



**CalViva Health
Finance
Committee Meeting Minutes**

Meeting Location

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

October 19, 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	Comments	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 28, 2023 Attachment 2.A Action, D. Maychen, Chair	The minutes from the September 28, 2023, Finance meeting were approved as read.		Motion: <i>Minutes were approved</i> <i>6-0-2-1</i> <i>(Rogers / Frye)</i>
#3 Presentation of Fiscal Year 2023 Audit Results	Rianne Suico, representative of Moss Adams, presented the results of the audit. Moss Adams' audit will result in the issuance of an unmodified opinion on the financial 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.		Motion: <i>Approve Audit Results for FY 2023 to move to Commission</i> <i>6-0-0-1</i> <i>(Rogers / Soares)</i>

AGENDA ITEM / PRESENTER

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.

#4 Financials – as of August 31, 2023
 Action
 D. Maychen, Chair

Accounts Receivable's higher balance of \$438.5M is due to DHCS not paying the July 2023 capitation until early September 2023, which is two months later than the original capitation month. Correspondingly, Capitation Payable is higher than normal due to late capitation payment from DHCS.

Total current assets recorded were approximately \$585.4M; total current liabilities were approximately \$451.5M. Current ratio is approximately 1.3. Total net equity was approximately \$143.8M, which is approximately 833% above the minimum DMHC required TNE amount.

Interest income actual recorded was approximately \$1.2M which is approximately \$580K more than budgeted due to when the 2024 budget was created there was a possibility the interest rates on the Plan's money market funds could decrease. This was taken into consideration when budgeting for FY 2024 interest income; however, actual rates on the Plan's money market account stayed above 5% which resulted in higher interest income. Premium capitation income actual recorded was approximately \$256.4M which is approximately \$36.1M more than budgeted primarily due to enrollment being higher than projected. When the budget was created for FY 2024, projections for disenrollment was approximately 7,500 per month, in actuality it is around 2,500 per month through the first two months of FY 2024.

Total cost of medical care expense actual recorded is approximately \$243M which is approximately \$35.3M more than budgeted due to enrollment being higher than projected. Admin service agreement fees expense actual recorded was approximately \$9.7M, which is approximately \$432K more than budgeted due to higher than budgeted enrollment. All other expense line items are below or close to what was budgeted.

For the first two months of FY 2024 net income recorded was approximately \$2.4M, which is approximately \$1.4M more than budgeted primarily due to interest income being approximately \$580K higher than projected, and

MOTIONS / MAJOR DISCUSSIONS

Comments

John Frye asked if Health Net had a material problem with their audit, is the Plan informed of that or is it public information?
Daniel Maychen responded that it should be public information, and Health Net would let the Plan know. The Plan has executive meetings where financials are discussed.

(Frye / Rogers)

6-0-0-1 approved August 31, 2023, were

Motion: Financials as of

ACTION TAKEN

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	Comments	ACTION TAKEN
	enrollment being higher than projected.		
#5 Announcements	Jeff Nkansah thanked the Finance team for a job well done.		
#6 Adjourn	Meeting was adjourned at 11:51 am		

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

Dated: *Feb. 15, 2024*

Approved by Committee: *Daniel Maychen*
Daniel Maychen, Committee Chairperson

Dated: *2/15/24*

1914

1915