

# AGENDA

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees'  
Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 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 28 and October 15, 2015 (A)
7. Approve Proposed 2016 Board Meeting Calendar (A)
8. Receive Update on Cash Flow and Projections and Mitigation Efforts (I)
9. Receive and File Fourth Quarter 2014-15 Financial Report (A)
10. Receive and File First Quarter 2015-2016 Financial Report (A)
11. Adopt Resolution to Deallocate Funds from the Viverae Agreement and Authorize SJVIA Manager to give Notice of Termination for Viverae Agreement (A)
12. Adopt Revised Budget for the 2015-16 Fiscal Year (A)
13. Receive and File SJVIA Executive Claims Summary through August 2015 (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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

# AGENDA

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees'  
Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

14. Approve Proposal to Amend and Restate Joint Powers Agreement to Address Operational and Administrative Matters and Direct Staff to Present to Member Entities (A)
15. Approve Staff Recommendation for Consultant to Review SJVIA Rates for Plan Years 2014-2016 and Authorize President to Execute Agreement with Consultant Subject to the Approval of SJVIA Counsel and Staff (A)
16. Review and Discuss Potential Changes in Composition of SJVIA Board of Directors (I)
17. Authorize President to Execute Amendments to SJVIA Participation Agreements Effective January 1, 2016 (A)
18. Approve Amendment to the Administrative Service Agreement with Chimienti & Associates Effective January 1, 2016 (A)
19. Approve Amendment to Health Now Administrative Services Agreement Effective January 1, 2016 (A)
20. Receive and File Report from Anthem Blue Cross Regarding the HMO Claims and Disease Management (I)
21. 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees'  
Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
August 28, 2015 9:00 AM**

1. Call to Order

Meeting was called to order by Director Poochigian at 9:00 am

Director Pacheco arrived at 9:04 am

2. Pledge of Allegiance

3. Roll Call

Roll was called by Heather Martinez, Gallagher Benefit Services. In attendance were Director Ennis, Director Pacheco, Director Vander Poel, Director Worthley, Director Mendes, Director Ennis, and Director Poochigian.

4. Approval of Agenda (A)

Director Ennis moved to approve the agenda with no changes; the motion was seconded by Director Worthley. The motion passed unanimously.

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 specific item placed on the agenda for a future meeting should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the scheduled meeting.

Director Poochigian opened the meeting for public comment – no public comment was given.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 636-4900 or the Assistant SJVIA Manager at 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees'  
Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
August 28, 2015 9:00 AM**

6. Approval of Minutes – Board Meeting of July 17, 2015 (A)

Director Vander Poel moved to approve the July 17, 2015 Minutes; the motion was seconded by Director Mendes. The motion passed unanimously.

7. Approve Anthem Blue Cross as the SJVIA Health Plan Administrator from December 7, 2015 – December 31, 2016, Approve Renewal Rates, and Authorize Chair to Execute Agreements (A)

Paul Nerland, SJVIA Assistant Manager, requested to finalize the fixed costs proposed by Anthem Blue Cross and accept the free Disease Management offering for the PPO and HMO Plans.

Director Mendes moved to approve Anthem Blue Cross as the SJVIA Health Plan Administrator from December 7, 2015 – December 31, 2016, Approve Renewal Rates, and Authorize Chair to Execute Agreements, the motion was seconded by Director Ennis. The motion passed unanimously.

8. Approve US Script as the SJVIA Pharmacy Benefit Manager from January 1, 2016- December 31, 2018, and Authorize Chair to Execute Agreements (A)

Rhonda Sjostrom, SJVIA Manager, recommended that the SJVIA stay with US Script for the 2016 plan year.

Director Vander Poel moved to approve US Script as the SJVIA Pharmacy Benefit Manager from January 1, 2016- December 31, 2018, and Authorize Chair to Execute Agreements. The motion was seconded by Director Ennis. The motion passed unanimously.

9. Approve the Delta Dental Renewal Rates for Plan Year 2016 and Authorize Chair to execute Agreements (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 636-4900 or the Assistant SJVIA Manager at 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees'  
Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
August 28, 2015 9:00 AM**

Rhonda Sjostrom reported the eight entities that are currently participating in the Delta Dental program are running very well. Delta proposed a 4.11% decrease on the PPO and a 5.38% increase on the DHMO. There will be no increases to the plans over the next two years. The SJVIA staff recommended accepting the 2016-2017 renewal options.

Director Vander Poel moved to approve the Delta Dental Renewal Rates for Plan Year 2016 and Authorize Chair to execute Agreements. The motion was seconded by Director Mendes. The motion passed unanimously

10. Approve Vision Plan Renewal Rates for Plan Year 2016 and Authorize Chair to Execute Agreements (A)

Paul Nerland presented a renewal option to the Board to renew with a slight change to the County of Fresno's coverage on frames, which would result in a rate pass for the 2016 plan year.

Director Ennis moved to approve Vision Plan Renewal Rates for Plan Year 2016 and Authorize Chair to Execute Agreements. The motion was seconded by Director Mendes. The motion passed unanimously

11. Approve Kaiser HMO Renewal Rates for Plan Year 2016 and Authorize Chair to Execute the Agreement (A)

Rhonda Sjostrom, SJVIA Manager, gave an overview on the past and present membership with Kaiser. As of today, we have twelve entities that are currently offering a Kaiser Plan. Kaiser dropped the renewal rate increase to 7.75%. The recommendation is to renew with Kaiser with the revised renewal increase.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 636-4900 or the Assistant SJVIA Manager at 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees'  
Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
August 28, 2015 9:00 AM**

Director Vander Poel moved to approve Kaiser HMO Renewal Rates for Plan Year 2016 and Authorize Chair to Execute the Agreement. The motion was seconded by Director Mendes. The motion passed unanimously

12. Approve HMO and Self-Funded PPO Health Plan Renewal Rate Change for Plan Year 2016 (A)

Paul Nerland presented the renewal numbers to the Board. He also suggested that reserves be lowered. A thorough analysis by the actuarial department found reserves can be lowered from 16% to 14%, which would continue to be a very conservative calculation based on industry standards. The SJVIA Management Staff recommended four different renewal options to the Board.

Director Vander Poel motioned to option 4 under the 14% reserve. Director Ennis seconded the motion. Motion did not pass.

Director Worthley motioned for option 3 with a 14% reserve. It carried 4 to 2 with a rate action of 11.71% on the HMO, and 4.9% on the PPO.

13. Adopt Fiscal Year Budget for 2015- 2016 (A)

Moved Item 13 to the November Board Meeting

Director Worthley moved to Adopt Fiscal Year Budget for 2015-2016, at the November Board Meeting. The motion was seconded by Director Mendes. The motion passed 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 636-4900 or the Assistant SJVIA Manager at 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees'  
Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
August 28, 2015 9:00 AM**

14. Authorization of the Release of Proposals for Participation and Authorization of Execution of Participation Agreement(s) for County of Yuba (705) and County of Modoc (A)

Alan Thaxter, Gallagher Benefits Services, advised the Board that both entities are requesting proposals effective January 1, 2016.

Director Vander Poel moved to Authorize the Release of Proposals for Participation and Authorization of Execution of Participation Agreement(s) for County of Yuba (705) and County of Modoc. The motion was seconded by Director Mendes. The motion passed unanimously.

15. Adjournment

Meeting was adjourned at 10:48 am by Director Poochigian.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 636-4900 or the Assistant SJVIA Manager at 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*

# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Fresno County Employees' Retirement  
Association Board Chambers  
1111 H Street  
Fresno, CA 93721  
October 15, 2015 9:00 AM**

1. Call to Order

Meeting was called to order by Director Poochigian at 9:00 am.

2. Pledge of Allegiance

3. Roll Call

Roll was called by Heather Martinez, Gallagher Benefit Services. In attendance were Director Ennis, Director Pacheco, Director Vander Poel, Director Worthley, Director Mendes, Director Borgeas, and Director Poochigian.

4. Approval of Agenda (A)

Director Borgeas moved to approve the agenda with no changes; the motion was seconded by Director Vander Poel. The motion passed unanimously.

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 specific item placed on the agenda for a future meeting should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the scheduled meeting.

Director Poochigian opened the meeting for public comment – no public comment was given.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 636-4900 or the Assistant SJVIA Manager at 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://www.sjvia.org).*



# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:**  
**Fresno County Employees' Retirement**  
**Association Board Chambers**  
**1111 H Street**  
**Fresno, CA 93721**  
**October 15, 2015 9:00 AM**

6. Receive Presentation by SJVIA Auditor-Treasurer Staff and Discuss Current Cash Balances and Cash Flow Issues (I)

Lawrence Seymour, ACTTC from Fresno County and Vicki Crow Auditor Treasure, presented information and summarized the findings of the current cash balance as of October 15, 2015 compared to the projected reserve balance. The Board requested that current cash balances be included in all future renewals. Board recommended the following processes be considered to improve cash flow: review viability of Viverae Wellness program, implement check and balance procedures, request grace period for claims payment from Anthem Blue Cross.

7. Consider and Take Appropriate Action on Proposed Amendments to 2016 Renewal Rates for Anthem HMO Health Plan and PPO Self-Insured Plans (A)

Director Poochigian, SJVIA Board of Supervisors President, proposed keeping the PPO renewal increase at 4.9% and increasing the HMO for the County of Fresno and County of Tulare to 13.15%. The previously approved rate action will remain the same for all other entities. Director Poochigian requested Gallagher Benefits Service and SJVIA Staff to present cost reduction recommendations at the next scheduled Board Meeting.

Director Poochigian moved to Consider and Take Appropriate Action on Proposed Amendments to 2016 Renewal Rates for Anthem HMO Health Plan and PPO Self-Insured Plans seconded by Director Vander Poel. The motion passed unanimously.

8. Adjournment

Meeting was adjourned at 11:14 am by Director Poochigian.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 636-4900 or the Assistant SJVIA Manager at 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, 14<sup>th</sup> Floor, Fresno, CA during normal business hours. All documents are also posted online to [www.sjvia.org](http://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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015  
**ITEM NUMBER:** Item 7  
**SUBJECT:** Proposed 2016 Board Meeting Calendar (A)  
**REQUEST(S):** That the Board of Directors approve the proposed 2016 Board Meeting Calendar

**DESCRIPTION:**

The attached proposed schedule recommends five meetings of your Board in 2016 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 2016 SJVIA Board Calendar.

**FISCAL IMPACT/FINANCING:**

None.

**ADMINISTRATIVE SIGN-OFF:**

---

Rhonda Sjostrom  
SJVIA Manager

---

Paul Nerland  
SJVIA Assistant Manager



**BOARD OF DIRECTORS**

ANDREAS BERGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

## Board of Directors Meetings – 2016

### SCHEDULE

<u>Date</u>	<u>Time</u>	<u>City</u>	<u>Location</u>
<b>February 5, 2016</b> (Friday)	9:00 - 12:00	Fresno	FCERA Board Chambers- Fresno County Employee Retirement Association
<b>April 8, 2016</b> (Friday)	9:00 - 12:00	Visalia	TCERA Board Chambers- Tulare County Employee Retirement Association
<b>July 15, 2016</b> (Friday)	9:00 - 12:00	Fresno	FCERA Board Chambers- Fresno County Employee Retirement Association
<b>August 12, 2016</b> (Friday)	9:00 - 12:00	Visalia	TCERA Board Chambers- Tulare County Employee Retirement Association
<b>November 4, 2016</b> (Friday)	9:00 - 12:00	Fresno	FCERA Board Chambers- Fresno County Employee Retirement Association

LOCATIONS:

FCERA – Fresno County Employee Retirement Association  
1111 H Street  
Fresno, CA 93721

TCERA – Tulare County Employee Retirement Association  
136 N. Akers Street  
Visalia, CA 93291



# 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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93921  
November 6, 2015  
9:00 AM

**AGENDA DATE:**

November 6, 2015

**ITEM NUMBER:**

8

**SUBJECT:**

SJVIA cash flow and projections update

**REQUEST(S):**

That the Board receive an update on cash flow and projections and mitigation efforts (I)

**DESCRIPTION:**

This is a follow-up to item #6 of the October 15, 2015 Board meeting & an update of current cash balances and projections for 2016, adjusted based upon Board direction.

**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**

**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: \_\_\_\_\_

\* \* \* \* \*



# 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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93921  
November 6, 2015  
9:00 AM

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** 9

**SUBJECT:** Quarterly SJVIA financial update

**REQUEST(S):** That the Board receives the financial update through 4th quarter,  
2014-15

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

**FISCAL IMPACT/FINANCING:** None.

**ADMINISTRATIVE SIGN-OFF:**

A handwritten signature in blue ink that reads "Vicki Crow". The signature is written in a cursive, flowing style.

Vicki Crow  
SJVIA Auditor-Treasurer

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

**IN THE MATTER OF**

**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: \_\_\_\_\_

\* \* \* \* \*

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**  
**ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS**  
**FOR THE THREE AND TWELVE MONTHS ENDED JUNE 30, 2015**

	Current Quarter				Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	%
<b>RECEIPTS</b>								
<b>TOTAL RECEIPTS</b>	<b>\$28,149,928</b>	<b>\$29,240,736</b>	<b>\$1,090,808</b>	<b>4%</b>	<b>\$112,599,711</b>	<b>\$110,249,866</b>	<b>(\$2,349,845)</b>	<b>(2%)</b>
<b>DISBURSEMENTS: Fixed</b>								
1 Specific & Aggregate Stop Loss Insurance (PPO)	189,739	220,762	(31,023)	(16%)	758,954	750,149	8,805	1%
2 Anthem ASO Administration & Network Fees (PPO)	367,607	405,441	(37,834)	(10%)	1,470,430	1,464,272	6,158	0%
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	186,195	172,783	13,412	7%	744,779	704,530	40,249	5%
4 GBS Consulting	124,236	128,187	(3,951)	(3%)	496,946	482,214	14,732	3%
5 SJVIA Administration	76,098	80,904	(4,806)	(6%)	304,392	300,700	3,692	1%
6 Wellness	180,371	204,066	(23,695)	(13%)	721,484	434,458	287,026	40%
7 Communications	16,078	24,108	(8,030)	(50%)	64,313	24,812	39,501	61%
8 Anthem HMO Pooling	389,804	399,424	(9,620)	(2%)	1,559,216	1,494,609	64,607	4%
9 Anthem HMO Administration/Retention	621,635	(536,836)	1,158,471	186%	2,486,542	2,375,756	110,786	4%
10 ACA Reinsurance (PPO & HMO)	242,210	0	242,210	100%	968,841	897,685	71,156	7%
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>2,393,973</b>	<b>1,098,839</b>	<b>1,295,134</b>	<b>54%</b>	<b>9,575,897</b>	<b>8,929,185</b>	<b>646,712</b>	<b>7%</b>
<b>DISBURSEMENTS: Claims</b>								
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	16,737,383	19,754,166	(3,016,783)	(18%)	66,949,532	68,593,085	(1,643,553)	(2%)
12 Anthem MMP HMO Capitation	4,289,079	4,102,460	186,619	4%	17,156,317	16,615,129	541,188	3%
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>21,026,462</b>	<b>23,856,626</b>	<b>(2,830,164)</b>	<b>(13%)</b>	<b>84,105,849</b>	<b>85,208,214</b>	<b>(1,102,365)</b>	<b>(1%)</b>
<b>DISBURSEMENTS: Premiums</b>								
13 Delta Dental	1,517,155	1,594,952	(77,797)	(5%)	6,068,619	6,042,446	26,173	0%
14 Vision Service Plan	240,724	238,198	2,526	1%	962,896	962,739	157	0%
15 Kaiser Permanente	3,762,766	4,779,619	(1,016,853)	(27%)	15,051,063	11,812,670	3,238,393	22%
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>5,520,645</b>	<b>6,612,769</b>	<b>(1,092,124)</b>	<b>(20%)</b>	<b>22,082,578</b>	<b>18,817,855</b>	<b>3,264,723</b>	<b>15%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>28,941,080</b>	<b>31,568,234</b>	<b>(2,627,154)</b>	<b>(9%)</b>	<b>115,764,324</b>	<b>112,955,254</b>	<b>2,809,070</b>	<b>2%</b>
16 Change in Reserve	(791,152)	(2,327,498)	(1,536,346)	(194%)	(3,164,613)	(2,705,388)	459,225	15%
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$28,149,928</b>	<b>\$29,240,736</b>	<b>\$1,090,808</b>	<b>4%</b>	<b>\$112,599,711</b>	<b>\$110,249,866</b>	<b>(\$2,349,845)</b>	<b>(2%)</b>

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

Note: These schedules are on the cash basis and have not been audited.



**SAN JOAQUIN VALLEY INSURANCE AUTHORITY**

**ANALYSIS OF ADMINISTRATION, WELLNESS & COMMUNICATIONS (FEES) - RECEIPTS & DISBURSEMENTS**

**FOR THE THREE AND TWELVE MONTHS ENDED JUNE 30, 2015**

**Current Quarter**

**Year-To-Date**

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
<b>\$83,397</b>	<b>\$276,761</b>	<b>\$16,829</b>
42,082		
1,149		
21,071		
11,685		
4,917		
	204,066	
		24,108
<b>80,904</b>	<b>204,066</b>	<b>24,108</b>
<b>\$2,493</b>	<b>\$72,695</b>	<b>(\$7,279)</b>

SJVIA FEES		
Administration (*Line 5)	Wellness (*Line 6)	Communications (*Line 7)
<b>\$300,778</b>	<b>\$682,470</b>	<b>\$62,315</b>
110,592		
12,755		
112,652		
	30,278	
	17,685	
	16,738	
		434,458
		24,812
<b>300,700</b>	<b>434,458</b>	<b>24,812</b>
<b>\$78</b>	<b>\$248,012</b>	<b>\$37,503</b>

**FY14-15**

**Receipts\*\***

**Disbursements:**

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

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

\*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), \$9.30 for wellness(\$2.50 for wellness fees & \$6.80 for Viverae wellness fees) & \$.50 for communications fees.

Note: These schedules are on the cash basis and have not been audited.

