

AGENDA

BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POCHIGIAN

PETE VANDER POEL

**Meeting Location:
Tulare County
Human Resource and
Development Test Room
2900 W Burrel
Visalia, CA
April 19, 2013 9:00 AM**

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to be placed on the agenda for a specific topic should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the desired date of appearance.
5. Approval of Minutes – Board Meeting of February 1st, 2013
6. Receive and File Second Quarter Financial Statements and Investment Activity (I)
7. Receive and File SJVIA Executive Claims Summary through February 2013 (I)
8. Authorization of the Release of Proposals and Execution of Participation Agreement(s)(A)
9. Approve Amended & Restated JPA Agreement to Allow the Addition of the Central San Joaquin Valley Risk Management Authority as a Member of the San Joaquin Valley Insurance Authority
10. Results of the SJVIA Health Evaluations for 2013 (I)
11. Funding Request for Wellness Activities (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 600-1810 or the Assistant SJVIA Manager at 636-4900. 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.

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12. Revised Underwriting Guidelines (A)
13. Directors Reports. (I)
14. Adjournment

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**Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
February 1, 2013
9:00 AM**

1. Call to Order

Meeting was called to order by President Vander Poel at 9:04am.

2. Roll Call

Roll was called by Brittany Howell, Gallagher Benefit Services. In attendance were Director Ennis, Director Ishida, Director Larson and Director Vander Poel. Director Borgeas was not present at the time of roll but arrived at 9:09am.

3. Approval of Agenda

President Vander Poel asked if there were any additions or corrections to the agenda. Director Ennis moved to approve the agenda with no changes; the motion was seconded by Director Larson. The motion passed unanimously.

4. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to be placed on the agenda for a specific topic should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the desired date of appearance.

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

5. Approval of Minutes – Board Meeting of November 9, 2012

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Director Ennis moved to approve the November 9, 2012 Meeting Minutes, the motion was seconded by Director Larson. The motion passed unanimously.

6. Receive and File Second Quarter Financial Statements (I)

Joseph Nuttman, ACTTC from Fresno County, gave a detailed overview of the quarterly financial reports. He mentioned that this version of the budget reflected revisions needed to include City of Tulare as well as an adjustment to the Chimienti expenses for refundable estimated overpayment. He went on to explain that reserves are in a surplus by approximately \$643,000 primarily due to the increased revenue and based on YTD data the revenue, fixed costs and claims are roughly equal to budget.

7. Report on Investment Activity (I)

Joseph Nuttman, ACTTC from Fresno County, gave a detailed overview of the investment activity. At the last meeting the Board approved Vickie Crow's request to invest \$5 million dollars into County of Tulare's investment pool which was completed on December 21, 2012. The yield earned when the quarter ended in 2012 was 1.18% and interest earned and received in January was \$1,781.68. He mentioned that discussions would continue on this activity going forward.

8. Approval of Revised 2012-13 Fiscal Year Budget (A)

Jeff Cardell, SJVIA Manager, explained the reason for this item is that it now reflects the various changes discussed at the last meeting including open enrollment changes, new entities as well as the decrease in our stop

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loss rates, as those final numbers did not come in from HCC until November.

Director Vander Poel asked if the stop loss rate change was a seasonal fluctuation that the SJVIA could maintain this year to possibly achieve a 0% increase at next renewal. Michele Mills, Gallagher Benefit Services, explained the stop loss renewal process. She stated the fact that Gallagher begins to look at the renewal in June however, at that point the SJVIA are only five months into the plan year. So as the stop loss carrier, HM Life, starts to look at rates and potential claims for the next year and if they have to project out six or seven months, they are going to be pretty conservative on any increase they issue at that time. Then as claims go on through the rest of the year, they'll adjust it and typically will not lock in rates until sixty or ninety days before the new plan year.

Director Ennis moved to approve the Revised Fiscal Year Budget, the motion was seconded by Director Larson. The motion passed unanimously.

9. Receive and File SJVIA Executive Claims Summary through December 2012 (I)

Alan Thaxter, Gallagher Benefit Services, gave a detailed overview of the claims summary. He pointed out the large claim summary for both PPO and HMO on pg. 2 of the report that shows a reimbursement total of \$2.7 million for the 2012 plan year. This reimbursement total ties to pg. 23 where it shows the plan's overall expenses were slightly greater than the premium, however, it was only about \$309,000 which had to do with either some seasonality or excessive claims. Overall, everything is running exactly as the SJVIA had anticipated it and these claim reports now take into consideration the City of Tulare as well. In addition, the City of Ceres

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joined effective January 1, 2013 and the SJVIA will start to capture that claims experience going forward.

10. Receive and File Report on SJVIA Marketing Activity (I)

Alan Thaxter gave an update on the status on SJVIA marketing activity. He mentioned that the SJVIA recently added both City of Tulare and City of Ceres and are in the process of speaking with a few other interested entities. He stated that Gallagher has been working closely with SJVIA management and our efforts have been fairly robust and thoughtful in the marketing process as well as working with the RMA to bring in that membership either as a whole or on an individual basis. In addition, the SJVIA have been targeting larger entities such as CALPELRA and those the SJVIA feel would be a good fit for the SJVIA.

Jeff Cardell added that there is an attachment to this report that identifies those entities who have expressed interest in joining SJVIA. Director Larson asked if there would be a change in the Board as new entities join. Jeff Cardell addressed the question stating that this Board has previously considered whether or not the composition of the board would change as the SJVIA add new entities and the decision has been that it would not; but there would be the possibility of those entities participating in an advisory committee. He also noted that there has been some conversation with both City of Tulare and City of Ceres and from their perspective, they did not have a voice in their prior plan either so this is not much different than that arrangement. Alan Thaxter also added that participation in the SJVIA does not guarantee a spot on the Board, as indicated in their proposal.

11. Authorization of the Release of Proposals and Execution of Participation Agreement(s) (A)

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Paul Nerland, SJVIA Assistant Manager, asked for the approval to release illustrative proposals to those entities who are interested in joining SJVIA, specifically the City of Waterford, City of Dos Palos, City of Kerman and City of Reedley. Of these entities, City of Waterford is interested in joining with an effective date as soon as March 1, 2013 and the SJVIA would like approval to issue a participation agreement as well.

Director Ishida moved to approve the authorization to release illustrative proposals to the entities mentioned above as well as a participation agreement for City of Waterford, the motion was seconded by Director Ennis. The motion passed unanimously.

12. Report on GBS Activity (I)

Bruce Caldwell, Gallagher Benefit Services (Gallagher), gave an overview on specific services Gallagher provides to the SJVIA. He pointed out Exhibit A which outlines the scope of services and Exhibit B which gives the recent activity overview. From a scope of services standpoint, Gallagher summarize services in key areas such as strategic planning, financial monitoring and reporting, renewal services, renewal rate setting, vendor management, compliance services, member agency support services and program marketing and promotion. In looking at the team and activity overview in Exhibit B, the key thing on this report is the SJVIA team members who are involved in the various services. Mark Tucker added that Exhibit B was intended to be the application of scope of services listed in Exhibit A.

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13. 2012 Multi-County Biennial Notice to the California Fair Political Practices Commission (A)

Paul Nerland mentioned the Conflict of Interest Code that was adopted by the Board in 2010 in which there have only been minor changes to that code since inception, including the revision of the SJVIA Manager titles back in January 2012. The California Fair Political Practices Commission (FPPC) requires that the Conflict of Interest Code is to be reviewed and updated every two years, however, staff did not recommend making any changes at this time.

Director Ennis moved to approve the authorization to send the 2012 Multi-County Biennial Notice to the California Fair Political Practices Commission (FPPC). The motion was seconded by Director Larson. The motion passed unanimously.

14. Report on Wellness Activities – Mobile Mammography (I)

Jeff Cardell gave details behind the mobile mammography screening approved by the Board as a part of the SJVIA Wellness program. In researching this program it was determined that these screenings could be done onsite for a much lower rate and convenient to the employee. This in turn creates significant savings to the SJVIA claim expense as well as cost savings to the employee in not needing to request time off work.

Director Larson asked if more detail could be given regarding the process. Jeff Cardell explained that the vendor works onsite with a mammography machine and staff and sets up in a secure and private room on County facilities.

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15. Directors Reports. (I)

There were no reports.

16. Adjournment

Meeting was adjourned at 9:42am by President Pete Vander Poel.

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SJVIA

San Joaquin Valley
Insurance Authority

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Meeting Location:
Human Resources and Development
Test Room
2900 W. Burrel Ave
Visalia, CA 93291
April 19, 2013
9:00 AM

AGENDA DATE: April 19, 2013

ITEM NUMBER: 6

SUBJECT: Quarterly SJVIA Financial Update

REQUEST(S): That the Board receives the Financial Update through 3rd Quarter, 2012-13

DESCRIPTION: Informational Item. Please see attached report.

FISCAL IMPACT/FINANCING: None.

ADMINISTRATIVE SIGN-OFF:

Vicki Crow
SJVIA Auditor-Treasurer

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

IN THE MATTER OF Quarterly Financial Update

RESOLUTION NO. _____
AGREEMENT NO. _____

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

**AYES:
NOES:
ABSTAIN:
ABSENT:**

ATTEST:

BY: _____

* * * * *

That the Board receives and and files the Financial Update through 3rd
Quarter, 2012-13

SAN JOAQUIN VALLEY INSURANCE AUTHORITY
ACTUALS VS. BUDGETED REVENUES & EXPENSES
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2013

	Current Quarter				Year-To-Date			
	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	% VARIANCE	ACTUALS	BUDGET	(OVER) / UNDER BUDGET	% VARIANCE
REVENUE								
TOTAL REVENUE	\$21,212,478	\$20,301,413	(\$911,065)	(4%)	\$52,845,477	\$56,548,681	\$3,703,204	7%
EXPENSES: Fixed								
1 Specific & Aggregate Stop Loss Insurance (PPO)	139,044	135,550	(3,494)	(3%)	390,886	388,418	(2,468)	(1%)
2 Anthem ASO Administration & Network Fees (PPO)	313,571	307,117	(6,454)	(2%)	939,074	936,332	(2,742)	(0%)
** 3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	153,221	156,371	3,150	2%	468,435	468,723	288	0%
4 GBS Consulting	99,207	100,500	1,293	1%	301,066	302,605	1,539	1%
5 SJVIA Administration	82,782	52,698	(30,084)	(57%)	183,550	158,647	(24,903)	(16%)
6 Wellness	18,572	62,813	44,241	70%	62,599	189,128	126,529	67%
7 Communications	6,409	12,562	6,153	49%	10,526	37,826	27,300	72%
8 Anthem HMO Pooling	310,857	303,768	(7,089)	(2%)	1,057,027	1,058,674	1,647	0%
9 Anthem HMO Administration/Retention	513,063	537,117	24,054	4%	1,506,760	1,532,562	25,802	2%
TOTAL FIXED EXPENSES	1,636,726	1,668,496	31,770	2%	4,919,923	5,072,915	152,992	3%
EXPENSES: Claims								
10 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	13,481,931	13,959,065	477,134	3%	34,444,813	39,476,370	5,031,557	13%
11 Anthem MMP HMO Capitation	3,523,435	3,674,823	151,388	4%	10,352,257	10,532,797	180,540	2%
TOTAL CLAIMS EXPENSES	17,005,366	17,633,888	628,522	4%	44,797,070	50,009,167	5,212,097	10%
EXPENSES: Premiums								
12 Delta Dental	1,172,499	1,358,622	186,123	14%	1,172,499	1,358,622	186,123	14%
13 Vision Service Plan	185,724	222,295	36,571	16%	185,724	222,295	36,571	16%
TOTAL PREMIUM EXPENSES	1,358,223	1,580,917	222,694	14%	1,358,223	1,580,917	222,694	14%
TOTAL EXPENSES	20,000,315	20,883,301	882,986	4%	51,075,216	56,662,999	5,587,783	10%
14 Reserve Surplus	1,212,163	(581,888)	(1,794,051)	308%	1,770,261	(114,318)	(1,884,579)	1649%
COMBINED EXPENSES & RESERVES	\$21,212,478	\$20,301,413	(\$911,065)	(4%)	\$52,845,477	\$56,548,681	\$3,703,204	7%

**The Chimenti expenses have been adjusted by the following refundable overpayments: Year-to-Date \$51,586

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

ANALYSIS OF ADMINISTRATION, CLAIMS & COMMUNICATIONS (FEES) - REVENUES & EXPENSES

FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2013

Current Quarter

Year-To-Date

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
Revenue**	\$57,500	\$68,848
Expenses:		
Auditor-Treasurer Services(A)	55,586	
County Counsel Services	3,641	
Personnel Services	4,963	
Membership Fees		
Insurance (Liability, Bond, Etc)	16,000	
Audit Fees		
Bank Service Fees	2,592	
Wellness		18,572
Communications		6,409
Total Expenses	82,782	18,572
Administration, Claims & Communications (Deficit)	(\$25,282)	\$6,962

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
Revenue**	\$162,048	\$194,609
Expenses:		
Auditor-Treasurer Services(A)	82,991	
County Counsel Services	5,133	
Personnel Services	15,539	
Membership Fees		
Insurance (Liability, Bond, Etc)	64,480	
Audit Fees	9,750	
Bank Service Fees	5,657	
Wellness		62,599
Communications		10,526
Total Expenses	183,550	62,599
Administration, Claims & Communications (Deficit)	(\$21,502)	\$27,998

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

**Revenue consists of fees collected from enrollees at the following rates per employee per month: \$4.00 for administration(\$2.00 for SJVIA administration fees & \$2.00 for non-founding member fees), \$2.50 for wellness fees & \$.50 for communications fees.

(A) This charge represents payments for Auditor-Treasurer services for approximately six months of activity. It includes charges related to prior year routine services as well as charges related to the 2010-2011 audit & charges to integrate the City of Tulare.

SJVIA
Schedule of Cash Flow by Month
For the Nine Months Ended March 31, 2013

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
BEGINNING CASH BALANCES:										
Claims Funding Account-844535294	\$709,397	\$348,046	\$574,059	\$486,928	\$504,670	\$542,101	\$440,903	\$471,204	\$710,827	\$709,397
Fixed Cost Account-844535120	301,657	331,453	337,327	363,858	376,218	398,690	383,397	299,149	326,913	301,657
Claims Reserve Account-428255819	8,177,407	8,611,368	9,708,781	8,472,345	8,242,150	9,223,324	4,309,730	4,221,834	3,801,883	8,177,407
Total Beginning Balances	9,188,461	9,290,867	10,620,167	9,323,131	9,123,038	10,164,115	5,134,030	4,992,187	4,839,623	9,188,461
RECEIPTS:										
Claims Funding Account-844535294	2,415,008	3,197,799	2,339,349	4,482,637	2,414,094	2,660,316	3,205,782	3,088,488	3,564,159	27,367,632
Fixed Cost Account-844535120	1,614,381	1,667,875	1,519,225	2,288,955	1,616,994	1,724,458	1,995,539	2,236,052	2,709,835	17,373,314
Claims Reserve Account-428255819	3,207,310	4,809,857	1,804,804	4,757,122	3,539,211	3,591,384	4,435,533	4,819,894	6,122,947	37,088,062
TOTAL RECEIPTS	7,236,699	9,675,531	5,663,378	11,528,714	7,570,299	7,976,158	9,636,854	10,144,434	12,396,941	81,829,008
DISBURSEMENTS:										
Claims Funding Account-844535294	2,776,359	2,971,786	2,426,480	4,464,895	2,376,663	2,761,514	3,175,481	2,848,865	3,743,874	27,545,917
Fixed Cost Account-844535120	1,584,585	1,662,001	1,492,694	2,276,595	1,594,522	1,739,751	2,079,787	2,208,288	2,333,286	16,971,509
Claims Reserve Account-428255819	2,773,349	3,712,444	3,041,240	4,987,317	2,558,037	8,504,978	4,523,429	5,239,845	5,010,841	40,351,480
TOTAL DISBURSEMENTS	7,134,293	8,346,231	6,960,414	11,728,807	6,529,222	13,006,243	9,778,697	10,296,998	11,088,001	84,868,906
ENDING CASH BALANCES:										
Claims Funding Account-844535294	348,046	574,059	486,928	504,670	542,101	440,903	471,204	710,827	531,112	531,112
Fixed Cost Account-844535120	331,453	337,327	363,858	376,218	398,690	383,397	299,149	326,913	703,462	703,462
Claims Reserve Account-428255819	8,611,368	9,708,781	8,472,345	8,242,150	9,223,324	4,309,730	4,221,834	3,801,883	4,913,989	4,913,989
Total Ending Balances	\$9,290,867	\$10,620,167	\$9,323,131	\$9,123,038	\$10,164,115	\$5,134,030	\$4,992,187	\$4,839,623	\$6,148,563	\$6,148,563
Investments:										
Total Ending Balances	\$0	\$0	\$0	\$0	\$0	\$5,001,782	\$5,001,782	\$5,001,782	\$5,014,955	\$5,014,955

The SJVIA invested \$5 million into the County of Tulare pool on December 21, 2012. These funds were moved from the JP Morgan Chase "Claims Reserve Account". The yield earned for the quarter ended 3/31/13 was 1.07% with quarterly earnings of \$13,173.

