1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Approve Agenda (A)
5. 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 have a matter considered for placement on the agenda for a specific topic may contact the SJVIA Manager’s Office and submit correspondence at least 14 days before the desired date of appearance.
6. Approve Minutes – Board Meeting of July 14, 2016 (A)
7. SJVIA Director Questions, Announcements, and Activity Reports (Gov. Code, § 54954.2, subd. (a)(2)) (I)
8. Receive Update from Auditor-Treasurer on Cash Flow Projections (I)
10. Receive and File Consultant’s SJVIA Executive Claims Summary through June 2016 (I)
11. Approve HMO and Self-Insured PPO Health Plan Renewal Rate Increase for Plan Year 2017 (A)

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 559-636-4900 or the Assistant SJVIA Manager at 559-600-1810. Notification 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at the County of Fresno plaza Building, 2220 Tulare St, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.

A = Action Item   I = Information Item
AGENDA

Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
August 26, 2016 9:00 AM

12. Approve Anthem Blue Cross as SJVIA Health Plan Administrator from December 19, 2016 through December 31, 2017, and Authorize Staff to Negotiate Amendment to Agreement (A)

13. Approve Amendment to the Health Now Administrative Services Agreement utilizing the Blue Shield network as the Health Plan Administrator for the City of Tulare for the 2017 Plan Year, and Authorize Chair to Execute Amendment to Agreement (A)

14. Approve Kaiser HMO Renewal Rate Increase for Plan Year 2017 and Authorize Staff to Negotiate Agreements (A)

15. Authorize Execution of Loan Agreement between SJVIA and County of Tulare for loan to SJVIA of up to $2,000,000 (A)

16. Adjournment
1. Call to Order
2. Pledge of Allegiance
3. Roll Call

   All Directors present with the exception of Director Borgeas; Allen Ishida served as the alternate for Director Worthley.

4. Approval of Agenda (A)

   Item 11 was deleted from the agenda.

   Item 19 moved to Public Comment section.

   Motion to approve by Director Mendes, second by Director Poochigian. Motion approved.

5. 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 have a matter considered for placement on the agenda for a specific topic may contact the SJVIA Manager’s Office and submit correspondence at least 14 days before the desired date of appearance.

   John Adams and Barbara Caress made public comment.
6. Approval of Minutes – Board Meeting of April 29, 2016 (A)

   Motion to approve by Director Ennis, second by Director Poochigian. Motion approved.

7. SJVIA Director Matters (I)

   Update given by Paul Nerland, SJVIA Assistant Manager regarding July 12, 2016 County of Fresno Board meeting. Board approved payment of additional two pay periods of premium to the SJVIA. This change became effective July 18, 2016.

   Congratulations given to Director Vander Poel on the birth of his new daughter.

8. Appoint SJVIA Manager and Assistant Manager for Fiscal Years 2016/17 and 2017/18 (A)

   Presented by Rhonda Sjostrom, SJVIA Manager.

   Motion to approve by Director Ennis, second by Director Poochigian. Motion approved.

9. Reschedule of SJVIA Board Meeting currently scheduled for August 12, 2016 (A)

   Presented by Paul Nerland, SJVIA Manager.

   Meeting date was not finalized; requesting authority to reschedule the meeting once calendars are confirmed.

   Motion to approve by Director Ennis, seconded by Director Mendes. Motion approved.
10. Presentation from Aetna by David Broome, Aetna, Sales Vice President, California and Utah, Public Sector & Labor, and Linda Machado, Senior Director of Service Operations, Fresno Service Center regarding Administrative and Health Plan Services (I)

Presented by David Broom and Linda Machado, Aetna.


12. Receive Update on Cash Flow Projections (I)

Presented by Alan Cade, representing Vicki Crow, Auditor-Treasurer.

13. Receive and File Executive Claims Summary through May 2016 (I)

Presented by John McCue, Gallagher Benefit Services

14. Receive Staff and Gallagher Recommendations Responding to SJVIA Cash Flow and Provide Direction for Action to be Taken (A)

Presented by Paul Nerland, SJVIA Manager.

Director Poochigian requested information be brought to next board meeting showing savings potential with modified prescription copays.

