

AGENDA

BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of 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 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.
6. Approval of Minutes – Board Meeting of August 26, 2016 and September 2, 2016 (A)
7. SJVIA Director Questions, Announcements, and Activity Reports (Gov. Code, § 54954.2, subd. (a)(2)) (I)
8. Approve Proposed 2017 Board Meeting Calendar & December meeting (A)
9. Receive Update from Auditor-Treasurer on Cash Flow Projections (I)
10. Receive and File Auditor-Treasurer's First Quarter 2016-2017 Financial Report (I)
11. Receive and File Consultant's SJVIA Executive Claims Summary through August 2016 (I)

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.

AGENDA

BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

12. Receive Update on Member Entity Termination Notifications & SJVIA Impact (I)
13. Approve Proposed Participation Agreement Revisions and Authorize President to Execute SJVIA Participation Agreements and Amendments to SJVIA Participation Agreements, as needed, Effective January 1, 2017 (A)
14. Receive report on the status of the SJVIA Consultant RFP and direction to staff regarding the selection committee (A)
15. Receive correspondence from the County of Sutter requesting claims information and a new Open Enrollment period in the next six months and give appropriate direction to staff (A)
16. Receive and consider request by the County of Fresno to freeze enrollment in the Kaiser plan prospectively and approve revised rates if necessary (A)
17. Authorize President to Execute Amendment to Administrative Services Agreement with Anthem Blue Cross Regarding Anthem Provider Network Requirements (A)
18. Closed Session –CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION (Gov. Code, § 54956.9, subd. (d)(2)). No. of potential cases: 1- Language in termination letters from participating entities
19. Closed Session CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION (Gov. Code, § 54956.9, subd. (d)(4)). No. of potential cases: 1
20. Adjournment

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.

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

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

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

Directors Poochigian and Ennis not present.

Pursuant to Article 6 of the JPA Agreement, although a quorum was established for the Board meeting, matters subject to a supermajority vote could not be voted upon at this meeting.

4. Approval of 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 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.

Katherine Baldas, Regina Cox, Santiago Ocegura, Jennifer Jensen, Laura Hernandez, Maria Nino, Colleen Biswell, and John Adams all made public comment

6. Approval of Minutes – Board Meeting of July 14, 2016 (A)

Motion to receive by Director Worthley, seconded by Director Borgeas.
Motion approved. Director Ishida abstained.

7. SJVIA Director Questions, Announcements, and Activity Reports (Gov. Code, § 54954.2, subd. (a)(2)) (I)

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.

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

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

Request from Director Vander Poel to add SJVIA Authorization for Aetna confidentiality agreement to the board meeting agenda scheduled for September 2, 2016.

8. Receive Update from Auditor-Treasurer on Cash Flow Projections (I) Lawrence Seymour, County of Fresno: Cash flow projection to Dec 2017. Data and highlights are contained within the attachment.

Presented by Lawrence Seymour, County of Fresno.

Motion to approve by Director Worthley, seconded by Director Borgeas.
Motion approved.

9. Receive and File Auditor-Treasurer's Fourth Quarter 2015-2016 Financial Report (A)

Presented by Lawrence Seymour, County of Fresno.

Public Comment received by Santiago Ocegura and John Adams.

Motion to receive by Director Worthley, seconded by Director Borgeas.
Motion approved.

10. Receive and File Consultant's SJVIA Executive Claims Summary through June 2016 (I)

Presented by Mark Tucker, Gallagher Benefit Services

11. Approve HMO and Self-Insured PPO Health Plan Renewal Rate Increase for Plan Year 2017 (A)

Presented by Mark Tucker, Gallagher Benefit Services.

Public Comment received by Arcenia Johnson, OC Segura and John Adams.

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.

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**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 the SJVIA Health Plan Administrator from December 19, 2016 through December 31, 2017, and Authorize Staff to Negotiate Agreements (A)

Presented by Mark Tucker, Gallagher Benefit Services.

Motion to approve by Director Worthley, second by Director Pacheco.
Motion approved.

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)

Presented by Mark Tucker, Gallagher Benefit Services.

Motion to approve by Director Worthley, second by Director Pacheco.
Motion approved.

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

Presented by Mark Tucker, Gallagher Benefit Services.

No Board approval motion can be made at this time, as there is not a quorum present.

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

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

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

No board approval motion can be made at this time as there is not a quorum present. This will be addressed at a later meeting.

Motion to approve by Director Borgeas, second by Director Worthley.
Motion approved.

16. Adjournment

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.

SPECIAL MEETING MINUTES

**Meeting Location:
Fresno County Employees' Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
September 2, 2016 10:00 AM**

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

All Directors present, Director Ishida serving as alternate for Director Ennis

4. Approval of 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. Limited to 3 min.

John Adams, Tammy Marroquin, Regina Cox and Bobby Boyd made a public comment.

6. Approve Anthem HMO and Self-Insured PPO Health Plan Renewal Rate Increases for Plan Year 2017, which may include Returning to a Fixed Cost Sharing Model Only, and Rating Founding Members Separately from All Other Entities (A)

Presented by Paul Nerland, SJVIA Manager and Mark Tucker, Gallagher Benefit Services.

Public Comment and Board Approval held until after presentation on Item 7.

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.

SPECIAL MEETING MINUTES

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

Presented by Mark Tucker, Gallagher Benefit Services.

Public comment on items 6 and 7 made by John Adams, Bobby Brody, Tammy Marroquin, Regina Cox, Santiago Ocegura, Erik Rosales, Darlene Qualls, Sally Perez, Delia Cooper, and Kathleen Ulness.

Motion by Director Ishida to approve HMO renewal for all entities at 15.65%, PPO for Counties of Fresno and Tulare at 11.8%, PPO for all other entities at 26.21%, subject to counsel review. Motion approved unanimously.

Motion to approve Kaiser renewal at 8.34% for all entities, except County of Fresno which is to renew at a number determined to sustain the current cost differentials between Kaiser and the current Anthem plans with all SJVIA Kaiser membership subject to a \$10 PEPM risk surcharge by Director Poochigian, Second by Director Borgeas. Motion approved unanimously.

8. Authorize Board President to Execute Confidentiality Agreement with Gallagher Benefit Services, upon Approval by SJVIA Staff and Counsel, to Facilitate Analysis of Relative Discount Positions between Aetna and Anthem (A)

Presented by Mark Tucker, Gallagher Benefit Services.

Motion to approve by Director Borgeas, Second by Director Worthley. Motion approved unanimously.

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.

SPECIAL MEETING MINUTES

9. Receive Information on how Renewal Timing and Delays Create a Need for Flexibility as it Relates to the Termination Clause as Stated in the Participation Agreements (I)

Presented by Rhonda Sjostrom, SJVIA Assistant Manager and Mark Tucker, Gallagher Benefit Services.

Board approves extension for notification by SJVIA member entities of intent to terminate to October 15, 2016 due to the late renewal rates.

10. Adjournment

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.



BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

AGENDA DATE: October 28, 2016

ITEM NUMBER: Item 8

SUBJECT: Approve Proposed 2017 Board Meeting Calendar and December Meeting (A)

REQUEST(S): That the Board of Directors approve the proposed 2017 Board Meeting Calendar and an additional meeting in December 2016

DESCRIPTION:

The attached proposed schedule recommends six meetings of your Board in 2017 and maintains the tradition of alternating meeting locations between the County of Fresno and County of Tulare with meeting times scheduled from 9:00am to 12:00pm. Your Board may elect to adopt other dates and times or add meetings based on SJVIA business and your availability. Adopting dates today will allow staff to reserve locations and publish the final 2017 SJVIA Board Calendar. Additionally, staff is recommending that the Board add a meeting in December of this year to address pending matters.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:

Paul Nerland
SJVIA Manager

Rhonda Sjostrom
SJVIA Assistant Manager



BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

Board of Directors Meetings – 2017

SCHEDULE

<u>Date</u>	<u>Time</u>	<u>City</u>	<u>Location</u>
February 17, 2017 (Friday)	9:00 - 12:00	Visalia	Tulare County BOS Chambers
April 28, 2017 (Friday)	9:00 - 12:00	Fresno	FCERA Board Chambers
July 14, 2017 (Friday)	9:00 - 12:00	Visalia	Tulare County BOS Chambers
August 25, 2017 (Friday)	9:00 - 12:00	Fresno	FCERA Board Chambers
October 27, 2017 (Friday)	9:00 - 12:00	Visalia	Tulare County BOS Chambers
December 8, 2017 (Friday)	9:00 - 12:00	Fresno	FCERA Board Chambers

LOCATIONS:

FCERA – Fresno County Employee Retirement Association

1111 H Street
Fresno, CA 93721

Tulare County Board of Supervisors Chambers

2800 W. Burrel Ave.
Visalia, CA 93291

TCERA – Tulare County Employee Retirement Association*

136 N. Akers Street
Visalia, CA 93291

* Alternate location should Tulare Co. Board of Supervisors Chambers not be available.



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93921
October 28, 2016
9:00 AM

AGENDA DATE:

October 28, 2016

ITEM NUMBER:

9

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:

Oscar J. Garcia, C.P.A.
SJVIA Auditor-Treasurer



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93921
October 28, 2016
9:00 AM

AGENDA DATE: October 28, 2016

ITEM NUMBER: 10

SUBJECT: Quarterly SJVIA financial update

REQUEST(S): That the Board receives the financial update through 1st quarter, 2016-17

DESCRIPTION: Informational item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

Oscar J. Garcia, C.P.A.
SJVIA Auditor-Treasurer

SAN JOAQUIN VALLEY INSURANCE AUTHORITY**ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016**

	Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
RECEIPTS				
TOTAL RECEIPTS	\$35,673,199	\$43,819,652	\$8,146,453	23%
DISBURSEMENTS: Fixed				
1 Specific & Aggregate Stop Loss Insurance (PPO)	281,269	302,468	(21,199)	(8%)
2 Anthem ASO Administration & Network Fees (PPO)	467,971	514,026	(46,055)	(10%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	197,215	188,764	8,451	4%
4 GBS Consulting	139,814	139,867	(53)	(0%)
5 SJVIA Administration	99,525	98,364	1,161	1%
6 Wellness	94,815	0	94,815	100%
7 Communications	18,963	0	18,963	100%
8 Anthem HMO Pooling	378,255	327,458	50,797	13%
9 Anthem HMO Administration/Retention	561,572	524,115	37,457	7%
10 ACA Reinsurance (PPO & HMO)	174,568	34,687	139,881	80%
TOTAL FIXED DISBURSEMENTS	2,413,967	2,129,749	284,218	12%
DISBURSEMENTS: Claims				
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,595,751	25,638,894	(5,043,143)	(24%)
12 Anthem MMP HMO Capitation	4,131,451	3,833,031	298,420	7%
TOTAL CLAIMS DISBURSEMENTS	24,727,202	29,471,925	(4,744,723)	(19%)
DISBURSEMENTS: Premiums				
13 Delta Dental	1,550,647	1,778,132	(227,485)	(15%)
14 Vision Service Plan	281,180	274,980	6,200	2%
15 Kaiser Permanente	6,451,208	6,710,805	(259,597)	(4%)
TOTAL PREMIUM DISBURSEMENTS	8,283,035	8,763,917	(480,882)	(6%)
TOTAL DISBURSEMENTS	35,424,204	40,365,591	(4,941,387)	(14%)
16 Change in Reserve	248,995	3,454,061	3,205,066	(1287%)
COMBINED DISBURSEMENTS & CHANGES IN RESERVES	\$35,673,199	\$43,819,652	\$8,146,453	23%

