



CalViva Health Finance Committee Meeting Minutes

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

September 18, 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 July 17, 2025 Attachment 2.A Action, D. Maychen, Chair	The minutes from July 17, 2025, Finance meeting were approved as read.		Motion: <i>Minutes were approved</i> <i>5 – 0 – 0 – 2</i> <i>(Neves / Soares)</i>
#3 Financials - Fiscal Year End 2025 Attachment 3.A Action, D. Maychen, Chair	The FY 2025 financials are currently in the final stages of the audit process by Baker Tilly, formerly known as Moss Adams, and no audit adjustments or findings have been identified. A full presentation of the audited financials by Baker Tilly will be conducted at the October meeting.		Motion: Financials - FY End 2025 <i>were approved</i> <i>5 – 0 – 0 – 2</i> <i>(Neves / Rahn)</i>

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	As of June 30, 2025, total current assets were approximately \$520M; total current liabilities were approximately \$345.4M. Current ratio is approximately 1.51. Amount due to DHCS relates to MCO tax gains that the Plan has recorded related to calendar year 2024 and 2025. The Plan believes it is more likely than not that DHCS will recoup these gains as they have done in the past, particularly given the State budget deficits currently and in the foreseeable future in addition to declining federal funds. It appears the earliest DHCS would recoup the funds is February 2026 but it is ultimately up to DHCS as to when this will happen. Total net equity as of the end of June 30, 2025, was approximately \$184.1M, which is approximately 667% above the minimum DMHC required TNE amount. Compared to DHCS standard, this is approximately \$194.5M which puts the Plan approximately \$10.4M short; however, as noted in the past, DHCS allows the Plan to meet that standard by the fact that they pay the Plan one month in arrears. However, it is important to note that the financial measure by which DHCS assesses a health plan's financial condition is at least one month of average annual contract revenues. Interest income actual recorded was approximately \$11.4M, which is approximately \$7.4M more than budgeted due to interest rates being higher than projected. Premium capitation income actual recorded was approximately \$2.33B which is approximately \$517.6M more than budgeted due to MCO taxes being approximately \$284.6M more than projected as they were revised by DHCS and approved by CMS in December 2024 which substantially increased the MCO taxes. The remaining difference is due to enrollment and rates being higher than projected. Total cost of Medical Care expense was approximately \$1.41B which is approximately \$225.9M more than budgeted due to rates and enrollment being higher than projected. Admin service agreement fees expense actual recorded was approximately \$57.4M, which is approximately \$3.7M more than budgeted due to enrollment being higher than projected. Grants expense actual recorded was approximately \$3M which is approximately \$1.3M less than budgeted due to the allocation of approximately \$800K for Community Reinvestment requirement from DHCS. The Plan received the final APL (All Plan Letter) from DHCS February 2025 in which it stated that DHCS will not review and approve Plans' Community Reinvestment Plan until Q3 2026. License expense actual recorded was approximately \$1.5M which is approximately \$62K more than budgeted due to the DMHC assessed fee being higher than anticipated. Taxes actual recorded was approximately \$848.4M, which is approximately \$284.6M more than projected due to the revised MCO taxes. All other expense line items are in line or below		

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	what was budgeted for FY 2025. Net income for Fiscal Year End 2025 actual recorded was approximately \$22.4, which is approximately \$13.8M more than budgeted primarily due to interest income being higher than projected by \$7.4M, and rates and enrollment being higher than projected.		
#4 Financials – as of July 31, 2025 Action D. Maychen, Chair	As of July 2025, total current assets were approximately \$396.8M; total current liabilities were approximately \$221.7M. Current ratio is approximately 1.79. Amount due to DHCS was approximately \$21.6M. TNE as of July 2025 was approximately \$184.7M which is approximately 669% above the minimum DMHC required TNE amount. For DHCS standard, the minimum required TNE is approximately \$192.2M, which the Plan is short by approximately \$7.5M. Premium capitation income actual recorded was approximately \$192.2M which is approximately \$18.6M more than projected primarily due to higher enrollment. For the FY 2026 budget, we projected enrollment to steadily decline in early parts of 2025; however, enrollment has remained consistent during that time. However, we have started to see a decrease in enrollment primarily due to the end of the COVID redetermination flexibilities, noting that enrollment declined by approximately 3,000 in August. Total Cost of Medical Care expense actual recorded was approximately \$122.8M which is approximately \$18.3M more than budgeted due to enrollment being higher than projected. Admin Service Agreement fees expense actual recorded was approximately \$4.8M which is approximately \$198K more than budgeted due to enrollment being higher than projected. Under the One Big Beautiful Bill Act, the criteria for the MCO tax was modified as it relates to the requirements that MCO taxes need to be broad based and uniform; this modified criteria was effective 7/4/2025. Essentially, the modified provider (MCO) tax criteria stated that MCO taxes cannot substantially tax Medicaid plans more or less than commercial plans, which the California tax does. Therefore, the current MCO taxes in California are non-compliant as the California MCO tax structure substantially taxes Medi-Cal/Medicaid plans in comparison to commercial plans. However, the One Big Beautiful Bill Act did allow for up to a three-year transition period subject to the approval of the Director of the HHS. DHCS is currently working with CMS on getting approval. Early indications are that the federal government seem to be agreeable to a transition period, but it is still		Motion: <i>Financials as July 31, 2025, were approved 5 – 0 – 0 – 2 (Soared / Neves)</i>

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	unknown at this time of their decision. The Plan is checking in with trade associations regularly for updates. DHCS did pay the MCO taxes for July 2025 as stated in the Income Statement; however, DHCS did communicate that they would not pay the MCO taxes after that. In terms of the budget, the Plan did budget for the full fiscal year of the MCO taxes. At this point the Plan will not book the MCO tax revenue or expenses moving forward until a final decision is received regarding approval/rejection on the transition period. If the federal government does approve it, the Plan would retroactively accrue for the MCO tax revenue and expenses. If they do not approve it, then the Plan would have to discuss bringing a revised budget to Finance Committee and Commission to account for the change. All other expense line items are in line or below what was budgeted. Total net income through July 31, 2025, was approximately \$631K, which is approximately \$413K more than budgeted primarily due to enrollment being higher than projected.		
#5 Proposed 2026 Finance Meeting Calendar Action D. Maychen, Chair	The proposed 2026 Finance meeting calendar was presented to the Committee. No revisions recommended.		Motion: <i>Meeting Calendar for 2026 was approved to move to Commission for final approval</i> 5-0-0-2 (Neves / Rahn)
#6 Announcements/Comments			
#7 Adjourn	Meeting was adjourned at 11:43 am		

Submitted by:

Cheryl Hurley
Cheryl Hurley, Clerk to the Commission

Dated:

10-16-25

Approved by Committee:

Daniel Maychen
Daniel Maychen, Committee Chairperson

Dated:

10/16/25