



**CalViva Health  
Finance  
Committee Meeting Minutes**

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

March 20, 2025

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 February 20, 2025 Attachment 2.A Action, D. Maychen, Chair	The minutes from February 20, 2025, Finance meeting were approved as read.		Motion: <i>Minutes were approved</i> 6-0-0-1 (Neves / Rahn)
#3 Financials – as of January 31, 2025  Action D. Maychen, Chair	As of January 2025, total current assets were approximately \$436.2M; total current liabilities were approximately \$272.6M. Current ratio is approximately 1.6. TNE as of January 2025 was approximately \$173.4M, which is approximately 620% above the minimum DMHC required TNE amount.		Motion: <i>Financials as January 31, 2025, were approved</i> 7-0-0-0 (Frye / Neves)

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	<p>As of January 2025, interest income actual recorded was approximately \$6.8M, which is approximately \$4.3M more than budgeted due to interest rates being higher than projected. Premium capitation income actual recorded was approximately \$1.18B which is approximately \$108.2M more than budgeted primarily due to MCO taxes being higher than projected. In December 2024, CMS approved a revised MCO tax which substantially increased the MCO tax from the first revision. In addition, enrollment and rates were higher than projected. Total Cost of Medical Care expense actual recorded was approximately \$787.1M which is approximately \$89.3M more than budgeted due to enrollment and rates being higher than projected.</p> <p>Admin Service Agreement fees expense actual recorded was approximately \$33.5M which is approximately \$1.8M more than budgeted due to enrollment being higher as more members have been retained through the redetermination process. MCO taxes actual recorded was approximately \$344.7M which is approximately \$15.8M more than budgeted due to the revised MCO taxes. Telephone expense actual recorded was approximately \$32K, which is approximately \$7K more than budgeted due to the Plan's previous phone service provider increasing the rates stating the Plan was on a legacy platform. In response to that increase, the Plan obtained bids from other phone service providers and has now transitioned to a different phone service provider at a much lower cost.</p> <p>Total net income through January 2025 was approximately \$11.7M, which is approximately \$6.8M more than budgeted primarily due to interest income being approximately \$4.3M higher than projected, and rates and enrollment being higher than projected.</p>		
<p>#4 Fiscal Year 2026 – Proposed Budget</p> <ul style="list-style-type: none"> <li>Budget Assumptions</li> <li>Proposed Budget</li> </ul> <p>Action D. Maychen, Chair</p>	<p>Basic assumptions were revised from information presented at the February Finance meeting. The Plan is accounting for impacts to the budget due to changes at the Federal and State levels for Medicaid, particularly accounting for an additional decrease in enrollment.</p> <p>Medical revenue is projected to be approximately \$2B which is approximately \$198M more than budgeted in FY 2025 primarily due to an increase in MCO taxes by approximately \$190M, an increase in capitation rates net of a decrease in membership.</p> <p>Interest income is projected to be approximately \$5M, which is \$1M more than</p>	<p><i>John Fry asked if the Medicaid change takes place October 1, 2025?</i></p> <p><i>Daniel Maychen stated details are unknown at this time.</i></p> <p><i>Rose Mary Rahn asked if the Plan is aware of how much of the UIS</i></p>	

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	<p>budgeted in FY 2025 due to the fact that it appears the Federal Reserve is going to be slower in decreasing the rates relative to what the Plan budgeted in FY 2025 and allocating additional funds to the money market funds account.</p> <p>Medical Cost expense is projected to be approximately \$1.2B, which is approximately \$9.3M more than budgeted due to an increase in rates net of decrease in membership.</p> <p>Admin Services fee expense is projected to be approximately \$52.1M which is approximately \$1.6M less than budgeted due to enrollment declining as a result of the end of the COVID eligibility flexibilities ending June 30, 2025, and potential changes to Medicaid at the Federal and State levels.</p> <p>Salary and wage expense is projected to be approximately \$5.4M which is approximately \$406K more than budgeted due to accounting for up to 5% raise in salaries, 8% increase in insurance premiums, and succession planning efforts for key management positions nearing retirement age.</p> <p>Consulting and accreditation expense is projected to be approximately \$545K which is an increase by \$145K as the Plan is looking to hire a retention consultant who will be focused on member satisfaction and dissatisfaction, and looking into ways the Plan can increase and/or retain membership.</p> <p>License expense is projected to be approximately \$1.8M which is approximately \$356K more than budgeted in FY 2025 due to the projected increased assessment fee by DMHC.</p> <p>MCO taxes projected to be \$753.5M which is an approximate increase of \$190M more than what was budgeted in FY 2025 due to the MCO tax that was revised in December 2024 by CMS, which substantially increases the MCO taxes through December 2026.</p> <p>Other income, generated through rental income for the building, is projected to be approximately \$355K which is approximately an \$80K decrease primarily due to the uncertainty of a current tenant renewing their lease.</p> <p>Capital Expenditure budget is projected to be \$600K, which is a \$100K increase due to accounting for potential tenant improvements to current vacant office</p>	<p><i>population is related to the additional funds the State is requesting for Medi-Cal expenditures?</i></p> <p><i>Daniel Maychen stated approximately \$2.7B was related to the UIS population. Daniel also cited higher pharmaceutical costs and higher enrollment specifically related to seniors in comparison to what the State initially budgeted and in comparison to prior years as reasons for the overage.</i></p> <p><i>Paulo Soares asked, from an enrollment standpoint, what is the Plan projecting as far as a decrease?</i></p> <p><i>Daniel Maychen's response the Plan's projection is approximately 50,000 which closely reflects the undocumented population.</i></p> <p><i>Paulo Soares asked</i></p>	

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	<p>space.</p> <p>Net Income is projected to be approximately \$9M which is approximately a \$338K increase in comparison to FY 2025 primarily due to interest income being higher by approximately \$1M due to higher interest rates net of a decrease in membership.</p>	<p><i>about the MCE population as well?</i></p> <p><i>Daniel Maychen responded the MCE population is about 25% of the Plan's membership, which would have an impact to CalViva. To be conservative, the Plan did account for potential program and enrollment changes by reducing enrollment projections and capitation rates, but the Plan is unsure if the federal government will definitely make program changes to the MCE population at this time.</i></p>	
#5 Announcements	<p>The official DMHC financial examination audit report was received and there were no findings noted.</p> <p>The tentative April 2025 meeting will be moved to June as a result of any potential material changes to Medicaid by the State in May 2025.</p>		

Finance Committee

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#6 Adjourn	Meeting was adjourned at 11:46 am		

Submitted by:

Cheryl Hurley  
Cheryl Hurley, Clerk to the Commission

Dated:

5-15-25

Approved by Committee:

Daniel Maychen  
Daniel Maychen, Committee Chairperson

Dated:

5/15/25