*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 MONTHS ENDED SEPTEMBER 30, 2016**

Year-To-Date

FY15-16

Receipts**

Disbursements:

Auditor-Treasurer Services
County Counsel Services
Personnel Services
Membership Fees
Insurance (Liability, Bond, Etc)
Audit Fees
Bank Service Fees
Wellness
Communications

Total Disbursements

**Change in Administration, Wellness &
Communications Reserve**

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
\$106,004	\$101,142	\$20,617
20,336		
1,958		
34,682		
36,604		
4,784		
98,364		
\$7,640	\$101,142	\$20,617

*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 Three Months Ended September 2016

	JULY	AUGUST	SEPTEMBER	TOTAL
BEGINNING CASH BALANCES:				
Claims Funding Account (294)	\$ 261,690	\$ 559,023	\$ 546,480	\$ 261,690
Claims Main Account (819)	849,465	3,586,175	4,429,532	849,465
Investment Pool-Note 1	400	461	461	400
Total Beginning Balances	1,111,555	4,145,659	4,976,473	1,111,555
RECEIPTS:				
Claims Funding Account (294)	6,327,038	5,836,353	5,701,978	17,865,369
Claims Main Account (819)	15,989,861	15,659,273	12,051,686	43,700,820
Investment Pool	61		330	391
	22,316,960	21,495,626	17,753,994	61,566,580
DISBURSEMENTS:				
Claims Funding Account (294)	6,029,705	5,848,896	5,700,348	17,578,949
Claims Main Account (819)	13,253,151	14,815,916	12,917,669	40,986,736
Investment Pool			791	791
TOTAL DISBURSEMENTS	19,282,856	20,664,812	18,618,808	58,566,476
ENDING CASH BALANCES:				
Claims Funding Account (294)	559,023	546,480	548,110	548,110
Claims Main Account (819)	3,586,175	4,429,532	3,563,549	3,563,549
Investment Pool	461	461	-	-
Total Ending Balances	\$ 4,145,659	\$ 4,976,473	\$ 4,111,659	\$ 4,111,659

Note 1: The County of Fresno investment pool yield paid during the quarter ended 9/30/16 was 1.355% with quarterly earnings of \$391.

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.
- 16 **Change in Reserve**

Excess receipts over claims, premiums and fixed costs.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
FRESNO, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,605,607
Due from other governmental units	6,566,743
Other receivable	853,460
Investment income receivable	14,662
Prepaid expenses	56,345
Total current assets	<u>9,096,817</u>

Noncurrent assets:

Other receivables	1,071,670
Investments	3,130,204
Total noncurrent assets	<u>4,201,874</u>
Total assets	<u>13,298,691</u>

LIABILITIES

Current liabilities:

Accounts payable	2,509,667
Unearned member contributions	651,196
Due to other governmental units	466,808
Unpaid claims and claims adjustment expenses	11,538,359
Total current liabilities	<u>15,166,030</u>

Noncurrent liabilities:

Due to other governmental units	954,162
Unpaid claims and claims adjustment expenses	159,920
Total noncurrent liabilities	<u>1,114,082</u>
Total liabilities	<u>16,280,112</u>

NET POSITION

Unrestricted	(2,981,421)
Total net position	<u>\$ (2,981,421)</u>

The notes to the financial statements are an integral part of this statement.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
FRESNO, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

Operating revenues:	
Member contributions	\$ 87,409,087
Total operating revenues	<u>87,409,087</u>
Operating expenses:	
Claims and claims adjustment expenses	88,065,852
Administrative expenses	6,917,501
Total operating expenses	<u>94,983,353</u>
Operating income(loss)	<u>(7,574,266)</u>
Non-operating revenues:	
Investment income	44,029
Total non-operating revenues	<u>44,029</u>
Change in net position	(7,530,237)
Net position, beginning of year	4,548,816
Net position, end of year	<u>\$ (2,981,421)</u>

The notes to the financial statements are an integral part of this statement.

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
FRESNO, CALIFORNIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Cash flows from operating activities:	
Cash received from members	\$ 110,784,723
Cash received from refunds	2,832,372
Cash paid to vendors	(28,000,915)
Cash paid for claims	(87,637,922)
Net cash provided by (used in) operating activities	<u>(2,021,742)</u>
Cash flows from investing activities:	
Liquidation of investments	<u>2,008,268</u>
Net cash provided by (used in) investing activities	2,008,268
Net increase (decrease) in cash and cash equivalents	(13,474)
Cash and cash equivalents - beginning	<u>1,619,081</u>
Cash and cash equivalents - ending	<u>\$ 1,605,607</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (7,574,266)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in due from other governmental units	985,875
(Increase) decrease in other receivables	2,000,586
(Increase) decrease in deposits receivable	531,692
(Increase) decrease in prepaid expenses	(13,516)
Increase (decrease) in unearned member contributions	407,551
Increase (decrease) in accounts payable	409,490
Increase (decrease) in due to other governmental units	(28,870)
Increase (decrease) in unpaid claims & claims adjustment expenses	<u>1,259,716</u>
Total adjustments	<u>5,552,524</u>
Net cash provided by (used in) operating activities	<u>\$ (2,021,742)</u>
Noncash investing activities	
Changes in unrealized gains (loss) on investments	\$ (11,992)
Investment income	<u>56,021</u>
Total noncash investing activities	<u>\$ 44,029</u>

The notes to the financial statements are an integral part of this statement.



BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00AM**

AGENDA DATE: October 28, 2016
ITEM NUMBER: Item 11
SUBJECT: Receive and File Consultant's SJVIA Executive Claims Summary through August 2016 (I)
REQUEST(S): That the Board receive and file SJVIA Executive Claims Summary through August 31, 2016

DESCRIPTION:

Informational item, please see attached report.

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:

Handwritten signature of Paul Nerland in black ink.

Paul Nerland
SJVIA Manager

Handwritten signature of Rhonda Sjostrom in black ink.

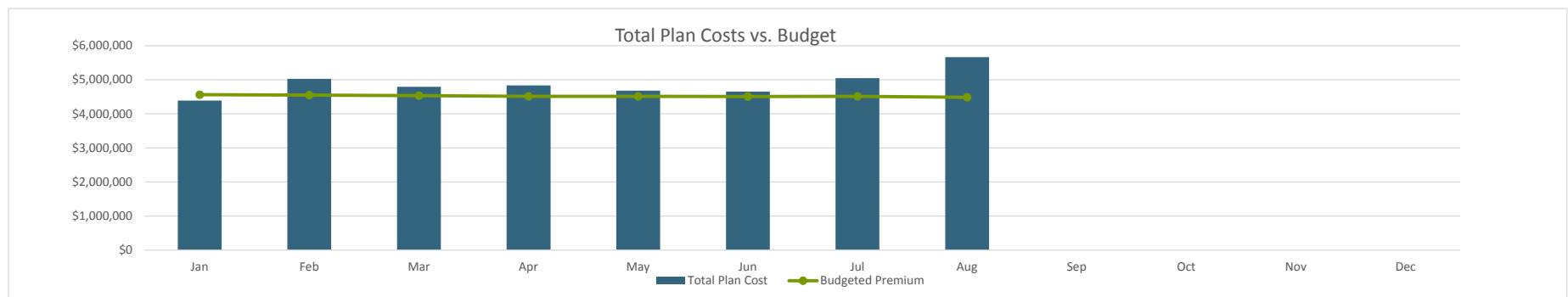
Rhonda Sjostrom
SJVIA Assistant Manager

SJVIA

HMO Cost Summary

Plan Year January 1, 2016 through December 31, 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Average / Total
Enrollment													
Employee Only													
Employee + Spouse													
Employee + Child(ren)													
Employee + Family													
Total Employees	4,607	4,594	4,579	4,566	4,565	4,564	4,576	4,546					4,607
Paid Claims													
Medical	\$1,569,204	\$2,175,671	\$1,839,129	\$1,998,426	\$2,382,048	\$1,783,005	\$2,210,593	\$2,796,238					\$16,754,314
Prescription Drug	\$1,038,360	\$1,073,967	\$1,185,061	\$1,074,355	\$1,066,691	\$1,106,535	\$1,069,225	\$1,108,980					\$8,723,174
Capitation	\$1,379,797	\$1,375,903	\$1,371,411	\$1,367,367	\$1,367,218	\$1,366,918	\$1,370,512	\$1,361,527					\$10,960,653
Total Gross Paid Claims	\$3,987,361	\$4,625,541	\$4,395,601	\$4,440,148	\$4,815,957	\$4,256,458	\$4,650,330	\$5,266,745					\$36,438,141
Total Pooled Claims / Rx Rebates	\$0	\$0	\$0	\$0	\$535,924	\$0	\$0	\$0					\$535,924
Total Net Paid Claims	\$3,987,361	\$4,625,541	\$4,395,601	\$4,440,148	\$4,280,033	\$4,256,458	\$4,650,330	\$5,266,745					\$35,902,217
Average Med Claims Per EE	\$340.61	\$473.59	\$401.64	\$437.68	\$521.81	\$390.67	\$483.08	\$615.10					
Average Drug Claims Per EE	\$225.39	\$233.78	\$258.80	\$235.29	\$233.67	\$242.45	\$233.66	\$243.95					
Total Fixed Costs	\$401,320	\$400,211	\$398,917	\$397,764	\$397,727	\$397,332	\$398,370	\$396,078					\$3,187,719
Total Costs (Claims + Fixed)	\$4,388,681	\$5,025,752	\$4,794,518	\$4,837,912	\$4,677,760	\$4,653,790	\$5,048,700	\$5,662,823					\$39,089,936
Total Premium	\$4,563,290	\$4,548,787	\$4,533,285	\$4,515,903	\$4,511,680	\$4,508,005	\$4,514,768	\$4,485,717					\$36,181,435
Total Costs vs. Premium													
\$ Variance	\$174,609	(\$476,965)	(\$261,233)	(\$322,009)	(\$166,080)	(\$145,785)	(\$533,932)	(\$1,177,106)					(\$2,908,501)
% Variance	96.2%	110.5%	105.8%	107.1%	103.7%	103.2%	111.8%	126.2%					108.0%



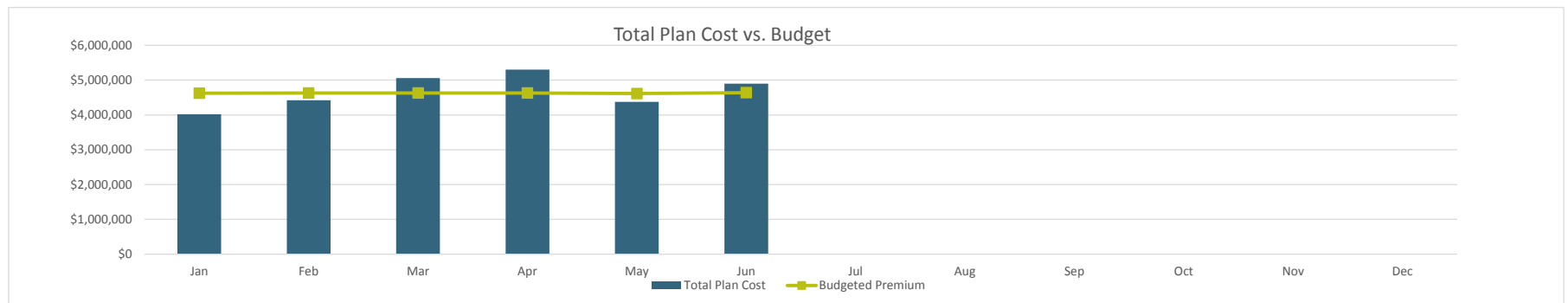
This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, 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.