Glossary of Terms:

1 Specific & Aggregate Stop Loss Insurance (PPO)

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

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

2 Anthem ASO Administration & Network Fees (PPO):

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

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

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

4 GBS Consulting

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

5 SJVIA Administration

This rate category is for administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

6 Wellness

This rate category is 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 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

Anthem Blue Cross administration fees and includes access fees to use the Blue Cross network of providers for the HMO plan.

10 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).

11 Anthem MPP HMO Capitation

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

12 Delta Dental

This amount represents a fixed claim (premium) paid to Delta Dental for the dental program at both the County of Fresno and the County of Tulare. Because dental coverage came under the SJVIA effective 1/1/2013, this amount represents premium from 1/1/2013 through 6/30/2013.

13 Vision Service Plan

This amount represents a fixed claim (premium) paid to VSP for the vision program at both the County of Fresno and the County of Tulare. Because vision coverage came under the SJVIA effective 1/1/2013, this amount represents premium from 1/1/2013 through 6/30/2013.

14 Reserve Surplus/Deficit

Projected excess revenue over projected claims, premiums and fixed costs.



BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

**Meeting Location:
Tulare County
Human Resource and
Development Test Room
2900 W Burrel
Visalia, CA
April 19, 2013 9:00 AM**

AGENDA DATE: April 19, 2013

ITEM NUMBER: 7

SUBJECT: Receive and File SJVIA Executive Claims Summary through February 2013(I)

REQUEST(S): That the Board Receive and File SJVIA Executive Claims Summary through February 2013

DESCRIPTION:

The attached report provides an overview of several key plan metrics and is used to identify trends and outliers. As requested by your board, a Large Claim Report has been included in the Monthly Claim Report (page 3). This summary details claims that have reached 50% of the pooling point (\$400,000) for the HMO plan as well as claims that have reached 50% of the stop loss deductible (\$450,000) for the PPO plans.

The attached Monthly Claims Report reflects claims data through February, 2013

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 19, 2013

For comparative purposes, the report includes 2012 data. In addition, we are reporting on all members of the SJVIA - County of Fresno (PPO and HMO), County of Tulare (PPO and HMO), City of Tulare (PPO) and the City of Ceres (PPO and HMO). This is the first report to include the City of Ceres.

Monthly and Year-to-Date claims totals listed represent gross claims and do not reflect the impact of any reimbursements from either the PPO stop loss carrier (HM Life) or the HMO carrier (Anthem Blue Cross). There are currently no claims that are in excess of the specific deductible (PPO) or the pooling point (HMO).

FISCAL IMPACT/FINANCING:

Informational Only

ADMINISTRATIVE SIGN-OFF:



Jeffrey Cardell
SJVIA Manager



Paul Nerland
Assistant SJVIA Manager

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

IN THE MATTER OF Receive and File SJVIA Executive Claims Summary
through February 2013 (I)

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board received and filed SJVIA Executive Claims Summary through
February 2013.



2013 SJVIA Claims Report

Claims Data Through February 2013

www.gallagherbenefits.com

- **Prepared By Gallagher Benefit Services**
April 5, 2013

Large Claim Report - 2013

San Joaquin Valley Insurance Authority

Potential Large Dollar Claimants >\$100,000

HMO Plan

January 1, 2013 through December 31, 2013 as of March 2013

Pooling Point \$400,000

Relationship	Paid	Diagnosis	Reimbursement
Dependent	\$ 333,073	Myeloid Disotrders (17)	\$ -
Dependent	\$ 294,440	Newborns (15)	\$ -
Dependent	\$ 149,565	Newborns (15)	\$ -
Dependent	\$ 107,200	Circulatory System (05)	\$ -

Total HMO Pooling Reimbursements \$ -

PPO Plan

January 1, 2013 through December 31, 2013 as of March 2013

Stop Loss Deductible \$450,000

Relationship	Paid	Diagnosis	Reimbursement
Subscriber	\$ 101,519	Curculatory System (05)	\$ -

Total PPO Stop Loss Reimbursements \$ -

Total SJVIA Pooling and Stop Loss Reimbursements \$ -

Large Claim Report - 2012

San Joaquin Valley Insurance Authority

Potential Large Dollar Claimants

HMO Plan

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

Pooling Point \$250,000

Relationship	Paid	Diagnosis	Reimbursement
Subscriber	\$ 1,225,803	Blood Disorders(16)	\$ 975,803
Dependent	\$ 945,511	Myeloid Disorders (17)	\$ 695,511
Dependent	\$ 847,166	Digestive System (06)	\$ 597,166
Dependent	\$ 425,472	Muscle/Tissue Disorders(08)	\$ 175,472
Dependent	\$ 320,326	Circulatory System (05)	\$ 70,326
Subscriber	\$ 286,720	Myeloid Disorders (17)	\$ 36,720

Total HMO Pooling Reimbursements \$ 2,550,998

PPO Plan

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

Stop Loss Deductible \$450,000

Relationship	Paid	Diagnosis	Reimbursement
Subscriber	\$ 586,616	Digestive System (06)	\$ 136,616
Subscriber	\$ 541,759	Nervous System (01)	\$ 91,759

*Anthem Blue Cross does not begin reporting large claims until they reach \$50,000

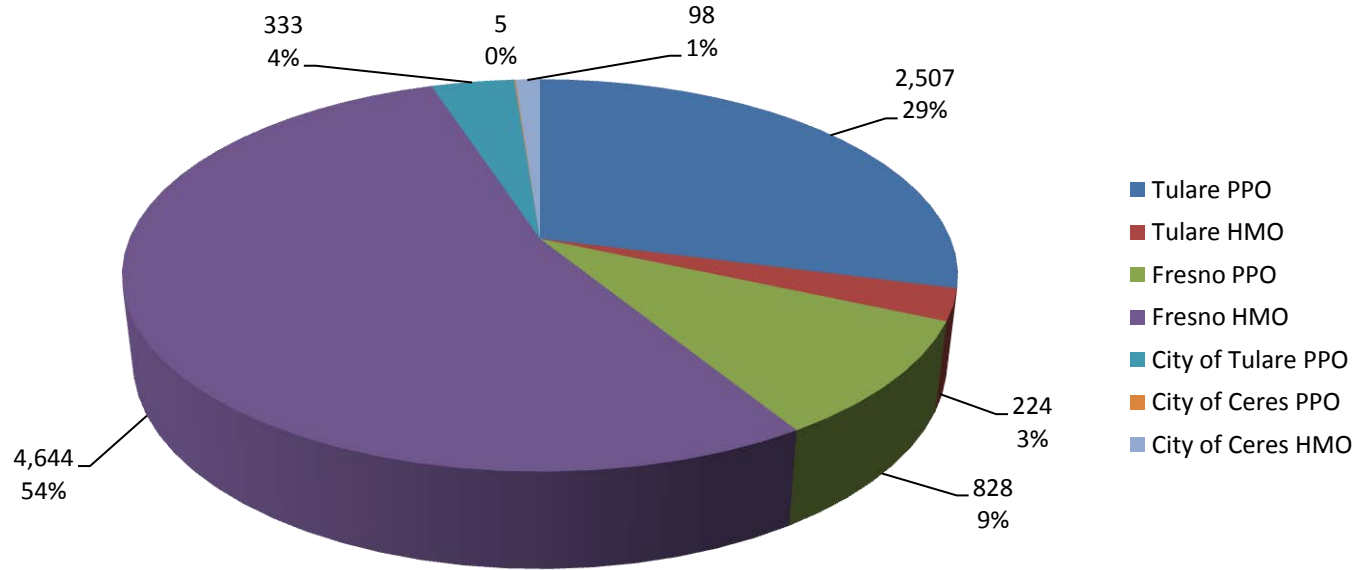
Total PPO Stop Loss Reimbursements \$ 228,375

Total SJVIA Pooling and Stop Loss Reimbursements \$ 2,779,373.00

SJVIA - All Plans

SJVIA - All Plans

SJVIA Average Monthly Enrollment - 2013

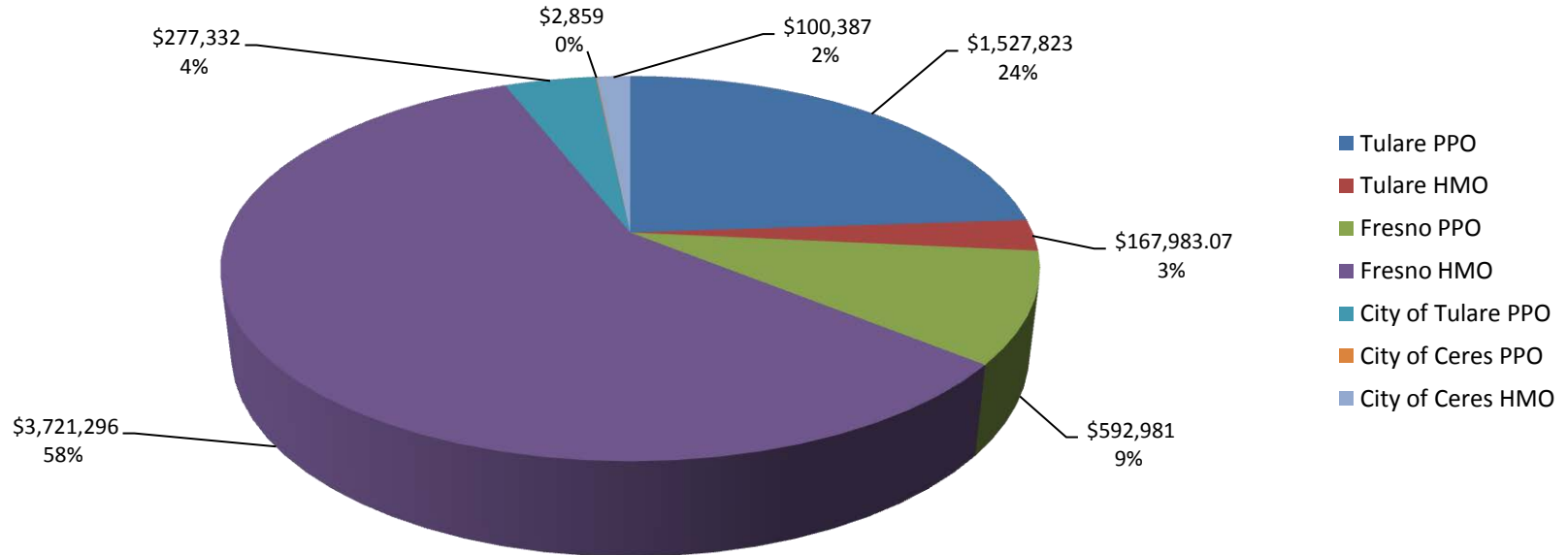


2013 Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,505	2,508											5,013
CoT HMO	224	224											448
CoF PPO	831	824											1,655
CoF HMO	4,634	4,654											9,288
City of Tulare PPO	331	334											665
City of Ceres PPO	5	5											10
City of Ceres HMO	96	100											196
Total	8,626	8,649											17,275

2012 Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	2,578	2,622	2,603	2,601	2,617	2,633	2,633	2,634	2,643	2,649	2,649	2,649	31,511
CoF PPO	810	810	822	819	823	836	829	837	836	834	842	830	9,928
CoF HMO	4,538	4,542	4,551	4,495	4,455	4,544	4,558	4,569	4,592	4,611	4,618	4,627	54,700
City of Tulare							333	328	327	326	327	328	1,969
Total	7,926	7,974	7,976	7,915	7,895	8,013	8,353	8,368	8,398	8,420	8,436	8,434	98,108

SJVIA - All Plans

SJVIA Average Monthly Premiums - 2013

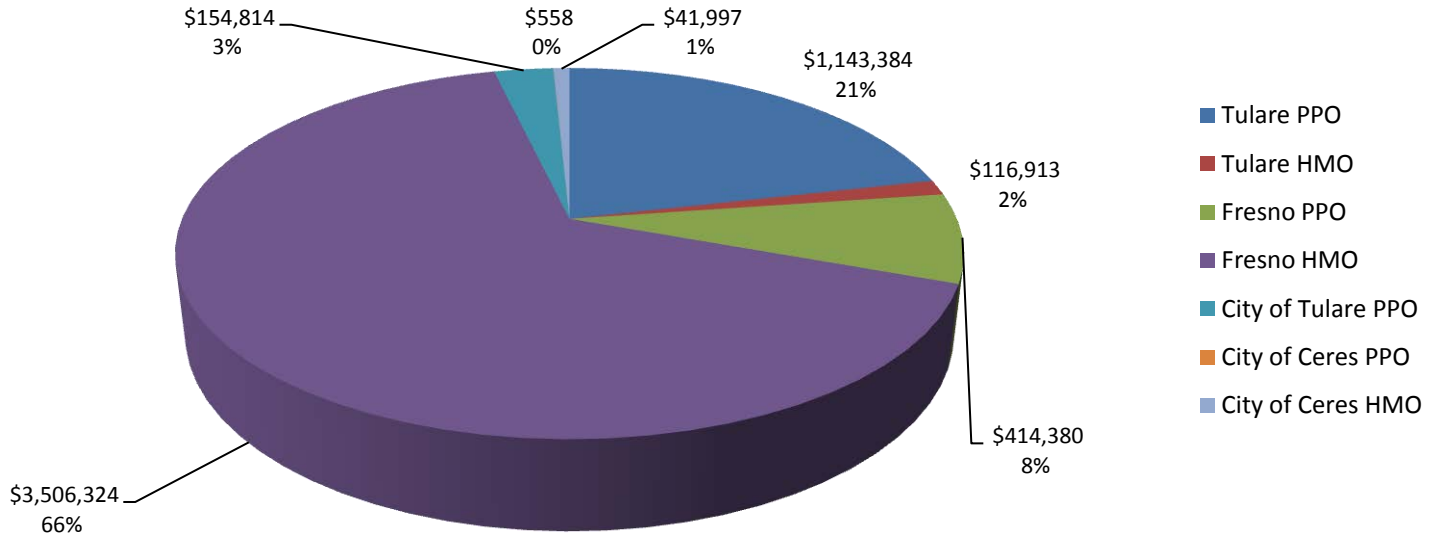


2013 Premiums - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$1,526,546	\$1,529,099											\$3,055,645
CoT HMO	\$168,201	\$167,765											\$335,966
CoF PPO	\$595,127	\$590,835											\$1,185,962
CoF HMO	\$3,713,770	\$3,728,822											\$7,442,592
City of Tulare PPO	\$276,437	\$278,228											\$554,665
City of Ceres PPO	\$2,859	\$2,859											\$5,719
City of Ceres HMO	\$97,591	\$103,183											\$200,773
Total	\$6,380,531	\$6,400,792											\$12,781,323

