

# AGENDA

## BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POCHIGIAN

PETE VANDER POEL

Meeting Location:  
Fresno County Employee Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93921  
July 20, 2012  
9:00 AM

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to be placed on the agenda for a specific topic should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the desired date of appearance.
5. Consent Agenda – Items 5a through 5e.
  - These items are routine in nature and are usually approved by a single vote. Prior to action by the Board, the public will be given the opportunity to remove any item from the Consent Calendar. Items removed from the Consent Calendar may be heard immediately following approval of Consent Calendar or set aside until the department can be notified and its representative is in the board room.
  - a. Approval of Minutes – Board Meeting of April 20, 2012
  - b. Receive and File SJVIA Executive Claims Summary through May 2012

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- c. Receive and File Report on SJVIA Marketing Activity
- d. Receive and File Report on SJVIA Wellness Activities
- e. Receive and File Quarterly Financial Reports
6. Receive and file the results of the RFP for Pharmacy Benefit Manager(A)
7. Results of the RFP for Special Legal Counsel (A)
8. Revised Underwriting Guidelines (A)
9. Amendment for the Contract with Chimienti & Associates(A)
10. Release of proposals and Execution of Participation Agreements contingent upon acceptance and approval by the following entities' governing bodies (A)
  - a. City of Clovis
  - b. City of Sanger
  - c. City of Avenal
  - d. City of Riverbank
  - e. City of Fowler
  - f. City of Corcoran
  - g. City of Delano
  - h. City of Mendota
  - i. County of Santa Cruz
11. Consideration of Possible Optional Coverage Offerings for the 2013 Plan Year (A)
12. Preliminary January 1, 2013 health plan renewal rates. (I)

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- 13. Directors Reports. (I)
- 14. Adjournment

### Future SJVIA Board Meetings:

<u>Date</u>	<u>Time</u>	<u>Location</u>
August 24, 2012	9:00 AM	FCERA Board Chambers
November 9, 2012	9:00 AM	TCERA Board Chambers

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# Meeting Minutes

## San Joaquin Valley

### Insurance Authority

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Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
April 20, 2012  
9:00 AM

1. Call to Order

Meeting was called to order by President Vander Poel at 9:01am.

2. Roll Call

Roll was called by Brittany Harlan, Gallagher Benefit Services. Present were President Pete Vander Poel, Vice President Debbie Poochigian, Director Susan Anderson, Director Phil Larsen, and Director Mike Ennis. Director Steve Worthley was in attendance as alternate for Allen Ishida.

3. Approval of Agenda

Director Anderson moved to approve the agenda, Director Ennis seconded the motion. Motion unanimously approved.

4. Public Comment

President Vander Poel opened the meeting for public comment – no public comment was given.

5. Consent Agenda – Items 5a through 5f.

Director Ennis moved to approve the consent calendar with approval to pull 5c, Director Worthley seconded the motion. Motion unanimously approved.

a. Approval of Minutes – Board Meeting of January 20, 2012

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- b. Receive and File SJVIA Executive Claims Summary through February 2012
  - c. Receive and File Report on SJVIA Marketing Activity  

Jeff Cardell, SJVIA Assistant Manager, asked for approval to pull Item 5c. He gave an update on SJVIA marketing efforts, informing the Board members that City of Tulare will be providing a letter of intent to join SJVIA effective 7/1/12 however, both the County of Kings and City of Coalinga have decided not to join at this time.

Director Larson moved to approve the report on SJVIA Marketing, Vice President Poochigian seconded the motion. Motion unanimously approved.
  - d. Approval of Amendment 2 to the Anthem Blue Cross Administrative Service Agreement (PPO), Anthem Blue Cross Group Benefit Agreement (HMO) and Funding Provision Minimum Premium Agreement (HMO)
  - e. Receive and File Report on follow up to adoption of the SJVIA Investment Policy
  - f. Receive and File Quarterly Financial Report
6. Approve the selection of Blue Shield of California with HealthNow Administrative Services as an additional vendor for the SJVIA and Authorize the Board President to Execute the Blue Shield Shared

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Advantage Plus Agreement, the Blue Shield Group Health Service Contract, and the HealthNow Administrative Services Agreement. (A)

Paul Nerland, SJVIA Manager, went into detail about the growth strategy, specific to Administrative Services, thus far. He revisited the need for a second carrier as well as the RFP process that Gallagher recently performed at the direction of SJVIA Staff. Results showed that Anthem Blue Cross is still the most competitive option with Blue Shield/HealthNow being the most competitive option as a secondary carrier.

Leroy Tucker, Gallagher Benefit Services, explained that if SJVIA is to add new entities, there is a need for a secondary carrier due to the "Blue on Blue Rule". This rule excludes groups who already contract with Anthem Blue Cross; therefore, a secondary carrier is needed to add groups with this issue. He also restated the process of selecting Blue Shield and HealthNow as the secondary carrier due to them offering the most competitive pricing. He asked for recommendation to approve them as the secondary carrier into the SJVIA, giving us the ability to market to more entities.

Leroy Tucker invited the Blue Shield and HealthNow representatives up for introductions. Steve Manzelli, Senior Vice President of Sales, introduced his team, including Kathy Samanns, Executive Director of Compliance/Client Services and Diane Harris, Regional Sales Director for Northern California. Luke Cirkovic, Business Manager for Blue Shield, introduced himself.

Vice President Poochigian asked for clarification on the primary and secondary carriers. Leroy Tucker explained in further detail about the

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“Blue on Blue Rule” mentioned earlier. He stated that most of the larger JPA’s have both Anthem Blue Cross and Blue Shield so that if, for example, an account was presently with Anthem Blue Cross, they would be able to offer that group a quote from the secondary carrier, Blue Shield.

Vice President Poochigian asked if there was a sliding scale in place with our current carrier. Leroy Tucker informed the Board members that we have not yet developed a sliding scale however, this is our intent. In addition, as business grows, we are able to negotiate better rates with the carriers.

Vice President Poochigian moved to approve the selection of Blue Shield of California with HealthNow Administrative Services as an additional vendor for the SJVIA, Director Worthley seconded the motion. Motion unanimously approved.

7. Approve the selection of Demsey, Filliger, & Associates, LLC as outside actuary to perform the annual GASB10 evaluation for the SJVIA and Authorize the Board President to Execute the Special Services Agreement. (A)

Jeff Cardell, SJVIA Assistant Manager, stated that we previous discussed the need to hire an actuarial vendor to perform the annual GASB 10 evaluation. This will allow us to properly book in our financial report our liabilities and confirm that our rate structure is sound from an actuarial perspective. An RFP was conducted for those services and Demsey, Filliger, & Associates, LLC was the most responsive and the best firm to meet the needs of the SJVIA. He asked

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the Board approve the recommendation the selection of Demsey, Filliger and Associates.

Director Larsen moved to approve Demsey, Filliger, & Associates, LLC as outside actuary to perform the annual GASB10 evaluation for the SJVIA, Director Worthley seconded the motion. Motion unanimously approved.

8. Approve the performance of an RFP for Pharmacy Benefit Management Services effective January 1, 2013. (A)

Jeff Cardell, SJVIA Assistant Manager, indicated that we conducted an RFP last year for Pharmacy Benefit Management services to ensure that we were getting the best bank for our buck and because we were experiencing some issues with the Walgreens/Catalyst transition. At that time we decided to remain with the current provider however, their contract expires in December of this year. Staff is recommending conducting another RFP to identify the best provider going forward for SJVIA.

Director Anderson moved to approve this item, Director Ennis seconded the motion. Motion unanimously approved.

9. Approve the revision of the JPA agreement and model Participation Agreement between the County of Fresno and the County of Tulare to allow for expansion. (A)

Paul Nerland, SJVIA Manager, mentioned that back in October 2009 the County of Fresno and County of Tulare executed a JPA Agreement

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to form this entity as well as a Participation Agreement that indicated the benefits each County would implement. Since we are now allowing other entities to join, those Agreements need to be revised to allow others to join. Some of the requirements would be a 3 or 3 ½ year commitment and a 180 day notice if there was an intention to leave after that date. We would like to receive direction to go back to the County Boards for approval, and then come back to the SJVIA Board for final approval.

Vice President Poochigian asked if the SJVIA Board could review those Agreements before they went to the County Boards. Paul Nerland indicated there were some timing issues involved, however the Agreements would ultimately come back to the SJVIA Board for final approval. Director Anderson suggested creating a sub-committee for feedback and/or approval. Vice President Poochigian made the suggestion of taking it to a chair person of each respective County. Paul Nerland also suggested scheduling a special Board Meeting to review these Agreements before they were taken to the County Boards.

Vice President Poochigian made a motion to send the revisions to a Board Chair Person of each respective County first, and then send to the County Boards for approval, Director Worthley seconded the motion. Motion unanimously approved.

10. Approve the release of proposals and authorize the Board President to execute Participation Agreements contingent upon acceptance and approval by the following entities' governing bodies. (A)
  - a. City of Tulare
  - b. County of Kings

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### c. City of Coalinga

Jeff Cardell, SJVIA Assistant Manager, stated that we received approval from the Board adopting the underwriting guidelines to grow. We recently provided proposals to three entities understanding that the proposals were illustrative only and needed Board approval. It was further reported that the City of Tulare voted to join SJVIA and they will be submitting a Letter of Intent based on the illustrative proposal. In addition, County of Kings and City of Coalinga have decided not to join at this time. Nonetheless, we are seeking Board approval of the respective illustrative proposals and approval to enter into a Participation Agreement with City of Tulare upon receipt of the Letter of Intent.

Vice President Poochigian wanted to confirm that when we issue proposals, we look at their experience first. Mark Tucker, Gallagher Benefit Services explained the underwriting guidelines used to issue the City of Tulare's proposal and explained that they were only partially credible. This means that their rates were based on 50% experience from the City and 50% experience from the pool. He further explained that the City had a high fixed cost savings due to their size and the appeal to the City was in cost stability since their claims have been fluctuating year to year.

Vice President Poochigian also asked for clarification on the fixed costs, specifically, if these new entities would be contributing financially to SJVIA. Leroy Tucker explained the fixed costs concept and the different fees associated with it. He also mentioned the load added to the City of

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Tulare rates as well as other groups that join in the future. Vice President Poochigian then requested if the Board could receive information by email on the load fees. Gallagher Benefit Services agreed to send documentation related to the load fees to the Board.

Director Ennis made a motion to approve to enter into a Participation Agreement with City of Tulare, Director Anderson seconded the motion. Motion unanimously approved.

#### 11. Receive and File Report on Delta TeamCare Wellness Evaluations. (I)

Paul Nerland, SJVIA Manager, gave some details about the recent Wellness Program that was conducted at both Counties. He introduced Katie with Delta Health Systems to explain the Wellness Report. Katie, Health and Wellness Consultant, gave a detailed overview of the wellness results.

Vice President Poochigian asked if those who participate in the program are the unhealthy population. Katie explained that this is not the case for the first year. President Vander Poel asked if we anticipate the same people coming back next year. Katie stated that typically about 80% come back however, 99% of members who participated said it was helpful so we may see a higher percentage return.

Director Larsen asked how the self-reported assessment results are determined in the report. Katie explained that there are a series of questions asked on the Health Risk Assessment regarding stress, drinking, depression, etc. and those answers are filtered through the

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Quality Assurance Team who take this information and use equations to determine the results listed on the report.

Director Worthley suggested using testimonials from members who participated for the website, newsletters, etc. as a sales tool to gain higher participation next year.

12. Approve the recommended action plan for wellness activities for the remainder of 2012. (A)

Paul Nerland, SJVIA Manager, mentioned that we have funds available for wellness activities. The attachments to this agenda item give a foundation for our wellness efforts and give an overview of some basic activities we can participate in. He explained that each month has a specific health topic we can use. Specifically in June, the topic is Fitness & Weight Management in which, a Walking Program between the two Counties was suggested. Paul Nerland also mentioned an online program that we are looking into to track the progress and results of the program.

Director Anderson made a motion to approve the recommended action plan for wellness activities for the remainder of 2012, Director Larsen seconded the motion. Motion unanimously approved.

13. Directors Reports. (I)

No Director Reports.

14. Adjournment

Meeting was adjourned at 10:30am by President Pete Vander Poel.

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<u>Date</u>	<u>Time</u>	<u>Location</u>
July 20, 2012	9:00 AM	TCERA Board Chambers
August 24, 2012	9:00 AM	FCERA Board Chambers
November 9, 2012	9:00 AM	TCERA Board Chambers

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# 2012 SJVIA Monthly Claims Report

Claims Data Through May 2012

[www.gallagherbenefits.com](http://www.gallagherbenefits.com)

- **Prepared By Gallagher Benefit Services**  
July 5, 2012

# Large Claim Report - 2012

## San Joaquin Valley Insurance Authority

### Potential Large Dollar Claimants

#### HMO Plan

January 1, 2012 through December 31, 2012 as of May 2012

Pooling Point \$250,000

Relationship	Paid	Diagnosis	Reimbursement
Subscriber	\$ 1,217,051	Blood Disorders(16)	\$ 967,051.00
Dependent	\$ 164,479	Muscle/Tissue Disorders(08)	\$ -
Subscriber	\$ 141,359	Circulatory System (05)	\$ -
Subscriber	\$ 136,119	Blood Disorders(16)	\$ -

**Total HMO Pooling Reimbursements**

**\$ 967,051.00**

#### PPO Plan

January 1, 2012 through December 31, 2012 as of May 2012

Stop Loss Deductible \$450,000

As of 1/31/2012

Relationship	Paid	Diagnosis	Reimbursement
Subscriber	\$ 337,222	Nervous System (01)	\$ -
Subscriber	\$ 185,070	Femal Reproductive (13)	\$ -
Subscriber	\$ 150,509	Digestive System (06)	\$ -
Dependent	\$ 104,197	Circulatory System (05)	\$ -
Dependent	\$ 96,311	Digestive System (06)	\$ -

\*Anthem Blue Cross does not begin reporting large claims until they reach \$75,000

**Total PPO Stop Loss Reimbursements**

**\$ -**

**Total SJVIA Pooling and Stop Loss Reimbursements**

**\$ 967,051.00**

# Large Claim Report - 2011

## San Joaquin Valley Insurance Authority Potential Large Dollar Claimants

### HMO Plan

January 1, 2011 through December 31, 2011

Pooling Point \$250,000

Relationship	Paid	Diagnosis	Reimbursement
Dependent	\$ 599,053.00	Circulatory System (05)	\$ 349,053.00
Subscriber	\$ 495,130.00	Respiratory System (04)	\$ 245,130.00
Dependent	\$ 365,880.00	Multiple Significant Trauma (24)	\$ 115,880.00
Subscriber	\$ 324,200.00	Muscle/Tissue Disorders(08)	\$ 74,200.00
Dependent	\$ 320,918.00	Kidney Disorders (11)	\$ 70,918.00
Subscriber	\$ 261,804.00	Blood Disorders (16)	\$ 11,804.00

**Total HMO Pooling Reimbursements** **\$ 866,985.00**

### PPO Plan

January 1, 2011 through December 31, 2011

Stop Loss Deductible \$450,000

As of 1/31/2012

Relationship	Paid	Diagnosis	Reimbursement
Subscriber	\$ 670,164.00	Nervous System (01)	\$ 220,164.00
Dependent	\$ 442,273.00	Circulatory System (05)	

**Total PPO Stop Loss Reimbursements** **\$ 220,164.00**

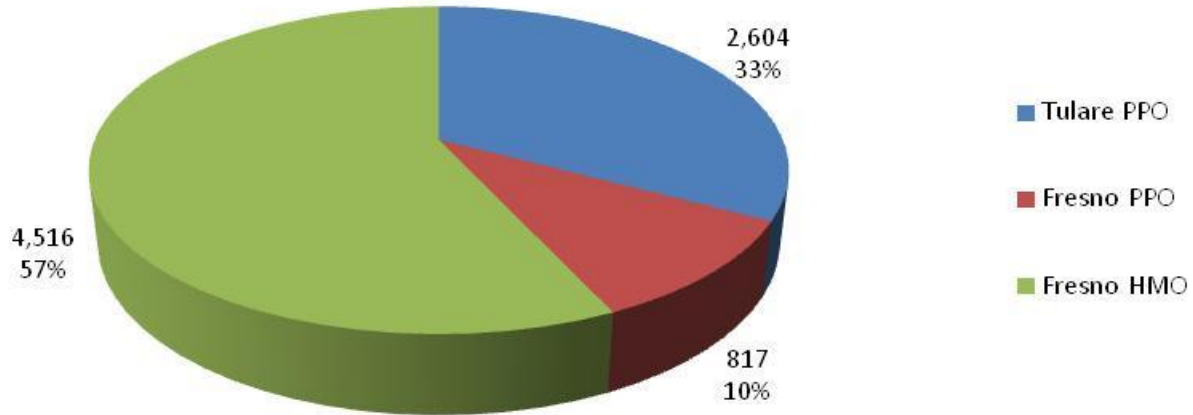
**Total SJVIA Pooling and Stop Loss Reimbursements** **\$ 1,087,149.00**