SJVA

PPO Cost Summary

Plan Year January 1, 2016 through December 31, 2016

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Average / Total
Enrollment													
Employee Only													
Employee + Spouse													
Employee + Child(ren)													
Employee + Family													
Total Employees	5,696	5,705	5,705	5,718	5,697	5,752	5,753	5,760					5,696
Paid Claims													
Medical	\$2,606,907	\$2,851,975	\$3,431,263	\$3,779,955	\$3,144,952	\$3,252,228	\$4,043,641	\$3,818,908					\$26,929,829
Prescription Drug	\$1,011,920	\$1,171,282	\$1,226,357	\$1,122,325	\$1,268,516	\$1,239,175	\$1,004,377	\$1,399,077					\$9,443,029
Total Gross Paid Claims	\$3,618,827	\$4,023,257	\$4,657,620	\$4,902,280	\$4,413,468	\$4,491,403	\$5,048,018	\$5,217,985					\$36,372,858
Total Pooled Claims / Rx Rebates	\$0	\$0	\$0	\$0	\$438,483	\$0	\$0	\$0					\$438,483
Total Net Paid Claims	\$3,618,827	\$4,023,257	\$4,657,620	\$4,902,280	\$3,974,985	\$4,491,403	\$5,048,018	\$5,217,985					\$35,934,375
Average Med Claims Per EE	\$457.67	\$499.91	\$601.45	\$661.06	\$552.04	\$565.41	\$702.88	\$663.00					
Average Drug Claims Per EE	\$177.65	\$205.31	\$214.96	\$196.28	\$222.66	\$215.43	\$174.58	\$242.90					
Total Fixed Costs	\$401,338	\$401,763	\$401,931	\$402,789	\$401,609	\$406,321	\$420,488	\$420,926					\$3,257,165
Total Costs (Claims + Fixed)	\$4,020,165	\$4,425,020	\$5,059,551	\$5,305,069	\$4,376,594	\$4,897,724	\$5,468,506	\$5,638,911					\$39,191,540
Total Premium	\$4,625,305	\$4,630,550	\$4,631,202	\$4,628,405	\$4,616,854	\$4,638,802	\$4,692,747	\$4,706,356					\$37,170,221
Total Costs vs. Premium													
\$ Variance	\$605,140	\$205,530	(\$428,349)	(\$676,664)	\$240,260	(\$258,922)	(\$775,759)	(\$932,555)					(\$2,021,319)
% Variance	86.9%	95.6%	109.2%	114.6%	94.8%	105.6%	116.5%	119.8%					105.4%



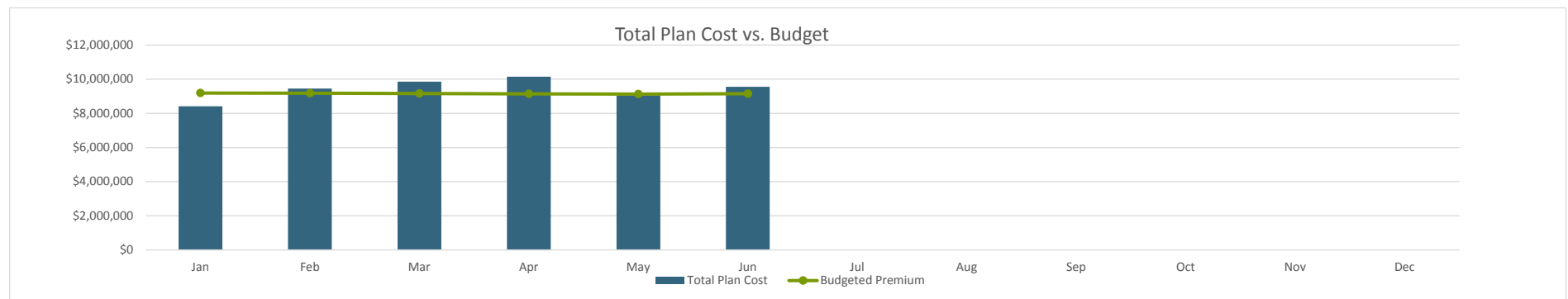
This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, 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

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Average / Total
Enrollment													
Employee Only													
Employee + Spouse													
Employee + Child(ren)													
Employee + Family													
Total Employees	10,303	10,299	10,284	10,284	10,262	10,316	10,329	10,306					10,303
Paid Claims													
Medical	\$4,176,111	\$5,027,646	\$5,270,392	\$5,778,381	\$5,527,000	\$5,035,233	\$6,254,234	\$6,615,146					\$43,684,143
Prescription Drug	\$2,050,280	\$2,245,249	\$2,411,418	\$2,196,680	\$2,335,207	\$2,345,710	\$2,073,602	\$2,508,057					\$18,166,203
Capitation	\$1,379,797	\$1,375,903	\$1,371,411	\$1,367,367	\$1,367,218	\$1,366,918	\$1,370,512	\$1,361,527					\$10,960,653
Total Gross Paid Claims	\$7,606,188	\$8,648,798	\$9,053,221	\$9,342,428	\$9,229,425	\$8,747,861	\$9,698,348	\$10,484,730					\$72,810,999
Total Pooled Claims	\$0	\$0	\$0	\$0	\$974,407	\$0	\$0	\$0					\$974,407
Total Net Paid Claims	\$7,606,188	\$8,648,798	\$9,053,221	\$9,342,428	\$8,255,018	\$8,747,861	\$9,698,348	\$10,484,730					\$71,836,592
Average Cost Per Employee	\$738.25	\$839.77	\$880.32	\$908.44	\$804.43	\$847.99	\$938.94	\$1,017.34					\$871.98
Total Fixed Costs	\$802,658	\$801,974	\$800,848	\$800,553	\$799,336	\$803,653	\$818,858	\$817,004					\$6,444,884
Total Costs (Claims + Fixed)	\$8,408,846	\$9,450,772	\$9,854,069	\$10,142,981	\$9,054,354	\$9,551,514	\$10,517,206	\$11,301,734					\$78,281,476
Total Premium	\$9,188,595	\$9,179,337	\$9,164,487	\$9,144,308	\$9,128,534	\$9,146,807	\$9,207,515	\$9,192,073					\$73,351,656
Total Costs vs. Premium													
\$ Variance	\$779,749	(\$271,435)	(\$689,582)	(\$998,673)	\$74,180	(\$404,707)	(\$1,309,691)	(\$2,109,661)					(\$4,929,820)
% Variance	91.5%	103.0%	107.5%	110.9%	99.2%	104.4%	114.2%	123.0%					106.7%



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.



BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00AM**

AGENDA DATE: October 28, 2016

ITEM NUMBER: Item 12

SUBJECT: Receive Update on Member Entity Termination Notifications & SJVIA Impact (I)

REQUEST(S): That the Board Receive an Update on Member Entity Terminations and the Impact to the SJVIA

DESCRIPTION:

During the September 2, 2016 meeting, the Board approved a waiver of the 120-day requirement for member entities to notify the SJVIA of termination and extended the deadline for notification to October 15, 2016 due to the renewal rate action being delayed. The SJVIA has received official notification of termination from fifteen member entities with a total of 2,502 employee lives.

The attached illustration lists the member entities who will be terminating their participation with the SJVIA effective January 1, 2017, as well the member entities who will remain with the SJVIA. Gallagher Benefit Services has performed an in depth analysis of the claims for the fifteen member entities leaving the SJVIA. The original renewal recommendations made on September 2, 2016 reflected claims data through June 2016. The updated analysis reflects updated claims information through August 2016. The results of this analysis shows that if the Board were to re-rate the HMO and PPO with the most recent claims data and excluding the entities leaving the SJVIA, the updated renewal rate requirement for all remaining entities for HMO would be 16.70%, the PPO rate action needed for the Counties of Fresno and Tulare would be 8.22%, and the PPO rate action for all other remaining entities would be 26.86%.

The estimated claims run out for the fifteen terminating entities is \$2.7 million dollars, the majority of which will likely be billed before February 15, 2017.

AGENDA: San Joaquin Valley Insurance Authority

DATE: October 28, 2016

Consistent with the approved rates at the Board meeting on September 2, 2016, the updated renewal rate calculations do not reflect adjustments for rebuilding incurred but not reported claims (IBNR), SJVIA loan repayments, or rebuilding the reserve.

It is the recommendation of Gallagher Benefit Services to not adjust the renewal rates at this time, and to reexamine the rating of the SJVIA plans in January 2017 to allow for any migration attributable to open enrollment to also be considered.