2012 Premiums - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$1,532,991	\$1,557,210	\$1,545,778	\$1,542,574	\$1,552,519	\$1,557,795	\$1,557,795	\$1,557,024	\$1,561,361	\$1,565,391	\$1,565,391	\$1,565,391	\$18,661,218
CoF PPO	\$573,804	\$574,013	\$580,838	\$579,490	\$581,428	\$586,528	\$580,393	\$582,946	\$582,907	\$581,475	\$581,090	\$570,270	\$6,955,181
CoF HMO	\$3,456,547	\$3,457,039	\$3,458,125	\$3,419,330	\$3,383,249	\$3,444,977	\$3,454,073	\$3,460,240	\$3,473,467	\$3,482,775	\$3,486,451	\$3,493,192	\$41,469,464
City of Tulare							\$277,736	\$273,462	\$273,175	\$272,002	\$272,699	\$272,932	\$1,642,007
Total	\$5,563,341	\$5,588,262	\$5,584,740	\$5,541,393	\$5,517,195	\$5,589,300	\$5,869,998	\$5,873,672	\$5,890,911	\$5,901,643	\$5,905,631	\$5,901,784	\$68,727,870

SJVIA - All Plans

SJVIA Average Monthly Claims - 2012

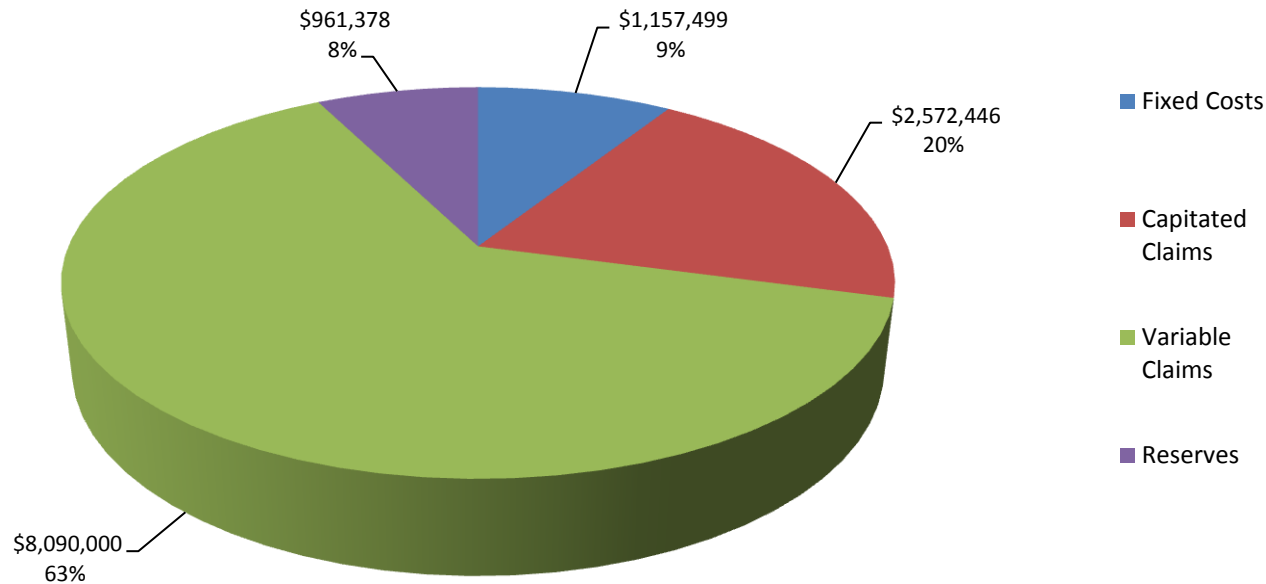


2013 Claims - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$1,328,133	\$958,634											\$2,286,767
CoT HMO	\$81,808	\$57,727											\$139,535
CoF PPO	\$446,175	\$382,584											\$828,759
CoF HMO	\$3,633,234	\$3,379,414											\$7,012,648
City of Tulare PPO	\$158,965	\$150,663											\$309,628
City of Ceres PPO	\$1,090	\$25											\$1,115
City of Ceres HMO	\$41,408	\$42,586											\$83,994
Total	\$5,690,813	\$4,971,633											\$10,662,446

2012 Claims - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
CoT PPO	\$1,347,900	\$1,417,340	\$1,637,712	\$1,363,071	\$1,265,474	\$1,392,625	\$1,320,460	\$1,192,627	\$1,500,032	\$1,764,271	\$1,211,139	\$1,582,166	\$16,994,817
CoF PPO	\$385,926	\$490,303	\$526,293	\$500,279	\$437,872	\$517,707	\$432,823	\$650,127	\$538,280	\$589,208	\$416,006	\$422,179	\$5,907,003
CoF HMO	\$2,914,797	\$3,715,713	\$3,167,391	\$3,532,502	\$4,064,812	\$3,374,399	\$3,821,018	\$3,468,350	\$3,173,628	\$4,446,582	\$3,191,843	\$2,691,683	\$41,562,719
City of Tulare							\$52,996	\$134,658	\$172,683	\$150,838	\$141,869	\$162,624	\$815,668
Total	\$4,648,623	\$5,623,356	\$5,331,396	\$5,395,852	\$5,768,158	\$5,284,731	\$5,627,297	\$5,445,762	\$5,384,624	\$6,950,899	\$4,960,857	\$4,858,652	\$65,280,207

SJVIA - All Plans

YTD SJVIA Premium Breakdown - 2012

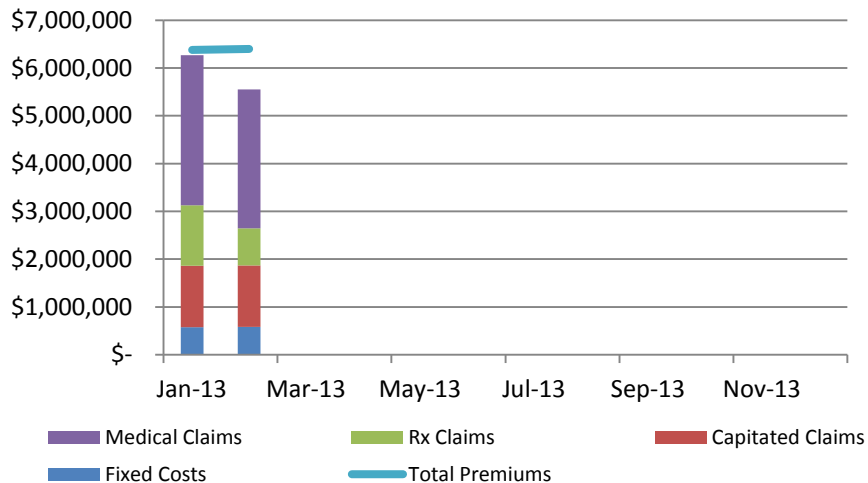


2013 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 577,807	\$ 579,692											\$ 1,157,499
Capitaled Claims	\$1,283,487	\$ 1,288,959											\$ 2,572,446
Variable Claims	\$4,407,326	\$ 3,682,674											\$ 8,090,000
Reserves	\$ 111,910	\$ 849,467											\$ 961,378
Total	\$ 6,380,531	\$ 6,400,792											\$ 12,781,323

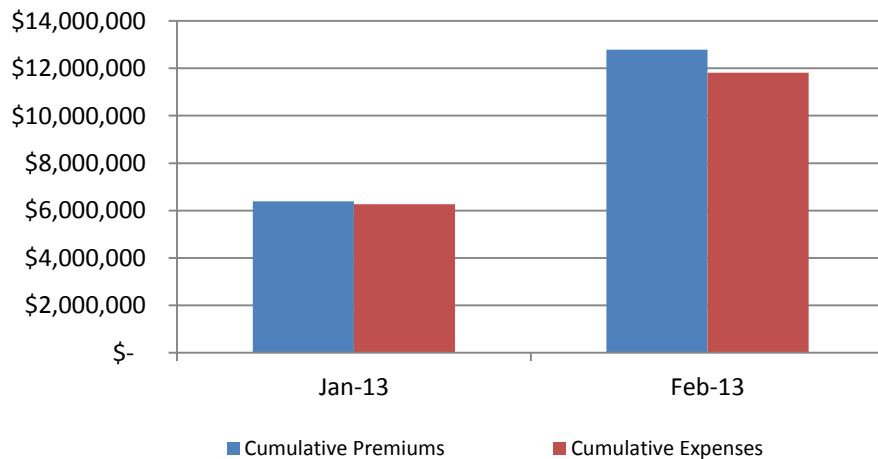
2012 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 539,562	\$ 542,245	\$ 542,577	\$ 537,900	\$ 535,828	\$ 544,395	\$ 545,120	\$ 546,470	\$ 548,711	\$ 550,422	\$ 551,403	\$ 551,466	\$ 6,536,098
Capitaled Claims	\$ 1,125,742	\$ 1,126,734	\$ 1,128,967	\$ 1,115,075	\$ 1,105,152	\$ 1,126,982	\$ 1,130,703	\$ 1,138,432	\$ 1,139,137	\$ 1,143,768	\$ 1,145,587	\$ 1,147,820	\$ 13,574,099
Variable Claims	\$ 3,522,881	\$ 4,496,622	\$ 4,202,429	\$ 4,280,777	\$ 4,663,006	\$ 4,157,749	\$ 4,496,594	\$ 4,307,330	\$ 4,245,487	\$ 5,807,131	\$ 3,815,270	\$ 3,710,832	\$ 51,706,108
Reserves	\$ 375,156	\$ (577,340)	\$ (289,233)	\$ (392,359)	\$ (786,791)	\$ (239,826)	\$ (302,419)	\$ (118,560)	\$ (42,424)	\$ (1,599,678)	\$ 393,371	\$ 491,666	\$ (3,088,436)

