



**CalViva Health
Finance
Committee Meeting Minutes**

Meeting Location

Valley Children's Hospital
9300 Valley Children's Place
Madera, CA 93636

March 17, 2016

Finance Committee Members in Attendance		CalViva Health Staff in Attendance	
✓	William Gregor, Chair	✓	Daniel Maychen, Director of Finance
✓	Gregory Hund, CEO	✓	Cheryl Hurley, Office Manager
	Paulo Soares		
✓	Joe Neves		
✓•	Harold Nikoghosian	✓	Present
	Deborah A Poochigian	*	Arrived late
	David Rogers	•	Teleconference

AGENDA ITEM / PRESENTER	MOTIONS / MAJOR DISCUSSIONS	ACTION TAKEN
#1 Call to Order	The meeting was called to order at 11:01 am a quorum was present.	
#2 Finance Committee Minutes dated February 18, 2016 Attachment 2.A Action W Gregor, Chair	The minutes from February 18, 2016 Finance meeting were approved as read.	Motion: <i>Minutes were approved</i> <i>4-0-0-3</i> <i>(Neves / Hund)</i> <i>A roll call was taken</i>
#3 Financial Statements as of February 29, 2016 Attachment 3.A Action Daniel Maychen, Director of	Daniel Maychen presented the financial statements as of February 29, 2016. Current assets are \$118M and current liabilities are \$95.3M, with a current ratio of 1.24. TNE as of the end of February was approximately \$34.2M. The DMHC required TNE is	Motion: <i>Financial Statements were approved</i> <i>4-0-0-3</i> <i>(Nikoghosian / Hund)</i> <i>A roll call was taken</i>

<p>Finance & MIS</p>	<p>\$12.3M which is approximately 270% of the minimum of the DMHC required TNE amount.</p> <p>Premium capitation income is approximately \$97M above budgeted amount which is due to an increase in enrollment greater than what was budgeted. Total cost of medical care expense, administrative service agreement fee expense, and taxes are also well above the budgeted amounts due to increase in enrollment. Other income is \$161k due to rental income through February. Budgeted net income is ahead approximately \$1.78M.</p>	
<p>#4 Proposed FY2017 Budget Attachment 4.A Action W. Gregor, Chair</p>	<p>W. Gregor presented the proposed FY2017 budget. Basic assumptions used for budget prep were provided to the Committee. Major increases for Medi-Cal revenue, interest income, medical costs, administrative services fee, and premium taxes are due to an increase in enrollment. Salary and wages are up due to an increase in benefits. Depreciation expense has increased significantly due to the building purchase. The marketing expense has increased due to a 70% market share overall for all three counties. Other income has increased due to rental income from the purchase of the new building. The premium tax is currently unknown due to the changing structure; however, there should be no impact to net income as DHCS will make this change net income neutral.</p> <p>A projection of 10% increase in insurance expense is expected. The NCQA/URAC consulting budget has been included due to the possible Medicaid legislation requiring credentialing. Additional legal expenses have been projected due to contract renewal with DHCS, and audit</p>	<p>Motion: <i>Proposed FY2017 Budget was approved to take to Commission</i></p> <p><i>4 - 0 - 0 - 3</i> <i>(Neves / Nikoghosian)</i></p> <p><i>A roll call was taken</i></p>

	fees.	
#5 Announcements	The tentative Finance meeting for April has been canceled, as the budget was accepted by the Finance Committee and will go to the May Commission meeting for approval.	
#6 Adjourn	Meeting was adjourned at 11:15 am	

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

Dated: *May 19, 2016*

Approved by Committee: *William Gregor*
 William Gregor, Committee Chairperson

Dated: *May 19, 2016*