

FINANCE COMMITTEE MINUTES

May 27, 2021

3:00 - 4:00 p.m.

The Finance Committee of the Board of Directors of Vaya Health conducted its regular meeting on Thursday, May 27, 2021 at the Vaya Health Administrative Offices, located at 200 Ridgefield Court, Asheville, NC 28806; with PUBLIC ACCESS via electronic communication only (real-time two-way audio and/or visual communication, i.e. telephone and webex).

Committee Members:	Attending:	Apologies:
Nancy Baker	X	
Ronnie Beale	X	
Gary Blevins	X (by phone)	
Ira Dove	X (by phone)	
Rick French, Chair	X	
Mike Norris	X (by phone)	

Also attending the May 27, 2021 Finance Committee meeting:

Brian Ingraham, President and Chief Executive Officer; Larry Hill, Executive Vice President and Chief Finance Officer; Tracy Hayes, General Counsel and Chief Compliance Officer; Dr. Craig Martin, Chief Medical Officer; Melissa Isaacs, Executive Director of Finance; Vicki Escudero, Financial Reporting and Budgeting Manager; J.K. Coward, Board Attorney; Christina Rose Carter, Executive Legal Assistant and Clerk to the Board; and no members of the public.

A. Welcome and Call to Order:

Mr. Rick French, Finance Committee Chair, called the meeting called to order at 3:00 p.m.

B. Approval of Agenda:

Ms. Nancy Baker made a motion to approve the Finance Committee agenda, as presented. Mr. Ira Dove seconded the motion.

Motion unanimously approved.

C. Approval of March 25, 2020 Meeting Minutes:

Mr. Ira Dove made a motion to approve the previous Finance Committee minutes, as presented. Ms. Nancy Baker seconded the motion.

Motion unanimously approved.

D. Report of the Chief Finance Officer

Mr. Larry Hill, Executive VP and Chief Finance Officer, presented the Finance report to the committee. The presentation included FY20 results from operations, Medicaid Treatment Ratio and

Risk Corridor, current state of fund balance, and future state financial considerations. Mr. Hill continued by presenting Budget Revision No. 4. There were no questions from the committee members.

Ms. Nancy Baker made a motion to approve the financial dashboards and Budget Revision No. 4, as presented. Mr. Gary Blevins seconded the motion.

Motion unanimously approved.

E. Presentation of the FY22 Proposed Budget

Mr. Larry Hill, Executive VP and Chief Finance Officer, opened the floor to Mr. Brian Ingraham for an introduction regarding budget strategy and progressive changes required for success as a BH I/DD Tailored Plan. Mr. Ingraham's introduction focused on the challenges associated with recruitment and retention due to competition from Standard Plans and other LME/MCOs as remote work has become more widespread. Mr. Hill then reviewed the FY22 budget, which includes all currently known and identified strategies to be implemented, onboarded, and readied for a successful Tailored Plan go-live on July 1, 2022, including:

- 75% of the identified increase in operational spend levels over current run rates are driven by Tailored Plan implementation and go-live readiness.
- Vaya has reached the 15% required risk reserve level which will enable an additional portion of FY22 capitation to be strategically deployed for Tailored Plan implementation.
- The FY22 budget does not include any planned reductions in services from pre-pandemic levels.
- Because annual funding allocations from DMH/DD/SAS are not finalized and communicated to the LME/MCOs with sufficient time for budget planning, certain service budgets will be established through budget revisions once annual funding allocations are awarded.
- Vaya will continue to employ strategies to meet the Medicaid risk corridor requirements, to allow gain sharing opportunity while ensuring required service spend levels.

Mr. Hill then presented for approval a proposed FY22 Operating Budget of \$461.6m.

Mr. Dove acknowledged the challenge behind recruitment and retention and appreciated the topic being addressed at a high level. The committee and Mr. Hill discussed the risk reserve requirement and Vaya's ability to cover expenses through Tailored Plan implementation. Mr. Blevins commended Mr. Ingraham for his leadership and expertise. Mr. Norris shared his gratitude for the employee benefit plan stabilizing this year.

Mr. Mike Norris made a motion to recommend the FY21-22 Proposed Budget to the Board of Directors for consideration. Ms. Nancy Baker seconded the motion.

Motion unanimously approved.

F. Other Business:

No other business was discussed.

G. Adjournment:

Ms. Nancy Baker made a motion to adjourn. Mr. Gary Blevins seconded the motion.

Motion unanimously approved.

Finance Committee adjourned at 4:00 p.m.



Christina Rose Carter,
Executive Legal Assistant and Clerk to the Board