SJVIA – All Plans

SJVIA Total Expenses & Premiums - 2013

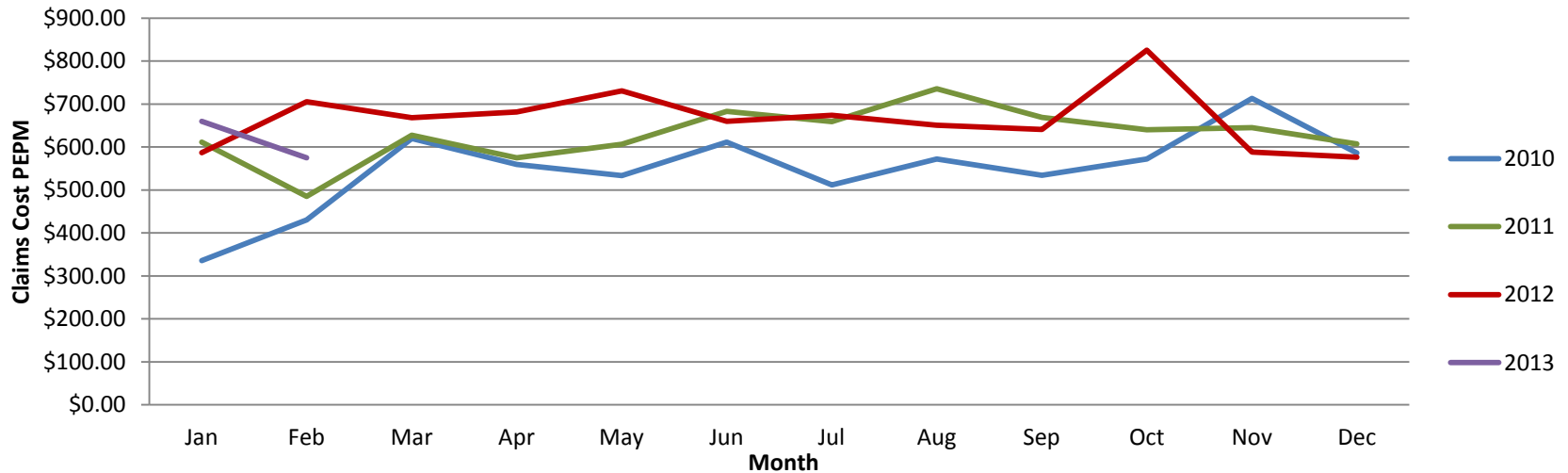


Cumulative Premiums & Expenses - 2013

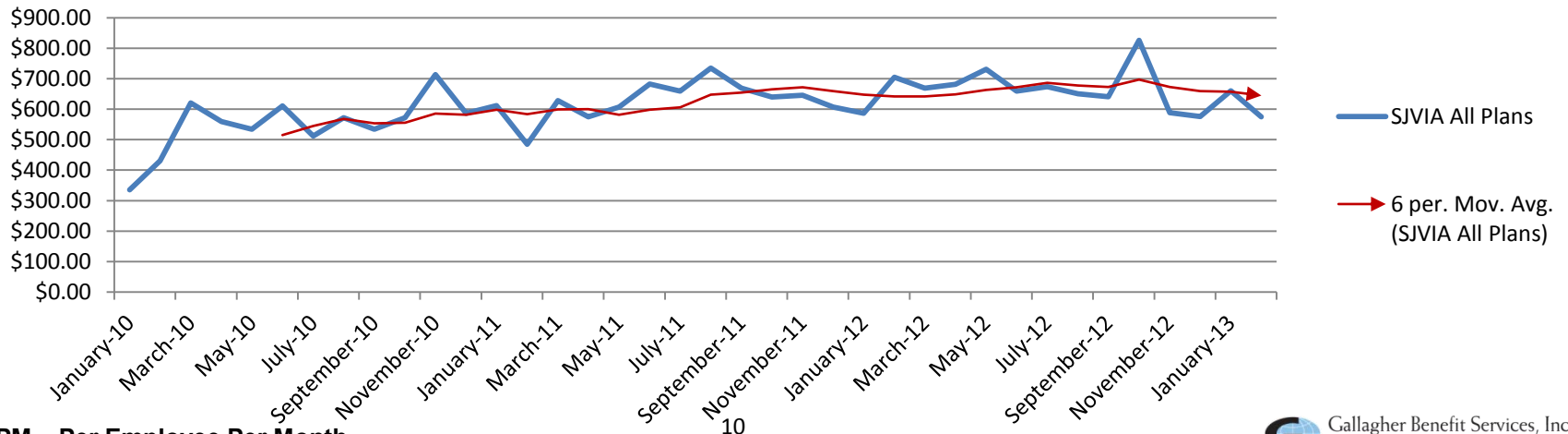


SJVIA - All Plans

SJVIA 2010 - 2013 All Plans (Year Over Year) - Claims PEPM



SJVIA All Plans - Claims PEPM

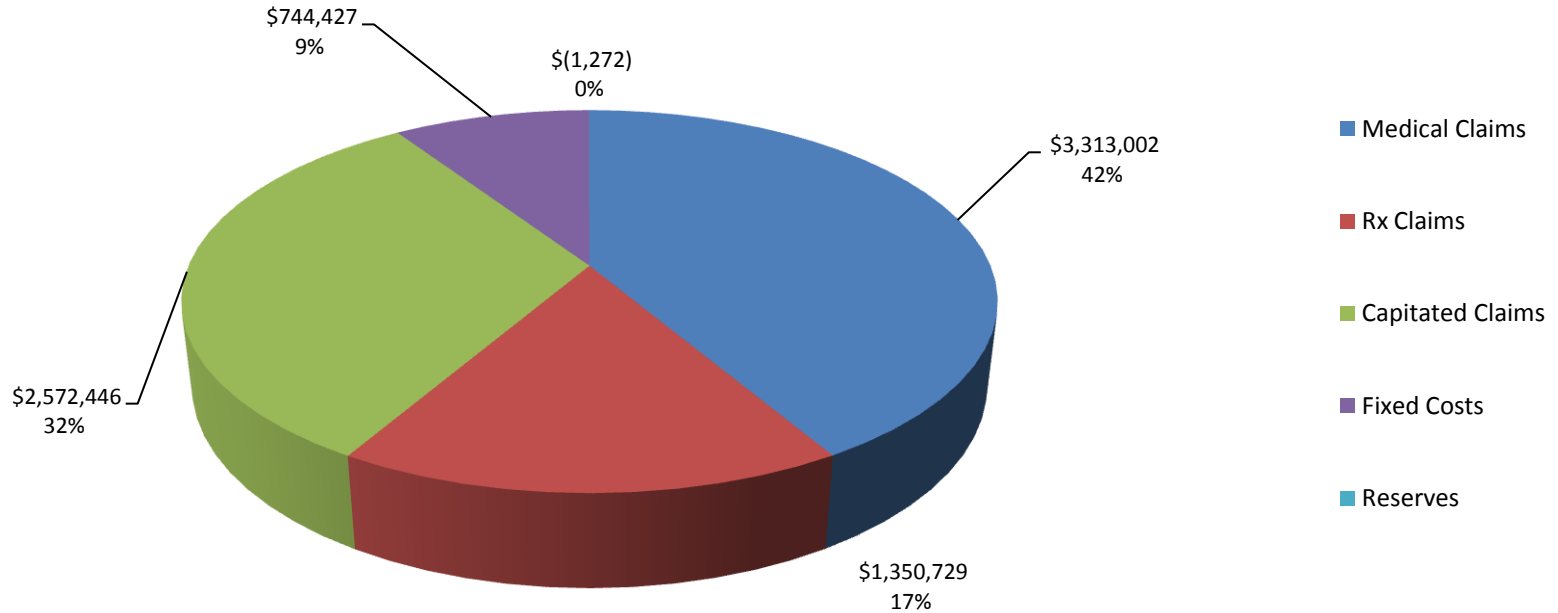


*PEPM – Per Employee Per Month

SJVIA - HMO

SJVIA - HMO

YTD HMO Premium Breakdown - 2013

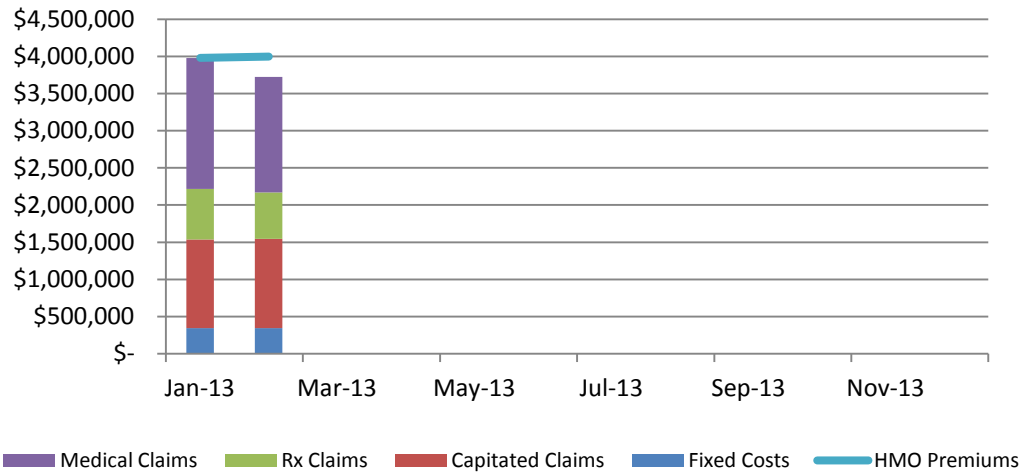


2013 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 371,254	\$ 373,173											\$ 744,427
Capitulated Claims	\$1,283,487	\$1,288,959											\$ 2,572,446
Medical Claims	\$1,759,461	\$1,553,541											\$ 3,313,002
Rx Claims	\$ 713,502	\$ 637,227											\$ 1,350,729
Reserves	\$ (148,142)	\$ 146,870											\$ (1,272)
Total	\$3,979,562	\$3,999,770											\$ 7,979,332

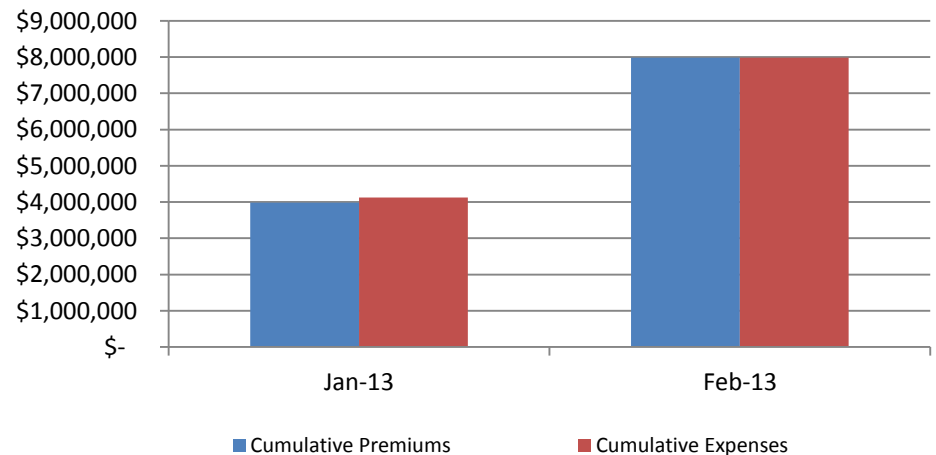
2012 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 357,186	\$ 357,501	\$ 358,209	\$ 353,801	\$ 350,653	\$ 357,658	\$ 358,760	\$ 359,626	\$ 361,436	\$ 362,932	\$ 363,483	\$ 364,191	\$ 4,305,437
Capitulated Claims	\$1,125,742	\$1,126,734	\$1,128,967	\$1,115,075	\$ 1,105,152	\$1,126,982	\$1,130,703	\$ 1,138,432	\$1,139,137	\$ 1,143,768	\$1,145,587	\$ 1,147,820	\$ 13,574,099
Medical Claims	\$1,128,332	\$1,941,584	\$1,376,948	\$1,816,134	\$ 2,330,814	\$1,662,356	\$2,054,136	\$ 1,679,713	\$1,433,160	\$ 2,636,011	\$1,453,372	\$ 1,296,919	\$ 20,809,479
Rx Claims	\$ 660,723	\$ 647,395	\$ 661,476	\$ 601,293	\$ 628,846	\$ 585,061	\$ 636,179	\$ 650,205	\$ 601,331	\$ 666,803	\$ 592,884	\$ 246,944	\$ 7,179,141
Reserves	\$ 184,564	\$ (616,175)	\$ (67,475)	\$ (466,974)	\$ (1,032,216)	\$ (287,080)	\$ (725,705)	\$ (367,736)	\$ (61,597)	\$ (1,326,739)	\$ (68,875)	\$ 437,317	\$ (4,398,692)

SJVIA – HMO

HMO Total Expenses & Premiums - 2013

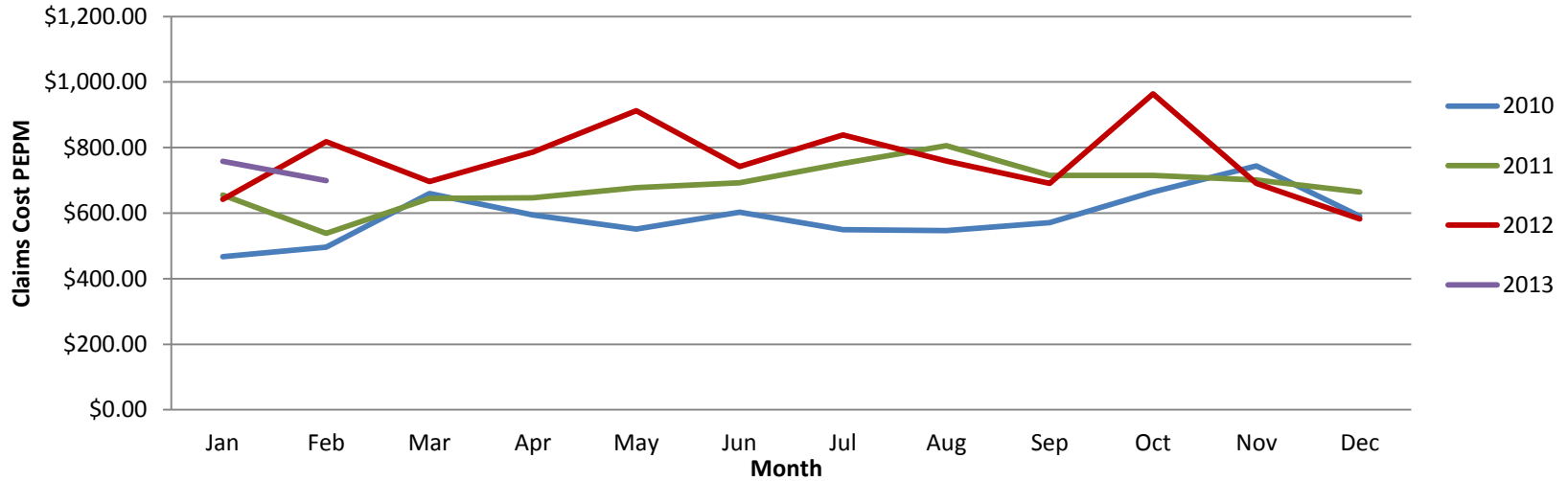


HMO Cumulative Premiums & Expenses -2013

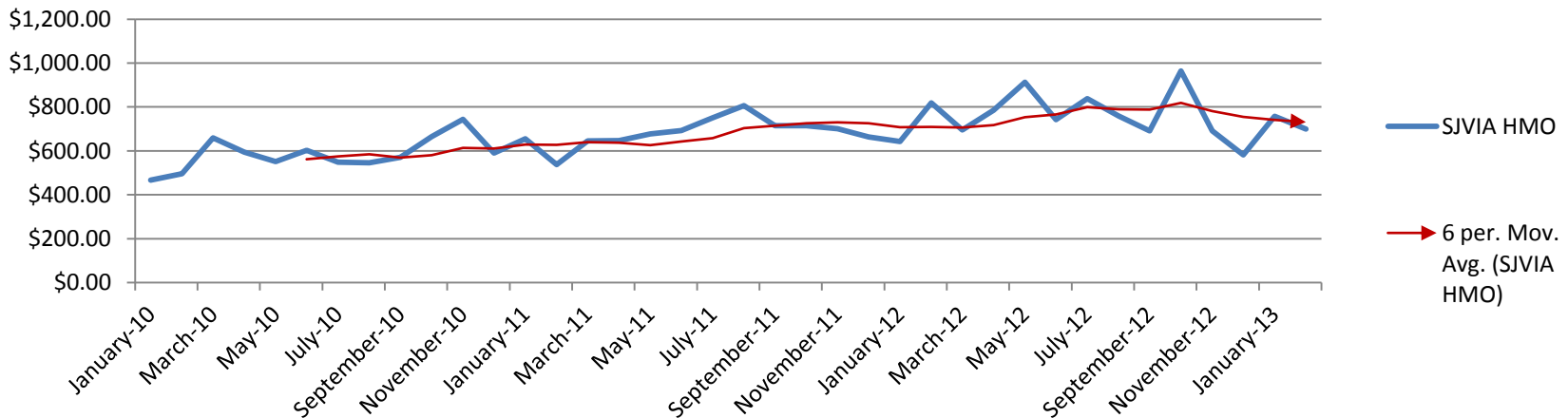


SJVIA – HMO

SJVIA 2010 - 2013 HMO (Year Over Year) - Claims PEPM



SJVIA HMO Claims PEPM

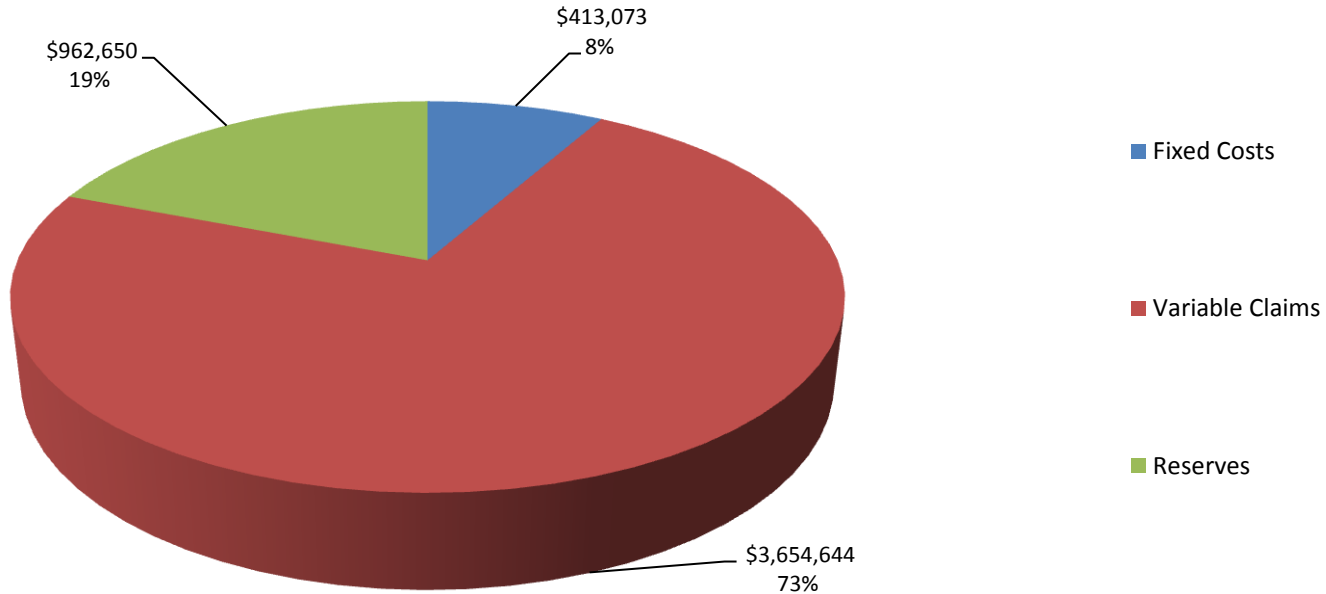


*PEPM – Per Employee Per Month

SJVIA - PPO

SJVIA - PPO Premium Breakdown

YTD PPO Premium Breakdown - 2013

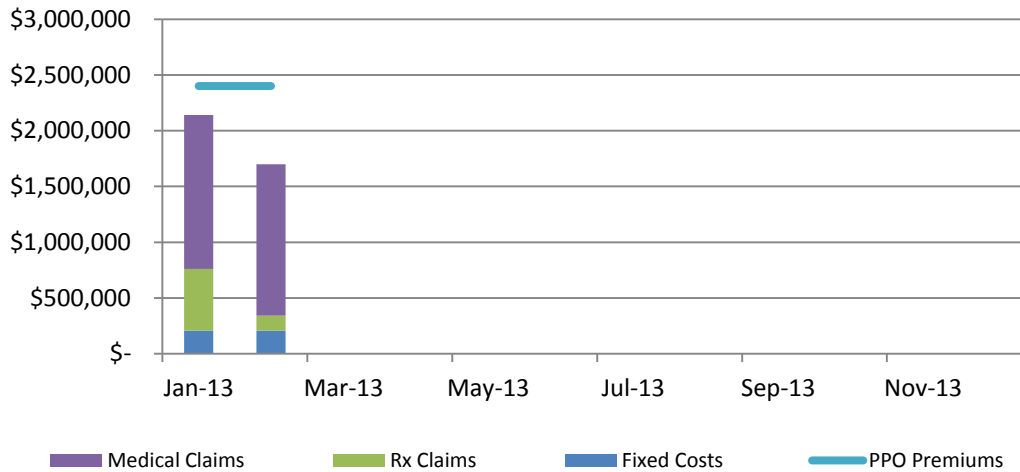


2013 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 206,554	\$ 206,519											\$ 413,073
Variable Claims	\$ 1,934,363	\$ 1,491,906											\$ 3,426,269
Reserves	\$ 260,052	\$ 702,597											\$ 962,650
Total	\$ 2,400,969	\$ 2,401,022											\$ 4,801,991