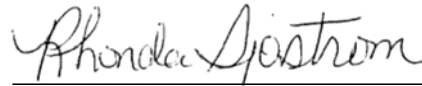
FISCAL IMPACT/FINANCING:

Estimated impact of run out claims for entities leaving the SJVIA is approximately \$2.7 million dollars.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

2017 Participating Entities

Entity	SJVIA Effective Date	Agreement Expiration Date	Participation			TOTAL
			PPO	HMO	Kaiser	
1 City of Ceres	1/1/2013	12/31/2016	4	77	25	106
2 City of Marysville	7/1/2015	12/31/2018	52	0	1	53
3 City of Reedley	1/1/2014	12/31/2016	24	88	7	119
4 City of Riverbank	1/1/2014	12/31/2016	28	18	0	46
5 City of Shafter	7/1/2013	12/31/2016	107	28	23	158
6 City of Wasco	1/1/2014	12/31/2016	57	0	0	57
7 City of Waterford	6/1/2013	12/31/2016	0	18	0	18
8 County of Fresno	Founding Entity	12/31/2016	645	3500	1432	5577
9 County of Sutter	7/1/2015	12/31/2018	854	0	47	901
10 County of Tulare	Founding Entity	12/31/2016	2522	296	200	3018
			4293	4025	1735	10053

2017 Terminating Entities

Entity	SJVIA Effective Date	Participation Agreement Expiration Date	Participation			TOTAL
			PPO Lives	HMO Lives	Kaiser Lives	
1 City of Clovis	1/1/2015	12/31/2017	90	193	156	439
2 City of Escalon	3/1/2015	12/31/2018	17	0	0	17
3 City of Farmersville	1/1/2014	12/31/2016	28	5	0	33
4 City of Gustine	10/1/2013	12/31/2016	1	17	0	18
5 City of Hanford	1/1/2015	12/31/2017	49	122	14	185
6 City of Hughson	1/1/2015	12/31/2017	15	0	0	15
7 City of Modesto	1/1/2015	12/31/2017	248	0	620	868
8 City of Newman	1/1/2014	12/31/2016	24	1	0	25
9 City of Oakdale	1/1/2015	12/31/2017	18	37	18	73
10 City of San Joaquin	7/1/2013	12/31/2017	0	17	0	17
11 City of Sanger	7/1/2013	12/31/2016	97	0	11	108
12 City of Tulare	7/1/2012	12/31/2016	337	0	0	337
13 San Joaquin Air Pollution CD	2/1/2015	12/31/2018	272	0	0	272
14 Superior Court, Kings County	1/1/2015	12/31/2017	35	0	0	35
15 Superior Court, Sutter County	7/1/2015	12/31/2018	54	6	0	60
			1285	398	819	2502

**SJVIA
RENEWAL UPDATE / ANALYSIS
JANUARY 1, 2017 EFFECTIVE DATE**

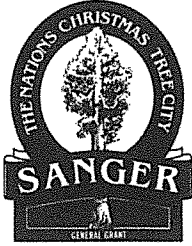
	ORIGINAL RENEWAL		Scenario 1		Scenario 2	
	USING CLAIMS EXPERIENCE 7/15-6/16		WITH UPADTED EXPERIENCE 9/15-8/16		UPDATED EXP (9/15 - 8/16) & EXCLUDING ENTITIES CANCELING	
	<u>HMO</u>	<u>PPO</u>	<u>HMO</u>	<u>PPO</u>	<u>HMO</u>	<u>PPO</u>
County of Fresno & County of Tulare	15.65%	11.80%	15.84%	8.22%	16.70%	8.22%
Non-Founding Entities	15.65%	26.21%	15.84%	24.96%	16.70%	26.86%

2017 Projected Run Out Claims payments for Entities leaving SJVIA:

\$2,788,403

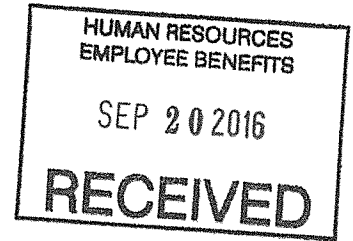
Scenario 1 – Updated experience using 12 months claims data through August 31, 2016. This includes all groups currently in the SJVIA and is being shown to document the change due to the updated experience alone.

Scenario 2 – Updated experience using 12 months claims data through August 31, 2016, **AND** excluding Entities that are leaving SJVIA 12/31/16.



City of SANGER, California

1700 7th Street
Sanger, California 93657
(559) 876-6300 Extension 1350
FAX (559) 876-6319



September 19, 2016

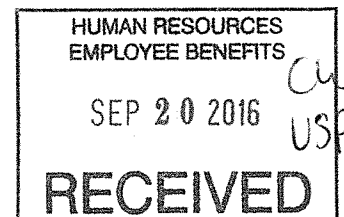
San Joaquin Valley Insurance Authority
Attn: Jeffrey Cardell, SJVIA Manager
2220 Tulare St., 14th Floor
Fresno, CA 93721

Dear Mr. Cardell:

Please accept this as notification of City of Sanger's intent to terminate the Participation Agreement with the San Joaquin Valley Insurance Authority effective December 31, 2016.

Sincerely,

Tim Chapa
City Manager



CITY OF GUSTINE

PO BOX 16 - 352 5TH STREET
GUSTINE CA 95322
OFFICE (209) 854-6471 – Fax (209) 854-2127
www.cityofgustine.com



September 27, 2016

San Joaquin Valley Insurance Authority
2200 Tulare St., Ste. 1400
Fresno, CA 93721
Sjvia-admin@co.fresno.ca.us

Re: Cancellation Request Effective 1/1/17
City of Gustine

The City of Gustine does not wish to renew a participation agreement with the San Joaquin Valley Insurance Authority beyond December 31, 2016. Please accept this written notice as a request to terminate participation in the San Joaquin Valley Insurance Authority effective January 1, 2017.

Please reply with confirmation of receipt of this notice, and confirmation of the cancellation effective date.

Kind Regards,

A handwritten signature in black ink, appearing to read "Sean Scully", is written over a horizontal line.

Sean Scully
City Manager
City of Gustine



CITY OF ESCALON

October 3, 2016

**Via Electronic Mail [sjvia-admin@co.fresno.ca.us]
and U.S. Mail**

San Joaquin Valley Insurance Authority
Paul Nerland, SJVIA Manager
2220 Tulare St
Fresno, CA 93721

Re: City of Escalon Termination from SJVIA

Mr. Nerland,

The City of Escalon is providing notice that it will terminate its relation with SJVIA on January 1, 2017 with the last effective date of December 31, 2016. This notice is prior to October 15, 2016 as required and stated in SJVIA letter dated September 13, 2016. The City of Escalon finds the 2017 rates unjustly distributed between the members of the group and has chosen to exercise the option presented to terminate due to the delay in establishing the renewal rates this year.

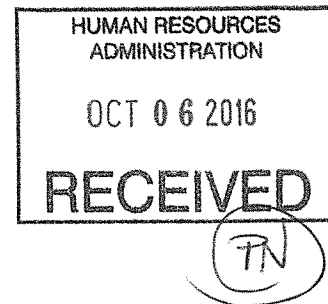
It is also the understanding that the City of Escalon will have no further financial obligation after the remittance of December 2016 premiums.

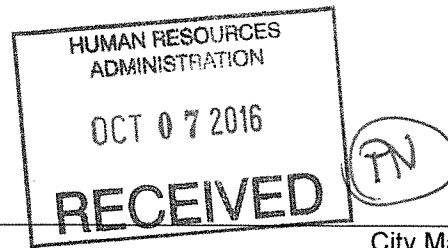
Please feel free to contact me with any questions.

Sincerely,

Tammy Alcantor
City Manager
209-691-7421/ talcantor@cityofescalon.org

cc: Mark Tucker – electronically: Mark_Tucker@AJG.com
Bohannon Insurance – electronically: alan@bohannoninsurance.com





City Manager's Office

October 5, 2016

San Joaquin Valley Insurance Authority
2200 Tulare Street, Suite 1400
Fresno, CA 93721

SUBJECT: Termination of Agreement – City of Tulare

This letter is to notify the San Joaquin Valley Insurance Authority (SJVIA) that the City of Tulare is terminating our participation agreement with the San Joaquin Valley Insurance Authority effective January 1, 2017. As outlined in your September 13, 2016 letter, we understand that our participation agreement with the SJVIA requires a 120-day written notice of termination (once the initial participation period has been met), however that 120-day requirement was waived by the SJVIA and that period extended to October 15, 2016. The City of Tulare has met the participation period requirement.

We regret having to take this action, however, based upon the recent action taken by the SJVIA Board of Directors relating to rate increases, it is the right decision for our organization and employees. We want to thank the SJVIA for the years of service to the City of Tulare and we wish you well in the years to come.

Sincerely,

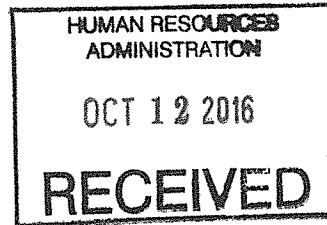
A handwritten signature in cursive script that reads "Paul A. Melikian".

Paul A. Melikian
Interim City Manager

Cc: City of Tulare Insurance Committee
City Council Members
Janice Avila, Human Resources Director



October 07, 2016



PN
To Lavvy
10/12/16

Paul Nerland
SJVIA Manager
2220 Tulare St.
Fresno, CA 93721

RE: Notice of Termination of Participation in San Joaquin Valley Insurance Authority

Dear Mr. Nerland,

Please accept this letter as notice that the San Joaquin Valley Air Pollution Control District (District) intends to terminate its participation in the San Joaquin Valley Insurance Authority (SJVIA) effective January 1, 2017. This notice is provided pursuant to Section 9(a) of the SJVIA Participation Agreement entered into between the District and the SJVIA on February 1, 2015. Notwithstanding the 120 day advance written notice requirement in the aforementioned section of the agreement, it is the District's understanding that because the Board was not able to set renewal rates for the 2017 plan year until after 120 days before the end of the year, the SJVIA Board has authorized and directed staff to accept termination notices from participating agencies up to October 15, 2016.

If you have any questions regarding this notice, please do not hesitate to contact Chenecua Dixon by telephone at 559-230-6014 or by email at chenecua.dixon@valleyair.org. In the absence of written notice to the contrary from SJVIA, the District will assume that SJVIA accepts this notice of termination and that the District's participation in the SJVIA will be terminated effective January 1, 2017.

Thank you for your prompt attention to this matter.

Sincerely,

Seyed Sadredin
Executive Director/APCO

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



Office of the Court Executive
Superior Court of the State of California
County of Kings

JEFFREY E. LEWIS
Clerk of Court
and
Jury Commissioner

October 12, 2016

Via Electronic Mail [sjvia-admin@co.fresno.ca.us] and U.S. Mail

San Joaquin Valley Insurance Authority
Paul Nerland, SJVIA Manager
2220 Tulare St.
Fresno, CA 93721

Re: Kings County Superior Court Termination from SJVIA

Dear Mr. Nerland,

The Kings County Superior Court (The Court) is providing notice that it will terminate its participation in the SJVIA on January 1, 2017, with the last effective date of December 31, 2016.

This notice is prior to October 15, 2016 as required and stated in the SJVIA letter dated September 13, 2016. The Court finds the 2017 rates unjustly distributed between the members of the group and has chosen to exercise the option presented to terminate the Court's participation in the SJVIA.

We regret having to take this action, however, based upon the recent action taken by the SJVIA Board of Directors relating to the rate increase, it is the correct decision for our organization and employees. We wish to thank the SJVIA for the years of service to the Court and wish them well in the years to come.

If there are any questions regarding this notice, please contact Rick Duran, HR Director at 559-582-1010 Ext. 6020 or via email rduran@kings.courts.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey E. Lewis'.

