which is consistent with what was budgeted in the FY 2022 budget. Total costs of medical care expense actual recorded is approximately \$1.12B which is approximately \$142.9M above what was budgeted primarily due to the delay of the Pharmacy Carve-Out and higher enrollment and rates than expected. Admin service agreement fees expense actual recorded</p>	<p>Motion: <i>Financials Year End 2021 were approved</i></p> <p>6 – 0 – 0 – 1</p> <p>(Nikoghosian / Soares)</p> <p>A roll call was taken.</p>

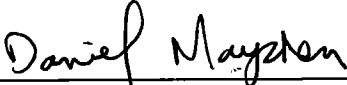
	<p>was approximately \$49.6M which is approximately \$1.5M above what was budgeted primarily due to enrollment being higher than anticipated. Grants expense actual recorded is approximately \$3.5M which is approximately \$667k less than budgeted due to the Plan's Grants/Community Support Program related funds not being fully utilized. All other expense items line items are in line with what was budgeted. Total net income for FY 2021 was approximately \$10.3M, which is approximately \$5M more than budgeted, primarily due to the Pharmacy Carve-Out delay, higher enrollment than projected, and rates being higher than budgeted.</p>	
<p>#4 Financial Statements as of July 31, 2021 Action D. Maychen, Chair</p>	<p>Total current assets recorded were approximately \$240M; total current liabilities were approximately \$131.3M. Current ratio is approximately 1.89. Two new line items have been added to the Balance Sheet; Lease Receivable and Deferred Inflows of Resources. These two new items were added due to a new accounting standard through GASB 87. Total net equity as of July 2021 was approximately \$118.7M which is approximately 733% above the minimum DMHC required TNE amount.</p> <p>Premium capitation income actual recorded was approximately \$115M which is approximately \$1.5M higher than budgeted due to enrollment being higher than budgeted. Total cost of medical care expense actual recorded is approximately \$95.5M which is approximately \$1.2M more than budgeted due to higher enrollment than expected. Admin service agreement fees expense actual recorded was approximately \$4.3M, which is approximately \$76k more than budgeted due to enrollment being higher than budgeted. All other line-item expense items are in line with what was budgeted. For the first month of FY 2022 there was a net loss of approximately \$403k primarily due to front loading grants made to various entities and CBOs which is consistent with what was budgeted and the prior year. The \$403k net loss is \$313k less than the projected net loss of \$716K due to the MCO tax loss not being as high as anticipated.</p>	<p>Motion: <i>Financials as of July 31, 2021 were approved</i></p> <p>6-0-0-1</p> <p>(Frye / Nikoghosian)</p> <p>A roll call was taken.</p>

Finance Committee

<p>#5 Proposed 2022 Finance Meeting Calendar</p> <p>Action D. Maychen, Chair</p>	<p>The proposed 2021 Finance meeting calendar was presented to the Committee. No revisions recommended.</p>	<p>Motion: Motion: <i>Approve Proposed Finance Meeting Calendar to move forward to Commission for Approval</i></p> <p>6-0-0-1</p> <p><i>(Frye / Nikoghosian)</i></p> <p>A roll call was taken.</p>
<p>#5 Announcements</p>		
<p>#6 Adjourn</p>	<p>Meeting was adjourned at 11:43 am</p>	

Submitted by: 
 Cheryl Hurley, Clerk to the Commission

Dated: Oct. 21, 2021

Approved by Committee: 
 Daniel Maychen, Committee Chairperson

Dated: 10/21/2021