



**CalViva Health  
Finance  
Committee Meeting Minutes**

September 17, 2020

**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
✓	Gregory Hund, 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.

<p>#2 Finance Committee Minutes dated July 16, 2020</p> <p>Attachment 2.A Action D. Maychen, Chair</p>	<p>The minutes from the July 16, 2020 Finance meeting were approved as read.</p>	<p>Motion: <i>Minutes were approved</i> <i>6 – 0 – 0 – 1</i> <i>(Nikoghosian / Hund)</i></p> <p>A roll call was taken.</p>
<p>#3 Financials – Fiscal Year End 2020</p> <p>Action D. Maychen, Chair</p>	<p>Current assets are \$286.1M; current liabilities are \$187.7M, this gives a current ratio of 1.52. TNE as of June 30, 2020 is approximately \$108.8M which is approximately 750% of the minimum required TNE by DMHC.</p> <p>Total premium capitation income recorded was \$1.196B which is approximately \$64.6M higher than what was budgeted due to actual rates paid being higher than budgeted and the receipt of additional funds related to the voluntary rate range program. Total costs of medical care expense is higher than what was budgeted for the same reasons. Admin service agreement fees expense was below what was budgeted by approximately \$454K primarily due to enrollment being less than projected. Grants expense is above what was projected by approximately \$680K primarily due to providing additional grants to the community in response to the COVID-19 pandemic. Taxes was below what was budgeted by approximately \$59.4M due to CMS approving the MCO tax retroactive to January 2020 as opposed to July 2019. Total net income for FY 2020 was approximately \$38.5M, which is approximately \$31M more than budgeted, primarily due to rates being higher than budgeted and the additional funds related to the voluntary rate range program</p> <p>Fiscal year end 2020 financials are currently being audited by Moss Adams, LLP and are in the final review stages. To</p>	<p>Motion: <i>Approve FY End 2020 Financials</i> <i>7 – 0 – 0 – 0</i></p> <p><i>(Frye / Nikoghosian)</i></p> <p>A roll call was taken.</p>

	<p>date, there are no proposed audit adjustments or corrections to the financial statements.</p> <p><i>Paulo Soares arrived at 11:31 am</i></p>	
<p>#4 Financial Statements as of July 31, 2020</p> <p>Action D. Maychen, Chair</p>	<p>Total current assets were approximately \$296.9M; total current liabilities were approximately \$199.5M. Current ratio is 1.49. TNE as of July 31, 2020 was approximately \$107.7M, which is approximately 730% above the minimum DMHC required TNE amount.</p> <p>Premium capitation income actual recorded was approximately \$105.8M which is approximately \$2.5M below budgeted amounts, primarily due to rates being lower than anticipated, and the MCO tax being approximately \$1M less than what was budgeted. In relation to the MCO tax, DHCS recently sent to Plans the MCO tax revenue worksheet covering the time period of January 2020 through December 2020, which detailed DHCS' enrollment projections. The enrollment projections are used to calculate the revenue portion of the MCO tax, noting that DHCS' enrollment projections were very aggressive, most likely due to DHCS trying to account for increase in enrollment as a result of COVID-19. Essentially the State is projecting enrollment to be approximately 393K per month; currently the Plan is at 364K members per month. The difference is creating approximately \$1M MCO tax loss per month beginning July 2020 through December 2020. DHCS has communicated that they will monitor this and if the loss remains, they will potentially make adjustments for the period of January 2021 through June 2021 and potentially increase the Plan's revenue rates for that time period to make up for the MCO tax loss incurred during July 2020 through December 2020. Total cost of</p>	<p>Motion: <i>Approve Financials as of July 31, 2020</i> <i>6-0-0-1</i></p> <p><i>(Frye / Rogers)</i></p> <p>A roll call was taken.</p>

	<p>medical care is less than budgeted due to rates being less than projected. Grants expense is slightly higher than budgeted due to frontloading the grants in order to provide funds to the community and community-based organizations due to the impact of COVID-19. Taxes on the expense side are in line with budget; however, taxes on the revenue side are below what was budgeted. For the first month of fiscal year 2021, there is a \$1M net loss which is approximately \$987K less than budgeted primarily due to the MCO tax loss.</p> <p><i>Harold Nikoghosian left meeting at 11:46 am; not included in vote</i></p>	
<p>#5 Proposed 2021 Finance Committee Meeting Calendar</p>	<p>The proposed 2021 Finance meeting calendar was presented to the Committee. No revisions recommended.</p>	<p>Motion: <i>Approve Proposed Finance Meeting Calendar to move forward to Commission for Approval</i>          6-0-0-1  <i>(Hund / Soares)</i>          A roll call was taken.</p>
<p>#6 Announcements</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 2020.</p>	
<p>#7 Adjourn</p>	<p>Meeting was adjourned at 11:40 am</p>	

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

Dated: *10/15/2020*

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

Dated: *10/15/2020*