**San Joaquin Valley Insurance Authority**  
**Schedule of Cash Flow by Month**  
**For the Twelve Months Ended June 30, 2015**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
<b>BEGINNING CASH BALANCES:</b>													
Claims Funding Account	\$ 569,349	\$ 109,928	\$ 193,870	\$ 336,528	\$ 255,832	\$ 296,556	\$ 905,049	\$ 181,353	\$ 97,020	\$ 97,613	\$ 58,487	\$ 432,780	\$ 569,349
Fixed Cost Account	1,377,314	2,474,229	2,498,368	462,525	512,120	512,909	463,083	540,178	600,708	854,399	955,472	659,749	1,377,314
Claims Reserve Account	189,819	1,552,818	1,014,679	1,323,501	1,462,954	1,015,683	1,329,643	1,994,543	2,749,213	1,721,617	664,276	523,721	189,819
Investment Pool-Note 1	5,065,073	5,078,099	5,078,099	5,078,099	5,091,283	5,091,283	5,091,283	5,105,363	4,097,095	4,097,095	4,099,434	3,099,434	5,065,073
<b>Total Beginning Balances</b>	<b>7,201,555</b>	<b>9,215,074</b>	<b>8,785,016</b>	<b>7,200,653</b>	<b>7,322,189</b>	<b>6,916,431</b>	<b>7,789,058</b>	<b>7,821,437</b>	<b>7,544,036</b>	<b>6,770,724</b>	<b>5,777,669</b>	<b>4,715,684</b>	<b>7,201,555</b>
<b>RECEIPTS:</b>													
Claims Funding Account	5,605,961	3,690,907	5,333,659	4,704,825	2,729,226	4,145,820	3,466,902	2,906,333	4,919,412	5,673,825	4,089,946	4,790,349	52,057,165
Fixed Cost Account	4,062,691	3,188,275	3,192,934	5,247,769	1,863,897	4,219,169	2,371,605	5,631,673	4,460,902	3,257,761	5,431,551	4,847,733	47,775,960
Claims Reserve Account	9,385,605	5,498,291	8,002,374	8,288,178	4,346,196	6,901,305	6,593,791	8,673,567	7,606,888	7,301,209	8,529,817	8,991,022	90,118,243
Investment Pool	13,026	-	-	13,184			14,080			2,339		11,756	54,385
	19,067,283	12,377,473	16,528,967	18,253,956	8,939,319	15,266,294	12,446,378	17,211,573	16,987,202	16,235,134	18,051,314	18,640,860	190,005,753
<b>DISBURSEMENTS:</b>													
Claims Funding Account	6,065,382	3,606,965	5,191,001	4,785,521	2,688,502	3,537,327	4,190,598	2,990,666	4,918,819	5,712,951	3,715,653	4,967,611	52,370,996
Fixed Cost Account	2,965,776	3,164,136	5,228,777	5,198,174	1,863,108	4,268,995	2,294,510	5,571,143	4,207,211	3,156,688	5,727,274	4,545,003	48,190,795
Claims Reserve Account	8,022,606	6,036,430	7,693,552	8,148,725	4,793,467	6,587,345	5,928,891	7,918,897	8,634,484	8,358,550	8,670,372	8,787,952	89,581,271
Investment Pool	-	-	-					1,008,268			1,000,000		2,008,268
<b>TOTAL DISBURSEMENTS</b>	<b>17,053,764</b>	<b>12,807,531</b>	<b>18,113,330</b>	<b>18,132,420</b>	<b>9,345,077</b>	<b>14,393,667</b>	<b>12,413,999</b>	<b>17,488,974</b>	<b>17,760,514</b>	<b>17,228,189</b>	<b>19,113,299</b>	<b>18,300,566</b>	<b>192,151,330</b>
<b>ENDING CASH BALANCES:</b>													
Claims Funding Account	109,928	193,870	336,528	255,832	296,556	905,049	181,353	97,020	97,613	58,487	432,780	255,518	255,518
Fixed Cost Account	2,474,229	2,498,368	462,525	512,120	512,909	463,083	540,178	600,708	854,399	955,472	659,749	962,479	962,479
Claims Reserve Account	1,552,818	1,014,679	1,323,501	1,462,954	1,015,683	1,329,643	1,994,543	2,749,213	1,721,617	664,276	523,721	726,791	726,791
Investment Pool	5,078,099	5,078,099	5,078,099	5,091,283	5,091,283	5,091,283	5,105,363	4,097,095	4,097,095	4,099,434	3,099,434	3,111,190	3,111,190
<b>Total Ending Balances</b>	<b>\$ 9,215,074</b>	<b>\$ 8,785,016</b>	<b>\$ 7,200,653</b>	<b>\$ 7,322,189</b>	<b>\$ 6,916,431</b>	<b>\$ 7,789,058</b>	<b>\$ 7,821,437</b>	<b>\$ 7,544,036</b>	<b>\$ 6,770,724</b>	<b>\$ 5,777,669</b>	<b>\$ 4,715,684</b>	<b>\$ 5,055,978</b>	<b>\$ 5,055,978</b>

Note 1: The County of Fresno investment pool yield paid during the quarter ended 3/31/15 was 1.463% with quarterly earnings of \$14,095.

## 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". This definition includes Anthem Blue Cross & Blue Shield administration fees and includes access fees to use the Blue Cross & Blue Shield 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 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**

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. This category includes charges for Viverae which is an independent vendor providing wellness and disease management services. These services include disease management, health coaching, challenges, website portal, and wellness resources for participants in the SJVIA health plans.
- 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 **ACA Reinsurance (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. 2) Transitional Reinsurance Fee-this fee is \$63.00 per covered member per year.
- 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**

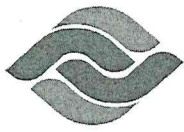
Amount paid in advance of services on a fixed per member per month basis for professional services (physician) as part of the HMO.
- 13 **Delta Dental**

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.



# 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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93921  
November 6, 2015  
9:00 AM

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** 10

**SUBJECT:** Quarterly SJVIA financial update

**REQUEST(S):** That the Board receives the financial update through 1<sup>st</sup> quarter,  
2015-16

**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**

**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: \_\_\_\_\_

\* \* \* \* \*

**SAN JOAQUIN VALLEY INSURANCE AUTHORITY****ACTUALS VS. BUDGETED RECEIPTS & DISBURSEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015**

	Year-To-Date			
	BUDGET*	ACTUALS	FAVORABLE/ (UNFAVORABLE)	% VARIANCE
<b>RECEIPTS</b>				
<b>TOTAL RECEIPTS</b>	<b>\$36,183,822</b>	<b>\$35,278,896</b>	<b>(\$904,926)</b>	<b>(3%)</b>
<b>DISBURSEMENTS: Fixed</b>				
1 Specific & Aggregate Stop Loss Insurance (PPO)	273,116	251,662	21,454	8%
2 Anthem ASO Administration & Network Fees (PPO)	459,806	504,684	(44,878)	(10%)
3 Chimenti Associates/Hourglass Administration(PPO & Anthem HMO)	195,843	188,718	7,125	4%
4 GBS Consulting	139,076	139,785	(709)	(1%)
5 SJVIA Administration	98,430	102,656	(4,226)	(4%)
6 Wellness	311,109	250,436	60,673	20%
7 Communications	18,831	0	18,831	100%
8 Anthem HMO Pooling	404,462	429,457	(24,995)	(6%)
9 Anthem HMO Administration/Retention	603,033	595,440	7,593	1%
10 ACA Reinsurance (PPO & HMO)	178,561	35,250	143,311	80%
<b>TOTAL FIXED DISBURSEMENTS</b>	<b>2,682,267</b>	<b>2,498,088</b>	<b>184,179</b>	<b>7%</b>
<b>DISBURSEMENTS: Claims</b>				
11 Projected Paid Medical & Rx Claims-PPO and Non-Cap HMO	20,360,469	22,793,844	(2,433,375)	(12%)
12 Anthem MMP HMO Capitation	4,434,901	4,405,585	29,316	1%
<b>TOTAL CLAIMS DISBURSEMENTS</b>	<b>24,795,370</b>	<b>27,199,429</b>	<b>(2,404,059)</b>	<b>(10%)</b>
<b>DISBURSEMENTS: Premiums</b>				
13 Delta Dental	1,692,664	1,767,408	(74,744)	(4%)
14 Vision Service Plan	330,107	275,508	54,599	17%
15 Kaiser Permanente	5,899,185	4,694,328	1,204,857	20%
<b>TOTAL PREMIUM DISBURSEMENTS</b>	<b>7,921,956</b>	<b>6,737,244</b>	<b>1,184,712</b>	<b>15%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>35,399,593</b>	<b>36,434,761</b>	<b>(1,035,168)</b>	<b>(3%)</b>
16 Change in Reserve	784,229	(1,155,865)	(1,940,094)	247%
<b>COMBINED DISBURSEMENTS &amp; CHANGES IN RESERVES</b>	<b>\$36,183,822</b>	<b>\$35,278,896</b>	<b>(\$904,926)</b>	<b>(3%)</b>

\*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, 2015**

Year-To-Date

**FY14-15**

**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)
\$110,451	\$322,138	\$27,663
8,551		
1,636		
50,737		
36,604		
5,128		
	250,436	
102,656	250,436	
\$7,795	\$71,702	\$27,663

\*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), \$9.30 for wellness(\$2.50 for wellness fees & \$6.80 for Viverae wellness fees) & \$.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 30, 2015**

	JULY	AUGUST	SEPTEMBER	TOTAL
BEGINNING CASH BALANCES:				
Claims Funding Account	\$ 255,518	\$ 358,018	\$ 725,672	\$ 255,518
Fixed Cost Account	962,479	1,084,176	1,188,032	962,479
Claims Reserve Account	726,791	2,019,732	889,905	726,791
Investment Pool-Note 1	3,111,190	3,113,257	3,113,257	3,111,190
Total Beginning Balances	5,055,978	6,575,183	5,916,866	5,055,978
RECEIPTS:				
Claims Funding Account	5,458,470	6,197,585	5,777,556	17,433,611
Fixed Cost Account	5,476,988	5,056,322	4,467,807	15,001,117
Claims Reserve Account	10,537,501	8,604,557	10,352,117	29,494,175
Investment Pool	2,067		10,618	12,685
	21,475,026	19,858,464	20,608,098	61,941,588
DISBURSEMENTS:				
Claims Funding Account	5,355,970	5,829,931	5,802,079	16,987,980
Fixed Cost Account	5,355,291	4,952,466	3,777,347	14,085,104
Claims Reserve Account	9,244,560	9,734,384	10,174,958	29,153,902
Investment Pool		-	2,000,000	2,000,000
TOTAL DISBURSEMENTS	19,955,821	20,516,781	21,754,384	62,226,986
ENDING CASH BALANCES:				
Claims Funding Account	358,018	725,672	701,149	701,149
Fixed Cost Account	1,084,176	1,188,032	1,878,492	1,878,492
Claims Reserve Account	2,019,732	889,905	1,067,064	1,067,064
Investment Pool	3,113,257	3,113,257	1,123,875	1,123,875
Total Ending Balances	\$ 6,575,183	\$ 5,916,866	\$ 4,770,580	\$ 4,770,580

Note 1: The County of Fresno investment pool yield paid during the quarter ended 9/30/15 was 1.394% with quarterly earnings of \$12,685.



## 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". This definition includes Anthem Blue Cross & Blue Shield administration fees and includes access fees to use the Blue Cross & Blue Shield 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 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**  
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. This category includes charges for Viverae which is an independent vendor providing wellness and disease management services. These services include disease management, health coaching, challenges, website portal, and wellness resources for participants in the SJVIA health plans.
- 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 **ACA Reinsurance (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. 2) Transitional Reinsurance Fee-this fee is \$63.00 per covered member per year.
- 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.



**BOARD OF DIRECTORS**

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** Item 11

**SUBJECT:** Adopt Resolution to Deallocate Funds from the Viverae Agreement and Authorize SJVIA Manager to give Notice of Termination for Viverae Agreement (A)

**REQUEST(S):** That the Board adopt the resolution deallocating funds from the agreement with Viverae for wellness related services and authorizing staff to issue a notice to terminate the agreement and services, effective January 1, 2016

**DESCRIPTION:**

In mid-September 2015, the SJVIA Auditor-Treasurer informed the staff to the SJVIA and consultant Gallagher Benefit Services of a potential problem with projected cash flows in the claims payment fund of the SJVIA. Auditor-Treasurer staff then reviewed recent actual cash flows, as well as projected cash flows through the end of calendar year 2016. Auditor-Treasurer staff reported to the SJVIA Board on those cash flows at a special meeting of the SJVIA Board held on October 15, 2015.

Due to concerns with the cash flow, Gallagher Benefit Services reviewed the health claims history with updated actuals for July and August 2015. This updated data projected a shortfall between the HMO adopted health plan rates and projected claims and fixed costs. At the October 15 special meeting, the SJVIA Board voted to increase the HMO rates to Fresno and Tulare counties by 1.44% to help mitigate the projected shortage in revenue (paid premiums).

On October 15, the Board also directed SJVIA staff to review other fixed costs and ancillary expenses, or other programs of the SJVIA beyond the

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

core health and prescription services. The purpose of the review was to determine whether some costs might be eliminated to improve cash flows. A staff review of the fixed costs and payments made through the claims fund for biometric screenings and wellness incentives indicated an expenditure of over \$900,000 for calendar year 2015 relating to the agreement with Viverae for wellness services.

In January 2015, the SJVIA began a wellness initiative program with Viverae. That program includes engagement through four online challenges, health coaching, and disease management, as well as monetary incentives to participating eligible employees. Staff presented Viverae and its wellness program to the SJVIA Board at the August 22, 2014 meeting, and SJVIA entered into an agreement with Viverae effective August 28, 2014. The financial picture when the Board decided to enter into the agreement was a projected reserve for SJVIA HMO and PPO plans that was at the 16% reserve threshold adopted by the Board. In the ensuing 14 months, financial cash flow and claims experience has differed from expectations to result in a projected reserve less than 9% and resulted in the need to increase health rates to offset rising claims.

Section 5.5.4 of the Viverae agreement provides for termination when sufficient funds are not allocated, and the SJVIA gives advance written notice of at least 30 days.

The staff of the SJVIA is therefore recommending that the Board adopt a resolution to deallocate funds from the Viverae agreement, beginning January 1, 2016, and direct staff to issue advance written notice to Viverae that the agreement will be terminated. Staff recommends giving Viverae sufficient notice to terminate the agreement effective January 1, 2016.

**FISCAL IMPACT/FINANCING:**

The annual cost of the Viverae agreement, including incentives paid to members who participate in the challenges, exceeds \$930,000. The cancellation of this agreement would result in direct savings to the funding of the SJVIA plans and improves the monthly cash flow. However, this would eliminate current online wellness challenges, biometric screenings performed by Viverae, and future incentives to members who participated in the 2015 wellness challenges.

SJVIA staff recommends reviewing the financial picture of the SJVIA again in early 2016 and considering alternative wellness efforts that might be provided at no cost or lower cost. Such efforts might include standalone

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

biometric screenings as were previously offered to eligible employees prior to the Viverae agreement, and other wellness services or programs offered through Anthem 360 for PPO members at no cost to the SJVIA. The SJVIA can also continue with: the Walking Works program; the Weight Watchers at Work programs; the use of free online Webinar broadcasts by Anthem, Kaiser and EAP providers; and education and communication by each individual entity to their members on prevention and health topics. The program for onsite mammography exams can also be reviewed for possible scheduling later in 2016 to improve cash flows earlier in the year. Recommendations would be brought back to the Board in early 2016 in an effort to provide SJVIA members with health and wellness support services beyond the health, prescription, dental and vision services offered.

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
SJVIA Assistant Manager

A RESOLUTION OF  
THE BOARD OF DIRECTORS FOR  
THE SAN JOAQUIN VALLEY INSURANCE AUTHORITY

On August 22, 2014, the Board of Directors (Board) for the San Joaquin Valley Insurance Authority (SJVIA) approved Viverae, Inc. (Viverae) as the vendor to provide wellness services to the SJVIA. Viverae and the SJVIA then entered into an agreement for those services (Agreement).

The Agreement was effective August 28, 2014, with an initial term of three years from the launch date for services, as defined in the Agreement, and that term has not yet expired. The Agreement provides, in section 5.5.4, that it may be terminated by the SJVIA upon 30 days advance written notice to Viverae if sufficient funds are not allocated by the appropriating government agency or agencies. The SJVIA is the appropriating agency.

The Board, as the governing body of the SJVIA, now desires to deallocate funds from services under the Agreement.

For those reasons, the Board resolves as follows:

1. Beginning on January 1, 2016, funds previously allocated to payment for services under the Agreement shall be deallocated from that purpose.
2. The SJVIA Manager, the SJVIA Assistant Manager, the SJVIA Auditor-Treasurer, and their designees, are authorized and directed to do what is necessary or convenient to carry out section 1 of this resolution.
3. The SJVIA Manager is authorized and directed to give to Viverae at least 30 days advance written notice of termination of the Agreement, as provided in the Agreement, for a termination date of January 1, 2016.

This resolution is signed on November 6, 2015.

---

Deborah A. Poochigian  
President, Board of Directors  
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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** 12

**SUBJECT:** Adopt Revised Budget for the 2015-16 Fiscal Year (A)

**REQUEST(S):** That the Board adopt the revised fiscal year budget effective July 1, 2015 through June 30, 2016

**DESCRIPTION:**

On August 28, 2015 your Board approved moving adoption of the 2015-16 fiscal year budget to the November meeting. Several options for the health plan renewal were also presented at the meeting, one of which was selected for the 2016 health plan renewal. As directed at the August meeting, staff has revised the budget to include the renewal decision for the 2016 calendar year including the decision made at the October 15, 2015 special meeting to revise the rates for the Counties of Tulare and Fresno for their Anthem Blue Cross HMO plan. This revised budget is attached as Option 1 – Revised Renewal. The changes in revenue and expenses are due to the renewal decisions involving the health plan renewal, vision renewal, and the dental renewal. Also for your consideration in today's meeting is the potential termination of the contract with Viverae for wellness services that will be discussed under another item. A revised budget is included for consideration as Option 2 – Revised Renewal and terminate Viverae Contract.

A revised budget will again be brought before your Board at the first meeting of the 2016 plan year and will include final stop loss rates and results of open enrollment across all SJVIA participating entities.

**FISCAL IMPACT/FINANCING:**

The impact to the revised fiscal budget from the prior approved version is revenue of \$144,501,209 (down from \$144,735,288), and expenses of \$141,567,899 (down from \$141,598,360).

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

The termination of the Viverae contract decreases expenses by \$867,816, all of which is fixed costs for the administration of the program.

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
SJVIA Assistant Manager

# SJVIA 2015-16 FISCAL BUDGET

Revised November 6, 2015

<b>REVENUE</b>		
SJVIA Health Plan Revenue		
Medical & Rx		\$ 112,697,450
Dental		\$ 6,770,654
Vision		\$ 1,297,719
Kaiser Premium		\$ 23,735,387
<b>TOTAL REVENUE</b>		<b>\$ 144,501,209</b>
<b>EXPENSES: Fixed</b>		
1 Specific & Aggregate Stop Loss Insurance (PPO)		\$ 1,092,464
2 Administration & Network Fees (Anthem PPO)		\$ 1,688,679
2 Administration & Network Fees (Blue Shield PPO)		\$ 142,793
3 Viverae Wellness and Disease Management		\$ 867,816
4 Chimienti Associates/Hourglass Administration (Anthem & Kaiser)		\$ 783,370
5 GBS Consulting		\$ 556,305
6 SJVIA Association Fee		\$ 301,296
7 SJVIA Non-Founding Member Fee		\$ 92,424
8 Wellness/Communications		\$ 451,944
9 Anthem HMO Pooling		\$ 1,617,847
10 Anthem HMO Administration/Retention		\$ 2,412,130
11 ACA Reinsurance/PCORI (PPO)		\$ 297,222
11 ACA Reinsurance/PCORI (HMO)		\$ 417,022
<b>TOTAL FIXED EXPENSES</b>		<b>\$ 10,721,311</b>
<b>EXPENSES: Claims</b>		
12 Projected Paid Claims PPO		\$ 44,425,269
13 Projected Non-Cap HMO Claims		\$ 37,016,606
14 Anthem MMP HMO Capitation (Fixed Claims Cost)		\$ 17,739,602
<b>TOTAL CLAIMS EXPENSES</b>		<b>\$ 99,181,477</b>
15 Delta Dental		\$ 6,770,654
16 VSP		\$ 1,297,719
17 Kaiser Permanente		\$ 23,596,739
		<b>\$ 31,665,112</b>
<b>TOTAL PROJECTED EXPENSES</b>		<b>\$ 141,567,899</b>
<b>Impact to Reserves</b>		<b>\$ 2,933,310</b>
18 <b>Beginning Reserve</b>		<b>\$ 10,117,971</b>
<b>Add - Revenue</b>		<b>\$ 144,501,209</b>
<b>Less - Expenses</b>		<b>\$ (141,567,899)</b>
19 <b>Equals - Ending Reserves</b>		<b>\$ 13,051,281</b>



## Glossary of Terms:

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

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

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

### 2 Administration & Network Fees (Anthem and Blue Shield PPO):

Administrative services for the PPO plans. This definition includes Anthem Blue Cross and Health Now Administrative Services administration fees and includes access fees to use the Anthem Blue Cross and Blue Shield networks of providers. These services do not include the Anthem HMO plan.