# SJVIA - All Plans

# SJVIA - All Plans

## SJVIA Average Monthly Enrollment - 2012



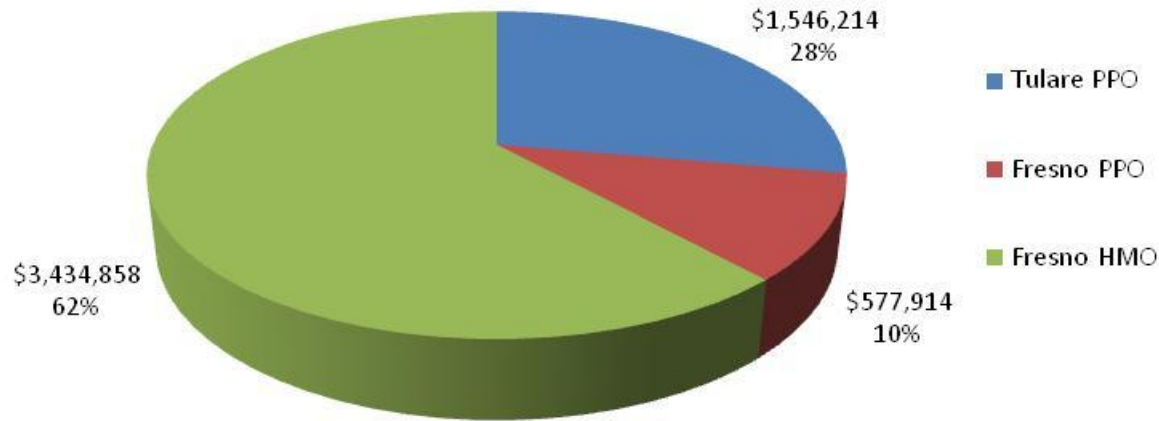
2012 Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,578	2,622	2,603	2,601	2,617	0	0	0	0	0	0	0	13,021
CoF PPO	810	810	822	819	823	0	0	0	0	0	0	0	4,084
CoF HMO	4,538	4,542	4,551	4,495	4,455	0	0	0	0	0	0	0	22,581
<b>Total</b>	<b>7,926</b>	<b>7,974</b>	<b>7,976</b>	<b>7,915</b>	<b>7,895</b>								<b>39,686</b>

2011 Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,627	2,649	2,633	2,617	2,608	2,574	2,584	2,578	2,577	2,582	2,571	2,569	31,169
CoF PPO	912	901	899	894	890	885	872	864	870	863	853	847	10,550
CoF HMO	5,002	4,986	4,979	4,936	4,932	4,934	4,907	4,901	4,880	4,867	4,877	4,885	59,086
<b>Total</b>	<b>8,541</b>	<b>8,536</b>	<b>8,511</b>	<b>8,447</b>	<b>8,430</b>	<b>8,393</b>	<b>8,363</b>	<b>8,343</b>	<b>8,327</b>	<b>8,312</b>	<b>8,301</b>	<b>8,301</b>	<b>100,805</b>

2010 Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,774	2,743	2,737	2,721	2,723	2,739	2,723	2,708	2,706	2,694	2,694	2,698	32,660
CoF PPO	1,009	978	972	1,018	999	985	979	974	968	953	941	909	11,685
CoF HMO	5,100	5,068	5,174	5,163	5,159	5,032	5,010	4,990	4,945	4,955	4,982	5,023	60,601
<b>Total</b>	<b>8,883</b>	<b>8,789</b>	<b>8,883</b>	<b>8,902</b>	<b>8,881</b>	<b>8,756</b>	<b>8,712</b>	<b>8,672</b>	<b>8,619</b>	<b>8,602</b>	<b>8,617</b>	<b>8,630</b>	<b>104,946</b>

# SJVIA - All Plans

## SJVIA Average Monthly Premiums - 2012



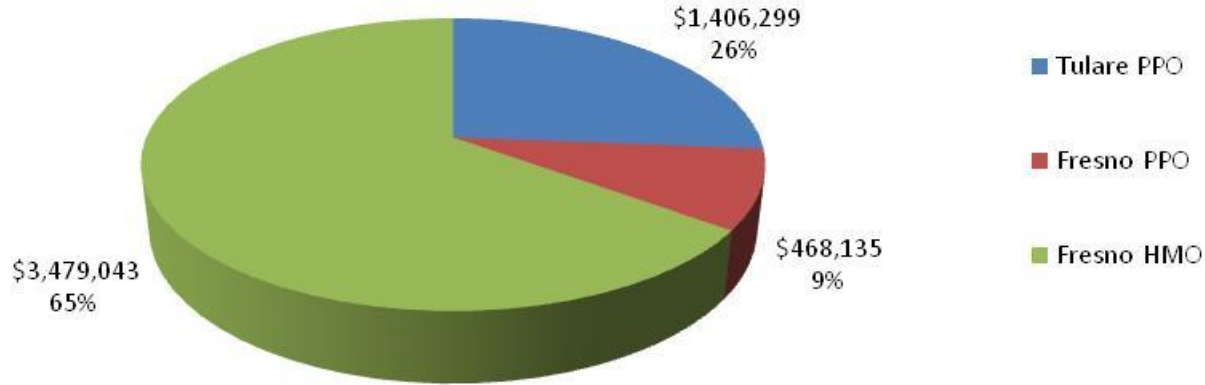
2012 Premiums - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,532,991	\$ 1,557,210	\$ 1,545,778	\$ 1,542,574	\$ 1,552,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,731,071
CoF PPO	\$ 573,804	\$ 574,013	\$ 580,838	\$ 579,490	\$ 581,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,889,572
CoF HMO	\$ 3,456,547	\$ 3,457,039	\$ 3,458,125	\$ 3,419,330	\$ 3,383,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,174,288
<b>Total</b>	<b>\$ 5,563,341</b>	<b>\$ 5,588,262</b>	<b>\$ 5,584,740</b>	<b>\$ 5,541,393</b>	<b>\$ 5,517,195</b>								<b>\$ 27,794,931</b>

2011 Premiums - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,592,800	\$ 1,600,772	\$ 1,591,108	\$ 1,578,978	\$ 1,572,623	\$ 1,553,821	\$ 1,559,220	\$ 1,554,372	\$ 1,546,005	\$ 1,546,501	\$ 1,533,944	\$ 1,532,603	\$ 18,762,748
CoF PPO	\$ 684,553	\$ 675,349	\$ 671,720	\$ 667,982	\$ 659,896	\$ 659,650	\$ 646,810	\$ 640,938	\$ 646,434	\$ 642,383	\$ 633,063	\$ 624,270	\$ 7,853,047
CoF HMO	\$ 3,796,210	\$ 3,786,616	\$ 3,784,046	\$ 3,757,878	\$ 3,756,403	\$ 3,755,927	\$ 3,737,344	\$ 3,733,283	\$ 3,714,626	\$ 3,706,282	\$ 3,711,276	\$ 3,715,393	\$ 44,955,284
<b>Total</b>	<b>\$ 6,073,563</b>	<b>\$ 6,062,737</b>	<b>\$ 6,046,874</b>	<b>\$ 6,004,837</b>	<b>\$ 5,988,922</b>	<b>\$ 5,969,398</b>	<b>\$ 5,943,374</b>	<b>\$ 5,928,593</b>	<b>\$ 5,907,065</b>	<b>\$ 5,895,166</b>	<b>\$ 5,878,283</b>	<b>\$ 5,872,267</b>	<b>\$ 71,571,079</b>

2010 Premiums - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,516,067	\$ 1,498,594	\$ 1,494,485	\$ 1,495,389	\$ 1,495,268	\$ 1,502,929	\$ 1,494,382	\$ 1,487,459	\$ 1,488,058	\$ 1,479,144	\$ 1,479,681	\$ 1,480,142	\$ 17,911,599
CoF PPO	\$ 761,302	\$ 738,520	\$ 735,453	\$ 762,059	\$ 747,527	\$ 739,978	\$ 734,572	\$ 732,670	\$ 729,357	\$ 717,265	\$ 709,468	\$ 664,075	\$ 8,772,247
CoF HMO	\$ 3,534,072	\$ 3,515,747	\$ 3,581,081	\$ 3,585,780	\$ 3,585,623	\$ 3,503,691	\$ 3,495,565	\$ 3,485,105	\$ 3,453,230	\$ 3,460,027	\$ 3,475,826	\$ 3,504,586	\$ 42,180,333
<b>Total</b>	<b>\$ 5,811,441</b>	<b>\$ 5,752,861</b>	<b>\$ 5,811,020</b>	<b>\$ 5,843,228</b>	<b>\$ 5,828,418</b>	<b>\$ 5,746,598</b>	<b>\$ 5,724,520</b>	<b>\$ 5,705,233</b>	<b>\$ 5,670,645</b>	<b>\$ 5,656,436</b>	<b>\$ 5,664,975</b>	<b>\$ 5,648,803</b>	<b>\$ 68,864,178</b>

# SJVIA - All Plans

## SJVIA Average Monthly Claims - 2012



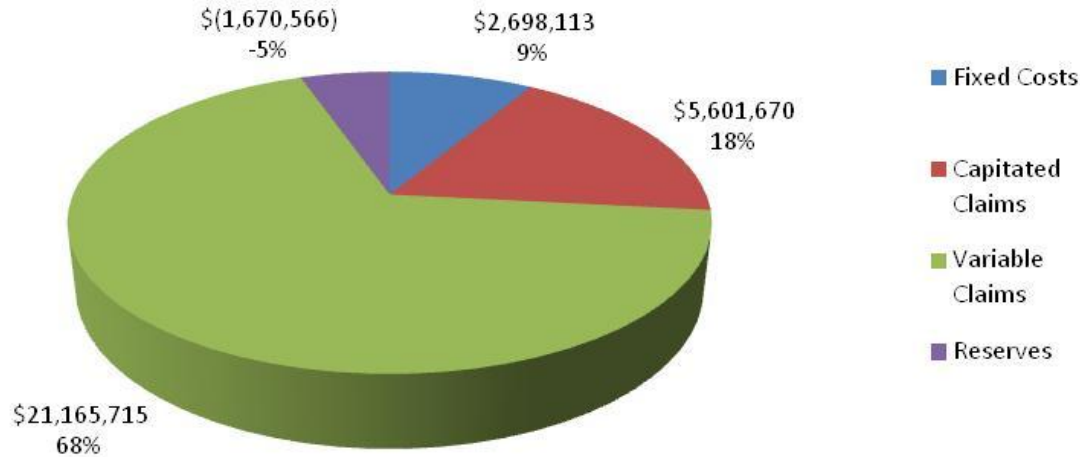
2012 Claims - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$1,347,900	\$1,417,340	\$1,637,712	\$1,363,071	\$1,265,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,031,497
CoF PPO	\$ 385,926	\$ 490,303	\$ 526,293	\$ 500,279	\$ 437,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340,673
CoF HMO	\$2,914,797	\$3,715,713	\$3,167,391	\$3,532,502	\$ 4,064,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,395,215
<b>Total</b>	<b>\$4,648,623</b>	<b>\$5,623,356</b>	<b>\$5,331,396</b>	<b>\$5,395,852</b>	<b>\$ 5,768,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,767,385</b>

2011 Claims - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,256,050	\$ 1,060,066	\$ 1,476,111	\$ 1,234,501	\$ 1,308,598	\$ 1,591,586	\$ 1,194,338	\$ 1,587,940	\$ 1,532,560	\$ 1,339,380	\$ 1,282,913	\$ 1,219,091	\$ 16,083,134
CoF PPO	\$ 690,411	\$ 399,817	\$ 654,688	\$ 423,453	\$ 609,769	\$ 720,386	\$ 625,458	\$ 596,721	\$ 520,499	\$ 509,449	\$ 688,233	\$ 575,391	\$ 7,014,275
CoF HMO	\$3,280,026	\$2,680,428	\$3,208,836	\$3,193,916	\$3,186,527	\$3,413,616	\$3,700,784	\$ 3,946,698	\$3,489,436	\$3,479,613	\$3,417,317	\$3,244,097	\$ 40,241,294
<b>Total</b>	<b>\$5,226,487</b>	<b>\$4,140,311</b>	<b>\$5,339,635</b>	<b>\$4,851,870</b>	<b>\$5,104,894</b>	<b>\$5,725,588</b>	<b>\$5,520,580</b>	<b>\$ 6,131,359</b>	<b>\$5,542,495</b>	<b>\$5,328,442</b>	<b>\$5,388,463</b>	<b>\$5,038,579</b>	<b>\$ 63,338,703</b>

2010 Claims - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 408,232	\$ 977,011	\$1,481,424	\$1,400,115	\$1,337,312	\$1,453,184	\$1,182,271	\$ 1,210,043	\$1,281,284	\$1,302,975	\$1,810,903	\$ 1,532,398	\$ 15,377,152
CoF PPO	\$ 189,847	\$ 289,988	\$ 611,860	\$ 512,418	\$ 558,441	\$ 865,929	\$ 523,529	\$ 1,014,825	\$ 497,751	\$ 326,333	\$ 626,108	\$ 560,439	\$ 6,577,468
CoF HMO	\$2,383,122	\$2,513,494	\$3,413,474	\$3,068,387	\$2,843,819	\$3,032,195	\$2,750,642	\$ 2,725,565	\$2,823,718	\$3,294,441	\$3,707,387	\$ 2,965,015	\$ 35,521,259
<b>Total</b>	<b>\$2,981,201</b>	<b>\$3,780,493</b>	<b>\$5,506,758</b>	<b>\$4,980,920</b>	<b>\$4,739,572</b>	<b>\$5,351,308</b>	<b>\$4,456,442</b>	<b>\$ 4,950,433</b>	<b>\$4,602,753</b>	<b>\$4,923,749</b>	<b>\$6,144,398</b>	<b>\$ 5,057,852</b>	<b>\$ 57,475,879</b>

# SJVIA - All Plans

## YTD SJVIA Premium Breakdown - 2012



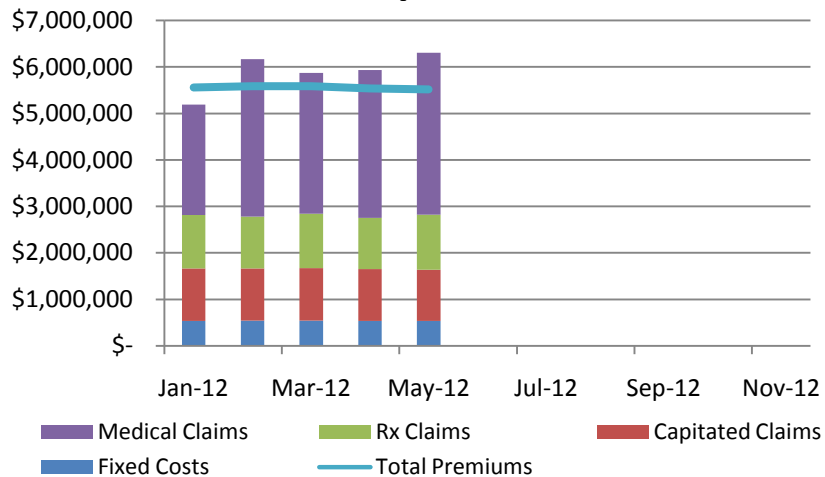
2012 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 539,562	\$ 542,245	\$ 542,577	\$ 537,900	\$ 535,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,698,113
Capitated Claims	\$ 1,125,742	\$ 1,126,734	\$ 1,128,967	\$ 1,115,075	\$ 1,105,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,601,670
Variable Claims	\$ 3,522,881	\$ 4,496,622	\$ 4,202,429	\$ 4,280,777	\$ 4,663,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,165,715
Reserves	\$ 375,156	\$ (577,340)	\$ (289,233)	\$ (392,359)	\$ (786,791)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(1,670,566)

2011 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 572,465	\$ 571,769	\$ 570,304	\$ 565,862	\$ 564,887	\$ 563,061	\$ 560,790	\$ 559,607	\$ 558,214	\$ 557,092	\$ 556,809	\$ 557,030	\$ 6,757,890
Capitated Claims	\$ 1,207,019	\$ 1,200,272	\$ 1,198,826	\$ 1,189,669	\$ 1,185,331	\$ 1,187,259	\$ 1,182,681	\$ 1,180,271	\$ 1,175,934	\$ 1,172,801	\$ 1,175,211	\$ 1,177,138	\$ 14,232,412
Variable Claims	\$ 4,019,468	\$ 2,940,039	\$ 4,140,809	\$ 3,662,201	\$ 3,919,563	\$ 4,538,329	\$ 4,337,899	\$ 4,951,088	\$ 4,366,561	\$ 4,155,641	\$ 4,213,252	\$ 3,861,441	\$ 49,106,291
Reserves	\$ 274,611	\$ 1,350,658	\$ 136,935	\$ 587,105	\$ 319,141	\$ (319,251)	\$ (137,996)	\$ (762,373)	\$ (193,644)	\$ 9,633	\$ (66,989)	\$ 276,658	\$ 1,474,487