Jeffrey E. Lewis
Court Executive Officer

CC: Mark Tucker

Hanford Division
1640 Kings County Drive
Hanford, CA 93230
(559)582-1010, ext.6020



CITY OF CLOVIS

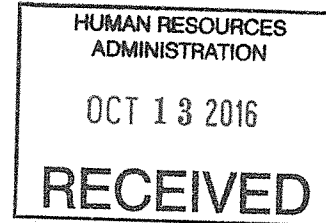
CITY HALL • 1033 FIFTH STREET • CLOVIS, CA 93612



October 12, 2016

Ms. Rhonda Sjostrom
SJVIA Manager
2900 West Burrell
Visalia, CA 93291

Mr. Paul Nerland
SJVIA Manager
2220 Tulare Street, Suite 1400
Fresno, CA 93721



Subject: Notice of Termination

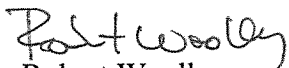
Dear Ms. Sjostrom and Mr. Nerland:

As you know, the City of Clovis joined the San Joaquin Valley Insurance Authority (SJVIA) in 2015 for the purposes of having pooled health insurance benefits among member agencies. The New Member Underwriting Methodology provided to the City at the time of joining specifically provides that the SJVIA will be underwritten as a "single risk pool". "The claims experience of all member entities is pooled and risk is shared among all members". Additionally, Section 1 of the City's Participation Agreement provides that "The SJVIA is underwritten and renewed as a single risk pool..."

On September 2, 2016, the SJVIA Board of Directors took action to rate the Counties of Fresno and Tulare separate from other member entities. The SJVIA sent a letter to the City of Clovis dated September 13, 2016, notifying the City of the 2017 rates based upon the new underwriting guidelines.

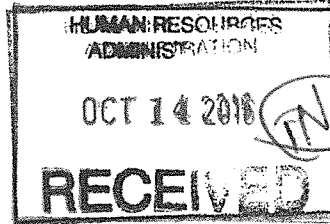
Separately rating the Counties of Fresno and Tulare from the other member entities is a material breach of the Participation Agreement. Therefore, the City of Clovis will be terminating the Participation Agreement and its relationship with the SJVIA effective at the end of the 2016 plan year, December 31, 2016.

Sincerely,


Robert Woolley
City Manager

Cc: Robert Ford, General Services Director
Lori Shively, Personnel/Risk Manager
David Wolfe, City Attorney

RKF/personnel/health plan(Oct. 2016)



City of Modesto
Human Resources Department
1010 Tenth Street, Suite 2200
Modesto, CA 95353

October 12, 2016

San Joaquin Valley Insurance Authority
Paul Nerland, SJVIA Manager
2220 Tulare St
Fresno, CA 93721

RE: Notice of Termination of SJVIA Participation Agreement between the City of Modesto and the San Joaquin Valley Insurance Authority


Dear Mr. Nerland,

This letter serves as a Notice of Termination on behalf of the City of Modesto (“City”) terminating the SJVIA Participation Agreement (“Agreement”), with the effective termination date of December 31, 2016. Although Section 9 of the Agreement requires a 120 days advance written notice, the San Joaquin Valley Insurance Authority (“SJVIA”) Board has authorized SJVIA members to terminate the Agreement effective December 31, 2016, if a Notice of Termination is submitted by October 15, 2016.

On January 1, 2015, the City and the SJVIA entered into the Agreement enrolling the City into the SJVIA. The City entered into the 3 year Agreement with the understanding that 1) the City was entering into an equitable pooled program; and 2) the City was to expect around a 4-6% increase per year. Recent actions by the SJVIA Board have resulted in members of the SJVIA not being treated equally, which resulted in an increase of 26.21% for the City. This increase is not what the City expected, and not what was represented to the City prior to entering into the Agreement.

Please accept this letter as the City’s Notice of Termination, terminating the Agreement between the City and the SJVIA. If you have any questions please contact me at (209) 577-5404.

Sincerely,



James N. Holgersson
City Manager

c: Joe Lopez, Deputy City Manager
Jose M. Sanchez, Assistant City Attorney

2717817.1



Office of the City Manager

280 North Third Avenue | Oakdale, CA 95361 | Ph (209) 845-3571 | Fax (209) 847-6834

Finance Department
280 N. Third Ave.
Oakdale, CA 95361
(209) 845-3571
(209) 847-6834 Fax

**Facility Rentals &
Recreation Division**
(209) 845-3591
(209) 847-6834 Fax

**PUBLIC SERVICES
DEPARTMENT**
455 S. 5th Ave.
Oakdale, CA 95361
(209) 848-4344 Fax

**Administration,
Engineering &
Maintenance
Divisions**
(209) 845-3600

**Building & Planning
Division**
(209) 845-3625

POLICE DEPARTMENT
245 N. Second Ave.
Oakdale, CA 95361
(209) 847-2231
(209) 847-3790 Fax

FIRE DEPARTMENT
SCFPD Headquarters:
3318 Topeka Street
Riverbank
(209) 869-7470
(209) 869-7475 Fax
Station No. 5:
325 East "G" St.
(209) 322-3809
(209) 322-3723 Fax
Station No. 4:
450 S. Willowood Dr.
Oakdale, CA 95361
(209) 847-5904
(209) 847-5907 Fax

**CITY OF OAKDALE
WEBSITE**
www.oakdalegov.com

E-MAIL
info@ci.oakdale.ca.us

October 13, 2016

Via Electronic Mail [sjvia-admin@co.fresno.ca.us] and USPS

San Joaquin Valley Insurance Authority
Paul Nerland, SJVIA Manager
2220 Tulare Street
Fresno, CA 93721

RE: City of Oakdale Termination from SJVIA

Dear Mr. Nerland:

The City of Oakdale is hereby providing notice that it will terminate its relationship with SJVIA on January 1, 2017 with the last effective date of December 31, 2016. This notice is prior to the October 15, 2016 date as stated and required in the SJVIA letter dated September 13, 2016. The City of Oakdale finds the 2017 rates unjustly distributed between the members of the group and has chosen to exercise the option to terminate.

It is also the understanding that the City of Oakdale will have no financial obligation to the SJVIA after the remittance of the December 2016 premiums.

Please feel free to contact me with any questions.

Sincerely,

Bryan Whitemyer
City Manager
209.845.3574/bwhitemyer@ci.oakdale.ca.us



21900 Colorado Avenue, P.O. Box 758, San Joaquin, CA 93660
(559) 693-4311, (559) 693-2193 (fax), www.cityofsanjoaquin.org

October 13, 2016

San Joaquin Valley Insurance Authority
2200 Tulare St. Suite 1400
Fresno, Ca 93721

Attention SJVIA Board President,

This letter serves as official notice to terminate SJVIA Participation Agreement between City of San Joaquin, a municipal corporation and San Joaquin Valley Insurance Authority, a joint powers agency (SJVIA). Termination will take effect 12:00 a.m. January 1, 2017. This termination applies to original agreement entered on June 5, 2013 and all Amendments that have followed.

We ask that upon termination of this agreement SJVIA destroy all Protected Health Information of any participants through City of San Joaquin. Please feel free to contact me with any questions or concerns at (559)693-4311 ext.218

Sincerely,

Elizabeth Nunez,
City Manager



October 14, 2016

San Joaquin Valley Insurance Authority
Paul Nerland, SJVIA Manager
2220 Tulare Street
Fresno, CA 93721

RE: Contract non-renewal.

Dear Paul:

After further consideration and a presentation of a new option, the City has decided that we will not be renewing our contract with the San Joaquin Valley Insurance Authority. Please accept this letter as our official notification that the City expects the current agreement to expire on December 31, 2016 and that the City will not be renewing its agreement with the SJVIA.

It is also the understanding that the City of Newman will have no further financial obligation(s) after the remittance of our December 2016 premiums.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. E. Holland'.

Michael E. Holland
City Manager

cc: R. Sjostrom, SJVIA/County of Tulare
Newman City Council
N. Goldstein, City Attorney
P. Norton, City Attorney

City of **HANFORD**

CALIFORNIA 93230
CITY OFFICES 319 NORTH DOUTY STREET



MAYOR
JUSTIN MENDES
VICEMAYOR
FRANCISCO RAMIREZ
COUNCIL MEMBERS
DAVID G. AYERS
RUSS CURRY
GARY PANNETT
CITY MANAGER
DARREL L. PYLE
CITY ATTORNEY
ROBERT M. COWD

October 14, 2016

Ms. Rhonda Sjostrom
SJVIA Manager
2900 W. Burrel
Visalia, CA 93291

Mr. Paul Nerland
SJVIA Manager
2220 Tulare Street, Suite 1400
Fresno, CA 93271

Subject: City of Hanford - SJVIA – Termination of Participation

Dear Ms. Sjostrom and Mr. Nerland;

The City of Hanford joined the San Joaquin Valley Insurance Authority in 2015 for the purpose of having pooled health insurance benefits among member agencies. The New Member Underwriting Methodology provided to the City at the time of joining specifically provides that the SJVIA will be underwritten as a single risk pool. It further states that “The claims experience of all member entities is pooled and risk is shared among all members.” In addition, Section 1 of the City’s Participation Agreement provides that “The SJVIA is underwritten and reviewed as a single risk pool...”

Recent Board actions directing the rating of the Counties of Tulare and Fresno as a separate pool from the other member agencies based upon new underwriting guidelines represents a material breach of Participation Agreement.

Based on the aforementioned breach, the City of Hanford has decided that we will not be renewing our contract with the San Joaquin Valley Insurance Authority. Please accept this email/letter as our official notification of termination of our agreement (effective December 31, 2016).

An original copy of this letter has also been mailed to the SJVIA per our agreement.

Respectfully submitted,

Darrel L. Pyle
City Manager
City of Hanford

Cc: Mr. Mario Zamora, City Attorney
Ms. Marissa Gonzales, Human Resources Manager



October 20, 2016

SJVA Manager
County of Fresno
2220 Tulare Street, Suite 1400
Fresno, CA. 93721

Re: SJVA – City of Hughson

Dear Ms. Sjostrom,

The Employee Benefit Plan Renewal Notification from the San Joaquin Valley Insurance Authority (SJVA) indicated that written notice of termination on January 1, 2017 that is received through October 15, 2016 will be honored. On October 5, 2016, the City of Hughson requested an extension to this time frame until October 31, 2016 to allow us more time to evaluate options. On October 14, 2016, through our broker Teresa Alley, Alley Insurance Services, Inc., the City was notified that an extension had been granted through October 24, 2016.

Based on many factors, **the City of Hughson is hereby formally terminating its participation in the San Joaquin Valley Insurance Authority and associated health insurance programs scheduled to end on December 31, 2016.** This decision is made after carefully evaluating options for our organization and based on the best information available to us at this time and uncertainty of what adjusted renewal rates will be after adjustments accounting for entities leaving are made.