Paul Nerland requested Gallagher Benefit services provide information to Staff and Board regarding rate impact if the HMO plan is eliminated or benefits are modified.

Director Ishida requested information be brought to the next board meeting to determine if claims from wild fires impacted claims costs over the past year in order to determine eligibility for additional funds or grants to mitigate costs.
PUBLIC COMMENT:

Barbara Caress made a public comment.

Board Direction:

Staff/Operation Recommendations

1. Plan Year 2016 Cash Flow – No action needed by this board
2. SJVIA Rate Stability/Volatility 2017 – Board directs staff to bring back options with variety up to 5 years
3. SJVIA Growth – Board directs Moratorium.
4. Consultant Compensation – Board approves
5. SJVIA Excess Reserves Policy – Board approves
6. Develop & Maintain Risk Sharing Underwriting Guidelines – Board directs staff to bring back options

SJVIA Cash Flow Recommendations

1. Underwriting Trend Level – Board directs staff to bring back details on trend
2. Underwriting Experience History – Board directs looking at 12, 18 and 24 months and take the highest number for the most conservative approach
3. Underwriting Based on Actual Cash Flow – Board confirmed this is minimum of once per year, could be more often based on need
4. Independent Actuarial Review of Rating Variables – Board directs staff to consult with individual consultants on cost to perform this service

5. Stop Loss Insurance – Board approves marketing of Stop Loss Options

6. High Loss Participating Entities – Board directs staff to bring back additional details and will finalize direction at that time

7. Adverse Selection Considerations – Board approves

Motion to approve direction above by Director Poochigian, second by Director Mendes. Motion approved.


Presented by John McCue, Gallagher Benefit Services.

PUBLIC COMMENT:

Darlene Qualls, Anita Harper and Marlene Spencer made a public comment.

Motion to approve by Director Poochigian, second by Director Mendes. Motion approved.

16. Review County of Fresno/County of Tulare Loan Payment Impact on 2017 Renewal Rates and Provide Direction for Possible Negotiation of Payment Extension

Presented by Paul Nerland, SJVIA Manager.
Motion to approve by Director Poochigian, second by Director Mendes. Motion approved.

17. Receive and Provide Direction on SJVIA Staffing (A)
   Presented by Rhonda Sjostrom, County of Tulare.
   Motion to approve not hiring SJVIA staff at this time by Director Poochigian, second by Director Mendes. Motion approved.

18. 2016 Walking Works Awards Presentation (I)
   Presented by Rhonda Sjostrom, SJVIA Assistant Manager

19. Adjournment
   Meeting adjourned by President Vander Poel at 11:44AM.
Meeting Location: County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93921
August 26, 2016
9:00 AM

AGENDA DATE: August 26, 2016
ITEM NUMBER: 8
SUBJECT: Cash flow projection
REQUEST(S): That the Board receives this cash flow projection

DESCRIPTION: Informational item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

Vicki Crow
SJ VIA Auditor-Treasurer
Cash Flow Projections and Update
August 26, 2016
presented by
Lawrence Seymour
Data and Assumptions

- Used actual cash receipts and disbursements for the period July 1, 2014 through July 31, 2016
  - Upper Projection: The period of Aug 1, 2016 through December 2017 projected using draft 2016-17 Budget
  - Lower Projection: The period of Aug 1, 2016 through December 2017 projected using 24 month average of cash receipts less cash disbursements
    - Removed the effect of non-recurrent receipts or disbursements (i.e. County of Fresno Loan)
July 2014 Cash Balance $9,215,074
2015 - Transferred $5,000,000 from investment account to cover claims cost
2016 - Loan of $2,000,000 from County of Fresno
Average month over month change in cash from July 2014 through June 2016 = $(253,750)
  Updated every 6 months as actual data becomes available
June 2016 Cash Balance $1,111,554
  August 23, 2016 Cash Balance $4,633,360
Actuals through 7/2016, GBS Budgets used to project out to December 2017

Actuals through 7/2016, Average gain/loss used to project out to December 2017
Mitigation Efforts