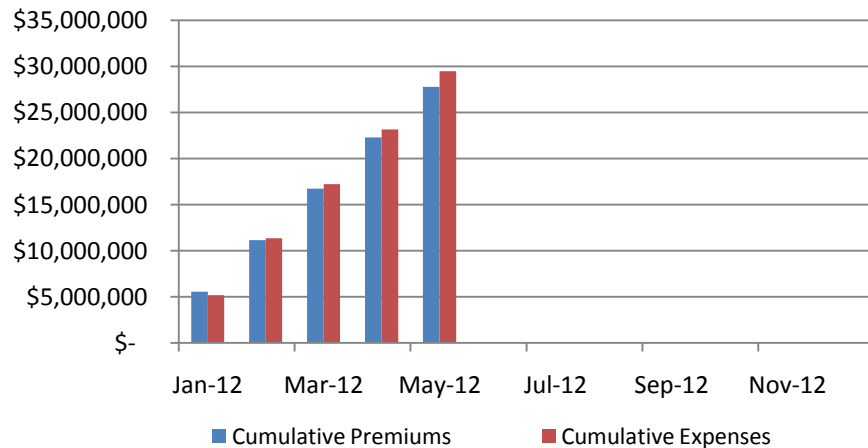
2010 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 532,723	\$ 527,513	\$ 534,162	\$ 534,875	\$ 533,773	\$ 525,202	\$ 522,627	\$ 520,286	\$ 516,824	\$ 516,189	\$ 517,446	\$ 518,877	\$ 6,300,498
Capitated Claims	\$ 1,127,559	\$ 1,120,494	\$ 1,143,920	\$ 1,141,471	\$ 1,140,603	\$ 1,112,525	\$ 1,107,661	\$ 1,103,239	\$ 1,093,290	\$ 1,095,501	\$ 1,101,470	\$ 1,110,535	\$ 13,398,268
Variable Claims	\$ 1,853,642	\$ 2,659,999	\$ 4,362,838	\$ 3,839,449	\$ 3,598,969	\$ 4,238,783	\$ 3,348,781	\$ 3,847,194	\$ 3,509,463	\$ 3,828,248	\$ 5,042,928	\$ 3,947,317	\$ 44,077,611
Reserves	\$ 2,297,516	\$ 1,444,855	\$ (229,900)	\$ 327,433	\$ 555,074	\$ (129,912)	\$ 745,451	\$ 234,514	\$ 551,068	\$ 216,498	\$ (996,869)	\$ 72,074	\$ 5,087,802

# SJVIA – All Plans

## SJVIA Total Expenses & Premiums

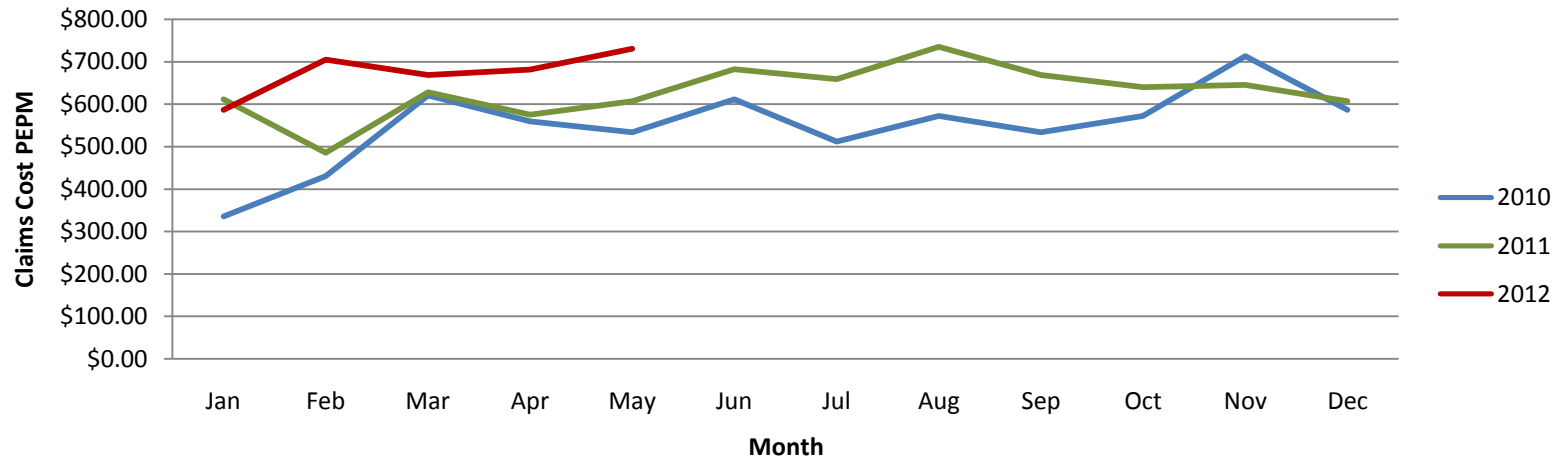


## Cumulative Premiums & Expenses

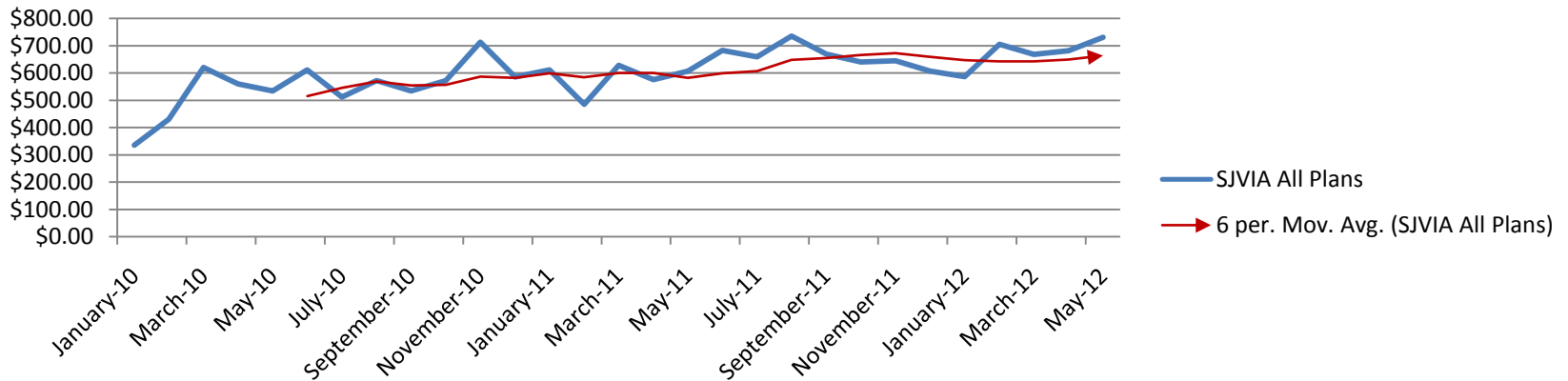


# SJVIA - All Plans

## SJVIA 2010 - 2012 All Plans (Year Over Year) - Claims PEPM



## SJVIA All Plans

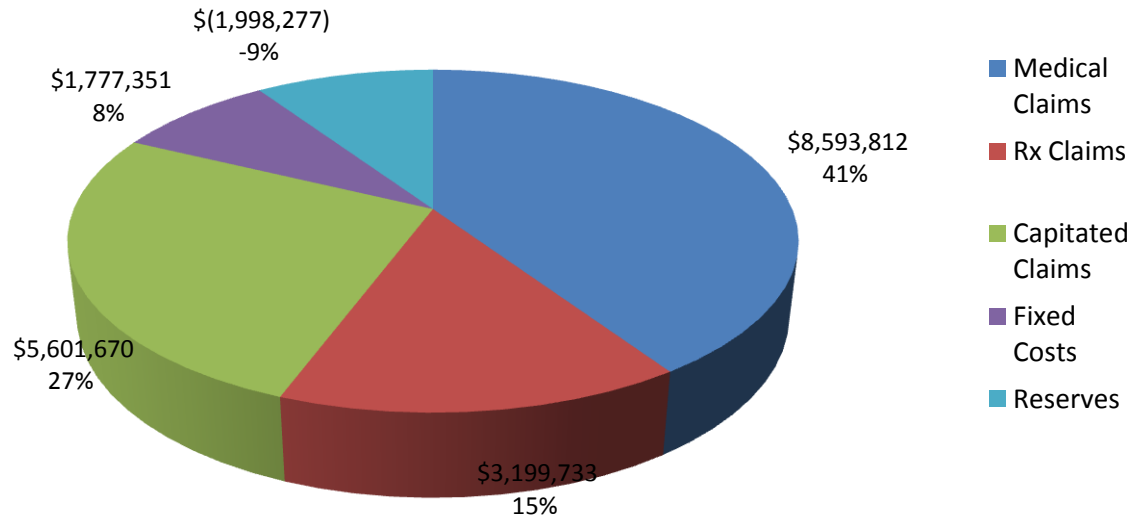


# SJVIA - HMO



# SJVIA - HMO

## YTD HMO Premium Breakdown - 2012

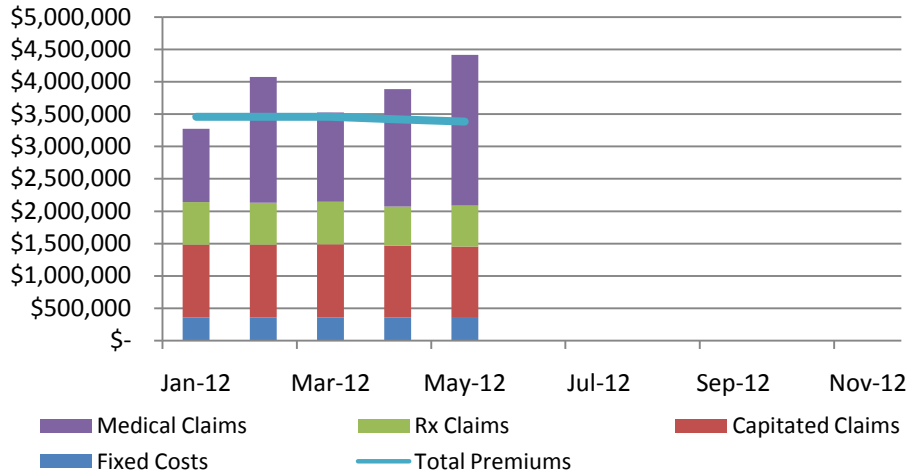


2012 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 357,186	\$ 357,501	\$ 358,209	\$ 353,801	\$ 350,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,777,351
Capitaled Claims	\$ 1,125,742	\$ 1,126,734	\$ 1,128,967	\$ 1,115,075	\$ 1,105,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,601,670
Medical Claims	\$ 1,128,332	\$ 1,941,584	\$ 1,376,948	\$ 1,816,134	\$ 2,330,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,593,812
Rx Claims	\$ 660,723	\$ 647,395	\$ 661,476	\$ 601,293	\$ 628,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,199,733
Reserves	\$ 184,564	\$ (616,175)	\$ (67,475)	\$ (466,974)	\$ (1,032,216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,998,277)

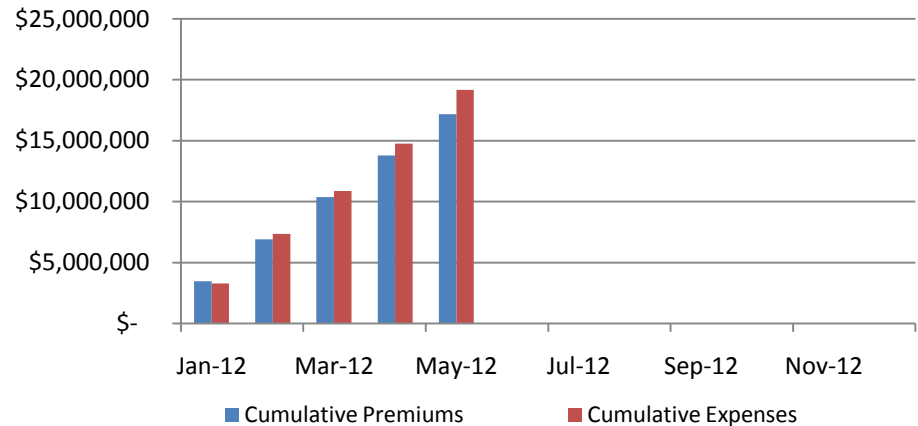
2011 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 392,507	\$ 391,251	\$ 390,702	\$ 387,328	\$ 387,014	\$ 387,171	\$ 385,052	\$ 384,581	\$ 382,934	\$ 381,913	\$ 382,698	\$ 383,326	\$ 4,636,478
Capitaled Claims	\$ 1,207,019	\$ 1,200,272	\$ 1,198,826	\$ 1,189,669	\$ 1,185,331	\$ 1,187,259	\$ 1,182,681	\$ 1,180,271	\$ 1,175,934	\$ 1,172,801	\$ 1,175,211	\$ 1,177,138	\$ 14,232,412
Medical Claims	\$ 1,456,998	\$ 949,741	\$ 1,408,225	\$ 1,383,120	\$ 1,418,729	\$ 1,637,044	\$ 1,922,731	\$ 2,132,702	\$ 1,683,604	\$ 1,665,758	\$ 1,627,475	\$ 1,472,804	\$ 18,758,931
Rx Claims	\$ 616,009	\$ 530,415	\$ 601,785	\$ 621,127	\$ 582,467	\$ 589,313	\$ 595,372	\$ 633,725	\$ 629,898	\$ 641,054	\$ 614,631	\$ 594,155	\$ 7,249,951
Reserves	\$ 123,677	\$ 714,937	\$ 184,508	\$ 176,634	\$ 182,862	\$ (44,860)	\$ (348,493)	\$ (597,997)	\$ (157,743)	\$ (155,244)	\$ (88,739)	\$ 87,970	\$ 77,511