### 3 Viverae Wellness and Disease Management

Viverae is an independent vendor providing wellness and disease management services for the SJVIA. These services include disease management, health coaching, challenges, website portal, and wellness resources for participants in the SJVIA health plans.

### 4 Chimienti Associates/Hourglass Administration (Anthem and 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.

### 5 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.

### 6 SJVIA Association Fee

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

### 7 SJVIA Non-Founding Member Fee

This additional fee will be assessed to non-founding member entities and be used to offset administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

### 8 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.

### 8 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.

### 9 Anthem HMO Pooling

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

### 10 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.

### 11 ACA Reinsurance/PCORI (PPO)

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. 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.

### 11 ACA Reinsurance/PCORI (HMO)

The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI) - this fee is \$2.08 per covered member per year. 2) Transitional Reinsurance Fee - this fee is \$44.00 per covered member per year for the 2015 calendar year and \$26 for the 2016 calendar year.

### 12 Projected Paid Claims PPO

Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital)

### 13 Projected Non-Cap HMO Claims

Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital)

### 14 Anthem MMP 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

### 15 Delta Dental

Premium for entities covered under the SJVIA Delta Dental program

### 16 VSP

Premium for entities covered under the SJVIA VSP Vision program

### 17 Kaiser Permanente

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

### 18 Beginning Reserves

Net of all premiums due less all expenses owed as of June 30th of the prior fiscal year. Not equal to cash on hand.

### 19 Ending Reserves

Net of all premiums due less all expenses owed as of June 30th of this fiscal year. Not equal to cash on hand.

# SJVIA 2015-16 FISCAL BUDGET

Option 2 - Revised Renewal  
and Term Viverae Contract

Revised November 6, 2015 - Viverae Costs Removed

## REVENUE

SJVIA Health Plan Revenue	
Medical & Rx	\$ 112,697,450
Dental	\$ 6,770,654
Vision	\$ 1,297,719
Kaiser Premium	\$ 23,735,387
<b>TOTAL REVENUE</b>	<b>\$ 144,501,209</b>

## EXPENSES: Fixed

1 Specific & Aggregate Stop Loss Insurance (PPO)	\$ 1,092,464
2 Administration & Network Fees (Anthem PPO)	\$ 1,688,679
2 Administration & Network Fees (Blue Shield PPO)	\$ 142,793
3 Chimienti Associates/Hourglass Administration (Anthem & Kaiser)	\$ 783,370
4 GBS Consulting	\$ 556,305
5 SJVIA Association Fee	\$ 301,296
6 SJVIA Non-Founding Member Fee	\$ 92,424
7 Wellness/Communications	\$ 451,944
8 Anthem HMO Pooling	\$ 1,617,847
9 Anthem HMO Administration/Retention	\$ 2,412,130
10 ACA Reinsurance/PCORI (PPO)	\$ 297,222
10 ACA Reinsurance/PCORI (HMO)	\$ 417,022
<b>TOTAL FIXED EXPENSES</b>	<b>\$ 9,853,495</b>

## EXPENSES: Claims

11 Projected Paid Claims PPO	\$ 44,425,269
12 Projected Non-Cap HMO Claims	\$ 37,016,606
13 Anthem MMP HMO Capitation (Fixed Claims Cost)	\$ 17,739,602
<b>TOTAL CLAIMS EXPENSES</b>	<b>\$ 99,181,477</b>

14 Delta Dental	\$ 6,770,654
15 VSP	\$ 1,297,719
16 Kaiser Permanente	\$ 23,596,739
	<b>\$ 31,665,112</b>

## TOTAL PROJECTED EXPENSES

### Impact to Reserves

17 Beginning Reserve	\$ 10,117,971
Add - Revenue	\$ 144,501,209
Less - Expenses	\$ (140,700,083)
18 Equals - Ending Reserves	\$ 13,919,097

## 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 and Blue Shield PPO):**

Administrative services for the PPO plans. This definition includes Anthem Blue Cross and Health Now Administrative Services administration fees and includes access fees to use the Anthem Blue Cross and Blue Shield networks of providers. These services do not include the Anthem HMO plan.

### 3 **Chimienti Associates/Hourglass Administration (Anthem and 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 Association Fee**

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

### 6 **SJVIA Non-Founding Member Fee**

This additional fee will be assessed to non-founding member entities and be used to offset administrative, management, legal, accounting and other services needed to effectively establish and maintain proper functioning of the Joint Powers Authority.

### 7 **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**

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

### 10 **ACA Reinsurance/PCORI (PPO)**

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. 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.

### 10 **ACA Reinsurance/PCORI (HMO)**

The Affordable Care Act (ACA) includes the following fees on insurance plans: 1) Patient Centered Outcomes Research Institute (PCORI) - this fee is \$2.08 per covered member per year. 2) Transitional Reinsurance Fee - this fee is \$44.00 per covered member per year for the 2015 calendar year and \$26 for the 2016 calendar year.

### 11 **Projected Paid Claims PPO**

Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital)

### 12 **Projected Non-Cap HMO Claims**

Projected self-insured PPO claims for medical and Rx and non-capitated HMO claims (hospital)

### 13 **Anthem MMP 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

### 14 **Delta Dental**

Premium for entities covered under the SJVIA Delta Dental program

### 15 **VSP**

Premium for entities covered under the SJVIA VSP Vision program

### 16 **Kaiser Permanente**

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

### 17 **Beginning Reserves**

Net of all premiums due less all expenses owed as of June 30th of the prior fiscal year. Not equal to cash on hand.

### 18 **Ending Reserves**

Net of all premiums due less all expenses owed as of June 30th of this fiscal year. Not equal to cash on hand.

San Joaquin Valley Insurance Authority  
**Administrative Expenses**  
 Fiscal year 7/1/2014 through 6/30/2015

Payee	Description	Invoice Date	Amount
ACTTC	Accounting Services for PPEs 5/11/14, 5/25/14 & 6/8/14	6/18/2014	\$ 11,592.23
ACTTC	Accounting Services for PPEs 6/22/14, 7/6/14 & 7/20/14	8/11/2014	\$ 10,188.78
ACTTC	Accounting Services for PPEs 8/3/14, 8/17/14 & 8/31/14	9/24/2014	\$ 11,006.71
ACTTC	Accounting Services for PPEs 9/14/14 & 9/28/14	10/24/2014	\$ 8,755.47
ACTTC	Accounting Services for PPEs 10/12/14 & 10/26/14	11/25/2014	\$ 7,037.98
ACTTC	Accounting Services for PPEs 1/4/15 & 1/18/15	2/10/2015	\$ 6,379.37
ACTTC	Accounting Services for PPEs 11/9/14, 11/23/14, 12/7/14, & 12/21	1/20/2015	\$ 13,550.07
ACTTC	Accounting Services for PPEs 2/1/15 & 2/15/15	3/19/2015	\$ 7,824.81
ACTTC	Accounting Services for PPEs 3/1/15, 3/15/15 & 3/29/15	4/29/2015	\$ 11,159.93
ACTTC	Accounting Services for PPEs 4/12/15 & 4/26/15	5/14/2015	\$ 6,151.22
ACTTC	Accounting Services for PPEs 5/10/15, 5/24/15 & 6/7/15	6/16/2015	\$ 16,945.74
<b>ACTTC Total</b>			<b>\$ 110,592.31</b>
Demsey, Filliger & Associates, LLC	Actuarial & Consulting services rendered during 10/2014	10/31/2014	\$ 6,000.00
<b>DFA Total</b>			<b>\$ 6,000.00</b>
Price Paige & Company	Work in progress on auditor for FY 12/13	4/7/2015	\$ 11,685.00
<b>PPC Total</b>			<b>\$ 11,685.00</b>
<b>ACTTC Total</b>			<b>\$ 128,277.31</b>
Fresno County Counsel	Professional Services from 6/9/14 - 6/22/14	6/30/2014	\$ 169.50
Fresno County Counsel	Professional Services from 6/23/14 - 7/20/14	7/30/2014	\$ 339.00
Fresno County Counsel	Professional Services from 7/21/14 - 8/17/14	8/28/2014	\$ 858.80
Fresno County Counsel	Professional Services from 8/18/14 - 9/14/14	9/26/2014	\$ 531.10
Fresno County Counsel	Professional Services from 9/15/14 - 10/12/14	10/22/2014	\$ 226.00
Fresno County Counsel	Professional Services from 10/13/14 - 11/9/14	11/24/2014	\$ 3,740.30
Fresno County Counsel	Professional Services from 11/10/14 - 12/7/14	12/17/2014	\$ 666.70
Fresno County Counsel	Professional Services from 1/5/15 - 2/1/15	2/19/2015	\$ 350.30
Fresno County Counsel	Professional Services from 2/2/15-3/1/15	3/30/2015	\$ 146.90
Fresno County Counsel	Professional Services from 3/2/15-3/29/15	4/23/2015	\$ 90.40
Fresno County Counsel	Professional Services from 3/30/15-4/26/15	5/11/2015	\$ 203.40
Fresno County Counsel	Professional Services from 4/26/15-5/24/15	6/2/2015	\$ 180.80
Fresno County Counsel	Professional Services from 5/25/15-6/21/15	6/24/2015	\$ 56.50
<b>Fresno County Counsel Total</b>			<b>\$ 7,559.70</b>
Tulare County Counsel	Legal Services 1/1/14 - 6/30/14	10/29/2014	\$ 3,202.80
Tulare County Counsel	Legal Services 7/1/14 - 9/30/14	10/29/2014	\$ 38.70
Tulare County Counsel	Legal Services 10/1/14 - 12/31/14	1/26/2015	\$ 1,482.80
Tulare County Counsel	Legal Services 1/1/15-3/31/15	4/15/2015	\$ 471.10
<b>Tulare County Counsel Total</b>			<b>\$ 5,195.40</b>
<b>COUNSEL TOTAL</b>			<b>\$ 12,755.10</b>
Fresno County Personnel	SJVIA Labor Billing PPEs 6/22-7/20/14 (includes SJVIA-1411)	8/6/2014	\$ 15,620.86
Fresno County Personnel	SJVIA Labor Billing PPEs 8/3-9/14/14	9/23/2014	\$ 17,929.50
Fresno County Personnel	SJVIA Labor Billing PPEs 9/28-11/9/14	12/2/2014	\$ 13,687.14
Fresno County Personnel	SJVIA Labor Billing PPEs 11/23-12/21	12/30/2014	\$ 10,358.19
Fresno County Personnel	SJVIA Labor Billing PPEs 1/4-2/15/15	2/25/2015	\$ 14,735.92
Fresno County Personnel	SJVIA Labor Billing PPEs 3/1-3/15/15	3/25/2015	\$ 13,412.06
Fresno County Personnel	SJVIA Labor Billing PPEs 3/29-4/26/15	5/8/2015	\$ 18,287.13
<b>Fresno County Personnel Total</b>			<b>\$ 104,030.80</b>
Tulare County Human Resources	SJVIA Services 7/1/14 - 12/31/14	1/21/2015	\$ 5,837.04
Tulare County Human Resources	SJVIA Services 12/29/14-4/4/15	4/10/2015	\$ 2,783.83
Tulare County Human Resources	SJVIA Services 4/5/15 - 6/27/17	7/17/2015	\$ 3,929.82
<b>Tulare County HR Total</b>			<b>\$ 12,550.69</b>
<b>PERSONNEL TOTAL</b>			<b>\$ 116,581.49</b>
<b>GRAND TOTAL:</b>			<b>\$ 257,613.90</b>

<b>Totals Paid to:</b>		
Fresno County	\$	222,182.81
Tulare County	\$	17,746.09
Outside Vendors	\$	17,685.00

San Joaquin Valley Insurance Authority

# Administrative Expenses

Fiscal year 7/1/2015 through 6/30/2016 Year to Date

Payee	Description	Invoice Date	Amount
ACTTC	Accounting Services, PPE 6/21, 7/5 & 7/19/15	8/17/2015	\$ 8,551.13
<b>ACTTC TOTAL</b>			<b>\$ 8,551.13</b>
Fresno County Counsel	Professional Services for 6/22-6/30/15, 7/6-7/19/15	7/31/2015	\$ 546.97
Fresno County Counsel	Professional Services for 7/20-8/16/15	8/25/2015	\$ 255.30
Fresno County Counsel	Professional Services for 8/17-9/13/15	9/18/2015	\$ 778.47
<b>Fresno County Counsel Total</b>			<b>\$ 1,580.74</b>
Tulare County Counsel	Professional Services 4/13/15 - 6/25/15	8/13/2015	\$ 834.10
<b>Tulare County Counsel Total</b>			<b>\$ 834.10</b>
<b>COUNSEL TOTAL</b>			<b>\$ 2,414.84</b>
Fresno County Personnel	SJVIA Labor Billing PPEs 6/21/15 to 8/2/15	8/13/2015	\$ 46,807.28
Fresno County Personnel	SJVIA Labor Billing PPEs 8/16/15 to 9/13/15	9/30/2015	\$ 18,212.75
<b>Fresno County Personnel Total</b>			<b>\$ 65,020.03</b>
Tulare County Human Resources	SJVIA Billing 6/28/15 - 10/3/15	10/5/2015	\$ 6,720.30
<b>Tulare County HR Total</b>			<b>\$ 6,720.30</b>
<b>PERSONNEL TOTAL</b>			<b>\$ 71,740.33</b>

**GRAND TOTAL: \$ 82,706.30**

Totals Paid to:	
Fresno County	\$ 75,151.90
Tulare County	\$ 7,554.40
Outside Vendors	N/A



**BOARD OF DIRECTORS**

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** Item 13

**SUBJECT:** Receive and File SJVIA Executive Claims Summary through August (I)

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

**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 Claims Report" has been included in the Monthly Claims Report (see page 3 of the Attachment). This summary details on-going claims that are over \$200,000 paid-to-date. The "pooling point" is the maximum amount the SJVIA could pay in a plan year for each individual on the plan. For historical purposes, the pooling point for the HMO plan is \$400,000 and the pooling point for the PPO plan is \$450,000. The pooling point for the HMO plan was increased from \$250,000 to \$400,000 in plan year 2013. When claims reach the pooling point the SJVIA is no longer liable for the payment of further eligible claims within the policy year.

In addition to the founding Counties (Fresno and Tulare), the attached report includes data for all members of the SJVIA.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

Comparing claims “Per Employee Per Month” (PEPM) can be a good indicator of overall medical inflationary trends. The overall yearly averages are below:

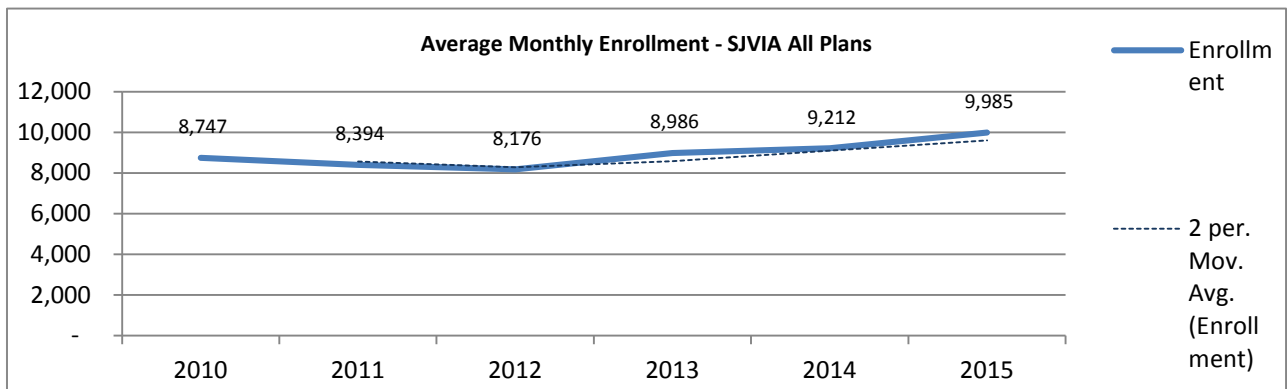
Plan Year	HMO	PPO	Overall
2010	<u>\$586.15</u> PEPM	<u>\$495.09</u> PEPM	<u>\$547.67</u> PEPM*
2011	<u>\$681.06</u> PEPM	<u>\$553.64</u> PEPM	<u>\$628.33</u> PEPM
2012	<u>\$713.19</u> PEPM	<u>\$551.65</u> PEPM	<u>\$637.06</u> PEPM
2013	<u>\$783.07</u> PEPM	<u>\$517.95</u> PEPM	<u>\$667.02</u> PEPM
2014	<u>\$797.45</u> PEPM	<u>\$620.39</u> PEPM	<u>\$721.39</u> PEPM
2015 (through August)	<u>\$960.59</u> PEPM	<u>\$635.60</u> PEPM	<u>\$804.24</u> PEPM

\*The overall claims Per Employee Per Month (PEPM) for Plan Year 2010 was \$547.67. Since 2010 was the first year of the SJVIA, this claims rate is considered immature. In the Actual Claims vs Consensus Trend chart below, we have used a more accurate depiction of the claims for 2010 (\$597.46).

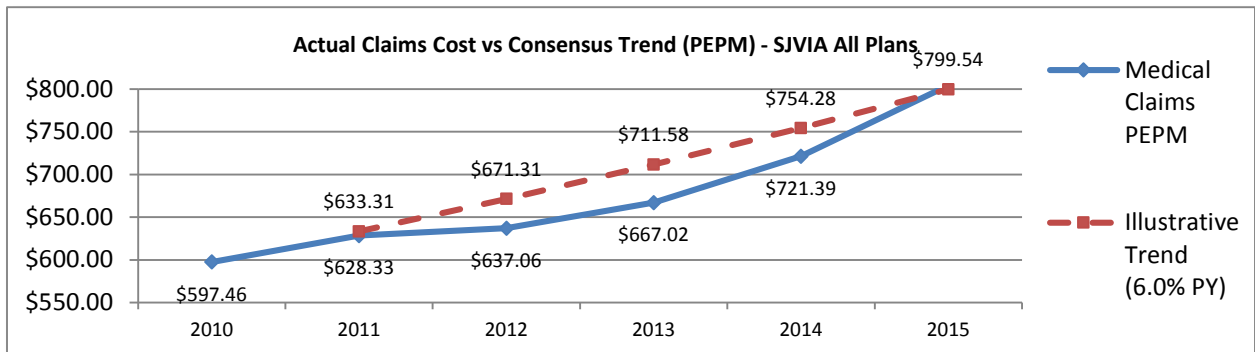
**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

The chart below shows average monthly enrollment in all SJVIA plans since inception. Enrollment dropped slightly in 2011 and 2012 but increased 9.9% in 2013 due to increased participation in the founding members' population as well as the addition of the new entities. Membership continued to grow in 2014 as a result of new entities joining the SJVIA. Several entities have joined the SJVIA in 2015 as well. Gallagher Benefit Services is continuing to monitor the increase in HMO claims. For calendar year 2015 (to date) the HMO claims have increased approximately 20%. Additionally, beginning July 1, 2015, the PPO enrollment was greater than HMO enrollment for the first time since the inception of the SJVIA.



The chart below shows actual claims costs (Per Employee Per Month) for all of the SJVIA plans. These values are represented by the blue line with corresponding average claims from the table above. For illustrative purposes, we have included a consensus trend line (red line) that represents a level, year over year, 6% medical inflationary trend assumption. The differential between these two lines demonstrates the savings the SJVIA has realized over a normal, consensus medical trend assumption. (note: 2015 claims experience represents only claims from January-September 2015)





**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

Overall weighted annual medical claims trend, (on a Per Employee Per Month basis) since inception of the SJVIA has been 6.18%

**FISCAL IMPACT/FINANCING:**

Informational only.