- Daily monitoring of cash balances
  - Cash Flow projections updated monthly
- Loans of $1.5 million and $.5 million received in December 2015 and June 2016, respectively
- Defunded contract with wellness vendor
- Premium Payments
  - Update: As of July 2016, the County of Fresno is now paying 2 weeks in advance, as opposed to 2 weeks in arrears…net effect approximately $4.8m
  - Some entities continue to prepay, but the number has decreased
- Closing positions in County of Fresno investment pool & fixed cost bank account to consolidate cash
  - Update: As of July 31, 2016, one of three Chase bank accounts has been closed
  - Update: As of August 23, 2016, SJVIA Investment Account, on deposit with County of Fresno, is $461
- Close monitoring of receipts and payments
  - Update: Continue to work closely with Human Resources and Gallagher Benefit Services to track and improve Cash Flow Projections
AGENDA DATE: August 26, 2016

ITEM NUMBER: 9

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 4th quarter, 2015-16

DESCRIPTION: Informational item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

Vicki Crow
SJVIA Auditor-Treasurer
## Actuals vs. Budgeted Receipts & Disbursements

### For The Three And Twelve Months Ended June 30, 2016

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>Current Quarter</th>
<th>Year-To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET*</td>
<td>ACTUALS</td>
</tr>
<tr>
<td>TOTAL RECEIPTS</td>
<td>$35,673,199</td>
<td>$34,134,335</td>
</tr>
</tbody>
</table>

### DISBURSEMENTS: Fixed

1. Specific & Aggregate Stop Loss Insurance (PPO)  
2. Anthem ASO Administration & Network Fees (PPO)  
3. Chimenti Associates/Hourglass Administration (PPO & Anthem HMO)  
4. GBS Consulting  
5. SJVIA Administration  
6. Wellness  
7. Communications  
8. Anthem HMO Pooling  
9. Anthem HMO Administration/Retention  
10. ACA Reinsurance (PPO & HMO)  

**Total Fixed Disbursements:**  
$2,413,967  
$2,372,404  
$41,563  
2%  
$9,655,861  
$10,356,260  
($700,399)  
(7%)  

### DISBURSEMENTS: Claims

11. Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO  
12. Anthem MMP HMO Capitation  

**Total Claims Disbursements:**  
$24,727,202  
$26,502,753  
($1,775,551)  
(7%)  
$98,908,805  
$110,219,455  
($1,310,650)  
(11%)  

### DISBURSEMENTS: Premiums

13. Delta Dental  
14. Vision Service Plan  
15. Kaiser Permanente  

**Total Premium Disbursements:**  
$8,283,035  
$9,302,444  
($1,019,409)  
(12%)  
$33,132,136  
$33,253,845  
($1,121,709)  
(0%)  

### Total Disbursements

35,424,204  
38,177,601  
($2,753,397)  
(8%)  
141,696,802  
153,829,560  
(12,132,758)  
(9%)  

16. Change in Reserve  

**Combined Disbursements & Changes in Reserves:**  
$35,673,199  
$34,134,335  
($1,538,864)  
(4%)  
$142,692,795  
$146,931,397  
$4,238,602  
3%  

*The approved budget contains assumptions that may differ throughout the fiscal year. The budget amounts presented in this report are estimates, and are presented irrespective of the timing of those assumptions.

Note: These schedules are on the cash basis and have not been audited.
SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS
FOR THE THREE AND TWELVE MONTHS ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th>FY15-16</th>
<th>SJVIA FEES</th>
<th>Year-To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts**</td>
<td>$87,367</td>
<td>$86,275</td>
</tr>
<tr>
<td>Disbursements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditor-Treasurer Services</td>
<td>108,187</td>
<td></td>
</tr>
<tr>
<td>County Counsel Services</td>
<td>9,733</td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>67,411</td>
<td></td>
</tr>
<tr>
<td>Insurance (Liability, Bond, Etc)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>33,220</td>
<td></td>
</tr>
<tr>
<td>Bank Service Fees</td>
<td>5,393</td>
<td>24,945</td>
</tr>
<tr>
<td>Wellness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Disbursements</td>
<td>223,944</td>
<td>24,945</td>
</tr>
<tr>
<td>Change in Administration, Wellness &amp; Communications Reserve</td>
<td>($136,577)</td>
<td>$61,330</td>
</tr>
</tbody>
</table>

*Total disbursements for each column correspond to the line number shown on the "ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS" report.