Our understanding is that the SJVA will be reassessing census data and possibly adjusting renewal rates in the next few weeks. If new and stable renewal rates are available in short order, the City of Hughson would like the option to review and consider revoking our termination within 10 business days after our receipt of the proposed copy of any new rates, amendment(s), or a new agreement for the 2017 calendar year.

Regardless of the final outcome, I would like to express my appreciation to the SJVA for allowing us the opportunity to be a member for the past two years thereby providing a very cost-effective health insurance option for our organization and its employees.

If there are any questions, I can be reached at (209) 883-4054. Thank you for your consideration on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to be "Raul Mendez", written over a horizontal line.

Raul Mendez
City Manager



STEPHANIE M. HANSEL
COURT EXECUTIVE OFFICER

SUPERIOR COURT OF CALIFORNIA COUNTY OF SUTTER

1175 Civic Center Boulevard, Yuba City, CA 95993

Administration

(530) 822-3309 FAX: (530) 822-3509

October 21, 2016

San Joaquin Valley Insurance Authority
Attn: Paul Nerland, SJVIA Manager
220 Tulare Street, Suite 1400
Fresno, CA 93721

Delivered via email to sjvia-admin@co.fresno.ca.us

RE: Superior Court of California, Sutter County
Termination of Participation – Effective 1/1/2017

Dear Mr. Nerland:

I was deeply disappointed in the actions taken by the Board to the detriment of many members. The Board's self-dealing has made it difficult to have confidence in their decision making going forward. Please accept this letter as a notification that Superior Courts of California, Sutter County has decided not to renew their agreement with the San Joaquin Valley Insurance Authority for 2017.

Please process this request with an effective date of January 1, 2017.

Sincerely,

Stephanie M. Hansel
Court Executive Officer
Superior Court of California, County of Sutter



October 24, 2016

San Joaquin Valley Insurance Authority
Attn: Jeffrey Cardell, SJVIA Manager
2220 Tulare St., 14th Floor
Fresno, CA 93721

SUBJECT: Termination of Agreement – City of Farmersville

Dear Mr. Cardell:

Please accept this as notification as the City of Farmersville's intent to terminate the Participation Agreement with the San Joaquin Valley Insurance Authority (SJVIA) effective January 1, 2017 without any liability for claims or deficits. As described in your letter dated September 13, 2016, and it is our understanding, that the normal timeline of a 120-day notice period has been waived and the deadline to notify you of our decision to withdraw was due on October 15, 2016. Since then, we've been notified by Arthur Gallagher representatives that the deadline for small agencies to withdraw has been extended to October 24, 2016.

We regret needing to take this action, but feel that it is the right decision for the City given the recent decisions regarding rate increases by the SJVIA Board of Directors. Thank you for your service to the City of Farmersville regarding this important benefit to our organization.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Jansons", with a long horizontal flourish extending to the right.

John Jansons
City Manager

Cc: City of Farmersville Council Members
Steve Huntley, Finance Director

By email: sjvia-admin@co.fresno.ca.us



BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

AGENDA DATE: October 28, 2016

ITEM NUMBER: Item 13

SUBJECT: Approve Proposed Participation Agreement Revisions and Authorize President to Execute SJVIA Participation Agreements and Amendments to SJVIA Participation Agreements, as needed, Effective January 1, 2017 (A)

REQUEST(S): That the Board approve the recommended revisions to the SJVIA participation agreements for new and continuing entities

DESCRIPTION:

Each entity that participates in the SJVIA's program offerings currently executes a participation agreement with the SJVIA. Participating entities may participate in a variety of SJVIA programs including medical HMO and PPO options through Anthem Blue Cross and Kaiser; dental options through Delta Dental of California; and vision options through Vision Service Plan. The participation agreements that are presented to and signed by non-founding entities have a term of three years. Those presented to the founding entities have a term of one year. Each participation agreement includes exhibits that cover the programs the entity has chosen and the benefits and rates that apply to those programs.

Each year at renewal, all SJVIA plans are reviewed and underwritten to cover anticipated costs for the upcoming plan year. Also at renewal, all participating entities have the opportunity to elect or opt out of ancillary programs. That, along with rate changes, creates the need to amend the exhibits attached to each participation agreement for participating entities who are still within the term of their participation agreement. For the entities whose participation agreement is expiring, a new participation agreement is necessary.

AGENDA: San Joaquin Valley Insurance Authority

DATE: October 28, 2016

As part of the January 1, 2017 renewal process, it became apparent that the current participation agreement should be revised to clarify the respective obligations of the SJVIA and each participating entity. As well, the most recent revision of the Joint Exercise of Powers Agreement creating the SJVIA (effective January 1, 2016) includes some additional requirements for participation agreements that the current template (last revised in 2014) does not include. Staff is recommending that the participation agreement template for new entities, or continuing entities once the term of their current agreement expires, be revised to accomplish those purposes.

Several other changes have been made to the participation agreement template to clarify terms and provisions. The recommended agreement is attached for your review.

For the two entities currently participating in programs under the SJVIA with participation agreements that have not yet expired, staff requests direction to give those entities the option to execute an amendment that incorporates the new terms required by the Joint Exercise of Powers Agreement, or to terminate their current participation agreement and enter into a new one, effective January 1, 2017, using the new template.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager

SJVIA PARTICIPATION AGREEMENT

This agreement is dated _____ and is between [NAME OF PARTICIPATING ENTITY], a [type of entity] (“Participating Entity”), and the SAN JOAQUIN VALLEY INSURANCE AUTHORITY, a joint powers agency (“SJVIA”).

The SJVIA negotiates, purchases, or otherwise funds health, pharmacy, vision, dental, and life insurance (each an “Insurance Program,” and collectively “Insurance Programs”).

The SJVIA makes Insurance Programs available to participating entities, subject to the terms and conditions of an agreement by each participating entity to pay for its respective costs for the Insurance Programs in which it participates.

To carry out that purpose, the SJVIA enters into contracts with health insurance providers for Insurance Programs that are made available to participating entities. (Each of those contracts is an “Insurance Contract.”)

The SJVIA also provides public agencies, such as Participating Entity, access to **Insurance Programs**. Each year, the claims experience of all participating entities is aggregated and actuarially based underwriting standards are applied to determine the total projected cost of continuing to provide Insurance Programs during the upcoming renewal year. Based on that information, the SJVIA Board of Directors annually establishes premium rates for participating entities.

The Participating Entity wishes to participate in the Insurance Programs listed in exhibit A to this agreement (“**Selected Programs**”) for its participating employees.

The parties therefore agree as follows:

Article 1 Participating Entity’s Obligations

1.1 **Participation in Selected Programs.** Employees and dependents of the Participating Entity may participate in the Selected Programs, subject to (a) eligibility criteria established in each applicable Insurance Contract, (b) the terms and conditions of this agreement, and (c) the lawful terms and conditions established by Participating Entity for its employees.

1.2 **Premium Amounts.** Exhibit B to this agreement states the premium rates for the Participating Entity for the plan year initially covered by this agreement, which includes the period from _____ to _____. Participating Entity acknowledges that premium rates include a share of the SJVIA’s administrative expenses. Premium rates for subsequent plan years are established by the SJVIA Board of Directors and memorialized by written amendment to this agreement signed by both parties. Participating Entity acknowledges that the SJVIA Board of Directors annually establishes premium rates for participating entities.

1.3 **Premium Payments.** Premium payments under this agreement are payable on a schedule corresponding to the schedule of premium payments under each applicable Insurance

Contract. Within 15 days after each premium payment for the Selected Programs becomes due and payable by the SJVIA under the applicable Insurance Contract, the Participating Entity shall pay the full amount of its premium payment under this agreement to the SJVIA. The Participating Entity understands and acknowledges that its failure to make full and timely premium payments under this agreement may result in a failure of coverage under Selected Programs.

1.4 Insurance Contract Requirements. The Participating Entity shall perform under this agreement consistently with the terms of each applicable Insurance Contract and shall not take any action that would impair the rights of the SJVIA, or of the Participating Entity through the SJVIA, under each applicable Insurance Contract. If any other section of this agreement conflicts with the requirements of this section 1.4, the requirements of this section take precedence.

1.5 Changes to Selected Programs. The Participating Entity may only participate in additional Insurance Programs, or make changes to Selected Programs, by written amendment to this agreement signed by both parties.

1.6 Assessments. If the Selected Programs are not adequately funded for any reason, the SJVIA may impose an assessment on the Participating Entity to ensure necessary funding for the Selected Programs. Assessments shall only be made upon determination and approval of the SJVIA Board of Directors after considering alternatives, including factoring inadequate funding into renewal rates. The Participating Entity is obligated to pay assessments under this section for 12 months after the end of participation in the SJVIA.

1.7 Information, Assistance, Cooperation. The Participating Entity shall provide to the SJVIA information or assistance that the SJVIA, in its sole discretion, deems necessary to develop and implement the Selected Programs. The Participating Entity shall cooperate with and assist the SJVIA, any insurer or insurance provider to the SJVIA, and other contractors of the SJVIA in all matters relating to this agreement, and shall comply with all bylaws, if any, and other rules or policies established by the SJVIA Board of Directors.

Article 2 SJVIA's Obligations

2.1 Insurance Contracts. The SJVIA shall negotiate, approve, and execute Insurance Contracts for the Selected Programs. In doing so, the SJVIA is not acting on behalf of, or as an agent for, the Participating Entity or the employees of the Participating Entity. Nothing in this agreement obligates the SJVIA to maintain any particular Insurance Contracts, or any particular terms or conditions of any Insurance Contracts, in any future plan years.

2.2 The SJVIA shall make available to the Participating Entity a copy of each applicable fully-executed Insurance Contract.

2.3 Enforcement of Rights. The SJVIA shall enforce its rights under each applicable Insurance Contract for the benefit of the Participating Entity. In doing so, the SJVIA is not acting as an agent for the Participating Entity or the employees of the Participating Entity.

2.4 **Conditional Obligations.** The SJVIA shall perform its obligations under each applicable Insurance Contract, including timely payment of premiums and any similar charges, necessary to keep each applicable Insurance Contract in full force and effect. The obligation of the SJVIA to pay premiums and similar charges under this section 2.4 is contingent on the Participating Entity's payment of premiums to the SJVIA as required by this agreement. The SJVIA's payment of any premium or similar charge under any applicable Insurance Contract while the Participating Entity is in breach of any payment obligation under this agreement is not a waiver of that obligation.

Article 3 Term and Termination

3.1 **Term.** This agreement is effective on _____ and terminates on _____.

3.2 **Termination for Non-Allocation of Funds.** The Participating Entity's obligations under this agreement are contingent on the approval of funds by the appropriating government agency or agencies. If sufficient funds are not allocated for a future plan year, then the Participating Entity may terminate this agreement upon written notice to the SJVIA delivered not less than 120 days before the beginning of the next plan year.

