



**CalViva Health  
Finance  
Committee Meeting Minutes**

September 15, 2016

**Meeting Location**  
Kings County Government Center  
Administration Building  
1400 W. Lacey Blvd.  
Hanford, CA 93230

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		
✓*	David Rogers		
	David Singh		
		✓	Present
		*	Arrived late
		•	Teleconference

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
#1 Call to Order	The meeting was called to order at 11:10 am a quorum was present.	
#2 Finance Committee Minutes dated May 19, 2016 Attachment 2.A  Action W Gregor, Chair	The minutes from May 19, 2016 Finance meeting were approved as read.	Motion: <i>Minutes were approved</i> <i>5-0-0-2</i> <i>(Neves / Soares)</i>
#3 Financial Statements for Fiscal Year 2016	Daniel Maychen presented the full year financials for Fiscal Year 2016.	Motion: <i>Financial Statements were approved</i>

<p>Attachment 3.A Action Daniel Maychen, Director of Finance &amp; MIS</p>	<p>Current assets are \$140M and current liabilities are \$113.1M, with a current ratio of 1.24. TNE at of the end of June 30, 2016 was approximately \$38.3M. Actual TNE is approximately 308% of the DMHC required minimum TNE amount.</p> <p>Premium capitation income was \$1.92B, which is \$180M above what was budgeted; this was due to enrollment being greater than what was budgeted. Total cost of medical care expense, administrative service agreement fee expense, and taxes are all above budgeted amounts. All expense line items are in line with budget, with the exception of depreciation expense due to the building purchase. Overall, for FY 2016, CVH is ahead of budget by \$2.9M with net income recorded at \$11.5M. There is \$154K in other income related to rental income.</p> <p>There were no audit adjustments from the Moss Adams audit. The numbers reported today is what will show in the audit report presented in October.</p>	<p>5-0-0-2 (Neves / Soares)</p>
<p>#4 Financial Statements as of July 31, 2016  Attachment 4.A  Action Daniel Maychen, Director of Finance &amp; MIS</p>	<p>Current assets are \$127.5M and current liabilities are \$99.4 M, with a current ratio of 1.28. TNE at the end of July was \$39.5M.</p> <p>Premium capitation income was \$94M. Total cost of medical care was \$88.6M. Net income at the end of July was \$1.1M; other income was \$47K. Unknown items related to FY 2017 are premium taxes and DHCS premium capitation rates. In reference to premium taxes, the old tax structure expired June 30, 2016. The new tax structure began July 1, 2016. Under the new tax, the tax amount</p>	<p>Motion: <i>Financial Statements were approved</i></p> <p>5-0-0-2 (Neves / Nikoghosian)</p>

	<p>assessed to plans could be more or less than what DHCS adjusts for in the capitation rates paid to CVH. Potentially, there is a positive or negative impact to plans based on the assessed tax amount, based on membership. Any impact will be minimal to CVH. The new tax will be on a per member per month (PMPM) basis. The new tax will impact all health care plans in the State of California, both commercial and Medi-Cal plans. In reference to DHCS premium capitation rates, DHCS is behind in paying CVH the applicable capitation rates. The current rates for FY 2017 are under review with CMS. Once those rates are approved the impact will be minimal; any increase or decrease in rates that relates to revenues has a similar impact on capitation expense because of the relationship between CVH and Heath Net.</p> <p>With regard to the building, occupancy is currently at 100% and earnings of 7% ROI is projected for the year.</p>	
#5 Announcements	DMHC Financial Audit will begin October 3, 2016, for a duration of two weeks.	
#6 Adjourn	Meeting was adjourned at 11:28 am	

Submitted by:

Cheryl Hurley  
Cheryl Hurley, Clerk to the Commission

Dated:

Oct. 20, 2016

Approved by Committee:

William Gregor  
William Gregor, Committee Chairperson

Dated:

Oct. 20, 2016