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
SJVIA Assistant Manager



Arthur J. Gallagher & Co.  
BUSINESS WITHOUT BARRIERS™

# Executive Claims Report

Data through August 2015

GALLAGHER BENEFIT SERVICES | OCTOBER 29, 2015



**SJVIA**

San Joaquin Valley  
Insurance Authority

# Large Claim Report - 2015

## San Joaquin Valley Insurance Authority

Potential Large Dollar Claimants >\$200,000

### HMO Plan

January 1, 2015 through December 31, 2015 as of September 30, 2015

Pooling Point \$400,000

Relationship	Paid	Diagnosis	Reimbursement
DEP	\$617,013	Respiratory System (04)	\$ 217,013
SUB	\$449,984	Circulatory System (05)	\$ 49,984

**Total HMO Pooling Reimbursements** \$ 266,997

### PPO Plan

January 1, 2015 through December 31, 2015 as of September 30, 2015

Stop Loss Deductible \$450,000

Relationship	Paid	Diagnosis	Reimbursement
DEP	\$709,126	Newborns (15)	\$ 259,126

**Total PPO Stop Loss Reimbursements** \$ 259,126

<b>Total SJVIA Pooling and Stop Loss Reimbursements</b>			<b>\$ 526,123</b>
---	--	--	-------------------

# Large Claim Report - 2014

## San Joaquin Valley Insurance Authority

### Potential Large Dollar Claimants >\$200,000

#### HMO Plan

January 1, 2014 through December 31, 2014 as of December 31, 2014

Pooling Point \$400,000

Relationship	Paid	Diagnosis	Reimbursement
SUB	\$677,152	Hepatobiliary (07)	\$ 277,152
SUB	\$531,761	Circulatory System (05)	\$ 131,761
SUB	\$500,636	Hepatobiliary (07)	\$ 100,636
SUB	\$451,879	Multiple Significant Trauma (24)	\$ 39
SUB	\$442,946	Myelo Disorders (17)	\$ 76,561
DEP	\$414,655	Newborns (15)	\$ 269,894
DEP	\$320,161	Respiratory System (04)	\$ 1,562
DEP	\$283,594	Injuries/Poisonings (21)	\$ 275,420
DEP	\$244,526	Parasitic Disorders (18)	\$ 27,428
DEP	\$228,441	Circulatory System (05)	\$ 24
SUB	\$205,219	Muscle/Tissue Disorders (08)	\$ 42,411

**Total HMO Pooling Reimbursements** \$ 1,202,888

#### PPO Plan

January 1, 2014 through December 31, 2014 as of November 30, 2014

Stop Loss Deductible \$450,000

Relationship	Paid	Diagnosis	Reimbursement
DEP	\$1,141,326	Newborns (15)	\$ 691,326
DEP	\$986,366	Newborns (15)	\$ 536,366
SUB	\$670,857	Hepatobiliary (07)	\$ 220,857
SUB	\$540,804	Parasitic Disorders (18)	\$ 90,804

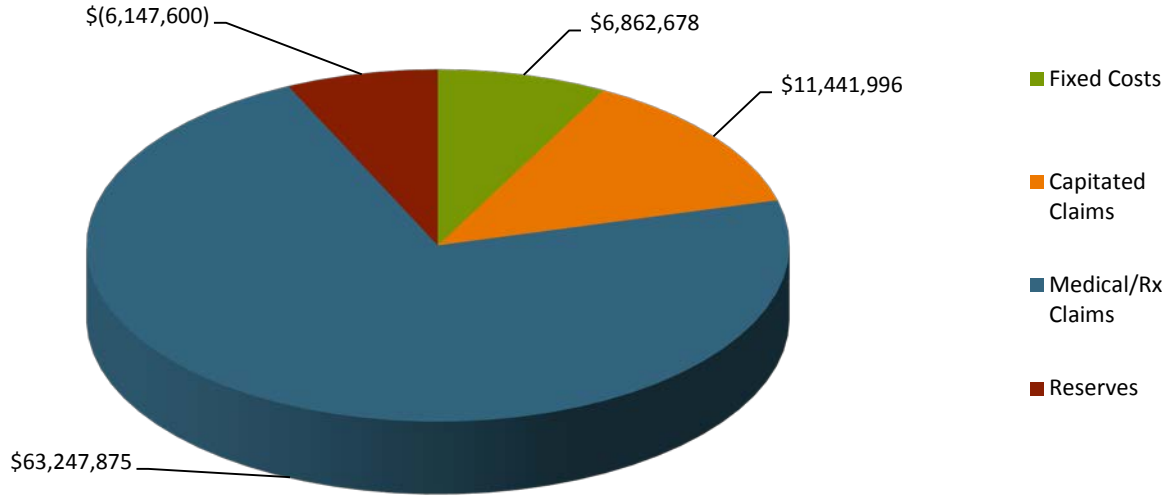
**Total PPO Stop Loss Reimbursements** \$ 1,539,353

**Total SJVIA Pooling and Stop Loss Reimbursements** \$ 2,742,241

# ALL PLANS

# All Plans

## YTD SJVIA Premium Breakdown - 2015

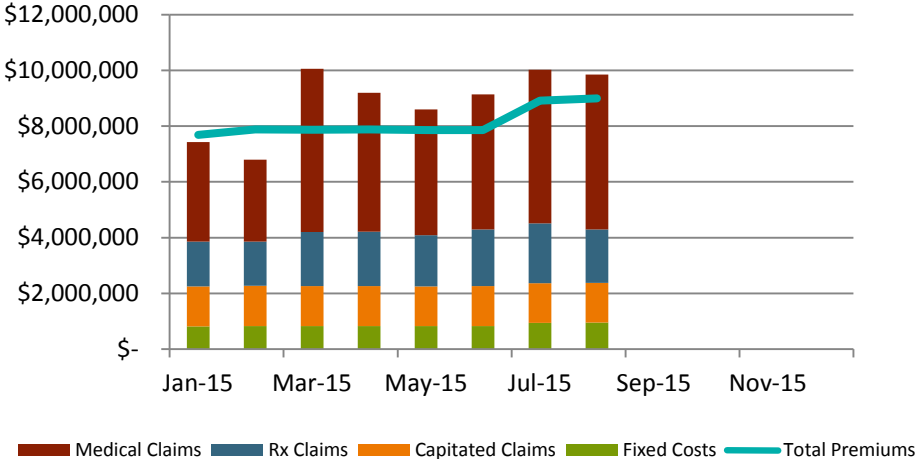


2015 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 812,344	\$ 830,800	\$ 829,783	\$ 830,330	\$ 828,630	\$ 829,336	\$ 946,541	\$ 954,914	\$ -	\$ -	\$ -	\$ -	\$ 6,862,678
Capitated Claims	\$ 1,439,877	\$ 1,437,668	\$ 1,431,319	\$ 1,430,215	\$ 1,425,522	\$ 1,428,559	\$ 1,421,658	\$ 1,427,179	\$ -	\$ -	\$ -	\$ -	\$ 11,441,996
Variable Claims	\$ 5,178,134	\$ 4,532,651	\$ 7,801,170	\$ 6,935,180	\$ 6,347,357	\$ 6,880,727	\$ 7,653,037	\$ 7,934,569	\$ -	\$ -	\$ -	\$ -	\$ 52,797,413
Reserves	\$ 258,943	\$ 1,084,665	\$ (2,191,311)	\$ (1,316,285)	\$ (744,255)	\$ (1,281,888)	\$ (1,107,444)	\$ (850,025)	\$ -	\$ -	\$ -	\$ -	\$ (6,147,600)

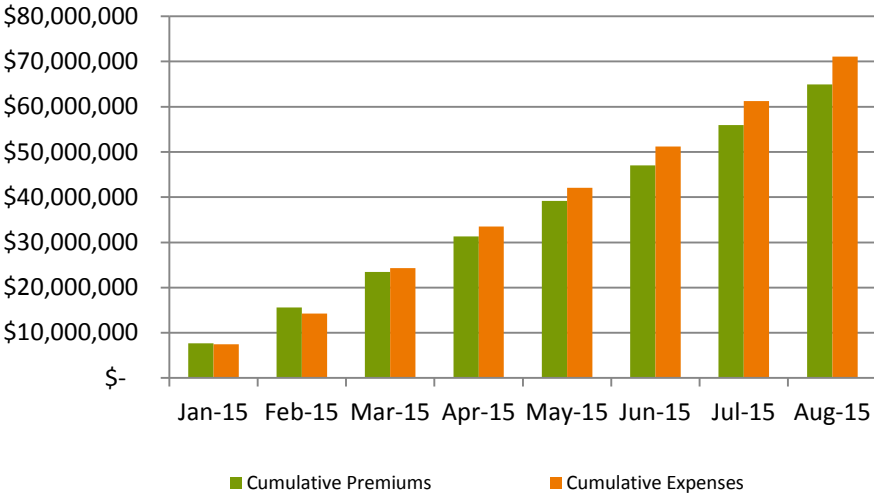
2014 Premium Breakdown - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 707,785	\$ 711,342	\$ 715,576	\$ 717,474	\$ 713,324	\$ 717,575	\$ 718,339	\$ 715,900	\$ 713,026	\$ 712,925	\$ 716,541	\$ 713,416	\$ 8,573,223
Capitated Claims	\$ 1,410,719	\$ 1,415,317	\$ 1,424,783	\$ 1,423,431	\$ 1,418,292	\$ 1,425,324	\$ 1,425,865	\$ 1,425,054	\$ 1,416,399	\$ 1,420,456	\$ 1,425,865	\$ 1,422,349	\$ 17,053,855
Variable Claims	\$ 4,288,723	\$ 4,788,450	\$ 5,116,960	\$ 5,103,801	\$ 6,200,429	\$ 6,470,189	\$ 5,678,295	\$ 5,684,651	\$ 6,366,884	\$ 6,051,499	\$ 4,215,744	\$ 2,721,675	\$ 62,687,300
Reserves	\$ 780,352	\$ 332,365	\$ 13,541	\$ 37,664	\$ (1,109,018)	\$ (1,355,120)	\$ (563,397)	\$ (586,319)	\$ (1,331,765)	\$ (1,026,515)	\$ 831,690	\$ 2,306,271	\$ (1,670,253)
<b>Total</b>	<b>\$ 7,187,579</b>	<b>\$ 7,247,475</b>	<b>\$ 7,270,860</b>	<b>\$ 7,282,370</b>	<b>\$ 7,223,028</b>	<b>\$ 7,257,968</b>	<b>\$ 7,259,102</b>	<b>\$ 7,239,285</b>	<b>\$ 7,164,543</b>	<b>\$ 7,158,364</b>	<b>\$ 7,189,840</b>	<b>\$ 7,163,711</b>	<b>\$ 86,644,125</b>

# All Plans

**SJVIA Total Premiums & Expenses - 2015**

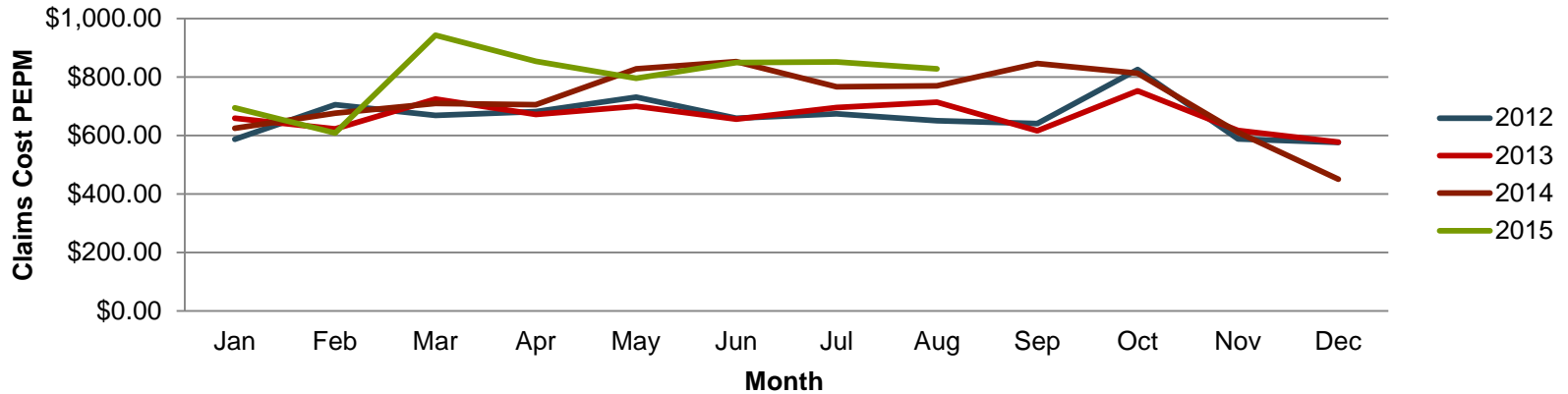


**SJVIA Cumulative Premiums & Expenses - 2015**

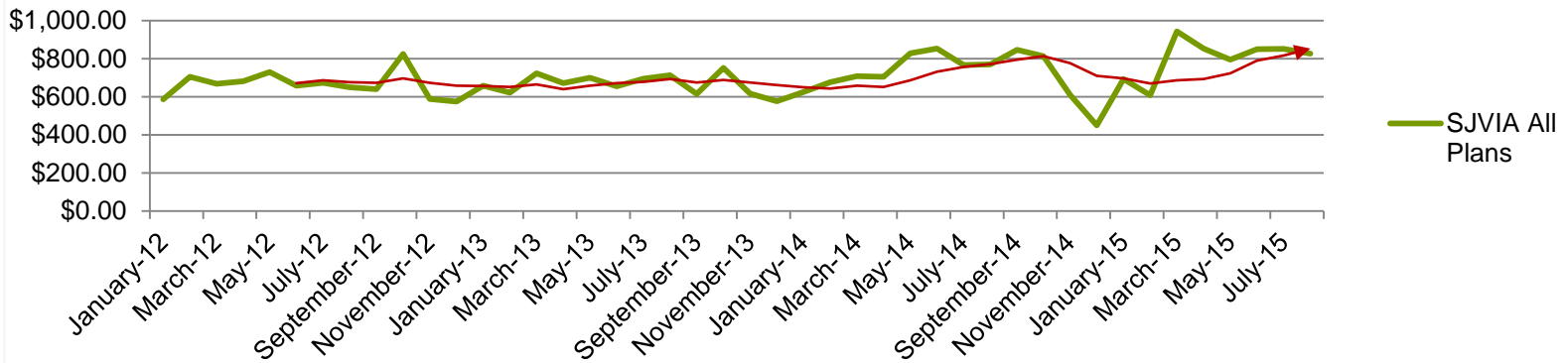


# All Plans

## SJVIA 2012 - 2015 All Plans (Year Over Year) - Claims PEPM



## SJVIA All Plans - Claims PEPM

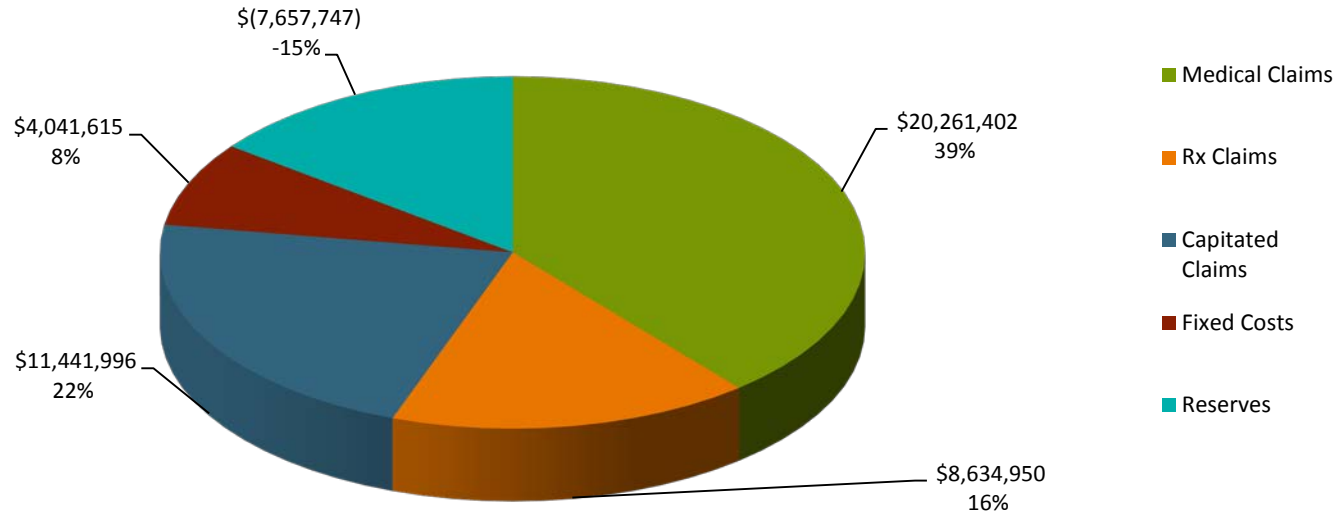




# HMO PLAN

# HMO Plan

## YTD HMO Premium Breakdown - 2015

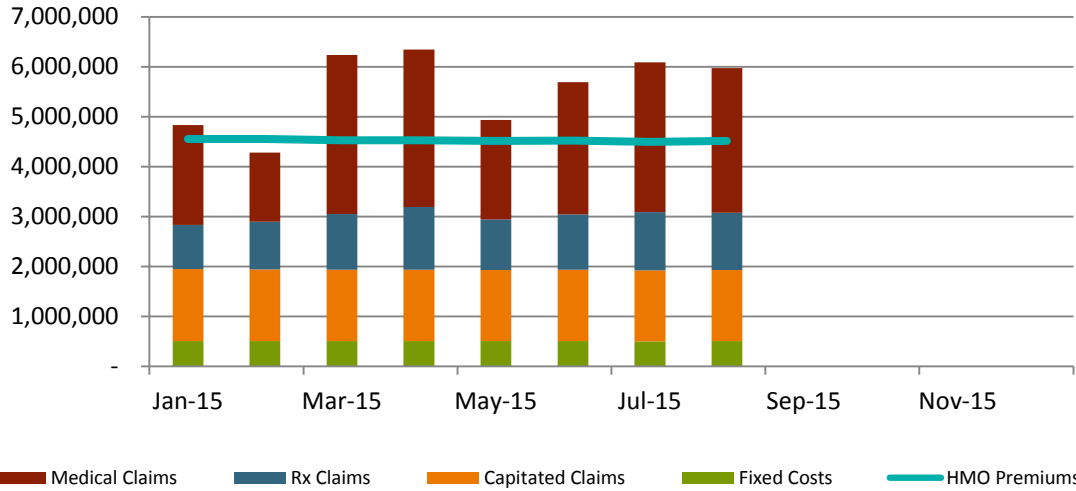


2015 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 508,862	\$ 506,710	\$ 505,608	\$ 505,231	\$ 504,414	\$ 504,931	\$ 501,949	\$ 503,910	\$ -	\$ -	\$ -	\$ -	\$ 4,041,615
Capitated Claims	\$ 1,439,877	\$ 1,437,668	\$ 1,431,319	\$ 1,430,215	\$ 1,425,522	\$ 1,428,559	\$ 1,421,658	\$ 1,427,179	\$ -	\$ -	\$ -	\$ -	\$ 11,441,996
Medical Claims	\$ 1,999,134	\$ 1,384,373	\$ 3,184,968	\$ 3,153,567	\$ 1,989,123	\$ 2,648,991	\$ 3,001,583	\$ 2,899,663	\$ -	\$ -	\$ -	\$ -	\$ 19,994,405
Rx Claims	\$ 882,719	\$ 953,926	\$ 1,114,536	\$ 1,253,903	\$ 1,013,996	\$ 1,110,971	\$ 1,162,856	\$ 1,142,044	\$ -	\$ -	\$ -	\$ -	\$ 8,378,974
Reserves	\$ (277,016)	\$ 267,482	\$ (1,707,035)	\$ (1,817,569)	\$ (419,808)	\$ (1,175,857)	\$ (1,595,403)	\$ (932,541)	\$ -	\$ -	\$ -	\$ -	\$ (7,657,747)