3.3 **Termination for Breach; Reinstatement.**

(A) Upon determining that the Participating Entity has failed to comply with any part of this agreement, the SJVIA Manager may give written notice of the breach to the Participating Entity. The written notice shall provide a reasonable time for the Participating Entity to cure the breach.

(B) If the Participating Entity fails to cure the breach within the reasonable time stated in the written notice, the SJVIA may terminate this agreement without further notice, effective at the expiration of the last period for which full premium payment is made under each applicable Insurance Contract.

(C) If the SJVIA has terminated this agreement under this section 3.3 due to the Participating Entity's failure to make premium payments under this agreement, the SJVIA may, in its sole discretion, and subject to each applicable Insurance Contract, accept late or delinquent premium payments. Upon acceptance of such payments by the SJVIA, this agreement may be reinstated retroactively to the last date for which full premium payment was made under each applicable Insurance Contract. The SJVIA's acceptance of any such payments is not a waiver of the SJVIA's right to terminate this agreement if the Participating Entity later fails to pay premiums or any other amounts due under this agreement.

Article 4 Notices

4.1 **Contact Information.** The persons and their addresses having authority to give and receive notices provided for or permitted under this agreement include the following:

For the SJVIA:

SJVIA Manager
SAN JOAQUIN VALLEY INSURANCE AUTHORITY
[Street Address]
[City, State ZIP]
[Fax Number]

For the Participating Entity:

[Name if Desired]
[Title]
[ORGANIZATION]
[Street Address]
[City, State ZIP]
[Fax Number]

4.2 **Method of Delivery.** All notices between the SJVIA and the Participating Entity provided for or permitted under this agreement must be in writing and delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by telephonic facsimile transmission.

(A) A notice delivered by personal service is effective upon service to the recipient.

(B) A notice delivered by first-class United States mail is effective three SJVIA business days after deposit in the United States mail, postage prepaid, addressed to the recipient

(C) A notice delivered by an overnight commercial courier service is effective on County business day after deposit with the overnight commercial courier service, delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient.

(D) A notice delivered by telephonic facsimile is effective when transmission to the recipient is completed (but, if such transmission is completed outside of SJVIA business hours, then such delivery shall be deemed to be effective at the next beginning of a SJVIA business day), provided that the sender maintains a machine record of the completed transmission.

4.3 **Claims Presentation.** For all claims arising from or related to this agreement, nothing in this agreement establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including but not limited to the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

Article 5
General Provisions

5.1 **Modification.** This agreement may not be modified, and no waiver is effective, except by another written agreement that is signed by both parties.

5.2 **Non-Assignment.** Neither party may assign its rights or delegate its obligations under this agreement without the prior written consent of the other party.

5.3 **Governing Law.** The laws of the State of California govern all matters arising from or related to this agreement.

5.4 **Construction.** The final form of this agreement is the result of the parties' combined efforts. If anything in this agreement is found by a court of competent jurisdiction to be ambiguous, that ambiguity is to be resolved by construing the terms of this agreement according to their generally accepted meaning, and not by construing the terms of this agreement for or against either party.

5.5 **Headings.** The headings and section titles in this agreement are for convenience only and are not part of this agreement.

5.6 **Severability.** If anything in this agreement is found by a court of competent jurisdiction to be unlawful or otherwise unenforceable, the balance of this agreement remains in effect.

5.7 **Entire Agreement.** This agreement is the entire agreement between the Participating Entity and the SJVIA with respect to the subject matter of this agreement, and it supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature unless those things are expressly included in this agreement.

5.8 **Third-Party Beneficiaries.** This agreement does not and is not intended to create any rights or obligations for any person or entity except for the parties.

5.9 **Authorized Signatures.** The Participating Entity represents and warrants to the SJVIA that:

(A) The Participating Entity is duly authorized and empowered to sign and perform its obligations under this agreement.

(B) The individual signing this agreement on behalf of the Participating Entity is duly authorized to do so and his or her signature on this agreement will legally bind the Participating Entity to the terms of this agreement.

5.10 **Counterparts.** This agreement may be signed in counterparts, each of which is an original, and all of which together constitute this agreement.

[SIGNATURE PAGE FOLLOWS]

The parties are signing this agreement on the date stated in the introductory clause.

PARTICIPATING ENTITY

SAN JOAQUIN VALLEY INSURANCE
AUTHORITY

(Authorized signature)

[Name of President]

(Print name and title)

President, Board of Directors

Reviewed and recommended for approval.

SJVIA Manager

DRAFT



BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

AGENDA DATE: October 28, 2016

ITEM NUMBER: Item 14

SUBJECT: Receive Report on the Status of the SJVIA Consultant RFP and Direction to Staff Regarding the Selection Committee (A)

REQUEST(S): That the Board receive the status of the SJVIA consultant RFP and provide direction on the selection committee

DESCRIPTION:

At the [July 14, 2016 SJVIA Board meeting](#), your Board received several recommendations responding to the SJVIA cash flow situation. One of the staff recommendations addressed the SJVIA consultant compensation. Currently, the SJVIA compensates the SJVIA consultant, Gallagher Benefit Services, on a “per employee per month” (PEPM) fee schedule. This creates, at minimum, the appearance of an incentive for new business joining the SJVIA. Staff recommended moving from a PEPM fee schedule to a flat fee arrangement with the SJVIA consultant. As this is a completely new model for the SJVIA, staff also recommended that the SJVIA conduct an RFP for these services on a flat fee schedule. Your board approved moving to a flat fee arrangement and conducting an RFP for consulting services.

Staff is in the process of finalizing the RFP for consulting services and anticipates releasing the RFP within the next week. A selection committee will be formed to review proposals, and staff is recommending a Board member from both Fresno and Tulare County, along with other SJVIA staff, participate in finalist interviews.

FISCAL IMPACT/FINANCING:

There is no cost associated with conducting the RFP. Potential cost to the SJVIA is dependent upon bidders’ cost proposals. The SJVIA currently pays

AGENDA: San Joaquin Valley Insurance Authority

DATE: October 28, 2016

\$3.75 per employee per month for these services to Gallagher Benefit Services.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager



BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

AGENDA DATE: October 28, 2016

ITEM NUMBER: 15

SUBJECT: Receive Correspondence from the County of Sutter Requesting Claims Information and a New Open Enrollment Period in the Next Six Months and Give Appropriate Direction to Staff (A)

REQUEST(S): That the Board consider requests from the County of Sutter and give direction to staff

DESCRIPTION:

On October 14, 2016, the SJVIA received the attached communication (Attachment 1) from the County of Sutter requesting detailed claims information for the period from July 1, 2015 to present and a new Open Enrollment period during a month of their choosing during the first six months of 2017. SJVIA staff responded (Attachment 2) that both requests would be considered by your Board as they are a departure from the current practice.

Request for Claims Information

The SJVIA has not shared detailed claims information with participating entities to date. This is common practice among large purchasing pools (i.e. - CSAC-EIA & CalPERS) as sharing claims information could contribute to the instability of the pool. In short, entities may be performing better or worse than the pool at different times and shop for options if the entity is performing better than the pool. As noted in the County of Sutter's letter, the founding entities of the SJVIA have had limited access to claims information. However, the circumstances of the access are different in that the founding entities have a financial stake in the SJVIA and have both approved loans to the JPA. Staff has considered the County of Sutter's request and would recommend that the SJVIA make a limited, one-time exception for the County of Sutter based on the circumstances and timing of the increased rates.

AGENDA: San Joaquin Valley Insurance Authority

DATE: October 28, 2016

Request for New Open Enrollment Period in 2017

The County of Sutter has requested a new Open Enrollment period at some time in the first six months of 2017. Staff has asked County of Sutter for clarification as to their request. Normally entities would not be allowed to have a new Open Enrollment period as the potential migration could impact assumptions and rates later in the year. However, the additional information from County of Sutter will be shared with your Board when received or at the meeting.

County of Sutter enrollment in the SJVIA is:

Plan	Kaiser	PPO
Participants	47	854

FISCAL IMPACT/FINANCING:

Direction to staff could result in migration between plans at a later date and/or could impact decisions being considered by County of Sutter. County of Sutter enrollment in the SJVIA represents annual premiums of approximately \$12,280,442 (Anthem = \$11,646,264 / Kaiser = \$634,178) in Plan Year 2017.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager



County of Sutter
Office of the County Administrator

ATTACHMENT I

1160 Civic Center Boulevard
Yuba City, California 95993
Phone: (530) 822-7100 Fax: (530) 822-7103

October 14, 2016

Rhonda Sjostrom, Manager
San Joaquin Valley Insurance Authority
2220 Tulare Street, Suite 1400
Fresno, CA 93721

Dear Ms. Sjostrom:

As you know, Sutter County has been a member of the San Joaquin Valley Insurance Authority (SJVIA) since July 1, 2015. A major factor in our decision to join SJVIA was a representation by one of your staff members that the Authority operated under a "pooled" rating model in which all member entities receive the same rate action based on the experience of the entire pool.

In September, 2016, we were notified that the Board of Directors of SJVIA, which consists entirely of elected supervisors from Fresno and Tulare Counties, had essentially bifurcated the pool in setting 2017 PPO rates. Consequently, a rate increase of 26.21% was imposed on all of the participating agencies except Fresno and Tulare Counties, each of which received a much lower rate increase. This action was taken without any consultation with, or forewarning to, Sutter County or, apparently, any other member agency. We were notified of the decision on the eve of our annual open enrollment period, and at the advent of contract negotiations with our employee bargaining groups. The 26.21% rate increase will have a great fiscal impact on the County and our employees, and has complicated our open enrollment and collective bargaining processes.

As Sutter County evaluates our options in the wake of the SJVIA Board's actions, I am requesting that:

- 1) SJVIA immediately provide us with our detailed claims information for the period from July 1, 2015, to the present. If the SJVIA staff does not have the authority to provide this information, please place this request on the agenda for the SJVIA Board of Director's October 28, 2016 meeting. If the Board of Directors does not approve this request, please provide us with a cogent explanation of its decision. It is our understanding Fresno and Tulare Counties have received their detailed claims information, and that the analysis of this claims experience led to the bifurcation of the 2017 PPO rates action. We note that it is patently unfair for the experience of select members of the pool to be carved out and used to validate a rating action that favors one set of entities at the expense of the other pool participants.

- 2) The SJVIA Board of Directors authorize and approve Sutter County to have a new open enrollment period during a month of our choosing in the first six months of 2017.

Thank you for your assistance. Please contact me if you have any questions concerning my request.