**Receipts consist of fees collected from relevant enrollees at the following rates per employee per month: Various rates for administration($2.00 for SJVIA administration fees & various rates for non-founding member fees depending upon a participant’s enrollment), $2.50 for wellness & $.50 for communications fees.

Note: These schedules are on the cash basis and have not been audited.
### San Joaquin Valley Insurance Authority

#### Schedule of Cash Flow by Month

For the Twelve Months Ended June 2016

<table>
<thead>
<tr>
<th></th>
<th>JULY</th>
<th>AUGUST</th>
<th>SEPTEMBER</th>
<th>OCTOBER</th>
<th>NOVEMBER</th>
<th>DECEMBER</th>
<th>JANUARY</th>
<th>FEBRUARY</th>
<th>MARCH</th>
<th>APRIL</th>
<th>MAY</th>
<th>JUNE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Funding Account</td>
<td>255,518</td>
<td>358,018</td>
<td>725,672</td>
<td>701,149</td>
<td>173,361</td>
<td>451,022</td>
<td>709,191</td>
<td>384,751</td>
<td>404,977</td>
<td>177,953</td>
<td>379,318</td>
<td>296,259</td>
<td>255,518</td>
</tr>
<tr>
<td>Fixed Cost Account</td>
<td>962,479</td>
<td>1,084,176</td>
<td>1,188,032</td>
<td>1,878,492</td>
<td>247,705</td>
<td>627,123</td>
<td>747,115</td>
<td>363,898</td>
<td>359,973</td>
<td>480,824</td>
<td>388,596</td>
<td>1,754,000</td>
<td>962,479</td>
</tr>
<tr>
<td>Claims Reserve Account</td>
<td>726,791</td>
<td>2,019,732</td>
<td>889,905</td>
<td>1,067,064</td>
<td>300,837</td>
<td>621,538</td>
<td>4,155,223</td>
<td>2,964,772</td>
<td>3,869,933</td>
<td>3,613,676</td>
<td>1,900,358</td>
<td>2,408,237</td>
<td>726,791</td>
</tr>
<tr>
<td>Investment Pool-Note 1</td>
<td>3,111,190</td>
<td>3,113,257</td>
<td>3,113,257</td>
<td>1,123,875</td>
<td>1,126,093</td>
<td>126,093</td>
<td>135,873</td>
<td>138,322</td>
<td>138,322</td>
<td>138,876</td>
<td>138,876</td>
<td>138,954</td>
<td>3,111,190</td>
</tr>
</tbody>
</table>


**Note:** The County of Fresno investment pool yield paid during the quarter ended 3/31/16 was 1.388% with quarterly earnings of $478.
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 **Administration & Network Fees (Anthem & Blue Shield PPO)**
   
   ASO is “Administrative Services Only”. These are administrative services for the PPO plans. This definition includes Anthem Blue Cross & Health Now Administrative services administration fees and includes access fees to use the Anthem Blue Cross & Blue Shield networks of providers. These services do not include the Anthem HMO plan.

3 **Chimienti Associates/Hourglass Administration (Anthem & Kaiser)**
   
   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 health plans excluding HealthNow/Blue Shield.

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 Administration**
   
   These fees 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. It includes the association fee and the non-founding member fee which is assessed to non-founding member entities.

6 **Wellness**
   
   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.

7 **Communications**
   
   This rate category is 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.

8 **Anthem HMO Pooling**
   
   This is for the specific stop loss pooling insurance for claims in excess of $400k within the HMO (not PPO).

9 **Anthem HMO Administration/Retention**
   
   These are Anthem Blue Cross administration fees and include access fees to use the Blue Cross network of providers for the HMO plan.

10 **ACA Reinsurance/PCORI (PPO & HMO)**
    
    The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI)-this fee is $2.00 per covered member per year for PPO & $2.08 per covered member per year on HMO. 2) Transitional Reinsurance Fee-this fee is $44.00 per covered member per year for the 2015 calendar year and $26.00 for the 2016 calendar year for both PPO & HMO.

11 **Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO**
    
    Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital).

12 **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.

13 **Delta Dental**
    
    Premium for entities covered under the SJVIA Delta Dental program.