# SJVIA – HMO

## HMO Total Expenses & Premiums - 2012

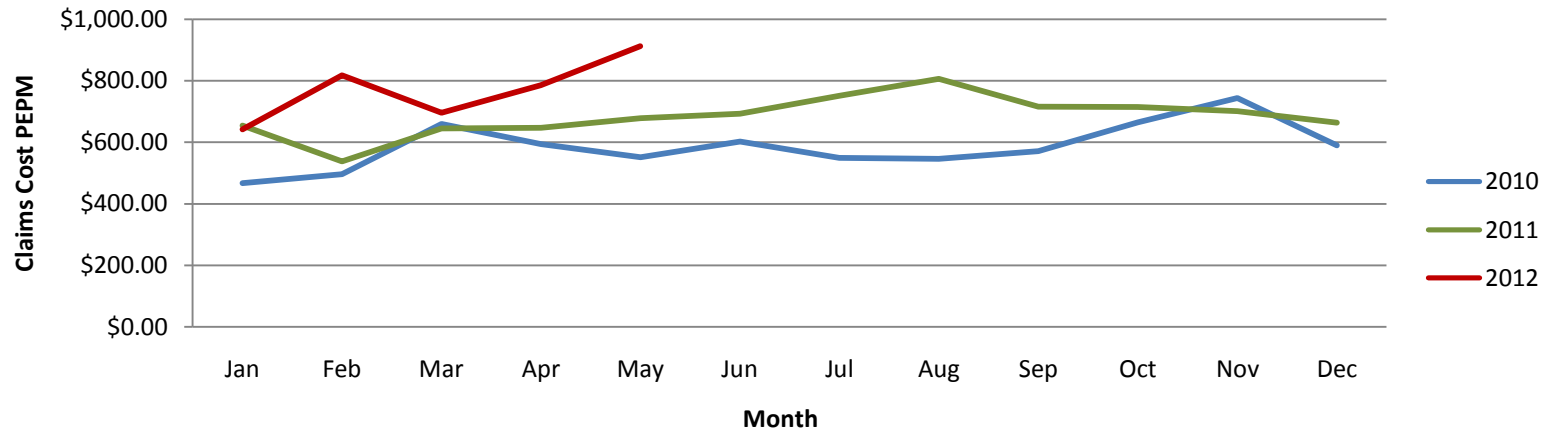


## HMO Cumulative Premiums & Expenses -2012

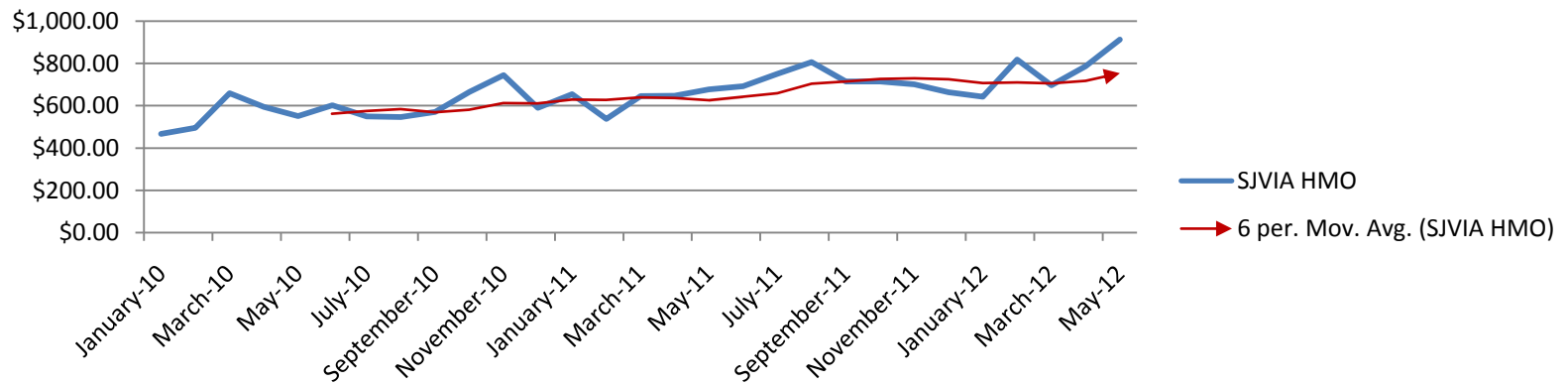


# SJVIA – HMO

## SJVIA 2010 - 2012 HMO (Year Over Year) - Claims PEPM



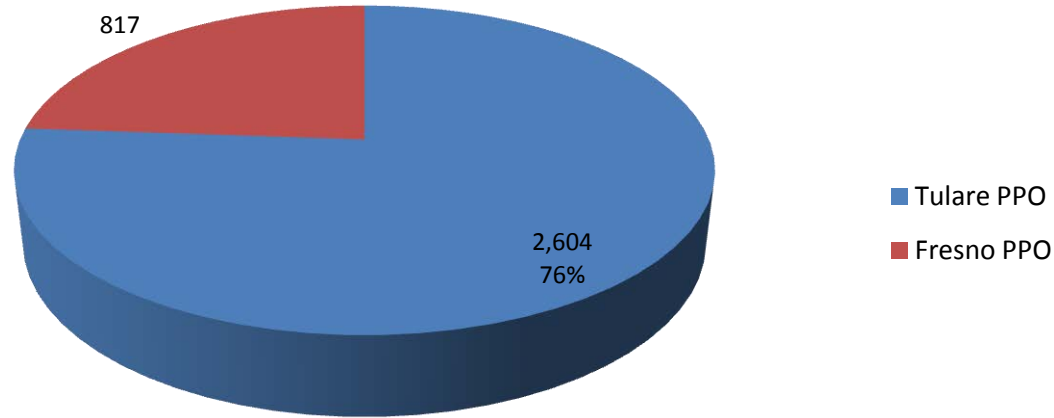
## SJVIA HMO



# SJVIA - PPO

# SJVIA - PPO

## PPO Plans Average Monthly Enrollment - 2012



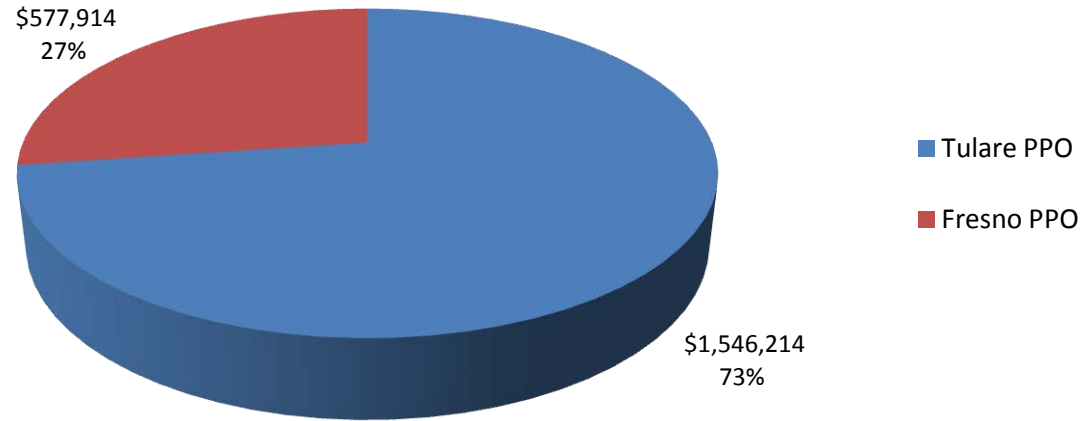
2012 Enrollment - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,578	2,622	2,603	2,601	2,617	0	0	0	0	0	0	0	13,021
CoF PPO	810	810	822	819	823	0	0	0	0	0	0	0	4,084
<b>Total</b>	<b>3,388</b>	<b>3,432</b>	<b>3,425</b>	<b>3,420</b>	<b>3,440</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,105</b>

2011 Enrollment - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,627	2,649	2,633	2,617	2,608	2,574	2,584	2,578	2,577	2,582	2,571	2,569	31,169
CoF PPO	912	901	899	894	890	885	872	864	870	863	853	847	10,550
<b>Total</b>	<b>3,539</b>	<b>3,550</b>	<b>3,532</b>	<b>3,511</b>	<b>3,498</b>	<b>3,459</b>	<b>3,456</b>	<b>3,442</b>	<b>3,447</b>	<b>3,445</b>	<b>3,424</b>	<b>3,416</b>	<b>41,719</b>

2010 Enrollment - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,774	2,743	2,737	2,721	2,723	2,739	2,723	2,708	2,706	2,694	2,694	2,698	32,660
CoF PPO	1,009	978	972	1,018	999	985	979	974	968	953	941	909	11,685
<b>Total</b>	<b>3,783</b>	<b>3,721</b>	<b>3,709</b>	<b>3,739</b>	<b>3,722</b>	<b>3,724</b>	<b>3,702</b>	<b>3,682</b>	<b>3,674</b>	<b>3,647</b>	<b>3,635</b>	<b>3,607</b>	<b>44,345</b>

# SJVIA - PPO

## PPO Plans Average Monthly Premiums - 2012



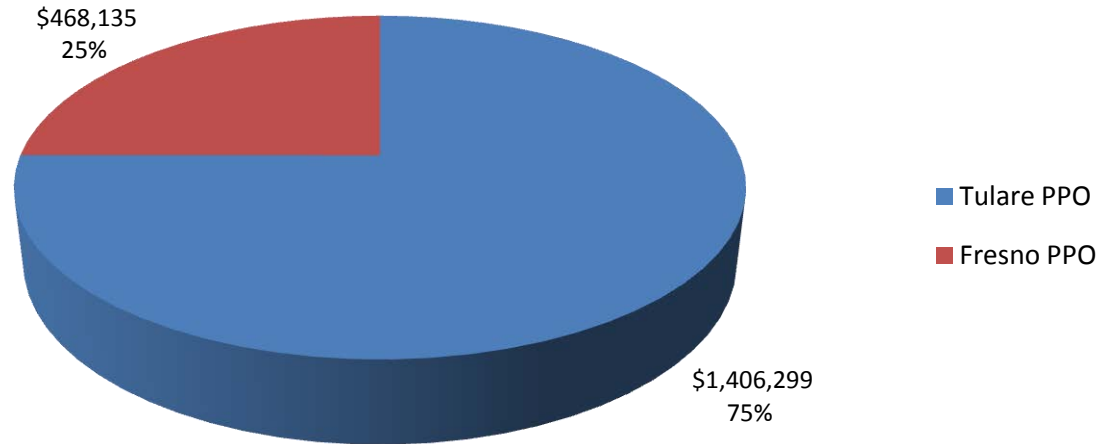
2012 Premium - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,532,991	\$ 1,557,210	\$ 1,545,778	\$ 1,542,574	\$ 1,552,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,731,071
CoF PPO	\$ 573,804	\$ 574,013	\$ 580,838	\$ 579,490	\$ 581,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,889,572
<b>Total</b>	<b>\$ 2,106,794</b>	<b>\$ 2,131,223</b>	<b>\$ 2,126,615</b>	<b>\$ 2,122,064</b>	<b>\$ 2,133,947</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,620,643</b>

2011 Premium - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,592,800	\$ 1,600,772	\$ 1,591,108	\$ 1,578,978	\$ 1,572,623	\$ 1,553,821	\$ 1,559,220	\$ 1,554,372	\$ 1,546,005	\$ 1,546,501	\$ 1,533,944	\$ 1,532,603	\$ 18,762,748
CoF PPO	\$ 684,553	\$ 675,349	\$ 671,720	\$ 667,982	\$ 659,896	\$ 659,650	\$ 646,810	\$ 640,938	\$ 646,434	\$ 642,383	\$ 633,063	\$ 624,270	\$ 7,853,047
<b>Total</b>	<b>\$ 2,277,353</b>	<b>\$ 2,276,121</b>	<b>\$ 2,262,828</b>	<b>\$ 2,246,960</b>	<b>\$ 2,232,519</b>	<b>\$ 2,213,472</b>	<b>\$ 2,206,030</b>	<b>\$ 2,195,310</b>	<b>\$ 2,192,438</b>	<b>\$ 2,188,884</b>	<b>\$ 2,167,007</b>	<b>\$ 2,156,873</b>	<b>\$ 26,615,795</b>

2010 Premium - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,516,067	\$ 1,498,594	\$ 1,494,485	\$ 1,495,389	\$ 1,495,268	\$ 1,502,929	\$ 1,494,382	\$ 1,487,459	\$ 1,488,058	\$ 1,479,144	\$ 1,479,681	\$ 1,480,142	\$ 17,911,599
CoF PPO	\$ 761,302	\$ 738,520	\$ 735,453	\$ 762,059	\$ 747,527	\$ 739,978	\$ 734,572	\$ 732,670	\$ 729,357	\$ 717,265	\$ 709,468	\$ 664,075	\$ 8,772,247
<b>Total</b>	<b>\$ 2,277,369</b>	<b>\$ 2,237,114</b>	<b>\$ 2,229,938</b>	<b>\$ 2,257,448</b>	<b>\$ 2,242,795</b>	<b>\$ 2,242,907</b>	<b>\$ 2,228,954</b>	<b>\$ 2,220,128</b>	<b>\$ 2,217,415</b>	<b>\$ 2,196,410</b>	<b>\$ 2,189,149</b>	<b>\$ 2,144,217</b>	<b>\$ 26,683,845</b>

# SJVIA - PPO

## PPO Plans Average Monthly Claims - 2012



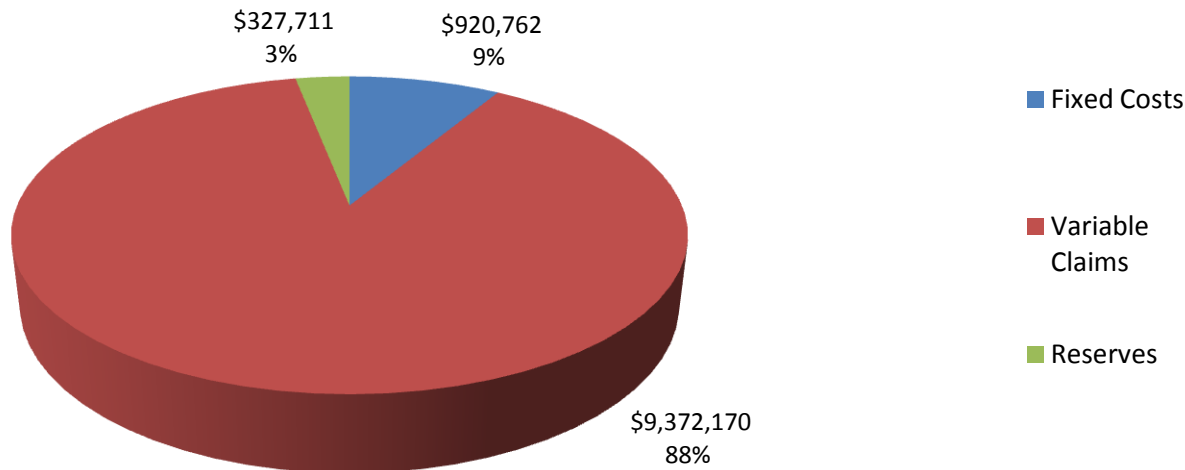
2012 Claims - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,347,900	\$ 1,417,340	\$ 1,637,712	\$ 1,363,071	\$ 1,265,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,031,497
CoF PPO	\$ 385,926	\$ 490,303	\$ 526,293	\$ 500,279	\$ 437,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,340,673
<b>Total</b>	<b>\$ 1,733,826</b>	<b>\$ 1,907,643</b>	<b>\$ 2,164,005</b>	<b>\$ 1,863,350</b>	<b>\$ 1,703,346</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,372,170</b>

2011 Claims - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 1,256,050	\$ 1,060,066	\$ 1,476,111	\$ 1,234,501	\$ 1,308,598	\$ 1,591,586	\$ 1,194,338	\$ 1,587,940	\$ 1,532,560	\$ 1,339,380	\$ 1,282,913	\$ 1,219,091	\$ 16,083,134
CoF PPO	\$ 690,411	\$ 399,817	\$ 654,688	\$ 423,453	\$ 609,769	\$ 720,386	\$ 625,458	\$ 596,721	\$ 520,499	\$ 509,449	\$ 688,233	\$ 575,391	\$ 7,014,275
<b>Total</b>	<b>\$ 1,946,461</b>	<b>\$ 1,459,883</b>	<b>\$ 2,130,799</b>	<b>\$ 1,657,954</b>	<b>\$ 1,918,367</b>	<b>\$ 2,311,972</b>	<b>\$ 1,819,796</b>	<b>\$ 2,184,661</b>	<b>\$ 2,053,059</b>	<b>\$ 1,848,829</b>	<b>\$ 1,971,146</b>	<b>\$ 1,794,482</b>	<b>\$ 23,097,409</b>

2010 Claims - PPO Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$ 408,232	\$ 977,011	\$ 1,481,424	\$ 1,400,115	\$ 1,337,312	\$ 1,453,184	\$ 1,182,271	\$ 1,210,043	\$ 1,281,284	\$ 1,302,975	\$ 1,810,903	\$ 1,532,398	\$ 15,377,152
CoF PPO	\$ 189,847	\$ 289,988	\$ 611,860	\$ 512,418	\$ 558,441	\$ 865,929	\$ 523,529	\$ 1,014,825	\$ 497,751	\$ 326,333	\$ 626,108	\$ 560,439	\$ 6,577,468
<b>Total</b>	<b>\$ 598,079</b>	<b>\$ 1,266,999</b>	<b>\$ 2,093,284</b>	<b>\$ 1,912,533</b>	<b>\$ 1,895,753</b>	<b>\$ 2,319,113</b>	<b>\$ 1,705,800</b>	<b>\$ 2,224,868</b>	<b>\$ 1,779,035</b>	<b>\$ 1,629,308</b>	<b>\$ 2,437,011</b>	<b>\$ 2,092,837</b>	<b>\$ 21,954,620</b>

# SJVIA - PPO Premium Breakdown

## YTD PPO Premium Breakdown - 2012



2012 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 182,376	\$ 184,745	\$ 184,368	\$ 184,099	\$ 185,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 920,762
Variable Claims	\$ 1,733,826	\$ 1,907,643	\$ 2,164,005	\$ 1,863,350	\$ 1,703,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,372,170
Reserves	\$ 190,592	\$ 38,835	\$ (221,757)	\$ 74,615	\$ 245,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,711

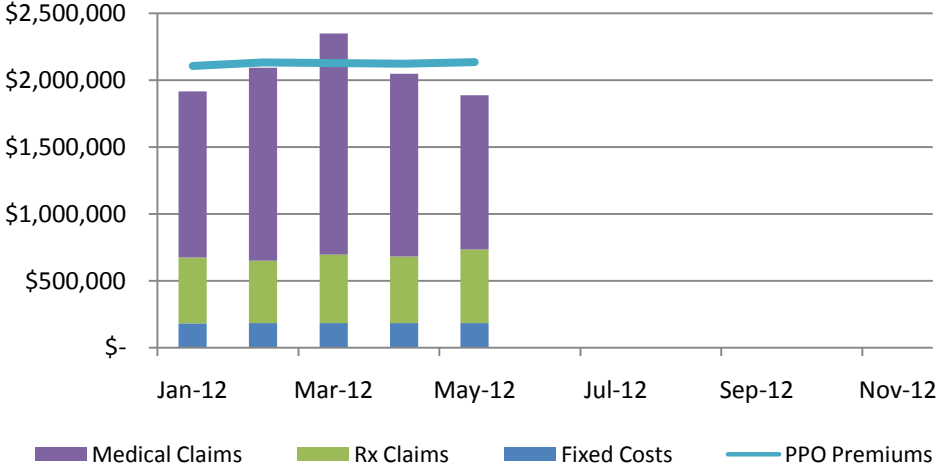
2011 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 179,958	\$ 180,518	\$ 179,602	\$ 178,534	\$ 177,873	\$ 175,890	\$ 175,738	\$ 175,026	\$ 175,280	\$ 175,178	\$ 174,110	\$ 173,704	\$ 2,121,411
Variable Claims	\$ 1,946,461	\$ 1,459,883	\$ 2,130,799	\$ 1,657,954	\$ 1,918,367	\$ 2,311,972	\$ 1,819,796	\$ 2,184,661	\$ 2,053,059	\$ 1,848,829	\$ 1,971,146	\$ 1,794,482	\$ 23,097,409
Reserves	\$ 150,934	\$ 635,721	\$ (47,573)	\$ 410,471	\$ 136,278	\$ (274,390)	\$ 210,497	\$ (164,377)	\$ (35,901)	\$ 164,877	\$ 21,750	\$ 188,688	\$ 1,396,975

2010 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 184,648	\$ 181,622	\$ 181,036	\$ 182,501	\$ 181,671	\$ 181,768	\$ 180,695	\$ 179,718	\$ 179,328	\$ 178,010	\$ 177,424	\$ 176,058	\$ 2,164,479
Variable Claims	\$ 598,079	\$ 1,266,999	\$ 2,093,284	\$ 1,912,533	\$ 1,895,753	\$ 2,319,113	\$ 1,705,800	\$ 2,224,868	\$ 1,779,035	\$ 1,629,308	\$ 2,437,011	\$ 2,092,837	\$ 21,954,620
Reserves	\$ 1,494,641	\$ 788,493	\$ (44,382)	\$ 162,415	\$ 165,372	\$ (257,975)	\$ 342,460	\$ (184,458)	\$ 259,052	\$ 389,092	\$ (425,286)	\$ (124,677)	\$ 2,564,746

