



**CalViva Health  
Finance  
Committee Meeting Minutes**

November 19, 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 October 15, 2020</p> <p>Attachment 2.A Action D. Maychen, Chair</p>	<p>The minutes from the October 15, 2020 Finance meeting were approved as read.</p>	<p>Motion: <i>Minutes were approved</i> 6 – 0 – 0 – 1 (Hund / Frye)</p> <p>A roll call was taken.</p>
<p>#3 Financial Statements as of September 30, 2020</p> <p>Action D. Maychen, Chair</p>	<p>Total current assets were approximately \$283.8M; total current liabilities were approximately \$186.6M. Current ratio is 1.52. TNE as of September 30, 2020 was approximately \$107.4M, which is approximately 724% above the minimum DMHC required TNE amount.</p> <p>For July 2020 through September 2020 actual premium capitation income recorded was approximately \$320.5M which is approximately \$4.25M below budgeted amounts, primarily due to MCO tax being less than what was projected, and rates being less than budgeted. The MCO tax loss is decreasing due to an increase in enrollment; however, is still creating a material loss to the Plan. From July 2020 to September 2020, the Plan has incurred an approximate \$2.5M MCO tax loss. Furthermore, assuming enrollment remains relatively consistent, the projected tax loss of approximately \$4.3M for the period of July 2020 through December 2020 is expected. DHCS has acknowledged and are keeping track of the MCO tax loss the Plans are experiencing, and are currently assessing potential solutions; the timing of any adjustments is yet to be determined. In addition, DHCS is in the process of creating their MCO tax revenue rate for the period of January 2021 through June 2021; those rates should be received late December 2020.</p> <p>Total cost of medical care expense recorded is</p>	<p>Motion: <i>Approve Financials as of September 30, 2020</i> 6 – 0 – 0 – 1 (Frye / Soares)</p> <p>A roll call was taken.</p>

	<p>approximately \$269.2M which is approximately \$1.7M less than budgeted due to rates being less than projected. All other expense line items are in line or below what is budgeted. For the first three months of fiscal year 2021, there is an approximate net loss of \$1.3M, noting Net Income is approximately \$2.5M less than budgeted, primarily due to the MCO tax loss.</p>	
<p>#5 Announcements</p>	<p>The implementation of the Medi-Cal pharmacy services transition slated for January 1, 2021 has been delayed to April 1, 2021. DHCS confirmed the pharmacy component will be added back to the Plan's rates as of January 2021 through March 2021. This will cause revenue rates to be higher than what was budgeted. Gross revenue impact will be approximately \$54M, and net income impact will be approximately \$800K in additional net income to CVH.</p> <p>A large national organization has expressed interest in leasing the vacant space available in the building which will potentially require approximately \$400K of TI's. Response to their RFP will be given the week of November 23, 2020.</p>	
<p>#6 Adjourn</p>	<p>Meeting was adjourned at 11:50 am</p>	

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

Dated: Feb. 18, 2021

Approved by Committee: Daniel Maychen  
 Daniel Maychen, Committee Chairperson

Dated: 2/18/2021