Sincerely,



CURTIS R. COAD

INTERIM COUNTY ADMINISTRATIVE OFFICER

- cc: Sutter County Board of Supervisors
Paul Nerland, SJVIA Assistant Manager
Vicky Crow, SJVIA Treasurer
Alan Thaxter, Gallagher Benefit Services



BOARD OF DIRECTORS

ANDREAS BORGEAS

BUDDY MENDES

MIKE ENNIS

BRIAN PACHECO

DEBORAH A. POCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

October 24, 2016

Curtis R. Coad, Interim CAO
County of Sutter
1160 Civic Center Blvd
Yuba City, CA 95993

Re: County of Sutter Request

Dear Mr. Coad:

This letter is in response to your request to receive detailed claims information for the period of July 1, 2015 to present and to authorize a new Open Enrollment period of your choosing at some time in the first six months of 2017. I understand from your communication that the 2017 increase has created some complications that may require additional time and information to sort out.

In consideration of the circumstances and timing of your request, we will be adding an agenda item to our next SJVIA Board meeting scheduled for Friday, October 28, 2016 at 9:00am in Visalia. Both of these requests are a departure from current practice, however, in light of the circumstances as you described them, staff would recommend consideration of both of your requests at the Board meeting. As we add the item to the agenda I would ask that you provide as much information as possible as to what County of Sutter is planning. For example, will the "new" Open Enrollment period be a second period or are you rescheduling Open Enrollment?

Thank you in advance for any information that you can provide. If you have any questions, please call me at (559) 600-1807 or Rhonda Sjostrom at (559) 600-4900.

Sincerely,

A handwritten signature in black ink that reads "Paul Nerland". The signature is fluid and cursive, with the first name being the most prominent.

Paul Nerland
SJVIA Manager

Copy (via email): Sutter County Board of Supervisors
Rhonda Sjostrom, SJVIA Assistant Manager
Alan Thaxter, Gallagher Benefit Services
Oscar Garcia, SJVIA Auditor-Treasurer



BOARD OF DIRECTORS

ANDREAS BORGEAS
MIKE ENNIS
BUDDY MENDES
BRIAN PACHECO
DEBORAH A. POOCHIGIAN
PETE VANDER POEL
J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

AGENDA DATE: October 28, 2016

ITEM NUMBER: 16

SUBJECT: Receive and Consider Request by the County of Fresno to Freeze Enrollment in the Kaiser Plan Prospectively and Approve Revised Rates if Necessary (A)

REQUEST(S): That the Board consider a request by the County of Fresno to freeze enrollment in the Kaiser plan prospectively and approve revised rates if necessary

DESCRIPTION:

On March 18, 2016, the SJVIA Board received the [Aon Report](#) focused on an Actuarial Review of the SJVIA at that time. The report referenced the ongoing impact to the SJVIA self-insured health plans of Kaiser migration and indicating that there appears to be migration of better risk employees from the Anthem self-funded plan to the Kaiser plan. Unchecked migration could create a death spiral of the self-funded Anthem plan. At the Board meeting on September 2, 2016, the [SJVIA approved the Kaiser renewal](#) of 8.34% for SJVIA member entities with the exception of the County of Fresno. Based on concerns with adverse risk/migration, Kaiser proposed a separate 12.34% rate increase specific to the County of Fresno. The higher rate action is intended to preserve the current pricing difference that exists at County of Fresno where Kaiser is \$33.22 less expensive than the Anthem HMO plan for Employee Only coverage on a monthly basis. Additionally, a \$10 PEPM risk adjustment to SJVIA Kaiser Subscribers to offset adverse risk/migration effects of member migration was approved.

Although your Board's action responds to the Kaiser migration concern, the County of Fresno is requesting consideration of also freezing Kaiser enrollment for Plan Year 2017. The purpose of this item is to give your Board all of the information before considering this request. Staff reached out to Kaiser to determine the potential impact of this request. In summary, Kaiser indicated that the rates that were approved by your Board on September 2nd were based

AGENDA: San Joaquin Valley Insurance Authority

DATE: October 28, 2016

on the status quo assumptions (i.e. New enrollment being allowed at the County of Fresno for Kaiser). Freezing enrollment would negate the rates approved for all entities. The exact impact was unknown at the time that this item was published but Kaiser has committed to have this information available for the meeting on October 28th.

Other considerations for your Board include the fact that there are remaining participating entities that have some Kaiser enrollment but have already concluded Open Enrollment. Should new rates be adopted, it may require re-approval of those rates by each impacted participating entity and re-opening enrollment. Additionally, the County of Fresno is currently in the middle of Open Enrollment. New rates would require approval at the County of Fresno Board of Supervisors and an extended Open Enrollment period.

This issue was discussed with the County of Fresno, Health Benefits Advisory Committee (HBAC) on October 25th to determine their position on the issue. The HBAC voted unanimously to recommend against this action (freezing Kaiser enrollment prospectively) primarily based on the timing and impact to the rates. Approximately 25% of County of Fresno enrollment is in the Kaiser plan.

Based on these considerations, staff would recommend that this be considered as part of the strategic planning process for Plan Year 2018, rather than at this late date for Plan Year 2017. Relevant information from Kaiser will be made available when received and it is expected that Kaiser staff will be in attendance to answer any questions.

FISCAL IMPACT/FINANCING:

The fiscal impact to the SJVIA is contingent upon Board action and revised rates to be provided by Kaiser. Budget and final rates will be adjusted, if necessary, based on the action taken.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager



BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
October 28, 2016 9:00 AM**

AGENDA DATE: October 28, 2016

ITEM NUMBER: 17

SUBJECT: Authorize President to Execute Amendment to Administrative Services Agreement with Anthem Blue Cross Regarding Anthem Provider Network Requirements (A)

REQUEST(S): That the Board authorize the President to sign an amendment to the Administrative Services Agreement with Anthem Blue Cross

DESCRIPTION:

Effective January 1, 2016 Anthem Blue Cross (Anthem) has renewed their provider contract with Sutter Health (Sutter). That contract, which is confidential, obligates Anthem to seek from its self-funded customers, including the SJVIA, a commitment to comply with a number of requirements relating to dispute resolution, claims payment, utilization management, coordination of benefits and other items.

For any self-funded customer that fails to make that commitment by November 16, 2016, Sutter will no longer provide services to members at the lower rates negotiated by Anthem. Instead, Anthem will be required to pay the claims for services to those members at higher out-of-network rates.

Initially, Anthem sought to obtain the SJVIA's commitment by requiring the SJVIA to give a certification that it would comply with "applicable" terms of the confidential contract between Anthem and Sutter, even though the SJVIA is not a party to that agreement.

AGENDA: San Joaquin Valley Insurance Authority

DATE: October 28, 2016

On March 18, 2016, the Board authorized the SJVIA President to sign a confidentiality agreement with Anthem, subject to the approval of SJVIA counsel. The purpose of that agreement was to allow the SJVIA to review the confidential contract between Anthem and Sutter, and see what might be the “applicable” terms of that contract for purposes of the certification. The SJVIA entered into that confidentiality agreement in May and shortly after received a redacted copy of the contract between Anthem and Sutter.

After reviewing the contract between Anthem and Sutter, SJVIA staff and counsel raised objections to the proposed certification. In response, Anthem presented an alternative, in the form of an amendment to the SJVIA’s Administrative Services Agreement with Anthem.

The proposed amendment to the Administrative Services Agreement:

1. Obligates Anthem to include the requirements of its provider contracts, such as its contract with Sutter, in processing claims from those providers;
2. Provides that if the Administrative Services Agreement between Anthem and the SJVIA conflicts with a contract between Anthem and a provider, such as Anthem’s contract with Sutter, then the provider contract governs the rights and obligations as between Anthem, the SJVIA, and the provider; and
3. Clarifies that Anthem has sole authority to build and maintain its Provider network on its own behalf, and is not acting on behalf of or as an agent for any employer or member, including in the negotiation of its provider contracts.

Anthem and its counsel represent that the proposed amendment will satisfy Anthem’s obligation under its confidential contract with Sutter to obtain commitment from the SJVIA.

Staff recommends approving the proposed amendment to the Administrative Services Agreement and asks the Board to authorize the President to sign the proposed amendment.

FISCAL IMPACT/FINANCING:

No Financial Impact at this time. Failure to sign the agreement will result in Sutter Health claims being processed as non-participating out of network claims.

AGENDA: San Joaquin Valley Insurance Authority

DATE: October 28, 2016

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjoström
SJVIA Assistant Manager

**Amendment 7 to the Administrative Services Agreement
with San Joaquin Valley Insurance Authority (“SJVIA”)**

This Amendment is made part of the Administrative Services Agreement and is effective October 28, 2016. This Amendment supplements and amends the Agreement between SJVIA and Anthem Blue Cross Life and Health Insurance Company dba Anthem Blue Cross. If there are any inconsistencies between the terms of the Agreement or its Schedules and this Amendment, the terms of this Amendment shall control.

1. The following provision replaces ARTICLE 2 – Administrative Services Provided by Anthem – provision 2(b)(1) in its entirety:

Process Claims with a Claims Incurred Date indicated in Section 1 of Schedule A and provide customer service, including investigating and reviewing such Claims to determine what amount, if any, is due and payable according to the terms and conditions of the Benefits Booklet and this Agreement. Anthem shall perform coordination of benefits (“COB”) with other payors, including Medicare. In processing Claims, Anthem shall utilize Anthem’s medical policies and medical policy exception process, its definition of medical necessity, its precertification and/or preauthorization policies, Provider contract requirements, and applicable Claim timely filing limits.

2. The following provision replaces ARTICLE 2 – Administrative Services Provided by Anthem – provision 2(o) in its entirety:

Unless otherwise agreed to by the Parties and specified in the Benefits Booklet, Anthem’s standard policies and procedures, as well as Provider contracts, as they may be amended from time to time, will be used in the provision of services specified in this Agreement. In the event of any conflict between this Agreement and any of Anthem’s policies and procedures, this Agreement will govern. In the event of any conflict between this Agreement and the Provider contracts, the provider contracts will govern the rights and obligations as between the Parties and Providers.

3. The following provision replaces ARTICLE 2 – Administrative Services Provided by Anthem – provision 2(s) in its entirety:

Anthem shall have the authority, in its sole discretion, to build and maintain its Provider network on its own behalf. In building and maintaining its Provider network, Anthem is not acting on behalf of or as an agent for any employer or member. Nothing in this Agreement shall be interpreted to require Anthem to maintain negotiated fees or reimbursement arrangements or other relationships with certain Providers or Vendors or to negotiate on behalf of or for the benefit of Employer or Employer’s Members. Anthem will be solely responsible for acting as a liaison with Providers including, but not limited to, responding to Provider inquiries, negotiating contract language and negotiating rates with Providers or auditing Providers, and Employer agrees that it will be governed by the terms and conditions of these agreements.

[SIGNATURE PAGE FOLLOWS]

SAN JOAQUIN VALLEY INSURANCE
AUTHORITY

By: _____
Peter Vander Poel, President of the
SJVIA Board of Directors

Date: _____

ANTHEM BLUE CROSS LIFE AND
HEALTH INSURANCE COMPANY

By: _____
Title: _____

Date: _____

REVIEWED AND RECOMMENDED FOR
APPROVAL

Paul Nerland, SJVIA Manager