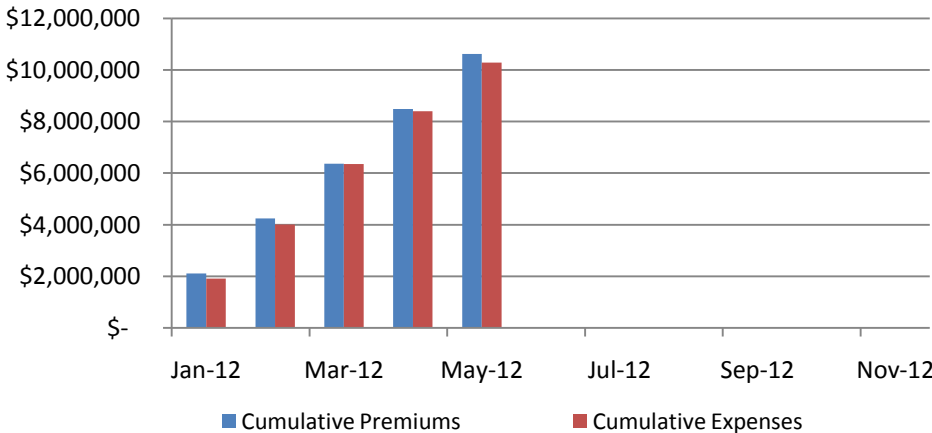


# SJVIA - PPO Plans

### PPO Total Expenses & Premiums - 2012

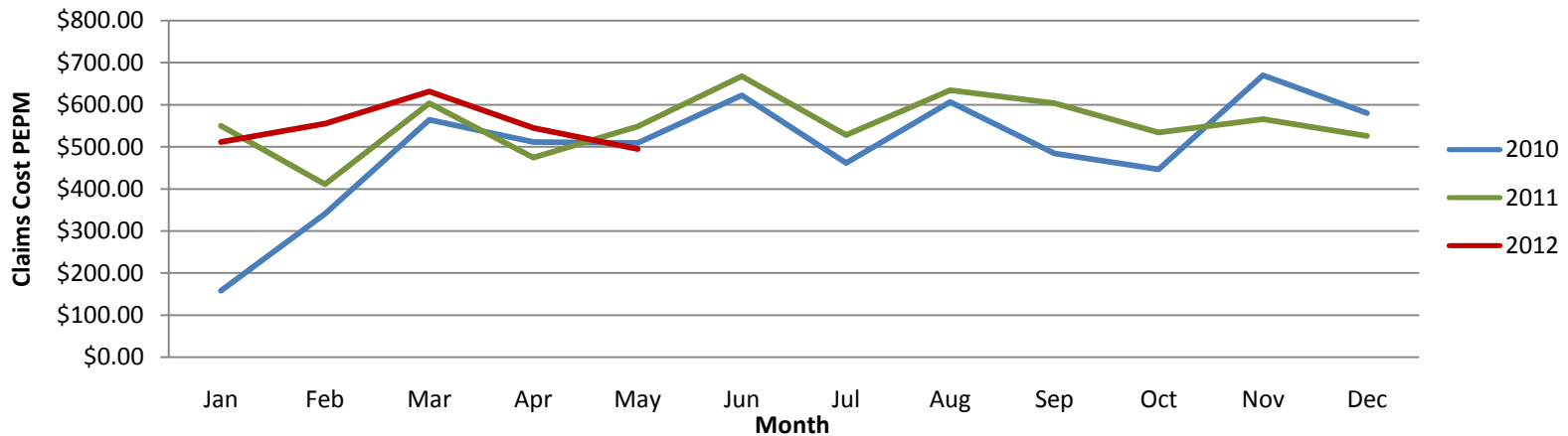


### PPO Cumulative Premiums & Expenses - 2012

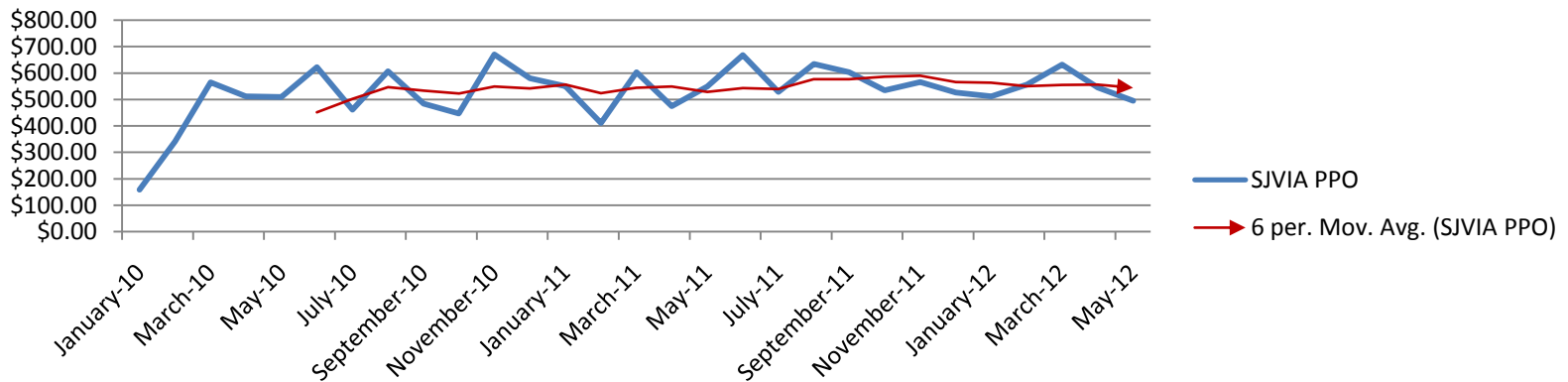


# SJVIA – PPO Claims PEPM

## SJVIA 2010 - 2012 PPO (Year Over Year) - Claims PEPM



## SJVIA PPO Claims PEPM



# SJVIA - Monthly Data

# SJVIA - All Plans

<b>SJVIA Enrollment - All Plans</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>YTD Totals</b>
- Employee Only	4,682	4,721	4,737	4,700	4,713	0	0	0	0	0	0	0	23,553
- Employee + Spouse	1,045	1,047	1,043	1,030	1,011	0	0	0	0	0	0	0	5,176
- Employee + Child(ren)	1,499	1,508	1,498	1,492	1,484	0	0	0	0	0	0	0	7,481
- Employee + Family	700	698	698	693	687	0	0	0	0	0	0	0	3,476
<b>SJVIA Total Enrollment</b>	<b>7,926</b>	<b>7,974</b>	<b>7,976</b>	<b>7,915</b>	<b>7,895</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,686</b>
<b>SJVIA Total Premiums</b>	<b>\$5,563,341</b>	<b>\$5,588,262</b>	<b>\$5,584,740</b>	<b>\$5,541,393</b>	<b>\$ 5,517,195</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,794,931</b>
SJVIA Premiums PEPM	\$ 701.91	\$ 700.81	\$ 700.19	\$ 700.11	\$ 698.82								\$ 700.37
<b>SJVIA Total Claims</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>YTD Totals</b>
- Medical Claims	\$2,369,761	\$3,384,425	\$3,028,105	\$3,182,932	\$ 3,484,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,449,533
- Rx Claims	\$1,153,120	\$1,112,197	\$1,174,324	\$1,097,845	\$ 1,178,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,716,182
- Stop-Loss Refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Capitated Claims (HMO)	\$1,125,742	\$1,126,734	\$1,128,967	\$1,115,075	\$ 1,105,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,601,670
<b>SJVIA Total Claims</b>	<b>\$4,648,623</b>	<b>\$5,623,356</b>	<b>\$5,331,396</b>	<b>\$5,395,852</b>	<b>\$ 5,768,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,767,385</b>
SJVIA Claims PEPM	\$ 586.50	\$ 705.21	\$ 668.43	\$ 681.72	\$ 730.61								\$ 674.48
<b>SJVIA Fixed Costs</b>	<b>\$ 539,562</b>	<b>\$ 542,245</b>	<b>\$ 542,577</b>	<b>\$ 537,900</b>	<b>\$ 535,828</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,698,113</b>
<b>SJVIA Total Costs</b>	<b>\$5,188,185</b>	<b>\$6,165,601</b>	<b>\$5,873,973</b>	<b>\$5,933,752</b>	<b>\$ 6,303,986</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,465,498</b>
SJVIA Cost PEPM	\$ 654.58	\$ 773.21	\$ 736.46	\$ 749.68	\$ 798.48								\$ 742.47
<b>SJVIA Total Reserve - Increase/(Decrease)</b>	<b>\$ 375,156</b>	<b>\$ (577,340)</b>	<b>\$ (289,233)</b>	<b>\$ (392,359)</b>	<b>\$ (786,791)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,670,566)</b>
<b>Reserve % of Non Cap. Claims</b>	<b>10.6%</b>	<b>-12.8%</b>	<b>-6.9%</b>	<b>-9.2%</b>	<b>-16.9%</b>								<b>-7.9%</b>

# SJVIA - HMO

2012 HMO Enrollment	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	1,940	1,943	1,962	1,930	1,924	0	0	0	0	0	0	0	9,699
- Employee + Spouse	631	632	633	622	608	0	0	0	0	0	0	0	3,126
- Employee + Child(ren)	1,352	1,357	1,348	1,338	1,327	0	0	0	0	0	0	0	6,722
- Employee + Family	615	610	608	605	596	0	0	0	0	0	0	0	3,034
<b>HMO Total Enroll.</b>	<b>4,538</b>	<b>4,542</b>	<b>4,551</b>	<b>4,495</b>	<b>4,455</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,581</b>
<b>HMO Premiums</b>	<b>\$ 3,456,547</b>	<b>\$ 3,457,039</b>	<b>\$ 3,458,125</b>	<b>\$ 3,419,330</b>	<b>\$ 3,383,249</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,174,288</b>
HMO Premiums PEPM	\$ 761.69	\$ 761.13	\$ 759.86	\$ 760.70	\$ 759.43								\$ 760.56
<b>HMO Claims</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>YTD Totals</b>
- Medical Claims	\$ 1,128,332	\$ 1,941,584	\$ 1,376,948	\$ 1,816,134	\$ 2,330,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,593,812
- Rx Claims	\$ 660,723	\$ 647,395	\$ 661,476	\$ 601,293	\$ 628,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,199,733
- Capitated Claims	\$ 1,125,742	\$ 1,126,734	\$ 1,128,967	\$ 1,115,075	\$ 1,105,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,601,670
<b>HMO Total Claims</b>	<b>\$ 2,914,797</b>	<b>\$ 3,715,713</b>	<b>\$ 3,167,391</b>	<b>\$ 3,532,502</b>	<b>\$ 4,064,812</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,395,215</b>
HMO Claims PEPM	\$ 642.31	\$ 818.08	\$ 695.98	\$ 785.87	\$ 912.42								\$ 770.35
<b>HMO Fixed Costs</b>	<b>\$ 357,186</b>	<b>\$ 357,501</b>	<b>\$ 358,209</b>	<b>\$ 353,801</b>	<b>\$ 350,653</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,777,351</b>
<b>HMO Total Costs</b>	<b>\$ 3,271,983</b>	<b>\$ 4,073,214</b>	<b>\$ 3,525,600</b>	<b>\$ 3,886,303</b>	<b>\$ 4,415,465</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,172,566</b>
HMO Costs PEPM	\$ 721.02	\$ 896.79	\$ 774.69	\$ 864.58	\$ 991.13								\$ 849.06
<b>HMO Plan Reserve - Increase/(Decrease)</b>	<b>\$ 184,564</b>	<b>\$ (616,175)</b>	<b>\$ (67,475)</b>	<b>\$ (466,974)</b>	<b>\$ (1,032,216)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,998,277)</b>
<b>Reserve % of Non Cap. Claims</b>	<b>10.3%</b>	<b>-23.8%</b>	<b>-3.3%</b>	<b>-19.3%</b>	<b>-34.9%</b>								<b>-16.9%</b>

# SJVIA - PPO

PPO Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	2,742	2,778	2,775	2,770	2,789	0	0	0	0	0	0	0	13,854
- Employee + Spouse	414	415	410	408	403	0	0	0	0	0	0	0	2,050
- Employee + Child(ren)	147	151	150	154	157	0	0	0	0	0	0	0	759
- Employee + Family	85	88	90	88	91	0	0	0	0	0	0	0	442
<b>PPO Plans Total Enrollment</b>	<b>3,388</b>	<b>3,432</b>	<b>3,425</b>	<b>3,420</b>	<b>3,440</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,105</b>
<b>PPO Plans Total Premiums</b>	<b>\$ 2,106,794</b>	<b>\$ 2,131,223</b>	<b>\$ 2,126,615</b>	<b>\$ 2,122,064</b>	<b>\$ 2,133,947</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,620,643</b>
PPO Premiums PEPM	\$ 621.84	\$ 620.99	\$ 620.91	\$ 620.49	\$ 620.33								\$ 620.91
PPO Plans Total Claims	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Medical Claims	\$ 1,241,429	\$ 1,442,841	\$ 1,651,157	\$ 1,366,798	\$ 1,153,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,855,721
- Rx Claims	\$ 492,397	\$ 464,802	\$ 512,848	\$ 496,552	\$ 549,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,516,449
- Stop-Loss Refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PPO Plans Net Claims</b>	<b>\$ 1,733,826</b>	<b>\$ 1,907,643</b>	<b>\$ 2,164,005</b>	<b>\$ 1,863,350</b>	<b>\$ 1,703,346</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,372,170</b>
PPO Plans Claims PEPM	\$ 511.76	\$ 555.84	\$ 631.83	\$ 544.84	\$ 495.16								\$ 547.92
<b>PPO Plans Fixed Costs</b>	<b>\$ 182,376</b>	<b>\$ 184,745</b>	<b>\$ 184,368</b>	<b>\$ 184,099</b>	<b>\$ 185,175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 920,762</b>
<b>PPO Plans Total Costs</b>	<b>\$ 1,916,202</b>	<b>\$ 2,092,388</b>	<b>\$ 2,348,373</b>	<b>\$ 2,047,449</b>	<b>\$ 1,888,521</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,292,932</b>
PPO Plans Cost PEPM	\$ 565.59	\$ 609.67	\$ 685.66	\$ 598.67	\$ 548.99								\$ 601.75
<b>PPO Plans Total Reserve - Increase/(Decrease)</b>	<b>\$ 190,592</b>	<b>\$ 38,835</b>	<b>\$ (221,757)</b>	<b>\$ 74,615</b>	<b>\$ 245,425</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 327,711</b>
<b>Reserve % of Net Claims</b>	<b>11.0%</b>	<b>2.0%</b>	<b>-10.2%</b>	<b>4.0%</b>	<b>14.4%</b>								<b>3.5%</b>



**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N. Akers Street  
Visalia, CA 93291  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER:** 5b

**SUBJECT:** Executive Claims Summary through May 2012

**REQUEST(S):** That the Board receives and files the Executive Claims Summary

**DESCRIPTION:**

Gallagher Benefit Services (GBS) has been compiling and delivering the attached Monthly Claims Report to SJVIA staff. The report provides a high level view of several key claims metrics and is useful in the early identification of potential trends and outliers. The Monthly Claims Report is meant to augment the quarterly (and annual) claims report and opportunity analysis developed by Anthem Blue Cross.

As requested by your board, a Large Claim Report has been included in the Monthly Claim Report (page 3). This summary details claims that have reached 50% of the pooling point (\$250,000) for the HMO plan as well as claims that have reached 50% of the stop loss deductible (\$450,000) for the PPO plans.

The attached Monthly Claims Report, dated July 5, 2012, reflects claims data through May 2012. The report consists of the following sections:

- Executive Summary

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

- Large Claim Report
- Overview of all plans
  - Average Monthly Enrollment
  - Average Monthly Premium
  - Average Monthly Claims
  - Total Premium Breakdown
  - Total Expenses and Premiums (Monthly and Cumulative)
  - Claims Per Employee Per Month – Year over Year and from inception

For comparative purposes, each report includes 2011 data tables and 2010 data tables.

**FISCAL IMPACT/FINANCING:**

None

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager



**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Executive Claims Summary through May 2012

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board received and filed the Executive Claims Summary though May 2012



**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N. Akers Street  
Visalia, CA 93291  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER** 5c

**SUBJECT** Receive and File Report on SJVIA Marketing Activity

**REQUEST(S):** That the Board receive and file a report of current SJVIA Marketing Activity

**DESCRIPTION:**

On November 5, 2010, to allow for growth of the SJVIA your Board approved the Member Underwriting Guidelines and the SJVIA Growth Implementation and Marketing Plan. These documents provide the framework for the prudent growth of the SJVIA which will facilitate fixed cost reductions and pricing stability over time.

Gallagher Benefit Services (GBS) at the direction of SJVIA Staff have since undertaken several marketing efforts to identify and make contact with prospective member entities to consider joining the JPA. These efforts have consisted of participating in events and highlighting the potential benefits of joining the SJVIA.

The SJVIA has been active in discussions with the Central San Joaquin Valley Risk Management Authority (RMA). The RMA, consisting of 55 members of incorporated municipalities from Kern County in the south to Sutter County in the North, established an AdHoc Committee to evaluate SJVIA Membership.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

The Committee met on April 17, 2012 and Gallagher and SJVIA staff provided a presentation to the Committee with follow up questions and answers. This was the second presentation to the RMA that followed a presentation to their Executive Committee in February of this year. The RMA has not made a decision to add the SJVIA benefit program to their membership requirements nor have they made a formal endorsement. However, they forwarded SJVIA information to all 55 of their member Cities asking those with interest to follow up directly with the SJVIA. At the present time, 32 of those member cities have responded with information requested to develop SJVIA rates and are at various stages in the underwriting process.

Additional direct marketing efforts are under way to prospective members who are not affiliated with the RMA. These include several larger cities, counties, and special districts.

Following are a few notable SJVIA new member opportunities:

- City of Tulare: 356 employees, joined SJVIA 7/1/12.
- County of Kings: 1,019 employees, reviewed SJVIA proposal for 7/1/12 effective date but elected not to join this year. Follow up activity will be focused on potential 2013 entry.
- City of Coalinga: 90 employees, reviewed SJVIA proposal for 7/1/12 effective date but elected not to join this year. Follow up activity will be focused on potential 2013 entry.
- County of Santa Cruz: 2,000 employees, currently part of CalPERS. Underwriting is in process for potential 1/1/13 effective date.

