



AGENDA

Finance Committee

September 4th, 2024

11:00 AM

512 W. Aten Rd., Imperial, CA 92251

All supporting documentation is available for public review at <https://chpiv.org>

Committee Members	Representing	Present
Lee Hindman	LHA Chair-Joint Chamber of Commerce representing the public	
Mayra Widmann	Deputy CEO-Budget Fiscal	
Yvonne Bell	LHA Vice-Chair & Finance Committee Vice-Chair-CEO, Innercare	
Dr. Carlos Ramirez	Finance Committee Chair-CEO/Consultant DCRC	

1. CALL TO ORDER

Dr. Carlos Ramirez, Chair

A. Roll Call

Donna Ponce, Commission Clerk

B. Approval of Agenda

1. Items to be pulled or added from the Information/Action/Closed Session Calendar
2. Approval of the order of the agenda

2. PUBLIC COMMENT

Dr. Carlos Ramirez, Chair

Public Comment is limited to items NOT listed on the agenda. This is an opportunity for members of the public to address the Commission on any matter within the Commission’s jurisdiction. Any action taken as a result of public comment shall be limited to the direction of staff. When addressing the Commission, state your name for the record prior to providing your comments. Please address the Commission as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the board.

3. CONSENT CALENDAR

All items appearing on the consent calendar are recommended for approval and will be acted upon by one motion, without discussion. Should any Commissioner or other person express their preference to consider an item separately, that item will be addressed at a time as determined by the Chair.

A. Approval of Minutes from 8/7/2024



4. ACTION

A. Motion to recommend to the full commission approval of the financial reports as presented.
David Wilson, CFO

1. July 2024 Statement of Net Position
2. July 2024 Statement of Revenues, Expenses, and Changes in Net Position
3. July 2024 Profit & Loss Variance Analysis
4. July 2024 Statement of Revenues, Expenses, and Changes in Net Position (YTD)
5. July 2024 Profit & Loss Variance Analysis (YTD)
6. July 2024 Summarized Tangible Net Equity Calculation
7. July 2024 Cash Transactions

B. Motion to recommend to the full commission approval of a resolution adding David Wilson, CFO, as a signatory to each bank account currently established.

5. INFORMATION

A. Financial Services Report

David Wilson, CFO

B. Other new or old business

Dr. Carlos Ramirez, Chair

6. COMMISSIONER REMARKS

Dr. Carlos Ramirez, Chair

7. ADJOURNMENT



MINUTES

Finance Committee

August 7th, 2024

11:00 AM

512 W. Aten Rd., Imperial, CA 92251

All supporting documentation is available for public review at <https://chpiv.org>

Committee Members	Representing	Present
Lee Hindman	LHA Chair-Joint Chamber of Commerce representing the public	✓
Mayra Widmann	Deputy CEO-Budget Fiscal	✓
Yvonne Bell	LHA Vice-Chair & Finance Committee Vice-Chair-CEO, Innercare	✓
Dr. Carlos Ramirez	Finance Committee Chair-CEO/Consultant DCRC	✓

1. CALL TO ORDER

Dr. Carlos Ramirez, Chair

Meeting called to order at 11:08 a.m.

A. Roll Call

Donna Ponce, Commission Clerk

Roll call taken and quorum was confirmed. Attendance is as shown.

B. Approval of Agenda

1. Items to be pulled or added from the Information/Action/Closed Session Calendar
2. Approval of the order of the agenda

(Hindman/Widmann) To approve the agenda. Motion carried.

2. PUBLIC COMMENT

Dr. Carlos Ramirez, Chair

Public Comment is limited to items NOT listed on the agenda. This is an opportunity for members of the public to address the Commission on any matter within the Commission’s jurisdiction. Any action taken as a result of public comment shall be limited to the direction of staff. When addressing the Commission, state your name for the record prior to providing your comments. Please address the Commission as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the board.
No public comment.

3. CONSENT CALENDAR

All items appearing on the consent calendar are recommended for approval and will be acted upon by one motion, without discussion. Should any Commissioner or other person express their preference to consider an item separately, that item will be addressed at a time as determined by the Chair.



- A. Approval of Minutes from 7/2/2024
(Bell/Hindman) To approve the consent calendar. Motion carried.

4. ACTION

- A. Motion to recommend to the full Committee approval of the financial reports as presented.
(Tony Godinez-Senior Manager of Accounting)

1. June 2024 P&L Variance Report
2. June 2024 Cash Transactions
3. June 2024 Statement of Revenues, Expenses, and Changes in Net Position
4. June 2024 Statement of Net Position
5. June 2024 Statement of Revenues, Expenses, and Changes in Net Position (YTD)
(Hindman/Widmann) To recommend to the full commission acceptance of the financial reports as presented. Motion carried.