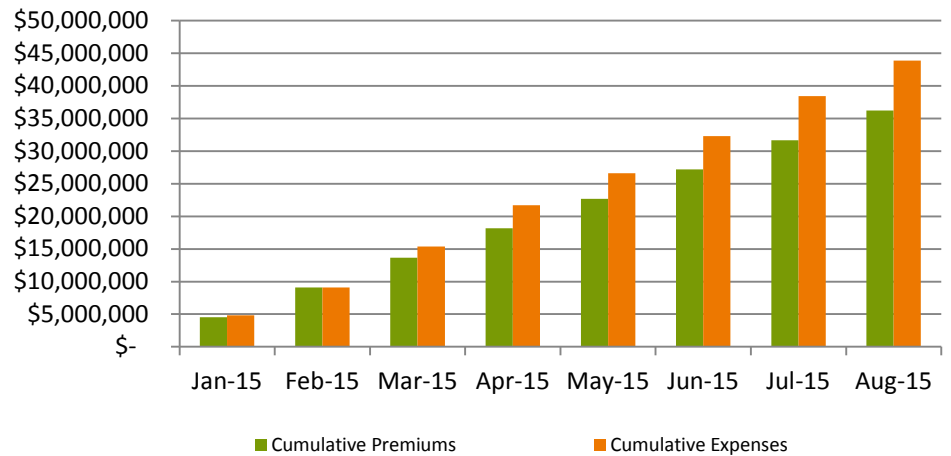
2014 Premium Breakdown - HMO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 457,177	\$ 458,687	\$ 461,755	\$ 461,292	\$ 459,638	\$ 461,911	\$ 462,104	\$ 461,835	\$ 459,027	\$ 460,341	\$ 462,104	\$ 460,963	\$ 5,526,833
Capitated Claims	\$ 1,410,719	\$ 1,415,317	\$ 1,424,783	\$ 1,423,431	\$ 1,418,292	\$ 1,425,324	\$ 1,425,865	\$ 1,425,054	\$ 1,416,399	\$ 1,420,456	\$ 1,425,865	\$ 1,422,349	\$ 17,053,855
Medical Claims	\$ 1,453,837	\$ 1,730,599	\$ 1,861,318	\$ 1,594,709	\$ 2,290,159	\$ 2,217,656	\$ 1,841,435	\$ 1,995,472	\$ 2,669,075	\$ 2,915,330	\$ 1,288,159	\$ 1,562,606	\$ 24,623,243
Rx Claims	\$ 782,651	\$ 783,486	\$ 936,204	\$ 764,169	\$ 860,911	\$ 840,840	\$ 918,746	\$ 861,082	\$ 905,176	\$ 794,540	\$ 804,591	\$ 556,802	\$ 10,087,996
Reserves	\$ 353,300	\$ 82,747	\$ (185,863)	\$ 238,641	\$ (572,886)	\$ (469,582)	\$ (175,219)	\$ (266,154)	\$ (1,005,792)	\$ (1,137,310)	\$ 488,476	\$ 452,313	\$ (2,197,329)
<b>Total</b>	<b>\$ 4,457,684</b>	<b>\$ 4,470,836</b>	<b>\$ 4,498,198</b>	<b>\$ 4,482,242</b>	<b>\$ 4,456,115</b>	<b>\$ 4,476,149</b>	<b>\$ 4,472,930</b>	<b>\$ 4,477,289</b>	<b>\$ 4,443,885</b>	<b>\$ 4,453,356</b>	<b>\$ 4,469,195</b>	<b>\$ 4,455,033</b>	<b>\$ 55,094,598</b>

# HMO Plan

## HMO Total Expenses & Premiums - 2015

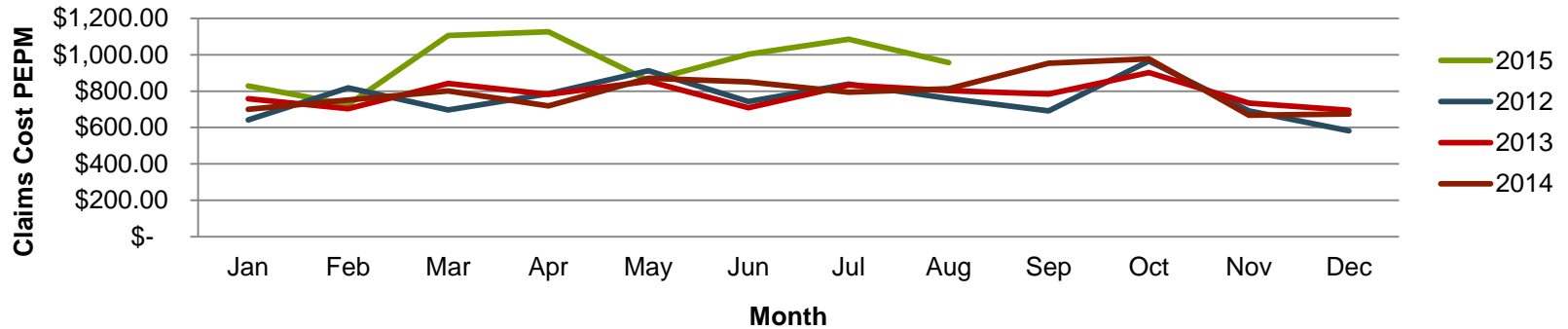


## HMO Cumulative Premiums & Expenses -2015

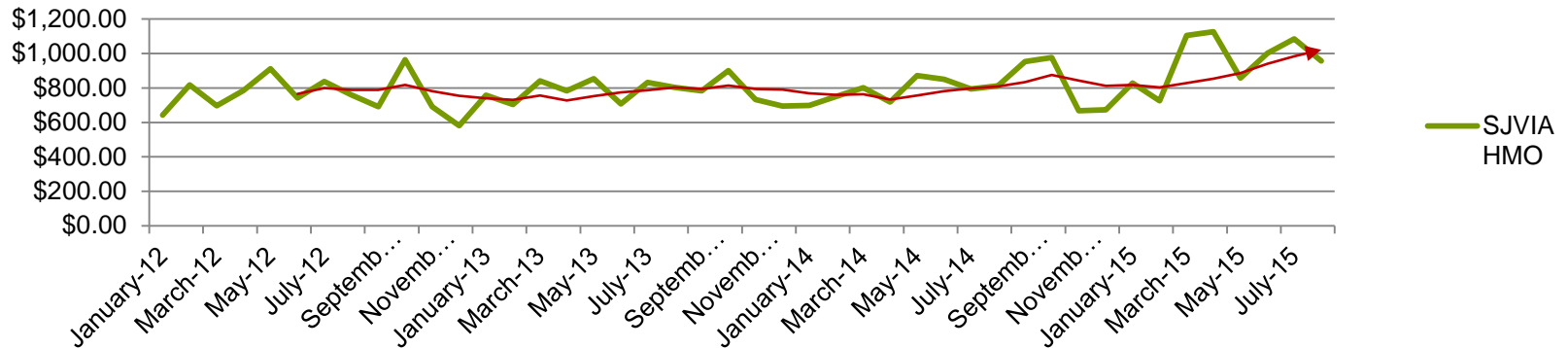


# HMO Plan

## SJVIA 2012 - 2015 HMO (Year Over Year) - Claims PEPM



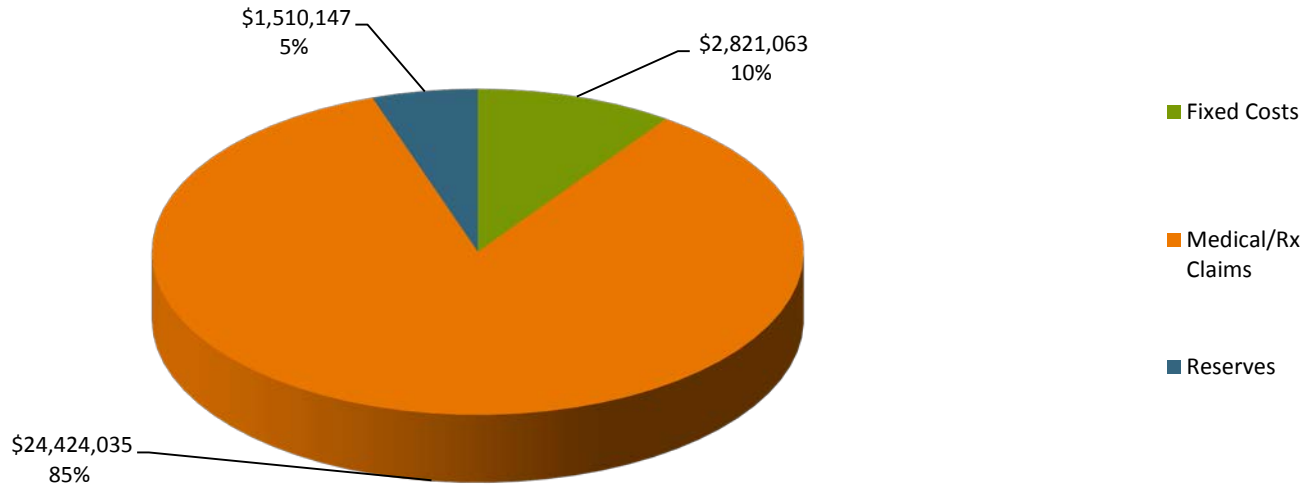
## SJVIA HMO Claims PEPM



# PPO PLANS

# PPO Plans

## YTD PPO Premium Breakdown - 2015

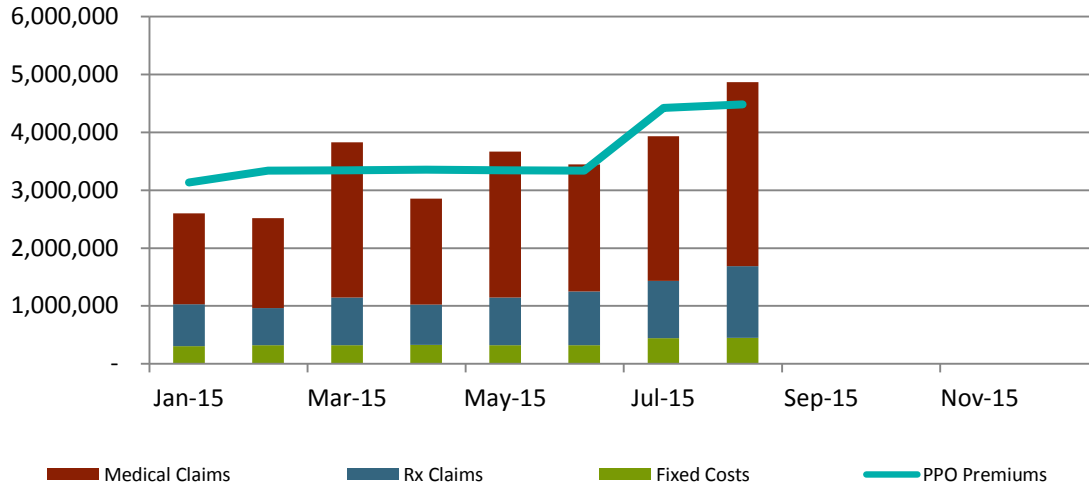


2015 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 303,482	\$ 324,090	\$ 324,175	\$ 325,099	\$ 324,216	\$ 324,404	\$ 444,592	\$ 451,005	\$ -	\$ -	\$ -	\$ -	\$ 2,821,063
Variable Claims	\$ 2,296,281	\$ 2,194,352	\$ 3,501,666	\$ 2,527,710	\$ 3,344,239	\$ 3,120,765	\$ 3,488,598	\$ 3,950,424	\$ -	\$ -	\$ -	\$ -	\$ 24,424,035
Reserves	\$ 535,958	\$ 817,183	\$ (484,275)	\$ 501,284	\$ (324,448)	\$ (106,032)	\$ 487,959	\$ 82,516	\$ -	\$ -	\$ -	\$ -	\$ 1,510,147

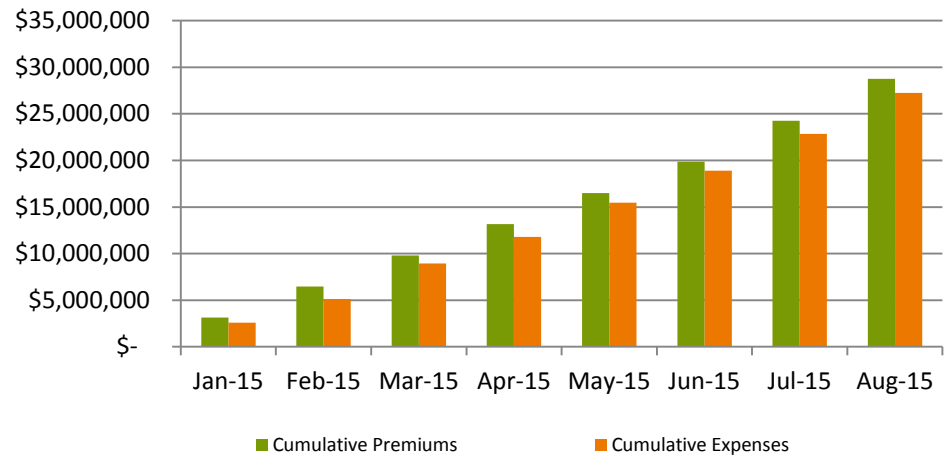
2014 Premium Breakdown - PPO	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
Fixed Costs	\$ 250,608	\$ 252,655	\$ 253,820	\$ 256,183	\$ 253,686	\$ 255,664	\$ 256,235	\$ 254,065	\$ 253,999	\$ 252,585	\$ 254,438	\$ 252,452	\$ 3,046,389
Variable Claims	\$ 2,052,235	\$ 2,274,366	\$ 2,319,438	\$ 2,744,922	\$ 3,049,359	\$ 3,411,693	\$ 2,918,114	\$ 2,828,097	\$ 2,792,633	\$ 2,341,628	\$ 2,122,994	\$ 602,082	\$ 29,457,562
Reserves	\$ 427,052	\$ 249,618	\$ 199,404	\$ (200,977)	\$ (536,132)	\$ (885,538)	\$ (388,178)	\$ (320,166)	\$ (325,973)	\$ 110,795	\$ 343,214	\$ 1,854,143	\$ 527,261
<b>Total</b>	<b>\$ 2,729,896</b>	<b>\$ 2,776,639</b>	<b>\$ 2,772,662</b>	<b>\$ 2,800,128</b>	<b>\$ 2,766,913</b>	<b>\$ 2,781,819</b>	<b>\$ 2,786,171</b>	<b>\$ 2,761,996</b>	<b>\$ 2,720,658</b>	<b>\$ 2,705,008</b>	<b>\$ 2,720,645</b>	<b>\$ 2,708,677</b>	<b>\$ 33,031,213</b>

