



**CalViva Health
Finance
Committee Meeting Minutes**

Meeting Location
CalViva Health
7625 N. Palm Ave., #109
Fresno, CA 93711

November 21, 2024

Finance Committee Members in Attendance		CalViva Health Staff in Attendance	
✓	Daniel Maychen, Chair	✓	Cheryl Hurley, Director, HR/Office
✓	Jeff Nkansah, CEO	✓	Jiaqi Liu, Director of Finance
	Paulo Soares		Hector Torres, Sr. Accountant & MIS Analyst
✓	Joe Neves		
	Supervisor Rogers		
	John Frye		
✓	Rose Mary Rahn		
		✓	Present
		*	Arrived late/Left Early
		•	Teleconference

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	Comments	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 September 19, 2024 Attachment 2.A Action, D. Maychen, Chair	The minutes from October 17, 2024, Finance meeting were approved as read.		Motion: <i>Minutes were approved</i> 4-0-0-3 (Neves / Rahn)
#3 Financials – as of September 30, 2024 Action D. Maychen, Chair	As of September 30, 2024, total current assets recorded were approximately \$494.8M; total current liabilities were approximately \$338.4M. Current ratio is approximately 1.46. Total net equity as of the end of September 2024 was approximately \$166.2M, which is approximately 643% above the minimum DMHC required TNE amount.		Motion: <i>Financials as September 30, 2024, were approved</i> 4-0-0-3 (Neves / Rahn)

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	<p>As of the end of September interest income actual recorded was approximately \$2.9M, which is approximately \$1.6M more than budgeted due to interest rates being higher than projected. Premium capitation income actual recorded was approximately \$502.9M which is approximately \$41M more than budgeted due to enrollment being higher than projected. Total Cost of Medical Care expense actual recorded was approximately \$342.2M which is approximately \$39.9M more than budgeted due to enrollment being higher than projected.</p> <p>Admin service agreement fees expense actual recorded was approximately \$14.4M, which is approximately \$678K more than budgeted due to enrollment being higher than projected. License expense actual recorded was approximately \$373K which is approximately \$16K more than budgeted due to DMHC’s license fee assessment rate being higher than projected.</p> <p>Total net income for the first three months of FY 2025 actual recorded was approximately \$4.5M, which is approximately \$2.8M more than budgeted primarily due to interest income being approximately \$1.6M higher than projected and enrollment being higher than projected.</p>		
<p>#4 Draft CY 2025 Rates Information D. Maychen, Chair</p>	<p>The draft CY 2025 rates were received late October 2024. After reviewing and analyzing those rates, it appeared those rates are lower than what the plan believes to be sufficient. There are numerous factors contributing to those findings. In developing the 2025 draft rates, DHCS used utilization claims data from FY 2023. The problem with that is recently the Plan has seen a substantial increase in utilization in the 2024 utilization data. Specifically related to the Community Supports services that came into effect as part of the CalAIM initiative in 2022. When this program rolled out in 2022, utilization was relatively low, as a high number of members were not yet aware of these new services, but as promotion of these new services increased over the past two years, utilization has substantially increased. Based off the draft 2025 rate calculations, DHCS will be funding approximately 6% of the cost of the Community Supports services for FY 2025. The Plan is requesting DHCS review more current utilization data from 2024 to develop the 2025 rates. In addition, when DHCS drafts the rates, they perform a population acuity adjustment to see how severely ill the membership is. DHCS did increase it from the 2024 rates; however, what the Plan has seen in recent claims data is an increase in acuity. The Plan believes that one of the contributing factors are the transitioning population of undocumented immigrants ages 26-49 that began receiving Medi-Cal benefits in January 2024, and also pent-up demand</p>		

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	<p>from COVID-19 for medical services which is why Plans are asking DHCS to look at more recent utilization data when applying the acuity adjustment. In addition, DHCS made a substantial change in how they pay the long term care (LTC) and SPD rates. Previously Plans were paid two separate rates, and now DHCS is combining it into one. The issue with this is the rate difference, or the cost difference, in the LTC vs SPD rate noting approximately a 900% difference. If DHCS, in their assumption, are off even a minimal amount of how many LTC members are in that combined rate, it could have a material impact. Plans are asking DHCS for transparency in what their rate assumptions are and how many they believe are LTC members in that combined rate. Previously, when DHCS made substantial changes to rates, Plans were given forewarning and allowed feedback; in this current case, DHCS made the change without giving Plans the option to provide feedback. CVH provided a comment letter to DHCS voicing concerns; within that letter it was stated that if the concerns are not addressed, the Plan would potentially file a Notice of Dispute which is legal action challenging the rate DHCS has published. It was noted that numerous other Plans are seeing the same issues and are also considering filing a Notice of Dispute. The last time the Plan filed a Notice of Dispute was over ten (10) years ago and was for the SPD rates, which took approximately two (2) years to resolve. As a result, DHCS settled and increased the rates retroactively.</p> <p>Last week Plan CEOs, and Plan CFOs met with DHCS leadership to communicate concerns, and it appeared that DHCS was receptive and stated that the rates are draft rates, and the final would possibly be different, and they would take all concerns into consideration including reviewing more current utilization.</p>		
#5 Announcements	Daniel thanked his Finance team for the work performed on the audit that will officially begin in 2025.		
#6 Adjourn	Meeting was adjourned at 11:49 am		

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

Dated: 2.20.25

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

Dated: 2/20/25