5. INFORMATION

- A. Financial Services Report *Tony Godinez-Senior Manager of Accounting*
SMA, Tony Godinez informed the commission that he has been communicating with newly hired CFO, David Wilson and bringing him up to speed with financial matters. Mr. Godinez added that once the CFO is on board, he will bring back the financial dashboard as presented in past meetings.

- B. Other new or old business *Dr. Carlos Ramirez, Chair*
None.

- C. New CFO *Larry Lewis, CEO*
CEO Larry Lewis notified the commission of the appointment of David Wilson as the new Chief Financial Officer. Mr. Wilson has a background as a Medicare CFO at both Centene and Molina Healthcare.

- 6. **COMMISSIONER REMARKS** *Dr. Carlos Ramirez, Chair*
None.

- 7. **ADJOURNMENT**
The meeting was adjourned at 11:34 a.m.

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statement of Net Position
As of July 31, 2024**

ASSETS

Current Assets	<u>June 2024</u>	<u>July 2024</u>	<u>Change</u>
Cash and Investments			
Chase - Checking	\$ 198,800	\$ 200,000	\$ 1,200
Chase - Money Market	2,771,975	2,867,793	95,818
JPMorgan Securities	9,404,065	11,710,852	2,306,787
First Foundation Bank	196,549	167,104	(29,445)
Receivables			
Accounts Receivable	2,028,239	2,773	(2,025,465)
Dividend Receivable	14,614	23,364	8,750
Interest Receivable	-	11,379	11,379
Premium Receivable	23,093,850	23,154,295	60,445
Pass-Through Receivable	376,851	365,463	(11,387)
Other Current Assets			
Prepaid Expenses	7,534	20,481	12,946
Total Current Assets	38,092,476	38,523,503	431,027
Noncurrent Assets			
Restricted Deposit			
First Foundation Bank - Restricted	300,000	300,000	0
Capital Assets			
Buildings - Net	3,008,791	3,000,244	(8,548)
Computers & Office Equipment - Net	8,740	8,572	(168)
Improvements - Net	20,883	48,033	27,150
Intangible Assets - Net	21,743	21,348	(395)
Operating ROU Asset (Copier) - Net	8,164	7,882	(282)
Total Noncurrent Assets	3,368,321	3,386,079	17,757
Total Assets	<u>\$ 41,460,797</u>	<u>\$ 41,909,582</u>	<u>\$ 448,785</u>

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statement of Net Position
As of July 31, 2024**

LIABILITIES

CURRENT LIABILITIES	<u>June 2024</u>	<u>July 2024</u>	<u>Change</u>
Payables			
Accounts Payable	87,258	\$ 115,291	\$ 28,033
Capitation Payable	22,401,034	22,459,666	58,631
Pass-Through Payable	376,851	365,463	(11,387)
Credit Card Payable	8,255	7,662	(593)
Other Current Liabilities			
Short Term Lease Liability - Copier	3,298	3,314	15
Bonus Accrual	71,517	83,436	11,919
Salaries Accrual	0	74,379	74,379
Vacation Accrual	60,204	95,895	35,692
Total Current Liabilities	23,008,417	23,205,106	196,689
NON-CURRENT LIABILITIES			
Long Term Lease Liability - Copier	4,994	4,711	(283)
Total Noncurrent Liabilities	4,994	4,711	(283)
Total Liabilities	23,013,410	23,209,816	196,406

NET POSITION

Net investment in Capital Assets	3,368,321	3,386,079	17,757
Restricted by Legislative Authority	300,000	300,000	0
Unrestricted	11,706,497	11,688,740	(17,757)
Net Revenue	3,072,568	3,324,947	252,379
Total Net Position	18,447,387	18,699,766	252,379
Total Liabilities and Net Position	\$ 41,460,797	\$ 41,909,582	\$ 448,785

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statement of Revenues, Expenses, and Changes in Net Position
For July 2024**

REVENUES

DHCS Premium	\$ 23,154,295
DHCS Pass-Through	365,463
Total Operating Revenues	23,519,758

OPERATING EXPENSES

Medical Expenses	
Healthcare Capitation	22,459,666
Healthcare Pass-Through	365,463
Total Medical Expenses	22,825,129

Administrative Expenses

Salaries, Wages, and Employee Benefits	406,892
Professional fees	118,389
Office Expenses & Administrative	14,310
Occupancy - Cleaning, Landscape, Rent, Utilities	3,866
Supplies & Services	1,067
Depreciation and Amortization	9,801
Total Administrative Expenses	554,325