# PPO Plans

## PPO Total Expenses & Premiums - 2015

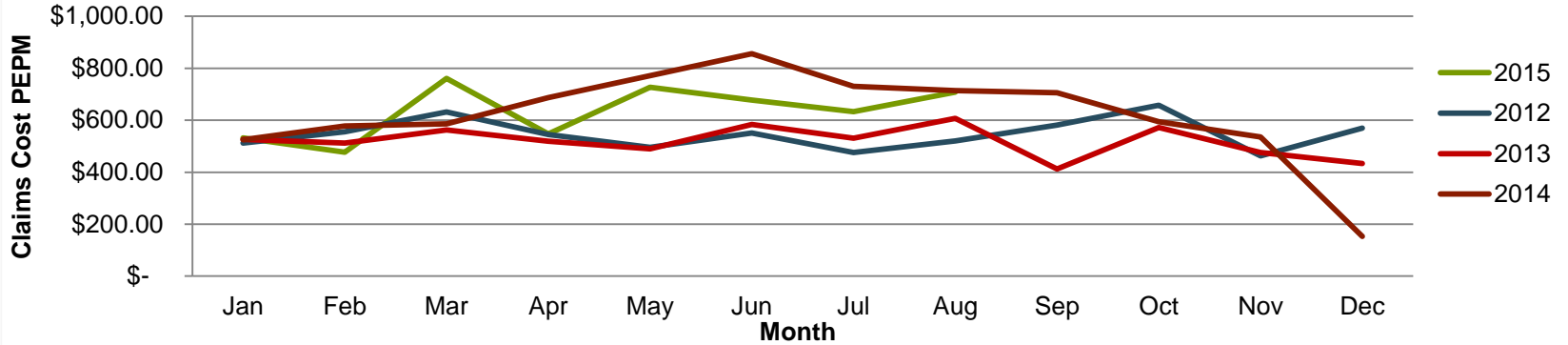


## PPO Cumulative Premiums & Expenses - 2015

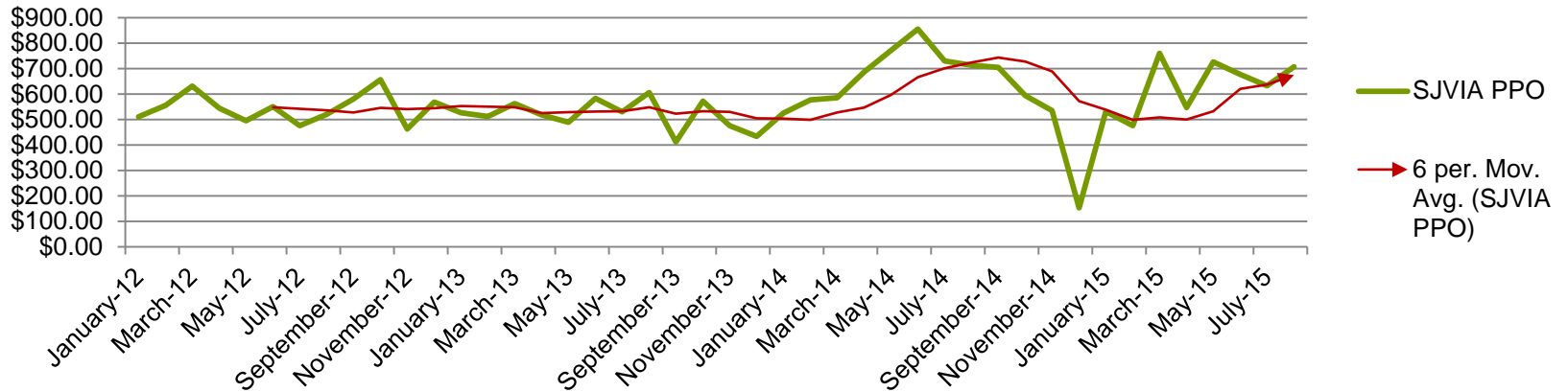


# PPO Plans – PEPM

## SJVIA 2012 - 2015 PPO (Year Over Year) - Claims PEPM



## SJVIA PPO Claims PEPM







# MONTHLY DATA

# All Plans Combined


2015 SJVIA Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	5,503	5,689	5,668	5,674	5,651	5,674	5,901	5,939	0	0	0	0	45,699
- Employee + Spouse	1,128	1,159	1,140	1,142	1,129	1,128	1,370	1,397	0	0	0	0	9,593
- Employee + Child(ren)	1,517	1,534	1,542	1,536	1,535	1,540	1,532	1,539	0	0	0	0	12,275
- Employee + Family	1,382	1,427	1,437	1,444	1,451	1,438	1,854	1,876	0	0	0	0	12,309
<b>SJVIA Total Enrollment</b>	<b>9,530</b>	<b>9,809</b>	<b>9,787</b>	<b>9,796</b>	<b>9,766</b>	<b>9,780</b>	<b>10,657</b>	<b>10,751</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,876</b>
<b>SJVIA Total Premiums</b>	<b>\$ 7,689,297</b>	<b>\$ 7,885,784</b>	<b>\$ 7,870,962</b>	<b>\$ 7,879,440</b>	<b>\$ 7,857,254</b>	<b>\$ 7,856,733</b>	<b>\$ 8,913,792</b>	<b>\$ 9,001,226</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,954,488</b>
SJVIA Premiums PEPM	\$ 806.85	\$ 803.93	\$ 804.23	\$ 804.35	\$ 804.55	\$ 803.35	\$ 836.43	\$ 837.25					\$ 813.19
<b>SJVIA Total Claims</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>YTD Totals</b>
- Medical Claims	\$ 3,571,260	\$ 2,937,859	\$ 5,863,886	\$ 4,981,517	\$ 4,510,665	\$ 4,843,561	\$ 5,503,668	\$ 6,082,040	\$ -	\$ -	\$ -	\$ -	\$ 38,294,456
- Rx Claims	\$ 1,606,873	\$ 1,594,792	\$ 1,937,284	\$ 1,953,664	\$ 1,836,692	\$ 2,037,167	\$ 2,149,369	\$ 2,378,652	\$ -	\$ -	\$ -	\$ -	\$ 15,494,493
- Rx Rebates								\$ (465,412)					\$ (465,412)
- Stop-Loss Refunds								\$ (526,123)					\$ (526,123)
- Capitated Claims (HMO)	\$ 1,439,877	\$ 1,437,668	\$ 1,431,319	\$ 1,430,215	\$ 1,425,522	\$ 1,428,559	\$ 1,421,658	\$ 1,427,179	\$ -	\$ -	\$ -	\$ -	\$ 11,441,996
<b>SJVIA Total Claims</b>	<b>\$ 6,618,010</b>	<b>\$ 5,970,319</b>	<b>\$ 9,232,489</b>	<b>\$ 8,365,395</b>	<b>\$ 7,772,879</b>	<b>\$ 8,309,286</b>	<b>\$ 9,074,695</b>	<b>\$ 8,896,336</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,239,410</b>
SJVIA Claims PEPM	\$ 694.44	\$ 608.66	\$ 943.34	\$ 853.96	\$ 795.91	\$ 849.62	\$ 851.52	\$ 827.49					\$ 804.24
<b>SJVIA Fixed Costs</b>	<b>\$ 812,344</b>	<b>\$ 830,800</b>	<b>\$ 829,783</b>	<b>\$ 830,330</b>	<b>\$ 828,630</b>	<b>\$ 829,336</b>	<b>\$ 946,541</b>	<b>\$ 954,914</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,862,678</b>
<b>SJVIA Total Costs</b>	<b>\$ 7,430,354</b>	<b>\$ 6,801,120</b>	<b>\$ 10,062,272</b>	<b>\$ 9,195,725</b>	<b>\$ 8,601,509</b>	<b>\$ 9,138,622</b>	<b>\$ 10,021,236</b>	<b>\$ 9,851,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,102,088</b>
SJVIA Cost PEPM	\$ 779.68	\$ 693.36	\$ 1,028.13	\$ 938.72	\$ 880.76	\$ 934.42	\$ 940.34	\$ 916.31					\$ 890.16
<b>2015 Contingent Reserve Premium Subsidy</b>	<b>\$ 447,207</b>	<b>\$ 447,207</b>	<b>\$ 447,207</b>	<b>\$ 447,207</b>	<b>\$ 447,207</b>	<b>\$ 447,207</b>	<b>\$ 447,207</b>	<b>\$ 447,207</b>					<b>\$ 3,577,656</b>
<b>SJVIA Total Reserve - Increase/(Decrease)</b>	<b>\$ 258,943</b>	<b>\$ 1,084,665</b>	<b>\$(2,191,311)</b>	<b>\$(1,316,285)</b>	<b>\$ (744,255)</b>	<b>\$(1,281,888)</b>	<b>\$ (1,107,444)</b>	<b>\$ (850,025)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,147,600)</b>
<b>Adjusted SJVIA Total Reserve - Increase/(Decrease)</b>	<b>\$ 706,150</b>	<b>\$ 1,531,872</b>	<b>\$(1,744,104)</b>	<b>\$ (869,078)</b>	<b>\$ (297,048)</b>	<b>\$ (834,681)</b>	<b>\$ (660,237)</b>	<b>\$ (402,818)</b>					<b>\$ (2,569,944)</b>

# HMO Plan

2015 HMO Enrollment	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	2,391	2,373	2,365	2,365	2,354	2,368	2,360	2,358					18,934
- Employee + Spouse	667	662	650	650	647	642	642	645					5,205
- Employee + Child(ren)	1,338	1,355	1,353	1,348	1,344	1,349	1,341	1,348					10,776
- Employee + Family	820	818	817	818	819	816	807	819					6,534
<b>HMO Total Enroll.</b>	<b>5,216</b>	<b>5,208</b>	<b>5,185</b>	<b>5,181</b>	<b>5,164</b>	<b>5,175</b>	<b>5,150</b>	<b>5,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,449</b>
<b>HMO Premiums</b>	<b>4,553,576</b>	<b>4,550,160</b>	<b>4,529,396</b>	<b>4,525,347</b>	<b>4,513,247</b>	<b>4,517,596</b>	<b>4,492,642</b>	<b>4,517,280</b>					<b>\$ 36,199,244</b>
HMO Premiums PEPM	\$ 873.00	\$ 873.69	\$ 873.56	\$ 873.45	\$ 873.98	\$ 872.97	\$ 872.36	\$ 873.75					\$ 873.34
<b>HMO Claims</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>YTD Totals</b>
- Medical Claims	1,999,134	1,384,373	3,184,968	3,153,567	1,989,123	2,648,991	3,001,583	2,899,663					\$ 20,261,402
- Rx Claims	882,719	953,926	1,114,536	1,253,903	1,013,996	1,110,971	1,162,856	1,142,044					\$ 8,634,950
- Rx Rebates								(255,977)					\$ (255,977)
- Capitated Claims	1,439,877	1,437,668	1,431,319	1,430,215	1,425,522	1,428,559	1,421,658	1,427,179					\$ 11,441,996
Pooling Reimbursements								\$ (266,997)					\$ (266,997)
<b>HMO Total Claims</b>	<b>\$ 4,321,729</b>	<b>\$ 3,775,968</b>	<b>\$ 5,730,823</b>	<b>\$ 5,837,685</b>	<b>\$ 4,428,641</b>	<b>\$ 5,188,521</b>	<b>\$ 5,586,096</b>	<b>\$ 4,945,912</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,815,375</b>
HMO Claims PEPM	\$ 828.55	\$ 725.03	\$ 1,105.27	\$ 1,126.75	\$ 857.60	\$ 1,002.61	\$ 1,084.68	\$ 956.66					\$ 960.59
<b>HMO Fixed Costs</b>	<b>508,862</b>	<b>506,710</b>	<b>505,608</b>	<b>505,231</b>	<b>504,414</b>	<b>504,931</b>	<b>501,949</b>	<b>503,910</b>					<b>\$ 4,041,615</b>
<b>HMO Total Costs</b>	<b>\$ 4,830,591</b>	<b>\$ 4,282,678</b>	<b>\$ 6,236,431</b>	<b>\$ 6,342,916</b>	<b>\$ 4,933,055</b>	<b>\$ 5,693,452</b>	<b>\$ 6,088,046</b>	<b>\$ 5,449,821</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,856,991</b>
HMO Costs PEPM	\$ 926.11	\$ 822.33	\$ 1,202.78	\$ 1,224.26	\$ 955.28	\$ 1,100.18	\$ 1,182.14	\$ 1,054.12					\$ 1,058.10
<b>HMO Plan Reserve - Increase/(Decrease)</b>	<b>\$ (277,016)</b>	<b>\$ 267,482</b>	<b>\$ (1,707,035)</b>	<b>\$ (1,817,569)</b>	<b>\$ (419,808)</b>	<b>\$ (1,175,857)</b>	<b>\$ (1,595,403)</b>	<b>\$ (932,541)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,657,747)</b>

# PPO Plans

2015 PPO Enrollment - All Plans	January	February	March	April	May	June	July	August	September	October	November	December	YTD Totals
- Employee Only	3,112	3,316	3,303	3,309	3,297	3,306	3,541	3,581					26,765
- Employee + Spouse	461	497	490	492	482	486	728	752					4,388
- Employee + Child(ren)	179	179	189	188	191	191	191	191					1,499
- Employee + Family	562	609	620	626	632	622	1,047	1,057					5,775
<b>PPO Plans Total Enrollment</b>	<b>4,314</b>	<b>4,601</b>	<b>4,602</b>	<b>4,615</b>	<b>4,602</b>	<b>4,605</b>	<b>5,507</b>	<b>5,581</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,427</b>
<b>PPO Plans Total Premiums</b>	<b>3,135,721</b>	<b>3,335,624</b>	<b>3,341,566</b>	<b>3,354,093</b>	<b>3,344,007</b>	<b>3,339,138</b>	<b>4,421,149</b>	<b>4,483,946</b>					<b>\$ 28,755,244</b>
PPO Premiums PEPM	\$ 726.87	\$ 724.98	\$ 726.11	\$ 726.78	\$ 726.64	\$ 725.11	\$ 802.82	\$ 803.43					\$ 748.31
<b>PPO Plans Total Claims</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>YTD Totals</b>
- Medical Claims	1,572,126	1,553,486	2,678,918	1,827,950	2,521,542	2,194,570	2,502,085	3,182,377					\$ 18,033,054
- Rx Claims	724,155	640,866	822,748	699,760	822,696	926,195	986,513	1,236,609					\$ 6,859,542
- Rx Rebates								(209,435)					\$ (209,435)
- Stop-Loss Refunds								\$ (259,126)					\$ (259,126)
<b>PPO Plans Net Claims</b>	<b>\$ 2,296,281</b>	<b>\$ 2,194,352</b>	<b>\$ 3,501,666</b>	<b>\$ 2,527,710</b>	<b>\$ 3,344,239</b>	<b>\$ 3,120,765</b>	<b>\$ 3,488,598</b>	<b>\$ 3,950,424</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,424,035</b>
PPO Plans Claims PEPM	\$ 532.29	\$ 476.93	\$ 760.90	\$ 547.72	\$ 726.69	\$ 677.69	\$ 633.48	\$ 707.83					\$ 635.60
<b>PPO Plans Fixed Costs</b>	<b>303,482</b>	<b>324,090</b>	<b>324,175</b>	<b>325,099</b>	<b>324,216</b>	<b>324,404</b>	<b>444,592</b>	<b>451,005</b>					<b>\$ 2,821,063</b>
<b>PPO Plans Total Costs</b>	<b>\$ 2,599,763</b>	<b>\$ 2,518,442</b>	<b>\$ 3,825,841</b>	<b>\$ 2,852,809</b>	<b>\$ 3,668,454</b>	<b>\$ 3,445,169</b>	<b>\$ 3,933,190</b>	<b>\$ 4,401,429</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,245,097</b>
PPO Plans Cost PEPM	\$ 602.63	\$ 547.37	\$ 831.34	\$ 618.16	\$ 797.14	\$ 748.14	\$ 714.22	\$ 788.65					\$ 709.01
<b>PPO Plans Total Reserve - Increase/(Decrease)</b>	<b>\$ 535,958</b>	<b>\$ 817,183</b>	<b>\$ (484,275)</b>	<b>\$ 501,284</b>	<b>\$ (324,448)</b>	<b>\$ (106,032)</b>	<b>\$ 487,959</b>	<b>\$ 82,516</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,510,147</b>



Important Note: This presentation represents estimations of the scope, size and operation of SJVIA subject to its formation and inclusion of the counties to which it is presenting. 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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** 14

**SUBJECT:** Approve Recommended Amended & Restated JPA Agreement to Make Administrative Edits & Clean-Up (A)

**REQUEST(S):** Receive and Approve Recommended Amended & Restated JPA Agreement Making Administrative Edits & Clean-Up & Authorize the President to Sign Pending Approval of the Parties to the Agreement

**DESCRIPTION:**

The SJVIA has been in existence since 2009 and has grown significantly since inception. In reviewing the last approved version (July 2013) of the Joint Exercise of Powers Agreement Creating the San Joaquin Valley Insurance Authority (JPA Agreement), it became clear to staff that there were a number of administrative edits that should be made to clean-up the agreement. Although most changes are correcting grammatical deficiencies or clarifying language, there are a few recommended additions that should be noted.

- Recitals: Added language referencing the appropriate Government Code Sections referencing the powers of counties forming a JPA.
- Article 1 – Definitions: Added clarifying language to definitions of Insurance Program, Joint Powers Law, Participating Entity and Risk Sharing.
- Article 2 – Purposes of the Agreement: Made language consistent by referring to “Insurance Program” from the definitions section and grammatical edits.
- Article 3 – Term: Added language referring to Article 15 for termination provisions.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

- Article 5 – Powers of the Authority: Made grammatical revisions to clarify that the ability of the JPA to enter into a written agreement with any party to establish the terms and conditions upon which contributions and advances may be made by the party to the Authority and repaid to the party by the JPA.
- Article 6 – Board of Directors: Added language that makes clear that the SJVIA Board of Directors are appointed by and from each County’s respective Board of Supervisors.
- Article 7 – Powers of the Board of Directors: Clarifies that the Board may appoint ad hoc standing committees which may include representatives of Participating Entities.
- Article 8 – Meetings of the Board of Directors: Added language confirming that Board meetings are called, noticed and held in accordance with the Ralph M. Brown Act. Also added language stating that if any supporting agenda materials that are also disclosable public records are distributed to all, or a majority of all, of the members of the Board after the notice is published, the Authority shall provide copies of those materials at the same time those materials are distributed to all, or a majority of all, of the members of the Board. This is consistent with Government Code Section 54957.5(b)(1).
- Article 9 – Officers: Added language clarifying that the election of officers shall occur at the first meeting in every second calendar year.
- Article 10 – Administration: Updated the title of positions from which the Board may appoint the SJVIA Manager or Assistant Manager from “*Deputy Director of Personnel*” to “*Director of Personnel Services*”. The old title is no longer valid. Also added language to clarify that staff may perform duties with the assistance of designated staff.
- Article 13 – Responsibilities of Funds & Property: Added language that the Auditor-Treasurer shall bring the Investment Policy to the Board at least biennially for review and approval by the Board.
- Article 14 – Responsibilities of Parties: Added language to make clear that Participating Entities shall appoint a liaison to the SJVIA. The original language only referred to the Parties to the JPA Agreement.
- Article 18 – Notices: Added language to make clear that Participating Entities must provide the Authority with the address to which communications are to be sent. The original language only spoke about Parties to the Agreement.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

It should also be noted that Item 16 on today's agenda is a discussion on the governance of the SJVIA. Pending your Board's direction to staff, additional changes may be made in the near future to Articles 6-10 which speak to the composition, powers and officers of the SJVIA Board of Directors.

If your Board approves the recommendations contained in this item, the Recommended Amended & Restated JPA Agreement will require approval of all Parties to the Agreement (County of Fresno, County of Tulare and the Central San Joaquin Valley Risk Management Authority). Upon approval of all parties, the amended and restated JPA Agreement would be executed by the Board President, posted and distributed to all Participating Entities.

**FISCAL IMPACT/FINANCING:**

There is no fiscal impact to the recommended action.

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** Item 16

**SUBJECT:** Review and Discuss Potential Changes in Composition of SJVIA Board of Directors (I)

**REQUEST(S):** That the Board Review and Discuss Potential Changes in Composition of SJVIA Board of Directors

**DESCRIPTION:**

Article 6 of the Joint Exercise of Powers Agreement Creating the San Joaquin Valley Insurance Authority which was amended and restated July 1, 2013 states that the composition of the Board of the Directors of the SJVIA will be four Supervisors from the County of Fresno and three from the County of Tulare. Since the creation of the SJVIA on October 6, 2009 the Board of the SJVIA has been as such. At the formation of the SJVIA the Counties of Tulare and Fresno were the only members participating in any of the programs offered with an enrollment of approximately 9,000 employees.

Since that time the SJVIA has grown considerably, starting with the City of Tulare in 2012 and continued to expand to the 25 entities and approximately 13,000 as of today. The attached table lists all entities in the SJVIA, the date they joined and their enrollment in the health plans including HMO, PPO, and Kaiser.

There have been discussions regarding the makeup of the Board in the past and to date, no changes have been made. As entities have joined the SJVIA the subject of Board representation has been a common question. Recently, it has been requested to be discussed as a Board item with potential action to be taken at a future Board meeting. In past Board meetings there has been discussion regarding a few different options regarding governance.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

These options are:

**Option 1: Status Quo**

Four Directors appointed by the County of Fresno  
Three Directors appointed by the County of Tulare

This option maintains the status quo and ensures that the founders of the SJVIA maintain control. However, this does not consider the possibility of one of the founder's leaving the entity in the future or allow a vote for potential new entities.

If your Board would prefer to maintain the status quo governance, the SJVIA may elect the creation of a sub-committee or "SJVIA Benefits Council" made up of participating entities and representatives of the SJVIA Board. This option would give potential participating entities representation on the sub-committee and the ability to make joint recommendations to the SJVIA Board of Directors. The sub-committee may be delegated certain responsibilities but would ultimately require SJVIA Board approval.

**Option 2: Founders Option**

- Four Directors appointed by the County of Fresno
- Three Directors appointed by the County of Tulare
- One Director appointed by each Participating Entity

This option maintains the Founders majority and allows for a veto by the Founding entities. However, this option does not consider variation in the size of the Participating Entity in relation to representation on the Board. Directors may also need to be appointed in pairs to maintain an odd number of Directors. This option would dilute the representation of the Founding entities over time but may encourage entities to join.

**Option 3: Founders Option by Size – Add Two Seats to the Board**

- Four Directors appointed by the County of Fresno
- Three Directors appointed by the County of Tulare
- Other Directors appointed by entity size
  - Less than 250 employees – one appointment
  - More than 250 employees – one appointment

This option maintains the current representation of seats regardless of size for the Founding entities and would add two new seats to the Board. Participating

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

entities may be added to the Board of Directors with representation based on size. This option would slightly dilute the representation of the Founding entities over time but may encourage entities to join.

**Option 4: Founders Option by Size – Maintain Seven Board Seats**

- Three Directors appointed by the County of Fresno
- Two Directors appointed by the County of Tulare
- Other Directors appointed by entity size
  - Less than 250 employees – one appointment
  - More than 250 employees – one appointment

This option maintains the number of seats on the Board but would shift two of them to create representation of other entities by size category. As with option three, this would slightly dilute the representation of the Founding Entities but may encourage entities to join.

Any change in the governance will require a revised SJVIA Joint Exercise of Powers Agreement. The amended and restated agreement would then be taken to each Founding Members' respective Board of Supervisors for approval. Subsequently, this direction would be incorporated into marketing material for the SJVIA.

Staff is requesting direction to return with further information at the next Board Meeting to allow for Board direction with further discussion.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

**FISCAL IMPACT/FINANCING:**

Informational only.

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
SJVIA Assistant Manager



**BOARD OF DIRECTORS**

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

**Meeting Location:  
 Tulare County Employees' Retirement  
 Association Board Chambers  
 136 N Akers St  
 Visalia, CA 93291  
 November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2016

**ITEM NUMBER:** 17

**SUBJECT:** Authorize the Execution of Amendments to Participation Agreements Effective January 1, 2016 (A)

**REQUEST(S):** That the Board Authorizes the Chair to Sign and Execute Amended Participation Agreements upon Approval and Acceptance by Staff and Counsel

**DESCRIPTION:**

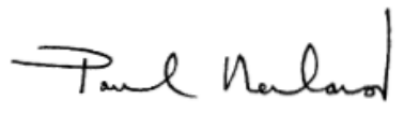
2016 Renewal rates have been released to the SJVIA participating entities. It is recommended that the Board authorize the Chair to sign and execute the amended participation agreements reflecting said rate changes and/or new plan selections upon finalization.