Ongoing Marketing Efforts: In addition to the above activities, the SJVIA is anticipating potential new members and anticipates ongoing marketing and underwriting activities in the coming months. We will continue to communicate the progress and status of these events as they are developed.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

**FISCAL IMPACT/FINANCING:**


None

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Receive and File Report on SJVIA Marketing Activity

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board received and filed a report of current SJVIA Marketing Activity



**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N. Akers Street  
Visalia, CA 93291  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER:** 5d

**SUBJECT:** Receive and File Report on SJVIA Wellness Activities

**REQUEST(S):** That the Board Receive and File the Report on SJVIA  
Wellness Activities

**DESCRIPTION:**

At the April 30, 2012 Board meeting, your Board approved Staff's recommended wellness activities for 2012-13. The kick-off for the wellness initiative for the SJVIA began with the health evaluations and biometric screenings performed on-site by Delta TeamCare. Staff for the SJVIA and the each County collaborated to follow the completion of the screenings with a walking challenge. The event took place from June 4<sup>th</sup> through June 8<sup>th</sup> and the Counties competed against each other in the categories of highest percentage of participation and highest average number of steps. Each participant in the program received a free pedometer to count the steps taken each day during the challenge and were also entered in to a drawing for prizes donated by SJVIA vendors. Participating employees tracked their steps each day during organized walks and also on an individual basis. Results were tracked daily utilizing an internet based survey engine and compiled at the end of the week to determine the winning results.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

The County of Fresno was the winner in the participation category with 16% of their employees taking part in the program. The County of Tulare, with 12% of their employees participating, won the highest average number of steps per day with 8,248.

An overview of the final results as well as photos of the walkers at both Counties can be found [here](#) or by visiting the following web page:

[http://www2.co.fresno.ca.us/1010/Wellness%20Page/SM\\_Final\\_Page.htm](http://www2.co.fresno.ca.us/1010/Wellness%20Page/SM_Final_Page.htm)

The materials used to promote the walking challenge are attached to this report for your review.

Though the walking challenge at both counties has ended, employees are encouraged to continue in their efforts toward a healthier lifestyle including exercise and a balanced diet.

As approved in the April Board meeting, wellness activities will continue throughout the year with seminars, campaigns and newsletters. July is designated as "Smoking Cessation" month and August will include the promotion of Immunization awareness.

**FISCAL IMPACT/FINANCING:**

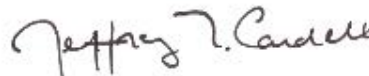
None.

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Receive and File Report on SJVIA Wellness Activities

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board Received and Filed the Report on SJVIA Wellness Activities



# KNOW



## *Walking Works!*



## June 4 - 8, 2012

As part of the County of Fresno's "KNOW" wellness campaign, employees will be encouraged to voluntarily participate in "Walking Works!" during the first week of June! Walking is a gentle, low-impact exercise that can ease you into a higher level of fitness and health. Walking is a form of exercise accessible to just about everybody. It's safe, simple and doesn't require practice. The health benefits include helping to lower low-density lipoprotein (LDL) cholesterol ("bad" cholesterol), raise high density lipoprotein (HDL) cholesterol (the "good" cholesterol), lower blood pressure, reduce the risk of and manage type 2 diabetes, manage weight, improve mood and stay fit.

### **Program Highlights:**

**Anthem**  Blue Cross

- Participation is voluntary but encouraged.
- Promote employees' walking June 4<sup>th</sup> through 8<sup>th</sup> and reporting steps daily.
- Walking can take place at home (morning/evening) or during the lunch hour.
- Anthem Blue Cross has donated 1,000 pedometers for the program.
- Participants will report how many steps they walked each day using [www.surveymonkey.com](http://www.surveymonkey.com).
- Competition between Departments and County of Fresno and Tulare
  - Percent of participation in Department/County
  - Average steps by Department/County

### **Walking Works Department Liaison Responsibilities:**

- Participate in a WebEx conference call on May 16<sup>th</sup> at 9:00 a.m. (info to be provided).
- Distribute pedometers to employees who want to participate.
- Communicate any organized walks that may be taking place.
- Encourage voluntary participation and reporting of results through [www.surveymonkey.com](http://www.surveymonkey.com).
- Results will be reported daily as the week progresses.
- Remind employees of the importance of safety and hydration while walking in hot weather!



## FREQUENTLY ASKED QUESTIONS

### **1. What is the "Walking Works!" challenge?**

The "Walking Works!" challenge is a fun, friendly walking competition between County of Fresno departments and the County of Fresno and Tulare. The challenge is a great opportunity to increase (or maintain) your physical activity and find support and motivation from your co-workers while doing so. Participation is voluntary and the competition will go from **June 4 through June 8**.

### **2. How do I sign up?**

Contact your department liaison (the person who sent you this FAQ sheet) or Employee Benefits (600-1810) before June 4<sup>th</sup> to receive a free pedometer.

### **3. What resources will I receive for participating in the "Walking Works!" challenge?**

Participants will receive a FREE pedometer (while supplies last) to keep track of their steps.

### **4. How do I report my steps?**

Participants will be sent an email containing a link to an online survey each day of the competition where they will report their steps. The survey is short and very simple to complete.

### **5. I forgot to report my steps one day, what do I do?**

The online survey will allow participants to add steps for each day of the challenge. If you forget to report your steps for a day, simply enter them the next time you go online to complete the survey. All steps must be reported by noon on Monday, June 11<sup>th</sup> to be included in the final results.

### **6. I have never used a pedometer, do you have any tips?**

Remember to wear the pedometer each day of the challenge to track your steps. To keep track of the pedometer, store it in the same place each night and fasten it to your clothing first thing each morning. Clip the pedometer to your clothing at the hip. Do not hook it on the front or back of your pants, on your shoe or inside your pockets as this will provide an inaccurate reading. Pedometers that are crooked, tilted or worn in the wrong direction will provide inaccurate results.

### **7. I lost my pedometer, what should I do?**

Contact your department liaison and ask if there are any replacements available.

### **8. I participate in activities other than walking; do I have to remove my pedometer?**

No, you may wear your pedometer all day long. Although we do not offer resources to convert other physical activities (e.g. running, biking, dancing, etc.) to steps walked, the goal of this challenge is to increase your physical activity. Therefore, we encourage you to wear your pedometer as you move throughout the day, and watch those steps add up!

### **9. Are there any resources available to help me live healthier?**

Delta TeamCare, the County's health & wellness vendor, offers free health coaching. If interested, please contact Delta TeamCare at (866) 724-0032 or email [teamcare@delapro.com](mailto:teamcare@delapro.com).



June 4 - 8, 2012

- It's easy and fun!
- Get a FREE Pedometer!
- Help our department win!
- Help the County of Fresno win!
- Start walking and report daily!
- Drink plenty of water!
- Contact your department liaison today!



# KNOW

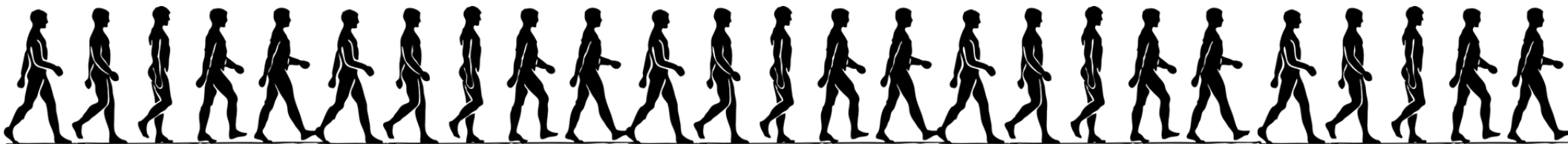


*Walking Works!*



## JUNE 4 - 8, 2012

- It's easy and fun!
- Get a FREE Pedometer!
- Help our department win!
- Help the County of Fresno win!
- Start walking and report daily!





**KNOW**



**W**

*walking works!*



**JUNE 4 - 8, 2012**

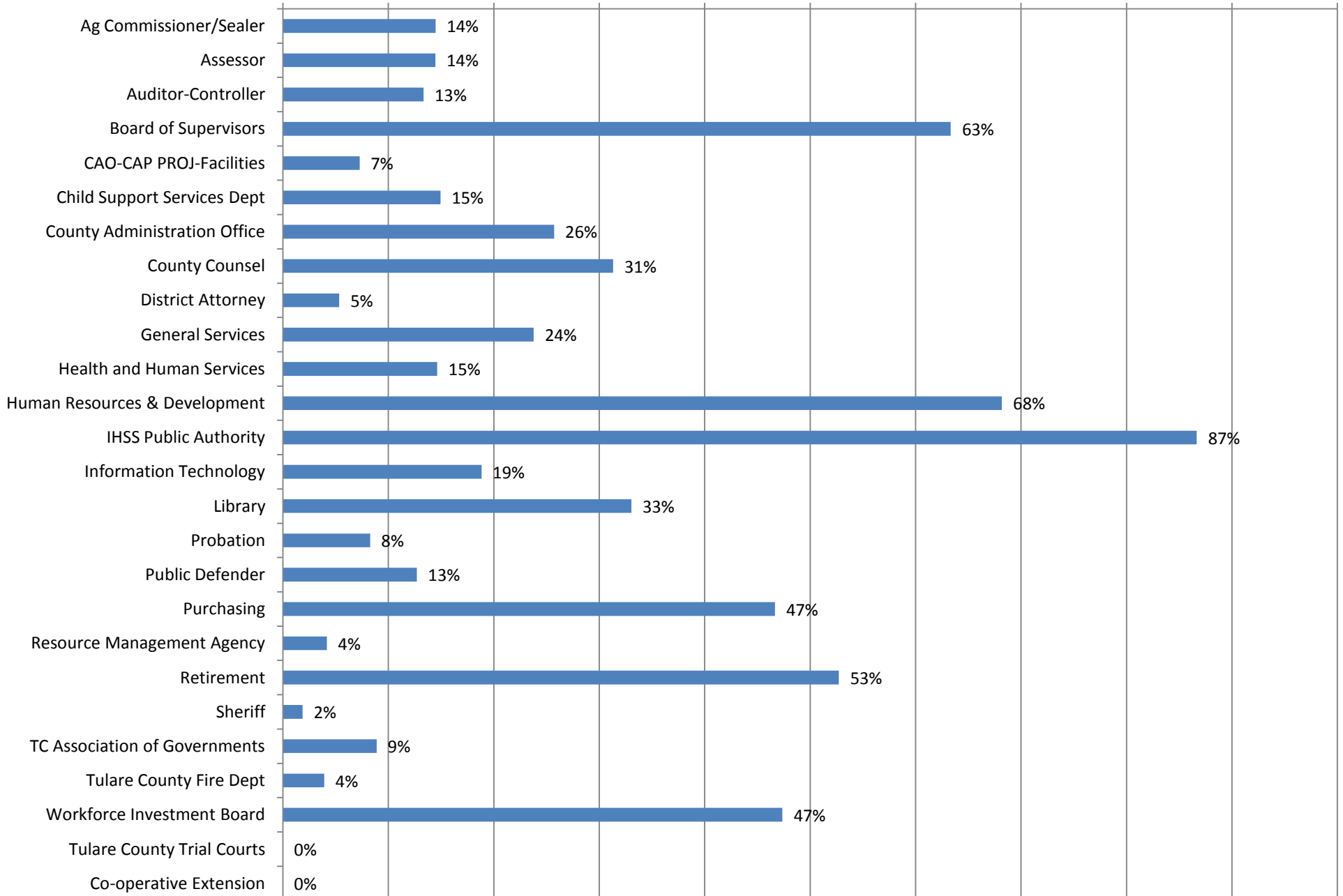
- It's easy and fun!
- Get a FREE Pedometer!
- Help our department win!
- Help the County of Fresno win!
- Start walking and report daily!
- Contact \_\_\_\_\_ to participate!



# County of Tulare

## Walking Works! - Department Participation

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%





# Walking Works! Challenge



## Thanks to everyone who participated in the Walking Works! Challenge!

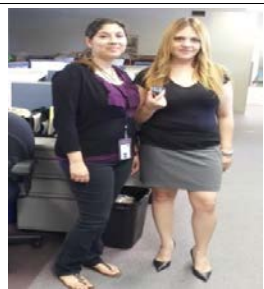
We hope you enjoyed the friendly competition and the health benefits regular physical activity offers.

**Congratulations!**

County of Tulare for the most avg. **steps**; and County of Fresno for the most avg. **participation**.

**A special recognition:**

<u>Steps Walked</u>	(Avg.)	<u>Participation</u>	
– Tulare County Fire	17,095	– IHSS Public Authority	87%
– Retirement	14,057	– HR&D	66%
– Public Defender	12,529	– Board of Supervisors	63%
– Sheriff	10,582	– Retirement	53%
– RMA	10,163	– WIB	45%



# San Joaquin Valley Insurance Authority

## BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93921  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER:** 5(e)

**SUBJECT:** Quarterly SJVIA Financial Update

**REQUEST(S):** That the Board receives the Financial Update through 3<sup>rd</sup> Quarter, 2011-12

**DESCRIPTION:** Informational Item. Please see attached report.

**FISCAL IMPACT/FINANCING:**

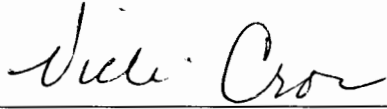
None.



**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

**ADMINISTRATIVE SIGN-OFF:**

A handwritten signature in cursive script that reads "Vicki Crow". The signature is written in black ink and is positioned above a horizontal line.

---

Vicki Crow  
SJVIA Auditor-Treasurer

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**ACTUALS VS. BUDGETED REVENUES & EXPENSES**  
**FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2012**

	Current Quarter				Year-To-Date			
	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	%
<b>REVENUE</b>								
County of Fresno & County of Tulare Health Plan Revenue	\$14,912,532	\$14,528,838	(\$383,694)	(3%)	\$45,347,603	\$46,000,093	\$652,490	1%
COT (Anthem Medical, Rx, Vendor Services)								
COF (Anthem Medical, Vendor Services)								
<b>EXPENSES: Fixed</b>								
1 Specific & Aggregate Stop Loss Insurance (PPO)	112,143	106,520	(5,623)	(5%)	308,017	319,011	10,994	3%
2 Anthem ASO Administration & Network Fees (PPO)	272,913	266,498	(6,415)	(2%)	795,905	810,146	14,241	2%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	161,950	151,798	(10,152)	(7%)	471,450	479,573	8,123	2%
4 GBS Consulting	95,685	93,414	(2,271)	(2%)	285,554	295,122	9,568	3%
5 SJVIA Association Fee	94,137	46,707	(47,430)	(102%)	188,602	147,561	(41,041)	(28%)
6 Claims Management/Communications	0	70,036	70,036	100%	31,191	221,267	190,076	86%
7 Anthem HMO Pooling	373,749	358,503	(15,246)	(4%)	1,142,312	1,197,768	55,456	5%
8 Anthem HMO Administration/Retention	490,297	477,386	(12,911)	(3%)	1,426,034	1,499,640	73,606	5%
9 Blue View Vision (County of Tulare only, 6 months of 2011 only)	0	0	0	0%	71,249	72,082	833	1%
<b>TOTAL FIXED EXPENSES</b>	<b>1,600,874</b>	<b>1,570,862</b>	<b>(30,012)</b>	<b>(2%)</b>	<b>4,720,314</b>	<b>5,042,170</b>	<b>321,856</b>	<b>6%</b>
<b>EXPENSES: Claims</b>								
10 Projected Paid Medical Claims PPO and Non-Cap HMO, & Projected Paid Rx Claims PPO (All CoT and Only CoF HDPP0)	10,125,263	9,365,763	(759,500)	(8%)	30,761,360	28,066,248	(2,695,112)	(10%)
11 Anthem MMP HMO Capitation	3,377,099	3,280,478	(96,621)	(3%)	9,898,560	10,404,033	505,473	5%
<b>TOTAL CLAIMS EXPENSES</b>	<b>13,502,362</b>	<b>12,646,241</b>	<b>(856,121)</b>	<b>(7%)</b>	<b>40,659,920</b>	<b>38,470,281</b>	<b>(2,189,639)</b>	<b>(6%)</b>
<b>TOTAL EXPENSES</b>	<b>15,103,236</b>	<b>14,217,103</b>	<b>(886,133)</b>	<b>(6%)</b>	<b>45,380,234</b>	<b>43,512,451</b>	<b>(1,867,783)</b>	<b>(4%)</b>
12 Reserve Deficit/Surplus	(190,704)	311,735	502,439	161%	(32,631)	2,487,642	2,520,273	101%
<b>COMBINED EXPENSES &amp; RESERVES</b>	<b>\$14,912,532</b>	<b>\$14,528,838</b>	<b>(\$383,694)</b>	<b>(3%)</b>	<b>\$45,347,603</b>	<b>\$46,000,093</b>	<b>\$652,490</b>	<b>1%</b>

## Glossary of Terms:

### 1 **Specific & Aggregate Stop Loss Insurance (PPO)**

Specific: Insurance coverage for eligible individual specific claims in excess of the \$450,000 plan year deductible up to the lifetime maximum of \$6 million

Aggregate: Insurance coverage for eligible claims under the specific deductible on the aggregated amount for all member claims

### 2 **Anthem ASO Administration & Network Fees (PPO):**

ASO is "Administrative Services Only". This definition includes Anthem Blue Cross administration fees and includes access fees to use the Blue Cross network of providers. This is the administration fee for the PPO plan(s), not the HMO plan.