14 **Vision Service Plan**
    
    Premium for entities covered under the SJVIA VSP Vision program.

15 **Kaiser Permanente**
    
    Premium for entities covered under the SJVIA Kaiser HMO program less fixed costs including items 6,7.

16 **Change in Reserve**
    
    Excess receipts over claims, premiums and fixed costs.
AGENDA DATE: August 26, 2016
ITEM NUMBER: Item 10
SUBJECT: Receive and File Consultant’s SJVIA Executive Claims Summary through June 30, 2016 (I)
REQUEST(S): That the Board Receive and File SJVIA Executive Claims Summary through June 30, 2016

DESCRIPTION:
Informational Item, please see attached report.

FISCAL IMPACT/FINANCING:
None

ADMINISTRATIVE SIGN-OFF:

Paul Nerland  
SJVIA Manager

Rhonda Sjostrom  
SJVIA Assistant Manager
## SJVIA
### HMO Cost Summary
**Plan Year January 1, 2016 through December 31, 2016**

<table>
<thead>
<tr>
<th>Enrollment</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
<th>Apr-16</th>
<th>May-16</th>
<th>Jun-16</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Average / Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>4,607</td>
<td>4,594</td>
<td>4,579</td>
<td>4,566</td>
<td>4,565</td>
<td>4,564</td>
<td>4,607</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Employee + Spouse</td>
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<td></td>
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<td></td>
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<tr>
<td>Employee + Child(ren)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Employee + Family</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Employees</td>
<td>4,607</td>
<td>4,594</td>
<td>4,579</td>
<td>4,566</td>
<td>4,565</td>
<td>4,564</td>
<td>4,607</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Paid Claims           |        |        |        |        |        |        |        |        |        |        |        |        |                 |
| Medical               | $1,569,204 | $2,175,671 | $1,839,129 | $1,998,426 | $2,382,048 | $1,783,005 | $11,747,483 |
| Prescription Drug     | $1,038,360 | $1,073,967 | $1,185,061 | $1,074,355 | $1,066,691 | $1,106,535 | $6,544,969 |
| Total Pooled Claims / Rx Rebates | $0 | $0 | $0 | $0 | $535,924 | $0 | $535,924 |

| Average Med Claims Per EE | $340.61 | $473.59 | $401.64 | $437.68 | $521.81 | $390.67 |        |
| Average Drug Claims Per EE | $225.39 | $233.78 | $258.80 | $235.29 | $233.67 | $242.45 |        |
| Total Fixed Costs        | $401,320 | $400,211 | $398,917 | $397,764 | $397,727 | $397,332 | $2,393,271 |
| Total Costs (Claims + Fixed) | $4,388,681 | $5,025,752 | $4,794,518 | $4,837,912 | $4,677,760 | $4,653,790 | $28,378,413 |
| Total Premium            | $4,622,926 | $4,607,931 | $4,592,129 | $4,576,063 | $4,571,736 | $4,568,946 | $27,539,731 |
| Total Costs vs. Premium  |        |        |        |        |        |        |        |
| $ Variance              | $234,245 | ($417,821) | ($202,389) | ($261,849) | ($106,024) | ($84,844) | ($838,682) |
| % Variance              | 94.9%   | 109.1% | 104.4% | 105.7% | 102.3% | 101.9% | 103.0% |

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.
## SJVIA
### PPO Cost Summary
#### Plan Year January 1, 2016 through December 31, 2016

<table>
<thead>
<tr>
<th>Enrollment</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
<th>Apr-16</th>
<th>May-16</th>
<th>Jun-16</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Average / Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>5,696</td>
<td>5,705</td>
<td>5,705</td>
<td>5,718</td>
<td>5,697</td>
<td>5,752</td>
<td>5,696</td>
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<tr>
<td>Employee + Spouse</td>
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<td>Employee + Child(ren)</td>
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<td>Employee + Family</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Employees</strong></td>
<td>5,696</td>
<td>5,705</td>
<td>5,705</td>
<td>5,718</td>
<td>5,697</td>
<td>5,752</td>
<td>5,696</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>5,696</td>
</tr>
</tbody>
</table>

