



**CalViva Health
Finance
Committee Meeting Minutes**

May 19, 2022

Meeting Location

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
✓	Jeff Nkansah, CEO	✓	Hector Torres, Senior Accountant & MIS Analyst
	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.	
#2 Finance Committee Minutes dated March 17, 2022 Attachment 2.A Action D. Maychen, Chair	The minutes from the March 17, 2022 Finance meeting were approved as read.	Motion: <i>Minutes were approved 4-0-0-3 (Frye / Neves)</i>
#3 Financial Statements as of	Total current assets recorded were approximately \$268M; total current	Motion: <i>Financials as of March 31,</i>

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<p>March 31, 2022</p> <p>Action</p> <p>D. Maychen, Chair</p>	<p>liabilities were approximately \$149.3M. Current ratio is approximately 1.8. Total net equity as of the end of March 2022 was approximately \$128.5M which is approximately 760% above the minimum DMHC required TNE amount.</p> <p>For the first nine months of FY 2022, interest income actual recorded was approximately \$241K which is approximately \$169K more than budgeted due to a new accounting standard called GASB 87 which requires a portion of lease revenue to be recorded as interest income. Premium capitation income actual recorded was approximately \$1.015B which is approximately \$47.2M more than budgeted primarily due to overall rates and enrollment being higher than projected. Also, for FY 2022 a projected \$2.2M MCO tax loss did not occur as enrollment was higher than projected, noting that the MCO tax revenue is directly tied to actual enrollment. Furthermore, in January 2022, DHCS updated the Plan's MCO tax revenue rate which increased the Plan's MCO tax revenue which led to approximately a \$3.4M MCO tax gain for FY 2022.</p> <p>Total cost of medical care expense actual recorded is approximately \$834.5M which is approximately \$39.6M more than budgeted due to the same reasons as stated above referencing revenue. Admin service agreement fees expense actual recorded was approximately \$38.9M, which is approximately \$1.2M more than projected due to higher-than-budgeted enrollment. All other expense line items are in line or below what was budgeted.</p> <p>Total net income through March 2022 actual recorded was approximately \$9.4M which is approximately \$7.3M more than budgeted primarily due to rates and enrollment being higher and the MCO tax loss the Plan projected for FY 2022 that did not materialize due to higher-than-expected enrollment, and the updated MCO tax revenue rate beginning January 2022 which has caused the Plan to book an</p>	<p><i>2022 were approved</i></p> <p><i>5 – 0 – 0 – 2</i></p> <p><i>(Neves / Rogers)</i></p>

Finance Committee

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	<p>approximate \$3.4M MCO tax gain.</p> <p style="text-align: center;"><i>Supervisor Rogers arrived at 11:33 am</i></p>	
<p>#4 Finance Committee Charter</p> <p>Action D. Maychen, Chair</p>	<p>No edits or revisions were recommended during the annual Charter review. This was approved to move to Commission for final approval.</p>	<p>Motion: <i>Finance Charter was approved to move to Commission for full approval.</i></p> <p><i>5-0-0-2</i> <i>(Rogers / Frye)</i></p>
<p>#5 Announcements</p>	<p>Hector Torres was introduced as the new Senior Accountant and MIS Analyst.</p> <p>The DMHC financial examination audit concluded on May 3, 2022. A preliminary audit report was issued with two findings. Both were related to claims and PDRs that Health Net processes on the Plan's behalf. A sample of claims were found not to be paid accurately mainly due to a contracting load issue. The second finding was related to a sample of PDRs that had untimely PDR acknowledgement due to COVID and staffing issues. The Plan is to respond to DMHC by June 13, 2022. A final report will be issued 45 days after response is due.</p>	
<p>#6 Adjourn</p>	<p>Meeting was adjourned at 11:38 am</p>	

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

Dated: *7.21.22*

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

Dated: *7/21/2022*