### 3 **Chimienti Associates/Hourglass Administration (PPO & Anthem HMO)**

Chimienti & Associates is an independent vendor providing consolidated billing, eligibility, automated enrollment and Section 125 administrative services. Hourglass and ASI are subcontractors to Chimienti Associates that assist in these administrative processes. This line is for non-Kaiser business.

### 4 **GBS Consulting**

Gallagher Benefit Services (GBS) is a national benefit consultant who provides professional guidance to SJVIA and respective members concerning health plan matters including but not limited to compliance, underwriting, renewal bidding, employee communication, cost analysis, actuarial, etc. GBS played a significant role in the formation and establishment of SJVIA.

### 5 **SJVIA Association Fee**

The association fee will be used by SJVIA for administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

### 6 **Claims Management/Communications**

This rate category is earmarked for special claims management services and may include some wellness applications that are outside and additional to the claims management services provided by the insurance company. This rate category is also earmarked for special employee communication materials and prospective new City/County member promotional materials. It may include fees for maintaining a presence at such trade associations as CALPELRA, etc.

### 7 **Anthem HMO Pooling**

This is for the specific stop loss pooling insurance for claims in excess of \$250k within the HMO (not PPO).

### 8 **Anthem HMO Administration/Retention**

Anthem Blue Cross plan administration fee and network access fee for the HMO plan

### 9 **Blue View Vision**

Anthem Blue Cross Vision plan utilized by County of Tulare through 2011. There will be no participants in this plan as of January 1, 2012

### 10 **Projected Paid Medical Claims PPO and Non-Cap HMO, & Projected Paid Rx Claims PPO (All CoT and Only CoF HDPPPO)**

Projected self-insured PPO claims for medical and non-capitated HMO claims (hospital). Also, projected self-insured Rx claims for all County of Tulare plans and only County of Fresno HDPPPO Plan.

### 11 **Anthem MPP HMO Capitation**

Amount paid in advance of services on a fixed per member per month basis for professional services (physician) as part of the HMO

### 12 **Reserve Surplus/Deficit**

Projected excess revenue over projected claims and fixed costs

# SAN JOAQUIN VALLEY INSURANCE AUTHORITY

## ANALYSIS OF ADMINISTRATION, CLAIMS & COMMUNICATIONS (FEES) - REVENUES & EXPENSES FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2012

	Current Quarter		Year-To-Date	
	SJVIA FEES		SJVIA FEES	
	Administration (*Line 5)	Claims Management/ Communications (*Line 6)	Administration (*Line 5)	Claims Management/ Communications (*Line 6)
<b><u>FY11-12</u></b>				
<b>Revenue**</b>	<b>\$44,885</b>	<b>\$67,719</b>	<b>\$146,228</b>	<b>\$223,815</b>
<b>Expenses:</b>				
Auditor-Treasurer Services	61,822		102,823	
County Counsel Services	5,693		8,981	
Personnel Services	6,692		6,692	
Membership Fees				
Insurance (Liability, Bond, Etc)	16,000		60,690	
Audit Fees	1,570		1,570	
Bank Service Fees	2,360		7,846	
Claims Management Communications				31,191
<b>Total Expenses</b>	<b>94,137</b>		<b>188,602</b>	<b>31,191</b>
<b>Administration, Claims &amp; Communications (Deficit)/Surplus</b>	<b>(\$49,252)</b>	<b>\$67,719</b>	<b>(\$42,374)</b>	<b>\$192,624</b>

\*Total expenses for each column correspond to the line number shown on the "ACTUALS VS. BUDGETED REVENUES & EXPENSES" report.

\*\*Revenue consists of fees collected from enrollees at the following rates per employee per month: \$2.00 for SJVIA association fees & \$3.00 for claims management/communications(\$2.50 for claims management & \$.50 for communications).

**SJVIA**  
Schedule of Cash Flow by Month  
For the Nine Months Ended March 31, 2012

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
<b>BEGINNING CASH BALANCES:</b>										
Claims Funding Account-844535294	\$515,991	\$863,986	\$347,466	\$479,850	\$391,099	\$724,634	\$760,193	\$675,347	\$1,093,688	\$515,991
Fixed Cost Account-844535120	591,016	630,210	635,905	672,278	117,889	680,212	425,290	461,099	439,645	591,016
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	0.00	2,000,361	7,233,120	6,522,118	-
<b>Total Beginning Balances</b>	<b>1,107,007</b>	<b>1,494,196</b>	<b>983,371</b>	<b>1,152,128</b>	<b>508,988</b>	<b>1,404,846</b>	<b>3,185,844</b>	<b>8,369,566</b>	<b>8,055,451</b>	<b>1,107,007</b>
<b>RECEIPTS:</b>										
Claims Funding Account-844535294	3,584,451	3,963,540	3,689,572	2,810,397	3,322,194	3,046,750	2,234,334	3,415,519	3,635,479	29,702,236
Fixed Cost Account-844535120	1,656,007	2,344,316	2,353,832	1,128,280	1,480,513	2,193,973	1,539,608	1,596,572	1,412,761	15,705,862
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	2,000,361	7,060,106	3,349,816	3,677,698	16,087,981
<b>TOTAL RECEIPTS</b>	<b>5,240,458</b>	<b>6,307,856</b>	<b>6,043,404</b>	<b>3,938,677</b>	<b>4,802,707</b>	<b>7,241,084</b>	<b>10,834,048</b>	<b>8,361,907</b>	<b>8,725,938</b>	<b>61,496,079</b>
<b>DISBURSEMENTS:</b>										
Claims Funding Account-844535294	3,236,456	4,480,060	3,557,188	2,899,148	2,988,659	3,011,191	2,319,180	2,997,178	3,927,301	29,416,361
Fixed Cost Account-844535120	1,616,813	2,338,621	2,317,459	1,682,669	918,190	2,448,895	1,503,799	1,618,026	1,543,289	15,987,761
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	1,827,347	4,060,818	4,017,162	4,017,162	9,905,327
<b>TOTAL DISBURSEMENTS</b>	<b>4,853,269</b>	<b>6,818,681</b>	<b>5,874,647</b>	<b>4,581,817</b>	<b>3,906,849</b>	<b>5,460,086</b>	<b>5,650,326</b>	<b>8,676,022</b>	<b>9,487,752</b>	<b>55,309,449</b>
<b>ENDING CASH BALANCES:</b>										
Claims Funding Account-844535294	863,986	347,466	479,850	391,099	724,634	760,193	675,347	1,093,688	801,866	801,866
Fixed Cost Account-844535120	630,210	635,905	672,278	117,889	680,212	425,290	461,099	439,645	309,117	309,117
SJVIA Claims Reserve Account-428255819	-	-	-	-	-	2,000,361	7,233,120	6,522,118	6,182,654	6,182,654
<b>Total Ending Balances</b>	<b>\$1,494,196</b>	<b>\$983,371</b>	<b>\$1,152,128</b>	<b>\$508,988</b>	<b>\$1,404,846</b>	<b>\$3,185,844</b>	<b>\$8,369,566</b>	<b>\$8,055,451</b>	<b>\$7,293,637</b>	<b>\$7,293,637</b>

**Investments:**

No investments made at this time.



**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N. Akers Street  
Visalia, CA 93291  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER:** 6

**SUBJECT:** Results of the RFP for Pharmacy Benefit Manager

**REQUEST(S):** That the Board Receive and file results of the RFP for Pharmacy Benefit Manager and direct staff to conduct finalist interviews.

**DESCRIPTION:**

The SJVIA is currently in its third and final year of the contract with Catalyst, formerly Walgreens Health Initiatives. As the result of the Walgreens acquisition by Catalyst, accompanied with servicing concerns, Gallagher Benefit Services conducted an RFP in 2011 resulting in a decision to remain with Catalyst for the duration of the contract but revealing the opportunity for significant savings with other vendors. Pharmacy claims costs continue to be a significant portion of the total expenses for the SJVIA. Drugs costs continue to rise, and with the addition of new specialty medications to the market every year, mitigating pharmacy costs can greatly affect health plan expenditures as a whole. Working to ensure contracts with all vendors are competitively priced is an integral part of cost controlling efforts of the SJVIA. In order to obtain the most competitive contract rates and effective management of pharmacy benefits, staff in conjunction with Gallagher Benefit Services recommended repeating the RFP process.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

At the April 20, 2012 Board Meeting, your Board approved the release of an RFP for Pharmacy Benefit Management services for a potential January 1, 2013 effective date. Gallagher Benefit Services Pharmacy Practice released the RFP on May 21<sup>st</sup> to the following vendors:

- Anthem
- Catalyst, now SXC
- Express Scripts/Medco (recently merged)
- US Script
- Envision

Proposals requests were submitted with 12 months of SJVIA pharmacy data supplied by Catalyst. Vendors were asked to re-price the claims according to their contracted rates, discounts, rebates, and formulary data.

The GBS Pharmacy Practice led by Michael Thomas, Pharm. D., performed a thorough analysis of the proposals submitted by all vendors. Mr. Thomas has the ability to evaluate not only the cost aspect of the vendors, but also client satisfaction and reputation within the industry. The analysis of the proposals received by Gallagher project the possibility of potential savings to the SJVIA of up to \$1.1 million.

Based on the criteria noted above it is recommended that staff and Gallagher perform finalist interviews of the following vendors:

- Envision
- US Script
- Catalyst or Express Scripts

**FISCAL IMPACT/FINANCING:**

Annual pharmacy expenditures for the SJVIA health plans represent over 30% of the total claims cost. As a result of the RFP, remaining with Catalyst under a new 3 year contract could save the SJVIA a projected \$275,000 or .5% of total claims. Moving to an alternate vendor effective January 13, 2012 could result in up to a projected \$1.1 million annually or 2% of total claims.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager



**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Results of the RFP for Pharmacy Benefit Manager.

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board received and filed results of the RFP for Pharmacy Benefit Manager and directed staff to conduct finalist interviews.



**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N. Akers Street  
Visalia, CA 93291  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER:** 7

**SUBJECT:** Results of the RFP for Special Legal Counsel

**REQUEST(S):** That the Board receive and file the results of the RFP for Special Legal Counsel and direct staff to secure contract for services with recommended vendor for Board approval.

**DESCRIPTION:**

At the January 20, 2012 meeting, your board directed staff to conduct an RFP for special legal counsel to the SJVIA. As reported in the January meeting, County Counsel from Fresno and Tulare County have performed the services required by the SJVIA since its inception. As the JPA continues to grow and explore further options to benefit its members, the need for legal expertise will increase. In anticipation of the need for broader experience with the legal needs of a growing JPA, staff in conjunction with Gallagher Benefit Service developed and transmitted a Request for Proposals.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

The process was initiated on May 10, 2012 with the release of the written request for proposals sent out to eight law firms. Four firms submitted their written proposals, one firm declined to offer a proposal, and three firms did not respond to the request. All interested firms submitted their written proposals outlining their ratings, legal experience of proposed team, JPA and public entity experience, references, and fees. An executive summary of the submitted proposals is attached for your review.

In late June, SJIVA staff, County Counsel, and Gallagher Benefit Services conducted interviews of the following interested firms:

- Farmer Smith & Lane, LLP, Sacramento, CA
- Johnson Schachter & Lewis, Sacramento, CA
- McCormick Barstow, LLP, Fresno, CA
- Murphy, Campbell, Guthrie & Allison, Sacramento, CA

Each firm was given the opportunity to give an overview of their firm's experience and introduce their proposed team. The interview panel then asked a series of questions pertaining to public entity issues, JPA legal requirements, requirements for growth and/or contract changes.

As a result of their written response, successful interview, and advantage of a local presence, McCormick Barstow, LLP, is the preferred firm to serve as special counsel for the SJVIA. With your Board's approval and pending contact of the references provided, staff will secure a service contract with this firm for Board approval.

**FISCAL IMPACT/FINANCING:**

Costs associated with special legal counsel are included in the approved budget under "SJVIA Fee" of \$2.00 per employee per month paid by each member entity.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SVIA Manager



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Jeffrey Cardell  
Assistant SVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Results of the RFP for special legal counsel.

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board received and filed the results of the RFP for Special Legal  
Counsel and directed staff to secure contract for services with recommended  
vendor for Board approval.



**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N. Akers Street  
Visalia, CA 93291  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER:** 8

**SUBJECT:** Revised Underwriting Guidelines

**REQUEST(S):** That the Board approve the revised underwriting guidelines to provide procedures for the addition and renewal for smaller entities.

**DESCRIPTION:**

The SJVIA underwriting guidelines were initially developed anticipating new member groups with a minimum size of approximately 150-200 employees. The Central San Joaquin Valley Risk Management Association (RMA) group of 50+ cities with over 5,000 employees in total (but made up of many small cities) expressed interest in the SJVIA subsequent to the development of the underwriting guidelines. Because the RMA is not underwritten as one large group, but as individual cities many of which are small; the underwriting guidelines need to be refined and updated to provide greater detail related to the consideration of smaller prospective member groups. Additionally, as a working document, some need for further refinement has been realized as it has been used in the underwriting process. The revisions will provide improved detail and will support a more accurate overall underwriting effort.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

The underwriting guidelines approved by your Board at the October 7, 2011 meeting have been revised as follows:

Page 1: General Underwriting Parameters, third paragraph. Section was revised to require a commitment of longer than three years for those entities entering the SJVIA off anniversary. For example, if an entity would join the JPA on July 1, their initial commitment would be for 3 years and six months.

Page 2: First paragraph and item 2 were amended to add that proposals for the minimum premium HMO would require secondary approval by Anthem Blue Cross.

Page 3: Item 3b ii – the use of a 90% paid claims ratio was added for entities moving away from PERS.

Page 3: Item 3c i – clarification added on format of the rates, stating all proposals will illustrate rate tiers as appropriate for prospective client.

Page 6: An overview for pooling for groups who enter the SJVIA off anniversary was added.

Page 6: Item 2 – revised credibility factor for groups between 50 and 500 employees (50%) and groups under 50 employees will be not be considered credible.

**FISCAL IMPACT/FINANCING:**

No cost to update the guidelines but will provide for more accurate underwriting, which will improve risk selection and pricing of new member groups.

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** revised underwriting guidelines

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board approved the revised underwriting guidelines to provide procedures for the addition and renewal for smaller entities.



# San Joaquin Valley Insurance Authority (SJVIA) New Member Underwriting Methodology

## Overview:

SJVIA is interested in expanding over time in order to benefit from stability and rate advantages typically associated with very large accounts. Accordingly, SJVIA will entertain requests from County, City and certain Special Districts or JPA's. Interested entities with a total of 15 employees and retirees will be eligible for consideration to participate in SJVIA. Typically groups that are <300 or in CalPERS will not have claims experience. Prospective members >300 will generally have claims experience available. The underwriting and proposal process outlined in this document was developed to assure that the addition of new member accounts will complement the growth goals of SJVIA.

The SJVIA growth goals are:

- Attract members that will contribute to the overall competitiveness, stability and welfare of the SJVIA and will be accepting of rates that have been developed according to normal and actuarially based underwriting standards
- Attract members that will not require excess administrative processes or compromise the general course of SJVIA
- Attract members that accepts the governance model of SJVIA
- Attract members that have moderate to low loss experience and/or rates that are in line with that of SJVIA and that is felt to contribute to the health of the risk pool
- Attract members that will look to the SJVIA in a "partnering" mind set.

## General Underwriting Parameters:

The San Joaquin Valley Insurance Authority (SJVIA) is presently (as of 1/1/2012) a pooled shared-risk arrangement. The SJVIA is underwritten and renewed as a single risk pool using actuarially based underwriting standards

The claims experience of all member entities is pooled and risk is shared among all members. The fixed costs include Specific and Aggregate Stop Loss insurance that lays over the entire claims fund is also pooled rated.

Each entity joining the SJVIA commits to an initial 3 year term, or longer for members entering on a short plan year basis. During this initial 3 year or 3 year + term, members will receive annual renewal increase based on the collective experience of the SJVIA program.

Prospective members entering the SJVIA will be evaluated and initially rated using their own claims experience (if available), current plan rates, benefits, plan and/or participant demographics.

Entities without claims experience (typically groups less than 300 lives or those entities in CalPERS) will be evaluated using the same information; however, their proposed rates will be developed on a weighted basis using manual rates of SJVIA against an assumed claim percentage developed from the prospective member's current rates. All groups requesting proposals to consider SJVIA will be subject to consideration by an Underwriting Committee with Final Approval given by the SJVIA Board. Proposals for the Minimum Premium HMO Plan will require a secondary approval by Anthem Blue Cross, as the plan is considered fully insured.