**FISCAL IMPACT/FINANCING:**

None

**ADMINISTRATIVE SIGN-OFF:**

  
 \_\_\_\_\_  
 Rhonda Sjostrom  
 SJVIA Manager

  
 \_\_\_\_\_  
 Paul Nerland  
 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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** Item 18

**SUBJECT:** Approve Amendment to the Administrative Service Agreement with Chimienti & Associates Effective January 1, 2016 (A)

**REQUEST(S):** That the Board approve the amendment to the Administrative Service Agreement with Chimienti & Associates and authorize the Chair to sign the amendment upon approval by SJVIA legal counsel and staff

**DESCRIPTION:**

The SJVIA has contracted with Chimienti & Associates to provide administrative services which include maintaining benefits and eligibility information, consolidated billing and reporting, on-line management of benefit programs, COBRA administration, flexible spending account administration, and enrollment services. The current agreement became effective January 1, 2015 and will expire December 31, 2017.

Staff is requesting authorization to amend the current agreement with Chimienti & Associates (Chimienti) to allow SJVIA entities to contract for new Affordable Care Act (ACA) reporting and tracking requirements.

The ACA added Internal Revenue code sections 6055 and 6056, which require applicable large employers (ALE) to file information returns with the IRS (Form 1094-C) and provide statements (Form 1095-C) to their full time employees about the health insurance coverage that was offered by their employer.

Chimienti, through subcontractors Hourglass and Terra HR, is able to provide ACA reporting and tracking services because it already has, in connection with its current agreement with the SJVIA, the information

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

necessary to generate the Forms 1094-C and 1095-C. The proposed agreement would require the SJVIA to specify which participating entities will receive the ACA reporting and tracking services. The proposed agreement would also establish the fees for those services. The SJVIA would reserve the right to remove any participating entities from the list of those to receive the ACA reporting and tracking services if they do not enter into an agreement with the SJVIA by December 31, 2015 to pay the fees established under this proposed agreement. Chimienti would not charge the SJVIA for any services related to those entities removed from the list.

The proposed amendment would also consent to Chimienti's use of Hourglass and Terra HR as subcontractors for certain services under the existing agreement with Chimienti.

**FISCAL IMPACT/FINANCING:**

There is no fiscal impact to the SJVIA. Each participating entity of the SJVIA will be required to enter into an amendment of its participation agreement to include and pay for these services.

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
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:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** 19

**SUBJECT:** Approve Amendment to the Health Now Administrative Services Agreement Effective January 1, 2016 (A)

**REQUEST(S):** That the Board authorize the execution of the Amendment to the Health Now Administrative Services Agreement effective January 1, 2016

**DESCRIPTION:**

At the April 20, 2012 meeting your Board approved staff's recommendation to partner with Health Now Administrative Services (HNAS) as a result of the competitiveness of their proposal submitted in the RFP performed earlier in the year.

The proposed Amendment to the contract for services commencing January 1, 2016 for a one year term has been reviewed by Gallagher and Staff. The Amendment updates the fees for administrative services and access to the Blue Shield provider network from \$32.42 Per Employee Per Month (PEPM) to \$36.52 PEPM.

Staff is requesting authorization for the Board Chair to execute the Amendment to the HNAS agreement pending approval by legal counsel and staff.

**FISCAL IMPACT/FINANCING:**

The impact to the SJVIA during the contract period with Health Now Administrative Services is \$36.52 PEPM, with an annual cost of \$11,211.64 for Administrative Services based on current participation.



**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
SJVIA Assistant Manager

**AMENDMENT 1  
SCHEDULE "B"  
SCHEDULE OF FEES  
San Joaquin Valley Insurance Authority**

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

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

<u>Service(s)</u>	<u>Fee</u>
HNAS Core Administrative Charges	\$16.45 (Includes Cobra, Consolidated Billing and Comprehensive Care Basic Program)
Blue Shield of CA Network Access Fee	\$16.96
Blue Shield of CA Case Management Bundle Fee	\$ 3.11
N.Y. Surcharge	Included
Massachusetts Surcharge	Included
Plan Document Revision*	Included
Consolidated Billing	Included for core group administrative areas

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

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

Effective Date(s): January 1, 2016 – December 31, 2016

**HealthNow Administrative Services, Inc.**

**San Joaquin Valley Insurance Authority**

Christopher M. Moyer  
(Signature)

\_\_\_\_\_  
(Signature)

Christopher M. Moyer  
(Print Name/Title)

\_\_\_\_\_  
(Print Name/Title)

8/10/15  
(Date)

\_\_\_\_\_  
(Date)



**BOARD OF DIRECTORS**

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:  
Tulare County Employees' Retirement  
Association Board Chambers  
136 N Akers St  
Visalia, CA 93291  
November 6, 2015 9:00 AM**

**AGENDA DATE:** November 6, 2015

**ITEM NUMBER:** 20

**SUBJECT:** Receive and File Report from Anthem Blue Cross  
Regarding the HMO Claims and Disease Management  
(I)

**REQUEST(S):** That the Board receive an update and review HMO  
claims utilization and information regarding increased  
claims costs.

**DESCRIPTION:**

Anthem Blue Cross has provided the attached SJVIA HMO Claims Dashboard report with claims information for the HMO plan provided for three consecutive measurement periods running from October – September of 2015, 2014 and 2013 respectively. The Dashboard illustrates that the Per Member Per Month (PMPM) claims costs for October 2014 through September 2015 has increased by 19.2%. In contrast, claims paid in the same timeframe in 2013 – 2014 decreased by -2.4%. The dashboard also shows an overall increase in the total claims incurred by high cost claimants with paid amounts in excess of \$50,000 as having increased 42.4% over the previous period, with the average claim per high cost employee increasing from \$132.80 PEPM to \$191.88 PEPM. There was a slight increase in the total number of high cost claimants on the HMO plan, with the current number being 0.8%, up from a previous percentage of 0.6% of total HMO members. The HMO claims utilization breakdown on the dashboard also shows an increase in professional services, acute facility admissions, and facility visits among other things. The current average subscriber age on any Anthem Blue Cross HMO plan is 35 years. By comparison, the average age for a subscriber on the SJVIA HMO plan is 44 years.

**AGENDA:** San Joaquin Valley Insurance Authority

**DATE:** November 6, 2015

The attached SJVIA Top 5 Episode Report shows the current claims expense as having increased 25.7% compared to the previous time period. The top five health condition categories for the SJVIA are: Digestive System, Musculoskeletal System, Injury & Poisoning, Circulatory System and Respiratory System. Comparisons are provided showing the current period costs for each condition compared to both the prior period and the commercial benchmark for each condition.

**FISCAL IMPACT/FINANCING:**

None

**ADMINISTRATIVE SIGN-OFF:**



---

Rhonda Sjostrom  
SJVIA Manager



---

Paul Nerland  
SJVIA Assistant Manager

Financial and Utilization Dashboard (Paid Claims)

Membership Summary

Period	Med Subscribers	Med Members	Contract Size	Contract Size Commercial Benchmark	Member Trend
Current	5,438	11,933	2.2	2.0	5.4%
Prior	5,239	11,318	2.2	2.0	6.1%

Medical and Pharmacy Paid Amount Summary

	Current	Prior	Trend	Prior Trend
Medical				
Paid Amount	\$29,554,074	\$23,506,711		
Paid PMPM	\$206.38	\$173.07	19.2%	-2.4%
Paid PEPM	\$452.87	\$373.88	21.1%	-2.8%
Paid Amount In Network	\$28,374,387	\$22,626,520		
Discount Amount	\$73,588,207	\$62,101,409		
Payment Innovation				
Payment Innovation Paid Amount	\$7	\$33		
Payment Innovation PMPM	\$0.00	\$0.00	-78.7%	0.0%
Total Paid Amount with Payment Innovation	\$29,554,081	\$23,506,743		
Total PMPM with Payment Innovation	\$206.38	\$173.07	19.2%	-2.4%

\* Results are not shown because the current period average pharmacy membership is 0, which is less than the threshold of 30

High Cost Claimants with Paid Amounts > \$50,000

High Cost Claimant (HCC) Summary	Current	Prior	Trend	Commercial Benchmark	Percent Paid In Network
Total Paid Amount	\$29,554,074	\$23,506,711			96.0%
Total HCC Paid Amount Med	\$12,521,992	\$8,349,276			97.5%
HCC Paid Amount as % of Total Paid Amount	42.4%	35.5%	19.3%	38.1%	
Number of HCC Members > \$50K	97	67			
HCC Members as Percent of Total Members	0.8%	0.6%	37.3%	1.1%	

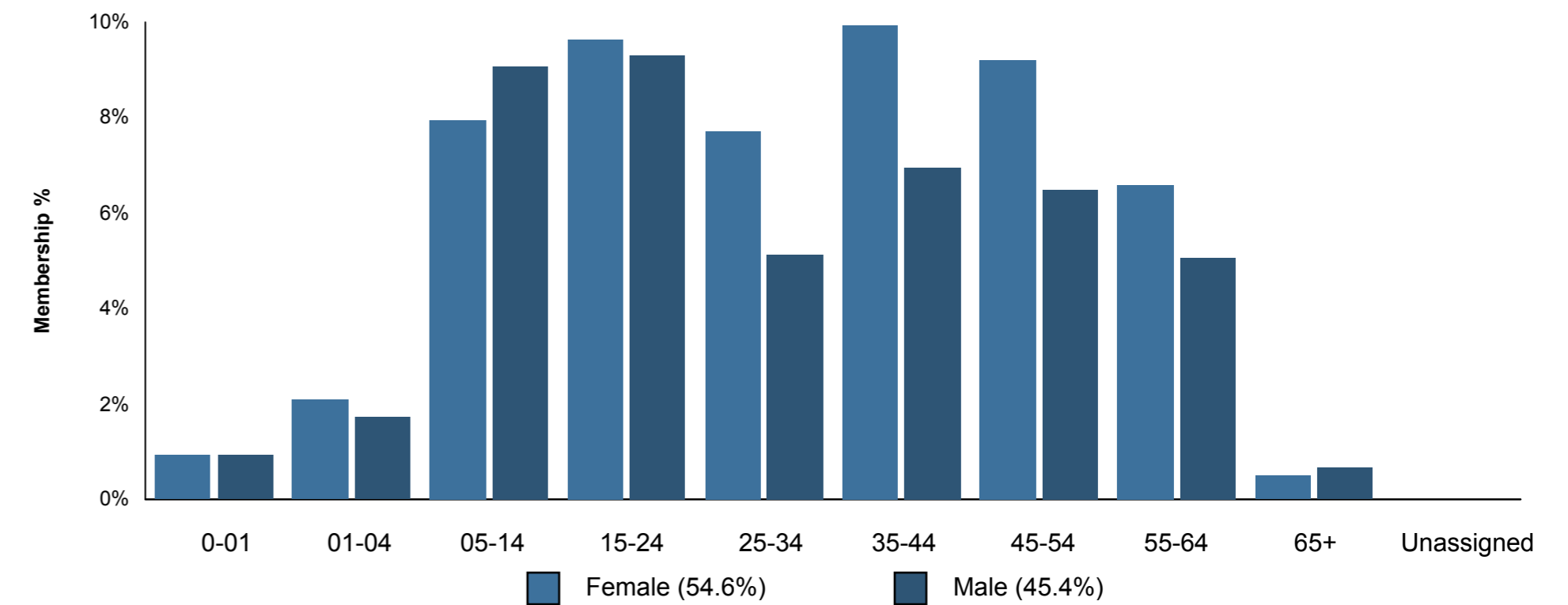
High Cost Claimant (HCC) Detail	Current	Prior	Trend	Commercial Benchmark
HCC PMPM	\$87.44	\$61.47	42.2%	\$110.51
HCC PEPM	\$191.88	\$132.80	44.5%	\$231.98
Non-HCC PMPM	\$118.94	\$111.60	6.6%	\$191.02
Non-HCC PEPM	\$260.99	\$241.08	8.3%	\$401.00

Note: High Cost Claimants are defined as those claimants with more than \$50,000 in paid amount during the reporting period.

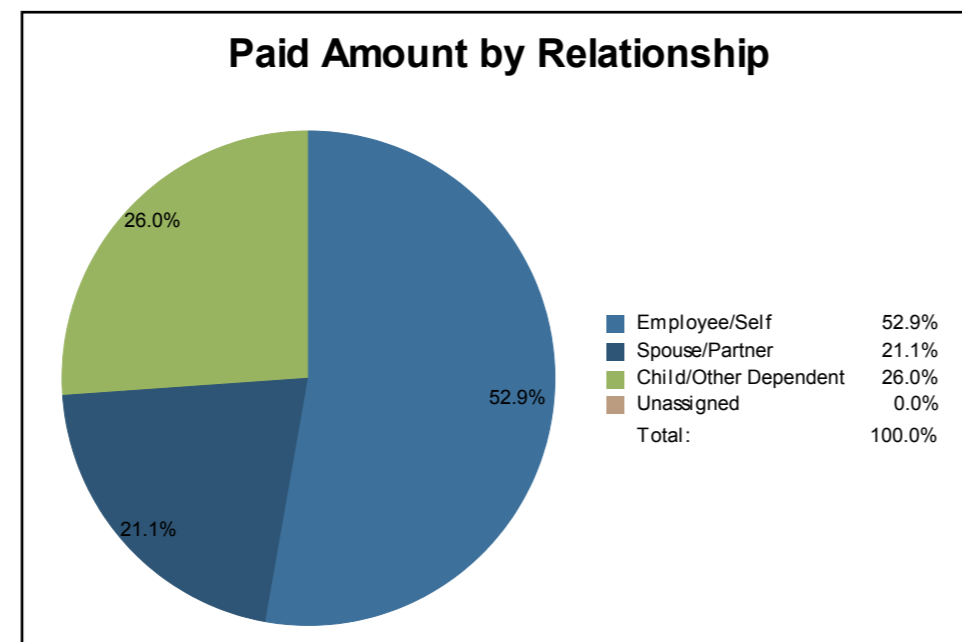
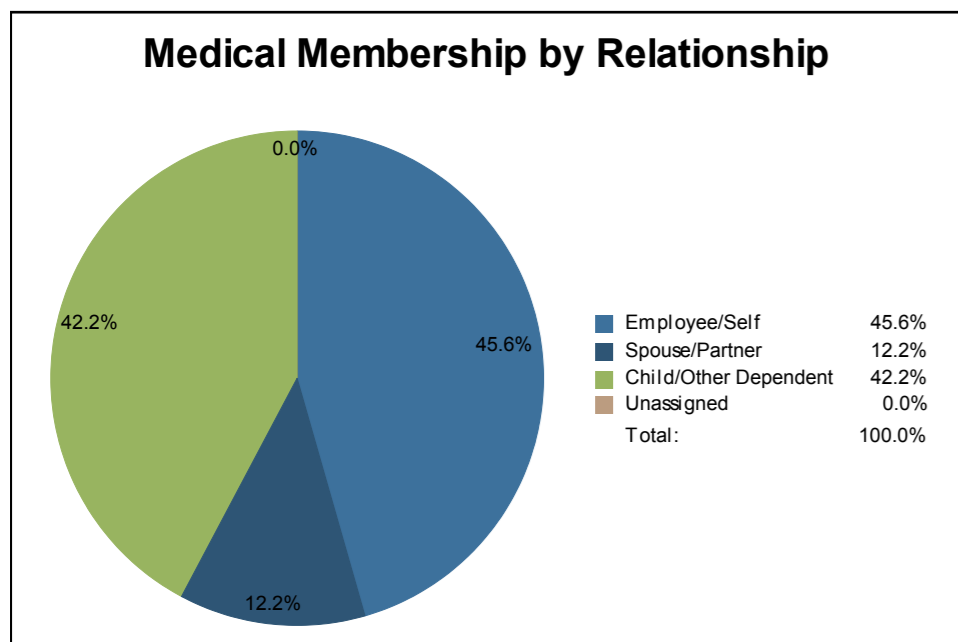
\* Results are not shown because the current period average pharmacy membership is 0, which is less than the threshold of 30

Medical Membership Summary by Age Band and Gender

Average Age: Subscriber = 44, Member = 31



NOTE: Anthem Book of Business Average Age is 35

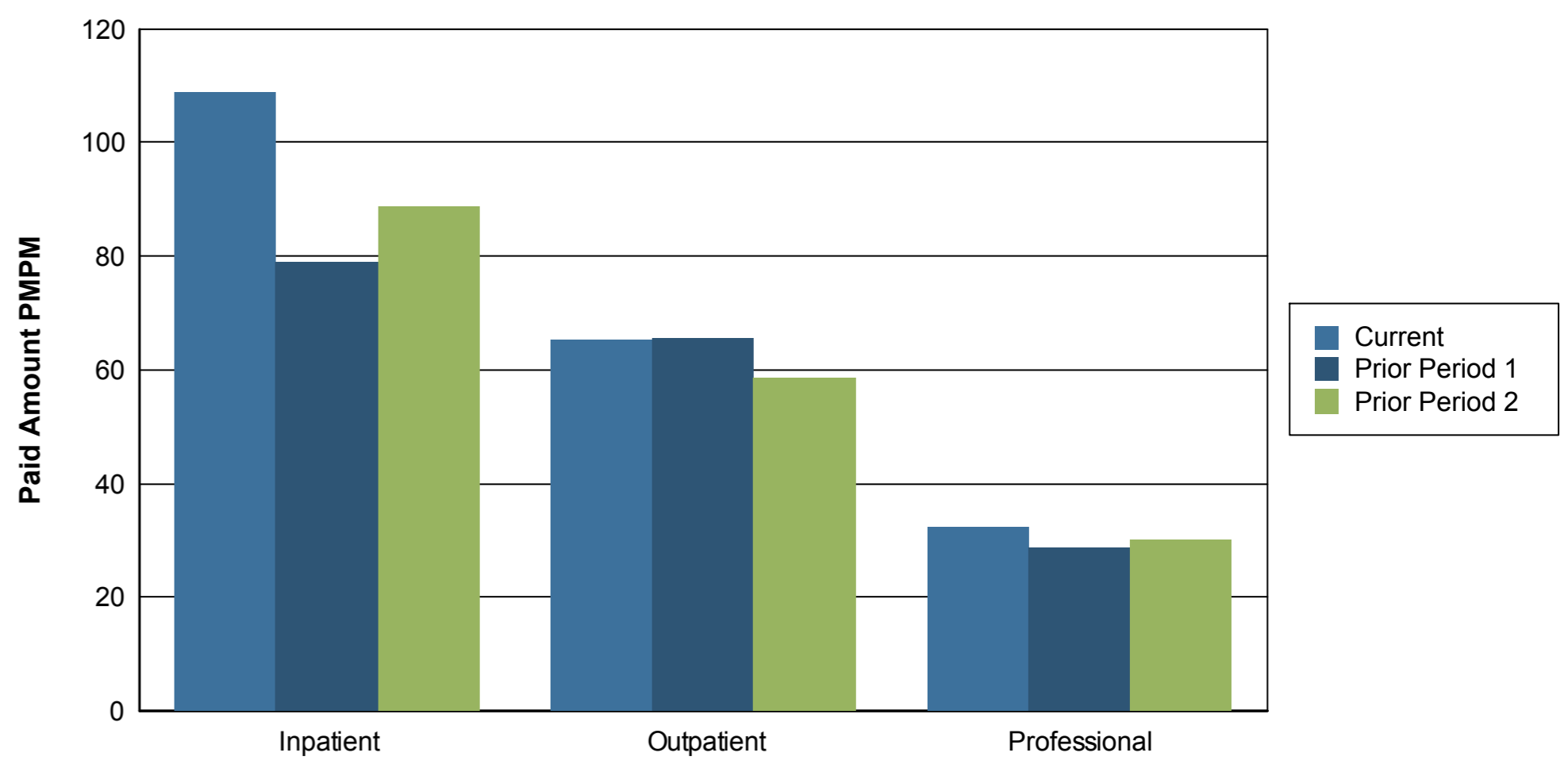


Financial and Utilization Dashboard (Paid Claims)