Total Operating Expenses	23,379,454
---------------------------------	-------------------

OPERATING INCOME	140,304
-------------------------	----------------

NON-OPERATING REVENUES

Dividend Income - Chase Money Market	23,364
Investment Income - J.P. Morgan Securities	87,261
Rental Income - HealthNet Office Space	1,450
Total Non-Operating Revenues	112,075

Increase In Net Position	252,379
---------------------------------	----------------

NET POSITION, beginning of period	18,447,387
--	-------------------

NET POSITION, ending of period	\$ 18,699,766
---------------------------------------	----------------------

**Imperial County Local Health Authority
DBA Community Health Plan of Imperial Valley
Profit & Loss Variance Analysis
For July 2024**

	July Forecast	July Actual	Variance
REVENUE			
Premium	\$ 22,249,362	\$ 23,154,295	\$ 904,933
Pass-Through	883,592	365,463	(518,128)
TOTAL REVENUE	23,132,953	23,519,758	386,805
HEALTH CARE COSTS	22,465,472	22,825,129	359,657
Gross Margin	667,481	694,629	27,148
ADMINISTRATIVE EXPENSE			
Salaries	237,413	345,787	108,374
Benefits and Bonus	77,482	61,105	(16,377)
Total Labor Costs	314,896	406,892	91,996
Consulting, Legal, & Other Professional	10,508	113,679	103,170
Office Occupancy	14,606	13,667	(939)
Other Misc Admin	28,643	20,087	(8,556)
Total Administrative Expense	368,653	554,325	185,671
Non-Operating Income			
Dividend, Interest & Investment Income	100,347	110,625	10,278
Rental Income	0	1,450	1,450
Total Non-Operating Income	100,347	112,075	11,728
Excess Revenues from Operations	\$ 399,174	\$ 252,379	\$ (146,795)

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Statement of Revenues, Expenses, and Changes in Net Position
As of July 31, 2024**

REVENUES

DHCS Premium	\$ 158,799,532
DHCS Pass-Through	4,681,265
Profit Share Revenue	602,764
Health Net Contributions	134,859
Total Operating Revenues	164,218,420

OPERATING EXPENSES

Medical Expenses	
Healthcare Capitation	153,938,962
Healthcare Pass-Through	4,681,265
Total Medical Expenses	158,620,227

Administrative Expenses

Salaries, Wages, and Employee Benefits	2,068,218
Professional fees	389,565
Office Expenses & Administrative	188,699
Occupancy - Cleaning, Landscape, Rent, Utilities	70,560
Supplies & Services	23,131
Depreciation and Amortization	66,218
Total Administrative Expenses	2,806,392

Total Operating Expenses	161,426,619
---------------------------------	--------------------

OPERATING INCOME	2,791,801.01
-------------------------	---------------------

NON-OPERATING REVENUES

Dividend Income - Chase Money Market	161,322
Investment Income - J.P. Morgan Securities	359,656
Interest Income - County of Imperial	2,018
Rental Income - HealthNet Office Space	10,150
Total Non-Operating Revenues	533,146

Increase In Net Position	3,324,947
---------------------------------	------------------

NET POSITION, beginning of year	15,374,819
--	-------------------

NET POSITION, ending of period	\$ 18,699,766
---------------------------------------	----------------------

Imperial County Local Health Authority
DBA Community Health Plan of Imperial Valley
Profit & Loss Variance Analysis
As of July 31, 2024

	YTD Forecast	YTD Actual	Variance
REVENUE			
HN Settlements	\$ 1,135,000	\$ 602,764	\$ (532,236)
Premium	155,745,532	158,934,391	3,188,859
Pass-Through	6,185,141	4,681,265	(1,503,877)
TOTAL REVENUE	163,065,673	164,218,420	1,152,746
HEALTH CARE COSTS	157,258,307	158,620,227	1,361,920
Gross Margin	5,807,366	5,598,193	(209,173)
ADMINISTRATIVE EXPENSE			
Salaries	1,608,173	1,741,975	133,802
Benefits and Bonus	525,348	326,242	(199,106)
Total Labor Costs	2,133,522	2,068,218	(65,304)
Consulting, Legal, & Other Professional	73,558	358,972	285,413
Office Occupancy	102,242	136,778	34,536
Other Misc Admin	225,168	242,424	17,256
Total Administrative Expense	2,534,490	2,806,392	271,901
Non-Operating Income			
Dividend, Interest & Investment Income	588,933	522,996	(65,937)
Rental Income	0	10,150	10,150
Total Non-Operating Income	588,933	533,146	(55,787)
Excess Revenues from Operations	\$ 3,861,808	\$ 3,324,947	\$ (536,862)