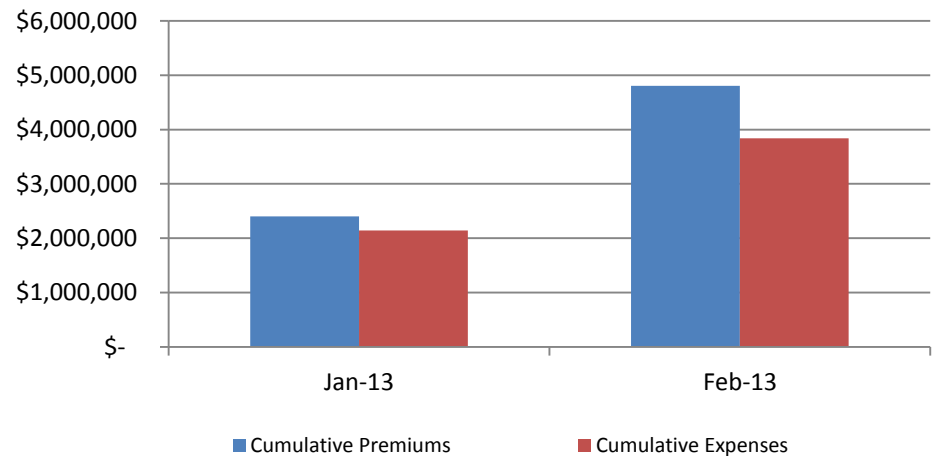
2012 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 182,376	\$ 184,745	\$ 184,368	\$ 184,099	\$ 185,175	\$ 186,736	\$ 186,359	\$ 186,844	\$ 187,275	\$ 187,490	\$ 187,921	\$ 187,275	\$ 2,230,661
Variable Claims	\$ 1,733,826	\$ 1,907,643	\$ 2,164,005	\$ 1,863,350	\$ 1,703,346	\$ 1,910,332	\$ 1,806,279	\$ 1,977,412	\$ 2,210,996	\$ 2,504,317	\$ 1,769,014	\$ 2,166,969	\$ 23,717,489
Reserves	\$ 190,592	\$ 38,835	\$ (221,757)	\$ 74,615	\$ 245,425	\$ 47,254	\$ 423,286	\$ 249,177	\$ 19,173	\$ (272,939)	\$ 462,246	\$ 54,349	\$ 1,310,256

SJVIA - PPO Plans

PPO Total Expenses & Premiums - 2013

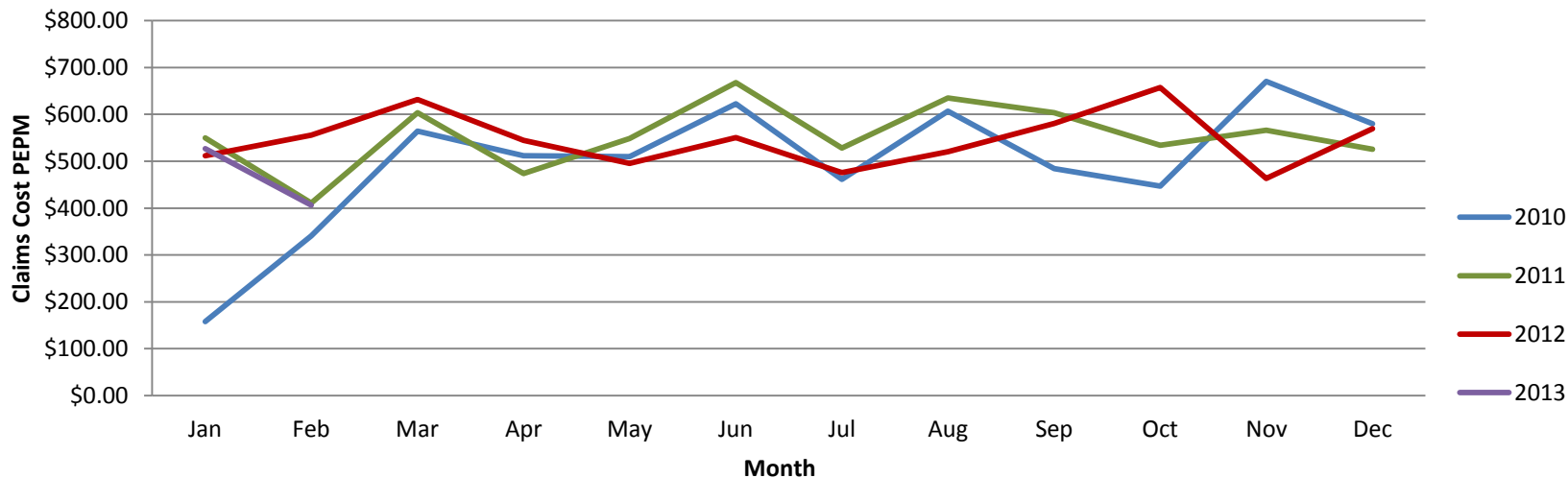


PPO Cumulative Premiums & Expenses - 2013

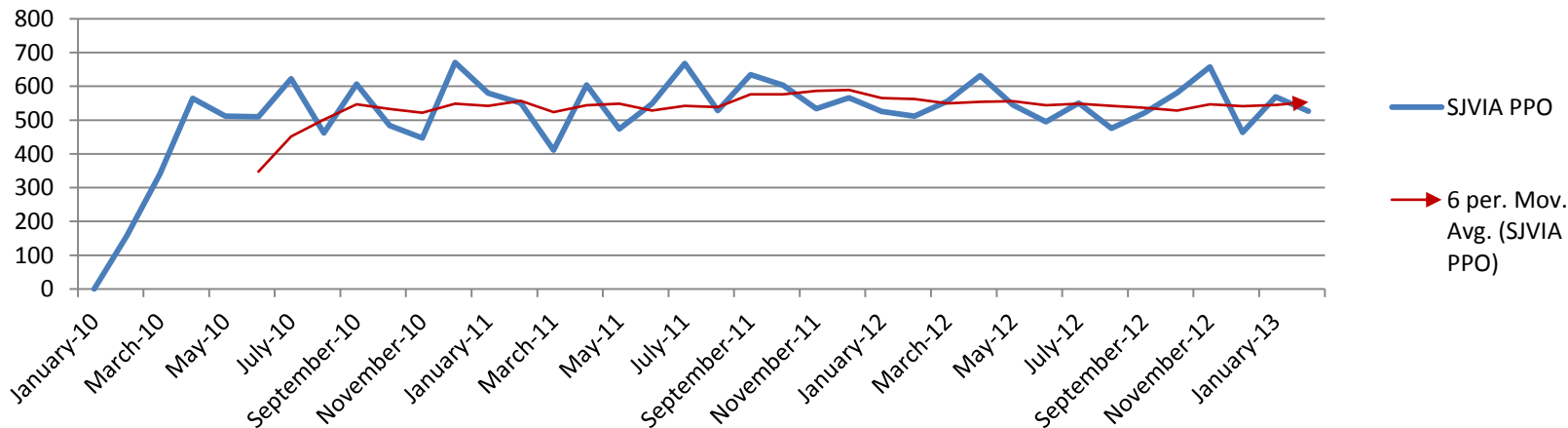


SJVIA – PPO Claims PEPM

SJVIA 2010 - 2013 PPO (Year Over Year) - Claims PEPM



SJVIA PPO Claims PEPM



*PEPM – Per Employee Per Month

SJVIA - Monthly Data

SJVIA - All Plans

2013 SJVIA Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	5,154	5,167											10,321
- Employee + Spouse	1,029	1,024											2,053
- Employee + Child(ren)	1,546	1,549											3,095
- Employee + Family	897	909											1,806
SJVIA Total Enrollment	8,626	8,649											17,275
SJVIA Total Premiums	\$6,380,531	\$6,400,792											\$12,781,323
SJVIA Premiums PEPM	\$ 739.69	\$ 740.06											\$ 739.87
SJVIA Total Claims	January	February											YTD Totals
- Medical Claims	\$3,138,697	\$2,909,055											\$ 6,047,752
- Rx Claims	\$1,268,629	\$ 773,619											\$ 2,042,248
- Stop-Loss Refunds	\$ -	\$ -											
- Capitated Claims (HMO)	\$1,283,487	\$1,288,959											\$ 2,572,446
SJVIA Total Claims	\$5,690,813	\$4,971,633											\$ 10,662,446
SJVIA Claims PEPM	\$ 659.73	\$ 574.82											\$ 617.22
SJVIA Fixed Costs	\$ 577,807	\$ 579,692											\$ 1,157,499
SJVIA Total Costs	\$6,268,620	\$5,551,325											\$11,819,945
SJVIA Cost PEPM	\$ 726.71	\$ 641.85											\$ 684.22
SJVIA Total Reserve - Increase/(Decrease)	\$ 111,910	\$ 849,467											\$ 961,378
Reserve % of Non Cap. Claims	2.5%	23.1%											11.9%

SJVIA - HMO

2013 HMO Enrollment	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	2,240	2,256											4,496
- Employee + Spouse	647	640											1,287
- Employee + Child(ren)	1,413	1,417											2,830
- Employee + Family	654	665											1,319
HMO Total Enroll.	4,954	4,978											9,932
HMO Premiums	\$ 3,979,562	\$ 3,999,770											\$ 7,979,332
HMO Premiums PEPM	\$ 803.30	\$ 803.49											\$ 803.40
HMO Claims	January	February											YTD Totals
- Medical Claims	\$ 1,759,461	\$ 1,553,541											\$ 3,313,002
- Rx Claims	\$ 713,502	\$ 637,227											\$ 1,350,729
- Capitated Claims	\$ 1,283,487	\$ 1,288,959											\$ 2,572,446
Pooling Reimbursements													
HMO Total Claims	\$ 3,756,450	\$ 3,479,727											\$ 7,236,177
HMO Claims PEPM	\$ 758.27	\$ 699.02											\$ 728.57
HMO Fixed Costs	\$ 371,254	\$ 373,173											\$ 744,427
HMO Total Costs	\$ 4,127,704	\$ 3,852,900											\$ 7,980,604
HMO Costs PEPM	\$ 833.21	\$ 773.99											\$ 803.52
HMO Plan Reserve - Increase/(Decrease)	\$ (148,142)	\$ 146,870											\$ (1,272)
Reserve % of Non Cap. Claims	-6.0%	6.7%											0.0%

SJVIA - PPO

2013 PPO Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	2,914	2,911											5,825
- Employee + Spouse	382	384											766
- Employee + Child(ren)	133	132											265
- Employee + Family	243	244											487
PPO Plans Total Enrollment	3,672	3,671											7,343
PPO Plans Total Premiums	\$ 2,400,969	\$ 2,401,022											\$ 4,801,991
PPO Premiums PEPM	\$ 653.86	\$ 654.05											\$ 653.95
PPO Plans Total Claims	January	February											YTD Totals
- Medical Claims	\$ 1,379,236	\$ 1,355,514											\$ 2,734,750
- Rx Claims	\$ 555,127	\$ 136,392											\$ 691,519
- Stop-Loss Refunds	\$ -	\$ -											
PPO Plans Net Claims	\$ 1,934,363	\$ 1,491,906											\$ 3,426,269
PPO Plans Claims PEPM	\$ 526.79	\$ 406.40											\$ 466.60
PPO Plans Fixed Costs	\$ 206,554	\$ 206,519											\$ 413,073
PPO Plans Total Costs	\$ 2,140,917	\$ 1,698,425											\$ 3,839,342
PPO Plans Cost PEPM	\$ 583.04	\$ 462.66											\$ 522.86
PPO Plans Total Reserve - Increase/(Decrease)	\$ 260,052	\$ 702,597											\$ 962,650
Reserve % of Net Claims	13.4%	47.1%											28.1%



BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

**Meeting Location:
Tulare County
Human Resource and
Development Test Room
2900 W Burrel
Visalia, CA
April 19, 2013 9:00 AM**

AGENDA DATE: April 19, 2013

ITEM NUMBER: 8

SUBJECT: Authorization of the Release of Proposals and Execution of Participation Agreement(s)

REQUEST(S): That the Board of Directors approve releasing proposals for the Cities of Waterford, Dos Palos, Kerman and Reedley and authorize the Board President to execute related participation agreements.

DESCRIPTION:

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

Gallagher Benefit Services (GBS), at the direction of SJVIA Staff, have since undertaken several marketing efforts to identify and make contact with prospective member entities to consider joining the JPA. Attached is an exhibit that shows the extent of these marketing efforts.

The Underwriting Committee has reviewed the proposals and seeks to release illustrative proposals to the Cities of Sanger, Hanford, Shafter, San Joaquin, Madera, Sonora, the Amador Water District, and the San Joaquin Valley Air Pollution Control District.

AGENDA: San Joaquin Valley Insurance Authority

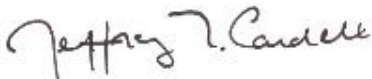
DATE: April 19, 2013

Contingent upon acceptance and approval of the respective entities governing bodies it is recommended that the Board authorize the Board President to execute the participation agreement(s).

FISCAL IMPACT/FINANCING:

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

ADMINISTRATIVE SIGN-OFF:



Jeffrey Cardell
SJVIA Manager



Paul Nerland
Assistant SJVIA Manager

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

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

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board of Directors approve releasing proposals for the Cities of Sanger, Hanford, Shafter, San Joaquin, Madera, Sonora, the Amador Water District, the San Joaquin Valley Air Pollution Control District and authorize the Board President to execute related participation agreements.

