

FINANCE COMMITTEE MINUTES

December 14, 2023

1:30 - 2:45 p.m.

The Finance Committee of the Board of Directors of Vaya Health conducted its regular meeting on Thursday, December 14, 2023 at the Vaya Health Administrative Offices, located at 200 Ridgefield Court, Suite 218, Asheville, NC 28806; with PUBLIC ACCESS via electronic communication only (real-time two-way audio and/or visual communication, i.e. telephone and Microsoft Teams).

Committee Members:	Attending:	Apologies:
Nancy Baker	X	
Dan Brummitt	X	
Ira Dove	X	
Judy Klusman		X
Mike Norris, Chair	X (Virtual)	
Ashley Wooten		X

Also attending the Finance Committee meeting:

Tracy Hayes, Area Director & Chief Executive Officer; Brian Ingraham, President; Larry Hill, Executive Vice President & Chief Financial Officer; Steve Martin, General Counsel & Chief Compliance Officer; Danielle Wittekind, Chief Human Resources Officer; Ronnie Beale, Vaya Health Board Chair; Melissa Isaacs, Executive Director of Finance; Vicki Escudero, Financial Reporting & Budget Director; J.K. Coward, Board Attorney; Christina Rose Carter, Executive Chief of Staff & Board Secretary; Ashley Logan, Board Support & Administrative Professional; Shelley King, Board Clerk; and no members of the public.

A. Welcome and Call to Order

At the request of Mr. Mike Norris, Chair, Mr. Dan Brummitt called the meeting to order at 1:46 p.m.

B. Approval of Agenda, and October 26, 2023 Meeting Minutes

Mr. Ira Dove made a motion to approve the Agenda and the October 26, 2023 Meeting Minutes, as presented. Ms. Nancy Baker seconded the motion.

Motion unanimously approved.

C. Report of the Chief Financial Officer

Mr. Larry Hill, Executive Vice President & Chief Financial Officer, presented the Report of the CFO including Vaya Health’s FYTD 23-24 Financial Reports and Dashboards ending September 30, 2023.

The presentation included Financial Key Performance Indicators (KPIs), Medical Loss Ratio (MLR) Trending, and Trended Fund Balance Levels. Continuing, Mr. Hill advised the committee on Medicaid Expansion including Initial Membership Impact, and Membership Trend. Mr. Hill shared that NCDHHS

has identified approximately 300,000 family planning group members that may ultimately be enrolled in Expansion rate cells, with approximately 7% of the group assumed to be flagged with a Tailored Plan (TP) status and expected to enroll with the PIHPs. Vaya's initial identified membership impact from Medicaid Expansion is 5,317 additional members, with 90% being Tailored Plan (TP) eligible.

Mr. Hill then provided an update on capitation rates, which included a capitation timeline and Behavioral Health rate Increases. Mr. Hill stated Vaya was still operating under April 1, 2023 capitation rates, but just executed an amendment with new rates that would be retroactively applied to July 1 through November 30, and retroactively applied to Medicaid Expansion from the December 1, 2023 launch date. Ms. Tracy Hayes, Area Director & Chief Executive Officer, advised Medicaid provider rate increases for I/DD services will be effective for services provided on or after 1/1/2024, but many of Vaya's rates were already above the rate floor so those rates will not experience an increase.

Continuing, Mr. Hill advised the committee on a forthcoming budget revision and provided an update on provider support during systems conversion. Mr. Hill stated that for providers experiencing difficulty with Vaya's new claim system and/or provider portal, Vaya provided a "hardship" process to minimize cash flow disruption and has advanced over \$6.5m that is now begin recouped. In addition, Mr. Hill provided a FYTD 22-23 audit update. Concluding, Mr. Hill advised Vaya is implementing a strategic compensation plan effective Dec. 25, 2023 in which 70% of staff will be receiving a pay adjustment, in balance with the cost containment efforts for targeting employee retention and addressing cost of living needs. The plan does not include pay increases for ELT. Mr. Hill explained adjustments will be scaled based on pay where lower wage earners receive a higher percentage. ELT members, Key Employees, and certain other leaders will receive a targeted retention bonus instead of a base build. These efforts are needed due to the ongoing TP delay, which has heightened staff concern about long-term stability. Additionally, Mr. Hill provided the Committee with a Consolidated Income Statement and Balance Sheet ending Sept. 30, 2023.

D. Other Business

No other business was discussed.

E. Adjournment

Mr. Ira Dove made a motion to adjourn. Ms. Nancy Baker seconded the motion.

Motion unanimously approved.

Meeting adjourned at 2:24 p.m.



Christina Rose Carter,
Executive Chief of Staff & Board Secretary