**Imperial County Local Health Authority dba
Community Health Plan of Imperial Valley
Summarized Tangible Net Equity Calculation
As of July 31, 2024**

Net Equity	\$	18,699,766
Add: Subordinated Debt and Accrued Subordinated Interest	\$	0
Less: Report 1, Column B, Line 27 including: Unsecured Receivables from officers, directors, and affiliates; Intangibles	\$	0
Tangible Net Equity (TNE)	\$	18,699,766
Required Tangible Net Equity *	\$	4,322,371
TNE Excess (Deficiency)	\$	14,377,395

Full Service Plan		
A. Minimum TNE Requirement	\$	1,000,000
B. REVENUES:		
2% of the first \$150 million of annualized premium revenues (lines 1, 2, 4, 5, 7, 9 from Income Statement)	\$	3,000,000
Plus		
1% of annualized premium revenues in excess of \$150 million	\$	1,322,371
Total	\$	4,322,371

* Calculated Required Tangible Net Equity	
23,519,758	- Current Month Premium
x 12	
282,237,096	- Annualized
150,000,000	←
x 2%	
3,000,000	
132,237,096	←
x 1%	
1,322,371	
4,322,371	- Required TNE

**Community Health Plan of Imperial Valley
July 2024 Cash Transactions**

Date	Account	Vendor	Memo/Description	Amount
Chase Checking				
07/05/2024	Chase Checking	JPMorgan Chase	Dividend Income - Jun 2024	\$ 14,613.73
07/05/2024	Chase Checking	i.Access, Inc.	Online Payment	-45.00
07/12/2024	Chase Checking	Health Net	2023 Profit Share	2,025,465.17
07/12/2024	Chase Checking	Mid Atlantic Trust Company	07/08 - ACH Payment	-8,073.47
07/15/2024	Chase Checking	City of Imperial	Chase Bill Pay - Service Period 05-24-24 - 06-24-24	-159.93
07/15/2024	Chase Checking	AM Copiers Inc.	Chase Bill Pay - Invoice IN5400	-273.16
07/15/2024	Chase Checking	Junior's Café	Chase Bill Pay - Invoice 13-16560	-351.05
07/15/2024	Chase Checking	Monday.com Ltd	Chase Bill Pay - Invoice Statement	-13,128.39
07/15/2024	Chase Checking	Technology Depot	Chase Bill Pay - Invoice 14316	-212.50
07/15/2024	Chase Checking	Epstein Becker & Green, P.C.	Chase Bill Pay - Invoices 116057 / 1164053 / 1164054	-18,552.00
07/15/2024	Chase Checking	Millman, Inc.	Chase Bill Pay - Statement for April 2024	-2,684.50
07/15/2024	Chase Checking	Imperial Irrigation District	Chase Bill Pay - Service Period 05-23-24 - 06-24-24	-2,308.55
07/15/2024	Chase Checking	Alliant Insurance Services, Inc.	Chase Bill pay - 24-25 ACIP Crime Renewal	-5,313.00
07/15/2024	Chase Checking	Economic Group Pension Services	Chase Bill Pay - Invoice 196475	-535.00
07/15/2024	Chase Checking	Liebert Cassidy Whitmore	Chase Bill Pay - Invoice 268713	-7,548.00
07/15/2024	Chase Checking	Imperial Desert Landscape	Chase Bill Pay - Invoice 24-118	-250.00
07/19/2024	Chase Checking	Department of Managed Health Care	Refund	298.21
07/19/2024	Chase Checking	Primo Water	Refund	20.18
07/19/2024	Chase Checking	State Compensation Fund	07/16 - ACH Payment	-815.08
07/19/2024	Chase Checking	Mid Atlantic Trust Company	07/19 - ACH Payment	-7,329.06
07/19/2024	Chase Checking	Law Office of William S. Smerdon	Chase Bill Pay - Invoice 2575	-2,475.00
07/19/2024	Chase Checking	I.V. Termite & Pest Control	Chase Bill Pay - Invoices 339492 / 340454	-420.00
07/19/2024	Chase Checking	Conveyor Group	Chase Bill Pay - Invoice 11186	-4,710.00
07/19/2024	Chase Checking	Great America Financial Services	Chase Bill Pay - Invoice 374028727	-306.01
07/19/2024	Chase Checking	Vic's Air Conditioning & Electrical	Chase Bill Pay - Invoices 98325 / 98766 / 98838 / 98839 / 98840	-28,081.00
07/19/2024	Chase Checking	Health Management Associates, Inc.	Chase Bill Pay - Invoice 206100-0000017	-54,585.00
07/19/2024	Chase Checking	Brawley Rotary Club	Chase Bill Pay - June Statement	-205.00
07/19/2024	Chase Checking	Department of Health Care Services	07/15 Receipt - DHCS	22,990,064.72
07/19/2024	Chase Checking	Department of Health Care Services	07/15 Receipt - DHCS	413,126.33
07/19/2024	Chase Checking	Department of Health Care Services	07/15 Receipt - DHCS	59,162.81
07/19/2024	Chase Checking	Department of Health Care Services	07/15 Receipt - DHCS	7,303.27
07/19/2024	Chase Checking	Department of Health Care Services	07/15 Receipt - DHCS	1,043.61
07/31/2024	Chase Checking	Health Net	Rental Income - Jul 2024	1,450.00
07/31/2024	Chase Checking	Health Net	07/29 - Health Net Payment	-22,777,885.24
07/31/2024	Chase Checking	Mid Atlantic Trust Company	07/31 - ACH Payment	-7,379.65
First Foundation Bank				
07/31/2024	FFB Payroll	Blue Shield of California	07/05 - Health Insurance Payment	-12,016.90
07/31/2024	FFB Payroll	Paychex, Inc.	07/11 - Paychex TPS Taxes	-47,883.95
07/31/2024	FFB Payroll	Paychex, Inc.	07/11 - Paychex Payroll	-77,910.31
07/31/2024	FFB Payroll	Paychex, Inc.	07/12 - EIB Invoice	-48.31
07/31/2024	FFB Payroll	First Foundation Bank - Credit Card	07/12 - Credit Card Payment	-9,234.13
07/31/2024	FFB Payroll	Paychex, Inc.	07/22 - OAB Invoice	-49.50
07/31/2024	FFB Payroll	Paychex, Inc.	07/25 - Paychex TPS Taxes	-40,183.86
07/31/2024	FFB Payroll	Paychex, Inc.	07/25 - Paychex Payroll	-69,738.65
07/31/2024	FFB Payroll	Paychex, Inc.	07/26 - EIB Invoice	-68.12
07/31/2024	FFB Payroll	Blue Shield of California	07/31 - Health Insurance Payment	-13,290.85
07/31/2024	FFB Payroll	First Foundation Bank	07/09 - Wire Fee	-10.00
07/31/2024	FFB Payroll	First Foundation Bank	07/23 - Wire Fee	-10.00
J.P. Morgan Securities				
07/31/2024	J.P. Morgan Securities	J.P. Morgan Securities	Investment Income - Jul 2024	\$ 75,882.20