SJVIA Summary of Marketing Activity As of April 11, 2013

		Information Received	Approved for Release (I/P)	Presented to SJVIA Board	Status to Date	Renewal	Active EE's
1	County of Santa Cruz	Yes	Yes	Yes	Reconsidering Joining 2014	January	2930
2	County of Madera	Yes		No	Reconsidering Joining 2014	January	1230
3	County of Kings	Yes	N/A	N/A	No significant savings for 2014	July	1060
4	County of Calaveras				Conceptual discussions ongoing		
5	County of Mendicino				Conceptual discussions ongoing		
6	Merced Irrigation District	Yes			Considering Joining 2014	August	172
7	Nevada Irrigation District				Reconsidering Joining 2014	January	225
8	Superior Courts of Kings County				Reconsidering Joining 2014	January	100
9	Amador Water District	Yes	Yes	Yes-4/13	Considering Joining 2014	January	47
10	County of Stanislaus				Conceptual discussions ongoing	January	
11	San Joaquin Valley Air District	Yes	Yes	Yes-4/13	Considering Joining 2013	July	250
RMA Member Cities		Information Received	Approved for Release (I/P)	Presented to SJVIA Board	Status to Date	Renewal	Active EE's
1	Arvin				Awaiting Response	January	45
2	Avenal	Yes	Yes	Yes	Revisit discussions for possible 2013 entry	October	47
3	Ceres	Yes	Yes	Yes	Joined SJVIA 1/1/13	January	115
4	Chowchilla				Committed to current program till 2015	June	44
5	Clovis	Yes	Yes	Yes	Reconsidering Joining 2014	January	384
6	Corcoran	Yes	Yes	Yes	Finalist Presentation: Considering SJVIA for 2013	July	60
7	Delano	Yes	Yes	Yes	Finalist Presentation: Declined to Join SJVIA for 2013	July	197
8	Dinuba	Yes			In Underwriting 2013	July	122
9	Dos Palos	Yes	Yes	Yes	Considering Joining 2013	August	17
10	Escalon	Yes	Yes	Yes	Finalist Presentation: Declined to Join SJVIA for 2013	Jan	23
11	Exeter				Considering Joining 2014	February	38
12	Firebaugh				Awaiting Response	January	37
13	Fowler	Yes	Yes		Considering Joining 2014	September	20
14	Gustine	Yes			In Underwriting for 2014	January	17
15	Hanford	Yes	Yes	Yes-4/13	Considering Joining 2014	January	280
16	Holister	Yes			Considering Joining 2014	January	117
17	Huron	Yes			Considering Joining 2013	July	15
18	Kerman	Yes	Yes	Yes	Considering Joining 2014	July	53
19	Kingsburg				Considering Joining 2014	Feb	45
20	Lathrop	Yes			Considering Joining 2014	January	78
21	Madera	Yes	Yes	Yes-4/13	Considering Joining 2013	July	246
22	Mendota	Yes	Yes	Yes	Did not join for 2013	May	28
23	Newman				Awaiting Response	January	29
24	Orange Cove				Awaiting Response	July	37
25	Reedley	Yes	Yes	Yes	Considering Joining 2014	January	115
26	Ripon	Yes	Yes		Reconsidering Joining 2014	January	88
27	Riverbank	Yes	Yes	Yes	Finalist Presentation: Declined to Join SJVIA for 2013	July	45
28	San Joaquin (City)	Yes	Yes	Yes-4/13	Considering Joining 2013	July	10
29	Sanger	Yes	Yes	Yes-4/13	Considering Joining 2013	July	110
30	Shafter	Yes	Yes	Yes-4/13	Considering Joining 2013	July	60
31	Sonora	Yes	Yes	Yes-4/13	Considering Joining 2013	June	40
32	Taft	Yes			In Underwriting for 2013	September	
33	Tehachapi				Awaiting Response	January	50
34	Tulare	Yes	Yes	Yes	Joined SJVIA 2012	July	334
35	Wasco				Awaiting Response	January	54
36	Waterford	Yes	Yes	Yes	Has indicated intent to join 6/1, pending Board approval	June	12
37	Woodlake				Awaiting Response	December	28



**San Joaquin Valley Insurance Authority
Prospective Member Underwriting**

Entity	Current	Renewal	SJVIA	Potential Savings over Current
Dos Palos	\$ 119,040	\$ 130,944	\$ 122,612	\$ (3,572)
Kerman	\$ 439,116	\$ 483,028	\$ 453,329	\$ (14,213)
Reedley	\$ 1,542,309	\$ 1,683,743	\$ 1,453,300	\$ 89,009
Waterford	\$ 114,360	\$ 128,655	\$ 116,912	\$ (2,552)
Sanger	\$ 1,655,433	\$ 1,779,739	\$1,423,589	\$ 231,843
Hanford	\$ 2,106,870	\$ 2,264,885	\$ 2,127,900	\$ (21,030)
Shafter	\$ 774,073	\$ 832,128	\$682,138	\$ 91,934
San Joaquin	\$129,257	\$ 138,951	\$125,038	\$ 4,219
Madera	\$ 1,908,436	\$ 2,051,568	\$ 1,780,266	\$ 128,170
Sonora	\$ 719,008	\$ 772,933	\$518,322	\$ 200,686
Amador Water District	\$ 802,479	\$ 862,665	\$ 704,409	\$ 98,070
Totals	\$ 10,310,379	\$ 11,129,241	\$ 9,507,815	\$ 802,564

Savings over current - \$ \$ 802,564
Savings over current -% -7.78%
Savings over renewal \$ \$ 1,621,425
Savings over renewal - % -14.57%



BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POCHIGIAN

PETE VANDER POEL

**Meeting Location:
Tulare County
Human Resource and
Development Test Room
2900 W Burrel
Visalia, CA
April 19, 2013 9:00 AM**

AGENDA DATE: April 19, 2013

ITEM NUMBER: 9

SUBJECT: Approve Amended & Restated JPA Agreement to Allow the Addition of the Central San Joaquin Valley Risk Management Authority as a Member of the San Joaquin Valley Insurance Authority

REQUEST(S): That the Board approve the amended and restated JPA Agreement adding the Central San Joaquin Valley Risk Management Authority as a member of the San Joaquin Valley Insurance Authority

DESCRIPTION:

The Central San Joaquin Valley Risk Management Authority (RMA) is a joint powers authority comprised of 54 cities. The RMA provides cost-effective, risk financing and risk control services for cities located within the State of California that have a population of 75,000 or less at the time they become a member.

In early 2012, the RMA formed an ad hoc committee to explore options for a health care program to offer their members. In February of 2012, Staff and Gallagher Benefit Services met with this committee to review the SJVIA and its potential to benefit the members of the RMA. After extensive research and communication, the Ad Hoc Committee recommended joining the SJVIA to begin offering services to their member cities. On February 27th, 2013, the

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 19, 2013

RMA Executive Committee met to discuss any final questions regarding the SJVIA and following the discussion the committee voted to recommend to the RMA Board to join the SJVIA. The RMA Board of Directors will consider and is expected to approve the recommendation of the Executive Committee to join the SJVIA as a party to the JPA Agreement at their June, 2013 meeting. To facilitate an effective date of July 1, 2013, it is recommended the SJVIA Board provide approval with the understanding that the respective County Boards will need to subsequently approve the amended and restated JPA agreement.

The addition of the RMA to the SJVIA as a JPA member entity will help to grow and promote the SJVIA to surrounding cities and counties. Although the RMA is not requiring all of its member entities to participate in the medical program, even though two RMA cities have joined, they are expected to promote the SJVIA as a viable option for it's member entities.

However, many of the member cities have expressed interest and have requested proposals from the SJVIA. The proposals that have been released to date are shown in the attached report and are proving to be an affordable alternative to the Cities and a good risk for the SJVIA. The size of the SJVIA, coupled with the RMA member cities entering as pool is expected to provide a much more stable environment for future health care costs.

As a result of this request, Staff and SJVIA legal counsel have recommended changes to the JPA Agreement. The agreement with the changes notated is attached for your review.

It is Staff's recommendation to approve the RMA as a member of the San Joaquin Valley Insurance Authority Joint Powers Authority effective July 1, 2013. The amended and restated JPA agreement and a summary of changes is attached to this item.

FISCAL IMPACT/FINANCING:

As members of the Central San Joaquin Valley Risk Management Authority become participating members of the SJVIA the budget will be amended to reflect the additional projected premiums and expenses.

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 19, 2013

ADMINISTRATIVE SIGN-OFF:



**Jeffrey Cardell
SJVIA Manager**



**Paul Nerland
Assistant SJVIA Manager**

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

IN THE MATTER OF Approve Amended & Restated JPA Agreement
to Allow the Addition of the Central San Joaquin Valley Risk Management
Authority as a Member of the San Joaquin Valley Insurance Authority

RESOLUTION NO. _____
AGREEMENT NO. _____

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

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board approved the amended and restated JPA Agreement adding the
Central San Joaquin Valley Risk Management Authority as a member of the
San Joaquin Valley Insurance Authority



BOARD OF DIRECTORS

Andreas Borgeas

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

**Meeting Location:
Tulare County Human
Resource and Development
Test Room
2900 W Burrel
Visalia, CA
April 19, 2013**

AGENDA DATE: April 19, 2013

ITEM NUMBER: 10

SUBJECT: Results of the SJVIA Health Evaluations for 2013

REQUEST(S): That the Board receive and file summary results of the Health Evaluations for 2013

DESCRIPTION:

As part of the SJVIA's ongoing focus on wellness and healthy living, health evaluations were again conducted at the County of Fresno, County of Tulare, and the City of Tulare during the months of January and February. The summary of the aggregate results is attached and will be reviewed during the meeting by a member of the Delta TeamCare staff. All participants were sent a comprehensive report, have access to online resources and telephonic health coaching through Delta TeamCare. The attached report details the results but several statistics are highlighted below:

- 716 employees participated in the program, 36 fewer than last year
- 72% of participants were female
- 168 newly discovered conditions were reported to participants
 - 21 were considered very serious

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 19, 2013

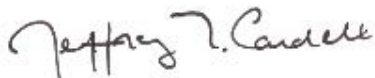
- 67 employees' results included a condition that required immediate medical attention
 - 36 were related to high cholesterol
 - 1 was related to possible cancer.
- 63 employees were highlighted as members who tested abnormal for diabetes, blood pressure and cholesterol but were not on medication (medication was recommended).

The participating entities will be evaluating the results as they relate to their population and will be planning activities and campaigns targeting areas of concern. Additionally, staff will be evaluating and recommending options to your Board to increase participation next year.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Jeffrey Cardell
SJVIA Manager



Paul Nerland
Assistant SJVIA Manager

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

IN THE MATTER OF Results of the Health Evaluations for 2013

RESOLUTION NO. _____
AGREEMENT NO. _____

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

**AYES:
NOES:
ABSTAIN:
ABSENT:**

ATTEST:

BY: _____

* * * * *

That the Board received and filed summary results of the Health Evaluations for 2013



Brilliant Performance. Proven Results.



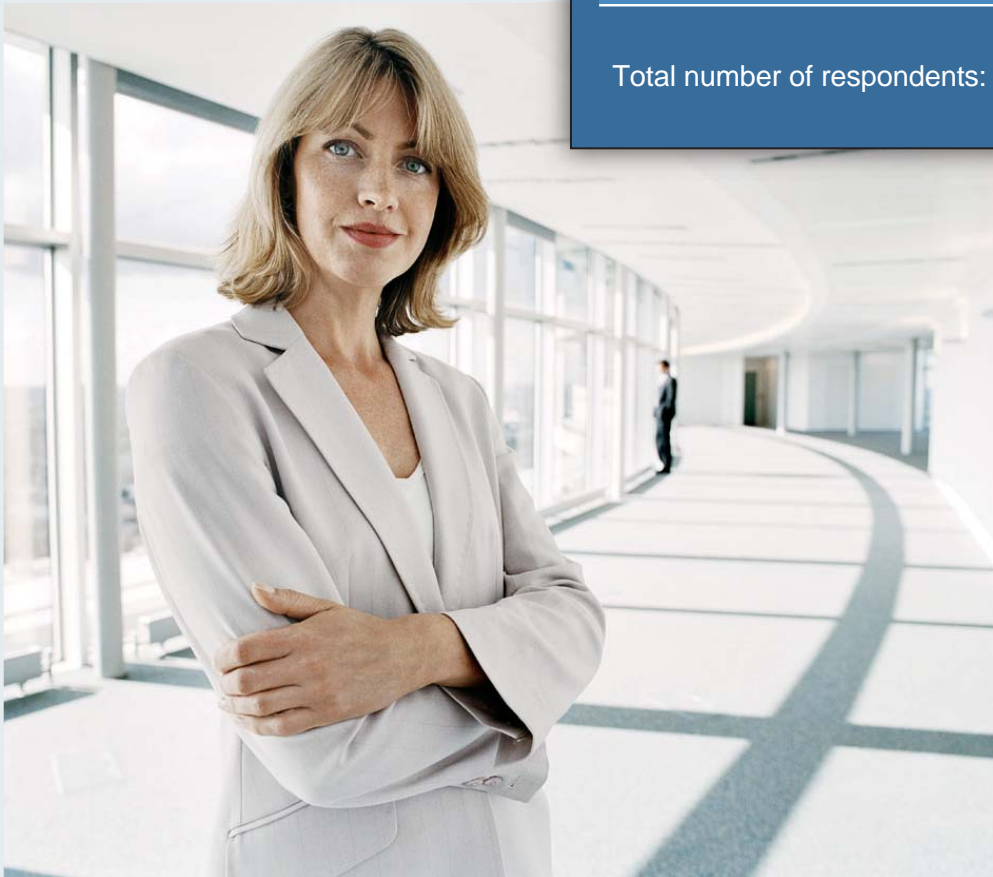
RESULTS REPORT

San Joaquin Valley Insurance Authority
2013 Health Evaluations

Quality Survey Results

Was the blood drawer courteous?	98%	Yes
Was the blood drawer professional?	97%	Yes
Was the blood drawer's appearance professional?	95%	Yes
Overall, was the program of value to you?	96%	Yes

Total number of respondents: 291



Members

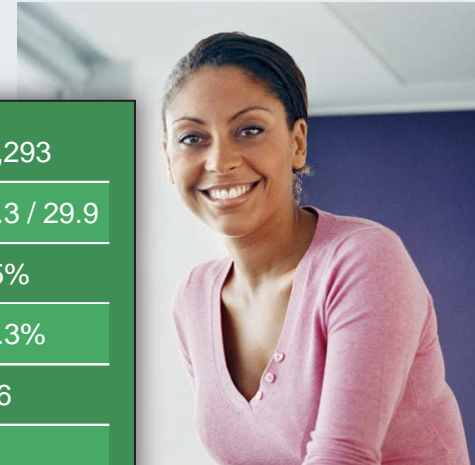
	Age 40+	Repeat participation
716 Total	63.3%	278 (38.8%)
204 Males	63.7%	68 (33.3%)
512 Females	63.1%	210 (41.0%)

3 spouses participated

Interesting Insights About Your Company



Lab tests on file	28,293
Average BMI (Female / Male)	30.3 / 29.9
Percentage of tobacco users	8.5%
Percentage of members referred to a physician	57.3%
Members at risk of a heart attack over the next 10 years	136
Average number of days of exercise	2
Members actively taking steps to improve their health	252



Website Usage

Members registered	645
Information bulletins sent per member *	0
Member visits *	1,112
Items researched per visit *	7

* in last 12 months

Newly Discovered Conditions

At Risk

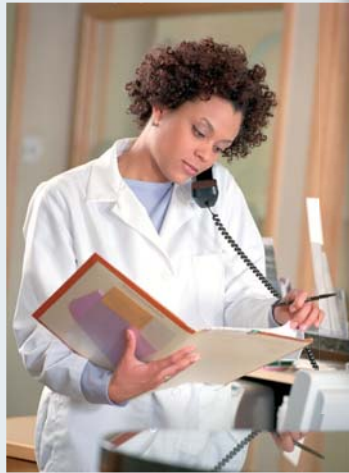
Anemia	16	2
Blood Pressure	36	1
High Cholesterol	62	12
Diabetes	13	4
Kidney Condition	3	1
Liver Condition	31	1
Thyroid Condition	7	0
Metabolic Syndrome*	197	-

Newly discovered means our testing uncovered an abnormal medical condition that was not entered on the member's health history.

