



**CalViva Health
Finance
Committee Meeting Minutes**

September 15, 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	✓	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.	
#2 Finance Committee Minutes dated July 21, 2022 Attachment 2.A Action D. Maychen, Chair	The minutes from the July 21, 2022 Finance meeting were approved as read.	Motion: <i>Minutes were approved 3 – 0 – 1 – 3 (Neves / Nkansah)</i>
# 3 Financials – Fiscal Year End	Fiscal year end 2021 financials are currently being audited by Moss	Motion: <i>Financials Fiscal Year End</i>

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
<p>2022</p> <p>Action</p> <p>D. Maychen, Chair</p>	<p>Adams, LLP and are in the final review stages. To date, there are no proposed audit adjustments or corrections to the financial statements.</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 2022.</p> <p>Current total assets are approximately \$278.5M; current liabilities are approximately \$160.5M, this gives a current ratio of 1.73. TNE as of June 30, 2022 is approximately \$127.9M which is approximately 758% of the minimum required TNE by DMHC.</p> <p>Interest income actual recorded was approximately \$551K which is approximately \$455K more than projected mainly due to the implementation of GASB 87, in addition the rates on the Plan’s money market funds has increased. Premium capitation income actual recorded was approximately \$1.34B which is approximately \$88.5M higher than what was budgeted primary due to rates and enrollment being higher than budgeted. The Plan had budgeted for the PHE to end approximately December 2021 which did not occur, and therefore actual enrollment was higher than budgeted. Total costs of medical care expense actual recorded is approximately \$1.1B which is approximately \$83.3M above what was budgeted primarily due to higher enrollment and rates. Admin service agreement fees expense actual recorded was approximately \$52.3M which is approximately \$2.3M above what was budgeted primarily due to enrollment being higher than projected. Grants expense actual recorded is approximately \$2.9M which is approximately \$720k less than budgeted due to the Plan’s Grants/Community Support Program related funds not being fully utilized due to Provider Recruitment grants not being fully utilized and also contingency funding not being utilized during FY 2022. All other expense items line items are in line, or below, with what was budgeted.</p>	<p>2022 were approved</p> <p>5 – 0 – 0 – 2</p> <p>(Frye / Soares)</p>

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>Total net income for FY 2022 was approximately \$8.7M, which is approximately \$5.1M more than budgeted, primarily due to a budgeted \$2.2M MCO tax loss which did not occur as actual enrollment was higher than budgeted noting that the MCO tax revenue amount is directly correlated with enrollment. And secondly the Plan had higher enrollment and rates than projected.</p> <p><i>John Frye arrived at 11:31 am</i></p>	
<p>#4 Financials as of July 31, 2022</p> <p>Action D. Maychen, Chair</p>	<p>Total current assets recorded were approximately \$249.3M; total current liabilities were approximately \$131.5M. Current ratio is approximately 1.89.</p> <p>Total equity as of the end of July 2022 was approximately \$127.8M which is approximately 757% above the minimum DMHC required TNE amount.</p> <p>The net loss for July 2022 is due to CalViva frontloading the grants so that funds could be distributed to the Plan’s community-based organizations sooner than later, which is consistent with prior years. Interest income actual recorded was approximately \$160K which is approximately \$131K more than budgeted primarily due to rates on the Plan’s money market funds being higher than anticipated. Premium capitation income actual recorded was approximately \$107.3M which is approximately \$3M more than budgeted primarily due to enrollment being higher than projected.</p> <p>Total cost of medical care expense actual recorded is approximately \$85.8M which is approximately \$2.5M more than budgeted due to enrollment being higher than projected. Admin service agreement fees expense actual recorded was approximately \$4.5M, which is approximately \$77K more than budgeted due to higher than projected enrollment. All other expense line items are in line with what was</p>	<p>Motion: <i>Financials as of July 31, 2022 were approved</i></p> <p><i>6 – 0 – 0 – 1</i></p> <p><i>(Frye / Soares)</i></p>

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
	<p>budgeted.</p> <p>For the first month of FY 2023 there was a net loss of approximately \$182K which is approximately \$623K less than the projected net loss of \$804K; The main reasons for lower net loss than projected are due to an MCO tax gain of approximately \$393K for July 2022, in combination with higher enrollment than projected.</p> <p><i>Harold Nikoghosian arrived at 11:38 am</i></p>	
<p>#5 Proposed 2023 Finance Meeting Calendar</p> <p>Action D. Maychen, Chair</p>	<p>The proposed 2023 Finance meeting calendar was presented to the Committee. No revisions recommended.</p>	<p>Motion: Motion: <i>Approve Proposed Finance Meeting Calendar to move forward to Commission for Approval</i></p> <p>6-0-0-1</p> <p><i>(Soares / Neves)</i></p> <p>A roll call was taken.</p>
<p>#6 Announcements</p>	<p>The DMHC Routine Financial Examination Audit responses have been accepted by DMHC and has been closed.</p>	
<p>#7 Adjourn</p>	<p>Meeting was adjourned at 11:47 am</p>	

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

Dated: 11-17-2022

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

Dated: 11/17/2022