**RESOLUTION OF THE IMPERIAL COUNTY LOCAL HEALTH AUTHORITY
AUTHORIZING NEW SIGNATORIES OF A BANK ACCOUNT(S).**

RESOLUTION NO. _____

WHEREAS, the Local Health Authority (“LHA”) Commission is committed to the entity’s autonomous operation as pursuant to section 8.03.070 of the Codified Ordinances of the County of Imperial and within section 14087.38 of the Welfare and Institutions Code.

WHEREAS, on October 11, 2021, the LHA Commission approved by majority vote the establishment of a personnel system independent of the County of Imperial and to carry out those functions, the LHA must obtain a bank account independent of the County of Imperial’s fiscal operation.

WHEREAS, a proposal to open an account with First Foundation Bank was placed before the Commission on October 11, 2021, and after discussions a majority vote authorized the opening of said bank account for the sole purpose of funding payroll and payroll related expenses and DMHC restricted deposit.

WHEREAS, a proposal to open an account with JP Morgan Chase & Co. was placed before the Commission on December 12, 2022, and after discussions a majority vote authorized the opening of said bank account for the sole purpose of operating and investment expenses.

WHEREAS, current the current bank accounts include:

- (1) First Foundation Restricted Account
- (2) First Foundation Payroll Account
- (3) Chase Bank Operating Account (Checking & Sweep Account)
- (4) Chase Bank Investment Account (Excess Funds Investment)

WHEREAS, current the Signatories on each bank account include:

- (1) Larry Lewis, Chief Executive Officer
- (2) Yvonne Bell, LHA Co-Chair
- (3) Lee Hindman, LHA Chair

NOW, THEREFORE, the LHA resolves as follows:

- (1) “David Wilson, Chief Financial Officer” is conveyed the authorized signatory privilege for each bank account listed above.

- (2) The staff of LHA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution.
- (3) This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Local Health Authority, County of Imperial, State of California, this _____ day of _____ 2024, by the following roll call vote:

_____.

Lee Hindman, Chair

ATTEST:

Yvonne Bell, Co-Chair