Utilization Breakdown

Metrics	Current Period	Prior Period 1	Prior Period 2	Trend Lines
<b>Utilization</b>				
IP Facility Acute Admissions per 1000	62.8	51.4	61.1	
IP Facility Acute Days per 1000	258.7	183.6	221.1	
IP Facility Acute Avg LOS	4.12	3.57	3.62	
OP Facility Visits per 1000	857.8	864.9	926.5	
Professional Services per 1000	19,117.1	17,175.1	30,545.8	
<b>Paid Amount PMPM by Setting</b>				
IP Facility Acute Admit	\$106.43	\$77.24	\$86.80	
OP Facility Visits	\$65.24	\$65.40	\$58.59	
Professional Service	\$32.31	\$28.75	\$30.15	

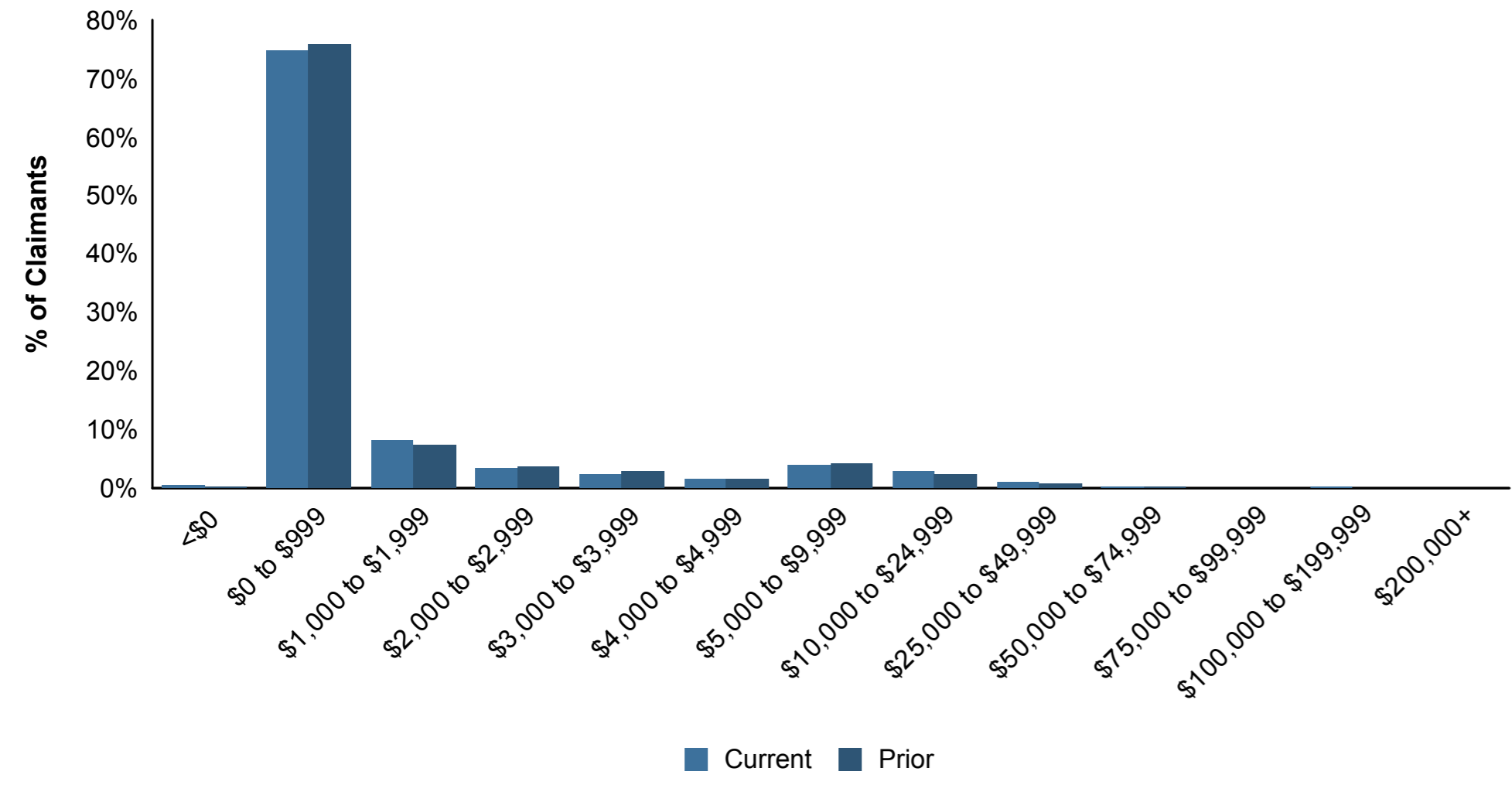
Paid Amount by Setting



\* Results are not shown because the current period average pharmacy membership is 0, which is less than the threshold of 30

\* Results are not shown because the current period average pharmacy membership is 0, which is less than the threshold of 30

Paid Claims Distribution



Note: Based on medical and pharmacy where applicable



Total Health Conditions by Paid Amount  
All Medical

Health Conditions Category	Paid Amount by Setting							Paid Amount PMPM					
	Unique Claimants	Inpatient	Outpatient	Professional	Total	Percent Total	Paid Amount per Claimant	Current Period	Prior Period 1	Prior Period 2	Trend	Commercial Benchmark	Variance to Commercial Benchmark
Digestive System	1,559	\$1,764,297	\$1,200,006	\$135,187	\$3,099,490	10.5%	\$1,988	\$21.64	\$15.82	\$16.95	36.8%	\$19.09	13.4%
Musculoskeletal System	3,444	\$1,358,470	\$1,234,898	\$368,335	\$2,961,703	10.0%	\$860	\$20.68	\$18.04	\$15.66	14.7%	\$33.85	-38.9%
Injury & Poisoning	2,140	\$1,870,986	\$810,799	\$167,273	\$2,849,058	9.6%	\$1,331	\$19.90	\$15.36	\$10.82	29.6%	\$20.05	-0.8%
Circulatory System	1,683	\$2,107,864	\$573,877	\$108,662	\$2,790,403	9.4%	\$1,658	\$19.49	\$14.10	\$14.13	38.2%	\$24.04	-19.0%
Respiratory System	3,905	\$1,248,848	\$428,116	\$161,751	\$1,838,714	6.2%	\$471	\$12.84	\$9.88	\$6.17	30.0%	\$11.96	7.4%
Neoplasms - Malignant	247	\$901,711	\$582,541	\$276,990	\$1,761,242	6.0%	\$7,131	\$12.30	\$17.79	\$22.48	-30.9%	\$21.11	-41.7%
Maternal complication of pregnancy	309	\$1,499,340	\$161,576	\$30,636	\$1,691,552	5.7%	\$5,474	\$11.81	\$7.69	\$8.94	53.6%	\$9.67	22.2%
Endocrine/Metabolic	2,623	\$1,169,327	\$88,531	\$406,804	\$1,664,663	5.6%	\$635	\$11.62	\$6.44	\$8.31	80.4%	\$8.46	37.4%
Ill-Defined Conditions	4,758	\$221,553	\$1,026,704	\$394,912	\$1,643,168	5.6%	\$345	\$11.47	\$12.40	\$12.12	-7.5%	\$20.95	-45.2%
Behavioral Health	1,385	\$395,497	\$305,933	\$918,310	\$1,619,740	5.5%	\$1,169	\$11.31	\$9.37	\$6.86	20.8%	\$9.75	16.0%
Genitourinary System	2,306	\$486,786	\$1,042,298	\$45,125	\$1,574,209	5.3%	\$683	\$10.99	\$9.33	\$9.90	17.8%	\$14.37	-23.5%
Nervous System	1,113	\$195,074	\$185,428	\$610,121	\$990,623	3.4%	\$890	\$6.92	\$5.85	\$7.30	18.3%	\$8.47	-18.3%
Infectious/Parasitic	1,271	\$636,819	\$165,776	\$39,310	\$841,905	2.8%	\$662	\$5.88	\$4.87	\$2.94	20.6%	\$6.17	-4.7%
Health Status	6,032	\$77,467	\$275,733	\$478,872	\$832,072	2.8%	\$138	\$5.81	\$5.50	\$5.65	5.6%	\$15.39	-62.2%
Newborn initial record	114	\$699,365	\$0	\$438	\$699,803	2.4%	\$6,139	\$4.89	-\$0.54	\$4.62	-1,013.0%	\$4.74	3.2%
Aftercare	222	\$350,574	\$183,446	\$8,719	\$542,739	1.8%	\$2,445	\$3.79	\$3.95	\$4.74	-4.0%	\$9.80	-61.3%
Cancer screenings	1,636	\$0	\$292,371	\$142,763	\$435,134	1.5%	\$266	\$3.04	\$3.28	\$3.24	-7.4%	\$5.22	-41.8%
Congenital Abnormalities	150	\$200,515	\$23,235	\$75,526	\$299,276	1.0%	\$1,995	\$2.09	\$3.74	\$4.76	-44.2%	\$3.12	-33.0%
Diseases of the Skin	2,019	\$161,681	\$111,896	\$21,518	\$295,095	1.0%	\$146	\$2.06	\$1.20	\$1.21	71.6%	\$4.05	-49.2%
Neoplasms - Benign	678	\$88,733	\$176,250	\$4,111	\$269,094	0.9%	\$397	\$1.88	\$3.10	\$2.30	-39.4%	\$4.26	-55.9%
Diseases of the Ear	1,089	\$5,322	\$89,404	\$104,631	\$199,356	0.7%	\$183	\$1.39	\$1.40	\$1.25	-0.5%	\$1.90	-26.8%
Diseases of the Blood	396	\$9,193	\$120,095	\$64,018	\$193,306	0.7%	\$488	\$1.35	\$1.90	\$1.25	-28.9%	\$3.72	-63.7%
Diseases of the Eye	981	\$0	\$145,057	\$39,886	\$184,943	0.6%	\$189	\$1.29	\$1.22	\$0.90	5.4%	\$3.55	-63.6%
Supervision of pregnancy	299	\$53,605	\$18,879	\$11,835	\$84,319	0.3%	\$282	\$0.59	\$0.36	\$0.51	62.6%	\$1.55	-62.1%
Maternal outcome of delivery	149	\$29,412	\$26,124	\$6,185	\$61,721	0.2%	\$414	\$0.43	\$0.46	\$0.59	-7.1%	\$1.72	-74.9%
Transplant excludes complications	7	\$0	\$34,319	\$0	\$34,319	0.1%	\$4,903	\$0.24	\$0.04	\$0.06	455.2%	\$0.18	30.0%
Neoplasms - Uncertain/Unspecified	188	\$15,168	\$11,386	\$4,280	\$30,834	0.1%	\$164	\$0.22	\$0.08	\$0.23	160.9%	\$1.15	-81.3%
Complication/disorders of newborn	91	\$15,978	\$5,304	\$0	\$21,282	0.1%	\$234	\$0.15	\$0.18	\$2.85	-16.0%	\$1.35	-89.0%
Non-cancer related screening and testing	739	\$4,184	\$15,785	\$296	\$20,264	0.1%	\$27	\$0.14	\$0.20	\$0.17	-27.5%	\$0.77	-81.6%
Short gestation, low birth weight	7	\$15,966	\$0	\$587	\$16,553	0.1%	\$2,365	\$0.12	\$0.02	\$0.50	389.3%	\$0.86	-86.6%
Injury & Poisoning - External	*	\$0	\$7,193	\$300	\$7,493	0.0%	*	\$0.05	\$0.03	\$0.00	87.7%	\$0.00	1,710.9%
Procreative management	8	\$0	\$0	\$0	\$0	0.0%	\$0	\$0.00	\$0.00	\$0.00	100.0%	\$0.14	-100.0%
Unknown	0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0.00	\$0.00	\$0.00	100.0%	\$0.26	-100.0%

Anthem Blue Cross is the trade name of Blue Cross of California. Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company are independent licensees of the Blue Cross Association. © ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross name and symbol are registered marks of the Blue Cross Association.

Copyright (c) 2011, Anthem Blue Cross. All Rights Reserved. This confidential information should not be distributed without prior written consent and should only be used to review health care utilization.

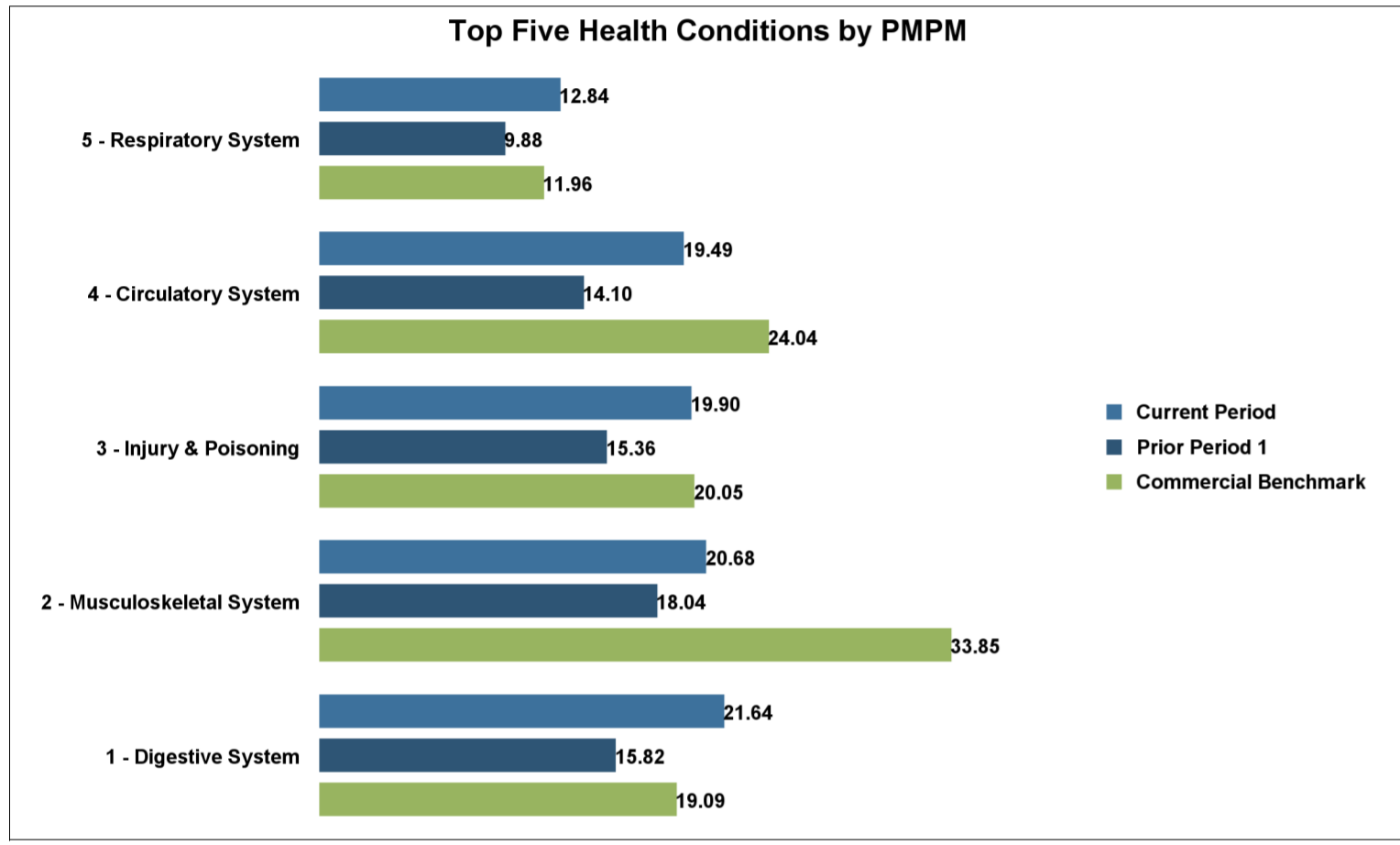


**Total Health Conditions by Paid Amount**  
**All Medical**

<b>Total</b>	<b>11,119</b>	<b>\$15,583,736</b>	<b>\$9,342,958</b>	<b>\$4,627,380</b>	<b>\$29,554,074</b>	<b>100.0%</b>	<b>\$2,658</b>	<b>\$206.38</b>	<b>\$173.06</b>	<b>\$177.40</b>	<b>19.2%</b>	<b>\$271.66</b>	<b>-24.0%</b>
--------------	---------------	---------------------	--------------------	--------------------	---------------------	---------------	----------------	-----------------	-----------------	-----------------	--------------	-----------------	---------------

\* This value is not shown due to small numbers

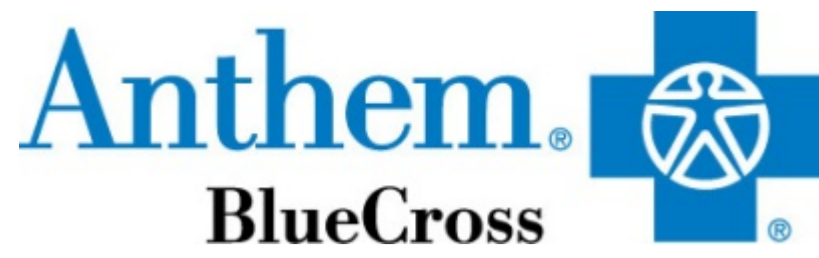
Summary Paid	Current	Prior	Trend
Paid Amount	\$29,554,074	\$23,506,711	25.7%
Unique Claimants	11,119	10,276	8.2%
Paid Amount per Unique Claimant	\$2,658	\$2,288	16.2%



Anthem Blue Cross is the trade name of Blue Cross of California. Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company are independent licensees of the Blue Cross Association. ® ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross name and symbol are registered marks of the Blue Cross Association.

Copyright (c) 2011, Anthem Blue Cross. All Rights Reserved. This confidential information should not be distributed without prior written consent and should only be used to review health care utilization.





Audit Parameters Trail

Parameter Name	Parameter Value
Anthem Account Control ID	W0000554
Anthem Account Control Name	SAN JOAQUIN VALLEY INSURANCE AUTHORITY
Master Segmentation ID	W0000554-00004
Master Segmentation Name	TOTAL HMO
Group ID(s)	275341
Subgroup ID(s)	NA
Plan Code(s)	NA
Plan Type Code(s)	HMO
Benefit Package ID(s)	NA
Claim Code ID(s)	NA
Group Status	Not Applicable
Rating Relation Code	NA
Department Number	NA
Clock Number	NA
Association	NA
Client ID	NA
Legacy Master ID	NA
Claim Reporting Code ID 1	NA
Claim Reporting Code ID 2	NA
Claim Reporting Code ID 3	NA
Employer Group Reporting Code ID 1	NA
Employer Group Reporting Code ID 2	NA
Employer Group Reporting Code ID 3	NA
Fully Insured Indicator	NA
Member Network ID	NA
Package Number	NA
Medicare Indicator (Medicare Primary)	NA
Par Plan ID/Participating Plan Code	NA
Plan Group Code	NA
CDHP Category Code	NA
Primary Coverage Indicator (Anthem Primary)	NA
Time Period	Custom
Paid Amount Type	Standard Reporting Paid Amount + HRA