### **Rating Process for Groups Seeking SJVIA Membership:**

The proposal or declination process for new member consideration is outlined below:

1. **Initial Evaluation:** There will be an initial evaluation and preliminary underwriting phase for Prospective Entities interested in joining the SJVIA performed by the Consultant, Gallagher Benefit Services (GBS), on behalf of the SJVIA Underwriting Committee. Initially detailed data is collected including but not limited to age, gender, dependent status, numbers of dependents, etc. In addition, rates, claims history and plan design information for all lines of coverage is gathered that will be used to develop a proposal for the interested entity. [Note: If inquiries come direct to Board Members or members of the Underwriting Committee from interested entities, they will be referred to GBS for the initial underwriting evaluation and recommendation.] GBS will provide a written summary overview of each prospective account to the SJVIA underwriting committee
2. **Underwriting Committee (UC):** The underwriting committee will consist initially of the Manager and Assistant Manager of SJVIA. They will review the summary provided by the consultant including pro and con considerations of the prospective member. This will be accompanied by a completed Prospective Member Checklist and Questionnaire outlining pertinent data about the group. If the underwriting committee elects to reject a prospect, they will advise GBS who will advise the group accordingly. The UC will advise GBS when approval is given to develop a proposal and the proposal process will begin. Similar information will be provided to Anthem Blue Cross for HMO bid approval.
3. **Proposal Process:** The basic underwriting process was begun during the Initial Evaluation. When a decision is made by the UC to offer a proposal to join the SJVIA, the formal rating process will commence. Upon advise from the UC, GBS will begin the process and will complete the following:
  - a. Review to confirm all required data is obtained:
    - i. Current and renewal rates (if available) for all plans being considered
    - ii. Claims experience (if available) for all plans being considered by month with corresponding enrollment data
    - iii. Detailed descriptions of in-force benefits for all plans being considered
    - iv. Large medical claims information including prognosis of on-going claims

- v. Census of all plan participants indicating dependent status, gender, age, employment status, etc.
  - vi. Other pertinent information about the plan
- b. Develop Cost Projections:
- i. Run census to determine age/sex factor and compare to SJVIA
  - ii. Insert claims data into SJVIA rating worksheet to develop average claim amounts by line of coverage
    - 1. If claims data is not available, the assumption of 80% paid claims ratio to current or renewal premium will be used to determine estimated claims. For Cal PERS members, 90% paid claims ratio will be assumed. The client estimated claims amount will be given a credibility factor according to the size of the group in relation to the SJVIA pool and it will be weighted accordingly to develop the projected claim funding amounts
  - iii. Project trended claims and apply adjustment factors such as age, gender, benefit change, etc. to the average claim amounts. Determine and adjust accordingly if proposal is on a short year basis (for account with July 1<sup>st</sup> effective dates) or a calendar year basis per SJVIA.
  - iv. Add pooling fund adjustment for groups under 2,000 employees according to a graduated pooling scale
  - v. Illustrate projected claims cost and a mature and immature basis to identify needed IBNR reserves
  - vi. Apply appropriate benefit relative value factors and adjust accordingly using the GBS HRM system.
  - vii. Apply SJVIA fixed cost components and projected plan anniversary adjustments if appropriate.
  - viii. Apply a new case assessment charge identified as “Administrative Implementation Fee”
- c. Combine all information into a proposal format with:
- i. Proposed rates in appropriate format. All proposals will illustrate the total rates in the appropriate format (e.g. Supercomposite, two step, three step, etc.). [The proposed rates will be developed from a combination of fixed costs (administration, stop loss, consulting, eligibility, etc.), projected claims and required reserves. All proposals will include an additional administrative

implementation fee which will be determined by the Underwriting Committee and GBS. This additional fee will apply in the first year only.

- ii. Appropriate declarations, disclaimers and list of assumptions
  - iii. Notation that SJVIA reserves the right to accept or decline the group following application for acceptance by the prospect account
  - iv. Copy of SJVIA bi-laws and governance information
  - v. Detail information concerning the renewal underwriting process
- d. Underwriting Committee Approval to Release Proposal: When the proposal process is complete and a formal proposal has been prepared, the Consultant must resubmit to the UC for final approval for the release of the proposal to the prospective account.
- e. New Business SJVIA Board Action:
- i. The proposal once developed and approved for release by the UC, will be submitted to the interested group for consideration and acceptance
  - ii. If accepted, notice will be provided to the Consultant by the prospective account. The consultant will advise the Underwriting Committee, which in turn will present and secure acceptance by the SJVIA Board.

#### **Renewal Rating Methodology:**

**Members Entering SJVIA with Claims Experience:** Members who entered the SJVIA with claims experience will receive the pooled rate renewal for their 1<sup>st</sup> and 2<sup>nd</sup> renewals. The first three years of membership in SJVIA are defined as the Initial Entry Period (IEP) for groups entering with claims experience.

**Members Entering SJVIA without Claims Experience:** Members who entered the SJVIA without claims experience will receive the pooled rate renewal for their 1<sup>st</sup> renewal. The first two years of membership in SJVIA are defined as the IEP for groups entering without claims experience.

After completing the IEP, each member entity is evaluated in order to determine their claims experience in relation to the overall claims experience of the SJVIA. Once this evaluation is completed, adjustments will be made to further modify the premium rate from the required SJVIA pooled renewal.

The SJVIA renewal rating methodology is designed so that, over time, entities are somewhat insulated from larger than average changes in rates. It also assures that members with claims experience significantly worse than the SJVIA pool average will realize rate adjustments commensurate with their performance. This method rewards members with good experience and provides an incentive for other members to implement cost control measures.

Each year, SJVIA will establish the overall program renewal for the upcoming plan year by aggregating the total plan claims, projecting trended claims, applying fixed costs, adjusting reserves and setting final rates as described above.

When a member entity has completed their IEP, several factors will be evaluated to apply a member specific adjustment in addition to the overall SJVIA plan renewal. Initially, the individual member's "variance" (defined below) must be identified. After the *variance* is calculated, an adjustment to the program renewal for each member is factored into their rate. This is known as an Experience Modification Factor (EMF) as defined below.

#### 1. Loss Ratio Variance

Each individual member's loss ratio variance is the difference between the loss ratio of the individual member and the loss ratio of the entire SJVIA. An individual entity can have a loss ratio *greater* or *lesser* than the pool.

The overall pool's loss ratio is established by dividing the incurred claims (less any stop-loss reimbursements) by the total premiums collected. For example, if the total incurred claims are \$70,000,000 and the total program premiums are \$100,000,000 then the overall loss ratio is 70%.

Next, the individual member's loss ratio is established. The member's loss ratio is determined by dividing the member's paid claims by the premiums paid. Paid claims for each entity will include an adjustment for large claims. The adjustment limits specific claim losses for the member in excess of their large claim pooling point. Large claim pooling points as defined below are tiered according to group size. This ensures that smaller members are not unduly penalized due to any specific large "shock" claim. The large claim pooling point tiers are as follows:

- <50 employees = \$25,000
- > 50 and < 100 employees = \$75,000
- >100 and < 400 employees = \$125,000
- >400 and < 1,000 employees = \$200,000
- >1,000 and < 2,000 employees = \$300,000
- >2,000 employees = \$450,000

#### Concerning New Member Pooling amounts:

For prospective new member quotes, the entry period stop loss insurance will be will be quoted anticipating special eligible claim definitions. The SJVIA stop loss year is the calendar year. Therefore, groups entering on any month other than January 1<sup>st</sup> will require either a short stop loss policy plan year or an extended stop loss policy plan year. For example, a member group with a July 1<sup>st</sup> entry date would be given an incurred in 6 months

and paid in 9 months contract. Also, groups entering on or between July 1<sup>st</sup> and December 1<sup>st</sup> will be provided a reduced specific stop loss attachment point by the stop loss carrier of \$275,000, rather than the SJVIA stop loss attachment point of \$450,000. Groups entering in any other month will be subject to the SJVIA attachment point of \$450,000. A chart indicating the eligible stop loss claim definition for the new member's short or extended plan year is provided below:

<u>Month</u>	<u>Claim Definition</u>	<u>Commitment</u>	<u>SL Deductible</u>
January 1	Incurred 12 / Paid 15	3 yr commitment	\$450,000
February 1	Incurred 11 / Paid 14	2 yr 11 month commitment	\$450,000
March 1	Incurred 10 / Paid 13	2 yr 10 month commitment	\$450,000
April 1	Incurred 9 / Paid 12	2 yr 9 month commitment	\$450,000
May 1	Incurred 8 / Paid 11	2 yr 8 month commitment	\$450,000
June 1	Incurred 7 / Paid 10	3 yr 7 month commitment	\$450,000
July 1	Incurred 6 / Paid 9	3 yr 6 month commitment	\$275,000
August 1	Incurred 5 / Paid 8	3 yr 5 month commitment	\$275,000
September 1	Incurred 4 / Paid 7	3 yr 4 month commitment	\$275,000
October 1	Incurred 15 / Paid 18	3 yr 3 month commitment	\$450,000
November 1	Incurred 14 / Paid 17	3 yr 2 month commitment	\$450,000
December 1	Incurred 13 / Paid 16	3 yr 1 month commitment	\$450,000

For members groups with more than 400 employees at renewal, three years of claims experience are weighted 30% for the first year and second year and 40% for the most recent year to develop the weighted loss ratio. This insures the most accurate method to project future claims. It further reflects the impact of cost management efforts implemented during the experience period.

For member groups with less than 400 employees at renewal, claims experience will be weighted at 33.33% per year.

## 2. Credibility Factor:

A credibility factor is developed to provide a measure of reliability associated with each member's experience as compared to the pool. As the size of the member's enrolled population increases so does the Credibility Factor. Each member's experience in excess of 1000 or more employees will be considered 100% credible. Groups between 500 and 1000 employees will be given a credibility factor of 75%. Groups between 250 and 500 employees will be considered 50% credible. Groups between 50 and 250 will be considered 25% credible and groups under 50 employees will have 0% credibility.

Once the Loss Ratio Variance and Credibility Factors have been determined, each member's rate adjustment percentage will be determined by applying an Experience Modification Factor (EMF).

## 3. Experience Modification Factor

The Experience Modification Factor is derived for each member by dividing the member's Credibility Adjusted Loss Ratio by the pooled loss ratio and subtracting 1.00. The Credibility Adjusted Loss Ratio is defined as the sum of the following two components:

- The weighted average loss ratio as defined above multiplied by the credibility factor applicable to the member based on the number of employees, and
- The pooled loss ratio multiplied by a factor of (1.00 minus the credibility factor).

If the Experience Modification Factor is less than 0, the member's renewal increase will equal the pooled increase. If the Experience Modification Factor is greater than 0, the member's increase will equal the sum of the pooled increase and the Experience Modification Factor not to exceed a 10% adjustment over the pooled increase.



# SJVIA

San Joaquin Valley  
Insurance Authority

## BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
136 N. Akers Street  
Visalia, CA 93291  
July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER** 9

**SUBJECT** Amendment for the Contract with Chimienti & Associates.

**REQUEST(S):** That the Board Approve the Amendment that extends the current services and rates for one additional year to the Contract with Chimienti & Associates and Authorize the Board President to Execute the Amendment.

**DESCRIPTION:**

On December 4<sup>th</sup>, 2009, your Board approved the Contract with Chimienti & Associates to provide consolidated eligibility, vendor billing and payment reconciliation, COBRA Administration, and Flexible Spending Account Administration services. This Contract was developed to fill the need of the newly created SJVIA in these areas and to provide economies and efficiencies as well as provide value-add features to member agencies. Because Anthem was the contracted health plan vendor, it was necessary to contract with a third party for the services outlined in the Chimienti Contract as Anthem does not provide the additional services needed by the SJVIA.



**AGENDA:** San Joaquin Valley Insurance Authority

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The contract has provided plan administrative support to SJVIA member agencies in the areas of enrollment, on-line management of the benefit programs, COBRA Administration, Flexible Spending Account Administration, maintaining benefits and eligibility, consolidated billing and reporting services are provided under this Contract.

The initial Contract Term for these services is December 14<sup>th</sup> 2009 through December 31<sup>st</sup>, 2012. The current cost of these services is \$6.50 per subscriber per month and are included in the employee and retiree health plan premiums. Gallagher has negotiated a rate pass with the current provider, Chimienti & Associates, allowing the Contract to be extended for an additional year at the current cost of \$6.50 per subscriber per month. Extending the current contract will allow the SJVIA to continue to benefit from these services and avoid disruption that may result if a vendor change was elected.

**FISCAL IMPACT/FINANCING:**

There is no fiscal impact in approving this Amendment as the cost structure would not change and is currently built into the existing SJVIA rates.

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Approve the Amendment for the Contract with Chimienti & Associates.

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board Approved the Amendment for the Contract with Chimienti & Associates.





**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

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July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER** 10

**SUBJECT** Release of Proposals and Execution of Participation Agreements Contingent upon Acceptance and Approval by the Prospective Entities' Governing bodies

**REQUEST(S):** That the Board of Directors approve releasing proposals on several prospective public entities and authorize the Board President to execute participation agreements.

**DESCRIPTION:**

On November 5, 2010, to allow for growth of the SJVIA your Board approved Member Underwriting Guidelines and the SJVIA Growth Implementation and Marketing Plan. These documents provide the framework for the prudent growth of the SJVIA which will facilitate fixed cost reductions and pricing stability over time.

Gallagher Benefit Services (GBS) at the direction of SJVIA Staff have since undertaken several marketing efforts to identify and make contact with prospective member entities to consider joining the JPA. These efforts have consisted of participating in events and highlighting the potential benefits of

**AGENDA:** San Joaquin Valley Insurance Authority

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joining the SJVIA. At the April 20, 2012 SJVIA Board of Directors meeting the Board authorized the release of the following proposals:

City of Tulare  
City of Coalinga  
County of Kings

Subsequent to the above proposals, there has been substantial interest and activity from interested public entities in the SJVIA. Agenda Item 5c seeks to recap that activity.

Underwriting has been completed, the Underwriting Committee has reviewed the proposals and seeks to release offers to the following:

City of Clovis  
City of Sanger  
City of Avenal  
City of Riverbank  
City of Fowler  
City of Corcoran  
City of Delano  
City of Mendota  
County of Santa Cruz  
Nevada Irrigation District

**FISCAL IMPACT/FINANCING:**

None at this time. If any of the entities join the SJVIA the budget will be adjusted accordingly.

**AGENDA:** San Joaquin Valley Insurance Authority

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**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Release of Proposals and Execution of Participation Agreements Contingent upon Acceptance and Approval by the Prospective Entities' Ggoverning bodies

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board of Directors approved releasing proposals on several prospective public entities and authorize the Board President to execute participation agreements.







**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

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9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER** 11

**SUBJECT** Consideration of Possible Optional Coverage Offerings  
for the 2013 Plan Year

**REQUEST(S):** That the Board provide direction to Staff and Gallagher  
to present viable coverage options to include Blue  
Cross and Kaiser HMO, dental, and vision for SJVIA  
members.

**DESCRIPTION:**

Currently, the SJVIA offers competitive medical/Rx plan options to its members as well prospective member entities. As part of the continued growth and market stability of the SJVIA, Gallagher Benefit Services and SJVIA staff recommend that options be explored to add Blue Cross and Kaiser HMO plans as well as dental and vision plans. As with the medical plan efficiencies, there are cost savings opportunities associated with the size of the JPA. Both founding Counties participate separately in Kaiser HMO contracts, dental contracts with Delta Dental of California and each have their own vision plan with separate vendors.

In the pursuit of program enhancements that benefit SJVIA members, it may be advantageous to consider consolidating these services under the SJVIA. Improvements in overall cost, stability, and marketing appeal may be gained by leveraging the SJVIA membership to bring greater value in these areas.

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SJVIA Staff and Gallagher would like to explore these opportunities for Blue Cross HMO, Kaiser HMO, dental, and vision benefits for the Authority. Plan design options for the upcoming 2013 plan year would be presented to the Board for consideration at the August 20<sup>th</sup> meeting.

**FISCAL IMPACT/FINANCING:**

Contracts with additional vendors resulting from the options to be presented would be added to the SJVIA budget as necessary.

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Consideration of possible coverage option offerings for  
the 2013 Plan Year

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board directed Staff and Gallagher to present viable coverage options  
to include Blue Cross and Kaiser HMO, dental, and vision for SJVIA members.



**BOARD OF DIRECTORS**

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

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July 20, 2012  
9:00 AM

**AGENDA DATE:** July 20, 2012

**ITEM NUMBER** 12

**SUBJECT** Preliminary January 1, 2013 health plan renewal

**REQUEST(S):** That the Board be made aware of the projected 2013 renewal rate action, reflecting claims experience through May 2012 and the Board approved shared risk underwriting methodology.

**DESCRIPTION:**

For the second year the SJVIA is using the Board approved, shared risk underwriting methodology to calculate the plan year renewals. Under this underwriting arrangement, the SJVIA is reviewed as a unit for claims and reserves and then each agency/plan is also reviewed for how their agency specific experience relates to the overall SJVIA pool. The participating agency is then issued a renewal based on the experience of the SJVIA pool, adjusted according to their specific plan performance. This approach provides rate smoothing and stability for all agencies and is employed by many JPAs.

For the preliminary renewal projection, Gallagher Benefit Services, in conjunction with their actuarial division, has projected the overall SJVIA renewal for 2013 would require an increase between 7% and 11%. This initial renewal projection is based on claims data through May 2012 and current demographic information on all participating agencies.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** July 20, 2012

The final rate recommendation will be completed using claims data updated through June 2012 and presented at the August 20, 2012 SJVIA Board of Directors meeting. This presentation will have the 2013 percentage increase for the overall SJVIA, as well as the specific rate increases for each plan and member agency, all developed using the approved shared risk underwriting methodology.

**FISCAL IMPACT/FINANCING:**

Projected renewal rate increases will be added to the budget for the 2012-13 fiscal year to be amended and approved at a future meeting.

**ADMINISTRATIVE SIGN-OFF:**



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Paul Nerland  
SJVIA Manager



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Jeffrey Cardell  
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Preliminary January 1, 2013 health plan renewal

**RESOLUTION NO.** \_\_\_\_\_  
**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY  
DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY  
THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_  
\_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

That the Board be made aware of the projected 2013 renewal rate action, reflecting claims experience through May 2012 and the Board approved shared risk underwriting methodology.