| Paid Claims                    |        |        |        |        |        |        |        |        |        |        |        |        |                 |
| Medical                        | $2,606,907 | $2,851,975 | $3,431,263 | $3,779,955 | $3,144,952 | $3,252,228 | $19,067,280 |        |        |        |        |        | $19,067,280    |
| Prescription Drug              | $1,011,920 | $1,171,282 | $1,226,357 | $1,122,325 | $1,268,516 | $1,239,175 | $7,039,575   |        |        |        |        |        | $7,039,575     |
| **Total Gross Paid Claims**    | $3,618,827 | $4,023,257 | $4,657,620 | $4,902,280 | $4,413,468 | $4,491,403 | $26,106,855 |        |        |        |        |        | $26,106,855    |
| Total Pooled Claims / Rx Rebates | $0    | $0    | $0    | $0    | $438,483 | $0    | $438,483 |        |        |        |        |        | $438,483       |

| Total Fixed Costs              | $401,338 | $401,763 | $401,931 | $402,789 | $401,609 | $406,321 | $2,415,751 |        |        |        |        |        | $2,415,751     |
| **Total Costs (Claims + Fixed)** | $4,020,165 | $4,425,020 | $5,059,551 | $5,305,069 | $4,376,594 | $4,897,724 | $28,084,123 |        |        |        |        |        | $28,084,123    |
| **Total Premium**              | $4,625,305 | $4,630,550 | $4,631,202 | $4,628,405 | $4,616,854 | $4,638,802 | $27,771,118 |        |        |        |        |        | $27,771,118    |
| **Total Costs vs. Premium**    | $605,140 | $205,530 | $428,349 | $676,664 | $240,260 | $258,922 | $(313,005) |        |        |        |        |        | $(313,005)     |

### Average / Total
- Medical Costs Per EE: $457.67, $499.91, $601.45, $661.06, $552.04, $565.41
- Drug Costs Per EE: $177.65, $205.31, $214.96, $196.28, $222.66, $215.43

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.
### SJVIA

**Total Cost Summary**

Plan Year January 1, 2016 through December 31, 2016

<table>
<thead>
<tr>
<th>Enrollment</th>
<th>Jan-16</th>
<th>Feb-16</th>
<th>Mar-16</th>
<th>Apr-16</th>
<th>May-16</th>
<th>Jun-16</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Average / Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>10,303</td>
<td>10,299</td>
<td>10,284</td>
<td>10,284</td>
<td>10,262</td>
<td>10,316</td>
<td>10,303</td>
<td></td>
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<td></td>
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<td></td>
<td>10,303</td>
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<tr>
<td>Employee + Spouse</td>
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<tr>
<td>Employee + Child(ren)</td>
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<tr>
<td>Employee + Family</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Employees</strong></td>
<td>10,303</td>
<td>10,299</td>
<td>10,284</td>
<td>10,284</td>
<td>10,262</td>
<td>10,316</td>
<td>10,303</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10,303</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Paid Claims</th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td>$4,176,111</td>
<td>$5,027,646</td>
<td>$5,270,392</td>
<td>$5,778,381</td>
<td>$5,527,000</td>
<td>$5,035,233</td>
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<td>$30,814,763</td>
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<tr>
<td>Prescription Drug</td>
<td>$2,050,280</td>
<td>$2,245,249</td>
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<td>$2,196,680</td>
<td>$2,335,207</td>
<td>$2,345,710</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$13,584,544</td>
</tr>
<tr>
<td>Capitation</td>
<td>$1,379,797</td>
<td>$1,375,903</td>
<td>$1,371,411</td>
<td>$1,367,367</td>
<td>$1,367,218</td>
<td>$1,366,918</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8,228,614</td>
</tr>
<tr>
<td><strong>Total Gross Paid Claims</strong></td>
<td>$7,606,188</td>
<td>$8,648,798</td>
<td>$9,053,221</td>
<td>$9,342,428</td>
<td>$9,229,425</td>
<td>$8,747,861</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$52,627,921</td>
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<tr>
<td><strong>Total Pooled Claims</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$974,407</td>
<td>0</td>
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<td></td>
<td></td>
<td>$974,407</td>
</tr>
<tr>
<td><strong>Total Net Paid Claims</strong></td>
<td>$7,606,188</td>
<td>$8,648,798</td>
<td>$9,053,221</td>
<td>$9,342,428</td>
<td>$8,255,018</td>
<td>$8,747,861</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$51,653,514</td>
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<tr>
<td>Average Cost Per Employee</td>
<td>$738.25</td>
<td>$839.77</td>
<td>$880.32</td>
<td>$908.44</td>
<td>$804.43</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$836.52</td>
</tr>
</tbody>
</table>

