



**CalViva Health
Finance
Committee Meeting Minutes**

Meeting Location

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

September 28, 2023

Finance Committee Members in Attendance		CalViva Health Staff in Attendance	
✓	Daniel Maychen, Chair	✓	Cheryl Hurley, Office Manager
✓	Jeff Nkansah, CEO	✓	Jiaqi Liu, Director of Finance
✓	Paulo Soares		
✓	Joe Neves		
	David Rogers		
✓	John Frye		
✓	Rose Mary Rahn		
		✓	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. Rose Mary Rahn was introduced as the new Finance Committee member, replacing the vacant position previously held by Harold Nikoghosian.	
#2 Finance Committee Minutes dated July 20, 2023 Attachment 2.A Action, D. Maychen, Chair	The minutes from the July 20, 2023, Finance meeting were approved as read. <i>John Frye arrived at 11:31 am – not included in vote</i>	Motion: <i>Minutes were approved 3-0-2-2 (Neves / Nkansah)</i>
#3 Financials – Fiscal Year 2023 Action	Financials are currently being audited by Moss Adams and are in the final stages of the audit. To date there have been no audit adjustments or findings. Moss Adams will be onsite for the October Commission meeting to present the audited FY 2023 Financials.	Motion: <i>Financials for Fiscal Year End 2023 were approved</i>

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<p>D. Maychen, Chair</p>	<p>Total current assets recorded were approximately \$301.3M; total current liabilities were approximately \$170M. Current ratio is approximately 1.77.</p> <p>Total net equity was approximately \$141.3, which is approximately 819% above the minimum DMHC required TNE amount. As stated in the previous meeting, as part of the 2024 contract, DHCS was looking to require Plans to have two months of average monthly contract revenues in reserves. For CVH that is approximately \$278M; from the current financials the Plan is at \$141M and would be substantially short of the proposed required minimum reserve requirement by DHCS. Plans have provided feedback to the State expressing concern that this is not feasible. DHCS has taken concerns into consideration and has adjusted it down to one month of average monthly contract revenues for the reserve requirement. In addition, because DHCS pays the Plan one month late, they stated this would satisfy the one-month average monthly contract revenue requirement. From DHCS' perspective they believe that one-month average contract revenue is their standard reserve requirement. For the Plan, \$139M is approximately the current monthly average contract revenue requirement and the Plan's current TNE is approximately \$141M which puts the Plan just above the minimum reserve requirement from DHCS.</p> <p>Interest income actual recorded was approximately \$5.4M which is approximately \$5M more than budgeted primarily due to rates on the Plan's money market funds being higher than projected. Premium capitation income actual recorded was approximately \$1.3B which is approximately \$134.9 more than budgeted primarily due to rates and enrollment being higher than projected.</p> <p>Total cost of medical care expense actual recorded is approximately \$1.12B which is approximately \$128.1M more than budgeted due to rates and enrollment being higher than projected. Admin service agreement fees expense actual recorded was approximately \$56.2, which is approximately \$4.9M more than budgeted due to higher than budgeted enrollment. Dues and Subscriptions expense actual recorded was approximately \$259K which is approximately \$53.7K more than budgeted due to the Local Health Plans of California (LHPC) one-time additional assessment related to their work in renewing the MCO tax and allocating dollars to reinvest back into Medi-Cal as opposed to the State general fund. All other expense line items are below or close to what was budgeted.</p> <p>Net income recorded for Fiscal Year 2023 was approximately \$13.4, which is</p>	<p>6-0-0-1</p> <p>(Soares / Frye)</p>

Finance Committee

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	approximately \$8.7M more than projected primarily due to interest income being approximately \$5M higher than projected, and enrollment and rates being higher than projected.	
#4 Proposed 2024 Finance Meeting Calendar Action D. Maychen, Chair	The proposed 2024 Finance meeting calendar was presented to the Committee. No revisions recommended.	Motion: Meeting Calendar for 2024 was approved to move to Commission for final approval 6-0-0-1 (Frye / Rahn)
#5 Announcements	None.	
#6 Adjourn	Meeting was adjourned at 11:37 am	

Submitted by: Cheryl Hurley
Cheryl Hurley, Clerk to the Commission

Dated: 10-19-23

Approved by Committee: Daniel Maychen
Daniel Maychen, Committee Chairperson

Dated: 10/19/23