* Metabolic Syndrome is a condition defined as having at least three of these risk factors (large waist measurement, elevated triglycerides, low HDL cholesterol, elevated blood pressure, or high glucose). Metabolic Syndrome increases an individual's risk of having a heart attack, stroke or developing diabetes.



At risk refers to conditions that require immediate medical attention. Interactive Health medical staff has communicated with the people in this group to follow up with their physicians.



At Risk Results

Critical

Anemia	2	2
Blood Pressure	8	4
High Cholesterol	36	2
Diabetes	8	8
Kidney Condition	4	1
Liver Condition	1	1
Possible Cancer	1	1
Thyroid Condition	3	3
Other *	4	4

*: Muscle, Bone, Autoimmune Disease, Parathyroidism, adverse reaction to medication

Mental Health

	Mild	Moderate	Serious
Anxiety	30	32	15
Depression	35	38	17
Stress	30	22	11
Problem Drinking	N/A	N/A	22



Medication Considerations

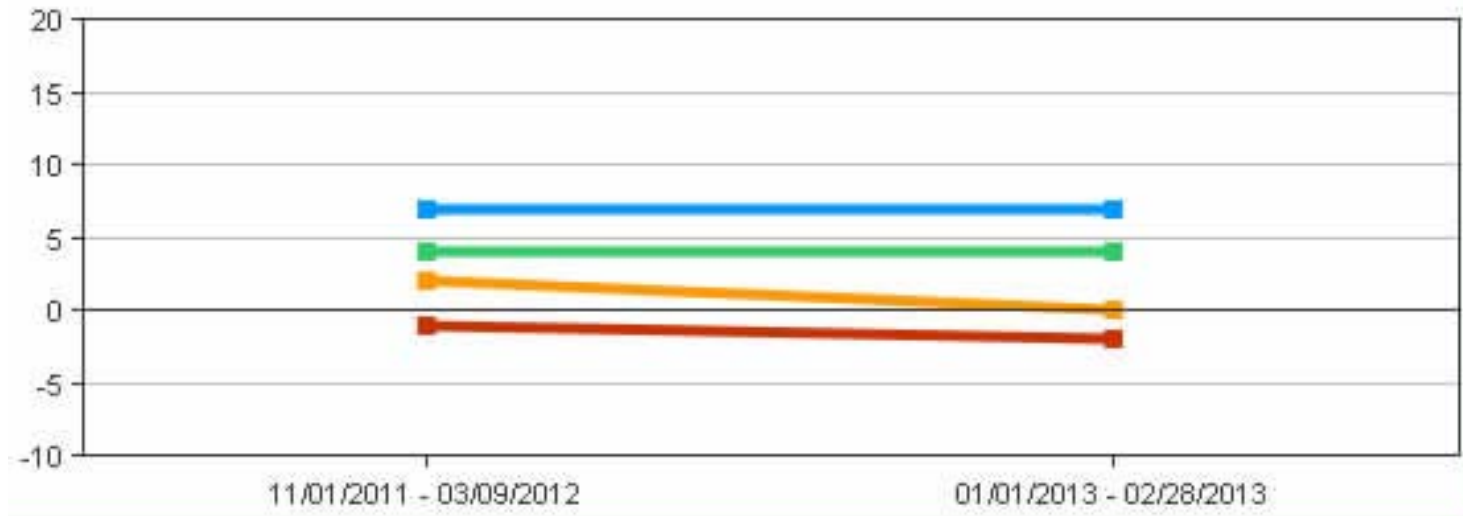
Diabetes	8
Blood Pressure	10
Cholesterol	45

This section includes members who are aware of their condition and tested out of range, but are not currently on medication for the condition.

IHI Yearly Trends



Average IHI Scores



Health Evaluation Periods

	11/01/2011 - 03/09/2012	01/01/2013 - 02/28/2013
■ Your Company	2	0
■ Peers	7	7
■ Healthiest Companies	-1	-2
■ IHS Clients	4	4

Your Company's IHI Scores

The average IHI score for these members is 0, which puts this population in the low risk category.

	Your Company	Peers	IHS Clients
High Risk (IHI 26+)	13%	23%	19%
Moderate Risk (IHI 1 to 25)	16%	18%	19%
Low Risk (IHI -20 to 0)	71%	59%	62%

What is IHI?

The IHI (Interactive Health Index) was designed to help members understand where they stand for future risk of coronary heart disease and diabetes.

The index is composed of five modifiable risk factors: smoking, glucose, blood pressure, triglycerides and LDL cholesterol – all potential causes of serious health problems.

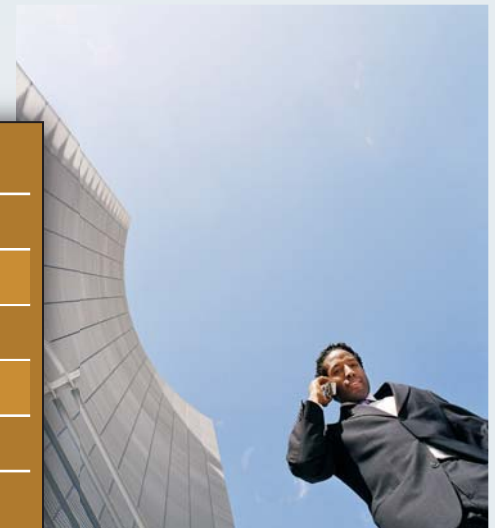
Why are we doing it?

Heart disease is the #1 cause of death in the U.S. and also the #1 cause of high medical cost. Luckily, heart disease and diabetes are avoidable. People who meet their goals have a greatly reduced risk of heart disease and diabetes.

IHI Improvements

	Regressed	Same	Improved	Total *
Blood Pressure	2 (7%)	0 (0%)	26 (93%)	28
LDL Cholesterol	12 (24%)	4 (8%)	34 (68%)	50
Glucose	13 (22%)	5 (8%)	42 (70%)	60
Triglycerides	12 (21%)	14 (25%)	31 (54%)	57
Smoking	0 (0%)	18 (75%)	6 (25%)	24

* Total number of members asked to improve based on their last health evaluation



Productivity – Avoidable Estimated Annual Workdays Lost Per Person

Employee productivity is directly related to the overall financial health of your organization. While sick days contribute to reducing productivity, in most cases sick days are just the tip of the iceberg. Employees who have chronic illnesses and come to work every day (presenteeism) can have a significant negative impact on productivity. Symptoms (headaches, shortness of breath, fatigue,

dizziness, lethargy, etc.) can have a proportionately negative influence on your bottom line. This year's health evaluation program has identified those employees who could contribute to this difficult business problem. Fortunately, Interactive Health will continue to communicate with your employees and encourage them to comply with our recommendations. Active disease management services can also contribute to minimizing the potential impact of presenteeism. The following charts will give you a perspective on where your company ranks in avoidable presenteeism.

Your company compared to your peers



Your company compared to ALL Interactive Health clients

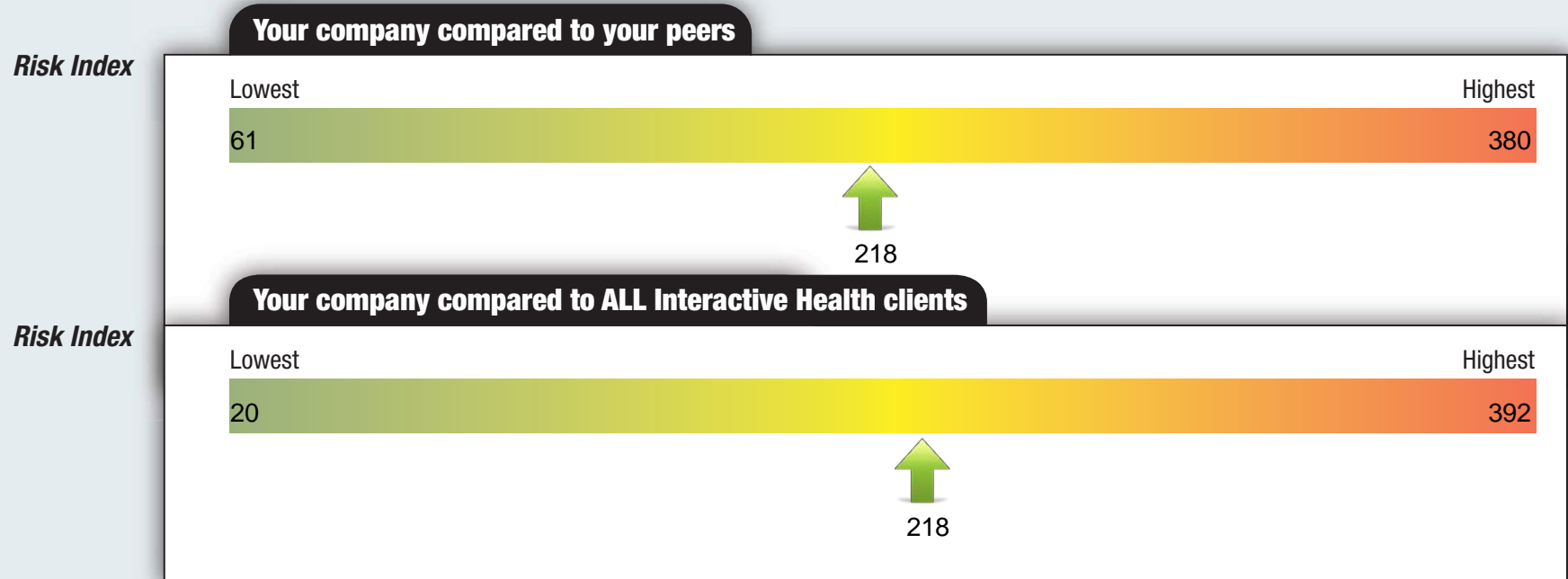


Excludes spouses

Quality – Avoidable Poor Quality

Is anything more important/critical to your company? Did you know that every aspect of your product, sales and service is directly influenced by how your employees feel while they interface with clients, touch your product or attempt to sell new business? We believe that employees who are forgetful, tired, have

difficulty concentrating or remembering, and are irritable are not good for business. Interactive Health has identified some (don't you wish that everyone had participated?) of these people. Our programs will reduce your risk in this area. Poor quality is avoidable!



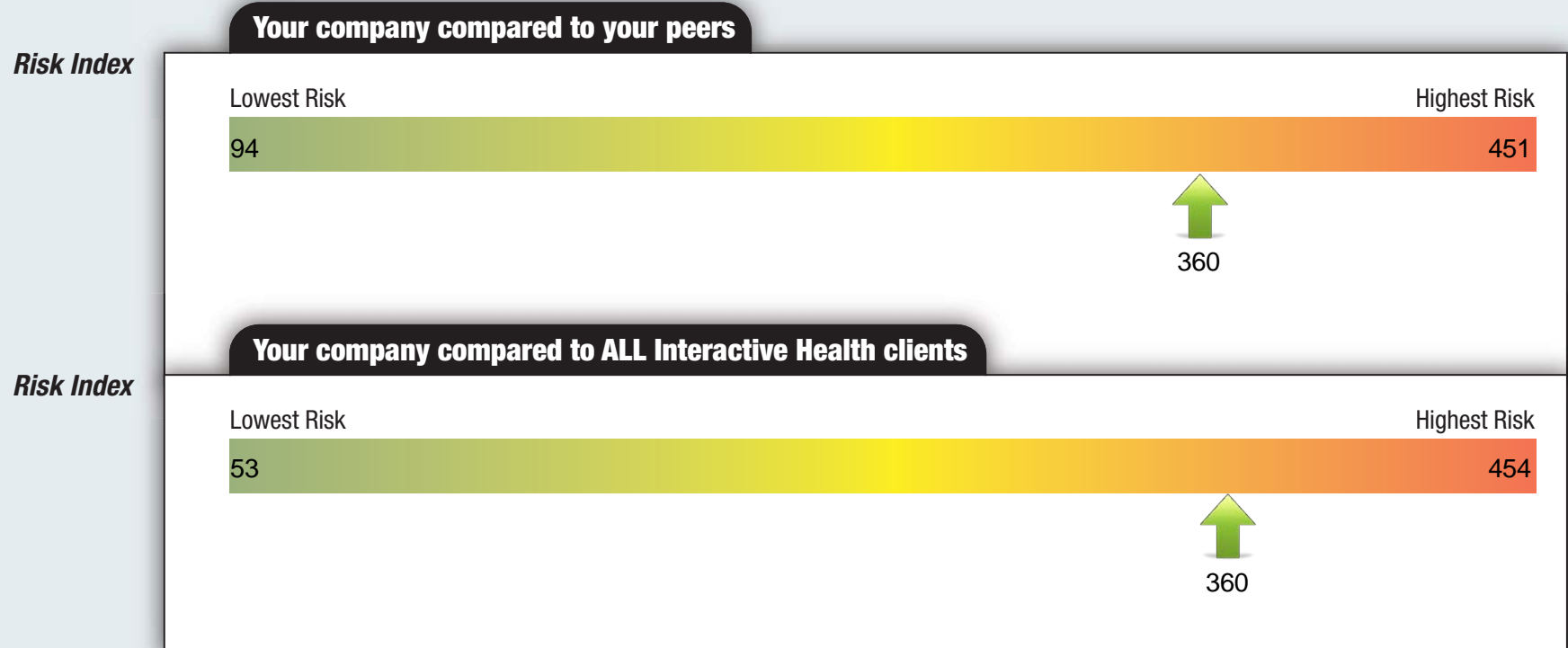
Excludes spouses



Workers' Compensation – Avoidable Accidents Influenced by Disease Symptoms

Since workers' compensation costs, and general liability, are based on past experience, future expense exposure can be minimized by reducing the number and severity of accidents. Symptoms associated with active diseases (fatigue, dizziness, blurred vision, lack of concentration, etc.) can have a dramatic "cause and effect" relationship with accident rates. Interactive Health has identified employees who have diseases which exhibit symptoms that can contribute to high accident rates.

We have also adjusted the probability of accident occurrence by the seriousness of the disease. The diseases that we have focused on include: problem drinking, sleep apnea, diabetes, hypothyroidism and depression. The following analysis looks at your company's risk of accidents that may be influenced by symptoms associated with these controllable medical problems. Your company's risk is compared to risks of peer companies and also to the aggregate risks of all companies in the Interactive Health database. This analysis is unique to Interactive Health.



Excludes spouses

Medical – Avoidable Annual Medical Costs

Typically, annual medical costs can be reduced by proactive intervention at the beginning stage of the disease process. Proper management of medical problems and adherence to lifestyle guidelines can reduce medical costs.

Interactive Health has identified members who have an identifiable disease. We have also considered the seriousness of the disease. The following graph provides an estimate of the potential annual avoidable costs on a per person screened basis. Healthiest companies have the lowest avoidable costs.