| **Total Fixed Costs** | $802,658 | $801,974 | $800,848 | $800,553 | $799,336 | $803,653 |        |        |        |        |        |        | $4,809,022      |
| **Total Costs (Claims + Fixed)** | $8,408,846 | $9,450,772 | $9,854,069 | $10,142,981 | $9,054,354 | $9,551,514 |        |        |        |        |        |        | $56,462,536     |
| **Total Premium**    | $9,248,231 | $9,238,481 | $9,223,331 | $9,204,468 | $9,188,590 | $9,207,748 |        |        |        |        |        |        | $55,310,849     |
| **Total Costs vs. Premium** | $839,385 (212,291) | (630,738) | (938,513) | (134,236) | (343,766) | (1,151,687) |        |        |        |        |        |        | ($1,151,687)     |
| **% Variance**       | 90.9% | 102.3% | 106.8% | 110.2% | 98.5% | 103.7% |        |        |        |        |        |        | 102.1%          |

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AGENDA DATE: August 26, 2016

ITEM NUMBER: 12

SUBJECT: Approve Anthem Blue Cross as SJVIA Health Plan Administrator from December 19, 2016 – December 31, 2017, and Authorize Staff to Negotiate Amendment to Agreement (A)

REQUEST(S): That the Board approve Anthem Blue Cross and authorize staff to negotiate amendment to agreement for a term of one year

DESCRIPTION:

The recommended action will approve maintaining Anthem Blue Cross as a Plan Administrator and authorize staff to negotiate an amendment to the contract for services commencing December 19, 2016 for a one year term. The proposed Amendment increases the Administrative Services Only (ASO) fees for PPO administrative services and access to the Anthem Blue Cross provider network 10.61% from $29.41 Per Employee per Month (PEPM) to $32.53 PEPM. The HMO contract fees consist of Retention (Administration, Pooling, and Capitation) which will increase 2.185% on a combined basis for a PEPM increase from $366.04 to $374.04.

These percentages are not overall projected changes to the HMO and PPO plans, but represent the change in fixed costs paid to Anthem for the administration of both plans. The total fixed costs represent about 36% of total plan costs for the HMO, which includes capitation claims and approximately 3.2% for the PPO. Anthem Blue Cross also includes disease management for the PPO population at no additional cost, and credits a wellness budget of $50,000 for the contract year.

Staff and Gallagher will work with Anthem Blue Cross to finalize the agreement to commence December 19, 2016 and will present the agreement to your Board for approval at the November meeting.
AGENDA: San Joaquin Valley Insurance Authority

DATE: August 26, 2016

FISCAL IMPACT/FINANCING:

Projected renewal rate increases will be added to the budget for the 2016-17 fiscal year to be amended and approved at a future meeting.

ADMINISTRATIVE SIGN-OFF:

________________________________  ______________________________
Paul Nerland                      Rhonda Sjostrom
SJVIA Manager       SJVIA Assistant Manager
AGENDA DATE: August 26, 2016

ITEM NUMBER: 13

SUBJECT: Approve Amendment to the Health Now Administrative Services Agreement Utilizing the Blue Shield Network as the Health Plan Administrator for the City of Tulare for the 2017 Plan Year, and Authorize Chair to Execute Amendment to Agreement (A)

REQUEST(S): That the Board authorize the Chair to execute Amendment to the Health Now Administrative Services Agreement effective January 1, 2017

DESCRIPTION:

The proposed Amendment to the Health Now Administrative Services (HNAS) contract for services commencing January 1, 2017 for a one year term has been reviewed by Gallagher and Staff. The Amendment, attached, increases the fees for administrative services and access to the Blue Shield provider network from $36.52 Per Employee Per Month (PEPM) to $36.96 PEPM.

