



**CalViva Health
Finance
Committee Meeting Minutes**

Meeting Location

CalViva Health
1315 Van Ness Avenue
Fresno, CA 93721

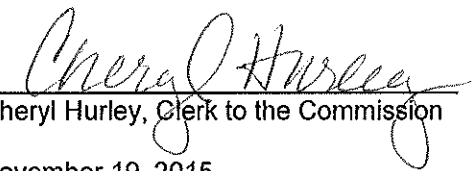
October 15, 2015

| Finance Committee Members in Attendance | | CalViva Health Staff in Attendance | |
|---|-----------------------|------------------------------------|-------------------------------------|
| ✓ | William Gregor, Chair | | Daniel Maychen, Director of Finance |
| ✓ | Gregory Hund, CEO | ✓ | Cheryl Hurley, Office Manager |
| | Paulo Soares | | |
| ✓ | Joe Neves | | |
| ✓• | Harold Nikoghosian | ✓ | Present |
| | Deborah A Poochigian | * | Arrived late |
| | David Rogers | • | Teleconference |

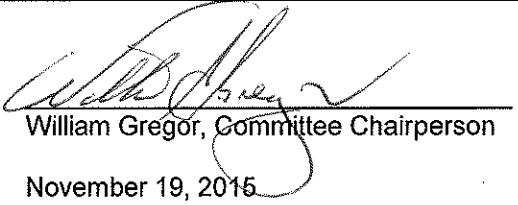
| AGENDA ITEM / PRESENTER | MOTIONS / MAJOR DISCUSSIONS | ACTION TAKEN |
|---|--|---|
| #1 Call to Order | The meeting was called to order at 11:03 am a quorum was present | |
| #2 Finance Committee Minutes dated July 16, 2015 Attachment 2.A Action W Gregor, Chair | The minutes from September 17, 2015 Finance meeting were approved as read. | Motion: <i>Minutes were approved 4 – 0 – 0 – 3 (Neves/Nikoghosian)</i> <i>A roll call was taken</i> |
| #3 Presentation of results of FY2015 Independent Audit (Moss Adams) No attachment | Moss Adams presented the results of the 2015 independent audit. Cash balances were confirmed and no issues were found. Bank reconciliations were reviewed and were deemed properly reconciled in accordance with GAAP. Cash has | Motion: <i>Recommend Acceptance by Commission 4 – 0 – 0 – 3 (Neves/Nikoghosian)</i> <i>A roll call was taken</i> |

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| <p>Action W. Gregor, Chair</p> | <p>been properly reported for both years. Capitation receivables significantly increased from prior year due to timing of receipt of cash from the State, which was after year end. Receivables were valid and collectable. In addition, the increase was also attributed to the growth of membership. Other assets has remained comparable between 2014 and 2015; with a spike expected in 2016 due to the new building purchase. There was proper inclusion with composition of equities and liabilities. The long term debt in 2014 was forgiven in 2015 due to the \$3M loan to Health Net being forgiven; this is now shown as other income on the income statement.</p> <p>Operating expenses increased between 2014 and 2015 due to the ACA population. The percentage of expenses of operating revenue is consistent with the increases in both revenue and expense, with an operating income of 1% as expected. Management’s recording of expenses was consistent with the prior year and recorded in accordance with accounting policies adopted by management and GAAP.</p> <p>After performing all procedures required for the audit, no adjustments were proposed by Moss Adams. The audit was conducted as expected without any disruptions or disagreements. An unmodified opinion was issued on the financial statements.</p> | |
| <p>#4 Discuss Reappointment of Moss Adams as Independent Auditors Attachment 4.A</p> | <p>A proposal from Moss Adams was presented to the Committee for retention of their services through fiscal year 2018. A motion was granted to recommend acceptance by the Commission for reappointment of Moss Adams as Independent Auditors during the November 2015</p> | <p>Motion: <i>Recommend Acceptance by Commission in November 4 – 0 – 0 – 3 (Neves/Nikoghosian)</i></p> <p><i>A roll call was taken</i></p> |

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| Information W. Gregor, Chair | Commission meeting. | |
| #5 Financial Statements as of September 30, 2015 Attachment 5.A Motion W. Gregor, Chair | <p>W. Gregor presented the Financial Statements through September 30, 2015.</p> <p>Current assets were \$137.7M and current liabilities were \$108.2M which gives us a current ratio of 1.27. TNE stands at \$29.8M versus the minimum DMHC required TNE of \$12.6M. We are 236% of the minimum required TNE by DHCS.</p> <p>Revenues are \$274.9M which is \$54.6M greater than budget, with corresponding medical services costs of \$251.5M which is \$45.6M greater than budget. Administrative services fees of \$10.8M which are \$538K greater than budget. Premium taxes of \$12.5M which is \$3.7M greater than budget. The variances are due to enrollment being greater than originally budgeted. YTD we have 36,665 member months greater than what was budgeted. As of September the budget enrollment was 312,400; actual enrollment was 326,765 members.</p> <p>All other expenses are either below or close to budget which gives us a net income of \$3.057M which is \$915K greater than budget.</p> | <p>Motion: <i>Financial Statements as of September 30, 2015 were approved 4 – 0 – 0 – 3 (Neves/Hund)</i></p> <p><i>A roll call was taken</i></p> |
| #6 Announcements | None | |
| #7 Adjourn | Meeting was adjourned at 11:20 am | |

Submitted by: 
Cheryl Hurley, Clerk to the Commission

Dated: November 19, 2015

Approved by Committee: 
William Gregor, Committee Chairperson

Dated: November 19, 2015