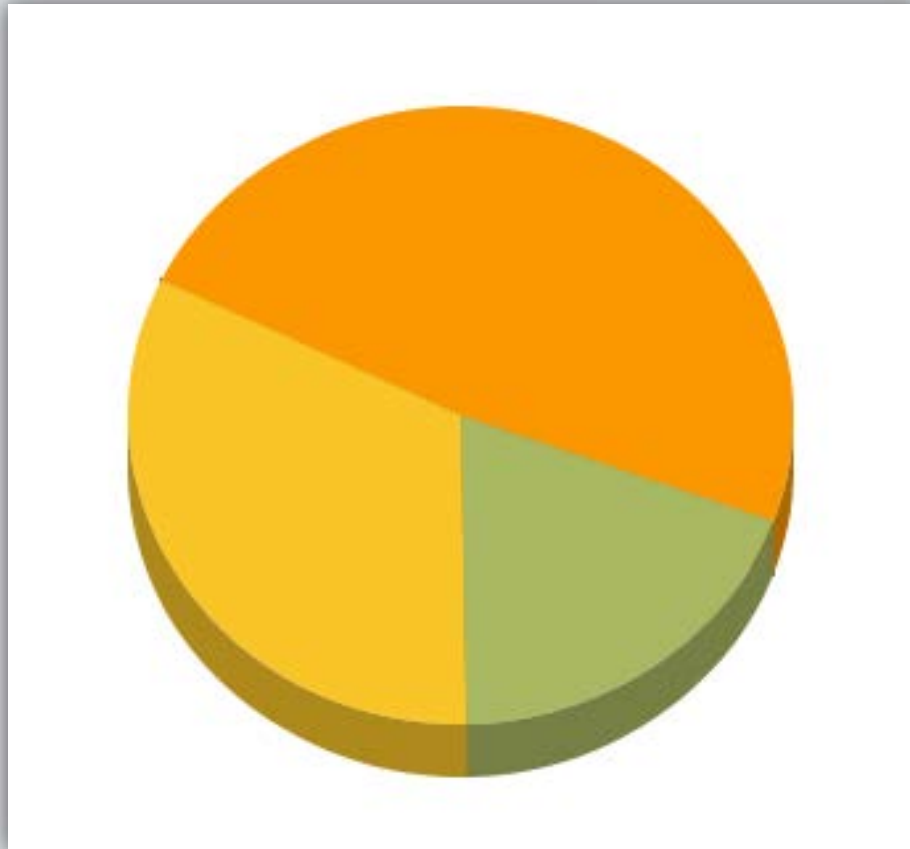
Your company compared to your peers



Your company compared to ALL Interactive Health clients



Estimated Avoidable Annual Medical Costs



Unhealthiest medical plan members (Top 15%)

33 members
\$29,021 per person
\$957,700 total

Moderately unhealthy medical plan members (Next 35%)

76 members
\$8,523 per person
\$647,800 total

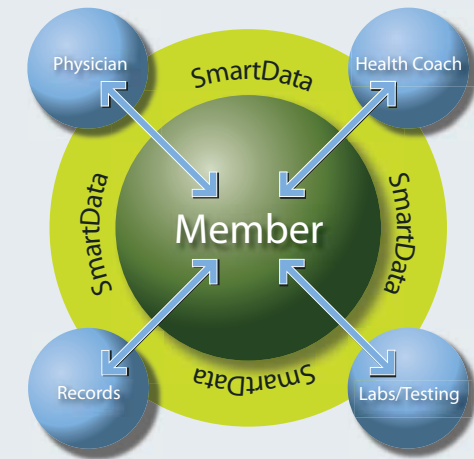
Healthiest medical plan members (Remaining 50%)

607 members
\$625 per person
\$379,900 total

Sources: Cecil Textbook of Medicine, 19th Edition W.B. Sanders Company, Philadelphia, the Healthwise Knowledgebase, NCEP Adult Treatment Panel III Report 2001
NHLBI - Framingham Heart Study - Estimating Coronary Heart Disease (CHD) Risk Using Framingham Heart Study Prediction Score Sheets 2002, Outcomes Research -
The Health Status of the United States Workforce, Institute for Health and Productivity Studies, Cornell University. The above are not precise numbers. They are estimates
based on the number and severity of untreated medical conditions discovered. INTERACTIVE HEALTH DOES NOT MAKE MEDICAL DIAGNOSES.

Physician Link

Number of people enrolled	309
Number of records provided to physicians	327
Number of additional tests	0
Number of follow up reminders	104



Smart Testing

Diabetes can have a major impact on employee productivity and health care costs. The results of the A1c test show how well those that self-reported themselves as diabetic are managing their condition and identifies those that are newly discovered diabetics and pre-diabetics. Newly discovered means no history of diabetes were indicated, but the A1c results indicate diabetic or pre-diabetic range. An A1c $\geq 7.0\%$ indicates a greater risk of diabetes related complications.

EXAMPLE

A1c Testing Results

35% of the members received an A1c test	Members	Provided Results to Physician	Current Estimated Costs *	Preventable Future Costs *
Diabetic range A1c $\geq 6.5\%$	17%	37%	\$930,000	N/A
Pre-diabetic range A1c = 5.7%-6.4%	53%	34%	\$143,000	\$2,860,000
Normal range A1c $\leq 5.6\%$	30%	9%	N/A	\$79,500

* According to the Centers for Disease Control 2007 & American Diabetes Association 2007: On average a pre-diabetic costs the medical plan approximately \$500 per year and a diabetic's direct (medical) and indirect (disability, productivity, quality) costs are approximately \$10,000 per year.

Highlights EXAMPLE

Diabetics (self-reported)

16% of A1c recipients

- 48% not in control (A1c $\geq 7.0\%$)
- Average BMI 32

Newly Discovered Diabetics

6% of A1c recipients

- 15% had a normal fasting blood glucose (<100 mg/dL)
- 47% had a pre-diabetic fasting blood glucose (100 - 125 mg/dL)
- 35% members with A1c $\geq 7.0\%$
- Average BMI 32

Pre-diabetics (excludes self-reported diabetics)

47% of A1c recipients

- 59% had a normal fasting blood glucose (<100 mg/dL)
- Average BMI 32

Potential for becoming next group of diabetics
- opportunity for preventative course of action





BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

**Meeting Location:
Tulare County
Human Resource and
Development Test Room
2900 W Burrel
Visalia, CA
April 19, 2013 9:00 AM**

AGENDA DATE: April 19, 2013

ITEM NUMBER: 11

SUBJECT: Funding Request for Wellness Activity

REQUEST(S): That the Board Approves the Funding Request for Wellness Activity

DESCRIPTION:

In June of 2012, the County of Fresno and the County of Tulare held a walking challenge called "Walking Works" for their employees as part of the wellness program for the SJVIA. 3,700 pedometers were provided by Anthem Blue Cross and Delta TeamCare in sponsorship of the activity. The walking challenge was a success with many participating and enjoying the friendly competition between the two Counties and also within each County separately. Each County enjoyed participation of 12-16% with thousands of "steps" reported. In review of the walking challenge and in anticipation of planning for this year's program, staff received many complaints that the quality of the pedometers was less than desired which may have compromised the integrity of the results. Therefore, SJVIA staff and Gallagher Benefit Services is working with Anthem, Delta TeamCare, and other vendors to secure sponsorship for the purchase of the pedometers in hopes that participants would continue to make use of them after the challenge is completed. Today's recommended action is

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 19, 2013

seeking Board approval for SJVIA contribution towards higher quality pedometers.

The 2013 walking challenge is being planned for mid May also to include the City of Tulare and the City of Ceres. Staff is requesting monies from the Wellness fund not to exceed \$5,000 for the purchase of the pedometers. This fiscal year, the SJVIA has expended \$62,599 in this budget line item. \$302,328 was budgeted for FY 12/13.

FISCAL IMPACT/FINANCING:

If approved the maximum expense is projected not to exceed \$5,000 from the Claims Mitigation fund. There are sufficient funds in this fund to accommodate the expense.

ADMINISTRATIVE SIGN-OFF:



Jeffrey Cardell
SJVIA Manager



Paul Nerland
Assistant SJVIA Manager

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

IN THE MATTER OF Funding Request for Wellness Activity

RESOLUTION NO. _____
AGREEMENT NO. _____

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

**AYES:
NOES:
ABSTAIN:
ABSENT:**

ATTEST:

BY: _____

* * * * *

That the Board approved the funding request for the wellness activity.

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

Overview:

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

The SJVIA growth goals are:

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

General Underwriting Parameters:

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

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

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

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

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

Standard Underwriting Guidelines for New Groups:

1. Participation minimum requires 75% of all eligible employees. Any conditions that may impact participation percentage significantly will be a consideration
2. All eligible active employees must be offered SJVIA medical options
 - a. Exception being Kaiser, which can have no more than 50% of the enrollment
 - b. Exception being collectively bargained groups not currently covered by the incumbent plan;
3. Employer contribution minimum is 75% of the employee premium;
4. Cobra participation is limited to 10%;
5. Early retiree population (pre-65) is limited to 20% of covered active employees.

Rating Process for Groups Seeking SJVIA Membership:

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

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

process will commence. Upon advise from the UC, GBS will begin the process and will complete the following:

- a. Review to confirm all required data is obtained:
 - i. Current and renewal rates (if available) for all plans being considered.
 - ii. Claims experience (if available) for all plans being considered by month with corresponding enrollment data. Require a minimum of twelve months of recent claims history on any prospect above 300 lives if fully insured (with notable exceptions such as CalPERS participants), and for all prospect sizes that are self-insured. This assumes 300 lives in a specific plan (e.g. PPO or HMO). If not provided, consider decline to quote action.
 - iii. Detailed descriptions of in-force benefits for all plans being considered
 - iv. Large medical claims information including prognosis of on-going claims
 - v. Census of all plan participants indicating dependent status, gender, age, employment status, etc.
 - vi. Other pertinent information about the plan

- b. Develop Cost Projections:
 - i. Run census to determine age/sex factor and compare to SJVIA
 - ii. Insert claims data into SJVIA rating worksheet to develop average claim amounts by line of coverage
 1. If claims data is not available, the assumption of 80% paid claims ratio to current or renewal premium will be used to determine estimated claims. For Cal PERS members, 90% paid claims ratio will be assumed. The client estimated claims amount will be given a credibility factor according to the size of the group in relation to the SJVIA pool and it will be weighted accordingly to develop the projected claim funding amounts
 - iii. Project trended claims and apply adjustment factors such as age, gender, benefit change, etc. to the average claim amounts. Determine and adjust accordingly if proposal is on a short year basis (for account with July 1st effective dates) or a calendar year basis per SJVIA.
 - iv. Add pooling fund adjustment for groups under 2,000 employees according to a graduated pooling scale
 - v. Illustrate projected claims cost and a mature and immature basis to identify needed IBNR reserves

- vi. Apply appropriate benefit relative value factors and adjust accordingly using the GBS HRM system.
 - vii. Apply SJVIA fixed cost components and projected plan anniversary adjustments if appropriate.
 - viii. Apply a new case assessment charge identified as “Administrative Implementation Fee”
- c. Combine all information into a proposal format with:
- i. Proposed rates in appropriate format. All proposals will illustrate the total rates in the appropriate format (e.g. Supercomposite, two step, three step, etc.). [The proposed rates will be developed from a combination of fixed costs (administration, stop loss, consulting, eligibility, etc.), projected claims and required reserves. All proposals will include an additional administrative implementation fee which will be determined by the Underwriting Committee and GBS. This additional fee will apply in the first year only.
 - ii. Appropriate declarations, disclaimers and list of assumptions
 - iii. Notation that SJVIA reserves the right to accept or decline the group following application for acceptance by the prospect account
 - iv. Copy of SJVIA bi-laws and governance information
 - v. Detail information concerning the renewal underwriting process
- d. Underwriting Committee Approval to Release Proposal: When the proposal process is complete and a formal proposal has been prepared, the Consultant must resubmit to the UC for final approval for the release of the proposal to the prospective account.
- e. New Business SJVIA Board Action:
- i. The proposal once developed and approved for release by the UC, will be submitted to the interested group for consideration and acceptance
 - ii. If accepted, notice will be provided to the Consultant by the prospective account. The consultant will advise the Underwriting Committee, which in turn will present and secure acceptance by the SJVIA Board.

Renewal Rating Methodology:

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

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

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

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

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

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

1. Loss Ratio Variance

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

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

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

- <50 employees = \$25,000
- > 50 and < 100 employees = \$75,000

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

Concerning New Member Pooling amounts:

For prospective new member quotes, the entry period stop loss insurance will be will be quoted anticipating special eligible claim definitions. The SJVIA stop loss year is the calendar year. Therefore, groups entering on any month other than January 1st will require either a short stop loss policy plan year or an extended stop loss policy plan year. For example, a member group with a July 1st entry date would be given an incurred in 6 months and paid in 9 months contract. Also, groups entering on or between July 1st and December 1st will be provided a reduced specific stop loss attachment point by the stop loss carrier of \$275,000, rather than the SJVIA stop loss attachment point of \$450,000. Groups entering in any other month will be subject to the SJVIA attachment point of \$450,000. A chart indicating the eligible stop loss claim definition for the new member's short or extended plan year is provided below:

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

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

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

2. Credibility Factor

A credibility factor is developed to provide a measure of reliability associated with each member's experience as compared to the pool. As the size of the member's enrolled population increases so does the Credibility Factor. Each member's experience in excess of 1000 or more employees will be considered 100% credible with a minimum of 12 months of recent claims experience. Groups between 500 and 1000 employees will be given a credibility factor of 75%. Groups between 250 and 500 employees will be considered 50% credible. Groups between 50 and 250 will be considered 25% credible and groups under 50 employees will have 0% credibility.

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

3. Experience Modification Factor

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

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

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



BOARD OF DIRECTORS

ANDREAS BORGEAS

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

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PETE VANDER POEL

**Meeting Location:
Tulare County
Human Resource and
Development Test Room
2900 W Burrel
Visalia, CA
April 19, 2013 9:00 AM**

AGENDA DATE: April 19, 2013

ITEM NUMBER: 12

SUBJECT: Revised Underwriting Guidelines

REQUEST(S): That the Board approve revision of the Underwriting Guidelines

DESCRIPTION:

The Fresno Gallagher Benefit Services (GBS) office has solicited guidance from the GBS Western Region Underwriting Manager to conduct a review and suggest refinements to the SJVIA “*New Member Underwriting Methodology*” document. The review was at the suggestion of the SJVIA Underwriting Committee as a “check point” to assure the underwriting of new member groups is being conducted in a manner to enable competitive proposals yet protect the financial integrity of the SJVIA plan. The Underwriting Committee did not approach this review with the perspective that the underwriting guidelines were deficient or placed the SJVIA at risk. Rather, SJVIA staff considers this document to be somewhat dynamic requiring regular review to maintain assurance that it is current, subject to acceptable underwriting parameters and that it meets the new member considerations of SJVIA as it evolves and grows.

A few changes were suggested and have been incorporated into the attached document. Consistent with industry standard minimum participation and

AGENDA: San Joaquin Valley Insurance Authority

DATE: April 19, 2013

employer contribution requirements for employee only coverage are being recommended to provide for plan stability. In addition, it is recommended that a minimum of twelve months of claims experience (when available) is to be considered when developing rates. This item seeks approval of the Board to make these changes to the SJVIA Underwriting Guidelines.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



**Jeffrey Cardell
SJVIA Manager**



**Paul Nerland
Assistant SJVIA Manager**

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

IN THE MATTER OF Revised Underwriting Guidelines

RESOLUTION NO. _____
AGREEMENT NO. _____

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

**AYES:
NOES:
ABSTAIN:
ABSENT:**

ATTEST:

BY: _____

* * * * *

That the Board approved revision of the Underwriting Guidelines