Staff and counsel have reviewed the Amendment to the HNAS Agreement and recommend approval authorizing for the SJVIA President to execute the Amendment.

FISCAL IMPACT/FINANCING:

The impact to the SJVIA during the contract period (Plan Year 2017) with HNAS is $36.96 PEPM, with an annual cost of $147,692.20 for administrative services based on current participation. For comparison, the estimated annual cost for the current plan year is approximately $142,793.
AGENDA: San Joaquin Valley Insurance Authority

DATE: August 26, 2016

ADMINISTRATIVE SIGN-OFF:

Paul Nerland
SJVIA Manager

Rhonda Sjostrom
SJVIA Assistant Manager
**AMENDMENT 1**  
**SCHEDULE “B”**  
**SCHEDULE OF FEES**  
San Joaquin Valley Insurance Authority

Amendment #1 is amending the current Administrative Services Agreement Schedule B between Health Now Administrative Services & San Joaquin Valley Insurance Authority dated 7/1/2012 and signed on 6/4/2014.

The following list of fees shall apply to the implementation and maintenance of the benefit plan for the Employees and their dependents covered under the Employee Health Care Benefit Plan.

<table>
<thead>
<tr>
<th>Service(s)</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>HNAS Core Administrative Charges</td>
<td>$16.89 (Includes Cobra, Consolidated Billing and Comprehensive Care Basic Program)</td>
</tr>
<tr>
<td>Blue Shield of CA Network Access Fee</td>
<td>$16.96</td>
</tr>
<tr>
<td>Blue Shield of CA Case Management Bundle Fee</td>
<td>$3.11</td>
</tr>
<tr>
<td>N.Y. Surcharge</td>
<td>Included</td>
</tr>
<tr>
<td>Massachusetts Surcharge</td>
<td>Included</td>
</tr>
<tr>
<td>Plan Document Revision*</td>
<td>Included</td>
</tr>
<tr>
<td>Consolidated Billing</td>
<td>Included for core group administrative areas</td>
</tr>
</tbody>
</table>

*Not included: Direct costs of printing, charges for obtaining medical records.

The above Schedule of Fees is in effect for (Check one of the boxes): the [X] initial term of the Agreement, or [] for the following two year renewal term.

Effective Date(s): January 1, 2017 – December 31, 2017

**HealthNow Administrative Services, Inc.**  
(Signature)  
(Print Name/Title)  
(Date)

**San Joaquin Valley Insurance Authority**  
(Signature)  
(Print Name/Title)  
(Date)
AGENDA DATE: August 26, 2016

ITEM NUMBER: 15

SUBJECT: Authorize Execution of Loan Agreement between SJVIA and County of Tulare for Loan to SJVIA of up to $2,000,000 (A)

REQUEST(S): That the Board authorize Chair to execute agreement between SJVIA and County of Tulare for Cash Advances and Repayment of up to $2,000,000

DESCRIPTION:

On November 6, 2015 your Board approved a plan by which Fresno and Tulare Counties would each advance and be repaid up to $2,000,000, as needed, to assist the SJVIA in managing its cash flow. On January 26, 2016 the Fresno County Board of Supervisors approved an agreement between the SJVIA and Fresno County for Cash Advances and Repayment of Cash Advances. The County of Tulare Board of Supervisors approved a similar agreement on July 19, 2016.

If approved by your Board, the agreement would apply for the period of July 19, 2016 through December 30, 2016 for the advance of funds. The agreement would remain in effect through December 30, 2017, except that SJVIA’s obligation to repay all advances, plus interest, continues after that date.

FISCAL IMPACT/FINANCING:

If funds are advanced by the County of Tulare, the balance shall be repaid at the County of Tulare’s Treasury Pool interest rate at the earlier of:

(a) when there is sufficient cash balance in SJVIA’s bank account to cover regular SJVIA cash flow needs, as determined by the SJVIA Manager and SJVIA Auditor-Treasurer, or (b) December 30, 2017.
AGENDA: San Joaquin Valley Insurance Authority

DATE: August 26, 2016

ADMINISTRATIVE SIGN-OFF:

[Signatures]

Paul Nerland
SJVIA Manager

Rhonda Sjostrom
SJVIA Assistant Manager